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4 September 2020

Camia Young
Via email to: camia@ohu.nz

Dear Camia,

BODY CORPORATE XXXXXX FOR COLLETT'S CORNER, LONDON STREET, LYTTLETON

In connection with your forthcoming sale of Units in the above-mentioned Development, we enclose herewith a form of Pre-contract Disclosure Statement in conformity with Regulation 33 of the Unit Titles Regulations 2011 (adapted to meet the circumstances of a Body Corporate that has not yet been registered)

Thank you for your instructions in this matter.

Yours faithfully

Meredith Clarke

BODY CORPORATE XXXXXX FOR COLLETT'S CORNER, LONDON STREET, LYTTLETON

Development (not yet registered)

Unit Titles Regulations 2011 (Schedule 2 - Forms)

Form 18 (Pre-contract Disclosure Statement) - Section 146(1), Unit Titles Act 2010

Unit Plan: DP not yet known
Body Corporate Number: Not yet known
Unit All Units

Initial Pre-contract Disclosure Statement

- 1 This initial 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 Department of Building and Housing's website: www.dbh.govt.nz/unit-titles*
- *contacting the Department of Building and Housing 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 (e.g. 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 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	Department of Building and Housing www.dbh.govt.nz/unit-titles 0800 UNIT TITLES (0800 864 884)
Unit plan / Ownership and utility interests / Land Information New Zealand Computer register / Easements and covenants	www.linz.govt.nz 0800 ONLINE (0800 665 463)
Body corporate operational rules / Pre-settlement disclosure statement / Additional disclosure statement	Body Corporate No. XXXXXX (for Collett's Corner, London Street, Lyttleton C/o Pitcaithly Body Corporate Services P O Box 41-076, Christchurch 8247 info@pbcs.co.nz
Land Information Memorandum	Your local council

For detailed information on any of the above matters relating to your specific circumstances, the Department of Building and Housing recommends you obtain independent legal advice from your lawyer.

Information about the Unit

It is to be noted that all of the following information is based on a proposed first year budget that has been supplied to the Developer.

- 4 No contributions have yet been levied by the body corporate under section 121 of the Unit Titles Act 2010.
- 5 In due course it is expected that levies for a part year for the period immediately prior to the commencement of the body corporate's first financial year will be payable by Unit Owners.
- 6 The amount that the body corporate proposes to levy under section 121 of the Act for the Operating Account Levy and Long Term Maintenance Fund for its first full financial year in respect of each unit (based on the above mentioned budget) is expected to be between approximately \$1,656.46 and \$18,690.06 annually (**Levy apportionment per unit attached**). Levies are subject to a 10% interest charge if not paid by the nominated due date. Please note that there will also be a portion of the "one off" First Year Insurance to pay at settlement.
- 7 Details of maintenance that the Body Corporate proposes to carry out on this unit title development in its first financial year have not yet been established but in general terms will be to maintain, control, upkeep and repair as required or pursuant to any preventative maintenance arrangements in place, all common property systems for which there is currently an annual budget in the amount of \$34,000.00. The Body Corporate proposes to meet the cost of that maintenance from its Operating Account.

In addition, Long Term Maintenance projects are planned to be carried out that financial year for which the budget amounts to Nil. The Body Corporate proposes to meet the cost of those projects from its Long Term Maintenance Fund.


- 8 The body corporate will have the following accounts:

- An account to hold its day to day operating monies kept separately and specifically for it within the Pitcaithly Body Corporate Services Limited Trust Account held at Westpac Banking Corporation's Canterbury Centre Sub-Branch, Christchurch.
- When there are surplus monies held that are not thought to be required to be spent within the following 12 months, Term Deposit Accounts are established and held in the name of the Body Corporate through the Multiple Deposit Scheme for Pitcaithly Body Corporate Services Limited's Body Corporate Clients held at Westpac Banking Corporation's Canterbury Centre Sub-Branch, Christchurch.

- 9 Under section 148 of the Unit Titles Act 2010, a buyer may request an additional disclosure statement 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 \$400.00 (plus GST)
- 10 The unit or the common property is not currently, and has never been, the subject of a claim under the Weathertight Homes Resolution Services Act 2006 or any other civil proceedings relating to water penetration of the buildings in the unit title development.

Dated this 4th day of September 2020

Signed for and on behalf of the seller and certified correct by Pitcaithly Body Corporate Services Limited.


_____ Signature

Meredith Clarke
_____ Print Name

Body Corporate No. (to be formed)

Collett's Corner, Lyttleton, Christchurch

Levy Apportionment Per Unit :

<u>Unit</u>	<u>Size</u>	<u>Approx Annual Cost P/A</u>	<u>First Year Insurance Cost</u>
2 bed apartment	71.58	\$ 3,421.92	\$ 853.44
2 bed apartment	71.60	\$ 3,422.88	\$ 853.68
2 bed apartment	71.58	\$ 3,421.92	\$ 853.44
Studio	34.65	\$ 1,656.46	\$ 413.13
Studio	34.91	\$ 1,668.89	\$ 416.23
Studio	34.91	\$ 1,668.89	\$ 416.23
1 Bedroom Apartment	44.18	\$ 2,112.05	\$ 526.75
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1 Bedroom Apartment	44.18	\$ 2,112.05	\$ 526.75
1 Bedroom Apartment	44.20	\$ 2,113.01	\$ 526.99
2 bed apartment	71.58	\$ 3,421.92	\$ 853.44
2 bed apartment	71.60	\$ 3,422.88	\$ 853.68
2 bed apartment	71.58	\$ 3,421.92	\$ 853.44
Studio	34.65	\$ 1,656.46	\$ 413.13
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1 Bedroom Apartment	44.18	\$ 2,112.05	\$ 526.75
1 Bedroom Apartment	44.20	\$ 2,113.01	\$ 526.99
Tenancy 1	90.13	\$ 4,308.71	\$ 1,074.61
Tenancy 2	134.37	\$ 6,423.63	\$ 1,602.08
Tenancy 3	90.30	\$ 4,316.84	\$ 1,076.64
Tenancy 4	73.96	\$ 3,535.70	\$ 881.82
Tenancy 5	73.49	\$ 3,513.23	\$ 876.21
Wellness Centre	390.96	\$ 18,690.06	\$ 4,661.38
Car Park	314.24	\$ 15,022.42	\$ 3,746.65
	<u>2,159.39</u>	<u>\$ 103,230.82</u>	<u>\$ 25,746.20</u>

Please note: The amounts stated in the table above are estimates based on the square meterage of each unit. The final percentage of each units contributions will be based up the Utility Interests which will be set by a Registered Valuer at the time the complex nears completion.