



# The Ridgeway

BARDEN · RIDGE

## Community Title Q&A

### 1. What is community title?

Community title is a valuable tool in modern communities, whereby a subdivision is split into land allotments referred to as lots, with each lot owner awarded their respective parcel of land with its own title.

Under a community title, the individual owner of each lot is responsible for the insurance of any building (home) on their lot, while a body corporate or community corporation, made up of all lot owners, is responsible for the insurance of any common area buildings or structures.

This body corporate/community corporation also has responsibility for the maintenance of common areas, such as shared driveways, roads, walkways, gates, parks, gardens, and in some cases, recreational facilities.

### 2. What are the benefits of community title?

Community title can be a way to establish and maintain a level of local amenity, character or services for residents that is higher than that usually provided by council.

Overall, the benefits of a community title scheme include:

- Shared ownership over common facilities (In the Ridgeway, the CMS maintains an area of approx.. 20,000m<sup>2</sup> of managed conservation zone, playground area with shelter and bbqfacilities)
- Access to better services and facilities

- Greater input into the management and maintenance of your community's services and facilities
- Enforcement of building and landscaping standards to ensure the appearance of the estate is maintained over time, ultimately adding value to your property
- Insurance coverage for community lots and facilities

### 3. What do I need to know before purchasing a property under community title?

Prospective purchasers of a lot in a community title should be aware of the scheme's by-laws, which set out the rules within the community, and which are typically administered by the community corporation. The by-laws can generally be obtained from the body corporate/community corporation upon request, and are usually contained in a Management Statement, which is lodged with each community title plan.

It is important to be aware of your responsibilities and obligations under the by-laws –due to the varying nature of each community title scheme, there aren't usually standardised by-laws as is common with strata schemes.

The following questions and answers are provided for general information only and may not be completely accurate in every circumstance. Current as of August 2019. Dahua Group Sydney Project 4 Pty Ltd.



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### 4. What does it cost?

Owners in a community title scheme typically contribute to an administrative fund (for day-to-day operational expenses) and a capital works fund (for short and long-term future expenditure of a capital nature).

These costs are based on your lot entitlement – which is calculated on the capital value of your lot compared to the value of all lots in the scheme. In other words, the bigger your unit or lot is, the higher your contribution to the fund will be.

The body corporate/community corporation will estimate how much money is required each year to cover the expenses and needs of the scheme. The levy amount to be paid by owners is decided at each annual general meeting (AGM) by a majority vote, and all levies are then usually charged quarterly.

### 5. What other considerations are there?

Although the levies in a community title scheme include buildings and public liability insurance cover for the common areas, lot owners are still required to insure their own dwellings.

While the shared community facilities are generally appreciated, the cost sometimes may not be. When purchasing a property under community title, it is prudent to receive advice regarding the potential costs that will be associated with owning the property, and the obligations that will be placed on you as the purchaser.

### 6. What about Internet/NBN/Foxtel/ other services?

Property developers are required to pay a 'contributions charge' per premises to connect services such as NBN, however, access to paid subscription or supply services, such as broadband internet/NBN, and Foxtel, are the responsibility of the individual lot owner.

### 7. Can I opt out?

Owning a lot in a community title scheme brings certain obligations beyond those of owning a detached house, and as such, it is important to consider whether living or investing in a community title scheme suits your lifestyle and financial needs.

When you buy a lot in a community title scheme, you automatically become a member of the body corporate/community corporation. You cannot 'opt out' of being a part of the body corporate.

To find out more about living in a community title scheme, visit the NSW Fair Trading website at: [http://www.fairtrading.nsw.gov.au/biz\\_res/ftweb/pdfs/About\\_us/Publications/ft191.pdf](http://www.fairtrading.nsw.gov.au/biz_res/ftweb/pdfs/About_us/Publications/ft191.pdf)

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