

### 5.5.5 Reform Owners’ Management Companies

Well-functioning Owners’ Management Companies (OMCs) are key to maintaining and sustaining higher-density residential developments, such as apartments.

**Housing for All** will support effective management and oversight of multi-unit developments by legislating for necessary changes. This work will be led by the Department of Justice, supported by the DHLGH.

To ensure that OMCs are financially sustainable, the Department of Justice, in collaboration with the DHLGH, will make regulations under subsection 17 of section 18 of the Multi-Unit Developments Act 2011 (MUD Act), prescribing the class or classes of items of expenditure which may be the subject of annual service charges; the

procedures to be followed in setting such charges; matters to be taken into account in the setting of such charges; and arrangements for the levying and payment of such charges.

Regulations will also be made under subsection 9 of section 19 of the MUD Act to ensure that OMCs provide for expenditure of a non-recurring nature (i.e. sinking fund expenditure) and it will also examine the introduction of a non-statutory dispute resolution process. This process would determine disputes in relation to provisions of the MUD Act and in relation to covenants of head/main leases to which OMCs are party.

The Department of Justice will also examine measures to accelerate conveyancing as part of the sale and land transfer process.

#### Housing Policy Objective 25:

#### Drive compliance and standards through regulatory reform

No.		Timeline	Lead
25.10	Regulate under subsection 17 of section 18 of the Multi-Unit Developments Act 2011 (‘MUD Act’) to ensure that OMCs are financially sustainable	Q4 2022	DoJ
25.11	Regulate under subsection 9 of section 19 of the MUD Act to ensure that OMCs provide for expenditure of a non-recurring nature (i.e. sinking fund expenditure)	Q4 2022	DoJ
25.12	Examine the introduction of a non-statutory dispute resolution process	Q4 2022	DoJ
25.13	Examine measures to accelerate conveyancing as part of the sale and land transfer process	Q4 2022	DoJ