

Amid Housing Affordability Commitments, Where Are the Housing Quality Commitments?

Tuesday 17 May 2022: Property peak body Strata Community Association (SCA) is pleased at recent policy announcements directed at first home buyers, but extremely concerned about the lack of policies to ensure their quality.

The size of the strata industry and its impact on Australian life is growing as 5 million Australians, or 20 per cent of the population live in strata, the total value of strata dwellings is \$1.3 trillion and the industry contributes \$6.7 billion annually to the economy.

Research suggests that as many as 85 per cent of residential multi-owned properties across Australia have at least one building defect, with an average of 14 defects per building.¹

The Centre for International Economics found the cost to consumers from building defects relating to regulatory non-compliance currently is \$2.5 billion annually, with \$1.3 billion of that attributed to multi-storey apartment buildings. The report estimates that nationally consistent implementation of BCR recommendations would reduce the costs of building defects by approximately \$1.4 billion annually, and offer time savings worth approximately \$375 million annually.²

SCA National President Chris Duggan said that current national leadership, commitments, coordination and funding have not gone far enough to improve the situation.

“We need to eradicate the high prevalence of building defects in strata complexes,” said Mr Duggan.

“The tragedy of the Grenfell Towers fire, which will mark its grim 5 year anniversary in June this year and the financial ruin experienced by so many in the Mascot and Opal Towers buildings are a stark reminder that we must do better with buildings.

“The last thing we need is a first home buyer going out and buying into another Opal or Mascot Towers, or being hit with a huge bill to pull down dangerous and flammable cladding.

“We know the path forward, but we need leadership and cooperation between governments to get there, not just in one state or territory, but across the whole of Australia.

“This federal election campaign, we have been calling on all major parties to **commit to the implementation of the model guidance from the *Building Confidence Report (BCR)***, support the introduction of **customer facing rating tools** that give consumers more transparency and **expand building warranty schemes to include buildings more than three storeys** in all jurisdictions including exploring the introduction of decennial liability insurance.

“We will continue these calls on behalf of the 5 million people who live in strata to whoever forms the next government, as well as to relevant state bodies,” said Mr Duggan.

¹ Johnston, N. & Reid, S. (2019). An Examination of Building Defects in Residential Multi-owned Properties. Deakin University. p. 21.

² ABCB. (2021). p. 2.

Sustainability in strata, insurance affordability and availability, and a better quality environment are property peak body Strata Community Association's (SCA) top priorities for future governments to address, ahead of the upcoming federal election. Read the full SCA Election Priorities document here - [SCA Federal Election Priorities 2022](#)

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About Strata Community Association

[Strata Community Association \(SCA\)](#) is the peak industry body for Body Corporate and Community Title Management (also referred to as Strata Management, Strata Title or Owners Corporations Management) in Australia and New Zealand.

Our 5,000 individual and corporate members include strata/body corporate managers, support staff, owners' representatives and suppliers of products and services to the industry. SCA proudly fulfils the dual roles of a professional institute and consumer advocate.

We believe in taking action with urgency in order to raise public awareness about some of the most pressing issues facing today's society. Please join us by supporting our efforts to make a measurable difference for the community.