

# Selling Strata

The complete guide to selling and promoting Strata  
Title properties for agents, developers and brokers



**ESM STRATA**

[esmstrata.com.au](http://esmstrata.com.au)

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**Tip:** Print out diagram pages for use when talking with customers.  
Fill in **Strata Checklist** for your strata property to have handy.

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## INTRODUCTION

# Selling Strata

## THE COMPLETE GUIDE TO SELLING AND PROMOTING STRATA TITLE PROPERTIES FOR AGENTS, DEVELOPERS AND BROKERS

There are currently **2.5 million people** living in apartments in Australia. It is a popular choice for everyone from younger millennials to retirees looking for somewhere with low maintenance, a surrounding community and a vibrant location.

However Strata Properties are unlike normal green-titled blocks. When someone buys into a Strata property they are buying ownership into a larger building including a portion of the common area - making selling and explaining strata complex.

We have assembled this complete guide to selling Strata Properties for developers, agents and brokers wanting to sell more and communicate strata concepts easily.

If you have any questions or want to organise a private education session, please contact us.

Regards,

**Jake Kneebone**

ESM Strata



## INTRODUCTION

### NEW DEVELOPMENTS

#### AT CONCEPT STAGE:

After development/local shire/JDAP approval, it is important to engage a strata manager to work with your legal team in providing documents required for your Pre-contractual Disclosure Statements and to provide guidance and advice on the proposed strata plan prepared by your surveyor.

This includes:

- Draft budget
- Draft levies
- Proposed management agreement
- By-laws (prepared in conjunction with specialised strata lawyer)
- Draft Strata Plan (prepared in conjunction with surveyor)

Working together to produce these documents help us bring your vision for your development to life.

#### KNOW YOUR MARKET

Consider the lifestyle you are marketing with your building. There are a number of ways you can develop your Strata to meet certain requirements and needs. For example, facilities, inclusions and levies can all be modified or varied to target certain markets.

#### SELLING STAGE:

The Strata Manager can meet with your sales team to assist them in knowing more about the Strata plan for the building and selling the benefits of that specific site.

It is important to understand the Strata you are selling and the intricacies that are unique to that particular development.

At any point, your strata manager can provide additional information that helps answer queries coming from potential buyers.

### EXISTING BUILDINGS

Whilst it is the purchasers responsibility to understand what they are buying, it is important the Sales Agent is equipped with knowledge on by-laws, boundaries and other information specific to that strata plan.

All of this information can be obtained from your Strata Manager including any additional information buyers may be requiring.

## WHAT IS STRATA

# Strata at a glance

*Data accurate as of Jan 2020*

Western Australia has over

**73,000**

registered Strata Schemes  
containing over 325,000 lots.

Around

**83%**

Of Strata Schemes  
contain 4 lots or less

Strata Title is an innovation in Australian property law that allows owners to purchase a unit which includes a share in the common property.

Strata residents own an individual property (a lot), with shared ownership of the rest (common property), such as the parking, garden, swimming pool, etc. Individual property and common property are defined in each specific “strata plan”.

A strata scheme contains:



### **The Building(s)**

All areas defined on  
the Strata Plan  
including common  
property



### **The Strata Company**

The owners of the  
building (previously  
known as the body  
corporate)

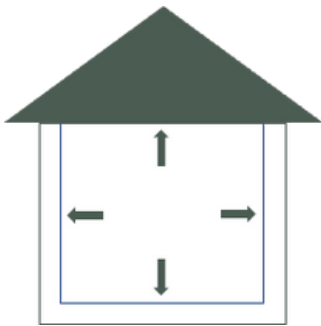
## WHAT IS STRATA

# Types of Strata Schemes

There are 2 types of strata schemes in WA which specify different relationships between lot ownership and common property ownership.

## BUILT STRATA (OR STRATA SCHEME)

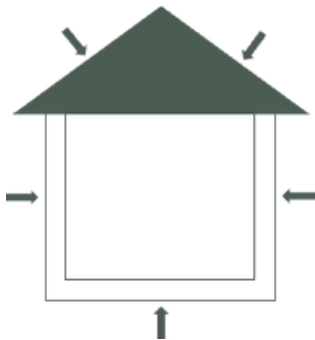
This is the original form of “strata scheme”, or “strata plan”, commonly known as a “building strata”. There are 3 types of strata properties that can be registered under this scheme.



### Lot Boundary 3(2)A

An owner owns the internal airspace within the lot and any fixtures/fittings attached within the lot. This extends from the internal surface of the external walls, the upper surface of the floor, and the under surface of the ceiling.

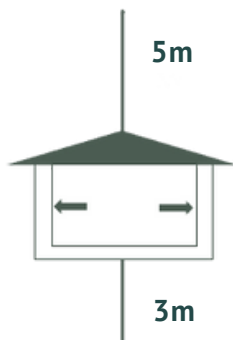
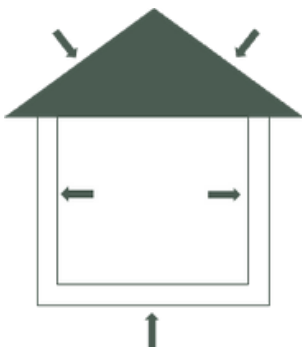
Prior to 30/6/1985 all lot boundaries were 3(2)a.



### Lot Boundary 3AB

The owners own the building and structure, including guttering and downpipes.

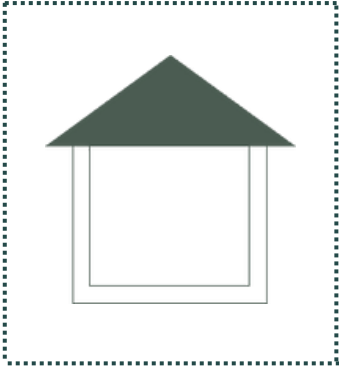
3AB strata plan types came into existence after 1996.



### Lot Boundary 32B

??

## SURVEY STRATA SCHEME



Survey Strata is mostly used for single tier developments where lots are side by side. Buildings are not shown on this type of Strata Plan, and owners are typically responsible for the lot and everything within the lot.

The only common property is often a driveway which may often include lighting, plumbing and insurance.

### WHAT IS STRATA

# Common Property

Common property is defined as areas of a strata building or community which do not form part of a lot and that every occupier or owner shares.

Therefore the common property will vary depending on the type of strata property registered (eg. 3(2)A, 3AB etc).



Swimming pools, Gyms, Cellars

Carparks, walkways, gardens, security



*May include:*

External doors, hallways, external fixtures

## WHAT IS STRATA

# Common Property

The majority of high-rise, multi-storey dwelling such as apartments will be registered as 3(2)A strata properties. This means that common property includes exclusive-use things like:

- external windows
- fire alarms
- external doors
- original floor tiles
- waterproof membrane

And also other shared facilities like:

- Swimming pools
- Car parks
- Lifts
- Entry gates and security
- Gardens

### **Who is responsible for common property?**

Tenants own a share in the common property based on their Unit Entitlement and all owners are responsible for the maintenance and upkeep of common property.

All owners are equally entitled to use and enjoy the common property (unless restricted by bylaws or other agreements like exclusive use).

## "WHAT'S IN IT FOR ME?"

Many owners buying into strata property will query the way common property works. Some concerns you may hear are:

- Why would I pay for 1/10th of a pool or gym I never use?
- Am I responsible for repairing an issue another owner has caused?
- What if I don't want to pay for a new garden or feature?
- Why can't I install xyz onto my own property?

You can probably see why many frustrations may build within strata companies. That's why it is so important to provide education and communication amongst strata owners before purchase and throughout ownership.

We will address some of these objections later in this guide.



# Common definitions

## **By-Laws**

A unique set of rules applying to one specific strata title property that owners and tenants must abide by.

## **Council of the Strata Company**

The Council of Owners, usually referred to as the 'Council', are elected by the Strata Company at an annual general meeting, to act and make decisions on behalf of all of the owners within the Strata scheme. Must contain between 3 - 7 members. Previously called the Council of Owners (COO).

## **Levys**

A contribution of funds paid by each owner to a collective pool used to maintain and look after the common property.

## **Strata Company**

The term 'strata company' in Western Australia refers to all the owners within a particular complex. Collectively, all the lot owners form the strata company. When purchasing a lot on a strata-titled property, you become part of that strata company. In other states this is called the Body Corporate or Owners Corporation.

## **Strata Manager**

A qualified, licensed professional trained in the day to day management of a scheme.

## **Strata Plan**

The actual plan of the scheme showing the placement of individual lots, common property, boundaries and services, usually registered with the state land registry office.

## **Strata Roll**

A register of all owners, registered tenants, mortgagees and other parties to the scheme.

## **Unit of Entitlement**

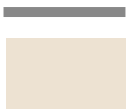
Each lot is allocated units of entitlement which determine an owner's portion of ownership of common property, their voting rights, and the proportion of levied contributions that are payable in accordance with the levies raised at general meetings.

# WHAT IS STRATA

Example 3(2)A ownership and relationship diagram



Lot ownership



Common Property



Strata Company



Levies

# New Developments

## PREPARING BUDGETS

At the DA stage, your Strata Manager will need to prepare a draft budget for your building. The Draft Budget and proposed Levies form part of the sales contracts for selling "off the Plan"

ESM suggest the first year budget include items that may be under warranty within that period to better reflect the actual running expenses of the strata company ongoing.

ESM also suggest Working Capital be included in the first and even second year budget to ensure cash flow is adequate to meet large expense items such as Insurance when required.

Whilst you are required to have a draft budget as part of the sales process, the actual budget is finalized prior to the first AGM and is subsequently approved at the Statutory General meeting of the Strata Company.

## THE RESERVE FUND

ESM Strata suggests all Strata Companies should consider a reserve fund to cover the costs of maintenance and upkeep. However designated strata companies (>10 lots or >\$5M insurance replacement value) are required to complete a 10-year maintenance plan that sets out the maintenance requirements over a 10-year period.

Reserve funds limit any surprise levies to cover large maintenance work that comes up over the life of the building.

# Levies and Funds

A certain amount of money is required to look after the day to day running of the strata property, maintenance and special expenses and strata levies and strata fees are the amount collected by each owner to contribute to that pool.

These levies are a paid contribution to the Strata company's funds, which look after things like insurance, maintenance and repairs, cleaning and so forth. Every owner in the strata property is responsible for contributing to these funds proportionate to their unit entitlement and therefore levies are raised to collect the money off each owner.

## COMMONLY ASKED QUESTIONS FROM OWNERS

### **Where do my levies go?**

*To keep your strata scheme running smoothly and in good condition, the levies collected are used for things like maintenance of common areas and buildings, insurance, strata management fees, facilities managers, utilities to common areas.*

*There are also special levies that are raised outside of the general administrative fund levies that go to the day-to-day running of the strata complex. These could be Sinking Levies, for larger maintenance and renovations, or Special levies which are paid in addition to cover extraordinary expenditures.*

### **Are all levies the same for all properties?**

*Every building has a unique set of attributes that require different amounts of maintenance. For example, if you own a Survey Strata property, there is less common property to maintain as a strata company, and therefore the amount of funds required to running them will be lower. Buildings with pools, lifts, building managers etc, will require more funds for the management but they will be spread out over all the owners of the complex.*

### **What is my portion of the strata levies?**

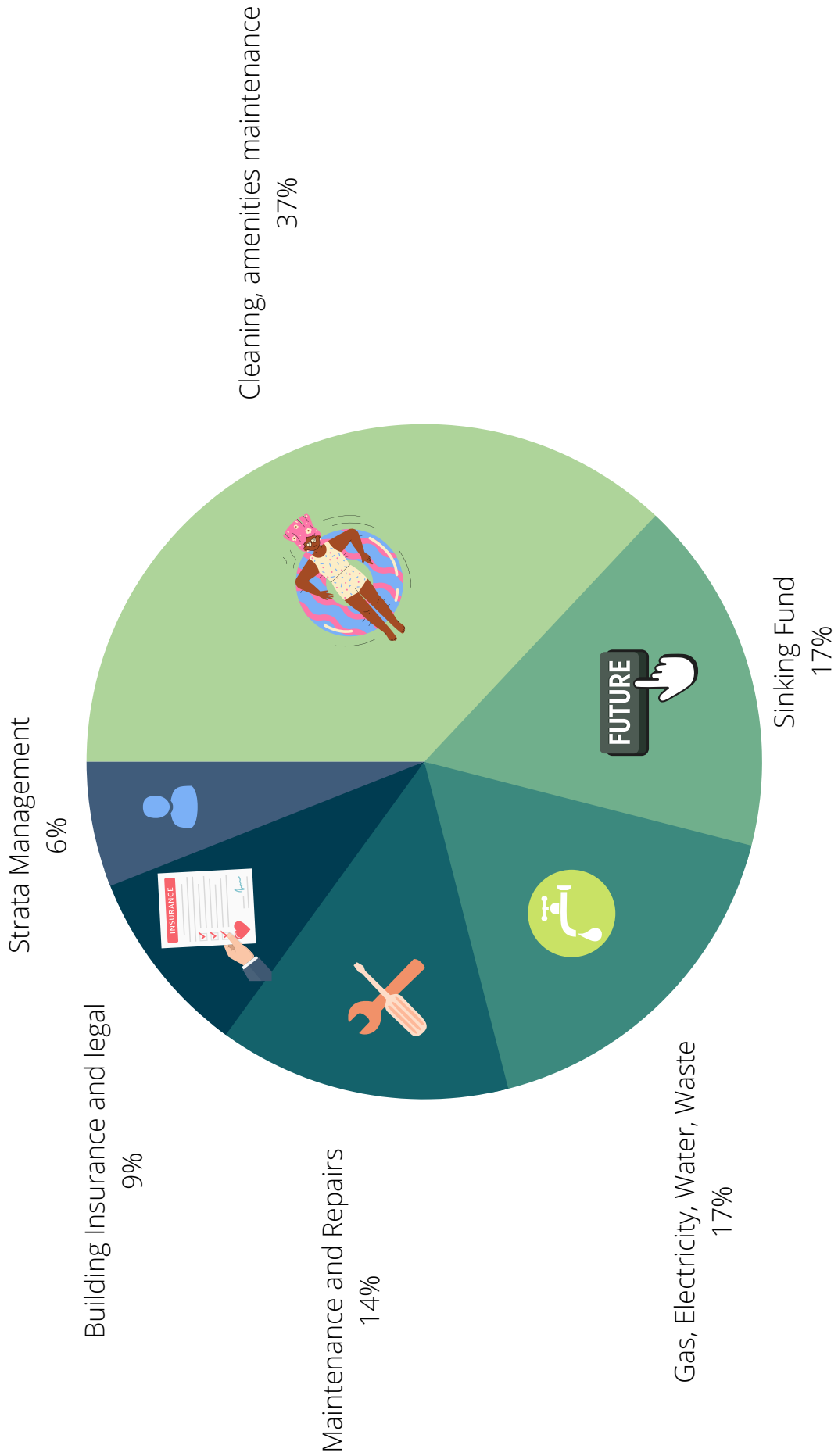
*Every strata property comprises of many different lots. In order to determine each owners undivided share in the common property, voting rights, along with their share of outgoings, a unit entitlement is assigned to each unit. A unit entitlement represents each units value as a percentage of the value of the whole development and your individual unit entitlement will govern how much you contribute financially to the running costs of your strata complex.*

### **How are strata levies decided – and what to do if yours have increased?**

*Strata levies are decided by a simple majority vote at an Annual General Meeting based on the budget for the upcoming year. If you have received a quarterly levy notice which is higher than you were expecting, we would encourage you to refer to your minutes and its attached budget to learn more about the spending decisions made by your strata company.*

## TYPICAL ALLOCATION BREAKDOWN

Every Strata is unique. However this is a typical breakdown for a multi-tiered scheme that has common property.



# Statement of accounts

## HOW TO READ STRATA COMPANY FINANCIALS

Strata Companies are treated like any other registered company and require management of money and therefore financials. These financial documents are available from your Strata Manager and are reviewed at each AGM with a budget, actual comparison.

It is important that owners understand how to read their Strata Company financials please find a guide below.



Got questions about financials? The ESM team can support you navigate this as part of the sales process.

**Balance Sheet - S/Plan 0000**  
**"Building View"**  
**Building Address**  
 For the Financial Period 01/07/2019 to 29/04/2020

This is the Cash reported in your operating account at the date of the report. The amounts for Admin and Reserve are separated as shown.

This is the total in the investment accounts as at the date of the report. For additional information refer to "Investment accounts" under client support on the ESM website.

**Assets**

|   | <b>Administrative</b> | <b>Reserve</b> | <b>TOTAL THIS YEAR</b> |
|---|-----------------------|----------------|------------------------|
| Cash At Bank<br>Owners of Building View Strata Plan 0000<br><i>Macquarie Bank BSB: 186-300 Acc No:123456789</i> | \$151,500.62          | \$33,770.42    | \$185,271.04           |
| Investment Acc SP0000 Lift Account<br><i>Macquarie Bank BSB: 186-300 Acc No:123456789</i>                       | \$0.00                | \$129,449.27   | \$129,449.27           |
| Investment ITO SP0000 <i>Macquarie Bank BSB: 186-300 Acc No:123456789</i> GST Paid                              |                       | \$2,578.68     | \$52,578.68            |
| GST Unpaid Receivable (Levies + Utilities)  |                       | \$1,563.64     | \$1,913.33             |
|   |                       | \$0.00         | \$(22.65)              |
|   | \$16,861.79           | \$788.40       | \$17,650.19            |

Total amount of GST paid on supplier invoices. Will be claimed back on next BAS return

GST payable on unpaid supplier invoices -or due back from a credit note if this is a credit amount. Amounts which appear in brackets indicate a credit.

Levies outstanding for the Administrative & Reserve Fund at the time of the report being generated.

This column shows the amounts allocated to the Administrative fund.

This column shows the amounts allocated to the Reserve fund.

This is the combined total of the Administrative and Reserve allocations.

|                     | <b>\$168,689.45</b> | <b>\$218,150.41</b> | <b>\$386,839.86</b> |
|---------------------|---------------------|---------------------|---------------------|
| <b>Total Assets</b> |                     |                     |                     |

Supplier invoices to be paid or credit notes if the amount is a credit.

Invoices to be paid to suppliers which are not GST registered.

**Liabilities**

Accounts Payable  
 Accounts Payable (GST Free)  
 BAS Clearing  
 GST Collected  
 GST Uncollected  
 Levies Paid In Advance

|                             |                     |                     |                     |
|-----------------------------|---------------------|---------------------|---------------------|
| <b>Total Assets</b>         | <b>\$168,689.45</b> | <b>\$218,150.41</b> | <b>\$386,839.86</b> |
| Accounts Payable            |                     | \$0.00              | \$(249.17)          |
| Accounts Payable (GST Free) |                     | \$289.17            | \$5,420.00          |
| BAS Clearing                | \$(105.78)          | \$0.00              | \$(105.78)          |
| GST Collected               | \$752.48            | \$24.57             | \$777.05            |
| GST Uncollected             | \$1,519.67          | \$76.38             | \$1,596.05          |
| Levies Paid In Advance      | \$199.56            | \$0.00              | \$199.56            |
| <b>Total Liabilities</b>    |                     | <b>\$390.12</b>     | <b>\$7,637.71</b>   |
| <b>Net Assets</b>           |                     | <b>\$217,760.29</b> | <b>\$379,202.15</b> |

GST collectable on levies that are not yet paid.

GST collected on Admin & Reserve levies paid.

This account is used to offset GST PAID and GST COLLECTED each time a BAS return is done (can be quarterly or annually).

Admin & Reserve levies that are paid in advance, and have not yet been allocated as Strata Company Income.



**Balance Sheet - S/Plan 0000**  
**"Building View"**  
**Building Address**

For the Financial Period 01/07/2019 to 29/04/2020

| <b>Owners Funds</b>       | <b>Administrative</b> | <b>Reserve</b>      | <b>TOTAL THIS YEAR</b> |
|---------------------------|-----------------------|---------------------|------------------------|
| Opening Balance           |                       |                     |                        |
| Fund Transfer - A         |                       |                     |                        |
| Net Income For The Period | \$47,355.58           | \$45,231.42         | \$92,587.00            |
| <b>Total Owners Funds</b> | <b>\$125,078.14</b>   | <b>\$254,124.01</b> | <b>\$379,202.15</b>    |

This is a calculated field based on prior year transactions, and should represent total funds at the beginning of the financial year at the top of the report.

Fund transfers between Admin & Reserve accounts.

Profit or loss for the period of the report, based on the income and expenses.

Opening Balance

Fund Transfer - A

Net Income For The Period

**Total Owners Funds**

# Exclusive Strata Management

PO Box 779 VICTORIA PARK WA 6979 ABN: 20 422 677 948

Ph: 9362 1166 Email: officeadmin@esmstrata.com.au

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Total earned/spent in the last financial year for each budgeted category.

Below are the categories income has been recorded to.

## Income and Expenditure Statement - S/Plan 0000 "Building View" Building Address

For the Financial Period 01/07/20

Total budgeted for each category in the financial year.

### Administrative Fund

| Income                                  | TOTAL THIS YEAR     | This Year Budget    | Last Year Actual    |
|---|---------------------|---------------------|---------------------|
| Income Tax Refund                       | \$107.40            | \$0.00              | \$0.00              |
| Interest on Overdues                    | \$2,455.98          | \$0.00              | \$892.43            |
| Interest on Term Deposits - A           | \$19.51             | \$0.00              | \$48.82             |
| Levy Income A                           | \$141,818.28        | \$208,000.00        | \$181,363.73        |
| REIMB - Additional Mment Fee            | \$0.00              | \$0.00              | \$20.00             |
| REIMB - By-Law Compliance Fee           | \$0.00              | \$0.00              | \$20.00             |
| REIMB - Debt Collect/Legal              | \$2,816.71          | \$0.00              | \$140.00            |
| REIMB - Insurance Claim                 | \$1,470.33          | \$0.00              | \$2,941.82          |
| REIMB - Keys/Remote/Fobs                | \$1,005.91          | \$0.00              | \$1,705.14          |
| REIMB - Repairs & Mtnc                  | \$1,071.52          | \$0.00              | \$110.00            |
| REIMB - Section 43 Fee                  | \$367.00            | \$0.00              | \$0.00              |
| REIMB - Strata Title Info               | \$99.00             | \$0.00              | \$0.00              |
| Special Levy Income                     | \$0.00              | \$0.00              | \$36,363.60         |
| <b>Total Administrative Fund Income</b> | <b>\$151,231.64</b> | <b>\$208,000.00</b> | <b>\$223,605.54</b> |

Total earned/spent for each line item for that current financial year.

Below are the categories invoices have been allocated/paid to.

This is the total income earned in the Admin amount during the financial period above.

### Expenses

|                                   |             |             |             |
|-----------------------------------|-------------|-------------|-------------|
| ATO Compliance                    | \$0.00      | \$350.00    | \$345.45    |
| Additional Strata Mment Fees      | \$64.09     | \$200.00    | \$170.00    |
| Archive Storage Charges           | \$180.00    | \$216.00    | \$216.00    |
| BAS Return                        | \$390.00    | \$400.00    | \$380.00    |
| Bank Management Fee               | \$71.40     | \$100.00    | \$84.00     |
| Bin Cleaning/Services             | \$0.00      | \$1,100.00  | \$1,040.00  |
| Cleaning                          | \$17,307.28 | \$21,000.00 | \$20,762.60 |
| Debt Collection - Expense         | \$2,816.71  | \$2,000.00  | \$200.00    |
| Disbursement Charge (Receipt Fee) | \$670.00    | \$960.00    | \$962.00    |
| Electricity - Common              | \$7,864.03  | \$9,200.00  | \$8,857.73  |
| Fire Protection Equipment         | \$6,733.57  | \$6,500.00  | \$7,389.15  |
| Fire Service Charges              | \$0.00      | \$1,700.00  | \$1,655.51  |
| Gardening                         | \$2,905.00  | \$3,500.00  | \$2,630.00  |
| Gas                               | \$8,557.04  | \$15,000.00 | \$12,724.77 |
| Income Tax Payment                | \$107.40    | \$0.00      | \$0.00      |
| Insurance                         | \$0.00      | \$17,000.00 | \$15,846.18 |
| Insurance Claim                   | \$1,966.80  | \$0.00      | \$0.00      |
| Insurance Stamp Duty              | \$0.00      | \$1,650.00  | \$1,542.91  |
| Keys, Remotes & Common Seals      | \$169.60    | \$600.00    | \$482.40    |
| Landgate Charges                  | \$0.00      | \$0.00      | \$80.00     |

# Exclusive Strata Management

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## Income and Expenditure Statement - S/Plan 0000 "Building View" Building Address

For the Financial Period 01/07/2019 to 29/04/2020

### Administrative Fund

|  | <b>TOTAL<br/>THIS<br/>YEAR</b> | <b>This Year<br/>Budget</b> | <b>Last Year<br/>Actual</b> |
|--|--------------------------------|-----------------------------|-----------------------------|
| Lawnmowing                                 | \$475.00                       | \$900.00                    | \$870.00                    |
| Legal/SAT Fees                             | \$0.00                         | \$0.00                      | \$211.50                    |
| M&R - Electrical                           | \$449.91                       | \$2,300.00                  | \$1,720.00                  |
| M&R - General                              | \$3,887.57                     | \$12,000.00                 | \$10,080.89                 |
| M&R - Lift                                 | \$4,590.54                     | \$12,000.00                 | \$14,415.36                 |
| M&R - Painting                             | \$0.00                         | \$0.00                      | \$63,904.00                 |
| M&R - Plumbing                             | \$2,619.37                     | \$3,000.00                  | \$2,354.86                  |
| M&R - Pool                                 | \$10,174.05                    | \$12,000.00                 | \$12,991.03                 |
| M&R - Projects                             | \$0.00                         | \$10,000.00                 | \$0.00                      |
| M&R - Reticulation/Irrigation              | \$1,738.45                     | \$350.00                    | \$349.82                    |
| M&R - Security Gates/Doors                 | \$1,763.64                     | \$6,000.00                  | \$5,236.57                  |
| Meeting Fees & Expenses                    | \$1,809.09                     | \$1,600.00                  | \$1,696.36                  |
| Postage & Petties                          | \$1,196.00                     | \$1,650.00                  | \$1,748.00                  |
| SProj Tiling                               | \$0.00                         | \$0.00                      | \$8,431.00                  |
| Section 43 - Expense                       | \$300.00                       | \$0.00                      | \$0.00                      |
| Strata Mment Fee                           | \$11,281.84                    | \$14,200.00                 | \$12,545.40                 |
| Supplier Compliance Fee                    | \$530.00                       | \$640.00                    | \$636.00                    |
| Telephone Costs                            | \$354.50                       | \$430.00                    | \$435.40                    |
| Treelopping/Pruning                        | \$0.00                         | \$2,000.00                  | \$110.00                    |
| Waste - Rubbish Removal                    | \$1,765.82                     | \$1,000.00                  | \$821.82                    |
| Water Consumption                          | \$10,646.44                    | \$12,000.00                 | \$11,546.98                 |
| Window Cleaning                            | \$490.92                       | \$3,700.00                  | \$3,813.75                  |
| <b>Total Administrative Fund Expenses</b>  | <b>\$103,876.06</b>            | <b>\$177,246.00</b>         | <b>\$229,287.44</b>         |
| <b>Administrative Fund Surplus/Deficit</b> | <b>\$47,355.58</b>             | <b>\$30,754.00</b>          | <b>\$(5,681.90)</b>         |

This is the net surplus/deficit for the strata company. Essentially the Income minus the Expenditure.

This is the total expenditure for the Admin account for the financial period above.

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## Income and Expenditure Statement - S/Plan 0000 "Building View" Building Address

For the Financial Period 01/07/2019 to 29/04/2020

### Reserve Fund

Income on the  
reserve fund.

|                                     | TOTAL<br>THIS<br>YEAR | This Year<br>Budget | Last Year<br>Actual |
|-------------------------------------|-----------------------|---------------------|---------------------|
| <b>Income</b>                       |                       |                     |                     |
| Interest on Overdues                | \$147.72              | \$0.00              | \$57.96             |
| Interest on Term Deposits - R       | \$538.26              | \$0.00              | \$1,159.31          |
| Levy Income R                       | \$8,181.72            | \$12,000.00         | \$10,908.96         |
| Special Levy Income - Lift          | \$36,363.72           | \$0.00              | \$36,363.72         |
| <b>Total Reserve Fund Income</b>    | <b>\$45,231.42</b>    | <b>\$12,000.00</b>  | <b>\$48,489.95</b>  |
| <b>Expenses</b>                     |                       |                     |                     |
| <b>Total Reserve Fund Expenses</b>  | <b>\$0.00</b>         | <b>\$0.00</b>       | <b>\$0.00</b>       |
| <b>Reserve Fund Surplus/Deficit</b> | <b>\$45,231.42</b>    | <b>\$12,000.00</b>  | <b>\$48,489.95</b>  |

# Exclusive Strata Management

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## Expenses & Other Income - S/Plan 0000

### "Building View"

### Building Address

For the Financial Period 01/07/2019 to 29/04/2020

Detailed information of each item of income received.

Shows details of the supplier and description from the actual invoice.

#### Administrative Fund - Other Income

##### Income Tax Refund

| Date                               | Ref. | Details                                | Amount          | Balance    |
|------------------------------------|------|--|-----------------|------------|
| 16/07/2019                         | 4139 | Other Receipt - ATO Refund             | \$1,640.60      | \$1,640.60 |
| 16/07/2019                         | 4140 | Other Receipt -ATO Adjustment - Refund | \$-1,640.60     | \$0.00     |
| 13/03/2020                         | 219  | ATO Funds                              | \$107.40        | \$107.40   |
| <b>Total for Income Tax Refund</b> |      |  | <b>\$107.40</b> |            |

##### Interest on Overdues

| Date       | Ref. | Details  | Amount   | Balance    |
|------------|------|--|----------|------------|
| 23/07/2019 | 4147 | Lot# 48 Levy from 01/07/2019 to 29/04/2020   | \$40.88  | \$40.88    |
| 23/07/2019 | 4148 | Lot# 48 Levy from 01/07/2019 to 29/04/2020   | \$164.00 | \$204.88   |
| 26/07/2019 | 4152 | Lot# 18 Levy from 01/07/2019 to 29/04/2020   | \$12.42  | \$217.30   |
| 02/08/2019 | 4159 | Lot# 50 Levy from 01/07/2019 to 29/04/2020   | \$8.87   | \$226.17   |
| 02/08/2019 | 4157 | Lot# 18 Levy from 01/07/2019 to 29/04/2020   | \$10.10  | \$236.27   |
| 21/08/2019 | 4187 | Lot# 45 Levy from 01/07/2019 to 29/04/2020   | \$36.35  | \$272.62   |
| 23/08/2019 | 4189 | Lot# 18 Levy from 01/07/2019 to 29/04/2020   | \$6.14   | \$278.76   |
| 30/08/2019 | 4198 | Lot# 23 Levy from 01/07/2019 to 29/04/2020   | \$32.70  | \$311.46   |
| 18/09/2019 | 4245 | Lot# 36 Levy from 01/07/2019 to 29/04/2020   | \$48.92  | \$360.38   |
| 19/09/2019 | 4251 | Lot# 52 Levy from 01/07/2019 to 29/04/2020   | \$9.23   | \$369.61   |
| 23/09/2019 | 4258 | Lot# 50 Levy from 01/07/2019 to 29/04/2020   | \$11.28  | \$380.89   |
| 21/10/2019 | 4292 | Lot# 45 Levy from 01/07/2019 to 29/04/2020   | \$22.44  | \$403.33   |
| 25/10/2019 | 4295 | Lot# 18 Levy from 01/07/2019 to 29/04/2020   | \$19.62  | \$422.95   |
| 31/10/2019 | 4297 | Lot# 36 Levy from 01/07/2019 to 29/04/2020   | \$22.00  | \$444.95   |
| 06/11/2019 | 4305 | Lot# 49 Levy from 01/07/2019 to 29/04/2020   | \$33.85  | \$478.80   |
| 06/11/2019 | 4304 | Lot# 49 Levy from 01/07/2019 to 29/04/2020   | \$81.03  | \$559.83   |
| 11/11/2019 | 4315 | Lot# 22 Levy from 01/07/2019 to 29/04/2020   | \$25.36  | \$585.19   |
| 11/11/2019 | 4311 | Lot# 17 Levy from 01/07/2019 to 29/04/2020   | \$50.00  | \$635.19   |
| 15/11/2019 | 4328 | Lot# 48 Levy from 01/07/2019 to 29/04/2020   | \$30.23  | \$665.42   |
| 15/11/2019 | 4327 | Lot# 18 Levy from 01/07/2019 to 29/04/2020   | \$6.38   | \$671.80   |
| 18/11/2019 | 4331 | Lot# 17 Levy from 01/07/2019 to 29/04/2020   | \$47.87  | \$719.67   |
| 25/11/2019 | 4348 | Lot# 17 Levy from 01/07/2019 to 29/04/2020   | \$39.61  | \$759.28   |
| 02/12/2019 | 4382 | Lot# 12 Levy from 01/07/2019 to 29/04/2020   | \$33.42  | \$792.70   |
| 02/12/2019 | 4362 | Lot# 17 Levy from 01/07/2019 to 29/04/2020   | \$50.00  | \$842.70   |
| 02/12/2019 | 4365 | Lot# 48 Levy from 01/07/2019 to 29/04/2020   | \$18.96  | \$861.66   |
| 09/12/2019 | 4395 | Lot# 17 Levy from 01/07/2019 to 29/04/2020   | \$50.00  | \$911.66   |
| 10/12/2019 | 4397 | Lot# 18 Levy from 01/07/2019 to 29/04/2020   | \$4.53   | \$916.19   |
| 16/12/2019 | 4408 | Lot# 17 Levy from 01/07/2019 to 29/04/2020   | \$47.74  | \$963.93   |
| 17/12/2019 | 4416 | Lot# 38 Levy from 01/07/2019 to 29/04/2020   | \$3.44   | \$967.37   |
| 17/12/2019 | 4415 | Lot# 48 Levy from 01/07/2019 to 29/04/2020   | \$166.67 | \$1,134.04 |
| 20/12/2019 | 4428 | Lot# 3 Levy from 01/07/2019 to 29/04/2020  | \$6.50   | \$1,140.54 |
| 24/12/2019 | 4438 | Lot# 23 Levy from 01/07/2019 to 29/04/2020   | \$8.36   | \$1,148.90 |
| 08/01/2020 | 2891 | Lot# 3 Special Levy - Credit interest paid on Standard levy contribution 01/12/2019 - 29/02/2020 | \$-6.25  | \$1,142.65 |
| 13/01/2020 | 4463 | Lot# 48 Levy from 01/07/2019 to 29/04/2020   | \$6.04   | \$1,148.69 |
| 16/01/2020 | 4468 | Lot# 17 Levy from 01/07/2019 to 29/04/2020   | \$169.90 | \$1,318.59 |
| 20/01/2020 | 4475 | Lot# 43 Levy from 01/07/2019 to 29/04/2020   | \$20.79  | \$1,339.38 |
| 23/01/2020 | 4481 | Lot# 48 Levy from 01/07/2019 to 29/04/2020   | \$86.61  | \$1,425.99 |
| 24/01/2020 | 4484 | Lot# 47 Levy from 01/07/2019 to 29/04/2020   | \$26.54  | \$1,452.53 |
| 17/02/2020 | 4504 | Lot# 17 Levy from 01/07/2019 to 29/04/2020   | \$4.87   | \$1,457.40 |
| 17/02/2020 | 4505 | Lot# 17 Levy from 01/07/2019 to 29/04/2020   | \$0.22   | \$1,457.62 |

## MEETINGS

# Annual General Meeting

Each Strata Company must hold an Annual General Meeting (AGM) every year (no more than 15 months after the last meeting) to decide on budget, levies and the direction of the strata company for the upcoming year.

Exemptions to this are 2 lot schemes and 3-5 lot schemes if they have a registered by-law exempting them from this requirement.

The meeting notice and agenda will specify the meeting details and the motions to be resolved. There will be statutory motions to pass and there may also be specific items to vote on (such as maintenance items). Only motions included on the agenda need be discussed and resolved. Owners can request items of business to be included on the agenda prior to the meeting notice being circulated, but not after.

At the AGM, the Council of Owners are elected, the budget is set, and levies are raised to fund that budget. The AGM is an owner's opportunity to help shape the direction of the Strata Company for the coming year.

## NEW DEVELOPMENTS

After practical completion and residents begin moving into their accommodation, two main meetings will take place.

Prior to settlement with the new owners a **Statutory General Meeting** will be held with the original owner/developer to affirm the budget and levies for the Strata Company. At this point the owner/developer will be appointed as the council.

The developer as acting council may call an EGM at any point should any other matters arise that need to be voted on accordingly with the entire strata company.

Some time in the next 15 months, the next **AGM** will be held between the apartment owners and the appointed strata manager (possibly also the developer).

# The role of the Strata Manager

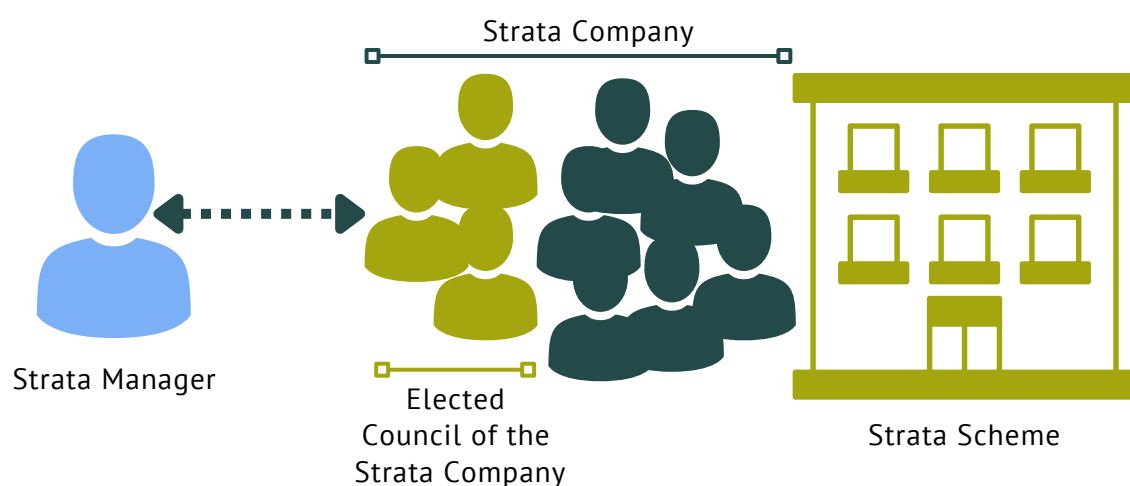
Strata Managers are responsible for assisting the Council of the Strata Company, to help ensure the building and common areas of the strata title are maintained and kept in good condition for the benefit of all owners.

The specific work they do is determined by the Council of the Strata Company who often meet with the Strata Manager on a regular basis.

Strata Managers are highly skilled in strata company management, they know exactly how to accommodate the needs of the council of owners in maintaining their strata title. Their broad understanding of strata legislation makes them an asset to the council of owners as they solve problems and make decisions about the strata title. They are integral to the smooth running of any strata title.

Here are some the tasks a strata manager is responsible for:

- Conduct meetings with the Council of the Strata Company
- Organise all repairs and maintenance of common areas
- Arrange payment for all invoices
- Manage strata budget and prepare financial statements
- Assist with strata disputes
- Ensuring the strata title is complying with safety requirements
- Organising building insurance management
- Collecting levies



Strata Managers can only spend money and make decisions as outlined and approved by the Council of the Strata Company. For example, if you report a maintenance issue such as a leak, it may fall under the responsibility of a Property Manager, Maintenance Manager or the Strata Manager may need to wait for the Council of the Strata Company to approve the repairs.

## BENEFITS OF STRATA LIVING

# How to sell Strata

## BENEFITS OF STRATA LIVING

*Data from 3000 surveyed residents by the Australian Apartment Advocacy*

**86%**

of surveyed residents are satisfied with their apartment

**70%**

of WA apartment owners would recommend it to friends and family

**86%**

of investors believe their apartment will increase in value in the next 10 years

**70%**

like that their apartment is close to public transport, shops and cafes

**63%**

Chose an apartment over another type of property because they were looking for less maintenance

Strata Living is amazing etc





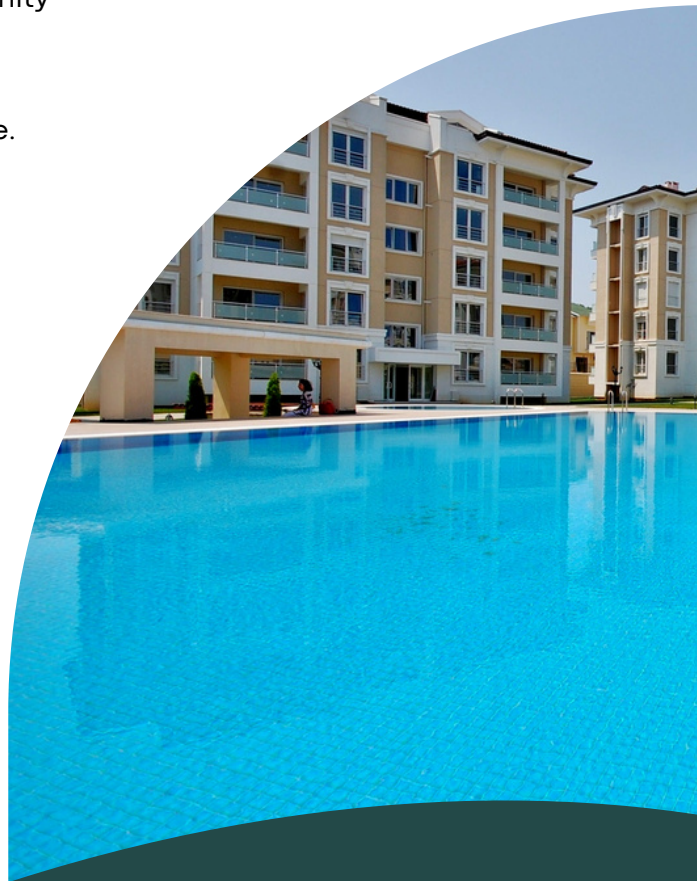
# Common facilities

## ENJOY LUXURIOUS FACILITIES FOR A FRACTION

Some strata properties come with facilities good enough to rival the top hotels. Pools, saunas, gyms, lifts, waiting areas, cellars, BBQ spaces, libraries - you name it!

Such luxuries are completely unobtainable on a green titled block and Strata provides an amazing opportunity to enjoy those facilities at a fraction of the cost!

These facilities also require no personal maintenance. They're always maintained, cleaned and come with house-rules to ensure a pleasant experience for all tenants.



### A Pool Comparison

In Australia, the average pool will cost you somewhere between \$100 and \$165 per month to maintain (*finder.com.au*). Costs come from running the filter pump, heating water and pool maintenance. These costs together mean you're paying somewhere between \$1200 - \$2000 per year to have a medium sized pool in your home.

In a strata property, not only will the facilities usually accommodate a bigger and more luxurious pool, but you will pay a fraction of that amount for the running and operation.

# Maintenance

## NEVER PICK UP A GARDEN HOSE AGAIN

The average home owner spend a lot of time and money maintaining their home. This can be upwards of 2.5% of the value of their property per year, and up to 3 - 12 hours per week.

This includes maintaining gardens, driveways, pathways, garages, windows, reticulation, security and fixtures.

Living in a strata property means that maintenance work required from the home owner is eliminated because it is looked after by a professional.

This ensures owners can enjoy the facilities, the spaces and the landscaping without having to sacrifice their time maintaining it.

Because all activities are looked after by a professional, the quality of work is a premium. This means nicer spaces, nicer gardens, longer lasting maintenance.

Many buyers are choosing strata specifically due to the lower maintenance requirement. When life gets in the way, time is stretched or your physical mobility is limited, strata properties enable you to enjoy beautiful surroundings without having to perform maintenance themselves or manage contracts.



**63%**

Chose an apartment over another type of property because they were looking for less maintenance

**BENEFITS OF STRATA LIVING**

# Safety & Community

**SECURE AND FUN**



Strata title schemes offer housing with a community atmosphere.

Residents who get to know their neighbours and socialise, often come together to form strong and co-ordinated Councils, resulting in an effective strata scheme.

There are a number of things strata companies can do to establish community atmosphere with communication and engagement of all residents inclusive of tenants being vital. The ESM is a great tool in achieving this.

Another positive aspect to living in Strata can be increased security both of your lot and the common property, whilst this can vary scheme to scheme most strata complexes will have secure parking, access or CCTV. |

## OVERCOMING OBJECTIONS

# FAQ's

## OVERCOMING STRATA-RELATED OBJECTIONS

During the sales process there may be queries regarding living in a strata community that we have assembled some answers to below.

At the end of the day, Strata Living may not be for everyone.

### **The levies are too high?**

The levies of the strata company are a reflection of the budget required to maintain the common property.

### **Do I need to attend the General meetings?**

We suggest all owners attend the general meetings so that they are fully aware of how the strata company functions. Ultimately the owners make the decision so all should be involved.

### **Does the Strata Manager attend site for inspections?**

It is not the role of the Strata manager to attend site. Whilst they can the strata managers role is an administrative role.

### **When I sell do i get unused funds refunded?**

No. Any surplus funds from budgets remain with the strata company and are not paid to owners upon selling the property.

### **Can I renovate or install extensions?**

Every Strata Plan is unique and you should always consult your Strata Manager prior to starting any renovations so that you can be guided as to the correct process.

### **Do I have to pay my levies every year?**

Yes. The strata company will have expenses every year and funds are required ongoing throughout the life of the strata company.

### **My friends strata company levies are less than mine. Why?**

Every strata property is unique with differing facilities and requirements.

### **Can I install a shade/solar/trees/electric vehicle charger on my property?**

In most cases Yes! But always consult your strata manager as to the correct process to seek approval.

### **The unit next door's levies are lower than mine. Why?**

The unit of Entitlement determines how much each unit must contribute towards the strata company. This is not determined by the strata manager but rather by a valuer. Many factors inclusive of it's size, position and floor level are determining factors.

# Questions? Contact us.

Questions about your new development? Get in touch with our expert team. We are happy to help answer any questions you have about your development, whether you're at concept stage or near completion.

Phone: 08 9362 1166

Email: [submissions@esmstrata.com.au](mailto:submissions@esmstrata.com.au)

[www.esmstrata.com.au](http://www.esmstrata.com.au)

