

Submission to the Unit Titles Act Review

Construction and Housing Markets
MBIE
Wellington

By the committee of Body Corporate ^{s 9(2)(a)}

Body Corporate ^{s 9(2)(a)} is the entity known as ^{s 9(2)(a)} a set of eleven townhouses built in inner city Christchurch in 1984. In the February 2011 quakes the buildings incurred serious damage. Over the next five years all the buildings were demolished and rebuilt. During this time this committee has had far greater responsibilities than most and after complex negotiations with insurers, builders, solicitors and government agencies we have ended up with excellent new buildings. Perhaps more importantly we are still a coherent group. Our submission reflects these experiences.

On behalf of Body Corporate ^{s 9(2)(a)}
^{s 9(2)(a)}

Note: We have only answered questions that address matters about which we have experience.

Q. 2

Yes we agree that medium sized BCs should be able to opt out. In particular as our Body Corporate has self managed since its inception in 1985, we would be unnecessarily burdened with the additional cost of a manager were it not possible to opt out. However we are concerned that a Body Corporate may be able to opt out of having a fund to cover a long term maintenance plan, leaving current owners to cover total costs of a major maintenance operation at some stage.

Q. 4.

No even though this would be less work for the body corporate. Our chair has had to write several of these for each of 3 units undergoing sales processes over the past year. It would have been fine to have these stages amalgamated for most, but there was a change that needed to be reported in one instance. When for example a major repair or rebuild is in progress unexpected problems or costs can arise over the space of time between first enquiry and final purchase and a purchaser would need to know about these.

Q.6

No as a body corporate with 11 Units we do not agree with this. Information is always given in good faith but to have some other body such as a solicitor certify it would be unduly onerous and costly. After all, to certify the information would require a diligent solicitor to audit the books, read all the minutes etc.

Q.7

Yes we agree

Q.9

Yes we agree

Q.10

No this is unnecessary. When our owners are unable to attend a meeting they expect and are given full information and choose the person whose views most represent their own. In a

body corporate at the low end of the threshold where people know each other, a change to limit the number of proxies any one can hold would restrict owners' choices.

Q.11

We agree.

Q.12

We agree.

Q.14

We agree.

Q.15

No, we strongly disagree in regards to medium size BCs. We should be able to manage ourselves. In our case we are fortunate in having people with the right skills and time and this was evident over the course of our demolition and rebuild. We understand that the majority of bodies corporate whose buildings were destroyed in Christchurch quakes did not rebuild, often because of dissent amongst owners. Ours was one of the very first bodies corporate that rebuilt in this city. The word amongst solicitors was that many managers were absent or unavailable when times were tough whereas our owners' committee, or delegated members of it, met continuously over the five years, depending on the need weekly or fortnightly. We met with loss adjusters, solicitors, builders, architects, landscapers, surveyors, designers, neighbours, other owners and many many more. The Chairperson or her delegate managed to co-ordinate and keep the information exchanges happening. The committee comprised the most stable, continuous group of people and were all together for the duration. If we had had to contract a project manager for all this it would have cost over \$300,000 and it is unlikely we would have achieved the desirable continuity.

Q. 16

We agree

Q.19

No. The reason why not is exemplified by our own situation: our buildings are all new and the only foreseeable maintenance other than regular jobs such as gutter cleans is to paint the exteriors of all buildings. (Our buildings are townhouses with individual gardens and separate garages).

Q.20

We agree.

Q.23

We agree.

Q.24

We agree

Q.25

No. Not necessary for smaller ones like ours. We suggest 3 yearly audit, review each of the other 2 years

Q28

We agree.