

Dear Developer

You may not be aware, but a body corporate is automatically created when a strata scheme is registered – even when there are only 2 units. We offer a streamlined package to assist you in getting yours set up properly from the outset.

What's in it for you?

- **Avoid delays** - Attention to detail at the outset helps prevent strata plan or staged development scheme delays during Council final approval and Land Titles Office registration
- **Maximise your profits** – A strata scheme with a properly established and active body corporate is more appealing to purchasers, especially interstate and informed purchasers, which helps maximise profitability
- **Create a Lifestyle** - Terrace creates a harmonious and cohesive culture within a body corporate from the outset and we encourage developers to “create a lifestyle” for their purchasers. Our process reduces the likelihood of disputes and assists our bodies corporate in keeping the development compliant with the Act, well maintained and liveable
- **Protect your investment** – we arrange strata insurance as soon as your certificates of occupancy are issued. Not only does this comply with the Act, it ensures that your finished development is properly protected.
- **Comply with the Act** – The Strata Titles Act 1998 imposes obligations on you as the developer and on the body corporate. We take on those obligations so you can focus on what you do best (see a summary below).
- **We're the first point of contact** – we are happy to talk to real estate agents and prospective purchasers about what's in place, how strata works and what the costs are. We provide them with the necessary paperwork, and we liaise with solicitors at settlement. After completion, we have an established process in place to handle defects.
- **Deadlocks** – 2 lot bodies corporate have an inherent risk of deadlocks, which makes it very difficult for decisions to be made. As a neutral, impartial party, we can provide the pros and cons of the proposal to assist owners in reaching an agreement.

What is common property? Common property includes anything outside the lot boundaries such as common driveways and gardens. It also includes service infrastructure such as cables, wires, pipes, sewers, drains, ducts, plant and equipment by which water, gas, electricity, sewerage, storm water drainage or telecommunications are provided.

What are the costs? We charge a set-up fee which covers the costs of tailored by-laws. Among other things, these allow owners to have pets (which are otherwise not permitted without body corporate approval), and they allow the body corporate to conduct business electronically. They also handle any requirements of the

planning permit, and deadlocks, which is particularly relevant to developments with an even number of units. Our ongoing management fee is included in the levies.

When do you engage us? As soon as possible – we can help with the documentation, and have input into the design of the strata plan to ensure it is workable and liveable. This is especially important with staged development schemes to ensure that you have flexibility throughout the later stages.

If appointed, we undertake everything required of you or the body corporate to comply with the *Strata Titles Act 1998*, including

- Management of the strata insurance policy in conjunction with Insurance Solutions Tasmania Pty Ltd
- Opening a body corporate bank account
- Explaining and enforcing by-laws (which would include improper use of car parks, and parking issues)
- Developing a budget for body corporate approval to cover the costs of complying with the *Strata Titles Act 1998*
- Issuing levies
- Paying bills
- Facilitating the maintenance and improvement of common property including perimeter fencing
- Convening, chairing and recording annual general meetings

Levies average out between \$1,200 - \$1,400 per unit per annum. They can be paid monthly, quarterly or annually. Levies include

- Strata insurance
- Management fees
- Gardening of common property (if required)
- Sinking fund

Please don't hesitate to get in touch if there is anything I can do to assist you.

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