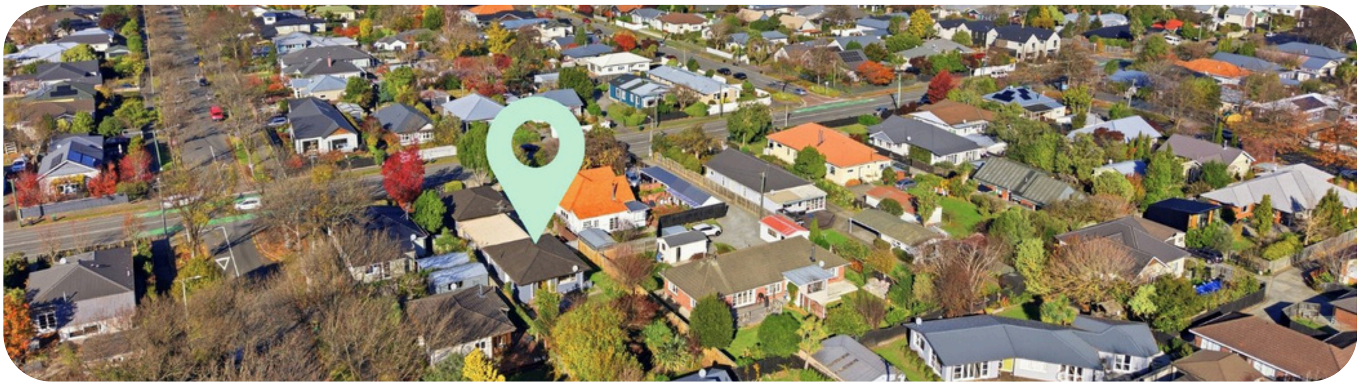
Cross lease titles, explained here

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.



What is a cross lease title?

When you buy a cross lease property, you're buying two legal interests.

Interest one

A share of the freehold title

Jointly owned with the other parties to the cross lease—usually the neighbouring units.

Interest two

A leasehold interest

In the area and dwelling you occupy. These leases run 999 years at a token rent, like 10 cents a 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

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

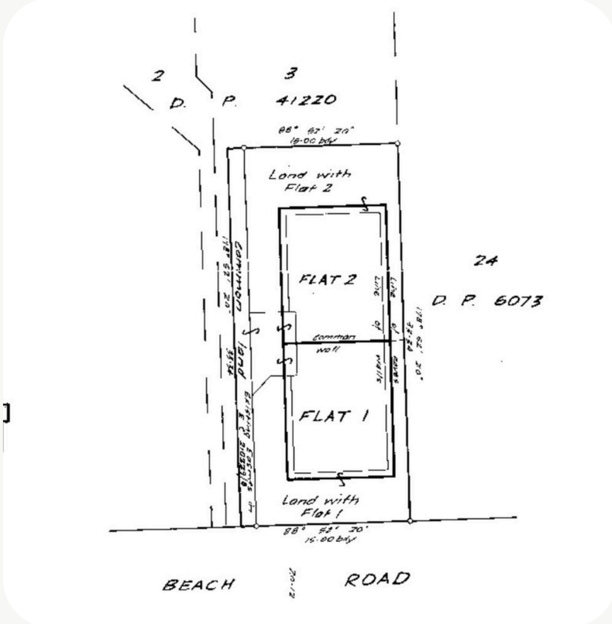
Understanding the flats plan

The title includes a flats plan, and it's crucial to review. It outlines:

- The **footprint of the dwelling** you're 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 on the flats plan can cause problems with financing or resale.

Example of a flats plan



Making changes to the property

Changes to your property or outdoor space—even if it's exclusively yours—may need consent from the other owners. That 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 sit in the Memorandum of Lease registered on the title, but generally any externally visible or structural change needs approval.

Limits on future development

A lesser-known benefit: a cross lease can **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—subdividing, or intensifying with townhouses—will usually **need your written consent**. That gives you a say in how the wider property evolves, which you don't typically get with fee simple neighbours.

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

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, managed?

In most cases, if everyone respects each other's space and responsibilities, cross lease arrangements work smoothly and without fuss. 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 homes. If you're unsure about what's involved, we're happy to walk you through it and help you make a confident, informed decision.

Caleb Griffioen
0276 370 231

Jonathan Borck
021 106 7276

Jack Cook
022 380 1889

here

POWERED BY ownly
Licensed REAA 2008