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## **1985 to 1995-built strata buildings must start planning 10-year spending plan by next AGM**

### ***1 July 2007 milestone***

**Sydney, 27 June 2007** – Strata title buildings in New South Wales may have as little as a year to prepare a ten-year sinking fund expenditure plan or risk facing a Consumer, Trader & Tenancy Tribunal order instructing the owners corporation to meet its obligations.

Under the terms of section 75A of the *Strata Schemes Management Act 1996*, buildings built between 1985 and 1995 must start their sinking fund expenditure planning by the first owners corporation's AGM after 1 July 2007. They then have a year to have planning completed and in place by the next AGM.

The rules have been designed to encourage owners corporations to plan for necessary future expenditure such as: painting of the building, replacement of fencing, driveway refurbishment, replacement of common property items such as carpets, roofing and guttering, and lift overhauls.

Bill Debney, managing director of Strata Finance, advised owners to talk to their strata manager or committee chairman to check that necessary preparations are underway. "Do not assume that your building will automatically comply with the terms of the legislation and don't wait until to the next AGM to ensure that it does."

"Most importantly, make sure that consideration is given to the range of options for financing expenditure, such as the sinking fund, special levies and strata financing."

### About Strata Finance

Strata Finance provides non-mortgage loan funds to owners corporations (body corporates) for major repairs, maintenance and upgrade expenditure on building common areas. Strata Finance provides loan funds to complement the sinking fund and avoid unpopular and often unaffordable lump sum special levies. Strata Finance loans require no personal guarantees, liens or mortgages for individual owners – with no effect on an individual's credit rating.

Further information: [www.stratafinance.com.au](http://www.stratafinance.com.au)

For further information about new legislation, see the NSW Office of Fair Trading pamphlet:

<http://www.fairtrading.nsw.gov.au/corporate/publications/ftr47strataschemesinkingfunds.html>

### Media contact

Kevin Fitzsimons, The De Wintern Group, 03 9428 7588 / 0407 318 396