

Australian Capital Territory

UNIT TITLES ORDINANCE 1975

CITY AREA LEASES ORDINANCE 1975

EXPLANATORY MEMORANDUM

The Unit Titles Ordinance 1970-1971 allows the lessee of a parcel of land to sub-divide that parcel in accordance with procedure that includes approval of a proposal to sub-divide and endorsement of the units plan for registration under the Real Property (Unit Titles) Ordinance 1970. The procedure does not, however, allow for the transfer of a lease of a unit until the entire project contained in the units plan is completed.

The Unit Titles Ordinance 1975 will amend the Unit Titles Ordinance 1970-1971 to enable the Minister to approve proposals for the sub-division of a parcel of land into Class B (ground level) units prior to the erection of the units. As a consequence of this a developer will be able to transfer the lease of a unit on completion of the unit or, in certain circumstances, before completion.

Where the Minister approves a proposal prior to the erection of the buildings the lessee of the land may be required to lodge a bond as security for the completion of the project.

The Ordinance as amended will provide for the schedule submitted with proposals for sub-division to include the rent proposed to be reserved under the lease of each unit. (This provision will only be applicable in the case of commercial units.) In the event that the Minister refuses to approve a proposal with respect to the rents reserved and substitutes different rents, a review by the Valuation Review Board and an appeal to the Supreme Court from the Board's decision are provided.

Other amendments will -

- ensure that the lessee of a unit is afforded an easement of, rights of support, shelter and protection over adjoining leases in the sub-division prior to completion of the building or buildings on those leases; and
- will defer the responsibility of a management corporation to repair and maintain common property chattels, pipes, wires, cables, ducts and apparatus and equipment on that part of the development project in respect of which the building and development covenant has not been complied with.

The City Area Leases Ordinance 1975 is consequential on the proposed Unit Titles Ordinance 1975. Its purpose is to amend the City Area Leases Ordinance 1936-1974 to empower the Minister to issue a certificate that the building covenant has been complied with either in respect of the entire completed project or, where the prospective occupier of a completed unit would not be substantially inconvenienced by building work remaining to be carried out on other units in the project, in respect of that unit.