

2018-2028 PROPERTY ASSET MANAGEMENT PLAN
He Rautaki Whakahaere Rawa mō Ngā Hangatanga Whānui

HOUSING FOR THE ELDERLY NGĀ WHARE ĀHURU MŌWAI

VOLUME SIX | PUKAPUKA TUAONO



Mountain to Sea
Te Kaunihera-ā-Rohe o Ngāmotu
NEW PLYMOUTH DISTRICT COUNCIL
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DOCUMENT CONTROL

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This volume provides details of the asset lifecycle management for the Housing for the Elderly asset category of the Property Asset Management Plan (AMP). The framework and key elements of the overall asset management plan are outlined in Table 1.

Table 1 Asset management document structure

No.	Document Name	Key Document Contents
1	Long Term Plan (LTP)	Infrastructure Strategy <ul style="list-style-type: none"> • Strategic Framework • Guiding Themes • High Level Information for Each Asset Class Council Services <ul style="list-style-type: none"> • High Level Information • Levels of Service • Financial Plan
2	Asset Management Strategy	General Asset Management Principles and Overview
3	Asset Class General Volumes	General Information and Glossary about each asset class <ul style="list-style-type: none"> • Executive Summary • Introduction • Levels of Service • Future Demand • Risk Management Plan • Financial Summary • Plan Improvement and Monitoring

4	Asset Category Lifecycle Management Volumes	Asset Life Cycle Management for each asset category within each asset class <ul style="list-style-type: none"> • Description • Condition • Remaining Lives • Valuation • Operations & Maintenance • Renewals • Acquisition and Augmentation • Disposals • Annual Work Plan • Risk Management • Financial Summary • Improvement Plan
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Purpose and key issues

Our Housing for the Elderly Tenancy Management service provides affordable housing and associated well-being services to eligible elderly in the district. Sites are located in New Plymouth, Bell Block, Waitara and Inglewood.

The Housing for the Elderly and associated support service contributes to supporting an inclusive and connected community. The service encourages and enables residents to be actively involved in social and civic life, with a sense of belonging and empowerment.

The service also supports the strategic directions of the New Plymouth District Blueprint. In particular, it helps strengthen neighbourhoods by ensuring successful, safe and liveable environments for residents. It also enables engaged and resilient citizens.

1. INTRODUCTION

The key issues facing Property assets in relation to housing for elderly are:

- Provision/number of houses/units available.
- The district will continue to have an aging population with a significant increase in the 65 year and over age group.
- Increased maintenance of the properties due to the majority been built before 1980.
- Changes in legislation that could have implications in the Council.

Levels of Service

There are no specific levels of service related to the operation of this service but it generally supports the Community Partnerships team in delivering their levels of service.

Future Demand

The New Plymouth District is forecast to have an aging population with a significant increase in the 65 plus age group over the next 10 years. By 2028 it is predicted that 23% of the district's population will be aged 65 or older, a 5% increase from 2018 (18%).

New Plymouth is expected to experience a more pronounced ageing shift than other regions, with the ageing 'bubble' reaching retirement earlier than the national average. An increase in the number of people on fixed incomes does have associated impacts in relation to the affordability of housing rental/rates costs. An ageing population is likely to increase demand for the Housing for the Elderly services, already evidenced in increased numbers on wait-lists for these properties.

This increased demand will require decisions in terms of future strategic/operational projects and levels of service. However, we do not anticipate augmentation of facilities due to future demand over the period of the AMP.

Note: All financial forecasts are shown in inflation adjusted dollar values.



2. LIFECYCLE MANAGEMENT PLAN

2.1 Asset Description

We have operated the Housing for the Elderly service for many years, with some units being formerly owned by central government. The portfolio comprises 145 units located in New Plymouth and Bell Block (102 units), Waitara (18 units) and Inglewood (25 units) comprising of 54 individual building structures. The accommodation mix consists of 42 bed-sits, 89 single units and 14 double units. Because of the varying age and condition of the properties, maintenance and improvements are ongoing.

The 40 year lease for the units at 52 Wynyard Street expires on 31st October 2024. This lease is for a fixed term without rights of renewal so our ownership of these units will be under review at that time.

A review in late 2014 considered future options for the service ranging from full sale to retaining the status quo. As a result, we resolved to move the portfolio to a self-funded model and policy development based on future asset needs.

Our assets also include Community House which is located in the Young Men's Christian Association (YMCA) land and provides a Citizens Advice Bureau (CAB) service.

The data presented in this AMP on the quantity and type of the assets is classed as grade **B – Reliable** due to our well maintained and updated asset inventory in EAM.

2.2 Asset Condition

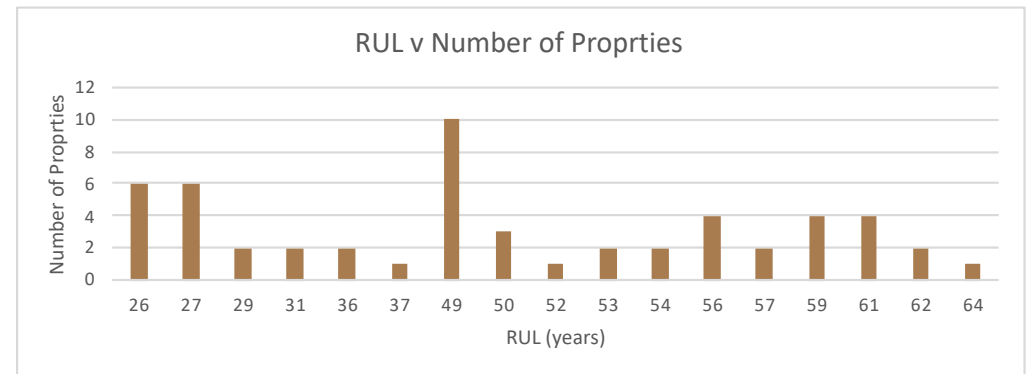
The buildings are managed by the Property team. The condition of the fabric of the buildings and the individual internal components e.g. Heating Ventilation and Air Conditioning (HVAC), fixtures and fittings, electrical equipment are assessed and recorded on Property team registers.

2.3 Asset Remaining Lives

The remaining life of the housing properties has been set at 85 years.

During the 2016 condition assessment and valuation of housing properties assets, the remaining useful life (RUL) was assessed. The results of the assessments are shown in Figure 1.

Figure 1 Remaining lives v number of building structures



The data presented in this AMP on the remaining life of assets is classed as grade **B – Reliable** due to the data being based on sound knowledge, standards and guidelines.

2. LIFECYCLE MANAGEMENT PLAN

2.4 Asset Valuation

The value of assets as at 30 June 2016 is shown in Table 2.

Table 2 Asset valuation

Building Name	Replacement Value (GRC) (\$)	Optimised Depreciated Replacement Cost (ODRC) (\$)	Annual Depreciation (\$)
Housing for the Elderly	16,807,800	9,693,400	205,642

The assets were revalued during the 2016 statutory valuation. The accuracy of the valuation data is classed as **B – Reliable** due to the asset inventory being up to date and the values being prepared independently by Telfer Young consultant valuers.

2.5 Operations and Maintenance

We operate and maintain this service, which includes providing a Housing Officer to process tenant applications, provide monitoring and promote the housing service.

The operation expenditure (Opex) forecast for the operation and maintenance of Housing for the Elderly buildings is included in the general Opex forecast for Community Partnerships (11) detailed in the LTP. Housing for the Elderly uses a self-funding model and the revenue collected from rents is used for renewals and operations and maintenance.



2.6 Renewals Plan

Renewals over the next ten years have been selected based on asset condition and performance assessments and consist mostly of the following:

- Occasional cyclic interior refurbishments.
- A small number of bathroom and kitchen upgrades.
- Various roof replacements.
- Various driveways and paving areas.
- A small percentage of window coverings and white ware replacements each year.

The 10-year renewal forecast is shown in Table 3.

Table 3 Renewals forecast summary

Renewals Forecast (\$000)											
Activity	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	LTP Total
CB1007 - Community House	12	-	-	9	-	-	-	-	-	-	21
HE1033 - Housing for the Elderly	102	105	107	109	112	114	117	120	123	126	1,133
Total	114	105	107	118	112	114	117	120	123	126	1,154

2.7 Acquisition and Augmentation Plan

Acquisition

No asset acquisitions are planned during the period of the AMP.

Level of Service

No expenditure on level of service projects is planned during the period of the AMP.

Growth

No expenditure on growth projects is currently planned during the period of the AMP.

2.8 Disposal Plan

Disposal is the retirement or sale of assets when they become surplus or superseded by new or improved systems. Assets may become surplus to requirements for any of the following reasons:

- Under-utilisation
- Obsolescence
- Provision exceeds required level of service
- Replacement before end of predicted economic life
- Uneconomic to upgrade or operate
- Policy changes
- Service provided by other means (e.g. private sector involvement)
- Potential risk of ownership (financial, environmental, legal, social)

No asset disposals are planned over the 10 year AMP period.

3. RISK MANAGEMENT PLAN

3.1 Critical Assets

Criticality assessments for property assets have not yet been conducted but assets are managed based on the knowledge and experiences of the Property team. **This is an asset integrity issue and is recorded as an action in Section 5 – Improvement and Monitoring Plan.**

3.2 Risk Assessment

Details of our Risk Management Framework are included in section 6.2 of the Property General AMP volume and section 7 of the Asset Management Strategy.

3.3 Infrastructure Resilience Approach

Housing for the elderly assets are at risk of catastrophic failure from natural hazard events such as earthquakes, tsunamis and floods. It is only in the last forty years that modern earthquake standards have been incorporated into house design.



4. FINANCIAL SUMMARY

A summary of the capital expenditure (Capex) forecasts included in this volume is shown in Table 4.

Table 4 Capex forecast summary

Expenditure Forecast (\$000)											
Activity	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	LTP Total
Renewals	114	105	107	118	112	114	117	120	123	126	1,154
Service Level	-	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-	-
Total	114	105	107	118	112	114	117	120	123	126	1,154

The Opex forecast for the operation and maintenance of Housing for the Elderly buildings is included in the general Opex forecast for Community Partnerships (11) detailed in the LTP. Housing for the Elderly uses a self-funding model and the revenue collected from rents is used for renewals and operations and maintenance.

5. IMPROVEMNT AND MONITORING PLAN

Our general Asset Management Maturity Improvement Plan is included in the Asset Management Strategy.

General improvements to Property assets are included in the Property General Volume. The specific areas of improvement identified for Housing for the Elderly assets are listed in Table 5.

Table 5 Improvements summary

No	Improvement Area	Owner	Start Date	End Date
1	Criticality assessments for property assets have not been carried out. We plan to conduct an assessment in the future to assist renewal, inspection and maintenance planning.	Property Manager	Jul-18	Jun-19



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