About each strata funding option

Because Lannock's life and work is strata funding, we could write a book on the topic. Contact us if you would like more information or help for your particular situation.

Sinking Funds

1. Usually the most expensive form of funding for strata
2. Are not properly valued by intending purchasers of your unit
3. Have low investment returns (as they should, this is "widows and orphans'" money and must be carefully invested
4. Are taxed
5. Are subject to inflation – whilst you wait to save the money in a sinking fund, the cost of the works is going up and up
6. Most owners have much better things to do with their money than to have it sitting unused in a strata sinking fund
7. May expose you to legal liability if work is not done while you wait to save the money
8. May work in your situation but you are best to evaluate all the options

Special Levies

1. They always come at an inconvenient time for owners
2. Work can't start until you have received all the money

Borrowing

1. Make sure you are aware of the total cost, after all fees and charges have been taken into account
2. Often the cheapest funding option
3. Available immediately – no need to wait until all levies have been paid
4. May offer tax advantages to some owners

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