



Strata Talk ... With Brian

Strata Titles Act Reform - What's New?

Finally the industry has the reforms it has been seeking for a number of years. The strata Titles Act 1985 was amended significantly via the Strata Titles Amendment Act 2018 and the subsequent Strata Titles (General) Regulations 2019. The 1st May 2020 will see these reforms become law and the industry can move forward with confidence.

Areas of reform include:

- **Lease strata over Freehold Land**

This will permit a landowner to retain ownership of the land and into a long term lease agreement with a potential developer allowing the land to be used as a strata development. Potentially this could result in more affordable housing.

- **Simplified Staged developments for existing and new strata schemes**

This will allow more flexible staged developments over strata lots. Previously was very restrictive. Management statements were needed, that now is not a requirement. Sub-division within a strata scheme now offers greater flexibility.

- **Simplify the dispute resolution**

The concept behind this reform is to simplify the dispute process and expand the role of the Strata Administrative Tribunal (SAT). SAT will be a one-stop-shop for Strata disputes. The reforms put in place the required procedural structure that needs to be followed.

- **Recognising Strata Managers**

For the first time since strata titling was introduced into WA in 1996 Professional Strata Management has now been acknowledged and their specific role determined. Schemes can still self-manage or appoint lot owners as a Volunteer Strata Manager, a new position under the reforms. Education requirements have also been introduced for Professional Strata Managers.

- **Termination of strata schemes**

Under the original 1985 Act to terminate a strata scheme a "unanimous resolution" is required. Specifically, 100% of owners MUST say yes with no exceptions. If under the reforms there is not a "unanimous resolution" there is a complex process in place to allow the process to be progressed with in-built safe guards and protection to the no-voters. This will be particularly beneficial where some strata schemes have exceeded their use by date.

- **Layered Schemes (Tiered Community Titles)**

This will allow strata schemes. The benefits relate to mixed-use strata schemes, such as retail, commercial, residential and short term stay. This will allow greater flexibility particularly where unit entitlements are concerned, differential levies. This will allow greater flexibility in managing the different areas. This is now an act in its own right and will be further discussed throughout 2020.

Hopefully these reforms will offer more flexibility for strata owners, managers, real estate sales personal and developers bringing the strata titles act into the 21st century.

For further information regarding the reforms and all matters strata related, contact STRATATAC at www.stratatac.com.au or contact Brian directly at strata@stratatac.com.au or 0428 970067.