



Canada Mortgage and Housing Corporation www.cmhc.ca

unitcare services

PEACE OF MIND FOR UNIT OWNERS

Fact Sheet

In this fact sheet we look at some of the issues involved when considering buying a residential unit/lot.

If you are thinking of buying a strata titled home unit or community titled lot we suggest that before signing a contract you make sure you understand the operations and finances of the corporation. This information must be supplied to a prospective buyer by the corporation, through the selling agent or broker/conveyancer. The information (search) provides the following:

- meeting minutes (committee & general) from the last two years
- state of the finances for both the Corporation and the unit for sale ie: money in the bank, liabilities and unit levies owing now and any known future levy
- the current set of plans and Articles (strata title) and approvals for pets, air conditioners, pergolas etc.
- in the case of a community lot:
 - ✓ set of plans and by-laws
 - ✓ scheme description, if > 6 lots in group

Important things to consider:

Unit ownership offers benefits, property upkeep, use of amenities, community & security, lower council rates, lower insurance costs and by-laws/articles to protect assets and enhance community living.

But unit living does not suit everyone. Before you buy a unit or lot, think carefully about what is involved. You will be living in close proximity to others, possibly sharing walls and some facilities. This works well for owners who value a sense of community and those who spend little time at home, or just want an investment unit to rent.

Each group of units or lots, no matter how big or small, has a Corporation, which is a legal entity like a company. All unit owners are automatically members of their corporation, and are bound by the rules (the Articles or By Laws) of their corporation and the Strata or Community Titles Acts.

Strata Titled Unit or Community Strata Lot - Your corporation is responsible for the maintenance and repairs of the common areas of the building and gardens.

Community Titled Lot - You are responsible for the maintenance and insurance of your lot and all buildings thereon.

Best Practice: Engage a conveyancer or lawyer to act on your behalf. Do not accept advice from the vendor's or developer's conveyancer without first checking with your conveyancer or lawyer. Check the body corporate plans supplied and clearly identify those structure/ areas that are for sale.



Gordon Russell
Managing Director



www.unitcare.com.au

Ph 08 8333 5200 Fax 08 8333 5210

Email mail@unitcare.com.au

UNIT/LOT CHECKLIST (buying a unit or lot)

Buying and living in a unit/lot may restrict some aspects of your lifestyle. If you are uncertain about anything concerning the corporation, seek professional advice.

Ask yourself these questions and seek information on:

Have I received the Corporation search document from the agent/conveyancer? It should answer the following....

- How much money must be paid for the upkeep, maintenance and management of the common areas, including arrears?
- What are the assets and liabilities of the corporation?
- Details of any expenses incurred or about to be incurred by the corporation
- Copies of minutes of general meetings and management committee meetings for the last two years
- Statements of accounts and financial records of the corporation.
- Articles of the corporation currently in force.
- Current insurance policies.

If a lot under the Community Titles Act is it a Strata Division (1 lot above another), or Community Plan (1 lot beside another)?

Have I sought independent advice on the documents relating to the corporation? Are there any unpaid contributions owing on my unit?

The Real Estate Institute of SA operates a free information service for the public each weekday between 9-12pm and 1-4pm on (08) 8366 4345.

Useful Links:

Buying a Strata Titled Unit Video

www.unitcare.com.au/bp_buying_unit_video.html

www.canstar.com.au/home-loans/checklist-buying-a-unit/

<https://onproperty.com.au/buy-a-unit/>

How do the contributions and other charges compare with other corporations?

Is there a 'sinking fund' or reserve of money held by the Corporation for emergency or large planned expenses?

Is the corporation planning any major expenditure that I may be asked to contribute to, such as painting, common drive works?

What are the rules about having other people visiting and parking?

Is there provision for your visitors to park on the property?

Will the unit/lot, building, and site be accessible if I am disabled and require a wheelchair or walking aid? If not, can suitable modification be made easily?

What maintenance services are provided? By whom and for what charge?

What are the restrictions on the use of my unit/lot and the common property?

Can I store my caravan/boat/bicycle if needed?

Are pets permitted? If not how do I make an application for my pet(s)?

Are there any structural problems in the building which later may affect my unit/lot?

What system does the corporation have for resolving disputes?

If the group pays a manager, seek information about their reputation. Are they members of the Real Estate Institute of SA?

