



Australian College
of Professionals

College Chronicle

Strata Collective Sale

September 6, 2019



RTO 91513

The NSW Land and Environment Court is in the final stages of deliberations in relation to the first ever strata collective sale under the Strata Schemes Development Act 2016.

The vibe is that the decision that will be taken for approval, is imminent. This is the first time that the provisions of the Act have been tested where the sale or redevelopment of a strata scheme only requires 75 percent of the owners to agree. The Court is required to approve the application if a number of criteria are satisfied including that the sale is just and equitable.

The strata scheme in question is a 159 lot strata scheme in a nineteen (19) storey building and is currently operating as serviced apartments. The proposal is for this building to be converted into a new hotel for the CBD.

This case of a collective sale is a perfect example of the new legislation in action and, if passed, will be an encouragement for other schemes who are considering sale or redevelopment of their schemes.

There is a complex legal process to be undertaken and any lot owners considering such a collective sale action, should most definitely engage legal professionals to assist them through this process.

Strata Managers are often in the middle of discussions with lot owners regarding the advantages and disadvantages of a collective sale for redevelopment purposes, as people consider having a new home in their current address and also the possibility of making a profit in the process. It is definitely a fact that some apartments built in the 1960s, '70s and '80s would benefit from a redevelopment which could incorporate new energy efficiency measures, better living spaces and improved communal areas. This is where Strata Managers need to understand this process and be able to refer their Owners Corporations to the appropriate professionals to support them through the process. Strata Managers also need to remember that they represent **ALL** of the lot owners in a strata plan, not just the ones pushing for the collective sale process. Impartiality and balance are required throughout this minefield for strata managers.

Salespeople may well be in negotiation with lot owners wanting to redevelop their site. If you come across a plan where only 75% of the owners are wanting to take this step, then a knowledge of the collective sale process is essential. It is important that as a salesperson attempting to put a deal together, that you are providing accurate advice to the lot owners in relation to the complexities and financial cost of commencing and undertaking the collective sale process.

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It is also important for salespersons to know if owners who are part of a collective sale process will have the ability to buy back into the building once the re-development has concluded. This can mean that you as the agent already have a number of potential purchasers to deal with once the process completes.

A final note for salespeople in this area is regarding the sale of units or lots prior to the decision for a collective sale being finalised is that an owner may choose to sell their lot rather than going through the collective sale process. If this is the case, and you are aware, you **MUST** disclose this to any potential purchasers as well as advising the solicitors involved. This is a material piece of information that must be disclosed in the Contract for the Sale and Purchase of Land and not something any of the parties to the contract will want to miss. As always, complete disclosure is always the best option.

‘Til next time, wishing you every success in your business ventures,

Rosy Sullivan | College Director & Principal

80% of real estate agencies in NSW are Non-compliant!

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4 HOUR CPD SEMINARS Full 12 points

WED 11 TH SEP	DUBBO Stock & Station	TUE 17 TH SEP	SYDNEY CBD Strata Management
WED 11 TH SEP	DUBBO Sales & Prop Mgmt	FRI 4 TH OCT	CASTLE HILL Sales & Prop Mgmt
THU 12 TH SEP	SYDNEY CBD Real Estate Sales	THU 10 TH OCT	TAMWORTH Sales & Prop Mgmt
THU 12 TH SEP	SYDNEY CBD Property Management	MON 14 TH OCT	GUNNEDAH Sales & Prop Mgmt
FRI 13 TH SEP	SYDNEY CBD Commercial & Retail Sales & Leasing	WED 16 TH OCT	GOSFORD Sales & Prop Mgmt

2 HOUR CPD SEMINARS (8am - 10am unless specified otherwise). Full 12 points, Pre-reading required

FRI 13 TH SEP	PENRITH Sales & Prop Mgmt	FRI 20 TH SEP	SYDNEY CBD Sales & Prop Mgmt
MON 16 TH SEP	GOSFORD Sales & Prop Mgmt	FRI 27 TH SEP	NEWCASTLE Sales & Prop Mgmt
THU 19 TH SEP	PARRAMATTA Sales & Prop Mgmt	FRI 27 TH SEP	BANKSTOWN Sales & Prop Mgmt



From the office

Time flies when you're having fun, especially here at ACOP. The College has been busy providing students with updated knowledge about the property industry, travelling to many areas outside of our metro Sydney area. We kicked off the last two weeks of CPD seminars with our energetic trainers travelling from the rural terrain of Wagga Wagga departing to make their way to coastal Port Macquarie before travelling back to Sydney to end the last of our CPD courses in Castle Hill and Sydney CBD. Amongst our CPD courses we have also had many agencies opt to have in-house training, which is a service we provide to agencies that are interested in having tailored CPD, skills training or even licensing courses completed at the comfort of the workplace.

With a high number of students completing their CPD training we have also had many students attend our licensing and skills courses here at ACOP. The College has been buzzing with students upgrading from their Certificate of Registration and furthering their career within the industry by completing our licensing modules. It's been jam packed as we started the last fortnight with students attending our Stock and Station Agency Practices course to work towards obtaining their Stock and Station Agents licence as well eager students attending our Auctioneers Accreditation course. We finished up this fortnight with energetic students attending our Trust Accounting course and most also staying on for the Property Management licensing module.

You guessed it, it's cake time. Here at ACOP we extend our cake obsession not only amongst each other as a team but also to our students. We would like to wish Jeanette a 'Happy Birthday' - we hoped you enjoyed your decadent red velvet cake whilst attending our evening class for the Diploma of Leadership and Management program and cheers to many more years to come. We would also like to wish Rachelle, our Operations Co-ordinator a very happy birthday as we celebrated it with a meringue smothered cake and the team assisting with the candle blowing as she recovered from the cold. On that note we would also like to wish Rachelle Bon Voyage as she sets off leaving Australian soil to chase Mexican sunsets and the cool breezes on the New York winds. We will see you in a month Rachelle, safe travels and you will be missed.

CERTIFICATE OF REGISTRATION COURSES

Units taken from nationally accredited training qualifications from the CPP07 Property Services Training Package.

SAT 14TH SUN 15TH SEP	SYDNEY CBD (ONLINE + WEEKEND WORKSHOP)
MON 23RD WED 25TH SEP	CASTLE HILL
MON 14TH WED 16TH OCT	SYDNEY CBD
MON 28TH WED 30TH OCT	PARRAMATTA

FINANCE & MORTGAGE BROKING COURSES

Units taken from nationally accredited training qualifications from the FNS Financial Services Training Package.

MON 28TH WED 30TH OCT	SYDNEY CBD Certificate IV in Finance & Mortgage Broking
28TH-30TH OCT & 7TH-8TH NOV	SYDNEY CBD Diploma of Finance & Mortgage Broking Management <i>(Upgrade Program - Must hold Certificate IV in Finance & Mortgage Broking)</i>

PROPERTY LICENCE COURSES

Units taken from nationally accredited training qualifications from the CPP07 Property Services Training Package.

18 TH - 19 TH SEP	Staff Management SYDNEY CBD	16 TH - 17 TH SEP	Financial Management SYDNEY CBD
8 TH - 11 TH OCT	Sales for Real Estate SYDNEY CBD	FRI 27 TH SEP	Trust Accounting + Insurance (Strata) SYDNEY CBD
21 ST - 25 TH OCT	Stock & Station Agency Practices SYDNEY CBD	2 ND - 4 TH OCT	Trust Accounting SYDNEY CBD
23 RD - 26 TH SEP	Strata Management Agency Practices SYDNEY CBD	30 TH SEP- 1 ST OCT	Property Management SYDNEY CBD
FRI 1 ST NOV	Real Estate Auctioneer Accreditation SYDNEY CBD	3 RD - 4 TH OCT	Business Broking Agency Practices SYDNEY CBD

View our course calendar for all course details.

DIPLOMA OF PROPERTY SERVICES (AGENCY MANAGEMENT) CPP50307

BATHURST

MODULE 1

3rd - 4th October

MODULE 2

24th - 25th October

DUBBO

MODULE 1

26th - 27th September

MODULE 2

10th - 11th October

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