

# Building managers

A scheme may decide to engage a building manager, also referred to as a caretaker or resident manager, to assist with the day to day running of the building. They may assist the owners corporation in:

- the management of common property,
- controlling the use of common property by tradespersons and other non-residents, and
- the maintenance and repair of common property.

They may also perform duties such as concierge, security and cleaning. Building managers may not enforce by-laws or carry out other similar functions of the owners corporation. A person is not a building manager if they perform those functions on a voluntary or casual basis or as a member of the strata committee.

If the building manager also acts as an on-site residential property manager to handle rental of properties for lot owners, they must be licenced under the *Property, Stock and Business Agents Act 2002*.

## Building managers contracts or agreements

A building manager must be appointed in writing under a building manager agreement, which can be entered into before or after the strata scheme commenced. Before appointment, building managers must disclose to the owners corporation:

- if the person is connected with the original owner
- any direct or indirect pecuniary interest in the strata scheme (other than an interest arising from the prospective appointment).

An agreement between the original owner and the building manager, entered into during the initial period, ends at the conclusion of the first Annual General Meeting (AGM). The agenda for the first AGM of an owners corporation must include an item to decide whether to appoint a building manager and if so, what functions the building manager should exercise.

A building manager agreement can be transferred to another person but only if the transfer is authorised by a

resolution at a general meeting of the owners corporation.

The period of a building manager agreement is limited to 10 years, but it may be renewed if the parties agree.

The appointment of a building manager may be terminated in accordance with the terms of the agreement, if authorised by a resolution at a general meeting of the owners corporation.

## Resolving building manager disputes

Disputes about building manager agreements are resolved at a NSW Civil and Administrative Tribunal (Tribunal) hearing if they are not resolved at mediation or determined inappropriate for mediation.

Only an owners corporation can apply to the Tribunal for an order to resolve a dispute with a building manager. The Tribunal, in dealing with a building manager dispute can make the following orders:

- terminate an agreement
- require payment of compensation by a party to the agreement
- change, confirm or declare invalid the terms and conditions of the agreement
- dismiss the application.

The Tribunal may make an order terminating agreements entered into. Under the following grounds:

- the building manager's unsatisfactory performance under the agreement
- unfairness of charges paid
- the agreement is harsh, oppressive, unconscionable or unreasonable.
- the building manager fails to disclose an interest.

## Providing the contract

A copy of the building manager's agreement must be provided under any inspection of records request.

## Using proxy votes

A building manager cannot use a proxy vote to obtain a financial or material benefit. For example:

- for the purpose of extending the term of their appointment, or
- Increasing their remuneration or in a decision about legal proceedings involving the proxy.