



WHAT IS A UNIT TITLE?

The booming in real estate sector in Tanzania has made a lot of people to take heavy loans and invest in real estate development if not to buy a house or two. There is a thing that most people are not familiar with but has been on the rise in recent years with the enactment of the Unit Titles Act 2008, this “thing” is referred to as a “*Unit Title*”. This was created to satisfy the demand raised by the proliferation of apartments and office blocks.

Unit titles are the most widely used form of multi-unit property ownership. They allow owners to privately own an area of land or part of a building and share common property with other unit owners such as lifts, generators etc. This combination of individual and shared ownership of land and buildings, often in an intensive built environment, means owning a unit title involves a different set of rights and responsibilities than traditional house and land ownership. Residential unit title developments are typically apartment blocks, townhouses and suburban flats. Commercial and industrial types include office blocks, industrial or retail complexes and shopping malls.

Unit title properties in Tanzania are governed by the *Unit Titles Act, 2008* and *The Unit Titles Regulations, 2009*; and are administered by a body corporate known as an Association. Unit Titles Act is the law governing building developments where multiple owners hold a type of property ownership known as a unit title. The Act was created to ensure the diverse and complex range of unit title developments are able to be managed more effectively; and also provide a clear and flexible mechanism for simple and complex developments to be created in the future something of which it has so far managed to achieve. It has managed to provide a modern legal framework for the joint ownership and management of land, buildings and facilities on a socially and economically sustainable basis by communities of individual owners.

The Association controls the management of, and expenditure for, the units within the development and this is usually administered by an appointed managing agent. The association has perpetual succession, has a common seal and can sue and be sued.

There is a constitution and by-laws which set out the rights and obligations of the association and the unit owners. The rules often contain prohibitions on things like pets, alterations to units, noise, litter, tidiness (among other things).

There are often fees involved with association which go towards the insurance premium, maintenance and repairs, lighting, common area gardens and a long term maintenance fund for the development as a whole. Well unit title developments have a body corporate management structure to ensure decisions affecting the development can be made jointly by the unit owners. This can be challenging at first for anyone who is not used to communal ownership. As an owner of a unit in a unit title development you have two capacities: one as



owner of your unit and another as a member of the Association for the unit development.

Before I perhaps confuse “ a few “ people, lets enlighten the mood by exploring how is a unit title different from the other “normal” form of land ownership. Well a unit title development (such as an apartment block) consists of:

- two or more principal units (to be used as a residence or business)
- the accessory units to be attached to the principal units (such as a garden, garage, pool or carparking space)
- any common property (that is, common spaces such as lawns and driveways, and common facilities such as lifts and laundries)

As a form of ownership, unit title is similar to other property in that it can be bought and sold, or leased or mortgaged. But unlike other forms of title, it is made up of three components:

- ownership in the particular unit
- an undivided share in the ownership of the common property
- an undivided share in the ownership of the units if the unit plan is cancelled

So the most important aspect of this article for more clarity will be on how are unit titles created? As I embark on this I am overlooking the National Housing Corporation’s (NHC) Ubungu Flats which are exquisite and were sold under the auspices of the Unit Tittles Act 2008 and its Regulations. Well as a developer, to create a unit title development you will need to subdivide the land into units by depositing a plan in quadruplicate indicating the number of units into which the building is divided with the Registrar. The plan is called a “unit plan”. Your unit plan will need to show the principal units, the accessory units, and the common property. Once the unit entitlements are set you will be able to deposit the plan.

Most importantly if you are creating a unit title development, it is important to get the advice of a lawyer. Not only will your lawyer draft the necessary documents, including the constitution and by-laws, but he or she will also advise you generally as to the merits of creating a unit title plan.

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