

Into The Future: Strata and Community Title Owners' Forum

9:00 am to midday, September 2, 2009

Surfers Paradise Marriott Resort & Spa, 158 Ferny Avenue, Queensland

Welcome to the second biennial 'Into the Future: Strata and Community Title Owners' Forum'.

The objective of the *Into The Future: Strata and Community Title Owners' Forum* is to inform and update unit owners about issues surrounding key challenges confronting owners of strata titled properties and create a platform to stimulate research and instigate solutions. The forum's program has been formulated in a spirit of facilitating information dissemination and also laying the basis for constructive debate and discussion.

I hope that you not only find the forum presentations and discussions stimulating and informative but that you also leave the forum with an enhanced circle of key contacts.

Professor Chris Guilding

Forum Chair

Program

Time	Topic	Speaker / Chair
9.00 am - 9.05 am	Forum Welcome	Forum Chair: Professor Chris Guilding (Griffith University)
9.05 am - 9.20 am	The challenge of serviced apartments	Michele Anderson (Owners Corporation Network, Victoria)
9.20 am - 9.30 am	Questions and observations from the floor	
9.30 am - 9.45 am	Owner governance and management challenges in large & complex strata schemes	Dr Gary Bugden OAM (Mystrata Ltd)
9.45 am - 9.55 am	Questions and observations from the floor	
9.55 am - 10.10 am	Problems arising from owner apathy	Richard Gratton (Former chair of large Sydney strata title complex)
10.10 am - 10.20 am	Questions and observations from the floor	
10.20 am - 10.40 am	Morning coffee break	
10.40 am - 10.55 am	Sustainability & Resilience in Strata	Associate Professor Ivo Martinac (School of Industrial Technology and Management, Royal Institute of Technology, Sweden)
10.55 am - 11.05 am	Questions and observations from the floor	
11.05 am - 11.20 am	Investments in holiday accommodation under threat	Garry Maynard (Unit Owners Association of Queensland)
11.20 am - 11.30 am	Questions and observations from the floor	
11.30 am - midday	Panel discussion and open forum	All speakers



Focus of presentations

9.05 am - 9.20 am

Presentation 1: The challenge of serviced apartments

When people buy to live in a residential apartment block, they anticipate it will be used for private residential purposes – building classification 2. In some buildings, a hotel or serviced apartment operator subsequently buys the management rights and starts to convert the building to short term occupancies without upgrading the building to classification 3 facilities. Owners find their buildings are no longer quiet havens for permanent occupants and they become aware of greater ‘wear and tear’ caused by short term occupants moving luggage in and out, using the lifts extensively close to check out periods, etc. Some councils have recognised the problems arising when mixing long and short term residents and have implemented planning controls to separate the two types of occupants. An outline of some of the most common issues and a description of the City of Sydney’s approach to this issue can be viewed at

<http://www.sydneymedia.com.au/html/3214-city-wins-greater-certainty-for-apartment-residents.asp>

Is this solution adequate? What are other possible solutions to this problem? Is it an issue that needs to be legislatively addressed at the state government level?

9.30 am - 9.45 am

Presentation 2: Owner governance and management challenges in large & complex strata schemes

There appear to be fundamental differences in the governance challenge of managing a small strata scheme and the governance challenge associated with managing a large complex strata title scheme that may include shops and other commercially based activities. Although the nature and extent of the governance challenges presented by large and small strata schemes are profoundly different, we have a single “default” governance model that is based on an assumption that buildings will “throw up” well intentioned and well-informed owners who will volunteer and have the capacity to effectively oversee management of the building. What are the particular managerial and operational issues that complex mixed use schemes present and what is the best governance model to deal with them?

9.55 am - 10.10 am

Presentation 3: Problems arising from owner apathy

Currently, millions of ordinary people who have bought a home or investment in strata have principal responsibility for the management of their scheme. They will be joined by millions more, as new metropolitan development strategies mandate higher-density living. Who is really managing these schemes? When we take out the majority who are unaware of their responsibilities and ever-increasing liabilities, and then those who don’t want to be involved, we are left with a small, and often ill-equipped, minority to carry the load of responsible management. Sometimes this residual group can include those who wish to exploit a scheme for their own purposes. This highlights a fundamental problem that arises from owner apathy and an apparent widespread disinclination to become involved in running a strata title building.

How can we counter this apathetic tendency, or is it time to conceive of an alternative governance model that recognises the likelihood of deficient levels of owner participation?

10.40 am - 10.55 am

Presentation 4: Sustainability & Resilience in Strata

The long term sustainability of strata titled complexes, in the face of climate change and peak oil prices, is far more complex than for stand-alone dwellings, particularly due to the practicalities of retrofitting. The planning, evaluation, technical and engineering complexities will be beyond the capabilities of most volunteer owner corporation committee members (and owners corporations). It appears to be a lost opportunity and poor use of resources if retrofitting is tackled within each building in isolation of lessons learnt in other buildings. Opportunities also exist for initiatives undertaken, particularly by large strata developments, to contribute to sustainability & resilience in the immediate geographic vicinity of each building.

11.05 am - 11.20 am

Presentation 5: Investments in holiday accommodation under threat

Strata apartments represent the most popular form of tourism accommodation in many tourism destinations, yet investor returns are weak and can be expected to decline given the current economic climate. Costs are rising while holiday rental revenues are declining. Traditionally, investment in holiday units has been supported by the expectations of capital gains. These expectations are now absent and increasing investor dissatisfaction is likely. What practical steps can be taken to minimise investor owner dissatisfaction and how do we see investor dissatisfaction playing out in terms of pressure placed on other strata title stakeholders?

www.griffith.edu.au/conference/strata-community-title-owners-forum-2009

