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SAFE PROPERTY INVESTING

What you need to Know

- SELLING AN APARTMENT
- SOCIAL MEDIA BUZZ IN THE WORKPLACE
- GET ORGANISED FOR THE FESTIVE SEASON
- RESERVES AND WHAT TO DO WITH THEM
- GOOD BUSINESS NAMES
- GST ON DIRECTORS' FEES
- CONSTRUCTION CONTRACTS AMENDMENT ACT CHANGES

+ BUSINESS INSPIRATION | + UPDATES | + ADVICE | MORE HELPFUL TIPS >>>

Apartment Sellers have Legal Obligations

If you own an apartment in a unit-titled apartment block and are considering selling it, you need to know what your disclosure requirements are.

The disclosure requirements under the Unit Titles Act 2010 allow for three types of disclosure:

- Pre-contract disclosure statement (compulsory) - this is a statement that needs to be signed by the vendor before an agreement for sale and purchase being signed. It includes general information about unit titles, as well as information specific to your unit, including levies, any weather-tightness claims in relation to the unit or common property, and amounts held in the Body Corporate's various accounts.
- Pro-settlement disclosure statement (compulsory) - this is issued by the Body Corporate within five working days of settlement and shows the period levies are paid until, any amounts owing to the Body Corporate etc. The Body Corporate organises this.
- Additional disclosure statement (only at the request of the purchaser and at the purchaser's cost) - this statement records additional information like contact details for the Body Corporate committee, contracts the Body Corporate has entered into etc.

If anything in the pre-contract disclosure statement changes between the date you signed it and settlement (for example, if an annual meeting is held and new levies are set), you need to issue a correcting statement.

If your apartment is not a unit title, do you still have to comply with the Unit Titles Act disclosure requirements?

Only unit-titled properties are covered by the Unit Titles Act. Although less common, there are apartments and

townhouse complexes that are not unit titled. They will generally be company share apartments, where a company owns the land and buildings and owners acquire shares in the company rather than title to their apartment; or cross leases, where all owners "lease" their property from the other owners in the development.

When selling a company share apartment or a cross-leased property, the Unit Titles Act does not apply. That means there is no need for the disclosure required under the Unit Titles Act to be provided.

There are still obligations on vendors selling these properties to disclose any defects or issues with the property, regardless of what sort of property it is, but the specific disclosure obligations from the Unit Titles Act don't apply. Your legal adviser can help you through the process to make sure you, and the Body Corporate, meet your obligations.

If you are buying a property, it is a good idea to get advice before you sign up. This is especially so with apartments, because of the extra obligations on you as a unit owner.

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TIP

MANAGEMENT OF AN INVESTMENT PROPERTY

Before assuming that it will be best to pay a property manager more than seven percent of the rent you receive on an investment property, try managing it yourself. You may find that this is less onerous than you would think, but it does help if your investment property is not too far from where you are based.