

Making your Southern Response build decision when you have a cross lease property

If your property is a cross lease property then there is some important information you need to know.

The shape and location of a building on a cross lease property need to correspond to what is shown on the title for the property. If they don't correspond, then this will mean that the title for the property is defective.

In some cases that may mean that the property is harder to sell in the future. If you have a mortgage, your bank may also be concerned because a defective title may affect its security.

In addition any building work which results in a change to the external dimensions of the building may constitute a technical subdivision under your local authority's city or district plan.

To fix these things the following steps may be required:

- A subdivision consent from your local authority.
- A resurvey of the title.
- The registration of a new cross lease (this is often but not always required).
- Consent from the neighbours to making the change.
- Consent from mortgagees on the title (e.g. the bank) to making the change.

The cost of these things is not covered by your insurance policy and therefore you will need to identify the steps required in your particular case and take these steps yourself.

We are prepared to start the building work before you take these steps but only if you:

- Acknowledge that you understand the situation.
- Get the consent of neighbours to the work proceeding.
- Get the consent of mortgagees to the work proceeding.
- Acknowledge that you will bear the cost and responsibility for taking the steps set out above and that Southern Response will not be liable.

We may include additional terms in your building contract with us to deal with the matters discussed in this document.

This document should be read in conjunction with the document "Making your Southern Response build decision".