

Managing the Property

Managing common property in a strata scheme

The owners corporation is responsible for managing common property, including its repair and maintenance, and determining how common property is used.

Alterations, additions and other work affecting common property Prior to the 2015 reforms, lot owners could not make any alterations to common property in connection with their lots without approval of the owners corporation and any changes to common property needed to be approved by special resolution.

An owner of a lot can now carry out work on the common property if they are authorised to do so under Part 6 of the Management Act, under a by-law made under Part 6 or a common property rights by-law, or by approval of the owners corporation given by a special resolution or in accordance with the by-laws.

Approval process for alterations and additions to common property (section 108) The Management Act sets out the procedure for authorising any addition to, alteration of, or new structure on common property by an owners corporation or owner. A special resolution must be passed authorising the proposed action. If it is authorising a proposed action by an owner, the resolution may specify who is responsible for the ongoing maintenance of the altered common property. If it does not address this, then the Management Act provides that the owners corporation is responsible.

If the owner is to have responsibility for ongoing maintenance, the owners corporation must make a by-law providing for maintenance of that property by the owner after obtaining the owner's consent. The Management Act does not expressly require that maintenance or any other matter be addressed before providing

approval.

54102. Owners can make changes to common property in connection with their lots if they have authorisation. Either the owner or owners corporation could be responsible for ongoing maintenance of these changes. Should the Act require a decision to be made about who is responsible for ongoing maintenance of common property changes before approval is given to change common property??

Approval process for work by an owner affecting common property in connection with a lot

To make the approval process for work affecting common property more flexible, a new three-tier approval regime was established under the Management Act:

1. Cosmetic work: can be carried out by owners without approval.

2. Minor renovations: can be carried out with approval by resolution, which cannot be unreasonably withheld and can be subject to reasonable conditions.

Other proposed works affecting common property: generally can only be carried out if approved by special resolution.

An owner must provide written notice of any proposed minor renovations to the owners corporation, including the information required by the Management Act (section 110(4)). The Management Act requires an owner to ensure that any damage caused to common property by cosmetic work or minor renovations is repaired, and the work and any repairs are done in a competent and proper manner.

Cosmetic work and minor renovations are not defined but some examples are listed

in the Management Act and clause 28 of the Management Regulation. Cosmetic work includes installing hooks on walls or a built-in wardrobe or a handrail, and painting or laying carpet. Minor

renovations include renovating a kitchen, installing an air conditioner and removing carpet to expose a hard floor. However, the following types of work are not cosmetic work or minor renovations: work involving structural changes, changes to the external appearance of a lot or waterproofing, and work for which another approval is required under any Act.

A scheme's by-laws can specify other cosmetic work or minor renovations and may also permit the owners corporation to delegate the approval of proposed minor renovations to the strata committee.

Some suggestions that have been made for changes to these provisions are:

- 1. an express requirement for records for approved minor renovations to be kept by**
- 2. owners corporations permanently**
- 3. a clear prohibition on tenants doing work that affects the common property**
- 4. provision of reasons when consent is withheld**
- 5. clarification that minor renovations involving reconfiguring walls explicitly excludes structural walls.**

55103. When making changes to common property such as renovations, is it easy to understand what approvals are needed and when? If no, please tell us why not.

104. Are any changes needed to the types of work that are considered cosmetic work or minor renovations? Please tell us why.

105. Should committees be automatically able to make decisions on minor

renovations instead of a resolution at a general meeting of the owners corporation being required?

106. Should a lot owner always be told the

reasons why their request for work or renovations was not approved? If yes, when should the reasons be provided?

107. Do you have any other suggestions on how to improve the provisions on approval of changes to common property?