

Strata laws could move to majority rule for sales

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APARTMENT owners may be forced to sell their units to developers under strata law changes being considered by the State Government.

Developers and the representative body for strata title holders say that strata laws place too much power in the hands of individual unit owners, who can halt the re-development of a block of flats even when every other title holder in the building wants to sell.

Presently, all the owners in a strata block must agree to sell to a developer before the wrecking ball can swing.

The *Herald* understands a series of reforms recently proposed by the Planning Minister, Frank Sartor, was to include a plan to drop the threshold to less than 100 per cent, but a decision was made at the last minute to retain the status quo.

However, the Government is expected to revisit the issue in the second half of next year.

The Lands Minister, Tony Kelly, who oversees strata law, said yesterday that the Government was still considering lowering the threshold but would not say by how much.

Aaron Gadiel from Urban Taskforce, a developers' lobby group, said the threshold should be dropped to 75 per cent. "It's not just residential, it's commercial too; along Pitt Street you see a lot of quite old, run down strata title office buildings that would be ideal to be renewed," he said.

Stephen Goddard, chairman of the Owners Corporation Network – which represents the

interests of strata title holders – says the current system is unfair on owners who want to sell.

"I know of two blocks of 16 apartments at Cronulla Beach where the buildings are now 50 years old and past their best use. Fifteen of the 16 owners in one building want to sell but the 16th owner, aged 83, is terrified that if she leaves the building, she'll die," he said.

"At the block next door, 16 out of 16 want to sell and the developer wants to buy the two together. My position is that it's contrary to the public interest for 31 households to have their lives put on hold because of the circumstances of one."

Mr Goddard supports dropping the threshold to 90 per cent where the building is less than 10 years old, or 80 per cent if the building is more than 10 years old.

Peter Versi, a developer from Trieste Property Group, said the system has stymied his plans to buy up and redevelop a block of 28 units at 229 Miller Street, North Sydney.

"We have had 24 of the 28 agree to sell. We are paying in excess of the current market value. Of the other four, we have two who would sell at exorbitant prices and two that don't want to deal with us under any circumstances," he said yesterday.

"If there's ever a way the state can legislate to force them to sell, that would be better for the other 24 people. Some of them are seriously hurting."

Rival developer Meriton has also expressed interest in buying the block and aggregating it with a neighbouring development site it owns.