



Staged Development Case Study

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Minor variations: now and after reforms

Variation in the scheme	Now: Regulation 36	After reforms*
Number of lots within the scheme	0% change. Any change in the number of lots is a non-minor variation and requires consents	Less than 10% is a minor variation – no consents required
Area of the lots within the scheme	0% change. Any change in the area of any one lot (or common property) is a non-minor variation and requires consents	Less than 10% is a minor variation – no consents required
Unit Entitlement (UE) of each of the lots	0% change. Any change in UE of lots is a non-minor variation and requires consents	Less than 5% variation in UE is a minor variation

- * Note that the final definition of what is a minor variation has not been confirmed. For the purpose of this case study, we have hypothetically fixed the definition of minor variation. Further consultation will be undertaken before confirming the definition of what is a minor variation as part of the reforms to the *Strata Titles Act Regulations 1996*.

Case Study: Staged Development – Pt1

- After the reforms, developer (Dave) registers a strata scheme plan indicating that he is undertaking a staged development in 3 stages.
- Dave sells and transfers all the lots in stage 1 to buyers.
- Dave decides to increase the number of lots in stage 2:
 - Dave lodges WAPC approved amended plan of re-subdivision for stage 2 showing 115 lots will be built (original plan was for 100 lots)
 - Other variation includes UE will change for all lots by 4% approx.
- Registrar of Titles rejects amended plan of re-subdivision:
 - Increase in number of lots is a non-minor variation
 - Sam is advised he needs to obtain consents
- Dave applies to SAT to review Registrar's decision. What will SAT decide?



Staged Case Study: Part 2

- SAT rules that the Registrar's decision is correct
- Variation is non-minor: Dave needs consents
- Dave notifies all 30 registered interest holders of variation
- 10 interest holders do not reply after 60 days
- 10 interest holders object 15 days after notice given, citing:
 - That the variation will result in the value of the lots in stage 1 over which they have mortgages being adversely affected
- 10 interest holders object 35 days after notice given
- What can Dave do?



Staged Case Study: Part 3

- Assuming Dave has obtained all the deemed consents of the registered interest holders to the variation, he now needs the consents of all the owners in stage 1.
- The strata company does not pass a unanimous resolution in favour of proposed variation in scheme (vote was 28 in favour of the variation and 2 against)
- 2 out of the 30 owners in the scheme objected, citing:
 - The variation will cause too many people to use the swimming pool (common property)
- What should Dave do?



Questions?



For more information:

www.landgate.wa.gov.au/stratareform