



UNIT AND APARTMENT OWNERS URGED TO ORDER FREE GUIDE TO NEW LAWS

Demand for units, townhouses and apartments to rent and buy continues to grow at an unprecedented rate, coinciding with the introduction of more onerous responsibilities for unit and apartment owners and occupiers, writes Rob Beck, General Manager of Owners Corporations Victoria

“With skyrocketing housing prices and the cost of living going through the roof, many people are opting to live in more affordable units and apartments over the traditional detached house on a quarter acre block. For some, it’s a choice of convenience over size as strata blocks are often more centrally located close to transport, shops, banks, restaurants and where people work. Young people are increasingly choosing the bright lights of the CBD and Docklands over the suburbs while older people embrace community living, recognising advantages such as greater security, less isolation and more social interaction. With access to common property facilities and shared maintenance costs, buying lots in owners corporations, formerly known as bodies corporate, can represent the best of both worlds.

Unfortunately, as many of the one million Victorians affected are beginning to discover, the new Owners Corporations Act and regulatory regime has increased the responsibilities for unit and apartment owners to such an extent that just getting a grip on the requirements is challenging.

It’s not just large owners corporations affected by these new laws. With the exception of two lot subdivisions which are exempt from some requirements, all property owners need to understand their legal obligations and responsibilities. Self-managed owners corporations are expected to perform the role of a property manager, with the expertise of a lawyer, valuer, insurance broker and accountant on tap...just to ensure they comply with the laws. Owners need to understand the legal, financial reporting, record keeping and insurance requirements. In addition, all owners corporations are well advised to make short and long term plans for ongoing, periodic, routine and urgent maintenance management.

The committee elected by the owners corporation need to know how to administer the day to day running of the property, plan for and anticipate future needs, run a meeting, establish and administer grievance and dispute resolution procedures. As a result of the complexity of the new laws, many owners corporations are moving away from self management and turning to professional managers for assistance, who are experts in the administration of all aspects of owners corporations and strive to protect owner’s assets.

Many developments, in inner areas as well as retirement villages and resorts include amenities and services which would be out of reach for most people – pools, tennis courts, gymnasiums, BBQ and entertaining facilities, even golf courses. These facilities certainly have their benefits, chief among them sharing the burden of maintenance and upkeep among owners, but the long-term costs also need to be taken into account.

Under the new Act, owners corporations with more than 100 lots or collecting more than \$200,000 per year are prescribed and required to have a 10 year maintenance plan designed to protect owner’s assets and save them from unanticipated high costs for repairs and replacements.

Owners Corporations Victoria, the pre-eminent peak body for specialist, professional property managers provides additional peace of mind. To become an OCV member, managers are rigorously assessed and only invited to join as members if they are registered, covered by professional indemnity insurance, undergo a police check, agree to abide by the ethical code of professional conduct and choose to undertake ongoing professional training and education."

GUIDE TO OWNERS CORPORATIONS AVAILABLE FROM CONSUMER AFFAIRS VICTORIA

CALL 1300 558 136 SMS ocguide TO 0427 777 723 VISIT consumer.vic.gov.au/ownerscorp

To find a local OCV professional manager, please visit www.ocv.org.au or call OCV on 03 9416-4688

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