

Circular	2016/03
Issued	November 2016

## Commencement of the *Strata Schemes Development Regulation 2016*

The [Strata Schemes Development Regulation 2016](#) will commence on 30 November 2016. Together with the *Strata Schemes Development Act 2015* ('the Act') and the *Strata Schemes Management Act 2015* (and its respective Regulation), the new legislation brings major reform to the existing strata laws.

In April 2016, Land and Property Information (LPI) released the draft Regulation together with a Regulatory Impact Statement for public consultation. Comments and submissions were considered and have resulted in a number of changes to the Regulation. The key changes introduced in the Regulation are outlined below.

### Schedules of unit entitlement

The Regulation clarifies:

- for the purposes of the definition of '*market value basis*' in Schedule 2 of the Act, the basis for determining the value of a lot or development lot and
- the meaning of '*valuation day*' for the purposes of Schedule 2 of the Act, and extends the timeframe for the giving of valuation certificates.

### Staged development

The matters which must be included in a strata development contract have been expanded to include details about parking on lots and common property during each stage of the development.

Insurance requirements for vertical staged development have been amended to increase the value of the policy of indemnity for public liability claims from \$15 million to at least \$20 million.

The meaning of 'public liability claim' has been expanded to include a claim for damage to property.

### Lodgment of consolidated by-laws

The requirement to lodge a consolidated version of by-laws when a change of by-laws is lodged has been amended. Relevant model by-laws must now be included in any consolidated version of by-laws.

## **Strata renewal**

The strata renewal provisions have introduced a number of changes to:

- clarify how 'market value' and 'compensation value' is to be determined in the strata renewal process
- provide for the timing of valuations to be included in a strata renewal plan and for any application made to the Land and Environment Court
- clarify who may perform the role of a returning officer in the strata renewal process
- expand matters to be included in a strata renewal proposal which is considered by an owners corporation
- ensure a strata renewal proposal includes a warning notice to alert owners of the impact of the proposal on owners and other interested parties such as tenants and mortgagees
- expand matters to be included in the written notice to owners of a decision to establish a strata renewal committee
- expand matters to be included in a strata renewal plan including the requirement for the inclusion of a report of an independent valuer
- prescribe further information which must accompany an application to the Land and Environment Court for an order to give effect to a strata renewal plan
- prescribe further matters about which the Land and Environment Court must be satisfied in making an order giving effect to a strata renewal plan
- prescribe further matters about which the Land and Environment Court may make a direction in approving a strata renewal plan.

## **Floor plans**

A floor plan must show the lowest level to the highest level unless the Registrar General has previously given approval for the levels to be shown in a different manner.

## **More information**

The new strata laws which will commence on 30 November 2016 can be accessed at the [NSW Legislation website](#).