

Dentons and Colliers achieve landmark court-ordered strata collective sale in NSW

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Sydney —Dentons and Colliers International have successfully advised the Owners Corporation of 252 Sussex Street Sydney to receive a landmark court judgment for a Strata Collective Sale in New South Wales, Australia.

The historic decision is the first ever court-ordered collective sale following changes in November 2016 to the Strata Schemes Development Act, which allowed for the sale or redevelopment of strata properties on a threshold level of support of 75% of owners, subject to Land and Environment Court Approval.

Under the Act, if an Owners Corporation has at least 75% of lot owners in strata scheme approve the sale of the building, it can apply to the Court for an order approving and requiring the sale of all lots. The Court is required to approve the sale if it is satisfied on a number of criteria, including the compensation payable to each owner and that the sale is just and equitable in all the circumstances.

Dentons and Colliers worked together on behalf of the Owners Corporation of 252 Sussex Street - a 159 lot strata scheme currently operating as a 119-key serviced apartment over 19 floors. Dentons advised on all aspects of the collective sales process and handled the Land and Environment Court proceedings, while Colliers International agents Gus Moors and Karen Wales marketed the property through an International Expressions of Interest campaign.

Dentons Real Estate Partner Chris Fabiansson said: “This decision is a great result for a fantastic group of owners who have worked hard over a two year period to achieve a collective sale. They are now part of a piece of NSW legal history in being the first group of owners to receive a court approval to a collective sale.”

Dentons Planning and Environment Partner Christina Renner added: “This is a particularly significant achievement because it’s the first time the court has had to consider this legislation in detail and it is the first successful use of the legislation to enable the collective sale of a strata building.

“We are extremely proud of what we’ve been able to achieve for our client from what was new and untested legislation.

“The existence of the legislation has helped other groups reach 100% agreement without going through the whole court process, but with 159 lots that was not possible in this matter. With this historic judgment, we expect that market perceptions around strata collective sales will shift, and more Owners Corporations will see the opportunities that are now open to them.”

Colliers International Head of Hotels Gus Moors said the Owners Corporation capitalised on the change to the Act and the strength of Sydney hotel market, choosing to divest an extremely well-located property in Sydney’s burgeoning Western Corridor.

Karen Wales Director Transaction Services added: “We received strong bidding from a wide array of international and domestic groups who were clearly not dissuaded by this untested legislation. Ultimately, the Yeh’s Group

successfully secured the property, adding to their growing network of Sydney hotels.”

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