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Peak body calls for Register of Owners and Occupiers, disclosure of building materials in strata properties

Owners in cladding and defect affected building are carrying the can for years of poor government building industry regulation and enforcement, which allowed builders to use dodgy, unsafe and non-compliant building products, according to Maree Davenport, CEO (Vic) of [Strata Community Association \(Vic\)](#), the peak body for Owners Corporations in Victoria.

Strata Community Association is calling for the establishment of an Owners and Occupiers Register in Victoria to ensure the people living in the affected and adjoining properties, are contactable. “Tenants, owners friends and relatives, those in sub-letting arrangements, short stay rental such as Airbnb, need to be advised in a timely and effective manner about all risks and issues with essential services, such as gas and water problems which have immediate effect, as well as building structural and materials defects. This Register will also assist with recalls of appliances and faulty products.” according to Ms Davenport.

“We urge the Minister for Consumer Affairs to enable the establishment of the register urgently. With the [Owners Corporations and Other Acts Amendment Bill](#) set to be debated in Parliament next week, she has the opportunity to include a Register to ensure regulations can be made and consultation be conducted in the Regulatory Impact Statement process.” she said.

“In the Lacrosse and Neo200 fires, over 600 tenants, owners and occupiers were evacuated. Victoria is the only state which doesn’t have legislation requiring a register of tenants, where contact details are required to be updated.” One of the greatest risks in case of fire is not being able to urgently contact occupiers and owners. “Until Lacrosse, only Lot Owners could be notified in case of emergency or evacuation. Legislative changes enabled Owners Corporation Managers to be advised by fire safety, regulators, councils, to contact Lot Owners. “Strata properties with professional owners corporation managers can rest assured that access and safety information can be provided in a timely way to councils and regulators as well as occupiers. They are well equipped to liaise between fire and building authorities and owner/occupiers. It would be more efficient with a with a Register of Occupants.”

In self-managed owners corporations this is ad hoc. “If the residents can’t be reached or security doors accessed, property checks can’t be carried out and emergency information can’t be conveyed.” Ms Davenport continued.

Strata Community Association is also seeking to ensure that all building plans, materials, products used, manufacturer and warranty information to be handed over by law to owners prior to an Occupancy Permit (for a new building) or Certificate of Final Inspection (for a renovation) on completion of work, to the Owners Corporation. “Owners, occupants and owners corporations managers need to know the dangers in their built environment –concrete, framing materials, electrical wiring, glass, appliances and other recalls cannot be acted upon if they don’t know where they’re installed.” she said.

The VBA Cladding Audit of 2,200 buildings found 406 are high risk and 328 of those have the Municipal Building Surveyor appointed as the Responsible Authority under the Act.

“Of those, 53 per cent were between four and 10 storeys in height and 40 per cent were three storeys or below. Buildings over 10 storeys accounted for just 7 per cent of the total.

“As a result of defects, Lot Owners – owner occupiers and investors – are paying mortgages on properties worth significantly less than what they paid for them. Those with flammable cladding also face huge loans to pay for rectification even if [Cladding Safety Victoria \(CSV\)](#) funds the removal of the cladding itself. Owners Corporations may be asked to sign ‘funding agreements’ which specify CSV will not be rectifying or paying compensation for other defects uncovered and urgent repairs, including wiring, water, mould.”

“If owners corporation levies, which fund maintenance and Essential Safety Measures in common areas such as foyers, stairs, fire systems, gardens, lifts, gyms, pools, are not being paid but lot owners, residents put themselves at greater risk in case of emergency.”

In practice, many owners are absentee, particularly in the hundreds of buildings under the remit of CSV. Only those properties deemed extreme or high risk are covered by CSV. Others have no compensation at all and rely upon levies, loans, and even if they can claim on insurance, they will still incur excess costs. Most of these properties are mixed use, with businesses, including those preparing food with flames, below residential properties with combustible cladding. “This is a recipe for disaster, risking the lives of residents, customers, adjoining properties and passers-by.” She continued.

“Investors who rely upon rental to pay the mortgage are facing financial ruin with an unsafe property, in some cases not habitable, unable to be tenanted. All of these owners are being told to borrow even more money.” The Victorian community as a whole is also paying for years of non-action on dangerous building products and defects with the State Government increasing the levy payable by applicants for a building permit under the Building Act 1993 to cover the cladding crisis. This will drive up the cost of property, making it unaffordable by raising permit costs by [700 per cent for new buildings valued at more than \\$1.5 million and doubling it for buildings up to \\$800,000.](#)

Owners are being asked to take out “[Cladding Rectification Agreements](#)”, loans to pay for “dodgy building”. Domestic Building Warranty Insurance only covers you if the builder has died, become insolvent or disappeared. Phoenixed companies wound up after each project may be building another property down the road, but can’t be held liable using unsafe, non-compliant or substituted products.”

Cladding Safety Victoria has acknowledged that the technical skills and understanding of these complex issues are beyond many Lot Owners.

“Many are completely out of their depth and are urged to contact Strata Community Association for advice and assistance, to visit the SCA Owners Corporation Manager Directory [here](#) and engage a professional expert to navigate the compliance and day to day management of their multi-dwelling property, commercial, industrial or retirement living community.” Ms Davenport continued.

“Strata Community Association in Victoria seeks to work with Cladding Safety Victoria to empower and protect affected Lot Owners and their tenants. We will be holding briefing sessions introducing self-managed Owners Corporations to the benefits of professional Owners Corporation Management services.” Details and dates will be released shortly.

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