

3. Strata titles

Some people choose to sell their home and 'down size' by buying a unit or apartment. These options are usually a strata title arrangement.

A strata title is a certificate of title for a lot and a share in the common property in a strata scheme set up under the *Strata Titles Act 1985*. The strata scheme dictates what you own when you buy a strata titled lot and what is common property. There are a number of combinations of individual ownership and common property. Some examples are:

- individual ownership of the buildings and areas inside and outside the buildings;
- individual ownership of inside and outside areas, but only part of the building e.g. the walls, but not the roof; and
- ownership of inside and outside areas, but not any part of the building.

Depending on the strata scheme, common property may include exterior walls, courtyards, roofs, and driveways as well as shared facilities such as laundries, swimming pools, stairwells and lifts.

Before buying a strata titled property, see a copy of the strata plan to check what you will own and what is common property. This can be determined by viewing the ground floor page of the strata plan.

Under the *Strata Titles Act 1985*, some strata titled schemes may be restricted to occupation by retired persons and their partners. A 'retired person' is defined as someone who is 55 years and over or someone retired from full-time employment.

If you purchase a strata unit within a scheme restricted to people over 55 years and you then decide you want to rent the property, you will need to ensure that the incoming tenant meets the age eligibility criteria.

Some strata units are within retirement villages and are also subject to the provisions of the *Retirement Villages Act 1992*.

Strata responsibilities

As an owner of a strata titled property, you have a number of duties, including:

- becoming a member of the strata company, which entitles you to participate in its management;
- abiding by any by-laws (or rules) of the strata company;
- paying levies to administer the strata scheme, such as insurance, maintenance and repair of common property; and
- attending meetings to discuss and vote on issues, including expenses, repairs, improvements and management of the complex.

Information you must be given

Before you buy a strata titled property, check whether it is a registered strata titled lot or a proposed strata titled lot. The main difference between the two is the information that the seller must give you prior to the sale. As a minimum, the seller must give you the following:

- A copy of the strata plan, which indicates the lot being sold and provides information about the lot.
- A copy of the standard and any non-standard by-laws.
- A form called *Buying and Selling a Strata Titled Lot (Form 29)*. Form 29 outlines your rights and obligations as an owner of a strata titled property.
- A form called *Disclosure Statement: Sale of Strata Titled Lot or Proposed Strata Titled Lot (Form 28)*. Form 28 sets out a list of all the information you should receive before buying a strata titled property and your rights if you do not receive the information.

3. Strata titles

Only if you are happy with the content of the forms should you sign Form 28. Signing Form 28 is not an offer or contract to buy the strata titled property – it simply shows that you have received and understood the information provided.

Strata information checklist

Make sure you have the following information:

- What is the age group/mix of residents?
- Are units owner-occupied or rented?
- What are the costs of strata company fees, levies, rates and insurances.
- Are the unit walls free standing or are they shared?
- How old is the property, are there major repairs that are needed to common areas?
- Are there any shared facilities e.g. a swimming pool or a laundry area?
- What are the rules about pets, car parking and use of common property?
- Is there a clear procedure to follow regarding maintenance problems?
- How often is maintenance or gardening carried out?
- What is the financial position of the strata company? Does it have enough funds to properly maintain the complex?
- Are there any legal or insurance claims pending or outstanding levies due?
- Does the strata company employ a strata manager and what functions does he/she carry out?
- Is there a person who is paid to maintain the complex?
- How are disputes resolved?

Where can I get more information?

Landgate has a publication, *A Guide to Strata Titles*, which provides information about this type of housing option. For a copy, ring Landgate on (08) 9273 7044.

If the strata unit is within a Retirement Village complex, you should also read information sheet #4 for more information about Retirement Villages generally.