

The advantages of buying into a body corporate

by Adam Smith

Many buyers looking for an apartment or townhouse have a pre-conceived idea about what a body corporate is and how it works. It often means that they deliberately exclude these properties from their list of ones to view. Yet, it could well mean that they're potentially missing out on their perfect home.

Being part of a body corporate provides many advantages, the most valuable being the convenience of keeping the overall property well-maintained.



What is a body corporate?

A body corporate is made up of all the apartment, or townhouse, owners in the complex. They act as a group and make collective decisions to benefit the entire property.

Each member of a body corporate owns their dwelling (which is called a principal unit). They may also own accessory units, like car parks, storage lockers and courtyards. Areas such as the grounds, gardens, internal halls and communal stairwells are common property and owned by all the owners collectively.

The main duties of a body corporate are to organise and maintain the buildings, as well as make any necessary improvements. They are also responsible for keeping the common property in a good state of repair.

A body corporate will ensure the complex has adequate insurance and that all fire security systems are in place and maintained. (This is especially important when it comes to multi-level apartment buildings.)

How a body corporate could benefit you

Instead of providing an extra expense and annoyance, there are actually many advantages of owning a unit title property with a body corporate.

Most of the misconception with body corporates is that they are perceived by buyers as a separate profit centre that owners have to pay levies to without any benefits to themselves. However, the budgets and spending of the funds are set and approved by all the owners.

As a rule, the cost of ownership in a body corporate is very similar to the cost of ownership in a cross lease, or fee simple, property.

The levy paid to the body corporate contributes to the cost of the building's insurance (which you'd need to pay on any property you purchase), long term maintenance like repainting the exterior (I see it as forced saving!), and a management fee, which is minimal.

As the property maintenance and upkeep are planned for in advance it does not come as a surprise at the most inconvenient time (which otherwise always seems to be when you can least afford it). It also makes good practical sense. When you think about it, how many homeowners put aside funds to save for future maintenance? Not many I'm sure!

Another major advantage is that the body corporate makes sure everyone within the complex lives harmoniously together by developing rules which govern the unit owner's relationships with each other,

and third parties, and duties that apply under its rules. These rules usually relate to pets, use of common property, gardens or behaviour.

These rules also restrict owners from adding their own flair to the outside of the property. Can you imagine living in a complex of white-coloured townhouses, until one owner decides to paint his unit bright pink?! It would adversely affect all the units.

Being able to apply rules on how your neighbours behave is a situation many homeowners would envy.

Like to learn more about the ins and outs of buying an apartment or townhouse? Get in touch with [our team of experts](#).