

Your Strata Scheme is Being Sued for \$850 Million

Lot Owner Claims Damages of \$850 Million!

Generally we use these bulletins for educational purposes, but it's getting toward that time of the year when everything goes a little crazy in the world of strata title, and so today the emphasis is on providing you with sheer relief that your strata scheme is not tied up with the sort of case in which a decision was recently made by the Supreme Court of New South Wales, where a lot owner commenced proceedings against the owners corporation claiming damages of \$850 million!

The Strata Dispute Lot Owner Vs Owners Corporation

The dispute, between the occupant of an apartment located in Sydney and the owners corporation, began life as a tenancy dispute, but the occupant (tenant), having failed to enlist the support of the NSW Civil & Administrative Tribunal (NCAT), brought proceedings in the Supreme Court of NSW seeking among other things damages of \$850 million against the owners corporation! You can imagine the insurer's claims manager when that came through...

Needless to say, the proceedings in the Supreme Court of NSW were, to use the words of the Supreme Court Judge dealing with the final version of the proceedings, "frivolous and vexatious" and an abuse of the process of the Court. Notwithstanding this, the plaintiff lot occupant filed applications of various kinds in the proceedings, made scandalous allegations against the owners corporation's legal representatives, court officials and even a judge of the

Court.

At the heart of the lot occupant's claim was the suggestion that the owners corporation had somehow been involved in a criminal conspiracy which allegedly caused the plaintiff loss and damage.

Finally, on the sixth application before the Court (some of those applications being interlocutory applications for stays, injunctions and applications for recusal of various judges) the entire application was dismissed and the lot occupant was ordered to pay the owners corporation's legal costs on an indemnity basis. This means that the owners corporation was entitled to recover from the lot occupant not only the normal ("party/party") costs but almost all the legal costs it had expended in having to deal with this application.

Conclusion

So as we head towards the end of the year, and if you are experiencing stress due to the matters which your owners corporation has to deal with, just remember – at least you haven't been served with a law suit for \$850 million!

If you do have issues in your strata scheme JS Mueller & Co Strata Lawyers have the experience and ability to assist you in dealing with these issues, whether they are disputes relating to the operation of the committee, questions about property and renovations, dealing with adjoining land owners and more please contact us on the details below for further assistance.



Warwick van Ede I BEc LLM I Lawyer

Since 1990, Warwick has specialised in strata law, property law and litigation. Recognised for his expertise, he is also a NSW Law Society Accredited Specialist in Property Law. In 2021 he was selected to serve on the Property Law Committee of the Law Society of NSW. [Profile](#) I [LinkedIn](#)

Contact Us

For all strata law advice including by-laws, building defects and levy collections contact our specialist NSW and Sydney strata lawyers [here](#) or call 02 9562 1266, we're happy to assist.