
5 things you need to know in strata

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1. Did you know you can strata subdivide within your existing strata scheme? Forward thinking strata schemes are resolving to add another storey or convert unused common property space into new lots which are then added to the existing strata scheme. The income generated from the sale of these new lots can be used to upgrade existing facilities or just to boost the owners corporation's funds for the future. There are also excellent opportunities for owners corporations to obtain finance to undertake such works and turn your strata into a better looking, functioning and income generating scheme.
2. Owners corporations can also boost their income by entering into agreements with telecommunications companies to lease or licence parts of the common property such as roof areas for telco installations and equipment. Careful negotiation and a thorough understanding of what features are most desirable to telcos can result in agreements for owners corporations where the scheme is the beneficiary of generous licence fees or rent over a long period of time.
3. Collective sale and redevelopment provisions within Part 10 of the *Strata Schemes Development Act 2015* now means your strata scheme could be an attractive group sale prospect for a developer, at a price which is well above the market value of individual lots. Knowledge of the process to be followed and relevant considerations in a collective sale are crucial in being able to successfully negotiate a sale of lots. Knowledge of the process is also critical in any future Land and Environment Court proceedings for collective sales, whether you are in agreement with the proposed sale or a dissenting owner.
4. Did you know lot owners who have exclusive use of areas of common property such as parking spaces, roof voids or courtyards should generally be paying a fee in return for that grant of right? Particularly if all the other owners in the strata scheme do not have similar rights. A lot owner who has use of part of common property to the exclusion of all others, such as a common property parking space where all the lots in the scheme do not have a parking space, is gaining an advantage that the owners corporation is entitled to require a fee be paid for. Whether that fee is a one off or an ongoing annual payment can be decided by the owners corporation.
5. Did you know an owners corporation's responsibility to repair and maintain common property and keep the common property in a good state of condition and repair is now a strict liability? Owners corporations who fail to repair and maintain or to promptly and adequately repair failed common property can now be subject to damages claims from lot owners. A number of NCAT decisions have already awarded damages be paid by owners corporation to owners in circumstances where the owners corporation has failed to keep up with their duty and the lot owner or their occupier has suffered loss or damage as a result. If there is something that needs fixing and the owners corporation are not acting on it, an owner can now make the owners corporation pay – literally.



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