Community Schemes - what are they and what’s changing?

As a national Registered Training Organisation, we have the opportunity to provide training to agents from all over Australia. Not every agent gets to deal with the variety of “stock” that includes community schemes, which means that we are often asked to explain how they work. With the announcement of the Community Scheme Law reforms from NSW Fair Trading in the last couple of weeks, we thought it a perfect time to have a refresher of what the schemes are as well as letting you know what the proposed reforms look like.

Community schemes differ from State to State. They are essentially a subdivision of land with shared property, much like the strata title system. However, it allows for a more comprehensive subdivision to include Torrens title properties as well as strata properties. These are sometimes referred to as gated estates.

In New South Wales they can come in three forms:
1. Community schemes,
2. Neighbourhood schemes and
3. Precinct schemes.

As at July 2014, New South Wales had 709 community schemes, 30 precinct schemes and 1,459 neighbourhood schemes. Parcels of land may be subdivided by community, precinct or neighbourhood schemes. The collective ownership model is a corporation called the ‘association’ and the communally owned property is known as ‘association property’.

The Community Land Management Act 1989 and the Community Land Development Act 1973 are the two main pieces of law that govern Community schemes and are now being reviewed through the NSW Fair Trading Strata and Community Reforms which started in 2012 with the Strata position and discussion papers. Community schemes laws have generally been based on the main strata laws. However, as Strata laws have been constantly evolving, the community laws have not.

The proposed community specific changes are as follows:
- allow land to be added to a community or precinct scheme, providing it has been disclosed in the development contract
- allow a schedule of contributions to be included in a development contract which will itemise expenses and identify who is responsible for payment
CPD
2 HOUR
BREAKFAST
SEMINARS

Full 12 points!!

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Thu 23rd Oct

Windsor
Sales & Prop Mgmt
Fri 24th Oct

Newcastle
Sales & Prop Mgmt
Tue 28th Oct

Castle Hill
Strata
Thu 30th Oct

Sydney
Trust Accounting
Wed 5th Nov

Penrith
Sales & Prop Mgmt
Fri 21st Nov

Campbelltown
Sales & Prop Mgmt
Wed 26th Nov

Castle Hill
Sales & Prop Mgmt
Fri 28th Nov

Sydney
Strata
Mon 1st Dec

- allow additional association property to be created by a community or precinct plan of subdivision, providing it has been disclosed in the development contract
- require meetings to be called to authorise certain matters identified in a development contract as “development concerns”
- only require a neighbourhood development contract for staged development of a neighbourhood scheme
- allow land to be added as association property or as a lot in the scheme by special resolution
- allow associations to lease additional property
- allow subsidiary neighbourhood schemes to be wound up and the property to be vested in the parent community scheme
- enable a community plan of subdivision to subdivide or create association property by special resolution
- allow a neighbourhood scheme or strata scheme within a community scheme to approve the subdivision of property by special resolution
- enable associations to take the benefit of a statutory easement, and
- allow subsidiary schemes to lodge a revised schedule of unit entitlements when development of the relevant scheme is complete.

If you are involved with community schemes, and wish to read more about the specific proposals, you need to visit the Fair Trading website to view the Community Schemes Position Paper.

And good luck with all your property dealings this week.

Til next time,
Wishing you every success in your business ventures,
Rosy Sullivan

Certificate IV in Finance & Mortgage Broking

Monday 15th - Wednesday 17th October

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Strata Management Practices

for existing Real Estate, Stock & Station and Business Broking Licensees

Tuesday 11th to Friday 14th November
Sydney CBD
The College predicted that the October long weekend would be a quieter period due to everyone having that extra day off and getting relaxed... How wrong we were! It seems that a lot of our existing and new students were more motivated than ever to tackle their studies head on over the weekend. As for our face to face courses, we were once again blown away with the amount of attendees to our CPD and experienced agents licence program. The feedback has been fantastic from all our courses run over the last two weeks.

With the high demand of training this year, the College has had to recruit very quickly and it is fantastic news to say that we have two new staff members join our ACOP family. Emilie Kemp has joined our production team and has hit the ground running. Emilie is Imogen's sister and they have a fierce rivalry over who has neater handwriting. Tanya Mottl has also joined the team and will be working on marking assessments and will be here for student phone support.

In other news, the College is looking at developing a weekly webinar session for students to ask our trainers questions in regards to their assessments and just general advice within the fields they are studying. We are also launching our first Certificate IV in Training & Assessment course later this year, so come and join some of the ACOP staff who will also be taking part in the class. So if you were ever interested in becoming a trainer, please get in touch with the College to get some more information on start dates.

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