

The changing environment for multiple dwellings

Strata Titles Act Reform: proposed new tenure forms

Presentation to Local Government Planners Association

20 November 2014

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Importance of Strata Title tenure in WA

- Total annual land transactions are worth \$42.9 billion*
- Strata title is currently 25% of these*
- Increasingly popular housing option
- Supports urban infill and Directions 2031
- There are more than 60,000 strata & survey-strata schemes

* 2014/15 Budget Briefing Notes

Definition

Strata title is a form of land tenure that provides for multiple ownership of land and buildings, whilst retaining the security of land title for individual owners within a strata scheme.

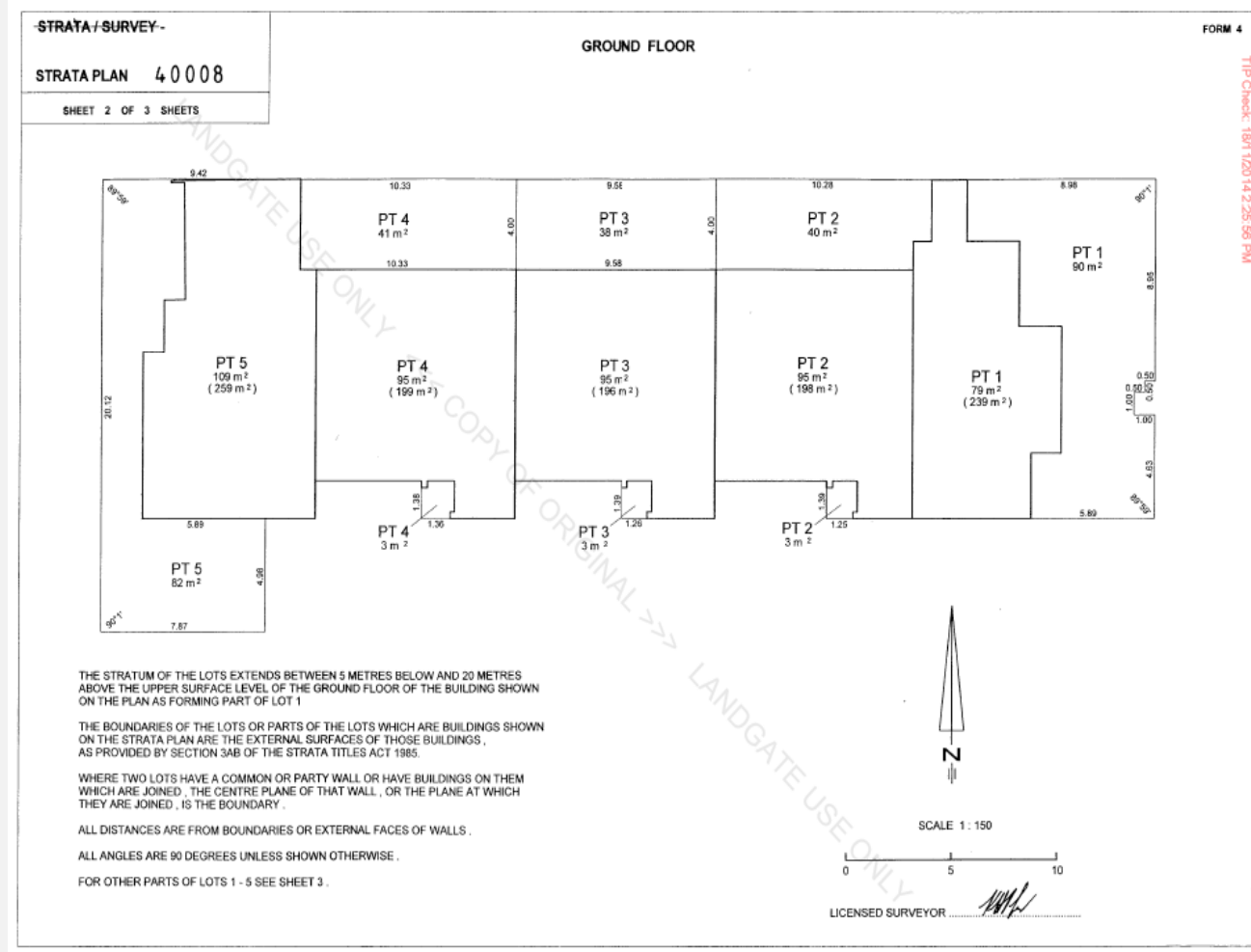
Strata Titles Act 1985

An Act to facilitate the horizontal and vertical subdivision of land and the disposition of titles thereto, to provide for incidental and connected purposes and to repeal the *Strata Titles Act 1966*.

Strata plan

A way of subdividing land into lots, or lots and common property by **reference to a location plan and floor plan** of a building and allocating unit entitlement among the lots.

Commonly called “built strata”



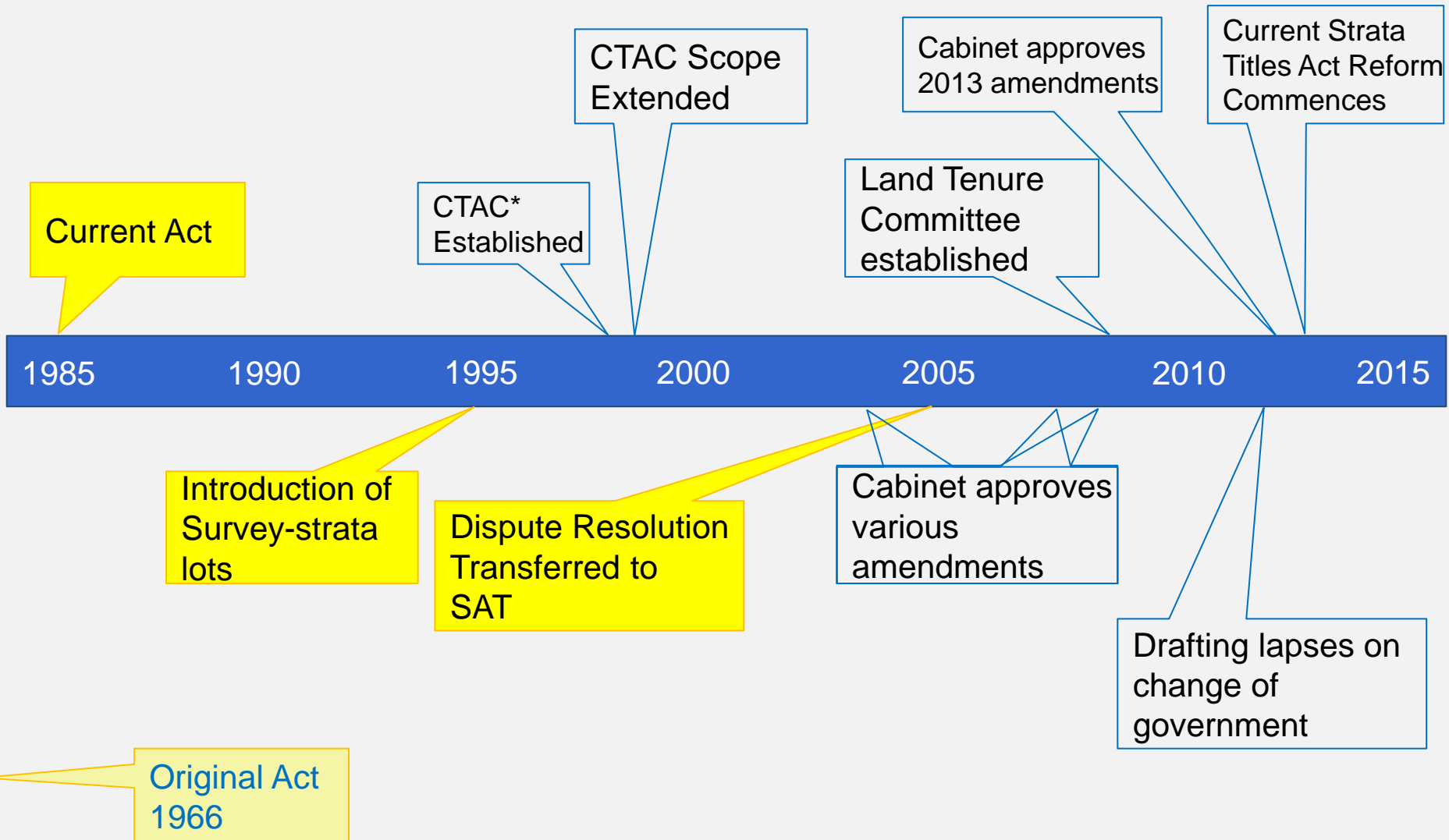
Survey-strata plan

A way of subdividing land into lots or lots and common property, under a survey-strata plan that has dimensions and survey information similar to a freehold subdivision and allocation of unit entitlement among the lots.

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MANAGEMENT STATEMENT <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Lodged <i>24.12.2001</i> <i>33/272</i> Examined <i>24.12.2001</i> <i>57H</i> Registered <i>24.12.2001</i> <i>H969666</i> <i>[Signature]</i> REGISTRAR OF TITLES	WESTERN AUSTRALIAN PLANNING COMMISSION 568-01 Certificate of Approval of W.A.P.C. under Section 255(2) of Strata Titles Act 1985. <i>[Signature]</i> 21-12-2001 FOR EXAMINER DATE	PLAN OF PART LOT 12 OF SWAN LOCATION 7 ON DIAGRAM 26324 CERT. OF TITLE VOL 1270 FOL 923 LOCAL GOVERNMENT CITY OF SWAN INDEX PLAN BG 34(2) 22.32 FIELD BOOK NUMBER 86383 SCALE 1:200 WARNING: CREASING OR FOLDING WILL LEAD TO REJECTION	NAME OF SCHEME 142 MORRISON ROAD MIDLAND ADDRESS OF PARCEL 142 MORRISON ROAD MIDLAND 6056 DOLA Department of LAND ADMINISTRATION																								

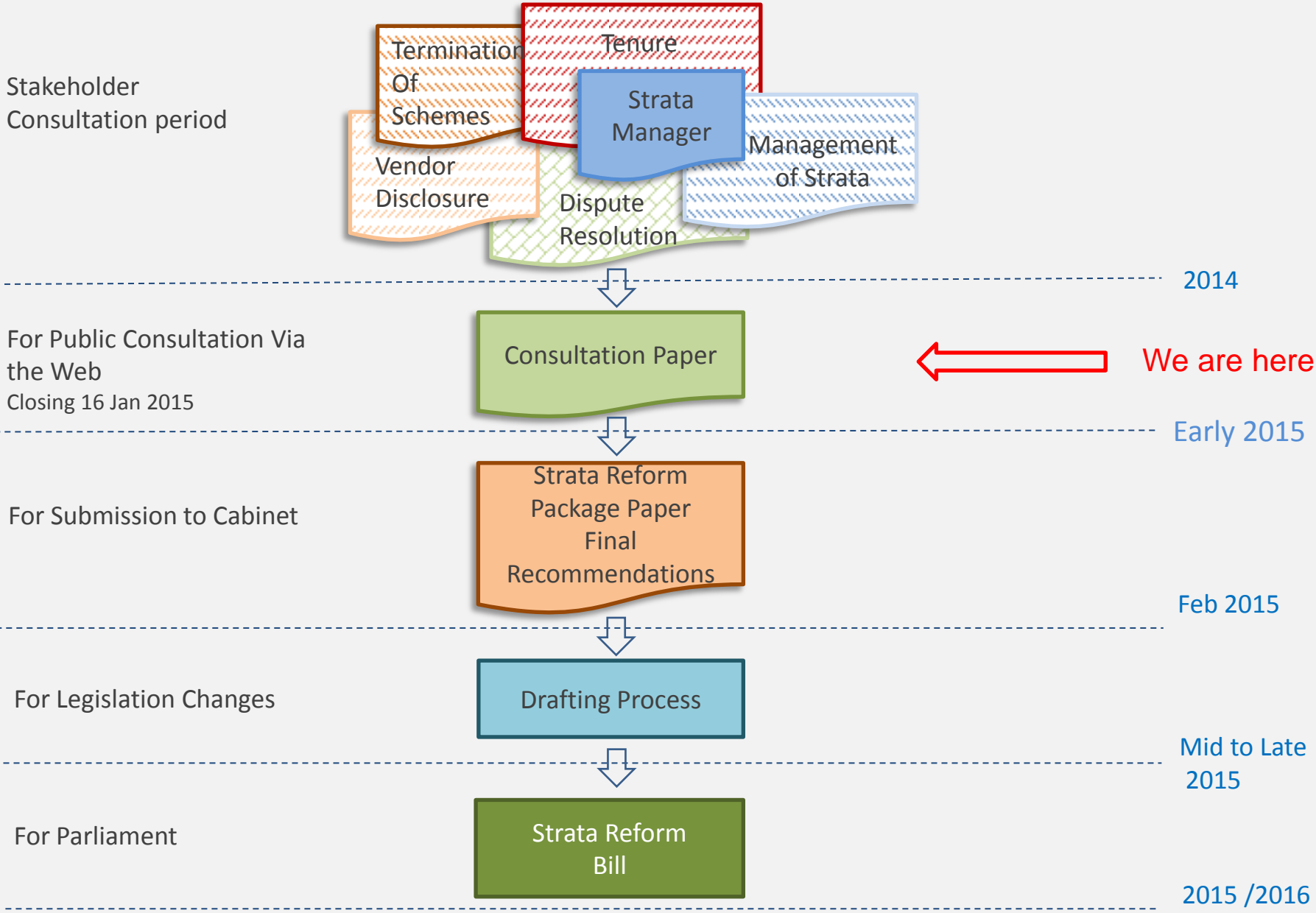
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 STRATA PLAN 41056

History of Strata Title Act Reform



*Community Titles Advisory Committee

Content and Timeline



New Types of Tenure

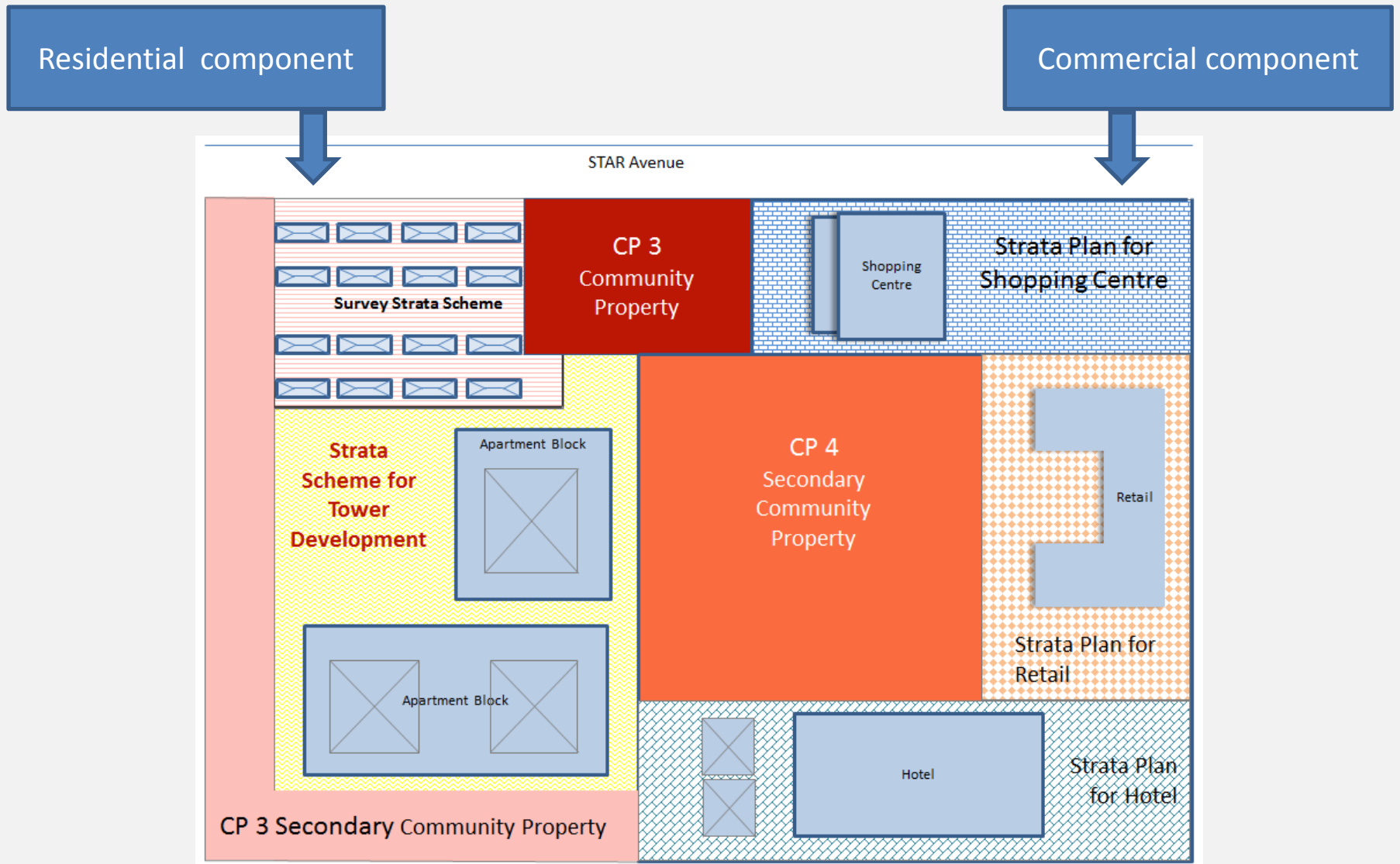
- Exploring modern options proposed by stakeholders
1. Community Title Schemes – land subdivision, surveyed lots
 2. Community Title in a Building – cubic space lots in a building
 3. Staged Strata Schemes – change the disclosure provisions
 4. Leasehold strata title – freehold and conditional grants

Community Title Schemes

'Community title' land tenure is a form of strata titling that has been introduced in other Australian jurisdictions, and provides for multiple strata schemes within the 'umbrella' of a 'parent' body corporate.

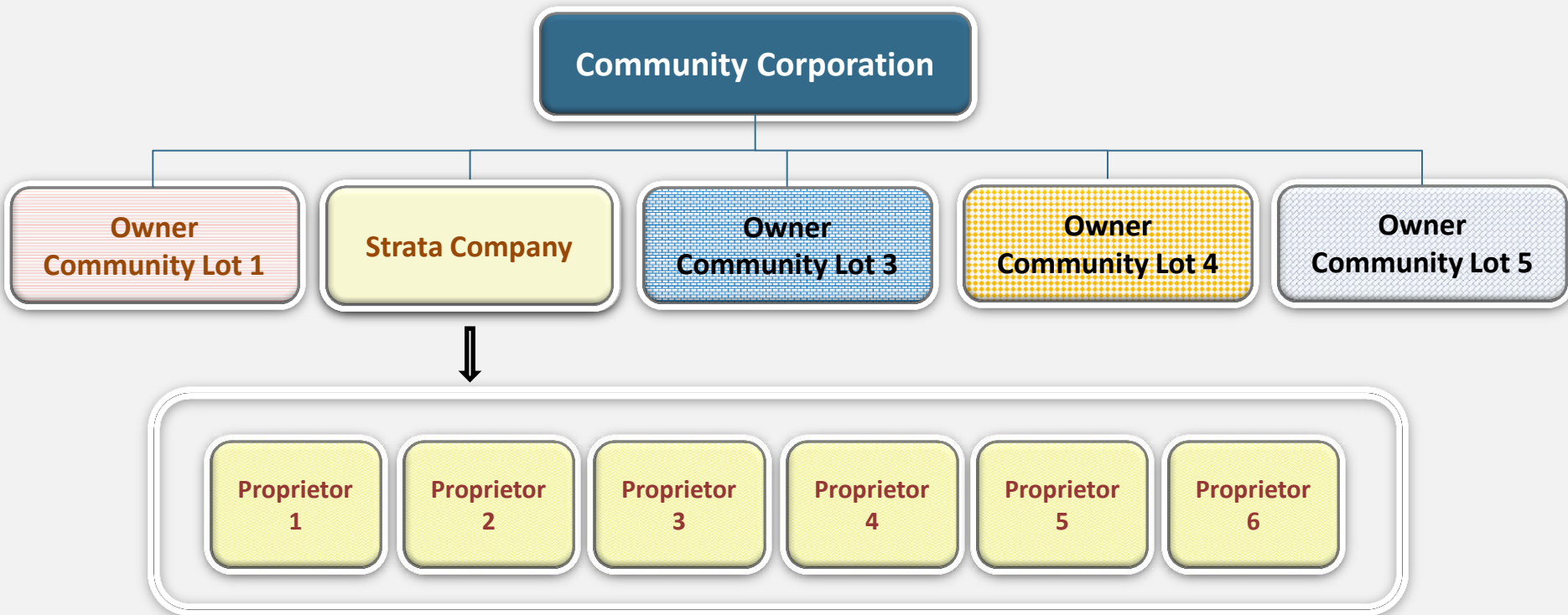
Introduction of 'community titles' in WA will complement strategic planning directions, especially in the metropolitan area by facilitating the design and development of more sophisticated strata schemes that better provide for large sites, mixed uses, staged subdivision and development, and provision and operation of some infrastructure.

Sample community scheme



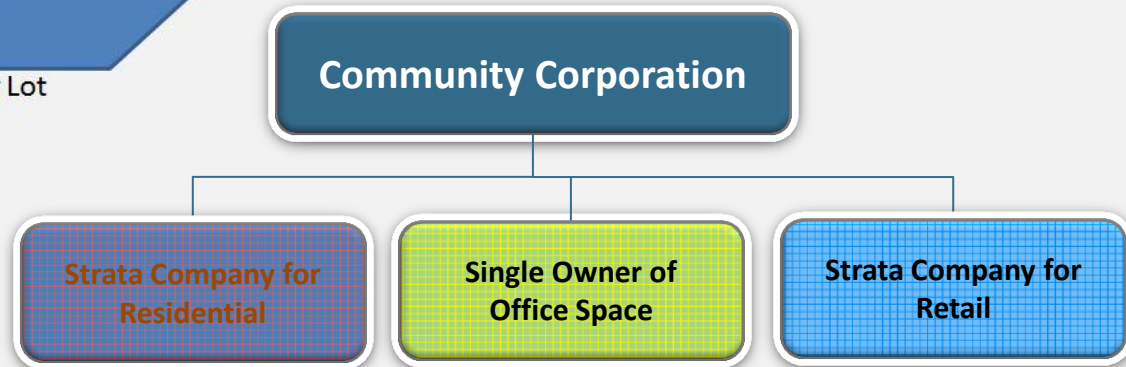
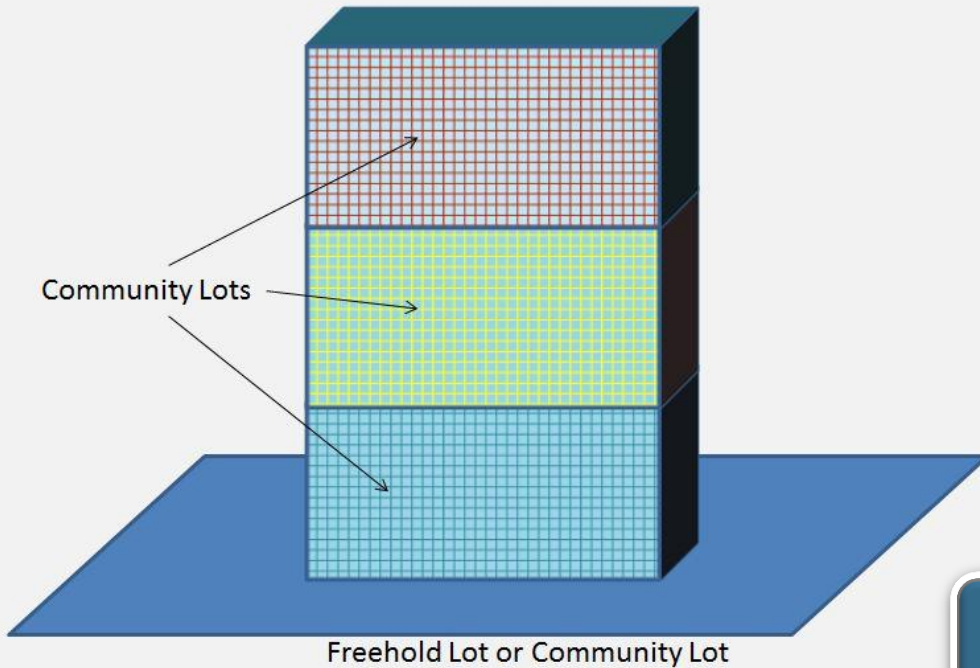
Community Title Schemes - corporate structure (ctd)

- Two Management Levels



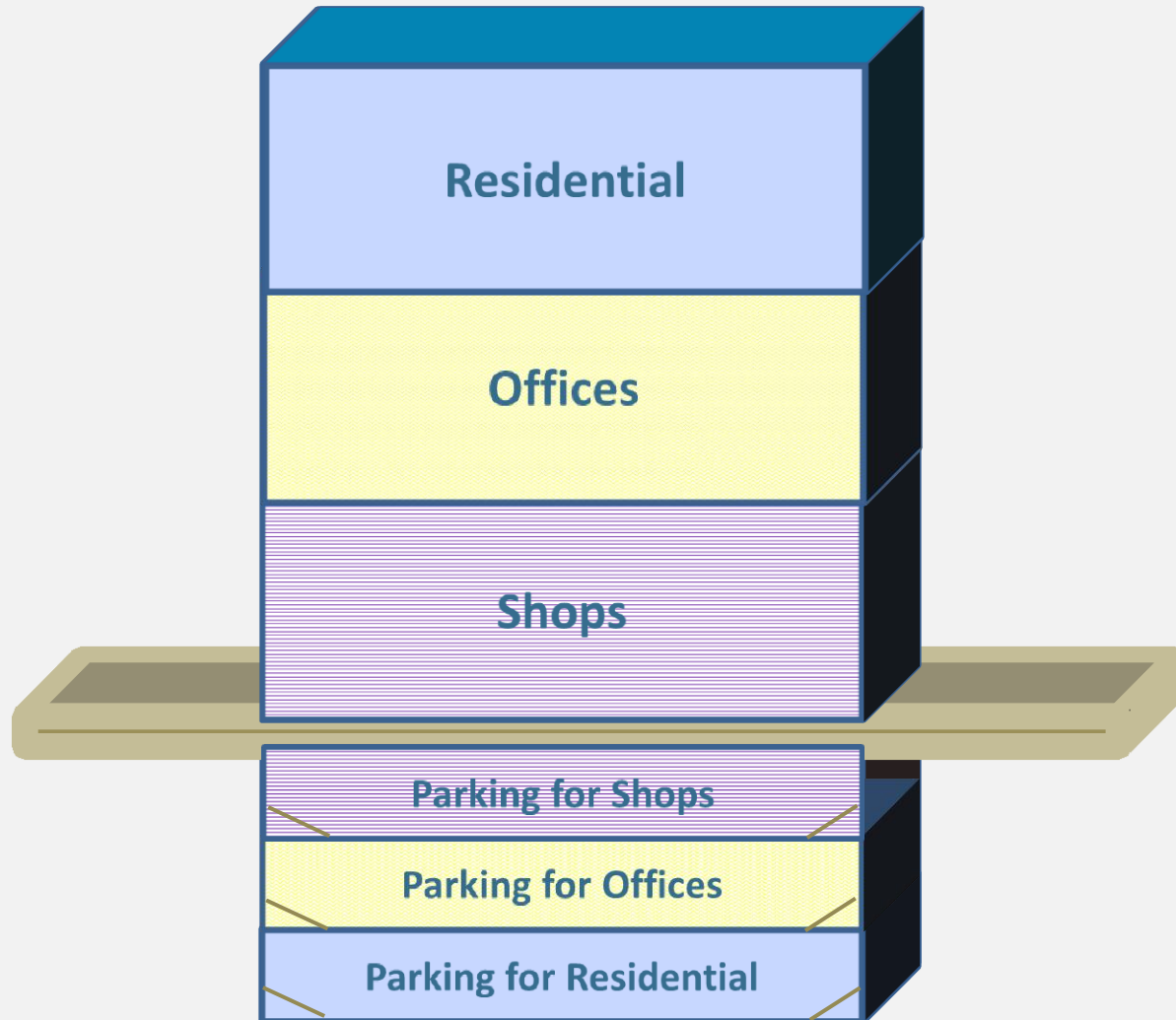
Community Title in a Building

- To provide for mixed uses in the building



Community Title in a Building

- Progress of Development



Changes affecting staged developments

Staged developments are currently facilitated by the provisions for re-subdivision of strata schemes

The proposals for change include:

- Removing developer covenants from the management statement and including them in a separate document
- Giving developers the option of using the “development statement” approach for community titles
- Changes to the *Strata Titles General Regulations 1996* to permit an expanded list of minor variations to the scheme development to be made without the unanimous consent of all proprietors [for future staged schemes not current schemes]

Leasehold Strata Title

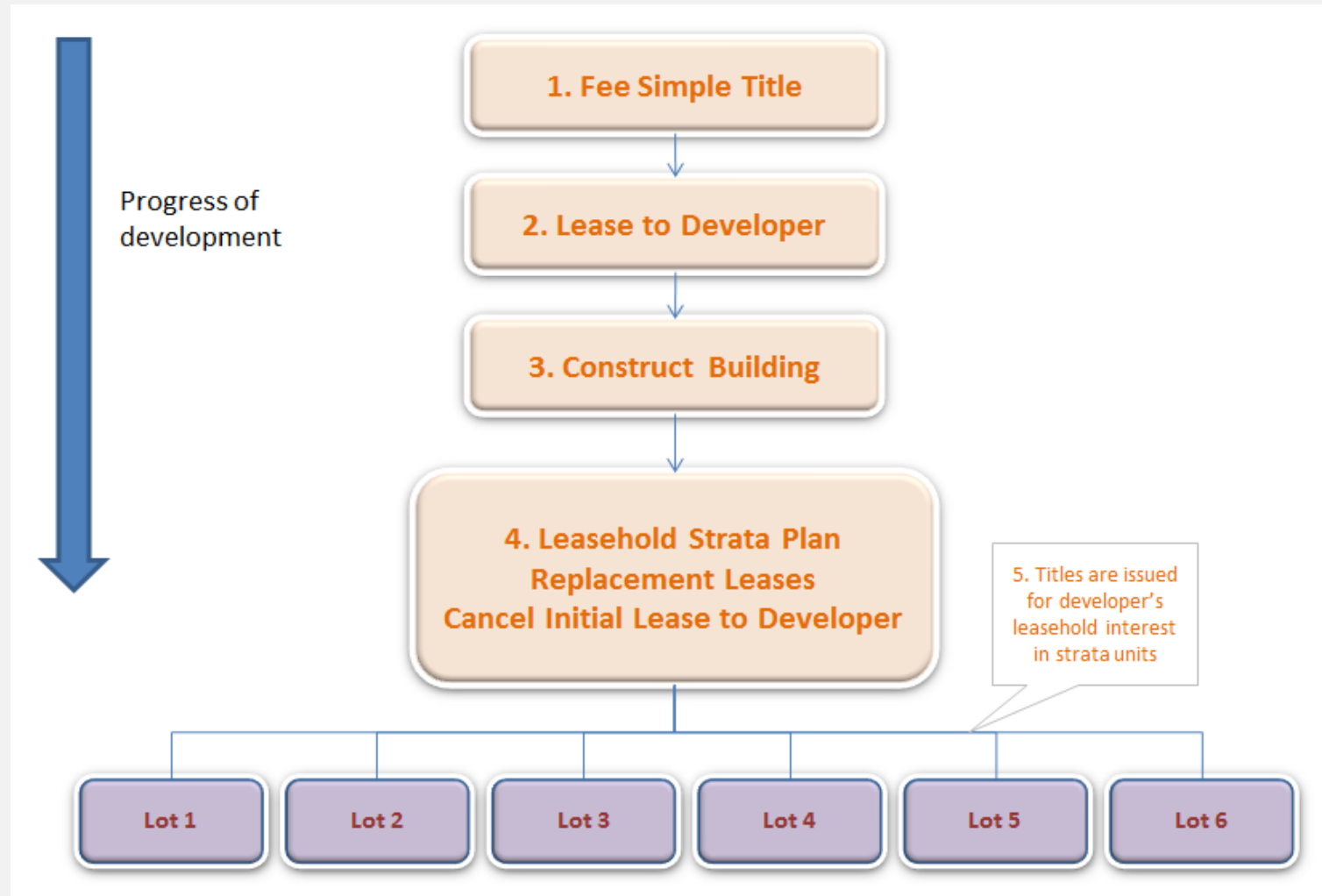
Options

- Over freehold land
- Conditional Grant (Transfer of Crown Land in Fee Simple subject to conditions under *Land Administration Act* – section 75)
- No application to Crown land tenure at this stage
- Strata leasehold and survey-strata leasehold

How is a leasehold strata title scheme created 1

Option 1.

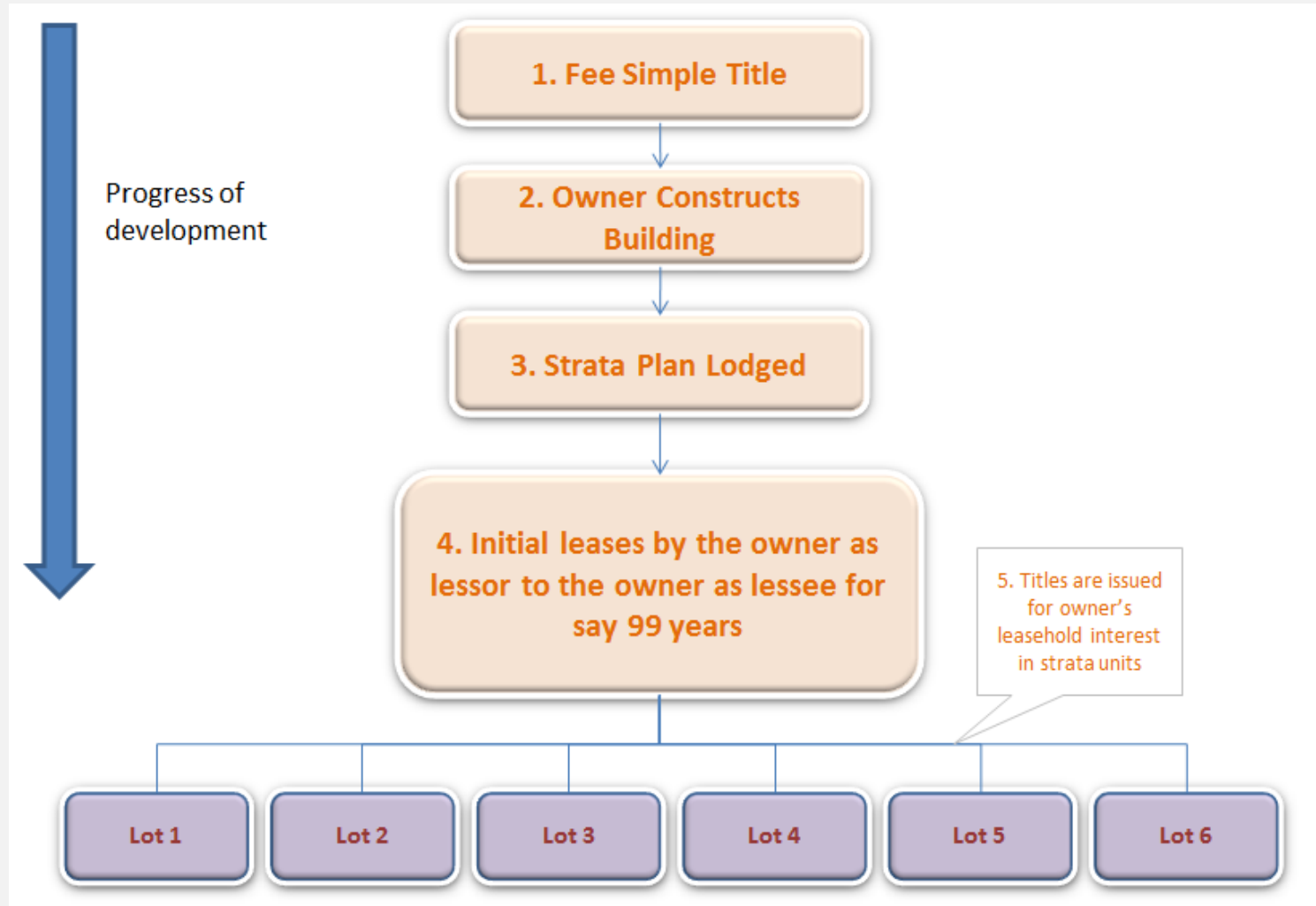
Lease to a Developer



How is a leasehold strata title scheme created 2

Option 2.

Owner undertakes the strata development

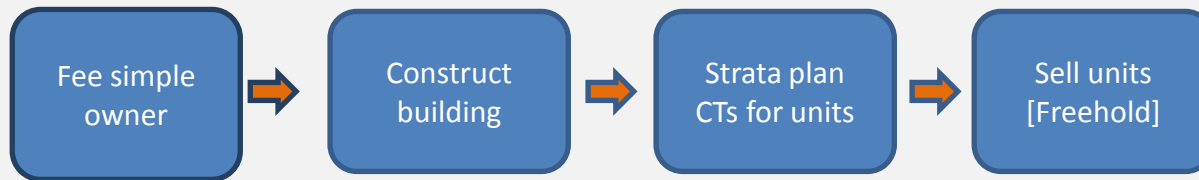


Leasehold Strata Title (contd.)

- All the leasehold titles will have the same expiry date
- The initial term + any option of renewal may not exceed 99 years
- Any renewal process must apply to all leasehold apartments
- All leasehold owners constitute the strata company
- The fee simple title subject to the leasehold scheme is not cancelled and can be transferred. Fee simple owner may have little involvement in building management
- On expiration of the leases the scheme ceases, and the land reverts to the fee simple owner

Leasehold Strata company has different composition

Owners of freehold units form strata company

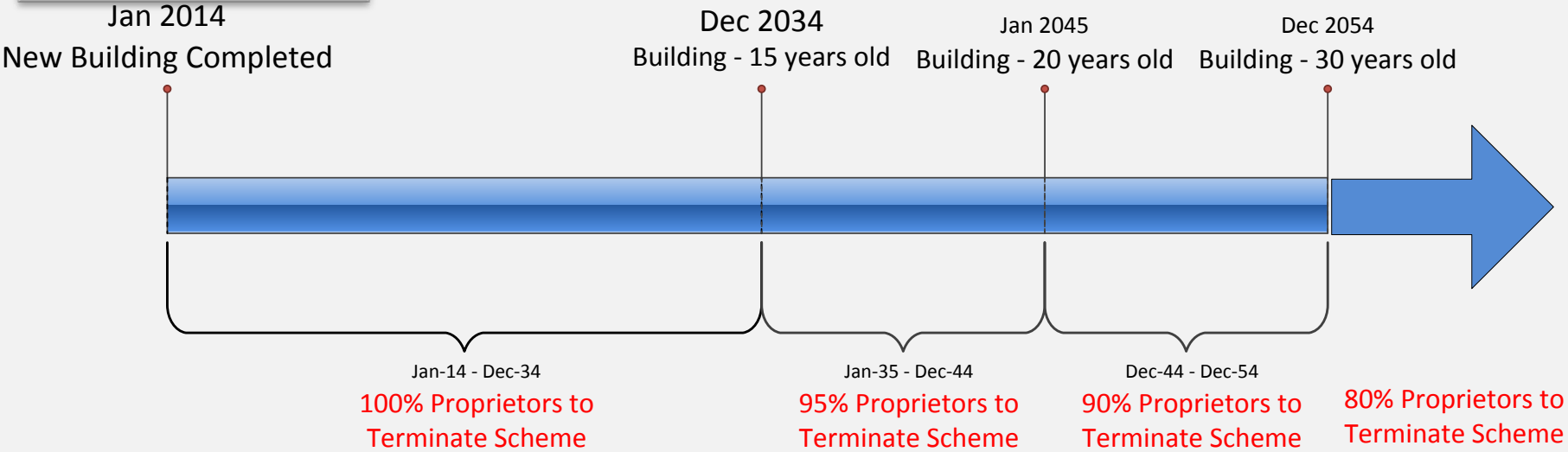


Owners of leasehold units form strata company

Other proposed reforms

- Strata managers – code of conduct, annual return, trust accounts
- management of strata companies – electronic process, standard agenda items, liability insurance
- dispute resolution – SAT role
- Vendor disclosure – disclose leasehold and community title
- Planning decision-making (next presentation)
- Termination of strata schemes – majority vote not unanimous?

Termination of strata schemes by majority vote



Further Information

- **Consultation Paper** - Opened for comment Friday 31st October 2014; until January 2015

Following the links from the Strata Titles Reform web page on the corporate website or

<http://consult.landgate.wa.gov.au/consult.ti/STARCP/consultationHome>

- **Further Information** - If you would like to know more about the Strata Titles Act Reforms

Website: <http://www.landgate.wa.gov.au/corporate.nsf/web/Strata+Titles+Act+Reform>

Email:

StrataTitlesActReform@landgate.wa.gov.au