



HYNES GUIDES

Buying a Management Rights Business

Manage your transaction right.

The purchase of a management rights business is not a small decision. The management rights industry is a complex maze of laws, regulations and personalities.

This guide will help you in your first steps towards buying a management rights business, with information on:

- Key business concepts specific to the management rights industry
- Finding the management rights business for you
- The right questions to ask
- The roles of key participants in a management rights business
- Building your team of advisors

Give yourself the best chance of success in your business purchase by reading through this guide. Contact the team at Hynes Legal if we can be of assistance at any point in your transaction journey.

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01 Management rights 101

What are management rights?

A traditional management rights business has three basic elements:

- The ownership of real estate in a community titles scheme, often including an office or the right to use an office;
- A contract for caretaking of common property with a body corporate, such as gardens, pools and pathways; and
- An authorisation to act as a letting agent for owners in the scheme, together with a number of letting appointments from those owners who choose to let through you.

However, there is no standard management rights business.

Some do not include real estate. Some are caretaking or letting only. Some have smaller or larger components of each element.

Management rights businesses operate in many styles of property developments from the traditional home unit, townhouse, villa, and resort-style developments, to more recent innovations such as corporate letting, student accommodation and retirement villages.

What training is required?

The purchase of a management rights business includes the right to obtain a resident letting agent licence (RLA). The licence permits the collection of rent and the management of properties within the community titles scheme in which you have an office and is relatively easy to obtain compared to a full real estate agent's licence.

The necessary education requirements for licencing purposes can be completed through correspondence or attendance at a course run by an accredited training provider.

There is no licence required for caretaking purposes.

Why the management rights industry?

People choose to invest in management rights for many reasons: financial return, lifestyle choice, and the alignment of their home and business.

The returns from management rights businesses are identifiable and recurring, which gives buyers who are new to the industry peace of mind that cannot be found in many other businesses.

Management rights are regarded as an incredibly safe investment proposition, but they remain a 'people focused' business.

If you get on well with people, the management rights industry may well suit you.



What is meant by caretaking?

A major element of most management rights businesses is the requirement to care for and maintain the common property.

The agreement with the body corporate will specify the actual caretaking duties required.

Some agreements are general, and others show the requirements in great detail to the extent of specifying daily, weekly, monthly and 'as required' duties in a schedule attached to the agreement.

One of the most important aspects of the caretaking component of a management rights business is whether the duties are personal or supervisory in nature.

Personal agreements require you to perform the work personally or through contractors/employees paid by you.

Supervisory agreements are where the duties are performed by contractors or employees who are paid by the body corporate, but who are supervised by you.

A caretaking agreement can include a mix of personal and supervisory duties.

It is important to know what is expected of you and to understand the true nature and extent of your duties.

Most disputes that arise between bodies corporate and resident managers relate to issues about the performance of the caretaking duties, and most of these come from differing expectations about the role of each party.

Caretaking income

The body corporate will pay a resident manager a fixed remuneration in exchange for their caretaking services, which is usually paid monthly in arrears.

As your relationship with the body corporate is that of an independent contractor and not an employee, you will usually need to add GST to that salary and deal with your own tax and superannuation needs.

What is meant by letting?

A typical management rights arrangement includes an agreement with the body corporate that authorises you to conduct a letting business within your community titles scheme.

You cannot obtain a resident letting agent's licence without this letting agreement.

The letting agreement with the body corporate usually requires you to promote the letting of units within the community titles scheme, supervise the standard of tenants for those lots let by you and potentially maintain an office and reception area. Sometimes there are set hours for the reception to be open.

Owners are not required to let their unit.

They may choose to live in the unit or leave it untenanted (known as a lockup). They are also free to use letting services of outside letting agents.

Living onsite gives you significant competitive advantages over outside agents. Matters can be attended to on an urgent basis if required, and minor repairs and maintenance to units can be performed without the requirement to call out a tradesperson.

Letting income

Payment for the letting services comes from each owner who uses those services.

You must enter into a separate contract known as a letting appointment with each owner who wants to let their unit through you, which details the basis on which you will act for that owner.

A standard statutory form (known as a "PAMDA20A" or a "Form 6") should have some additional conditions added to it to cover matters the statutory form does not.

You may earn additional income from tenants or guests by providing additional services. Generally, the scope for additional income streams is greater in short stay buildings. Services may include cleaning, linen, repairs and maintenance, equipment hire and sales of tours and theme park tickets.

02 Buying off the plan

A threshold question getting into management rights is whether to buy an existing business or one ‘off the plan’.

Buying an existing business provides certainty. You can see it, and run the ruler over it to know exactly what works and what doesn't. A documented history makes it difficult to hide shortcomings.

Buying off the plan means you are buying the management rights business from a developer for a scheme that is not yet up and running, meaning less visibility on what the business will look like when it is created.

Off the plan considerations

We have acted for clients in negotiating off the plan purchases before any soil has been turned on a prospective development, through to purchasing just before registration.

Buying off the plan is a more difficult process than buying an existing business as the contracts must define, with great detail, what you are actually buying.

There is no standard form for these arrangements.

The starting point is satisfying yourself that the developer will deliver what has been promised. You can research other developments the developer has been involved with and discuss what the developer is like with the managers of other properties they have constructed.

Agreement negotiations

You are sometimes able to negotiate additions to the manager's unit and management rights agreements above what was originally contemplated.

A review of the management rights agreement is vital, as developers who have sold units before selling the management rights may be reluctant to change the management rights agreements for fear of losing sales. This is where you need a lawyer with extensive experience in negotiating changes.

Purchase price and income expectations

As the purchase price of a management rights business is based on the proposed net income, knowing how many units will be in your letting pool is critical. This will usually involve the documentation of a 'claw back' arrangement, where the contract will provide for payment per lot in the letting pool.

Different mechanisms exist to ensure you are protected, and it is important that you understand and explore these with an experienced management rights lawyer.

Look at the investment and marketing channels that the developer is using to sell the lots. Are they aiming at owner-occupiers or investors? Are they choosing overseas or local buyers? These are indicators of the future lot owners and the prospective letting pool.

Research the sales process and find out exactly what buyers of units expect. Review the sales material and decide whether the rental expectations are realistic.

Be cautious of any marketing agents who oversell the income potential of properties and give investors false expectations. You will be the first person owners will take to task if those expectations fail to materialise.

Ultimately, the income potential of the units is also where you will derive your letting income, through a management fee based on a percentage of the rent received by owners.

Buying off the plan is usually not something for the inexperienced.

You have to establish a business from scratch and will also have to deal with a certain level of building defects and owner confusion after settlement. Always seek sound advice before taking this path.

03 Styles of management rights business

SHORT-TERM LETTING

Short-term letting takes the form of both holiday and corporate letting. Holiday let buildings are part of the tourism industry, which is generally recognised as one of Australia's largest business sectors. Corporate letting (especially in CBD locations) has also become well-established.

Operating management rights to short-term let apartments is similar to operating a resort or a hotel. The building must be promoted to attract tourists or business-people. A higher level of service is required, but the returns to operators and investors should be correspondingly higher.

The advantages of short-term letting include a greater rental return as people expect to pay more for short-term rentals than they would for long-term residential rentals. Additional income streams are possible from service charges for cleaning and linen, commission from ticket sales to popular tourist destinations, hire of cots and other similar services.

Location is important, as are the facilities such as a swimming pool, garden, gym, or sauna.

Short-term letting is not a holiday for the manager – marketing, cash flow and management skills are essential, as is the ability to deal with people. These types of management rights businesses are best suited to people who understand the corporate and tourism industries and are prepared to work at promoting their property.

PERMANENT LETTING

Permanent, or residential, letting involves finding good tenants, collecting rent, maintaining the lots and usually has a large caretaking focus.

In a permanent complex, a number of unit owners will often live in their properties and tenants will stay for six months or more. This creates a reliable stream of income and involves less time managing tenants and a smaller focus on marketing; however, at a lower per-unit rate of return.

Ensuring that units are occupied helps keep owners happy and gives outside agents less opportunity to compete.

It is critical to develop good working relationships with owners and tenants, particular key owner-occupiers and body corporate committee members. Presentation of gardens and grounds is often important as owner-occupiers tend to take more pride in their surrounds.

STUDENT ACCOMMODATION

Management rights can also exist in student buildings. These can be structured as stand-alone lots, but they are usually shared lots with a few bedrooms and a common area.

Accommodation is referenced to terms and semesters, and these styles of management rights businesses have a combination of short-term and long-term management rights considerations.

The biggest commercial issue is managing the students, which can require a strict approach.

Somewhat different rules apply to managing tenancies because of the shared accommodation nature of the lots.

04 Licensing

There are two types of licence you can choose from in Queensland to operate a letting business. A licence is not required for caretaking purposes.

Resident Letting Agents Licence

A Resident Letting Agents licence (RLA) can be obtained if you have body corporate approval to act as letting agent in a building.

You must complete the required education modules which are less than those needed for a full real estate agent's licence.

It is a condition of an RLA licence that you have an office onsite, either in your building or one of the buildings for which you own management rights.

Another condition is that you can only let lots in the building in which you have body corporate approval (i.e. a letting agreement with a body corporate). You cannot let properties outside your scheme or sell any properties under an RLA.

Real Estate Agents Licence

A full real estate agents licence requires more educational work, but once you have the licence you can act as a real estate agent and sell or manage properties anywhere in Queensland.

We always recommend management rights owners to consider the real estate course, even if they don't get the full licence. After all, you have invested a lot of money in your business, and educating yourself about the industry is always a smart thing to do.



In all cases the service has been impeccable, the advice was correct and any strategy to achieve my intended outcomes was well researched and executed.

Tim Holmes, Long-time Body Corporate Chairperson



05 Partnerships

Partnerships are long-established legal vehicles, typical of law firms and other professional service organisations. Investing in the management rights industry through a partnership is also now relatively common.

Finance brokers and many management rights brokers have registers of potential working and silent partners who can pool their available funds to buy a bigger management rights business.

Key considerations for your partnership

01 Partnerships are not limited to just two parties.

Any number of partners can feature, all with different interests in the business. We have been engaged to act for partnerships of up to 15 different entities in one transaction.

02 Partnerships generally work because all partners have invested in the business.

Like all partnerships, open communication and transparency around expectations and financial matters are vital.

03 It is critical to have a formal partnership agreement in place.

Partnership agreements cover the 'what if' scenarios. An agreement also helps all partners understand their role in the business. Failing to manage expectations from the start of any partnership is one of the most fundamental mistakes people make.

We have negotiated dozens of management rights partnership agreements and have broad experience in negotiating good outcomes for all participants that help keep relationships on track.



06 Pre-purchase considerations

Investing in a management rights business involves the same considerations as with any other investment decision. You must be comfortable with the value of the business, considering the factors that are driving the decision to invest in management rights. As with most investments, this is usually confirmed by looking at comparable properties.

Management rights businesses are generally considered secure investments. There are few businesses based largely on goodwill that banks continue to accept as security, as is the case with management rights.

Engaging industry experts

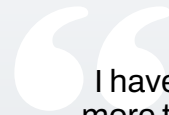
When investigating a management rights purchase, you will likely hear that you should use industry expert advisors. As you would expect, we cannot recommend this strongly enough.

Some people disregard this advice and use their usual lawyer, accountant or their local bank. Often, these are the clients that we end up assisting after things have taken a turn for the worse.

Management rights is a specialised area. Using someone without specialist knowledge of management rights can lead to delays, frustration and increased financial risk.

When considering an advisor, don't be afraid to vet their experience:

- Request testimonials from other management rights clients.
- Ask how many management rights transactions they are currently working on.
- Ask how many management rights clients they have advised over recent months.
- Investigate how committed they are to the management rights industry.
- Ask the other industry professionals you are working with how often they have dealt with them and their reputation.
- Ask how involved they are with ARAMA - the peak management rights industry body.



I have dealt with the team at Hynes for more than a decade and I would not use anyone else for management rights.

Colin Burton, Dreamtime Resort Group

Knowing what you can spend

The starting point for any potential management rights buyer is to determine a comfortable purchase price in terms of what you can, and more importantly, want, to borrow.

Your comfortable range can be determined by speaking to an industry finance professional such as a finance broker or a bank.

Generally, you should add an allowance for fees and expenses of up to 6% of the purchase price. This includes stamp duty, government licence application fees, accountant's costs, insurance, bank and legal fees.

You will need to consider the value of your family home, superannuation, investments, savings, and other assets such as shares. Depending on your financial position, you may need to sell some assets.

From a finance perspective, security (the value of your assets) is one thing; serviceability (the ability to pay the required interest), is another.

While a bank may be satisfied that you have sufficient security, it may have concerns about your ability to service the loan. An experienced industry finance broker or banker should be able to identify this early in your investigation.

Bank financing

Banks remain supportive of lending to the management rights industry and will usually lend at least 60% of the total cost of the management rights acquisition, secured against the management rights and the manager's unit.

As an example, if you were purchasing a business and unit for a total cost of \$1 million, and acquisition costs were \$60,000 (6% of the purchase price), the bank may lend you \$636,000 (60% of the all-up acquisition cost) leaving you to provide \$424,000.

For the right property and operator, banks may offer higher lending ratios. Depending on the business cash flows and other criteria, there may also be interest-only and fixed-rate options available.

Each bank has different policies. The advantage of working with a specialist finance broker is their advice on what is best for you.

Finding the right business for you

You can search for management rights in your price range by reading specialist management rights brokers advertisements in newspapers and on the internet. X, Facebook and WeChat are now also used by some brokers to advertise management rights businesses for sale.

Advertisements usually describe the property, the return on the investment, the value of the manager's unit and the price of the business.

You may wish to locate a broker who can assist in the search. Some buyers register their interest with a few brokers, while others stay with the one.

You will need to consider the advantages and disadvantages of the different types of management rights available. Usually, a good management rights broker will provide guidance as to what style of management rights business may suit you.

Business structuring

One of the most important elements of a management rights purchase is the correct structuring of your purchasing entities.

Thought needs to be given to who will own the management rights unit and the management rights business.

Asset protection is one of the key areas from a legal perspective, and depending on your circumstances, a range of entities can be used to better serve your interests, from a company to a family trust or unit trust.

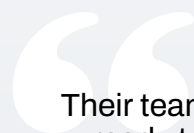
Structuring is also important from a tax perspective. Buying a business in some form of corporate or trust entity, as opposed to your personal name, can have tax advantages.

Structuring is best worked through with both your lawyer and accountant to ensure that your personal circumstances are correctly taken into account.

Unwinding an incorrect structure will almost certainly have stamp duty and capital gains tax implications.

We recommend you consider your prospective purchasing entities before you find the complex that suits you. That way, when you do find the right management rights business, you are ready to sign contracts immediately.

If you end up choosing not to progress with the purchase of management rights, the entities that have been created can still be used in your next business venture.

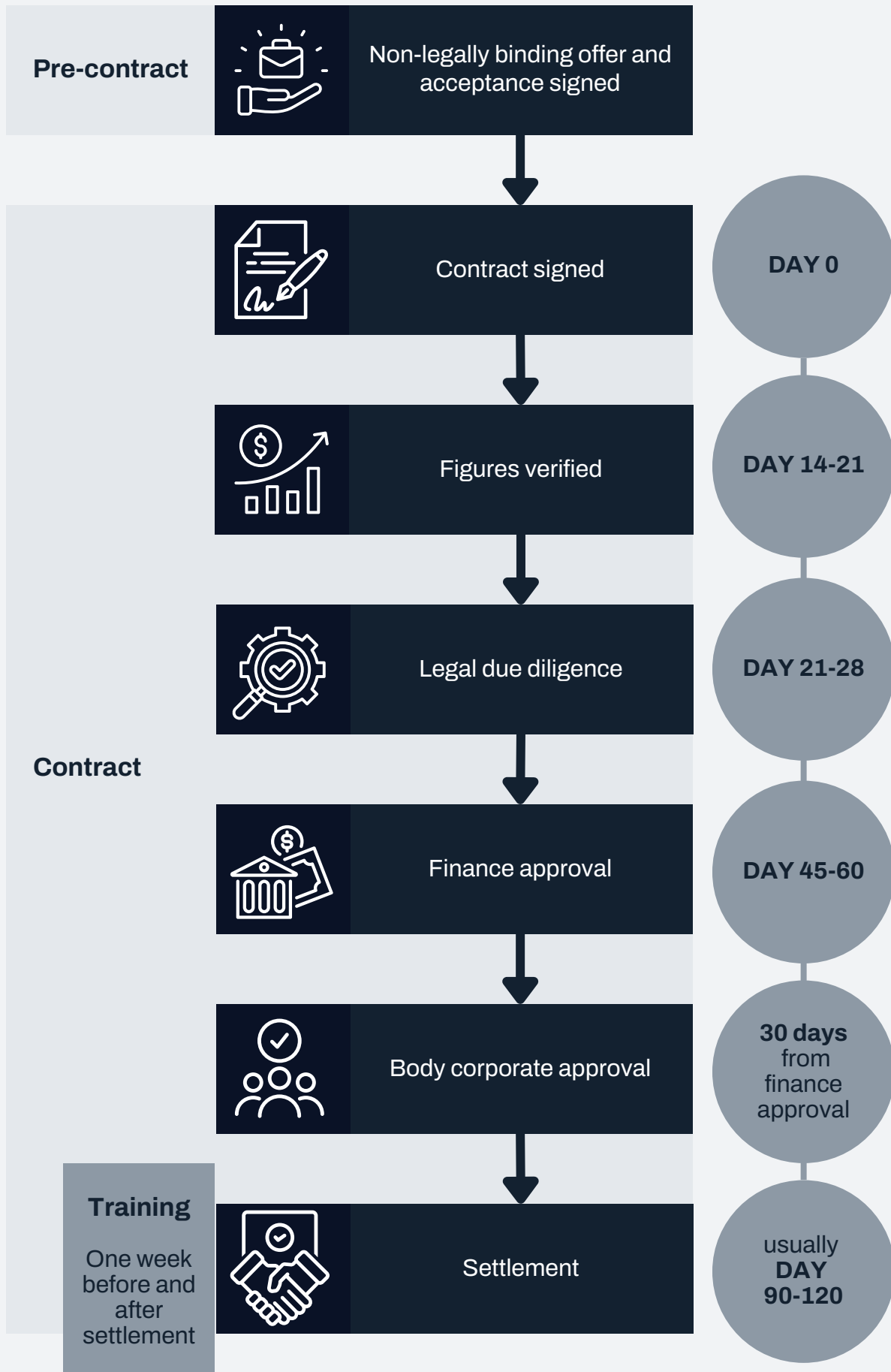


Their team is super responsive and always ready to help. This quick turnaround is particularly critical when you're dealing with urgent issues.

They've helped us solve issues before they have had a chance to develop further, and we are truly grateful for their expertise and guidance.

Harold Wilkinson, Management Rights Owner

07 Typical transaction timeline



08 Commercial fundamentals

Buyers should satisfy themselves about the fundamental commercial underpinnings of a business before making an offer.

Purchase price

Management rights sell at a multiple of net profit. For example, if the annual net profit is \$100,000, the management rights may be valued at anywhere around four to five times that amount – \$400,000 to \$500,000, plus the value of the manager's unit and caretaking equipment. Of course, prices can be higher or lower than that example.

Net profit

Net profit is calculated by deducting normal management rights operating expenses from the gross income of the business.

Normal operating expenses do not include owner's wages, bank interest, or income tax.

Operating expenses do include staff wages for work above what a two-person management team could perform.

Income must not include illegal payments (kickbacks or secret commissions) from suppliers engaged by the manager to work for the owners, nor any cash paid 'under the table'.

Letting pool

Find out how many owners are in the letting pool. Management rights generally work on individual accounts for owners. Each owner receives the actual income for the unit, less actual expenses for that unit.

Understand any owners who are not in the letting pool. They may choose not to let their property, or use an outside letting agent.

A large number of owners using outside letting agents may imply that they are unhappy with the current manager. A new manager may be able to encourage these owners to come back to the letting pool.

Term

Understand the remaining term left on the management rights agreements as they have a fixed end date. This will likely be anywhere from 10 to 25 years.

A body corporate is not required to renew management rights agreements. You must negotiate renewals with the body corporate as they fall due. That opportunity presents itself at each body corporate AGM.

Remuneration

Review the remuneration paid to the manager by the body corporate. The remuneration will usually increase each year, either linked to CPI or by a fixed percentage. Find out if GST is included and if the remuneration is ever adjusted to market. Understand exactly what you must do to earn that remuneration, such as the caretaking duties.

Manager's office

Establish whether the manager's office is included in the title to the unit or is part of the common property. Where the office is part of the common property, rights of use must be established. The manager should have exclusive use of the office under a by-law or an occupation authority.

Old vs new buildings

Owners of units in established properties are likely to be more attuned to the value and return of their property. Owners of units in new properties may still have unrealistically high expectations. The age of the building is relevant to this and whether the developer may have offered leasebacks or rent guarantees to any owners.

Older buildings often begin to need ongoing renovations or repairs, which can fall into the manager's role to advise, encourage or coordinate.

09 Who's who and what they do

Broker

The management rights business will more than likely be purchased through a specialist management rights broker. Management rights brokers must hold a Queensland real estate agents licence.

Be wary of dealing with an agency that does not specialise in management rights. Good management rights brokers know the questions to ask sellers to ensure the listing information is as accurate as possible.

Specialist management rights brokers know the industry and have the networks that allow you to investigate your decision properly. They can spend time with you to make sure that you are right for the industry, and introduce you to other management rights businesses so you can compare and contrast.

Accountant

An accountant with knowledge of the management rights industry is an important asset during the purchase process and with the ongoing operation of your business.

Your accountant will attend to the formal verification of net profit under the management rights purchase contract. Your accountant will also review the seller's trust account records and compare those with books and records of the business. You should receive a written report that confirms whether or not your accountant can verify the net profit stated to be earned by the seller.

The ability to assign the seller's letting appointments will be an important part of this review. An experienced management rights accountant will deliver an accurate report and advise you of any income or expense streams that are out of the ordinary, as well as any income levels that seem unsustainable.

Your accountant will continue to be involved in your business throughout your tenure as manager. They can assist you in the set-up of new business entities, your choice of management software and the completion of the audits required by law.

Note that if your financier does not accept your accountant as an industry expert, you may be required to commission another verification report for borrowing purposes from an accountant acceptable to your financier.

Financier

All major banks and most regional banks lend to management rights businesses. Each bank has somewhat different lending policies and rates. If you are not sure who is best for you, an experienced management rights finance broker can help assess the options available.

Interest-only options should be available if your application is handled correctly and the bank policy permits.



Here is a simple example of how lending ratios can be calculated:

Components	Costs
Purchase price of manager's unit	\$400,000
Purchase price of the management rights (netting \$140,000 at a multiplier of 5 times)	\$700,000
Estimated acquisition costs	\$66,000
Total	\$1,166,000

Virtually all banks will lend \$700,000, which is 60% of the total acquisition cost, and you will need the balance of \$466,000 in cash or equity before settlement. Some banks have higher or lower lending ratios than others and loan covenants can also differ.

Specialist management rights finance brokers and bankers can establish the loan parameters immediately. Dealing with industry specialists helps prevent rejection, last-minute complications, unacceptable loan terms or conditions, and wasted time and money.

The Gallery Vie decision

It is not often that a building name becomes part of industry parlance, but Gallery Vie (at Robina on the Gold Coast) has become just that.

This was a case in the Queensland Civil and Administrative Tribunal (QCAT) where the statutory protection provided in the BCCM Act for management rights financiers was considered in some detail and where it was held to not be quite as certain as the management rights financiers thought it was.

Any due diligence needs to make sure this has been addressed.

Body corporate manager

The body corporate manager is the person that provides the body corporate with secretarial assistance on a day-to-day basis. They will usually be heavily involved in the assignment process and assisting the body corporate on the transfer of the management rights agreements to you. They may also recommend who the body corporate should use for legal advice and other support services.

They will be an important person in your management rights life, so engaging with them the right way from the first instance is important. We suggest lining them up for a coffee sooner rather than later. If you get along with your body corporate manager, your journey will be much easier.

Body corporate's lawyer

A body corporate does not have to get legal advice on an assignment, but the vast majority do. The seller pays for the legal advice, so there is no cost disincentive in doing so.

The body corporate lawyer will advise the body corporate on the legal aspects of the assignment. This advice will always include the deed of assignment and motion. Sometimes their brief may extend to more comprehensive advice to their client around your abilities to perform the caretaking and letting functions.

Conditional body corporate approval

Bodies corporate are becoming increasingly aware of their rights and obligations about assigning management rights agreements. As a result, we are seeing more approvals of assignments subject to conditions, especially where the buyer is inexperienced. These conditions usually relate to training and completing appropriate management rights courses either before settlement or soon after.

The cost of completion of these conditions is always an issue, and these costs can occasionally be negotiated to be shared by the other parties. Your lawyer should advise you on how to deal with any conditions.

Your lawyer

Your lawyer is involved throughout your entire transaction. Items your lawyer may assist with include:

- Ensuring that your purchasing entities are structured correctly, and setting up any new entities required.
- Advising you on the contract and liaising with your accountant and financier to make sure that the conditions relating to figures and finance are complied with.
- Identifying and dealing with any issues that may arise throughout the transaction.
- Confirming that your investment includes a legally sound business and a home.
- Arranging the transfer of management rights agreements with the body corporate.
- Attending to the conveyancing of the manager's unit.

The laws relating to management rights are complicated. As your lawyer, we make it simple for you to see any big issues.

We make sure that what is meant to happen for you to purchase the management rights business does happen. We prompt you at different stages throughout your purchase with things you need to do that you might not otherwise know about.

Fees are always important. At Hynes Legal we offer fixed fee quotes which are agreed upon in writing before we commence any work. After settlement, all our clients receive regular updates from us as to the latest industry news that may affect their business.

Redchip  **Hynes**
LAWYERS LEGAL
Leading Lawyers. Living Strata.

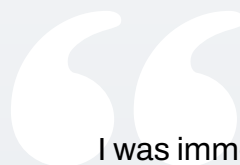
Legal due diligence

The management rights business you are buying is valued the way it is because of the potential continuity of the income that you will earn while owning it. The right to earn that income is derived from the tenure of the management rights agreements.

One of the key things undertaken in due diligence is ensuring the validity of the management rights agreements (and therefore the continuity of that income).

At Hynes Legal, our due diligence report is substantial. We take into account every detail, from the agreements themselves, to the building, the letting issues, even intellectual property concerns and the personality of the body corporate and the committee.

We top it off by telling you the key parts of all of the legislation with which you need to comply. Our advice is backed up by the commercial knowledge of whether an issue is industry standard or not.



I was immediately impressed by Hynes Legal's down-to-earth approach and remarkable ability to demystify complex legal issues.

The Hynes team has always communicated with clarity and precision, ensuring that I fully understand every aspect of our legal strategy.

Adrian Wylde, Multiple Management Rights Owner

10 Terms to know

20A / PAMDA 20A / Form 6	These are the common terms for a letting appointment, which is an appointment that a resident manager holds from an owner to let their lot for them. They are also called 'management appointments'. They are on a 20A form if signed before 1 December 2014 and on a Form 6 if signed after 1 December 2014.
BCCM Act	The Body Corporate and Community Management Act 1997. This legislation covers almost all community titles schemes in Queensland.
By-laws	These are body corporate rules relating to the use of common property. By-laws detail the responsibilities of the body corporate and apply to everyone entering the complex including owners, tenants and guests. These are contained in the Community Management Statement (CMS).
Body corporate	The body corporate is a separate legal entity – similar to a company – that is created to control common property. All owners are members of the body corporate. An elected group (like a board of directors) forms the committee.
Body corporate manager	Although it may be confusing, what is known under the BCCM Act as a body corporate manager is the person who administers the financial and secretarial side of the body corporate. This person issues levy notices, chases arrears, records total minutes of meetings and undertakes other related duties.
Commissioner's Office	The office that decides the vast bulk of body corporate disputes.
Committee	Effectively the board of directors of the body corporate, who are elected every year.
Committee meeting	Meetings of the committee held at different times throughout the year to discuss body corporate issues. These can occur monthly, or not at all. It all depends on how active the committee is.
Common property	Property shared by owners and tenants. This may include foyers, hallways, swimming pools, gardens, tennis courts, gymnasiums and entertainment areas. It is everything other than the lots in the scheme. Maintaining common property is the primary obligation under the caretaking component of the management rights business.
Community Management Statement	Commonly referred to as a CMS, the document that contains the by-laws, a description of the real property in the scheme as well as the lot entitlements for the lots in the scheme.

Community title scheme	What was a single property title, when owned by the developer, which has since been subdivided into separate titles or lots (units or townhouses) and common property.
General meeting	One of two types of meetings where all owners can vote on issues. The first type (held once a year) is the Annual General Meeting (AGM) where, amongst other things, the committee is elected. Any other general meeting held during the year is called an extraordinary general meeting (EGM). AGMs are held to address financial and other aspects of the body corporate as well as direct the committee. EGMs may be called at any time to address specific issues. Owners attend meetings in a similar context to company shareholders.
Lots	The pieces of property in a community titles scheme that belongs to the individual owners. This is what the letting authorisation component relates to.
Manager / letting agent	The owner of the management rights. Other terms include RAM (residential accommodation manager) or RUM (resident unit manager) or onsite managers. The BCCM Act uses the terms caretaking service contractor and/or letting agent.
Modules	More detailed rules exist for different community titles schemes under the BCCM Act. Standard, Accommodation, Commercial and Small Schemes modules cover various types of body corporate structures, but it is safe to say that management rights businesses deal almost exclusively with Standard and Accommodation modules. The big difference between the two for management rights purposes is that under the Standard Module a management rights agreement is limited to a term of 10 years while under the Accommodation Module, an agreement can run for up to 25 years.
QCAT	Queensland Civil and Administrative Tribunal, which is responsible for determining complex caretaking disputes between resident managers and bodies corporate.
PAMDA	The acronym for the legislation that once regulated real estate agents, the Property Agents and Motors Dealers Act. From 1 December 2014, the PoA regulates real estate agents.
PoA	The legislation that regulates all real estate agents in Queensland is the Property Occupations Act 2014.

Why choose Hynes Legal

Management rights is a specialised area of law.

Hynes Legal only practices in strata law – we live and breathe the issues that affect management rights and bodies corporate on a daily basis.

We are one of the few panel lawyers for the peak management rights body ARAMA and are also involved with the peak body for strata managers, SCA (Qld).

What this means for you

- 01 The purchase of a management rights business involves a significant amount of money that you have no doubt worked hard to earn. Working with us means putting your investment in the safest legal hands in the industry.
- 02 Dealing with a body corporate can be frustrating, with up to seven committee members involved, a strata manager and their lawyer. We will assist you in understanding how to manage these stakeholders effectively and efficiently, working collaboratively at all times. As we act for many bodies corporate, we can assist you to understand their position and provide perspective that will help you get to where you want to be.
- 03 The depth of our practice means we are a one-stop shop for management rights matters. You will not be referred away to another firm if something goes wrong.
- 04 We have dealt with every management rights issue imaginable. We can recognise an issue and resolve it before it escalates, particularly in purchase and sale transactions.
- 05 We offer fixed fees for all types of management rights matters. We scope each project, define what needs to be completed, include everything that will need to be delivered, and then fix a price so you have certainty. On the occasions where we cannot fix a price, our standard hourly rates are competitive.
- 06 Our specialisation brings efficiency to our management rights practice. We have tailored management rights content for everything you need, from the questions (and suggested answers) at the body corporate interview to fact sheets that help you understand your options if certain issues arise during a purchase.
- 07 We have acted for hundreds of first-time buyers of management rights businesses; we know what you will need to know and understand. We pride ourselves on making the purchase process as informative and stress-free as possible for all of our clients.

Meet our management rights team

We are leading legal professionals, dedicated to supporting the strata community.



Robert Lalor
Director



Frank Higginson
Partner



Guy Rossall
Associate Director



Brenda Gregory
Paralegal



Tim Paroz
Paralegal



Deborah Leigh
Client Concierge



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2022



2021



2022



2023



2023

We are leaders through the strata maze.

The team at Hynes Legal has been dedicated to strata law for decades and has supported thousands of clients from all walks of the strata-sphere to find their strata solutions.

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