



How To Change Your Strata Manager

A successful strata scheme requires the expertise of an experienced strata manager. Unfortunately however, some can fail to live up to the expectations of their clients. If this is the case with your current strata manager, the following guide will show you the steps you need to take to make the transition from your old to new manager as smooth as possible.

Common reasons for changing managers

There can be a number of reasons why a strata scheme is unhappy with its management company. Some common signs that things are not as they should be include:

- **Levies in arrears**
Lots of overdue levies that have not been pursued by the strata manager.
- **Late or no Annual General Meetings**
Chronically late or non-existent AGMs, despite being required to hold them within three months of the end of the financial year.
- **Run down strata complex**
Signs of poor or overdue maintenance and slow response in emergencies.
- **Poor financial management**
Books that don't balance and unexplained fund deficits.
- **Regularly changing managers**
This can be an indication that your strata management company does not regard your scheme as a high priority.

Changes in technology, market behaviour, client expectations and government regulations have all had a big effect on the way modern strata management companies operate. And in response to an increasingly competitive marketplace, today's management companies strive to provide their clients with innovative new services, improved customer service and enhanced communication and transparency.

So, if your current strata manager is failing to deliver in these areas and seems behind the times and unwilling to change, then it is probably time to end the relationship and find a manager who will help your strata scheme thrive.

What to look for in a new manager

Factors to consider when choosing a new strata management company include:

- **Cost**
As well as a fair price, make sure you are only paying for services that you actually need.
- **Communication**
The company's approach to financial reporting, including updates on management of the property and where the owners' money is being spent.
- **Qualifications**
Your strata manager should have professional qualifications, appropriate insurance cover, good knowledge of relevant legislation and experience managing similar schemes to yours.
- **References**
Asking a strata manager to provide references from other schemes they manage and then contacting those references will soon tell you how well they are regarded by their clients.
- **Size**
You want to go with a strata management firm that has at least 30 employees. That way you know there will be sufficient people with expertise in finance, IT and insurance. Also you will know that they have the size to train their staff and ensure that there is backup for when people are on leave or sick.

How to change managers

When changing strata managers, things must be done in the correct order with all the boxes ticked to ensure compliance and to avoid expensive mistakes. So, here's how to go about changing strata managers:

1. Firstly, before you consider letting your current strata manager go, you should make sure you have a new and better replacement waiting in the wings. Arrange for a shortlist of strata management companies to provide you with quotes and select the best candidate. It is also a good idea to check references.
2. Then, obtain a copy of the management agreement from your current manager to determine the expiration date and termination period required.
3. Next, get hold of a list of owners' contact details (also from your manager) and contact each of them to advise an EGM (Extraordinary General Meeting) is being held.

4. An EGM can be convened by more than 20% of owners, two or more management committee members, or any office bearer.
5. Provide a meeting Agenda to all owners containing the date, time and venue of the EGM (you must give at least 14 days notice), a motion to confirm the Minutes of the previous meeting and a motion to terminate the current management agreement and appoint the new strata manager.
6. The EGM can be held at the strata complex for convenience, and there is no obligation to inform or invite the outgoing manager.
7. At the meeting, the motion will need to be passed by the majority of owners, either in person or by proxy vote.
8. Once the vote has been passed and the Minutes recorded, your new strata manager can take over the rest of the process including informing the previous manager of their termination and arranging the collection of records from their offices after the appropriate notice period has passed.

Strata Data can help

Changing strata managers might sound complex, but in the right hands, it can be a smooth and painless transition, and Strata Data can help make the change as easy as possible for you.

We can guide you through every step of the process, attend your EGM if required and even supply you with a generic Agenda and Minutes template if you need one. To find out more, why not book a free consultation by filling out the **form** on the Strata Data website.