

Property Law Bill 2023

Submission No: 13
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Submitter Comments:

As a body corporate management business owner and active body corporate manager, I wish to express my support for the submissions made by both the Strata Search Agents Association Qld Inc (SSAAQ) and the Real Estate Institute of Queensland (REIQ) in relation to the proposed 'Body Corporate Certificate'. To use some points from the SSAAQ's submission (not reproduced verbatim, but modified), I share the SSAAQ's view that converting what is currently a seller disclosure obligation into a body corporate obligation will have numerous unintended consequences including: a) Conflicts of interest: bodies corporate will be reporting on their own management, where currently this can be done by an independent third party; b) Auto-generated documents: Body Corporate Certificates will be generated directly from body corporate management software and will not necessarily be manually reviewed in some larger body corporate management companies where this task is undertaken by administrative team members rather than the body corporate manager for the scheme. c) Slower: significantly slower standard turnaround times, from 24-48 hours to 5 business days; d) More expensive: charging of urgency fees by bodies corporate for faster turnaround times; e) Consumer confusion: due to bodies corporate having no obligation to explain or interpret what perhaps will be an automatically generated report from software. f) Reduced consumer due diligence: consumers will be less likely to obtain purchaser reports, given the points noted above; g) Administrative burden: this will be unmanageable for smaller body corporate managers and self-managed schemes, particularly smaller schemes (such as duplexes and "six-packs") which typically are the most common scheme types; h) Insurance implications: for bodies corporate and their managers as certificates are produced at their risk; i) Impact on privity of contract: intrusion of a third party (the body corporate) into the legal contract between seller and buyer; and j) Impact on commercial transactions: real estate agents will be required to wait 5 days to offer contracts. I urge the Committee to review the proposed disclosure certificate and release an updated version for further consultation.