

## **INTRODUCTION TO CARETAKERS AND MANAGEMENT RIGHTS AND LETTING AGENTS IN QUEENSLAND**

Management rights are a type of business operated within a unit complex. These business owners are on-site managers who look after the day to day running of the unit complex as well as providing letting management services to unit owners.

### **CARETAKERS AND MANAGERS AGREEMENTS**

The body corporate for a unit complex will enter into a contract with the owner of the management rights to maintain the complex and to ensure the by-laws of the body corporate are complied with.

These caretakers or managers agreements contain both parties' rights and obligations in the operation of the management rights business. They will often contain clauses such as:-

- The term of the agreement including any options;
- The Caretakers or Managers duties such as cleaning, repairs and maintenance, gardening, pool and spa;
- How the caretaker must perform its duties;
- Compliance with by-laws and attendance at body corporate meetings;
- Remuneration to be paid by the body corporate;
- The Caretaker or Managers obligations upon transferring the agreement upon a sale of business; and
- Dispute resolution and termination procedures.

### **LETTING AGENT AGREEMENTS**

The body corporate will enter into a letting agreement with the caretaker, who will also be known as a letting agent. The letting agent agreement will usually contain similar clauses to the caretaking or management agreement referred to above.

This enables the caretaker to let or rent some or all of the individual owner's units. They, as the letting agent, are required to account to each owner for rent and ensuring the property is kept in good condition.

The letting agent must also enter into agreements with each individual unit owner to rent out their unit either on a holiday, part time or full time basis.

## **LETTING AGENT QUALIFICATIONS**

To legally operate the letting agent's business, the letting agent must obtain a restrictive letting agents' license from the Office of Fair Trading in accordance with the Property Agents and Motor Dealers Act. Obtaining a license involves study through organisations such as the Real Estate Institute of Queensland and may take several weeks to obtain.

## **CONCLUSION**

Before considering entering into a caretaking managing or letting agent agreement you should contact Tony Pattinson of Ferguson Cannon to obtain expert legal advice. Tony will explain these often complex agreements in plain English and ensure that your interests, and investment, are protected.