



Strata reform myth busters

These myth busters are to help people who live or own strata townhouses and apartments to understand the new strata laws that start on 30 November 2016. They are to help overcome misunderstandings about what changes the reforms bring.

[Owners corporations must meet right away to decide their new by-laws](#)

[Strata buildings cannot ban pets](#)

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Owners corporations must meet right away to decide their new by-laws

MYTH: By-laws passed by the owners corporation and registered remain valid after 30 November 2016 until removed or amended by the owners corporation. Owners must review their rules by 30 November 2017.

Strata buildings cannot ban pets

MYTH: It is up to each strata scheme, through the owners corporation that all owners belong to, to decide which updates they want to make to their by-laws, if any. So, the owners decide if they wish to keep or change their existing pet rule.

To change a by-law, the owners corporation needs to pass a special resolution (ie. 75% of the owners at a meeting voting in favour).

There are model by-laws, which are a guide for strata schemes only. These provide options, including rules on pets, for strata schemes to consider. Owners are always allowed to have assistance animals, such as guide dogs.

Tenants still need the landlord's permission (although, the landlord cannot accept a pet if their strata scheme does not allow the pet).

Smoking is banned

MYTH: Smoking is **not** banned in all strata schemes. However, occupants must not create a nuisance or hazard or stop others enjoying the strata complex. If smoking is offending someone, the smoker could be taken to the NSW Civil and Administrative Tribunal and penalised.

Also, the model by-laws include options for rules that would further restrict smoking. Owners corporations may adopt such rules or develop their own by-law that places restrictions on smoking.

Contracts with strata managers or building managers end on 30 November 2016

MYTH: If a strata manager was appointed before 30 November 2016, their term ends whichever is the later:

- 3 years after their term commenced, or
- 6 months from the start of the new laws.

For building managers, contracts in force before 30 November 2016 remain in place until 10 years after the reforms start (unless the contract is for a shorter period, then that will apply).

Tenants can vote at owners corporation meetings

MYTH: From 30 November 2016, tenants who are registered with the owners corporation by their landlord will have the right to attend and be notified of upcoming meetings. It is an offence for a landlord not to register a tenant with the owners corporation. The owners corporation may agree to tenants speaking on a particular matter. However, a tenant may only vote if they hold a proxy to vote on a lot owner's behalf. In schemes where a least half of the lots are tenanted, a non-voting tenant representative can be nominated as a member of the strata committee after being elected by the tenants. The tenant representative is entitled to receive agendas and minutes of meetings. They can be excluded when certain financial issues are to be discussed (e.g. collective sales). Their involvement can be helpful as tenants can identify issues, for example, repairs to fix water leaks affecting common property.



If someone who isn't a visitor parks in my apartment's visitor parking, the body corporate (owners corporation) can fine them

MYTH: The owners corporation cannot fine non-visitors for parking breaches directly.

An owners corporation may adopt a by-law preventing owners and occupiers of lots parking in visitor parking spaces. Normal notice requirements for a by-law breach would apply and if the unauthorised parking continued, a penalty may apply.

Alternatively, the owners corporation may decide to enter into an agreement with their local council to prosecute car parking breaches on the common property. If the local council agrees to such an arrangement, the owners corporation would need to pass a special resolution vote (that is, 75% of the owners in a meeting agreeing) to enter into a commercial contract. The council would provide all parking signage for the scheme, for a cost that would be outlined in the agreement. Council rangers could then issue infringement notices to any vehicle breaching the requirements of parking signs on the common property, including visitors.

You will be able to access NSW Office of Local Government guidelines for how to engage a council in providing parking management services through the Fair Trading website from 30 November 2016.

If most of the owners want to sell their apartment I'll be forced to leave my apartment at any time

MYTH: For the collective sale of a strata scheme to be considered there are several stages that the owners will need to follow before any proposal to sell the strata block can be put to a vote. This includes owners being given at least 60 days to consider the proposal and to seek independent advice. Under the proposal, all owners must receive at least market value plus other costs, such as moving costs, and compensation for inconvenience for their property. At least 75% of owners must then agree to collectively sell their scheme for redevelopment and any plans must be submitted to the Land and Environment Court for final approval (and the Court may reject the plan or require certain conditions be met).

A Strata Renewal Advice and Advocacy Program has been established by Fair Trading to provide free advice and advocacy services to vulnerable lot owners.

Proxy voting will be unlimited

MYTH: Proxy votes able to be held by one person will be limited to:

- one proxy vote only for schemes with less than 20 lots, or
- 5% for schemes with more than 20 lots.

Limiting proxy votes in this way makes voting fairer and puts an end to 'proxy farming' (where one or two owners can control an owners corporation's decisions by obtaining the majority of votes by proxy).'

More information

To help strata schemes understand and implement the benefits of the reforms, more information will be available from when the new laws commence on 30 November 2016.

You can also access our [Frequently asked questions – strata reforms](#).