

## Current management rights issues

We are seeing bodies corporate beginning to take a lot more interest in the assignment process. As you would expect, vendors who have a strained relationship with their body corporate committee are more likely to feel the pressure of an invasive process.

We are finding that it is necessary to completely prepare the submission to the body corporate in relation to the assignment. In years gone by, the information could be given to the body corporate when it came to hand. For example, the notification of the sale might be provided upon the contract going unconditional, followed by the resumes and references a few days later and then the legal assignment documents, when they are drafted.

Under the Act, a body corporate has 30 days to consent to any assignment of management rights, but that 30 days does not start until the body corporate has all of the information reasonably necessary to consider the assignment. The information required is that detailed in the Module together with any additional material detailed in the management rights agreements. It certainly includes the information detailed above.

What we are now trying to do is give the body corporate all of the information at once and as early as possible to remove the argument that the 30 days for consent to be provided has not started.

As you would expect, some parties who give advice to bodies corporate are also involved in making the process far more difficult than it should be.

So the rule from a vendors perspective is make sure you are ready when you notify the body corporate of any sale, especially if your relationship with the committee is a bit frosty.

The days of 'rubber stamped' assignments are well and truly gone.

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