

## How to survive a brand new body corporate

Buying an apartment in a new building? There are lots of articles about buying off the plan but very little about the really, really tricky matter of the first body corporate AGM.

If you've never experienced a body corporate before how can you manage the incredibly important handover of the body corporate to new lot owners who are already stressed about moving in? We recently were asked by new lot owners how to terminate a body corporate manager's contract as they had a serious relationship breakdown. The process of the handover from the developer to lot owners did not occur the way the legislation intended because the lot owners missed the critical first annual general meeting.

Let's step back a bit to see how the process should work. The steps are in the regulation modules (s77 for the Standard Module). The original owner is usually the developer and establishes the community titles scheme shortly before construction is completed. The original owner will also draft budgets, put insurances in place, appoint a body corporate manager and contract for a caretaker if appropriate.

The first AGM is a statutory requirement and must be called within 2 months of either 50% of the lots being sold (settled) or 6 months elapsing since the establishment of the scheme whichever is the sooner. So, if you have say, a ten lot scheme and half of you are moving in. The notice of the first AGM lobs into your cement dusty mailbox together with the junk mail. You've no idea how a body corporate works and put this misunderstood missive in the sometime later pile. Bad move folks because you may have just missed the vital decision making meeting.

It is at this first AGM that the original owner (developer) must hand over all the documents pertaining to the body corporate and when a new body corporate committee is elected. If the new owners do not participate at this meeting (or voting papers) then the developer becomes the de facto committee when there is no longer any interest. If the contracted Body Corporate Manager is not prepared to go the extra mile to round up lot owners and guide them through a reconvened AGM then a recipe for mistrust and division is on the cards.

It's actually a wonder any new body corporate gets going at all.

***Derek Payne FCPA, FGIA***

***Governance Mentors***

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