

Assigning management rights – the perfect sales solution

So simple and sensible, that it's almost "too good to be true": - Back-to-basics principles deliver a fresh approach to streamlining the Management Rights Assignment process at the Body Corporate interface.

Congratulations!

First of all, good on you for investing in not only one of the best performing growth industries in Australia, but (if your property engages in holiday letting,) also for contributing to one of the significant pillars of the Australian economy: – Tourism.

Australia's love affair with Queensland and its idyllic holiday destinations sparked the growth of strata titled accommodation schemes providing a home, as well as a business enterprise for a resident manager who owns the Management Rights, however, even highly successful business owners have "pain points" within their enterprise to deal with. For those who have been around for more than a few years in this space, you will know exactly how quickly that early dream can deteriorate into a nightmare.

Start out on the right foot – Potential Purchaser Tips

Getting your Letting License is a relatively painless process. It's a mandatory requirement and therefore not negotiable. You can't hold the letting rights without it.

But what about the maintenance of common property? What qualifications do you have for managing the compliant maintenance of the scheme in accordance with 100+ relevant Acts, Regulations, Australian Standards, Codes of Practice and "best practice" standards? Caretaking, facilities and building management is a professional service, to be delivered by skilled professional people, as industry peak body associations such as ARAMA and the FMA will attest to.

Your Body Corporate client is now expecting you to be qualified – and more relevantly, **quality operators want to be qualified.**

Simple Solution – Qualifications Checklist

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Difficulties between the parties to the Management Rights rarely involve Letting Agreement issues. It's the Caretaking Agreement that typically provides the flash point for dispute. Difficulties tend to emerge for one reason and persist for another. Key dispute origins include:

- **Unclear schedule of duties** – the parties are unsure of what duties are included and what is excluded
- **Lack of understanding around the objective standard** – the parties hold different views on the standards required
- **Duties out of date** – Legislation has evolved, imposing new/extra duties (or intensifying existing duties) that aren't covered in the prescribed scope or remuneration

Five years ago, there was nowhere to go to obtain facilities-management specific training, fully focussed on the maintenance of common property in a residential strata scheme, so you could be excused for coming onto the scene "green" and learning as you go via the School of Hard Knocks. Now there are a multitude of relevant, cost-effective programs available for all levels of competency – all priced at less than 1% of the value of the Management Rights you are about to invest in.

- **Lack of Competency** – the caretaker does not have the skill to deliver the duties to the objective standard
- **Wrong tools/chemicals** – the caretaker is using the wrong tools/chemicals for the job and not achieving the desired result

Want an A-Grade Result at the Assignment Interview?

Here's the perfect scenario: -

1. **Become a member of ARAMA** – the peak body association for resident managers in Australia. Membership is synonymous with excellence in caretaking services provision.
2. **Complete the REIQ/ARAMA Management Rights Induction Training Program** – get all the information you need to excel in the Letting Agent side of your Management Rights.
3. **Subscribe to the ABMA Building Management Code®** – The state-specific guidebook to existing legislation and "best practice" standards for the maintenance of common property in Australia.
4. **Complete the ABMA New Entrants Program** – get all the information you need to excel in the Caretaking side of your Management Rights.
5. **Become an ABMA Accredited Industry Practitioner** – earn recognition from Australian Building Management Accreditation for excellence in building and facilities management services provision.

Reassure the Body Corporate that you are the best for the job

When it comes to assessing your capability to deliver the caretaking duties, your new client (i.e. the Body Corporate) will want to understand that you are: -

- Fully qualified (i.e. having completed relevant training and acquired industry association membership status)
- Fully insured
- Fully licensed
- Accredited
- Open to teamwork
- Open to scrutiny

They want to understand all this because it shows you are committed to engaging, in a sustainable professional way, with your Committee in the spirit of collaboration, resolution and with a "best-for-building" focus.

Vendor Tips

Encouraging your Potential Purchaser to become fully qualified is a great first step toward a smooth sale and Settlement process, but don't forget to ensure there are no outstanding issues in terms of services delivery prior to Settlement. **Your transfer will be effortless when the Committee believes the duties are being delivered to the required standard.** The ABMA Building Management Code® is your business tool for defining the objective standard and can help clarify standards if any are in question. ▲

By Ms. Lynda Kypriadakis, Director
Australian Building Management Accreditation ("ABMA")
(e) lynda@abma.com.au (p) 0400 900 469 (w) www.abma.com.au