

CLOSE

QUARTERS

Important things
you need to know
about owning a
strata unit

Issue 1. 2016

CONTENTS

WHAT DO YOU MEAN BY STRATA TITLE? -----	3
WHAT DO I OWN?-----	4
2 TIPS FOR ALL NEW STRATA OWNERS-----	5
3 STRATA WEBSITES YOU SHOULD KNOW-----	6
MEETING TYPES -----	7
LEVIES, WHAT ARE THEY FOR? -----	8
CAN I KEEP A PET?-----	9

NOTE

The information in this guide is general in nature and relates to strata schemes within New South Wales only.

As legislation can differ between Australian States and Territories this information is not to be construed to apply to any other state or territory.

The content in this guide may not be reproduced without our express permission.

Copyright Coastal Strata Inspections Pty Ltd

WHAT DO YOU MEAN BY STRATA TITLE?

Strata Title allows individual ownership of a part of a property combined with shared ownership of common areas.

A property is divided into lots e.g. an apartment or townhouse and the remainder e.g. driveway, foyers, gardens etc are common property.

Put simply strata title is shared ownership, shared responsibility.

Originally created to allow the vertical subdivision of land, (picture a multi story residential tower), strata title is now used in a variety of ways such as sprawling villa complexes, marinas, 3 storey walk ups and 2 lot subdivisions.

Developments that can exist under strata plans can be:

- residential
- commercial
- retail
- mixed use
- serviced apartments
- retirement villages
- caravan parks
- resorts

Owners often employ a professional strata managing agent who arranges all the meetings, collects the levies, arranges repairs and provides advice based on strata legislation.



Strata legislation commenced in the 1960's and with 75,000+ strata schemes in NSW today it's here to stay.

2 TIPS FOR ALL NEW STRATA OWNERS

Know your strata manager

Most strata schemes employ a strata manager to arrange meetings, collect the levies, arrange repairs and provide advice based on strata legislation.

After settlement of your purchase your solicitor or conveyancer will send the strata manager advice that that you are now the owner.

This notification may take just a week or so but can take longer.

It's important to note that the strata manager won't know you're the owner until they receive this paperwork so there may be a period where you aren't receiving important correspondence or levy notices

We suggest that after settlement new strata owners take the front foot and contact their strata manager to introduce themselves.

Provide them with your contact details and they'll then wait for the paperwork to confirm the details.

Secondly, know your by-laws

In the mountain of paperwork that comes with buying a unit you might recall seeing the by-laws.

By-laws are simply a set of rules outlining the expected behaviour of residents and controls the use of common property.

You may wish to make an alteration such as installing an air conditioner, pergola, solar hot water system, skylight etc however, the current by-laws allow this you'll need to obtain permission first.

If you're considering making changes like this you'll find a suite of professionally prepared and immediately available by-laws at mybylaw.com.au



MY BYLAW is a division of Coastal Strata Inspections

3 STRATA WEBSITES YOU SHOULD KNOW

Here's 3 strata websites we use almost daily to find information for our clients and to stay up to date with industry news.

1. Maps Six maps.six.nsw.gov.au

Maps Six is an online mapping tool for NSW developed by Land and Property Information.

Think of it like Google Maps with lot numbers, boundary lines and neighbouring property details and you get the idea.

Simply search by address and you'll get the details you need. It's really useful to get an aerial view of the strata scheme with outlines of the lots overlaid.

2. Land & Property Information (LPI) shop.lpi.nsw.gov.au

On occasion the strata records we inspect don't have all of the documents in their files that we need to see.

The two most important documents for every strata plan is the Certificate of Title to common property and the strata plan.

If these documents are missing from the files or we need to check changes of by-laws we head to the LPI shop and download what we need.

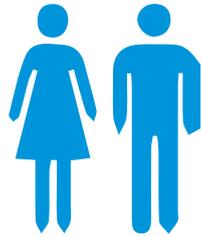
3. Strata Community Australia NSW nsw.stratacommunity.org.au

This site is a resource every strata owner or strata professional should check in on.

Strata Community Australia is the industry body of the strata sector in NSW.

On here you'll find news on strata laws, education events and general strata industry information.

MEETING TYPES



STRATA COMMITTEE

BETWEEN 1 - 9 OWNERS.
ELECTED AT EACH ANNUAL MEETING.
MAKE DECISIONS ON BEHALF OF ALL OWNERS.

ANNUAL GENERAL MEETING

A MEETING FOR ALL OWNERS.
1 VOTE PER LOT.
BUDGETS, MAINTENANCE PLANS, ELECTING
COMMITTEE MEMBERS, CHANGING BY-LAWS.

EXTRAORDINARY GENERAL MEETING

A MEETING FOR ALL OWNERS OTHER THAN THE
ANNUAL MEETING.
MAY BE NEEDED TO CHANGE BY-LAWS, RAISE SPECIAL
LEVIES, APPROVE CAPITAL WORKS ETC

LEVIES, WHAT ARE THEY FOR?

If you've lived in a strata unit chances are you've heard of strata levies. But what exactly are they for?

Lot owners pay a fee, usually quarterly, to cover the financial commitments the strata scheme has.

Levies are usually paid to the strata manager who holds the money in trust. Levies raised are divided into two separate funds, the administrative fund and the sinking fund.

“I own this unit and now you're telling me I need to pay more every quarter?”

If there's not enough money in either fund or to pay for an unexpected expense then a special levy may be raised.

ADMINISTRATIVE FUND LEVY

For the common running costs such as cleaning, gardening, insurance and minor maintenance of common property items

CAPITAL WORKS FUND LEVY

For Repairs or improvements to common property such as gutters, fences, painting

SPECIAL LEVY

Often raised when there aren't sufficient funds in the administrative fund or to pay for an expense that has not been budgeted for such as painting, replacing balustrades or fire safety compliance.



Levies are determined at every annual general meeting. A budget is presented outlining how much money is needed throughout the year.

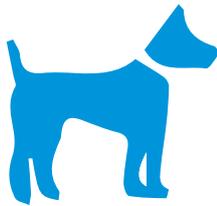
Owners vote to accept or amend the budget noting that each lot pays a share of the total budget based on their unit entitlement.

Sometimes all lots have the same entitlement. Sometimes entitlements vary based on the size or amenity of each lot.

CAN I KEEP A PET?

Strata plans have a set of rules, called by-laws which outline amongst other items whether residents can keep pets within their units.

Strata plans commonly adopt an option from the model by-laws however as plans can write their own by-laws you'll



need to read the by-laws for your strata unit.

Here's some examples showing why it pays to check.

A strata plan in Kiama NSW states "An owner must not keep any animal without consent from the owners corporation other than one toy or small dog the equivalent size of a Maltese, Silky Terrier or Shih Tzu in weight up to 8.0kg or one cat."

I'm not sure why or even how they measure this one. An annual weigh in perhaps?

Another strata plan in Woonona states "An owner of occupier must not keep any animal on the lot or common property." This wording is Option C from the model by-laws and it's pretty clear that no animals are permitted.

Its not safe to just assume you'll be allowed to keep a pet. Check the by-laws for your strata unit and if you need permission we can assist in obtaining a decision from your fellow strata owners.

Pet Application Form

Do you need permission from the owners corporation to keep a pet within your unit?

We get it. Pets mean everything and your purchase may be conditional on whether you can keep a pet or not.

So to save you stress (there's enough already when buying a unit) leave it to us.

We'll liaise with the strata manager on your behalf and seek the owners corporation's decision as quickly as possible.

Ready to apply?

For more details and to download our Pet Application Form visit coastalstrata.com.au/free-tools-tips

CONTACT US



This guide has been prepared by Coastal Strata Inspections, a leading strata unit research company based in Shellharbour NSW.

We provide knowledge, reassurance and power to purchasers of strata title units in the Wollongong, Kiama, Nowra, Bowral and surrounding regions of New South Wales.

GET IN TOUCH. CONTACT US

Ph: 02 4297 2555

Email: info@coastalstrata.com.au

Web: coastalstrata.com.au

Subscribe to our Strata Tips emails

Are you interested in FREE strata tips, tools and videos delivered directly to your inbox? See our content and join our mailing list at coastalstrata.com.au/free-tools-tips