CREATING STRATA SOLUTIONS

VINC LEGAL

TWO LOT STRATA SCHEMES



Do you live in or manage a duplex?

Strata schemes with two lots are subject to their own set of rules under the Strata Schemes Management Act ('SSMA').

Here's what you need to know!

What is a two lot strata scheme?

- Two-lot strata schemes are those that simply consist of two lots.
- The SSMA recognises that the requirements applicable to larger schemes may produce administrative burdens on owners of two-lot schemes.
- Hence, the SSMA contains unique provisions designed to make management of these smaller schemes easier

What are the rules for two lot schemes under the SSMA?

- **Strata Committees** consist of one owner from each lot; either the sole owner or a nominated co-owner (*SSMA s30(4)*). Both members are required for a quorum to be formed (*SSMA Sch 1, Cl 17(2)(c))*
- **Audit Requirements:** where the scheme's annual budget does not exceed $250,000.00, an audit of the scheme's accounts and financial statements is not required (*SSMA s95*).
- **Capital Works Fund & Building Insurance:** where the buildings comprising each lot are physically separate and there are no additional buildings on the common property, the Owners Corporation may unanimously resolve to **not** have a Capital Works Fund (*SSMA s74(5)*) and not to obtain building insurance (*SSMA s160(4)*). Relatedly, a 10-year capital works fund is also not required (*SSMA s80*).
- An **Administrative Fund** is still required. The scheme must comply with the *SSMA*'s record keeping and administrative requirements (*SSMA s73*).
- **By Law Enforcement:** a notice to comply can be given to an owner or occupier who has contravened a by-law. This notice can be given without a resolution being passed at a general meeting (*SSMA s146(4)*).

Navigating the legal requirements of smaller strata schemes may still be complex.

Vinc Legal can help you understand your obligations & help you stay compliant with NSW strata law!



We'd love to help you *Create Strata Solutions!*

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