

# Trident Managing & Rental Agent Software

Trident software keeps your desk tidy



## Before Buying Into Sectional Title – Ask Yourself ....

If you are buying into a sectional title, the more you know about this type of title, the more likely you are to protect your investment. Here are some questions you need to ask.

What exactly am I buying?

When you buy into a sectional title scheme you are buying a composite thing called a “unit”. A unit consists of a section together with a share in the common property. A section is an area which you own exclusively (townhouse or apartment) to the median line of the walls, floors and ceilings. The common property is an area which you will co-own with all other section owners and includes all areas of the scheme which are not included in the sections such as driveways, entrance foyers, stairs etc.

Can I participate in the management of the scheme?

Buying a unit in a sectional title scheme comes with automatic membership to the governing body of the scheme, called the body corporate. Membership is mandatory so even if you are a buy-to-let owner you, as owner, are the member of the body corporate and not your tenant

What costs will I be responsible for?

All costs related to your section, which you own exclusively, are for your own account, the common property (driveway, garden, roof, etc) is not your exclusive financial responsibility. All costs related to the common property, which is co-owned by all owners, as well as all payments for the general running of the scheme are paid by the body corporate from its levy fund.

How do the rules of the scheme restrict the use of my unit?

Every sectional title scheme is governed by the Act but each scheme may have different management and conduct rules which are in place to regulate the way the scheme is run and the way in which the owners and occupiers behave. All owners and occupiers are bound by the scheme’s rules so even if you are a buy-to-let investor you are responsible for ensuring that your tenants are aware of the rules and abide by them. The rules of a scheme can be incredibly restrictive and therefore it is essential that you read and understand the rules before committing to being bound by them when buying into the scheme.

Is the scheme financially sound?

# Trident Managing & Rental Agent Software

Trident software keeps your desk tidy



Have the scheme's financials been audited? Maybe a "special levy" is due to be paid and the Estate Agent hasn't told you!