

Buildings for Lease

Information Sheet: Outgoings at the Club House, Mosman

As former Defence sites, the lands of the Trust have never been put to commercial use and consequently have not had a service infrastructure appropriate to multiple tenancies. The Trust is now creating and /or repairing existing infrastructure to provide and monitor services to individual buildings on Trust lands and is also putting in place costing, allocation and control systems for outgoing for each site. These systems may be modified over time by the Trust in the light of leasing activity and experience, with the intention of ensuring an equitable distribution of costs and appropriate maintenance standards for each site.

Outgoings calculation

Under all lease agreements, the Trust will be seeking reimbursement from tenants for certain types of outgoing. A Trust tenant's share of outgoing will be calculated based on the net lettable area of the leased premises relative to the net lettable area of the whole precinct. Expressed as a formula, this will be:

$\frac{\text{Tenant's NLA (m}^2\text{)}}{\text{Site NLA (m}^2\text{)}} \times \text{total annual site outgoing}$	=	tenants outgoing contribution
--	---	-------------------------------

Outgoing will be paid monthly in advance at the same time as payment of rent.

Note that 'direct costs' of tenancies, such as electricity, water, sewerage and gas usage (where applicable), will be payable by individual tenants on a metered basis in the normal way.

Components of Outgoing

The components of a tenant's outgoing will be as follows:

a) Statutory Costs

- Water rates (usage charged separately)

** Although the Trust is not currently liable for the payment of Land Tax and Council rates, it will be seeking similar contributions from tenants under c) Sinking Fund.*

b) Indirect Operating Costs

These include operating costs relating to the site as a whole and will include:

- Accounting services
- Bank charges

- Building management costs
 - Caretaking
 - Landscape maintenance
 - Cleaning of the common areas
 - Provisions to common areas – toilet rolls, soap
 - Garbage Removal
 - Trade wastes
 - Pest Control
- Electrical Repairs
- Energy consumption (common areas)
- Air-conditioning maintenance
- Fire maintenance
- General Repairs & Maintenance
- Insurance - replacement
- Insurance – public liability
- Lift maintenance
- Plumbing repairs
- Management fees
- Services charges
- Security
- Site signage
- Water usage charges (common areas)

c) Sinking Fund Contribution

The Trust is responsible for maintaining the essential infrastructure on its sites that are utilised by tenants and the general public. These include roads, electrical cabling and plumbing, which would normally be the responsibility of either State or Local Government. While the Trust will bear a part of these costs, Trust tenants will be asked to pay a contribution equal to normal statutory outgoing, for example State Land Tax and Local Council rates. Sinking Fund levies will be applied to any outgoing credits after an annual review is conducted.

Estimated Outgoings up to 30 June 2010

The Trust has decided that the outgoings contribution will be capped for all tenants up to 30 June 2010

For the Club House, Mosman, the **outgoings will be capped at \$60 per square metre per annum.**

This contribution will be payable regardless of building use or status of tenant (e.g. commercial or community users) and will be based on the percentage of the period occupied by each tenant from lease commencement until 30 June 2010.

At the end of the period ending 30 June 2010, the Trust will review the outgoings budget against actual expenditure and reserves the right to increase tenant's contribution to outgoings in the event of a significant shortfall. Any credits will be applied to the Sinking Fund.

After 30 June 2010 the Trust will review the outgoings budget against actual expenditure for each following financial year which will result in either the tenant being debited their share of the shortfall or any credits being applied to the Sinking Fund.

Tenants' Committee

Because of the special nature of the Trust's sites, Trust tenants may wish to consider forming a site committee to consider issues of mutual interest. These issues may include site marketing and events, transport, access and parking issues. The Trust would be pleased to support such committees if a majority of tenants agreed that it was desirable.

Further Information

The Trust's plans and policies is available at www.harbourtrust.gov.au
If you have any questions in relation to the calculation of outgoings, you may call the Trust on 8969 2100.

