

*NEWSLETTER ISSUE 18 AUGUST 2015*

**The new Strata Schemes Management Bill – will it affect you?**

The NSW Govt has now indicated to our industry body (Strata Community Australia (NSW) that they intend to put the new Strata Schemes Development Bill 2015 and Strata Scheme Management Bill 2015 to Parliament in spring. The whole bill can be viewed on the NSW Office of Fair Trading website.

Jimmy Thomson of “Flat Chat” for the “Domain” part of the Sydney Morning Herald uploaded an article on 4 August 2015 - which we thought made the proposed changes easy to understand – in particular he set out the consequences of some of these, in way that is easy to understand. We thought we'd share some of this with you. If you wish to read his whole article, you can visit: <http://news.domain.com.au/domain/real-estate-news/strata-laws-the-8-changes-that-will-most-affect-apartment-residents-and-owners-20150716-gidvtv.html>

**PARKING**

**The proposal:** to allow owners' corporations and local councils to let council parking inspectors patrol strata car parks and issue fines to people who have parked where they shouldn't.

**The intention:** parking is one of the most contentious areas of strata life, especially since the law seriously limits what owners' corporations can do about rogue parkers (especially non-residents). It's an area that leads to arguments and even violence. Just last week a driver was convicted and fined \$2000 for “keying” the car of a woman who blocked him in for stealing her parking space.

**The effect:** once signs go up and the parking inspectors come in, everybody will have to be on their best behaviour. Sure, the non-resident commuter who parks in a visitor spot will get a ticket, but so may you if you park briefly in the driveway or over the lines round your space.

**PETS**

**The proposal:** to change the standard or default bylaw to state that pets are allowed, provided that the strata committee approves, although that approval can't unreasonably be withheld.

**The intention:** to create a default situation where pet ownership, under reasonable conditions, is allowed.

**The effect:** this will make no difference to older building that have established bylaws, or new buildings where they have written their own bylaws. But for the many buildings that just go with the basic by-laws recommended by Fair Trading, you can have a pet unless the owners' corp has a very good reason for saying no.

**SMOKING**

**The proposal:** a small but significant note on the section on residents' behaviour identifies smoke drift as a potential “nuisance” under the legal meaning of the word.

**The intention:** rather than placing a blanket ban on all smokers, this allows strata communities to police their own buildings where, for instance, people might be able to smoke without bothering anyone.

**The effect:** it's very much up to individual owners to decide what they want to do about neighbours' smoke. "A property owner has certain rights to do as they please in their home but they also have a duty of care to ensure they don't cause a nuisance with their neighbours," says leading strata lawyer and chairman of the Owners Corporation Network, Stephen Goddard. "By identifying smoking as a nuisance, this allows owners to take action without passing a bylaw imposing a ban on people smoking in their homes, which would be a serious reduction of property rights and almost certainly illegal."

### **Renovations**

**The proposal:** to create a three-tier permissions regime that allows certain minor work to be done without permission, some significant renovations to be carried out just with a simple majority vote of the owners' corporation and, for major renovations, especially anything affecting common property and water proofing, the full gamut of special resolutions, bylaws and restrictions.

**The intention:** to make it easier for strata owners to live in a home that suits their needs and sense of style without requiring something just short of an act of parliament to hammer a nail in a wall.

**The effect:** more trips to Bunnings, fewer calls to your strata manager and lawyers.

### **Re-development of sites**

**The proposal:** to allow 75 per cent of residents of older buildings to agree to their sale to a developer for redevelopment, regardless of the wishes of the minority. Currently this requires a 100 per cent vote.

**The intention:** to remove the opportunity for individual owners to prevent redevelopment of their aging and high-maintenance unit block, or even hold their neighbours to ransom by holding out for an inflated price.

**The effect:** simply put, about 8000 apartment blocks in established communities in NSW will be viable redevelopment sites where newer, safer and healthier buildings can be built, accommodating two or three times as many residents. An advice hotline and advocacy services are to be provided for the vulnerable and elderly, and fair compensation mechanisms will be established but, inevitably, some people will be evicted from their homes.

*(Note: there is more on this point and other aspects of the new legislation on Flat Chat if you view the full article on line).*

We trust that you absorbed this easy to understand summary as to some of the changes coming to your strata life soon. A number are contentious, but the intent is to make this Act a world leader yet again (as the 1973 legislation was at the time). Hopefully it is sufficiently forward thinking to take New South Wales well into the years ahead and make strata life easier for all – allowing scheme's to be run as individually as the people in them.

**Sustainable living – water savings –** A Scheme we manage in Auburn has recently undertaken works to improve its water usage – the savings as a result are almost 40% less than on last year – you can imagine how this affected the budget for the year ahead.

If this interests you please raise this with your manager, we'd be happy to advise you on the few steps required implement this for your plan.