



HYNES GUIDES

Selling a Management Rights Business

Manage your transaction right.

The sale of a management rights business is not a simple process.

This guide will help you achieve an optimal sales outcome, with advice on:

- Getting your business sale-ready
- Using a management rights broker
- Dealing with the body corporate during a sale process
- Vetting potential buyers
- Dealing with banks and lawyers

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

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01 The complexity of management rights sales

People and personalities

The complex nature of a management rights sale, and the sheer number of parties involved, means the process is seldom straightforward.

There are potentially 14 other parties involved in the sale, as well as your body corporate committee, which can add up to another seven people to the process.

It sounds like a lot, and it is.

The people possibly involved include:

Brokers	Potentially your listing broker and the buyer's broker (who might or might not be from the same agency).
Accountants	Yours to get the profit & loss prepared, and the buyer's to review it.
Lawyers	Yours, the buyer's and more than likely, the body corporate's. Sometimes you get a lawyer from the buyer's bank involved as well.
Banks	The buyer will have one, and you most likely do too (if not, well done!).
Valuers	Perhaps you obtained a valuation on your unit when you listed it for sale. On large deals, the buyer (or their bank) might need to value the unit or business as part of the finance approval process. They will not be the same valuer.
Body corporate manager	Just the one you know.
Committee members	Any one of up to seven can have a say.
The Buyer	Naturally.
You	The most important person in your deal.

The art of running a successful sale transaction from a legal perspective is being able to deal with all parties to a transaction.

Understanding the issues

This guide deals with some of the issues that can occur during a sale, but it does not cover them all. The benefit of experience is knowing which are major issues and which are minor.

Here's one example: An issue arising in the verification of figures.

The issue might be 10 letting appointments missing from the records. The income may be there in the books, but the approvals to earn it may not be on file.

This can cause a chain reaction throughout the sale.

The issue may well lead to a legal due diligence problem, and more importantly, a finance issue because the valuer may lower the valuation, which then means the buyer's bank cannot lend what was applied for because its policy doesn't allow it. This means that the buyer needs to put in more cash, which they may not have.

The art of running a successful management rights sale is managing that issue with letting appointments when it occurs. It is knowing that it can lead to those downstream complications and then identifying a course of action that will solve the problem for all parties.

Ultimately, you have signed a contract because you want to sell.

Your advisors should be people who will help you achieve that with the least possible fuss. That comes from experience, and there is no substitute for it.



02 Getting your business sale-ready

Key issues about your business should be reviewed before it is listed for sale.

Buyers will often accept problem issues if they are identified and presented correctly upfront. However, buyers will become upset and lose trust if their due diligence reveals aspects about the business which they believe they should have been informed of before signing the contract.

Buyers do not like surprises. Make sure you address each of the following issues before you go to sell.

Are your letting authorities signed by every owner?

Missing letting authorities are the bane of every transaction. Buyers (and their accountants) will ask for them. If they are not all there, be ready to be asked why.

If you do not have a written authority you cannot legally charge a commission to the owner of the lot.

Depending on the buyer's position, you may be required to have all letting authorities signed by settlement or agree to an adjustment of the purchase price for the ones that are not in place.

What is the status of the term of your agreements?

You need to know the remaining term on your management rights agreements. This is essential to any buyer. If you do not have a long enough term left, you may need to top up your agreements as part of the sale, which will lead to additional costs and a potential delay. Whether you have a long enough remaining term will depend on the market at the time and by which Module you are regulated. You will need to be guided by your broker around what this will be.

Make sure you have exercised your options and documented those with the body corporate. Failing to exercise an option can have significant consequences.

Be warned: setting false expectations for a buyer on term can be fatal to a transaction, as term is a critical part of any finance approval.

Are the letting authorities assignable?

Two separate forms exist under which letting appointments can be created. Before 1 December 2014 they had to be on a PAMDA20A. For those to be assignable you had to either:

- Have section 4.4, which dealt with assignment ticked and initialled by all of the owners; or
- If an earlier version PAMDA20A was used, the owners needed to agree to making the appointment assignable by a separate agreement or annexure.

If the appointment is on a PoA form 6 it is automatically assignable. If an appointment is a PAMDA and is not automatically assignable, that will remain the position under the PoA. For that appointment to be assigned you will need the consent of the owner, or to get a new appointment on a PoA form 6. If it is not assignable it may lead to the same issues as not having a letting authority form in place as mentioned above.

Are there any outstanding due diligence issues from when you purchased?

Were there certain issues that your lawyers recommended should be corrected in the agreements when you purchased? Have you done these? If not, be ready to have that same conversation with the buyer. The commercial risk you accepted when you bought might not be acceptable to the buyer.

Are there any body corporate issues?

Are you having a ding-dong battle with the committee? Are there building defects that have not been dealt with? These issues will normally be revealed in the buyer's due diligence when they consult the body corporate records.

If these types of issues are managed up front and disclosed to the buyer before the buyer discovers them on their own, then the outcome will usually be much different to the position where the buyer identifies the problem during the due diligence process and then asks the question as to why they were not told in the first place. The key lesson here is to be up front with any major issues.

Are your agreements caught by the Gallery Vie decision?

A 2015 decision at the Queensland Civil and Administrative Tribunal (QCAT) caused real concern to management rights industry financiers. In general terms, if your management rights agreements include a right for the body corporate to terminate them as a result of the bankruptcy or liquidation of the manager entity, your agreements are caught by this decision. This may need addressing at general meeting if your buyer's financier needs it to be addressed.

Do you have up-to-date sales figures?

Most buyers require a verification of figures to within two months of the date of the contract. It is rare to find a financier that requires any less when assessing the income of the business for lending purposes. There is little point assessing a deal on figures that are out of date.

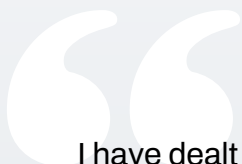
Having sales figures that are (say) six months old means there is likely to be a discrepancy between what you think the net profit is and what it verifies to when investigated by the buyer's accountant. This may lead to a price renegotiation if the figures verify to less than the sum suggested in the contract.

Alternatively, if the income has increased, you may be selling for a lower price than you could have achieved.

Prospective buyers may also lean towards making an offer on a business where figures are more up-to-date.

Place yourself in a buyer's shoes. Imagine two similar management rights businesses, but one had current figures and one had figures that were 12 months old. Which one would you prefer to make an offer on?

Understand what a buyer will look for and deal with it now. It is far easier to deal with the issue before you sign a contract rather than when you are halfway through the sale process.



I have dealt with the team at Hynes for more than a decade and I would not use anyone else for management rights. They are quick to respond to any of my issues and cost efficient when they do. Above all, they know what they are doing.

Colin Burton, Dreamtime Resort Group

03 Listing your business

You can choose from three types of listing when placing your business on the market:

1. EXCLUSIVE

If the property and business are sold during the term of an exclusive listing you will pay a commission to your broker, no matter how the sale has come about. An exclusive listing would normally mean that the broker knows that they have the property to sell for a period on their own – that means they will usually work harder to sell it. Sometimes a seller gives more than one broker a 'joint exclusive', with commission payable to the broker who ends up introducing the buyer. If you sell the property yourself during the exclusive listing period then you pay a commission to the broker regardless of whether the broker was involved with the sale.

2. SOLE

If the property and business are sold during the term of the listing authority through a broker you will pay a commission (even if the broker selling it was not the one you signed with). If you sell the property yourself you do not have to pay a commission under this type of appointment.

3. OPEN

Commission is only payable under this form of agency if the listing broker is the effective cause of sale. Proving (or denying that) can be a difficult legal argument. These forms of listing are usually seen when more than one broker is engaged or the business is put on the market via multiple brokers.



04 Building your team

Use people who are experts in management rights to help you in your sale.

Management rights is a specialised field. Using an advisor without specific industry knowledge is often an experience fraught with frustration and financial risk, as the advisor you trust to deliver solutions does not have them.

Many advisors call themselves experts. Don't be afraid to ask for testimonials from other management rights clients. Ask them how many management rights transactions they are currently working on, or how many management rights clients they have advised over the last few 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 your advisors.

We see the consequences that come from not using management rights experts. They can be significant. Do not be lured by a cheaper price into using someone who does not know what they are doing.

Do you need to use a management rights broker?

In a strict sense, no. The same applies to accountants and lawyers, but there are good reasons for using all three.

You absolutely can try to sell the business yourself. You can also do your own profit and loss for sale purposes and also attempt your own legals.

Leaving aside finding buyers, a good management rights broker helps set expectations of each party from the start and ensures that each party knows where the other is coming from.

When something goes wrong during the sale process the broker is a good intermediary to help solve the issue.

In the absence of a broker, when something goes wrong, either you or your lawyer has to solve it. Ethically, a lawyer cannot communicate directly with the client of another lawyer. Communications via lawyers are always impersonal and are never as good as direct phone contact between the buyer and seller via the broker.

If you do sell yourself, your lawyer can prepare contracts for your sale.

How to choose a management rights broker

It is wise to list with someone who is deeply involved in the management rights industry. They will have connections and access to buyers, to ultimately find a buyer much faster than listing with a general real estate agent.

An industry-specific broker will usually be able to give you a good idea of the market value of your management rights business. Real estate prices can move about quite considerably in some price brackets and areas.

A good broker will help you understand what is selling in the current market and why. They may also be able to give you some tips to ensure you present your property and business in the best possible light.

They will also be able to help troubleshoot when something goes wrong. If the figures do not verify for some reason, you want someone with experience in renegotiating prices to be able assist with the inevitable to and fro.

A management rights broker's role on the sale is far from concluded when the contract is signed. The broker can work harder through that transaction than they did through the listing and initial negotiation process.



Your accountant's role

Your contract will usually be subject to the buyer verifying that a two-person management team could obtain the net profit you have suggested was earned for the contract period.

When preparing a profit and loss statement for sale purposes, you need to make sure that your accountant knows what expenses to include and exclude. This will assist in listing the business with a realistic and sustainable net profit.

Any one-off items of income or expenditure should be qualified. For example if you employ staff, there is the question of how much of their salaries should be added back to the net profit as being a lifestyle choice (in that you could do the work, but have chosen not to).

All of these things and more should be addressed in the profit and loss so that the buyer understands any immediate issues.

Nothing alienates a buyer more than the figures not verifying what you have suggested. Rightly or wrongly, if the figures verify lower than you have stated (and especially if they are out by a significant degree) the buyer may think that you've tried to mislead them – and that is not a good place to start in a transaction that includes an element of trust.

Your lawyer's role

Your lawyer should have real and extensive experience in dealing with management rights transactions. This allows any issues that occur throughout your sale to be solved with minimal fuss and expense.

There is an art to managing all the moving parts of a management rights transaction. Things can, and quite often do, go wrong. Being able to address issues quickly and practically comes from experience, which in turn saves time and money.

Aside from managing the confirmation of the conditions to be satisfied by the buyer, your lawyer must deal with the body corporate and the committee on the assignment. Knowing what to do and when to do it is critical. Assignments of management rights agreements are no longer the simple 'tick the box' exercise they once were.

In addition, your lawyer will facilitate the transfer of both the unit and the business and make sure the documents you are signing are correct and do not expose you to any additional risk.

It is common for buyers' lawyers to include warranties and statements in the deed of assignment that go above and beyond what are in the contract. A good lawyer acting for you will make sure you only commit to what you have to.

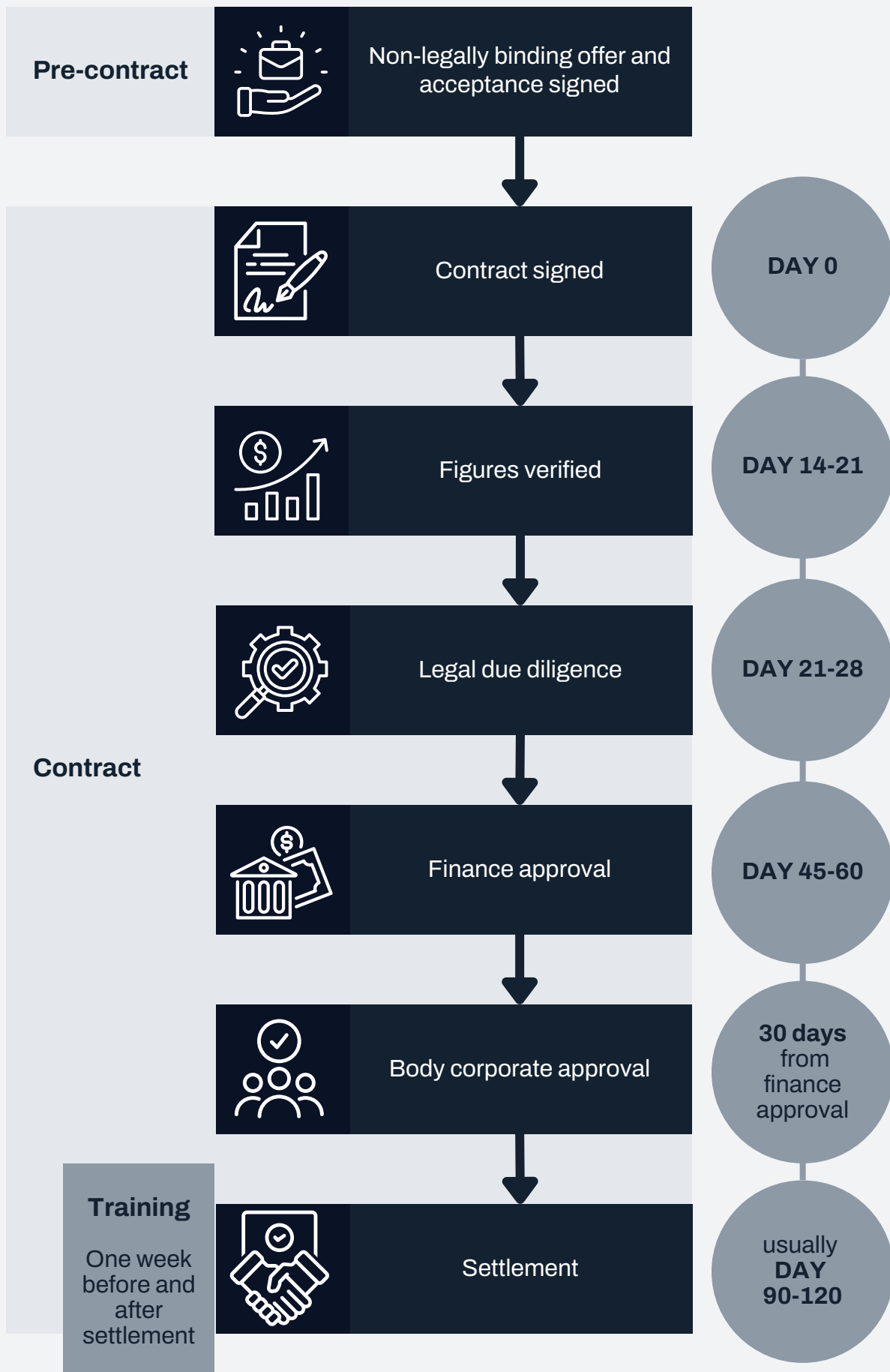
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I was immediately impressed by Hynes Legal's down-to-earth approach and remarkable ability to demystify complex legal issues.

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

05 Typical transaction timeline



06 Pre-contract

Signing offer and acceptance

The first stage of most management rights transactions is the signing of an offer and acceptance. This is usually a one or two page document that sets out the essential terms of the deal. Generally, this is not legally binding. Most offer and acceptance documents will include an express statement to that effect.

The offer and acceptance will set out the prices for the unit and the business, as well as the respective deposits. It will also usually list in general terms the special conditions, such as the contract being subject to verification of figures, legal due diligence, finance approval and body corporate approval. It will also list a settlement date.

If you get to contract stage, there will be much more detail included about each of these conditions and what they mean.

Agreeing terms on an offer and acceptance can become a bit of a game – you can go backwards and forwards initialling price changes until, hopefully, you get to an agreement. When that happens you move on to the next stage, which is preparation and signing of contracts.

Vetting buyers

While bodies corporate cannot unreasonably withhold consent to an assignment of the management rights agreements, that doesn't mean they must issue consent or cannot be difficult about it.

We have seen more refusals to consent to assignments in the last few years than we saw in the prior two decades. Some of the reasons for these refusals could be considered justified, and some not.

Unfortunately, you may not be able to uncover the information about a buyer that the body corporate will during the assignment process. But, it is important to look at the qualities of your buyer before signing a contract. There is nothing worse than making progress on a sale only for it to get the wobbles because the body corporate has an issue with the buyer.

If you think your committee will have concerns, then the time to deal with those concerns is at the time you sign the contract. You might be able to build in conditions on the buyer that may help overcome issues in the approval process, such as undertaking training. It might also be the case that you choose not to proceed with that buyer. That becomes your commercial decision.



Preparing contracts

Once the offer and acceptance are signed, formal contracts need to be prepared. There will usually be a contract for the unit and a contract for the business. They will almost certainly include a linkage so both the unit and business sales stand or fall together - you won't end up selling one without the other.

Either your broker or lawyer may prepare your contracts. Preparation by your lawyer may come with an extra cost; however, keep in mind that there are many issues to be addressed when it comes to a management rights transaction which standard REIQ contracts do not contemplate. If you have sold your business directly, or sold through a broker that is not a management rights specialist, then it is best for your lawyer to prepare the contracts.

You will need to obtain the disclosure statement for the unit from your body corporate and also prepare an inventory of equipment owned by you that is included in the sale. You can also include an inventory of body corporate equipment, but make sure it is noted as being owned by the body corporate to avoid any later confusion about who owns what.

Securing deposits

The deposit is security for you to ensure the buyer will settle. It's often wise to secure a substantial deposit so there is a significant incentive for the buyer to complete the purchase and not walk away. Usually, a nominal deposit of \$1,000 on each contract is paid on signing. The deposit is then topped up to 5% or 10% of the purchase price on finance approval.

Some sellers on bigger transactions want a substantial deposit up front as a sign of the buyer's financial ability. Ultimately, it is your decision how much deposit you want. You can be guided by your broker in this regard.

Dealing with GST

The business and associated real estate should be able to be sold as a going concern, which means there is no GST payable on the sale. Both you and the buyer must be registered for GST, and you must supply the buyer with all things necessary to continue to operate the business.

This can be complicated by the way management rights business transactions are structured. It is common for different entities to own the unit versus the business. There are certain documents to sign to ensure you comply with all the requirements of a going concern, which an experienced management rights lawyer should be able to provide for you.

Setting timeframes

Making sure you have realistic timeframes for settlement from the start will usually save a lot of panic towards the end of your transaction.

Almost all management rights contracts are subject to verification of figures, legal due diligence and finance approval. These usually take about four to eight weeks to complete from the day the contracts are signed. You then need to seek body corporate consent to the assignment of the management rights agreements. A body corporate is allowed up to 30 days from when it receives everything reasonably necessary to consider the assignment.

Every management rights transaction has many moving parts, and few are straightforward. Signing a contract and expecting settlement in under two months is potentially unrealistic, unless you have a great working relationship with your committee and a very organised buyer.

Advising your body corporate

There is no 'one size fits all' approach to dealing with bodies corporate. It is up to you to decide what is best for your particular circumstances.

Conventional wisdom suggests not telling your body corporate you are selling until your contract is unconditional. This is suggested for a couple of reasons:

1. If the sale does not proceed, the committee might regard you differently in terms of work ethic, supervision, etc; and
2. There could be costs incurred which are payable whether the sale proceeds or not.

On the other hand, taking your committee into your confidence when listing your business for sale can help the committee members feel informed and settled as the sale progresses. It alleviates the risk of the committee feeling ambushed with the request to consider an assignment, especially where the proposed settlement date is 30 days or less away.



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-term Body Corporate Chairperson

Paying a transfer fee

Your body corporate must impose a transfer fee if it consents to an assignment of management rights within two years of the date of settlement of your purchase. The transfer fee is 3% of the value of the management rights business if you sell within 12 months of the date of settlement of your purchase, or 2% if you sell within two years of the date of settlement of your purchase.

The transfer fee is not imposed on the value of any real estate associated with the transaction.

Imposition of the transfer fee by bodies corporate is compulsory. Committees have no discretion to waive the transfer fee for good service. However, a body corporate cannot charge the transfer fee if you are transferring the management rights because of genuine hardship that was not reasonably foreseeable by you at the time you purchased.

The rules around transfer fees can be complex. If you are selling inside two years from when you purchased you should get advice on your prospective transfer fee liability before you sign a contract. If a fee is payable, you need to factor that in the same as any other transaction expense.

The transfer fee includes GST, so you automatically get 1/11th of it back if you and your body corporate are registered for GST.



07 Your contract: Working through the conditions

Verification of figures

Item K of the management rights contract
Usually occurs within 14-21 days of the contract date

The contract is subject to the buyer verifying that a two-person management team could obtain the net profit you have suggested was earned throughout a 12-month period.

The buyer's accountant may send you a list of items they want available for inspection. This will likely include all of your letting appointments, tenancy records, trust account records and general account records. They will need to be able to determine the revenue for the business (which comes from the trust account and the body corporate remuneration) and the expenses for the business (which comes from your general account).

If you use your general account for more than your management rights business you will need to dissect this in a transparent manner so you can explain which costs go where.

Hopefully, the buyer's accountant will agree with the net profit figure you suggested. If not, you can expect to be asked to renegotiate the price. While this is primarily the role of the broker to resolve, experienced advisors will be able to help you through the dynamics of a renegotiation.

Legal due diligence

Usually Special Condition 2 of the management rights contract
Usually occurs within 21-28 days of the contract date

This is where the expertise of the lawyer who acted for you on the original purchase is tested, along with the validity of any variations and extensions to your management rights agreements since you purchased.

A lawyer with solid management rights experience and expertise will be able to help you navigate any issues that may be raised throughout the due diligence process.

Finance approval

Usually due within 45-60 days of the contract date

The buyer will usually need finance to complete their purchase. The bank will get all the information – usually the verification of figures report and a legal due diligence certification – and then they will assess the loan.

Hopefully this happens within the timeframe under the contract. If not, it can be because there are issues with the valuation or some other aspect.

Granting an extension to a condition date

It is not unusual for a buyer to request an extension to one or more of these conditions. Sometimes this comes down to inefficiency, but other times it is because the buyer or their advisors have identified an issue during their due diligence that may affect the sale.

Either way, the answer is usually simple – grant it, and the sale process rolls on. Refuse to grant it, and the contract drifts, meaning either party can terminate it. The buyer's failure to confirm satisfaction with a condition often means you can terminate the contract yourself if you choose, which will lead to a refund of any deposit paid.

The buyer is spending money on their due diligence, so they have a real incentive to proceed. Not granting a requested extension can create unnecessary ill-will with a buyer.

08 Body corporate approval to assignment

The buyer is stepping into your shoes under the management rights agreements. The consent of the body corporate must be sought to allow this to occur.

At law, a body corporate has 30 days from the date it receives all the information reasonably necessary to consider an assignment to consent to an assignment. If you do not give the body corporate everything they are entitled to, then their 30-day period does not start.

What must be provided to the body corporate in seeking that consent depends on the BCCM Act and related Modules (which are identical every time), as well as what you have in your management rights agreements.

Can the body corporate refuse to consent to an assignment?

The assignment process is not like a job interview with multiple applicants. There is only one person 'applying' for the role of caretaker and letting agent. That is your buyer.

At law, the body corporate cannot unreasonably withhold consent to the assignment. This means that it cannot refuse consent to the assignment unless it has very good reasons to do so.

It is becoming more common for committees to exercise more due diligence on an assignment. Even though a body corporate cannot unreasonably withhold consent to an assignment, it does not mean it cannot be difficult. You need to handle the process with care, and this is where having a lawyer who can recognise the warning signals of a potentially difficult committee very valuable.

Can the body corporate vary your agreement as a condition of the assignment?

No. A body corporate's power on an assignment is to say 'yes' or 'no'. Sometimes a body corporate might seek to use commercial leverage to seek concessions from the buyer about duties or related issues. They might seek concessions from you, too.

Making sure you have a lawyer who can deal with issues such as this is critical.

Can the body corporate impose conditions on the assignment?

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 completing these conditions is often an issue. One school of thought is that the buyer's inexperience has caused the costs, so they should bear them. The alternative is that it is the seller putting up an inexperienced buyer for approval, so therefore you should bear the costs of getting them the requisite experience. They can occasionally be negotiated to be shared by the other parties.

The body corporate's lawyer and other costs

The body corporate does not have to get legal advice on an assignment. Most do though – and they are entitled to because they are being asked to sign legal documents in the assignment.

You must pay the costs of the body corporate's lawyer. You will also have to pay the body corporate manager's administrative costs of dealing with the assignment.

09 Settlement

Settlement adjustments

Your lawyer will attend to adjustments for rates and levies for the unit on settlement. You are only obliged to pay for the rates and levies for the time you actually own the lot.

From a business perspective there are further adjustments that may need to be made. Depending on who your body corporate manager is, and how they operate, you may need to make provision for adjustments of:

- The caretaking salary – like rates, you are only entitled to this income while you are operating the business;
- Rent paid in advance – you will need to account for commission earned on this to the buyer (the same as the buyer has to account to you for commission on rent in arrears); and
- Bonds and other trust account matters – once you sell the business you need to hand all of these to the buyer.

If you are not comfortable doing this, you may choose to get your accountant or a bookkeeper involved. These operational adjustments are not usually the domain of the lawyers on the settlement statement.

After settlement

As the dust settles, you will need to complete your final tax documents and you may even wind up your company or trust. Your accountant should guide you on this.

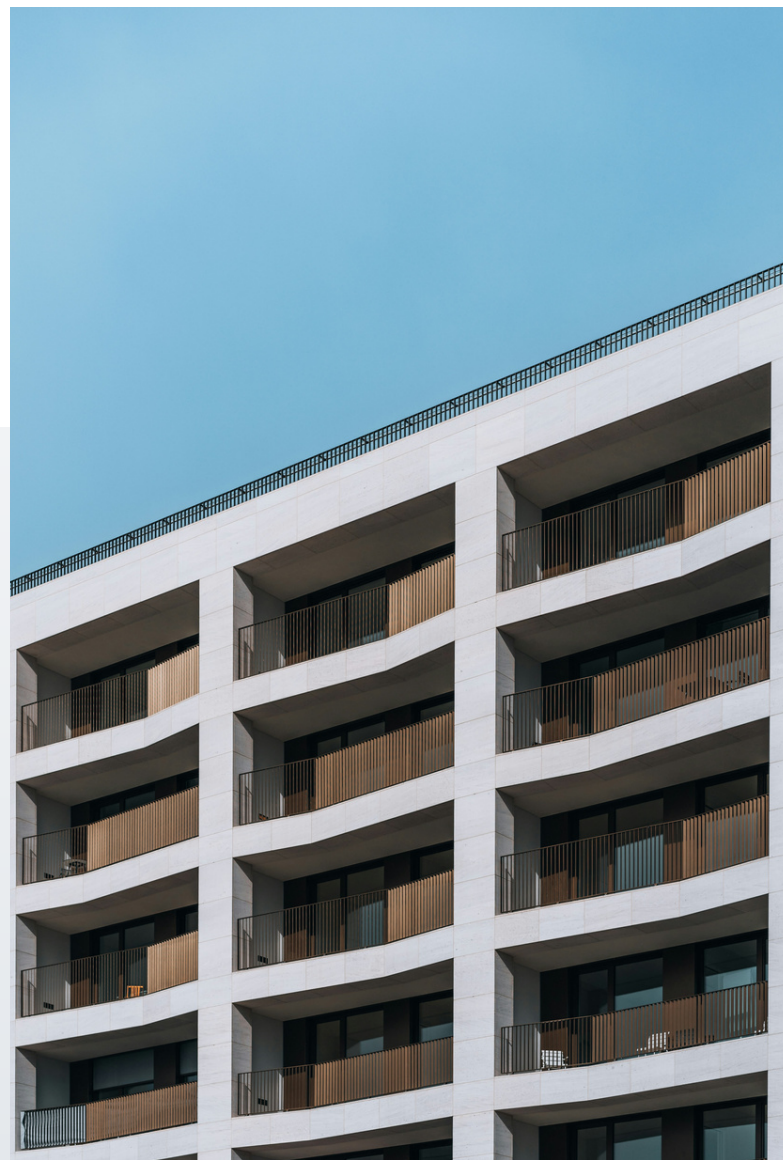
If you are looking to move into another management rights business you should consider keeping your licence current. You can talk to the Office of Fair Trading about this.

Finally, you should consider your personal estate planning position. A proper estate plan deals with contingencies while you are alive and in the event of your passing. Powers of Attorney should also form part of this assessment. We can assist you with a no-obligation discussion around this part of your personal planning when you have caught your breath after the sale.

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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



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 sale of a management rights business involves an entity that you have invested significant time and money in developing. We will help ensure you see the benefit of the sale of that business.
- 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 sale.
- 07 We have acted for hundreds of first-time sellers of management rights businesses; we know what you will need to know and understand. We pride ourselves on making the sales 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

Redchip
LAWYERS

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2021



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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