



## CITY FUTURES RESEARCH CENTRE

# HIRING EXPERTS

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#### Strata Managing Agent

A strata managing agent (a.k.a strata manager) must be appointed through a resolution at a general meeting of the owners corporation. There are [many factors to consider](#) when hiring a strata managing agent, such as:

- **Experience:** check that the strata manager has the correct qualifications and experience to suit the size of your scheme (such as [accreditation with Strata Community Association \(NSW\)](#)), seek out recommendations and ask the manager for references from other schemes they manage and the current size of their portfolio.
- **Communication:** seek strata managers that have good communication skills, as it is important to remain informed about their actions.
- **Price:** assess your expectations of the role of the strata manager, and don't pay for more services than you need. Be aware that strata managers may charge additional fees for additional services provided. These additional fees are generally in schedule B to their agreement.
- **Term:** Consider the term of the agreement with the strata managing agent, and the functions stipulated in this agreement. If a strata managing agent is being considered at the first annual general meeting (AGM), they can only be appointed for a maximum term of 12 months, or in any other case a maximum term of 3 years under [Section 50](#) of the Strata Schemes Management Act 2015. Note that there is a restriction on strata managers who are connected with the developer being appointed as strata managers for a period of 10 years after the scheme is registered.

Many schemes will opt to engage a strata manager. A strata manager can provide advice on the legal and insurance requirements to running a strata scheme, and save the strata committee time by managing and maintaining the scheme and strata meetings. Strata managers also provide a clear point of contact for owners and residents, and can act as mediators if there are disputes between owners. Appointing a strata manager should reduce the time commitments on your strata committee.

#### Building Manager

A building manager must be appointed through a resolution at a general meeting of the owners corporation. When hiring a building

manager, consider:

- **Price:** is the scheme large enough to warrant a building manager? Smaller schemes could instead hire a manager on a part-time basis rather than full-time. If you have a strata manager, consult them for advice on whether a building manager might be necessary.
- **Experience:** check that the building manager has the correct qualifications and experience to suit the size of your scheme, seek out recommendations and ask the manager for references from other schemes they manage.
- **Communication:** have a face-to-face interview with prospective building managers to gauge whether they are appropriate for the scheme and likely to enact the vision of the owners corporation, and to ascertain their communication skills. Also, if the building manager is a company, the owners corporation should consider stipulating a key person who will carry out the building manager's tasks.
- **Term:** Consider the term of the agreement with the building manager, and the functions stipulated in this agreement. A building manager can be appointed from the first AGM for a maximum term of 10 years under [section 68](#) of the Strata Schemes Management Act 2015 (unless they were appointed prior to the first AGM in which case their appointment expires at the end of the first AGM). Before a building manager is hired, they must disclose whether they are connected to the original owner of the strata scheme, and if they have any pecuniary interest in the scheme. To hire a building manager requires a [building manager agreement](#), which states the functions of the building manager.

A building manager (or caretaker) assists with the day to day running of the building. An owners corporation might hire a building manager to:

- manage, maintain and repair the common property
- control the use of common property by tradespeople
- perform concierge and cleaning duties
- provide security services

### Legal Professionals

Legal professionals must be appointed through a resolution at a general meeting of the owners corporation unless the services are likely to cost under \$10,000, or urgent action is necessary ([Section 103](#) of the Strata Schemes Management Act 2015). When hiring a lawyer to counsel or represent your scheme, consider:

- **Price:** strata legislation can be extremely complex, and for this reason it is advisable to engage dedicated strata lawyers. However, specialised lawyers can be costly, and so the benefits of engaging a strata-specific legal professional should be weighed against the legal circumstances and budget of the scheme. If the appropriate lawyer can't be engaged in the long-term, consider consulting them for initial advice.
- **Experience:** For larger issues and litigation, engaging a lawyer that is experienced with strata legislation and strata cases is advised. Seek out recommendations from other strata schemes that are or were in similar circumstances, advice from your strata managing agent or consult the list of members of the [Australian College of Strata Lawyers](#).

"A lawyer can be a useful asset to any executive committee. Executive [strata] committees can get into any number of legal arguments with owners or subcontractors, developers or builders ... Having someone who knows the basics of litigation and legal tactics can be very helpful to assist with by-law interpretation and to point out the need for new or different by-laws."

[Owners Corporation Network](#)



### Builders and Building Specialists

Builders, contractors and specialists (such as engineers, environmental auditors, plumbers and electricians) can be engaged for projects by the owners corporation via its strata committee in many circumstances. If the work is to make improvements (e.g. implement sustainable retrofits) which add to or alter the common property, a special resolution at a general meeting of the owners corporation is required. The number and nature of specialists or tradespeople that you need to engage varies depending on the project, and it is important to engage the person with the right experience to carry out the work.

#### Do you need a builder or tradesperson?

If you want your gutters replaced or your plumbing fixed, you need a tradesperson.

If you want to add another bedroom or build a new home, you need a builder to organise the right tradespeople to do the work.

See also [NSW Fair Trading](#)

Engaging specialists can be a challenging task, as often owners and strata committee members will have very little knowledge of the area of specialisation and are vulnerable to paying more for unnecessary work or products. Therefore, it is important to engage experts that come recommended, or that have multiple references to show their trustworthiness.

When engaging experts to assess or commence work in your scheme, consider:

- **Price:** when engaging specialists for larger projects, constantly assess the budget. Weigh up whether it is worth paying more for builders and experts with greater assurances and experience, and seeking their expertise sooner rather than later. For work, advice or projects that require an ongoing relationship, ask to pay in instalments or stages to prevent paying a large bill in one go, and agree on budget caps for each stage of the project.

The [Your Home](#) (CC BY 4.0) website suggests asking your builder, experts or building consultants the following questions where applicable to ascertain their experience:

- How long have you been in business?
- What experience do you have in this type of project?
- Have you done [projects] like these before?
- Are you willing to order materials from nominated, preferred suppliers?
- Which insurances do you carry and what warranty do you provide?
- What facilities will you require on the project (e.g. toilet and kitchen access, materials storage in garage or garden area)?
- How might you separate the site (and dust, noise, vibration) from the living areas?



- **Experience:** it is advisable to speak to previous clients for the prospective experts if possible and ask to visit current projects. You must check that the builder or tradespeople are [adequately certified](#) for any work over \$5,000, and all specialists (electrical, plumbing, draining, air conditioning etc) must be certified regardless of cost of works. Another consideration when engaging a builder or contractor is whether they are adequately [insured](#).
- **Sustainability Practices:** if you are implementing environmentally sustainable retrofits, or want to ensure renovations or defect rectification is undertaken in an environmentally sustainable manner, you might want to consider what materials the builders and contractors will be using, and how they get rid of waste from the building site.



The [Your Home](#) (CC BY 4.0) website suggests asking your builder, experts or building consultants the following questions, where applicable:

- Are you familiar with and enthusiastic about sustainable practices?
- Are your subcontractors environmentally aware?
- Are you familiar with certification protocols like GreenTag, GECA or FSC certification?
- How do you approach reuse, recycling and waste minimisation?
- What aspects of environmentally sound construction do you see as most important?
- How do you ensure that materials come from environmentally preferred sources?

## Project Manager

For large building projects, such as extensive defect rectification work or sustainability retrofits, the owners corporation might decide to hire a project manager after a resolution at a general meeting. Project managers can be hired externally, or alternatively the building manager may take on the job for smaller projects. When considering a potential project manager, you should consider:

- **Price:** is the project large enough to warrant a project manager? Smaller projects might only require amateur supervision. If you have a strata manager or building manager, consult them for advice on whether a project manager might be necessary.
- **Experience:** check that the project manager has the correct qualification, licences and experience to suit the size of your project, seek out recommendations and ask the manager for references from other similar projects they manage or have managed. For extensive defect rectification work, hiring a project manager or consultant with previous defect rectification experience is beneficial. Experienced project managers will be better able to prioritise multiple defects works, look out for other underlying issues that haven't been identified yet, and have a better understanding of common challenges with the defect rectification process.
- **Communication:** have an interview with prospective project managers to gauge whether they are appropriate for the project

and likely to enact the vision of the owners corporation, and to ascertain their communication skills. Project managers need to be effective communicators to manage tradespeople, residents, owners and building professionals. Ask about their preferred communication process, such as how much they expect to contact you and how much you are expected to contact them, and the process for [variations to works](#). Check whether they live near the area, so they can easily be present in case of any issues relating to the project and that they do not have a large workload at present, in case it affects their ability to provide your project with the appropriate attention.

#### A project manager can:

- help you get references and put a simple business case together
- put the [scope of works](#) together
- help with planning the works
- advise which quotes to accept from building professionals and tradespeople
- help you to determine which building professionals are most appropriate to hire
- help oversee the quality, costs and time management of the works

Be clear when engaging the project manager what functions and roles you expect them to undertake.

## FINDING AN EXPERT

The following general tips are adapted from the [NSW Fair Trading website](#) on finding a builder or tradesperson, however the hints can be applied to hiring any expert:

- ask people for their personal recommendations (e.g. project manager if you have one)
- ask other people in the industry
- ask the relevant industry association for a list of names
- look for advertisements on television, radio, in home buyer magazines or the local newspaper
- search the Yellow Pages or other relevant online directories within specific trade categories.
- contact past and current clients of the experts, and don't simply rely on the references the experts themselves provide.

## ADDITIONAL RESOURCES:

- [Your Home – Australian Government](#)
- [What Can You Expect From Your Strata Manager? – Owners Corporation Network](#)
- [Selecting a Tradesperson or Builder – NSW Fair Trading](#)

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Strata Community Association (NSW) is the peak industry body for Strata and Community Title Management in New South Wales. Membership includes strata managers, support staff, committee members and suppliers of products and services to the industry. SCA (NSW) has in excess of 3,000 members who represent over 75% of strata lots in NSW by way of helping to oversee, advise or manage a combined property portfolio with an estimated replacement value of over \$400 Billion. SCA (NSW) proudly fulfils the dual roles of a professional institute and consumer advocate. Contact: (02) 9492 8200 | [enquiries.nsw@strata.community](mailto:enquiries.nsw@strata.community) | <https://nsw.strata.community/>