

# Strata Report

**Property Address:** Unit 10, 42 Kangaroo Hollow Road, Erskineville 2043 (p. 3, p. 5)

## EXECUTIVE SUMMARY

Item	Details
Overall Building Condition	Multiple significant, costly defects including widespread concrete spalling on balconies, persistent basement water ingress, and aging infrastructure requiring major upgrades (p. 15, 20, 24)
Financial Health Status	Significant financial pressure with the Administrative Fund operating at a low balance and budgeted deficit, Capital Works Fund insufficient for planned major works, and a pattern of reliance on special levies (p. 6, 7, 8, 15, 24)
Management Effectiveness	The Strata Committee meets regularly and is actively involved in addressing issues, and the Strata Manager is responsive in coordinating repairs and managing by-law enforcement, despite significant financial and building challenges (p. 13, 14, 19, 22, 24)
Immediate Action Required	Urgent and costly balcony repairs and window replacements are required, necessitating a special levy. The Administrative Fund deficit needs addressing, and an updated insurance valuation is recommended (p. 8, 11, 15, 20, 22)

FINANCIAL OVERVIEW

Item	Status	Indicative Risk Level
Quarterly levies (Lot)	AUD \$1,150.00 (Administrative Fund: \$750.00, Capital Works Fund: \$400.00) per quarter for Lot 15 (p. 6)	LOW
Administrative Fund	Current cash balance of AUD \$11,320 (p. 6). Budgeted deficit of AUD \$5,000 for FY 2024-2025, with expenditure exceeding income year-to-date (p. 7, p. 8). The fund is running very tightly and does not appear to hold a surplus equal to three months of prior year's expenses (p. 6, p. 7)	HIGH
Capital Works (Sinking) Fund	Current balance of AUD \$209,000 (p. 6, p. 8). This is insufficient for all planned and newly identified major works, such as window and balcony repairs, which are estimated to cost significantly more than the fund's capacity for the next 3-5 years (p. 8, p. 10, p. 15, p. 20)	HIGH
Outstanding Levies	Total outstanding levies of AUD \$12,700 (p. 7, p. 24). This represents approximately 5.76% of the combined Administrative and Capital Works Funds (p. 6, p. 7)	MEDIUM
Levy Changes Trend	Administrative Fund levies increased by 3% and Capital Works Fund levies by 5% for FY 2024-2025 (p. 12). However, frequent and substantial special levies are being raised or planned, indicating a significant overall increase in owner contributions (p. 15, p. 24)	HIGH
Special Levies	A special levy was raised in early 2024 for an emergency switchboard replacement (p. 24). A special levy is highly probable in mid-to-late 2025 for balcony and window repairs, indicating a pattern of reliance on special levies for major unbudgeted or under-budgeted items (p. 15, p. 24)	HIGH
Loans Held	No mention of the strata scheme relying on loans to complete essential maintenance or repairs (p. 24)	LOW

## RISK, SAFETY & COMPLIANCE

Item	Status	Indicative Risk Level
Active Litigation	Ongoing legal action for the recovery of AUD \$4,800 in outstanding levies from Lot 22, which may involve an NCAT application (p. 18, p. 21). A potential noise complaint escalation is also noted (p. 19)	MEDIUM
Major Building Defects	Significant balcony defects, including widespread concrete spalling and membrane issues, requiring AUD \$80,000 - \$120,000 in urgent repairs (p. 15, p. 20, p. 24). Persistent water ingress in basement areas is an ongoing issue, with some remedial work approved but further investigation potentially needed (p. 15, p. 20, p. 24)	HIGH
Council/Fire Orders	No current outstanding fire orders from Council or FRNSW. A minor council notice related to fire safety was received and has been resolved (p. 19, p. 22)	MEDIUM
Fire Safety Statement	An Annual Fire Safety Statement (AFSS) was submitted for the previous year. The next AFSS is due in June 2025, with arrangements for inspection and statement in hand (p. 22)	LOW
Insurance Currency Provided	A Certificate of Currency for the building insurance policy was sighted and appears current (p. 11). The last valuation was in May 2022, and an updated valuation is recommended prior to the next renewal in June 2025 to ensure adequate coverage against construction cost escalation (p. 11)	MEDIUM
Asbestos Management	An asbestos register reportedly exists and is held by the Strata Manager for this building constructed in 1998 (p. 23). The Capital Works Fund plan includes a minor contingency for asbestos management/removal if encountered during works (p. 23)	LOW
Concrete Spalling (Concrete Cancer)	Widespread concrete spalling and membrane issues are affecting multiple balconies, confirmed by an engineer's report (February 2025), requiring urgent and costly repairs estimated at AUD \$80,000 - \$120,000 (p. 14, p. 20, p. 24)	HIGH
Pest Control Status	No mention of pest control issues or known infestations in the provided context (p. 23)	LOW

CAPITAL WORKS & MAINTENANCE

Item	Status	Indicative Risk Level
10-Year Capital Plan	A 10-year Capital Works Fund (CWF) plan is in place, prepared in June 2022, covering July 2022 to June 2032 (p. 9). However, current CWF levy contributions are lower than recommended, and the plan appears insufficient to meet all projected works without additional financial input, particularly for newly identified major issues (p. 10, p. 14, p. 20, p. 24)	MEDIUM
Recent Major Works Completed	An emergency switchboard replacement was completed in early 2024, funded by a special levy (p. 24). Remedial waterproofing to sections of the basement was engaged in March 2025 for AUD \$18,000 (p. 14, p. 19, p. 20). Water damage repairs from a burst pipe were completed in August 2024 (p. 11)	LOW
Upcoming Major Works	Significant balcony repairs (AUD \$80,000 - \$120,000) and a major window replacement program are planned, both requiring a special levy due to insufficient Capital Works Fund (p. 10, p. 15, p. 20, p. 24). Lift No. 1 modernisation is scheduled for FY 2025-2026 (p. 9)	HIGH
Maintenance Approach or Regularity	While the Strata Manager is responsive in addressing day-to-day issues and coordinating repairs (p. 13, p. 19), the need for special levies for major building defects (balconies, windows) indicates a reactive approach to significant capital maintenance due to underfunding of the Capital Works Fund (p. 15, p. 24)	MEDIUM
Resident Harmony & Disputes	Evidence of minor disputes including dissatisfaction with the pet by-law (under review), noise complaints, and rubbish disposal complaints (p. 13, p. 15, p. 17, p. 19). Levy recovery action is ongoing for one lot (p. 18, p. 21)	MEDIUM

BUILDING RULES & AMENITIES & OTHER

Item	Details
Unit Entitlement	Lot 15 has 25 out of 1000 total entitlements for the Administrative and Capital Works Funds, and 1 out of 42 voting lots (p. 4)
AGMs	Annual General Meetings have been held annually as required (p. 5). The date for the most recent AGM within the past year or the next scheduled AGM is not specified (p. 5)
Elevators	Lift No. 1 is scheduled for modernisation in FY 2025-2026 (p. 9). Lift No. 2 is experiencing intermittent issues and is currently being monitored (p. 20). Both are noted as significant future expenses (p. 24)
Air Conditioning	By-Law 10 requires written consent from the Owners Corporation for alterations. An owner of Lot 33 was granted approval to install an external air conditioning unit on their balcony, subject to conditions (p. 19)
Short-term Rental	Information not provided
Renovation Approvals	By-Law 10 requires written consent from the Owners Corporation for minor and major renovations. Cosmetic changes may not require approval, minor renovations require Strata Committee approval, and major works affecting structure or services may require general meeting approval and council consent (p. 17)
Barbecue	Information not provided
Smoking	Information not provided
Pet Ownership	By-Law 16 allows pets with the written consent of the Owners Corporation, which should not be unreasonably withheld, and subject to reasonable conditions (p. 16). The pet by-law is currently under review due to owner concerns about ambiguity or dissatisfaction (p. 17, p. 24)
Swimming Pool	The common property swimming pool has a renewed and current pool barrier compliance certificate (October 2024) and is registered on the NSW Swimming Pool Register (p. 23)

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