



**W**hen closing sales of apartments or other property in complexes or estates in which the common areas are to be ultimately vested in a management company the current practice is to take an undertaking from the vendor to furnish a copy of the vesting deed to the purchaser's solicitor in due course. This entails the purchaser's solicitor keeping the purchase file open for a considerable time, sometimes for years, pending the furnishing of the copy vesting deed in accordance with the undertaking given. It becomes a matter of urgency when the property is being re-sold. If, at that time, the deed is not available because it has not yet been executed or for any other reason the sale, of necessity, proceeds with an undertaking by the second vendor's solicitor to the solicitor for the second purchaser to furnish the vesting deed as soon as received from the original vendor. In such circumstances two solicitors now have files open awaiting a copy vesting deed which may not come to hand for a considerable time.

It is recommended by the Conveyancing Committee that in such transactions involving management companies the contract should provide that the initial sale of the property will be closed on foot of

- (a) an undertaking by the vendor to the purchaser to furnish the vesting deed to the management company, and
- (b) an undertaking by the management company to the purchaser to furnish a certified copy of the vesting deed to the purchaser on request by or on behalf of the purchaser or his successor in title.

The undertaking at (a) will merely reflect what is required in any case in the contract for sale of the common areas between the vendor and the management company, but it will be an acknowledgment that the purchaser has an interest in the deed being furnished. Ideally, the contract between the developer and the management company should stipulate who is responsible for stamping and registering the deed.

The undertaking at (b) may be considered unnecessary having regard to the fact that the purchasers themselves will control the management company and will be in a position to obtain a certified copy of the vesting deed in any case. The undertaking by the management company will, however, cover any period between the completion of the development and the furnishing of the vesting deed to the management company and will, in any case, provide the purchaser with a clear basis for requesting the certified copy vesting deed regardless of when this is done. In practice it is envisaged that the question of taking up the copy vesting deed will arise usually when the property is being re-sold. At that time, assuming the development has been completed, it should be readily available from the management company. In the meantime the purchaser's solicitor can close the file.

## DEEDS VESTING COMMON AREAS IN MANAGEMENT COMPANIES