

# The PROPERTY REPORT

## UNIT TITLES ACT FOUR MONTHS ON . . .

The new Unit Titles Act 2010 and its Regulations has come with greater certainty, enabling owners of unit titled properties to understand and implement their legal obligations, in respect of ownership and management of land and associated facilities, on a socially and economically sustainable basis.

The new Act and its Regulations has now been in force for 4 months. During this time, some owner run bodies corporate have struggled to assist owners to produce documentation to buyers when a unit is placed on the market. In one instance, the owners of a unit titled property did not even realize that they were a body corporate and had obligations as such.

The new Act has highlighted the difficulties that poorly run bodies corporate are facing. Some are not collecting levies even for basic amenities and producing disclosure statements for these bodies corporate has become a bit of a nightmare for them. On top of this, the disclosure regime is at least a two part process with a possible third if a buyer requests an additional disclosure statement. With poorly run bodies corporate, sellers who are responsible for populating these disclosure statements are limited with the information that they can produce as prescribed by the Act.

In one instance, a buyer who had owned a unit titled property in a well-run body corporate had sold their apartment and was actively looking to purchase a smaller pet friendly apartment in central Wellington. They walked away from a number of opportunities to purchase simply due to the body corporate not running its affairs properly. Examples of poorly run bodies corporate included those that were unable to produce any meaningful financial statements or show that there were savings for a proactive maintenance programme.

Unlike poorly run bodies corporate, well run bodies corporate with good governance structures, good financial

planning and a supportive secretary who is versed in the new Act's requirements are working their way through the Act and its Regulations. These bodies corporate are becoming more and more attractive to buyers as the poorly run bodies corporate become exposed.

For bodies corporate that are not well run, there is every chance that they can redeem themselves and work towards being well run, compliant and attractive to buyers. However, the pressure to be compliant is on. All bodies corporate must have an AGM by the 20th of December 2011, even if they had one prior to the 20th of June this year. To call an AGM is no easy task, the body corporate Chairman must send out the intention to hold the AGM three weeks from the AGM date with supporting papers. This is then followed by the AGM agenda two weeks prior to the meeting with supporting papers.

The first AGM agenda under the new Act is not as simple as it may have been in the past. The Agenda must contain certain resolutions to work towards new Act compliance. There are approximately 18 resolutions that range from governance structures, financial planning, long term maintenance planning, fund management, and operational rules to name but a few of these. Through a well-organized and run first AGM under the new Act, a body corporate can show to prospective buyers that they are embracing the Act's changes. They will be more attractive as purchase options than ones that are simply ignoring the legal changes.

**John Ross**  
Professionals, Hutt City Ltd  
john@redcoats.co.nz

**Vesna Wells**  
Oxygen  
vesna@oxygen.co.nz



visit [www.redcoats.co.nz](http://www.redcoats.co.nz)  
to view previous property reports

## Hutt Valley Rental Statistics

### Rental Returns for September 2011

	BEDROOMS	MEDIAN RENT	RENT RANGE LOWEST - HIGHEST	% CHANGE FROM SEP 10	NO. LET
<b>Northern Lower Hutt</b>	ONE	\$ 145	\$141 - \$251	-9	15
	TWO	\$ 285	\$256 - \$300	4	23
	THREE	\$ 330	\$300 - \$360	3	38
	FOUR	\$ 390	\$340 - \$450	0	6
<b>Southern Lower Hutt</b>	ONE	\$ 216	\$190 - \$235	11	21
	TWO	\$ 300	\$283 - \$350	0	41
	THREE	\$ 395	\$360 - \$450	-1	48
	FOUR	\$ 537	\$450 - \$600	13	10
<b>Wainuiomata</b>	ONE	n/a	n/a	n/a	0
	TWO	n/a	n/a	n/a	0
	THREE	\$ 305	\$275 - \$322	2	12
	FOUR	\$ 420	\$368 - \$426	0	5
<b>Upper Hutt</b>	ONE	\$ 167	\$130 - \$200	1	10
	TWO	\$ 250	\$217 - \$272	8	41
	THREE	\$ 347	\$330 - \$360	-1	34
	FOUR	\$430	\$416 - \$462	3	5

**Median** - the middle value when all of the data is placed in order of value.

**Source - Sales Statistics:** REINZ website and Professionals Hutt City Ltd MREINZ records.

These statistics are for residential dwellings and do not include sections.

**Source - Rental Statistics:** Tenancy Services Bond Centre. These statistics are derived from information gathered from bonds lodged at the Department of Building and Housing.

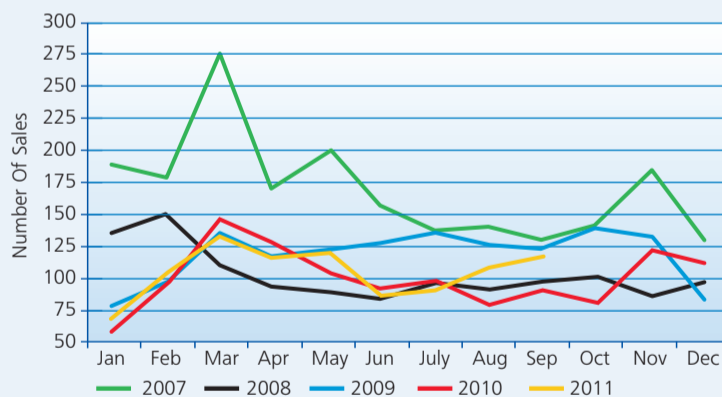
## Lower Hutt Sales Statistics

### July - September 2011

SUBURBS	MEDIAN SALE PRICE (\$)	MEDIAN SALE PRICE % CHANGE		NUMBER OF SALES	VS LAST YEAR	MEDIAN DAYS TO SELL	VS LAST YEAR
		1 YEAR	3 YEARS				
Alicetown	327,625	-32	-	6	↓	32	↑
Avalon	338,000	-6	6	7	↓	24	↓
Belmont	370,000	-1	8	7	→	57	↑
Boulcott	472,000	-1	13	6	↑	107	↑
Central Hutt	461,550	6	1	24	↑	40	↓
Eastbourne & Bays	650,000	6	5	15	↓	38	↓
Fairfield	405,000	9	-	5	↓	37	↓
Harbourview	412,750	-	-	6	↑	78	↑
Kelson	328,000	-4	-4	11	→	44	↑
Korokoro	375,000	-	-	-	-	-	-
Manor Park	500,000	-	-	-	-	-	-
Maungaraki	397,750	-2	10	10	↓	43	↑
Moera	288,000	-	-	-	-	-	-
Naenae	238,000	-4	-5	23	↑	44	↓
Normandale	387,000	-	-	-	-	-	-
Park Ave	340,000	-	-	-	-	-	-
Petone	470,750	11	27	26	→	47	↓
Stokes Valley	270,500	-4	-2	40	↑	56	↑
Taita	229,500	8	15	12	↑	55	↑
Tirohanga	370,000	-	-	-	-	-	-
Wainuiomata	222,000	-2	-5	53	↑	50	↓
Waiwhetu	350,750	4	11	18	↑	51	↑
Waterloo	342,750	1	-15	14	→	28	↓
Woburn	747,500	20	123	6	→	7	↓

\*For accuracy purposes, suburbs with less than five sales in the period have been excluded from this analysis.

### Lower Hutt Residential Property Sales



## Regional Round Up

### July - September 2011

SUBURBS	MEDIAN SALE PRICE (\$)	MEDIAN SALE PRICE % CHANGE		NUMBER OF SALES	VS LAST YEAR	MEDIAN DAYS TO SELL	VS LAST YEAR
		1 YEAR	3 YEARS				
Lower Hutt	322,500	-8	-1	309	↑	43	↓
Upper Hutt	315,000	-4	6	174	↑	35	↓
Porirua	390,000	-2	11	166	↑	44	↓
Wellington	475,000	1	6	575	↓	35	↑
<b>MAIN CITIES</b>							
Auckland	518,000	4	15	1909	↑	31	↓
Hamilton	335,000	0	1	536	↑	42	→
Christchurch	351,000	6	13	1169	↑	32	↓
Dunedin	245,000	-2	2	501	↑	36	↓

[www.redcoats.co.nz](http://www.redcoats.co.nz)



**Professionals**

hutt city limited  
licensed real estate agent