

Bonded Strata Management

Strata Schemes Management Specialists

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FOR IMMEDIATE RELEASE**

**Bonded Strata Management is committed to
building strong professional and personal relationships**

Bonded Strata Management are strata managers, who are instructed by the owners corporation (sometimes known as a strata committee) of the residential strata building located at 132 Homer St Earlwood. This building has 9 units and is home to Mrs Nitsa and Mr Spiros Tzavellas. Some of the other owners are single pensioners, which is relevant to the financial burden created by non-payment of levies by others.

In 2016, Mr and Mrs Tzavellas, along with other owners, requested the owners corporation renew the windows of the building in line with the building's maintenance plan.

From 2016 to present, Bonded Strata Management have carried out its legal duties to the owners corporation to facilitate the repairs and maintenance required to the building windows.

Director of Bonded Strata Management, Desi Fletcher, said throughout the process of recovering special levies required for the window works, Bonded Strata Management have been conscious of balancing its professional and legal obligation to the owners corporation and the financial circumstances of Mr and Mrs Tzavellas.

"We are confident that Bonded Strata Management has carried out its legal obligations under the Strata Schemes Management Act 2015 (NSW) to implement decisions made by the owners corporation, including recovery of unpaid levies as well as observing the ethics of the tendering process for building works.

Unfortunately, we have become the target of anger, outrage, harassment and physical threats by the public as they are not aware of the circumstances that lead to Mr and Mrs Tzavellas' current financial situation.

Despite the many opportunities made available by Bonded Strata Management to Mr and Mrs Tzavellas to deal with the debt for unpaid levies, they are facing potential bankruptcy proceedings. We understand the difficult situation Mr and Mrs Tzavellas are in and are sorry they are facing these circumstances.

Bonded Strata has the distinction of being one of the very first strata management companies in existence after Strata Title commenced. We have a proud and long-established history with strong professional and personal relationships with our clients and owners, and we are committed to maintaining this", Fletcher said.

From 2016 onwards the owners corporation held annual general meetings to action requests for window repairs. All owners were entitled to attend and vote on matters raised at these meetings, such as setting levies and money needed for upcoming repairs and maintenance.

At the annual general meeting in 2016, the owners corporation resolved that all windows needed to be replaced including any rusted lintels (the structural support beams above the windows). The owners corporation resolved that quotations for the window works would be obtained and a special levy to fund the improvements would be determined at the next annual general meeting.

As a result of this meeting, the owners corporation, (not Bonded Strata Management) requested six tenders for the window works from various companies and suppliers. Only one tender was received at the time of the next annual general meeting held in November 2017. This tender did not include the cost of replacing lintels or stairwell windows.

To get the process underway, the owners corporation used the one tender received as a guide for the special levy required to complete the window works, and once other tenders were received, the owners corporation would compare and evaluate the options available to make an informed decision.

At the annual general meeting in November 2017, based on the tender guide, the owners corporation unanimously resolved a special levy for \$115,000.00, to be paid proportionality by all owners in instalments on 1 January 2018, 1 April 2018 and 1 July 2018.

Mr and Mrs Tzavellas did not make the special levy payments required and Bonded Strata Management were instructed by the owners corporation to follow up the outstanding balance.

In an effort to help the elderly couple manage this financial burden, Bonded Strata Management wrote and spoke with Mr and Mrs Tzavellas on many occasions about possible payment options and attempted to organise suitable payment plans. However, despite our best efforts, payment was refused.

The total of Mr and Mrs Tzavellas special levy was \$26,580.00.

In March 2019, the owners corporation resorted to commencing legal proceedings against Mr and Mrs Tzavellas to recover the funds. They chose not to file a defence, so judgment was made by the court in August 2019, which required the couple to pay the debt owed.

To avoid potential bankruptcy, the owners corporation's lawyer recommended Mr and Mrs Tzavellas utilise a reverse mortgage form lenders. However, they instead approached the court privately and consented to the making of an Instalment Order against them for payment of \$660 per month, which they paid from October 2019 to March 2021.

While proceedings were underway, in June 2019, the owners corporation compared 4 tenders for the window works at a general meeting, and it was resolved that a further special levy would be required, which would increase the total amount to \$200,748.00. This amount included scope to replace stairwell windows and rusted lintels, which was not included in the original guide tender received in 2017. This additional special levy would also be paid proportionality by all owners in instalments on 1 July 2019, 1 October 2019 and 1 January 2020.

As Mr and Mrs Tzavellas had not paid funds required, the contracts signed for the window works excluded replacement of the windows in their unit. This was because other owners could not cover this cost in addition to paying their proportion of the special levies.

Mr and Mrs Tzavellas applied to the NSW Civil and Administrative Tribunal (Tribunal) in May 2021, seeking an order requiring the owners corporation to replace the windows in their unit.

Unfortunately, Mr and Mrs Tzavellas, and their lawyers, failed to appear at the proceedings on multiple occasions and did not provide evidence to support their case as was ordered by the Tribunal. As a result, the Tribunal dismissed the case in May 2022 and ordered the couple to pay \$7,000.00 to cover the costs of the owners corporation

It has been a long and exhaustive process to bring a major and necessary upgrade of the building to completion, which needed to be financed by the owners.

It is a shame that recent discussions surrounding the processes followed by Bonded Strata Management have portrayed its conduct as unsympathetic to Mr and Mrs Tzavellas, as all proper processes have been followed and efforts made to support the couple were not accepted.

Mr and Mrs Tzavellas were treated with respect and due consideration throughout the process. Bonded Strata Management is committed to building relationships and optimally servicing its clients and individual owners.

If you require any information about our services, please contact us at strata@bondedstrata.com.au.

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