

Question: Can a body corporate sell advertising space on a wall facing a busy road? I am not questioning if it's possible with council etc, but more is the body corporate restricted from generating any income?

Answer: The Body Corporate may grant a lease or licence over an area of its common property

William Marquand

Yes, the Body Corporate can generate income by leasing space for advertising or other purposes such as housing telecommunications equipment.

There will be a number of factors to consider in any such agreement including:

- The area to be used.
- How that area is to be maintained.
- Length of lease.

As such, a legal representative will probably be required to advise on the process and any proposal will need to be voted on by the body corporate. A by-law may be required to confirm the use of the space.

You will also need to consider any accounting implications and may need to review how the income is managed with your accountant.

Alanna Hill

The Body Corporate may grant a lease or licence over an area of its common property (see [s.184\(1\)\(a\)](#) of the *Body Corporate and Community Management (Standard Module) Regulation 2020* ('Regulation')).

The Regulation does not prevent the Body Corporate from including a term which requires the payment of a fee in exchange for the lease or licence. The lease or licence must be approved by the Body Corporate, with the resolution required dependent on the length of the lease or licence (see [s.184\(2\)](#) of the Regulation). We recommend that the Body Corporate obtain legal advice before granting a lease or licence to ensure that adequate terms are included to protect the Body Corporate's interests.

Please note that the Body Corporate is prohibited from carrying on a business ([s.96\(1\)](#) of the Body Corporate and Community Management Act 1997 ('Act')). While we are not aware of any cases which indicate that a lease or licence granted for profit to an external entity would contravene [s.96\(1\)](#) of the Act, it is possible that an owner may challenge the lease or licence in the Office of

the Commissioner for Body Corporate and Community Management if it believed that s.96(1) of the Act is being contravened.

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This post appears in [the September 2021 edition of The QLD Strata Magazine](#).