

# Selling Management & Letting Rights Off The Plan

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## Objective:

To achieve a completed sale of the Management & Letting Rights at market price.

## How To Reach The Objective:

- The projected nett profit in year two of operation needs to be supportable by an Industry Accountants projection;
- Only deal with Management Rights Industry experts;
- Are the Buyers experienced, do they need to be?;
- A summary of other successful projects to assist potential sales enquiry.



## In Principal Agreement Items (Prior to a Contract of Sale):

- Agree on the market value subject to due diligence;
- Establish the Claw back/Claw forward structure and dollar sum per letting unit if this condition of sale is to apply;
- Establish the minimum letting pool as a condition of sale;
- Estimated settlement timeframe based on issue of title or staged development;
- What support will you as Developer offer the Buyer/Manager?

## Examples:

- Having purchasers sign a Property Occupations Act Form 6 Letting Appointment at time of unit sale/contract;
- Marketing support for websites and advertising;
- Assistance toward the office fit-out (minimum basic fit-out);
- Provision of the marketing material provided by the unit selling agents, so as the Buyer/Manager knows what's been promised;
- A sample off the plan unit sale contract & disclosure documents;
- Provide Caretaking, Letting Agreements and Community Management Statement prior and essential to any contract of sale.

The above points provide a basic outline of what is involved in any Off the Plan sale of a Management & Letting Rights business.

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