

# Cavell Leitch Guide to Cross Lease Titles

A Cross-Lease is one of the forms of Property ownership in New Zealand and can be identified by looking at the Record of Title for a Property.

**When considering purchasing a Cross-Leased Property there are a number of unique things that you need to watch out for including:**



When purchasing a Cross-Lease you acquire two separate title interests. The Land the flat is located on is owned equally by all the Owners of the Cross-Leased flats and recorded in a Title and those same owners then grant a Lease back to each flat owner granting them the right to occupy a pre-defined area of the land, this is called a leasehold title.

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The Lease: this is registered against the title and will determine the portion of the land that makes up your flat, which parts of the flat you have the exclusive right to use and any areas which are for common use with other flat owners, most commonly a shared driveway. The lease will contain specific rules regulating your use of the flat, these may include; standards of property maintenance, who is responsible for the cost of that maintenance and potentially may exclude you from keeping certain pets on the property. It is important you have your Lawyer look over the Lease so that you are fully informed of all of the restrictions and obligations that will apply to you. Any structural changes to the Property also requires the consent of all the other flat owners.

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The Flats Plan: this will outline the each flat on the Property, the common areas and the exclusive use areas. This plan needs to reflect the Property accurately as any additions or alterations to the Property which are different from the flat plan can create a defective title.

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Some of these issues, such as a defective title, can be time consuming and very costly. Because of this it is crucial that you get legal advice prior to signing any Agreement so that you can ensure you are protected and that these issues are spotted before it is too late.

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**Please get in touch with Cavell Leitch's property experts today if you have any questions.**

Disclaimer: This is general information only, current at the time of production. Any advice in it has been prepared without taking into account your personal circumstances. You should seek professional advice before acting on any material.