



THE STRATA TRAP

How strata managers are adapting to a
new business environment

18 September 2025



Insurance
commissions

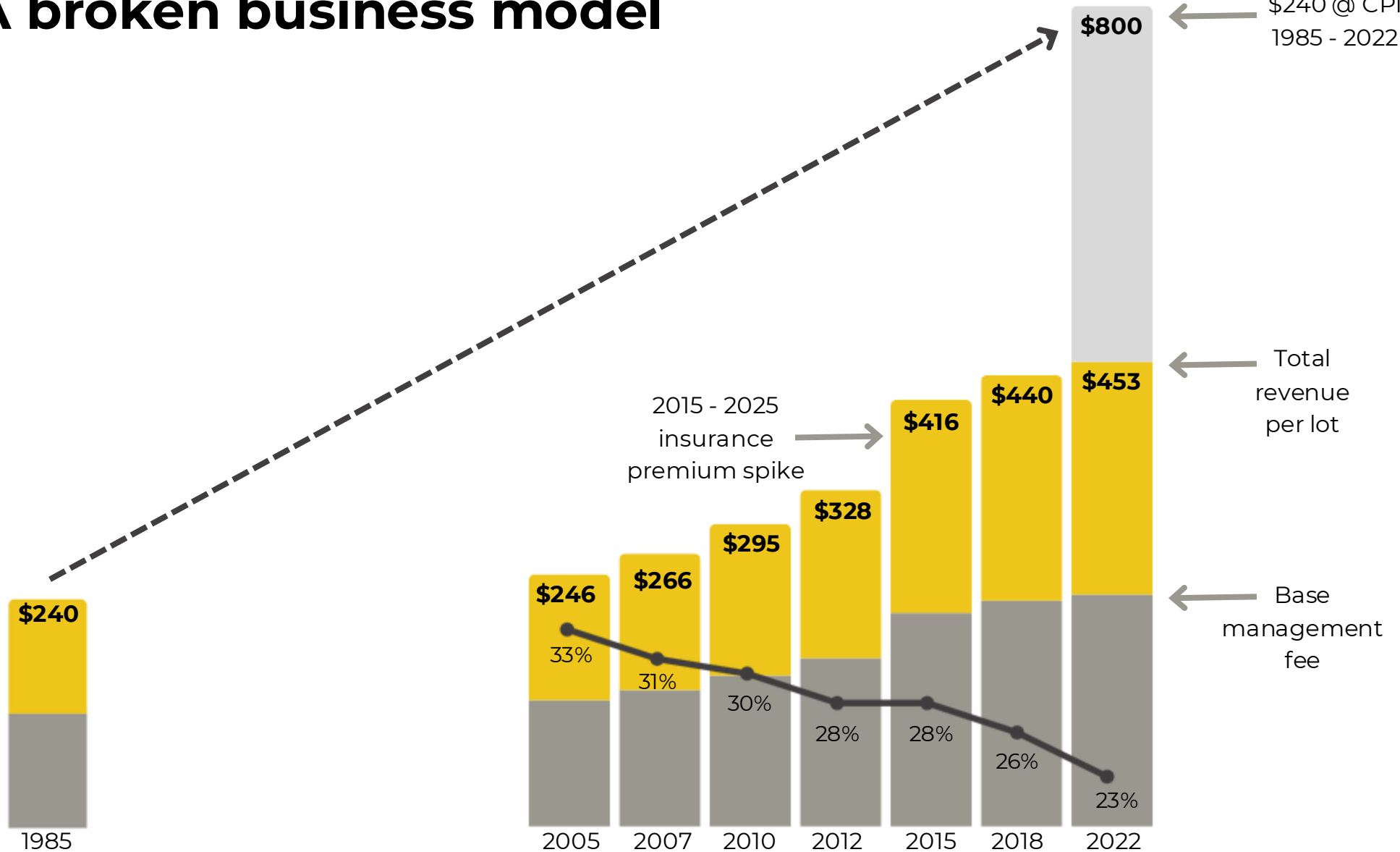
Brokerage interests
Related parties (e.g., facilities management)
Free / subsidised software
Banking arrangements / sponsorship
Payment system commissions
Kickbacks - reports / energy
Law firms and consultants' training
/ sponsorship
'Schedule B' staff bonuses
Developer work / initial
appointments

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A broken business model

\$1,000 (2031)

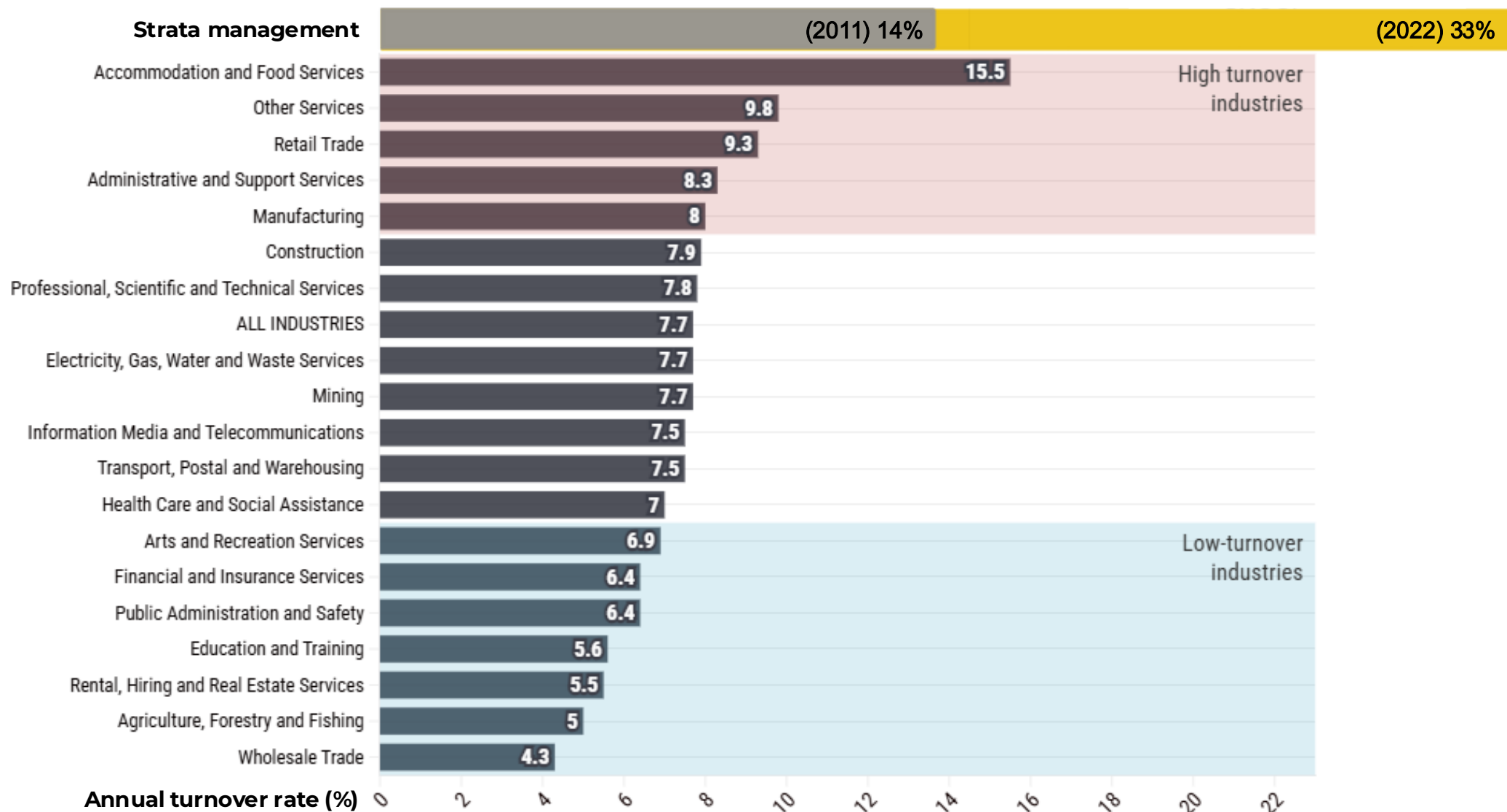
\$240 @ CPI
1985 - 2022



Data sources: 2024 Strata Management Benchmarking Report, Macquarie Bank, ABS / CPI calculator

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And a broken workforce



Australian job turnover by industry, 2025. Data sources: AI Group Factsheet: Labour market dynamics in Australia 29 07 2025 / 2024 Strata Management Benchmarking Report, Macquarie Bank

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Customer anger / entitlement

Sustainability retrofits

Ageing population

Cost of
living

Ageing buildings

Maintenance funding crisis

Housing crisis

Mixed use complexities

Technological advancement / AI

Building defects

Law reform fatigue

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Disruption Comparison Table

Attribute	Private equity	Aggregation business model
Ownership	Acquires majority / minority stakes	Partners with, but does not own providers
Role in target company	Active management and restructuring	Coordination of services, not management
Goal	Value creation and eventual exit	Market scale, customer access, brand strengths
Example	Buyout of a manufacturer	Uber, AirBNB

Building the strata firm of the future

Standardised,
routine, simple
work



COMMODITY

PROCEDURE



Requires some
expertise

Leverages
expertise and
experience



GREY HAIR

ROCKET SCIENCE



Cutting edge and
innovative

Adapted from The Professional Service Spectrum by Nanda, A and Narayandas, D (2021), What Professional Service Firms Must do to Thrive, *Harvard Business Review*, p 4.
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4 https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/archive/research_2/defining_affordability_of_housing-in-canada.pdf

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