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For immediate release

10 Year Insurance Scheme for New Apartments a Game Changer Says Peak Body

Purchasers Urged to Be Cautious About Buying Without 10 Year Insurance

The peak body for apartment owners is urging NSW apartment buyers to be cautious or steer clear of new projects that are not offering 10-year liability insurance which it describes as a “game changer” for protecting apartment and unit owners from dodgy builders.

The Owners Corporation Network says the new decennial liability insurance scheme, championed by NSW Building Commissioner, David Chandler, will safeguard owners against new Mascot Towers type apartment disasters, which have seen owners pick up the tab for poor construction standards.

The OCN agrees with Commissioner Chandler that the new scheme is “bad news for bad developers.”

Under the scheme, developers can purchase a policy that will cover serious building defects for 10 years. Upon completion of the apartment building construction, the policy transfers to the owners corporation for the long term benefit of purchasers.

The scheme is available widely overseas and will help buyers avoid lengthy and expensive litigation.

Commissioner Chandler has been quoted recently as saying that one in five developers remain risky in NSW.

“This new scheme is ground breaking and it is to be applauded,” OCN Executive Director, Karen Stiles, said today.

“We hope new apartment buyers will be cautious or steer clear of projects where developers do not offer this type of insurance to potential owners.

“It has been a long time coming, but this is the type of protection that NSW apartment owners have been waiting for.”

ENDS

Media Comment:

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About OCN

The Owners Corporation Network of Australia Limited (OCN) is the peak consumer body representing residential strata and community title owners and residents. Strata is the fastest growing form of residential property ownership in Australia, and the growth of this sector raises increasingly important questions over property ownership and governance.

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