



LookUpStrata

WA STRATA REFORMS INFORMATION SESSION

Maintenance Plans & Thinking Outside the Square

Presented by

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- Since strata commenced we have had;
- maintenance funds
 - reserve funds
 - sinking funds
 - All the same - allowing quarterly contributions via levies



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Regulation 76

Now requires a 10-year maintenance plan for designated companies

A designated company is described as

- A strata Scheme with a building replacement cost of \$5m
- A survey strata scheme with the replacement cost of improvements of common property being more than \$5m
- Mandatory sinking funds for large schemes
- 10 lots or more with high building replacement costs.
- Maintenance plans
- Reviewed and revised every 5 years and extended out to 10 years.



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Points to Remember

- Forecast for the strata scheme
- Provide estimated costs for the maintenance repairs and renewal replacement
- Large amounts of work may affect your insurance
- Increase insurance costs
- Discuss before forwarding to any insurance provider



What the reform means

- Greater clarity to strata companies to make improvements to common property not just maintenance, increasing the value of their asset.
- Whilst subject to the expenditure controls of the strata company and the expenditure exceeds an amount provided in the regulations the requirement of a special resolution of the strata company is required.
- The sinking fund will be mandatory for the larger schemes but it doesn't tell you how much you should increase the amount to and a decision by the strata company can make to approve the alterations or improvements.



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How to Fund Projects

- Maintenance Funds
- Special Levies
- Funding (Reverse Maintenance Fund)



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Why use funding

- Works are done now
- Costs do not increase whilst saving for it
- Is paid back over a period of time.
- Does not impede individuals personal debt.
- Unsecured loan to the strata company
- Cost that stays with the lot not the owner



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Riverview in Coffs Harbour NSW



BEFORE



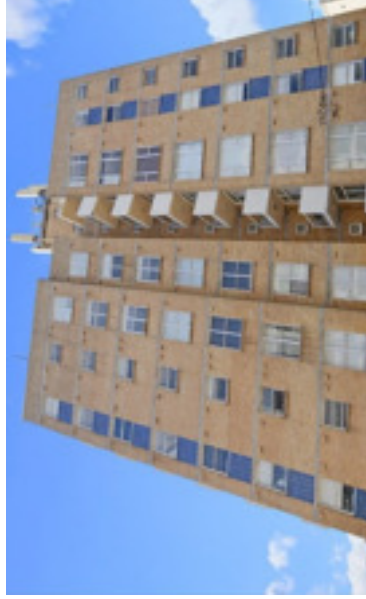
AFTER



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58-60 Carr Street, Coogee Beach



BEFOR

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