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Management Rights Businesses in New Zealand

Management Rights Businesses (MRBs) are a specialised accommodation business structure combining property ownership, hospitality management and facilities management. The operator owns a manager's residence and office while holding contractual rights to manage accommodation units and common property.

How Management Rights Work

MRBs are typically built around three components: a manager's residence and office, a caretaking agreement with the Body Corporate, and a letting agreement with participating unit owners.

Advantages

Ownership of a freehold asset, recurring caretaking income, accommodation commissions, no commercial rent and the ability to grow units under management.

Considerations

Purchasers should carefully review contract terms, Body Corporate relationships, earnings history, owner participation levels and future development potential.

Comparison with Other Structures

Management Rights sit between Leasehold Businesses and Freehold Going Concerns, offering moderate capital requirements and a blend of property ownership and business income.

Suitable Buyer Profile

Often suited to owner-operators, lifestyle investors and accommodation professionals seeking tourism exposure without purchasing an entire accommodation complex.

Structural Differences: MRB vs. Leasehold Motel vs. Freehold Going Concern

Feature	Management Rights	Leasehold Business	Freehold Going Concern
Capital Required	Medium	Lower	Highest cost of entry.
Property Ownership	Manager's residence and office	None. Just the right to operate the business for a specific lease term.	Entire property. You are the landlord / owner.
Commercial Rent	No	Yes	No
Income Sources	Caretaking fees and accommodation commissions	Trading profit from accommodation operations after paying fixed commercial rent and overheads	Trading profit plus property ownership
Asset Growth	Limited to manager's unit and business value	Business value only	Entire property asset
Operational Control	Shared environment with Body Corporate and owners	High operational control	Full operational control
Typical Buyer	Lifestyle operator/investor	Hospitality operator	Long-term owner-operator or investor

Risk Profile	Low-to-medium. Dropping occupancy decreases split income, but base caretaking salary remains stable.	High. If tourist numbers drop, your fixed monthly rent obligation does not change, straining cash flow.	Low-to-medium. Highly exposed to interest rates, but protecte