



MANAGING AGENT / SECRETARY

Name:

Precise Property Strata Management P/L

Address:

117 Old Pittwater Road, Brookvale NSW 2100

Telephone Number:

(02) 9091 0369

Date of Appointment:

AGM - 7.11.2016

Assigned Manager:

Unable to determine



INSURANCES

Company:

Strata Community Insurance

Policy No:

XXXXX

Due Date:

30.6.2019

Building: \$164,182,200.00

Public Liability: \$30,000,000.00

Voluntary Workers: \$200,000/2,000

Workers Compensation: As per the Act

Please Note: Only required where wages are paid in excess of \$7,500 per annum

Loss of Rent: \$24,627,330.00

Please Note: Coverage for situations where the building becomes uninhabitable.

Office Bearers Liability: \$2,000,000.00

Fidelity Guarantee: \$100,000.00

Machinery Breakdown: \$100,000.00

Common Contents: \$1,641,822.00

Building Catastrophe: \$24,627,330.00

Total Premium Cost:

\$99,808.64

Documents sighted:

Renewal

All insurances held in the name of the Owners Corporation.

Yes No

The Strata Schemes Management Act 2015 requires the Owners Corporation to have the following:

- Building insurance for at least the amount determined in accordance with the Strata Schemes Management Regulations. An insurance valuation to estimate the total building replacement cost is not compulsory but is recommended to be carried out at least every 3 years;
- Public Liability cover to a minimum of \$20,000,000;
- Workers' Compensation insurance; and
- Voluntary Workers insurance.





INSURANCE VALUATION

Valuer:

BIV Report Pty Ltd

Date:

14.11.2018

Building Replacement Cost:

\$250,410,000.00

Please Note: The building is not currently insured for an amount equal to or greater than the valuation above. However, this does not imply that the insured value is equivalent to the current market value of the building. This issue often arises when the valuation is undertaken after the start of the current period of insurance. The amount of insurance is normally adjusted at the next renewal date.

OWNERS FUNDS

AS AT 31 JANUARY 2019¹ FEBRUARY 2019, THE FINANCIAL POSITION OF THE OWNERS CORPORATION (ASSETS MINUS LIABILITIES) WAS AS FOLLOWS:

Administrative Fund:

(This fund covers the day to day expenditure of the building)

\$198,363.32

Capital Works Fund:

(This fund is intended to cover long term maintenance of the building)

\$744,877.15

Combined:

Owners Funds:

\$943,240.15

Total Unpaid Levies:

\$53,411.90

Account Keeping Requirements:

Accounting records are kept as per the Act Yes No

Annual Budgets have been prepared Yes No

Accounts are audited Yes No



CERTIFICATE OF TITLE

The Certificate of Title is not normally found in the strata records. A Title Search is normally conducted and included as part of the sale contract documentation. Please liaise with your legal adviser on this issue.

A search should be made at NSW Land and Property Information regarding registers dealings. The Strata Schemes Management Act 2015 requires that a change of By-Laws must be registered within six (6) months of a resolution being passed.

LITIGATION

Any evidence of current or proposed litigation involving the Owners Corporation?

Yes No

Building Defects. Proposed deed of release and works contract are attached. The deed hasn't been signed yet. The strata manager confirmed that the strata committee are currently negotiating with Meriton the works contract and would like some additional works to be included in it. Lawyers are involved to provide legal assistance. Meriton so far have been responsive and accept their legal responsibility to rectify defects. A strata committee meeting will be held in March to go over this matter. At this stage, there is no further update available.

TAXATION

TAX RETURNS

The Owners Corporation lodges income tax returns?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Copy of most recent Tax Return sighted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Expenditure for tax preparation in financial accounts?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

GST

The Owners Corporation is registered for and collects GST. Yes No





MINUTES AND RECORDS

Have the Minutes and Financial Records been retained for the prescribed period of five years?

Yes No

Date of the last AGM:

16.10.2018

Last Minutes in Book:

17.9.2013

Date of the first AGM:

17.9.2013

Missing Minutes:

Nil Apparent

Missing Financial Statements:

Nil

Strata Committee Members:

Refer to AGM - 16.10.2018.

NOTICES AND ORDERS

Do the records contain Notices or Orders adversely affecting the Owners Corporation?

Yes No





HARMONY

We note the following By-Laws infringements in recent times:

Nil Noted

RENOVATIONS

Before carrying out renovations to units or the common property owners must first request permission from the Owners Corporation.

Do the records contain any recent applications to the Strata Committee for permission to carry out alterations or additions to other units or to the subject lot.

Yes No

Lot 376 - Works





BY-LAWS

NEW STRATA LEGISLATION (EFFECTIVE 30 NOVEMBER 2016)

The Strata Schemes Management Act 2015 commenced on 30 November 2016 which enacted new regulations regarding By-Laws.

All Strata Schemes should have reviewed their By-Laws before 1 December 2017.

Schemes prior to 1 July 1997 were required to initially adopt the new model By-Laws. However they can be subject to changes via a Special Resolution in a general meeting of the Owners Corporation.

Strata Schemes commencing between 1 July 1997 and 30 November 2016 are not required to adopt the new model By-Laws.

BY-LAWS FOR THIS STRATA SCHEME

Is there any evidence of By-Laws passed during the past six (6) months that have not been registered? No

Did this Scheme commence prior to 1 July 1997? No

Were the current By-Laws sighted? Yes

It is often difficult to establish if By-Laws found in the Owners Corporation records are the most current By-Laws. It is quite likely that the current By-Laws are included in the Contract for Sale (not sighted).





ANIMALS

NOTE: Owners Corporations had until 30 November 2017 to review the By-Laws of their Strata Scheme as outlined in the By-Laws section of this Report. Therefore the current attitude or policy regarding pets, if any, will remain in place until the Review is undertaken. See By-Laws section for more information.

CURRENT POLICY FOR THIS STRATA SCHEME

By Law 13 - Keeping of Animals

- 1) An owner or occupier of a lot may keep an animal on the lot, if the owner or occupier gives the Owners Corporation written notice that it is being kept on the lot.
- 2) The notice must be given not later than 14 days after the animal commences to be kept on the lot.
- 3) If an owner or occupier of a lot keeps an animal on the lot the owner or occupier must:
 - (a) keep the animal within the lot, and
 - (b) supervise the animal when it is on the common property, and
 - (c) take any action that is necessary to clean all areas of the lot or the common property that are soiled by the animal.

An owner or occupier of a lot who keeps an assistance animal on the lot must, if required to do so by the owners corporation, provide evidence to the Owners Corporation demonstrating that the animal is an assistance animal as referred to in Section 9 of the *Disability Discrimination Act 1992* of the Commonwealth.



NOTABLE MATTERS

Particulars of issues or building matters found in the books and records which may be of interest to the purchaser.

We note that Strata Committee are active and meet on regular basis. Minutes of their meetings are attached for your information and provide a good summary of current matters in the building.

Building Defects:

The Strata Scheme has pending defects to be rectified by the builder. We attach various documents for your information:

- Deed of release and settlement between the Owners Corporation and Builders (October 2018)
- Contract for rectification works between the Owners Corporation and Builders (October 2018)
- BCA Fire Safety Report Response prepared by AEDGroup (30.8.2018)
- Broune Group Consultant - Builders Reponse (27.4.2018)
- RHM Consultants - Supplementary report on Building Defects Report - (May 2018)
- RHM Consultant - Report on Building Defects for Sample Units - No.2 (April 2018)

The strata manager confirmed that the strata committee are currently negotiating with Meriton the works contract and would like some additional works to be included in it. Lawyers are involved to provide legal assistance. Meriton so far have been responsive and accept their legal responsibility to rectify defects. A strata committee meeting will be held in March to go over this matter. At this stage, there is no further update available.





PAST BUILDING WORK

We refer you to the History of Expenditures below which notes major expenditure items for building works.

The following extracts concerning this work and other matters of interest are taken from the minutes, financial accounts and correspondence:

<u>Year/s</u>	<u>Major Expenditure</u>	<u>Amount \$</u>
2018-19	Building Improvement	35,959.50
	Hot Water System	\$51,118.93
2017-18	Hot Water System	\$51,888.51

FIRE SAFETY CERTIFICATE

Was the current Fire Safety Certificate sighted and attached. Yes No

We note that various defects around the complex are currently being rectified. Fire Safety Statement will be obtained once all works have been completed.



GLOSSARY

A

Agenda

A list of motions or issues to be voted upon or deliberated at a meeting.

Aggregate Unit Entitlement

The total of all the individual lot unit entitlements in the Strata Scheme. See also *Total Unit Entitlement* and *Unit Entitlement*.

Airspace

A lot owner effectively owns the airspace (and anything included in the airspace) inside the boundary walls, floor and ceiling of the lot. Lot airspace may include balconies and courtyards. Everything within the airspace must be maintained at the owner's cost.

Annual General Meeting (AGM)

A meeting of owners and other interested parties (as noted on the *Strata Roll*) that must be convened once a year under the NSW Strata Schemes Management Act 2015. Also see *General Meeting*.

B

Budget

An estimation of future receipts and payments likely to occur in the coming year for a scheme. This estimate is prepared by the *Strata Committee* or the *Strata Managing Agent* and is based principally on the historical costs of the scheme.

Building Management Committee (BMC)

A Committee formed to facilitate the operation of multiple strata plans that share building space and common facilities.

By-Laws

A set of rules the residents (owners and tenants) in the strata or community scheme must abide by.

C

Capital Works Fund (previously known as Sinking Fund)

A fund, under the control of the Owners Corporation, used to cover major renewal, repair or replacement works for the scheme including such things as window bar replacement, structural rectification, roofing replacement or repair, common property painting, stairwell carpet replacement, balcony problems, unexpected emergencies etc. Contributions are set by the Owners Corporation and are usually paid in quarterly instalments (see *Levies*).

Certificate of Title

A title deed issued by the NSW Land and Property Information to prove ownership of a lot. The Owners Corporation is also issued with a title deed for the common property.





Common Property

Common property is areas such as driveways, external walls, roofs, stairwells, foyers and gardens. Ownership is shared between Lot owners. Everything that is not defined as part of a Lot is common property.

Community Scheme

Is a Scheme that differs from a Strata Scheme in that the lot owners are responsible for maintaining any structures on their lot, both inside and outside the structures. They are also responsible for the upkeep of any common (association) property.

E

Exclusive Use

A special right granted to an owner to use a part of the common property (e.g. exclusive use of a car space located on common property).

Executive Committee (see Strata Committee)

Extraordinary General Meeting (EGM)

A meeting held outside the time frame of the Annual General Meeting for the consideration of any matters that need to be addressed by all owners.

H

Harmony

A term used to describe the level of owner contentment that exists within a scheme. Issues that impact on the level of harmony are parking, noise, animals and disputes between neighbours, owners and the Strata Committee.

I

Initial Period

The period in which the original owner still owns strata lots in a Strata Scheme for which the sum of the unit entitlements of those lots comprises more than 2/3 of the aggregate unit entitlement of the scheme.

L

Levies

Contributions, usually paid quarterly, by the owners to the Owners Corporation to cover regular expenditure and future major works expenses. The amount paid by each lot owner is regulated by the unit entitlement of their respective lot and allocated to both the Administrative and Capital Works (previously known as Sinking) Funds.

Lot

A strata scheme is a building or collection of buildings that has been divided into 'lots'. Lots can be individual units/apartments, townhouses or houses. When a person buys a lot, they own the individual lot and also share the ownership of common property with other lot owners.

M

Minutes

A documented record of all proceedings for all meetings held by the Owners Corporation and Executive Committee.





Motion

A proposal put forward for consideration at meetings held by the Owners Corporation and the Strata Committee.

O

Ordinary Resolution

A resolution that requires a majority vote of eligible owners or representatives present at a general meeting. An ordinary resolution motion is resolved if the majority of the votes cast are in favour of the motion otherwise the motion is defeated. Ordinary Resolutions are proposed to deal with such things as determining levy contributions and administrative matters.

Original Owner

The owner of the entire strata titled complex when the Strata Scheme was originally registered. It is usually the developer or builder.

Owners Corporation

The legal entity consisting of all the owners of the lots in a Strata Scheme and formed when a Strata Plan is registered.

P

Poll

A method of voting at meetings where each owner's vote has a value based on their lots unit entitlement.

Proxy

A person appointed, in writing, by an owner or mortgagee to attend a meeting and vote on the appointer's behalf.

Q

Quorum

A quorum for a general meeting is 25% of people entitled to vote or owners who hold 25% or more of unit entitlement. A quorum for an executive committee meeting is at least 50% of the executive committee members.

R

Resolution

A decision made at a meeting based on a motion raised and addressed at the meeting. There are 3 types of resolutions – Ordinary Resolutions, Special Resolutions and Unanimous Resolutions.

S

Sinking Fund (see Capital Works Fund)

Special Levy

A Special Levy is raised to pay for expenses not budgeted for in either the Administrative Fund or the Capital Works Fund (previously Sinking Fund). The amount and number of payments are specified at a general meeting of the Owners Corporation where the levy is approved.



Special Resolution

A Special Resolution requires a minimum 75% of the owners in favour of a motion, based on unit entitlement, when presented at a general meeting of the owners corporation. Special Resolutions are proposed to deal with such things as issues concerning common property or the amending of By-Laws.

Strata Committee (previously known as the Executive Committee)

Elected representatives of the owners. The election takes place at each Annual General Meeting. The three main positions are Chairman, Secretary and Treasurer.

Strata Roll

The register of the owners of all lots in the Strata Scheme including any utility lots. It also includes the names of other interested parties such as any mortgagees, covenant charges or lessees.

Strata Scheme

A Strata Scheme is a building or collection of buildings that has been divided into 'lots'. Lots can be individual units/apartments, townhouses or houses. When a person buys a lot, they own the individual lot and also share the ownership of common property with other lot owners. Common property generally includes things like gardens, external walls, roofs, driveways and stairwells.

I

Total Unit Entitlement

The total of all the individual lot unit entitlements in the Strata Scheme.

Tribunal

The NSW Civil and Administrative Tribunal (NCAT) hears and determines disputes between tenants, landlords, traders and consumers in a timely and effective manner.

U

Unanimous Resolution

A Unanimous Resolution requires 100% of the owners in favour of a motion when presented at a general meeting of the owners corporation. Unanimous resolutions are proposed to deal with such things as alterations to the Strata Plan or dealing with some Insurance matters.

Unit Entitlement

Each lot in a strata plan is allocated a unit entitlement based upon its value relative to the other lots in the scheme. This entitlement regulates the proportion of the levies payable by the lot owners and the voting rights of the lot.

W

WHS – Work Health & Safety

An acronym for Work Health & Safety which is a set of rules and regulations concerned with protecting the safety, health and welfare of people engaged in work or employment. The goal of occupational safety and health programs is to foster a safe and healthy work environment.





ATTACHMENTS

1. STRATA ROLL SUBJECT LOT
2. SUBJECT LOT LEVY PRINTOUT
3. FUNDS BALANCE SHEET
4. STATEMENT OF INCOME AND EXPENDITURE
5. CERTIFICATE OF TITLE
6. BY-LAWS
7. CERTIFICATE OF INSURANCE
8. CAPITAL WORKS FUND REPORT EXTRACTS
9. WHS REPORT
10. MINUTES OF THE LAST MEETINGS OF THE STRATA PLAN
11. DEFECTS DOCUMENTATION

