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YSP Podcast Transcript: Episode 301. Stephen Brell on the challenges faced by 21st century strata managers

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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.

Amanda Farmer: Hello and welcome to this week's podcast episode. I am your host, Amanda Farmer. And my guest this week is Stephen Brell. Stephen commenced his career at Netstrata in 1996, and has been the licensing in charge since 2001. Having more than 20 years experience in the property and strata management industry. Stephen is a licensed strata managing agent, real estate agent and registered property valuer. He has lectured on strata and community title management at TAFE New South Wales and for the Institute of Strata Title Management now known as Strata Community Association. And at the 2021 annual general meeting, Stephen was elected the President of SCA, New South Wales replacing long-serving president Chris Duggan. In this wide-ranging chat, Stephen and I discussed just how difficult the pandemic has been for our strata managers, discussing some of the biggest challenges that his large team has faced over the last couple of years. We talk about how our strata managers can better deal with difficult clients. And from his new role as SCA President, Stephen shares what he hopes to see from the strata management profession over the next 5 years.

Enjoy this chat with Stephen Brell. I did. I'll take you over right now. Stephen Brell, welcome to the show.

Stephen Brell: Thank you, Amanda Farmer. Thanks for having me. I'm really excited to be here.

Amanda Farmer: Pleasure to have you here with us. And we were just chatting off-air Stephen. I've known you for a little while now in our strata circles. But I have to say, I'm not aware of how you came to be in the strata world, what your background is. Can we start there? Share a little bit about where you've come from and how you've ended up, where you are today?

Stephen Brell: Sure. Like a lot of people's journeys, my strata journey started in the property sector. So straight out of school, I had dreams of being the next John McGraw. So I ran off and did the real estate licensing course. Which back in the 90s gave you 5 different licenses in property. And after doing that, I got a job in real estate. So I was a property manager for a little while and then went into residential sales. Quickly discovered I absolutely had no knack for residential sales. And one day I saw a job in the paper for strata manager and I went, "Ah, this isn't bad. I wouldn't mind getting another quiver in my bow. So I'll try and get my strata license as well." And I'll be the first to admit, I didn't think strata was going to be a career for me, but I got into it and absolutely fell in love with it. I really liked the job, really liked the career. And I was extremely fortunate to land with someone who I thought was a bit of a visionary in strata.

And you got a bear in mind, this is back in the late 90s. So back then a big block of units was 18 and so forth. But I landed with someone who was a visionary and looked for the future. And that's really, I've had my entire strata career at one company. So I was the first employee of Netstrata. And yes, became managing director in 2005. So yes, it's been a fantastic journey for me.

Amanda Farmer: And who owned net strata when you started, who was this visionary?

Stephen Brell: It was started by a fellow called Ted Middleton. And I remember on day one, when I came in for my interview. He said, "Look, I've got 15 buildings and 400 lots. I'm only small but I plan to be big." So he basically laid out what his plan was, which is, he goes, he wanted to specialise in new business which is what we did. So we found a real niche for ourselves in the new business market. And we got in right at the right time. So this again, late 90s. So it was pre Olympic boom, all of that sort of thing. And we rode that property boom in the early 2000s and that allowed us to grow. And growing and developing our systems at the same time, particularly through technology and that sort of thing. It really, they just went hand in glove. So the philosophy was, charge premium prices but provide a premium service. And we've had that mantra now for 25 years. So yes, it's been really, really good.

Amanda Farmer: So when you say a focus on new business, do you mean new developments?

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Stephen Brell: New developments, yes.

Amanda Farmer: Right.

Stephen Brell: So we focus, and it's always been our game to focus on the new development market and really offer those developer services during the initial period, and then take on the management of the scheme and steer the owners through those first few early years where building defects and so forth are prominent. And we've developed a real skill and a real niche for doing it, I think. And we, I'd like to think we do it pretty well.

Amanda Farmer: And the aim was all those years ago to grow. That's certainly what Netstrata has done. How big are you now? Both in terms of buildings under management, staff?

Stephen Brell: Yes, it's a great question. So as we sit here in February 2022, we now have 104 staff. We have 4 different divisions. So we've got strata management, we have an insurance broker arm, we have a maintenance division and what a lot of people don't know, we actually also have our own software division. So we run around software, which again for us is a real point of difference. And I'll be honest with you, these days that's my sort of Candyland. I really love playing with the software and developing new products and new tools and that sort of thing. So that's where I spend a lot of my energy and focus on doing that. And really that's to provide a better experience for the strata managers and in turn a better experience for owners as well. So yes.

Amanda Farmer: So that's the software that you use to manage books and records, accounts, trust accounts as well?

Stephen Brell: Yes.

Amanda Farmer: Everything?

Stephen Brell: Yes, exactly right. Yeah. The whole shooting match. So yes, that's been a really exciting journey for us. And again, as I said it gives us a real point of difference in the market.

Amanda Farmer: And are you only in New South Wales or you're around the country now?

Stephen Brell: Yes, we are only in New South Wales. So our focus is primarily New South Wales. We do have an office down in Wollongong as well, but Sydney Metro is our main focus. And for us, look, maintaining growth is a very, very difficult thing to do. And so for us growing and then bringing on staff members and particularly strata managers. The training regime for a strata manager is not 5 minutes. It's really 2 to 3 years of intense training to really develop the skills that a manager needs to become a senior manager. And particularly with buildings now, like I reflect upon this a lot. When I started in strata, it was a real cottage industry. Mum and dad's, back of real estate offices that sort of thing. And the buildings you manage reflected that. They were small 3-storey walkups, that's what we had. When you look at buildings today, and most of the modern developments. They are communities among themselves. We're talking thousands of lots, very sophisticated management structures, very sophisticated building structures, security systems, fire systems, the whole gamut of things in a building.

And a strata manager in 2022 is expected to know how all of those systems work. And obviously, all the complexities that go along with running a development of that size. So, and again, it's a long training period, but it's a really exciting time to be in strata at the moment, I think.

Amanda Farmer: I have to say I always admire companies, leaders of companies that are large like yours and have huge teams. It is something that I would find just so difficult to manage that many people coming and going. Tell me this, the last couple of years with a big team, like you've got there at Netstrata, it must have been difficult to deal with the pandemic and everything that has brought. What would you say has been the biggest challenge in the context of the last two years? If you can't think of one, maybe give me your top three as a large strata management company working through these times?

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Stephen Brell: Yes. Look like a lot of people when the pandemic hit, we went straight into panic mode and burnt down the hatches and all that sort of thing. But as the pandemic developed, it soon became apparent to us that there's a lot of opportunities here. And Tony Irvine at SCA often says, "Don't waste a crisis." And that's what we also saw. In the early days of the pandemic, learning how to do meetings over Zoom and people working remotely and all of those sort of things. That was all done in a lot of haste. But as we come out of it, I now see that these are going to be the business ways of the future. Like for us, we really want to embrace doing Zoom meetings as the main form of actually conducting meetings. And I know a lot of strata management firms and a lot of strata managers have really taken to it. And particularly for things like committee meetings and so forth, they are now so convenient to do just over Zoom.

And I know a lot of strata managers that are doing early in the morning, so before breakfast or during lunchtime and that sort of thing. So it can really make managers more efficient. The working from home piece at the time was a real challenge as well, but now it's going to become the new norm. And again, I think it's something every white collar worker should really embrace, the changes to the workplace and so forth. Other challenges were recruitment. As we were trying to recruit during the pandemic was a real challenge. But what we found was we were very, very fortunate in that we recruited a lot of people from outside the strata management industry, particularly from hospitality, airlines, travel, that sort of thing. And the beauty about finding these people is that customer service is in-built. It's in their DNA. They just get it.

So we need to train them on the technical strata skills, which I firmly believe of the two it's far easier to train strata skills than what it is to train customer service skills. So if you can find people that have that attitude. And as I said, we've been really fortunate in that we had a few people come from hospitality, then they told their friends saying, "Hey, there's something going on over here called strata. You really need to get into it." And so we've recruited about 5 or 6, really, really good young candidates from hospitality who are all working out as fantastic strata managers at the moment.

Amanda Farmer: Great.

Stephen Brell: So the challenges there were onboarding them. So it was very difficult. So we were hiring remotely, we were training remotely. And it's not the same, training in person is far better where you can sort of overlook someone's shoulder and that sort of thing and you can show them in real-time what's going on. But they were the challenges for us, but we really turned those challenges into opportunities. And I think that's a real lesson for everyone to take out of the pandemic.

Amanda Farmer: Yes. It's fascinating to hear that you've travelled that path of bringing on employees who are previously in hospitality and similar. It's something that I was talking about in 2020 when I ran the Shared Space summit. I was talking to Cat Carmichael who is in the US and she's a manager over there. She was the former president of the Community Association's Institute. So our equivalent is SCA here. And she said that's what they were looking at in the US. So I don't know if you were tuning into that time, Stephen, but I'm fascinated to learn that companies like yours have actually taken that path. And you've said, it's working out. You've got some good managers there now.

Stephen Brell: Yes. It's been really... It's worked. I mean look, before the pandemic we always sort of knew that, if we could get someone from hospitality that was a really good start. Like a lot of things with the pandemic, it just accelerated all of those people. And when we got our first couple, we said, "Hey, are you liking strata?" And they go, "My God, we love it. It's really good. It's exciting. It's challenging. It's changing all the time." And I think I said, "Tongue in cheek. Well, if you've got any mates or friends that want to get into Australia, let us know." And from that, we recruited 4 or 5 more people. So it was really good for us. It was a real boon.

Amanda Farmer: As I understand it as an outsider looking into strata management, recruitment is one of your biggest challenges at the best of times. Just finding people to serve a growing portfolio I imagine, people to step in when others move on. Am I right? Do you find that a big burden on you as a managing director day-to-day?

Stephen Brell: Yes, absolutely. It is. I mean, look, you have all the usual business probations that you have. And in strata as I

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said, because that training piece is so long, or I think it is. It really does take 2 years for a strata manager to find their feet and develop all the skills that they need to do the job properly. And then you have the normal things which I love, I've got to stress this. You have staff members that will go on maternity leave. We encourage our male strata managers and staff to take the time. There's only a certain time in your life that this is going to happen, so make sure that you enjoy all those sorts of things. And of course, you'll have people that need to be performance managed out and all the other usual business practices, but it is. Recruitment is a huge challenge not only for a big business, but I think for all businesses in strata.

And it's something, those words that I just said, recruiting within your team is reaching out to your own network within your own office. Hey guys, have you gotten anyone that wants to come on board?" Strata managers and the strata management industry does, and it has had a reputation for sort of cannibalising our own. So we often will go out and just hire managers from other firms because they've got 12 months experience or they've got 2 years experience. And I think it's a really protracted curve of acceleration for people getting into strata. It can become highly paid very quick. And I don't think it does the industry any good at all to have that. So on occasions, yes, we will recruit from within the industry, but we much prefer to bring outsiders in. And as I said, those people that have either the life skills or those soft skills that they've already learned to come across, and then we train them on the technical strata skills we find. Because again, being a complete strata manager in the 21st century is a really difficult job. You know what I mean?

Everyone knows this. You're part media, your part problem-solver. You are an administrator. You've got to get up and talk in public, you've got to have fantastic communication skills, you've got to have email management. You've got to have all these things. You got to budget and accounting and all this knowledge that you need to acquire to be a really good strata manager and those skills take time to develop. So if you can tick off a couple of those boxes immediately. So customer service and administration, and things like that, it's a real help when you're starting your strata career.

Amanda Farmer: And things have been even tougher, I think for our strata managers the last couple of years, with more people in their homes than ever before, for more hours of the day, and you guys really are bearing the brunt of the frustration, overwhelmed with requests for issues to be addressed around the property. I know at the SCA New South Wales conference, last year Stephen, you spoke about how our strata managers can deal with difficult clients, with difficult residents and become better communicators. What were some of your tips that you shared at that conference and that you share with your team to help strata managers deal with these tough times?

Stephen Brell: Yes, it's a great question. And again, I think everyone across all industries is experiencing this. But I think it's one of those things first and foremost, acknowledge that the behaviour's not acceptable and that you don't need to accept it. So I got, I'm going to give you a plug now I did get a huge amount out of your podcast. Strata managers are not punching bags. And I encourage anyone listening if you're interested in it, go have a listen because it's a really good podcast. But it's really a multi-layered approach here I think. First and foremost as the strata manager, appreciate, try not to take it personally. I know it's a very difficult when you're on the end of the phone, coping an ear for from an owner about an issue that's probably got nothing to do with you. But just try and look at that. I also think, try and put some tools and other blocks in place to really help you.

So we spoke about a lot about, what clauses might you be able to put into your agency agreement to help? What by-laws can you put in place? It's having a communication by-law or a code of conduct bylaw for the owners corporation, for the strata committee that the manager can put in place. And that the owners corporation can put in place to protect not only the strata manager but also the strata committee and those that are involved in the management of the building. So we're building managers and those sort of things. And really let people know that this behaviour is not to be tolerated. And then if you do get on the end of the rough end of the pineapple from an owner, all she say, "Look, I'm not accepting this. I'm not going to communicate with you until you learn to conduct yourself in an orderly way that we can actually get this issue done."

The last little tip that I'd have for everyone in this, one thing which I don't think we do a lot of in strata which I think we should do is really go back and self reflect and go, "Okay. How did my behaviour contribute to this problem? Or did it in any way?" I know look, anyone who knows me really well, I am the worst person. I used to get into email wars when I was a strata manager. It was just my thing. My ego was just too big. I had to do it. And I had to be proven right at the end of the day. As I'm getting older, a little bit more

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mature, I really reflect now go, That's probably not the best approach. Just getting the win doesn't necessarily mean you get a win. It's really, what can we do to try and get an outcome to this issue? And particularly for the younger Strata manager. And so what I'm saying here is reflect on your approach and say, "Okay, what can I do? How can I change?" And it could be as something as simple as instead of me getting involved in an email war, you know what I'll do? *"I'll pick up the phone and try and talk to this person."*

Just to see that we can actually talk through the process, I can understand where they're coming from. They can understand where I'm coming from. And we can often get to a resolution far more quickly by doing that than again, an endless backwards and forward with an email. Again, if he's listening, I hope he is. I shout out to Mike Pollard who used to be in VJ Ray. Mike used to have a great saying, "Use emails for confirmation. So don't use them for conversation." So that is, pick up the phone, resolve the issue, then confirm everything that you're going to do in an email. Because I know it's, again, we're in the 21st century everyone loves a paper trail. So use phone calls for conversation, email for confirmation is the other little tip that I'll give to everyone there.

Amanda Farmer: Nice one. There are some good tips there. And thank you for putting your hand up there and acknowledging that sometimes the ego can get in the way. Or in the past, we all grow and become more experienced and better at what we do. Because I do still see that Stephen, I see that with new strata managers, younger strata managers, and also those more experienced. I granted I'm dealing with situations of conflict, of course. But sometimes strata managers as lawyers do as well, I admit. Take a personal view and bring an opinion to a situation where having an opinion does not necessarily best serve their clients. So, a good reminder there to take a step back and have a look at your own actions and what you might be bringing to a conversation, a communication.

Stephen Brell: Yes, absolutely.

Amanda Farmer: Now Stephen, at the time we are recording this chat, you have been in the president's seat, president of SCA New South Wales for the last few months, taking over from Chris Duggan, who was as I understand the longer serving president in New South Wales. How did all that come about? What caused you a busy man, running a big business to put your hand up and want to step into that role?

Stephen Brell: Look, I had the very good fortune. I joined the SCA board, I think it was in 2017. So I was on the board for four years. And it's been a fantastic experience for me. I really love working with the other board members and also the secretariat. And the reason why I joined. And again, I know this is often said as a bit of a cliché, but I did want to give back to the industry because I think this industry has given me so much and so afforded me so many opportunities. And it is an opportunity to shape the future of the profession. So I was really excited when I joined Chris Duggan and Tony Irvine were sort of putting the nuances together of applying for the professional standard scheme. And so I was very much there with them through that journey of applying for the scheme and seeing what we had to go through as SCA to become a recognised profession. And I sit back and admire particularly the work that Tony Irvine did.

So Tony was really the architect of it all. So he put together the application and did a lot of the groundwork for it. And Chris did an extraordinarily good job with government to get the word out there that this is where we wanted to go. And Chris fostering those relationships with government was a huge help. So you've probably seen we've had a lot of support, particularly from the office of building commissioner and David Chandler and those sort of people which is great. The challenge for strata managers now is to really grab this opportunity, say, "Look, we are a recognised profession." And so both at a company level and an individual level, it'd be really fantastic for strata managers to increase their own individual professionalism. And part of the SCA goal, and again, it's quite coincidental that we're having this podcast now because we only had our strategy day earlier in the week. One of the things that we focused on was very much that. Was SCA providing the tools and equipment and training for strata managers at all levels.

Whether you're a beginner, intermediate or a senior manager to really upskill you in what you need to become a professional strata manager. So there's a more multifaceted approach here, I think. Again, I think it's got to start with the individuals on the ground. And any then any strata manager listening to this, I would really encourage you to get out there and upskill yourself. Look at the resources that SCA provides, even look outside what SCA provides. Even those business communication skills and other skills that

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you need, mediation skills or public speaking skills or whatever it may be that you want to upskill yourself in. I would really encourage managers to do that. And then for business owners and those executive types in strata management firms. Really look at your internal systems and processes and think, "Okay, how can we professionalise what we do internally within our office? You know what I mean? So where are the gaps? What gaps do we have in our systems? Where can we improve and how can we improve?"

And again, I got to stress this, SCA has put together a little bit of a toolkit for strata management businesses and a bit of a checklist to go, "Okay, what things do we need to put in place to make our businesses more professional?" That is going to be a continual journey, I think. And again, it's been one of the things ever since I've been in strata management, which is now 25 years. It's the one thing, strata managers have often spoken about, "We want to become professionals." Well, hey guys. Now we are and now we have to be professional.

Amanda Farmer: That toolkit, that checklist. Is that something that's available now that we can share a link for our listeners to check it out?

Stephen Brell: Yes, absolutely. I will send that through to you.

Amanda Farmer: Great.

Stephen Brell: Most strata managers certainly licensees in charge would've already received that checklist, but there are other things that we can do. And the SCA secretariat is there to basically help strata management businesses do this. So I'd encourage everyone to reach out to SCA New South Wales if you're interested in looking at that. And I've got to stress this was originally formulated by SCA WA. And it's called a strata management practice guide. And it goes through a lot of things, a lot of business practices that you should put in place for your business to make sure that... And I'm talking about things like cybersecurity, insurance. All of those sort of systems and information that you need to really secure yourself in your business and in turn also secure your clients. So it's a really, really good guide.

Amanda Farmer: I will make sure that the links to that guide and any other helpful SCA resources are in the show notes for this episode.

Stephen Brell: When I talk about looking at resources, I also looking at a podcast like this. From what I understand, it's really only one of the few strata focused podcasts and you know what I do, even though I've got 25 years' worth of strata management experience. I often go on to your website and look for a podcast for a topic that I'm looking at. It might be a legal topic, it might just be... If strata managers are being bored, how do we deal with it that sort of thing fantastic resource for strata managers to get into and you'll probably kick me for saying this but Chris Duggan actually eluded to me the other day that he often does his Sunday morning gardening listening to your podcast.

Amanda Farmer: So you may be in the presidential chair for the next 5 plus years, Stephen? Is this where the sole focus is on increasing professionalism? Or have you got other plans for strata managers that you're able to share?

Stephen Brell: No, no. We definitely got other plans and we look, one of the things that we identified is that we want to give, or through SCA give strata managers the tools that they need to also inform their clients. So we do see that there is a big education gap for a lot of strata owners and particularly strata committee members. So we will be looking at developing resources through the SCA that strata managers can share with their strata committees and owners on the complexities of being a strata committee member. So it'll be things like, okay, what liability do you face as a strata committee member? What do you need to know? How do you conduct a meeting? What are all the rules that you need to follow? Being on a strata committee, serving on a committee and what can you do? And more importantly, what can't you do be on a strata committee?

And I'm sure strata managers face this all the time. We do often come across rogue committees that are trying to pass by-laws at a committee level or trying to do things that they're just simply not empowered to do. And that's what we want to try and get out

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there. These resources for strata managers and strata owners. And again, we'll make that landscape hopefully a little bit easier to navigate in the future.

Amanda Farmer: Well, I am looking forward to seeing that roll out. All sounds like important education to be done there. Do let us know Stephen, how our listeners can find out more about you, about Netstrata and connect with you. And if you have any closing thoughts, go ahead and share.

Stephen Brell: Well, on all the usual social media platforms obviously the website, just Google Netstrata and you will be able to find me. My LinkedIn profile. I am an extraordinarily late adopter to social media.

Amanda Farmer: That surprises me-

Stephen Brell: For many-

Amanda Farmer: Being a bit of a top lover.

Stephen Brell: Yes. It's one of those things. I guess it's probably reflective of my age and the fact that none of my mates were really on it. But my LinkedIn profile, I have ramped up in the last sort of 3 to 4 months. Prior to that, I actually had one of my staff members doing all of my LinkedIn posts. But I'm now doing a lot of that and that sort of thing. But yes, I'm absolutely happy to grow that network. Please reach out. Generally, I do say yes if anyone reaches out to me on LinkedIn to be a friend request or whatever it is, or joining my network. And look the other thing, which you asked the question before, how can I be president and run a big business? Look, I'm extraordinarily fortunate in the fact that I shouldn't say this. I'm probably going to do myself in here. But Netstrata really runs itself. And when I say it runs itself, I've got a fantastic executive team around me that really help. I'm extraordinarily fortunate.

I think it was Henry Ford who said, "If you want to be successful, surround yourself with people smarter than you." And I've managed to do that. So I've got a really fantastic team around me. So that allows me then to give back to the industry and so forth. I know SCA National are doing a mentoring program for strata managers and people within the industry. I'm currently mentoring, not through that program but just privately I'm mentoring a couple of people as well, which I really love. Because I want to see young people in this. In fact, newcomers to the industry really succeed. So it please it in that regard. Strata managers will know I'm an open book, when it comes to Netstrata and what we do. And when I say I'm an open book, I'm happy to show you my business plan. I'm happy to show you my budgets. I'm happy to show you how we do things. I'm happy to show you how we do training. Because again, for me, if we can get this knowledge out there in the industry and share knowledge, it's just for the betterment of everyone. So that's my closing thought.

Amanda Farmer: Well, thank you very much for sharing your experience, your knowledge and your time today, Stephen. I am very much looking forward to catching up with you again in person sometime very soon. And I'll let you get back to that busy business that's hopefully still running itself.

Stephen Brell: Yes, yes. That's exactly right. No, thank you very much. And thank you again for the invite. It's been really enjoyable.

Amanda Farmer: Thanks Stephen.

Stephen Brell: Thanks Amanda.

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.yourstratproperty.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?