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YSP Podcast Transcript: Episode 043. Strata Managers vs Real Estate Agents - with
Tim McKibbin of REI (NSW)

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Intro: Welcome to Your Strata Property. The podcast for property owners looking for reliable, accurate, and bite-sized information from an experienced and authoritative source. To access previous episodes and useful strata tips, go to www.yourstrataproperty.com.au.

Amanda Farmer: Hello and welcome. I'm Amanda Farmer and this is Your Strata Property. Tim McKibbin is the CEO of The Real Estate Institute of New South Wales and has been in the position since 2008.

Previous to his role as CEO, Tim was REI New South Wales legal counsel from 2004. REI New South Wales is the major provider of education and training to real estate agents throughout New South Wales. Prior to joining REI, Tim was a partner in a multi-disciplinary accounting and law firm where he specialised in property and taxation.

Tim is passionate about the real estate industry and committed to ensuring that REI New South Wales provides what agents need to deliver a high-quality real estate service to their clients and to operate a profitable business.

Today, I am delighted to welcome Tim McKibbin the CEO of The Real Estate Institute of New South Wales. Welcome, Tim.

Tim McKibbin: Good morning, Amanda. How are you?

I am doing just fine on this beautiful day. Thank you so much for taking the time out to chat with us and I'm sure that we have some listeners sitting here thinking "Amanda, this is a podcast about strata why we are suddenly talking about real estate agents and why do we have the CEO of The Real Estate Institute on the show?"

So hopefully we can clear some of that up for our listeners. I'm going to start Tim by getting straight down to the facts, I want to know: what's the difference between a real estate agent and a strata manager.

Tim McKibbin: Yes, it's a great question but they've probably got more similarities than they have differences.

Amanda Farmer: Yes.

Tim McKibbin: For example, the Property, Stock and Business Agents Act is a legislative instrument which captures both real estate agents, so property managers are captured in that as well in that definition, and strata managers, so they're captured by the same pieces of legislation.

Amanda Farmer: Yes.

Tim McKibbin: Albeit there are different requirements throughout the Act and also in the regulation. One of the things that I say to other people about property and about the real estate profession generally is that it responds to every area of personality, right across the spectrum.

So if you are somebody who is a detailed person then you might look at valuation or something along those lines, and if you then in a similar vein are a detailed individual then I think being a strata manager might suit you as well. There is in my view a degree of accounting, if you will, that is of great assistance in this area such as sinking funds and administration funds, so there is an element of accounting. Then as you progress through the opportunities within real estate: property managers, sales people and then auctioneers when you get right up to the other end, those really extrovert individuals, and as you can see it takes you into full ambit.

But I think primarily the difference between the 2 people is not a great deal. They are both people dealing essentially in property and have various functions within that particular area and their paths cross not surprisingly in strata complexes.



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Amanda Farmer: And they do have different roles to play don't they? I'm often dealing with owners and sometimes even tenants who use the word the 'property manager' or the 'real estate agent' and the 'strata manager' interchangeably and it takes me a little while to work out that they are actually talking about 2 different people who have 2 different roles to play in a strata building. Are you able to flesh that all for all of our listeners?

Tim McKibbin: Yes, and certainly that's correct as well. I think I had strata once described to me as the actual building, the common property if you will, and I've always hung on this definition and what you actually buy in strata, as I understand it, is the thickness of the paint and the space in the middle.

Amanda Farmer: Yes, you're right.

Tim McKibbin: So I'll defer to you as the expert in this particular area. I actually don't like the term property manager. I prefer the term tenancy manager, I think it's a far better description of what we traditionally call property managers because a property manager sounds like somebody who is involved in the property per say, rather than somebody who is managing the relationship between the tenant and the landlord.

And ultimately I'd like to see that terminology come into this area of practice. Now the strata manager though is in charge of the administration of the strata complex itself, so again they've got that accounting function, that management function of dealing with the property in holistic terms rather than just that particular unit where the, let's call them the tenancy manager, is involved in that. But clearly, their paths cross.

Amanda Farmer: Yes and thank you for that, Tim. I think that is a fabulous distinction and I'm going to use that now when I'm talking to clients and advising them on the differences: a tenancy manager manages the interaction between the landlord and the tenant. I think that's an excellent term to use and I think it's the one we should all adopt versus the strata manager who is there to manage the building itself, the owners corporation and how each resident – whether they are owner or tenant – operate within that building.

So I really love that distinction and I'm sure that's really useful for our listeners who might have been a bit confused about the difference between the property manager or tenancy manager and a strata manager so thank you for that, and you have just said there that their paths crossed and indeed they do. What's your advice to real estate agents and strata managers who need to work together?

Tim McKibbin: Just that: get to know one another and communication. There are so many times that I hear problems that escalate simply because the strata manager and the tenancy manager don't have a relationship or the relationship is somehow strained and then there are problems which unfortunately escalate, so communication I think, get to know your strata manager, strata manager make the effort to get to know the tenancy manager and then when there are problems, tackle them early. I think one of the things that I know that tenancy managers often complain about is when there is an issue with the tenant, the strata manager will go directly to the landlord and then, as you say, there is a circular correspondence whereas what could have been done is directly to the property manager, and similarly I think the tenancy manager, rather than going through their client, and yes they need to keep the landlord informed, but I think dealing with the strata manager is a far more efficient step. So short story: get to know each other.

Amanda Farmer: Yes, and I think expanding on that: get to know each other's roles and the demands of each other's roles. I'm sure there are tenancy managers out there who aren't really quite sure what strata managers do, what their everyday burdens are, and why strata managers might get a bit frustrated or a bit narcy about things that they require from tenancy managers that aren't being provided in a timely way or at all. For example, they've got to keep their strata roles up to date with current details of the owner and the tenant, and I know simply because I'm often on the strata side of things dealing with managers, that's something they feel frustrated about when it comes to getting that accurate information across from tenancy managers.

And vice versa strata managers understanding the burdens and the demands that are on tenancy managers and what they are dealing with each day so we can have some respect for each other and as you say; get to know each other.



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Tim McKibbin: Yes until that strata problems can be described with the 3Ps: parking, pets and parties.

Amanda Farmer: That's it.

Tim McKibbin: And it strikes me that all of those issues will be things that tenants would be involved in.

Amanda Farmer: Absolutely.

Tim McKibbin: So again if we can deal directly with each other, the strata manager and the property manager; the 3Ps if you will can be dealt with far more efficiently.

Amanda Farmer: And I have to say just a related- but it's a bit on a side I was recently lucky enough to attend the Women in Real Estate Conference which the REI runs each year and just being in a room full of mostly real estate agents when I'm used to being surrounded by strata managers in this industry events.

What I took away from that and really picked up was we are all concern with the same things at the end of the day and yes this was a conference that was directed towards and women professional development but I really like the focus on you're there to provide a service, you're there to sell, to sell yourself, how do you sell yourself, how do you make yourself valuable to your client.

And I think for real estate agents that probably becomes more naturally than it does to strata managers because there are in a profession where selling is the name of the game. But I walked away from that conference and gone and spoken to strata managers and said hey guys you're selling too. You have to make your service valuable. You have to show your clients what it is you're doing that you deserve to be compensated for and respected for and valued. And I really think that there's a lot for real estate agents and strata managers to share there with their professional development as well.

Tim McKibbin: Absolutely. The parallel here may be the way the sales agent and the combined solicitor work together.

Amanda Farmer: Yes.

Tim McKibbin: One of the pieces of advice I've always given in that particular environment is to get to know what the other side has to do. When you say the other side I'm talking about the other service providers the; solicitor and all that. I give the same advice to the solicitor. Get to understand what challenges they are going to face in the transaction and say to yourself how can I help, how can I make their life easy, because if you are making their life easy things flow particularly well.

And if you've got 2 service providers in one transaction that come together with that attitude you will be able to deal with problems and what's the workflow far more efficiently and with a lot less stress. So, that's always my advice: get to appreciate what the problems the other person is facing and ask yourself the question every time- how can I help?

Amanda Farmer: Excellent. Great advice. Thanks, Tim. Tim, have you got any stories to share with our listeners they might be good they might be bad about this issue real estate agents working with strata managers in your long experience anything specific that you want to share that might help out listeners understand this relationship a bit better?

Tim McKibbin: No. No gory stories we can get our teeth into, but I have plenty of stories where problems that have occurred. We go back to the 3Ps that we spoke about a while ago and those 3 particular instances where I believe that could have been dealt with a lot earlier and solved a lot of problems in the strata complex.

Because when they are not dealt with then they escalate into a wider area and start to impinge the peace and the good order of the strata. So I don't have any gory stories, Amanda and please we don't say that but I do have plenty of stories where problems have escalated and caused more issues, unfortunately, had they have been dealt with earlier.



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Amanda Farmer: Yes. I'm talking about one of those Ps. Let's use parties as an example and I certainly been living in and been involved in buildings where we have a few parties. And I find sometimes that the strata manager perhaps the owners corporation tends to forget that they can and as you advised earlier they can communicate directly with the tenant. Tenants do have obligations to comply with by-laws just as owners do.

Tim McKibbin: Yes.

Amanda Farmer: And it's not simply a matter of passing the buck across to the tenancy manager and saying hey, this is your tenant you deal with this. It is possible and in my view, I recommend that owners corporations, committee members, strata managers communicate directly with tenants and say hey, you guys are in breach of this by-law whether to do with noise or damage to common property whatever it is. And just educate those tenants what your rules are in the building, what the culture of the building is and don't automatically flick it across to the tenancy manager.

Of course, keep them involved and definitely keep the owner informed but it's okay and it's advisable to communicate direct with the tenant as well when you got those Ps happening.

Tim McKibbin: Yes, exactly right and I guess to expand on what you are talking about is the tenant is getting communication in stereo from both the strata manager and the tenancy manager at same time. You know, it adds additional weight to rectify and remedy their conduct.

Amanda Farmer: Yes. Absolutely.

Tim McKibbin: You know the secret- work together. You've got both parties are saying to the tenant your particular conduct is unacceptable and you are putting at risk your accommodation.

Amanda Farmer: Yes. I love it. Okay, Tim, we have probably have some listeners today who maybe having some difficulties whether it's with tenants in the buildings or maybe even strata managers and their relationship with a particular tenancy manager and vice versa. What are your tips for some quick action steps these people can take to improve a problem relationship?

Tim McKibbin: With all problem relationships I think if you can sit down with somebody in a professional manner leave the emotion at the door and put on the table what your issues are and lead the conversation. Be mature, lead the conversation and say you know this are the issues I'm facing. I'm interested in taking my own problems on- how can you help?

You know if you are going to any relationship in an aggressive manner and sad to say there's somebody you are causing all these problems and you're at fault you know; it spirals from there. So be conciliatory going into all sorts of essentially conflict environments with a calm and professional manner and work through the issues.

It's no different from any other disputes. You know, strata disputes or any other disputes we face is on itself are simply another conflict between parties. You act professionally, you act calmly, and you act unemotionally and work your way through the issues in spirit of compromise and looking to see where you can assist the other side in getting where they want to be as well.

Amanda Farmer: And I think that's a really good tip that you started with there when you're going into any kind of conflict resolution and this is towards certainly to professionals who are involved in this and those who are benefitting from some mediation or even some counselling to lay blame at the feet of other people is never going to be helpful.

It's important to turn up and say hey, this is what's happening and this is how I'm feeling about it and this is how it's affecting me to approach the situation to say you did this and this wrong you fix it is never going to get anyone anywhere. So I think that's something that all too often we forget in the heat of the moment and it's a good reminder for us to step back and say let's talk about this situation and express simply how we are willing about it not so much what the other person has done to cause that.



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Tim McKibbin: Yes, that's right. If you go in and attack the other individual they are only going to become defensive and also I mean if the dispute is a complex or deep-seated, again acting professionally I think it's worth the money to go and engage a conciliator.

And there are conciliators for example at the Officers' Commissioners Small Business who will be involved and they can be very valuable in working with the parties. Just bringing you to a position where you want to keep these things out of court environment for a number of reasons but 2 that struck me very quickly. One is that it can be very expensive.

Amanda Farmer: Yes.

Tim McKibbin: Well, on occasions I think it's going to be expensive. Secondly, if you go in a court environment, you lose control of the outcome and I think that's quite dangerous. I never like losing control of the outcome. I'm happy to compromise and to work and from the parties' point of view if an adjudicator says here is the solution you will comply with it. You are not really going into future relationship in a best of manners.

Amanda Farmer: Yes.

Tim McKibbin: And you will probably only ever comply with the letter of the direction rather than the spirit of the direction. So I think it's very good to be out of initially if you can get a handshake deal and move on and if you can't, you take the next step and get sort of a conciliator to assist you to find an answer. Stay out of the courts.

Amanda Farmer: Look it sounds strange but as a lawyer but I agree with that. I think it's an old saying the only ones who win in litigation are the lawyers and I think this alternative model of dispute resolution is an important one to bring to the forefront now particularly in New South Wales where we have new strata legislation that says owners corporations can and probably should institute their own model of alternative dispute resolution and use that as a priority instead of turning to the more formal litigious model, for example, the tribunal or the courts.

Tim McKibbin: I couldn't agree more.

Amanda Farmer: Okay Tim, personal question what books have had the greatest impact on you and why?

Tim McKibbin: The book that I suppose I read periodically is put out by Dr Stephen Covey and I heard recently that he had passed on and I think it's called 'The 7 Habits of Successful People'.

It's an excellent read.

Amanda Farmer: Yes.

Tim McKibbin: I read it periodically probably every 6 months or so. I might seem to get over it but I always get additional information out of it and the thing that I like about it is that your own conduct can influence the conduct of others around you.

Amanda Farmer: Yes.

Tim McKibbin: It's something of a leadership book but the other piece of advice that I would give people if you want to be successful surround yourself with successful people.

You know, that's the way to do it. You spend time with them, analyse why they are successful and duplicate it. I think that's one of the keys to success if you are with people who are unsuccessful then that sort of influence will rub off on you. Strive to emulate those people who are successful.

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Amanda Farmer: Yes, you are the sum of those who you hang out with I guess the saying goes and the other way that I hear that expressed is you never want to be the smartest person in the room. I love that line that often comes back to me while I'm assessing a situation and I think there are people here who I can learn from, who I can look up to, who can help me reach that next level. If there aren't then I go out and I find them so good advice.

Tim McKibbin: Yes and I guess that's I try to live by that. Surrounding yourself with people who are successful and in real estate, I'm fortunate enough to have a lot of close friends who had been quite successful and you gain an understanding why. You pick up their habits and you give it a try and follow the elite.

Amanda Farmer: Yes. Excellent. Okay, Tim how do our listeners find out more about you and is there anything else you want to add before we wrap up?

Tim McKibbin: Well, the Real Estate Institute has a website which is www.reinsw.com.au.

Amanda Farmer: Yes.

Tim McKibbin: And I would encourage people to go and have a look at the services we provide. Not everybody is a member of the institute. We have rules and regulations that an agent must follow. I encourage people to engage with members because they obviously decided to take on the burdens of membership and that's acting at least ethically, professionally, and the like.

So that's part of our non-negotiable requirements of membership. Again, I think it is very wise dealing that with our members. If people have any specific questions that we or I can be any of assistance to people in their careers I'm more than happy to do so. The institute is also an RTO and that's all we do. A lot of our RTO's do a multitude of training in a variety of industries. We don't specialise in real estate surprisingly and that's all we do. So I believe that's all we do and we do it well.

Amanda Farmer: Excellent. Well, thank you so much, Tim for sharing your experience with us today and helping us demystify the difference between tenancy managers I'm going to call them tenancy managers and strata managers and highlighting where they are actually quite similar as well and how they might be able to draw on each other's experiences so lots of valuable information for our listeners today. Thank you.

No worries. Absolute pleasure.

Outro: Thank you for listening to Your Strata Property. The podcast which consistently delivers to property owners reliable and accurate information about their strata property. You can access all the information below this episode by the show notes at www.yourstrataproperty.com.au. You can also ask questions in the comment section which Amanda will answer in her upcoming episodes. How can Amanda help you today?