



Strata Reform Summary

Based on current trends, it is predicted that Western Australia's population will increase to over five million by 2056. There is a need for more housing to cater for the predicted population increase including providing more innovative housing options, while also meeting urban infill targets.

Strata is important to the WA economy; there are more than 300,000 strata lots, which are conservatively estimated as being worth \$170 billion. This number is increasing, with 40 to 50 per cent of all new lots created being strata. Annual sales of strata lots exceed \$10.9 billion. Strata titles are not just about residential properties but also involve retail, commercial and industrial business premises.

A more robust and updated legislative framework is needed to support strata title schemes in WA. Landgate has been asked to deliver strata reforms as a priority to reflect more flexibility in strata developments and provide for better community environments.

There are seven areas of strata reform which will be delivered as a package comprised of the *Strata Titles Amendment Bill 2017* and the *Community Titles Bill 2017*:

1. Community title schemes
2. Leasehold strata
3. Improved staging of strata developments
4. Improved management of schemes
5. Simplified dispute resolution
6. Better buyer information
7. Safeguards for termination of schemes.

Benefits

Strata reforms will help deliver these key priorities:

Smart density with amenity: community title, leasehold strata and the improved strata schemes can all be used to fully develop activity centres where people work, live and play close to public transport and above train stations supporting the development of Metronet and Metrohubs.

Affordable housing: leasehold strata provides affordable housing in other parts of the world and can do so here in WA.

Economic growth: having more development options (community title and leasehold) and streamlining the development process (improved staged development) has led to rapid economic growth in other states.

The reforms will deliver new development options to help drive economic growth.

Why does WA need strata reforms?

Community title, leasehold strata and the improved strata schemes can all be used to fully develop activity centres where people work, live and play close to public transport and above train stations. This will allow for:

- more urban infill
- increased density
- community living in mixed-use environments.



Reforms details

- 1. Community title** is a new type of strata where multiple sub-schemes exist under a community title scheme. Community title will:
 - deliver large scale precinct sized developments requiring flexible staging
 - share the cost of more amenities across sub-schemes
 - deliver activity centres (Metrohubs) where people live, work and play
 - mix residential, retail and commercial uses within one vibrant community
 - combine uses with close proximity to workplaces, infrastructure and public transport creating better community lifestyles, rather than just housing developments.
- 2. Leasehold strata** is a new type of strata where the strata scheme is for a fixed term (more than 20 to 99 years). Owners have a long term lease of a lot and the scheme is set up to:
 - provide affordable housing options
 - develop university land to deliver innovation hubs as a vehicle to grow jobs and educational opportunities.
- 3. Staged strata** will enable existing strata schemes which are developed in stages to be delivered faster and cheaper by providing greater flexibility to vary those schemes and by cutting some of the red-tape faced by developers when consent to plan variations is required.

The reforms will also **make strata better** for the public by:

- 4. Improving the management of schemes**
 - strata managers will be regulated and made more accountable to carry out comprehensive statutory duties that will be imposed upon them
 - building changes such as the installation of solar panels on common property will be easier
 - strata owners will benefit from improved management procedures.
- 5. Simplifying dispute resolution by:**
 - making the State Administrative Tribunal (SAT) the one-stop shop for strata disputes
 - strengthening SAT's powers to efficiently resolve strata disputes.
- 6. Giving better buyer information.** To assist buyers in assessing whether living in strata is the right move for them the reforms will give people buying into strata better information about their strata lot. The disclosure form will be easy to read and give guidance on important issues to consider about strata. Some of the better information buyers will receive include details of strata levies, a statement of the strata company accounts and a copy of the scheme by-laws.
- 7. Introducing safeguards for termination of schemes.** At the moment, termination can be ordered with just one owner applying to the District Court. The reforms will introduce safeguards requiring a transparent process to be properly followed along with a full procedural and fairness review by SAT.

More detailed information is available on the [Landgate website](#).





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