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BODY CORPORATE
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Sharing Facilities and Services with Other Strata Communities

Series: Effective Governance for Executive Bodies of Strata Communities

Part 10 of 12: Sharing Facilities and Services with Other Strata Communities

As the built form of our strata buildings becomes more complicated, sharing facilities between strata communities is becoming more common.

These arrangements are normally established by the developer before buildings are completed and handed over to members of the strata communities.

The main purpose of providing for the sharing of facilities and services among strata communities is to access bigger and better amenities than the strata communities could hope to access on their own.

Examples of shared facilities and services include:

- Entrances, roadways and parks to major gated residential communities;
- Shared gym and recreational facilities such as pools in major high rise towers built as a precinct; and
- On-site building management services working across different but adjoining strata communities.

The legal mechanisms used for the sharing of services and facilities include:

- Layered strata communities where an overarching strata community is formed to control and manage these shared facilities and services and it contains a number of subsidiaries that control and manage discrete classes of common property used only by the members of the subsidiary;
- Legal agreements between different strata communities which is more likely to occur in New South Wales and Queensland than in Victoria and Western Australia.

However the sharing of facilities comes about, the most important thing for the strata communities involved is to have a clear understanding of how the costs of repair, maintenance and replacement are shared. This should be documented in written form and form part of the records of all of the strata communities involved. It is important that purchasers are made aware of these arrangements and their liability to contribute to the shared costs before they become members of the strata communities involved.



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Strangely, it is not common for adjoining strata communities to access services and goods together. This form of bulk purchasing could have substantial benefits for strata communities in a range of products and services where there is some economy of scale for the provider. Energy and water fall in to this category.

As strata communities look for ways to become green and more self sufficient, sharing expensive plant and equipment necessary to deliver these benefits might well become an economic option.

Next Week: Measuring our performance



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