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Attention National Media

NEW REPORT SHOWS CONSTRUCTION NIGHTMARE IN AUSTRALIA

THOUSANDS OF AUSTRALIANS FACING MASSIVE PAYOUTS FOR RESIDENTIAL APARTMENT BUILDINGS PLAGUED WITH DEFECTS

MASCOT TOWERS NOT A ONE OFF

A new expert report to be released this week, two years on from the Grenfell Tower disaster in London and in the wake of the Mascot Towers evacuation in Sydney, shows that thousands of Australians are living in or own apartments and units that are “plagued with defects”, and pose a serious risk to personal safety.

The report is supported by the strata sector which oversees \$1.2 trillion of strata properties under management. The report's preliminary findings have been supplied to Strata Community Association.

SCA is calling on the Federal Government and Governments in every Australian State and Territory to come together for a common solution.

The report's release timed for later this week comes only days after residents were forced to evacuate Mascot Towers in Sydney as part of safety precautions following the discovery of cracks in the building's structure.

While industry attention has been focused on the combustible cladding crisis which Government continues to ignore, the new report led by Deakin University says the defects list is long and varied and will impact apartment saleability and insurability unless the defects are fixed.

Australia's peak strata body has backed the report's findings and reiterates it was only a matter of time before defective building construction seriously impacted another Australian strata community, as evidenced by the recent events in Sydney.

They say the new report's findings present a nightmare for the thousands of Australians living in strata and now dealing with some serious faults on the same scale as the Opal Tower construction debacle, which also occurred in Sydney.

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The \$1.2 trillion strata property sector has urged the Federal Government to address the nationwide building defect crisis with reforms to construction and construction audits.

The pilot building defect report by academics from Deakin University and Griffith University will highlight the widespread crisis of building defects affecting strata apartment owners nationwide and rendering some apartments unsaleable.

The study, based on 212 building audit reports, found apartment buildings with at least one type of defect was alarmingly high at: 97% in NSW, 74% in Victoria and 71% in QLD.

Additionally, in the sample, the average number of defects per building was 14 and the average number of construction systems affected by defects was nearly six. That is, on average, six different construction systems within any given building has a defect.

The strata sector in response wants new construction audits to be greenlighted immediately and is calling on the Morrison Government to create an emergency building defects assistance fund to help displaced and financially affected owners and apartment residents.

Strata leaders say the financial impact of combustible cladding and other defects on tens of thousands of apartment owners nationwide has the potential to be crippling when builders go into administration to avoid liability and special assistance must be allocated to help the worst affected.

Strata Community Association says the evacuation of residents at Sydney's Mascot and Opal Towers and the multi-storey cladding fire at Melbourne's neo200 building are just the tip of the iceberg of Australia's defective building problem which is placing enormous strain on owners and strata communities.

Strata Community Association (SCA) is the peak industry body for Body Corporate and Community Title Management in Australia & New Zealand and CEO Alisha Fisher says apartment owners facing potential financial ruin to fix building defect problems out of their control, should be extended Federal Government assistance.

"This report will shock people. It has unveiled the horror story the last few years has been for the construction sector in Australia. Thousands of people remain impacted by combustible aluminium cladding and now we have other major

defects including problems with water penetration and incomplete fire safety systems still out there.

“Apartment owners purchased properties in good faith not knowing that non-compliant materials had been installed, nor that construction failed to meet required standards. They should not be financially penalised due to the lack of proper building regulations.”

Ms Fisher says the report authors are warning that the defects may potentially render apartments unsaleable and prevent owners from renewing insurance policies on their buildings.

“For many owners, the cost to rectify building defects or replace non-compliant materials goes into the tens of millions when builders legally responsible go under or into administration.

“As much as apartment owners cannot afford these costs, they know they cannot afford to leave these potentially life threatening non-complaint materials and building defects on their buildings, and that's where we want the Federal Government to step up with reforms and a funding package to help them.”

Ms Fisher implores concerned residents to consult with a professional strata management company to help answer their questions.

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About Strata Community Association

Strata Community Association Limited (SCA) is the peak industry body for Body Corporate and Community Title Management in Australia & New Zealand. Membership includes body corporate managers, support staff, committee members and suppliers of products and services to the industry. SCA proudly fulfils the dual roles of a professional institute and consumer advocate.

SCA has in excess of 3,300 members who help oversee, advise or manage a combined property portfolio with an estimated replacement value of over \$1.2 trillion. Website: <http://stratacommunity.org.au/>

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