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HSB BRF LOFOTEN



INFORMATION FOR TENANT-OWNERS AHEAD OF AN EXTRAORDINARY GENERAL MEETING REGARDING THE BOARD'S PROPOSAL FOR THE REPLACEMENT OF PLUMBING AND WET ROOMS ETC.

Extraordinary General Meeting takes place via postal voting.

The postal vote must be submitted to staff in the boardroom, Lofotengatan 16 (onsdagsjouren)

No later than Friday 20/11/2020.

Separate notice with agenda and power of attorney form will be sent to all members before 06/11/2020.

NOTE! IT IS IMPORTANT THAT ALL POSTAL VOTES ARE SUBMITTED TO THE EXTRAORDINARY GENERAL MEETING AND CONTRIBUTE TO THE DECISION.

Before the meeting, you have the opportunity to watch an information video on the association's website.

The video is planned to be available on the website from week 44 (www.brflofoten.se)

The association has had a display bathroom built in the guest apartment on Stavangergatan 78.

Viewing times will be announced in your post box. At the viewing you will have the opportunity to ask questions and obtain product information.

The Board/ HSB Konsult
20/10/2020



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REGARDING THE RENOVATION OF PLUMBING AND BATH- AND SHOWER ROOMS

Our building is approaching 50 years old and its age is clearly visible on pipework plumbing and wet rooms. Problems with damage caused by our wall drains, worn-out and poor waterproof membranes are on the rise and have made the need for action current.

For some time, the Board has discussed what measures are required and has therefore made a strategic decision that the plumbing should be replaced. The decision has been justified by the fact that the association has been affected by a number of cases of water damage due to leaking pipes and waterproof membranes as well as connections to wall drains reaching the end of their technical service life. For some time the Board has actively worked to find the best and most financially justifiable solution for the association and members in the long term to address the shortcomings.

Since 2018, the Board has engaged HSB Konsult for the purpose of investigating the status of the association's plumbing and wet rooms with proposals for action. The following report is based on their investigation.

Why do we need to take action?

The review has shown that there are several problems that need to be addressed. It is not just about the deficiencies in wastewater plumbing and pipework, but also the design of the bathrooms and waterproof membranes, as well as the relatively short remaining service life of water pipes. HSB Konsult has reported the current situation to the Board over the course of the year at several meetings.

Problems that have emerged through the investigations:

- The association has had high insurance costs due to multiple instances of water damage in recent years.
- The bathrooms vary in age, original bathrooms still exist with waterproof membranes that have reached the end of their technical service life.
The bathrooms are in need of renovation. Overall, in addition to the replacement of plumbing, a very large proportion of bathrooms are considered to be in need of remediation within 5 years.
- In some cases where the bathrooms have been renovated, floor tiles have been laid on top of the original plastic matting which does not make the situation any better.
- In some cases where the bathrooms have been renovated, the old wall drain has been reused, and these should not have been reused since the 1990s.
- Loose wall tiles and signs of moisture damage have been found, waterproof membranes are now worn out.



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- Pipe grommets, accesses and holes in the wet area are common, causing the risk of water ingress.
- Access chambers do not seal tightly and lack overflow pipes.
- Risk of leakage at drain connections and around waste outlets for WCs and wash basins.
- The domestic water system has a limited service life remaining of perhaps 5-10 years.
- Many electrical installations in apartments are in their original condition (unearthed electrical sockets and fuse boxes without RCDs). Without RCDs
230V electrical sockets and electric underfloor heating in wet rooms are not permitted.

The Board has, after studying various remedial options, concluded that the replacement of plumbing is the only long-term sustainable measure for both water and waste plumbing. Unfortunately, vertical waste plumbing is cast in such a way that it cannot be replaced; we will have to install new plumbing in the bathrooms and leave the old plumbing in place. Other seemingly simpler solutions, such as relining, are not acceptable alternatives because in practice they do not solve the problems of worn domestic water pipes, grommets and access hatches in the wet area, unsealed access chambers and old waterproof membranes and bathrooms.

Due to the Corona pandemic, an Extraordinary General Meeting will be held via postal vote where a decision to replace the plumbing will be taken by each individual tenant-owner approving the renovation of relevant parts of the apartment and transferring the maintenance responsibility to the association during the renovation period (see page 7).

This information will be presented via a short information video on the association's website prior to the extraordinary meeting. The board also invites you to view the bathroom, where members can ask questions about the plumbing replacement in a more relaxed environment. Dates and times to be sent out separately.

What do we want to achieve?

The measures taken shall minimise the risk of water damage over a long period of time and ensure that the bathrooms will continue to comply with applicable industry regulations for wet areas. It is important to provide a long-term sustainable solution for our buildings, which also contributes to a future increase in the value of our apartments.

It is also important that the work is carried out so that the individual tenant-owner can, as far as possible, influence the standard and design of their bathroom and shower room through certain individual options. It is unavoidable that the work will cause major disruption but it should be carried out so that interventions in the apartments are limited and that the work is carried out so that it produces the least possible interruptions during the construction period.



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DECISION BASIS

To obtain a basis for decisions on appropriate measures, schedules and costs, the Board commissioned HSB Konsult to survey the existing situation, report on various alternatives and their consequences technically and financially, for the association and its members.

HSB Konsult has long experience of assisting tenant-owner associations with investigations and implementation of the replacement of plumbing. HSB Konsult has inspected bathrooms, made an inventory of the standard of waste plumbing and water pipes and how the installations are made in different types of apartment.

- Building drawings have been studied.
- Several different types of apartment have been inspected.
- Visible plumbing and pipe runs in basements have been inspected.

Based on this survey, the consultant has made assessments of various alternative solutions to address the existing problems, as well as the financial consequences, as a basis for the association's decision. The financial assessments are based on experiences from a wide range of similar projects in other tenant-owner associations.

WHAT ARE THE PROBLEMS?

The Bathrooms

Many of the bathrooms have not been repaired since the year of construction. The design of the bathroom has major flaws with pipe grommets, access panels and holes in the wet area where a lot of water accumulates. Bathrooms with wet room wallpaper and loose wall tiling show signs of moisture damage. This happens because of defective waterproof membranes. Access chambers are not sealed and are lacking overflow pipes, which means that any leaks can run down to other levels before being detected. There is also a lack of shut-off valves in apartments.

The Board's current assessment is that a very large proportion of the bathrooms are in need of remedial measures as well as requiring replacement of plumbing within 5 years.



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Pipe grommets in the wet area.

Wet room wallpaper and plastic mat End of waterproof membrane service life.



The distribution boxes have screw-in plug fuses



WC connection with no sealant.



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Wastewater plumbing

Upon investigation it was established that bathroom plumbing has widespread rust damage with risk of leakage as a result.

Wall drains in the bathrooms pose a high risk of increasing water damage.



Penetrating rust



Wall drains since year of construction.

During this investigation HSB Konsult has also examined the option of carrying out relining only, i.e. covering internal plumbing with plastic. In this association, however, such a measure in the bathrooms is not a good or justifiable solution for several reasons, because, among other things, it does not solve the problems and deficiencies of waterproof membranes, floor drains, water pipes, HW circulation pipes and unsuitable pipe lead-ins.

Domestic water pipes

Cold and hot water pipes are made of copper. These are nearing the end of their service life. If water pipes are not rectified in connection with the remediation of bathrooms, the risk of leakage will increase over time with large volumes of leakage water as a result.

Heating

The heating system is generally in good condition. No major problems have been noted. Pipes in bathrooms are, however, a problem as these exit in wet areas. In some apartments, heating plumbing will have to be relocated, see more on page 13.



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Power supply

The distribution boxes have screw-in plug fuses and do not have RCDs. Electrical installations in apartments are in original condition with old switches and unearthed wall sockets.

In connection with the replacement of the plumbing, a new earthed electrical installation is to be carried out in bathrooms and WCs. A new distribution box is to be installed in halls, with automatic fuses and RCDs as standard. (230V electrical sockets in WCs and bathrooms and electric underfloor heating in wet rooms are not permitted without RCDs).

HOW DO WE COME TO A DECISION ON THE REPLACEMENT OF PLUMBING?

The Board's strategic decision:

The Board's responsibility is to decide on ongoing administration and maintenance, such as the building's drains and water pipes. Decisions on what can be done inside the apartments are made by the members, together and individually.

The Board has made a strategic decision that wastewater plumbing and water pipework should be replaced. In connection with this, the Board proposes to renovate bathrooms and shower rooms and restore kitchens on the same basis.

The replacement of plumbing and bathroom renovation provides the safest solution for the members. The benefits of performing the measures at the same time are primarily that all apartments will meet a standard applicable to industry's regulations for safe water installation and that the risks of water damage are minimised for a long period of time.

The Extraordinary General Meeting shall consider the following:

- The meeting shall approve the *changes* to the apartments as a result of the replacement of plumbing. These are presented below (in brief, renovation of bathrooms and shower rooms to basic standard, restoration of kitchens and installation of new distribution box in halls). In order for the decision to be valid it requires the consent of all members or a two-thirds majority at the meeting and the subsequent approval of the members who did not submit a postal vote to the general meeting.

Members who do not submit a postal vote to the general meeting must therefore give consent in arrears. A consent form will be distributed.



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- For those who have not given their consent, a decision will be made by the Regional rent and tenancies tribunal. (See also Chapter 9, Section 16, first paragraph 2 and Chapter 9, Section 17 of the Bostadsrättslagen (Condominium act)).
- The meeting shall also decide that *the association may assume the members' maintenance responsibilities during the contracting period* for the measures in the apartments, which appear below. A simple majority is required for the decision to be valid.

Financing and impact on charges

The project will affect the association's finances over a long period of time, but the association finances are in good order.

The replacement of plumbing still requires new loans to be taken out, something that affects the association in the form of higher interest costs. However, certain current operating costs and the costs of water damage will be reduced.

Together with HSB Stockholm, the Board has made a 10 year forecast where we looked at how our finances would develop with the replacement of plumbing and with regard to other assumed cost increases, as well as a higher interest rate.

The conclusion is that increases in fees of approximately 2-3% will be needed up to and including 2032 to maintain the same strong financial position as today. Of course, this may change if, for example, interest rates remain abnormally low.

These fee increases are needed partly to support the increased interest cost that the new loans entail, but also to obtain some breathing space to immediately start repaying the loans once the replacement of plumbing is complete. Of course, general cost increases and a higher interest rate are also included in the forecast fee increase.

After these fee increases, we estimate that a fee increase of 2% per year is sufficient to meet future general cost increases, and also be able to continue with stable repayment on both the old and the new loans.

The association has received a loan grant to secure the financing and HSB Stockholm is helping us to acquire the new loans at the best possible interest rate.

The Board will continuously monitor developments and, if necessary, adjust the annual fee.



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What will it cost?

The overall cost of the replacement of plumbing including bathroom renovation has been estimated at approximately SEK 110 million, including VAT, project management, inspection and authority costs. It is a large investment, but it should be considered as an investment that is amortized over 50 years.

Further information and times

Information meetings for the association's members cannot be held physically due to Corona, however, an information video will be posted on the association's website.

The association has had a display bathroom built in the guest apartment on Stavangergatan 78

Viewing times will be announced in your post box. At the viewing you will have the opportunity to ask questions and obtain product information.

When will construction start?

As soon as the meeting (postal voting) approves the Board's decision, more detailed planning and project management will begin. The Board expects to be able to carry out a procurement process and sign a contract before the turn of the year.

Construction work is expected to start in the Spring of 2021.

Measurements of all bathrooms will have to be taken before works commences. After this, and in good time before measurements are taken and start of work, contact will be made with the members for planning and information.

The work is estimated to last for 1.5-2 years before the entire replacement of the plumbing is complete. A more detailed schedule will be set together with the contractor chosen. Notification of when works on your particular block will start, will be given in good time before construction starts. Information will then be provided continuously during the construction period.

Support during implementation

Work in the apartments is estimated to take approx. 3-4 weeks. During that time, water will be available in the block and temporary showers and toilets in the yard or in the basement. If for medical reasons you are not able to access the temporary toilets and



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shower rooms, you can obtain access to a special dry toilet (temporary toilet) managed by a separate contractor (this is an option for others).

This is what will happen to your apartment

Below is the basic standard that is proposed to be covered by the decision of the Board and association meeting. The cost of the basic standard is included in the overall cost of the entire project. Each member has the opportunity to customise the version to their wishes via additional options, if they are technically feasible and according to current industry regulations. Furthermore, within the basic standard, there will be a limited number of basic options. Additional options will be available at extra cost to a tenant-owner who wishes to change or supplement the basic standard. The tenant-owner purchases the additional options directly from the contractor, at prices set in additional options lists or as quoted. Prices for the most common additional options will be included in the procurement process.

Opt-outs can be made if a member wants a simpler design or wants to reuse current equipment and furnishings that meet acceptable standards such as bathtubs, shower enclosures, bathroom cabinets etc. In case of requests for reinstallation, a suitability assessment is made where the quality and version as well as age will be taken into account.

In the event of opt-outs, the member will be credited with an outgoing sum that can be used for other additional options. However, no cash settlement will be made if no additional options are selected.

We believe that the vast majority will be satisfied with the design presented here. The ambition is for the standard of the bathrooms and toilets to be sustainable and functional long-term as well as of a modern standard of good quality. The wet rooms will be restored with new waterproof membrane, wall and floor tiles. In addition, new toilets, washbasins and bathtubs or shower enclosures, as well as mixers.

Kitchens will be restored after the replacement of the plumbing. However, the association does not cover the cost of new kitchen cabinets, members will be able to order these separately where desired.

Basic design and additional options will be reported in detail regarding make and colour well in advance of construction.

Common to bathrooms and shower rooms

The board's ambition is to work through the apartments as quickly and efficiently as possible to the expected result and at the same time take the residents into account. Traditional plumbing replacements are often extensive and take a long time, usually 7-8 weeks. Therefore,



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a ventilated construction design will be used in all wet rooms.

All wet rooms (bathrooms and shower rooms) will be completely renovated with new water and drainage plumbing, waterproof membranes, wall and floor tiles and bathroom fittings. Ventilated construction means that a new bathroom is constructed inside the old bathroom. An air gap is created between the old and new bathrooms. This is a proven method that has been tested and type approved and meets the Swedish National Board of Housing, Building and Planning (BBR)'s building regulations. Read more at www.prebad.se.

All surface-mounted items in the old bathroom, except tiles/wall cladding is removed from the old bathroom. The new plumbing is placed in a wet room cassette in which a wall-mounted toilet is installed. The size of the bathroom will thereby be reduced by approximately 50 mm on each side.

The new walls are prefabricated from the factory with the tiles chosen by each apartment owner. The floor is built on site at the correct slope and consists of tiles and underfloor heating. The ceiling is painted white with 4 x integrated LED spotlights. All measures follow the regulations and advice of industry organisations such as "Säker Vatteninstallation" ("Safe Water Installations") and "Byggkeramik rådets anvisningar för säkert våtrum" ("Byggkeramik rådet's Instructions for Safe Wet Rooms"). All electrical installations in the bathroom are replaced with new in the earthed version.

THIS IS HOW NICE IT WILL BE

See the images below from another project with ventilated construction design





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Bathroom and shower room, basic standard

<u>Part</u>	<u>Measure</u>
Floor	Tile 10x10 cm, choice of 5 colours. Contrasting materials/sizes/colours optional. Grey grout as standard, other colours optional. Thresholds height adapted to floor level for industry requirements and painted.
Sockets	Base of the wall tiled in same tiling as on the floor
Walls	White tile 20x20 or 20x30 cm up to ceiling, gloss or matt glaze. Other colours in the same size will also be available. Contrasting materials/sizes/colours or other versions offered as options. Grey grout between panels as standard, other colours optional. Carpentry, new architraves inside bathroom white. In door walls to the bathroom along the floor, a white vent (approx. 15x15) to the bathroom will be installed for the ventilated construction.
Ceiling	Prefabricated white ceiling system with 4 LED spotlights. Additional spotlights available as an option. The new suspended ceiling is installed to allow space for a drain for the shower, washbasin and washing machine from the floor above.



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- Utilities** Choice between bathtub or shower with clear glass shower enclosure.
In apartments with rental unit, shower rooms are supplied with curtain pole, shower enclosures as an option.
Thermostatically controlled shower/bath mixer with shower unit.
Position of floor drain adapted so that it is suitable for both bath and shower.
White porcelain, wall-mounted toilet.
White porcelain washbasin with single tap mixer and "Pop-up" plug.
Washbasin cabinet/vanity available as an option.
Washing machine preparation. Existing washing machine reconnected if professionally installed.
Chromed exposed water pipes for thermostatic mixer, washbasin and toilet.
(No pipe outlets at floor in wet area. In such cases, pipes routed at ceiling).
Existing radiator/heater removed. (Replaced with electric towel rail and electric underfloor heating). Apartments that have bathrooms with windows are supplied with a new radiator.
- Electricity** New recessed earthed installation in bathroom/shower room and WC.
Electrical sockets must have constant voltage so that devices can be charged even when lighting is switched off.
Switches located in halls are moved inside bathroom/shower room/WC. If blank areas/gaps are left in the hall after moving switches, these are painted white or a cover is mounted over the hole.
LED lighting and electrical socket in bathroom cabinet.
230 V electrical socket installed in combination with the bathroom cabinet. Due to electrical safety distances, the socket may need to be located next to the light switch.
Thermostatically controlled underfloor heating.
Thermostatically controlled electric towel rail is optional
Preparation for washing machine and tumble dryer
Existing washing machine (and tumble dryer) reconnected.
- Other** New bathroom cabinet with mirror doors (inside and outside) high-level model with light bar.
New towel hooks (4-hook) as well as toilet roll holder. Appearance similar to brushed aluminium/stainless steel. (Shown when residents choose options)
Existing furnishings are refitted at no cost where possible.
Delivery and fitting of other furnishings (cabinets, fittings etc.) as an option.
Extended bathrooms retain their current size and are altered as other bathrooms.

Bedroom/living room

In apartments with bathroom windows, new heating plumbing is positioned in a corner in the bedroom/living room that adjoins the bathroom. Piping (the shaft) is enclosed and painted white. This applies to bathroom types 2, 4, 7, 8, 9 and 10. See type drawings below.



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Kitchen

In kitchens, only necessary work to replace water pipes and reline drains is carried out, relining is carried out in kitchens because the drains are cast in concrete walls.

New water pipes are routed to the sink and sink cabinets are fitted with new waterproof lining. New mixer with shut-off valve for washing machine. New water trap. Existing washing machine reconnected if applicable.

Water pipes to the kitchen are routed from the bathroom via the hall and positioned at ceiling angle, the pipes are enclosed and painted white.

Vertical piping from the ceiling down to the kitchen cabinet is positioned on the outside wall and covered with plaster that is painted white. Piping is recessed in walls if possible. Affected surface painted white as standard.

Hall

In the hall a new 3-phase distribution box with automatic fuses and RCDs will be installed. New electrical wiring routed from fuse box to bathrooms and WCs in existing electrical trunking. If routing in existing electrical trunking is not possible, then the wiring will be installed externally.

Other areas in the building

Water and waste plumbing and water and waste pipes in basements, in attics and in public spaces will be addressed. The entire wastewater system in/under the basement floor will be flushed and filmed. After this, suitable actions will be determined.

In public rooms, only interventions caused by the replacement of water, waste and heating pipes will occur.

Other spaces will be made good after the replacement of plumbing.

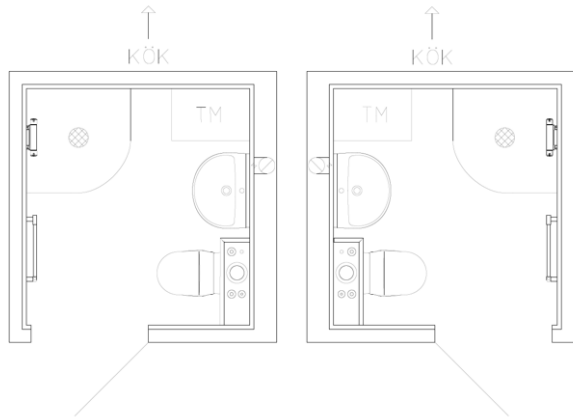


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TYPE DRAWINGS bathroom, ventilated construction

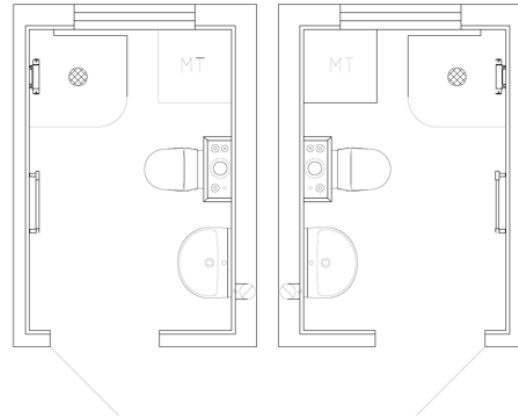
The following type drawings show the new bathrooms according to the proposed basic standard. The drawings are not to scale.

Type 1



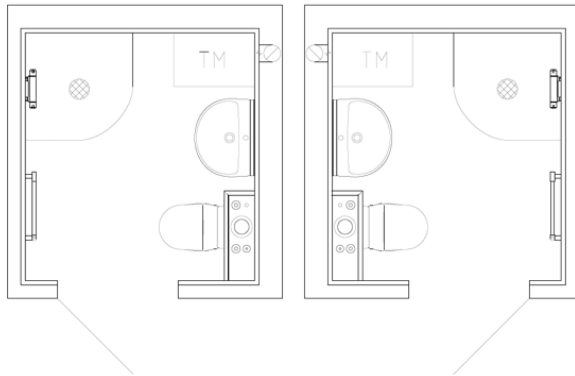
Applies to apt. size: 41m²

Type 2 and 4



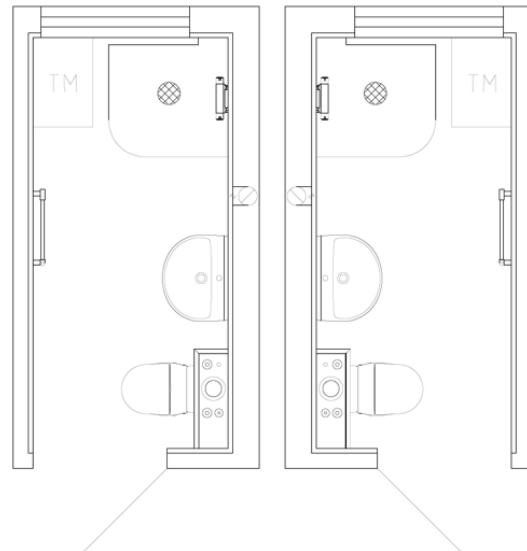
Applies to apt. size: 35m² and 49.5 m²

Type 3 and 5



Applies to apt. size: 40.5m² and 52.5 m²

Type 6

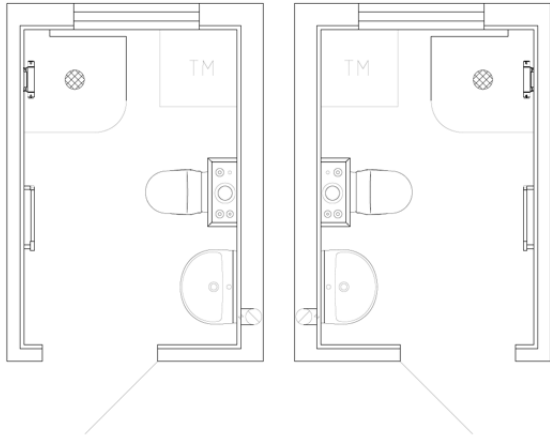


Applies to apt. size: 52m² and 55m²



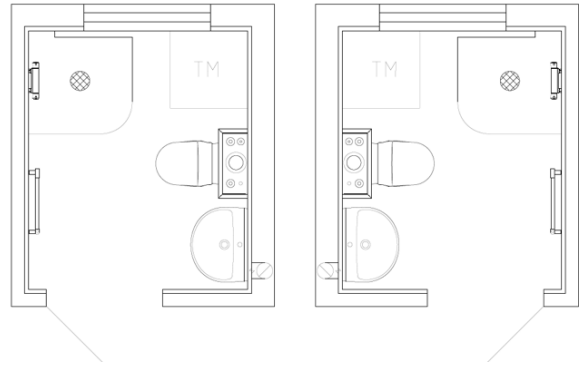
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Type 7, 9 and 10



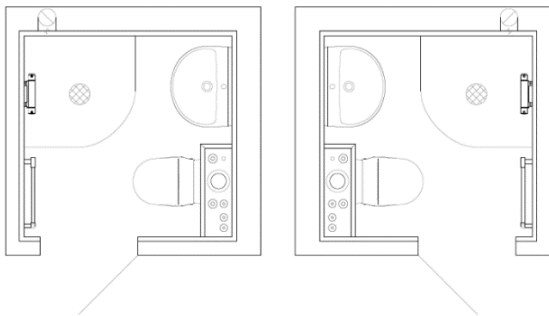
Applies to apt. size: 65m², 76m², 80m², 91m²

Type 8



Applies to apt. size: 63m² and 65.5m²

Type 11



Applies to apt.: Rental room/unit, shower enclosure optional.



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FAQ PRIOR TO A REPLACEMENT OF PLUMBING

How long will I be without water and drainage?

Approx. 3-4 weeks.

I have recently renovated my bathroom, will I receive compensation for that?

No individual payment will be made.

Will cutting in concrete be carried out all day long?

Count on cutting in concrete being carried in your apartment for the first week. Cutting and drilling will then be reduced. However, cutting will take place in other neighbouring apartments as well as in the rest of the property for some time. There will therefore be interruptions during the daytime but to varying degrees depending on where the work is taking place.

Can I stay during the renovation?

Yes, the renovation is carried out on the basis of the residency principle. It will of course be a challenging period for you as a resident. The association will ensure that water is available in the blocks and that toilets and showers will be available in Portacabins in the yard. Loans of portable toilets will be offered to those who cannot access the temporary WCs and showers.

If I have questions before and during renovations, is there anyone I can turn to?

Contact the member consultant. The member consultant will attend the information meetings and will be available throughout the renovation period. The member consultant is happy to make home visits and sit down in peace and quiet to talk about the situation from your particular perspective.

Asbestos?! Hazardous?

To the extent that asbestos occurs, the remediation takes place according to very strict safety regulations, and does not pose a health risk. Doing this jointly with a certified contractor minimises inconvenience and risks.

How will the value of the apartment be affected?

According to estate agents, it is known that our association has not had its plumbing replaced, which affects the values of the apartments, and conversely that when the standard in bathrooms and shower rooms has been increased, it affects the value positively.

Will work be carried out in my apartment during the Christmas holidays or during summer break?

No. Work will not be conducted in the apartments during these times. Ongoing apartments will be completed before Christmas and possibly summer break.



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In which block will the plumbing replacement start?

We do not know at the moment. This is decided together with the contractor who will be appointed after the meeting. Information will be provided to the members as soon as a timetable is set and in good time before construction starts.

Will new bathroom doors be available on the options list?

Yes.

Do I get reimbursed if I have replaced the distribution box myself?

Yes, it will be treated as an opt-out. Provided it is of an approved type and professionally installed.

What will the status of the laundry be during construction?

Measures in the laundry will be investigated during the procurement by the contractor.

Will there be an exhibition showing the new products that will be installed?

Yes, the exhibition will be arranged well in advance of the building work starting.

Will a priced additional option list with popular options be produced?

Yes.

Will it be possible to apply for a ROT (Repairs, Conversion, Extension) tax deduction for options?

Yes, more information on this will be provided well in advance of construction. Conditions for ROT tax deductions can be found at www.skatteverket.se.

What applies to those who have had their bathrooms accessibility-adapted previously?

Existing equipment (after suitability assessment) will be refitted at no extra cost. Lowered thresholds will also be refitted.

Can I take the opportunity to make other changes?

Other changes to the apartment may be made before or after the replacement of plumbing. The contractor cannot take other tradesmen into consideration due to the responsibility for the measures regarding the replacement of plumbing and to keep the schedule.

How is my home insurance affected during the replacement of plumbing?

Contact your insurance company to make sure you have a valid insurance policy. The contractor will also take out insurance for the contract.

What happens if personal property goes missing during construction?

The contractors that are hired are experienced experts and documented as reliable. However, everyone can help reduce the risk by not leaving valuables out. HSB's experience is that it is very uncommon for things to go missing in connection with a plumbing replacement.



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Where should I turn if I have further questions?

HSB Konsult can answer any questions up until the meeting.

For technical questions, please contact Pär Jangholt, 010-442 14 60

For questions to Member consultant

Anette Bodare

anette.bodare@hsb.se

010-442 15 53

The Board is also available for questions

info@brflofoten.se

post letters in the Board's post box, Lofotengatan 16,

or send to

HSB BRF Lofoten

Lofotengatan 16

SE-164 33 Stockholm