



## UNIT TITLES

The form of subdivision known as Unit Title was created under the *Unit Titles Act 1972*. They are used to allow individual ownership of parts of a single building or separate buildings within a complex. They are especially useful in situations where there are upper and lower limits to the property such as in a high-rise development where levels are an intrinsic part of the definition of the Title. Unit Titles are also useful in smaller single level developments as the boundaries between buildings or dwellings and can be easily defined.

### ➤ What makes up a Unit Title?

In each Unit Title development there are generally three types of Unit: a **Principal Unit**; an **Accessory Unit** and **Common Property**.

The **Principal Unit** consists of the main area to which Title will be issued. It could be a dwelling, a building, an office area or something else designed for use as a place of residence or business. It is the Principal Unit about which the Title revolves i.e. without a Principal Unit you cannot own an Accessory Unit or a share in the Common Property

The **Accessory Unit** consists of secondary areas or buildings that are attached or linked in some way to the Principal Unit. An Accessory Unit must be linked to a Principal Unit, but not necessarily physically. These could be areas or buildings such as garages, car parks, gardens or even garden sheds.

Any area that is to be used by other parties in the subdivision, such as driveways or stairs, would remain as Common Property. An undivided share of the **Common Property** is allocated to each Principal Unit, with the size of the share dependant on the proportional value of each unit, or Unit Entitlement. As this Common Property is owned collectively by all parties in the development there is a body formed in order to manage the upkeep and maintain these common areas. This body is called the Body Corporate.

### ➤ What is the Body Corporate?

The Body Corporate is a body consisting of all Registered Proprietors of the property. The Proprietors are the owners of the properties to which the Unit Title plan refers i.e. the development. The Body Corporate has a legal responsibility to insure and keep insured all buildings for fire, flood etc; to keep the Common Property in a state of good repair; to



establish and maintain a fund for administration purposes; and to handle spending of any funds raised through the Body. The Body Corporate will often have an appointed administrator to oversee any dealings but decisions are made through a democratic process.

### ➤ **The Process of obtaining a Unit Title**

A Unit Title development is defined as a subdivision under the Resource *Management Act 1991*. This means a Resource Consent is required from the Local Authority in order for title to be issued. For this to happen, as with other forms of subdivision, there must be a Resource Consent Application submitted to the Local Authority comprising a report and a plan showing the proposed development. The Subdivision Consent will generally be based on the architectural design plans. If the development is to be staged these stages must be shown on the Resource Consent plan.

A Land Transfer plan will also need to be deposited with Land Information New Zealand (LINZ). This plan is required to be prepared by a Licensed Cadastral Surveyor who has carried out a survey of the development after each stage and on completion. It is only after this plan has been approved that Title can be issued.

### ➤ **Some Advantages and Disadvantages**

#### **Advantages**

- Rules are generally more clearly laid out than in a cross-lease development and there is a means of resolving disputes through the Body Corporate.
- Height limits are applied allowing Strata titles to be issued.
- A development can be staged with little difficulty

#### **Disadvantages**

- The need to operate a Body Corporate in a smaller development can sometimes be seen as an unnecessary cost and inconvenience.
- Additions to buildings extending beyond the limits shown for each unit require an amendment to the Unit Title plan and hence the Title.

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