

**From:** Ken Leighton  
**To:** [Legislation Committee](#)  
**Subject:** submission on Strata Titles Amendment Bill 2018 - Termination of Schemes  
**Date:** Tuesday, 25 September 2018 11:12:16 AM

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To whom it concerns

I applaud the government for enabling the amendment of the Strata Titles Act. My limited understanding of the original STA (1966 and amended in 1985) was that it was legislated as strata title developments were relatively new to WA and timely in replacing other outdated titles like the unwieldy Purple Titles. Fifty years ago the surge of building multi owner commercial and residential buildings to make best use of land was inevitable but it seems little regard was paid to how these were to be disposed of at their end of life. Now many of these buildings need to be replaced and the requirement for 100% agreement to any scheme termination is a significant road block to progress. 100% (agreement) is unworkable in almost any decision making process. It is time for change to allow (re)development to proceed and to encourage owners of dilapidated complexes to move forward. This is not only in the best interests of the owners but of the community at large. It minimises the risk of buildings becoming slums and the transformation of near city areas that contained multiple high rise apartments (eg Maylands) into aging eyesores.

I understand the amendment proposes a change from 100% to 75 or 80%. When considering the size of ST schemes most would fall in the range of 2 – 200 and so the question is should they all be treated the same? Certainly the chance of obtaining even 75-80% of agreement in the larger schemes is going to be exponentially more difficult than for those of single digits. I believe there is an argument that any vote above 50% should determine the future of any scheme. We live in a democracy the fundamentals of which ensures that the majority rules and that the aggrieved have a right of appeal. Under a more relaxed criteria for a 100 owner scheme getting 51 owners to agree to terminate would be considerably less daunting than getting 75 or 80 to agree. Sure it might cause a flood of appeals to the tribunal but this is an administrative issue – the purpose of the act amendment I understand is to make it easier for owners to terminate an unviable scheme to allow progress rather than making the life of the tribunal easier. Even for a 4 owner ST scheme three owners would need to agree to ensure compliance with a greater than 50% condition. So a majority rule does not disadvantage small schemes.

By way of personal experience which demonstrates the urgent need for change to the requirement for 100% termination consent, I am an owner in a 27 owner strata scheme which the majority of owners have agreed to terminate. Unfortunately the dominant human frailty of greed intervened and successfully stalled the process. One owner was even coerced into signing an offer and acceptance to a third party representing a big development across the road, to effectively block the sale of our complex as they knew a potential development of our lot would block the city views of a good number of his apartments. Three other owners believed they deserved more than their unit entitlement share of the sale proceeds and held the majority of owners to ransom demanding more for their agreement to sell. Even a 75% criteria would have allowed the sale to proceed – leaving the greedy out in the cold.

I would also be keen to see some direction as to how the proceeds of sale should be distributed. This may be taken up by the 'Regs' but it needs to be addressed and maybe this could be part of the democratic vote on the termination process. By way of demonstration of the inequity of



using Unit of Entitlement (UE) as the basis for distribution – I bought our property at market value. Being on the top floor it has commanding views of the river and Perth city skyline. At sale we will only receive a distribution based on UE which means the bottom floor unit with the same UE and commanding views of an asbestos fence receives the same proceeds of sale.

I trust my comments will add value to argument to move away from the 100% vote requirement for scheme termination. In summary either 75 or 80% is in my view an arbitrary number with little merit other than to possibly reduce the burden of a tribunal. 51% represents a democratic vote and supports our way of life. It also will allow more progress to be made in terms of urban renewal and will ensure that the potentially disadvantaged who are most at risk of living in urban slums will be accommodated more appropriately.

A handwritten signature in black ink, appearing to read 'K. S. Leighton'. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Regards Ken Leighton