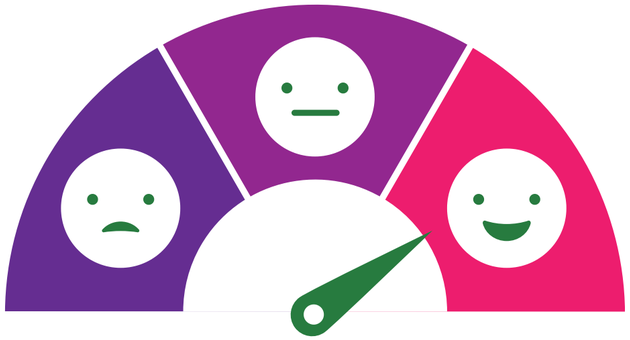
AUSTRALIAN APARTMENT ADVOCACY

premium strata

LookUpStrata



2024 STRATA MANAGEMENT CONSUMER INSIGHTS REPORT

WHY THIS REPORT?

The Strata industry is undergoing significant transformation, driven by advancements in technology, increasing regulations, and more informed property owners who are demanding better services.

With New South Wales facing an unprecedented housing shortage, the rise in new developments will increase pressure on strata management. This report aims to gather essential consumer insights on the evolving Strata industry, offering valuable data on consumer perceptions, identifying industry challenges, and providing recommendations to guide key stakeholders in shaping future improvements.

Thank you to

Sam Reece, Australian Apartment Advocacy
Nikki Jovicic, LookUpStrata
Liza Jovicic, LookUpStrata
Inger Brettle, Premium Strata
Hugo Schlanger, Premium Strata

Lead author: Leanne Habib
Published October 2024

This report was developed on the lands of the Gadigal people of the Eora Nation, whose sovereignty was never ceded. We pay our respects to Elders past and present.

RESPONDENTS

NUMBERS

761 people responded to this anonymous and non-incentivised survey.

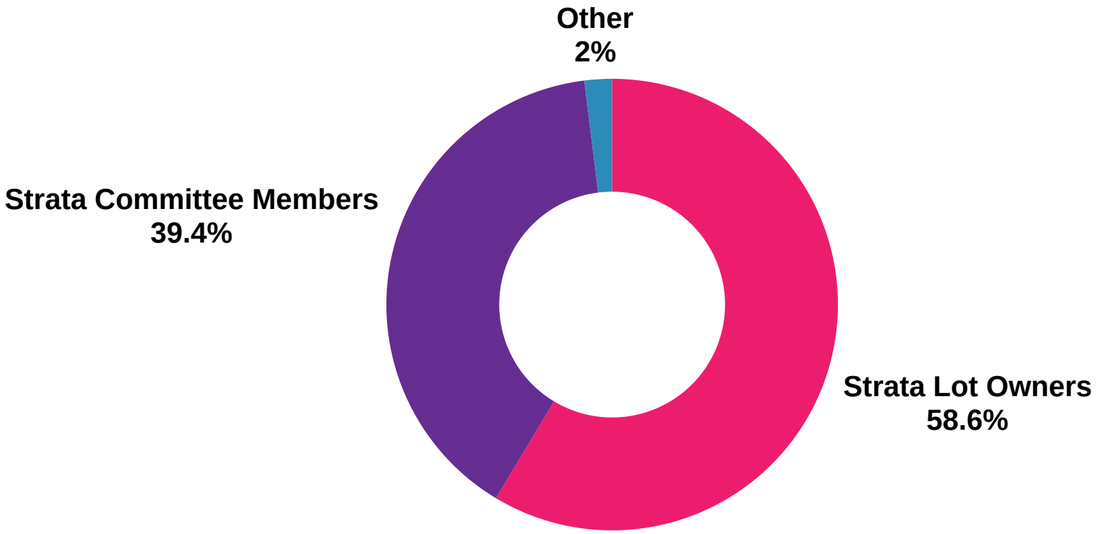
SIZE OF THE STRATA RESPONDENTS LIVE IN

Small scheme
(<50 lots)
59.2%

Medium scheme
(50-100 lots)
21.6%

Large scheme
(>100 lots)
17.8%

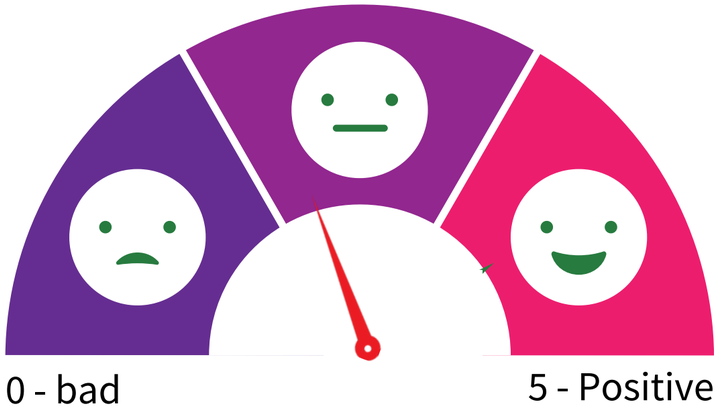
RESPONDENTS ROLE IN STRATA



This survey was primarily promoted from 3rd July to 16th August 2024. The survey was issued via Australian Apartment Advocacy and LookUpStrata's databases as an email link. It needs to be noted that a poll of 400 is typically indicative of true sentiment for a wider population.

PERCEPTION

Q: What's your perception of the strata industry?



Average rating

1.9

Findings suggest that the size of the strata scheme has a negligible impact on overall satisfaction with the industry, highlighting a consistent trend of dissatisfaction across various strata sizes. Respondents from small schemes provided an average rating of 1.8, those from medium schemes rated their experience slightly higher at 1.95, and large scheme respondents reported a marginally better perception with an average rating of 2.04.

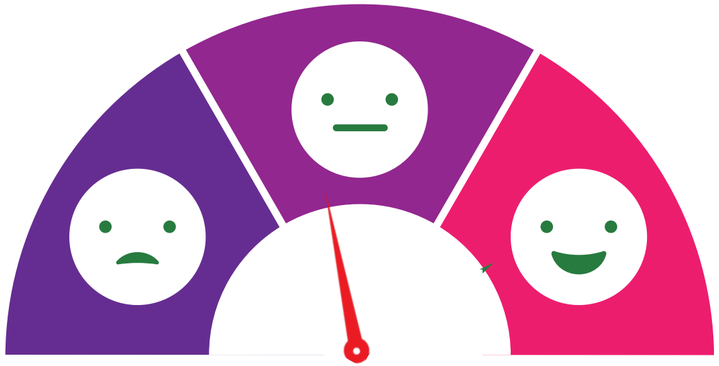


Leanne Habib
CEO at Premium Strata

Driving Change for Better Strata Practices.
The current perception of the strata industry has taken a hit, largely due to recent media reports and instances of poor practices across the field. Our latest report highlights that the number one priority for clients is improved communication, particularly a faster response time. This is why I've been, and will continue to be, a strong advocate for reducing strata managers' portfolio sizes. Quality over quantity is key—not only to better anticipate our clients' needs and aspirations but to ensure every interaction is marked by responsiveness and genuine care. However, it's important to recognise that there are many strata managers and businesses out there doing the right thing, following proper procedures and serving their clients well. But we can't overlook the fact that our industry needs reform to better meet the growing market demands. It's time for change, and it starts with listening and improving where it matters most.

SATISFACTION

Q: How happy are you with your current strata manager?



0 - bad

5 - Positive

Average rating

2.1

The survey findings reveal significant concerns regarding communication within strata management, with both slow response times and poor communication emerging as top issues. From poor communication, further pain points arise, including a lack of transparency and inadequate resolution of issues, indicating that ineffective communication is at the core of broader dissatisfaction with strata management services.

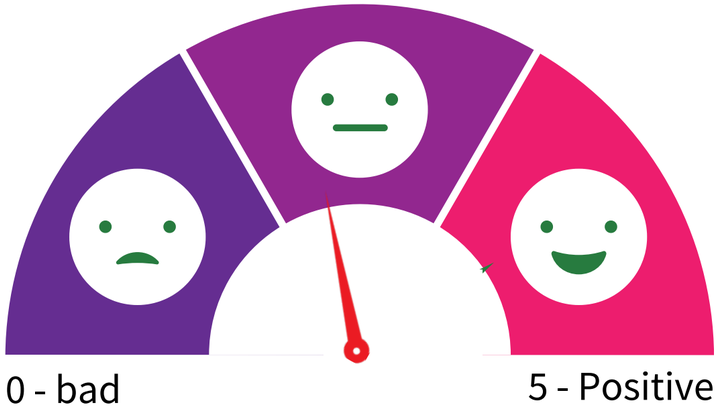
Q: What are the biggest pain points and areas where your strata manager is not meeting your expections?

Multiple choice

Slow response time	230 resp. **30.2%**
Poor communication	220 resp. **28.9%**
Lack of leadership and guidance	207 resp. **27.2%**
Lack of transparency	202 resp. **26.5%**
Inefficient management	192 resp. **25.2%**
High fees	177 resp. **23.3%**
Lack of experience in complex situation	177 resp. **23.3%**

STRATA INTRICACIES

Q: Before living in a strata scheme, how much did you know about strata?

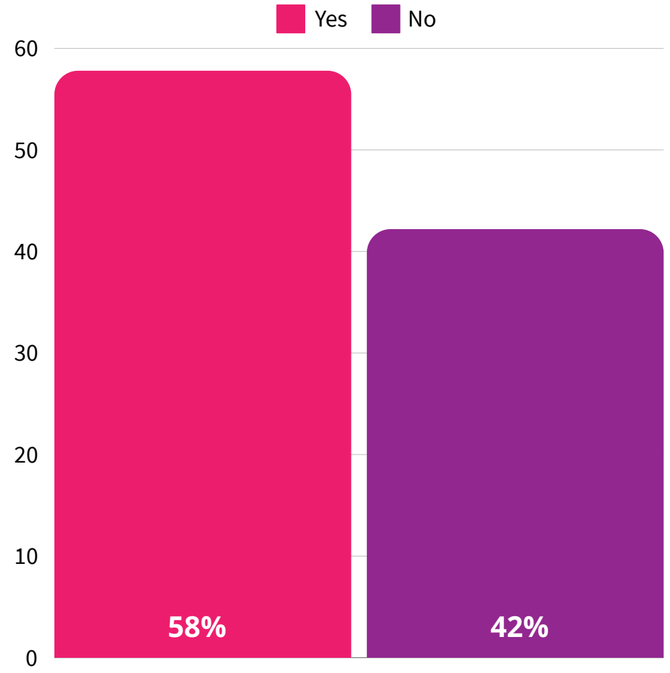


Average rating

2.1

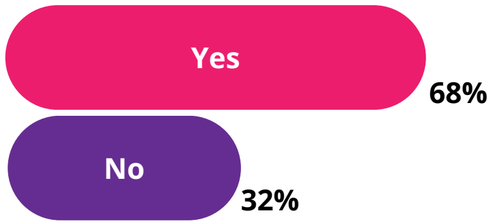
While the survey participants seem to understand how strata levies are contributed, there is a general lack of knowledge about the role and responsibilities of a Strata Manager, additional service fees, and other types of commissions, such as those related to insurance.

Q: Do you have an understanding of strata management additional service fees traditionally known as Schedule B, C, and D?

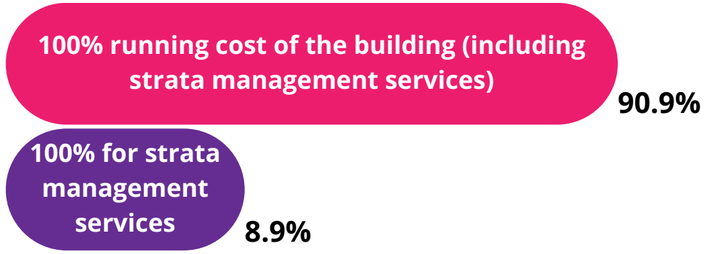


STRATA INTRICACIES

Q: Are you informed about your strata agent receiving insurance commission?

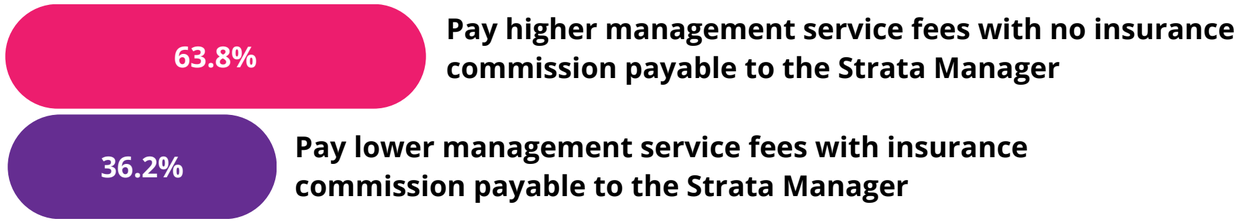


Q: Do you understand what your strata levy contributes towards?



Q: If so, would your preference be

If you're informed about insurance commission. 516 out of 761.



MARKET NEEDS (1/2)

Q: If you had a magic wand, what extra services would you like your Strata Manager to provide that is not typically provided?

Qualitative question - 66% of people answered this question

1 - PROACTIVE AND ENGAGED MANAGEMENT (30%)

Respondents want strata managers to take a more proactive role by anticipating issues, offering guidance on property maintenance, and providing advice on building improvements, rather than reacting to problems after they arise.

2 - IMPROVED COMMUNICATION AND RESPONSIVENESS (25%)

A recurring theme is the need for faster, more transparent communication. Many participants expressed frustration with slow response times and a lack of clarity in updates, requesting more frequent and timely responses to emails and calls, as well as clearer communication about strata decisions.



Sam Reece
MD at Australian Apartment Advocacy

The role of the strata manager is to aid the Owner's Corporation and provide guidance and expertise with the many tasks associated with effectively managing an apartment building. There is no doubt that the apartment sector has become more complex over time with the presence of defects and financial due diligence.

This survey shows that there is a gap between the service being provided by the Strata Manager and the expectations of owners and this can only be abridged through education, transparency and effective communication.

As such, this report clearly demonstrates areas for improvement and we encourage the strata sector to acknowledge how they can improve the professionalism and reputation for this sector as a whole.

MARKET NEEDS (2/2)



3
GREATER TRANSPARENCY & ACCOUNTABILITY (20%)

Transparency is highly desired, especially regarding financial management, commissions from service providers, and the strata manager's relationships with contractors. Respondents also want more accurate financial reports and detailed explanations of costs.



4
CONFLICT RESOLUTION AND NEUTRALITY (15%)

Several respondents called for impartial conflict resolution services between lot owners and strata committees, as well as a desire for strata managers to remain neutral and avoid favouritism in disputes or when managing services like maintenance.

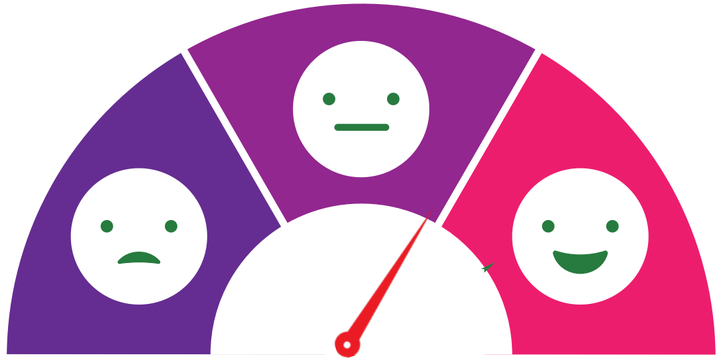


5
LEGAL AND PROCEDURAL GUIDANCE (10%)

Participants want strata managers to provide more accessible legal advice and procedural guidance, offering practical advice on legislation, compliance, and how to handle complex situations without the need for formal legal intervention.

STRATA KNOWLEDGE

Q: How confident do you feel about your strata management knowledge?



0 - no clue about it

5 - Well informed

Average rating

3.5

Q: What platforms do you use to access information about strata living? *Multiple choice*

LookUpStrata	572 resp. **75.4%**
Government Information *(eg Fair Trading NSW)*	414 resp. **54.5%**
Strata Management Firm	276 resp. **36.4%**
Strata Community Association	249 resp. **32.8%**
Owners Corporation Network (OCN)	219 resp. **25.2%**

Q: What area in strata management do you have little to no understanding of?

Multiple choice

Emergency planning and safety compliance	244 resp. **32.1%**
Dispute resolution (handling conflicts between owners)	239 resp. **31.4%**
Legal compliance (by-laws, regulations)	236 resp. **31%**
Insurance (obtaining and managing policies)	230 resp. **30.2%**
Record keeping (maintaining and accessing records)	160 resp. **21%**
Financial management (budgets, levies, and funds)	118 resp. **15.5%**

Other responses: Property maintenance (repairs, upkeep of common areas) - 11.3%; Meetings and communication (organising and managing) - 10.9%

FILLING THE GAP

Q: What information/topics would you like to see published more frequently?

Qualitative question - 57% of people answered this question

1 - ROLES AND RESPONSABILITIES OF STRATA MANAGERS (27.5%)

Clearer understanding of strata managers' duties, fees, and conflicts of interest.

2 - DISPUTE RESOLUTION AND LEGAL GUIDANCE (22%)

More information on resolving conflicts, legal processes, and enforcing by-laws.

3 - FINANCIAL TRANSPARENCY AND MANAGEMENT (18.3%)

Greater transparency in budgets, fund allocations, and fee management.

4 - BUILDING MAINTENANCE AND SUSTAINABILITY INITIATIVES (16.2%)

Guidance on building upkeep, fire safety, and sustainability projects like EV charging.

5 - OWNER EDUCATION AND ENGAGEMENT (16%)

Better resources for owners on rights, responsibilities, and engaging with committees.



Nikki Jovicic
Owner at LookUpStrata

The survey results underscore the critical need for easy access to quality strata information. Owners seek greater transparency and clarity regarding their strata manager's roles and responsibilities, financial management practices, and building maintenance guidelines.

With accessible and user-friendly information, owners can make informed decisions and proactively participate in their community's management, resulting in happier, better-managed communities.

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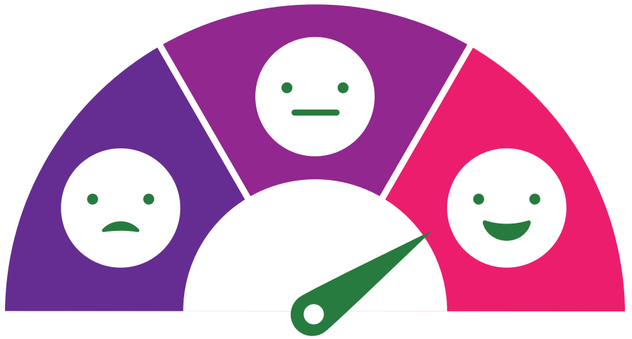
Samantha Reece
Director

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Leanne Habib
CEO

LookUpStrata

Nikki Jovicic
Owner



THANK YOU