

WHAT CAN I DO?



I am a **strata manager** or a **building property manager** of a building that may have combustible cladding

Strata and building property managers oversee the day-to-day management of large properties, and usually oversee properties that have multi-units, multi-offices or a combination of functional spaces.

While it will depend upon the terms of your engagement, usually a professional body corporate or strata manager would be expected to bring relevant matters, such as the existence or potential existence of combustible cladding, to the attention of the unit owners and recommend a course of action to deal with it. It is also likely you would be responsible for ensuring the owners corporation complies with any obligations to notify insurers in relation to any flammable cladding.



STEP 1 - Raise this issue with your client

- As a manager under the Unit Titles (Management) Act 2011, you are required to keep the owners corporation informed of any significant developments or issues relevant to the owners corporation. The owners may ask you to investigate the combustibility of the cladding and what rectification action can be taken.
- Before you take any action to investigate the type of cladding on the building or engage any professionals to do investigatory work, obtain clear instructions from the owners corporation or body corporation which record their willingness to proceed.



STEP 2 - Consider how you can assist owners to deal with the issue

- As owners, tenants and potential future purchasers become more aware of combustible cladding, property owners will want to know what the implications of cladding mean for them. You may want to consider recommending to the owners that they investigate to test whether it is combustible cladding.
- Many strata managers have contacts with building professionals – consider using your contacts in the building industry for the names of fire engineering/cladding or other building service professionals (such as project managers).



STEP 3 - Provide owners with options to rectify the cladding

- Seek advice from building professionals to advise you of the likely cost and time involved in rectification of the cladding. You should also find out whether occupants of the building will be able to remain in the building during the rectification process.
- When providing information to the owners on the costs, process and time involved in rectification you should also include the potential costs of *not rectifying* the cladding in the long term – these costs may include increased insurance costs or the likelihood of not obtaining sufficient insurance; potentially fewer prospective tenants interested in renting accommodation in the building and potentially fewer people interested in purchasing into the building. If the cladding poses a fire safety risk it is much better to get the cladding fixed.



STEP 4 - Make sure insurances are current

- Under your management contract with the owners corporation, you may be responsible for matters in connection with building insurance and public liability insurance. If so, it would be prudent to ensure you comply with any obligations to keep the insurer informed of any matters pertinent to the existence of any flammable cladding.



STEP 5 - Fire safety is part of building maintenance

- Regardless of how the owners want to proceed you may have a responsibility to maintain fire safety systems in common areas - including maintaining alarm system, fire detection systems, hydrants and fire emergency doors. Many strata manager engage professionals to undertake this work.
- If any of these fire systems are not working properly, you may need to let the owners corporation know and take steps to fix the issue.

More Information?

The ACT Government is currently working on providing assistance to owners whose buildings have combustible cladding. Keep regularly checking this website for updates or sign up to receive updates. The Strata Communities Association of the ACT may also be able to assist on any specific questions regarding your role as managing agent.

www.act.gov.au/majorprojectscanberra/our-projects/act-cladding-rectification-program

IMPORTANT DISCLAIMER: The information provided in this factsheet is intended to provide general guidance only. Some or all of it may not be relevant to all properties or circumstances. It is not legal advice and should not be relied on as legal advice. Individuals or entities affected or concerned about cladding issues and their rights and obligations should seek their own expert and legal advice.