

Pre-Contract Disclosure Statement
Section 146, Unit Titles Act 2010 and Regulation 33(2), Unit Titles
Regulations 2011

Unit plan(s): { All such units to be created pursuant to a unit title subdivision of
the land being Lot 37 Deposited Plan 604400 (to be subdivided
and currently contained in record of title 926032 (Canterbury
Registry)) ("the property")

Unit Number:

Body Corporate The body corporate to be created upon the deposit of the plan
Number: relating to the unit subdivision described above which shall be
named in accordance with section 75(3) of the Unit Titles Act 2010

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 and relates to an "off-the-plan" unit in a unit title development.
2. The undersigned is authorised to make this statement on behalf of the vendor pursuant to section 152 of the Unit Titles Act 2010.

General Information

3. *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 “Short guide to unit titles”, which is available on the Unit Title Services website: www.unittitles.govt.nz*
- *contacting the Ministry of Business, Innovation and Employment contact centre: 0800 UNIT TITLES (0800 864 884)*

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 and 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;
- 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 operational rules since the pre-contract disclosure statement was provided.

There are legal consequences for the seller if there is failure 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 storm water 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.

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

Unit title property ownership	Unit Title Services www.unittitles.govt.nz 0800 UNIT TITLES (0800 864 884)
Unit plan Ownership and utility interests Record of title Easements and covenants	Land Information New Zealand www.linz.govt.nz 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.

Financial Information

5. The summary of the draft financial budget for the unit title development is not attached as it is yet to be determined and does not yet exist (see paragraph 11).
6. The estimate cost for operating the body corporate in an average 12 months is yet to be determined (see paragraph 11).
7. The estimate of the proposed ownership interest for the unit(s) is yet to be determined (see paragraph 11).
8. The estimate of the proposed utility interest for the unit(s) is yet to be determined (see paragraph 11).

Governance Information

9. A draft of the body corporate operational rules is **attached**.

10. As at the date of this statement, the body corporate will not enter into, and does not propose to enter into, any service contracts that will continue in force after the unit purchase has settled.
11. The units comprising the property are yet to be created pursuant to a unit title subdivision as at the date of this statement.

Date:

Signed: _____

Factory Road Workshops Limited (Director / Authorised Signatory)

Name: