

Gym Proposal

The current Gym facilities at Phillips Landing are far from satisfactory. In particular the only remaining piece of equipment has been broken for some time, and at this stage it would appear cannot be fixed. As a complex, Phillips Landing is one of a number of quality “lifestyle” apartment developments in this Area, and enjoys a relatively high owner occupied rate. Investors too have continued to receive good rental returns, with demand reflected by the quite low vacancy rates. The complex is well positioned, and is close to public transport, shopping and other amenities.

The Management Statement for Phillips Landing outlines the provision of a Gym. Indeed, whenever a property is advertised for sale or lease in this complex, the gym is always mentioned as a benefit. For some time now, by any definition we have not provided a facility that could be described as a gym. A room with a piece of faulty equipment would be a more accurate description, and the PLCA has from time to time received complaints from residents that we are not delivering on one of the key facilities within the complex. We need to be mindful that in order for this complex to be seen as comparable to other similar complexes, (which in turn translates to capital growth and/or return on investment) we need to offer facilities that are commensurate with the expectations of not only our existing owners and residents, but future ones also.

Simply, the owners in Phillips Landing have two clear choices:-

1. Remove the Gym facility. This would require a change to the Management Statement via a resolution at an AGM or EGM.
2. Resource the gym with the necessary equipment, bearing in mind that this would require significant capital outlay, on going maintenance, and perhaps the establishment of protocols around usage.

If a decision is made to provide a gym facility, the following issues would also need to be resolved.

Purchase of equipment

Appended are quotes from two companies who have undertaken site visits to determine a suitable set up in the space provided. You will note that each piece of equipment is quite expensive. This is because any equipment purchased must be of commercial quality. Domestic (or “home gym”) equipment is not suitable for use, and more importantly does not carry a warranty. Commercial equipment generally carries a 12 month warranty. The space available will accommodate 4 –5 pieces of equipment including a multi gym. Depending of the equipment selected, total cost is likely to be between \$20000-00 and \$25000-00. This however does not reflect any discount that we should be able to negotiate if we use a single supplier.(You will note that no free weights are recommended as provision could expose the PLCA to litigation in the event of injury as this activity should be supervised)