



Thompson Wentworth

Body Corporate Services

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Pre-contract disclosure statement
Section 146, Unit Titles Act 2010

Property Address: The Chapters 120-122 Burke Street Christchurch

Unit Plan: <<Yet To Be Issued>>

Body Corporate Number: <<Yet To Be Issued>>

Unit Number: Units 1 - 18

Unit Owner: South Sea Homes Limited

Pre-contract disclosure statement

1. This 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. General information about Unit title ownership and Bodies 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 (eg, 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 or may request some, but not all of the information required to be in an additional disclosure statement (specific prescribed information) 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 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 storm-water 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	Ministry of Business, Innovation and Employment www.tenancy.govt.nz 0800 UNIT TITLES (0800 864 884)
Unit plan Ownership and utility interests Computer register Easements and covenants	Land Information New Zealand www.linz.govt.nz 0800 ONLINE (0800 665 463)
Body corporate operational rules Pre-settlement disclosure statement Additional disclosure statement	The body corporate of the unit title development
Land Information Memorandum	Local council

For detailed information on any of the above matters relating to your specific circumstances, the Ministry of Business, Innovation and Employment recommends you obtain independent legal advice from your lawyer.

Information about Unit

4. The Body Corporate Chairperson is: Toosharn Haszard
5. Body Corporate Manager is Thompson Wentworth Limited, Christchurch, E: bodycorp@twl.net.nz P: 03 357 1340.
6. The developments principal and accessory units and common property areas will be ascertained in line with Section 16 of the Unit Titles Act (UTA) once the final survey plan is deposited with Land Information New Zealand (LINZ) under Land Transfer Act 2017. On confirmation of the unit title (survey) plan, each unit's respective and individual entitlements are established by an independent and registered valuer. This illustrates the ownership interest or proposed ownership interest assessed under section 38(2) of the UTA for each of the units on the plan. The basis of each unit entitlement assessment is an assessment of the value of each unit relative to each other unit as represented on the finalised unit plan prepared by the developments surveyor and contained in the external link under **item 19** of this Disclosure Statement.
7. The configuration and pre-titled estimated Owner Interest (OI) value assessment for the development is outlined as follows:

Unit No.	Location (Level)	Bedrooms	Bathrooms	Parking	Garage	Floor Area (m2)	Outdoor Living	Price	Estimated Owners Interest (as a %age)	Owners Interest (Est.)	Est. of Yr 1 Annual Opex Budget (incl GST)
1	3 Storey	3	3		1	169	77	\$999,000	8.69%	869	\$4,287
2a	Ground	Studio	1	1		57	16	\$499,000	4.34%	434	\$2,141
2b	Middle	1	1	1		41	16	\$499,000	4.34%	434	\$2,141
2c	Top	1	1	1		40	16	\$499,000	4.34%	434	\$2,141
3a	Ground	Studio	1	1		57	16	\$499,000	4.34%	434	\$2,141
3b	Middle	1	1	1		53	16	\$519,000	4.51%	451	\$2,227
3c	Top	1	1	1		51	16	\$529,000	4.60%	460	\$2,270
4	3 Storey	4	2		1	173	35	\$999,000	8.69%	869	\$4,287
5	3 Storey	3	3		1	174	35	\$999,000	8.69%	869	\$4,287
6a	Ground	Studio	1	1		57	16	\$499,000	4.34%	434	\$2,141
6b	Middle	1	1	1		41	16	\$499,000	4.34%	434	\$2,141
6c	Top	1	1	1		40	16	\$499,000	4.34%	434	\$2,141
7a	Ground	Studio	1	1		57	16	\$499,000	4.34%	434	\$2,141
7b	Middle	1	1	1		53	16	\$519,000	4.51%	451	\$2,227
7c	Top	1	1	1		53	16	\$529,000	4.60%	460	\$2,270
8	3 Storey	3	3		1	175	36	\$999,000	8.69%	869	\$4,287
9	3 Storey	3	3		1	141	80	\$879,000	7.64%	764	\$3,772
10	2 Storey (Stand Alone)	1	1	1		55	19	\$539,000	4.69%	469	\$2,313
		25	27	13	5	1487	474	\$11,502,000	100.00%	10000	49,358.00

Note:

1. The Year 1 Annual Opex Budget excludes any future period amortised contribution to a long term maintenance fund for replacement of key common are (or commonly managed) asset elements at end of their economic lives (25-30 years hence) i.e. exterior painting (every 12 yrs) and the replacemnt of roofs (soft and hard membrane), gutters & downpipes, hard stand asphalt zones, boundary fencing & gates etc (20-25 years). A LTMP will be developed during the first year of operation and a fund contribution levy resolved from year 2 onwards. This is typically a contribution of \$1.00 per OI pa in addition to the commencing annual admin/ operational levy charge of \$4.94 per OI pa.

This derives a proposed ownership interest allocation (estimate) for each unit as per the second to final right hand side column in the table above and a total development surveyed ownership profile of 10000 units.

The estimate of the proposed utility interest for each unit is assumed as the same as the ownership interest.

8. The amount of the contribution levied by the body corporate under section 121 of the Unit Titles Act 2010 in respect of the unit for its initial first operational year is forecast to be **\$49,358 or \$4.94 per OI** (see final column above for a breakdown against each unit).
9. Each units finalised annual levy will be confirmed in line with Section 154, 155 and 156 of the UTA and in compliance with Section 156 develop and issue a Turn-over disclosure to the Body Corporate on behalf of original owner/ developer on a Form 19 under the Unit Titles Regulations 2011.
10. The financial year for the new body corporate will commence from a settlement date yet to be established but expected to be a date where a material quantum of the initially developed units that sell are settled.
11. The body corporate levies outlined above are determined in each year's Annual General Meeting which generally follows each body corporate's financial year end by some 6-8 weeks.
12. The body corporate proposes to enter into the following service contracts that will continue in force after the unit

purchase is settled:

- a. Body Corporate Secretarial and Maintenance Management Services
- b. Build Warrant of Fitness (BWOFF) IQP inspection and certification services
- c. Insurance Brokerage Services and an annual Insurance Cover Contract
- d. Miscellaneous annual maintenance services (grounds and built environment services and plant and equipment maintenance and technical support services)

13. Facilities, Compliance & Maintenance Management at a Body Corporate:

This involves the coordination of the annual Building Warrant of Fitness (BWOFF) where the body corporate has relevant local authority specified fire protection systems in place and the maintenance of the body corporate's "**common area**" or "**commonly managed**" assets.

Building Compliance: All owners at a Body Corporate have a responsibility to; (i) ensure they or their tenants use and occupy their units in compliance with the underlying zoning, relevant fire protection codes and applicable bylaws; and (ii) facilitate access to their unit for the relevant council mandated IQP (independent qualified person) periodic inspections required to monitor the condition and compliance of any specified systems (fire protection, mechanical ventilation and exit pathways and signage etc) installed at the Body Corporate. This is important as it facilitates the efficient renewal of the annual Building Warrant of Fitness (BWOFF) for the Body Corporate (where this is required). Note Not all Body Corporates require a BWOFF. Your body corporate Secretary will be able to provide you specific information on any BWOFF influence to the specific unit involved in this disclosure statement.

What are the "common area" assets? - These are the areas as delineated on the Body Corporate's title plan as such i.e. called Common Area, along with any underlying services to the site e.g. stormwater drainage, sewer, potable (drinking) water supply, power, communication and any internal facility lifts, automatic entry doors, gas infrastructure and recreational facilities (Gyms, Pools and Tennis courts), that serve (more than 1 unit in a body corporate or unit title development). A Body Corporate's duties for repair and maintenance of these common area assets are governed under Sec 138 of the Unit Titles Act 2011

<https://www.legislation.govt.nz/act/public/2010/0022/latest/DLM1160733.html>

What are "commonly managed" assets? - These are assets or title areas that while not registered as common areas on a unit title plan (i.e. they may be owner assigned principal or accessory unit zones), however the owners of the body corporate (at a General Meeting) may have determined that it makes sense for these areas to be managed and provisioned for by the Body Corporate as a whole rather than by individual owners. Examples are roof, gutter and rainwater systems, unit facades and landscaped areas where they are common to the overall body corporate complex or community, and it makes economic sense and provides for a consistent look and feel for these areas to be maintained as a whole.

Maintenance Management:

- Annual Scheduled Maintenance Plan: A scheduled regime for items such as Pest control (spider-proofing), roof clean, gutter clean, facade/ fences/ feature walls cleaning & washdown, lawn mowing, garden maintenance, tree trimming (arboriculture services). There is also the regime for common plant (solar and security).
- Miscellaneous Ready Response/Break-fix jobs: These comprise events such as plumbing, electrical, garage doors and general handyman/ carpentry type callouts. Who is Responsible for miscellaneous break-fix or unforeseen repairs? i.e. Is it a body corporate responsibility or individual unit owner responsibility? The general rule of thumb is: (i) the Unit owner to ask themselves...*"is the fault impacting their respective unit only or is it a common area fault i.e. impacting more than 1 unit"*. If just an individual unit specific issue, its more than likely the respective unit owner's responsibility to coordinate the required vendor to fix and fund the repair.
- Long Term Maintenance Planning (LTMP): A body corporate under (section 116) of the Unit Titles Act 2010 (UTA) must establish and regularly maintain a long-term maintenance plan. This plan identifies future maintenance/ replacement requirements associated with the body corporate's "Common Area" of "Commonly Managed" assets over the life of these assets and provides a basis for levying owners a portion of their overall annual levy that is allocated to building a fund (the Long-Term Maintenance Fund - LTMF) to provide for future asset replacement/ repair as these common area or commonly managed assets come to the end of their economic life. Under Section 117 of the UTA, a body corporate must establish and maintain a long-term maintenance fund (to fund the BCs developed long term maintenance

plan - LTMP), unless the body corporate, by special resolution, decides not to establish a long-term maintenance fund.

A LTMP is usually a minimum of 10 years in length and depending on the Body Corporate's resolved scope of assets to be managed by the LTMP (i.e. common area assets as delineated on the title only or additional assets zones as agreed by the Body Corporate to also be commonly managed), covers the following typical types of common area assets: (i) External Façade Painting; (ii) Building Element Replacement (roof membranes, gutters/downpipes, fascia board, flashing systems, decks, balustrades, handrails, fencing, gates, security systems, exterior common area lighting etc.); and (iii) Hardstand Surfaces - driveways, access ways, parking areas, drains and stormwater systems, paths and patios.

14. Details of maintenance that the body corporate proposes to carry out on the unit title development in the year following the date of the disclosure statement and how the body corporate proposes to meet the cost of that maintenance:

The unit title development known as the Chapters comprises 18 units that are effectively new units with any maintenance or defects associated with the development subject to the development's defects liability period (12 months from practical completion) and contractor warranty obligations. Purchasers should familiarise themselves with the developers (South Sea Homes Limited's) contractual terms with respect to the defects liability and warrant period and with the development's builder.

15. Any proposed works under the long-term maintenance plan for the unit title development to be carried out or begun within the next 3 years and the estimated costs of the works:

The inaugural General Meeting of the body corporate (to be held within three months of the date the developer sells down more than 25% of the units in the development), will resolve the annual and longer-term maintenance plan and supporting annual contributions required of owners for both the developments annual and LTMP maintenance programmes for the new body corporate's year 1 & 2 of operations and moving forward. These inaugural General Meeting resolutions will also establish a body corporate bank account and two primary revenue and expenditure general ledger and owner reporting channels with resolved. The Year 1 levies payable will come from the unit purchasers on settlement of their unit purchases. For units unsold the property's original owner developer will continue to be responsible for the unsold unit levies. These funds will seed the new body corporate's Operational Fund (for the body corporates year 1 operational requirements) – see budgets enclosed in the links in **item 19** below.

16. The body corporate (either its owner developer ahead of sell down) or is elected body corporate committee has no actual knowledge that any part of the new unit title development will have any weathertightness or earthquake-prone issues that may require remediation; or any other significant defects in the land (including the unit title development and the land on which it is situated).
17. The new body corporate is not involved in any proceedings in any court or tribunal.
18. Healthy Homes Standards <https://www.tenancy.govt.nz/assets/Uploads/files/healthy-homes-standards-key-facts.pdf> - These standards introduce specific and minimum standards for heating, insulation, ventilation, moisture ingress and drainage, and draught stopping in rental properties any new or renewed tenancies must comply with these standards from 1 July 2021. Any purchaser acquiring property for investment/ rental purposes should familiarise themselves with these standards.
19. Body Corporate Information - The following information:
- Unit Plan
 - Body Corporate Rules
 - Forecast Year 1 Administration Budget
 - Insurance - to be confirmed on practical (construction) completion of units.

The above information is provided in the following link (to view please copy the following link out and paste it into your internet browser) [01-The Chapters \(Burke St\)-Disclosure-Information](#)

20. Corrections

Select the statement that applies:

This disclosure statement, including any additional information that forms part of this disclosure, does

not have any known inaccuracies.

This disclosure statement, including any additional information that forms part of the disclosure, does have any known inaccuracies. Details of the known inaccuracies are:

- a) When the Unit Plan has had each unit's entitlement assessed as per Item 6 above, each unit's annual levy will be apportioned as per that units allocated unit entitlement. This will result in the more valuable units paying a higher proportion of the annual levy than those units assessed as less valuable.
- b) While the included operational budget is a reasonable indication of what a body corporate community such as the The Chapters, and what it is likely to cost to operate in any given financial period, the budget information supplied in this disclosure statement is an estimate until the development reaches practical completion and suppliers supporting the body corporate in its first year of operation confirm final service level agreement terms.

Statement updated on 08 March 2024 on behalf of the Body Corporate at 120-122 Burke Street Christchurch by Anthony Robertson, Body Corporate Administrator, Thompson Wentworth Limited, Email: disclosure.statement@twl.net.nz

Signed for and behalf of the Owner of The Chapters Development of Units 1-18, 120 to 122 Burke Street Christchurch by:



Toosharn Haszard
Director
South Sea Homes Limited