



Department of
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Te Tari Kaupapa Whare

Body Corporate Operational Rules

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Introduction

This publication is to help unit owners, bodies corporate and sector professionals understand body corporate operational rules under the Unit Titles Act 2010 (the Act). In particular it includes important information about the default operational rules, the transition arrangements and how to set operational rules to suit a specific type of development.

This guide provides information about:

- Body corporate operational rules
- Default rules
- Transition from the 1972 Act to the 2010 Act
- How to change rules
- Setting rules for specific types of development
 - Residential
 - Commercial
 - Mixed use
 - Layered
- Changes from the 1972 Act.

This document has been published by the Department of Building and Housing as a guide to body corporate operational rules under the Unit Titles Act 2010. The guidance contained in this document is general, and may not apply to your specific circumstances. Before making changes to the body corporate operational rules, it is recommended that you obtain independent legal advice from your lawyer.

Body Corporate Operational Rules

What are body corporate operational rules?

Body corporate operational rules help the body corporate govern the unit title development. They are a set of expectations placed on unit owners and help prevent disputes between people who live and work in the development.

The Unit Titles Regulations 2011 prescribe minimum default rules. The default rules cover issues applicable to most unit title developments. The default operational rules (see Schedule 1 of the Regulations) are:

An owner or occupier of a unit must not –

- (a) damage or deface the common property
- (b) leave rubbish or recycling material on the common property
- (c) create noise likely to interfere with the use or enjoyment of the unit title development by other owners or occupiers
- (d) park on the common property unless the body corporate has designated it for car parking, or the body corporate consents
- (e) interfere with the reasonable use or enjoyment of the common property by other owners or occupiers

An owner or occupier of a unit must dispose of rubbish hygienically and tidily.

The 2010 Act enables bodies corporate to add to or amend these rules to suit the individual characteristics of their development.

All unit owners, occupiers, tenants and the body corporate must obey the body corporate operational rules that apply to the development they live or work in.

Since a body corporate can amend or add to the default rules set out in the Regulations you should ensure you have the most up-to-date copy of the operational rules that apply to your development. Contact your body corporate chairperson or body corporate manager for a copy if you don't have one.

I am in a unit title development that existed before the Act came into force. What rules apply to me?

If you are in an existing unit title development the new operational rules will replace your existing rules from 1 October 2012, unless the body corporate decides to opt in to the new rules earlier.

However, some of your rules may be overridden by the Act and Regulations. Go [here](#) to find out more.

What kinds of rules should the body corporate have?

The kind of rules a body corporate needs depends on the kind of development. Residential developments will need different rules than commercial or industrial developments, and mixed use developments might need some of each.

Body corporate rules also reflect the individual characteristics of the development – whether it is urban or suburban, the kind of common property in the development (for example, if there is a gym or swimming pool) and how the individual unit owners like to live.

This publication contains information specific to four different categories of developments that you can use to help you decide on what rules are appropriate for your development. Please follow the relevant link below:

- [Body corporate operational rules for residential developments](#)
- [Body corporate operational rules for commercial developments](#)
- [Body corporate operational rules for mixed-use developments](#)
- [Body corporate operational rules for layered developments.](#)

The examples given in these sections of the guidebook are general. If you are designing body corporate operational rules to add to the default rules in regulations, you should consider the specific circumstances of your development. You will also need to ensure the changes meet the requirements set out in the section “How do we make changes to the new operational rules?”. Before making changes to the body corporate operational rules, the Department of Building and Housing recommends that you obtain independent legal advice from your lawyer.

Someone in my development is not following the rules. What can I do?

The body corporate and unit owners have the power to enforce the body corporate rules.

You might like to consider dealing directly with the unit owner as a first step. Often, people are unaware that there are body corporate rules or what the body corporate rules are. You could take along a copy of the rules and remind them that they need to follow them.

If the person who is not following the body corporate rules is a tenant, you should deal directly with the unit owner, landlord or their representative, in the first instance. They are responsible for making the tenant follow the rules.

If dealing directly with the person doesn't work, or isn't appropriate, you can make an application for dispute resolution to the Tenancy Tribunal or through the Courts. You can find more information on dispute resolution [here](#) and the application form [here](#).

Transition from the 1972 Act to the 2010 Act

What is changing and why?

Under the Unit Titles Act 1972 (the 1972 Act) the majority of the default body corporate rules are contained in Schedule 2 and cover:

- rights and responsibilities of unit owners
- powers and duties of the body corporate
- the body corporate committee
- general meetings of the body corporate
- governance arrangements
- voting.

These rules in Schedule 2 are now all contained in the 2010 Act and supporting regulations, so there is a consistent and fair approach. They cannot be changed by body corporate vote.

Operational rules are contained in Schedule 3 of the 1972 Act. These rules cover miscellaneous matters such as pets, noise, use of the common property and use of units.

Transition to the 2010 Act

Most of the provisions of the 2010 Act will apply to existing unit title developments from the date it comes into force, with other provisions applying from 1 October 2012. This transition period will give bodies corporate time to prepare for the new default body corporate operational rules contained in the 2010 Act.

An existing body corporate can opt-in to the new rules at any stage before 1 October 2012. A special resolution is required in order to opt-in.

What will happen to our existing rules?

If you are in an existing unit title development the body corporate rules that were made under the 1972 Act apply until 1 October 2012, with the exception of rules on matters now covered by the 2010 Act.

After 1 October 2012 your existing body corporate rules will no longer apply. Instead, your body corporate rules are the new default operational rules under the Regulations.

You can opt-in to the new operational rules at any time, as long as the body corporate passes a special resolution to do so (where 75% of the body corporate members voting at a general meeting agree).

From 20 June 2011, provisions in the 2010 Act will override the corresponding provisions in existing body corporate rules, including the provisions relating to:

- rights and responsibilities of owners and powers and duties the body corporate;
- the operation of the committee; and
- meetings and voting.

Bodies corporate should review their existing rules to determine which will apply during the transition period and which have been overridden by the 2010 Act. The “What has become of the old rules?” section of this document will help you with this process.

Do we need to incorporate some of our old rules into the new rules?

Depending on what kinds of matters were covered in your old rules and what kinds of rules suit the characteristics of your development, you might want change or add to the new default operational rules.

If the new operational rules don’t cover all of the matters in your existing rules, you should first find out whether those matters are now contained in the 2010 Act or the Regulations. Go [here](#) for more information.

The majority of unit title developments won’t need any operational rules on these matters.

If the 2010 Act or Regulations don’t cover all of the matters in your existing rules, you could potentially make a change to the new operational rules. When you are making this decision:

- make sure your rule change is not *ultra vires* (meaning the body corporate does not have the power to make the rule, because it doesn’t meet the requirements in the Act). See the next section in this publication for how to make changes to the operational rules
- have a look at the sections of this publication specific to your type of development (for example residential or commercial) to see the kinds of matters operational rules could cover
- talk to the other owners in the development about what kinds of rules they think there should be.

How do we make changes to the new operational rules?

There are restrictions on what you can make operational rules on. Additions or alterations must:

- relate to the control, management, administration, use or enjoyment of the units or the common property; or
- relate to the regulation of the body corporate.

In addition, alterations or additions to the operational rules cannot:

- confer or impose any powers or duties on the body corporate that are not incidental (do not relate) to the powers and duties the body corporate has under the 2010 Act; and
- be inconsistent with any provision of the 2010 Act, Regulations and any other act or rule of law.

If you decide to change the operational rules you must pass an ordinary (that is, majority) resolution to do so.

Changes to the body corporate operational rules should be fair and even-handed. If you disagree with changes the body corporate makes to the rules and voted against the change, you can apply to the Tenancy Tribunal or Courts for relief on the basis the rule change is unfair or inequitable.

Putting the changes into effect

You need to lodge rule changes with Land Information New Zealand in order for them to take effect. Go [here](#) to find the form you will need to lodge.

Lawyers and conveyancing practitioners can lodge the form electronically using Landonline. People not registered to use Landonline will need to lodge the form through their lawyer or conveyancing practitioner, or manually with Land Information New Zealand. You can find instructions on how to lodge a manual dealing at <http://www.linz.govt.nz/survey-titles/land-registration/manual-dealing>.

Residential Developments

This section provides guidance for body corporate that wants to add to or amend the default operational rules in the Regulations in a residential development.

Considerations for residential developments

Operational rules help the body corporate govern the development and can help prevent disputes between unit owners and occupiers.

When you are considering what kinds of operational rules you need in your development, you should think about:

- what kinds of matters people have had disputes about in the past, why these disputes arose and whether rules could help prevent disputes from arising in the future
- what kinds of facilities are there for everyone to use and whether rules are a way to protect or ensure access to those facilities
- what kind of behaviour is acceptable in the development and what kind of behaviour is not
- what rules are fair to all unit owners.

Common property

Unit title developments can have a wide range of common property, for example:

- recreational facilities such as swimming pools, spas and saunas, gyms
- outdoor facilities such as lawns and gardens, roof-top terraces, driveways
- other facilities such as halls, common rooms
- building facilities such as lobbies, lifts, rubbish and recycling facilities, security
- chattels such as lobby furniture, gardening or cleaning equipment, artwork
- infrastructure such as aerials, satellite dishes, telecommunications wiring.

The default operational rules can be used to protect the common property from damage or harm and ensure unit owners and occupiers can access the common property.

Depending on what kind of common property you have, more operational rules might be necessary. For example some developments make rules about,

- hours of use of recreational or other facilities
- whether parts of the common property can be used as a garden

- conditions of use of certain facilities
- whether there are facilities to be used for specific purposes (such as service lifts or loading docks for moving furniture into or out of units)
- how often chattels are cleaned
- details of any preferred suppliers or trades people the body corporate has contracted for servicing units or the common property (for example, an electrician or plumber who unit owners can contact if they have electrical or plumbing issues)
- whether there are rubbish or recycling facilities in the development and how rubbish or recycling is disposed of
- security measures, including whether there are security codes or cards for accessing the building and restrictions on who these are given to
- if there are car parking facilities on the common property, where owners and guests are allowed to park
- health and safety in using common property, such as safe areas for children to play
- whether there are restrictions on signage, such as “for sale” signs (for example, the body corporate may want to protect the common property or external appearance of the development by limiting where signs can be placed).

Units

The way people use their units can impact on other unit owners or the common property.

Under the 2010 Act, unit owners must keep their unit in sufficient repair so that no damage or harm is done to other units or the common property. In addition, the default operational rules state that unit owners can't create noise that interferes with another person's right to quiet enjoyment of their unit or interferes with other owners' or occupiers' use of the common property.

Depending on what kind of development you live in, more operational rules might be necessary. For example, some developments make rules about:

- where owners or occupiers can hang out washing
- whether owners or occupiers are allowed to have pets or whether certain kinds of pets are allowed
- the external appearance of units, such as whether there are approved colour schemes for painting or rules about signage visible from the unit

- the internal fit-out of units, such as whether particular floor coverings must be used to prevent noise transmission
- prohibiting parties after certain hours
- restrictions on keeping hazardous materials in units
- pest control in units
- behaviour of unit owners, occupiers and guests.

Administration and governance

The body corporate may make rules on how it will operate.

The 2010 Act and the Regulations contain comprehensive administration and governance rules for unit title developments. You should read the 2010 Act and the Regulations before you add new rules about these matters, as you cannot make a rule that contradicts the law.

Other possible rules

Depending on what kind of development you live in, more operational rules might be necessary. For example, some developments make rules about:

- fire drills and evacuation procedures (the development may be required by law to have these in place)
- prohibiting the body corporate from unreasonably withholding consent in cases where body corporate consent is required under any operational rules
- whether the chairperson (or another officer of the body corporate) has additional responsibilities to those outlined in the Regulations.

If the body corporate engages someone to undertake duties on its behalf, such as a professional body corporate manager or building manager, you should exercise caution in making rules that outline their responsibilities. These responsibilities are best established through a contract.

Commercial Developments

This section provides guidance for a body corporate that wants to add to or amend the default operational rules in the Regulations for a commercial development.

Considerations for commercial developments

Operational rules help the body corporate govern the development and can help prevent disputes between unit owners and occupiers.

When you are considering what kinds of operational rules you need in your development, you should think about:

- what kind of business the units are used for, such as office space, car parks or accommodation
- whether the units are used by the owner or whether there are leasing arrangements in place
- what kind of duties the body corporate is responsible for undertaking
- what rules are fair to all unit owners.

Other rules in commercial developments

Units in commercial developments may be leased. In these cases there will usually be formal lease documentation in place between the unit owner and the tenant (for example a deed of lease). This lease documentation will contain additional rights and responsibilities of between the parties to the lease.

Common property

Commercial unit title developments can have a wide range of common property and assets, for example:

- building facilities, such as lifts, lobbies, stairwells, rubbish and recycling facilities, loading dock areas
- common facilities, such as staff or customer car parking areas, cafeteria space, shower facilities
- recreational facilities, such as gardens, gyms
- infrastructure, such as fire alarms, aerials, satellite dishes, telecommunications wiring.

The default operational rules can be used to protect the common property from damage or harm and ensure unit owners and occupiers can access the common property.

Depending on what kind of common property you have, more operational rules might be necessary. For example some developments make rules about:

- if there are carparking facilities on the common property and who can use them
- whether there are restrictions on signage, such as advertising (for example, the body corporate may want to protect the common property or external appearance of the development by limiting where signs can be placed. There may also be council by-laws that prohibit signs in certain locations).
- security measures, including whether there are security codes or cards for accessing the building and restrictions on who these are given to
- whether there are restrictions on hours for delivery of goods, documents or other parcels
- whether there are designated smoking areas
- whether there are facilities to be used for specific purposes (such as service lifts or loading docks for moving furniture into or out of units)
- whether there are rubbish or recycling facilities in the development and how rubbish or recycling is disposed of.

Units

The way people use their units can impact on other unit owners or the common property.

Under the 2010 Act, unit owners must keep their unit in sufficient repair so that no damage or harm is done to other units or the common property. In addition, the default operational rules state that unit owners can't create noise that interferes with another person's right to quiet enjoyment of their unit or interferes with other owners' or occupiers' use of the common property.

Depending on what kind of development you live in, more operational rules might be necessary. For example, some developments make rules about:

- whether there are any specific requirements for the use of units, for example, restaurants must have a liquor license, car parks may only be used for car parking
- permitted trading hours (for example for security reasons or as required by local bylaws)
- restrictions on keeping hazardous materials in units
- the external appearance of units, such as whether there are approved colour schemes for painting or rules about signage visible from the unit

- the internal fit-out of units, such as whether particular floor coverings must be used to prevent noise transmission
- restrictions on installing equipment or other fixtures (such as heavy objects)
- details of any preferred suppliers or trades people the body corporate has contracted for servicing units or the common property (for example, an electrician or plumber who unit owners can contact if they have electrical or plumbing issues)

Mixed Use Developments

This section provides guidance for a body corporate that wants to add to or amend the default operational rules in the Regulations for a mixed use development.

Considerations for mixed use developments

Operational rules help the body corporate govern the development and can help prevent disputes between unit owners and occupiers.

Deciding on rules that apply in mixed use developments can be difficult. Finding a balance that will ensure the needs of residents, tenants, restaurants, bars, shops, office workers and hotel owners and guests are met (for example) can take time.

The key challenge in mixed use developments is that the different uses of unit can have competing or contradictory interests. For example, residential owners might have noise concerns about bars or nightclubs that stay open late. Conversely, business owners will want as much freedom as possible to make good business decisions, including hours of operation and what services they provide.

Attempting to keep everyone in the development happy relies on having a good, comprehensive set of body corporate rules.

When you are deciding on what rules you need in your development, see the sections on residential developments and commercial developments. You will likely need a combination of the suggested topics in your rules. In addition, see the tips below.

Tips: what to think about when deciding on rules

When you are considering what kinds of operational rules you need in your development, you should think about:

- what kinds of matters people have had disputes about in the past, why these disputes arose and whether rules could help prevent disputes from arising in the future
- what kinds of facilities are there for everyone to use and whether rules are a way to protect or ensure access to those facilities
- what kind of behaviour is acceptable in the development and what kind of behaviour is not
- what rules are fair to all unit owners
- what kind of businesses are involved
- whether the units are used by the owner or whether there are leasing arrangements in place

- what kind of additional duties the body corporate is responsible for undertaking.

The body corporate could decide that specific rules apply to only certain types of units in the development. For example, if there is a hotel or other accommodation service provided, there could be specific rules that apply to those units. If that is the case, make sure you clearly identify the units that are subject to those rules. You should also be careful to ensure that rules don't contradict the Act or impose rules that are unfair or restrict the rights of owners under the Act.

Involve unit owners from a range of different unit types in deciding on the rules. This will help ensure the rules are fair on everyone and don't contradict any other law or contractual agreements that are in place.

Other rules that can apply in mixed use developments

Units in mixed use developments may be used for commercial or retail purposes. In these cases there will usually be formal lease documentation in place between the unit owner and the tenant (for example a deed of lease). This lease documentation will contain additional rights and responsibilities of between the parties to the lease.

Other contractual arrangements may also need to be taken into consideration. For example, if accommodation units make up a part of the building there may be contracts in place that cover management rights.

There are also other laws and bylaws that can affect commercial and retail units, for example the Sale of Liquor Act, food health and safety regulations and council bylaws, which cover a number of areas such as business uses and parking.

Layered developments

This section provides guidance for a body corporate that wants to add to or amend the default operational rules in the Regulations in a layered development.

What is a layered development?

A layered development is where several bodies corporate are grouped together under an umbrella body corporate. A layered development consists of one “head” unit title development and one or more “parent” and/or “subsidiary” unit title developments.

There is a useful diagram in Schedule 1 of the Act that illustrates the relationship between parent and subsidiary unit title developments.

Considerations for layered developments

Operational rules help the body corporate govern the development and can help prevent disputes between unit owners and occupiers.

Deciding on rules that apply in mixed use developments can be difficult. Often, layered developments will also be mixed use – meaning the different bodies corporate can have different and sometimes competing agendas.

Making everyone in the development happy relies on having a good, comprehensive set of body corporate rules.

When you are deciding on what rules you need in your development, see the sections on residential developments and commercial developments. You will likely need a combination of the suggested topics in your rules. In addition, see the tips below.

Tips: what to think about when deciding on rules

When you are considering what kinds of operational rules you need in your development, you should think about:

- what kinds of matters people have had disputes about in the past, why these disputes arose and whether rules could help prevent disputes from arising in the future
- what kinds of facilities are there for everyone to use and whether rules are a way to protect or ensure access to those facilities
- what kind of behaviour is acceptable in the development and what kind of behaviour is not
- what kind of businesses are involved
- whether the units are used by the owner or whether there are leasing arrangements in place

- what kind of additional duties the body corporate is responsible for undertaking.

It will be important to think about where you sit in the layered structure – whether your development is part of another body corporate or whether other bodies corporate are part of yours.

This will affect how you make some of your rules – especially the ones about common property. If you are part of another body corporate you can use their common property, but they will set rules. Similarly, if another body corporate is part of your body corporate they can use your common property and this might impact on the rules you make.

Also important are the operational rules of the other bodies corporate in the layered development. Ideally, the rules for each body corporate in a layered development should align – or at least not be in conflict.

Under the 2010 Act, if there is a conflict between rules of:

- a subsidiary body corporate and its parent, the parent body corporate's operational rules apply
- a subsidiary body corporate and the head body corporate, the head body corporate's operational rules apply.

Bodies corporate in layered developments might also choose to add in some rules that make it clear how the governance structure works across the development as a whole. For example, bodies corporate could choose to make rules that clarify the notice periods for meetings (in cases where the notice periods need to be longer than the minimum timeframes provided in the Regulations) – this will depend on how many subsidiary bodies corporate there are in the development.

What has become of the old rules?

To help with moving to the 2010 Act this section outlines the default body corporate rules under the 1972 Act. These rules are those that bodies corporate currently have in place with any additions and alterations the body corporate has made.

Most of the existing rules are now covered in the 2010 Act and supporting regulations, meaning bodies corporate only need to make rules about operational matters.

This section will help you decide what operational rules you need under the 2010 Act by showing where the existing rules have been covered under the 2010 Act or regulations.

In most cases, it is likely you won't need to make additional body corporate rules about those matters. However, as many of the details have changed between the equivalent parts of the 1972 and 2010 Acts, you should check the relevant provisions to ensure they are adequate for your needs.

While the Department of Building and Housing has taken care in preparing this comparison, there may be other provisions in the 2010 Act or supporting regulations which are relevant to your circumstances, but not referenced.

Current default body corporate rules (Schedule 2, Unit Titles Act 1972)	Equivalent in the Unit Titles Act 2010 or Regulations	Notes
Duties of proprietor		
1 A proprietor shall—		
(a) Permit the body corporate (or its agents or servants) at all reasonable hours to enter into and upon his unit for any of the following purposes, that is to say,— (i) Viewing the condition thereof; (ii) Maintaining, repairing, or renewing any pipes, conduits, wires, cables, or ducts for the time being in, upon, or passing through his unit and capable of being used in connection with the enjoyment of any other unit or common property; (iii) Maintaining, repairing, or renewing any common property; and (iv) Ensuring that the rules are being observed:	Unit Titles Act 2010 section 80(1)(a)	Additional body corporate rules not likely to be required.
(b) Comply in all respects with all Acts, bylaws, and regulations for the time being in force in the area in which his unit is situated in so far as they relate to the use,	Unit Titles Act 2010 section	Additional body corporate rules not likely to be

occupation, or enjoyment of his unit:	80(1)(d)	required.
(c) Forthwith and at all times carry out all work that may be ordered by any competent local authority or public body in respect of his unit to the satisfaction of that authority or body:	Unit Titles Act 2010 section 80(1)(e)	Additional body corporate rules not likely to be required.
(d) Duly and punctually pay all rates, taxes, charges, and other outgoings from time to time payable in respect of his unit to any local authority or public body and all sums properly levied in respect of his unit by the body corporate:	Unit Titles Act 2010 section 80(1)(f)	Additional body corporate rules not likely to be required.
(e) Repair and maintain his unit, and keep it in sufficiently good order, repair, and condition to ensure that no damage or harm shall ensue to the common property or any other unit in the building of which his unit forms part:	Unit Titles Act 2010 section 80(1)(g)	Additional body corporate rules not likely to be required.
(f) Make no additions or structural alterations to the unit without the consent of the body corporate.	Unit Titles Act 2010 section 80(1)(h) and (i)	Additional body corporate rules not likely to be required.
Powers and duties of Body Corporate		
2 The body corporate shall—		
(a) Repair and maintain all chattels, fixtures, and fittings (including stairs, lifts, elevators, and fire escapes) used, or intended, adapted, or designed for use, in connection with the common property or the enjoyment thereof:	Unit Titles Act 2010 section 138(1)	Additional body corporate rules not likely to be required.
(b) Repair and maintain all pipes, wires, cables, ducts, and all other apparatus and equipment of whatsoever kind and wheresoever situated which may be reasonably necessary for the enjoyment of an incidental right which may from time to time exist by virtue of section 11 of the Unit Titles Act 1972:	Unit Titles Act 2010 section 138(2)	Additional body corporate rules not likely to be required.
(c) On request, produce to any unit proprietor, or a registered mortgagee of any unit, or any person authorised in writing by any unit proprietor or registered mortgagee of any unit, all policies of insurance effected by the body corporate under the provisions of section 15 of the Unit Titles Act 1972 and the receipt for the last premiums paid in respect thereof.	Unit Titles Act 2010 section 206(1)(b)	Note that the new provision does not reference mortgagees
3 The body corporate may—		

<p>(a) Borrow any money necessary to enable it adequately to perform its duties or exercise its powers:</p>	<p>Unit Titles Act 2010 section 130(1)(a)</p>	<p>Additional body corporate rules not likely to be required.</p>
<p>(b) Invest any money for the time being held by it (whether in a fund established under section 15 of the Unit Titles Act 1972 or otherwise) in any of the modes of investment for the time being authorised by law for the investment of trust funds:</p>	<p>Unit Titles Act 2010 section 130(1)(b)</p>	<p>Additional body corporate rules not likely to be required.</p>
<p>(c) Establish a current account at a bank, and nominate for the purposes of this paragraph 3 persons (including the secretary) of whom any 2 may operate the account:</p>	<p>Unit Titles Act 2010 section 115 Unit Titles Regulations 2011 regulation 31</p>	<p>Additional body corporate rules not likely to be required.</p>
<p>(d) Enter into any agreement with a proprietor or an occupier of any unit for the provision of amenities or services by it to the unit or to the proprietor or occupier:</p>	<p>None</p>	<p>Note the body corporate can enter into any legal arrangements that a natural person could (subject to any restrictions in the 2010 Act or other law).</p>
<p>(e) Grant to a proprietor of a unit or to anyone claiming through him any special privilege (not being a lease) in respect of the enjoyment of part or parts of the common property: Provided that any such grant shall be determinable by special resolution.</p>	<p>None</p>	<p>Note the body corporate can enter into any legal arrangements that a natural person could (subject to any restrictions in the 2010 Act or other law).</p>

Committee of a body corporate		
<p>4 Where there are more than 3 proprietors, the powers and duties of the body corporate shall be exercised and performed by a committee, subject to any restriction imposed or direction given at a general meeting of the body corporate:</p> <p>Provided that any expenditure of over \$100, not being expenditure which the body corporate is legally obliged or previously authorised to incur, shall be referred to a general meeting; and if the share of the proprietor or proprietors of any principal unit in any expenditure that is referred to a general meeting exceeds \$30, that expenditure shall not be incurred unless it is approved by at least a three-fourths majority of votes.</p>	<p>Unit Titles Act 2010 section 112 (establishment of committee)</p> <p>Unit Titles Act 2010 section 108 and 109 (delegation to committee)</p> <p>Unit Titles Regulations 2011 regulation 29 (spending limits)</p>	<p>Additional body corporate rules not likely to be required.</p> <p>The Regulations contain restrictions on unbudgeted spending – this is a percentage of the budget rather than a dollar amount</p>
<p>5 Until the first annual general meeting of the body corporate, the proprietors of all the units shall constitute the committee. Thereafter the committee shall consist of such number of proprietors, not being fewer than 3, as is fixed from time to time by the body corporate at an annual general meeting.</p>	<p>Unit Titles Regulations 2011 regulation 24</p>	<p>Additional body corporate rules not likely to be required.</p>
<p>6 The members of the committee shall be elected at each annual general meeting, to hold office until the next annual general meeting:</p> <p>Provided that, unless the committee consists of all the proprietors, the body corporate may by resolution at an extraordinary general meeting remove any member of the committee before the expiration of his term of office and appoint another proprietor in his place to hold office until the next annual general meeting.</p>	<p>Unit Titles Regulations 2011 regulations 24 and 25</p>	<p>Additional body corporate rules not likely to be required.</p>
<p>7 Any casual vacancy on the committee may be filled by the remaining members of the committee.</p>	<p>Unit Titles Regulations 2011 regulation 25</p>	<p>Note this process for filling casual vacancies on the committee no longer applies under the Regulations.</p>
<p>8 The quorum necessary for the transaction of the business of the committee may be fixed by the committee; and, unless so fixed, shall be 2 if there are not more than 6 members and 3 otherwise.</p>	<p>Unit Titles Regulations 2011 regulation 24(1)(a)</p>	<p>Additional body corporate rules not likely to be required.</p>
<p>9 If the number of committee members is reduced below the</p>	<p>Unit Titles</p>	<p>Additional body</p>

number which would constitute a quorum, the remaining members may act for the purpose of increasing the number of members to that number or of summoning a general meeting of the body corporate, but for no other purpose.	Regulations 2011 regulation 25(4)	corporate rules not likely to be required.
10 At meetings of the committee all matters shall be determined by a simple majority of votes. In the case of equality of votes the chairman for the time being of the meeting shall have a casting vote as well as a deliberative vote.	Unit Titles Act 2010 section 113	Additional body corporate rules not likely to be required. Note that there are no deliberative votes under the 2010 Act
11 Subject to any restriction imposed or direction given at a general meeting, the committee may—		
(a) Meet for the conduct of business, adjourn, and otherwise regulate its meetings as it thinks fit: Provided that it shall meet when any member of the committee gives to the other members not less than 7 days' notice of a meeting proposed by him, specifying the reason for calling the meeting:	Unit Titles Regulations 2011 regulation 27	Additional body corporate rules not likely to be required.
(b) Employ for and on behalf of the body corporate such agents and servants as it thinks fit in connection with the control, management, and administration of the common property and the exercise and performance of the powers and duties of the body corporate:	Unit Titles Act 2010 sections 77 and 78	Note the body corporate can enter into any legal arrangements that a natural person could (subject to any restrictions in the 2010 Act or other law).
(c) From time to time elect one of its members to act as convener of the committee:	Unit Titles Regulations 2011 regulation 26	Additional body corporate rules not likely to be required.
(d) Delegate to one or more of its members such of its powers and duties as it thinks fit, and at any time revoke the delegation:	Unit Titles Act 2010 section 109(2)	Note, under the 2010 Act the body corporate may only delegate to a body corporate committee
(e) Whenever it thinks fit, convene an extraordinary general	Unit Titles Act	Additional body

meeting of the body corporate.	2010 section 90(2)(b)	corporate rules not likely to be required.
12 The committee shall—		
(a) Keep minutes of its proceedings:	Unit Titles Regulations 2011 regulation 27(5)	Additional body corporate rules not likely to be required.
(b) Cause minutes to be kept of general meetings of the body corporate, and include therein a record of all unanimous resolutions:	Unit Titles Act 2010 sections 101(4) and 206(1)(d)	Additional body corporate rules not likely to be required.
(c) Cause proper books of account to be kept in respect of all sums of money received and expended by it, and the matters in respect of which all such income and expenditure is received or incurred:	Unit Titles Act 2010 section 132(1)	Additional body corporate rules not likely to be required.
(d) Prepare proper accounts relating to all money of the body corporate, and the income and expenditure thereof, and arrange for the accounts of the body corporate for each year to be duly audited by an independent auditor, for a copy of the duly audited annual accounts to be sent to each proprietor before each annual general meeting of the body corporate, and for the duly audited annual accounts to be presented to each annual general meeting of the body corporate:	Unit Titles Act 2010 sections 132(1), (2), (5) and (8)	Additional body corporate rules not likely to be required.
(e) On application by a proprietor or a mortgagee of a unit, or any person authorised in writing by either of them, make the books of account and all minutes available for inspection at all reasonable times:	Unit Titles Act 2010 section 206(1)(d) and (e)	Note, new provision does not reference mortgagees
(f) Upon a requisition in writing made by proprietors entitled to 25 percent of the total unit entitlement of the units, convene an extraordinary general meeting of the body corporate.	Unit Titles Act 2010 section 90(2)(a)	Additional body corporate rules not likely to be required
13 Except as provided in clause 9 of these rules, no act or proceeding of the committee or of any person acting as a member of the committee shall be invalidated in consequence of there being a vacancy in the number of the committee at the time of that act or proceeding, or of the subsequent discovery that there was some defect in the election or appointment of any person so acting, or that he was incapable	None	See regulation 25(4), Unit Titles Regulations 2011 for committee vacancies. Additional body corporate rules not

of being or had ceased to be such a member.		likely to be required
General meetings of a body corporate		
14 A general meeting of the body corporate, to be called the annual general meeting, shall, in addition to any other meeting, be held at least once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting. The first annual general meeting of the body corporate shall be held within 3 months after the date of the deposit of the unit plan or of the first sale of a unit, whichever is the later.	Unit Titles Act 2010 section 89	Additional body corporate rules not likely to be required
15 All general meetings of the body corporate other than annual general meetings shall be called extraordinary general meetings.	Unit Titles Act 2010 section 88(2)	Additional body corporate rules not likely to be required
16 At least 7 days' notice of every general meeting of the body corporate specifying the place, the date, and the hour of the meeting, and the proposed agenda shall be given to all persons entitled to exercise a vote in accordance with the provisions of section 41 of the Unit Titles Act 1972 and of clause 23 of these rules: Provided that accidental omission to give such notice to anyone so entitled shall not invalidate any proceedings at any such meeting.	Unit Titles Regulations 2011 regulations 5 to 9	Additional body corporate rules not likely to be required
17 Any notice required to be given under clause 16 of these rules shall be sufficiently given if delivered personally to the person concerned or if left, or sent by letter posted to the person concerned, at the last address of that person notified to the body corporate, or if no such address has been so notified at that person's last known place of residence: Provided that, if a proprietor advises the body corporate in writing that he requires notices sent to him by post to be sent by registered post, a notice thereafter sent to him by post shall not be sufficiently given unless it is sent by registered post.	Unit Titles Act 2010 section 205 and Unit Titles Regulations 2011 regulation 4(2)	Additional body corporate rules not likely to be required
18 At a general meeting of the body corporate, the persons entitled, on an ordinary resolution, to exercise the voting power in respect of not less than one-third of the units shall constitute a quorum.	Unit Titles Act 2010 section 95	Additional body corporate rules not likely to be required
19 Save as otherwise provided in these rules, no business shall be transacted at any general meeting of the body	Unit Titles Act 2010 section 95 and Unit Titles	Additional body corporate rules not likely to be

corporate unless a quorum is present at the time.	Regulations 2011 regulation 13(1)	required
20 If within half an hour from the time appointed for a general meeting of the body corporate a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the number of persons present and entitled to vote at the expiration of that half hour shall constitute a quorum.	Unit Titles Regulations 2011 regulation 13(2)	Additional body corporate rules not likely to be required
21 At a general meeting of the body corporate, the chairman shall normally be the convener of the committee if he is present. If there is no convener or if the convener is not present or is unwilling to act, a chairman shall be elected at the commencement of the meeting.	Unit Titles Regulations 2011 regulation 11(1)(c)	Additional body corporate rules not likely to be required
22 Save as otherwise provided by the Unit Titles Act 1972 or these rules, all matters at a general meeting of the body corporate shall be determined by a simple majority of votes. In the case of equality of votes the chairman for the time being of the meeting shall have a casting vote as well as a deliberative vote.	Unit Titles Act 2010 section 101(1) and (2)	Additional body corporate rules not likely to be required
23 Subject to the provisions of section 41 of the Unit Titles Act 1972, at any general meeting of the body corporate—		
(a) Where a unanimous resolution is required each person who is a proprietor shall be entitled to exercise one vote:	Unit Titles Act 2010 section 98(2)	Additional body corporate rules not likely to be required
(b) In all other cases one vote only shall be exercised in respect of each principal unit, and no separate vote may be exercised in respect of any accessory unit.	Unit Titles Act 2010 sections 97(2) and 100(2)	Additional body corporate rules not likely to be required
24 At any meeting of the body corporate any person present and entitled to vote on the matter that is under consideration may demand a poll thereon, which shall be taken in such manner as the chairman thinks fit.	Unit Titles Act 2010 section 99	Additional body corporate rules not likely to be required
25 The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded. Where a poll is not demanded, a declaration by the chairman that a resolution has been carried shall be conclusive evidence of that fact without proof of the number or proportion of votes recorded for	Unit Titles Act 2010 section 100(5)	Additional body corporate rules not likely to be required

or against the resolution.		
26 Any vote to be cast at a general meeting of the body corporate may be exercised personally or by proxy. Where 2 or more persons are jointly entitled to exercise one vote and wish to do so by proxy, that proxy shall be jointly appointed by them and may be one of them. A proxy shall be appointed in writing. If only one of those persons is present at a general meeting and they have not appointed a proxy as aforesaid, he or she may exercise the vote.	Unit Titles Act 2010 sections 102 and 103	Note postal voting is also now permitted. Additional body corporate rules not likely to be required
27 Where a poll is demanded or a special resolution is before the meeting, each vote shall correspond in value with the unit entitlement of the principal unit and accessory unit (if any) in respect of which it is exercised. In all other cases each vote shall be of equal value.	Unit Titles Act 2010 sections 100(3) and (4)	Additional body corporate rules not likely to be required
28 Except where a unanimous resolution is required, a power of voting in respect of a unit shall not be exercised unless all amounts accrued due and payable under the Unit Titles Act 1972 to the body corporate in respect of the unit in respect of which the vote is exercisable have been duly paid.	Unit Titles Act 2010 section 96(3)	Additional body corporate rules not likely to be required
29 If there is no committee, the responsibility for the matters set out in clause 12 of these rules except paragraph (a), and the powers given to the committee by clause 11 of these rules except paragraph (a), shall be those of the body corporate; and, unless the context otherwise requires, every reference in these rules to the committee shall be read as a reference to the body corporate.	Unit Titles Act 2010 section 110 and Unit Titles Regulations 2011 regulation 11	Additional body corporate rules not likely to be required
30 A secretary (who may or may not be a proprietor) shall be appointed by the body corporate at its first annual general meeting for such term, at such remuneration, and upon such conditions as it may approve; and any secretary so appointed may be removed by the body corporate, either at a subsequent annual general meeting or at an extraordinary general meeting called for that purpose. At any such meeting the secretary shall have the right to attend and be heard.	Unit Titles Regulations 2011 regulations 11 and 12	Additional body corporate rules not likely to be required The secretary position is no longer required – their duties are carried out by the chairperson, committee or professional manager
31 The function of the secretary shall be to keep proper books of account in which shall be kept full, true, and complete accounts of the affairs and transactions of the body	Unit Titles Regulations 2011 regulation 11	Additional body corporate rules not likely to be

corporate and to carry out such other functions as may from time to time be delegated to him by the body corporate.		required
31A The secretary shall in each year prepare a statement of financial position showing the body corporate's financial dealings during that year, and shall, within 6 months after each annual general meeting, send a copy of the latest balance sheet to every proprietor.	Unit Titles Act 2010 section 132(1),(3) and (5) Unit Titles Regulations 2011 regulation 11(1)(f)	Additional body corporate rules not likely to be required
Miscellaneous		
32 The common seal of the body corporate shall not be used without the authority of the committee of the body corporate previously given. Whenever the seal is affixed to any instrument, that instrument shall be attested by at least 2 members of the committee or, where an administrator has been appointed or there is only one proprietor, by the administrator or that proprietor.	Unit Titles Regulations 2011 regulation 17	A common seal is no longer required Additional body corporate rules not likely to be required
33 For the purposes of these rules a special resolution means a resolution proposed at a general meeting of the body corporate of which at least 14 days' notice specifying the intention to propose the resolution as a special resolution has been given.	Unit Titles Act 2010 section 98	See also the definition of "special resolution" in section 5 of the Unit Titles Act 2010. Additional body corporate rules not likely to be required
34 Where a resolution is proposed as a special resolution, the vote of the meeting shall be taken in the same way as if it had been proposed as an ordinary resolution and a poll had been demanded: Provided that a special resolution shall be deemed not to be carried unless persons entitled to exercise not less than three-fourths of the value of the votes and not less than three-fourths of the number of votes exercisable in respect of all the units vote in favour of it.	Unit Titles Act 2010 section 98	Additional body corporate rules not likely to be required
Schedule 3 rules (Unit Titles Act 1972)		
A proprietor or occupier of any unit shall not—		
(a) Use or permit his unit to be used for any purpose which is illegal or may be injurious to the reputation of the	Unit Titles Act 2010 section	Note, section 80(1)(d) requires

building:	80(1)(d)	compliance with the law, but doesn't cover the reputation of the development.
(b) Make undue noise in or about any unit or common property:	Unit Titles Regulations 2011 Schedule 1 rule 1(c)	
(c) Keep any animal on his unit or the common property without the prior consent of the committee of the body corporate, or, if there is no committee, of the body corporate:	None	
(d) Use the common property in such a manner as unreasonably to interfere with the use and enjoyment thereof by other proprietors and their families and visitors:	Unit Titles Regulations 2011 Schedule 1 rule 1(e)	
(e) Use his unit or permit it to be used in such manner or for such purpose as to cause a nuisance or disturbance to any occupier of any unit (whether a proprietor or not) or the family of any such proprietor.	Unit Titles Act 2010 section 79(d)	

Glossary

1972 Act – the Unit Titles Act 1972

2010 Act – the Unit Titles Act 2010

Accessory unit – a unit designed for use with any principal unit (including a garage, parking space, or storage space).

Body corporate – an entity made up of all the unit owners in a unit title development.

Common property – land and facilities in a unit title development which are not contained in a principal unit or accessory unit, and are shared by the unit owners.

Eligible voter – a person who is over the age of 16 years and

- whose name is on the register of owners of principal units as the owner or representative of the owners of that unit; or
- who is the nominee of a company the name of which is on the register of owners of principal units as the representative of the owner; or
- who is a subsidiary body corporate representative.

Ownership interest – the interest assigned to a unit by a registered valuer based on the relative value of the unit in relation to each of the other units.

Principal unit – a unit designed for use as a place of residence or business or for any other use, and that is identified on a unit plan as a principal unit.

Regulations – the Unit Titles Regulations 2011

Unit plan – the plan of a unit title development that has been (or will be) deposited with Land Information New Zealand on subdivision.

Unit title development – an area of land and buildings that has been subdivided into two or more units, such as apartments, and often includes common property shared by the unit owners.

Utility interest – an interest used to calculate a unit's contribution to the operating account and long-term maintenance account.

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