

"Damn those Aluminium Saucepans!"

Some years ago there was a popular theory that the dreadful medical condition, Alzheimer's Disease, was triggered by exposure to aluminium. It was proposed that eating vegetables cooked in aluminium saucepans would lead to catastrophic deterioration in one's mental condition. Scientifically, most people now understand that this is total nonsense, but sometimes when I have suffered yet another "senior moment" it is tempting to lay the blame on one's mother and those damn saucepans!

Am I the only person in the world who thinks that life has got just too fast? Am I the only person in the world whose brain struggles with the stream of tasks, problems and interactions that confronts it from daylight till dark?

My phone rang the other day. It was my business partner, Geoff Glanville, who said, "Can you email me a copy of the August RAAS Report? I don't seem to have it." I said "OK" and went to my computer. Guess what! The August RAAS Report wasn't there --- because I had FORGOTTEN to write it! It is moments like these that make you wish you had never eaten those overcooked carrots!

To be honest, I was probably just grasping at straws (or vegetables)! Like so many people, I am just too damn disorganized.

If it is true, as the brain scientists say, that the human mind can store an estimated 100 trillion bits of information compared with the mere billions in that

computer on your desk, how come humans always seem to be in a mess, but the computer has everything filed in an orderly fashion? Perhaps if we could teach our brains to adopt the computer's system of hierarchical folders and well organized files within folders, it would ease our burden; if we could train our brains to ring a little bell and hoist a little flag 15 minutes before our next meeting or task --- wouldn't that be good?

Good, but a terrible waste of time because that computer on your desk (or in your mobile phone) does those things for us if only we would ask it to. Twelve years ago, like many of my age (don't ask!), I thought computers were a foreign language in a foreign land, and just hoped they would go away and leave me alone! People (my children) kept telling me how useful they were but I just could not get my head around bits and bytes, binary theory, ROM's and RAM's etc.

But then the penny dropped! I didn't know how a mobile phone worked either, but had been successfully making calls on them for years; I didn't know how a car gearbox worked but had been playing "boy racer" since 1964; I didn't really understand how thumping great airliners didn't fall out of the sky, but I earned my living for three years by flying all over the world on them --- maybe I could approach computers in the same way?

Guess what? It worked! I have no idea what is going on inside the box, but I am

now a keyboard tapper with the best of them.

We have all heard the computer maxim --- Garbage in, Garbage out. I have another one --- Nothing in, Nothing out! This is what happened to me in August. I was not using the Calendar function in Microsoft Outlook to remind me about my writing deadline, so it was forgotten. The 100 trillion bits of information swirling around in my head like the Magellanic Clouds simply defied my ability to create order from chaos.

No more! Every time I think of a future task or deadline, it goes into the Calendar. If the event requires an audible reminder 15 or 30 minutes before, I set the computer to do that for me. Otherwise, I turn that feature off. Because my mobile phone synchronizes with my computer, my Calendar goes with me everywhere attached to my belt. Because Outlook also contains my entire Contact Register, this Register also transfers to my mobile and enables me to check a phone number wherever I happen to be. Sure beats the old desk diary, and if I can manage it, anyone can.

Let me close with a wonderful quote from Pulitzer Prize winning author, Annie Dillard. Very thoughtful, and almost poetic.

"A schedule defends from chaos and whim. It is a net for catching time. It is a scaffolding on which a worker can stand and labour with both hands at sections of time. A schedule is a mock-up of reason and order --- willed, faked, and so brought into being."

"and another thing!"

I have been asked by a number of clients and industry practitioners about the seemingly large number of complexes that have been advertised of late as being in the hands of receivers. Now while I am not privy to the full "in and outs" of why these have happened, I know enough about many of the complexes to know that there is not one major underlying reason. This is a good thing of course, because if there were, it might suggest an industry in trouble but there is no evidence that the management rights industry is suffering any more than any other in these uncertain times. In fact, the stability of most management rights, and the willingness of the banks to lend for such businesses suggests the direct opposite

has been swimming without clothes!" The second broad grouping covered development companies.

Management rights businesses being offered here, are only a small part of a larger portfolio of property deals being sold, including second stage undeveloped land and unsold units. These sorts of sales can always eventuate because property development is far from an exact science and poor choices can come back and bite developers in the best of markets.

The third group are what some might refer to as "collateral damage". Such sales are the result of individual adverse circumstances such as illness or accident and bear little relationship to the

of every major complex being snapped up by large corporate players seem to have ended. Many management rights owners used aspire to eventually owning a major complex that they could run with the assistance of qualified staff.

That aspiration seemed less and less attainable when the bulk of larger complexes were being snapped up by listed companies with overly deep pockets!

We have always subscribed to the view that a fundamental aspect of the success of the management rights model was that "the family that owned the business ran the business"! Many of the "corporates" found they could not re-create the same feeling of goodwill that

businesses, suggests the direct opposite is true!

Judging by the advertisements in the press, a good proportion of the complexes that are in the hands of administrators are held by two groupings of entrepreneurs. Those on an aggressive expansion trail found themselves financially exposed when the financial seas became a tsunami.

As Warren Buffett is fond of saying, "When the financial tide goes out, you can see who

situation affecting the other two groups. Such tragic circumstances also occur in any market but a lot more will be read into them when the ads promoting their sale appear side by side with other distressed sales.

Every cloud has a silver lining of course, and such properties generally offer good opportunities for those prepared to put in the work to rebuild the businesses. The other good news is that it appears that the days

develops when a "Mum & Dad" team reside on-site, living and breathing the business. The corporate appetite for our industry has waned for this and other reasons.

All this leaves managers with the real prospect that their aspirations to one day join the "big time" are achievable.

It is an ill wind that blows nobody good!

Maintaining areas that are not common property

By Frank Higginson --- Hynes Lawyers (frank.higginson@hyneslawyers.com.au)

We have recently advised a number of resident managers as to their obligations to mow lawns, or maintain gardens, in the areas outside common property.

A caretaking agreement should only extend to creating obligations relating to common property, as ultimately, that is all that a body corporate owns and is responsible for.

The maintenance of these areas that are outside common property becomes practice over the years. Resident managers come and go, and purchasers assume the practices of their vendors. The Commercial and Consumer Tribunal ('CCT') decides disputes between a caretaker and a Body Corporate. The CCT's view is that it is only interested in working out the obligations under the relevant agreement and that it is irrelevant whether or not the area has been properly maintained in the past.

Commercially, it does make sense to

maintain the areas

as they quite often are part of the appeal and amenity of any complex. This needs to be balanced against many local laws which prohibit interference with local authority property.

With that being said, the only reason we have actually looked at these issues in detail is because of clients we had who had become embroiled in disputes with their committees over performance of duties. Some committees simply do not know how good they have it. Unfortunately, when the first figurative punches are thrown, generally they need to be responded to in kind.

For one of our clients our advice on their gardening obligations meant a saving of \$20,000 each year, and for another a saving of 6 hours a month. These are incredible savings. Determining the boundary of the common property is not something that

should be undertaken lightly.

Before starting any review of duties like this it may be necessary to engage a surveyor to accurately identify where the common property starts and finishes.

If possible, and in order to try and avoid a dispute, try to discuss the issue with the body corporate before putting the issue in writing. Almost all disputes can have been avoided if everyone acts reasonably and with good intent at the start of the matter.

Do not take any action without being sure as to the boundaries of the common property and without having legal advice on the wording of your agreement.

If you would like to comment on anything you have read in **The RAAS Report**, please write to PO Box 1325, Sunnybank Hills, Qld 4109 or send an email to mike@raas.com.au.



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DEAL WITH THE TEAM WHO KNOW THE MANAGEMENT RIGHTS INDUSTRY FROM THE INSIDE!!

Sunshine Coast

Architecturally designed and perfectly attuned to take in the unique location with panoramic ocean views from every apartment. 3 bedroom Managers apartment with 2 bathrooms, spa and ocean views. Lift access to all floors.



Nett Profit \$140,000
Price \$1.607M
Contact Zane Bary on 0407 028 492

Sunshine Coast

Ground floor apartments have courtyards with direct access to pool and BBQ areas. Roof top Spa and BBQ area with superb views. 3 bedroom, 2 bathroom Managers apartment with courtyard. Currently run by one person.



Nett Profit \$129,000
Price \$1.095M
Contact Zane Bary on 0407 028 492

Brisbane

Off the Plan. Close to all amenities. Easy complex to manage with a 3 bedroom Managers Villa. 2.5 bathrooms, ensuite, air-conditioning, fans and SLUG. Complex does not have a pool but does have a gym and BBQ area.



Nett Profit \$86,000
Price \$644,000
Robert Collins 0404 678 792 or Don Brady 0400 211 505 or
Lee Boyle 0424 007 884 or Paul Johns 0413 404 789 or
Jim Prentice 0412 984 684

Brisbane

Fully fenced resort style complex. Close to all amenities and transport links. Adjacent to bushland and walking tracks/bike way. 3 bedroom Managers Villa (low-set). Air-conditioned throughout. New kitchen appliances. Private outdoor area with covered patio.



Nett Profit \$194,000
Price \$1.37M
Lee Boyle 0424 007 884 or Robert Collins 0404 678 792 or
Paul Johns 0413 404 789 or Don Brady 0400 211 505 or
Jim Prentice 0412 984 684

Gold Coast

Absolute stunner with a very modern Managers residence. Huge outdoor patio. Units have views to the beach from their large balconies. Well kept complex with pool, spa and two electric BBQ next to the pool. Easily run by one person.



Nett Profit \$82,000
Price \$810,000
Michael Filer 0458 216 047 or David Manson 0412 707 173 or
Cindy Harrison 0433 474 568

Gold Coast

Just 100 steps to the beach. Easily managed by one person. Has a lift to all floors. Ocean views from 2nd floor. Lovely tiled 2 bedroom Managers unit. Secure parking, wireless internet, heated pool and BBQ area.



Nett Profit \$140,000
Price \$1.164
David Manson 0412 707 173 or Cindy Harrison 0433 474 568
or Michael Filer 0458 216 047

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