

# Precontractual Disclosure Statement to the Buyer

## Part A | General Information about strata titles schemes

### What you need to know

This information applies to a lot in a strata scheme or survey-strata scheme (scheme), which is subject to the *Strata Titles Act 1985* (the Act). Section 156 of the Act sets out that the seller of a strata lot or survey-strata lot (lot) must give the buyer certain information before the buyer signs the contract of sale.

### Instruction for the seller

**The seller must give the information incorporated in this document to a buyer before the buyer signs a contract for the sale and purchase of a lot in a scheme.** Failure to do so may give the buyer the right to avoid the contract and/or delay the proposed settlement date.

### Information for the buyer

**The buyer should keep this document including any attachments in a safe place as it contains important information which might be needed at a later date.**

It is strongly recommended that the buyer read all the information provided by the seller before signing the contract. The buyer should consider obtaining independent professional legal advice before signing the contract.

There are different rights, restrictions and obligations that apply in relation to a lot in a scheme than those that apply to a 'green title' lot. Those rights, restrictions and obligations can be found in the Act, the *Strata Titles (General) Regulations 2019* (regulations), scheme by-laws, the certificate of title, the strata / survey-strata plan for the lot and, if the scheme is a leasehold scheme, the strata lease for the lot. Your right to deal with the lot and to use the common property is restricted by these, as well as by any resolutions and decisions made by the strata company. You will not be able to build on the lot or make any alterations to (including removal of) a building on the lot without the approval of the strata company, except in certain circumstances.

As an owner of a lot, you will also have a share in any common property in the scheme. You will be a member of the strata company, along with all of the other lot owners, and have a right to participate in managing the scheme.

Each lot owner has to abide by the rules of the strata company, known as by-laws. By-laws can be different for each strata scheme and you should understand which by-laws apply to your scheme. The seller must give you the current by-laws before you sign the contract for sale. A strata company can make, amend or repeal by-laws by voting on them, and registering them with the Registrar of Titles at Landgate within 3 months.

As the owner of a lot, you will be liable to pay a strata levy or contribution to the strata company for expenses including for maintenance, repair and insurance of the common property unless the lot is in a scheme of 2 to 5 lots which may be exempt from these requirements. Be aware that if the unpaid amounts for the lot are not paid by the seller before you complete the purchase (settle), you as the new owner will have to pay the strata company these unpaid amounts.

As part of this disclosure you must receive the strata or survey-strata plan (the plan) which includes the lot you are proposing to buy. This plan will show all of the lots and the common property in the scheme. The common property is all the land within the scheme boundary that is not a lot. In a strata plan each lot is clearly identified, but the common property is not; it is everything that is not a lot. In comparison, in a survey-strata plan common property areas are clearly identified as common property. It is important to understand what is your lot, as you will be responsible for repairing and maintaining it, whereas the strata company will generally be responsible for the common property, unless there are by-laws which set out something different.

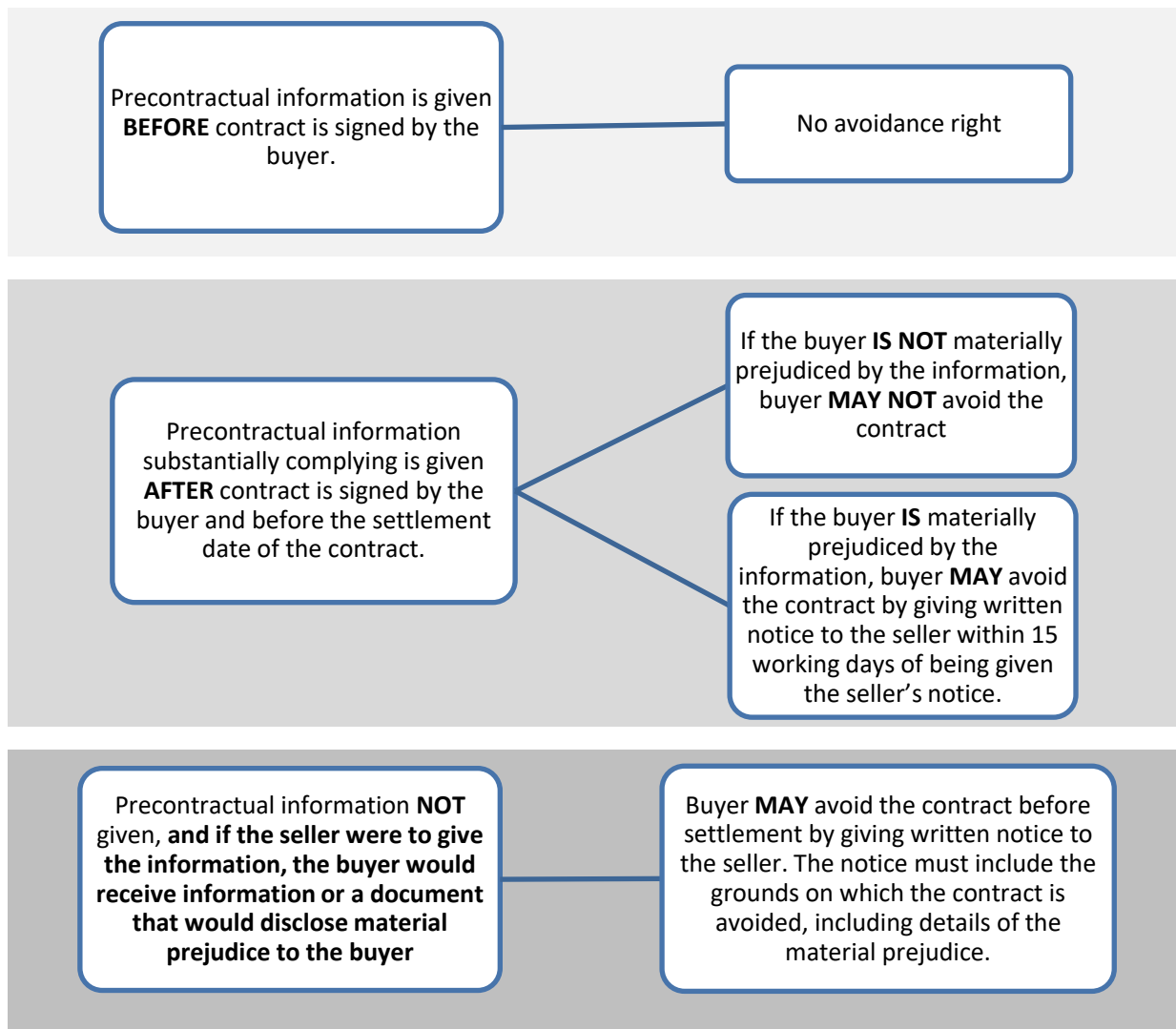
A buyer may consider seeking more information about the lot, the strata company and the strata / survey-strata scheme by asking the seller to provide it, or by making an application to the strata company for more information under section 107 of the Act.

The buyer should consider reading Landgate's publication *A Guide to Strata Titles* as this provides extra information about schemes.

### Buyer's avoidance and other rights

#### Avoidance for failure to give precontractual information to the buyer

The buyer's right to avoid the contract for precontractual information is as follows:



### Buyer's right to delay settlement

The buyer has a right to postpone settlement by written notice if the seller does not give the buyer this disclosure statement, or gives it late. If this disclosure document is not provided until after the contract has been signed, the buyer can postpone settlement for up to 15 working days.

### Avoidance rights for notifiable variations

After the buyer has signed the contract, it is possible a particular type of event known as a type 1 or type 2 notifiable variation may occur. If this happens, the seller must provide written notice of the variation to the buyer before the proposed settlement date.

Type 1 and Type 2 notifiable variations are as follows:

### Type 1 Notifiable Variation

- The area or size of the lot/proposed lot is reduced by 5% or more from the area or size notified to the buyer before the buyer entered into the contract.
- The proportion that the unit entitlement, or a reasonable estimate of the unit entitlement of the lot bears to the sum of the unit entitlements of all the lots is increased/decreased by 5% or more in comparison to that which was notified to the buyer before the buyer entered into the contract.
- Anything relating to a proposal for the termination of the strata titles scheme is served on the seller by the strata company.
- Any other event classified by the regulations as a type 1 notifiable variation.

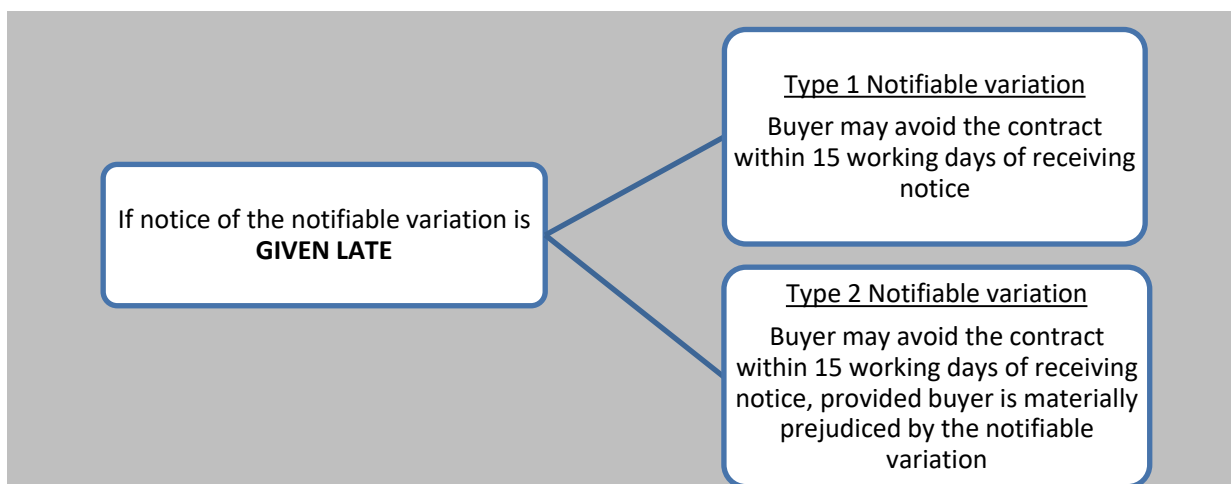
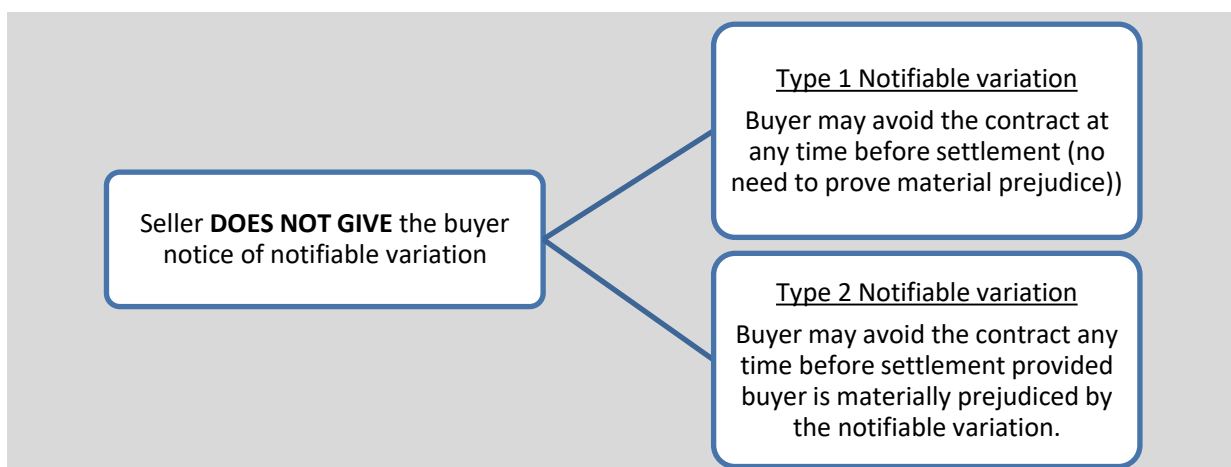
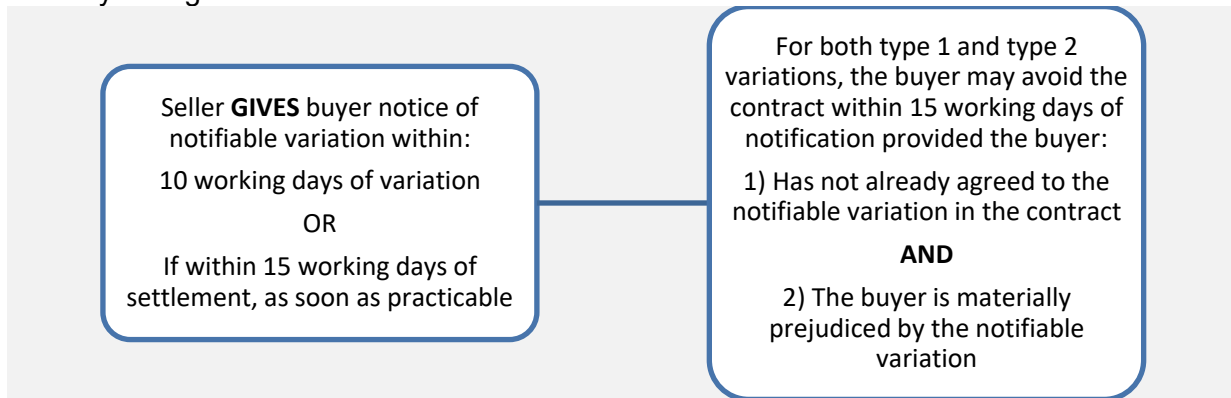
### Type 2 Notifiable Variation

- The current/proposed scheme plan or amendment of the scheme plan for the scheme is modified in a way that affects the lot or the common property (that is not a type 1 notifiable variation).
- The current/proposed schedule of unit entitlements or amendment of the schedule of unit entitlements for the scheme is modified in a way that affects the lot (that is not a type 1 variation).
- The strata company or a scheme developer-
  - (i) enters into a contract for the provision of services or amenities to the strata company or to members of the strata company or a contract that is otherwise likely to affect the rights of the buyer; OR
  - (ii) varies an existing contract of that kind in a way that is likely to affect the rights of the buyer
- The current/proposed scheme by-laws are modified.
- A lease, licence, right or privilege over the common property in the strata titles scheme is granted or varied.
- Any other event classified by the regulations as a type 2 notifiable variation.

See section 161 and 162 of the Act for further details.

Regulation 106 describes when certain notifiable variations are deemed to have occurred.

The buyer's right to avoid the contract for notifiable variations is as follows:



See section 163 of the Act for special protections which apply if the lot has not yet been created by the registration of the scheme or an amendment of the scheme – that is, an 'off the plan' sale.

#### Disputes about avoidance rights to be heard in the State Administrative Tribunal

If the buyer or seller has a dispute about a right to avoid or whether a seller has provided the notifiable information / notifiable variations as required and within the time required, the buyer and or seller may apply to the State Administrative Tribunal for orders to resolve the dispute.

# Precontractual Disclosure Statement to the Buyer

## Part B | Information specific to the sale of the strata lot

This form sets out the information requirements in section 156 of the *Strata Titles Act 1985* (the Act), that the seller must give the buyer. It is the information designated as information specific to the sale of a strata lot. which, if included in the contract, must be included in a prominent position (such as the first page). The term 'lot' includes strata and survey-strata lot.

### Personal information

#### The seller(s)

Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone/mobile \_\_\_\_\_ Email \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone/mobile \_\_\_\_\_ Email \_\_\_\_\_

### Scheme Information

The term 'scheme' includes strata and survey-strata schemes

#### Scheme Details

Scheme name \_\_\_\_\_

Name of the strata company \_\_\_\_\_

Address for service of the strata company (taken from scheme notice) \_\_\_\_\_

The status of the scheme is:

proposed

registered

The scheme type is:

strata

survey-strata

The tenure type is

freehold

leasehold

For leasehold only:

The scheme has a term of \_\_\_\_\_ years \_\_\_\_\_ months \_\_\_\_\_ days commencing on registration of the scheme \_\_\_\_\_

If there is a registered scheme notice, the expiry day for the leasehold scheme is \_\_\_\_/\_\_\_\_/\_\_\_\_

For any attachments, please include the attachment number in the column titled 'Att.' on the right-hand side of this document.

Att.

**Scheme Documents (must be attached)**

Schemes created on or after 1/5/2020 must provide a copy of the scheme notice (Schemes created before 1/5/2020 only have to provide a scheme notice if a change of scheme name or address was registered on or after 1 May 2020).

A copy of the scheme plan showing the exact location and definition of the lot

A copy of the scheme by-laws

A copy of the scheme by-laws made but not yet registered by the Registrar of Titles at Landgate

Do the scheme by-laws include staged subdivision by-laws  no  yes

If yes, they are included with this form

If yes, they are not included but a notice concerning staged subdivision by-laws that are spent has been provided

A copy of the schedule of unit entitlements showing the unit entitlement of the lot AND sum of unit entitlements of all the lots in the scheme

If this is a leasehold lot, a copy of the strata lease for the lot

Additional comments: \_\_\_\_\_

**Minutes (choose one option)**

A copy of the minutes of the most recent annual general meeting and any subsequent extraordinary general meeting(s)

A statement that the strata company does not keep minutes of its meetings\*

A statement of why the seller has been unable to obtain the minutes

Additional comments: \_\_\_\_\_

**Statement of accounts (choose one option)**

The statement of accounts last prepared by the strata company

A statement that the strata company does not prepare a statement of accounts\*

A statement of why the seller has been unable to obtain a statement of accounts

\* Note that section 140(1) sets out that 2-lot schemes are not required to keep minutes or statements of account, and section 140(3) provides that 3, 4 and 5-lot schemes are allowed to have a by-law exempting them from these requirements. If this applies to the scheme, write that down in these fields.

Additional comments: \_\_\_\_\_

**Termination proposal**

Has the seller received a copy of any notice from the strata company in relation to any current termination proposal for the scheme?  no  yes

If yes, attach a copy.

**Lot information (choose all that apply)**

**Att.**

- This lot is on a registered scheme plan
- This lot has not yet been created
- This lot is a leasehold strata expiring on \_\_\_\_/\_\_\_\_/\_\_\_\_  
(being the expiry day of the scheme set out in the scheme notice)

Street address of the lot (if known)

\_\_\_\_\_

Lot \_\_\_\_\_ on scheme plan no. \_\_\_\_\_

*(The lot owner will also own a share in the common property of the scheme)*

**Voting right restrictions**

Does the contract contain any voting right restriction which has the meaning in regulation 103 of the *Strata Titles (General) Regulations 2019*? \*

no  yes

If yes, describe the restriction \_\_\_\_\_

\* A voting right restriction includes if the contract requires the buyer to grant an enduring proxy or power of attorney to the seller.

**Exclusive use by-laws**

This lot is a 'special lot', subject to exclusive use by-laws giving exclusive use of an area of common property

no  yes

If yes, please give details \_\_\_\_\_

**Strata levy/contributions for the lot (choose one option)**

*(Local government rates are payable by the lot owner in addition to the strata levy/contributions)*

- Contributions that have been determined within the previous 12 months
- If not determined, estimated contributions for 12 months after proposed settlement date

	Actual (\$)	<u>OR</u>	Estimated (\$)	12 months after the proposed settlement date
Administrative fund:	_____		_____	
Reserve fund:	_____		_____	
Other levy (attach details)	_____		_____	_____

Actual  Estimated total contribution for the lot \$ \_\_\_\_\_

Payable  annually  bi-annually  quarterly  other: \_\_\_\_\_

Due dates \_\_\_\_\_ on \_\_\_\_/\_\_\_\_/\_\_\_\_ \_\_\_\_\_ on \_\_\_\_/\_\_\_\_/\_\_\_\_  
 \_\_\_\_\_ on \_\_\_\_/\_\_\_\_/\_\_\_\_ \_\_\_\_\_ on \_\_\_\_/\_\_\_\_/\_\_\_\_

**Strata levy/contributions/other debts owing**

If the seller has a debt owed to the strata company, the total amount owing is \$ \_\_\_\_\_

If the seller has a debt owed to a utility company, the total amount owing is \$ \_\_\_\_\_

Details of who is owed, how the debt arose, date on which it arose and the amount outstanding is attached. \_\_\_\_\_

Additional comments: \_\_\_\_\_



## Scheme developer specific information

Information specific to the sale of a strata lot – only to be **completed if the seller of the lot is a scheme developer**

Att.

The scheme developer is defined as:

- The registered owner(s) of a lot(s) before it is subdivided by a strata titles scheme
- The registered owner/s of a lot in a staged strata development that is to be subdivided by the registration of an amendment of scheme to which staged subdivision by-laws apply

This part applies where the seller of the lot is a scheme developer in any of the following circumstances:

- The scheme has not been registered
- The first annual general meeting of the strata company has not been held
- The scheme developer owns 50% or more of the lots
- The scheme developer owns lots with an aggregate unit entitlement of 50% or more of the sum of the unit entitlements of all lots in the scheme

### Statement of estimated income and expenditure

A statement of the estimated income and expenditure of the strata company for the 12 months after the proposed settlement date is attached.

Additional comments: \_\_\_\_\_

### Agreements for amenity or service

Are there any current or proposed contracts for the provision of any amenity or service to the proposed strata company/strata company or members of the strata company entered into or arranged by the scheme developer?

no  yes

If yes, attach details including terms and conditions, the consideration and estimated costs to members of the strata company

Additional comments: \_\_\_\_\_

### Lease, licence, exclusive right or use and enjoyment or special privilege over common property

Are there any current or proposed leases, licences, right of exclusive use and enjoyment, restricted right of use and enjoyment, or special privilege over common property?

no  yes

If yes, attach details including terms and conditions.

Additional comments: \_\_\_\_\_

### Section 79 Disclosure of remuneration and other benefits

Has the scheme developer and/or their associate received or reasonably expects to receive remuneration or other benefit?

no  yes

Is there any other direct or indirect pecuniary interest the scheme developer and/or their associate has in the contract, lease or licence other than as a member of the strata company?

no  yes

If yes, attach details of any remuneration, other benefit and/or pecuniary interest disclosed in accordance with s.79 of the Act, including its value.

Additional comments: \_\_\_\_\_

## Acknowledgement by seller and buyer

### The statements by the seller and buyer relate to the following precontractual disclosures:

- **Part A, general information about strata titles schemes.** This information can be included in a form that is separate from the rest of the contract; and
- **Part B, information specific to the sale of a strata lot.** This information can be included in a separate form, or within the contract in a prominent position.

Both the Part A and Part B disclosures can be provided electronically if the buyer has consented to this.

### Statement by the seller(s) / seller's representative

I /  **We**<sup>1</sup>, hereby certify that Part A and Part B of the required precontractual disclosures were given to the buyer before the buyer signed the contract of sale.

Signature \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

### Statement by the buyer(s) / buyer's representative

I /  **We**<sup>1</sup>, the buyer/s, acknowledge that  I /  **we**<sup>1</sup> received Part A and Part B of the required precontractual disclosures before  I /  **We**<sup>1</sup> signed the contract of sale.

I /  **We**<sup>1</sup> understand that the disclosures given by the seller(s) or by the seller's representative are not an offer or a contract to purchase a lot (though they may be included in such contract) but only provide information to  **me** /  **us**<sup>1</sup>.

Signature \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

<sup>1</sup> Select one.