

**GREEN BUILDING COUNCIL OF AUSTRALIA (GBCA)**

**GREEN STAR HOMES STANDARD**

*Strata Community Association (SCA) Submission*

**30 October 2020**

## Introduction

Strata Community Association (SCA) is the peak industry body for Body Corporate and Community Title Management (also referred to as Strata Management, Strata Title or Owners Corporations Management) in Australia and New Zealand.

Our 5,000 individual and corporate members include strata/body corporate managers, support staff, owners' representatives and suppliers of products and services to the industry. SCA proudly fulfils the dual roles of a professional institute and consumer advocate.

Direct employment in specialist strata management companies is approaching 10,000 people. More significantly, they are pivotal in an estimated \$6.7 billion in annual economic activity.

Based on the 2020 Australasian Strata Insights Report, more than 2.2 million people live in flats and apartments, the vast majority being strata titled.<sup>1</sup> This figure does not include other forms of strata title such as townhouses and community titled developments. Nor does it include businesses operating in strata titled commercial buildings. The estimated number of people living in strata title is between 4.2 and 6.5 million people.<sup>2</sup> The estimated value of property under strata title in 2020 exceeds \$1.3 trillion.<sup>3</sup>

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<sup>1</sup> Hazel Easthope, Sian Thompson and Alistair Sisson, *Australasian Strata Insights 2020*, City Futures Research Centre, UNSW, Accessed at <https://cityfutures.be.unsw.edu.au/research/projects/2020-australasian-strata-insights/>

<sup>2</sup> Ibid, p65

<sup>3</sup> Ibid, p6

## SCA's Response to the Green Star Homes Draft Standard

### SCA Endorsement of the Green Star Homes Draft Standard Intentions

SCA recognises and acknowledges the overall intention of the Green Star Homes Draft Standard and welcomes the opportunity to provide feedback to the paper.

SCA appreciates the context that the Green Star Homes Standard is operating within, and the challenges it is trying to overcome, as stated that:

- Australia has some of the highest energy bills in the world (\$1,600 to \$1,900 on average)
- Houses in Australia are getting larger year-on-year and at the same time gardens and back yards are getting smaller
- Australia will be home to 31 million people 2030 and will need to build 197,000 new homes every year to meet demand.

### SCA Response – Strata and multi-unit development context

Townhouses are included as one of the three major categories that the Standard applies to, however it is not clear from the Standard how shared resources or common property should be treated.

Each of the three categories listed below, including freestanding homes can exist in a strata titled form, for example, detached houses in a gated community or planned development.

Although strata titling is most often associated with apartment buildings and complexes, townhouses, small lot developments and facilities such as retirement living, or residential care may be strata titled and make up a large proportion of properties under management by the strata industry.

Approximately 2.2 million people live in flats and apartments in Australia, however the total number of people living in property under strata title is estimated to be between 4.2 and 6.5 million people.<sup>4</sup>

The more than 2 million people who live in strata titled properties that are not apartments are incredibly significant to the Green Star Homes Standard, as the Standard will apply to:

- Freestanding / detached houses
- Dual occupancy homes (attached and detached)
- Townhouses.

Townhouses in particular will exist almost always under a form of community or strata title and require the formation of an owners corporation or body corporate, publishing bylaws and carrying out maintenance, safety, security and repairs issues. These lot owners have to comply with these governance structures.

Each of these requirements comes into play with the formation of common property, whose operation is governed by a complex set of local, state and federal regulation, legislation and policy. As the peak body for the strata sector, we can provide our expertise to the Standard process by offering some insight, perspective and questions regarding the Standard and how it specifically relates to common property in strata titled communities such as townhouses.

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<sup>4</sup> Ibid, p65

## **Green Star Homes and Common Property – how do the Standards apply?**

As outlined above, many buildings with strata title will be considered for, or built to Green Star Homes Standards.

The draft Standard does a very good job of providing certification pathways or accreditation for each of the 15 sub-areas of the healthy, resilient and positive themed areas for freestanding homes.

There is clear and actionable certification when applied to a standard, freestanding house, however when considering a strata titled property, there is very little certainty or attention paid to shared responsibility for meeting and maintaining standards, requirements for common property or provision for sharing resources through innovations such as microgrids or embedded energy networks.

Introducing strata titled and common areas introduces complexity. Not only will it be harder for GBCA to ascertain whether each of these 15 certifications will be met in relation to common areas, but assigning responsibility for maintaining the standard, and monitoring the standard is much more complex than for freestanding houses. The Standard needs to identify, even if to only rule out, how it will apply within a strata complex, and more specifically to common areas including pools, barbeque areas, gyms, saunas, spas, gardens, clubhouses, and sports facilities (with lighting / heating).

## **Green Star Homes and shared environments – how do the Standards apply?**

As detailed above, townhouses and other complexes will make a large number of buildings to be built to, or assessed by, the Green Star Homes Standards.

Many townhouses complexes and other residential complexes are a combination of freestanding homes and attached dwellings, all of which exist under strata title. In addition to the creation of common property (dealt with in the next section), sharing title often means sharing resources and sometimes, especially in the case of attached dwelling, structures. Examples of this kind of strata titling include gated communities where lots are divided under a strata scheme and there are some shared resources or common property.

The shared nature of strata complexes adds a layer of complexity to meeting many of the 15 proposed standards. Without becoming prescriptive prior to learning more about the Standard's ability to incorporate these challenges, SCA would just like to highlight a few examples to inform our broad recommendation and invitation for a brief stakeholder consultation.

The examples include:

- **Renewable Energy:** The Standard lists that a renewable energy outcome is that the home uses or generates enough renewable energy onsite to balance its predicted energy use over a year and is prescribed in the Standard by installing solar panels. This presents several challenges within a strata complex including permission to install structures within bylaws and regulations, and incorporating a shared, community renewable scheme and subsequent challenges measuring its performance and distribution as part of the Standard. Some states have legislation that supports the installation of solar panels while other states do not. Some townhouse schemes are using collective purchasing for green power as a method of meeting planning ESD requirements.

- **Moisture management:** Moisture is one of the leading causes of defects in houses and apartments with shared structure, and cross contamination of moisture could easily, for example, lead to several houses not qualifying, or being disqualified from certification and the Standard lacking remedies or guidance for these kinds of issues.
- **Water management:** Similar to renewable energy, shared facilities can introduce ambiguity for who is using what, and in the case of water, if not properly metered or common property is involved, could be hard for the Standard to establish for individuals. How rainwater is collected and stored as well as who owns the water is an issue in some states, impacting the management and reuse of rainwater. Risk management of grey and black water systems is also more complicated in a townhouse environment.

Although this is not an exhaustive list of the ways strata titling, shared resources and common property will affect the Standards as written, its intention is to highlight that the Standards should address this complexity, create guidelines and offer potential remedies.

### SCA Request for Clarification and Further Information

To give clarity to the issue areas raised by SCA, we ask that GBCA write to SCA or hold a brief stakeholder consultation to answer the following questions so SCA has the opportunity to share any relevant insights to the issues raised.

**Question 1:** What options do residents in strata communities have to meet water and energy targets through shared resources such as microgrids, embedded energy networks and other shared resources tools? How can this be included in the Standard?

**Question 2:** Will the Green Star Homes Standards be applied to all areas of common property including pools, barbeque areas, gyms, saunas, spas, gardens, clubhouses, sports facilities (with lighting / heating) and other shared facilities? In addition, will common property impact on the ratings of the home associated with the common property?

### SCA Recommendations

SCA would be delighted to expand on the issues raised in this paper in detail through a stakeholder consultation session, however if the process does not allow for a meeting, we make the following broad recommendations to remedy the issues raised in relation to strata titled property.

**Recommendation 1:** GBCA develop a guideline that outlines whether common property or shared facilities will be incorporated into the Standard, and if so, how they will be assessed and managed.

**Recommendation 2:** GBCA clarifies the roles, responsibilities and certification processes for areas that may be impacted by shared facilities under the Green Star Homes Standard, such as moisture development on common property, attached townhouses or complex walls, Airtightness or heating inconsistencies in shared properties where one property affects the other.

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