

# STRATA LEVIES - WHAT ARE YOU REALLY PAYING FOR?

BY MICHAEL FERRIER  
MANAGING DIRECTOR  
EYEON PROPERTY INSPECTIONS





# HOW YOUR LEVIES ARE SPENT AND WHY THEY ARE SO IMPORTANT?



## ADMINISTRATIVE FUND LEVIES

DAY-TO-DAY EXPENSES



## CAPITAL WORKS FUND LEVIES

LONG-TERM MAINTENANCE/UPGRADES



## SPECIAL LEVIES

UNPLANNED EXPENSES







# WHAT MAIN ITEMS OF EXPENDITURE ARE REQUIRED TO KEEP YOUR BUILDING RUNNING WELL?



## ▶▶ Routine Maintenance of Common Areas:

Landscaping, cleaning, lifts

## ▶▶ Insurances:

Annual premium

## ▶▶ Fire Safety:

Annual certification + any required repairs

## ▶▶ General Building Repairs:

Plumbing, electrical, cosmetic repairs

## ▶▶ Professional Fees:

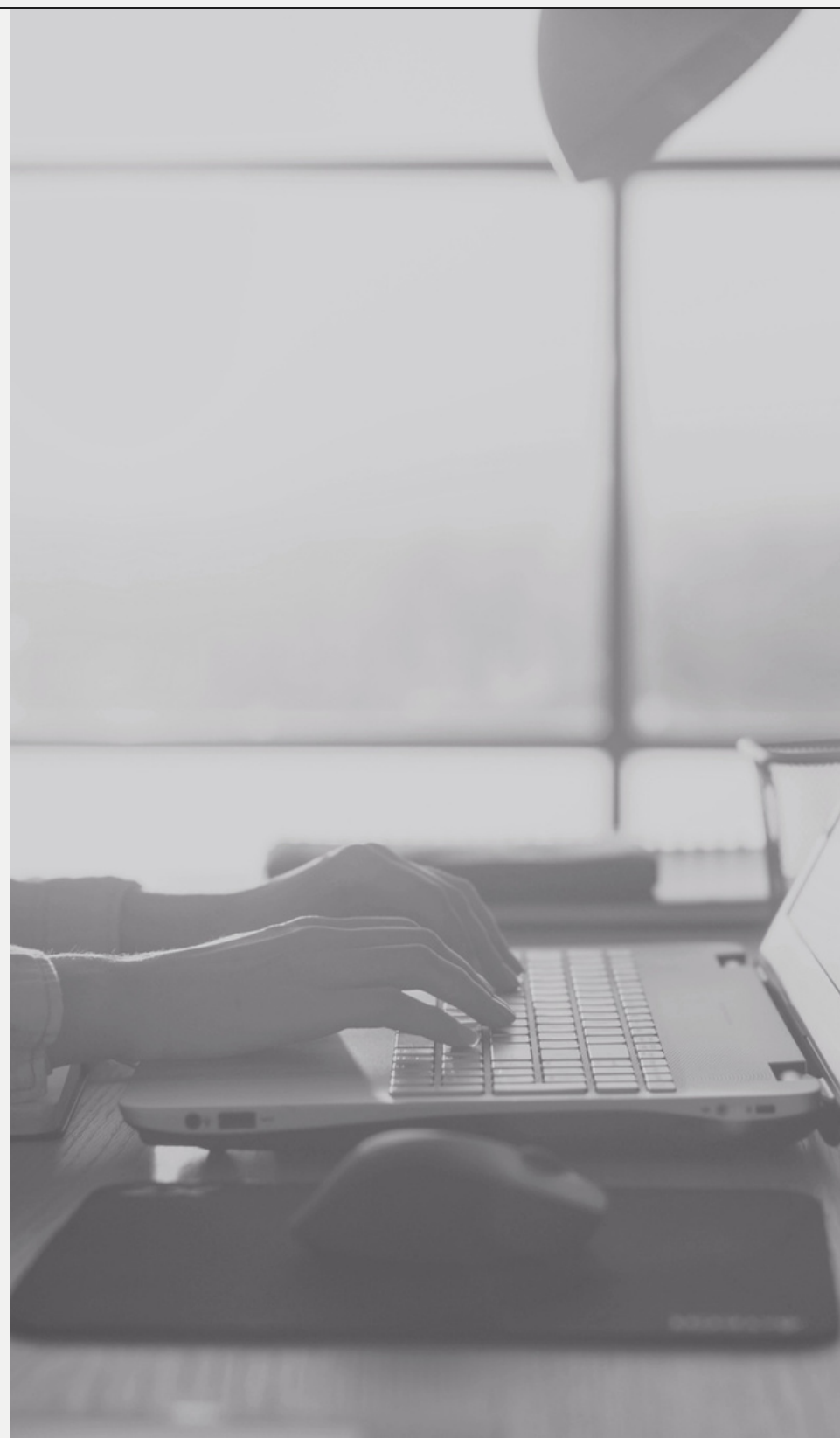
Strata Management, Building Management, Legal

***Well-presented buildings are more likely to be running well.***



## HOW YOU CAN TELL IF LEVIES ARE TOO HIGH OR TOO LOW?

**Admin Fund Levies** should cover all the recurring costs for the building + an amount for minor repairs & maintenance. If they don't, then the levies might be too low. Likewise, if there's a big surplus in the admin fund each year then levies might be too high.



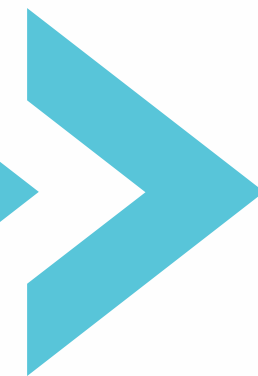
**Capital Works Levies** go into a savings fund to pay for future capital works. Typically, levies are based on a forecast of future expenditure. The forecast needs to be updated every few years. Many buildings don't follow the forecast as they don't want to increase levies. At some point this catches up with the building. History of special levies indicates capital works levies are too low.





# THE LINK BETWEEN THE STRATA MANAGER AND YOUR LEVIES. HOW DO STRATA MANAGERS KEEP BUILDINGS ON TRACK?

**STRATA  
MANAGER**

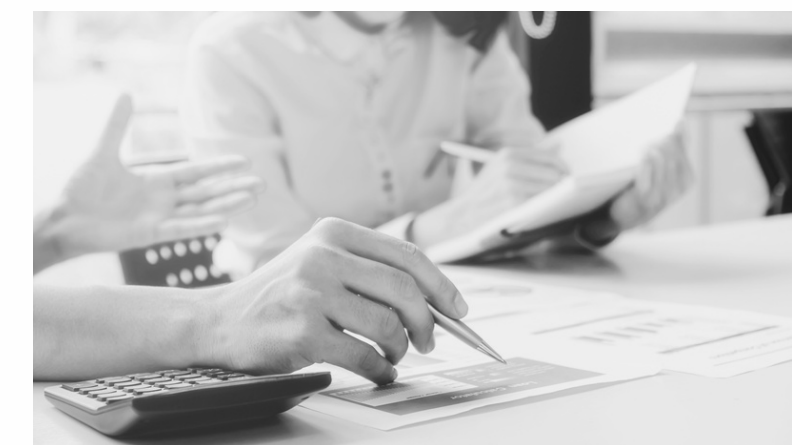


- Compliance Issues
- Disputes and By-Laws
- Legal Issues
- Budgets
- Negotiations



# WHAT IS THE ROLE OF THE STRATA COMMITTEE WHEN SETTING LEVIES? HOW A COMMITTEE'S BAD DECISIONS CAN BE BAD FOR YOUR BUILDING.

- Link between Owners and Strata Manager
- Set the Standard for the building
- Input into Budgets
- Influence how money is spent
- Personal Priorities
- Voting Control







# WHAT CAN CAUSE YOUR BUILDING TO GO DOWNHILL.... AND QUICKLY?

1. Low Levies – cutting corners
2. Poor Maintenance
3. Poor adherence to by laws
4. Disputes







# WHY YOU SHOULD GET INVOLVED OR AT LEAST UNDERSTAND WHAT'S HAPPENING IN YOUR BUILDING AND HOW THIS TIES BACK TO LEVY NOTICES



- Strata Levies aren't cheap.
- You are part of a community
- Protect your asset
- Get more enjoyment from your environment



# Do you have any questions?

