



Introduction

When buying unit titled property, the rights and responsibilities are different from other forms of title in the ACT. The term 'unit title' in the ACT is almost synonymous with the term 'strata title' in other states.

The nature of the title of these properties and the rules relating to them are contained in the Unit Titles Act 2001. The following is an overview of some of the key features of this type of property ownership.

Why have unit title?

Whenever people share ownership of anything there is a need for established rules. In the case of unit title developments, various individuals own their units and they share the ownership of the common property. All owners therefore have shared responsibilities related to the common property and its maintenance. The Unit Titles Act provides the rules for these owners to exercise their joint responsibility through an Owners Corporation. The Owners Corporation is often referred to as the Body Corporate.

What is my unit & what is common property?

All unit title properties within the ACT are classified as either Class A or Class B properties. Class A properties are usually multi storey buildings and individual owners are responsible for the repairs and maintenance of the walls,

floor or ceilings within each Unit. Class A boundaries are the mid-point of the walls, floors and ceilings.

Class B properties (usually townhouses) impose on the owners a responsibility of repairs to everything on the area of the land within the individual boundary. Class B boundaries relate to the surveyed line surrounding an area of land.

If you have any questions about boundaries of the property when buying you should consult your solicitor.

What is the Owners Corporation?

The Owners Corporation comprises all the registered owners of all the units in the Units Plan. The Owners Corporation, through its Executive Committee, has the power and responsibility to administer and maintain the common property, i.e. all parts of the property which have common ownership. In addition, the Owners Corporation ensures that the affairs of the development are conducted in accordance with the Unit Titles Act and associated Articles. The Articles refer to, among other things, structural alterations and the keeping of pets.

What are my individual responsibilities?

There is an individual responsibility to properly maintain your own unit and to pay all levies on time. It is important that you attend meetings either in person or by proxy.



How does the Owners Corporation function?

The Owners Corporation functions through a series of general meetings and Executive Committee meetings. Each year at the Annual General Meeting an Executive Committee is elected to exercise the day to day administration of the Corporation. The Owners Corporation may engage the services of a body corporate manager to assist in the management. Through the manager, the Corporation exercises the following functions:

- Notices for meetings
- Financial management
- Repairs and maintenance of common property
- Secretarial support
- Maintain details of ownership

What are annual expenses?

Each year a draft budget is presented to the owners. This draft budget covers the costs of running the owners corporation for the following year. The budget is approved by the owners at the AGM and as a result of this approval, the manager sets a levy for payment by the owners. Levies cover the following on-going costs:

- Repairs and maintenance of common property
- Insurance
- Management
- Water consumption
- Power for common areas
- Cleaning
- Gardening
- Maintaining shared facilities such as a swimming pool or gym

All levies collected are held in a bank account in the name of the Owners Corporation and a financial statement outlining income and expenditure is presented at each annual general meeting. The Owners Corporation records are available for inspection by owners.

What will my share be?

Expenses are shared by unit entitlement value. Unit entitlement values are established on registration of the Units Plan and determined by the ACT Valuer General's Department. This is the figure which represents your portion of the total annual budget.

Insurance

The Owners Corporation arranges insurance for the building, public liability for the common property and workers' compensation. Each proprietor should insure their own contents and as a safeguard it is strongly advisable to take out a public liability policy for the inside of their unit.

If I intend to rent the unit, do I have any additional responsibilities?

As an owner it is your responsibility to ensure that your tenants abide by the registered Articles of the Units Plan and any house rules (if applicable). As the owner, you should continue to attend meetings or vote by proxy.

The first meeting

The Body Corporate Manager is appointed at the inaugural meeting by the developer or builder.

Subsequently a first general meeting is held to explain to the Unit holders the purpose and responsibilities of the Owners Corporation and its relationship to common property.

Financial statements and budgets are discussed and insurance requirements are decided upon.

An Executive Committee is then elected by the owners and proxy votes at the meeting. A meeting schedule and communication channels are then decided upon.

Finally

All owners within a body corporate can make a difference to the smooth operations on a day to day basis and the long term appearance and value of the development.

When you buy a property within a body corporate it is advisable that you engage a solicitor and ask their advice in the same way as you would if you were buying a free-standing home.

To ensure your Owners Corporation succeeds in its tasks, you should take a positive interest in the business being conducted, and must abide by the Act, Articles and house rules.

It's your investment and these rules are designed to help you protect it.



Living & owning property
in a **Body Corporate**



For further information contact Independent Body Corporate
Ph: 6209 1515 • Fax: 6247 9567 • bconquiry@independent.com.au

Independent Body Corporate Pty. Ltd. Lic. Agent Level 1, Ethos House, 28-36 Ainslie Avenue, Canberra City ACT 2601

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