Annual Benchmark Report

Strata Plan ELI9999

Octopus Villas

May 2024

elireport.com

Octopus Villas

This annual report has been prepared as an independent review of your strata. It is based upon a group of similar stratas that will evolve year-to-year based on current available data. For this report, your comparison group consists of 12 townhouse stratas. These stratas were built between 1997 and 2007, have 3 storeys, 20 to 40 units, are from 9 communities across BC and have replacement values that are similar to ELI9999.

The purpose is to assist strata council, and your management team, to develop a contextual understanding of how Octopus Villas compares to multifamily communities of similar attributes in BC. This annual report is designed neither to praise nor critique, but to empower you as strata council and owners of Octopus Villas as you plan for the future.

The scorecard is a snapshot, based on the choices of the strata, relative to a group of peers.

Eli Report is a tool for automated document review and strata intelligence that has been operating in BC for five years. As part of this annual report process, we have created an Eli Report on Octopus Villas, which will be available to you and your owners for 90 days.

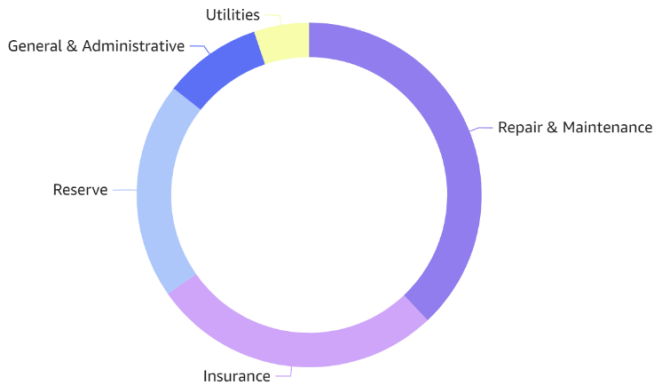
Scorecard

Maintenance Fees	▲ 8.4%	Maintenance fees are above average. While you may discover opportunities for cost savings, this is a healthy indicator.
Repair & Maintenance Expenditures	▲ 5.2%	Repair & Maintenance expenditures are above average. Unless this is due to a special project, this is an indicator of a proactive community.
Reserve Contributions	▲ 19.4%	Reserve contributions are above average. This is positive but does not necessarily mean that special levies are unlikely.
Insurance Premiums	→ 15.3%	Insurance premiums are in line with similar stratas. Proactive maintenance and minimizing claims may lower your premiums.
Insurance Claims	Upload a loss report to see Insurance Claims data	Eli Report is gathering sufficient data to allow comparisons to the cohort. The magic figure for insurance purposes is five years without claims, and repeated claims made over that period will almost certainly increase premiums and deductibles.
Capital Projects	👍 $500K	At present, there is a limited number of near-term capital projects that have been identified. Ensure your depreciation report is up-to-date to avoid unexpected maintenance.
Special Levies	👍 $0	Given the state of its assets and reserves, no special levies are anticipated over the next 5 years.

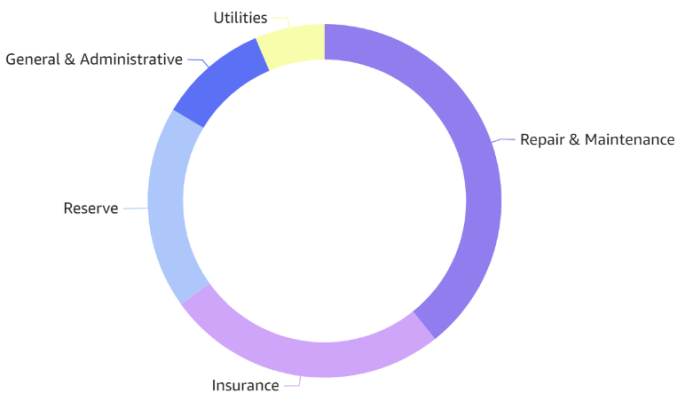
Overview

Octopus Villas's budget is in line with its comparison group on a per square foot basis. Repair & Maintenance expenses include items that relate to building upkeep, as described in the bar charts below. General & Administrative includes property management, enterphone and any concierge or security staff. Utilities depend both upon efficiency and whether there are common costs, such as boiler or shared HVAC systems. If heat and power are paid for on a private basis, the common utilities are usually lower, and vice versa.

Expenses Breakdown



Comparison Group Expenses Breakdown

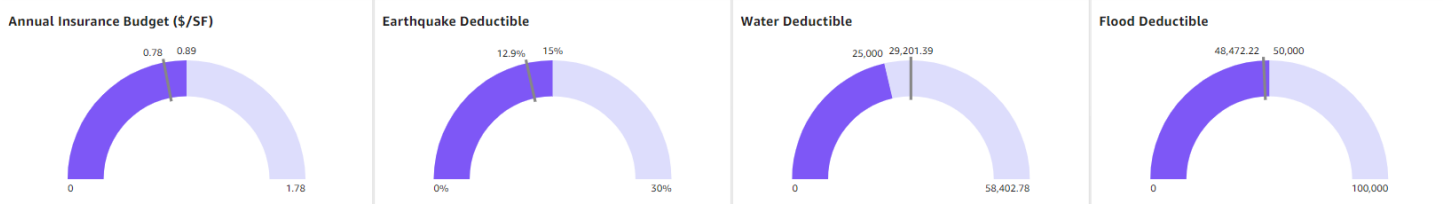


Repair & Maintenance Breakdown

Octopus Villas spends its annual budget across several main categories, and one of the most critical is repair and maintenance. While a line-by-line analysis is presented on the following pages, these graphics provide a snapshot of how Octopus Villas is spending the repair and maintenance budget for the period starting 2023.

Insurance Summary

Octopus Villas pays **more** in premiums than its comparison group based on square footage. **Higher** earthquake deductibles, **lower** water deductibles and **higher** flood deductibles are attributable to Octopus Villas. Premiums are subject to market conditions but are influenced by deductibles, building attributes, and claims history.



Budget Details

Budget formats vary greatly between property managers and strata councils. This detailed breakdown includes standardized line items that we believe reflects key categories across multi-family communities. The comparison group will naturally include more line items than a single strata, and some use broader categorization, so it is advisable to look across line items to develop a better sense of the true differences.

Income

Category	ELI9999	Comparison
Bylaw Fines		$4
EV Charging		
From Reserve Fund/CRF		$500
Guest Suite rental		
Interest Income	$11	$20
Keys/FOBs	$5	
Move in/out	$18	
Other Income ...		$29
Parking	$36	$60
Prior Year Surplus (Deficit)	$46	$276
Reserve Contribution		
Special Assessments		
Strata / Maintenance Fees	$5,779	$5,436

Expenses

General & Administrative	ELI9999	Comparison
Accounting	$43	$21
Administration		$32
Alarm Monitoring	$46	$50
Audit	$9	$11
Bank Charges	$4	$18
Caretaker Suite		
Consulting		$47
Council Stipend		
Deficit Recovery		
Enterphone		
Lease Payments		
Legal	$18	$37
Loans / Mortgage		
Management / Agent Fees	$379	$487
Miscellaneous	$3	$20
Printing & Postage	$21	$36
Registration / Licence fees		
Security Guard		
Strata Suite		
Surplus/Deficit		($103)
Taxes		$15
Telecommunications	$20	$20

Insurance	ELI9999	Comparison
Claims / Deductibles		
Insurance Finance/Appraisal	$107	$248
Insurance Premiums	$1,500	$1,348

Utilities	ELI9999	Comparison
Electricity	$125	$138
Energy Utility / Neighborhood Energy Utility		
Gas	$18	
Water & Sewer	$161	$519

Reserves	ELI9999	unit_cohort
Contingency Reserve Transfer / CRF	$1,196	$1,020

General R&M	ELI9999	Comparison
Building Manager / Coordinator		
Caretaker / Handyman	$321	
Depreciation Report		$68
Garbage	$186	$340
General Repair & Maintenance	$250	$839
General Repair & Maintenance - Exterior	$71	$655
General Repair & Maintenance - Interior		
Janitorial Services	$136	$339
Pest Control	$18	$77
Recycling		
Special Projects		$130
Supplies / Other R&M	$7	$9

Envelope R&M	ELI9999	Comparison
Deck Repairs		
Doors & locks	$21	
Gutter Cleaning & Repair	$18	$111
Pressure washing / Power washing	$18	$61
Roof Maintenance	$79	$107
Window & Door Maintenance / Replacement	$18	
Window Cleaning	$45	$80

Critical Systems R&M	ELI9999	Comparison
Duct / Dryer Vent Cleaning	$18	$39
Electrical maintenance		$19
Elevator		
Emergency Generator	$27	$276
Fire Prevention / Safety Sytems	$107	$45
Lighting		
Mechanical & HVAC	$143	
Plumbing Maintenance	$13	$112
Security		
Water Treatment		

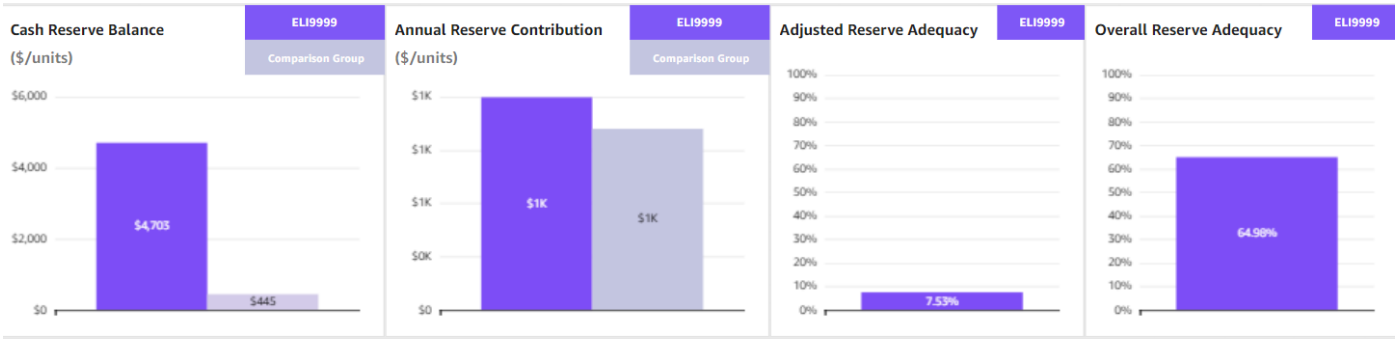
Amenities R&M	ELI9999	Comparison
Carpet Cleaning		
Clubhouse / Amenity Room		
Foyer / Lobby / Hallway Maintenance	$29	
Pool / Sauna		
Recreation Facilities / Gym	$143	

Roads & Parking R&M	ELI9999	Comparison
Garage Door	$39	$54
Parking & Garage maintenance	$36	
Road Repairs		
Security Gates		
Snow Removal	$29	$196

Grounds R&M	ELI9999	Comparison
Arborist	$89	$100
Fence Repairs	$11	$132
Fountain / Entryway Maintenance		
Grounds Improvement / Planting	$32	$119
Irrigation System	$36	$71
Landscape Contract / Maintenance	$307	$676

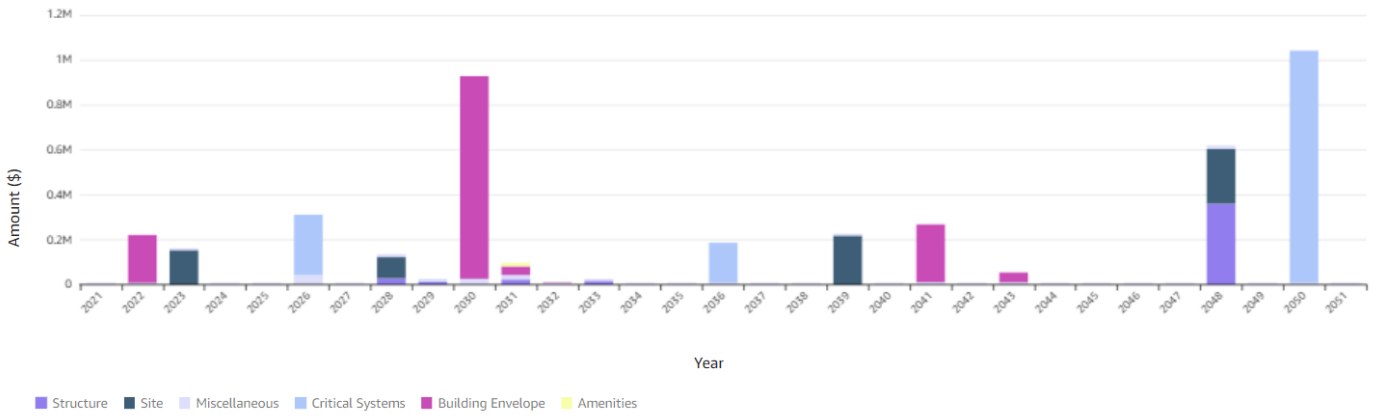
Contingency Reserve Funds

Octopus Villas currently has more in reserves than its comparsion group on a dollar per square foot basis. It is contributing more that its comparison group on the basis of its most recent annual budget. It is important to maintain adequate reserves to reduce the amount and frequency of special levies.



Projected Capital Expenditures

Projected Capital Expenditures According to Depreciation Report



Special Levy Forecast

Octopus Villas is a strata community that has an outdated depreciation report on file. Given the state of its assets, reserves and reserve contributions, no special levies are anticipated over the next 5 years. While each depreciation report author includes several funding scenarios, Eli Report applies consistent methodology to highlight the projected levies on an average $/unit basis by year, with the largest category of expenditure highlighted where available.

Special Levy Forecast - Next 10 Years ($;$/units)

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Largest Category	Small Replacements	Small Replacements	Plumbing	Small Replacements	Grounds	Balcony	Roof	Window & Door	Small Replacements	Roads & Parking
Expenditure Amount	$9,000	$9,000	$311,640	$9,000	$135,648	$25,738	$928,062	$309,340	$11,752	$26,420
Projected Levies	$0	$0	$0	$0	$0	$0	$293,982	$112,851	$0	$0
Projected Levies/Units	$0	$0	$0	$0	$0	$0	$11,000	$5,000	$0	$0

Notes: Special levy forecast information is derived from the latest: depreciation report/reserve study, reserve balance and reserve contributions available to Eli Report. Generally, 3% interest on reserve funds and 3% annual increase from current reserve contribution levels are assumed; see all assumptions in the Eli Report.
See Conditions for definitions of Adjusted Reserve Adequacy and Overall Reserve Adequacy.

Potential Savings & Considerations

Potential Savings

- **Insurance Premiums** higher by $4,269
- **Recreation Facilities / Gym** higher by $4,000
- **Foyer / Lobby / Hallway Maintenance** higher by $800
- **Gas** higher by $500

Minimum Recommended Contingency Fund Contribution

$53,920 per year

Octopus Villas is currently contributing **$33,500** per year. To net future special levies to zero over the next 30 years, this would mean an increase in monthly maintenance fees of $61 per unit on average.

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The Comparison Group is assembled based on communities of the same type and with similar attributes, though they will sometimes vary materially in number of units, square footage, storeys, location and build quality. The Comparison Group will change from time to time as Eli Report derives it based only upon recent data, the availability of data will change over time, and communities are added regularly. Errors in data relating to any of the cohort could lead to misrepresented benchmarks.

Adjusted Reserve Adequacy is the current CRF balance divided by the present value of all future capital expenditures from the latest available depreciation report, discounted at the assumed interest rate, and scaled up to 30 years. No credit is given for future CRF contributions under this methodology.

Overall Reserve Adequacy considers future CRF contributions (based on the current budget contribution, which is assumed to grow at the same interest rate as future capital expenditures are discounted) and is, in the view of Eli Report, a better measure of how well funded a strata is for the next 30 years.

Minimum Recommended CRF Contribution is the amount in the current year, increased annually at the same rate as future capital expenditures are discounted, that would allow the strata to fund the estimated capital expenditures in the depreciation report without net special levies over the 30-year term. Special levies may still occur as a result of a timing mismatch between the contribution and the project or actual timing of repairs, because actual costs are higher than the engineers have predicted, or because projects must be undertaken sooner than engineers have planned. As projects tend to take longer and cost more, a strata that wishes to be well funded should consider this a 'minimum'.

Special levy forecast information, based on depreciation reports where available, is derived from the latest: depreciation report/reserve study, reserve balance, and reserve contributions available to Eli Report. This presentation assumes that the work projected in the depreciation report/reserve study has been completed according to the schedule contained within the report and does not make any allowances for work which may been deferred or which may need to be completed ahead of schedule. It is important for communities to update their depreciation reports regularly to have the best possible understanding of the physical condition of common assets. This projection is based on the above and certain forward-looking assumptions, especially interest rates earned on reserve funds, annual increases in contribution rates and minimum reserve fund balances, which can be seen in the Eli Report.

Eli Report assumes no liability for providing this projection which is based on the information supplied to or available to use and offered to you as a tool to better understand your community. Please read all underlying information carefully and seek expert advice.

While we will gladly correct any data that you identify is incorrect with updated documentation, we do not provide advice or professional services. This analysis is for the benefit of the strata council and is not to be used in connection with any real estate transaction and is provided as statistical analysis of a general nature. This analysis shall not be construed as Eli Report advising on any pricing or any other matter, or as Eli Report making a representation about the real estate in question.