



25 June 2020

Attention: Manuela & Michael Smith

Email:

**120 THE TERRACE BODY CORPORATE NUMBER 86105
REQUEST FOR PRE-CONTRACT DISCLOSURE STATEMENT- UNIT 4E**

YOUR REQUEST DATED – 25 June 2020

Further to the above, please find enclosed the requested information for a Pre-Contract Disclosure Statement.

The Body Corporate Operational Rules, if applicable, Unit Title Plan, AGM minutes, AGM Financial Information, Insurance Certificate and Policy Summary are available on the Body Corporate web page at:

www.ypm.co.nz, select "Member Login" Username: bc86105 Password: 86105.

It is the vendor's responsibility to advise the purchaser regarding the body corporate's participation in the Adina Thorn class action against cladding manufacturer James Hardie. The link to the Adina Thorn website is: <http://www.adinathorn.co.nz/>

Please find attached an invoice for our fee of \$322.00 for the provision of this information.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Geoff Holgate', is written over a light blue horizontal line.

Geoff Holgate
Your Property Matters Ltd
Body Corporate Manager for Body Corporate No. 86105

Encl:

(Form 18)

Pre-Contract Disclosure Statement

120 The Terrace Body Corporate Number 86105

Section 146, Unit Titles Act 2010

Unit plan: DP 86105
Body Corporate Number: 86105
Unit Number: 4E

Pre-contract disclosure statement

- 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.

General information

- 2 *The following section contains a brief explanation of important matters relevant 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 publication "A quick guide to unit title developments", which is available on the Tenancy Services website: www.tenancy.govt.nz*
- *contacting the Ministry of Business, Innovation & Employment contact centre 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.

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.

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 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 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 settlement and cancellation of the contract.

Additional disclosure statement. The buyer of a unit can request an additional disclosure statement or may request some, but not all of the information required to be in an additional disclosure statement (specific prescribed information) 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
- any changes to the default body corporate operational rules
- a summary of the long-term maintenance plan.

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 9 below.

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 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. 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 computer register for that unit.
- common property and will be recorded on the supplementary record sheet for the unit title development.

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

Unit title property ownership	Ministry of Business, Innovation and Employment www.tenancy.govt.nz 0800 UNIT TITLES (0800 864 884)
Unit plan Ownership and utility interests Computer register Easements and covenants	Land Information New Zealand www.linz.govt.nz 0800 ONLINE (0800 665 463)

Body corporate operational rules	The body corporate of the unit title development
Pre-settlement disclosure statement	
Additional disclosure statement	
Land Information Memorandum	Your local council

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

Information about the unit

- 4 The amount of the contribution levied by the body corporate under section 121 of the Unit Titles Act 2010 in respect of the unit is \$6,459.34 per annum.
- 4a From 1 July 2020 until further notice, the approved amount of the contribution levied by the body corporate under section 121 of the Unit Titles Act 2010 in respect of the unit is \$6,459.34 per annum.
- 5 The period covered by the contribution in paragraph 4 is from 1 July 2019 until 30 June 2020.
- 5a The period covered by the approved contribution in paragraph 4a is from 1 July 2020 until further notice.
- 6 The body corporate proposes to levy \$559,250 under section 121 of the Act in the next 12 months.

The body corporate proposes to carry out the following maintenance on the unit title development in the next 12 months:

The annual budget for routine maintenance is \$24,655	
Long-term maintenance, to be funded by the long-term maintenance fund, consists of: \$256,019 for the following items:	
• Rust treat & repaint the steel windows	\$73,046
• Replace carpet within corridors and lift lobby	\$49,163
• Repaint & wallpaper the interiors areas	\$74,750
• Refurbish the lift car interiors	\$31,050
• Repaint the building exterior	\$28,011

- 8 The body corporate has the following accounts:

Account	31 March 2020
BC 86105 Current Account (00)	\$17,325
BC 86105 Call Account (25)	\$31,052
BC 86105 Rapid Save Account (33)	\$18
BC 86105 Reclad (00)	\$3,721
BC 86105 Reclad (25)	\$118
BC 86105 Reclad (33)	\$123

9 Under section 148 of the Unit Titles Act 2010, a buyer may request an Additional Disclosure Statement or may request some, but not all of the information required to be in an additional statement (specific prescribed information) 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 \$1,437.50.

10 *The following statement applies:*

The unit or the common property is, or has been, the subject of a claim under the Weathertight Homes Resolution Services Act 2006 or other civil proceedings relating to water penetration of the buildings in the unit title development.

Date: 25 June 2020

Signed:



(Seller or their authorised person)