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## MANAGEMENT RIGHTS

OCT, 2009

With the large number of holiday apartments and town house accommodation on the Gold Coast, the issue of managing properties and common property in community title schemes arises.

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The Body Corporate & Community Management Act requires that properties in a community title scheme have a body corporate. An owner of a property in a community title scheme is automatically a member of the body corporate. The body corporate may decide to appoint a body corporate manager to attend to the secretarial duties of the scheme such as the issuing of levy notices. This is a different role from management rights.

Where the property has units that are available for holiday letting and permanent letting and community facilities such as pools, gardens and barbeques ("the common property"), a manager can be appointed to take care of the common property and attend to the letting of the units. The collective group of owners (the body corporate) can enter into a contract with a residential unit manager to undertake specified caretaking duties for a salary. In addition the body corporate can also contract with the resident unit manager allowing the resident unit manager to let out units in the scheme. The contract appointing the caretaker and letting agent is known as the management rights. The management rights is a business often conducted by a two person team residing in the scheme and conducting the caretaking and letting duties from an onsite office which is usually part of the manager's unit purchased when buying the management rights.

A residential unit manager may after performing part of the contract term decide to sell their management rights. Management right contracts are often large documents prepared by lawyers. Anyone proposing to purchase management rights is advised to first have the existing management rights agreement reviewed by their solicitor and by their accountant to check the terms of the management rights agreement and that price being paid recognises the correct value of the management rights business.





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Quinn & Scattini Lawyers can provide legal services to review a management rights agreement and to review the management rights purchase contract before it is signed, recommend changes to the proposed purchase contract and conduct the purchase of the management rights business and the purchase of the managers unit during the settlement period.

**Clark Saint, Solicitor, Quinn & Scattini Lawyers**

If you would like to ask any question about this or any other similar issue Clark may be contacted on 5564 0200 between 8.00am to 5.30pm Monday to Friday or email [csaint@quinnscattini.com.au](mailto:csaint@quinnscattini.com.au)

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