

**From:** [FRANCO VICARIO](#)  
**To:** [Legal Affairs and Community Safety Committee](#)  
**Subject:** Body Corporate Amendment Bill  
**Date:** Friday, 19 October 2012 5:58:20 PM

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Dear Sirs,

With reference to the above mentioned Bill, I would like to point out that in any case it should not be applicable to commercial properties.

In fact, as their value is directly and exclusively linked to the net return they provide, and therefore the purchase price is directly based on it, it is not acceptable to give the possibility to a few owners (who paid a certain price, as the net return - that is gross rent less body corporate outgoings- was a certain figure) to unfairly exploit the proposed Bill (as has happened in the past with the previous law) to obtain a reduction of their lot entitlement contributions, in order to increase, without any justification, the value of their property, at the unfair expenses and loss of the other owners that will be directly affected by it.

Therefore, it is essential to respect the developer's scheme (whatever it is) on which the values of the lots and their purchase price were based.

It goes without saying that the number of people that are affected at the moment, as they have purchased a commercial property after the lot entitlement contribution was changed in application of the previous law and under the present law have seen, or will see the situation going back to the original scheme set by the developer, this number is in any case, without any doubt, much, much lower than the number of people that will be affected by the proposed Bill, if applied to commercial properties, which are strictly and directly linked in value to net return, on the calculation of which body corporate outgoings (based on lot entitlement contributions) are an essential component.

The situation could be different for residential properties, in which other principles come into consideration.

However, with regard to commercial properties, it is not acceptable to take the money out of the pocket of some people, in order to give it to somebody else, smart enough to catch the opportunity of an unexpected and unjustified present.

Yours faithfully,

Franco Vicario

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