

## **A Better Deal for Strata - Background**

The Owners Corporation Network (OCN) has been supporting and advocating the rights of strata owners and residents in NSW for over fifteen years. It is time for a better deal for Lot owners, and residents!

The responsibility for developing better public policy and delivering better services to the strata sector should be allocated to a senior Minister, and a dedicated Commissioner for Strata Living.

### **Why?**

Strata titled housing is a creation that originated in NSW. These residential communities are the product of deliberate and successive housing strategies. As such, Government has a responsibility and a central role to play in supporting healthy strata living.

Historically, the people who own and live in strata communities have been treated as consumers of property services rather than the constituents of a major form of housing. Apartment living is no longer marginal: it is core business.

With well over a million people living in strata in NSW, and growing fast, the strata sector warrants a clear and senior Government focus.

The major challenges of the 21<sup>st</sup> century require an intelligent response that respects the rights of strata owners and residents. It is time for NSW to lead the way again.

There are significant challenges facing the sector, including:

- ❖ building defects and inadequate consumer protection;
- ❖ fire safety risks from flammable cladding in hundreds of apartment buildings;
- ❖ uncontrolled "Airbnb" letting turning voluntary committees into onsite managers and residential apartment buildings into cheap holiday destinations;
- ❖ significant unmet need for information and education for committee members;
- ❖ discontent with the functionality of schemes and dispute resolution processes;
- ❖ the costs of upgrading aging buildings and the impacts of strata "renewal" on residents of older schemes; and
- ❖ the challenge of climate change and the transition to a non-carbon economy.

## Further Points

- In NSW there are approximately 76,500 schemes with 819,5000 residential Lots.<sup>1</sup> There are about 2,200,793 strata residents in Australia with 1,129,464 of them living in NSW. The strata population in NSW continues to grow at a rapid pace.
- The Sydney Housing Supply Forecast indicates that 196,750 new dwellings will be built in the period 2017 to 2022. An estimated 70% of new dwellings will be apartments.
- The strata population is diverse – strata housing is home to culturally and linguistically diverse communities, young families with children, working adults, elderly citizens, singles and downsizers. This creates diverse communities and creates challenges for participation in the governance of their own home.
- There has been a rapid increase in the number of high-rise apartment buildings housing thousands of families; more mixed-use schemes that combine residential and commercial interests, and multi-tiered estates with significant facilities and complex governance arrangements.
- Owners Corporations sit in the space between community based Not for Profit associations and private corporations with limited liability. Owners Corporations have unlimited liability and significant statutory duties. Volunteer committees manage large capital works and administration budgets; they manage the security and safety of residents, day to day building management and social cohesion issues.
- The professional standards and accountability of strata agents and building managers should be raised, and, the knowledge and skills of committee members improved. Informed strata owners and residents results in better functioning schemes.

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<sup>1</sup> <file:///F:/Registration/STRATA%20SECTOR%20NATIONAL%20DATA%20REPORT%202018.pdf>