Fairer unit title legislation

30 September 2014

Residential units requiring major costly repairs and maintenance or those which pose a health and safety threat could be a thing of the past, with the introduction of the *Unit Titles (Termination of Units Plan and Schemes) Bill*.

Under the proposed legislation, a unit complex of 10 or more may be redeveloped if the required majority of owners agree to the plans and the compensation offered by a developer to dissenting owners is accepted.

Attorney-General John Elferink said this legislation will put an end to a small number of unit owners purposely blocking development for unreasonable financial gain against the wishes of the majority of other owners.

“This legislation is aimed at those who consistently undermine the wishes of the majority of property owners in an old and devalued unit block,” Mr Elferink said.

“Under current legislation in the Northern Territory, a complex cannot, except under an order of the Supreme Court, be sold or redeveloped if just one owner refuses to accept an offer from a property group, even if the remainder of the owners agree to the plans.

“With the appropriate number of approvals by owners, the proposed legislation could see obsolete buildings redeveloped to cater for Darwin’s growing population.

“Small minorities that object to the proposed development will have access to a thorough appeals process, providing owners with the necessary safeguards and all parties with a fair and transparent process.

“Safeguards will be in place for anybody who strongly objects to any change to an existing structure and their concerns will be heard by the Northern Territory Civil and Administrative Tribunal (NTCAT).”

These changes to the *Unit Titles (Termination of Units Plan and Schemes) Act* will apply to developments of 10 or more units and will require the following percentages of support:

<table>
<thead>
<tr>
<th>Age of the Development</th>
<th>Percentage of Support Required</th>
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<tr>
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<tr>
<td>Age Category</td>
<td>Agreement Percentage</td>
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</tr>
<tr>
<td>Less than 15 years</td>
<td>100 per cent</td>
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<tr>
<td>15 years to less than 20 years</td>
<td>95 per cent</td>
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<tr>
<td>20 years to less than 30 years</td>
<td>90 per cent</td>
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<tr>
<td>30 years or older</td>
<td>80 per cent</td>
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“A minimum three month consultation period will apply, where owners will then be allowed to vote to accept or reject the proposed development plan,” Mr Elferink said.

“For smaller complexes (under 10 units) NTCAT will have the power to approve terminations based on more specific legislative guidance as to the principles that are to apply. These principles seek to ensure that the respective interests of majority and minority interests are taken into account.

“Unit complexes which agree to development will be financially compensated or compensated through other means, such as a unit in the new development.

“Darwin is growing up and out and we must ensure that new and affordable housing options are available for local residents.

“The changes have the potential to create more housing and hotels to support the increasing population and thriving tourism industry.

“New dwellings or developments will also need to meet proper cyclone and building codes, where older buildings may not have been built to modern standards.”

A discussion paper concerning Unit Titles terminations was released in November 2012 with comments required by 31 January 2013. Subsequently, a report on that consultation was published in September 2013.


The draft *Unit Titles (Termination of Units Plan and Schemes) Bill* will be available for public comment from 1 October and is expected to be introduced to Parliament for the October sittings.

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