

YOUR BODY CORPORATE

Welcome pack

**Strata Title
Administration Ltd**

Welcome

TO YOUR BODY CORPORATE

Welcome to your Body Corporate. We are pleased to advise that Strata Title Administration Ltd ("Strata") is contracted as your Body Corporate manager/secretary. Strata acts on the instruction of your Body Corporate's chairperson and/or committee. We attend to your Body Corporate's administrative functions in accordance with the requirements of the Unit Titles Act 2010 ("Act"), the Unit Titles Regulations 2011 ("Regulations") and your Body Corporate's Rules.

The full set of services is attached to the service contract between your Body Corporate and Strata.

Please note that Strata is your Body Corporate manager/secretary and not a rental/property manager for your individual unit. We are also not the building manager for your Body Corporate. Both are important roles and we work closely with these professionals.



KEY TASKS WHICH STRATA CARRIES OUT INCLUDE, BUT ARE NOT LIMITED TO:



Maintain the database of current owners in your Body Corporate, which is updated as units are bought and sold.



Keep the funds of your Body Corporate safe.



Provide up-to-date financial reports for your Annual General Meetings and regularly to the Body Corporate chairperson and committee.



Place the Body Corporate's insurance policy.



Provide professional support to your Body Corporate chairperson and committee throughout the year.



Ensure your Body Corporate meets the compliance requirements of the Act and Regulations.

FAQs



what?

WHAT IS THE BODY CORPORATE?

The Body Corporate is a legal entity comprising all the owners in your unit titled development.

WHAT ARE PRINCIPAL AND ACCESSORY UNITS?

Your unit title is legally referred to as a principal unit with any accessory units. The principal unit is the unit itself and is usually a building or part of a building, such as an apartment. Accessory units can include a garden, garage, car park or storage space allocated to your unit.

WHAT IS COMMON PROPERTY IN A BODY CORPORATE?

Common property is jointly owned by the owners of a Body Corporate. This can include external areas such as driveways or the cladding of the building, and internal space such as hallways and stairs which are not contained in a principal or accessory unit.

The Body Corporate is responsible for maintaining the common property, with the cost of this being funded by the owners through Body Corporate levies. If you damage common property, you are likely to be liable for repair costs.

WHAT ARE CROSS-LEASE AND COMPANY OWNERSHIP?

These types of ownership are still common in older multi-unit developments. They are not unit titled properties and do not come under the protection of the Act. However, day-to-day issues (such as parking) are often similar to those of unit titled properties.

Cross leases allow joint ownership of a multi-unit complex. Owners have exclusive use of certain parts of the property, and agree on common use rights where appropriate. There are no obligations for how the property is managed.

Company ownership is where individuals hold shares in a company that legally owns the property.

GOVERNANCE

WHO IS RESPONSIBLE FOR GOVERNANCE OF THE BODY CORPORATE?

The unit owners collectively govern the Body Corporate. Because the Body Corporate has only one Annual General Meeting each year, and it needs governance between meetings, a Body Corporate chairperson and committee are elected at each Annual General Meeting.

Strata is a professional, external service provider that acts as the Body Corporate's manager/secretary under direction from the chairperson and the committee.

For example, Strata collects levies and pays accounts of the Body Corporate.

WHAT IS THE OWNERS COMMITTEE?

A unit titled property with 10 or more units must elect a committee, unless the Body Corporate resolves by special resolution not to do so. At the first Annual General Meeting, the Body Corporate decides the number of members on the committee. Only unit title owners can be elected.

The committee's role depends on the needs of the Body Corporate. It may be hands-on, such as meeting tradespeople, monitoring adherence to rules, creating newsletters or organising social activities.

In practice, many developments rely heavily on a professional Body Corporate manager such as Strata to keep it running smoothly, often alongside a building manager who is contracted to the Body Corporate.

WHO IS IN CHARGE OF ON-SITE MAINTENANCE?

If your complex has a building manager, they are responsible for overseeing site maintenance. If you do not have a building manager, the Body Corporate's committee is in charge of maintenance. Strata is here to help by providing details of competent contractors.

WHAT DOES A BUILDING MANAGER DO?

Often a building manager handles the day-to-day on-site running of the complex, such as maintenance, repairs and keeping the common property tidy. A building manager is contracted to the Body Corporate and may be there part time, or live on-site if the complex is large. Sometimes building managers also serve as property managers for absentee owners.

MEETINGS



WHEN IS THE ANNUAL GENERAL MEETING?

Every Body Corporate has its own financial year and, for accounting purposes, this usually ends at the end of a calendar month. The Annual General Meeting must be held once every calendar year and not later than 15 months after the previous Annual General Meeting.

HOW WILL I KNOW WHEN MY ANNUAL GENERAL MEETING IS BEING HELD?

Strata will contact your Body Corporate chairperson and agree on the timing of your Annual General Meeting. We will distribute to all unit owners a Notice of Intention to Hold the Annual General Meeting at least three weeks prior to the agreed meeting date. The notice advises the date, time and venue of the meeting. It also invites you to nominate owners for election to the roles of chairperson and/or the owners committee of your Body Corporate, and asks if you want to include any particular item on the meeting agenda.

WHAT TOPICS WILL BE DISCUSSED AT AN ANNUAL GENERAL MEETING?

After we send you the Notice of Intention to Hold the Annual General Meeting, and at least two weeks prior to the meeting, we will send you the agenda for the Annual General Meeting.

The agenda will detail the topics to be addressed and resolved by owners at the Annual General Meeting. Some of the items on the agenda are:

- the nominations for chairperson and committee members received from unit owners
- resolutions pertaining to the annual financial accounts
- insurance
- auditing of the financial accounts
- a proposed budget

WHAT IS AN EXTRAORDINARY GENERAL MEETING?

Occasionally, an important issue arises in between the normal scheduled Annual General Meetings that your Body Corporate committee or chairperson may not be able to address. In these situations, the chairperson or the committee will instruct Strata to convene a meeting to consider the issue. This meeting is called an Extraordinary General Meeting. The Act and Regulations prescribe the appropriate procedures to be followed for an Extraordinary General Meeting, which are very similar to those for an Annual General Meeting.



WHAT IF YOU CANNOT ATTEND AN ANNUAL GENERAL MEETING?

- One option is for you to nominate a proxy to represent your interests. If you wish, you may nominate Strata as your proxy.
- The other option is for you to pre-vote either by submitting a postal vote or by using the pre-meeting voting link.
- The proxy form, postal voting form and pre-meeting voting link are provided with the Annual General Meeting agenda that is sent to owners at least two weeks before the meeting.
- There needs to be a quorum at the Annual General Meeting, defined as no fewer than 25% of owners entitled to vote (that is, those who have paid their levies for the preceding year).

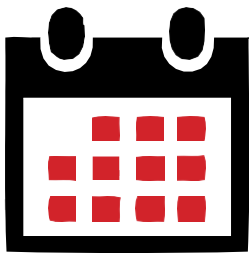
LEVIES

HOW MUCH WILL MY LEVIES BE?

Once the Body Corporate's budget has been discussed and approved by owners at the Annual General Meeting, the contribution, or levy, that each unit owner has to pay is calculated.

The levy amount is based on a registered valuer's assessment of the relative value of your unit compared to the value of each other unit in your Body Corporate.

WHEN DO I PAY MY LEVIES?



AFTER THE BUDGET IS APPROVED AT THE ANNUAL GENERAL MEETING, THE LEVY DUE DATE WILL BE SET.

Minutes of the Annual General Meeting will be sent to you. They will include the due date for levies.

When paying your levy, please be sure to always reference your Body Corporate number, unit number, and the unique reference number for your unit, which is listed on your levy invoice.

HOW DO I PAY MY LEVIES?

Payment details will be listed on your levy invoice that Strata sends you after each Annual General Meeting.

Internet bank transfer:

online

Strata's ASB trust account is
12 - 3011 - 0321321 - 001

credit

Visa or MasterCard only.
Credit card payments attract an additional 4% merchant fee.



DOES MY LEVY COVER INSURANCE?

Your levy will include your portion of the Body Corporate's shared insurance for the complex. However, owners are expected to organise their own contents insurance.

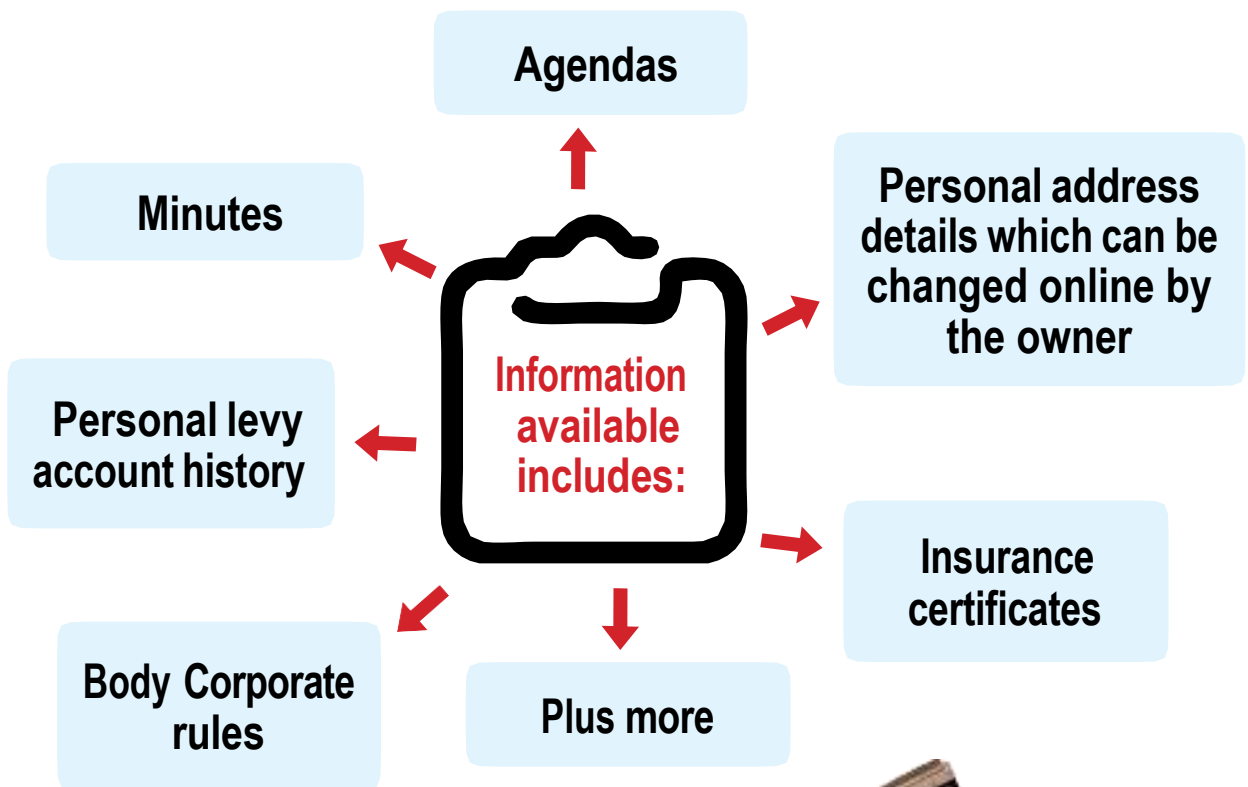
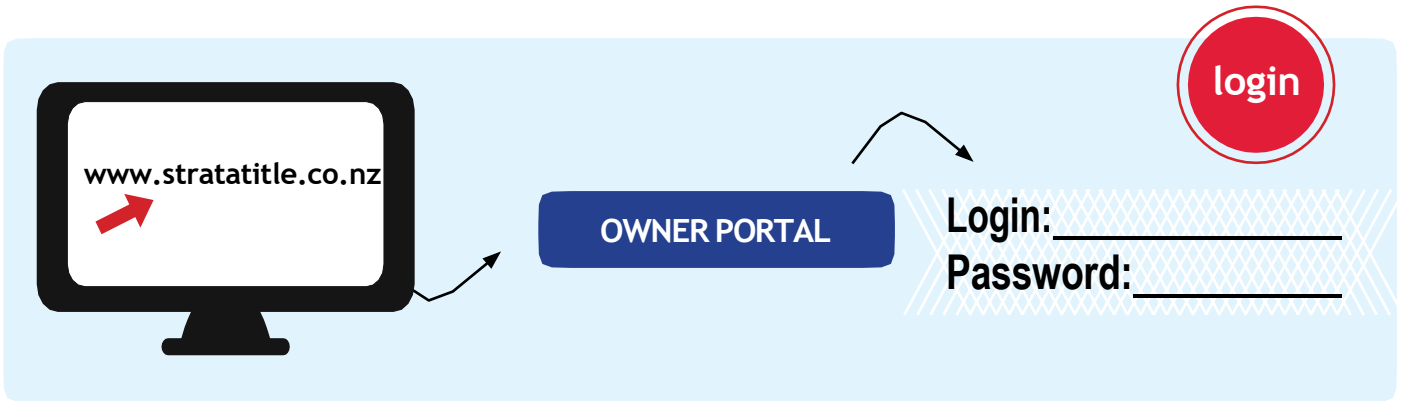
WHAT IF AN OWNER DOESN'T PAY THEIR LEVY?

The Act specifies a 10% penalty for late levy payments. Interest, legal costs or the costs of debt collection may also be added. The levy never goes away; if necessary, it will be recovered when the unit title is sold.

HOW CAN I SEE INFORMATION ABOUT MY BODY CORPORATE?

Owners have 24-hour access to their Body Corporate information via the Strata Online Portal. To access the portal visit www.stratatitle.co.nz, click on the 'Owner Portal' box and then enter your unique login details.

If you do not have your login details, please contact Strata to have them sent to you.



ALTERATIONS AND MAINTENANCE

CAN I MAKE STRUCTURAL ALTERATIONS OR AMENDMENTS TO MY UNIT?

Before you make any alterations to your unit, please contact Strata. Whatever changes you are making, either large or small, the Body Corporate and possibly its insurer need to know your intentions before you start the work.

You may or may not then need the Body Corporate's consent to carry out the alterations to your unit.

You will be responsible for organising any building consents and retaining consultants to investigate if there is any structural impact on the building. Approval to proceed may then be granted by the Body Corporate on the condition that you are responsible for the costs involved. You may also need to obtain contract works insurance. To minimise the impact on fellow residents, the hours of work will need to be agreed on. Reputable tradespeople must also be used. Finally, an inspection by the building manager (if there is one) and any other regulatory bodies may need to be completed.

PROFESSIONAL SERVICES

Strata has professional relationships with experts in the following areas relating to Bodies Corporate.

- Law
- Insurance
- Engineering
- Surveyors
- Valuers

Alteration checklist

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- Building consents
- Approval to proceed
- Insurance
- Hours of work
- Reputable trades people
- Inspection/s

STRATA IS HERE TO WALK YOU THROUGH THE PROCESS AND HELP AS BEST WE CAN.



WHAT ABOUT LONG-TERM MAINTENANCE?

Under the Act, a Body Corporate must have a long-term maintenance plan for occasional large costs such as major roof repairs or repainting the exterior of the units.

It is usual to set aside a long-term maintenance fund (LTMF) to cover this, although a Body Corporate can opt out of having this fund by special resolution. The LTMF is not a rainy-day fund; it is for planned, major long-term maintenance.

The cost of maintenance inside a unit is the responsibility of the individual unit title owner.



WHAT IS A BUILDING WARRANT OF FITNESS?

Under the Building Act 2004, some buildings need a warrant of fitness to ensure certain features are inspected regularly. These features include lifts or escalators, automatic sprinkler systems or fire doors, emergency warning or lighting systems and mechanical ventilation or air conditioning systems.

It is the committee's responsibility to manage the warrant of fitness regime. If the Body Corporate has a building manager, they will oversee and manage the warrant of fitness.



RULES

WHAT ARE BODY CORPORATE RULES AND DOES EVERYONE HAVE TO FOLLOW THEM?

Unless your Body Corporate has formally registered a set of operational rules, the rules that apply 'by default' are those set out in **SCHEDULE 1 OF THE UNIT TITLES REGULATIONS 2011**, which stipulates that an owner or occupier of a unit must not:



Damage or deface the common property.



Leave rubbish or recycling material on the common property.



Create noise likely to interfere with the use or enjoyment of the unit title development by other owners or occupiers.



Park on the common property unless the Body Corporate has designated it for car parking, or the Body Corporate consents.



Interfere with the reasonable use or enjoyment of the common property by other owners or occupiers.



Dispose of rubbish in a way that is not hygienic and tidy.

Many Bodies Corporate have adopted and formally registered a set of operational rules that apply to their Body Corporate, which replace the operational rules in Schedule 1 of the Regulations. If this is the case for your Body Corporate, you should have received a copy of the rules during the process of buying your unit. They can easily be found on the Strata Owner Portal at www.stratatitle.co.nz.

WITHOUT EXCEPTION, EVERYBODY LIVING IN A BODY CORPORATE - BOTH UNIT OWNERS AND TENANTS - HAS TO ABIDE BY THE OPERATIONAL RULES.

WHAT IF YOU BELIEVE SOMEBODY IS BREAKING THE LAWS, REGULATIONS OR RULES?

If your Body Corporate has a building manager, speak with them first to see if they can assist. If the matter requires emergency services, please contact those services directly then advise your building manager or Strata.

If you have a problem with your unit or the Body Corporate, please be very clear and precise about what the problem is. For example, if you have supporting evidence, such as photos, please send it to us. Without proof, it is difficult to resolve an issue as the offending party can simply deny the claim. Please be as specific as you can regarding the matter. Strata will then be able to assist the committee to quickly determine if any laws, regulations or operational rules are being contravened.

It is important to us that you have quiet enjoyment of your property as your fundamental right.

WHAT HAPPENS IF THE LAWS, REGULATIONS OR RULES ARE BEING BROKEN?

The building manager (if applicable) and Strata will liaise with your chairperson and/or committee and present the available facts and options. The offending unit owner will be given an opportunity to rectify the problem. If a resolution cannot be reached, the matter may be referred to the Body Corporate's solicitors for enforcement. The offending owner will be responsible for all costs incurred during this process, which will be significant if the matter requires the services of the Body Corporate's solicitors.

WHAT IF THE PROBLEM IS BEING CAUSED BY TENANTS RENTING A UNIT?

The owner of a unit is responsible for ensuring all laws, regulations and rules are being followed. Section 16B of the Residential Tenancies Amendment Act 2010 states that "Body Corporate rules form part of the tenancy agreement". In the eyes of the Body Corporate, anything a tenant does is as if it had been carried out directly by their landlord.



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