

## **Different way titles are held – Crosslease, fee simple, stratum in freehold, leasehold**

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A title is a way to record the land and properties information, such as lot numbers, how big the section is, whether there are any covenants, easements or caveats registered against the title etc. There are several ways that titles can be held for land. Please note that the types of titles include, but are not limited to crosslease, fee simple, stratum in freehold, stratum in leasehold, and leasehold.

This article discusses in more depth, the titles that are known as crosslease, fee simple, stratum in freehold and lastly, leasehold.

A cross lease title is when there are several people who own an undivided share in a Lot of land, where the dwellings that the individual owners build on the Lot are then leased from the other Lot-owners. A normal term that these owners will lease the land for is approximately 999 years. Cross Lease titles can also be subject to right of ways. It is important to mention that there will also be a dominant and a servient tenement land owner, depending on where the dwelling is built. The dominant tenement will have all the benefits of the land, for example the right to the right of way, drainage, power and phone lines etc. However, repairs may be at the expense of both tenements, for example, if the right of way needs repair, both the dominant and servient tenement will need to pay for the repairs needed even if the servient tenement does not use the right of way. An example of a cross lease title is when there are two dwellings on one Lot with each flat owner typically owning a half share in the fee simple estate. In the lease documents, which are registered against their respective titles, each dwelling owner then leases from both owners of the land the exclusive right to occupy their dwelling and the immediate land surrounding the building for approximately 999 years.

A fee simple title is where the owner of the dwelling has full control and freedom of not only the dwelling but the land surrounding it. The owners can enjoy the freedom of a permanent and absolute ownership of the land. A Fee Simple title is one of the most common titles we see when dealing with transactions for conveyancing.

A stratum in freehold, also known as a unit title, can be typically seen when there are two or more apartment type developments on a Lot. This type of title is like what we see in a fee simple title, but on a smaller scale. This means that instead of owning the dwelling and the land, the owners of a stratum in freehold will own the dwelling and possibly any immediate grassing area/courtyard that the dwelling may have. They will own the dwelling in full and can enjoy the benefits of it. It should also be noted that unit titles will usually be subject to Body Corporate rules and/or fees.

A leasehold title is where a person buys the right to occupy the land and/or dwelling. The land and/ or premises will have special conditions that the person who wants to lease the property must abide by to be able to use the land and/or premises. This type of title can be used for either residential or commercial purposes. An example here, to explain what this title is, would be when someone leases a building to run their business out of. The person will be paying the owner of the land and dwelling to occupy the premises. The business owner will have to follow the conditions that have been put in the lease agreement to be able to remain occupying the land and property. Types of residential leaseholds are flats and maisonettes, although some dwellings can be under long leases. Leaseholds will typically have lease agreements and they can be fixed term or for a limited period, they can include or exclude car parks, depending on what is in the lease agreement.