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YSP Podcast Transcript: Episode 001. What is strata?

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Intro: Welcome to Your Strata Property. The podcast for property owners looking for reliable, accurate, and bite-sized information from an experienced and authoritative source. To access previous episodes and useful strata tips, go to www.yourstrataproperty.com.au.

Amanda Farmer: Hello and welcome. I'm Amanda Farmer and this is Your Strata Property. I'm very excited to have you joining me for this very first episode of our podcast. Where we will talk all things strata and what better place to start than having a chat about what exactly is strata?

The other day I was at an event. I was talking to a young woman who once she found out that I was a strata lawyer, she said to me: "Amanda I have just bought a strata unit. I have no idea what I've gotten myself into." What is strata? What is a strata manager? What are strata levies? What is all these paperwork that I have in my mailbox and what am I supposed to do about it? Help! And I have a feeling that's quite a common situation for those who have just bought their first home. They bought a unit. 99% other parts of the world lives in an apartment and they don't know what got themselves into. Strata is unique. It can be complicated. It can be old fashioned and it can be hard to find good information. So hopefully, I can demystify strata a little bit for you through this podcast. So let's get in to it.

What is strata? Strata was invented in Australia. About 55 years ago and we can be quite proud about the fact that it is a system of property title that's now copied across the world and it is a system that allows you to own part of a property only, sharing the other parts of the property with other owners.

So, how is it created? I want to try to explain this by using an example. Let's say that we are in Sydney's Eastern suburbs. The local council has just chosen a large chunk of a beach side suburb to rezone and we're once only single storey houses were permitted. The rezoning means that multi-storey buildings can now be constructed. We have a very stutory, successful property developer. Let's call him Joe. Joe finds out about this. He says: "Hey, it sounds like it is something I need to be involved in." And he starts buying out houses in this area. Knowing that there about to be rezoned and that he might be able to get a new development approved. So he buys out a number of houses; there are all in one block. Let's say he buys about 6. He puts together a development application and he lodges with the local council.

Now, by his application, his telling the council what he wants to do is to knock down these 6 houses and in their place he wants to build a one 8-storey unit block. Let's say it's got 28 units and it's got basement parking. Now if this development is approved by the local council, the unit block not only needs to be built in reality, it also needs to be created on paper. There needs to be a plan and we call this the "strata plan." Now strata plans is prepared by a registered surveyor and once it's done, signed off and approved by council. It's registered with the Lands Department and the effect of the registration is to turn those 6 lots that used to have 6 houses into the 28 lots and the common property that make up the new unit block. And we going to come back later to talk to you a bit more about lots and common property because those are terms you come across regularly in strata.

Now, let's talk about a bit more about the strata plan number. When a strata plan is registered with the Lands Department, its' given a number. At the moment, I think the Lands Department in New South Wales is issuing new strata plans with numbers that are around the 90,000 mark. So for example, Joe goes and lodges his plan for registration. The strata plan is stamped and registered with strata plan number 92518. A strata plan it's given a number 92518, actually means that it is the 92,518 to be registered in New South Wales that's pretty cool. The strata plan number is unique to it and it is something you as a strata owner are likely to come across regularly in your day to day dealings with strata. So it's a number that's going to be on your levy notices, the letters you get from your strata manager, the agendas and the minutes of meetings. It might be something that you're asked to provide to your bank or if you're renovating your property to your builder or trades people. They want to know what your strata plan number is. They also want to know your lot number is and be aware that your lot number is not always the same as your unit number that is on your front door. So, if you want to find out what are you strata plan number is, what unit number is, have a look at your levy notice that's probably a good place to start or if you are still a little bit lost give your strata manager a call. Drop him or



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her an email. Just say hey my name is Sam Smith. I live at Number 2 Black Road. I here you're my strata manager I just want to know what my strata plan number and my lot number is. That would probably be the simplest question your strata manager gets all week and they will be happily answer that one for you.

Alright, now returning to our strata plan that our successful developer Joe has now lodged with the Department of Lands. He lodged that strata plan together with a series of bylaws. This is the term that you might also have come across in your strata dealings. A strata plan has to specify which bylaws are going to be adapted by the building and the by-laws are set of rules that govern the day to day activities of the building. The by-laws is where you find the information about whether or not you are allowed to keep an animal, where you can or can't hang your washing, where you can or can't park your car, and the rules around using common facilities like the gym and the swimming pool. So I don't want to talk too much about by-laws right now. It's something we will definitely come back to in later episodes but I do want to explain is that the by-laws are almost always registered with the strata plan. By-laws have to be registered with strata plan but it's a very unusual building that doesn't register them with the strata plan. And there are document that you really should be reading before you buy a property or if you have forgotten to do that, don't panic. Have a read them now and make sure you are aware of the rules that are governing your community.

Alright now I said come back to talk about lots and common property and I also said at the very beginning of this episode that strata is a system that allows you to own part of the property only and your sharing other parts with other owners. The part that you own is called your lot and the part that you share with others is called common property. It's literally a property in common. The strata levies that you pay each quarter are generally going towards the maintenance of the common property. So we are talking about things like stairwells. In a woke up building, lifts in a more modern building the foyers, the entryways, the front door to the building, shared backyards, ventilation systems, swimming pools, gyms, all of those shared facilities that everybody uses a little bit of each day.

And we talked about your strata plan. The strata plan literally the sheet of paper is the place that you're going to find out where your lot ends and where the common property begins. You might think that this is obvious I can see the walls of my unit, I know where my front door is, I walk up the stairs and I walk in to my unit, I've entered my lot. But this is one of the most vexed issues in strata law and one of the largest areas of dispute. If you can't work out with certainty where a lot ends and the common property begins, then you are going to be in a world of pain when you are trying to work out whose responsible for repair and maintenance, whose responsible if there is damage, if there's a water leak, if there are things left in the building, are there any lot property, are there any common property? It's a really common question and what may seem simple at first glance often isn't so. So the strata plan is going to show all the relevant boundaries of lots and common property that should be your first place to go to try and answer this question. But reading strata plans can be confusing and it can be complicated. Some are more complicated than others. So sometimes just looking at the drawing on the plan can't give you a clear answer and you've got to look at the things like notations on the plans. So these are little notes written on the plan by the surveyor who prepared the plan. You might also have to go to the strata legislation and look at the definition of lot. Different definitions apply unfortunately, depending on when your building was built. This is where the complexity comes in and it might also be by-laws that have rules about what parts of property you can and can't use. And what you should be doing or not doing within your lot, what you are or aren't responsible for.

So it's important to be familiar with the by-laws as well because they are going to change the way that you interact with lot and common property. So if you are a little bit lost, it's always a good idea to get some expert advice. Every strata plan is different and when you have a question with lot writing on it. For example, am I responsible to pay this bill or not? It's usually worth doing some homework, getting some advice and making sure you've got the right answer.

And now just about concludes are very first episode of Your Strata Property. Thank you so much for listening in. We've talked about what is strata, we talked about how strata plans are created, we talked a little bit about by-laws and I talked a little bit about lots and common property. And these are concepts that are going to drill down into further in future episodes. A few steps you can take straight away to become a bit more familiar with your strata building, check in with your strata manager, find out who they are first, if you don't know. Go to a meeting you should be getting agendas for meetings, minutes of meetings, in your mailbox or in some more progressive strata schemes email inbox which is fabulous read the paper work that you get drop, your strata manager a line, introduce yourself, and take an active role in your community. The more involved you are the more you are going to learn and the more you get out of your home or your investment. I hope you've enjoy the episode. Please feel free to leave a comment,



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ask a question. Happy to address any questions that are raised in future episodes of the podcast. Let's get the discussion going and I look forward to you tuning in next time.

Outro: Thank you for listening to Your Strata Property. The podcast which consistently delivers to property owners reliable and accurate information about the strata property. You can access all the information below their episode by the show notes at www.yourstrataproperty.com.au. You can also ask questions in the comment section which Amanda will answer in her upcoming episodes. How can Amanda help you today?



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