

Publication Date: 02 June 2020
YSP Podcast Transcript: Episode 216. Why the real estate sector must understand strata - with Leanne Pilkington

Listen to this podcast episode [here](#).

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 to the podcast. I am your host Amanda Farmer and this week I am chatting to Leanne Pilkington. Leanne is one of the real estate industry's most respected and sought after commentators. She is the managing director of leading New South Wales boutique real estate group Laing and Simmons. And she is also the current president of the Real Estate Institute of New South Wales.

Leanne Pilkington is the only female managing director in real estate franchising in New South Wales and one of only a handful in Australia. Addressing the gender imbalance, empowering women agents and contributing to a fairer operating environment are all key passions for Leanne. She continues to pioneer industry firsts, such as establishing a women's real estate networking group and introducing counseling and employee assistance programs for Laing and Simmons' team members while serving on industry bodies and championing the growth of professionalism in the industry at large.

Leanne's experience covers the full spectrum of real estate services, residential sales, property management, retail management, and development. Leanne is always so generous with her time. And a number of you, strata managers in particular, may have seen Leanne on stage at previous events for Women in Strata, for Strata Community Association.

Today, I asked Leanne to tell us what issues she believes sales agents need to be attuned to when it comes to selling strata properties. We also talk about new provisions in the Residential Tenancy Act in New South Wales and how Leanne sees these reforms impacting strata landlords and property managers.

I do ask Leanne what her prediction for the future of the property market post COVID is. And she shares with us some of the innovative ways that the Real Estate Institute has been reaching its members, its supporters, sales agents, property managers, landlords who have needed particularly urgent guidance during this time.

Now I will very shortly take you over to my interview with Leanne, but I do want to acknowledge that at the time this is going to air, we have just come off a rather interesting week in New South Wales when it comes to some decisions coming out of our tribunal appeal panel. Yes, I am talking about those pets cases. We have had a change of position in our tribunal as of last week. The appeal panel has overturned earlier decisions that declared blanket bans on pets to be invalid.

I talked about this briefly over on the Facebook page last Friday, during our regular Happy Hour four o'clock on Fridays. You can go over and check out that video. I was also chatting to Dr. Nicole Johnston last Friday. And we heard your views on these recent cases. If you're on Facebook, just type Your Strata Property into the search bar and you will find the page there with all of the Happy Hour videos from the last couple of months.

But next week, I will be bringing to you on the podcast my interview with David Edwards of DEA Lawyers. David was part of the team that ran the successful appeal for the owners corporation in one of these cases that was handed down last week and he is going to be bringing us his insights, his explanation of the legal principles that have been established by those cases, particularly when it comes to what is it that makes a by-law harsh, unconscionable, or oppressive under our New South Wales strata law.

So be sure to be listening in next week for my chat with David. I've had lots of you in my inbox the last week, asking questions about these cases and I'm sure David will have the answers for you. But right now, I'm taking you over to my chat with Leanne Pilkington.

Leanne Pilkington, welcome to the show.



Publication Date: 02 June 2020
YSP Podcast Transcript: Episode 216. Why the real estate sector must understand strata - with Leanne Pilkington

Leanne Pilkington: Oh, thank you so much for having me.

Amanda Farmer: It's a pleasure. You have been on my list, I have to say for some time, and it's a bit of a thrill to have you here with me today.

Leanne Pilkington: That's very kind of you. I've been a little bit hard to get over the last few weeks, but yes, life is getting back to normal now. So that's all good.

Amanda Farmer: That is good to hear. Yes, I know that you have been a busy lady and I did just say off air that we're going to try and stay away from the COVID updates.

Leanne Pilkington: Totally.

Amanda Farmer: We don't know what the world's going to look like when this goes to air. And I know in particular, in your space, it has just been up and down and that it's something different every day.

Leanne Pilkington: Yes, absolutely. So, yes, I think that's a very good plan. Hopefully, by the time this goes to air, the world will be a normal place again.

Amanda Farmer: We'll see how we go. We'll do our best. But Leanne, I don't have too many sales agents, let's say that, on the show. And we tend to focus on strata and the management of strata properties. But I think, now that we have you, I think a really great place to start would be asking you what issues do you think sales agents really should be attuned to when they are selling strata properties?

Leanne Pilkington: Well, they need to understand what's going on in the strata. What rectification works need to happen. The whole cladding conversation is a massive one for a number of buildings at the moment. So I'm not sure that enough time is spent by the sales agents actually asking those questions and getting those reports done.

Amanda Farmer: Yes. Do you know, in your space, is there education that's done for sales agents specific to strata? Are they sort of alert or attuned to these issues or do they get surprised when purchasers are inspecting strata properties, turn to them and say, "Oh, hey, have you got combustible cladding on the building?"

Leanne Pilkington: Yes. I think surprised would probably be a really good answer. And, of course, it depends on the agent. Some agents that are experienced in the strata space that have got a lot of strata buildings in their areas are obviously going to be much more attuned to it than those that only sell apartments from time to time.

Amanda Farmer: Yes. I mean, you'd like to think that they'd be able to answer questions about by-laws, for example, can we have pets in the building, can we not? What are the levies, as you said, what are the upcoming rectification works, perhaps major works that are going on and where do I find more information about the property?

Leanne Pilkington: Yes. I think probably most agents will be able to tell you the basics, like the levies and hopefully, some of the by-laws like pets. And hopefully. They'll be able to tell you where to find more information. But how much information they have at hand, it really is going to depend on the individual agent, unfortunately.

Amanda Farmer: Really interesting because we see then out the other side, when the purchaser has completed the transaction, they are the proud new owner of a strata property, it is then the strata manager who is dealing with the day to day questions and the surprises perhaps that have come out, things that they say, "Oh, I didn't know that. Or the agent didn't tell me or I was told the exact opposite."

Publication Date: 02 June 2020
YSP Podcast Transcript: Episode 216. Why the real estate sector must understand strata - with Leanne Pilkington

Leanne Pilkington: Yes I didn't know I couldn't do certain things without approval, for example. A lot of people moving from a home into an apartment wouldn't necessarily know the restrictions that there are in strata properties. So yes, it's a really good point that you make.

Amanda Farmer: Yes. And the other thing that we sometimes see is I thought I owned this area of the property, but it turns out to be exclusive use, pursuant to a by-law or in fact it is common property. It is not part of the lot at all.

Leanne Pilkington: Yes. And I just wonder how much training and education there is in that space. Obviously, we've got new training and education reforms that came in on the 23rd of March, at the same time as the new Residential Tenancies Act. And pretty much just the same time that Australia fell apart due to COVID. It was a big day, March 23. So I'm not sure how much more education and training there is in the strata space with that new training piece. But I will make it my business to find out.

Amanda Farmer: Excellent. That's what we like to do here is affect some change that can then filter through to our owners and also our property managers. When I think about the real estate sector, of course, I'm in my little corner here, which is strata, and we have then sales agents. But we've also got property managers different to strata managers. These are the people who are managing our investment properties for owners, they're collecting the rent.

They are often the person who is doing the face to face with a strata manager if it is a strata property, dealing with the emails, getting the levy notices. Do you Leanne, within Laing and Simmons, I'm not sure how big your property management section, let's say, is, do you think property managers are struggling when it comes to managing strata properties as distinct from freestanding and how different that is?

Leanne Pilkington: Yes, and again, it depends on the property manager. I sound like a lawyer don't I? It depends.

Amanda Farmer: Nothing wrong with lawyers.

Leanne Pilkington: Yes, exactly. But, yes, some just don't understand the requirements. They don't understand really what a strata manager does and what the obligations are. And so it would be great to ensure there was not just better education, but better relationships between the 2 sides. It seems to me that it sometimes can be quite combative, that relationship between the 2. And it shouldn't be because they're both very clear and distinct sets of responsibilities and obligations, very different roles.

Amanda Farmer: Yes. And I think it's important to talk about that. And it's important for owners to understand the different role that their property manager has as distinct from their strata manager and then on both sides, for the property manager to understand the role and responsibilities of the strata manager, what it is they're trying to achieve, who they represent. Because that can be confusing sometimes that they're there on behalf of the owners corporation, on behalf of the building.

And then for the strata manager in turn to understand that the property manager is trying to do the best that they can for their client. I imagine they're coming out from a perspective of we want to make life easy. We don't want to bother the owner. They're just interested in making sure that the rent's coming in, that the value of the property is increasing and we're doing the best we can to make sure that happens.

Leanne Pilkington: And that any repairs and maintenance are able to be conducted seamlessly for the tenant and cost effectively for the landlord. And sometimes, there's often confusion about whose responsibility repairs and maintenance in strata buildings are because obviously, it depends on what the actual problem is.

Amanda Farmer: For sure. As our buildings get more complex and there's more and more of them when we're talking about strata and more people investing in strata, I think it's something we should keep talking about, this relationship between our property managers and our strata managers and whatever we can do to help our property managers to better understand this crazy world that is strata, then we're happy to do it. That's for sure.

Publication Date: 02 June 2020
YSP Podcast Transcript: Episode 216. Why the real estate sector must understand strata - with Leanne Pilkington

Leanne Pilkington: Yes, absolutely.

Amanda Farmer: Leanne, you mentioned there our New Residential Tenancy Act Provisions, 23rd of March. I am not sure how much opportunity you've had, being the busy lady you've been, to have a close look at these. I've had a quick look at how they may impact strata landlords, strata owners, and also property managers. And what jumped out to me in particular was the requirement now to disclose where there's going to be scheduled rectification work or major repairs that are going to happen during the term of the Residential Tenancy Agreement. So that could be over a period of 12 months.

What did you think of that? What are your property managers thinking of that? How are you going to deal with that with new tenants coming into strata properties?

Leanne Pilkington: Yes, that's a great question and the property managers are going to have to communicate with the strata managers so that they're clear on what those issues are. And you know what, it's fair and reasonable. If I was renting a property and then all of a sudden, there's this major rectification work happening that creates a lot of noise and whatever, you'd want to know about that before you were actually signing a lease.

So I think it's fair and reasonable. And it's obviously up to the property managers to make sure that they have good communication with the strata managers in the buildings that they have got properties.

Amanda Farmer: Yes. That's going to be something really important for property managers to be across perhaps when they come out of this current fog that they're in and burdens that they're under to be focused on that. Because it's going to be tricky. What we can tell you from the strata perspective, it's going to be tricky sometimes for an owners corporation, for a strata manager, to be able to tell you what is going to be happening within that 12 month period.

It is not always the case that these are planned scheduled works. It could be an emergency that comes up and definitely, keeping those lines of communication open are going to be more important than ever.

Leanne Pilkington: And hopefully, everybody will behave in a reasonable manner when there are emergency rectification works that need to be completed, but you never know, right?

Amanda Farmer: Exactly. Leanne, we said we wouldn't talk about COVID, but I am going to ask you this. What is your prediction, if I may, for the future of the property market post COVID? And you can be as evasive as you want about that or as vague as you like. But I'd love to hear what you're thinking.

Leanne Pilkington: It's really interesting. Speaking to agents, they've got buyers around, but they don't have properties to sell. And so when that happens, there's competition for property and prices remain strong. I know there's been a lot of predictions about the fact that the property market is going to see a significant decline in value, but it's important to remember where we sit right now. The banks are not foreclosing. So the banks are forgiving or letting you extend your mortgage for the 6 months at this point.

And so that means that they're not foreclosing. That means that people are not really under financial pressure. And that's when the property market falls, when there's significant financial pressure and there's distress sales.

So assuming we get back to a business sort of as usual sort of situation with people getting their jobs back and the economy reigniting, then I don't think that we're going to see those decreases.

Of course, if something happens and we get a second wave and everything has to close down again, that's a different conversation. But particularly in Sydney, we were coming off the back of a very strong property market. We were getting 80% clearance rates for the first quarter of 2020. And that's really strong.

If you consider a rising property market is around about a 60 to 65% clearance rate.

Publication Date: 02 June 2020
YSP Podcast Transcript: Episode 216. Why the real estate sector must understand strata - with Leanne Pilkington

Leanne Pilkington: They say that the prices are rising. If you consider, we were getting sort of 70's and 80's. That's a really hot market. So we had a lot of people wanting to buy, not a lot of people wanting to sell.

So I think that people might be surprised with the resilience that is showing. Certainly for April in Sydney, the prices actually grew by 0.4%. March, it was a 1.1%. So I think it was about a 3, 3.5% increase for the quarter, around about a 14% increase for the last 12 months. So yes, the market's been pretty strong, but of course, early last year, before the election, it was not that way at all. Our clearance rates were very low and prices were certainly not growing. So it's been a real roller coaster over the last couple of years.

Amanda Farmer: It will be very interesting to watch, but I'm glad to hear what I'm going to describe as a positive attitude and a bright outlook for the future. That is very good to hear. And Leanne, you have been doing so much work in your role as REI President and I see you regularly talking to Tim McKibbin, Facebook live videos, webinars, emails. I'm on your list and I'm getting updated regularly what is happening in the sector at the moment.

Was that a strategy that you decided within REI you would be out there updating people every day? Or is that just something that you're rolling with? I'm really interested just from a leadership perspective, what the thoughts were behind that and how you're feeling about it at all?

Leanne Pilkington: Yes. I'd like to tell you it was a strategic decision, but it wasn't, it was instinctive. It was based on how, as you know, I'm Managing Director of Laing and Simmons, we've got 45 offices in New South Wales. And I could see that my business owners needed information. They needed somebody to be calm, someone to be giving them factual information. And so I started that process with my people within Laing and Simmons. And then I reached out to Tim and said, "Look, this is how my Laing and Simmons people are feeling. The whole market is going to be feeling the same way. I think that we need to be communicating what's going on, answer people's questions on Facebook live every day."

And he said to me, "Every day? Are you for real, what on earth are we going to have to speak about every day?" And I said, "Look, I think for certainly this week, every day is necessary. Let's just play it by ear." And of course we cut it down to 3 times a week only a week ago. So for 5 or 6 weeks, we were updating people every single day. And there was so much to update because there was so much misinformation.

The reality of the situation is that the REI is speaking to government and to the regulator almost every day. And so we know the information and if people have questions, I've got a direct line to get the answers to people. And so that's what we were putting out. We were getting such great feedback that it's just like, okay, this seems to be working, let's keep it up. And it will certainly.

I've said to Tim, one of the things with the REI, only our members pay. But we help the entire industry. And most people don't really know what we do. And now, over the last month or 2, they have been able to see what we do. And I think that we, Tim and I, will continue the Leanne and Tim Show, at least maybe just once a week moving forward when things slow down a little bit. But I think it's important for people to understand exactly what goes on behind the scenes and how they can even be involved in shaping what those policies and those changes look like.

Amanda Farmer: So true. And I think absolutely you should keep the Leanne and Tim Show. You will have so much, even when this is over, you will have so much help to give. And I have noticed that that REI is not just speaking to members. It is not closing the doors and saying, "Oh, well, we're doing a member's only event over here." You're doing it publicly on Facebook. You're doing it regularly. You're recognising that the industry as a whole needs support and hats off to you, you must be getting so much great feedback from that.

Leanne Pilkington: Yes, we really are. The feedback has been fantastic. And that was certainly ... We do a number of webinars throughout the week, but every Friday at 10:30, we do a webinar. And I said to Tim, "I know we need to make money to fund everything that we do, but right now, everybody needs that help and that hope and that direction." And so yes, everything that we're doing is open for everybody to be part of.

Publication Date: 02 June 2020

YSP Podcast Transcript: Episode 216. Why the real estate sector must understand strata - with Leanne Pilkington

Leanne Pilkington: And interestingly, because we were worried about what would happen to memberships during this time like everybody is worried about their income streams. Our membership has grown more significantly in the last 2 months than it has at any other time in our history. So it's a great reflection on the fact that people are valuing what we're doing and know that they can trust the advice that they get from us.

Amanda Farmer: And experienced marketers will say, if you serve hard, you don't have to sell.

Leanne Pilkington: Yes, I like that.

Amanda Farmer: Yes. People will come and find you. I have a membership community as well, of course. And it's definitely, I've seen the same thing. If you are there, prepared to give information, to be the calm, considered voice, to send your messages of resilience, to give accurate information when there's so much misinformation and to do that for everybody then those who want more, those who want something additional that perhaps you're providing to members down the track, then they will find you and they will want it. That's for sure.

Leanne Pilkington: Yes. Yes, absolutely.

Amanda Farmer: Now, Leanne, you are no stranger to broadcasting. You actually have a podcast of your own. Tell us about Courageous Conversations

Leanne Pilkington: Yes, I do. And Courageous Conversations is all about the conversations that you have sometimes with yourself and sometimes with other people, the hard stuff that you really have to get through to get yourself to the next level, whether it's personally or professionally. What I was finding, as you know, I've got a group called 'Real Women in Real Estate' and it's a networking group for women in and around property.

And what I was finding with the conversations I was having with that group is that there was a lot of women that just didn't have the confidence in themselves to make some of those big decisions or to transition out of one career into another or whatever the conversation was.

And I just wanted to show that we all have to have those conversations with ourselves or with other people, that it's not easy for any of us. And people might look at me in my positions and when I'm up on stage speaking, and think that I've got all of the confidence in the world and you know what? I have Imposter Syndrome, just like a lot of other men and women. And so I just think it's really valuable to be able to share that and share the processes that you go through to get yourself to the next level, whatever that looks like for you.

Amanda Farmer: Absolutely. And you have always been known as a mentor to women, in particular in real estate. And you've done such great work, both within Laing and Simmons and also with your group, Real Women in Real Estate. I remember it's probably 3 or 4 years ago that we met over coffee, talking about each of our women's networking groups with Women in Strata as well. And we've done a couple of things together over the years.

Leanne Pilkington: We have. You were actually one of the first people I reached out to because I had a lot of women saying to me, "Oh, Leanne, you've got a great network. Why don't you start a networking group?" And I'm like, "But why? What would we do there? What would be the point?"

Amanda Farmer: Who needs this?

Leanne Pilkington: Who needs this. Reflecting back now, I always avoided the women's events. I didn't want to be pushed into the women's corner. I felt like I was a real estate agent and a leader in my own right, not a female leader. Look at me now. It seems to be what I do, right? And so I knew of your group. And so I reached out to you and to other people just to have a conversation and try and better understand what the need was. And I did my first event in October of 2015 in Sydney.

Publication Date: 02 June 2020
YSP Podcast Transcript: Episode 216. Why the real estate sector must understand strata - with Leanne Pilkington

Leanne Pilkington: And I just reached out to a dozen women in my network and said, "What do you think? Do you want to get together, have a champers and do some networking?" And they all went, "Yes, absolutely." 65 women turned up to the first event in Sydney with 2 weeks' notice. And I remember standing there thinking, "Still don't know what this is all about. However, there's obviously a need and of course we've got, I don't know, about 3,000 members around the country and we've done I think nearly 60 events now." And even have a group we've done events in New Zealand and also in Los Angeles. So yes.

Amanda Farmer: Yes. Good on you. That's what I love about you, Leanne, you have this idea and you say, "Let's just do it. Let's just have an event. Let's have an event in a couple of weeks and see what happens." Whereas me, has a website and the data piece, doing the plan.

Leanne Pilkington: I have none of that, that's right, exactly.

Amanda Farmer: But that is why you are able, when crisis hits, to hustle, to get onto Facebook, to start doing live video, to start bringing that information. I think it just builds that skill. You don't realise you've built that skill until it's called upon to think quickly, to read something fast, to form an opinion, and then to relay it in a way that's understandable and relatable and people are actually going to listen to. And there are lots of people now building those skills, recognising the importance of them and hopefully that's really one of the big benefits that we see out the other side of this.

Leanne Pilkington: Yes, absolutely. I think we're a lot more comfortable in front of a camera than ever before these days. Right?

Amanda Farmer: Indeed. We should be. And how are you finding the podcasting? Are you enjoying it as a podcaster?

Leanne Pilkington: I'm loving it. I've been doing it for about a year, I guess, now. And yes, it's just a great opportunity to talk to interesting people. And I never have any massive agendas prior to, I do a little bit of research, but I just like to have an organic conversation and see where it leads and it's been really good fun.

Amanda Farmer: Excellent. Now Leanne, how can our listeners find out more about you and please, do let us know if there's anything you want to add before we wrap up?

Leanne Pilkington: Certainly. Well, I'm on all of the social media channels @theleannepilkington on Instagram, just Leanne Pilkington on LinkedIn and Facebook. And you can find me at Laing and Siemens or the Real Estate Institute of New South Wales I'm pretty much everywhere, Amanda. What can I tell you?

Amanda Farmer: She is, she is everywhere and doing her good work and spreading her positive news for the future of real estate. I'm so glad that we've had this chance to chat today, Leanne. And I know you're a busy lady, so I'm going to let you buzz off to the next long list of things, I'm sure, that you have. And we will have you back, no doubt, to talk about perhaps in 2021 a retrospective, how far have we come and how many Facebook lives a week are you doing now?

Leanne Pilkington: I'll look forward to it. Thank you so much for having me.

Amanda Farmer: Thanks, Leanne.

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 via the show notes at www.yourstrataproperty.com.au. You can also ask questions in the comments section which Amanda will answer in her upcoming episodes. How can Amanda help you today?