

THE FIVE STEPS TO PROTECTING YOUR INVESTMENT

For all you management rights operators out there, I believe that there are five (5) basic rules you need to follow, to ensure that you protect your considerable investment in your business.

1. **Treat your owners as your partners**

Never, never, never take your owners for granted! They are your life-blood.

By looking after your owners you are securing your goodwill. **Your goodwill = your sale price (plus real estate and plant and equipment)**

Most owners don't want much. The key is **communication**. Don't rely on your end of month newsletter. Set a program to ring your owners on a reasonably regular basis. There is nothing like personal contact. This makes them feel comfortable enough to pick up the phone and call you if and when they have a concern about something.

If you have a slow rental month, explain why, to your letting pool owners. If money needs to be spent on a rental unit, sell the owner the benefits of the expenditure. If your lines of communication are good, they will support you when you may need their help **(like extending your term!)**.

2. **Develop your people skills**

The success of your business will be closely linked to the success of your people skills. It is a real art! As a service provider you have to learn how to roll with the punches where appropriate and when to draw a line in the sand. When you do draw the line, you then have to make sure that you don't explode and back yourself into a corner that you can't get out of. You need to be firm but polite. It is not always easy! Some people naturally have these skills – others don't and have to develop them.

3. **Know your duties and record your work**

Your building management agreement is a **contract** between you and the Owners Corporation, whereby you are to perform **specified duties** in exchange for remuneration.

Clearly, you must know exactly what your duties are and not only must you carry out those duties, you should record (on a daily basis) what you did and when you did it. If you are later questioned by the strata committee about your performance, you can always hand in your daily work sheet. **This is a very valuable tool in the event that you end up in a dispute situation with your owner's corporation.**

I strongly recommend that you have your strata committee (or strata manager) check through your work sheet once set up to ensure that there is no misunderstanding as to the nature or the extent of your duties.

4. **Isolate the Agitator(s)**

I don't know why it happens like this, but every building (no matter the size) always seems to have someone who we call a "condo commander". These people seem to dedicate a good part of their day checking on or making the managers life miserable. Many times, these agitators are elected to the strata committee. This is where they can really do some damage!

If you cannot successfully negotiate or reason with these people, then you need to isolate them from their fellow committee members or owners. You do this by ensuring that the other committee members and owners fully understand that you are doing what you are required to do under your agreement and you are doing it to a proper standard. Make it clear that the agitator is totally unreasonable in their dealings with you. By doing this you are isolating that person to such a degree that their opinion won't be respected (or sought) when that critical vote is taken.

Also remember that at the end of the day, most resolutions only require a 51% majority. It is my experience that when the agitators don't get their way, they eventually take their bat and ball and move on.

5. Plan to take your holidays

Building managers work very long hours, generally on a 5½ - 7 day week. You generally live at the complex and you live and breathe your work. In these circumstances you must plan and take regular holidays. If you don't, you will become stale, agitated and your business will suffer.

If you plan holidays each year (well in advance) you will bring that necessary balance to your life. Most people don't realise how badly they need holidays until they are actually on holidays. It is too easy to find excuses not to have holidays, thinking that you will take a long break when you sell the business after 3-4 years. Don't fall into this trap!

If you plan early, you can secure a good replacement caretaker and obtain the committee's consent (if required by your agreement). Remember however, that a breach of the agreement by your replacement will constitute a breach of the agreement by you. The key is to find the right replacements early and book them on a regular yearly basis, if possible.

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