

YOUR GUIDE TO **CROSS LEASE TITLES**

WHAT YOU NEED TO KNOW



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If you've found a great home but noticed it's on a cross lease title, don't be too quick to walk away. Cross lease properties can offer excellent value — often more home for your money — as long as you understand how they work and what to look out for. Here's a breakdown to help you feel confident in your decision.



What is a cross lease title?

When you purchase a cross lease property, you're buying **two legal interests**:

1. **A share of the freehold title** – jointly owned with the other parties to the cross lease (often neighbouring units).
2. **A leasehold interest** – in the area and dwelling you occupy. These leases are typically for 999 years at a token rent, like 10 cents per year (which usually isn't even collected).



No body corp fees or regular levies

Cross lease properties don't come with body corporate overheads. That means:

- **No monthly levies**
- **No formal meeting requirements**
- **No shared insurance obligations (unless agreed)**

This is one of the reasons cross lease homes are so appealing — they often feel like freehold ownership, with more independence and fewer ongoing costs.



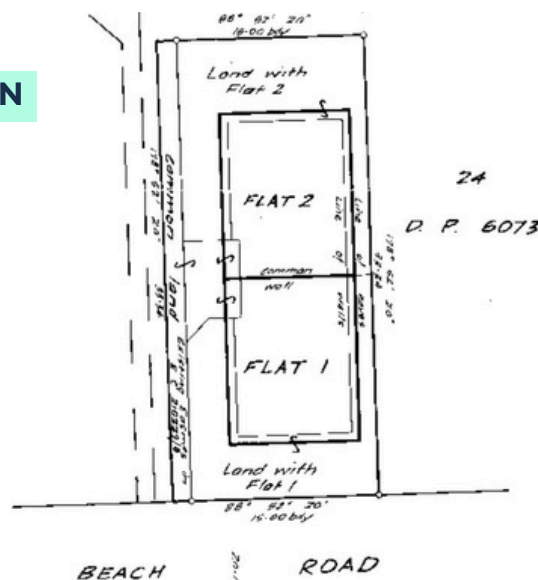
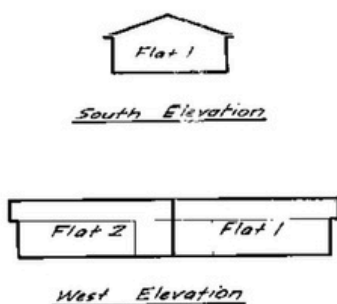
Understanding the flats plan

The title will include a **flats plan**, which is crucial to review. It outlines:

- The **footprint of the dwelling** you are entitled to occupy
- Any **exclusive-use areas** (like a private garden or courtyard)
- Any **common areas** shared between leaseholders

✔ **Check the plan matches reality.** Extensions or alterations that aren't reflected in the flats plan can cause issues with financing or resale.

EXAMPLE OF A FLATS PLAN



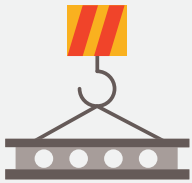


Making changes to the property

With a cross lease, changes to your property or outdoor space — even if it's exclusively yours — may require **consent from the other owners**. This might include:

- Repainting the exterior (if attached)
- Adding decks or pergolas
- Building fences or garden structures
- Renovations that alter the building footprint

The specific rules depend on the Memorandum of Lease (which is registered on the title), but generally any externally visible or structural changes will need approval.



Limits on future development

One lesser-known benefit of a cross lease title is that it may **help protect you from unwanted high-density development next door**. Because the owners collectively share the freehold title:

- Any proposal to significantly alter or redevelop one of the properties (such as subdividing or intensifying with townhouses) will usually require **your written consent**.
- This can give you a say in how the wider property evolves over time — something you don't typically get with fee simple neighbours.



Good communication goes a long way

Before buying, it's worth asking:

- Are the other owners easy to deal with?
- Is there a good history of cooperation?
- How are shared issues (like driveway maintenance) usually managed?

In most cases, if everyone respects each other's space and responsibilities, cross lease arrangements work smoothly and without fuss.



Why you shouldn't dismiss cross lease

Cross lease titles might seem unfamiliar, but they're very common in many parts of New Zealand — especially in established neighbourhoods. And they can offer:

- **Great value for money**
- Less red tape than body corp arrangements
- Lower outgoings
- A more independent, low-maintenance lifestyle

As long as you do your due diligence (and have a lawyer review the title), a cross lease can be an excellent option — whether you're a first-time buyer, upsizer, or investor.

HAVE QUESTIONS ABOUT A CROSS LEASE PROPERTY?

We've helped many buyers understand and successfully purchase cross lease properties.

If you're unsure about what's involved, we're happy to walk you through it and help you make a confident, informed decision.



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