

Whoyagonnacall? 10 unspoken risks buying off-the-plan

Graham Hand

*If there's something strange
In your neighborhood
Who ya gonna call? (Ghostbusters)*

*If there's something weird
And it don't look good
Who ya gonna call? (Ghostbusters)*

*If you're seeing things
Running through your head
Who can ya call? (Ghostbusters)*

With acknowledgements to [Ghostbusters](#), Ray Parker Jr,
provided to YouTube by Arista Records.

Part 1

Buying a property off-the-plan starts as an exciting dream created by the visions of architects and designers, but it's often a world away from the harsh reality of living there a few years later. Water leaks, building cracks, noisy neighbours and old sofas dumped out the back become the 'strange and weird' ghosts facing owners after they settle on their dream.

Unfortunately, there are no friendly ghostbusters for property defects when "*there's something weird and it don't look good*".

Media reports of people queuing around the block to buy apartments launched off-the-plan are commonplace. At that stage, apartments (and townhouses and house-and-land packages) are designs subject to change, deliverable in three to four years. The buyers stand anxiously waiting for hours, eventually finding their way to a sales desk where the agent shows them a chart with lots of red dots – apartments already sold – and the buyers have a short time to make a massive commitment. It's probably the biggest financial decision of their lives and it's made based on a glossy brochure, a fancy display unit and a need to decide immediately. [For example, as reported in Domain](#):



"A crowd of 100 eager buyers queued in the city's early morning chill from 7am on Saturday keen to snag a unit in the Infinity by Crown development at Green Square. By 10am the crowd had ballooned to 300. "We released 326 apartments and 105 apartments sold in the first hour," said Crown Group Chief Executive Iwan Sunito. "We sold \$100 million worth of apartments in the first hour and \$170 million by the end of the second hour. The total value of apartments sold had reached \$350 million at 3pm."

Stand at the back of this queue for a couple of hours and see who can resist buying an apartment when they reach the front.

The harsh reality starts to hit you

You know little about the problems you may face when the inevitable defects surface. It is easier to replace a vacuum cleaner or fix a car under warranty than it is to remedy the defects on a multi-million-dollar apartment. The agent’s job is to sell the dream, and by the time defects in the building are discovered, the developer and builder may be long gone, or indifferent to your problems.

On final inspection before settlement, you walk around your new apartment holding the original brochure, and you now see the floor plan is ‘not to scale and for illustration purposes only’. Wasn’t that wall supposed to be a window? The view from the balcony is of another building, what happened to the trees and water? The rooms feel small, is this apartment really 150 square metres (sqm)? Why does the kitchen bench intrude into the living room? What’s that stain on the window sill ... is it leaking? ... and the traffic noise is worse than you expected.

You will need a lot more than a tape measure to sort this out. Every completed apartment building has defects, and even if you arrange a building inspection before completion, many details are missed by someone charging \$2,000 to walk around for a few hours.

Of course, it is better to deal with long-established developers and builders with good reputations, but don’t expect them to write cheques willingly. While they want to protect their name, dealing with them can be an exhausting physical, mental and financial drag. The disaster at Opal Towers was built by Icon, a leading construction company recently appointed for the \$60 million renovation of North Sydney Olympic Pool. Icon blames the engineering firm, WSP Structures, and both the developer, Ecove, and the Sydney Olympic Park Authority (SOPA) are involved in legal actions. Somewhere amid the blame shifting are the owners trying to get on with their lives in an apartment nobody wants to buy, claiming there are [over 500 new defects](#).

Whoyagonnacall? Knowing what you don’t know

There are about 700,000 apartment buildings in Australia. In the latest figures shown below, 70,000 apartments and town houses were approved in the 12 months to end February 2021.

The most common defects are internal and external water leaks and structural cracks. According to a [2019 paper](#) by property specialist, Dr Nicole Johnston of Deakin University, in a study of 212 building audit reports with 3,227 defects from around Australia:

"85% of all the buildings analysed had at least one defect across multiple locations. The result was slightly higher in New South Wales (97%) and slightly lower in Queensland (71%) and Victoria (74%). The average number of line item defects identified per building was 14 ... The average number of construction systems (noting that 13 construction systems formed the classification matrix) affected by defects per building was 5.93."

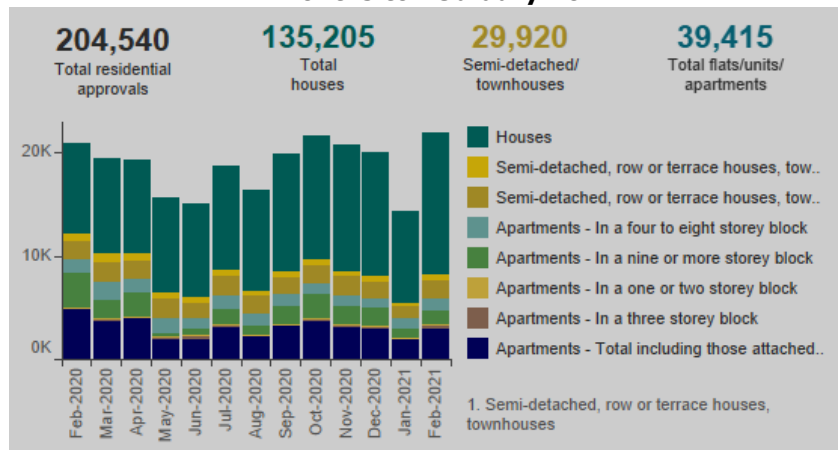
With a defect hit rate of 97%, anyone buying off-the-plan in New South Wales should assume their building will have defects.

So here’s Part 1 of a list to show what you don’t know.

1. Who will identify the defects?

You move in but you know little about whether the building was constructed according to the approved design drawings, especially items outside the apartment such as fire protection, drainage, electrical equipment and

Number of new residential buildings approved, 12 months to February 2021



Source: Australian Government, [Institute of Health and Welfare](#)

water damage prevention. For example, a water leak at the prestigious 104-unit King & Phillip building in Sydney has delayed settlement until mid-year.

In fact, you don't even know what is your personal responsibility inside the apartment and what is the common property of the building. The front door and windows are common property, but what about exhaust fans, lights and aircon units? Will the body corporate fix faults or will you?

The first major storm is a test for any large building and you discover a couple of your windows leak. In other apartments, wet floorboards are already lifting. Some owners suspect the cladding is flammable. Whoyagonnacall? Get ready to start arguing over who is responsible as the developer points to the builder who blames the sub-contractors. Prepare for expensive consultants' reports and special levies, and bring in an experienced legal adviser. Many problems might not surface for five or 10 years, who is responsible then?

The Home Building Act, NSW, section 18B, says:

"Warranties as to residential building work

1. The following warranties by the holder of a contractor licence ... are implied in every contract to do residential building work

a) A warranty that the work will be done with due care and skill and in accordance with the plans and specifications in the contract."

The owners via the Owners Corporation (OC) and Strata Committee (SC) have two years to lodge a claim against the builder to (in the case of NSW) the NSW Civil and Administrative Tribunal (NCAT). Identifying and quantifying defects is specialist work, requiring the SC to hire engineers and construction experts.

Who will do the identification and liaison work on behalf of the owners? The Chairman of your SC is a retired 80-year-old teacher. He's a nice guy happy to run the SC for something to do, but he does not have the skill, resilience or desire to manage a major project such as this. Whoyagonnacall to do the work? Is it you?

What about the building manager, what do they do? Building managers are not a maintenance service for all owner problems. They may act as a coordination point, and while they may call the builder and ask them to fix a problem, they do not have the skills or time to monitor the work and decide if the job was done correctly. They will not manage a major dispute for you. Their responsibilities only extend to common property, but does that include your blocked drain? Who knows?

Surely you can rely on the occupation certificate, or a building certifier such as the Principal Certifying Authority (PCA). Let's put aside the fact that the certifier might be a mate of the builder and relies on them for work. The usual certification process is that each contractor is required to sign a piece of paper saying the job was done according to the contract, in both quality of work and materials. Of course the contractor signs this, but that is no security that it actually happened. Cheap wiring with flammable casing? Why not save a few dollars? The certifier inspects little if any of the actual work.

Anyway, much of what matters such as façade fixings, fire prevention, electric cabling and drainage systems is buried under years of work or located behind walls and ceilings. After six months, your shower drain is blocked with your hair because the builder poured waste cement down your drain. No certifier will predict that, but whoyagonnacall? The only way to know about many problems is when something stops working, often years later, or in an emergency when the equipment fails.

Let's say you find problems during the final inspection before making the settlement. Consider the plight of this buyer reported in [The Sydney Morning Herald](#):

"A Sydney apartment buyer stands to lose her life savings or be forced to buy into a 300-unit development that she has been warned contains major defects. Maryam Behrouz's pursuit of the great Australian dream has become 'a nightmare' after being told she must settle the \$625,500 purchase in Kellyville because the building has been ticked off by a private certifier."

2. Who will fix and pay for the defects?

Who are you chasing anyway? Many builders and developers set up \$2 companies for each project, and your apartment was built by Great Ocean Road 007 Pty Ltd. Whoyagonnacall to find any money there?

It's likely that the builder and developer are different companies. The developer is the owner of the project and the seller of the properties. They employ an architect, then give the plans to the builder. Often, the architect

steps away from the project at this stage, so the expert who did the original design is no longer involved. Don't expect them to review the final product.

Construction is a competitive business, full of tight margins, militant unions and expensive trades. The builder studies the plans and specifications and quotes \$50 million for the job on a 3% margin, hoping to make \$1.5 million. The job is awarded, the developer hands over the site to the builder, who sets to work deciding how 3% becomes 6%. Welcome to cost cutting. If the developer does not employ the necessary skills to watch the builder at every stage, then the European fittings become Chinese copies, the sound proofing and insulation is thinner, the ducting runs from the kitchen over the bedrooms to reduce the distance but makes a noise when people are in bed.

Step-by-step, it's an inferior build that will be expensive to repair five or 10 years after moving in, long after any warranties have expired. Most frustrating is that the builder saved \$10,000 on something that might cost \$100,000 or more to fix by the time the ceiling or walls are removed.

Even if the builder and developer are well-established, major listed companies, they deal with recalcitrant owners and committees every day. They are experts on the issues while the owners are bankers, teachers, nurses, farmers and fund managers. It is familiar ground for the experts, and they bat problems out of the ground every day. You need help but whoyagonnacall?

NCAT can only adjudicate on matters worth less than \$500,000, and major defects often cost far more. Next step is either mediation (more work for you), a local court or the Supreme Court. Now watch the legal and consultant bills mount up.

3. Who will enforce and manage the work?

Let's say your building is having problems with water leaking, noises between apartments and flooding in the car park, so you call in an engineering consulting firm to do a thorough audit. A special levy is needed to fund this \$50,000 study of the building, which some owners are unwilling to pay. After heated arguments and lobbying, you finally push it through the SC. The building manager knows a firm (is it his mate?) who can do the audit work, and three months later, the consultant delivers a 100-page report.

What will you do with it? Hire another consultant to read it? Nobody on the SC is a builder or an engineer, and you don't have a clue what all the detail on fire regulations, building codes, minimum this and maximum that even mean. Whoyagonnacall? So you hire the consultant at \$450 an hour to liaise with the developer and builder to fix the defects.

Let's be optimistic and say you eventually make progress with the builder who agrees to fix things. Whoyagonnacall to manage the project on your side? Does the consultant visit your property each time the builder turns up? The builder will do the least possible to get you off his back. He will send over a bloke with a tube of silicone to fix the water leak and claim the job is done. In the next storm, maybe six months later when the rain is heavy and the wind is in the right direction, it leaks again. The real cause is a crack in the facade a metre from the window but whoyagonnacall to find it?

A year later, with the clock ticking before the two-year deadline under the Home Building Act, you decide the builder is full of empty promises and delaying tactics. You need a specialist lawyer to advise of your rights and how to make a claim to NCAT, or is it a court? The SC Chairman is now the former SC Chairman because he never signed up for all the hassles.

If you don't do the work, maybe nobody will. It will be a stroke of luck if your SC has the resources to handle a major prosecution of a builder or developer.

Even when the work begins, how are external leaks fixed on a completed building? The scaffolding is long gone, so workers hang over the edge on ropes, 30 storeys above the ground. The men in the picture below are not cleaning the windows, they are sealing leaks. Imagine how slow and expensive this is, and neither your building manager nor consultant will know whether the job was done properly. Next time it rains, you may need to send the guys over the side again.



4. Is your new dream property even what you paid for?

The design you signed up for is subject to change. The architect gave it to a graphic designer who gave it to the developer who gave it to the builder who gave it to dozens of contractors. Then four years later after a hundred people have interpreted the plans according to their skills, budget and profit margin, you are shown the finished product.

Check the fine print in the sale contract. It allows the developer to deliver a property with a 5% variance in size. For variance, read reduction. It might not seem much, but on a 150 sqm apartment, 7.5 sqm is a smaller bathroom, nowhere to put the big screen television or the loss of half a balcony. Did the size allowance include that boxed-in column in the corner which cuts into your living room? Or the empty space at the back of the kitchen cupboards?

The value of 5% depends on the apartment. The most luxurious and expensive apartments in Sydney sell for \$60,000 to \$80,000 a sqm and losing 10 sqm on a 200 sqm apartment is an effective cost of maybe \$800,000. Even at \$20,000 a sqm, losing 5 sqm is \$100,000, plus a loss of the floor space you need. A QC will tell you there is no case for the developer to answer, as you should have known when you signed the contract, four years ago.

Surely the basic design must be honoured. Then [consider this](#):

"When excited first home buyer Jae Jun Kim went to inspect the one-bedroom apartment he'd bought off the plan in Sydney's CBD, he discovered something vital was missing: the bedroom. Where the wall to the bedroom and the much-lauded feature decorative glass sliding screen door should have been was ... nothing.

Instead, the slick one-bedroom apartment in the new 15-storey building The Castlereagh that Kim had paid \$560,000 for in October 2012 was actually a studio. He was distraught."

5. Who is on the SC and what are the strata fees?

At the first meeting of the SC, full of well-meaning neighbours, busy-bodies and amateur administrators, you will be lucky if everyone is cooperative with the same goals. There are investors versus owner-occupiers, and one group wants to landscape the grounds and the other wants the lowest fees. Will this group of people be capable of years of arguing with expert builders and developers while running a major court case?

Nobody in the room is likely to know that under the Strata Schemes Management Act (in NSW), at the first AGM of the SC, the following must be provided by the developer under clause 16:

"a) all plans, specifications, occupation certificates, diagrams ... planning approvals, complying development certificates, 'as built' drawings, compliance certificates, fire safety certificates and warranties ... the initial maintenance schedule, any interim report or final report of a building inspector ..."

... on and on it goes. Even if you are in an older building, does your SC have these documents? Do you expect the developer or builder to turn up with these if you don't demand them?

You notice someone at the SC who seems to understand how the industry works. Some builders and developers retain apartments which gives them a legal right to attend all SC meetings. They can influence the outcome by speaking forcefully about rights and obligations (although they cannot vote) and create unlimited delaying tactics. Say the SC needs to raise a special level of \$200,000 to prepare a court case. An experienced advocate can make the case that it's a waste of money better spent on fixing the defects.

At the initial sales pitch, the real estate agent has an incentive to talk down the strata levies, especially when a development has a high proportion of investors rather than owner occupiers. But it is guesswork. The first meeting of the SC sets the strata fees, and you can be sure the consultant brought in to advise on the fees will bring a new dimension. You need a sinking fund to replace the lifts at some time and the entire building will need repainting after 10 years. A 24-hour concierge costs \$350,000 a year, plus maintenance of the gardens and cleaning of the pool, the gymnasium and the common property. Buyers who love the idea of all those amenities need to realise they will pay for maintenance and eventual replacement.

Whoyagonnacall?

Part 2

In most cases, apartments are sold off-the-plan to enable the developer to obtain finance to begin construction. Banks often require pre-sales of 60% or more, and a project may not proceed without this early progress. Buyers will receive a refund of their deposit but they may have missed out on other opportunities while out of the market.

Buyers enter a contract and have a legal obligation to settle. Many buyers believe their worst-case scenario is forfeiting the 10% deposit but the developer may take legal action to recover other costs, such as losses or legal expenses in reselling the property. Purchase obligations are not subject to finance and the buyer may be unable to arrange a loan three years after the original purchase as their circumstances may change. A bank will only commit once the building is almost complete.

Here are five more risks:

6. What internal and external noises will the apartment suffer?

You loved those parquet floors in the display apartment, all those years ago. Guess what! Your neighbours upstairs have the same floor. Was the sound deadening underlay installed properly? Why do they thunk-thunk around their apartment wearing hobnail boots? It goes on day and night until it drives you crazy. Whoyagonnacall?

Viewing a display apartment gives no hint of the noises inside your actual property. The sounds of traffic or trains or planes might be poorly insulated against, and even if the windows are double-glazed, you will not want to keep them closed all summer. What's that annoying noise from the air conditioning unit next door? What's with the music, this is not a party house. You're kidding me, an Airbnb. Apartment buildings are sometimes shared by hundreds of people. Don't assume they read Jane Austin each night. Australia's top-rating television programme is *Married at First Sight*. Those cretins you ridicule on television are your new neighbours.

Any acoustic engineer will tell you that large buildings are never silent. There is a vast amount of equipment running 24/7, including water heaters, aircon units, lifts, garbage chutes, ventilators, exhaust fans and electric shutters. Buy the apartment above the security doors to the underground garage and you will hear the opening every time you sit on the balcony. Whoyagonnacall?

And here is the irony. The noise from each piece of equipment is masking another sound. You might hear an annoying hum from a machine which the builder agrees to fix, but when that machine is silent, you hear another one. Too low a background noise level may mean you can hear other noises in the building. And you know how they say your brain switches off to repetitive noises? Don't believe it.

Some noises are there to stay so just get used to them. Or do you expect the conversation to go like this during your final inspection?

You: The agent told me there would be special thick glass to insulate against the road noise.

Developer: Oh, damn, did we use normal glass? Sorry about that. Let's put the scaffolding back up and replace all the glass in all the windows with thicker glass. That will cost about \$2 million but no worries, we'll pay for it and have it done quickly with the least inconvenience to the owners.

To misquote from *The Castle*, you're dreamin'.

7. What are the views really like, and what's that smell?

For many apartments, the view is a critical part of the value and price, and crucial for the amenity and pleasure of a new home. A problem with the view is not like replacing a dishwasher. It might be beyond the control of your anyone on your project. For example, a different developer may have acquired land next door and it would be devastating to inspect your new home only to find another building only 11cm from your balcony.

When the marketing brochures are prepared, the photographs or artist drawings often represent an image from the penthouse, the best view in the building. Pity that's where someone else lives. From your apartment, the view may be straight into



This man's balcony is just centimetres from a new apartment tower and he's not happy about it.

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someone's dining room. I recently inspected a new construction with an existing 527-unit Mirvac building blocking the harbour views below the 34th floor.

A friend inspected a high-end off-the-plan development on Sydney's north shore. The penthouse was priced at over \$12 million and the quality of the harbour view was critical to the value. He was sceptical of the marketed view pictured as if the apartment were on the water, whereas it was set well back, albeit with an elevated outlook. So he hired a drone and pilot to take photographs from the actual location of the future penthouse balcony and it was a vastly inferior view over houses. He did not proceed.

A common marketing technique is to take a promotional shot through a gap, ignoring the fact that the actual perspective is 'framed' by two large apartment blocks either side of the view.

The water view? Who are they kidding? In some places, it's a tidal mud flat, and when the tide goes out, the water is 200 metres away. Maybe you like the look of mud clinging to the roots on mangroves, but what about the smell? There are suburbs with water views where the smell at low tide forces residents to close the windows.

Nobody who buys off-the-plan thinks about smells. You know that restaurant space you saw in the glossy brochure, the ground floor retail showing happy people meeting in a great community scene. Well, the kitchen exhaust is near your balcony, and each night, the smell of tandoori chicken wafts into your living room. No matter how much you like tandoori chicken, you don't want to smell it every night.

8. Why is that community coffee shop still an empty space?

Many apartments are mixed-use developments, with the ground floor devoted to commercial space, sometimes offices but often coffee shops and restaurants. The brochure shows food places full of smiling faces sipping great coffee, and buyers picture themselves meeting up with friends for a morning latte with apple danish, looking out on landscaped gardens. The sun is shining, you expect to WFH more, and it will be paradise.

But a coffee shop cannot be supported by a hundred apartments. It needs a lot of passing trade, and COVID has killed many of these businesses. Commercial spaces may lie idle for years, or forever, with owners hoping some sucker will fit out and rent a low traffic area. Eventually, the 'For Lease' signs hang down on yellowed tape, gathering dust, making the whole ground floor of the building feel sad and desolate. Try selling the promised vibrancy to a new owner. Consider the location and ask yourself whether it is likely that anyone will take the ground floor space.

9. Why can't I sell my apartment for more than I paid for it?

Agents sell a dream, you are selling a reality.

The developer spent millions of dollars on promotions and marketing, maybe \$50,000 an apartment on top of agents' fees. The project appeared on the cover of national magazines with gushing articles written by compliant journalists whose other job is to encourage advertisers. The building was promoted in Hong Kong, Singapore and China, the display model was an architectural masterpiece, and there were a hundred people in the queue during your first look.

You simply cannot compete with this level of glitzy promotion when it comes to selling your completed two-bedder. And the bad news is, there are five other two-bedders for sale in the same building for the same reasons you want to sell, and all those agents' signs at the front door look really tacky.

All those things you missed or glossed over or ignored in the original frenzy are now obvious. The living area is dark and buyers notice you switch on all the lights during inspections. The balcony barely fits a decent table. The study is more of a cave than a place you want to WFH. And, oh dear, there's a solid column in the middle of your living room that was not on the original plan.

10. Is that common property or is it mine?

In many cases, it is obvious what common property is: external walls, roof, foyer, lifts, stairwell, pool and driveway. Some owners believe they are only responsible for maintaining their own apartment but common property is jointly owned by all owners through the Owners Corporation (OC). Everyone pays for its maintenance, although features such as swimming pools and gymnasiums are used by a few. It leads to disputes over the standard to which the common property should be maintained.

The strata plan usually shows common property boundaries, but it can be confusing exactly where to draw the line. The flooring in an apartment is common property but not the carpet. A pendant light which hangs down from the ceiling is not common property but a downlight installed in the ceiling is. External doors and windows are common property, which means a broken window is paid for by all owners. Some owners begrudge paying for damage in the apartment of others, such as a lifting floor tiles or a blocked drain.

Any owner who wants to modify common property must seek permission from the OC or SC. An owner with a garden space nobody else uses may ask for an 'exclusive use' by-law, which is sure to generate opposition, even from owners who have never set foot in the garden.

In mixed-use developments with commercial premises, there may be disputes over signage, customer parking and usage. Another friend has battled for years in his apartment building to prevent a 24-hour call centre moving into the commercial space with access via the main foyer, fearing the coming-and-going of strangers at all hours will change the residential nature of the building.

The Design & Building Practitioners Act (DBP Act)

The DBP Act 2020 imposes obligations on builders to improve compliance with the Building Code of Australia. It requires each step of construction to be documented and compliant with the intention of improving the culture and competence of the industry.

This relatively new legislation remains untested in practice, especially managing defects post-settlement. A criticism is that it works to the standards of the Building Code but many high-quality apartments are specified to much higher standards. Builders are supposed to lodge details of 'variations' from original plans but there are few details on what qualifies as a variation. Every project evolves as it is built. Both owners and builders worry that the increased compliance will delay completion of buildings.

Another criticism is that whereas the Home Building Act requires the owners to pursue the builder in the first instance, the DBP Act allows owners to make a claim on everyone involved, including contractors and smaller businesses as well as the larger builders and developers. A major dispute could bring many more parties into the room, adding complexity and legal costs to the rectification.

Nevertheless, there are some encouraging signs, with the NSW Building Commissioner David Chandler publicly identifying buildings with defects and handing out remedy orders. It includes the [buildings on this list](#).

Many defects surface long after settlement with complex legal implications, and it will fall to the owners to identify and manage a lengthy legal battle.

Unfortunately, there are no friendly defect busters to call "*If there's something strange in your neighborhood.*"

Thanks to Martin Davies for assistance with this article although errors remain mine. Martin provides advice to owners' corporations and developers on addressing building defects. He works with both sides as it is in everyone's best interests to sort out the defects before they become major problems. He can be contacted on strata.projects.au@gmail.com.

Graham Hand is Managing Editor of Firstlinks. This article is general information and does not consider the circumstances of any person.

Comments

JR, May 24, 2021

I'm a lawyer and regularly advise clients to think carefully before buying off the plan. Yes- Stamp duty can be saved; however the other problems so well enumerated in the two articles would put me off buying until I see the finished product. At times of steep rising prices some fortunate speculators who buy with the aim to sell before, or soon after completion do make a profit. That is not the situation now.

Grahame Cox, May 24, 2021

Reading through these comments made me feel ill. So many shared experiences. One example of developer attitude: I worked on a project for the redevelopment of a major Sydney building converted into one-bedroom apartments - 100+ The management rights were sold off for \$100,000 prior to the formation of the SC. All apartment owners are paying minimum \$25 per quarter to the owner of the management

rights as additional profit. You can't dismiss the manager. The profit stream lasts for eternity.

Jessica, May 23, 2021

Some of these risks apply to buying a place anywhere (eg noisy neighbours) not just off the plan. To add balance from someone who loves living in an apartment, here are a few points:

- less maintenance than a house. while people complain about strata fees, it is a payment for looking after your building, and someone else does the work.
- anytime you want to go away, just close the door and leave. not fussing about the garden or locking up everything.
- views from high floors in the building, which are very expensive to find in a house.
- new friends in the building. we have a community that I never felt in a house.

The fixer, May 21, 2021

Friends in high places: The Victorian Budget has bailed-out apartment developers by waving stamp duty on newly completed homes that have been unsold for a year or more and extending stamp duty concessions to new off-the-plan purchases worth up to \$1 million from 1 July.

Chris, May 20, 2021

Great article, you nailed most of the issues, but another one I am aware of is car parking disputes. Unknown cars parking in your spot can create heated arguments.

Alex, May 20, 2021

I moved into an apartment over five years ago and the coffee shop with veranda area I was looking forward to sitting in the sun but it has never been occupied. The nearest coffee is a 10-minute walk to a place usually in the shade.

AlanB, May 18, 2021

This is a most informative article that deserves wider publicity and exposure. It should be put into brochure form and compulsorily handed out to all prospective off the plan apartment buyers. But that will be opposed by real estate agents and shonky developers. Parents need exactly this information to pass on to their young adult children.

Dannyboy, May 17, 2021

I worked in the apartment construction industry for a little while but got out as soon as I possibly could. The entire process of building these things is basically legalized robbery and it is only a matter of time before a major disaster takes place in Australia. Every shortcut imaginable to man is taken by all trades to ensure that profit margins are maximized at the expense of the quality and longevity of the build. Some builders turn a blind eye (when they are even paying attention) to shocking examples of safety and

quality critical issues to save time and deliver apartments at lightning speed- so much so that buyers are often inspecting and settling on their 'completed' apartments while those on the floor above are still being finished off for tomorrow's round of buyer settlements. The competence of many people inspecting these things from a management down to trade level would horrify most people. It is the greatest example of regulatory failure in the history of our country.

Peter Black, May 20, 2021

Absolutely spot on!

Dominic Joslin, May 21, 2021

I agree 100%. The developer next door to us was supposed to put in a spoon drain at the top of the retaining wall between our properties, as per the engineering for the wall, but did not do so. The certifier signed off on the wall as 'completed', and now just shrugs his shoulders when questioned about it. And the local Council will do nothing to help.

Dannyboy, May 21, 2021

No they will just direct you to the DBDRV and then onto VCAT, for which you will go through months (if not years) of pain and suffering, not to mention likely bankrupt funding all the expert reports, building consultants, lawyers etc. The system has evolved to make any sort of realistic recourse against builders/developers basically impossible for the average person. Of course builders/developers know this and take full advantage.

An increasing number of people I know (including myself) would never build or buy a brand new house/townhouse/apartment. Buying a house 30+ years old and renovating by yourself is the only way to go. Houses that were built by proper tradesman and builders before every aspect of building was commoditized and farmed out to the cheapest and nastiest bidder. The emerging problem of the next 20 years will be a huge number of people who still have large mortgages over properties that are uninhabitable and need to be demolished...

Retired Sue, May 17, 2021

While installing new toilets in our old family home we now rent out, our young plumber told us of his time working in new apartment towers where he witnessed sawn-off screw heads were just dropped into the two holes either side of the toilet bases rather than full screws properly driven in.

Greg W, May 17, 2021

This Australia-wide disgrace is an across the political spectrum responsibility, but you do have to wonder if state and territory Coalition parties had devoted a

fraction of the time supporting and legislating for enforcement of building standards that their federal colleagues have spent going after building industry unions... But can't be putting the screws on the glorious private sector and gotta keep those developer and builder donations rolling in.

Donald, May 17, 2021

And watch for measurements from outside walls while all that matters to you and your bank valuation are inside walls. The difference can be over 10% but I think this is more a problem in Victoria.

Stephen, May 16, 2021

Absolutely spot on article in every way. We have now been living in an apartment for 1 year after buying off the plan. I have been on the strata committee for the first year and the problems have been endless. It's all about MARGIN. No matter what the real estate tells you or the dribble you get from the developer, there is only one agenda and that is lining the developer and their financiers pockets. So many corners are cut to deliver the bare minimum. Whether it's insulation, fittings, size reductions, the list is endless. I don't know how they lie straight in bed. Over Promise and Under Deliver is their motto, exactly opposite to any scrupulous business who is concerned about their clients.

Looking forward to part 2.

Greg W, May 16, 2021

Yes, where do I start... so I won't... except to say that I cannot bear to deal with another strata issue (among others, the words 'waterproof membrane' really send me off), so when the time came to help set up our daughter with her own place I insisted on her buying a freestanding house even though she was probably too young and otherwise engaged to look after it the way we would have liked (which of course she hasn't - "But you said it could fall down around me!" - not quite what I had in mind timing-wise when extolling the virtues of owning her own shack versus the never ending demands and liabilities of strata ownership! - LOL, whatever, as they say).

John, May 16, 2021

Why would anyone ever buy off the plan? Too many stories of negative experiences and shonky dealings. Not worth the trouble.

Ken, May 16, 2021

Fantastic article.

The outsourcing of all the regulatory functions previously done by government departments, to private interests is a major mistake as there is no accountability from these privateers. Their attitude is check, signoff, wash hands. Why should they care, try finding these people 10 years down the track. That's my experience being Strata Committee Chairperson in NSW of only a small 4 apartment building.

Ivonne, May 16, 2021

Excellent article, thank you! Looking forward to part 2. This has thoroughly put me off from ever buying off the plan, of which I was wary of doing anyway. My partner worked in form work for a time and the amount of shortcutting and lack of care he saw was astounding.

Jennifer, May 16, 2021

Who would believe it? We recently completed a settlement with the builder after nearly 10 years dispute, and our building is now covered in scaffolding blocking our harbour views for maybe six months. It will be such a relief when this is over.

David Close, May 16, 2021

Such a good article. I am sending it to my family. My experience as a SC chairman of a business building over many years is such that I would never contemplate buying a strata title apartment. Common area management costs are at the mercy of the strata manager. Ours introduced a well known fire security company who proposed upgrades for \$250,000. We discovered a solution quite acceptable for \$10,000! Lift and air con maintenance, repair and replacement costs can be massive.

Fred, May 16, 2021

John

Yes, the character and quality of society has declined considerably. Corporate bandits thrive while the regulators are nowhere to be seen - 'move along'... This article identifies major on-going concerns while the comments/replies agree. These matters have been acknowledged in the past on a regular basis for far too long. Who will follow through to address & eliminate these serious problems? Why not make necessary changes (sooner than later) and show the world that Australia will not tolerate undesirables.

Robert, May 16, 2021

An excellent article which is spot-on regarding the conflicts of interest and the lack of recourse for remedy. The purchaser of an off the plan apartment has less remedy for shoddy goods than the buyer of a toaster!

While various Gov agencies and Regulators appear complicit in this sad state, I also believe that the Professional associations have unfortunately let the public down by ignoring the lack of control over design review and sign off of building construction, acceptance of as built as good enough and being too accepting of developer and builder pressure that tight control and quality building standards would massively increase costs. When taken over building life this latter claim has been shown to be 'crap' - but Developers and Builders walk away with an improved bottom line and the Apartment owners with massive repair bills.

As a retired civil engineer (not previously involved in

the building industry) I am dismayed by the state of affairs. Just about every apartment structure and new house construction I have inspected (often for family and friends) has had significant issues- water leaks involving balconies, or Windows, roof designs unlikely to handle downpours, plumbing issues including leaks from shower areas, Unknown party wall construction which results in the crying baby next door appearing to be in your bedroom etc. The list is enormous - and applies frequently.

Why, as a society, we accept this state of affairs I cannot fathom. The undue influence of lobby groups talking in the greedy ears of politicians? The \$ made by our legal firms when the inevitable disputes arise? The increased specialisation and 'compartmentalisation' of professions - architects, engineers, etc so that buck passing becomes rampant? The outsourcing of what were previously government regulatory functions- building inspector, plumbing inspector and plumbing fitting authority, etc- all actions taken to "make the activity more efficient and commercially responsive"! What can we do to restore a practice of quality and responsibility to the industry? I don't have a simple answer. The issues seem enormous and the vested interests very powerful and incidents.

John, May 16, 2021

This simply shows the Character and Quality of the society we live in.

Gerhard, May 14, 2021

This is a very informative article - it look forward to reading part 2 on common property.

Anne W, May 14, 2021

How true! Great article - shows the lack of supervision at all levels, including government. I look forward to next week's sequel.

Jack, May 14, 2021

Excellent article, very well written. Hoping not from personal experience.

Peter S, May 14, 2021

I enjoyed this piece on Off the Plan Housing, especially as an ex-pat, it was illuminating.

Ric Dobosz, May 13, 2021

Great article, should be compulsory Reading by anyone contemplating buy a New unit ..special .. Thank you ...

Chris, May 13, 2021

I thought the wild west was over for off-the-plan. You certainly woke me up to the risks.

Tj, May 13, 2021

The government at all levels have sold out a long time ago, outsourced everything, private certifier's are a joke, mine didn't even turn up, on his honey moon, there is no checks and balances, just empty promises, why would government stop or prevent such a disaster, they are addicted to the revenue regardless of how it is sources.

Tj, May 13, 2021

Great article and spot on. Though it is not only confined to units/apartments, buying a new house is no different though you don't have to contend with so many voices but one voice is also hard, being on your own to deal with this BS. Look forward to reading part 2, it brings back all those memories of angry, frustration and despair.

George, May 13, 2021

IMHO the main problem is in legislation which provides next to no protection towards the purchaser, who may have poured his/her life savings into the project.

Surely state governments owe a duty of care to citizens to hold individuals responsible for fixing defects; small or large.

Were penalties sufficiently large it would drive the shoddy builders/certifiers and tradespeople out of business.

Further, the directors of the \$2 shelf companies should be made legally responsible to rectify defects.

Joey, May 13, 2021

For my sins, I have bought two properties off the plan and we are in long-running dispute on both of them. One has been running for 5 years on a building that took 4 years to build, from a leading builder with many other sites around Sydney. We try to keep the details out of the strata committee minutes.

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