

Submission
No 39

**INQUIRY INTO REGULATION OF BUILDING
STANDARDS, BUILDING QUALITY AND BUILDING
DISPUTES**

Name: Name suppressed

Date Received: 21 July 2019

Partially
Confidential

Submission to Enquiry into Building Defects

We have purchased an off the plan apartment in Harbourfront Balmain and have been residing as an owner-occupier for the past 18 months. Some of the problems that have been encountered relate to defects are:

- The strata committee has been given the task project managing the defects. This includes obtaining an independent report to identify all defects and communicating with developers. The strata committee are not qualified to deal in such matters and have no experience in defect management.
- It has taken over 15 months to agree to proceed with inspections and obtain the written report. The cost of the report added a financial burden to the new strata with limited funds.
- Communications from developers are very slow. Currently waiting for response to report. Major problems:
 - Water ingress into basement car park
 - Sandstone falling off external walls
 - Trees planted in areas that will cause extensive damage when trees mature
 - Water leakage in some roof areas
- Currently there is no reason to believe that the developers will not correct the defects, but the length of time taken to respond is too long. There are many minor defects that are also not resolved. You have to wonder if they are trying to wear people out.
- There is a 2-year period that developers are expected to correct all defects. Given that there is only 5 months until this period is reached it is highly unlikely all will be corrected. Uncertain how this will be handled.
- The developer appointed building and strata managers at time occupation of buildings took place. Both managers are related to the same parent company and work for other buildings completed by same developers. It is questionable if both managers are working for developers or the owner's corporation, despite the fact that the owner's corp are paying fees.
- Building manager & developer closes some defects raised by residents without rectification. Owners have to continually chase building manager to keep such items open.
- Information is tightly guarded in some instances, example many people complain about same issue, each are told they are the only one with particular problem. There have been cases where this is simply incorrect.
- Many investors owning apartments and not showing an interest. This leaves the task up to a small group of people. Many apartments were not inspected for building report and this leaves a risk that major defects may not be identified. There are approximately 110 apartments in 7 low-rise buildings and not more than 15 to 20 were represented at the 2 annual general meetings.

We are about to settle on an investment property at Croydon {Chelsea Croydon}. The contracts are very unfair in favour of the developer.

- Purchaser is given 1 opportunity to inspect the property with a time limit of 25 minutes. More time is taken to inspect a car. Hopefully no major defects will be discovered.
- We believe that the fall in the shower is insufficient to manage the flow of water and it will end up all over the room. Developer's response – occupation certificate has been granted. It seems a bit easy to obtain.