




**BEST PRACTICE GUIDE**

# Changing Strata Managers



This guideline is created for the purpose of assisting a Strata Company on the procedure to change Strata Managers and ensure it complies in accordance with the Strata Titles Act 1985, the Strata Titles (General) Regulations 2019.

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**Before you change**

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**We definitely want to change managers**

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The task to change Strata Managers can at times be overwhelming for owners who may not know where to start the process. The Strata Community Association WA [SCA (WA)] would like to provide some information to aid you in this endeavour.

## Before you change

### Why do you want to change?

Sometimes there is misunderstanding about who is responsible for what in your strata company. Before making any decisions to change strata managers, remember strata managers are administrators, they do not make the decisions on how to manage the building: only the owners or the strata council do that.

Maybe there is a need for a new way to communicate and not a new strata management firm. Maybe the strata council needs some training - SCA offer excellent training for owners. Maybe you need a new manager, not a new strata management firm.

There are a lot of factors to consider and it is suggested to communicate with your existing Manager to attempt to resolve issues in the first instance.

## We definitely want to change managers

Sometimes the best option is to change though so it's best to ensure you are in a position to change, and go from there.

If you believe your existing Strata Manager has breached their contract, you may be eligible to terminate your contract regardless of end date, under section 151 of the Strata Titles Act 1985.

You should check your contract and you may want to consider getting legal advice for further detail on this.

Things you will need to check and be aware of:

### 1. Your current contract

Under the legislation brought into effect on 1 May 2020 all Strata Company's with a Strata Manager must have a current and compliant contract. Check your end date in this.

### 2. Your Notice Period

Most contracts will have a Notice Period included. Some contracts have an automatic rollover or Successive Term that may apply if you don't provide written Notice before the Notice Period, and you may find yourself potentially locked in to another contract.

### 3. By-laws

Double check there's nothing in your by-laws about signing a new contract. As a standard the Strata Council usually has the authority to sign a new contract however some schemes have by-laws in place that relate to this e.g., that a contract needs to be presented at a General Meeting. Meetings have a Notice Period that will also play into the Notice Period required to cease your existing contract.

## We're good to go – what next?

Know your expectations first. Make sure you know what reasonable expectations you have of a strata manager so you have an understanding of what you're looking for. Everyone would like a full-time concierge for zero cost, but it's simply not practical to go in with those expectations so it helps to be clear on what are 'must haves' and what are 'nice to haves'.

Price should not be your only factor in determining a suitable Strata Manager. A quality service is going to save you more money than a cheap service in the long-run. Bear in mind that too many 'must have' expectations may end up costing you more. Your requirements will be factored into the quote provided.

Please also be mindful that there may be exit/transition costs from your existing manager to prepare the additional records for the handover. This will be outlined in your contract.

An SCA (WA) Accredited Member will maintain minimum ongoing education standards and you can check the [SCA member directory](#) to see if their membership remains valid. All of our members are also held to a Code of Conduct. This is a great place to start when it comes to 'must have' expectations.

<https://directory.strata.community/>

Strata Management Businesses can be certified through the [SCA Strata Management Practice Standard \(SMPS\)](#). This holds businesses to a high standard of regularly updated and audited practices, processes and standards to maintain the certification.

<https://strata.community/practice-standard>

Staff engaged in the industry can also be individually accredited through the SCA. There are multiple levels of accreditation that Strata Managers and other staff can achieve. This accreditation requires minimum ongoing and regular education of those in the industry.

<https://strata.community/accreditation>

You should research for reputable Strata Management organisations with qualified staff. A statement will need to be provided to you that confirms all staff have obtained a Police Clearance and the prospective Strata Manager will need to advise if they already meet the legislated education requirements or if they are still working towards this.

The minimum education standards will become mandatory in the coming years so check that the information is up to date.

## Requesting a Quote

Contact a small number of Strata Management Company's to ask for a quote / proposal. Best practice is to contact 2 to 3 suitable agencies. They will need to know the address of the complex at a minimum but may ask for more detail from you. They may likely need a copy of your Strata Plan and By-laws.

It helps if you can also advise some or all of the 'must have' requirements so that they can gauge if they are going to be able to meet your expectations. This will also help you to compare like with like.

## Engaging a New Manager

The decision of new Strata Company Management is likely to be a decision by simple majority of the Strata Council.

If however you are required, or choose to, address the matter at a General Meeting, the Strata Council will need to execute the engagement and contract per the decisions at the meeting.

Once you have made a choice, you will need to contact your existing manager, and let the successful candidate know that they have been chosen:

- Contact the successful candidate to let them know and provide them with a contract signed by a minimum of two authorised Strata Council members.
- You can email your existing manager with something along the lines of the following, and you may wish to cc or bcc your new strata manager also:

*Dear (existing manager),*

*Please be advised that the Owners of (your strata company name / address) wish to provide you notice that we are changing to (new Strata Management Company), and our end date will be (date).*

*This decision has been made by (a majority decision of the Strata Council).*

*Please liaise directly with (new Strata Management Company) to arrange the handover of records. They can be contacted on (new Strata Managers email address).*

*Thank you for your services.  
Kind Regards,*

## Handover of Records

The outgoing and incoming Strata Managers will arrange a time and date for the handover to occur.

The handover of records should include all hard copy records and all electronic documents, as well as other items such as keys, remotes, the Common Seal (of applicable) etc. It is unlikely to include copies of every email.


There are requirements under the Strata Titles Act 1985 relating to the books and records of your Strata Company that will need to be considered for handover.

SCA (WA) provides Best Practice Guides which should assist the Strata Managers in this process. Members of the SCA are also required to adhere to the Code of Conduct.

Following handover, your new Strata Manager will then upload the data into their system and you will be operational. Depending on the conversion from one system to another, this may take up to a few weeks to complete.

### Requirements

When a Strata Scheme changes managers (or, move to or from self-management) the records of the Strata Scheme must be transferred.



**Section 96 of the Strata Titles Act 1985 (the Act) provides:**

### Recovery of records, keys and property

- (1) *A strata company may give written notice to a person requiring the person to deliver all records, keys or other property of the strata company in the person's possession or control to a specified person within a specified period (being a period that is reasonable in the circumstances).*
- (2) *A person commits an offence if the person fails, without reasonable excuse to deliver property in the person's possession or control as required by the notice.*

*Penalty for this subsection: a fine of \$3 000.*

- (3) *A person cannot exercise any claim or lien against or on the property of a strata company that the person is required, under this section, to deliver to the strata company.*



### Section 152 of the Act provides:

- (1) *Return of records and other property If a strata management contract is terminated, the strata manager must return to the strata company –*
  - (a) *all records of the strata company, including records of account, in the strata manager's possession or control; and*
  - (b) *all keys and other property of the strata company in the strata manager's possession or control.*
- (2) *The property must be returned to the strata company within 28 days after the day on which the contract is terminated (even if the strata manager has made an application for review of the decision to terminate the contract). The strata company may agree to the property being made available for collection by another strata manager engaged by the strata company or being returned in some other manner. A strata manager cannot exercise any claim or lien against or on the property of a strata company that the strata manager is required, under this section, to return to the strata company.*

A strata manager of a Strata Scheme must, within **28 days** of termination of appointment as the strata manager, return to the secretary of the Strata Company **all records relating to the Strata Scheme or funds of the Strata Company** held or controlled by the strata manager.

## Onboarding

Communication is key - make sure all owners and residents are prepared in the newsletters, agendas and minutes. Your new Strata Manager may also contact owners to introduce themselves and provide contact details.

You can expect:

- to have new forms
- new payment details for levies
- the Treasurer will need to work with the new strata manager on payment authorisations
- the Chair may want to do a site tour with the new strata manager
- the Secretary can work with the new strata manager on agendas, action items and planning the AGM
- Updated signage may be needed

The Strata Council should work with the Strata Manager to set some expectations around communication.

The SCA also provides a '[Communicating with your Strata Manager](#)' guide which may assist in establishing expectations for general communication.

## You did it!

You have successfully navigated and guided your Owners through the process of changing management.

SCA (WA) wish to acknowledge and thank the Industry Advancement Committee for their contribution.

This publication is only a guide. Readers should make and rely on their own expert enquiries. No warranty is given about the accuracy of the material and no liability for negligence or otherwise is assumed by SCA (WA), its servants or agents in any way connected with this publication.

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