

Body Corporate and Community Management and Other Legislation Amendment Bill 2023

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SUBMISSION TO A COMMITTEE INQUIRY

Mariner Court Body Corporate
[REDACTED]

We are writing to provide a submission regarding the Property Law Act Bill and the reform of the Body Corporate and Community Management Act & Other Legislation Amendment Bill 2023 – particularly in relation to the termination of uneconomic Community Titles Schemes to facilitate renewal and redevelopment.

As concerned citizens, residents and unit owners of Main Beach, we **support** reforms to the BCCM Act, to allow for termination of uneconomic community titles schemes to facilitate renewal and redevelopment. The reforms will allow for termination of a scheme with the support of 75% of lot owners, where the body corporate has agreed it is more economically viable for lot owners to terminate rather than maintain or remediate the scheme.

- It is important to note that a majority of the parties who oppose this 75% legislation in the Main Beach area, are already owners of high-rise apartments at Main Beach, who are affluent and are taking the self serving stance of not wanting further development that would accommodate the numerous buyers who desire to live at Main Beach.
- There are many buyers who wish to own apartments in Main Beach, but due to the current shortage of development sites, this is becoming more difficult. These buyers are only looking for an apartment so they can enjoy the village atmosphere of Main Beach that current owners enjoy.
- Specifically, in relation to a block of 33 units, in the CTS Mariner Court, which is a 3 storey walk up with a 3 street frontage along Main Beach Parade, Stafford Avenue and Montgomery Avenue.
 - a) This complex, Mariner Court, is now 44 years old (built 1979) and in need of significant money to be spent on maintenance, including the replacement of all the clay terracotta roof tiles, to name one particularly expensive item.
 - b) Over the past few years, there have been numerous attempts by the majority of owners, to sell to developers. However, each attempt there has been one or two owners (**who do not permanently live at the complex and will not be displaced as it is not their permanent place of residence**) who refuse to sell.
 - c) In these attempts of amalgamation by a number of developers, all of the 33 owners were offered significantly more than the market price of their unit by the developer – allowing the owners to adequately purchase elsewhere.
 - d) Currently, we now have a situation where 32 of the 33 owners have indicated that they are willing to sell, however there is one Brisbane based owner, who also

owns a high floor penthouse in the neighbouring street and has since purchased 3 units in the surrounding complexes, to specifically block the sale of any of those unit complexes.

e) The above mentioned Owner has refused to sell the Mariner Court Unit for a price more than 4 times what was being offered to other owners.

- We have also attached a number of Gold Coast Bulletin articles relating to other complexes on the Gold Coast with similar experiences as Mariner Court.
- The last thing we want as residents of Main Beach is to ruin the excellent current plan of the suburb, which separates the high rise buildings on the East, from the houses and villas on the West –separated by Tedder Avenue.
- If Developers are discouraged from developing high density, high-rise buildings on the limited amount of land that is left at Main Beach on the Eastern side of Tedder Avenue, Developers may be left with no choice but to look at Developing the low density low-rise land on the Western side of Tedder Avenue, towards the Broadwater.

Mark Slorach

Chairman

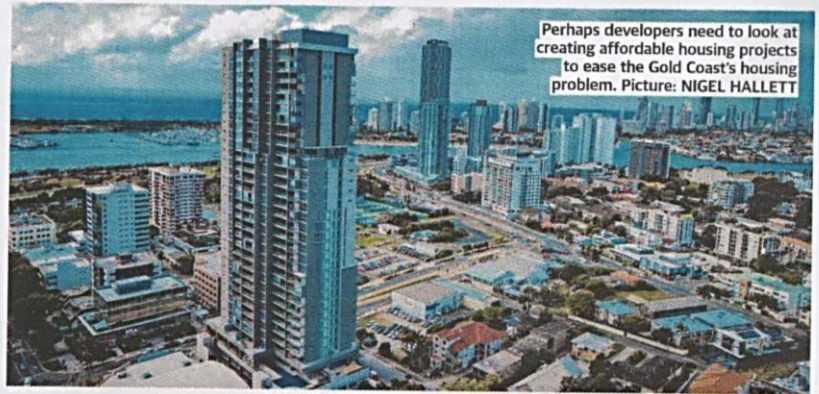
For and on behalf of Mariner Court Body Corporate Committee

ANN WASON MOORE



How to solve the Coast's housing crisis

The biggest single problem facing this city is how to make housing affordable, but no one is offering practical solutions. Until now.



Perhaps developers need to look at creating affordable housing projects to ease the Gold Coast's housing problem. Picture: NIGEL HALLETT

WHEN it comes to the biggest single problem facing this city, everyone can identify the answer as 'affordable housing'.

But how to create that solution is the real problem.

However, attending the Future Gold Coast forum last week, I might just have stumbled upon the answer, at least in part, thanks to a chat with Urbis Gold Coast boss Matthew Schneider.

First, some background. Affordable housing is not social housing, something which is also sorely needed in this city.

Instead, affordable housing means property which can be purchased by your average middle-class resident without necessitating the sale of their firstborn.

In this city, the key issue is one of supply.

Over the past few years as the population has boomed, demand has been unprecedented. And, therefore, so too have prices.

Now, there have certainly been a steady stream of projects coming onto the market, but there is something quite remarkable about far too many of them recently.

They are built for luxury – with price-tags to match.

Buildings designed with one unit per storey and priced in the millions seem to be the new norm.

It seems outrageous and almost unethical. Why, in the midst of an affordable housing crisis, are

developers focusing on five or even six-star projects?

Believe it or not, this is not developers' fault.

This is a problem of both planning and outdated strata title termination thresholds.

As to the latter, there is good news from the Housing Summit. One of the key actions determined for moving forward is to "reform body corporate legislation to allow for terminating uneconomical community title schemes to facilitate renewal and redevelopment having regard to the New South Wales approach."

Queensland's Body Corporate and Community Management Act 1997 currently requires unanimous support from all lot owners in order to terminate a community title scheme and sell or redevelop the block.

Changing the legislation to echo that of NSW, where the sale of a block necessitates agreement of 75 per cent of owners rather than 100 per cent, will mean these blocks are unlocked from the tyranny of the last man standing who demands triple the price of everyone else.

But there is still the problem of planning.

Along the coastal strip, where our planning policy directs 80 per cent of housing for our growing population, most sites zoned for redevelopment have a 20m frontage.

For developers, the more units

they can create, the more money they can make.

And for this city, that's actually great news. More units means more supply means more affordability.

Ideally, developers would pitch two units per floor, each of at least 6m wide for good design, equalling a total building width of 12m. As for height, they would build as high as the zoning and carparking requirements allow, typically maxing out around 30 storeys – and, remember, this is in areas where heights already far exceed this.

When the current City Plan was introduced in 2018, approvals were consistently granted for apartment developments with side setbacks of around 4m. Despite there having been no actual changes to those requirements since then, more recently the council has regularly sought to require side setbacks of greater than 4m.

It's basic arithmetic that 12 metres of building frontage and more than 8m of combined setbacks won't fit on

a 20m wide development site.

So to make projects feasible, developers revert to one unit per level and make it luxury to make their money, leaving the majority of us out in the cold. Literally. Amendments to the rejected City Plan actually suggest each side setback should be increased to eight to 10m in most instances, meaning these blocks would be all setback, no housing.

Instead, developers would buy multiple sites to create an unsightly solid city block of concrete, along with all of the volatility that larger development projects bring with them (and that we have largely moved past after the GFC).

A far better outcome is smaller blocks with space – of around four metres – between them. Let the light and air flow and give the people units they can afford. It's an approach consistent with many Australian cities.

Added to this boost in supply, we also need to see more of the missing middle – old single dwellings

renewed into duplexes and townhouses.

Make no mistake, supplying affordable housing affects every resident, whether you're fully cashed up, mortgage-free or simply bought before the boom.

This is about the future of not just our city, but our children. And even if you're childless, this is something to stress about.

Because as Demographics Group founder Simon Kuestenmacher voiced at Future GC, the skills shortage is here to stay.

Our population is ageing and soon every city will be crying out and competing for young workers to keep their economy and industries running.

So how do we not just keep the young ones we have, but invite their friends too?

The answer, yet again, is affordable housing.

So let's get back to the drawing board with the City Plan and start designing a solution.

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SCAN TO SHOP

Revealed: Massive changes to body corporate rules

Hold-outs will no longer be able to block the sale of unit blocks and rules around smoking and pets will change under massive reforms announced by the state government.

@keithjwoods

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Gold Coast Bulletin

18 comments

RADICAL changes to body corporate legislation will make it easier for unit blocks to be sold to developers under reforms announced by Attorney-General Shannon Fentiman.

Currently, just one owner can prevent a unit scheme from being sold for redevelopment.

However the changes announced on Thursday morning will allow for the termination of community titles schemes with the support of 75 per cent of lot owners where the body corporate has agreed it is the most financially viable option.

The reforms will also see new rules around smoking, allowing bodies corporate to make by-laws that prohibit smoking in outdoor and communal areas of a community titles scheme.

Pet owners will be protected by changes that will prevent bodies corporate from banning pets in community titles schemes, except in specific circumstances.

Ms Fentiman said the new legislation addressed key areas that needed reform.

“I’ve heard many stories of rundown units, townhouses or complexes with unsustainable ongoing maintenance costs where owners want to terminate, but a single owner blocks this from occurring,” Ms Fentiman said.

“The Government recognises that some owners may not wish to sell their unit or move to a new home so termination arrangements must balance the rights and interests of all lot owners in a scheme.

“The new process will include safeguards to protect owners in the minority who do not support termination. If the body corporate approves a termination plan, a dissenting owner will be able to make an application to the District Court, which would consider a set of just and equitable factors in deciding whether the termination should proceed.

“We also know that pets are important to many Queenslanders and that, as more people choose to live in community titles schemes, keeping animals is an increasingly pertinent issue.

“Second-hand smoke can be a serious concern, and these laws will ensure that bodies corporate are able to make more substantial decisions about the health and wellbeing of residents.

“We are delivering on our commitment to consult on changes to Queensland’s community titles legislation and will continue working with the Community Titles Legislation Working Group to consider further reforms, like management rights, bullying, and harassment.

“This is the first of two planned packages of reform for body corporate legislation in Queensland. I intend to introduce the second package of reforms before the end of the year.”

Strata Community Association (Qld) General Manager Laura Bos said news of the reforms, revealed to industry stakeholders by Deputy Premier Steven Miles at a UDIA breakfast on Thursday, would be particularly welcomed on the Gold Coast.

“I am absolutely thrilled to see Deputy-Premier Miles announce today that he and the Attorney-General will be moving to legislate to reduce the requirements for scheme termination from 100% of lot owners giving consent to 75% of lot owners,” Ms Bos said.

“In established parts of all Queensland’s major cities there are schemes that are simply not making full use of the land they take up. There is a capacity for us to better use of these existing development footprints in these existing urban areas, particularly along public transport spines without impacting amenity.

“This change will make it much easier to renew our urban areas with well designed strata

development which will benefit all members of our community.

“It just makes sense to use land which is already being used for housing to create more stock, it is much more economically efficient than greenfield development and is a critical part of protecting our environment.”

- The changes would allow for the termination of a community titles scheme with the support of 75 per cent of lot owners.

- Bodies corporate would be able to prohibit smoking in outdoor and communal areas, to better protect residents from second-hand smoke.
- Bodies corporate would be prevented from banning pets, except in specific circumstances.

Ms Bos said whilst the property sector broadly was happy with this change, some of the biggest winners from this change would be young Queenslanders who would look to buy their first home in a few years.

“As a mother of three children this fills me with optimism. This is the sort of change that will allow them to remain in Queensland and own their own home or rent affordably,” said Ms Bos.

“All Queenslanders will benefit by making it affordable to come here. Young people with ambition and born in Queensland will be able to afford to stay, and young people from down South will see Queensland as their opportunity to plant roots and create community.”

Ms Bos also welcomed the proposed changes to rules regarding smoking and pets.

“Changes providing clarity on pets and smoking are particularly significant,” she said.

“This guidance we hope will treat the epidemic of disputes these two issues cause and contribute to body corporate harmony.

“... Second hand smoke is extremely dangerous and people should be protected from it at all costs.

“Since the Artique decision in early 2022, which was a landmark legal case, the strata community broadly has been crying out for positive change in this regard and we are pleased the Government has delivered.”

Mr Miles, in his speech at the UDIA event, said the reform allowing 75 per cent of lot owners to terminate community titles schemes was especially important in areas like the Gold Coast.

“In some local government areas, the only way to achieve new development is to demolish existing multi-unit dwellings. Such as parts of the Gold Coast,” Mr Miles said.

“Existing body corporate rules which require unanimous agreement of unit holders have allowed single owners to block developments. In some cases, the result has blocked or impeded development of whole city blocks.

“Today the Attorney-General and I announced the Government will draft legislation to change body corporate legislation to allow for the termination of a community titles scheme with the support of only 75 per cent of lot owners.

“This will apply where the body corporate has agreed it is more financially viable for lot owners to terminate rather than maintain or remediate the scheme.

“The new process will include safeguards to protect owners in the minority.”

Australian Apartment Advocacy CEO Samantha Reece. Picture: Keith Woods.

The reforms were also strongly welcomed by Australian Apartment Advocacy CEO Samantha Reece.

Ms Reece said she was aware of schemes on the Gold Coast where sales had been blocked by just one owner.

“We had one scheme of five units at Palm Beach where they were approached by three separate developers,” Ms Reece said.

“They were offered \$12m but one person blocked the sale

“And now with the changes proposed by the AG these apartment owners can benefit and move on with the next chapter in their lives.”

The Property Council’s Queensland Deputy Executive Director, Jess Caire, said the reforms would see old apartment buildings redeveloped.

“The Property Council has championed this reform since 2016 and congratulates the State Government on the urgent and immediate series of actions they are undertaking to resolve the housing crisis,” Ms Caire said.

“In Queensland, in particular areas like the Gold Coast there are countless unit blocks that are in dire need of redevelopment, they are small, underutilized and some are beyond repair, posing safety issues for the residents.

“These reforms will mean that the vast majority will now be able to wrap up their strata schemes and unlock the capital from their unit and access safe, fit-for- purpose housing.

“This will do much to address the current housing crisis and will facilitate urban infill and ensure sites are utilized to their full potential.”

It is expected the Bill to reform body corporate legislation will be introduced into parliament in the first half of this year.