

PREPARING STRATA TITLE COMMUNITIES FOR CLIMATE CHANGE

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FUNDING COMMON PROPERTY CAPITAL EXPENDITURE IN STRATA TITLED SCHEMES

Research Method

- 1 Series of meetings with an 11 person industry reference group.
- 2 18 interviews conducted with a cross-section of strata title industry experts.
- 3 Administration of an on-line questionnaire survey. 450 surveys completed by a broad cross-section of strata title sector representatives (unit owners, committee members, resident managers, strata managers, insurance representatives, etc.).

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Government Recommendation 1

Establish and maintain a website and related social media outlets that provide a persuasive and authoritative rationale concerning the need for strata title complexes to invest in greater building climate change resilience.

Government Recommendation 2

To make it easier for body corporates to pass a decision to invest in climate change related property upgrades, reduce the threshold vote required for such decisions from the current unanimous or special resolution (three quarter majority) to a simple majority decision.

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Government Recommendation 3

Acknowledge the reality that some strata title complexes may become uninsurable or be unable to obtain affordable complete insurance cover by creating a ‘lower insurance cover’ or ‘uninsurable’ building category, subject to appropriate decisions and disclosures.

Government Recommendation 4

Similar to the energy rating system that has been developed for buildings, to develop a building ‘weather event resilience’ rating system that provides an overall score based on sub-scores relating to different weather event risk exposures (eg., ‘flood resilience sub-score’, ‘fire resilience sub score’, ‘cyclone resilience sub-score’, etc).

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Government Recommendation 5

Establish an emergency status designation for strata titled complexes which would signify a change in governance arrangements to deal with the changed circumstances confronted by owners, committees and managers during an emergency weather situation.

Government Recommendation 6

All strata title complexes above a certain size should be legally required to develop and communicate an emergency evacuation and management plan that is to be implemented immediately prior to, during and in the aftermath of a significant emergency weather event.

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Government Recommendation 7

Government (national, state and/or local) and private sector organisations with vested interests (eg, insurers and lenders) to subsidise climate change adaptation works on one or more typical strata title buildings in order to provide a model of the type of climate change adaptation works that can be undertaken and to showcase the resultant benefits.

Government Recommendation 8

Government and industry based training courses directed to strata title unit owners, committee members, managers and other stakeholders to include a ‘prepare your strata title building for climate change’ component.

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Government Recommendation 9

A pro forma disaster management plan or plans for strata title communities should be developed by government and/or non-government bodies and made available on a government and privately maintained “prepare your strata title building for climate change” website.

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Banking Recommendation

Banks to develop an appraisal procedure to rate a strata title complex's exposure and resilience to climate change weather events and apply the rating as part of lending criteria utilised when extending mortgage loans to strata title unit purchasers.

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Sinking Fund Recommendation

Include projected expenditure on climate change building adaptation measures as a clearly defined part of forecast capital works by strata title complexes in sinking fund planning and forecasting.

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Developer Recommendation 1

Developers should be provided with information and kits about climate change and its impacts on and adaptation strategies for strata titled complexes and be required to provide this information to buyers of units in new strata title complexes.

Developer Recommendation 2

New building constructions should meet heightened standards with respect to climatic event resilience. For example, to lessen potential flood damage, significant lift infrastructure should be housed above basement levels.

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Developer Recommendation 3

As part of the building development and construction approval process, require that an evacuation plan and general disaster management plan be included in a scheme's original documentation prepared by developers.

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Resident Manager Recommendation 1

Provide information and training modules for resident managers about climate change and its impacts on and adaptation strategies for strata title complexes.

Resident Manager Recommendation 2

Introduce a requirement that in strata title complexes above a certain size, resident managers must complete a disaster management response training course to improve their capacity and powers to co-ordinate the activities of a building (evacuation, etc) in the event of an emergency weather event.

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Resident Manager Recommendation 3

Resident manager and strata manager contracts to include provisions covering the type and extent of their responsibilities and authorities in the event of an emergency incident.

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Strata Manager Recommendation 1

Provide information and training modules for strata managers about climate change and its impacts on, and adaptation strategies for, strata title complexes.

Strata Manager Recommendation 2

Strata managers should be encouraged to become champions of climate change awareness and adaptation for strata and community title complexes.

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Committee Recommendation

Create climate change adaptation awareness champions within and outside strata title complexes.

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Insurance Recommendation 1

Insurers should be required to make their insurance appraisal of a strata title complex's weather event risk exposure publicly available in a manner that the information can be easily accessed by owners and potential purchasers of lots in the building.

Insurance Recommendation 2

Insurers should base insurance risk assessment on a building's specific characteristics, not just its geographical location. Basing insurance premiums on a building's specific characteristics, which incorporate climate change resilience, will provide unit owners with an incentive to invest in adaptation to improve a building's climate change resilience.

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Insurance Recommendation 3

Insurance companies to provide strata title schemes with a policy option to insure for infrastructure upgrades, in the event of a claim, not simply for the cost of replacement. Such upgrades could be conducted in a manner consistent with engineering greater building climate change resilience.

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Professional Association Recommendation

Professional and other non-government bodies such as the Australian Resident Accommodation Managers Association, Strata Community Australia and Green Strata to develop a listing of experienced consultants and/or recommended experts who can be engaged to advise owner committees that wish to undertake climate change building adaptation planning and work.