

SELF MANAGED STRATA SCHEME? HERE'S WHAT YOU NEED TO KNOW

A 'Self Managed' strata scheme is where one or more of the owners act in a voluntary capacity to 'manage' the strata schemes levies, repairs and meetings.

There is no legal requirement to engage a strata manager and small scheme blocks (up to 8 units) more commonly self-manage their strata schemes than larger schemes.

In a self-managed strata scheme, property owners take on the responsibilities typically handled by a professional strata management company.

PROS & CONS

What are some of the pros of being self managed?

Generally this can be an effective way to keep costs down if all units are owner occupied and all owners have a vested interest in ensuring the building is well maintained.

What are some of the cons of being self managed?

What are the qualifications and experience levels of the committee members? Are they up to date with strata legislation (which seems to constantly be updating), financial record keeping and compliance obligations such as arranging adequate insurance? How responsive are they?

Will my levies increase if we appoint a strata manager?

It is highly likely that levies will increase as you'll need to pay the strata manager's fees. The easiest way to get an indication is to get a proposal from a strata companies then divide their fee by unit entitlement to see your potential annual amount.

Is it easy to appoint a strata manager?

You'll need approval by majority vote of owners at a general meeting. Once approved the transition to professional management should be seamless and quick.

Do I need a strata report if the property is self managed?

A strata report is highly recommended in self managed schemes. Often we identify a lack of the usual reports to assist in management such as a Capital Works Fund Plan, WH&S report etc in addition the potential impacts of aiming to keep levies low. All important points for a purchaser to be aware of.

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