

Measuring your off the plan apartment

Non uniform standards between property industry professionals in Australia can lead to confusion for buyers of off the plan apartments (lots).

Contracts for sale of off the plan lots will normally contain a draft plan of survey to show the location and size of the lot being purchased. Sometimes, a draft plan of survey is not available when marketing of the development commences and when the first contracts for sale are issued.

However, time pressures and the need to demonstrate a sufficient number of sales to the developer's financiers will result in contracts being issued with architectural drawings and/or building plans in substitution for the draft plan of survey.

The end result will be that the area shown in the plan of survey may be significantly less than that shown in the architectural or building plans used for marketing or issued with the original contract.

Under the existing systems several ways of measuring are correct (depending on what the measurements are used for), meaning an investor could be buying an apartment that its lender considers smaller (based on measurements by its surveyor). Until national practices are harmonised, the confusion could cause lenders to rethink finance for fear of a reduced resale value.

Victoria

In Victoria, the Property Council (and developers and real estate agents) measure gross area of a lot based on the outside of the external wall. Bank and surveyors calculate the area based on the actual boundary of the lot which is designated on the registrable plan of survey as the mid-point of the wall.

New South Wales

In New South Wales, the Property Council (and developers and real estate agents) calculate areas of lots in the building plans by measurement to the middle of the walls, floor and ceiling.

However, the actual area of a strata title lot is measured by reference to the cubic space inside the lot. Accordingly, the strata plan, when it does become available, will measure the area to the inside surfaces of the lot only.

Queensland

In Queensland, the most common format of survey plan used by surveyors for apartment buildings is a building format plan (BFP) which defines the boundaries between lots and the common property using the structural elements of a building, including, for example, floors, walls and ceilings. Where a lot is separated from another lot or the common property by a floor, wall or ceiling, the boundary is normally the centre of the wall, floor or ceiling.

Northern Territory

In the Northern Territory, the most common plans of subdivision for apartment buildings define the areas of units by reference to a cubic space (i.e. the internal face of the surfaces of the unit).

Buyer's checklist

1. Check with lawyers that car spaces are on the same title as the associated unit.
2. Check with lawyers that the off the plan contract contains a provision that the buyer can rescind the contract if the area of the lot they are buying as disclosed in the contract decreases by more than a specified percentage (e.g. 5%) in the final plan of survey.
3. Check that balconies, car park and storage cages, which can boost an apartment size by significant amounts, are not included in the advertised size.
4. Check on developers' previous projects. Seek references from people who have made similar purchases.
5. Get details before settlement when the banks might consider the apartment too small, jeopardising deposits.

For Questions Please Contact;

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