

## Buying an apartment or unit - checklist

### In most cases, the flat, unit or apartment you are considering will be strata title:

- Strata title is individual ownership of a unit or apartment within a multi-unit complex. At settlement, you will receive a certificate of title for the unit you bought and become a joint owner of the common property (common areas shared by all the unit owners).
- The unit owners are members of the owners corporation (formerly body corporate), which owns and manages the common property. An owners corporation is automatically created when a plan of subdivision containing common property is registered at Land Use Victoria.

### If you buy the property, you will have the right to vote on decisions about the operation of the owners corporation and, among other responsibilities, must:

- pay annual owners corporation fees, levies and charges
- obey owners corporation rules. Rules may include things such as renovations to the property, pet ownership and noise levels.

### You can research the owners corporation by reviewing:

- the owners corporation certificate attached to the Section 32 statement (also known as a vendor's statement). This has details of current fees, insurance cover and maintenance works carried out. It also details any proposed works, fee increases and any potential or existing legal claims affecting the property
- the owners corporation manager's details on the [public register of owners corporation managers](#)
- any contracts, agreements, leases or licenses affecting the common property
- the minutes of the owners corporation's annual general meetings
- the contract of sale.

### Finances:

- What are annual owners corporation fees, levies and charges? Are you able to manage any increases in annual fees and special levies?
- Are there any fees or other monies owing to the owners corporation?
- Is there a bank account in the name of the owners corporation or a trust fund held by the manager?

- Can you see the owners corporation's register or most recent financial statements, and the budget?
- Does the owners corporation have a credit balance or is it in debt?
- Has the owners corporation borrowed any money? Does it have other financial liabilities? If so, how much?
- Does the owners corporation have a maintenance fund? How much are you required to contribute?

### **Plan of subdivision:**

- Will you be a member of more than one owners corporation?
- What would your lot entitlements (voting rights) and lot liabilities (your contribution to the owners corporation/s) be as part of the whole development?
- Check the measurements of the apartment and the car space. Are they the same as shown in the plan of subdivision, brochure and the contract of sale?
- Is the car parking space a lot and part of your title? If so, ensure that the car parking space is transferred with the title.
- Is the car parking space common property? If so, ensure you have a lease or a licence.

### **Maintenance and repairs:**

- Are there any proposed maintenance, renovations or other building works? Has the owners corporation already raised the funds to cover the cost of the building works? Will there be a special levy?
- Is there a maintenance plan? If so, ask to see it. If there is a plan, there must be a maintenance fund.
- Are there any guarantees and warranties on building works and finishes? Are the documents referred to in the contract of sale?
- Are the building works and finishes completed? Are there any defect claims?
- Is there sufficient reinstatement and replacement insurance cover for the building?
- Are there any obvious structural issues, damage or repairs needed to the building? Consider organising an independent building inspection.

### **Management issues:**

- Does the owners corporation have a registered manager? Check their registration on the public register of owners corporation managers
- Is there a resident building manager or caretaker manager?

- When was the last annual general meeting? Ask to see its minutes. How many complaints were reported to the owners corporation?
- Is there a committee? Can you contact the chairperson?
- Does the owners corporation have rules? Are the rules registered at Land Use Victoria?
- What is the grievance procedure?
- Are any legal proceedings affecting the owners corporation? If so, ask for details or copies of the application or complaint. You should get legal advice before signing the contract.
- Check for any record of a Victorian Civil and Administrative Tribunal decision affecting the owners corporation or the address or the building. The tribunal's decisions are available for download from the [Australasian Legal Information Institute website](#).

**When looking at an apartment or unit, consider:**

- Can you hear people walking and talking in other apartments?
- Can you smell cooking?
- Are you near the garbage bins or waste collection areas? Are there any odours?