

inbrief

GLAISTER ENNOR BODY CORPORATE UPDATE

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LAYERED DEVELOPMENTS

A layered development is the creation of a new unit title development within an existing unit title development – a little like a Russian Doll.

Sections 19-22 of the Unit Titles Act 2010 (“UTA”) provide for the creation of subsidiary unit title developments that sit within and alongside each other under a head or parent development. Examples of layered developments are set out in diagram form in schedule 1 of the UTA.

The UTA has provided for layered developments since it came into force in June 2011, but uptake has been slow. There are only a handful of layered developments in New Zealand. Why?

A layered development is a complex vehicle for property ownership and management.

The hierarchical structure and decision-making processes provided for in the UTA create long lead times for decisions (read delays). The make-up of the parent body corporate can also result in dysfunction because of an equal number of votes on opposing sides (i.e., only two principal units in the parent development), or a strong majority dictating to the minority. Subsidiary bodies corporate are subordinate to their parent and some decisions require parent body corporate approval.

The administrative burden and associated cost is also likely to be higher for a layered development than a standard unit title development.

Alternatives to layered developments in the form of redevelopment under the UTA or the use of an overarching incorporated society may also be contributing to the slow uptake on layered developments.

If you are considering a redeveloping a unit or unit title development, or establishing a new unit title development please come and see us about your options

MATTERS ADVISED ON

We have recently advised bodies corporate, unit owners, and body corporate managers on:

- repair and maintenance responsibilities
- acquisition of common property under the Public Works Act
- operational rules
- debt recovery

CONTACT US

For specialist legal advice and assistance, please contact Tim, Paul or Vicki



Tim Jones
Property & Unit Titles



Paul McKendrick
Litigation & Dispute Resolution



Vicki Toan
Resource Management & Unit Titles

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