

## ESTABLISHING COMMUNITY TITLES SCHEME

### PROCESS

To assist you with establishment of the Community Titles Scheme (“**CTS**”) for this property, the following legal work would be required:

1. Preparation of a Community Management Statement;
2. Preparation of proposed Minutes for first meeting of body corporate (if there is to be no body corporate manager appointed);
3. Preparation of Easements required by Council as part of your Development Approval (if any); and
4. Registration of the Survey Plan and Community Management Statement including obtaining the consent of the mortgagee of the property.

### DRAFT COMMUNITY MANAGEMENT STATEMENT

To complete the Community Management Statement (“**CMS**”), we will require:

1. Your proposed name for the Body Corporate.

We would then confirm with the Department of Natural Resources and Mines that the Body Corporate name is available and reserve this name should you so desire.

2. The following Plans prepared by your Surveyor and provided to us:
  - a. The Survey Plan;
  - b. The Exclusive Use Plan showing the allocation of areas for the exclusive use of Lot Owners (eg. courtyards); and
  - c. The Services Location Diagram.

The Services Location Diagram will show where all services are constructed in the common property. Your Surveyor will require the engineering plans showing where the service lines are located, e.g. power, water, sewerage, stormwater.

Further advice please contact

Michael Smith [michael@pacificlaw.com.au](mailto:michael@pacificlaw.com.au) or

David Netherton [david@pacificlaw.com.au](mailto:david@pacificlaw.com.au)

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3. The value of each of the Lots. This is to determine the interest lot entitlements. You would need to provide this information.

Under the Body Corporate and Community Management Act (“Act”), interest schedule lot entitlements are determined from the value of each of the Lots and are the basis for calculating the lot owner’s share of common property, interest on termination of the scheme and the unimproved value of the lot for the purpose of rates, land tax and similar charges;

4. The contribution schedule lot entitlements for each Lot. The Act requires the contribution lot entitlements to be equal for each Lot unless it is just and equitable for them not to be equal. Contribution lot entitlements determine the proportion of contribution for each lot owner to the Body Corporate levies and voting rights. If there is some reason the contribution lot entitlements should be different, then an explanation is required to be included in the CMS

## MORTGAGEE’S CONSENT

It will be necessary to obtain the consent of the mortgagee of the property to the registration of the Survey Plan and CMS. The mortgagee will charge its own fees for giving its consent and those fees depend on the particular mortgagee providing the consent.

## BODY CORPORATE RECORDS

It will also be necessary to have the Body Corporate records prepared. This will include organising body corporate (strata) insurance and creating appropriate budgets. After preparation of the appropriate records, the owner of each of the new lots may agree on how the Body Corporate is to be managed (ie: by the lot owners or appointing a body corporate manager under a formal management agreement).

You can make the decision closer to the time of construction being completed (when you intend to sell ‘off the plan’) as to whether you wish to appoint a professional body corporate manager. However, if you wish to appoint a professional body corporate manager, the costs of engaging the manager should be included in your feasibility for the development.

Further advice please contact

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## PROFESSIONAL FEES AND EXPENSES

We estimate our Professional Fees for carrying out the legal services associated with the above to be as follows (plus GST):

ESTABLISHING COMMUNITY TITLE SCHEME	Fees (plus GST)
<b>Preparation of the Community Management Statement</b> Including: <ul style="list-style-type: none"> <li>• Liaising with Body Corporate Manager for necessary information.</li> <li>• Liaising with Surveyor for exclusive use plans and other necessary information.</li> <li>• Preparation of First Community Management Statement for the Scheme.</li> </ul>	\$1,200
<b>Preparation of an Easement</b>	\$450 to \$650
<b>Registration of the CTS Name</b>	\$150 (if required)
<b>Preparation of Body Corporate Management Agreement</b> in consultation with Body Corporate Manager	\$600
<b>Preparation of Body Corporate Caretaker Agreement</b> in consultation with Body Corporate Manager	\$600
<b>Preparation of Managed Investments Act Disclosure Statement.</b>	\$2,500
<b>Sale of the Management Rights</b> <ul style="list-style-type: none"> <li>• Preparation of the Sale Agreement for the Management Rights for the Scheme and completion of the sale of the Management Rights business.</li> <li>• Management of the sale Contract to completion.</li> </ul>	\$3,000
REGISTRATION OF NEW TITLES	Fees (plus GST)
<b>Registration of Survey Plan and CMS</b> in consultation with your surveyor	\$1,200
<b>Requesting mortgagee consent to Survey Plan and CMS</b>	\$350
<b>Preparation of the Body Corporate records</b> Including the Minutes of the first meeting of the CTS, assisting you to create a budget and insurance for the CTS	\$1,200

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## THIRD PARTY BUYER - CONTRACT PREPARATION

We estimate the costs to prepare pro-forma contract for the sale of each unit will be either:

SELLING DEVELOPMENT LOTS/STOCK - CONVEYANCING	Fees (plus GST)
<b>Conveyancing – Development Stock/lots</b> <ul style="list-style-type: none"> <li>Selling off the plan – prior to registration of the community title scheme</li> <li>Selling after registration of the community title scheme</li> </ul>	<p>\$900 per lot</p> <p>\$800 per lot</p>
<b>Preparation of ‘Off the Plan’ Sale Contracts</b>	<p>\$950</p>
<b>Preparation of Disclosure Statements</b> Including: <ul style="list-style-type: none"> <li>Liaising with Body Corporate Manager for preparation of <b>levy</b> budgets and agreements.</li> <li>Compliance with the <i>Body Corporate and Community Management Act</i> and <i>Land Sales Act</i>.</li> </ul>	<p>\$1,550</p>
<b>Issuing Development Contracts to Third Party buyers</b> If you are engaging a real estate agent for the sale of the lots, you may find your real estate agent will prepare each subsequent sale contract using our pro-forma contract as a base in which case the \$450.00 per additional lot fee would not apply.	<p>\$450 per issue</p>

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