

How strata works in WA

Understanding the basics

► WA strata law

All registered strata properties in Western Australia are subject to the *Strata Titles Act 1985* (STA), which Landgate administers on behalf of the State Government.

The STA covers:

- the subdivision of land by strata titles schemes
- the creation of strata titles
- the governance and operation of strata titles schemes in WA, including the rights, authority and obligations of lot owners and occupiers, strata companies, strata councils and strata managers.

The *Strata Titles Act 1985* and the Strata Titles (General) Regulations 2019 are available to view at the [Western Australian Legislation website](http://www.legislation.wa.gov.au).

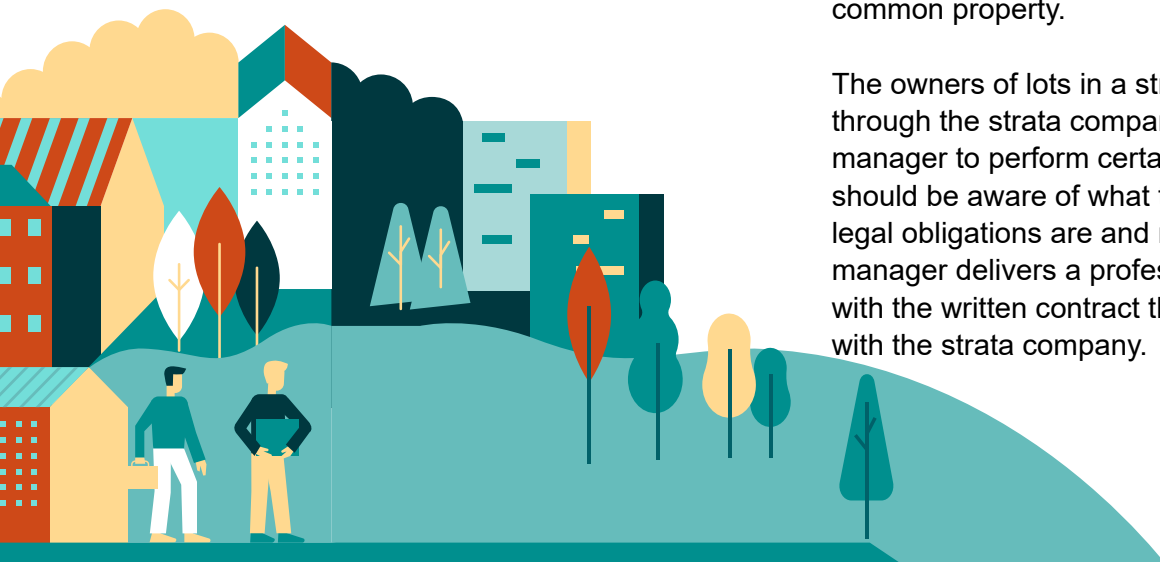
► Strata living

Strata is a type of property ownership that includes individual ownership of parts of a parcel of land (lots) and shared ownership of other parts of the parcel (common property).

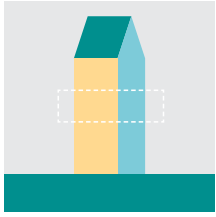
To manage these parcels of land, strata titles schemes are established as small, self-governing communities, operating as a democracy. The owners decide collectively how best to manage the parcel. For instance, each strata titles scheme can decide on and enforce its own rules, called by-laws, to suit the way owners want residents to live together and restrict unwanted behaviour.

In Western Australia, each lot owner has the right to vote on decisions affecting the strata titles scheme. Equally, owners have responsibilities, like sharing the costs for the upkeep of the common property.

The owners of lots in a strata titles scheme, through the strata company, may engage a strata manager to perform certain duties. If so, they should be aware of what the strata manager's legal obligations are and make sure their strata manager delivers a professional service in line with the written contract they are required to have with the strata company.



► Types of strata



Strata scheme

A strata scheme is a building, or a collection of buildings, where:

- the property that each person owns is called a 'lot' (for example, an apartment, villa, or townhouse)
- all the owners share ownership of and responsibility for the 'common property', such as external walls, foyers, and driveways.

Strata is sometimes referred to as 'built strata,' where the boundaries of the lots, including the height of the lots are defined by reference to the building or buildings shown on the strata plan.



Survey-strata scheme

A survey-strata scheme is comprised of lots where the boundaries of the lots are marked out by a licensed surveyor and shown on the survey-strata plan. The survey-strata plan does not show any buildings and is very similar to a freehold parcel of land.

As with built strata, all the owners share ownership and responsibility for the common property, such as driveways and garden areas. Common property is specifically shown on a survey-strata plan.



Single tier strata scheme

A single-tier strata scheme is a strata scheme where no lot exists above another lot. This means, the floor of one lot cannot form part of or all of the ceiling of another lot.

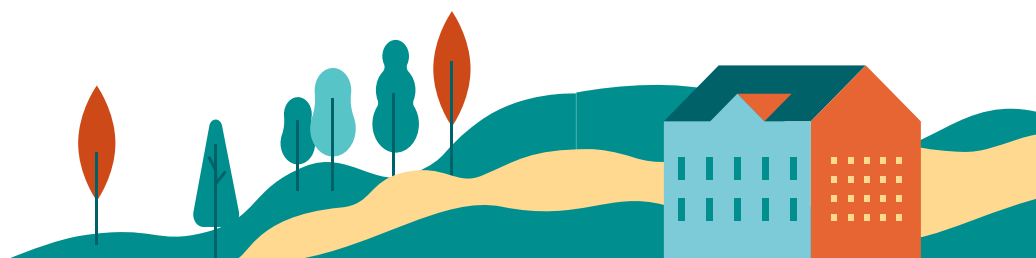
Multi-storey blocks of units are not single tier strata schemes, but a two-storey unit such as a townhouse or villa can be part of a single tier strata scheme.



Leasehold scheme

A leasehold scheme is a strata or survey-strata scheme which is set up for a fixed term lease of 20 to 99 years. The owner of a lot in a leasehold scheme is referred to as the 'lessee' and the owner of the leasehold scheme is referred to as the 'lessor.'

For the duration of the lease, the lessee has the right to deal with the land as they choose. For example, they may sell the lot without requiring permission from the lessor.



► Key strata concepts

Strata titles scheme

A strata titles scheme is a type of subdivision where a freehold parcel of land is subdivided into:

- two or more lots, or
- two or more lots and common property.

Strata titles schemes allow lots to be owned separately and for common property to be owned collectively by the lot owners and managed through a strata company.

Strata company

On registration of a strata titles scheme, a strata company is automatically established. The name of the strata company is “The Owners of (the name of the scheme and the strata/survey-strata scheme number)”. The name of the strata company is recorded on the scheme notice for the strata titles scheme.

A strata company is bound by the STA which imposes duties and functions that must be adhered to. The strata company is the governing body of the strata titles scheme and is responsible for:

- managing the common property
- the financial management of the scheme
- enforcing scheme by-laws
- obtaining insurance for the scheme (if required).

Strata plan

A strata plan will show the boundaries of the strata lots, including the height of the lots, which are defined by reference to a building or buildings shown on the plan.

A strata plan has four parts:

- floor plan, which shows the lot boundaries
- location plan, which locates the building in relation to the parcel boundary
- record of interests and encumbrances
- schedule of unit entitlements

Common property is not separately identified on the plan.

The term ‘strata company’ refers to all the owners of lots within a strata titles scheme. When purchasing a lot in a strata titles scheme you become a member of the strata company.

Strata council

A council comprising lot owners in the strata company, exercises the duties and powers of the strata company for the benefit of all proprietors. The number of members of council, election of council members and council procedures and decision-making are set out in a scheme’s by-laws. The strata council is sometimes referred to as the Council of Owners or COO.

Strata manager

A person or a company engaged to carry out some of the duties of the strata company. They are instructed and controlled by the strata company. In the new legislation a strata manager is engaged to take on the duties and powers of the strata company for a fee.

Strata or survey-strata plan

A strata or survey-strata plan shows how the freehold parcel of land has been subdivided to create the strata or survey-strata scheme.

Survey-strata plan

A survey-strata plan will show the boundaries of survey-strata lots as surveyed by a licensed land surveyor.

A survey-strata plan has three parts:

- lots and common property
- record of interests and encumbrances
- schedule of unit entitlements.

If there is any common property, it will be shown on the survey-strata plan by reference to its own unique number.

Common property

The strata company, which is automatically made up of all lot owners in the scheme, is responsible for managing the common property.

Common property is property that is owned by all owners in the scheme, as tenants in common, and is not contained within any lot. The common property in a strata scheme is the part or parts of the parcel of the scheme that do not form part of a lot in the scheme.

The areas of the scheme which constitute common property will vary from scheme to scheme, however the general rule in built strata is that everything shown as a lot inside a building is the owner's private property, that is internal walls, fixtures, carpet, and paint on the walls.

Common property boundaries of each lot are generally formed by:

- the upper surface of the floor (but not including carpet)
- the under surface of the ceiling
- all external or boundary walls (including doors and windows).

Common property can include things such as:

- pipes in the common property or servicing more than one lot
- electrical wiring in the common property or servicing more than one lot
- most balcony walls and doors
- gardens
- external walls doors and windows
- roofs
- driveways.

Determining where the common property's boundaries are located is important, as lot owners cannot make structural alterations to common property in their scheme without first getting approval from the strata company.

Refer to the 'Getting things done' section of this guide for more information on renovations.



Being sure of the common property boundaries

To know exactly what is common property and what is a person's lot, you will need to look at the strata plan for your scheme.

A copy of the plan for your scheme can be obtained for a fee from Landgate's website at our survey or strata plans page.

To understand what you own, you can seek guidance from a licensed land surveyor (consider contacting the surveyor whose contact details are shown on the plan) or you can contact Landgate on the Strata Enquiry Line (08) 9273 7047.

Be sure to obtain a copy of your plan before contacting a surveyor or Landgate.

Unit entitlement

The schedule of unit entitlement, which is registered with Landgate, shows the unit entitlement for each lot in the strata titles scheme. The unit entitlement determines the lot owner's share of ownership of common property in the strata or survey-strata scheme, and the lot owner's voting rights in respect of their lot. Unit entitlement also determines the contributions (levies) each lot owner pays, although this is subject to the scheme by-laws.

Contributions

Contributions are the fees paid by all lot owners in a scheme to cover the projected costs and expenses of the strata titles scheme. Contributions can be referred to as levies and are paid into funds administered by the strata company, which include the administrative fund and reserve fund.

By-laws

By-laws are the set of rules all strata titles schemes have that the owners, occupiers and, where relevant, visitors must follow. Refer to the 'Living in a scheme' fact sheet for more information on by-laws.

Scheme documents

The scheme documents are the critical documents related to a scheme. Scheme documents must be registered in accordance with the *Strata Titles Act 1985* to establish a strata titles scheme. Registering a scheme document means that it is registered on and incorporated in the Register maintained by the

Registrar of Titles under the *Transfer of Land Act 1893*.

The scheme documents for a freehold scheme are:

- a scheme notice
- a scheme plan
- a schedule of unit entitlements
- scheme by-laws.

The scheme documents for a leasehold scheme are:

- a scheme notice (which must include the expiry day for the scheme)
- a scheme plan
- a schedule of unit entitlements
- scheme by-laws
- a strata lease for each lot.

