

Media Release

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Building Defects – ‘Give us our homes back’ say apartment owners

It will be years before government reforms restore confidence in the building industry, say apartment owners, and only a substantive support package can restore consumer confidence promptly.

This week the Owners Corporation Network (OCN), an association representing thousands of apartment owners, responded to the NSW Government’s plans to fix the building defect crisis.

“After 20 years of declining standards the Government has begun a long and challenging journey” the Chairman of OCN, Philip Gall, stated. “The Government’s process is a vital part of this” he said. “We have set out our proposals in detail on behalf of apartment owners.”

Among other matters the proposed Building Commissioner must have the resources, authority and expertise to do what is needed. Warranty periods need to be improved and the \$2 companies used to avoid these warranties driven out of the market.

“But what about the thousands, if not tens of thousands, of home owners in trouble right now?” Gall asks.

There are many hundreds, possibly thousands, of apartment buildings already facing major and urgent repair bills. In addition to people being forced out of their homes there are many more in need of fire safety upgrades, water ingress prevention and other costly repairs. All too often they cannot be sold for anything like their original purchase price. Owners are living in limbo, with mortgages to service, while also having to find funds for disruptive lengthy repair projects.

“No wonder confidence is shot, particularly in the high-rise sector” Gall said. “And it will be years before the proposed reforms eliminate the building quality lottery.”

Would-be home owners need to know they will not be the next victims. They need to know that when things go wrong they will be looked after.

A substantive support package is needed now to restore consumer confidence promptly.

Apartment owners did not create this problem. It is a failure of regulation by Government, the same Government that has collected full value stamp duty on now devalued properties. The industry has treated its customers with an attitude bordering on contempt.

Accountability dictates that Government and the industry must find a way now to help apartment owners in distress. The Victorian Government, like the UK Government, has started with hundreds of millions of dollars for urgent fire safety repairs.

OCN stands ready to work with Government and industry on an urgent but targeted support package to give people the homes they paid for and to restore confidence in a critical NSW industry.

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About OCN

The Owners Corporation Network of Australia Limited (OCN) is the peak consumer body representing residential strata and community title owners. Strata is the fastest growing form of residential property ownership in Australia, and the growth of this sector raises increasingly important questions over property ownership and governance.