



Alexander Apartments Newsletter

Body Corporate Newsletter, No 3, March, 2015

WELCOME to the third edition of the Body Corporate Newsletter. Just an update on what has happened since our last meeting and AGM in December.

Firstly thank you for those who took the time to vote for the new committee. We appreciate your support and look forward to looking after all owners' interests until the next AGM.

As the Chairman said in his letter to owners before the AGM in December, if you have any concerns or need to know anything, please contact the committee through the Chairman.

We do send minutes from each meeting, so please take the time to read them.

Our new Manager, Jacky, started in in December at the start of the busiest time of the year. The Committee is very happy with the way he started and he has taken on board all the many activities that are required of him in a concerted way. We believe he will settle in nicely and be a great Manager.

POOLS

The indoor and outdoor pools have been converted to salt water which will allow the Manager, Jacky, to maintain them better.

We also installed a new heater in the indoor pool which is 10 times more efficient than the old one and we expect a lower community power bill this year which is of course better in owners' pockets.

GENERAL GOLD COAST

For those who do not live locally. The Gold Coast has recorded its wettest start to the year since 1954 and by March, forecasters are expecting the City to overtake the total rainfall for the whole of last year.

COMMITTEE CHANGES

There have been a few changes to roles with the Body Corporate Committee in the last few months. Ray Stevenson has agreed to take on the role of liaison officer working with Jacky, the new Manager, and he, as usual is doing a great job. Ray has been on the Committee for many years and knows the building back to front. He and his wife Val also do many things around Alexander to enhance it without complaint as they say it is their home. Ray replaces Steve North in this role; Steve also has a very good understanding of Alexander. We thank Steve for his great work in this role.

Steve has stepped back from his role as the Secretary after 8 years of service to the committee and the owners. He has been replaced by Andrew Hogarth and we know Andrew will do a great job. Steve will now be a general committee member. We, as a committee, thank him for his great service - without his hard work over the years, this complex would not have been able to operate. If you get a chance, please thank him for this.

LEVIES

We know the levies are high, however we have a 40 year old building here. When we get through the lift upgrade and foyer refurbishment, we will only have painting and maybe balustrades replace as major costs. We have worked hard over the years as a committee to upgrade and repair many items in the building and this has been necessary to keep our apartments attractive as a rental option and as a home to the many permanent owners and tenants.

ALEXANDER STAR RATING

How important is that 1/2 star that hangs off the 3 star rating for Alexander? According to Hotels.com, their hotels index for 2014 showed a 25 per cent jump in 5-star hotel bookings in 12 months and a 29% increase in holiday makers choosing 4 star properties. Bookings for 2.5 star hotels, motels and hostels slumped 73% and there was a 56 % decrease in the number of travellers who booked a 3 star accommodation.

This article indicates that Alexander Apartments would be better off being a 4 star rather than a 3 star resort and that 1/2 star could help persuade travellers to try Alexander instead of a 4 star resort provided the pricing was right. The average hotel room rate for Aussie cities has the Gold Coast at \$187 up 10%, Sydney at \$200 up 1%, Melbourne at \$177 up 1%, Brisbane at \$172 up 2%, Canberra at \$185 up 4%, Perth at \$184 up 3%.

We can only hold our 3.5 rating or improve, if we do the foyer refurbishment and all owners consider their units and keep them updated. Most travellers now more than ever, look at the star rating and Trip Advisor when booking accommodation

ALEXANDER FOYER REFURBISHMENT

Included with this newsletter is an EGM motion where the committee is asking owners to vote for the above. We have allowed \$80 000 in our updated sinking fund forecast. The updated forecast can be viewed in the community hub which all owners have access to. See below comments from a new owner outside the committee who has experience in this area. A copy of the proposed refurbishment plans and pictures from the architect is included with this newsletter.

“It has been recognised for some time by many people that the foyer of Alexander apartments looks tired and outdated. This is to the detriment of the residents and owners as the foyer is not appealing to visitors and guests and detracts from the overall value of the building as first impressions count. Recent buyers have commented that they were concerned about making a purchase due to the condition that the foyer was in, as it potentially affected their investment capacity. The recent building painting and the building location convinced them to proceed with their purchase.”

Given these factors, the committee commissioned an architect to undertake a review of the foyer and present a concept that would be in line with current expectations of a professional commercial and residential building. This concept was provided to allow the committee to obtain competitive quotes to undertake the refurbishment work.

There were two quotes obtained from builders and both were in the order of \$120 000 (Exclusive of GST) plus. Given that the changes in the foyer were mainly cosmetic, an alternative quote was obtained using the committee to oversee construction (mainly Ray Stephenson) and using Surfers Paradise Maintenance to coordinate the individual trade's personnel. The quote for using this method is \$69 000 (Exclusive of GST).

The committee believes that taking the lower cost alternative would be advantageous on the basis that the committee can have a hands on role in the project...

This project is regarded as a low risk as there are no structural activities taking place. The work involved will include tiling, painting, plastering, lighting changes and some minor cabinetry work. The refurbishment will be carried out in accordance with the specifications provided by the architect.

The committee believes that improved value for money can be achieved using this third option and that a good outcome that will benefit all residents and owners will be achieved.

Accordingly, the committee is seeking your endorsement at the Extraordinary Meeting to be held in April, 2015 to proceed with the refurbishment of the foyer at the most opportune time.”

LIFT MODERNISATION

The Committee has approved, within its spending limits, the engagement of AUDIT & RISK MANAGEMENT SOLUTIONS (Gary Watts) to undertake a review of our lifts and his proposal is attached. He will come back to us with quotes after a tender process that we will need to put to owners at an EGM. We have had a lot of breakdowns over the last few months and you will see them in the most recent Manager’s report tabled at our February meeting. We need to bring forward our lift replacement programme.

Gary has commented below:

“The increasing number of lift malfunctions and trapped passenger breakdowns can be attributed to ageing lift controllers and car door operators. Many of the electrical components used in the controller have not been commercially available for some time and are considered obsolete. Lift maintenance contractors are using second hand or recovered parts in an attempt to keep lifts running, however as time passes the supply of useable parts will become scarce.”

We strongly believe the obsolete lift controllers may leave the building without a lift for an extended period of time, while used parts are being sourced from around the country. The probability of this occurring will be greater if lift controller replacement is not completed until a proposed upgrade in 2018.

We recommend consideration for a staged modernisation of both lifts. The first stage will address overhaul of the lift hoist machines and replacement of the controllers and door operators. Subsequent stage of modernisation works would address the replacement of other ageing lift components that are not considered critical at this time. This work could be scheduled to be carried out 12 months after completion of the first stage.

There is a small cost premium to modernise lifts over two or three separate stages of work, however it does provide a solution when financial considerations may impact on the ability to complete the full modernisation works in one stage. Ideally, staging of the works is best if limited to a maximum of two stages.

We look forward to a great 2015 for all owners.

Body Corporate Committee
Alexander Holiday Apartments
6 March, 2015