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YSP Podcast Transcript: 397. Insurers are demanding more from ageing buildings

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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'm Amanda Farmer, and I have with me today Reena Van Aalst from Strata Central. Hey there, Reena.

Reena Van Aalst: Hi Amanda. Happy New Year.

Amanda Farmer: We are saying "Happy New Year" to each other. It's February by the time this is going to air, but we were just saying we haven't chatted since pre-Christmas. It's lovely to have you back online.

Reena Van Aalst: Thank you Amanda. And that I'm glad to be back after a nice break that we all had.

Amanda Farmer: Yes, very well deserved after a hard year and straight back into it for our strata managers. That's where we're heading this week. We're talking about our challenges, we're talking about our wins as always. Let's start with the hard stuff. What's been challenging you this week, Reena Van Aalst?

Reena Van Aalst: Well recently, Amanda, we've undertaken a number of insurance renewals and the brokers always send us a declaration to fill out which has become far more detailed in terms of the questions that they ask. As we all know, insurance costs have been increasing and the companies are far more discerning in relation to the risk that they're taking on. They wanna know as much information as possible as to what things could affect the renewal and the risk of the building.

So my own building as an example, as of one of many others that we've had to renew recently. And the question they're asking us now for older buildings is, "Has your building been re-plumbed and rewired?" And I'm thinking, wow, I've been filling out these questionnaires for so many years now for my building, for example. And I've never been asked about replumbing, which I can understand.

Obviously, burst pipes and things like that are a risk, you know, water damage, especially when it affects multiple apartments can be quite costly. And rewiring we understand is another issue with old buildings that may have cloth wiring and again, prone to fire, et cetera. But the replumbing one was really something that I thought was surprising because I don't know how you actually re-plumb a building.

How do you, what change every single pipe? How do you ascertain which, I mean obviously if you will say, putting in a new kitchen or a new bathroom, usually as an owner, you would if you're moving things around or you know, whatever. I think that would be part of the renovation process.

And I was quite shocked and I thought, I don't know how to answer. I just said, no, I don't. We've never had it re-plumb apart from owners doing renovations. And then I said to them, well, we've never actually had a burst pipe ever in all the years that we've lived here. We've never had a burst pipe. So I know that for many other buildings that have been built more recently, even the last 25 years, burst pipes are quite common. So I wasn't sure, Amanda, if any of the other owners that have been coming to you, or strata managers asking you about the particular thing of rewiring I can understand. Because again, fire risk and a lot of people have old switchboards and cloth wiring, but the replumbing, I don't really understand how you can re-plumb a whole building without breaking up walls and a lot of damage and expense.

Amanda Farmer: Yes, it's a great question and it's one that I hope, one of our more handy listeners who I know you're out there listening to the tradies as well as the builders and the engineers who are more experienced than Reena and I in that side of things, let us know what is it to re-plumb a building? What is required? Is it possible? I haven't come across that one, I have to say, but certainly, this heavier duty of disclosure that is certainly coming up as a strata committee member myself, I'm having to fill in these forms, answering questions from owners about filling in these forms.

YSP Podcast Transcript: 397. Insurers are demanding more from ageing buildings

It was actually a journalist, I think most recently who I was talking to about this burden that our aging buildings are experiencing, increasing costs of repair and maintenance. And I explained how that has a flow on effect to insurance. And the journalist said to me, "Amanda, how do the insurers know that a building is neglecting this duty?" And I said, there is a duty of disclosure on the part of the owners corporation when they're renewing to fill in one of these forms and to be truthful about where they're at with their repair and maintenance.

So the question that I'm interested to know from you, maybe down the track Reena or any other strata manager just listening, is there an uplift in the premium for buildings that haven't been quote re-plumbed that can't tick that box? Does it make a difference to the premium at the end of the day? It might not. It's just an exercise in asking the question for the insurer.

Reena Van Aalst: Yes, exactly. I hope so. We, I mean our premium actually didn't increase at all. As in like it was proportional to the increase in the building. Some insured they didn't say because you haven't replumbed and 'cause we had a history of no burst pipe cement, which they could see. I said to them, look at our claims history, we've never had a burst pipe. So I think that sort of gave them comfort that what I was saying was correct and therefore, that wasn't really a risk to them at this point.

Amanda Farmer: Yes, well there's a good point, isn't there strata managers, if you are assisting your clients to fill in these forms, if there is no history of burst pipes say that, tell the insurer that you can't tick that replumbing or maybe even rewiring box. But you can say, look, we've got no history here. There's nothing necessarily to worry about that may give the insurers some comfort and save your building some money.

Reena Van Aalst: Yes. Thank you Amanda.

Amanda Farmer: Thanks for sharing that one, Reena, anybody who has some experience with that same challenge, please do post your comment under this episode over on the website. We always love to hear from you.

My challenge for this week arises from, I'm gonna say general meetings and the mandatory motion that our New South Wales legislation requires our owners corporation to have on the agenda of every annual general meeting, a motion to the effect, would you like to restrict your strata committee in any way additional to the restrictions otherwise under the legislation?

So our strata committees can, without having to go to a general meeting, make decisions about repair and maintenance expenditure, for example. Our strata committees can decide to engage a lawyer as long as that spend is under \$3,000 or not otherwise urgent. That's our legislation in New South Wales.

The strata committee cannot make decisions about making or amending by-laws, appointing strata managers, or raising levies. Those things are restricted to the owners in a general meeting because the restrictions on our strata committees are fairly limited, we have this opportunity, the legislation says we must have a motion on the agenda of every AGM where owners can decide if they do want to place you further restrictions on their strata committee.

And Reena, I think you'll agree most often if a restriction's gonna be put in place, we see something along the lines of the strata committee cannot spend more than X amount of dollars. Maybe it's \$5,000, maybe it's \$10,000 on any one item without coming to the owners at a general meeting.

Reena Van Aalst: Yes.

Amanda Farmer: What I'm hearing and why I've brought this to the podcast as a challenge today is that in a couple of communities where there are these restrictions on a strata committee, the strata committee is ignoring that restriction and making a decision to, for example, spend over \$10,000 without going to get the approval of the general meeting. Even though the general meeting said at the last AGM that they weren't to do that.

YSP Podcast Transcript: 397. Insurers are demanding more from ageing buildings

I'm wondering both from your point of view, Reena, and also asking our listeners how common that is. I've heard it a couple of times recently and often when I hear things two or three times, I bring them to the podcast to share. And the question that was asked of me, of course, by this owner who was frustrated by this practice was, "Amanda, how do we stop them? How do we stop them from breaching this restriction? Because no one else in the community seems to care. This person knows their strata law. They knew there was a restriction there, they knew it had been breached, and they knew that that was wrong. It shouldn't have been, but nobody else seemed to be too worried about it." Your experience of these restrictions, Reena, and how do they play out in practice?

Reena Van Aalst: Yes, I mean I've only had probably two buildings in all the time that I've been managing, which I suppose says a lot about the faith that the owners corporations have and lot owners in their strata committees.

One was more, there was a budgetary allocation for waterproofing and it was that they couldn't spend, I think more than 10% of that item, which was quite a high amount. So I think it was 10% or 50,000, whichever I think was the greater. So that's one thing that has been put in place. And I think that's because it was a decision by a previous committee where they sort of overspent and didn't really give much notice about the work that had been undertaken.

Another one I had years ago had to do with the pruning of trees. So basically the owners corporation can prune trees and maintain garden areas, et cetera. But in this particular building, the trees were giving some owners privacy, however, other owners were losing their views. So there was a bit of a disharmony in terms of a conflict between two sets of different requirements of owners. So that was a restriction where they had to, not, the committee wasn't allowed to prune trees unless they came back to a general meeting where it would be decided by the majority.

But I inherited a building I think that had something like \$3,000. And I'm thinking, I said to them the next year, I said, well, \$3,000 is like such a small amount of money that really it would make the owners corporation quite not dysfunctional. That's probably a harsh word to use, but it would be quite onerous every time, you know, because with rising costs, now 3000 bucks doesn't really go far. And the owners accepted that and they said no, like the committee's there. Now, we've got you as a new agent, we feel more comfortable.

But I haven't seen anyone actually breach it. So it's a, it's the first time ever you've, I mean, I've never come across that Amanda. 'cause obviously the things that we manage, we wouldn't let them breach. But I don't know about others and no one's come to me and said, I've had my manager breach that section. No.

Amanda Farmer: Yes. Look, the question that arises in my mind as a lawyer is if the strata committee is making a decision about an issue that it expressly has no authority to make a decision about, is that decision then valid? Because we do start from a point that the decisions of the strata committee are taken to be decisions of the owners corporation. That's what our New South Wales legislation says. Except of course, in relation to those issues where only an owners corporation can make a decision. And I gave some of those examples earlier, but where the strata committee is restricted in its decision-making by resolution of the owners, that's essentially the owners saying, "You strata committee, do not have authority to spend this money, do not have authority to make this decision without coming back to us." So the strata committee then purporting to exercise that authority is I think arguably acting outside of the law and the decisions that are then made, contracts that may then be signed, money that may then be spent.

I think there is an argument there that an owner can make saying that, that action is illegal. So look, just being a lawyer and throwing that one out there, that's the danger I think where committees might be acting contrary to restrictions placed on them at a general meeting.

Reena Van Aalst: Well, the question that I have for you, Amanda, is that, I mean, let's say they approved a quote that was outside their authority of limitations, spending, I mean obviously that contractor has to take on face value that what they've been asked to do is sanctioned by the entity that they represent, therefore they cannot be paid. If, for example, that was an example of someone where a quote was accepted and then the work was done and they say, no, hang on. The owner said, well you had no authority.

YSP Podcast Transcript: 397. Insurers are demanding more from ageing buildings

So that contractor would still be entitled to those to be paid for the work that they've completed because they don't realize or know that, that the authority wasn't complete in terms of the instruction given. So I suppose, I think for people listening, I think people have to understand that it's one of those things where, would they be personally liable, Amanda, if they, there'd be a personal liability as opposed to known corporation liability.

Amanda Farmer: Yes, I think you're getting down to it there. I think that probably is where that kind of unauthorized decision-making would end up. The strata committee members only have the protection of this indemnity that our legislation gives them from the owners corporation if they are acting in good faith with due diligence in accordance with the act. If they are breaching the law and knowingly doing so, which I would think if you're a committee member, you know what the restrictions are, then yes, I think there could be some personal liability that arises there.

And maybe that's the answer. Maybe that's the way that owners who are frustrated by this failure of their strata committees to comply with these restrictions, maybe they could be saying that to committee members and going, "Hey, by the way, you're not going to be protected by the owners corporation if this all goes pear-shaped. You may be personally liable and you might wanna have a think about that before you make these decisions."

Reena Van Aalst: Interesting. I think that sometimes also Amanda, like, you know, we may know that, the quote's been approved and that was an X amount of dollars, which was in the authority of the committee. But then as we know with waterproofing and those types of works, you know, they find things that they didn't realize were there and therefore you really can't stop it halfway through. Everyone knows and understands the whole building and design conditioners act where the waterproofing has to be done to a certain standard and design. So some of, I think there may be instances where things happen that people can't foresee and therefore it's not really a breach per se, it's the fact that the work has to be done, but it costs more than the limit had allowed for.

Amanda Farmer: Yes. And maybe that can be addressed in the original drafting of the restriction to be able to cater for variations in contracts, for example, to be able to make clear that urgent work perhaps might be exempt. All of these things that we know from experience, are how things can blow out. Bringing that experience back to the motion itself and making sure to the best you can, anticipate those kinds of overruns.

Reena Van Aalst: Well that's good advice for strata managers, Amanda. So when people are doing that, we should perhaps raise these issues that could occur, that could inadvertently undermine the intention, but not really the purpose of the restriction.

Amanda Farmer: Yes. I like that. All right, good challenge to be covering. Thank you for your sage advice there, Reena. Moving on to your win for this week.

Reena Van Aalst: Yes, well, a few weeks ago, Amanda, I had a meeting with one of my committees that we manage and basically there's been an owner who bought in recently, actually they might have bought six months ago, but I'm not sure all of a sudden there was some sort of interest that was spiked in terms of wanting all this information.

This is a mixed-use development. So it has rentals, it has holiday rentals, it has residences, it has a number of different, and it has restaurants, et cetera. So it's a mixed-use development and all this information about the development consent and the powers of the committee in relation to the enforcement of that and contracts, et cetera. And so, I just kept telling this owner that, you know, you're most welcome to do a strata search. And, you know, she was basically telling me that I was wrong. That we had to give all this information to owners at the request of an owner. And I kept on referring her to the act and et cetera.

Anyway, so what happened was she obtained the strata roll from another owner who had done strata search some months prior and then decided to send all the owners an email, basically, giving her view of all the things that she thought needed to be done by the owners corporation and then the committee, a number of different items asking for more information et cetera. There would've been about probably, I think, 20 emails that I listed in the agenda anyway.

YSP Podcast Transcript: 397. Insurers are demanding more from ageing buildings

And so at the meeting, so when this email went out to all owners, many owners got really upset that in their minds their privacy had been breached because they had received an unsolicited email from an owner without notice and without realizing who this person was why they, I mean she obviously decided to say who she was and what she was doing and her background, et cetera. But people think, well, how did she get my email anyway?

So all the owners were conducting us saying, how did this person get the email address? I'm not, you know, it's a privacy act. And I, I just say, well, I gave them the section of the act that says that we and the section 22 that we need to keep an address for service if they like in any emails that we have, even though, so this is the thing, the, the issue, Amanda, even though an email address may not be used for service of as their way of getting documents, they may have an email address they've given us that we've used because they've given it to us to communicate.

Amanda Farmer: And you must put that on the strata roll. If you have an email address, then you have to put it on the strata roll.

Reena Van Aalst: Yes. Correct. And so anyway, this particular owner had obviously had something happen to him and his family seven or eight, 10 years ago, I can't remember it. And he was quite concerned that, an owner who has carriage of now, even though the owner said. I blinded and copied everybody. I didn't give your email to anyone else.

The issue is that owners are concerned at this meeting about how an owner can get the strata roll and then use it to email all owners irrespective of what the purpose is. I mean, I think people think, well when they give us their email address, they know that we're gonna be using it for the management of the building. So we'll communicate whether there's fire inspections or there's but we don't use it for any other, and obviously Jen's in minutes or any communications authorized by the strata committee.

And I think, and so what this other owner said meant and said, well, how do I know what you've done with my email address? Like they've given it to us for the, I mean this is what they said, not to me, but to this owner who had had this email. How do we know to whom you could give our email address to? And I thought, well, that was a really good question, Amanda. 'cause I'm thinking, you know, there's a thing about, yes, everyone's entitled to do a strata search and to get any information that's required to be kept in the strike.

And then the owner referred to some section of the act, which was 180, which had nothing to do with it, just about what records had to be kept, but it didn't talk about the right of an owner to access information, which is a separate section of the act. And then she didn't even disclose how she got the information. So, it was from another owner that gave it to her...

So I mean what are your thoughts, Amanda? Because I mean, now in the day where people are worried about, theft and, people say, obviously most managing agents would have sort of secure servers and things like that and, we have authentication for our server in terms of access. So it's not that easy for people to get into our server. Then there's another level of authentication password to get into our emails and all sorts of things to maintain the database. Whereas an owner would not have that requirement on their own Laptop or pc.

Amanda Farmer: Yes, it's a really good point and it is a complaint that I hear often as I'm sure you do, when we tell owners, often committee members who are asking these questions, what the law is, which is exactly as you've said, Reena, if you've got an email address, it goes on the strata roll. And if an owner requests to search the books and records strata roll must be produced, including email addresses. Our tribunal has made clear when these challenges have been made in the past that there is no breach of national privacy principles or any privacy legislation. The Strata Schemes Management Act trumps that privacy legislation and the email address, phone number, the address for service that is on that strata roll for an owner can be given to another owner.

And where you've said that Reena, that question of, well how do I know what this owner is doing with the email address? My first thought was, well, I suppose that question can be asked anytime you give your email address to a service. You might be on the website for DJs David Jones, and you want a 10% voucher. So you pop your email address in there. But you've addressed that Reena by saying, well, these companies like strata managers have privacy policies and these companies have to comply with

YSP Podcast Transcript: 397. Insurers are demanding more from ageing buildings

spam laws and electronic data storage requirements, whatever may be applicable owners who access email addresses. Otherwise, then by express consent, which is the issue I think that other owners have, I haven't given this person my consent to have to use to email my email address.

There is a bit of a lacuna, a gap there in the law and perhaps it's something that does need to be addressed that we are hearing so many complaints about the ability of private citizens to access the personal data of other private citizens and not have to be accountable for, comply with any particular legislation when they're using that data that I know of, by the way, lawyers listening might jump in and say, oh no, Amanda, if someone's got an email address, then yes, they also, they can't upload those email addresses into an email management software, for example, and issue broadcast emails to hundreds of people using that software.

But they can use that email as a one-off and send their campaign letters and whatever else they wanna send to that person. I'm not sure that that's breaching any legislation. Should there be legislation that prevents that? Well maybe if we're hearing from owners that they are just not happy with it. And if, if that's how you feel, if you're listening and nodding and going, yes, Reena, that's absolutely how I feel, then you know, it's your local member of Parliament to be lobbying about that.

As we look at further changes to our strata legislation to raise this as an issue, should this be allowed, one thing that I tell owners who come to me for advice and members in my community is saying, Amanda, I wanna access the strata roll. I want to email fellow owners ahead of an AGM. Something that I'm very clear about is please think hard about what you are going to say in that email because you are, when you send these emails starting on the back foot because people don't wanna hear from you, okay?

They don't wanna get their strata levy notice, let alone a broadcast from a neighbour about how unhappy they are with the committee. Or they want you to vote in favour of their motion. They don't wanna hear from you. So be very clear about why you're emailing. Does it need to be an email? Can it be a knock on the door?

Can it be, a note under the door? Because you're gonna have to work hard to convince the person receiving the email that it is worth receiving. And you're going to have to gain that trust and that confidence and perhaps change minds. So if that is a path you wanna go down, it is open to you. But be very careful and think hard about using that strategy.

Reena Van Aalst: Yes. I think you're right on Amanda, on the whole, I mean, I can understand in some buildings where there are decisions that are made at meetings and people aren't happy with them and there's a lot of noise after a meeting when they get minutes and people say why? And that, I mean, to some extent sometimes, you know, that may happen, but in this particular case, you know, everything's going really well. There's a good committee, there's a good building manager, you know, there's nothing everything's documented. The committee actually has a Facebook group as well so people can if you're a lot owner that's a criteria of joining, but there are many avenues that people can communicate. I just think that, with the whole thing of data security and you know, people's email. 'cause I mean this particular owner, something had happened to his family I don't know how many years ago and he'd gone to court about it.

I don't know the details, but the thing is he was quite upset and, you don't know what people have gone through and when people get email addresses and what happens and. You know, and even though that person may have wanted to use it just for communication purposes of their position or something, I think that people think, well what's being done? Who else has got access? I mean, when you give an email address to our office it's gonna be used for communication purposes, but I don't think people understand that any owner or someone being authorized, I mean even a strata searcher could ask for a whole the strata roll and then that person doesn't even buy in that building. And they have those email addresses.

Amanda Farmer: That's very true.

Reena Van Aalst: That could be an agent or it could be someone like what I'm saying, I think now with data in the way that people, sell data and use data and email addresses are very valuable I think for marketing purposes or any sort of purpose.

YSP Podcast Transcript: 397. Insurers are demanding more from ageing buildings

If people don't wanna get their emails, then that would start to add to the cost of running the building. Because you've gotta post everything. And so it's one of those things where it's a two-edged sword.

Amanda Farmer: Yes. We don't wanna make things harder or more expensive for our buildings or for our strata managers. Yes, I hear what you say.

Reena Van Aalst: Not at all.

Amanda Farmer: And look, no doubt we'll hear from some listeners as we often do when we talk about this topic which we have spoken about before, there is a suggestion, and look, it shouldn't have to come to this, but for some owners this is their way around it. There's a suggestion that you could set up as an owner, a standalone email address that is just for strata matters. And that's the one that you give to the strata manager. Maybe it's, you know, unit 36 Smith street@gmail.com, you know that all of your property information goes through that email address, that's the email that's then on the strata roll. And you don't then have this correspondence coming into what you may otherwise see as your personal account or your business account.

So that's one way, it is an extra burden on owners having to secure, take their own steps to secure their data if that's what they wanna do. And it's a good question, should they have to do that? Shouldn't our legislation be addressing this?

Reena Van Aalst: Yes, exactly. Because I think when owners, you said Amanda when they give their email addresses, they don't realize that it can be accessed by other owners or even third parties acting on behalf of owners.

Amanda Farmer: Yes. Well anyone who does want to see change in our strata legislation, I'm often asked this question, "Amanda, where do I go?" Your local member of state parliament is a good place to start getting strata on the agenda. Some members will be more familiar with strata than others. There is supposed to be some more reform coming this year to our New South Wales legislation. And I am hopeful that there will be some public consultation around that. The opportunity to have your say, the opportunity to let our lawmakers know what you think needs to change. And perhaps this will be on the agenda for some of you.

Reena Van Aalst: That sounds good Amanda.

Amanda Farmer: Thanks for raising that one. Reena. Wrapping up with my win for this week. Through a colleague of mine, I have heard about a building that is having great success, making sure that their owners all pay their levies on time. A building that has no debtors, a building that doesn't have to engage in any debt recovery proceedings, doesn't have to have their strata manager sending out reminder notices. And what I've heard is this building is implementing a particular strategy to be able to achieve that.

Now it's a New South Wales building and they have taken up the opportunity which is open to all New South Wales buildings. Same applies in Queensland as I understand it, to give owners a 10% discount if their levies are paid on time. Now the person who was sharing this story with me said, Amanda, I didn't know this was possible in New South Wales. Is this actually legal? And I said, yes it is. Have a look at section 85 subsection four in our Strata Schemes Management Act.

And that's where we're told that an owners corporation may by resolution at a general meeting determine that a person may pay 10% less of a levy if the person pays the levy before the date that it is due. Now this building had passed that resolution, they'd made it a general resolution, and it applied to everybody, not just one particular person. And they made sure in passing this resolution that they assumed everyone was going to pay early.

And if you assume everyone's gonna pay early, everyone's gonna get the 10% discount. You've actually gotta raise 10% extra in your budget. Exactly. Now I think in Queensland the figure is higher, it's about 20 or 25% discount that can be allocated. So our Queenslanders are very much across this, and as I understand it, it's a lot more popular in Queensland probably because of that large discount to engage in this process.

YSP Podcast Transcript: 397. Insurers are demanding more from ageing buildings

But the psychology of it is that people will act in order to get a benefit, more so than in order to receive a penalty. So in buildings that don't have this resolution, people are paying late, they're gonna take the few dollars penalty interest and ultimately pay maybe when they get a reminder letter. But if you have this option to get a discount, apparently proven behaviour, people will rush to pay their levies and say, Hey, guess what? I got a 10% discount. Even though ultimately that discount might not be real because we've already inflated our levies that's right to account for. What it does and what was shared with me in this building is they have no debts, they have no levy debts, no issues having to chase people simply because of this clever hack I'm going to call it.

And I thought I'd bring it here as a win to make sure that everybody knows that it is possible you can implement this in your community.

Reena Van Aalst: Well, I think that's a good idea. I think Amanda in Williams perhaps where there's a lot of Levy arrears. So that may be a good sort of tactic. But I think that the converse of that would be that it would appear to outsiders that levies are higher than they need to be like 10% higher than they need to be.

Even though, because I mean, when people are doing strata, they don't look at the thing that you've given, you're giving a discount for on-time payments. I think that may work in some cases to perhaps be more of a negative thing. If you're trying to sell your apartment and people think that your levy is 10% higher than the one next door, that's of equivalent. But I think that's a great idea for buildings where people actually don't pay on time. I mean, some buildings have a high level of Levy arrears and those buildings actually will suffer cashflow problems depending on the size of their capital fund and their admin fund maybe.

So that's a good idea for those buildings where you need the money and for those that don't pay on time, it affects the building's cash flow. On the other hand, it may adversely give a false impression of the level of levy that is required to run it. Anybody when it's really 10% less than what it is.

Amanda Farmer: Yes. You might have to train the sales agent to point out, oh, the Levies a 4,400 a quarter. But if you pay on time.

Reena Van Aalst: Yes, exactly.

Amanda Farmer: If you pay before they're due, you'll get \$400 off and have your purchase example.

Reena Van Aalst: Exactly.

Amanda Farmer: Of course. I'd pay my levy before it's due to get that \$400 discount. Yes, good point. And it's interesting for me to hear from your experience as a strata manager arena that you see certain buildings with levy arrears problems whereas others don't have that problem. Is there anything you can put your finger on why some communities have this issue?

Reena Van Aalst: Yes, I don't really have that many ones that, that have high levy arrears, even like during Covid that never, everyone thought, oh, people can't pay their living because they can't rent their apartments or the rents were stable or, but I think that, what we find normally is that the people that can't afford to pay levies regularly are the ones that eventually will sell. But on the whole, our debt collection really is not that high in terms of those that really have to be referred to lawyers and, and we've got one now that they have a lot of money, but the property is sold, but there's a caveat which is stopping the settlement.

So, you know, but we know that, so it's one of those things where, not your caveat wait and see, but yes. But I think it depends on the demographics of the building. How much levies are already been raised in the past, you know, people's capacity to pay. But we're finding most people are able on the whole to pay them as and when they called you.

Amanda Farmer: Isn't that interesting? Because, you know, it's not what you see in the media when we have these stories splashed across the newspaper pages saying strata buildings are sending their owners bankrupt.

Publication Date: 15 February 2024
YSP Podcast Transcript: 397. Insurers are demanding more from ageing buildings

Reena Van Aalst: Yes, I know. but also a lot of those people, like, I think there was one particular story in the media that maybe comes to mind where there was this couple that owned their building since I think the seventies. But I mean, that apartment would be worth quite a lot of money. Like if you don't have a mortgage on your apartment, I mean apartments that last in 15 years have doubled in value. So sometimes people are asset rich in cash for, so some people don't have the means 'cause they're retired or to raise cash quickly. But again, that shouldn't really become the problem of the building as a whole where you know, you can't pay your bills.

I mean that happened to me once in my own building and the owner owned two apartments 'cause it's only six apartments in our block and he owned a lot of money so, therefore, all the other owners had to pay more money, to facilitate the cash flow until he sold his apartment. But I mean then like, then again we all had to fork out more money to do that. So why should we all have to suffer financially? 'cause I mean, you know, we had to find other sources of income and borrow money on our home loans and whatever to do that. So it does become, let's say again where I think another conversation about the whole concept of strata is really interesting.

Amanda Farmer: Yes. Community living, community contribution, not having to subsidize your neighbours. Yes. We'll put that one on the spreadsheet for a future chat.

Reena Van Aalst: Yes.

Amanda Farmer: Well that has been a huge episode for our first chat of the year. Lots of gold in there. I hope. For our listeners, thank you for joining me for this chat, ReEna Van Alst. I hope you've got an exciting weekend strata ahead.

Reena Van Aalst: Yes, as always.

Amanda Farmer: And I can't wait to see you in a couple of weeks. So it'll be just around the corner when this episode goes to air.

Reena Van Aalst: Yes, we're looking forward to it Amanda. Very much so.

Amanda Farmer: We will be sure to share some of the shenanigans perhaps shall I say, that we get up to in Mudgee on the Your Strata Property Facebook page. You'll probably see some posts there and on our Instagram account and we'll look forward to having some of you join us as well in Mudgee.

Reena Van Aalst: Yes, it'd be nice to catch up with a few of my colleagues that I haven't seen for some time.

Amanda Farmer: Absolutely. Looking forward to it. Well, until then, bye for now. Reena Van Aalst.

Reena Van Aalst: Bye Amanda.

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