

27th April, 2016.

The Director,
Regulation & Policy,
Dept of Justice & Regulation,
Consumer Affairs Victoria,
17/121 Exhibition Street,
Melbourne, Vic., 3000.
consumerpropertylawreview@justice.vic.gov.au

Dear Director,

***Consumer Property Act Review
Owners Corporations
Sale of Apartment Buildings
Part 5 of the Subdivision Act
Question 60***

My concern relates to the provisions which enable reasonable proposals for the sale of a building to be defeated by a minority of unit holders.

Presently the *Subdivision Act* requires all resolutions to be passed unanimously; but this can lead to considerable injustice in cases where all but one or two unit holders are against the resolution and holding out without cause.

My personal concern is not with respect to owners corporation apartment buildings but rather owners corporation **office and commercial buildings**. In my case 15 of 16 owners have accepted a good offer from a developer to sell, but one owner (possibly with the backing of a developer of an adjoining site but I cannot be sure), is blocking the sale. There is no valid reason for this owner to be holding out. The building is very old, about 90 years and is badly in need of refurbishment. The building is surrounded by development sites on which have been erected or soon will be erected large apartment blocks of more than 40 storeys.

The offer if accepted by the unit holder who is holding out would provide him with a windfall substantially in excess of the current market value of his property. Indeed, it would provide him with more than sufficient funds to purchase or lease a suitable alternate office in the near vicinity; and leave him with plenty of change.

An amendment to the *Subdivision Act* would be appropriate and go a long way towards reversing the substantial injustice that has been and will continue to be inflicted on the majority in cases such as I have mentioned.

So, what I am proposing is that with suitable safeguards the *Subdivision Act* be amended so as to permit an arrangement for the sale of all (commercial and office) units in all cases such as the one I have outlined where the support is **80% or more**.

Yours sincerely,



John Smith
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