



HARMONIOUS LIVING

Building your community is part of enjoying 'Strata'.

You will need to develop good relationships and be conscious about neighbours.

KNOW THE RULES TO AVOID PROBLEMS

Owners and residents in Strata share facilities and common spaces.

To ensure residents are clear about use and behaviour, rules are provided: **By-laws**.

CHECK LIST

WHAT DO I NEED TO KNOW?

LOOK ONLINE – LINKS PROVIDED BELOW

Developer and Builder – how good is the construction?

Check the reputation of the developer and builder – Use the [iCIRT star rating](#) – search the register.

Boundary Line

Look up the Strata, to verify boundaries – scroll to the 'Understanding Results' to get the best from this information: [NSW-gov Strata Search](#)

Mixed Use schemes, Building Management Committees

A business may affect residents in a way that is not desirable (such as noise or cooking fumes, extra foot traffic). But, a café can offer liveliness or warmth to the neighbourhood. More people shopping on the street can result in better safety. Check the rules to see how you could be affected.

If a Building Management Committee (BMC) is the governing body, it might act in favour of the commercial owner/s, not residents. Check the management and approval conditions.

New build – what happens if an issue arises later?

Check for **Latent Defects Insurance** (LDI) – This provides cover due to a defect in the design, workmanship, or materials in the structure or waterproofing envelope.

[NSW-gov 10-year Defect Insurance, Apartments](#)

New build – first AGM

If the building is new, make sure you attend the first **Annual General Meeting (AGM)**. The Owners Corporation will review documents such as the initial Maintenance Schedule – it must include maintenance / inspection times and other information, as specified on the [NSW Legislation website](#). [Meeting Votes](#)



USE DOCUMENTS TO ASSESS THE STRATA SCHEME

Is the building run well?

Are responsible levy increases made to cover costs?

Are meetings run well?
Are By-laws clear?

ARE THERE ANY SURPRISES?

A building inspection can help you avoid or budget for significant outlays to remediate or improve.

CHECK LIST

WHAT SHOULD I DO BEFORE BUYING?

STRATA SCHEME INSPECTION REPORT

Strata Report / Strata Inspection

The Strata Inspection is usually obtained by your conveyancer or solicitor. It reports on the physical condition of the 'scheme' and provides the documents / records held by the **Strata Manager**. (If the strata is self-managed, held by the Secretary).

A strata inspection report can also assist when it comes to negotiating price, or having works done before settlement.

This is a general list, see more explanation further on:

- assessment of the interior and exterior of the unit
- compliance with fire and asbestos rules
- major expenditures, past and proposed
- pending / past building works or defects
- voting rights and entitlements
- financial status, including fund balances and expenses
- quarterly strata fees (levies)
- special levies
- insurance for the building/s
- building reports
- by-laws
- indications of residents living harmoniously.

Watch for gaps in records (Strata Managers vary in reliability).

Evidence of poor management might be continuous disputes with tenants or owners.

The minutes of Strata Committee meetings may reveal if matters were resolved well and if correct procedures are followed.



WANT TO KNOW MORE?

Strata Defects & Risky Buildings

[Strata Inspection Report](#)

Entitlements

[NSW-gov Buying Strata Property](#)

Insurance – Building

[NSW-gov Finances, insurance](#)

CHECK LIST

WHAT SHOULD I DO BEFORE BUYING?

Entitlements – Strata Plan

'Unit entitlement' determines your share of ownership in common property, which affects your levies and voting power.

Financials

Includes many in/outgoings, such as Levies (each owner pays), Administration Fund (day-to-day expenses), Capital Works **Fund** (savings determined by the Capital Works **Plan**).

If levies have been set and raised in a responsible way, this may be a sign of good management.

How much with facilities (lifts, pool, etc) vs without facilities? Check for updates here: [LookupStrata - Fees, Levies](#) – scroll down to 'What are the average Strata Fees?'

Insurance – Building Structure

Does NOT cover maintenance, defects or contents

Covers damage sustained to the building as a result of an accidental or malicious act. Common examples are:

- Fire / Arson
- Vandalism
- Glass Breakage
- Storm/Tempest
- Lightning Strikes
- Burst Pipes
- Burglary & Theft
- Vehicular Impact
- Earthquakes

The lot owner is responsible for the repair, replacement and maintenance of all building components **within** the lot, such as:

- Internal walls
- Internal doors
- Built-in wardrobes
- Kitchen sinks, cabinet, bench tops
- Appliances such as wall and bench ovens, cook tops, range hoods, hot water heaters, bathroom exhaust.
- Shower screens
- Toilets, baths & basins



ONLINE

Read or watch online –
tips for Strata Living

[NSW Fair Trading](#)

Keep up-to-date, use
Newsletters / Insta

[OCN](#)

[Lookup Strata](#)

[Instagram StrataSkills101](#)

linktr.ee/strataskills101

BUYING OFF THE PLAN?

[NSW-gov Buying off the plan](#)

CHECK LIST

WHAT SHOULD I DO BEFORE BUYING?

NEW BUILDS

The developer or builder (known as the 'original owner') acts as the Owners Corporation during the initial period. This starts when they register the strata plan and ends when at least one third of the unit entitlements are sold.

Owners should be aware of restrictions on what the original owner can do during time. This includes:

- changing or cancelling the by-laws or making extra by-laws that do not give a right or obligation to all owners or all lots
- altering common property (except under a development contract)
- incurring a debt for more than is set aside in the owners corporation's funds to repay
- borrowing money or giving securities
- appointing a strata managing agent or building manager / caretaker to continue after the first Annual General Meeting (AGM)
- selling any common property.

If you are thinking of entering into a contract to buy premises not yet built, please take the following steps:

- exercise caution and obtain legal advice before signing any documents or paying any money
- look out for clauses that allow the developer to rescind the contract after you have exchanged
- know what you are signing; before signing a contract, ask the following questions:
 - Are there separate contracts for purchase of the land and construction of the dwelling?
 - How do those two contracts interact?
 - Will there be additional costs or penalties if there are delays to building start dates?
- remember, there are no price guarantees until you have exchanged contracts.



ADMINISTRATION FUND

Day-to-day running

CAPITAL WORKS FUND

Expenses that must be saved for replacement / renewal

CAPITAL WORKS PLAN

Mandatory 10-year Plan

LEVIES

If not raised gradually, in a responsible way, Special Levies may be required (additional payments).

STRATA COMMITTEE

A volunteer group which makes decisions on behalf of, and with permission of, owners

CHECK LIST

WHAT SHOULD I DO BEFORE BUYING?

ESTABLISHED BUILDINGS

Check the whole building, including the basement, storage and car parking. Is everything well-maintained? This shows if the residents care about upkeep and maintenance.

Find out what's been going on – look at **financial statements**. Has enough been put aside for big ticket items? E.g. lift repair, painting the building, replacement of garden waterproofing.

Building defects may be mentioned (original or from lack of maintenance) – how they were dealt with shows the way the Committee handles such matters.

Check the 2 operating funds – the amount of money in each should be in line with the **Budget**, which is approved by all owners at the Annual General Meeting.

[NSW-gov Strata Finances](#)

Administration Fund

'Every day' expenditure as shown in the annual Budget. This includes such items as building insurance, electricity, water, carpet cleaning, garden care, and regular maintenance inspections.

Capital Works Fund

Planned maintenance, replacements and repairs as per the **Capital Works Plan**, a 10-year timeline, which must be reviewed every 5 years, to keep pace with changes to the building/s, the aging structure/s and inflation.

It is prepared by a qualified expert and there should be minutes showing it is being implemented as per dates nominated.

If a Capital Works item cannot be paid from the amount saved into the Fund, owners can choose to raise more via a loan, or a **special levy** (additional payment from owners).



REPAIR HISTORY & MAINTENANCE SCHEDULE

If repairs or maintenance are not being carried out, but the purchase has other benefits, you can prepare to take an active part improving the property.

There is a step-by-step process which ensures transparency, including gaining agreement from other owners.

Sometimes it takes just one motivated person to organise others and transform how owners go about caring for the premises.

[NSW-gov Repairs, Maintenance](#)

CHECK LIST

WHAT SHOULD I DO BEFORE BUYING?

Existing or Pending Legal Matters

If handled well as part of a process to ensure the Owners Corporation (all owners) receives due services, repairs, payment, etc, then this may not be a concern.

However, it is certainly worthwhile checking the details.

Levies

Check that they are raised in sensible increments, to keep pace with the aging buildings/s, inflation and any new requirements in the Budget, such as solar installations and electric vehicle infrastructure. [NSW-gov Levies, Admin Fund, Capital Fund](#)

Strata Committee

The group supervising – on behalf of owners – ensures that the value of the scheme is maintained / enhanced.

Look for minutes of regular strata committee meetings and evidence that issues are being dealt with effectively (*absence* of applications to NCAT – NSW Civil and Administrative Tribunal).

Strata Manager

This business acts for the Strata Committee in an agreed capacity. Some are very poor, some very good and many which are competent, but require monitoring, to ensure nothing slips through the cracks.

Look for professionalism, deep knowledge of Strata, good records and minutes which convey the issues under discussion in a clear way.

Generally, the same person is responsible for liaising with the Strata Committee for the length of the Contract.

Fees: While a low fee may be attractive, you might be caught paying more overall, if charges for additional services and their associated disbursements are high (answering emails, envelopes, photocopying).



SO MUCH READING...

TAKE A BREAK & WATCH INSTEAD

[Buying an apartment – top tips on what to look out for](#) (video)

At 1.20 min: Tell-tale signs about the building

CHECK LIST

WHAT SHOULD I DO BEFORE BUYING?

CONTRACT

'Cooling-off' period

Avoid signing a contract that does not contain a 'cooling off' period. This allows you time to ensure there aren't any issues with the property. If you cancel during the cooling off period, there may be a fee.

Your conveyancer / solicitor can help

Discuss important aspects, such as the settlement period and conditions, particularly for off-the-plan purchases.

For new buildings, check what defect period applies to your lot. Being familiar with conditions will help when you move in and wish to advise defects before the reporting deadline.

Inclusions

Before exchanging contracts, you must check that the list of inclusions is accurate and complete. This includes 'fixtures' and 'chattels'.

Fixtures are anything on the property that is 'fixed' in place whether it's glued, nailed, bolted, plumbed or screwed and they are generally included with the sale of the property. E.g.

- stove
- fixed carpet
- ceiling fan
- letter box
- hot water system
- in-ground plants and trees
- built in air-conditioning or heating

Chattels are freestanding, moveable items. Chattels are not usually included in a contract of sale and need to be itemised separately on the contract. E.g.

- pool and spa **equipment**
- potted plants
- washing machine.

If in doubt, you should clarify, then ensure the items expected are written into the contract before you sign. E.g.

- gas bottles
 - dishwasher
 - curtains.
 - sprinkler systems (planter boxes)
 - light fittings
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STRATA PLAN

Brochures, marketing flyers and estate agents may give incorrect information.

Checking the Strata Plan confirms details such as the number of parking spaces, gardens for private / common use.

COMMON BY-LAWS

Common by-laws include rules about smoking, short-term rental accommodation (like Airbnb) and noise.

For example, **approval needed to keep a pet, where can you hang washing, parking restrictions.**

HELPFUL LINKS

[NSW-gov By-laws](#)

[NSW-gov Understanding By-laws](#)

CHECK LIST

WHAT SHOULD I DO BEFORE BUYING?

CONTRACT – CONTINUED

Title Search

This will be a few pages into the contract. Ideally it should only have the owner's name and the mortgage details (if any). Easements, covenants or property subdivisions can restrict use of the property.

Are there any 'special conditions'?

Check that your deposit is held 'in trust'. Check with your conveyancer or solicitor if you don't understand anything.

Council report

Section 149 of the contract is the Council report. It will tell you about zoning requirements and any other issues relating to the land you want to purchase. For instance, soil contaminants; if the land is located in a flood plain.

By-laws

By-laws are rules that all residents living in your strata 'scheme' (your building or complex) must follow. In existing buildings, they have been approved by an owners' vote.

By-laws impact the way you live, even the curtains or blind you may install. This is because –

- the majority of owners expect the apartments to look standardised and co-ordinated
- ceilings, walls or floors may be connected to an area for which all owners bear responsibility under 'Owners Corporation' legislation (law)
- residents often don't realise the impact they have on their neighbours.