



Owning a strata titled unit

Who owns what, and who decides.

This booklet describes South Australian law as it stood at the date of printing. It is general information, not legal advice for your group.

Living in units has many benefits, and they're best realised when all unit owners in your Strata Corporation are well informed and cooperate — that makes for goodwill and good decisions. The following notes are here to help you understand the benefits and responsibilities of buying, owning and living in a unit.

SOUTH AUSTRALIAN LAW

The law

Two documents determine how your units are managed. The **Strata Titles Act 1988** applies to all groups. Your **Strata Corporation Articles** apply to your group specifically, and describe the conditions under which a unit is owned and occupied. Many groups follow the standard Articles (see the rear of this booklet), but others have made additions and alterations over time.

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Your Strata Corporation

Here are some of the Corporation's more important duties.

- ✓ To control, manage, administer and hold in trust the common property, and do all things reasonably necessary for the enforcement of its Articles.

- ✓ To insure all buildings and improvements for their full replacement value, along with cover for public liability.

- ✓ To keep the common property in a state of good and serviceable repair, and properly maintained.

- ✓ To hold an Annual General Meeting, within 15 months of the last one.

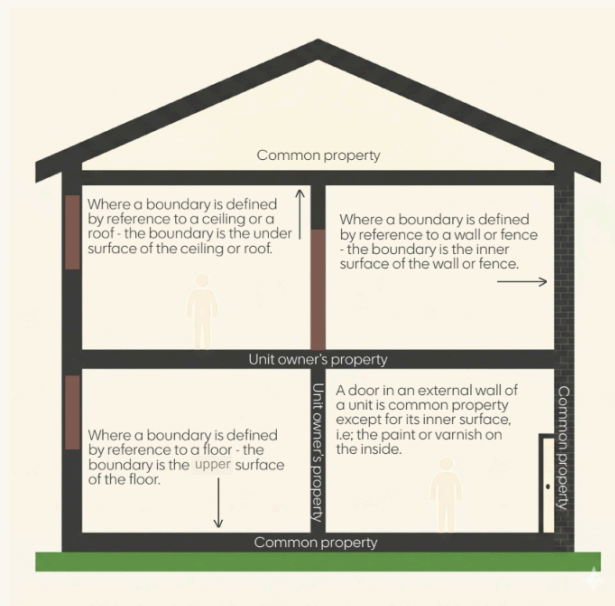
Some groups engage a professional body corporate manager to assist with these matters.

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Where your unit ends

Your unit has definite boundaries. The following are extracts from the Strata Titles Act, section 5.

- ✓ Where a boundary is defined by reference to a wall or fence — the boundary is the inner surface of the wall or fence.
- ✓ Where a boundary is defined by reference to a floor — the boundary is the upper surface of the floor.
- ✓ Where a boundary is defined by reference to a ceiling or roof — the boundary is the under surface of the ceiling or roof.



Strata Titles Act 1988 (SA) s 5(5).

Common property. Each group of strata titled units has a common property title, issued in the name of the Strata Corporation. The Corporation holds the common property in trust, and administers necessary business through meetings of its members. Each unit owner has an interest in the common property together with the other unit owners, according to their unit entitlement — and that interest cannot be dealt with separately.

Meetings and voting

Meetings. Your Corporation must call a general meeting of all owners once a year. Officers of the Corporation — Presiding Officer, Secretary and Treasurer — are elected at this meeting, and a management committee of officers and owners may also be elected. The committee can be useful for decisions between AGMs. Minutes must be kept and maintained. Officers must own a unit in the group, though exceptions apply to commercial groups. We recommend that, when possible, your group appoints a committee.

Voting. Each unit at your group has one vote, regardless of how many people own it. A vote may be by proxy. Unfinancial members — owners behind in their payments — cannot vote, except on matters requiring a unanimous resolution. In non-residential groups (commercial and industrial strata), voting arrangements may vary in accordance with unit entitlement, and tenants may be elected as officers and committee members.

Strata Titles Act 1988 (SA) ss 23(1a), 34(2).

BUYING INTO A STRATA TITLE

Before you sign a contract, **understand the operations and finances of the Corporation.**

This information must be supplied to a prospective buyer by the Corporation, through the selling agent, broker or conveyancer. Engage your own conveyancer or lawyer to act on your behalf, rather than relying on advice from the vendor's or developer's.

The maintenance fund

The maintenance fund covers the annual recurrent costs of managing and maintaining the common property. Typically, it provides for:

- ✓ Insurance premiums.
- ✓ Lawn cutting and grounds maintenance.
- ✓ Drain and gutter cleaning.
- ✓ Management fees.
- ✓ Exterior painting (sinking fund).

Unit entitlement

Each unit is assigned a unit entitlement, shown on the last sheet of the strata plan. It's based on the capital value of each unit as a proportion of the capital value of all units, and it's used to calculate each owner's contribution to the maintenance fund — unless owners unanimously agree otherwise.

Animals and alterations

Animals. You can keep animals — other than guide and disability dogs, which are always permitted — only with the majority approval of the Corporation, unless your Articles say otherwise. If your group has a management committee, it has the power to approve animals.

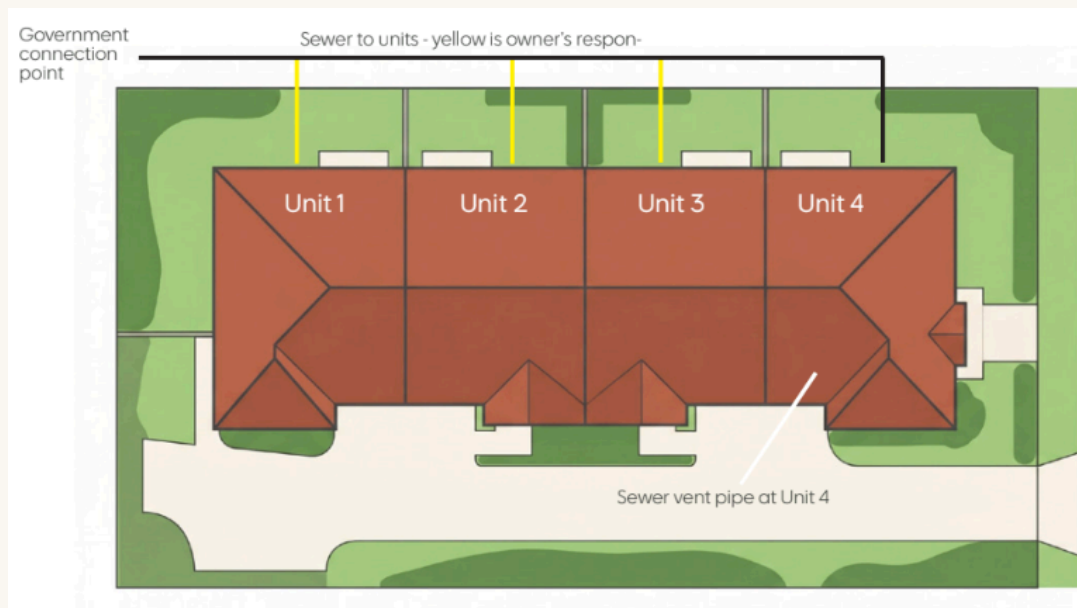
Alterations and additions. The Strata Titles Act (section 29) requires unit holders to seek permission — a special resolution — from the Corporation before starting any building or structural work, or otherwise altering the external appearance of a unit. This covers things like pergolas, air conditioners, sheds, awnings and satellite dishes. Check with your manager or strata secretary before you start.

Strata Titles Act 1988 (SA) s 29.

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Plumbing, sewers and water

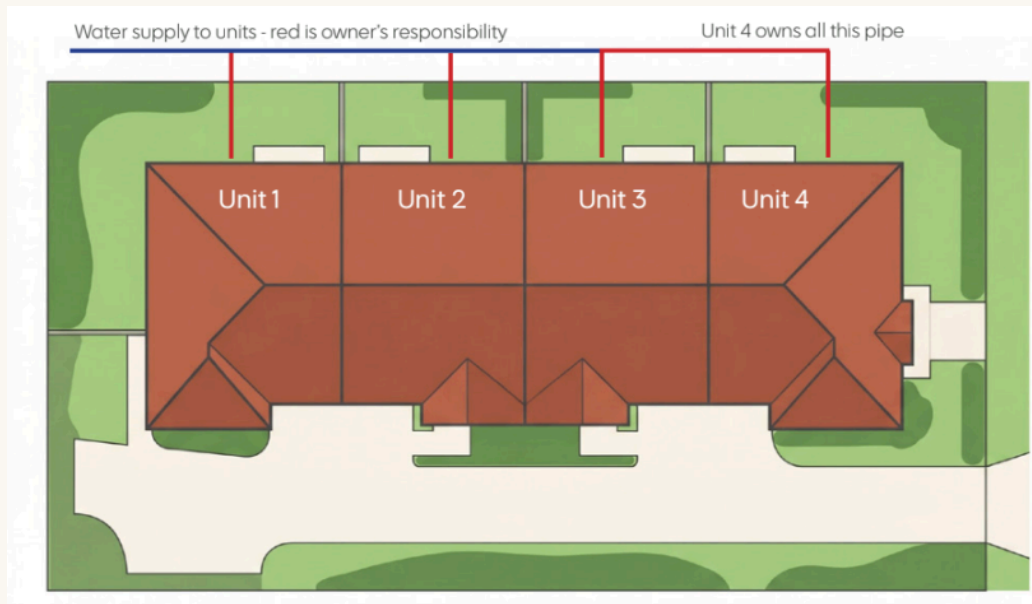
Plumbing — who owns what. Services that don't serve a single unit form part of the Corporation's common property, including sewerage disposal. Where a sewer vent pipe serves more than one unit, the shared branch is common property; a branch serving a single unit is that owner's to maintain.



Sewer runs: owner-maintained branches versus Corporation common property.

Water

Water. Your Corporation is responsible for water pipes up until they serve a single unit only — beyond that point, maintaining the pipe is the owner's responsibility.



Water supply: where Corporation responsibility ends and the owner's begins.

Unit subsidiaries

Unit subsidiaries — carports, garages, parking areas, porches, balconies, gardens or yards — are shown on the strata plan. They may not be physically attached to your unit, but they're deemed part of it. Where a subsidiary has no obvious height limit, ownership is limited to the height shown on the plan. A subsidiary can only be used for the purpose it was created for — a carport can't be converted to another use without planning and Corporation approval. In short, the character of the unit and its subsidiaries can't be altered without approval.

Buying into a strata title

If you're considering buying a strata titled unit, we strongly recommend that before you sign a contract, you understand the operations and finances of the Corporation. This information must be supplied to a prospective buyer by the Corporation, through the selling agent, broker or conveyancer. The information — the search — covers:

- ✓ Meeting minutes — committee and general — from the last two years.
- ✓ The state of the finances for both the Corporation and the lot for sale: money in the bank, liabilities, and levies owing now or known to fall due.
- ✓ The current set of Articles and policies, such as approvals for pets, air conditioners and pergolas.

Important things to consider

Unit ownership offers real benefits, but it doesn't suit everyone. Before you buy, think carefully about what's involved — you'll be living in close proximity to others, possibly sharing walls and some facilities. This works well for owners who value a sense of community, spend little time at home, or want an investment property to rent.

Every group of units, however big or small, has a Corporation — a legal entity like a company. All owners are automatically members of their corporation and are bound by its Articles, and the Corporation is responsible for maintaining and repairing common areas, including the buildings and shared gardens.

— GET ADVICE

Engage a conveyancer or lawyer to act on your behalf.
Don't rely on advice from the vendor's or developer's conveyancer.

— LEARN MORE ONLINE

acaciacollective.com.au/help/unit-titles-explained

acaciacollective.com.au/help/articles-schedule-3

acaciacollective.com.au/help/management-rights-and-roles

acaciacollective.com.au/help/admin-and-sinking-funds

acaciacollective.com.au/help/disputes

— LEGAL GUIDE TO STRATA TITLED GROUPS

lsc.sa.gov.au/resources/StrataTitlesBooklet.pdf

Still stuck? Ask Canopy, our online assistant, at any hour. Whenever you'd rather talk it through, you can always speak to a real person.



Your unit, well kept and well informed.

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Articles

Unless stated otherwise your strata group will have this default set of Articles. The Corporation, owners and occupiers are all bound by the Articles. They are, generally speaking, the conditions under which a unit is owned and occupied.

1. A unit holder must: maintain the unit in good repair; carry out any work ordered by a council or other public authority in respect of the unit. the occupier of a unit must keep it in a clean and tidy condition.

2. A person bound by these Articles: must not obstruct the lawful use of the common property by any person; must not use the common property in a manner that unreasonably interferes with the use and enjoyment of the common property by the other members of the strata community, their customers, clients or visitors; must not make, or allow his or her customers, clients or visitors to make, undue noise in or about any unit or the common property; and must not interfere, or allow his or her customers, clients or visitors to interfere, with others in the enjoyment of their rights in relation to units or common property.

3. A person bound by these Articles must not use the unit, or permit the unit to be used, for any unlawful purpose.

4. Subject to the Strata Titles Act, 1988, a person bound by these Articles must not, without the Strata Corporation's consent, keep any animal in, or in the vicinity of, a unit.

5. A person bound by these Articles: must not park a motor vehicle in a parking space allocated for others or on a part of the common property on which parking is not authorised by the Strata Corporation; and must take reasonable steps to ensure that his or her customers, clients or visitors, do not park in parking spaces allocated for others or on parts of the common property on which parking is not authorised by the Strata Corporation.

Articles, continued

6. A person bound by these Articles must not, without the consent of the Strata Corporation: damage or interfere with any lawn, garden, tree, shrub, plant or flower on the common property; or The use of any portion of the common property for his or her own purposes as a garden.

7. A person bound by these Articles must not: bring objects or materials on to the site of a kind that are likely to cause justified offence to the other members of the strata community; or allow refuse to accumulate so as to cause justified offence to others.

8. A person bound by these Articles must not, without the consent of the Strata Corporation, display any sign, advertisement, placard, banner or any other conspicuous material of a similar nature on part of his or her unit so as to be visible from outside the building; or on any part of the common property.

9. The occupier of a unit may, without the consent of the Strata Corporation, paint, cover, or in any other way decorate the inside of any building forming part of the unit and may, provided that unreasonable damage is not caused to any common property, fix locks, catches, hooks, screens and other similar items to that building.

Articles, continued

10. The occupier of a unit used for residential purposes must not, without the consent of the Strata Corporation, use or store on the unit or on the common property any explosive or other dangerous substance.

11. A person bound by these Articles: must maintain within the unit, or on a part of the common property set apart for the purpose by the Strata Corporation, a receptacle for garbage adequately covered; must comply with all council by-laws relating to the disposal of garbage.

12. A unit holder must immediately notify the Strata Corporation of any change in the ownership of the unit, or any change in the address of an owner or of any change in the occupancy of the unit.

Do not have a copy of your group's articles? You need to seek a current set from your strata secretary or body corporate manager.

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