

# COMMON PROPERTY: A COMMON PROBLEM

Apartment owners warned: price affected by common property state

**A**partment vendors and prospective buyers of Australia's one million strata apartments should pay careful attention to the state of the common property, according to WBP Property Group.

"When assessing apartment value we, as a matter of course, review the quality and amenity of the common property such as lifts, roofs and external walls. We mark down properties relative to comparative buildings that show signs of wear and tear" said Greville Pabst, CEO of WBP Property Group.

Greville advised prospective buyers to ensure they understand the health of the apartment building's body corporate, the body responsible for maintaining common property.

"For example, do they have a viable plan for maintaining the

roofs, lifts and gardens? Is there adequate finance in place to fund these plans? Evidence of a poorly run body corporate should set off alarm bells and may indicate discord in the building. And it may mean unexpected costs for the purchasers down the line which have not been budgeted" he said.

The same advice applies to owners. "One day you may want to sell your property. It's in your interest to ensure that common property is well maintained, because it will influence the decision of potential buyers" Greville added.

State-based strata legislation gives all prospective apartment purchasers the right to view a body corporate or owners corporation record including information about proposed fees, repairs and liabilities. But it is up to the buyer to review and interpret

what they see and ask further questions of the vendor or body corporate strata manager.

Bill Debney, managing director of Strata Finance said: "buying a property is a huge commitment, and I'm afraid there's no absolute guarantee against being sold a lemon.

But a well managed, well financed owners corporation with a sound maintenance programme in place is a very good sign." /

#### **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.**  
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#### **ABOUT WBP PROPERTY GROUP**

**Multi-award winning WBP Property Group is an independently owned and operated national valuation and property services company. WBP offers a complete range of valuation and property services through its branch offices in Victoria, South Australia, New South Wales and Queensland, as well as its network of partner firms around Australia.**  
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**As a strata owner, you have the right to question the state of your common property**