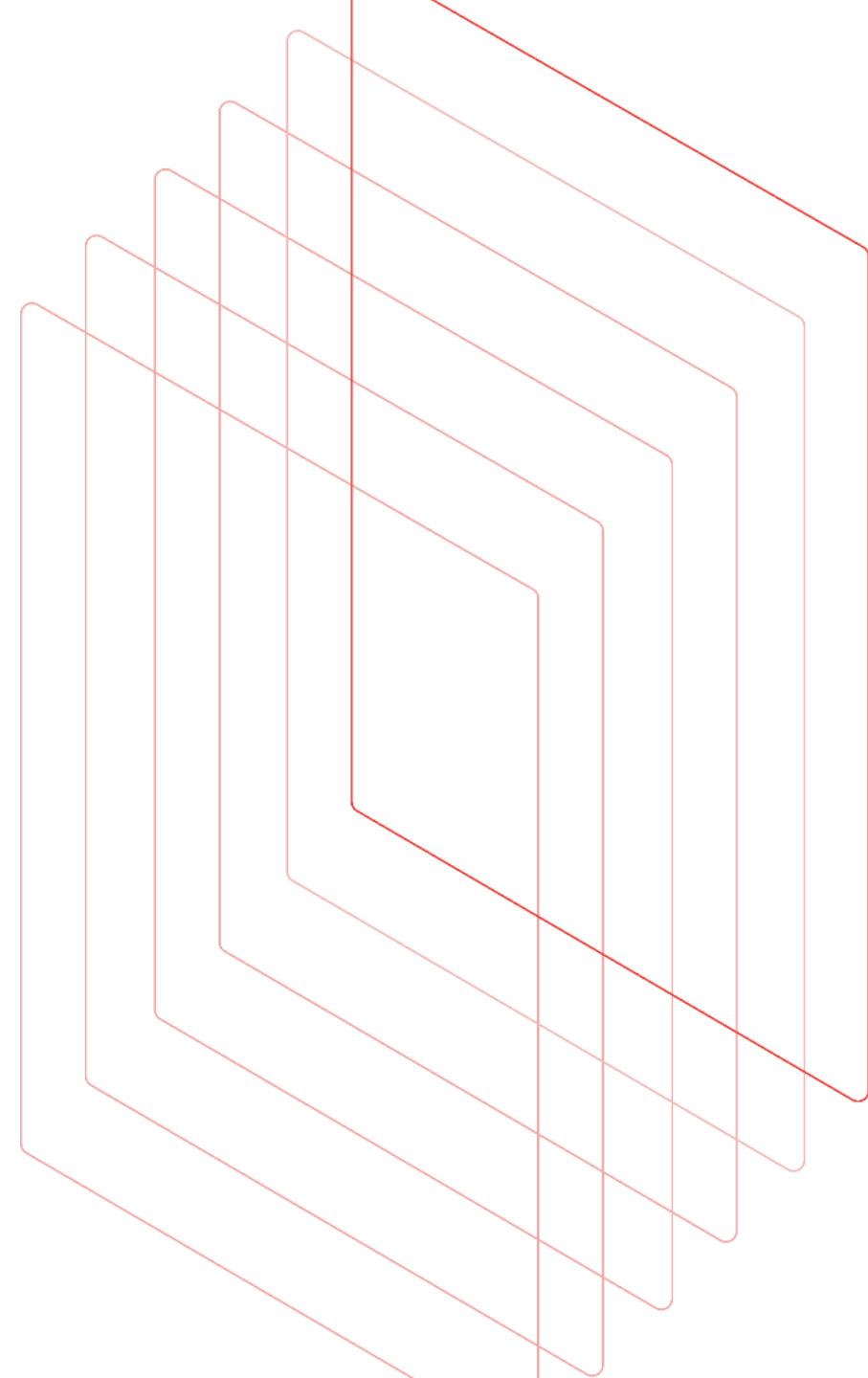


Building Transformations and defect remediation.

What you need to know



Jenine Garcia
Business Development Manager



What is occurring in the strata sector **at the moment?**

- Big focus on Defects, Cladding and Fire Safety
- Owners contemplating their investment, and how they can value-add when addressing necessary repairs
- Severe weather events impacting the sector, increasing the urgency to attend to repairs
- Insurance – increase in premiums and refusal of insurance to some buildings
- A broader understanding, where both Owners and Strata Managers are seeing the benefits of including a strata loan in their funding mix



Greatest financial challenges to **owner corporations**

- Insurance
 - Substantial increase to premiums
- Supply issues
- Inflation
 - Concrete alone saw a 40% increase in cost in 2022
- COVID hangover
 - Delays from covid lockdowns still impacting availability of contractors
- Procrastination
- DBPA – in NSW. Impacting costs and availability of contractors

Building transformations (Uplift)

- Addressing pressing works can often turn into a building transformation
- Fire orders – must be addressed within a set timeframe
- Massive value add for owners – increase in property value
 - Tamarama – Started with fire defects
 - Liverpool – addressing fire defects and a generally run down building
 - Perth – Repairs and maintenance



Examples of Uplift Projects



TAMARAMA

Multi-million \$ project

Increase in value approximately 150%

TAMARAMA

WORKS COMPLETED:

- Rendering and painting of entire building
- New balconies to all apartments
- Upgrade to new security system (secure building)
- Fire safety upgrade
- Addition of 2 levels of underground carparking
- Addition of extra elevator, and replacement of existing one
- Landscaping including new gardens, retaining walls and paving and pathways
- Addition of two new penthouse apartments that will be sold to finance the bulk of the project

Examples of **Uplift Projects**

TAMARAMA



Examples of Uplift Projects

LIVERPOOL



LIVERPOOL AREA

Project cost \$1.5 m

Increase in value of approximately 25%

WORKS COMPLETED:

- Rendering and painting of façade, stairs and balconies
- New balustrades and entrance doors
- Upgrade to new security system (secure building)
- Repairs and painting to roof
- Upgrade all electricals (including intercom and new lighting throughout building)
- Supply and install new garage doors
- Landscaping including new gardens, retaining walls and paving and pathways and upgrade pool
- New electric front gates
- Fire safety upgrade

Examples of Uplift Projects

LIVERPOOL



Examples of **Uplift Projects**



PERTH

Project cost \$250,000.00

Increase in value approximately 20%

PERTH

WORKS COMPLETED:

- Painting of façade, stairs and balconies
- Replace all fascia, guttering and downpipes
- Repairs to roof and concrete
- Install downlights, floodlights & NBN conduits
- Supply and install new carports
- Landscaping including new gardens, retaining walls and paving and pathways
- New electric front gates
- Upgrade security

Examples of **Uplift Projects**

PERTH



How a strata loan can **ease your burden?**

- Good financial sense
 - Secure contracts at today's prices
- Flexibility for owners
 - Keep levies as low as possible
 - Payout with no penalty when the OC can afford to
- User pays
 - Often complaints from owners paying for the neglect of the past
 - Owners benefit from the loan for the duration of their ownership
- CWF vs LOAN
 - Expensive cost of funds
- Special Levy vs Strata Loan
 - What is the real cost to the owner?
- The truth about the “interest rate”
 - Transparent cost
 - Relevant to the market



Busy times **for Lannock**

- Increase in awareness and acceptance of strata loans
- Increasing understanding of the relative cost of funds and after tax considerations
- Increase in our people
- Keeping up with demand
- New QLD and VIC BDMs



Contact us



SENIOR BDM

Jenine Garcia

jenine@lannock.com.au



NSW/ACT

Mikayla Tritico

Mikayla@lannock.com.au



VIC/WA

George Salmanis

George@lannock.com.au



VIC/SA/NT

Joshua Klemm

Joshua@lannock.com.au



QLD

Jason Triplett

jason@lannock.com.au