

Media Release

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Attention Editor/Chief of Staff/Property Editor

DAVID AND GOLIATH STRATA STRUGGLE

DEVELOPERS OFFER \$6.5 MILLION TO OWNERS CORPORATION FOR BUILDING DEFECTS. BUT IT MAY NOT BE ENOUGH

LAWSUIT GIVES STRATA STAKEHOLDERS CONFIDENCE TO FIGHT BUILDERS

Queensland's peak strata organisation says it – and possibly dozens of other bodies corporate -- are closely watching negotiations in the Gold Coast region that are in effect, a “David and Goliath” struggle between apartment owners and one of Australia's largest builders.

SCA (Qld) says the case enforces the necessity of regular maintenance checks for strata titles buildings and that acting soon may prevent owners from legal battles for themselves.

The case may spark disaffected strata owners to act on building defects quicker and more proactively to ensure the safety of residents.

The Silverstone apartment complex south of the Gold Coast developed by Villa World in 2009, is allegedly riddled with hundreds of defects including multiple water damage problems such as corrosion and rust, mould and leaks.

The peak industry body for Strata and Community Titles Management in Queensland, Strata Community Australia (Qld), says this is a perfect example of why strata titles owners shouldn't hesitate to fight for their rights, if they feel building work is not up to scratch.

“We applaud the action taken by the Silverstone Body Corporate. A body corporate, among other responsibilities is charged with ensuring that their strata title property is safe for community living, and this lawsuit is a fine example of how to protect your residents from faulty development,” President of Strata Community Australia (Qld), Simon Barnard said today.

“This is a David and Goliath struggle with a 27 unit apartment reportedly offered \$6.5 million in compensation for unacceptable defects, but saying it may not be enough.

“Good on them for testing this in the courts before the damage causes real liability issues for the strata title owners,” Mr Barnard said today.

Beyond the legal endeavour displayed by the Silverstone Body Corporate, Strata Community Australia (Qld) is also encouraging strata schemes to ensure their properties are on schedule for regular maintenance checks.

“It’s likely that these defects simply would not have been picked up on without regular maintenance checks and incident reporting so we also want to convey how important it is that owners are vigilant in ensuring buildings are on schedule for all the relevant measures.

“All sector stakeholders have a massive part to play in this process as well, so if you notice anything wrong with your building, communicate your concerns with resident unit manager and your body corporate manager as quickly as possible.”

“There may be an avenue to make a claim under your builders QBCC (Building and Construction Commission) insurance or a direct claim against the builder or developer. The important thing to remember is that time is of the essence. There are time limits after which QBCC claims will not be accepted. For structural defective building work you have up to six years and three months after construction is completed and for non-structural you have 12 months to make a claim,” Mr Barnard said.

The legal battle between the Silverstone Owners Corporation and Villa World will continue with a directions hearing before a Federal Court Judge in Sydney on July 7, after no settlement was reached during mediation despite the reported \$6.5 million offer from Villa World.

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