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Media release

Concrete Cancer riddled schemes should be allowed to sell – by owner majority decision not without dissent

Strata experts support Attorney-General's consideration to democratise bodies corporate selling processes

The peak body representing Queensland's multi-billion dollar strata title sector supports Government considerations to change the process in selling a whole strata scheme.

Thousands of people find themselves trapped as owners in rundown and concrete cancer riddled apartment blocks, which may now be costing them more to maintain than it would to knock down and rebuild.

According to Simon Barnard, President of Strata Community Australia (Qld), Queensland's peak body for the strata title and body corporate sector, it is often in the best interests of all owners to sell a complex to a developer and have it re-built, in particular when there are structural issues from age related defects – but this process can create a whole range of issues.

"Many buildings in Queensland were built to last a minimum of 20 years and often they show structural defects long before that," Mr Barnard said today.

"The current legislation around selling strata communities to developers is that it requires a resolution without dissent, so even if 99 owners in an apartment block want to sell, all it takes is one person to refuse, and the sale won't go through.

"Or, as sometimes happens, the majority of owners agree to sell to a developer at a certain price, but a small number of owners refuse and hold out for a higher selling price.

The Attorney-General Yvette D'Ath has supported the call of the sector (**editor note: refer to attached article**) to consider changing the 100% threshold, SCA (Qld) supported in their recent submission to the Property Law Review Options Paper.

"We are of the view that it may be appropriate to reduce the 100% depending on the age and condition of the building. We recommend that any termination resolution which requires less than 100% agreement should be based on the interest schedule lot entitlements of the voters, for example a 75% majority," Mr Barnard said.

"We have encouraged the Government to look outside of Australia at systems that have worked when selling strata communities in other countries.

“An effective method that I know of in Singapore takes into consideration a building’s age. For example, if a building is less than ten years old, 90 percent of owners need to agree to sell. However, if a building is more than ten years old, only 80 percent of owners need to agree to sell.

“Another option is for owners to ‘package’ a strata community and then go to market, rather than waiting for developers to approach them. This is a public process and it helps to ensure owners receive the best offer and all owners get a fair share of the selling price.

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