

## Commercial owners see economic bonus with Strata Finance

**building**  
1990's commercial

**unit owners**  
Thirty five

**need**  
Complete refurbishment  
and upgrade of amenities

**location**  
Victoria

## owners corporation

CDB, Melbourne

## owners need

Commercial building's need a refurbishment every 5 to 7 years. The owners needed to upgrade the building across the board.

## Strata Finance solution

A funding option was provided with a flexible facility, allowing owners to commence the refurbishment and call upon additional funds at different stages of the project.

## owner benefits

Most of the owners were investors who immediately saw the tax advantages in addition to the building becoming more attractive to tenants and saleable for commercial agents. Owners who operated a business within the building found existing and prospective customers impression of the business vastly improved.

**To discover how Strata Finance could help your owners corporation, contact us on 1300 301 068 or visit [www.stratafinance.com.au](http://www.stratafinance.com.au)**

Commercial buildings typically require an upgrade every 5 to 7 years to maintain their values, retain tenants and help drive better lease returns. Upgrading a commercial strata building is often a big ticket item meaning the cost on owners is significant.

So when Strata Finance was approached to help fund a major refurbishment for this commercial strata property in Melbourne, we were presented with a big list of works and a big figure.

As David, one of the owners describes the scope of works was huge.

"The building had not had regular refurbishments so instead of being classed as an A grade building it had slipped to a C or D," David said.

"What this means if you are an owner is the cost keeps mounting just to maintain the building and tenants become frustrated, leave and lots become vacant."

"When things like air conditioning go during a hot summer you know you've got problems and the strata manager can only do so much," he said.

By deciding to fund the works through Strata Finance the owners corporation saw an immediate opportunity to rectify the issues in a cost and tax effective way that other options made look simple.

New lifts were installed, air conditioning was reconditioned with a new rooftop unit, vents and controls, the lobby refurbished, plumbing and bathrooms upgraded, building rewired with data cabling, building repainted and new floorings installed.

"One of the great things about the way the funds were set up was the facility provided. Initially we budgeted for the foyer, air conditioning and plumbing but soon realised it would be better if we could complete a larger scope of works," David said.

"So we were able to access an additional facility when we needed without having to reapply."

"It's amazing the enthusiasm commercial agents now have when leasing space here. It's been easy to get good tenants on good leases. Some of the owners run their businesses in the building and they believe their staff have had a big lift and their clients have been most impressed when visiting, which can only help with their sales"

According to Strata Finance's Managing Director Bill Debney, Strata Finance is perfect for commercial strata buildings.

"When these owners speak to their accountants they see it as a no brainer," Bill said.

"Every business owner is worried about their gearing. Strata Finance does not affect owners other sources of business funds and provides tax advantages that simply make it more attractive."