

## Media Release

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### End the developer cash grab to lower housing costs, Housing Summit urged

This week's Housing Summit will be challenged to end a cash grab by developers that is pushing up the cost of both owning and renting apartments across the state, and especially in the crowded south east corner.

The Strata Community Association of Queensland will be participating in Thursday's Summit on behalf of Bodies Corporate that manage around 500,000 apartments and townhouses in strata communities around the state.

SCA (Qld) General Manager Laura Bos will urge the Summit, and the State Government, to fast-track reforms to close a legal loophole that allows developers to impose costly Management Rights contracts of up to 25 years on the owners of apartments.

Ms Bos said the 25-year golden handcuffs, which were unique to Queensland, added significantly to the cost of owning an apartment, which was fast becoming the preferred pathway into home ownership for many Queenslanders.

"If you are planning to finance a loan, you need to take into account the body corporate costs you will be paying once you buy your new home," Ms Bos said.

"Paying the Management Rights holders ever-increasing fees over 25 years significantly drives up body corporate fees, which in turn reduces a young home buyer's ability to service their mortgage.

"If you own a townhouse or apartment as an investment, then you simply pass all those costs on to your tenants.

"Either way, these 25-year deals that favour developers at the cost of home owners are forcing up the price of housing, and they need to go."

Ms Bos said reforming Management Rights had been on the State Government's agenda for more than a decade, although powerful vested interested had always campaigned against any change.

She said the urgent crisis facing the state should be the catalyst for the issue to be revisited.

"There is no silver bullet to the housing crisis. Increasing access to accommodation for all Queenslanders will involve implementing a large number of innovative solutions and measures.

"Every measure that can help ease the cost of housing, both now and into the future, needs to be seriously considered by the House Summit, and referred for urgent action by the State Government.

"SCA (Qld) is not calling for complete abolition of Management Rights contracts. Instead, the association wants the terms brought into line with those that apply in other states – commonly three to ten years rather than 25.

"Management rights might be a nice revenue line item that benefits developers, but the reality is the home buyer ends up paying for them many times over. They pay for them in their contract to buy and then for the life of the contract.

"It would also create greater price competition if contract terms were shorter.

“This is an issue that should have been sorted out a decade ago. The Queensland housing crisis means that it must be sorted out now.”

**The SCA (Qld) Submission to the Housing Summit is available on request.  
Laura Bos is available for media interviews. Contact Kristian Marlow on 0437 176 366**

### **About Strata Community Association (Qld)**

SCA (Qld) is the peak association supporting the state's strata sector, with more than 1,200 individual and corporate members who help oversee, advise, and manage hundreds of thousands of lots across Queensland. The association brings together people who manage strata schemes, own units or live in strata communities, and those who provide products and services for schemes. We also provide education, advice, and advocacy to enable better understanding of the regulations, obligations and owner's rights.