



Submission on MBIE's proposed amendments to the Unit Titles Act 2010

December 2016

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MBIE officials can contact me if they have a question about the content of my submission
 I wish to remain anonymous in any reporting or submission analysis

Making a submission

To make a submission, please fill out the submission form below, and send to UTAreview2016@mbie.govt.nz. Both Word documents and PDFs will be accepted.

Alternately, you can download the submission form and post it to:

Unit Titles Act Review
Construction and Housing Markets, BRM
Ministry of Business, Innovation & Employment
PO Box 1473
Wellington 6140
New Zealand

Consultation on the Unit Titles Act finishes on Friday 3 March 2017 at 5pm. Thank you for your submission.

3. Overarching Reform Proposals

3.1 Potential size thresholds for more rigorous legislative requirements

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We propose that the following legislative requirements apply to complexes with 10 units and over. The body corporate for complexes between 10 and 29 units, may, however, resolve against adopting any of these requirements by special resolution.

Bodies corporate must:

- report on the performance of delegated powers at the annual and any other general meeting;
- contract a body corporate manager to perform functions as specified in the UTA;
- have LTMPs signed by the body corporate chair and a qualified person;
- have a long term maintenance fund to finance the long term maintenance plan already required under the UTA; and
- have body corporate accounts and LTMFs audited annually.

Do you agree? If no, why?

We operate and own various units within a commercial building (owning 26 of the 98 units). Some of the units are hotel rooms (leased to the hotel operator) and a number are other commercial units we lease as landlord to various businesses.

This is not a residential complex where people have their home. We purchased units for the rental returns provided by/from the units.

The UTA is very much an “aside” for us. The proposed rules which will introduce mandatory requirements re 30 year LTMP, mandatory funding of the LTMP, mandatory audit is simply placing added compliance and cost where we do not need it.

We are happy with the status quo whereby at the AGM of the body corporate, with the passing of the required special resolutions, we can resolve not to fund the LTMP, and not have an audit, if this is the will of the majority of owners.

We have two full time engineers on site looking after the building and we have a five-member body corporate committee considering any body corporate matters that arise. It is in our best interest as unit owners to ensure the building etc. is more than adequately maintained – failure to do so will affect the businesses operating from the building and therefore our rentals. In our opinion the present system works fine.

We do not support the changes to put in place a regime where the will of the majority (sometimes 100% of owners) is to be ignored and Government introduces mandatory rules, that will not let owners democratically decide what is right for them.

Hence, we oppose the overarching changes, and wish the status quo to remain.

In essence, even for (especially for) large commercial complexes of 30 units or more, the option to opt out, based on passing pre-requisite special resolutions must be retained.

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Do you consider that it is appropriate for complexes between 10 and 29 units to be able to opt out of the above proposed legislative requirements by special resolution? If no, why?

