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YSP Podcast Transcript: 369. Flooring by-laws + the myth of “typical” strata levies

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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. I'm Amanda Farmer and I have with me this week, Reena Van Aalst from Strata Central. Welcome, Reena.

Reena Van Aalst: Thanks Amanda, how are you?

Amanda Farmer: I'm doing very well. I am looking at you here on my computer screen. We do record over the video, which sometimes we release some sneak peeks of that video. And you've got lovely pinkish-red lipstick on today. I think it looks fabulous. That's my compliment for the day.

Reena Van Aalst: Yes, exactly. Thanks, Amanda!

Amanda Farmer: Try to brighten up your day in strata, your week in strata.

Reena Van Aalst: Trying to.

Amanda Farmer: We're here to discuss our wins and our challenges. As we often say, the challenges list is a long one. The wins list can be a little harder to populate. And I have to confess, I was spending a bit of time today, thinking about what my recent wins might have been, or those that I can bring to the podcast, and maybe it's the time of year we've just gone past end of financial year, but I was really having to think hard about it, Reena. I don't know about you.

Reena Van Aalst: That's always happening for me in terms of trying to think of a win. Win is always really hard to think of in terms of the challenges that seem to outbalance or outweigh number the wins. But wins always take me much longer to think about and I usually have to try and confer with my colleagues in the office and say, “Can you help me with the win today? I can't think of anything.”

Amanda Farmer: Well, look, let's put it out to our listeners. If you have a win in strata that you would like Reena and I to share on the podcast, please do feel free to drop us a comment under one of our episodes over on the website, yourstrataproperty.com.au/podcasts is where you'll find all of our podcast episodes and we'd be happy to share your wins. There we go. Takes a village.

Reena Van Aalst: Yes, that would be really helpful actually. Thank you, Amanda, for that suggestion.

Amanda Farmer: But let's start today with your challenge for this week. Reena, what can I help you with?

Reena Van Aalst: Well, my challenge for this week relates to by-laws and I think that many of the residents and strata managers and owners listening out there can perhaps sympathise with flooring and the impact that flooring can have, a hard flooring I should say, on the amenity and comfort of owners when someone above you has perhaps installed a hard flooring that doesn't have adequate insulation or perhaps even when they have young children or, you know, wearing certain shoes, sometimes even with the best of insulation can sometimes result in noise transmission.

So this particular development that we managed is actually five buildings and one of them is actually a heritage building. The owners corporation had a by-law that was saying that they could not install hard flooring and only carpet was permitted. A couple of years ago before we took Kerry to the scheme, they had received legal advice to say that that by-law is harsh and unconscionable, that it doesn't allow people to freely install flooring, which as we know in 2016 Act became a general meeting approval.

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So section 110, the section for minor renovations includes the installation of hard flooring. Many strata committees have now adopted a by-law where that power has been conferred to the strata committee to allow that to occur as well as any other 110 renovations that are listed in the Act.

So the committee went on a quest of engaging an acoustic consultant, getting to test each building because obviously, each building would have different types of acoustic qualities in terms of the slab etc. And then had a lawyer draft a by-law in accordance with those recommendations. And what had happened at the committee level there was obviously some disharmony with certain owners, or members not agreeing with the advice of the Acoustic Consultant. There were some modifications made to the by-law in terms of how far the wooden flooring should go in the sides of the room. They should have like skirting and a number of different amendments were made. We also had a rating that was different for the one building that was the heritage one because that obviously, you know had high ceilings and timber flooring so therefore that requirement in terms of acoustic was less, but the other buildings had a much higher rating in terms of what owners had to achieve.

Now some of the community members had said, oh well no, you know, you've got to achieve the same rating as the carpet. Now we all know that that's not really possible and even the acoustic consultant in his advice when he was questioned, did allude to the fact that it's hard to achieve that and therefore I would feel that it's not really worth putting a by-law that no one can actually achieve in a sense, you're saying, yeah, you can do it, but you really can't do it.

So the community by majority agreed. The by-law was in submit on the AGM agenda, then another owner also submitted a by-law. So both by-laws were to repeal and replace so the owners corporation put its own by-law first, and another owner then put their by-law second. The owners corporations by-law was quite detailed Amanda, but the second one obviously wasn't as detailed, but owners had two by-laws they had to sort of choose from. And in a sense I was being asked, well, how do we vote on these blah, blah.

Amanda Farmer: And both by-laws were about flooring.

Reena Van Aalst: Yes

Amanda Farmer: And they had different standards for that flooring.

Reena Van Aalst: Yes. The owners corporation one was really like long and you know very...

Amanda Farmer: Very loyally, no doubt.

Reena Van Aalst: Yes. Well both were both were submitted by lawyers but I think the owners corporations one had to obviously take into account the views of all the owners and members that had been emailing them about what they wanted to make sure it was included and there was reference even to the acoustic, you know, association and using their benchmarks, we sent out all the reports to all the owners.

Anyway, so we had then two by-laws that were then going to be put forward. So the first one was put forward to the owners corporation one and was defeated and the second one then was actually withdrawn by the owners. I think she realised that if the owners corporations by-law, which was very thorough and onerous in terms of requiring owners to complete acoustic reports, et cetera, wasn't going to be passed and on that basis, she realized I think her one wasn't going to pass her then she withdrew her by-law.

Amanda Farmer: So what is this building now left with? They still have their no flooring by-law. No hard flooring, I should say.

Reena Van Aalst: That's right. So now they're actually asking me to convene a pre-electronic meeting to approve a section 110 by-law to give the power to the committee. So I'm not sure that's going to work because I think that if the other one that was quite detailed didn't work. I'm not sure that's going to really... I think the committee is trying their best in terms of all avenues.

And then you still have owners that are saying, “Well, why can't we install hard flooring?”

Amanda Farmer: It's interesting that you raise this because it's just come up very recently in our member forum. An owner posted about their very restrictive, hard flooring by-law. That by-law contains some very detailed and prescriptive acoustic requirements, setting out decibel ratings and the like. And I was asked, “Amanda, the manufacturer of the flooring that I want to install assures me that this flooring can meet those ratings. But that manufacturer has no idea about the structure of our building or the thickness of the slab between my apartment and the one below. And where this flooring might meet those very prescriptive requirements in one building, it may not meet those requirements in my building. So how do I make sure that I am installing flooring with the type of insulation that will comply with the by-law?”

And my response to that was, “I hear you, I hear your frustration. And that is the reason why I, as a strata lawyer, drafting hard flooring by-laws, no longer recommend these very prescriptive requirements” because it can, as you say, result in a situation where effectively it is a flooring ban because no one can reach this six-star level because of the way the building is constructed, because of the thickness or otherwise of the slab. And instead, it may be better for the strata committee to be empowered to consider each installation on its own merits and with reference to the actual flooring and the actual installation proposed by the owner. It is possible, as you say, Reena, for a committee to be authorized to approve minor work. It sounds like this building might want to go down that path. That is the approach that we take in my building where I'm the secretary on the committee. We have a set of standard flooring conditions that as a committee, we apply to each approval of a hard flooring application when it comes to us.

And from experience, I find that allows us to adapt and be a bit flexible depending on the location of the flooring in the building and what we've perhaps learnt over time as to how noise travels in the building. And each time an application comes to us, we do the best we can to make sure that's approved on the best terms possible to ensure everybody's ongoing peaceful enjoyment.

Reena Van Aalst: Yes, well in this case Amanda, I alluded to earlier the acoustic consultant went and did testing in each of the five buildings so it wasn't as if I think they were like trying to use like a one-size-fits-all rating and there was also in the bottle or like a plus and minus think to whatever it was a kind of what the writing, I mean. But there was a bit of you know, wiggle room there in terms of it's like anything I mean nothing can be exact when it comes to acoustic ratings and I think that I think owners you are right, I'm confused when, you know, at one particular building, don't say that they should have regular pole five millimetres, but the committee says, well, that's all we're going to accept, even though the by-law doesn't say that.

And then this one thing, oh, but my, my contractor said, this is like a six-star pouring, but as you've said, when you look at test results, and I try and show this to owners, that has been tested in this apartment in Magville. Not in your apartment, for example. So there's a lot of the time you do get these tests that are done in particular situations in properties, but they're not the same property, as you said, Amanda, this sound travels differently in different parts of the building. And sometimes, you know, as you know, sometimes the noise isn't coming from the unit above, it could be one above that even, because I think you may recall we had a situation where there was a lady who wasn't even at home and she was away and they were saying that there was all this noise coming from her apartment and she wasn't even there.

So that can happen too. Like I said, how noise travels in buildings is really something to take into account when looking at these flooring-type applications.

Amanda Farmer: I think there is a level of personal responsibility that needs to be taken by owners, and occupiers who are wanting to install hard flooring in their homes, knowing that they can take all the steps that are available to them to install a good quality product with the best insulation possible. But it may be that noise will still travel. As you said, it will never be as good as carpet. And to that extent, I believe that you do as an apartment resident with hard flooring.

I've certainly had to do this. Be mindful of your movements on the property, shoes off, no high heels, kids playing ball games and other things, pets running around. Have those lines of communication open with your neighbour. I know there have been times when I've received text messages in the middle of the day where my neighbour has said to me, “Amanda, I've just come back from overseas, I'm jet lagged, I've got to work tomorrow and I can hear the kids running around, would you mind?”

And in that situation, of course, I say, of course, I'm sympathetic to that and will change my behaviour because I've got a good relationship with my neighbour. But that's community living and strata living. And I appreciate that not everybody has those good lines of communication or that understanding of each other and willingness to adapt.

Reena Van Aalst: Yes, and I think that's a good example that you raised, Amanda because at this meeting, one of the comments that was raised was there's an insurance company, one of the apartments above and then there was hard flooring that was replaced by the insurance company and the resident below said, well, you know, when one owner was living there, she couldn't hear anything. But then when a different person had moved in after that, then she could hear so much. It's on the same floor. And as you said, there should be some personal responsibility, even though you might have hard flooring.

She used to be mindful, especially in the morning and at night when there's hardly any ambient noise, you can always hear more things at those times of the day. And during the day, like you said, I mean, obviously, sometimes most people are at work, but you never know who's at home and therefore you should be mindful of modifying or, you know, like I said, take your shoes off when you get home where soft shell shoes throughout the house and kids running. Yes. And one of the things that she was saying was kids were running around and playing with the ball and I think sometimes when she tried to approach her neighbour, her neighbor was not really receptive in the same way that you have been.

So that's a problem, too. I think people think, well, we shouldn't think of flooring in terms of who's living there and not living there. We should think of the worst-case scenario. And I do accept that to some extent. But then, as you've said, you know, having hard pouring is the same as having carpet. And even with carpet, sometimes there's noise. I mean, you know, if you drop something, playing a ball with the carpet, you can hear it. So...

Yes, so that was an interesting one. And it's obviously one that's caused a bit of division in the building because, you know, you've got two camps of people that are thinking, you know, along different lines and, you know, it's sort of resulted even in one of the communities not being reelected as a result of that. So it was a bit unfortunate, but yes, I knew because that person had sent a letter out to all the owners about his view and then, yes, these things happen as we know in buildings, people, these things can become quite contentious and personal.

Amanda Farmer: Yes, definitely. Well, let us know if that building finds a way forward for their hard flooring.

My challenge for this week comes from a podcast listener who is asking us, Reena, if we have any tips to share about the process of considering quotes for repairs to the common property. So this listener says it would be great if there was some kind of guideline or a practical list of questions that we could be asking, applying to quotes that we are receiving to make sure that the contractor we're engaging, the work that we're approving is more likely than not to solve the problem at the end of the day and that we're doing the right thing as a committee.

So I thought I'd bring this here to the podcast Reena because this is something that you of course as a managing agent are doing on a weekly if not daily basis for your clients receiving quotes, putting them to committees. Do you have any suggestions for how our committee members should be assessing quotes, or what they should be thinking about when choosing a contractor? And I appreciate horses for courses, some are dealing with million-dollar jobs and some are dealing with \$500 jobs. But what do you do as a manager in this situation when it comes to quotes to repair common property?

Reena Van Aalst: Well, I think the most important thing I think is always to give a clear scope in terms of your understanding of the issue as a manager or even making sure that the committee have given you all the information because half the time, if you only sort of don't have a complete set of instructions or scope, then when you're going out to get quotes, that's when you're going to get different and varying quotes with varying advices and varying ways of doing things and therefore the price as a result will be quite different.

So I think part of the challenge I think is to try and have the committee agree on what is the problem and try to get as much information as you can. So like for example I think the one that you've got in your example is that your member has brought to you

is about bubbling paint on their wall.

Amanda Farmer: Yes, in our notes in front of us here, bubbling paint on the wall and possible rising damp.

Reena Van Aalst: Yes. So I think, I mean, I would, if I was a manager for that, I'd say, okay, well, tell me how long has it been happening for? Does it, does it get worse when it's raining? Try and sort of drill down to so many things that you can find out some photographs. And then at least when you're trying to get quotes, you're trying to get quotes on the same set of conditions. Whereas if you, the less information you give, I think the more varying your responses are going to be.

And that to me, and also I think is to also use people that you've worked with before that you have confidence in because sometimes I've worked with plumbers that you know, like I've had some really difficult things and then no one else has been able to find out what the issue was, but they're because it's something much more inquisitive or perhaps or, you know, look at things from a different angle. You know, maybe reach out to the people that you've worked with before, perhaps that you know, if something is more on the inner prickly side or the, you know, not so straightforward side.

Perhaps look at using those types of people that you've had worked with before and have confidence in that maybe not your regular plumber that, for example, would be part of the building's climate, you know, you might need someone outside of that where you know that another plumber you've used would be a better match or an acquisition for that type of work. And I think as managers, sometimes we do sort of come across people that are much more thinking outside the box. So yeah, and also like people that don't want to just take out as corporations for a ride because we obviously don't use people like that.

And if we have used them or people have done the wrong thing by any of our schemes, we never use them again. But sometimes, you know, we all know like, you know, which of our people are good at their job and a reasonable also in their recommendations or knowing to say, I can't do this type of work. I need to, you should get someone else in. This is not my area. So I think having more information given to them, so that everyone understands what you're being asked to quote on in terms of the contractor is all the same. It, in terms of having a template, it's a bit hard because I think the template would depend on the type of work that's being requested.

Amanda Farmer: I think certainly checking that the contractor is licensed and insured. That's something that I know how strata managers do as a matter of course, if you're a committee without a strata manager or assessing quotes or getting quotes on your own, it's something that I do see is overlooked when there isn't a professional manager involved. So licensed and insured in my mind is number one.

Reena Van Aalst: And also licenses and insured and insurances in the same entity is another one because that happens quite a lot where the contracts in one name or the quote, then you get the insurances there in another name. And I'm thinking that's not the same. And a lot of it, I mean, a lot of managers don't even do it this is probably what I've noticed because we've had that happen. We've taken some buildings over, but yeah, that's why sometimes a quote could be cheaper than the committee is getting because the person doesn't have the licenses or correct insurance and things like that. Yes, definitely.

Amanda Farmer: And make sure if it's someone you haven't worked with before, maybe you're getting a couple of quotes. One, you're very familiar with the contractor, but the second one, you're not checking that they are experienced in strata work. There may be some new contractors around who are trying to break into the strata sector and may not have done a lot of work with buildings. You may not necessarily want to be the first client that they have come across in strata. It's definitely a different way of working. And there are different legal requirements when we're dealing with strata buildings.

And if it's a big job, if we're talking about the hundreds of thousands of dollars and maybe there is an engineer involved, maybe there's a tender process, you're looking at taking out a strata loan, it's a big project, I'd be asking the contractor that you're thinking of going with or the shortlist of contractors, whether they have any references and what other buildings have they done this same work at? And can you chat with those committee members and see what those committee members' experience of that particular contractor has been that should give you a bit more of an insight into the way that they work.

Reena Van Aalst: Yes, most of the time I think with engineers that we work with normally they have worked with them on another site so that's really important thing to ask because sometimes perhaps, even though people are saying oh it's getting better now in terms of getting contractors, there's still difficulty in getting I think good contractors. And to me, the supply chain issues are still prevalent. They haven't just gone away.

Amanda Farmer: Yes, that's true. Now this listener in asking this question, I think was quite concerned to be seen to be doing all the right things so that if the committee was ever challenged, why did you engage this contractor? Why did you make this choice? They would be able to retrace their steps and say these are the standards that we applied. This is the guideline or the steps that we went through.

I think I agree with you, Reena, that it's hard to apply a single template to that process because work is different in different circumstances, but making sure that you have covered off some of the items that we have that Reena and I have just discussed here and documenting that, putting that in meeting minutes, certainly in email communications between the committee will put you in a strong position, I think, to be answering owner queries about why you engage someone the way that you did.

Reena Van Aalst: Yes, exactly, Amanda. That's right.

Amanda Farmer: Okay, hopefully, that is helpful to many of our listeners.

Reena, the elusive win for this week. Do you have one?

Reena Van Aalst: Yes, finally. I struggled to get one, but I got one before I came on today. So we just taken on a large scheme that was managed by a reputable manager or large company, and...

Amanda Farmer: You say that with some surprise. I don't know what you're about to tell me, but that was an interesting tone.

Reena Van Aalst: I think because people say to me, oh, that's a big company. Like, how can they just have like proper accountants and blah, blah? And I go, yeah, I suppose they, I mean, I think everyone should have proper accountants or accounting people. I mean, I don't think that this depends on your size.

Amanda Farmer: So you're about to share a mistake that was made by a big company and it comes as a surprise to your team, as I imagine it does to others, that these kinds of mistakes can be made by these companies.

Reena Van Aalst: Yes, I think people sometimes think that because a company is bigger, it has more resources and therefore it has more ability to have more staff and, you know, etc, etc. Which, you know, I suppose on the face of it, you know, does have some merits, but, so I was going through the accounts and I mean obviously normally I you know, my accounting background, like to look at everything. Because how we code out, you know, our accounts and how others code them are different.

And therefore, what we make sure that we do when we take over another schemes accounts is that we code things the way that we would that we code them so that when the new coding is taking place, that the owners are comparing apples with apples because a lot of companies put repairs and maintenance into one code, we don't we separate repairs and maintenance because maintenance is regular, it's the same amount, it's a contractual amount and therefore that's known, whereas repairs are not. Repairs are ad hoc and sometimes could be known beforehand but most of the time perhaps aren't. For example, you know today I met with someone that told me “Our fire repairs, we've got to quote like 40,000 even though we just did a lot of work last year.”

So of course they hadn't budgeted 40,000, they budgeted something less but at least the maintenance you can see and differentiate the maintenance fees and if they and how they're tracking versus the repairs, etc.

So we go through, we've got to make sure we split everything up. And in this particular building, they actually have an employee, which is unusual. Most buildings don't have caretakers in building managers as employees, but some still do.

And so, therefore, there's no GST on wages. But what had happened was that they had put them under a function name in the accounts and they had at one stage security helping out and other people that were assisting in that function in terms of you know looking after the building after hours in it like a more like a caretaker capacity but then all the entries were in there and I was thinking that's strange how can they not be paying GST anyway because everything was to put as no GST so I tell I went through all the accounts and I had to our accounts to take all these ones out. These all got GST, these ones don't.

And that actually makes a big difference to their BAS and to their input tax credits. So they were missing out on claiming GST that they were legally entitled to claim and they were paying because it's been coded in the wrong code where the software doesn't pick up GST because it's not a GST code. So it would have been like I don't know maybe 10 or 15 thousand dollars there it's a lot of money and it just goes to show you that detail and a lot of people don't look at that level of detail.

Amanda Farmer: Is this a building that would have had its accounts audited or too small for that?

Reena Van Aalst: Yes, I'm not sure if the auditor would have picked it up because I think, I don't know, hopefully, I might have picked it up. But I suppose this company uses all-inclusive GST accounting. So and they take off the GST at the end. Yes. I mean, hopefully, they would have picked it up, I suppose. But, yes, that's a good question actually, Amanda. Because sometimes the auditors don't pick up everything, but that's an interesting one. Yes.

Amanda Farmer: Do you know what? I am often shocked at what strata auditors miss. And when you look at what they're charging for their service, which I think is pretty light on, it's a pretty stock standard process that's being applied to auditing strata accounts, my shock quickly disappears. And I realized, yes, well, for that time and for that money, you're probably not looking too closely.

Reena Van Aalst: Yes, well, I mean, you're doing like a cursory. I mean, it's a cursory check. Obviously, they go through all the line items. I mean, some monitors are much more thorough than others. And they ask for the minutes and like, you know, why is this a prepayment? Oh, and I'm glad that they asked that question because that means that they're actually looking at the financials in great detail.

But yes, you're right. What these right orders are charging, which is that ain't really a cursory. It's a proper audit according to accounting sense, it's a cursory sort of audit.

Amanda Farmer: It's not a forensic examination.

Reena Van Aalst: No, not a forensic audit. Yes, exactly. And I think in most accounts that we get don't have these sorts of problems, but I think when you have GST inclusive accounting, then you take off the GST and you'll go through every single thing and see the GST has all been in one code. So you got to look at every single code and say, has that got GST? It's the way that's been done is very confusing for most people. Like, it's very time-consuming, very time-consuming.

Amanda Farmer: Yes. Now this is not the first time, Reena Van Aalst that we've heard from you that you've taken on a new building. You have applied your love and skill of accounting to going through records and you've found money. You've found some cash back for your new client and that is indeed a win and must be a great feeling to be able to go to that client and say, look, here's 20 grand that you should be reimbursed or you should never have paid or that you can now claim. What a great message for our strata managing agents to be putting out there to say, hey, take on these new buildings, put a little bit of work in having a close look at the accounts and see if you can't get a quick win for your new client and secure that trust and loyalty right from the beginning.

Reena Van Aalst: Yes, I think also like I mean, as agents, you know, we are acting on behalf of our owners, and we should be doing anything we can to help them. And that's why I think that I like sort of what I like being a startup manager in that respect. I think that in a sense, you know, our values and our aims are aligned with our clients. And therefore, I would want someone to do that for me if the shoes are on the foot.

But I think sometimes people need to understand as agents, like, you know, people think, oh, well, you're getting paid this money, you should be finding it anyway, or doing whatever, but people don't realize, I think it's easy to be on the outside, not to see the amount of time that things take. I think we all do, I think we're all guilty of doing that. As human beings, we think, oh, that can't take that long. But unless you know the process and what's involved, it's very easy to make those sorts of passing statements.

Amanda Farmer: Well, thank you very much for sharing that one. I always like hearing about what's going on in your back office, especially when there's a win there to be shared.

My win for this week comes from a conversation that I had just a few days ago with a journalist who is soon going to publish an article about buying into strata. And I believe I'll be featured as an expert in that article. If my comments are included, I'll be sure to share that one once it comes out. But the general has sent me some questions that he wanted me to have a think about before we had a chat.

And one of them was “Amanda, what are the typical costs that owners might expect to pay when they purchase a Strata property?”

And when I, got into the interview with the journalist, I said, “I love this question, I'm so glad you asked it because in my view, it is an absolute myth that there is any kind of typical cost for a strata property and it is a myth that is perpetuated by real estate agents who are selling strata properties, and unsuspecting purchases buy in thinking these are my quarterly levies”.

This is what they will forever be or they may have even been told a story that levies are going down because some major work has just been completed. And those owners often have their dreams shattered when they go to their first general meeting or tune into a committee meeting and start hearing that this building has a new waterproof membrane that has to go onto the roof.

In this building, there is a lot owner who is taking the owners corporation through litigation and there are legal bills to be paid. There could be any number of reasons why there is why there are special levies or quarterly levies going up or a strata loan needs to be entered into and purchases are just blindsided by this.

Now, this is a win in my spreadsheet for today because I was able to explain that to this journalist who seemed to be very surprised by what I had to say and found that to be really valuable information that I hope is now going to be published and to be shared with those who are new to strata or thinking about moving into strata because I think it really is a myth we have to debunk.

Reena Van Aalst: Yes, I totally agree, Amanda. And I think today on the ABC or last night on the ABC, there have been some articles coming up about strata fees and about people saying that you know, the levy is being up by 5% per annum and in 10 years' time, people saying I can't, I won't be able to afford to pay my levies. And I think there is, you're right, that myth that you know, agents normally do propagate about levies and what they should be for that.

But I managed three buildings down the road in our time and for example, and they only paying this much of foreign I'm thinking yeah, but they have a fire order they got, you know, at least they got this. So if you can find me a building that's exactly the same problems, and the same capital fund balance, then I'm happy to consider that. And also, in terms of say insurance, I mean, insurance terms are arising. But when I went to the SCI seminar, they were saying if you divide your unit entitlement by the premium, you can't insure a house for the same amount that you're paying as a strata owner in terms of your insurance, even if they're going up.

And I think about it, think about the fact that you know, you have someone that takes out your bins that cleans the common areas that do the gardening. Now, if you had a house and you were trying to get all that done, it would cost you a lot more now, of course, it was oh, yeah, but I can choose to do the gardening and I can choose not to do this is I think where it all comes into play people's perception of choice.

In a house, you can choose to let the garden go and undone, you can let the rubbish, you know, accumulate, you can not clean, you can do whatever you want to do. You know, and therefore you do have control over what is done.

And some people say to me, oh, but I could do it my own, I could save money and said, yes, well, if you want to clean the common areas, and then save all your other owners the cost, that's fine. You can do that. Like, I think stopping you from if you want to waste your time or perhaps for you as an owner, you don't have anything else in your life and that is perhaps of interest to you to do the gardening or whatever. I think it's great, do whatever you want to do.

But don't think that you're saving money when you're subsidizing every other owner in the apartment building is really that's what you're doing. And unfortunately, people, when you look at things in that context, when strata levies are going up, and they're going up for many reasons, but as you just said, Amanda, there's a leaking waterproof membrane. Well, I mean, that's got to be fixed. The act says you've got to fix, it's such a true obligation to repair and maintain. It's not sort of when you decide and when you have money and when you want to. And like you said, many owners now with all the rain, a lot of dormant issues and defects have been not prevalent until now, especially in the last 12 months.

Luckily this year, it hasn't been as much rain. We haven't had as many issues in some of our schemes, but that can change very quickly.

Amanda Farmer: And look, it does come down to, I think, purchases going in with their eyes open, knowing what to look for. I mean, it's all well and good to say, do you do diligence, but the follow-up question to that is always, well, what does that mean? What should I be looking for?

Being aware that you can inspect the owners corporations, books and records, I always say, reading the emails that are passing between committee members and the strata manager, that's what's gonna give you the insight to what's really going on in the building, and you can discover if there is litigation, if there is disharmony, if there is major work on the horizon that is planned.

Sometimes meeting minutes doesn't give you the heads up on those kinds of things. Meeting minutes are often when the bill's already been paid or the decision's already been made. So getting more information out there to people who aren't yet in strata so that they know when they're thinking about buying into strata what they should be looking for, I think is a big part of the solution to this misunderstanding that there is some standard building and standard levy.

Reena Van Aalst: Yes, I think also Amanda, what you're saying also assumes that buildings are meeting regularly. A lot of buildings don't meet regularly at all.

Amanda Farmer: Yeah, true. There's nothing in the minutes.

Reena Van Aalst: Yes, there's no minutes because there's no meeting and all but we're all agreeing by email. So the email doesn't give anyone any owner or any other person any visibility on what you're agreeing to. And then going one step back, I don't see any strata searches asking me for emails, not one asking me for any emails at all.

Amanda Farmer: Oh, you should see the looks I get when I ask strata managers for emails. I've gone to do a strata records inspection and I've been given whatever the books are that the strata manager decides I need to see doesn't include emails and I have knocked on the strata manager's office door. These are back in the day and we actually used to attend offices in person.

Reena Van Aalst: Yeah, it's right, when you go physically, yeah.

Amanda Farmer: And I've said, “Mr Strata manager, can I please have the emails for this building, there's nothing in the correspondence file. There are no emails.”

and I've been told, “But Amanda, there's thousands of them.”

I've said, “I imagine there is in a 200-lot building over the last six years, there would be thousands. So can I please have them?”

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“Oh, well, oh, that’s gonna take me a couple of weeks to export that from my outlook and sort that out and get that across to you.”

And I mean, there’s just, if you are a strata manager managing your client’s correspondence records in that way, without a system in place to be filing emails, to be making them accessible, then in my view, you’re not meeting your duty as a professional who is the custodian of the owners corporations, books and records.

Reena Van Aalst: It is that long to export out of outlook. I don’t think it’s, it’s just like, you just press this, press that. And then it just does it. I mean, it might take long to like collate it because there’s a lot, but not because it’s actually hard to do. And I think it’s...

Amanda Farmer: Well, I suspect when I’m attending a records inspection and wanting to look at emails, the strata manager who’s producing those emails wants to have a look through them first just to make sure.

Reena Van Aalst: That’s what I was going to say. Another reason to say yes for a long time.

Amanda Farmer: Make sure there’s nothing too incriminating in there.

Great chat, Reena. Lovely to have you with me this week sharing our wins and our challenges. We’ll keep racking up those wins.

Reena Van Aalst: Mmm, wrecking our brains.

Amanda Farmer: And of course, if you have a win, our dear audience to share with us, please do pop a comment under this episode over at yourstrataproperty.com.au/podcasts.

I’ll send you out into the world. Thank you, Reena Van Aalst. Catch you next time.

Reena Van Aalst: Bye Amanda.

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