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Breaking Up Is Hard To Do



The managing director and I recently celebrated our 40th wedding anniversary. Yes, I know. How the hell could she have tolerated me for so long? Surely a mystery for the ages and not one I am keen to shine a light upon. In any event this significant life milestone was cause for both joy and reflection. How do relationships stand the test of time? In our case it's very simple, I agree with everything she says and when that fails I correct her, seek medical attention for that nasty bump on my head and buy jewellery and fizzy drinks. She, on the other hand, puts up with my many many flaws, turns a blind eye to my eternal money wasting on push bikes and occasionally agrees reluctantly to a ride in one of my old, smelly, unreliable and uncomfortable cars. An arrangement grounded on compromise, but more on that later.

As it turns out, relationships are interesting. Unless you are a hermit (an appealing prospect to be sure) relationships inform every aspect of our modern lives and yet, as a society, we seem ill equipped to navigate the myriad pressures and agendas of relationship management. That is, we seem unable to maintain a sense of mutual respect when views differ, the compulsion to anger too great to resist. Of course, back in the day getting mad involved some commitment. Find your neighbours boots under your bed, saddle a horse, get cracking the 100 miles to his ranch, forget your gun, go back, find gun, reach neighbours place hours later, realise you've settled down, punch him in nose rather than shot between eyes, discover they are not his boots, ride home. All this giving the real offender plenty of time for whoopy.

Now we just get pissed off and hit the keyboard. No time to reflect, not time to simmer down, just an uncensored venting that becomes a part of public record and invites a pile on, both for and against.

All of this came to mind earlier this week when I took a call from a management rights operator of long standing. He is in partnership with his wife who is not enjoying good health. They want to sell but the manager's unit value now exceeds the value of the business. This is a not uncommon dilemma when property prices rise as they have these past few years. Unfortunately, capital gains on units are a double edged sword whereby an increase in the unit value will often erode the total return on investment across the combined business and unit value. As such the operators have approached the body corporate with a proposal to split the managers unit from the business. From what I am told the approach has been measured and well presented. The reaction of certain owners has been to hit the keyboards. Here's where we segway back to the relationships and marriage dynamic. The traditional management rights model of a business joined at the hip to an apartment in which the managers live is inextricably linked to owner/body corporate perceptions of the relationship.





I think approaches to sever the unit from the agreements need to be seen through the prism of a fundamental change in the relationship. Yes, we are still married, I still love you but we can't live together any more. To add insult to injury once you approve us not living together, I want to put you on Tinder and find you a new partner. I exaggerate for effect of course but the core of the point remains valid. Requests to sever units from management and letting agreements need to be treated more as interpersonal relationship negotiations than business transactions.

Central to the discussion are two points, both of which are the responsibility of the resident manager to argue. The first is to prove, as best as possible, that the experience of the owners will be no different with their new love interest. Maybe even better. This is tough as the new suitor is almost never known at this point. Best to paint a picture of the process that the manager will go through before presenting a potential replacement. In a perfect world present the proposed new manager very early in the process and don't wait until the assignment meeting. Agree to do so if the BC supports the unit sever proposition. You don't want to turn this into BC speed dating, but I don't think you or your owners want a blind date either.

The second point is to openly discuss with the owners how miserable you are and how badly you want out of the marriage. The relationship need not be broken for you to want to move on, life throws up plenty of challenges and circumstances change. If you have an unsaleable business because your unit value has risen, you are essentially trapped in the relationship. Owners need to understand your predicament and be encouraged to take a sympathetic view. I'm not suggesting managers should throw themselves at the mercy of the owners but a cry for empathy is seldom ignored.

A final point. You will notice I talk about owners, not committees. In my experience making a heart felt plea to committee may be akin to asking your parents in law to mediate in your martial dispute. Better to bring everyone in the relationship into the tent.

I'll leave you with a quote from Rita Rudner

" I love being married. Its so great to find that one special person you want to annoy for the rest of your life."

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