

NSW Strata Overhaul on Hold – Owners of New Apartments at Risk

A six month delay to new strata legislation flagged in February this year has now become an indefinite pause, according to a press release issued last week by the Fair Trading Ministry.

Officially, the delay is due to a State Government plan to bring community title laws up to date so that all of the proposed reforms can go through at the same time. But according to a Domain article, the real reason is likely to be the opposition expected in the Upper House from Labour, The Shooters Party and other cross-bench members.



While the changes were initially expected to be in effect by July 1 this year, the final Bill will now not be presented to Parliament until early next year with enactment intended for early 2016 at the earliest – and this timing is based on the assumption that there will not be a change of Government at the next State election in March.

The changes that will now be at least eighteen months away include an important defects bond for developers, designed to keep more disputes out of court. The delay is a particular blow to owners of new apartments, after the new Home Building Amendment Act was passed through parliament last month. Bringing with it a new definition of “major defect”, experts are saying legitimate claims may now be under question.

Strat lawyer Christopher Kerin told Domain the new definition will affect statutory warranties.

“The reforms are largely retrospective, so buildings more than two years old will lose the benefit of statutory warranties unless the owners corporation has already commenced proceedings.”

Posted on July 8, 2014 by Dale Freeman in [apartments](#), [building defects](#), [Fair Trading](#), [NSW Strata](#), [state government](#).

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