

## PRE-CONTRACT DISCLOSURE STATEMENT SECTION 146 UNIT TITLES ACT 2010 ("ACT")

<b>UNIT PLAN</b>	Unit Title Subdivision – Plan not yet prepared and construction of units has not started on Lot 44 DP5171
<b>BODY CORPORATE NUMBER</b>	Not yet allocated
<b>UNIT NUMBER</b>	Unit 3 at 18 Opoia Road, Hamilton

This pre-contract disclosure statement is provided to prospective buyers of the property in accordance with section 146(1) of the Unit Titles Act 2010 ("Act").

Where any information in this disclosure statement has been provided by or derives from information or data held by Commercial Property Solutions Limited (trading as Colliers International), Commercial Property Solutions Limited has provided this information strictly as a body corporate manager and not as an agent, branch manager, or licensee under the Real Estate Agents Act 2008. Commercial Property Solutions Limited is not responsible to the vendor, nor any prospective or actual purchaser or other party for the information provided. The content of the information provided is limited to the statutory requirements prescribed in the Unit Titles Act 2010 and Regulations and it is recommended that any party reading or relying on this certificate seeks legal advice as to further information about the relevant unit and the body corporate.

### Information about the Unit

- a) The amount of the contribution levied by the body corporate under section 121 of the Act in respect of the unit is not yet levied but there is a suggested budget which will need to be ratified at an Inaugural General Meeting to be held following the sale of the units.
- b) The period covered by the contribution in paragraph (a) is for the year not yet set.
- c) The body corporate has not yet established the amount it proposes to levy under Section 121 of the Act in the next 12 months.
- d) The body corporate has not resolved as at the date of this certificate to carry out maintenance on the unit title development in the next 12 months.
- e) The Body Corporate has not yet opened a bank account.  
Optional Contingency Fund not yet determined
- f) The unit or the common property is not currently, and has never been, the subject of a claim under the Weathertight Homes Resolution Services Act 2006 or any civil proceedings relating to water penetration of the buildings in the unit title development.
- g) Under section 148 of the Unit Titles Act 2010, a buyer may request an additional disclosure statement before the settlement of an agreement for sale and purchase of a unit. The buyer must pay to the seller all reasonable costs incurred by the seller in providing the additional disclosure statement. The estimated cost of providing an additional disclosure statement is \$488.75.

### h) General Information

The following section contains a brief explanation of important matters relating to the purchase of a unit in a unit title development. You should read and understand the information contained in this section and this statement before signing a contract to buy a unit in a unit title development.

Further information on buying selling a unit and living in a unit title development can be obtained by:

- Reading the publications "A quick guide to unit title developments" which is available on the Department of Building and Housing's website: [www.dbh.govt.nz/unit-titles](http://www.dbh.govt.nz/unit-titles).
- Contacting the Department of Building and Housing Contact Centre who can answer questions on unit titles: 0800 UNIT TITLES.

You are strongly advised to obtain independent legal advice regarding any questions or concerns you have about purchasing a unit or your prospective rights and obligations as a member of a body corporate.

- Unit title property ownership

Unit titles are a common form of multi-unit property ownership. They allow owners to privately own an area of land or part of a building and share common property with other unit owners. Unit title developments may also be structured in varied ways including staged unit title developments and layered unit title developments.

The combination of individual and shared ownership of land and buildings, often in an intensive built environment, means owning a unit title involves a different set of rights and responsibilities than traditional house and land ownership.

Unit title developments have a body corporate management structure to ensure decisions affecting the development can be made jointly by unit owners. The creation and management of unit title developments is governed by the Unit Titles Act 2010 and supporting regulations.

- Unit plan

Every title development has a unit plan, which shows the location of the principal units as well as any accessory units and common property in the development. The unit plan is the formal record of all of the boundaries of the units and the common property.

- Ownership and utility interests

Each unit is allocated an ownership interest and a utility interest and such interests are relevant to the determination of many of the unit owners' rights and responsibilities under the Unit Titles Act 2010.

Ownership interest is a number that reflects the relative value of each unit to the other units in the development and is used to determine a range of matters including the unit owners' beneficial share in the common property, and share in the underlying land if the unit plan is cancelled.

By default the utility interest of a unit is the same as the ownership interest (unless it is otherwise specified on the deposit of the unit plan or subsequently changed), and is used to calculate how much each owner contributes to the operational costs of the body corporate.

- Body corporate operational rules

The body corporate for a unit title development can make its own operational rules on the use of the development, and governance of the body corporate. These operational rules are subject to the provisions of the Unit Titles Act 2010 and regulations made under that Act.

All unit owners, occupiers, tenants and the body corporate must follow the body corporate operational rules that apply to their unit title development.

Transitional provisions for unit title developments created before the Unit Titles Act 2010 came into effect on 20 June 2011 apply to the body corporate rules in place at that time.

- Pre-settlement disclosure

Before settlement of the sale of a unit, the seller must provide a pre-settlement disclosure statement to the purchaser, which includes information on:

- The unit number and body corporate number.
- The amount of the contribution levied by the body corporate for that unit.
- The period covered by the contribution.
- How the levy is to be paid.
- The date on or before which the levy must be paid.
- Whether any amount of the levy is currently unpaid and, if so, how much.
- Whether legal proceedings have commenced in respect of any unpaid levy.
- Whether any metered charges (e.g. for water) are unpaid and, if so, how much.
- Whether any costs relating to repairs to building elements or infrastructure contained in the unit are unpaid and, if so, how much.
- The rate of interest accruing on any unpaid amounts.
- Whether there are any legal proceedings pending against the body corporate.
- Whether there have been any changes to the body corporate rules.

There are legal consequences on the seller for failing to provide the pre-settlement disclosure in the timeframes required by the Unit Titles Act 2010 including delay of the settlement and cancellation of the contract.

- Additional disclosure

The buyer of a unit can request an additional disclosure statement at any time before whichever of these dates occurs first:

- The close of the fifth working day after they enter into the sale and purchase agreement.
- The close of the tenth working day before settlement of the unit.

The seller has five working days to provide the additional disclosure statement.

The additional disclosure statement contains more information about the unit title development and the operation of the body corporate. It must include:

- Contact details of the body corporate and committee (if there is one)
- The balance of every fund or bank account held by the body corporate at the date of the last financial statement.
- Amounts due to be paid by the body corporate.
- Details of regular expenses that are incurred once a year.
- Amounts owed to the body corporate.
- Details of every current insurance policy held by the body corporate.
- Details of every current contract entered into by the body corporate.
- Information about any lease of the underlying land (if the development is leasehold).
- The text of motions voted on at the last general meeting, and whether those motions were passed.

The seller may require the buyer to meet the reasonable cost of providing the additional disclosure statement. An estimate of that cost is set out in paragraph (g) above.

There are legal consequences on the seller for failing to provide the additional disclosure in the timeframes required by the Unit Titles Act 2010 including the delay of settlement and cancellation of the contract.

- Computer register

Previously known as a certificate of title, for a unit title development this document records the ownership of a unit, contains a legal description of the unit boundaries and records any legal interest which is registered against the title to the unit (for example, a mortgage or easement). A copy of the computer register for a unit should come with:

- The unit plan attached. Unit Title plans were discussed earlier in this section.
- A supplementary record sheet attached. A supplementary record sheet records the ownership of the common property, any legal interests registered against the common property or base land and other information such as the address for service of the body corporate and the body corporate operational rules.

The common property in a unit title development does not have a computer register.

- Land information memorandum

LIM is a report which provides information held by the local council about a particular property. You must order and pay for a LIM from the applicable local council.

The information contained in a LIM will vary between councils but is likely to include details on:

- Rates information.
- Information on private and public storm water and sewerage drains.
- Any consents, notices, orders or requisitions affecting the land or buildings.
- Any special feature of the land the local council knows about, including the downhill movement, gradual sinking, or wearing away of any land, the falling of rock or earth, flooding of any type, and possible contamination or hazardous substances.
- Any other information the local council deems relevant.

Full details of what a local council is obliged to provide in a LIM is contained in section 44A of the Local Government Information and Meetings Act 1987.

- Easements and covenants

An easement is a right given to a landowner over another person's property (for example, a right of way, or right to drain water). A land covenant is an obligation contained in a deed between two parties, usually relating to the use of one or both properties (for example a covenant to restrict one party using their property in a certain way).

Easements or covenants may apply to:

- A unit and are usually recorded on the computer register for that unit.
- Common property and will be recorded on the supplementary record sheet for the unit title development.

i) Further information about the matters set out above can be obtained from:

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| <ul style="list-style-type: none"> <li>• Unit title property management</li> <li>• Unit Plan</li> <li>• Ownership and Utility interests</li> <li>• Computer Register</li> <li>• Easements and covenants</li> <li>• Body Corporate Operational Rules</li> <li>• Pre-settlement disclosure statement</li> <li>• Additional disclosure statement</li> <li>• Land Information Memorandum</li> </ul> | } | <p>www.dbh.govt.nz/unit-titles 0800 UNIT TITLES</p> <p>Land Information New Zealand</p> <p>www.linz.govt.nz</p> <p>0800 ONLINE</p><br><p>The Body corporate of the unit title development</p><br><p>Your local council</p> |
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For detailed information on any of the above matters relating to your specific circumstances the Department of Building and Housing recommends you obtain independent legal advice from your lawyer.

Dated at                                      this                                      day of                                      2016

SIGNED by the Seller





**Body Corporate : To be erected on Lot 44 DP5171 (Number not yet allocated)**

**Address : 18 Opoia Road / River Road, Hamilton**

**DRAFT budget for the year to 30 November 2017**

Building Insurance (estimated)	\$	9,505.90
Insurance Valuation	\$	1,500.00
Building Compliance, Fire, Emergency lighting, Evacuation	\$	7,200.00
Lift (first 12 months free)	\$4,000	
Lift Telephone	\$	650.00
Repairs & Maintenance of Common Property	\$	3,000.00
Health & Safety Report	\$	750.00
Disbursements	\$	150.00
Administration Fee	\$	2,070.00

**Total** \$ 24,825.90

<u>Allocations</u>	<u>Unit %</u>	<u>Budget</u>
Unit 1	16.67%	\$ 4,138.48
Unit 2	16.67%	\$ 4,138.48
Unit 3	16.67%	\$ 4,138.48
Unit 4	16.67%	\$ 4,138.48
Unit 5	16.66%	\$ 4,135.99
Unit 6	16.66%	\$ 4,135.99
	<u>100.00%</u>	<u>\$ 24,825.90</u>

**NOTES**

1. Rates - These will not be separately assessed to purchasers until after the settlement of the purchases but a block assessment of rates will be apportioned on settlement.
2. The underwriter may not require a valuation for insurance purposes for the initial insurance year but this has been provided for in this budget.
3. The insurance has been estimated at this stage and will need to be confirmed once the units have been completed.
4. This draft budget has been prepared to assist would be purchasers with the calculation of their contribution as an owner to the body corporate for the initial year. An Inaugural General Meeting will be held to discuss the budget following the sale of all of the units.
5. The utility/ownership interests have not as yet been assessed so have been estimated.
6. The budget is inclusive of GST.
7. The amounts to be contributed to the Long Term Maintenance Fund and Optional Contingency Fund will be determined at the Inaugural General Meeting.

**Colliers International**

11 November 2016

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