

When is a repair more than a repair? When it's a unit or a townhouse



Janine Hill | 5th Nov 2016 11:00 AM



UNFAIR: Building work at townhouse and unit complexes cost more than at houses after changes to the Home Warranty Scheme. File photo.

Inga Williams

PRICES for simple works at unit and townhouse complexes are set to skyrocket after changes to a warranty scheme to cover faulty work.

Strata Community Australia has called for Queensland Premier Anastacia Palaszczuk to immediately intervene and reverse the changes to the Home Warranty Scheme, which is overseen by the Queensland Building and Construction Commission.

Under the changes to the scheme, a premium will be applied to building works of \$3,300 or more on detached houses or strata communities of three storeys or smaller.

In the case of strata communities, the premium will be applied to each lot, which means that a \$10,000 job on a detached house will attract a \$199 premium but at a complex of a dozen units, that premium will be multiplied by 12 to \$2388.

At issue is why the total premium paid for a job contracted by a body corporate, a single entity representing the multiple is more than the total premium paid by an individual householder when the value of the actual work is the same.

The change affects more than 400,000 apartment and unit owners Queensland.

Strata Community Australia president Simon Barnard has labelled the premium change as a blatant "money grab" and has criticised the lack of industry consultation.

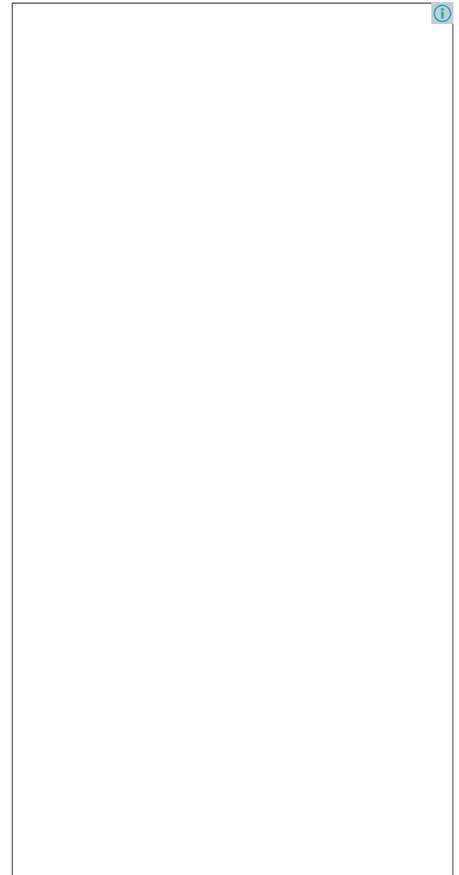
He said the first anyone heard about the change was three weeks ago and it passed last Friday.

He said contractors were having to quote again for jobs and could not understand the logic of the change any more than the strata title community..

In order to quote for a job inclusive of the premium, contractors will need to know the number of lots in a strata titled complex.



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"I've had major painting contractors ringing me saying why is this different for units when it's the body corporate that has asked for the painting jobs," Mr Barnard said.

"We just don't get it, we don't get why they've done this. We don't think the minister was across it at all," he said.

Mr Barnard said the change would also mean body corporates would have to reconsider maintenance schedules as the premiums could push scheduled work beyond their budgets and beyond expenditure approved by lot owners.

"Body corporates don't have this money sitting in their budgets," he said.

"If they haven't budgeted for more than the amount, they have to go back to a general meeting to resolve to agree to spend that money," he said.

"Everywhere you look at this, it's wrong."

Mr Barnard said the increased impost on strata communities could force many to postpone repairs and maintenance.

"In a calendar year, strata communities set monies aside for tasks like painting, repairing common areas and maintaining pool sites but with prices set to rise, we're concerned maintenance and repairs will be seen as an unnecessary expense and a luxury," he said.

"We already struggle in some regions where owners can't afford the upkeep of their communities which contributed to the demise of strata titles."



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