

COMMON PROPERTY AND PERSONAL PROPERTY EXPLAINED

When arranging insurance for your strata property, it's important to understand which items are considered Building and Common Area Contents, and which items are classified as Personal Content items.



Most strata policies use the same definitions but variations can apply.

Building

Building refers to the structural building and underground services erected on the block of land forming the strata scheme. This includes common area outbuildings, recreational facilities, fencing, lighting, security systems/cameras, landscaping and fencing.

The definition includes all items permanently installed or fixed to the building, as well as items within owner's lots. This typically includes bathroom and toilet fixtures and fittings, sinks, stoves, ovens, built-in cabinets and wardrobes, fixed and permanent wall and floor coverings, such as tiles, paint, wallpaper, hardwood floors, tiles and linoleum.

Common area contents

Common area contents are items in common area corridors, foyers and recreational areas, including but not limited to:

- carpets, temporary wall, floor and ceiling coverings
- pot plants, mirrors, artwork, public seating
- appliances in common laundries, cleaning equipment owned by the strata scheme
- outdoor barbeque equipment, gardening equipment, outdoor furniture, pool equipment and gym equipment owned by the strata scheme
- any items/equipment the strata scheme has responsibility for under a hire or lease agreement.

Floating floorboards are now an optional cover in many policies, and an extra premium may be payable. You should read the insurer's policy schedule and policy wording to determine if floating floors are covered as Building or Common Area Contents. You may need to adjust the level of cover accordingly.

Personal contents

Personal contents within your lot include, but are not limited to, carpets, floating floors (if not included in the Building Policy Schedule), temporary wall, floor or ceiling coverings, light fittings, curtains, blinds, household appliances, personal belongings, household furniture, outdoor furniture, pot plants, BBQ owned by you on a private balcony and contents within a storage cage.

It's the responsibility of the lot owner to insure their personal contents. If the lot is tenanted, it's the responsibility of the lot owner to insure against loss or damage to landlord contents. And it's the tenant's responsibility to insure their personal belongings.

Landlords contents insurance won't cover an owner's personal belongings left in a locked cupboard or in onsite storage in a unit that is normally tenanted on a short-term basis. Check with the insurer of your normal place of residence whether cover is extended to these items offsite.

Strata Legal Liability – who is covered?



Legal liability attaches to the insured, not the location, and cover depends on who is named as the Defendant in legal proceedings. The strata scheme is responsible for the maintenance and upkeep of the common areas and common contents and may be held liable if there's damage to third-party property or an injury from an incident involving these.



The strata scheme is the named insured and if legal proceedings are started against the scheme, the General or Public Liability policy will respond and provide a defence against the allegations.

If an owner is named in legal proceedings as a Defendant, the strata policy won't respond. Lot owners need to have their own liability insurance to cover themselves against legal proceedings, especially if their lot is tenanted. Contents and Landlord Contents policies will normally include this cover for the owner.

To find out more about common and personal property and how BCB can help you navigate strata insurance, please contact your local BCB office.

The information provided is general. It does not constitute legal advice and should not be relied upon as legal advice. BCB recommends seeking advice from a qualified lawyer on any legal issues affecting you before acting on any legal matter. Whilst BCB endeavours to ensure the content of this information sheet is accurate, it does not represent or warrant its accuracy, adequacy or completeness and is not responsible for any loss suffered as a result of or in relation to the use of this information.

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QUESTIONS?

Please contact your nearest BCB office for any queries or advice.

