



What is a unit title? Unit owners in a unit title development own a defined part of the building, such as an apartment, and share ownership in common areas such as lifts, lobbies or driveways. Unit titles are created where a property is divided into 2 or more units which can be owned separately these are typically apartment blocks, townhouses, office blocks and industrial or retail complexes. Unit title developments allow owners to have flexible living arrangements where a person can privately own an area of land or part of a building, as well as share common property with other unit owners.

The Unit Titles Act 2008 also refers to a term known as “common property”. A common property is a whole or a portion of property that is owned by all owners for their common use before or after a units plan is registered ownership of the common areas of the property is divided into fractions belonging to one or several co- owners, and every co-owner shall hold an undivided right of ownership in the common areas equal to the relative size of his fractional share. As per S.6 (3) of the Unit Titles Act 2008, the common areas shall include (a) the land, yards, verandas or balconies, parks and gardens, access ways, stairways and elevators, passageways and halls, common service areas, parking and storage areas, basements, and main walls of properties; (b) common equipment and apparatus, such as the central heating and air-conditioning systems and the piping and wiring; and (c) partitions or walls that are not section of the foundations and main walls of a building but which separate a unit from a common area or from another unit.

The owners of the Units have a right to: for example to use his unit and the common areas for his own needs as well as for the needs of his family and household; without the approval of the association or any other co-owner, to transfer his unit to any other-person by sale, lease, gift, bequest, devise, pledge or mortgage or any other manner permitted by law; and to participate in the management of the association in accordance with the provisions of the by-laws, among others.

The Act depicts that there shall be established an association which shall be body corporate and be given a plan number by the Registrar. The number to be included in the name of an association shall be a number allotted to the units plan by the Registrar on its registration. Five or more owners of the unit properties may form an association. An association will have perpetual succession, a common seal and may sue and be sued in its association name.

Some of the function of the association are such as to manage the common property; to keep the common property in a state of good repair; to establish and maintain a fund for administrative expenses sufficient, in the opinion of the association, for the control, management .and administration of the common property, and for the payment of any insurance premiums, rent and the discharge of any other obligation of the association; to raise amount determined , to insure and keep insured buildings and other improvements on



the common property against fire and many others.

Every unit title shall be operated and managed by an Association as provided for in the Act. Every Association shall appoint a manager to be known as a Managing Agent who shall: manage the unit property; manage the movable and immovable properties of the Association; and manage the common properties of the Association.

The Committee is appointed by the owner to manage the association and shall, within 28 days after its election, appoint a managing agent for the management of the movable and immovable property of the association and the common property. A managing agent shall perform such functions as may be delegated to him by the association.

An association shall establish a fund for the general administration of the association Known as a "General Fund". An association may, by special resolution, establish other funds for any particular purposes. Funds are for general administration.

An association shall establish and maintain a fund under this section to be known as the "sinking fund", unless there are only two or three units in the units plan and the association has passed a resolution deciding that it shall not establish or continue to maintain a sinking fund.

An association may only make payments from its sinking fund for things such a as the painting or repainting of any building or any part of a building that forms part of the common property and the renewal, replacement or repair of fixtures and fittings that are part of the common property;

An association may only make a transfer from its sinking fund to a general fund if it is passed by the Committee. However, the association shall be liable to any rate, charge or tax levied by a relevant authority in relation to the common property.

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