



Richardson Strata Management Services



Over the past 30+ years Richardson Strata Management Services has dedicated much of its time to development of the Strata Industry.

Strata Community Association (WA) recently held an awards evening to recognise and award those individuals and companies who are committed to the professionalism, service excellence, ethical practices and innovation to the sector.

Richardson Strata Management Services were awarded the 2018 Large Strata Management Business of the Year. The company is honoured to have won this category and wish to thank their team of staff whose daily efforts have contributed to this award.

Strata Insurance

What you need to know

Strata Title Common Property Ownership

As an Owner you have an undivided share of common property. This means you, along with all other Owners of your scheme are responsible for any liabilities that arise from common property ownership.

Strata Titles Act 1985 WA

The Western Australia Strata Titles Act 1985 (STA) outlines the insurance responsibilities of a Strata Company in Section 53 & 54. The Strata Company shall insure for the Replacement value, including all fees, charges removal of debris costs and hold a minimum of \$5m legal liability insurance. Workers Compensation insurance is required where a Strata Company employs workers, either directly or indirectly as contractors. Refer to your broker to determine your requirements here.

Other insurance is discretionary, however risks are changing and increasing and many discretionary covers are now standard sections in a Strata Insurance policy.

A Strata Company is responsible to ensure the insurance is arranged as mandated by the STA.

Building definition Section 53

The STA describes the definition of "building"; includes any building on the parcel for a scheme, whether shown on the strata/survey-strata plan or not and also includes: (a) proprietors' improvements and proprietors' fixtures forming part of the building including paint and wallpaper but excluding carpet and temporary wall, Floor and ceiling coverings.

Building as defined in the STA includes Proprietors fixtures and fittings or structures that are fixed to, or forming part of the building, which include inside or outside a Lot.

Proprietors (Owners) Fixtures and Fittings

As an Owner it may be difficult to define personal contents and what is a fixture. A rule of thumb is if it is attached or fixed to the building, it's a fixture of the building. If you can pick it up and take it with you, it's personal contents.

A strata manager manages common property. Their duties do not extend inside a lot for maintenance, other than to enforce the by-Laws and arrange repairs on a

Through our seasonal newsletter we aim to keep you informed of current news and updates relevant to Strata and Survey Strata schemes.

Richardson Strata Management Services provides an online portal service for all of our clients where information relevant to your building can be viewed online using a unique username and password for each owner.

If you do not already have your username and password please contact your Strata Manager for assistance.

To log into the online portal please follow the link below:

[Online Portal](#)

Go Paperless Today!

Did you know you can receive all of your levies, utilities and important information via email?

Simply [click here](#) and let us know you would like to go paperless.

Don't forget to tell us your name and the full address of your property.



**KEEP
CALM
AND
SAVE
THE TREES**

Strata Insurance

What you need to know continued...

Lot boundary that impacts common property or other units, such as a leaking shower drain which causes water ingress to a unit below.

In summary Strata Insurance extends limited cover inside your Lot only for what forms part of the building structure as defined by the STA for resultant damage from accidental damage or perils covered by the policy, not your removable contents, as referenced above and illustrated in this table:

Strata Insurance	Personal Contents
Proprietors (Owners) Fixtures & Fittings Examples	Personal Contents (moveable) Examples
Stove built in (electrically/gas plumbed) to the building.	Personal items, valuables etc.
Built in kitchen, bathroom and bedroom furniture (Usually attached to the building).	Tables, chairs & other loose furniture plus clothing, toys, electrical & electronic items etc.
Nailed or glued down hard wooden flooring, tiles etc. Also paint on walls or wall paper in WA.	*Floating floors is wood flooring <u>not</u> glued or nailed onto the floor. Carpets.
Electrical equipment that is wired to the electrical cabling, which included fans, lights & split system air-conditioning.	Screwed in or plugged in appliances, such as lamps, computers, toasters, microwaves, fridges and dishwashers.
Toilets and bathroom fixtures, baths etc.	Other free standing contents, not hard wired or hard plumbed to the building.

Commercial Fixtures

When it comes to commercial strata temporary fixtures (i.e. shop fit outs) that are installed inside a Lot and attached to the building, if they are removable at the end of the lease agreement, then these fixtures are not covered by strata insurance, as not defined as part of the building.

Carpets

The STA specifically excludes carpets or other temporary floor, wall or ceiling covering, found inside a Lot. Therefore typically Strata Insurance policies will not cover these items either. The Owner needs to ensure their contents insurance covers these items.

Note that carpets or other fixtures found in **Common Property are covered.*

What does an Owner need to insure?

Things not covered by strata insurance and including:

Removable contents and chattels for e.g. furniture, personal belongings temporary fixtures, like floating floors and carpets etc. as contents insurance.

You Legal Liability Exposure

As an Owner you also have Legal liability exposure arising out of the use of your Lot. Whether you live in your Lot or you lease your property to a tenant, it is important to ensure that you have insurance protection.

Typically when you buy residential contents insurance or Landlords insurance, both policies will provide cover for legal liability insurance.

Does your tenant need insurance?

A tenant living in strata should have contents insurance for themselves, similarly to cover their own contents, but also their legal liability. A tenant can become liable to the Strata Company for negligent claims that encroach beyond the confines of the Lot and extend into common property.

Other Insurance Responsibilities

Refer to other Strata Insurance knowledge flyers.

General Disclosure

This article has been prepared for informational purposes only, and is *not* legal advice and should not be relied on as *legal* or insurance advice. You should consult with a qualified insurance or legal advisor.

Balcony Balustrades

Safety & Maintenance

The condition of balcony balustrades is often ignored in maintenance programs in buildings. With a significant proportion of residential strata scheme buildings now in excess of 20 years old and having metal balcony railings secured into concrete slabs, many Strata Councils fail in their duty to ensure the common property balustrades are in a safe condition.

The structural failure of balustrades commonly arises as a result of rusting at the level the railings are secured to the concrete slab where rust causes Concrete spalling (also known as cancer) resulting in a possible danger to residents and guests.

Failure of a Strata Council to maintain the common property which results in injury or death can result in the Strata Council being found to be in breach of its statutory duty under Section 35(1) of the Act.

It is naïve for a Strata Council to assume that in the event of balustrading failure the strata insurer shall cover the costs of any personal liability claim. Often such claims result in insurers denying liability as a Strata Council has been found to be in breach of its duty under Section 35(1) of the Act by being aware of the defective nature of the balustrading for several years and had failed to act. The moral of the story is that the Strata Council should not defer any known potentially dangerous repairs but rather carry out necessary work as soon as possible. Where the Strata Council has any doubt about defective building components, it should engage an expert to provide advice on the appropriate course of action and act on that advice without delay to minimise any potential claims.

Langate Reforms

It is now confirmed!

The changes to the Strata Titles Act have now been passed in Parliament which means a lot of new & improved changes for Strata Managers and Strata Clients.

What are some of the major things we can expect to see?

- Electronic Communications
- Requirements to undertake a 10 year maintenance plan (subject to the size of the complex)
- Requirements to establish a reserve fund (subject to the size of the complex)
- Statutory duties for Strata Managers
- New Community Schemes being introduced
- Better Buyer information

Richardson Strata Management Services will be conducting owner's forums in early 2019 providing owners with information & what changes may affect them as proprietors or their strata complexes.

If you would like to be notified of any owners seminars, please contact our office. To review the changes please click on the following link: <https://www0.landgate.wa.gov.au/titles-and-surveys/strata-reform>

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