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# Pre-contract disclosure statement for purchases off-the-plans

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## Pre-contract disclosure statement for purchases off-the-plans.

*Section 146, Unit Titles Act 2010*

Unit number:	Unit L2-09
Unit Plan:	62 Raffles St. Napier
Body Corporate number:	62 Raffles St. Napier

## Pre-contract disclosure statement for purchases off-the-plans

- 1 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 and relates to an “off-the-plan” unit in a unit title development.

### Financial information

- 2 The summary of the draft financial budget for the unit title development is attached.
- 3 The estimated cost for operating the body corporate in an average 12 months is

**\$ 3,998.87**

This 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 the unit owners. The creation and management of unit title developments is governed by the Unit Titles Act 2010 and supporting regulations.

**Unit plan.** Every unit 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 owner's 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.

**Pre-settlement disclosure statement.** 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 (eg, 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 are any legal proceedings initiated by the body corporate or intended to be initiated by the body corporate
- whether there is any written claim by the body corporate against a third party that has not been resolved
- whether there have been any changes to the body corporate rules since the pre-contract disclosure statement was provided.
- the name and contact details of the body corporate manager if there is one
- a summary of the insurance cover the body corporate maintains for the unit title development, including the insurer's name and contact details, the type and amount of cover, the premium and excess payable, exclusions and a statement of where the insurance policy can be viewed.

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 settlement and cancellation of the contract.

**Records of title.** Previously known as a computer register or 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 record of title 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 record of title.

**Land Information Memorandum.** A 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. Delivery times vary between councils. The information contained in a LIM will vary between councils, but is likely to include details on:

- rates information
- information on private and public stormwater and sewerage drains
- any consents, notices, orders or requisitions affecting the land or buildings
- District Plan classifications that relate to 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 Official 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 record of title for that unit.
- common property and will be recorded on the supplementary record sheet for the unit title development.

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

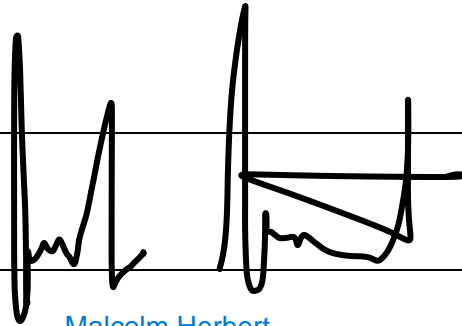
Unit title property ownership	Ministry of Business, Innovation and Employment <a href="http://www.unittitles.govt.nz">www.unittitles.govt.nz</a> 0800 UNIT TITLES (0800 864 884)
Unit plan Ownership and utility interests Record of title Easements and covenants	Land Information New Zealand <a href="http://www.linz.govt.nz">www.linz.govt.nz</a> 0800 ONLINE (0800 665 463)
Body corporate operational rules Pre-settlement disclosure statement	The body corporate of the unit title development
Land Information Memorandum	Your local council

For detailed information on any of the above matters relating to your specific circumstances, the Ministry of Business, Innovation and Employment recommends you obtain independent legal advice from your lawyer.

## Corrections

9 *Select the statement that applies:*

- This disclosure statement, including any additional information that forms part of this disclosure, does not have any known inaccuracies.
- This disclosure statement, including any additional information that forms part of the disclosure, does have any known inaccuracies. Details of the known inaccuracies are:

Signed by seller or person authorised by seller:	
Name:	Malcolm Herbert
Date:	20 October 2023