



STRATA FACTS
HOW WE CAN HELP YOU

Strata Facts

1. What is an owners corporation?

The owners of the lots in a strata scheme together constitute a body corporate that is called "The Owners – Strata Plan No X". The X is the number of the strata plan that the NSW Land Registry Services provides when the strata plan is registered.

An owners corporation is kind of like a company with all of the owners of lots being directors of the company. The owners corporation has specific duties and obligations that it must comply with and a lot owner can take action against the owners corporation if those duties or obligations are not complied with.

2. What is a strata scheme?

A strata scheme is land made up of lots and common property. A strata plan is a plan that is registered with the NSW Land Registry Services which shows information about the strata scheme such as the boundaries of the land that make up the strata scheme, the location of each building on the strata scheme, a floor plan showing the boundaries of each lot in the strata scheme and a schedule of unit entitlements for each lot.

3. What is a lot and what is common property in a strata scheme?

A lot is the cubic space shown as a lot in the strata plan for the strata scheme. A lot in a strata scheme is usually comprised of the unit/apartment itself, the lot car park and any lot storage space. If there is a vinculum (which looks like a backwards S) shown on the strata plan between, for example, a balcony and the inside of a lot, then the balcony is part of the lot.

Common property is everything in the strata scheme that is not part of a lot.

A common mistake for owners of lots in a strata scheme is to think that they can renovate the inside of their lots however they wish without having to obtain approval from the owners corporation because the inside of the lot is "their" property. Generally speaking, only the upper surface of the floor, the under surface of the ceiling and the inner surface of the walls in a lot are lot property (internal non-structural walls are normally lot property attached to common property). Hammering a nail into a boundary wall in your lot to hang a painting involves common property as soon as the nail pierces through the inner surface of the wall.

Special Note – if the strata plan was registered before 1974 then it is likely that the wall, door or window between the inside of your lot and the balcony is lot property and not common property.

Unsure about whether something is lot or common property? [We can help you!](#)

4. What is unit entitlement?

This is found in a schedule on the strata plan. Each lot has a unit entitlement. The unit entitlement is used by an owners corporation to, for example, determine the proportion of contributions that are to be levied on each lot and paid into the administrative and capital works funds for the strata scheme. The contributions paid into these funds are used by the owners corporation to pay particular expenses of the owners corporation.

If you have a question or concern about your unit entitlement, [We can help you!](#)

5. What legislation applies to strata schemes?

The main two pieces of legislation are the Strata Schemes Management Act 2015 (which deals mainly with the management of a strata scheme) and the Strata Schemes Development Act 2015 (which deals mainly with the creation of a strata scheme) along with the Regulations for each of these Acts. The legislation is freely available from the NSW Government's NSW Legislation website – www.legislation.nsw.gov.au.

If you want to understand how this legislation applies to you and any issue you may have in your strata scheme, [We can help you!](#)

6. What does an owners corporation do?

An owners corporation has the principal responsibility for the management of the strata scheme. The owners corporation has, for the benefit of the owners of lots in the strata scheme, the management and control of the use of the common property of the strata scheme and the administration of the strata scheme. The owners corporation has responsibility for managing the finances of the strata scheme, keeping accounts and records for the strata scheme, maintaining and repairing the common property of the strata scheme and taking out insurance for the strata scheme.

If you are a lot owner or strata committee member and need help in understanding the owners corporation's responsibilities, [We can help you!](#)

7. What is a strata committee?

A strata committee assists the owners corporation with managing the strata scheme.

A strata committee must, at its first meeting, appoint a chairperson, secretary and treasurer of the strata committee who also become the chairperson, secretary and treasurer of the owners corporation. One person can be appointed to all three positions.

8. Who can be on the strata committee?

The following individuals can be on a strata committee:

- ✓ An owner of a lot in the strata scheme;
- ✓ An individual who is the company nominee for a company that owns a lot in the strata scheme;
- ✓ An individual who is a co-owner of a lot in the strata scheme, if they are nominated by an owner who is not a co-owner of that lot, or by a co-owner of that lot who is not a candidate for election as a member of the strata committee;
- ✓ An individual who is the company nominee for a company that is a co-owner of a lot in the strata scheme, if they are nominated by an owner who is not a co-owner of that lot, or by a co-owner of that lot who is not a candidate for election as a member of the strata committee;
- ✓ An individual who does not own a lot, if they are nominated for election by an owner of a lot who is not a member of the strata committee or is not seeking election as a member of the strata committee.

9. When is the strata committee elected?

The strata committee is elected at each Annual General Meeting. There can be up to 9 members elected to the strata committee.

If the strata scheme is a large strata scheme (ie it has more than 100 lots) then the strata committee must have at least 3 members. If the strata scheme is only a two-lot scheme then the owner or one co-owner of each lot (or the company nominee of the owner or co-owner of each lot) makes up the strata committee.

Do you want to become a member of the strata committee? Are you having issues with a member of the strata committee? [We can help you!](#)

10. How are decisions made in a strata scheme?

Decisions are made by owners in a general meeting, or by strata committee members in a strata committee meeting by voting on motions that are included in the agenda for a general meeting or a strata committee meeting.

11. What is the difference between an ordinary resolution and a special resolution in a general meeting?

Most decisions to be made by owners in a general meeting require approval of a motion by an ordinary resolution. An ordinary resolution means that a motion put to a general meeting is decided according to a majority in number of the votes cast for and against the motion.

However, some decisions to be made by owners in a general meeting require approval of a motion by a special resolution. A special resolution is a special resolution if it is passed at a properly convened general meeting and not more than 25% of the value of votes are cast against the resolution.

If you have a question about a motion in an agenda for a general meeting or a strata committee meeting, [We can help you!](#)

12. What is the difference between an Annual General Meeting and an Extraordinary General Meeting?

An owners corporation must hold an Annual General Meeting once in each financial year of the owners corporation. The secretary or the strata committee of the owners corporation may convene a general meeting that is not an Annual General Meeting of the owners corporation at any time. This is known as an Extraordinary General Meeting.

13. Can I ask for an Extraordinary General Meeting to be held?

Yes. For example, if you want to carry out renovations to your lot and the Annual General Meeting is not going to be held for many months, you can ask the strata managing agent or the strata committee to convene an Extraordinary General Meeting so that your motion for renovations can be voted on and hopefully approved at the Extraordinary General Meeting. The owners corporation will likely require you to pay the strata managing agent's costs to convene that Extraordinary General Meeting if there is no other reason for convening the meeting other than to vote on your motions.

Another way to have an Extraordinary General Meeting convened is for one or more owners of a lot or lots in the strata scheme, having a total unit entitlement of at least one-quarter of the aggregate unit entitlements, to give the secretary of the owners corporation (or another officer if the secretary is absent) a request to convene a general meeting. The request is known as a qualified request and the Extraordinary General Meeting must be convened not later than 14 days after receiving the qualified request.

If you want help convening a general meeting and preparing and putting forward a motion(s) to be voted on at a general meeting, [We can help you!](#)

14. Do I need to tell anyone when I become the owner of a lot in a strata scheme?

Yes, you need to give the owners corporation written notice (usually via the strata managing agent) that you have an interest in the lot which gives you a right to cast a vote either personally or by nominee at meetings of the owners corporation. This includes providing your full name, address for service of notices, your lot number and your interest in the lot (eg that you are the new owner) and the date on which you acquired the interest.

If you want help complying with your obligations when you become an owner of a lot in a strata scheme, [We can help you!](#)

15. How can I put a motion on the agenda for a general meeting?

If you are entitled to vote at a general meeting, then you may require a motion to be included in the agenda of the next general meeting of the owners corporation. You need to give written notice to the secretary of the owners corporation that you require a motion to be included in the agenda of the next general meeting and in that notice you need to set out the required motion and the names of the people making the requirement and give an explanation of not more than 300 words in length for the motion.

If you want to put a motion(s) on the agenda for a general meeting, [We can help you!](#)

16. Do I have to pay all contributions levied on my lot to be able to vote at a general meeting?

Yes. A vote at a general meeting (other than a vote on a motion requiring a unanimous resolution) does not count if you were unfinancial owner at the date notice of the meeting was given and did not pay the amounts owing before the meeting.

17. What are by-laws?

By-laws deal with the management, administration, control use or enjoyment of the lots or the common property and lots of a strata scheme.

18. Who has to comply with the by-laws?

The by-laws for a strata scheme bind the owners corporation and the owners of lots in the strata scheme and any mortgagee or covenant chargee in possession, or tenant or occupier, of a lot to the same extent as if the by-laws had been signed and sealed by the owners corporation and each owner and each such mortgagee, covenant chargee, tenant and occupier, and contained mutual covenants to observe and perform all the provisions of the by-laws.

If you are an owner or occupier (including a tenant) of a lot in a strata scheme, you must comply with the by-laws. The owners corporation must also comply with the by-laws.

19. What happens if I do not comply with the by-laws?

If you are an owner or occupier (including a tenant), an owners corporation may give a notice to you requiring you to comply with a by-law if the owners corporation is satisfied that you have contravened the by-law.

You may be ordered by the Civil and Administrative Tribunal of NSW to pay a money penalty if you are given a notice by the owners corporation requiring you to comply with a by-law and you again contravene the by-law.

20. How are by-laws made/changed?

The owners corporation must specially resolve at a general meeting to change the by-laws of the strata scheme to add a new by-law, or to amend or repeal an existing by-law.

If you need help understanding your rights and obligations in relation to the by-laws, or you have a concern about a particular by-law, [We can help you!](#)

21. The strata managing agent is telling me I need a by-law to carry out renovations in my lot and the by-law has to be registered. What does this all mean?

The strata managing agent is advising you that you need one or more motions prepared and included in an agenda for a general meeting at which the motions will be considered by other owners and voted on. A motion for a by-law requires a special resolution. If the motion is passed at the general meeting, then the by-law needs to be added to the existing by-laws in a consolidated version of the by-laws, which is lodged at NSW Land Registry Services for registration.

There is a process to follow and fees payable to do this.

If you want your motions professionally prepared and your by-law registered, [We can help you!](#)

22. What does a strata managing agent do?

A strata managing agent assists the owners corporation with carrying out its management functions of the strata scheme. The strata managing agent enters into a written agreement with the owners corporation, which sets out the term of their appointment and the work they will carry out for the owners corporation under the agreement.

There are certain requirements in the Strata Schemes Management Act 2015 regarding the appointment, function and accountability of strata managing agents.

If you need help understanding these requirements, or are concerned that your strata managing agent has not been properly appointed, [We can help you!](#)

23. How is a strata managing agent appointed?

A strata managing agent is appointed by instrument in writing that is authorised by an ordinary resolution at a general meeting of an owners corporation. In practical terms, there is a motion included on the agenda for the general meeting to approve the appointment of the strata managing agent and the strata managing agency agreement is attached to the agenda.

24. Who do I complain to if I am not happy with the strata managing agent?

NSW Fair Trading deals with complaints about strata managing agents.

If you have a dispute with your strata managing agent, [We can help you!](#)

25. All of the owners are fighting with each other, the existing strata managing agent is not effective and there are outstanding repairs to common property. Who can help us?

An application can be made to the Civil and Administrative Tribunal of NSW (NCAT) to appoint a new strata managing agent to make all decisions on behalf of the owners corporation and to take all power away from the owners.

If you want to know whether you can appoint a new strata managing agent, or want help making an application to NCAT, [We can help you!](#)

26. I want to carry out renovations in my lot, what steps do I need to take before I carry out those renovations?

Unless the renovations are all cosmetic work, you will need approval from the owners corporation, mostly likely in a general meeting.

If you want to make sure that you take all of the necessary steps to obtain the required approval to carry out your renovations, [We can help you!](#)

27. I want to renovate my kitchen, do I need owners corporation approval?

Yes, renovating your kitchen is a minor renovation. It requires approval by the owners corporation at a general meeting, or by the strata committee if there is a by-law delegating the function of approving minor renovations to the strata committee.

28. I want to paint the inside of my lot, do I need owners corporation approval?

No, painting is cosmetic work and can be carried out without the approval of the owners corporation.

29. I want to renovate my bathroom, do I need owners corporation approval?

Yes, as removing the bathroom tiles and waterproof membrane and installing a new waterproof membrane above the new tiles is work involving waterproofing, you will need a by-law authorising you to carry out the bathroom renovation.

30. I want to have a pet, do I need owners corporation approval?

You will need to check your by-laws to see what they say about keeping pets in your lot. Usually you will need permission. If your by-laws do not permit you to keep a pet, you may be able to challenge the by-law.

If you want to know your rights regarding keeping pets, [We can help you!](#)

31. Can I hang washing on my balcony?

You will need to check your by-laws to see if you are permitted to hang washing on your balcony. If not and the washing can be seen from outside the lot, then the owners corporation could issue you with a notice requiring you to comply with the by-law.

32. Am I responsible for the behavior of my visitors?

Yes, if your visitor is breaching one or more of the by-laws, the owners corporation can issue you with a notice requiring you to comply with the by-laws for the strata scheme.

33. My neighbour is keeping me awake at night playing loud music. Can I do anything about this?

Yes. Record the dates and times and unit number from which the noise is coming and describe the noise that you are hearing and how long it goes for. Record the noise on your phone. Do this for a week and then, if the noise continues, send an email to the strata managing agent or building manager giving all of the information to them and requesting they arrange for the owners corporation to issue the neighbour with a notice to comply with the by-law regarding noise.

If no one is helping you to stop the noise or taking you seriously, [We can help you!](#)

34. I have water leaking into my lot from the balcony. Does the owners corporation have to fix this?

If the water is coming in due to defective common property, then yes, the owners corporation must fix the defective common property, as the owners corporation has a strict duty to repair and maintain the common property in a strata scheme.

You should immediately report the water leak to the strata managing agent and request that it be urgently investigated.

If no one is coming to investigate the water leak, [We can help you!](#)

35. If I have a dispute with the owners corporation about something, what do I do?

You can apply for mediation with NSW Fair Trading. The mediation is held at NSW Fair Trading's mediation unit in Parramatta. A mediator runs the mediation and tries to facilitate a resolution of the dispute.

If the mediation is unsuccessful, or the owners corporation declines to participate in the mediation, you may then be able to make an application to NCAT to have your dispute determined.

If you have a dispute with the owners corporation and want advice on what you should do, [We can help you!](#)

36. I can't make it to a general meeting, but I still want to vote on the motions in the agenda for the general meeting, can I do this?

Yes, you can complete a proxy form and nominate another person to attend the general meeting in your place and vote on the motions. Sometimes you can nominate the strata managing agent to be your proxy, however there are limits on how many proxies the strata managing agent can hold. You can also nominate another owner or another person, including a solicitor, to be your proxy. If you co-own the lot with someone else, your co-owner can be your proxy (your co-owner does not necessarily need a proxy form to vote in your absence). The proxy form needs to be carefully completed to ensure that the proxy can vote on your behalf.

If you want to make sure that your proxy form is valid or you want someone with strata knowledge to attend a meeting for or with you, [We can help you!](#)

37. During some renovations by a lot owner, some damage was caused to common property. What can be done?

If the lot owner is not agreeing to repair the damage (including through mediation), then an application can be made to NCAT for an order that the lot owner performs the work, or takes other steps to repair the damage, or for an order that the lot owner pays an amount to the owners corporation for the cost of repairs of the damage and any associated costs, including insurance and legal costs.

If you are a lot owner who has caused some damage, or a strata committee member wanting help with having damage repaired, [We can help you!](#)

38. If a lot owner does not pay their contributions on time, can the owners corporation charge interest?

Yes. Interest can be charged at 10% per annum.

39. Can an owners corporation borrow money?

Yes, however a motion approving the relevant loan being entered into for the borrowing of the money needs to be passed by ordinary resolution at a general meeting.

If you have any questions or are concerned about the owners corporation borrowing money, [We can help you!](#)

40. How does the owners corporation engage a solicitor?

Owners must approve the obtaining of legal services (which includes obtaining legal advice and taking legal action) by ordinary resolution at a general meeting of the owners corporation. However, there are some exceptions to the requirement for a general meeting to be held to approve the legal services.

If you have any questions or are concerned about the owners corporation having engaged a solicitor, [We can help you!](#)