

STP-17 Termination of a Strata/Survey-Strata Scheme

Version 2 - 01/05/2020

The information provided in this guide is not intended to amount to legal advice. Professional assistance may be required to determine the most appropriate action to protect your legal rights. Please read our <u>Terms of Use</u> on the Strata Titles Policy and Procedure Guides web page. Landgate accepts no responsibility where parties print this guide and seek to rely on information that is out of date.

1 Terminations Sections (171 to 195 of the STA)

The termination process:

- provides safeguards for owners
- is transparent, reasonable and requires a vote, and
- requires a full procedural and fairness review by the State Administrative Tribunal (SAT) to consider all owners' views.

The majority termination process is more than just a vote, there is a complete, transparent process that must be followed. If the vote produces the required majority, but is not unanimous, the termination proposal must undergo a fairness and procedure review by SAT and cannot proceed without a SAT order.

SAT can order that a scheme be terminated under a majority vote only if it is satisfied of three key things:

- the termination process was properly followed, and
- every owner who objects to the termination will get at least fair market value for their lot (eg: apartment or unit), and
- the proposal to terminate is just and equitable.

The termination process is outlined below.

1.1 Part A - The Proposal

• Preparation of an outline termination proposal

- Distribution of the outline proposal owners and mortgagees
- Voting on outline proposal
- Obtaining planning approval
- Preparation of the full proposal
- Referral of the proposal to an Independent Advocate

1.2 Part B - The Vote

- Distribution of the full proposal to all parties
- Voting on the full proposal

1.3 Part C - The fairness and procedure review

- Application to SAT for a fairness and procedure review
- Application to the Western Australian Planning Commission to endorse the plan of survey
- Apply to the Registrar to register the termination

See the Guide to the Termination of Schemes (coming soon) for full details of this process.

1.3.1 Application to the Western Australian Planning Commission to endorse the plan of survey

The deposited plan lodged at Landgate will need to be sent to WAPC for their approval before the termination can be registered.

This deposited plan will be lodged, examined and sent to the WAPC as per any deposited plan requiring WAPC approval. The only unique feature on this plan being that the former tenure table will show strata/survey-strata lots, plans and titles as the former tenure of the lot created on this deposited plan (see example table below).

LOT	FORMER TENURE	ON PLAN/DIAGRAM	TITLE
666	LOTS 1-20 & COMMON	STRATA PLAN	2600-1 TO
	PROPERTY	60000	2600-20

Once deemed 'In Order for Dealings', Landgate will endorse 'Subject to termination of strata plan 60000' (in this case), in the "In Order for Dealings" panel on the plan.

1.3.2 Apply to the Registrar to register the termination

The proponent will lodge an Application for Termination with, if applicable:

- a statement (in the approved form) of how each item registered or recorded for the scheme in the Register is to be dealt with; and
- disposition statements, instruments or documents necessary for that purpose.

See <u>STR-07 Variation or Termination of a Strata Scheme</u> for all registration requirements for terminations.

Upon registration, a title for the lot on the deposited plan will be created in the name of all the owners of the scheme as tenants in common in shares proportional to their unit entitlements. Short form easements and restricted covenants created under the STA will automatically be discharged upon termination.

- Under section 188 of the STA, all the notices received by Registrar of Titles throughout the termination process are recorded as a notification on the scheme plan and the strata title for each lot in the scheme. This is to ensure that people who search can see if the scheme is considering a termination proposal. A notice of withdrawal of a termination proposal (section 186 of the STA) or a notice that a termination proposal cannot proceed further (section 187 of STA) will be regarded as a withdrawal of all earlier notifications recorded in the Register about the termination proposal.

2 Unanimous Owner-Initiated Termination Proposals (regulations 153-159 of the ST(G)R)

A unanimous owner-initiated termination proposal is when:

- the proponent is one or more of the owners of lots within the scheme; and
- the termination proposal is submitted by the proponent on condition that it will be proceeded with only if it has the unanimous support of the owners of lots in the scheme.

This process is outlined below:

- Permission to submit termination proposal as unanimous owner-initiated termination proposal (regulation 154)
- Outline of proposal (regulation 155)
- Qualifications of independent advocate (regulation 156)
- Full proposal (regulation 157)
- Person who can provide report of required works (regulation 158)
- Arrangements for independent advice or representation for owners (regulation 159)

See the <u>Guide to the Termination of Schemes</u> for full details of this process.

2.1 Registration

A termination proposal that has unanimous support of owners of lots in a strata titles scheme does not require the confirmation of SAT. If the termination resolution is passed, an application can be made to the Registrar of Titles for the termination of the scheme under section 193,

The proponent will lodge an <u>Application for Termination of Scheme by Single Owner or Unanimous</u> <u>Agreement</u> with, if applicable:

- a statement (<u>Statement to Deal with Land</u>) of how each item registered or recorded for the scheme in the Register is to be dealt with; and
- disposition statements, instruments or documents necessary for that purpose, and
- a deposited plan.

See <u>STR-07 Variation or Termination of a Strata Scheme</u> for all registration requirements for terminations.

3 Termination by a Single Owner (section 191 of the STA)

If all the lots in a strata titles scheme are owned by the same person, that person can make an Application for Termination of Scheme by Single Owner or Unanimous Agreement at Landgate without the requirement to go through the whole termination process outlined in this Guide (except for obtaining an approval of a plan of subdivision from WAPC). This application will need to be accompanied by:

- a statement (in the approved form) of how each item registered or recorded for the scheme in the Register is to be dealt with; and
- disposition statements, instruments or documents necessary for that purpose
- a deposited plan.

See <u>STR-07 Variation or Termination of a Strata Scheme</u> for all registration requirements for terminations.

Upon registration, a title for the lot on the deposited plan will be created in the name of the single owner of the scheme.

4 Termination on Compulsory Acquisition (section 196 of the STA)

The Minister for Lands may in a taking order declare that a strata titles scheme for that parcel is terminated on the registration of that order. The Registrar of Titles must register the land in the parcel in the name of the Crown or other authority in which it has vested under the taking order.