

Media Release | **INTERVIEW OPPORTUNITY AVAILABLE**

Thursday August 1, 2018

1.2 MILLION LIVING IN QUEENSLAND APARTMENTS FACE FINANCIAL CRISIS

NEW FLAMMABLE CLADDING LAWS TO POTENTIALLY AFFECT EVERY SINGLE QUEENSLAND APARTMENT BUILDING

CONCERN THAT THOUSANDS OF _____ APARTMENTS ARE SET TO UNDERGO COSTLY INSPECTIONS WITHOUT STATE GOVERNMENT FUNDING HELP

Queensland's 1.2 million residents living in apartments are facing a potential financial crisis that could send hundreds of investors and apartment owners bankrupt.

Thanks to a brand new inspection scheme, Queensland apartment owners will soon know whether their building is cloaked in potentially flammable cladding, responsible for London's deadly Grenfell Tower blaze that killed 80 people.

But, it will come at a cost, and the peak strata body has demanded that bodies corporate receive State Government funding assistance to reduce the potentially crippling costs of inspection and rectification of their buildings.

Cladding rectification costs have been estimated by experts at up to \$60,000 per apartment.

In laws set to be brought into effect by the State Government come October 1st, all owners in buildings built or refurbished in Queensland after 1 January 1994 will have to fill out an online assessment for tracking of Aluminium Composite Panelling (ACP) by 29 March 2019, and it's expected this could take in over 40,000 strata schemes.

Strata Community Association (Qld) is the peak industry body for Body Corporate and Community Title Management in Queensland and spokesperson Jason Carlson says the new laws in part will provide overdue clarity to owners as to whether buildings are at risk.....but at what cost.....and who pays.

"We welcome the new laws as they signal an important first step in helping owners understand their risk profile, but a glaring omission is the funding owners require for potential inspections and rectifications."

"The cost to have professionals inspect buildings, and where necessary pay a fire engineer to assess whether cladding needs to be removed is between \$10,000 - \$30,000 per building and we're eager to see these new laws supported with a funding scheme."

Strata Community Association (Qld)

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“You would be hard pressed to find any building in Queensland that does not meet the criteria of being built or had works done in the past 24 years so these new laws affect practically every single apartment owner in _____.”

New laws will demand that owners;

- Complete an online assessment for tracking of Aluminium Composite Panelling (ACP) by 29 March 2019
- Engage a building industry professional to prepare a statement on whether or not there is ACP on the building by 29 May 2019
- Engage a fire engineer by 27 August 2019 to assess fire risks

Mr Carlson says owners should be aware that there are significant penalty units enforced for non-compliance and that it is recommended you liaise with your bodies corporate immediately to comply with the timelines.

In the last week, the Victorian State Government was applauded by strata leaders for announcing a low interest loans facility for owners affected by flammable cladding.

There are several privately run services offering loans to bodies corporate, but the low-interest government-backed facility allows them to pay back a low interest loan through their municipal rates and ensure that their buildings are made safer, quicker.

It's something Mr Carlson says has application in Queensland, with no consensus flowing out of State Government audits on how much flammable cladding may be built onto Queensland buildings.

“The low interest loans facility we've seen for Victorian owners is a first step in the right direction, and we'd like to see the Queensland State Government take a good look at funding measures ASAP.”

“Low interest loans will ease some of the financial pressure that's being put on bodies corporate who are facing the prospect of funding multi-million-dollar rectifications and we're content that this is a solution that enables strata communities to have flammable cladding removed and make their buildings safe to live in.”

Mr Carlson says if cladding is determined unsafe by fire engineers in the third and final stage of the process, affected owners may be up for removal costs between \$30,000 and \$60,000 per apartment on top of the inspection costs, so there must be funding to minimise the strain of the initial outlay.

Strata Community Association (Qld) will be holding complimentary briefings on Thursday 30 August and Friday 31 August where the Non-Conforming Building Products Audit Taskforce and the Office of the Commissioner will explain the regulations.

ENDS

About Strata Community Association

Strata Community Association Limited (SCA) is the peak industry body for Body Corporate and Community Title Management in Australia & New Zealand. Membership includes body corporate managers, support staff, committee members and suppliers of products and services to the industry. SCA proudly fulfils the dual roles of a professional institute and consumer advocate. SCA has in excess of 3,300 members who help oversee, advise or manage a combined property portfolio with an estimated replacement value of over \$995 trillion. Website: www.qld.strata.community