

# What is Strata?

In Western Australia there are only a couple of different land tenure ownership options and one of those is a Strata Property. Strata complexes have Common Property which is co-owned by all owners of the Strata Company, which is unlike a freehold property that is the sole responsibility of that owner. There are almost 100,000 different Strata Company's in Western Australia and each of these are set up differently with different rules for how they are to be run.

Strata Plans can cover the likes of single tier complexes, townhouses, apartment complexes and more, and each of these have their own unique strata plan and strata plan number.

## What is a Strata Company?

A Strata Company is the combination of all owners in the Strata complex. Each owner of a Lot owns a share in the Strata Company. The amount of your 'share' is your Unit Entitlement.

It is also worth noting that the Strata Company is treated as a Public Company by the ATO and may have to lodge tax returns if they derive assessable income.

## What if I don't want to be part of the Strata Company?

Unfortunately, there is no 'opt-out' option for those living in strata. If you have purchased into a Strata complex, you are required to participate in the obligations of the Strata Company under the legislation. This very often also includes contributing to the funds of the Strata Company as well.

## Elected Council of the Strata Company

Similar to a company Board, the Council of the Strata Company are elected to represent the Strata Company (all owners) throughout the year.

At your Annual General Meeting (AGM) each year, a new Council is elected. Legislation states that there is between 3 and 7 representatives on the Council (unless changed in by-laws). The number of people you have on your Council may change every year. At your AGM, all positions are up for nomination and can change, or may stay with the same volunteers re-elected.

Often, your Council make and effectively communicate to the Strata Manager, the interim decisions required to ensure your Strata Company can continue to operate and function throughout the year on matters that may not have been considered at your AGM.

Your Council often delegates the functions of the Council to the Strata Manager, to carry out the tasks as required. This includes obtaining quotes, issuing work orders, monitoring the funds throughout the year, managing insurance claims, issuing contravention notices etc.

## Strata Manager

Although the Council retain responsibility for making most decisions throughout the year, your Strata Manager ensures tasks are completed, funds are managed, and your Strata Company is adhering to their legislated responsibilities. We are the mediators between your Owners and ensuring the completion of tasks.

If you would like more information on strata, please feel free to contact your **Degrees Strata Manager** at any time. We're more than happy to help you!