



2 October 2020

For immediate release

REINZ welcomes announcement to review Unit Titles Act

The Real Estate Institute of New Zealand (REINZ) has today welcomed Labour's announcement that if it is re-elected it will review and amend the Unit Titles Act as it will provide greater transparency for consumers when buying apartments or townhouses run by bodies corporate.

Bindi Norwell, Chief Executive at REINZ says: "The current Unit Titles Act is no longer fit for purpose in the current environment and is long overdue for review. The last time the Act was changed was 10 years ago, despite MBIE raising concerns in a consultation paper back in 2016 that the Act needed to be brought into line with modern practices.

"The fact that the Act is on the list to be reviewed is welcome news for consumers, real estate agents, property managers, landlords and everyone working with bodies corporate," continues Norwell.

One of the key things the Labour Party has said they will review is the need for greater disclosure by vendors when selling a unit title property.

"Currently people looking to buy an apartment or townhouse are not given detailed information in the pre-contract disclosure documentation around issues such as whether there are weathertightness issues or whether earthquake strengthening is required," says Norwell.

"There is also a lack of detail when it comes to financial records, past copies of general body corporate minutes and insurance cover. These are all extremely important things as part of your due diligence process when considering buying an apartment building or other unit title property," she continues.

"Reviewing the Unit Titles Act is also a welcome step to lifting the overall professionalism of those working in body corporate management organisations. It protects those individuals who are already doing a great job and it will help ensure those who have been less than ethical in their practices will no longer be able to continue in this manner," says Norwell.

"There have been estimates that bodies corporate manage annual levies of around \$1 billion and a further \$1 billion in annual long-term maintenance funds and term deposits. That is a significant amount of money by anyone's standard, so anything that can be done to improve the governance requirements and standards of body corporate managers has to be a good thing.

"We welcome the opportunity to work with the Government to ensure that any proposed regulation is fit for purpose and adopted accordingly by the industry," concludes Norwell.

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