

Cavell Leitch Guide to Unit Titles

A unit title is a common form of property ownership for apartments or units which are part of a larger complex. You own a defined part of a building and have the use of other common areas, such as driveways and apartment lobbies jointly with the other unit owners.

Here's what you need to know before purchasing a unit title:



Unit titles are subject to regulations set out in the Unit Titles Act 2010 (**Act**) so that all unit owners are members of a body corporate. The body corporate's role is to provide a structure for the management and maintenance of the development, for example establishing and maintaining a long-term maintenance plan and arranging insurance, which is funded by annual levies paid by each Unit owner.



Whether you are considering buying or selling a unit title, there are a number of disclosure requirements set out in the Act which must be complied with. These can be broken down into the following 3 categories, which we discuss below.



Pre-contract disclosure statement: the property owner must provide a pre-contract disclosure statement to all prospective purchasers. This statement must include specific information, which is set out in the Unit Title Regulations, for example unit levies, details of any maintenance planned by the body corporate and whether the property has ever been subject to any weathertightness claims.



Additional disclosure statement: up until 5 working days after the agreement is signed, the purchaser can request additional information relating to the body corporate (for example, copies of the body corporate's operational rules, the long-term maintenance plan, and details of the body corporate's insurance policy).



Pre-settlement disclosure statement: prior to 5 working days before settlement the vendor is required to provide a final pre-settlement disclosure statement and insurance. This statement lets the purchaser know whether there have been any changes since they entered into the contract, such as changes to the current body corporate rules or the levies that relate to the unit.



The pre-settlement disclosure statement: must be signed off by the body corporate (if there is no chairperson or management company, then all unit owners in the development must sign). Because of this, it is crucial to obtain this statement well before the due date to avoid unanticipated delays.

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.