

Owning in a shared lane incorporated society FAQs



What is it?

An Incorporated Society (also known as a Shared Lane Society) is a group or organisation that has been registered under the Incorporated Societies Act 1908 and is authorised by law to run its affairs. It is becoming more common in areas of larger subdivisions where there are common facilities or infrastructure and it is a requirement to share costs by members, e.g. roading or stormwater ponds.

WHAT GOVERNS A SOCIETY? WHAT IS A CONSTITUTION?

Each Society will have their own individual Constitution that advises of the rules and requirements, such as: – members' obligations and restrictions, the process for handling internal disputes, requirement for financial audits, requirement to pay membership levy's, Annual General Meetings, format of accounts, the reason for the need for the Society, etc. Often Society's will engage a professional management company to assist with administration and management of the above.

HOW DOES THE SOCIETY AFFECT ME?

The Constitution and any associated covenants are in place to protect the asset of every property within the Society. The Constitution sets out the obligations and requirements of each owner. It is very important that owners are aware of these obligations and understand the rules that govern the Society, as these often tie back to Resource Consent conditions that govern the site.

WHAT KIND OF RULES DOES A SOCIETY HAVE?

The Constitution will set out general rules that all owners and occupants must adhere to, such as:

- Rules governing the external alterations of your property.
- Rules concerning exterior paint colours.
- Rules governing parking.
- Rules concerning pets.
- Rules relating to the debt collection of levies.

CAN WE DISSOLVE A SOCIETY?

An Incorporated Society will continue to exist as long as it files certain documents with the Registrar of Incorporated Societies or until its members, or a creditor, decide to bring the Society to an end. It is important for a Society to consider any Resource Consent conditions that govern the site, or shared infrastructure or land, before dissolving a Society.

WHAT DOES CROCKERS DO?

It is important that the Incorporated Society is properly and professionally managed. Crockers ensure that these sites operate efficiently, effectively and that owners are provided with professional financial reports, running annual general meetings, facilitating maintenance requirements, lodging the appropriate documentation with the Companies Office and communication with owners. Because the Constitution is often complex and wordy, we find that new owners sometimes do not fully understand the obligations and financial costs, we work hard to educate and communicate with owners to manage this.