The Grenfell Tower tragedy in London in 2017, which resulted in the loss of 72 lives, placed the need for thorough regulation and oversight of the management of social housing and, indeed, apartment living in general in the UK, into sharp focus.

Mistakes subsequently identified included a failure to consider the building in a holistic, comprehensive manner, infrequency of inspections and testing, insufficient focus on maintenance and a lack of communication with tenants.

While it is essential that lessons are learned from such a catastrophe, must we wait for a similar event to occur on this side of the water before we examine our own approach to apartment living in Ireland?

COMPLEX ISSUES OF SUSTAINABLE APARTMENT LIVING FOR IRELAND

An independent report, commissioned by Clúid Housing and the Housing Agency, highlights a range of issues specifically relating to Owners’ Management Companies (OMCs) and the need to examine the state of sustainable apartment living for Ireland, sooner rather than later, writes Fiona Dunkin, Housing Policy Adviser, Clúid Housing.

Brian O’Gorman, CEO Clúid Housing, Michael Carey, Chairperson of the Housing Agency and Paul Mooney, author of the report ‘Owners’ Management Companies: Sustainable Apartment Living for Ireland’, pictured at the recent launch of the report.
All apartment blocks of more than five units must have an OMC in place, under the terms of the Multi-Unit Developments Act 2011.

The Grenfell Tower tragedy in London in 2017, which resulted in the loss of 72 lives, placed the need for thorough regulation and oversight of the management of social housing and, indeed, apartment living in general in the UK, into sharp focus.

Ireland has proportionally fewer apartment-dwellers than any other European country, yet we are in the midst of an important shift, with the number of apartments having risen by 85% between 2002 and 2016.

INDEPENDENT REPORT
With increased housing density, in response to population growth, changes in household formation and environmental concerns, representing an important component of national strategies including the National Planning Framework, apartment-living will soon represent the norm for more and more people in Ireland.

Within this context the recently published independent report, commissioned by Clúid Housing and the Housing Agency, entitled ‘Owners’ Management Companies: Sustainable Apartment Living for Ireland’, highlights a range of issues specifically relating to Owners’ Management Companies (OMCs) in apartment complexes in Ireland, that are worth examining – sooner rather than later.

Currently, under the Multi-Unit Developments Act 2011 (MUD Act), all apartment blocks of more than five units must have an OMC in place. The OMC is the legal owner of the common areas and facilities such as lifts, communal lighting, roofs, external cladding and facades, landscaping, ventilation systems, and internal and external decoration.

The OMC, itself, is collectively owned by all owners of the apartments in the building. While management duties, including the maintenance and upkeep of common areas, may be contracted out by the OMC to a management agent, ultimate legal responsibility and stewardship of the common areas rests with the 5,000 to 7,000 OMCs currently in existence across Ireland.

With the management of apartment complexes, by way of Part V arrangements, the construction and acquisition is becoming increasingly important for both local authorities and Approved Housing Bodies (AHBs), while the functioning of OMCs is, likewise, becoming more relevant.

SINKING FUNDS REQUIRED
Perhaps most alarming among the findings of the research, which consisted of interviews, focus groups and case studies across a range of stakeholders, was the identification of an overall lack of provision for a sinking fund by OMCs.

Cited reasons for this included difficulties in collection of service charges, and indeed, a lack of robust guidance within the
MUD Act on recommended sinking fund levels. Without an adequate sinking fund, funding required for the repair of communal facilities, such as, for example, a lift, may be unavailable when needed, potentially leading to safety issues.

Further to this is the inequity inherent in the payment of a large lump sum by owners when an urgent repair is required, as opposed to gradual contribution to a sinking fund by apartment owners as common areas and facilities are used.

Established in the research was an inconsistency of capacity within OMC boards, with some directors lacking the knowledge and skills necessary for the management of an apartment complex and the stewardship of potentially millions of euro.

**FIRE SAFETY REGULATIONS**

The need for more frequent inspection of apartment complexes to ensure compliance of OMCs with building and fire safety regulations was also highlighted. In order to address such issues, statutory regulation of OMCs is urgently required.

Referenced in the report as an example is the system of regulation operated by the Condominium Authority of Ontario (CAO) in Ontario, Canada, which is funded by way of a small fee of $1 per voting unit per month.

Whatever form regulation of OMCs may take in Ireland, it should represent a priority for the entire social housing sector – for local authorities and AHBs. Alongside our concerns to not repeat ‘the mistakes of the past’, it is our duty to avoid those of the future.

‘Owners’ Management Companies - Sustainable Apartment Living for Ireland’ is available to download at [www.bit.ly/2L3fu1](http://www.bit.ly/2L3fu1).

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