

Publication Date: 26 June 2025
YSP Podcast Transcript: 455 - When Selling is the Smarter Move

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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 today Reena Van Aalst from Strata Central. Hey, Reena.

Reena Van Aalst: Hi, Amanda.

Amanda Farmer: We're having a little giggle because we're actually looking at each other. We are live and in person today. Very rare. We're on a couch together. I have Reena. I'm reaching out and I'm giving her a little hug. It's great to see you.

Reena Van Aalst: Yes. I think the last time we did an in-person one was back in Edgecliffe, I think about two years ago. Amanda, from memory, when we were both in the office together.

Amanda Farmer: Yes. And that's probably been the only time, I think. So we're here together in Brisbane. I'll be attending the Australian College of Strata Lawyers conference this week.

Reena is jetting back to attend to the always urgent conference client demands. But we managed to sneak in a podcast chat before you jump on a plane.

Reena Van Aalst: Yes, it's really nice, Amanda, to actually be in another location apart from Sydney and be together.

Amanda Farmer: Yes, thank you for making the time. But as usual, we have our challenges in strata. That's what we're here to talk about. We might throw a few wins in there as well.

What's been challenging you this week, Reena Van Aalst?

Reena Van Aalst: Well, this is probably a challenge really more for strata managers than anything else. But I'm reading the example of a building manager who has been assigned in one of our larger buildings the task of undertaking the work for the fire order, which obviously is in addition to their normal workload. And, what the strata committee decided to do was to actually provide the building manager with additional 16 hours of support paid to the building management company by the owners corporation.

Because what they could see and understand is that this building manager could not undertake all those functions of exercising the compliance with the fire order, meeting contractors, getting quotes, et cetera, et cetera, in addition to the normal tasks that she's supposed to do. Now I'd like to flip that to the converse for a strata manager who on many occasions has to deal with fire orders for a strata scheme, additional work they have, sometimes building defects they have to deal with.

For a particular scheme, there could be remedial work. So to require a lot of meetings and funding, usually by way of strata loans. With strata loans now, the meetings also require more onerous execution of paperwork by strata committees. They now require some institutions require the strata committee to confirm the loan, even though there are minutes. We also as managers have conflicts between, you know, owners and committees. We have NCAT, we have mediation and we have all these things in addition to our normal functions.

But I've never really seen any owners corporation say, "Oh well, you should have extra resources now we're going to pay for that." Now. I suppose if I did ask for them in that way, they would say, "Yes." But my point is that strata managers are tasked with running say a set number of buildings. However, the activity level will vary and there's not enough resourcing in any company. I don't believe that can take into account these challenges on the model of enumeration that's currently in place, I think for most of our schemes.

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Amanda Farmer: So tell me this, are you talking about something more than additional services fees? So when something like litigation comes up or an insurance claim perhaps, or a fire order, those services for helping an owners corporation deal with that are not included in your standard agreed management fee, but you can charge additional services fees?

Reena Van Aalst: Yes, that's exactly right, Amanda. But the problem is you need additional capacity. I'm not talking just about the enumeration, I'm talking about the capacity. So strata management companies need to really have either a spare manager or a spare personnel so that when these things arise, that person is there to perhaps either do the day-to-day management of the building so the manager can focus on these extra tasks or these more onerous, more time-consuming tasks.

And, therefore I think the fixed fee arrangement, even though people are paying extra for additional services, you still got to be able to, a company has to carry that extra person even though they'll be charged on depending on what the remuneration model is. Because there are some companies that don't have such enumeration where everything is fixed and therefore even if there's extra workload, they still don't have the capacity to charge extra. A building manager, for example, you know, they're paid X amount of dollars regardless of whether there's a fire order, whether there is any repairs.

It could be times when it's smooth sailing. Where strata managers are paid X amount of dollars to do certain statutory functions and then the rest is always charged in addition. So I think it's just the way that we had to look at the model. I don't think this model with the workload that's now being experienced by managers is going to be sustainable.

Amanda Farmer: Yes, it's interesting that you raised this because I've just come from two days with business owners, strata business owners in Victoria, they had their SCA principles retreat up in Cairns. So room full of strata management business owners and supplier business owners.

And absolutely, of course, we were talking about this problem, changing remuneration models. If we're not going to have insurance commissions anymore, how do we factor that in? And we were talking about strata managers getting a really good grasp or needing to get a really good grasp on the costs of doing business.

Reena Van Aalst: Yes.

Amanda Farmer: And what you're highlighting here is that perhaps one of the costs of a strata manager doing business is to carry an additional resource, whether that's a person or the ability to bring on a consultant or bring in somebody at short notice, carry that additional resource in case a building has an urgent need, then allocate that resource to that building so that you, as the manager, can continue to provide the usual services without interruption, without delay, without missing any of those important deadlines that you're often sharing with us, Reena.

So, yes, I mean, I think that's a really good point. And one of the reasons why we're not just talking about additional services fees, we're talking about the agreed management fee, perhaps overall having to increase.

Reena Van Aalst: Yes.

Amanda Farmer: Because that agreed management fee, and this is what we talked about in Cairns, that agreed management fee needs to cover and exceed if you're going to be profitable. Your costs, your everyday costs of doing business.

Reena Van Aalst: Exactly. And I think also too, when a manager is overloaded with activity in a certain building or a certain number of buildings, and the other buildings then fall on the wayside of it, and then people are chasing you up and. And again, you're suffering reputational damage because you're not able to keep up with the email volume. And it's funny because my colleague and I were talking the other day. Cause on Fridays generally we never used to have such huge amount of emails, but now what we're noticing is that Friday is one of our busiest days because I think people work from home on a Friday.

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And again, the influx and deluge of emails coming through from people who obviously, when they're at home, they think about their home, they've got time, they're not traveling, they've got extra head space to deal with these strata matters that perhaps they normally wouldn't be able to deal with at any other time of the week.

And so again, we're finding that with this volume of emails that I think, you know, you're away for a day or two and your inbox is just then trying to catch up and then trying to deal with other urgent matters, I think it's just, the model is just not sustainable. And I think people say, "Oh well, managers get paid a lot of money." And that's true. However, no amount of money is going to be able to compensate for burnout.

Amanda Farmer: Yes. So what changes do you think about making if you're at this stage yet in your model? I mean, I know we talk about the model and you know, this fixed fee per lot fee for your agreed management, then your additional services, then your insurance commissions, I mean at the end of the day, as a strata management business owner, it's up to you to decide what you want to do.

Reena Van Aalst: Yes. And I think what's going to start happening, I think not just in our business, I think, but in general, the quality and standard of our services has to increase. Number one, I think that it's really hard to justify increasing your fees when you know you're not performing in terms of what clients expect.

So in terms of the advice that your managers give, the timely responses, but I think as well the two-edged sword is to be able to do that you need to have extra resources and extra people so that you can then undertake that training of your managers, allow them to be able to focus on certain things while somebody else focuses on another aspect of the management of the building.

And I think we have like a co-manager arrangement and I think that's probably going to be more prevalent, I think, moving forward.

Amanda Farmer: You just said co-manager arrangement. Can you tell me more about that?

Reena Van Aalst: So basically the majority of our schemes will have two managers. So we have what we call a lead manager and then we have a co-manager. So the lead manager will deal with certain tasks that are assigned to a building.

The co-manager may, for example, work on, managing tasks for the support staff or checking, you know, the 184's and things like that. So we sort of split the workload and task management based on who the lead manager is for that building. That lead manager will normally go to the meetings, the other one doesn't. But if the person's on leave or sick, then the co-manager will then step in and that co-manager is always copying all the emails.

They've got knowledge of the building and as time goes on, sometimes the co-manager may move away because the activity level doesn't really warrant as much emphasis on that particular building. But if that does change and that co-manager then comes back in again, but again that requires more resourcing, that requires a co-manager also to have less buildings. So it's one of those things where it's a two-edged sword in a way.

Amanda Farmer: And they're both licensed strata managers?

Reena Van Aalst: Yes.

Amanda Farmer: And would you say, Reena, from what you know around the area, for the buildings that you service, are you priced at the reasonably upper end?

Reena Van Aalst: I don't think so, no. I've seen various price models because obviously when people say we've got a quote from A, B and C, I think we're sort of more in the middle to upper middle, but not at the top.

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And I think we probably do need to move to that level to be able to, I think, justify the model that we've got at the moment.

Amanda Farmer: Look, our buildings are only getting more complex. The problems that you've got to solve getting more complex. We saw some data from Tim McKenzie at Macquarie Bank when I was in Cairns, and the forecasting is the buildings are just getting bigger and that means more complex facilities, more people on site, contractors, building managers, more for our strata managers to be focused on and to be gaining skills around.

So thank you for articulating how you're handling that.

Reena Van Aalst: You're absolutely right. The more complex the buildings are, the more difficult they are to manage and the more education is needed around the managers for them to be able to manage the complexity.

Amanda Farmer: Yes. Excellent. Well, let's move on to my challenge for this week, Reena. What I wanted to bring to the pod was the new legislation commencing in New South Wales 1st of July 2025.

We heard from the Government just last week that that is the date for many of the slated reforms to commence. Other reform will commence later this year, but it's not a lot of time. We're recording this. I think it's about second week of June. We've only got a couple of weeks before this commences and there's a fair strata managers for committee members, for owners to get across. I started talking about this in a little bit more detail on our Friday Live on our Facebook page last week, and I saw a lot of questions coming through from strata managers.

A big one that came through on the page was the new requirement to include an additional motion on your AGM agendas. And that motion is about sustainability. The wording in the new clause in particular is environmental sustainability and emotion to consider environmental sustainability, including the water rates and the electricity charges for the scheme. That is a new statutory, that is mandatory motion to go on the agenda of every general meeting.

And the question I was getting on Friday was, "Hang on a sec, Amanda. I'm sending out agendas now for meetings that are happening in July. Should I have included that motion? Because I didn't and does that mean I'm gonna be in breach?" Is this something that you've noticed yet, Reena, been thinking about?

Reena Van Aalst: No, I haven't thought about it at all.

Amanda Farmer: "Join the club." Says a lot of our listeners. So I did manage to go and have a bit more of a think about it in between Friday Live and now. And, what I do wanna confirm is that this is a new requirement to include a motion on agendas going out from the 1st of July.

Reena Van Aalst: Which is what I would have assumed it would be.

Amanda Farmer: Yes. So it's not a requirement. Make sure you consider this at any meeting that's happening from the 1st of July onwards.

It is include this new motion on any agenda going out from the 1st of July onwards. So if you're sending your agendas now and you don't have that environmental sustainability motion on there, don't panic, you don't need to. You are still legal and compliant owners. Please don't go bashing your strata manager up over this one if that motion's not on there. But for agendas going out from the 1st of July 25th onwards, environmental sustainability motion.

And do head over to our Facebook page if you want to see a bit more detail on that. And the actual wording of what the motion should be is over on that page as well. Is there anything, Reena, that's in the back of your mind about the reforms or questions that you have? Because the questions you have, others tuning in will.

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Reena Van Aalst: So, Amanda, I assume that the statutory fees changes for searches is all going to change now from the 1st of July.

Amanda Farmer: Yes, that you're right. That is all happening the 1st of July. I'm laughing because one of the changes to the fees is for books and records search. Now, anyone who is not an owner is going to be charged just about double for that search. When I've said that out loud in front of other people, they've said, "That's weird." I said, "Yes, I think it is too." I'm calling it the lawyer tax, so that when lawyers are coming to search books and records, they have to be charged \$60 instead of \$31.

Reena Van Aalst: The strata searches would be also a pain that would make.

Amanda Farmer: You're right. Strata searches. What do you think?

Reena Van Aalst: I mean, to me, the fee should be the same whether it's.. And I think it should be much higher than what it is, because I think depending on your technological base that you have with it, I mean, a lot of companies are now moving to SharePoint. So with SharePoint, you can just use a link and take out all the privileged stuff.

So you can move the privileged stuff onto a separate section of the SharePoint server. And now that's a link. But also making sure that everything has been saved in that directory is really important, Amanda, because when, you know, as we've said before, many documents are emailed, unless you have some system where you're capturing all those emails into your document management system, then you've got to make sure that if there's a search, you got to make sure everything's been saved. I think that the search fee should be the same and it should be higher for all, whether you're an owner or a lawyer or a strata searcher. I think the amount of work required is really the same.

Amanda Farmer: So tell me about this. The fee is payable to the owners corporation, this statutory fee. If you as a strata manager have to do work to put documents together. Some strata managers, I'm not sure about you, Reena, have forms on their website. Fill in the form, set a time. There's some work involved, maybe sometimes some admin. Do you charge additional services for arranging a recognition?

Reena Van Aalst: No, we don't. And there's a lot of back and forth actually sometimes because sometimes if people have a car space they'll pay a lesser fee, but it's got to be done concurrently with the apartment lot. And sometimes people get that mixed up in terms of owner, but I only want to pay for the car.

So it's like, no, you've got to pay. That fee is only applicable if you've already paid the full fee for the apartment. So it's all, I mean, and again, you're doing extra work to get the ledger ready to show how much a person owes, et cetera, in terms of levies. But I think I've had to charge more when I've had to go through emails because we had a request from an owner to who was suing the owners corporation, who wanted to search all the records and all the emails.

Now because when we do our filing system, we don't assume that there's going to be litigation. So everything's filed for the building in its directory and therefore I had to sit there going through every email and taking out all the advices, or anything or communication between members. Sometimes people say things is like, "No, you don't want him to see that."

I mean like they may be saying things about that person, which I probably shouldn't be saying. But again, nothing to us of, oh, you know, if I leave it.

Amanda Famer: What's the lesser evil?

Reena Van Aalst: Yes, well, one day I'd I left something in there and someone had called someone a cockroach and I shouldn't have because the amount of trouble that ensued as a result of that email, I thought, "Oh God, next time I'll take that one out." But Yes. And so I just spent a lot of time going through all the emails to make sure that anything that was privileged or anything that

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was relating to this matter where the committee were talking about tactics and things like that I had to expunge from the regular as in like move it and then just put the ones that everything else into that one directory. So that took me hours. So..

Amanda Farmer: I know you're about to. Oh sorry, are you about to tell me you didn't charge?

Reena Van Aalst: Oh no, and I told the client and they were away and of course they had no issue with that. But again as I was alluding to earlier in our discussion about workload, that took me so much time. So therefore again I'm taking away from my normal tasks of managing schemes while I'm spending hours going through emails and making sure nothing falls through the cracks. Because as you can imagine when you're in litigation anything amount of that you'd leave that you should the other side shouldn't see could cause a problem.

Amanda Farmer: Yes. And I think that's important to remember. Not every building is the same. Not every building's in the same situation at the time somebody wants to do a search, if it is the owner who is the adversary of the owners corporation who's doing the search.

We do have to be extra careful. If it's not you doing it at your hour rate, you could as well say to the committee, "Well let's get the lawyer to do it at their hourly rate." I've certainly been engaged to do that for buildings in the past where the lawyer is going through the material and making sure that nothing that shouldn't be disclosed is that all comes at a cost, you're right.

And I don't any manager who is listening here thinking, "Oh I can charge for that? Well yes, check your contract and make sure that that's in there, that that is an additional service that you provide." But yes, I don't we come back to this statutory fee. I mean what's it supposed to be for? You know it seems very old-fashioned then that it's 30 bucks or 60 bucks if you're not an owner. For what? For clicking a button to open an electronic file.

Reena Van Aalst: But all the work behind it, Amanda, that gets you the downloading of the ledgers, the back and forth with has a fee come in. Checking the banking, "Oh, yes, it's received." I mean there's so much more than. I mean you're actually losing money, I think. For 34. For 34. But sometimes some searches back and forth and oh, they couldn't find this.

They can't in there. Here it is. You're like, sometimes searches can't find documents. You know, they're there. So you've got to go back and say, "No." If you look, if you click on the link, it's still there. Under insurance or under, you know, legal or under whatever it is. Sometimes they can't find things because they haven't. Yes for an hour.

They don't want to spend all that time because they want to worry about charging the client for an hour when someone's about to spend hundreds of thousands of dollars on an apartment, if not million, over a million dollars, and they're worried about, you know, charging the client an extra hour for 30 bucks just to try and give themselves more time. Because if they haven't done it properly, as you go, you get the link, you'd got to download everything.

Amanda Farmer: Yes.

Reena Van Aalst: That may take time. And then something is missed and then we're going back and forth and you know, oh, I didn't get this and I didn't see that. And it's like, well, it was there. And then if you charge and the people get upset if you ask them for another fee and sometimes it can be quite an arduous process.

Amanda Farmer: Yes. And I just want to play devil's advocate here a little bit for our listeners who might be thinking, "Well, Amanda, if the strata manager doesn't have the records in order and ready to go and have the ability to just press a button and provide that link to the searcher." surely that's their problem and why should they benefit financially from having to get everything in order and then bill us for something that they should already be doing as the custodian of the record.

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Reena Van Aalst: I'm not saying that people should be billed for getting things in order. That's why you have 14 days to ground a date and time so that you do have that time to.. But what we're finding now, a lot of people leave it to the last minute, they want to bid on something, you know, like, let's say searcher comes to us, the clients come to them last minute auctions tomorrow, they need to do an urgent search.

So I'm not saying, I mean, again, we come back to the volume of emails, we come back to the volume of work and you want to make sure that you've given everything to the searcher that they need to see. But on the other hand, you know, you may have been in an NCAT hearing and something's come through in your emails that no one else has access to and that hasn't been filed or saved or whatever.

So, yes, I think it's a give-and-take thing, but I think more it's just about the fact that \$34, I mean, to me that's just a meal at a restaurant. Like you're really. I mean.

Amanda Farmer: A cheap one.

Reena Van Aalst: Yes, exactly. I mean, you know, it's probably an entree maybe. And so if you look at the time taken, the personnel, it is putting anything in order does take time properly. I mean, you can put anything into a directory, but if you got to rename it like we rename everything, that person opening it doesn't have to open 10 documents to see what they are, but they can say, "Oh yes, that's that agenda, that's that document, that's a supporting thing, that's the email." So it's all in a saved in a way that is easy for that person searching to find out, not having to spend their time going through documents where they're all got the doc 1275843, open every single document, which is what sometimes we get when we get handed on records managers.

Amanda Farmer: So, yes, that is a couple of the changes that we have on the horizon from the 1 July, many more to come. And if you're listening in and you have specific questions about that new legislation, Reena and I would love to hear them. Whether you're a strata manager or an owner, send them through to us, post them as a comment under the episode and we can unpack them in a future chat. There's going to be lots to talk about.

Reena Van Aalst: I'm sure there will be. Amanda.

Amanda Farmer: 6 12, 18 months in my last episode I mentioned the Tribunal litigation that inevitably folds out years after reform. We saw that when our 2015 Act came into force and look, this isn't as significant a reform as that was, but there are big changes there and there are a few things with question marks around them that I think will need to be tested in the Tribunal.

Reena Van Aalst: Yes, definitely, Amanda.

Amanda Farmer: Lots on the horizon for strataland as usual. Time to shift over to our wins. What's your win this week, Reena?

Reena Van Aalst: Well, the win this week, Amanda, is the withdrawal of an application by about four or five owners against the orders that were made by the Tribunal for compulsory management by our company. And I've been having sort of emails back and forth with this previous committee that was in charge who probably didn't understand how the Section 237 works whereby depending on the orders, some orders obviously do give the manager less authority depending on what the issues are in the building and why the orders are made.

But these people put on an urgent application number one to obviously to what they deem to ameliorate the harshness of compulsory management that was dismissed in terms of being an urgent application. Then we had our directions hearing and pretty much I think what the member tried to allude to was that they really had to understand that when you're taking legal action against the owners corporation you really should get some legal advice on the merits of the case and also what you're able to seek in terms of and what the Tribunal can make in terms of orders.

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And I'll just perhaps, you know, this is actually I think the first for me because I've done many of these compulsory managements and I've never really had people that really don't understand what it means.

Amanda Farmer: Right.

Reena Van Aalst: And whereby the reasons were to afford us owners a modicum of fairness after our democratic rights were preliminarily taken away upon the position of compulsory management.

Amanda Farmer: Now these are the reasons for seeking the order that these owners put in their application.

Reena Van Aalst: And some of the things that they wanted were the ability for the previous chairperson to convene and hold general meetings with the owners corporation selected chairperson, secretary and treasurer. Also in order permitting him to convene and hold monthly general meetings in order for our company to immediately and comprehensively report in writing to all the owners to the secretary their progress in arranging the affecting repairs to the lot. That was the applicant.

An order requiring Strata Central to report three monthly to NCAT of what's happening. An order about the fees which are in their opinion deemed to be excessive and replaced by fees that are fair and reasonable to both parties. And it goes on and on and on.

Amanda Farmer: Wow. That's creative.

Reena Van Aalst: Yes, exactly. So I didn't and I was. This building, we're supposed to get it at the beginning of March. The previous manager who had it for three months, who was compulsory appointed for three months, who hadn't done what they were supposed to do and obviously spent a lot of money at the owners corporation doing other things. But I won't go into that today. So it took us a month to get the records. By the time we got the records it was fifteen hundred dollars in the bank.

And anyway, and so we had to go through all the financials. We had to. Basically, we did two report letters to all the owners. The first one just before Easter on 17 April, the second one on 6 May. So to say that people weren't informed of what was going on I think was a bit of an understatement. I think that even if you're under normal management, you probably wouldn't have got an update that in such a short amount of time frame.

But yes, it was just interesting to see how people, you know, really don't understand. And I think the member was trying to allude to them to actually. And she said, "Are you sure you want to continue?" Said, "Yes." So anyway, they went ahead and then the member asked, if they were unsuccessful, would the owners corporation be seeking legal costs? And I said, "Absolutely, yes, because basically putting the owners corporation extra."

And also what I was trying to allude to is that while we are trying to get things on the building by taking our focus away by having to deal with this application was like in the best interest of the owners corporation, they've had about 45 strata managers. Yes. And I said that, "Your resources would be better spent if we were attending to repairs and maintenance in the building as opposed to being sidetracked."

Amanda Farmer: Yes.

Reena Van Aalst: On this application that really had no merit and was not going to succeed in any event. And that sort of came out when I said, "Team, we are the owners corporation. No, I am the owner. We are the owners corporations." And that I think it was a concept that they could not really understand. So anyway, last week I just got an email on Thursday basically withdrawing the application.

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So they have to get each person signed and then only there. So yes, that was very good news because I think that again would have been not a good outcome for the building. And I said to him, "You know, I do want to work with you." And I said, for all the owners constructively. But that's what the orders were trying to achieve. And I think during the directions hearing he said to the member, "Oh well, you know, I don't have access to the funds of the owners corporation for legal fees."

And she said, "But, you know, why would you think you would have that?" So I think again, the fact that people don't understand that, you know, just because they're on the committee having access to owner's funds to do. To run your own application.

Amanda Farmer: Yes.

Reena Van Aalst: And then one of the things that was interesting was that you said, oh, but you know, we're acting in the best interest of the owners corporation. And then the member said, "So you say." So I think, in a sense. And what I tried to also explain to the owners in one of my report letters is that compulsory management only happens when there is terrible dysfunction or in this particular case, an owner who hasn't had the use of a bathroom for more than three years. And people might talk about people's, you know, personalities and all that, and there is always a lot of that involved in these types of things.

However, you know, you don't end up having compulsory management if you're ticking all the boxes. It's very, I mean, as you know, Amanda, being a lawyer, these orders are hard to obtain. The amount of evidence required is onerous. It's not just a matter of, you know, saying you haven't held a few meetings here and there. It's much more than that. And when orders of these type are made and then extended, I think part of the problem was that this owner was told to use a certain company because that was what the contractor said to her, "Why don't you use this company?"

That person's my strata company. She didn't know any better. She went and got them appointed. They obviously didn't do the right thing by not doing what they were supposed to do. And then she had a recommendation to appoint our company or to put forward our company. And this time it was actually a year, so the first time was only three months. This time it was a year. So that, again, tells you something, that something is not right when the new orders are for a much longer period than the initial ones were.

Amanda Farmer: How many owners in the building?

Reena Van Aalst: About 41.

Amanda Farmer: And how many on this application?

Reena Van Aalst: Five or six.

Amanda Farmer: Yes. And when the applicant filed for compulsory appointment to appoint you, was there any response to that? Did these owners who later filed the current application, they were objected?

Reena Van Aalst: They were involved. Yes. And then one of the reasons to say that they didn't have any say, but they did have a say, they just didn't understand that their say wasn't really probably.

I'm not sure I haven't gone through all the past documents to see what statements were put on by them or what role they played, but they were all at the hearing and they were all there, so.

Amanda Farmer: And would have had the opportunity to appeal the order.

Reena Van Aalst: Yes.

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Amanda Farmer: It sounds to me, just from what you read out, that this was an attempt at a quasi appeal, you know, an appeal through the back door.

Reena Van Aalst: Yes, exactly.

Amanda Farmer: And, you know, I think I've said this before where Tribunal members can, at that first directions hearing, make statements not forming a view. It's very important that they don't do that without a hearing, but make very clear statements as to what the law means. And if it is very obvious that applicants are on the wrong track to make that clear, that is just so helpful.

Reena Van Aalst: Yes.

Amanda Farmer: And it sounds like what this member said at that first directions hearing really made these applicants go away, think about it, and decide not to put their owners, corporation, their fellow owners, to the cost and trouble and trauma of more legal proceedings.

Reena Van Aalst: Yes, exactly. And I think also what people don't understand is that in the day, like, people don't understand necessarily mathematics that understand the law and therefore they do find it hard to deal with these types of things when they do happen.

I do understand, Amanda, that like, for an average layperson, like, I gave them all the financials from the previous manager, "I said, this is why we're in our predicament. We only have \$1,500, blah, blah." And then I get an email from one of these saying, "Oh, we don't think about our finances. It's like, well, I gave you all the information that I received. You know, it's all available on our portal."

Every day you go down and have a look who's paid, who's not paid. And in fact, what I've heard is there was a special levy that was struck by the previous manager that was now due on 1 April. And apparently there's a little group that telling people not to pay their levy. Now, I don't know that's going to help get, you know, bills paid and repairs done. But anyway, that's another day. I'll just have to deal with that one when it happens.

Amanda Farmer: Well, good luck with this building and solving the problems there, Reena. From my point of view, they're lucky to have you. And I can say that from an educated position where I have acted for owners who are in buildings where you are the compulsory manager. I've acted for owners in buildings where there are other managers who are the compulsory manager.

And I have to say, your disclosure and your transparency and the documents that you give owners to make sure everyone's informed about what you're doing is above and beyond what many other managers are doing.

Reena Van Aalst: Thank you, Amanda.

Amanda Farmer: Yes, keep it up. My win for this week is a little bit different. I debated whether to bring this one. It's a bit left to fill, but here goes. There is a member in our community who has had a couple of wins in NCAT over the years.

A win getting orders to prevent her neighbor from smoking on the balcony. Stop the smoke drift.

Reena Van Aalst: Oh wow.

Amanda Farmer: Then a win in relation to some damage to her lot property because of a leak. So really educated in the strata verse, quite confident, working hard to bring an old-fashioned recalcitrant, let's say committee into line and work with a manager who maybe has been in the business a little bit too long.

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Notwithstanding those wins, she has for the last year or so continued to struggle with getting her owners corporation to raise sufficient funds to plan for the future, to repair some other problems around the building. She has felt that the writing is on the wall a little bit for this building. She's concerned about big fees coming up down the line that she would prefer to budget for now, doesn't want to have to deal with. Then she decided very recently to sell and she has never been happier.

Reena Van Aalst: Wow, that's amazing, Amanda.

Amanda Farmer: Yes. So this is a really interesting one because look, it's a rare case, but it does happen. It's happened. I can think of a few times that has happened where I've been talking to a client who's in a really difficult situation, may not have the money to litigate or may have litigated and may still not be getting the outcome that they need.

And I've had to float the idea, you know, maybe this building isn't for you, maybe it's time to move on. Maybe you do need to sell and it's such a big decision to make. I know, especially if you've been somewhere for a long time, it's your home, maybe you've got kids as well. Changing areas, it's expensive to sell. If you buy something else, you're paying stamp duty on that property.

It's a really hard decision to make. But I watched this particular member make this decision fully informed, with great confidence, feeling great relief when it was done and just knowing that she had done the best she could in that building. She'd had her wins, she could see that others were stuck in their ways, weren't going to come along for the ride. She didn't feel she had the energy to continue to drag them along or to wait for others to sell and move or a new manager or things like that.

And she decided to sell. And I wanted to bring that here and say, you know what, that's an option and it can be a brave step to take and for some people it's the right decision.

Reena Van Aalst: Well, it's a great outcome, Amanda. But I was also thinking about her next property that she's going to buy and whether or not how is she going to do her research to make sure that she doesn't sort of end up in the same position or not.

Maybe not as bad as where she has come from, but in another place where on the face of it it all looks okay, but then when you dig a little bit deeper, I suppose she's got a lot of experience now in terms of looking at the finances, seeing what money's in the kiddie, seeing what work needs to be done and hopefully being able to make a more an educated decision as opposed to probably the first time she bought in this particular her previous property that she's now sold.

Amanda Farmer: Yes, great point and I think you're right. I think she's learned a lot, a lot, a lot along the way and I'm not sure what her next steps are, whether she plans to buy again in strata, whether she's going to rent somewhere else and doesn't want to own in strata anymore or buy something that's not strata titled. But if she does buy strata yet, she's going to have all of that knowledge to be able to apply to making the best decision available to her doing that research.

Buying into a building that perhaps has already been through that process, if it's an older building, you know, we get these 40 year old buildings that suddenly everything needs to be done at once. Trying to maybe avoid that, maybe avoid the brand new buildings with the building defects and have a close look to the extent this is available on the records about at the harmony in the building and how owners are communicating with each other and what the history looks like there from a neighbourhood and neighborliness perspective.

Reena Van Aalst: Yes, it's a really good point that you make of Amanda about the harmony because I think a lot of the times the issues aren't related to necessarily the financial or the other things, but it's the disharmony that occurs because people like your member decides to say something and then that person is put in a position where they're seen as the bad person, they're seen as a troublemaker because they're obviously rocking the boat.

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But even though all they're trying to do is say, "Well, I just want my home fixed, I just want money in the bank, I want to be able to try and live in a building where we know that when something happens we're able to pay for it." And I think that's, that's not a big ask and that's what I think the legislation is trying to bring into practical effect.

However, I think that would make it a bit easier if I think the government looked at the capital fund forecasts works plan, sorry they're called, or whatever they're called now, and make sure that buildings are moving towards those types of balances, even though we know those balances aren't accurate. But usually what's in the bank and those balances are usually there's a big disparity between those amounts. And I think that's why your member had to, you know, do the worst thing, in a sense, which is to sell.

I mean, in the day, like you said, you got to buy stamp duty. There's the unknown of the next thing. But, and I understand, like you just become exhausted from it all. It's quite taxing and it's quite, you know, hard on people when they've got their normal life to deal with, the jobs, their families and then they've got to deal with this on their job.

Amanda Farmer: Yes. And I'm sure there's so many who are listening who can relate. So just important to remember there's always options. You never stop. And whatever decision, I always say, whatever decision you make, it's the right one. It's the right one in that moment for you at that time.

Reena Van Aalst: Yes.

Amanda Farmer: Well, Reena Van Aalst, it's been so lovely sitting on the couch with you. I think what's happened because we're together and we're chatting and we're relaxed. Our podcast is about twice as long as it normally is.

Reena Van Aalst: Exactly.

Amanda Farmer: I hope you've enjoyed dear listener and learned a few things along the way. Perhaps. And if you do have questions for us, please do drop a comment under this episode on the website. I'll look forward to seeing you again soon, Reena. Probably not in person over a computer screen once more.

Reena Van Aalst: Exactly. Back to the real world, Amanda.

Amanda Farmer: That's right. Safe travels home. Thanks for joining me.

Reena Van Aalst: Thank you, Amanda. Bye.

Amanda Farmer: Bye.

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