

Damages Claims against Owners Corporations – One Breach can Trigger Multiple Losses with Differing Statutory Time Limits

Limitation periods are often treated as technical hurdles. In strata disputes, however, they can determine whether a lot owner recovers substantial damages at all. The recent decision in *Williams v The Owners – Strata Plan No. 71182 [2026] NSWCATCD* (“**Williams**”) highlights how critical it is to properly characterise “loss” when bringing a claim under s 106 of the Strata Schemes Management Act 2015 (NSW) (the “**SSMA**”).

Section 106(1) imposes a statutory duty on an owners corporation to maintain and repair common property. Pursuant to section 106(5) of the SSMA, a lot owner may recover reasonably foreseeable loss suffered as a result of a breach of this statutory duty, but proceedings must be commenced within the prescribed period after the owner becomes aware of the loss. At the time the application in *Williams* was filed, that period was two years. This has since been extended to six years following enactment of the Strata Schemes Amendment Act 2025.

The matter involved ongoing water ingress through common the common property walls of the Applicant’s lot, which caused significant mould spread throughout. The owner sought six separate heads of damages, including medical expenses arising from health complications said to be linked to mould exposure.

The owners corporation argued that the claim was time-barred. Relying on the decision of *The Owners – Strata Plan No. 74232 v Tezel [2023] NSWCA 45* (“**Tezel**”), it submitted that the relevant question is when the lot owner first became aware of the loss. It relied on communications from Ms Williams in 2021 which seemingly confirmed her knowledge of the mould and those health issues being interrelated, which occurred outside the limitation period.

The Tribunal rejected that broad approach. It distinguished *Tezel*, which concerned a single continuing loss (such as loss of rent) in comparison to *Williams*, which considered separate medical expenses incurred at different times, for different treatments and needs. They were not merely the ongoing accumulation of one loss. Each expense was a separate instance of loss, capable of triggering its own limitation period.

Williams is significant because it demonstrates that a single breach of duty may give rise to multiple losses, each subject to their own limitation period. For lot owners, careful analysis of how each head of damage is characterised can preserve claims that might otherwise appear time barred, and for owners corporations, *Williams* acts as a cautionary tale that a lot owners knowledge of a loss prima facie does not necessarily absolve it of liability to an adverse damages claim.

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