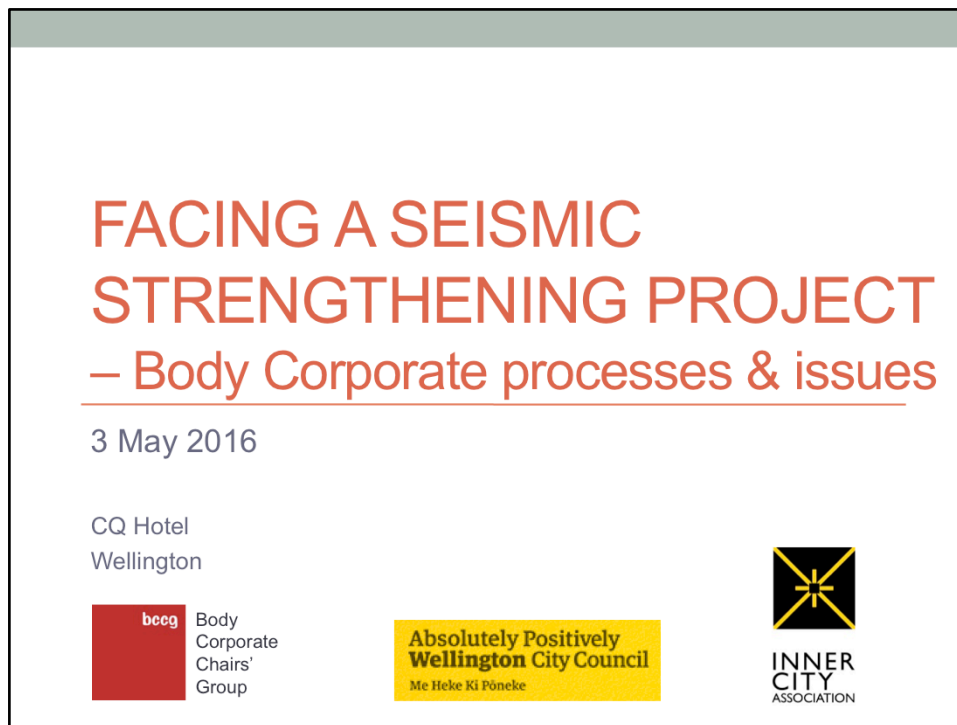



Earthquake strengthening seminar 2 - BC
processes & issues





**FACING A SEISMIC
STRENGTHENING PROJECT**
– Body Corporate processes & issues

3 May 2016

CQ Hotel
Wellington

 **bceg** Body
Corporate
Chairs'
Group

 **Absolutely Positively**
Wellington City Council
Me Heke Ki Pōneke


**INNER
CITY**
ASSOCIATION

This seminar is jointly presented by the Body Corporate Chairs' Group, the Wellington Inner City Association and the Wellington City Council.


Programme outline

- Audience areas of interest
- Disclosure of %NBS – who to and when?
- Getting committee agreement – work options, timeframes, costs, access and other issues
- Dealing with disagreement
- Funding options
- Comments from the banking industry
- When owners can't or won't pay
- Questions
- Outline of future seminars

Disclosure of the Detailed Seismic Assessment results – who to and when?


Neil Cooper
Chairperson, Dominion Building Body Corporate
National President, Body Corporate Chairs' Group

3 May 2016



Disclosure – who to & when?

- If WCC's initial assessment is <34%NBS – WCC will tell all owners
- If BC's current DSA is greater than 34% but new one is <34% ...
- Potentially interested parties
 - All current owners + tenants
 - Potential owners
 - Mortgage holders
 - Insurance provider
 - Local council authority
- Impact of new Health & Safety at Work Act 2016



If WCC's assessment is less than 34%NBS the Council will automatically tell all owners within the BC.

If the BC has a current Detailed Seismic Assessment (DSA) of greater than 34%NBS but seek another one to try to get a higher reading, there is always the possibility that the new DSA may go lower. Many Wellington BCs have found themselves in this situation because of the vagaries of the DSA calculations/process.

If your new DSA falls below 34%NBS the Council won't know unless you tell them. (Theoretically the engineer won't advise the Council but some engineers have threatened to do this.)

If the BC doesn't advise owners and the insurance company you may void your insurance cover and create other problems. Note that tenants have successfully challenged past rents when the owner didn't advise them that the building was EQ-prone.


The new Health & Safety at Work Act 2016 places additional responsibility on owners to ensure that all workers who come onto the BC premises are aware of all dangers.

Getting body corporate agreement

Neil Cooper
Chairperson, Dominion Building Body Corporate
National President, Body Corporate Chairs' Group

3 May 2016

Earthquake strengthening seminar 2 - BC processes & issues



Getting agreement – the process

- WCC section 124 notice – building is EQ-prone

EARTHQUAKE PRONE BUILDING
Notice pursuant to S124(1)(a) of the Building Act 2004 SR 259666

To the owners of the building, the occupants of the building, and every person who has an interest in the land on which the building is situated, under a mortgage or other encumbrance registered under the Land Transfer Act 1952, and every person claiming an interest in the land that is protected by a caveat lodged and in force under section 137 of the Land Transfer Act 1952.

This notice is for the building situated at [REDACTED] more particularly being described as PART LOT [REDACTED] PLAN [REDACTED] and being all the land comprised in Certificate of Title [REDACTED].

The above building has been classified by the Wellington City Council as earthquake-prone under the Building Act 2004.

The meaning of earthquake-prone is defined by section 127 of the Building Act 2004 in conjunction with clause 7 of the Building (Identified Systems, Change of Use, and Earthquake-prone Buildings) Regulations 2005.

For further information please refer to the Wellington City Council's Earthquake-prone Buildings Policy 2009 (Policy). You can view the policy at www.wellington.govt.nz.

As the building is classified as earthquake-prone, and in accordance with the Policy, the owners of the building are required by 12 OCTOBER 2007 to either:

- strengthen the building to a sufficient degree so that it is not earthquake-prone; or
- demolish all or part of the building, so that the remainder of the building (if any) is not earthquake-prone.

A building consent must be obtained prior to strengthening or demolition work being undertaken. The building consent must be obtained and the work must be completed before the date noted above.


If you disagree with the classification of this building as earthquake-prone you may apply for a determination from the Department of Building and Housing under section 177(a) of the Building Act 2004.

If you fail to comply with this notice the Wellington City Council will consider exercising further enforcement powers under the Building Act 2004 which includes requiring access to the building and/or putting up a hoarding or fence to prevent people from approaching the building, neither in safety, or inhibiting a person under the Building Act 2004.

Under Section 308 of the Building Act 2004, it is an offence to remove or deface notices


- A person commits an offence if the person
 - intentionally removes or defaces any notice published under this Act;
 - or
 - intentionally causes another person to do so.
- A person who commits an offence under this section is liable to a fine not exceeding \$5,000.00.

Dated: 18 March 2016


Steve Cady
Manager
Building Resilience
Wellington City Council

**Absolutely
Positively
Wellington**

PO Box 2190, 121 Teitoku Street, Wellington 6142, New Zealand
Tel: 64 61 409 4444, Internet: www.wellington.govt.nz



For many BCs the (compulsory) process will start as soon as the Council puts a s124 yellow notice on the front door of the building(s). Owners are not allowed to remove or obscure this notice.



Getting agreement – the process

- Body corporate committee understanding and agreement
 - Talk to BCCG members, engineers, architect, WCC, project manager
 - Get agreement amongst the committee first
- Body corporate committee EGM recommendation
 - Send owners the recommendation and background information in advance of the EGM
 - Initial recommendation will usually be to get a new DSA
- Getting a Detailed Seismic Assessment
 - Process from last seminar



If a s124 notice is put on the building the BC committee should meet with specialists eg earthquake engineers, architects, WCC, project manager etc to ensure that they fully understand what the s124 notice means, how it will impact on the building and what the law requires the BC to do. The BCCG recommends that the committee seek this information first rather than calling immediately for a extraordinary general meeting (EGM) to discuss it.

The benefit of the committee working through the information first is that they will be going through all the same fears and concerns that the other owners will face but it is easier to get agreement on the next steps when only a small group is involved (initially).

Once the committee understands the implications of the s124 notice they should call an EGM to discuss it with the full body corporate (all owners). The committee should take a recommendation to the EGM – not just have another free ranging discussion. It would probably also be advantageous to take one of your specialist advisors eg EQ engineer, to the EGM as well so that they could explain any technical facts to the wider owners.

In almost every case where you have an assessment that is less than 34%NBS your



Getting agreement – the process

- **Start again** with strengthening options
 - Discuss with the experts – engineer, architect, project manager
 - Initial discussion with Council
 - Committee agreement + some idea of costs
 - Committee recommendation + supporting details
 - Discussion with owners
 - Full BC agreement on option(s) for detailed costings




If you have a DSA showing the building is 34%NBS or less, the DSA will also include some options for strengthening the building. As chair of the BC you should call another committee meeting and bring in the experts once again to assist the committee in understanding what the strengthening options mean.

The DSA won't contain costs but the engineer should be able to give a ball park idea of the costs for each option. At the very least they will likely be able to rank them in terms of highest to lowest cost. Note that the higher cost options may also give you the higher %NBS results in the end.


Within the committee, agree on a recommendation to take to another EGA of all BC owners.

While there are several options up for selection it is recommended that you don't seek detailed costings at this stage.



Getting agreement – the issues

- Evaluating the strengthening options
 - Individual to each building
- Costing the options – quantity surveyor role
- Cost to owners – allocated according to ownership interest (s121)
 - May be passed to the new owner – s124(2)
- Timeframes for the work to start; to finish
 - Set funds aside asap – collect through BC levy



Once the BC has agreed on more detailed investigations of one or two strengthening options, pass this back to the engineer for more detailed work and then to a Quantity Surveyor to price out the option(s) you have agreed on.

Owners will want to know what the total cost is going to be but more importantly they will want to know what the cost to each of them is and when this has to be paid. In almost all circumstances the cost will be apportioned according to ownership interest ie in the same way that the annual operating costs are allocated.

Some owners may decide to sell before they have to pay anything. That is their right but if the BC has agreed on a strengthening option and determined the cost of this and agreed to proceed, the owner who wishes to sell will have to pay one way or the other – either through a decreased price for their unit or by having their share of the costs taken out of the sale price or the costs may be passed on to the new owner.

s124(2) - The amount of any unpaid levy, together with any reasonable costs incurred in collecting the levy, is recoverable as a debt due to the body corporate by the person who was the unit owner at the time the levy became payable or by the person who is the unit owner at the time the proceedings are instituted.

It could easily take months from the time that the BC learns of their new %NBS to the



Getting agreement – the issues

- Ability to pay
 - Fixed incomes, retired owners, low income, few savings
- Willingness to pay
- Other impacts on owners & tenants
 - Need to move out? Cost of alternative accommodation
 - Loss of rental income – cost to be shared by BC?
 - Impact on GVs – potential future revaluation of all units?
 - Social impact / owner support systems
 - Impact on owners' quiet enjoyment of life – s79(e)



Some owners won't have the ability to pay. Those on fixed incomes such as superannuation may find it extremely difficult to find the funds for this expensive work. It will also be a very stressful time for them. If they don't have a reasonable level of savings they may be forced to sell and be left with little or no money to buy another property. The BC chair and committee should take time to understand the needs of each owner and treat them with care and understanding.

Other owners may be able to pay but won't want to. They are often the more difficult ones to deal with. Bear in mind though that if your building has a %NBS of less than 34% then the law requires that the building is strengthened or pulled down or the unit is sold. The courts will not take a supportive stance with owners who merely don't want to contribute to bringing their building to a minimum legal level of strengthening.

If a BC wants to raise the %NBS markedly greater than 34% (say 75%NBS) then this isn't a legal requirement and it is likely to be harder to get owners to pay the extra amount.

Some owners will demand that the BC pay for alternative accommodation or cover them for lost rents. The first isn't generally recommended and any owners who are




One method of strengthening is an exoskeleton. However, this will usually not markedly enhance a building's appearance. An architect may be able to design an exoskeleton that has less negative impact on the building than an engineer can.

The view ...

... not always what you
want to share your
balcony with




Sometimes an exoskeleton is the only economically viable method of strengthening – but it may intrude on some owners' windows or decks. They may demand some financial relief to compensate and this may be a good way of maintaining momentum.



Getting agreement – the issues

- Voting – simple vote or poll?
- Simple vote – one vote for each principal unit
 - regardless of size or value of unit
- Poll – s99-100
 - requested in an attempt to overturn the previous motion
 - only those who voted on the original motion can participate
 - one vote for each principal unit
 - each vote carries the value of the ownership interest




A simple vote allows each owner to have one vote regardless how large or small their unit is.

A poll is a more sophisticated way of voting but also much more complex. A poll can only be called by someone who has voted against a motion where a simple vote has been used and the motion has passed. The poll is usually used to try to overturn the earlier motion.

Only those who voted in the original motion are allowed to participate in the poll.

Under a poll each owner has only one vote but that vote is weighted according to the ownership interest that they have in the BC.

All BC chairs should prepare in advance for a poll being called. A simple spreadsheet calculation can be used to do this simply and easily – but not if you have to put the meeting on hold while someone works out all the ownership interests on the night.



Getting agreement – the issues

- Minority relief – s80, subpart 3
 - The ability of the minority to challenge a decision
 - Must have voted against the motion initially
 - Grounds: the effect of the resolution would be unjust or inequitable for the minority

- Be prepared for multiple EGMs
 - Talking issues through is painful but essential
 - Bring in experts to explain what needs to happen
 - Talk to individual owners

- High Court action
costs, timeframes, stress...



If a small number of owners are against a motion but lose the vote they can apply to the court for minority relief. (See s80, subpart 3 for the law on this.)

Again they must have voted against the motion in the first instance to be able to call on minority relief.

The only argument for having a motion overturned under minority relief is that if the motion was to be put into effect, it would be unjust or inequitable for that minority of owners. Owners seeking minority relief have just 28 days after the original motion was passed to apply for minority relief.

Remember that this does mean it will be heard in court and there will be costs and delays while you wait for the court hearing to be held.

Getting agreement on earthquake strengthening can take a lot of time, and several EGMs until all owners are in agreement.

Funding options

Neil Cooper
Chairperson, Dominion Building Body Corporate
National President, Body Corporate Chairs' Group

3 May 2016



Funding options

- Existing capital funds
 - Generally don't have enough to start with
 - Start building up LTM funds as soon as possible
- Special levies (as and when needed)
- Borrowing by owners – banks and other sources
- Borrowing by BC – s130



The initial costs will be for a DSA and the cost of these varies markedly as explained in the first seminar. (My own BC faced quotes of \$12K to in excess of \$100K, supposedly for the same work – except that the engineers didn't quote for all of it in several instances.)

We recommend starting to build up your Long Term Maintenance or special EQ strengthening fund as soon as possible as the costs, if you have to do this work, can be considerable.


Special levies may be necessary for specific stages of the work if you don't have sufficient funds in the LTM fund. However, where possible they should be avoided as not only are they usually a massive financial blow at one time, the sight of these in your LTM plan will frighten off many purchasers or at the very least cause a mark right down in the value of the property.

Most people have to resort to borrowing, either from the bank, family or other source. Many owners won't be able to do this because of either insufficient equity in the property or an inability to service the loan.



Funding options - Council

- Council Heritage Fund
 - Minimal in terms of total costs – contribution to expert advice
- Rates rebate – if building is empty during strengthening
 - For 3-10 years depending on the building
- Building consent fee subsidy – up to \$5,000




Smaller amounts are available from various funds that the Council may operate.

The Wellington City Council's Built Heritage Fund is one such source. The amount allowed is often very low as it is massively over-subscribed. However it may be a useful source of (part of) the funds necessary to seek the initial DSA if the doesn't have funds in their LTM fund.


The WCC does allow a rates rebate for EQ strengthening if owner have to exit the building during the strengthening process. This may last for several years after the EQ strengthening has been completed, but again, the financial benefits will not much of a dent in the overall costs of the EQ strengthening. The length of time that the rates rebate lasts for depends on the building, with a max period of 10 years for a Heritage 1 listed building.

The WCC also has to ability to give a subsidy on the building consent fee for the strengthening, of up to \$5,000.



Owner borrowing – Escrow


- Escrow Deed – a legal agreement between the BC, an Escrow Agent and the individual BC owners as to what will be done and when, plus the payment schedule
- Escrow Agent – a lawyer who holds the funds in trust until they are needed as specified in the Trust Deed
- Banks more likely to lend if Escrow Deed is in place
- The BCCG has an agreed Escrow Deed if you want to use it



Escrow is a long standing process where money is held in trust by a third party until another party has completed the work. In this context it is an agreement between the BC, an escrow agent (lawyer who holds the funds in trust) and the individual owners.


Not all owners have to sign up to the Escrow Deed but those who need to borrow funds from a bank may find it easier to do so if the owner has signed up to this.

The BCCG has used a specialist to design an escrow deed that has been agreed by all the major banks.



Owner borrowing – Escrow 2

- Escrow deed not easily changed
- Banks pay (all) funds to escrow agent at the start
- Owners can pay to escrow agent too rather than BC if they wish
- Escrow agent will charge BC for these services
 - Costs can be passed on to owners who use the Deed
- Escrow agent cannot be BC's lawyer.




The escrow deed that we have can't be easily changed as any changes may break the agreement that the banks originally gave, making them less likely to lend.

Banks will pay the total amount of the funds to the escrow agent at the start of the process. Individual owners may also prefer to put their own funds into the escrow agent's hands if they feel uncomfortable handing the funds to the BC to administer.

Engineers and building contractors will also feel more comfortable working where there is an escrow deed in place as they are more likely to be paid from the escrow fund rather than trying to collect the shares from individual owners or hoping that the BC can do this on their behalf and on time.


The escrow agent will charge for these services but the BC can pass these costs back to those owners who elect to use the service.

The escrow agent cannot be the BC's lawyer.



Escrow enquiries

- ASB – Ian Brown for Body Corporates to contact regarding overall advice on the processes but loan applications would be handled at a branch level - Ian.Brown@asb.co.nz;
- ANZ - LeakyRemediation@anz.com
- Westpac - remediate@westpac.co.nz
- BNZ - BNZ_Leaky_Homes@bnz.co.nz
- Kiwibank - Topups@kiwibank.co.nz
- HSBC still to provide contact details.



If your BC would like to use an escrow deed then this is available from the BCCG.

Contact details for a banker to use with this escrow deed is shown above.

Comments from the banking sector

Geraldine Murphy
Wellington Inner City Association chairperson

3 May 2016

Banks' perspective on funding for seismic strengthening project

- Six questions circulated via NZ Bankers' Association (NZBA)
- Four banks responded out of 15 members
- Representative from NZBA or a bank invited to present views, but declined

Q1 Do banks lend to owners for strengthening projects when building is below 34% NBS?

- Yes
- 2 banks – ‘for existing customers and existing securities ‘
- 1 bank – ‘provided the building then meets the new NBS standard’
- 3 banks noted – would require customers to enter into Escrow arrangement; one specifically referred to ‘the same Escrow process used for multi-unit buildings with weathertightness issues’

We contacted a mortgage broker to see if they would speak but he could not speak to all the questions. However, he did provide response relevant to this question for new purchases, which will be relevant for owners considering selling.

- ‘Banks will generally not fund a new purchase with less than 34% NBS, and buildings between (34% and 67%) are considered on a case-by-case basis’.
- ‘Apartment size is a consideration for the bank. ASB is currently the best in the market with a minimum size requirement of 40 sqm whilst most other banks have a minimum size requirement of 45-50 sqm’.
- ‘A minimum of 20% deposit is required for any apartment, whilst for a stand-alone house they may fund up to 90-95%’.

We also followed up with Heartland Bank, which had an article in the DominionPost (26 April 2016) on reverse mortgages (also called home equity loans or equity release) to discuss the funding issue facing older people, particularly retirees, and in particular the availability of reverse mortgages for this work. The bank advised that ‘...we do not feel our Home Equity Loan would be suitable for these projects’. Link to the article on Stuff <http://www.stuff.co.nz/business/79310427/maintenance-travel-health-the-big-three-reasons-for-taking-a-reverse-mortgage>.

Q2 What criteria is taken into consideration by banks?

- Borrowers would have to meet normal lending criteria
- 1 bank added ‘.. normal lending criteria, with weighting on costs to remediate and whether costs cover everything or estimates
- 2 banks added ‘... professional reports required to confirm costs; ... engineering reports from reputable engineers and building remediation costs from reputable remediators’

Q3 Are there different criteria if the building does not have to be strengthened (ie, does not have a s124 notice)?

- No
- 2 banks added:
 - 'primary focus is on customer's ability to repay loan from normal business earnings/cash flow'
 - 'we would also be looking at intentions to strengthen in future and likely costs'

Q4 Are banks exercising their right to provide their consent prior to voting on strengthening projects?

- No – generally banks do not vote or attend Body Corporate meetings
- 2 banks added:
 - 'Would do so if customer cooperation failed and the Bank needed to protect its position'.
 - 'Would reserve its right to do so subject to statutory requirements'.

This applies to owners who have a mortgage under sections 97(5) and 98(5) of the Unit Titles Act 2010 'An eligible vote whose interest in his or her unit is subject to a registered mortgage must, if required by that mortgage, obtain the consent of the mortgagee before exercising a vote'.

Q5 How would banks respond to a BC Committee advising them of issues with an owner in relation to funding seismic strengthening projects?

- Bank 1 – ‘Bank would liaise with the customer/mortgagor to achieve a resolution that is acceptable to both parties’.
- Bank 2 – ‘Our response would be similar to approach for a leaky building issue, which would see us try and work closely with the customer where possible’.
- Bank 3 – ‘Ultimately a matter between the owner and the Body Corporate, however the bank would assess its position and consider any request for remediation funding’.
- Bank 4 – ‘Any requests would need to come directly from our customers’.

The example of issues was an owner either refusing to pay or indicating that they cannot pay their share, which would result in the work being unable to proceed.

The BCCG is aware of a case where a Body Corporate Committee approached the bank as the owner was refusing to pay / could not pay and the Bank provided the owner’s share of the funds to allow the work to proceed and protect its investment.

Q6 What information do banks need to help make its decisions on the viability of lending for strengthening?

- 'Any independent professional reports commissioned by the Body Corporate or other interested parties'.
- 'As much information about the strengthening project as possible, similar to a leaky building remediation'.
- 'Accuracy and reliability of the reports produced to enable decisions'.
- 'Generally include, but not limited to BC notes detailing the agreement to proceed with project, building report & contract, breakdown of costs per unit (if known) including repair costs, legal costs and council consent costs, schedule of payments, registered valuations (as is and on completion values)'

Update on lobbying for financial assistance mechanism

- Meetings with central and local politicians:
 - Met with Grant Robertson, MP for Wellington Central – initiated work on financial assistance mechanisms
 - Met with Mayor Wade-Brown to discuss wider local government lobbying by CEOs and Mayors from 'high seismic risk' areas
 - 4 May meeting with Paul Foster-Bell, National List MP for Wellington Central.

Chairs of ICA, BCCG and Clr Pannett attended these meetings.

Clr Pannett's is progressing work to gather more data to inform lobbying activities for financial assistance mechanisms:

- establish the number of residential and commercial owners facing seismic strengthening (currently the focus has been on the number of buildings)
- investigate impact on buildings with a seismic rating between 34% and 67% (as some of these owners will also face financial challenges)
- Indicative costs to fix high risk buildings (these are likely to be buildings in areas where there are high vehicle/pedestrian traffic)

Mayor Wade-Brown will raise the issue with Peter Dunne and also investigate with Local Government NZ how territorial authorities in high seismic risk areas can work together.

When owners can't or won't pay ...


Wendy Booth
BC chair, Tasman Gardens
BCCG National Treasurer

3 May 2016



Owner distress

- Most owners won't be able to pay 10s / 100s of \$000s immediately
- Owners need information – engineering, legal and financial
- BC committee understanding is necessary
- Owner support may be required
 - With alternative accommodation
 - Bank or legal support / advice
- Supportive chat may work



- The reality is that when a BC is issued with an earthquake prone notice, it will be a surprise.
- Owners, whether they are investors or owner occupiers, will have a plan for their property that does not include infinite expenditure over time.
- Regardless, owners will need to immediately take steps to put money aside for seismic strengthening or “combat” costs
- The BC needs information – as much as possible and as quickly as possible. This may be from lawyers, structural engineers, quantity surveyors, or even other BCs that have been through or are going through the same experience
- The best start is for the BC Committee to have a shared understanding and agreement on the way forward
- Owners often rely on the Committee to lead the way
- Provision may need to be made for the BC to support costs, including legal advice and alternative accommodation
- It is a good idea for the Committee to find out the situation of owners, via survey or face to face meetings and based on feedback, to have strategies to manage individual situations

**The news report
you don't
want!**


Elderly woman found dead in her Auckland apartment after eviction notice



The Landings complex in Parnell, where an apartment owner was found dead on Wednesday.


An elderly, partially blind woman was found dead in her Auckland apartment after allegedly barricading herself in the bedroom in fear of eviction.

The sudden death of Ann Martin comes as residents battle with The Landings body corporate over rising repair costs and building delays.



When owners won't pay ...

- Legal requirements – no vote if all debts not paid
 - No minority relief if haven't voted against
- 10% interest charged on outstanding debt (s128)
- BC pays and recovers from owner (s124 and s126)
- Tenancy Tribunal action generally unlikely
 - Disputed costs likely to be above \$15,000
- Mediation
- High Court action




- In a BC all owners are required under the Unit Titles Act 2010 to pay their levies
- If they don't pay, or have any other outstanding fees to the BC, then they are not entitled to vote
- Decisions on percentage of NBS rating and commitment to contractual works require a vote of the BC
- These meetings (whether in person or by postal vote) have contextual information and resolutions on which the BC owners are asked to vote
- Owners who are not happy with the outcome of a vote on a resolution can go to the courts for minority relief – BUT – in order to succeed, they must have proposed a resolution that was voted against by the majority BC
- Interest is charged on outstanding debts – 10%
- Any costs incurred in recovery of debt is recoverable by the BC from the owner – and interest will continue to be charged until paid
- The usual path for BC issues is via the Tenancy Tribunal, but for costs relating to seismic strengthening, this is unlikely, as the cut off is \$15k
- There is a mediation option – but be aware that this path may be long and costly
- High Court action could be last resort – force owner to pay, move out while repairs are done BUT takes time to get to court, costly, unlikely to recover all costs even if win

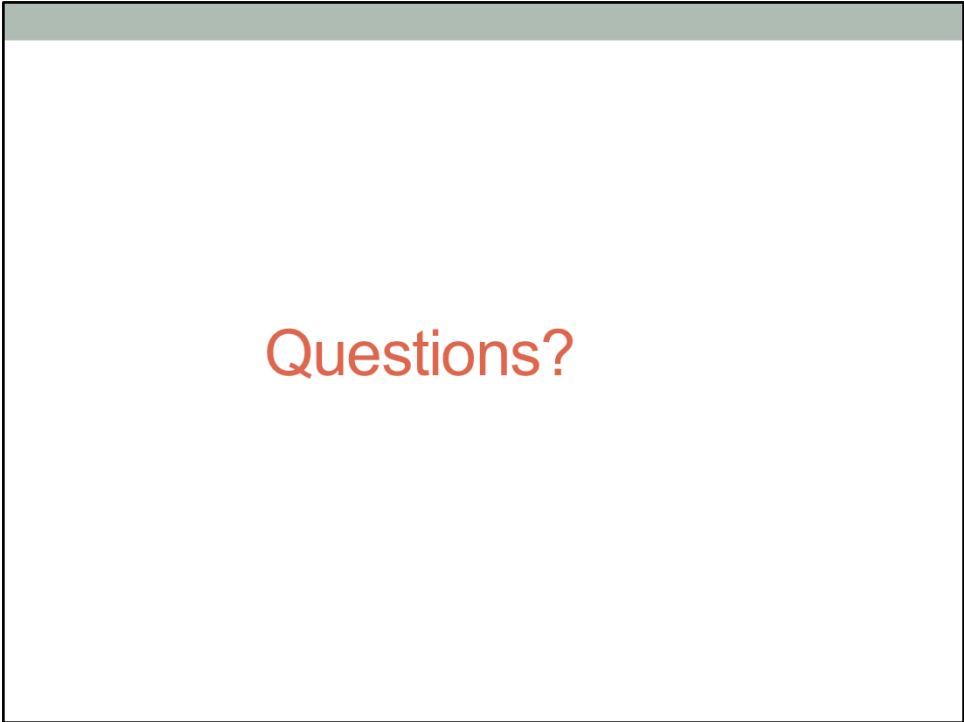


When owners won't pay ...

- Debt recovery process often too slow
 - Who pays for the work in the meantime?
 - Implications for other owners
- Discussions with the mortgage holder
- Withholding pre-settlement disclosure
- Charging orders/attachment orders/garnishee orders
- Enforced bankruptcy / insolvency
- Recovery from the purchaser



- At the end of the day, the BC needs to fund seismic strengthening costs
- If there are owners who will not or cannot pay, then all other owners will bankroll the difference
- Recovery processes take time and may in the end not result in an owner, or their trustee or estate, paying
- If there is a mortgage on the unit, try to find out who the mortgage holder is and initiate discussions – they may be able to persuade the owner to participate in the BC process
- BC Chairs are able to withhold pre-settlement disclosures for units with unpaid levies or fees, so this is a lever to encourage owners to participate
- At the end of the day, there are the usual debt instruments – charging order, attachment orders, garnishee orders – but this is not a desirable series of actions to aim for – nor is bankruptcy or solvency – at this point nobody is a winner!
- And finally, there is the option of recovering debt related to a unit from the new purchaser, as levies relate to the property.



Future EQ seminars

- **Seminar 3** – Case studies of EQ-prone building remedial projects – the good, the bad and the ugly plus update on the legislation
- **Seminar 4** – Managing the project and the new detailed assessment methodology
- **Seminar 5?** – Other matters if you still have queries
- Feedback needed:
 - national.president@bccg.org.nz
 - innercityassociation@gmail.com
 - info@wcc.govt.nz