Examining Psychosocial Challenges Arising in Strata Titled Housing

Structured Abstract

Purpose

The objective of the study is to examine the nature and extent of psychosocial need fulfillment experienced by resident strata title owners and to shed light on factors that detract from residents' lived experience in the strata title context.

Methodology/approach An interview schedule that draws on theories of psychosocial need fulfillment was developed. Sixteen home owners and three strata title managers were interviewed. Interviewees were sourced from three master planned communities located in South East Queensland, Australia.

Findings The majority of owners reported high levels of need fulfillment and neighbourhood satisfaction. Primary sources of dissatisfaction appeared to be related to body corporate committee governance issues.

Research limitations The study's findings are subject to the widely acknowledged limitations of small sample based interview research and the study's qualitative orientation signifies that it suffers from the potential of selective and subjective reporting of observations.

Practical/Social implications The findings suggest a need for greater societal appreciation of factors associated with living in a strata titled community. Recommendations are provided for facilitating the transition to strata title living and reducing sources of resident dissatisfaction.

Originality/value The paper uniquely explores residential satisfaction from a psychosocial needs perspective. There is a paucity of related research reported in the literature.

Key words: Strata title, Psychosocial needs, Psychological challenges, Body corporate

Article classification: Research paper

Examining Psychosocial Challenges Arising in Strata Titled Housing

Introduction

Multi-titled property schemes involve the division of real estate into units and common property, with the common property managed by an elected group of unit owners. In the USA, such property schemes tend to be referred to as ‘condominiums’. In Australia they are referred to as ‘strata titled’ properties. This paper reports the findings of an empirical study conducted in Australia. Accordingly, in the remainder of the paper, the term ‘strata title’ is used.

Strata title is a complex form of property sub-division. Cassidy and Guilding (2010), in the context of tourism based strata titling, note the involvement of at least eleven distinct stakeholders. Of these, distinct stakeholders that are evident in a more generic strata titled scheme include: individual unit owners, the body corporate (unit owners association), body corporate committee (comprising elected representatives of unit owners), body corporate service provider (strata title manager), developer, real estate agent, financier (of unit owners and the original developer), resident manager, and management rights brokers. This complexity is amplified by legislative provisions that differ between Australian states and also between nations around the world (Everton-Moore *et al.*, 2006).

The recent growth of strata title property ownership in Australia has been significant (Australian Bureau of Statistics, 2012; Easthope *et al.*, 2012). Despite this growth, there appears to be limited appreciation amongst strata title unit purchasers of the psychosocial challenges that can arise in such complexes (Easthope, *et al.*, 2012). Relative to conventional housing, property owners in a strata title scheme will have less independence from their neighbours. This is because they are part of the same body corporate that governs the scheme and impacts on the members of the community, due to factors such as community by-law creation and the setting of common property maintenance levies. As Craddock (2013, 331) notes:

The consequence of compulsory enforcement of the by-laws is that, in practice, the ownership and occupancy of a managed community dwelling is subject to greater regulation and oversight than that applying to “traditional” home ownership. What colour curtains you have in your home; or whether or not you put washing over your verandah rail to dry; or whether you may keep a pet and what sort is suddenly subject to “input” from others.

Where disharmony arises in a strata title community there can be a negative impact on the marketability of units within the community (Lo and Wang, 2013). These issues motivated the conduct of the study reported herein.

The objective of the study is to examine the nature and extent of psychosocial need fulfilment experienced by resident strata title owners and to shed light on factors that detract from residents’ lived experience in the strata title context. The study focuses on large development schemes that have been strata titled horizontally, ie., not high-rise developments that are strata titled vertically. For the purpose of this paper, the widely

used term ‘master planned community’ will be used for the type of community living under examination, although it should be noted that not all residences in master planned communities are necessarily strata titled. Relative to purchasers of units in high-rise accommodation, purchasers of strata titled homes in master planned communities can be expected to be less likely to anticipate the implications of body corporate living, as homes in a master planned community tend to have less physical connectivity to one another than is the case in apartment blocks. This may signify that they are not as cognizant of the implications of strata title living as purchasers of units in strata titled apartment blocks. This factor may lead to a more challenging period of psychological adjustment to strata title living in a master planned community context.

The remainder of the paper is structured as follows. The next section provides an overview of the most pertinent literature. After this, the study’s research methodology is outlined. Then the study’s findings are presented, followed by a conclusion that highlights the study’s contribution as well as implications arising.

Literature Review

Residential satisfaction is made up of two components: satisfaction with housing, and satisfaction with the neighbourhood/community. The former relates to the dwelling itself, whilst the latter includes the physical environment, access to various activity nodes, local services and facilities, and the neighbourhood socio-cultural setting (Chapman and Lombard, 2006). As people invest considerable financial, temporal and psychological resources in their homes, residential satisfaction is a major contributor to overall quality of life (Evans *et al.*, 2003; Lu, 1999). Despite this, there has been limited research directed to investigating the “human” dimensions of strata titled living.

Three distinct themes can be discerned in research concerned with social psychological issues arising in strata titled complexes. First, there has been some research examining reasons for re-locating. Carvalho *et al.* (1997), for example, studied 83 residents of *condominios exclusivos* (exclusive condominiums or gate-guarded neighborhoods) in Brazil and found that safety, security and quality of life were the main reasons for re-location. This study was more focused on the community’s ‘gated’ nature than its ‘strata titled’ nature.

A second research theme concerns appraising resident satisfaction, and factors affecting resident satisfaction. Carvalho *et al.* (1997) found residents of a gate-guarded condominium complex to be highly satisfied with the appearance, quality of housing and maintenance of their complex, but determined that these were not important motivating factors accounting for residents moving into the complex. More recently, Chapman and Lombard (2006) investigated factors affecting neighbourhood satisfaction within fee-based gated and non-gated residential communities. Lack of crime emerged as a strong contributor to neighbourhood satisfaction, together with the availability of recreational facilities. Other commentators have noted the importance of social and community factors affecting residential satisfaction in non-traditional forms of home ownership. Dupuis and Dixon (2006), for example, argue that social aspects of intensive living,

literally, ‘getting on’ with others, can be highly problematic for residents of strata titled properties.

A third theme of social psychological strata title research concerns differences in residential satisfaction across groups of people. Demographic characteristics that have been found to have the greatest bearing on residential satisfaction include age, race, income, marital status of household head, education, tenure length and tenure status (Chapman and Lombard, 2006; Lu, 1999). For example, residential satisfaction tends to be higher amongst older people, people who are married, and the better educated. It appears gender is unrelated to residential satisfaction. Research by Bruin and Cook (1997) has also shown that personality factors such as locus of control and self-efficacy are related to residential satisfaction. These findings highlight the importance of researchers assessing both demographic and psychological correlates of residential satisfaction.

It is easy to envisage ways in which the act of re-locating to a residential community run by a corporate body may impact on psychosocial need fulfillment. The theory underlying the current research is that the transition to strata title living can be stressful if these needs are threatened. Conversely, the move is expected to give rise to residential satisfaction to the extent that the new living arrangements satisfy these needs. Although some past research has investigated surface manifestations of psychosocial needs such as preferences for particular housing attributes (e.g., Khozaei *et al.*, 2012) and other studies have invoked notions of powerlessness in explaining discontent among residents of multi-owned accommodation (e.g., Blandy *et al.*, 2006), past research has not directly examined the linkages between more fundamental human needs and residential satisfaction.

In addition to research relating to strata title resident satisfaction, a broad range of other strata title issues have been recently examined by academics. Blandy *et al.* (2010) edited a book that examines the interaction of law, power and practice in the management of strata titled schemes across several countries. Ngai-ming and Forrest (2002) investigated the potential for tension between poor and rich owners within the same strata title scheme. Guilding *et al.* (2005) drew on agency theory to examine inter-stakeholder relationships in the strata title context and Cassidy and Guilding (2011) examined different modes of building manager service delivery in strata titled complexes. Gruis *et al.*, (2009) comment on European legislative deficiencies and adverse implications arising for common property maintenance. Arkoll *et al.* (2013) also examined the strata titled common property maintenance issues and advocated the accumulation of funds in advance of common property capital expenditure as the preferred approach to financing such expenditure. Easthope *et al.* (2012) undertook a major study that addressed a broad range of factors associated with strata title management in New South Wales, Australia.

Research Method

Past research exploring residential satisfaction in strata titled complexes has several shortcomings. First, little attention has been paid to problems arising during the transition

into strata title housing. Rather, studies on re-locating motives (e.g., Carvalho *et al.*, 1997) have tended to report the views of long-term residents who may not accurately recall their reasons for moving many years earlier. Second, the research has not always distinguished between housing satisfaction and neighbourhood/community satisfaction. Studies have tended either to neglect one of these facets, or combine the two, making it impossible to discern similarities and differences between them. Third, past research (e.g., Hsieh, 2009) has identified wide discrepancies in satisfaction levels between members of management committees and condominium occupants, but has seldom considered the property manager's perspective. Finally, there has been a lack of qualitative research into the topic, and hence unanticipated complex emotional factors associated with residential satisfaction remain unexplored.

A method designed to overcome these shortcomings was employed. The sample was restricted to recent strata title unit buyers, because compared to longer-term residents, recent purchasers are more likely to (a) be experiencing stresses associated with the transition to strata title accommodation, and/or (b) accurately recall any transition stress they experienced. In addition, the study focused on resident-owners, as stresses can be expected to be greatest when the owner is living in the strata titled property and data was collected in a manner enabling the sources of resident satisfaction to be clearly delineated. Furthermore, the study benefited from combining views from two perspectives – residents and managers. Finally, the study involved gathering data through in-depth interviews that facilitated the collection of richer information than would have been possible in a purely quantitative survey.

Sixteen resident owners of properties in three large, master planned community complexes, and three strata title managers associated with the complexes were interviewed. The three managers were all male with industry experience ranging from five to 30 years.

The three complexes varied in age from two to 10 years. All have community and recreational facilities; two are part of a golf course estate. All have high occupancy rates. The sixteen resident owners were all aged over 50 years. Ten were female; eleven were married/with partner; ten were living in their first strata-titled home. On average, they had resided in their strata titled home for 31.6 months (range: 10 to 72 months). Ten of the residents had moved from a suburban house and six had lived in an apartment prior to moving to their current residence.

While prior studies have shown close links between residential factors and indices of psychological well-being (e.g., Rohe and Stegman, 1994), these studies have not been strongly grounded in theory. In contrast, the current study draws on a substantial body of theory relating to psychosocial needs (e.g., Bradley *et al.*, 2010; Deci and Ryan, 2000; Maslow, 1954; Murray, 1938) to explore housing and human wellbeing relationships. In this context, a psychosocial need can be defined as a recurrent, but not necessarily fully conscious, desire for an end state; it is an inner force that “directs behavior towards a goal and causes tension when the goal is not satisfied” (Cohen *et al.*, 1955, p. 291). Psychosocial needs that were specifically addressed in the study include: the need for

safety (security and protection from harm), relatedness (social contact, belonging, connectedness), territory (personal space, privacy, peace), control (autonomy, self-determination), and esteem (status, pride).

Two interview schedules were developed and pilot tested: one for the three strata managers and one for the unit owners. In addition to addressing psychosocial needs, both schedules included items relating to difficulties associated with strata title living and unanticipated dimensions of strata title living, plus items of a demographic nature. Where appropriate, questions were derived from those used in past studies (e.g., Lu, 1999). The interviews lasted between 30 to 60 minutes. All were digitally-recorded, and transcribed. The transcribed data was then subjected to thematic analysis.

With respect to the research method's limitations, it should be noted that the study does not seek to pursue any examination for statistical significance in the quantitative data reported in the next section. The study's small sample size precludes such a treatment of the data. The quantitative data should only be viewed as indicative of the subjects' perspectives on psychosocial dimensions of strata title living. Further, with respect to the qualitative data reported, the study suffers from all shortcomings generally associated with qualitative research. These shortcomings include scope for subjectivity in data analysis and the possibility of researcher bias being manifest in the data's collection and analysis.

Empirical Observations

Strata Title Living and Psychosocial Need Fulfillment

The unit owner interview schedule included a set of 11 statements developed to appraise the extent to which the interviewees experienced psychosocial need fulfillment. These statements appraised the five psychosocial need dimensions referred to in the preceding section (ie: safety, relatedness, territory, control and esteem). Unit owners responded to each statement by selecting one of five response options that ranged from '*strongly disagree*' to '*strongly agree*'. The frequency distribution of the data collected from this psychosocial needs fulfillment appraisal exercise is presented in Table 1, with modal responses for each statement highlighted in bold. Responses appeared unaffected by interviewee gender, or duration of residence. One owner did not respond to any of the statements, due to a lack of time.

INSERT TABLE 1 ABOUT HERE

Two statements were designed to gauge unit owners' satisfaction with safety and security (statements 1 and 2 in Table 1). It can be seen from the frequency distribution that more than 86% of the subjects indicated either agreement or strong agreement for both of these statements. These observations lend support to the view that a significant attraction of master planned community living relates to the sense of safety and security that such

complexes can provide.

Four statements probed owners' satisfaction with their degree of social contact and sense of relatedness (statements 3, 4, 5 and 6). Responses provided to these questions suggest that the unit owners experience a relatively high degree of satisfaction on this psychosocial need dimension, although the degree of satisfaction appears to be less than the satisfaction level achieved with respect to safety and security.

Two statements were employed to probe owners' satisfaction with the space and privacy provided by their strata title living context (statements 7 and 8). All but one of the unit owner interviewees either 'agreed' or 'strongly agreed' with these two statements and no unit owner expressed any dissatisfaction. This suggests that the subjects' living experience was affording them a high degree of satisfaction on the space and privacy psychosocial need dimension.

Two statements were used to appraise satisfaction on the control and autonomy psychosocial dimension (statements 9 and 10). While the responses recorded in Table 1 suggest a fairly high degree of satisfaction, the high degree of consensus achieved for the other psychosocial needs fulfillment indicators is not as apparent for the control and autonomy dimension. This is borne out by two of the subjects disagreeing with the statement "Living at I have the freedom to live the kind of lifestyle I want to" and two of the subjects either agreeing or strongly agreeing with the statement "I don't have enough control over my property".

The statement "I am proud to tell my friends I live at ..." was used as the basis for gauging the subjects' sense of status and esteem deriving from their home (statement 11). The unit owners all either 'agreed' or 'strongly agreed' with this statement. It should be noted, however, that all three of the master planned communities where the unit owners lived can be viewed as relatively 'up market' developments and this factor would have had a major bearing on the satisfaction ratings provided. For this reason, it would be inappropriate to construe this observation as constituting evidence that high status and esteem is associated with strata title living in general.

Residents were also asked to compare dimensions of living in their prior residence relative to their current residence. This phase of the interview was also undertaken as a categorical assessment exercise, with the subjects asked to record their relative level of satisfaction with their current home as either 'less satisfied', 'equally satisfied' or 'more satisfied'. The frequency distribution of the data collected for this exercise is reported in Table 2.

INSERT TABLE 2 ABOUT HERE

Consistent with the observations reported in Table 1, respondents were more satisfied with the security and also social contact with community in the master planned

community living environment. They also indicated greater satisfaction with recreational facilities, appearance and cleanliness, and an overall assessment of their current home relative to their previous one. The cost of services and maintenance was the only dimension of living where the unit owners failed to indicate greater satisfaction with their current living environment. The responses recorded in Table 2 were not found to exhibit any association with duration of residence.

Due to the limited number of unit owners interviewed and also the limited number of strata title schemes represented in the study, caution should be exercised when interpreting the data reported in Tables 1 and 2. The small sample size precludes the quantitative data from being subjected to any analysis for statistically significant commonalities or differences. Despite this, the observations made in the psychosocial needs satisfaction assessment exercise represent a useful backdrop to the qualitative data that will now be reported.

Difficulties confronted in strata titled living

There is a broad range of challenges that can arise in the strata title living context. One of the three managers interviewed noted:

It can be very stressful ...there's children, there's pets, there's car parking problems, there's restrictions on what you can do because you're in a body corporate.

A particularly problematic aspect of strata title living that was commented on by all of the managers concerned community issues. One of the managers claimed that the biggest challenge for unit owners was "dealing with their neighbours". In a similar vein, another manager commented:

Like any community that you move into, it's establishing networks and relationships, understanding how to do that.

Also relatedly, the third manager commented:

(It is the) change in their lifestyle coming from living in a home ... just living in a community, that's a challenge.

Several owners expressed frustration with the behaviour of children living in their strata title complex. Typifying this view, one unit owner commented:

Parents do not monitor their children. (They) treat it like a playground which is not what this was designed for.

Despite this view that social factors can be a source of frustration, all the managers believed that residents were generally happy with the social aspect of their complex. One of the managers commented:

One of the reasons a lot of people do come to live here, and they won't articulate this, but I think it's because it is a small community, a small self-controlling community and that's an attraction. They can get out and meet and make themselves known. They go down the street and there are probably twenty people they can say hello to.

A major stumbling block for new unit owners with no prior strata title ownership experience concerns the problems that can arise in body corporate committees. This was noted by one of the managers interviewed who commented:

If you're coming from a home where you've been in control of everything including your yard, in a body corporate you have committees ... and they deal with the issues of the common property. ... New owners have no perception of what it all means.

It becomes particularly challenging when one or more members of a strata title scheme's elected body corporate committee starts to act in a dysfunctional manner. A manager elaborated on problems that can arise in a body corporate committee in the following manner.

Once [some people] take on the role of chairperson, their outlook changes, they seem to feel as though they have more power. That's a bit of a problem for new owners. ... Some people get very, very angry with another person on the committee because that person on the committee is over-bearing or over-powering or wants to get their own way, and 'I've just left my home, why would I come here and get abused by you?'.

When differences of opinion arise between committee members, their behaviour can turn quite political. One owner claimed:

Now there's one other person here ... [who] found that he couldn't beat X [the property developer], so he joined them. I don't know exactly what took place, but I'm quite confident that some *ex gratia* exchange has taken place. ... When he came to the meetings after that, he had completely changed. We were having a lot of problems with X honouring the defects and he was all up in arms and was all ready for a confrontation with them and said they're not going to do this, and then, all of a sudden, he changed and was saying, no that's satisfactory.

Another recurrent theme in the interviews concerned body corporate rules and restrictions. The three managers provided different examples of resident dissatisfaction with various rules and restrictions. One manager elaborated on residents' dissatisfaction with traffic, control of children and common facilities in the following way:

... rules and restrictions to do with traffic inside the body corporate. Just things like speed limits and speed bumps ... , basically just traffic movements in general. And then children, just control of children. When they're riding bikes, making noise Probably to a lesser degree, use of the common facilities and hours of operation and that type of thing.

Many residents thought the property's rules were appropriate, but experienced frustration as a result of them not being adequately enforced. One commented on the by-laws:

If they're policed, they are more than satisfactory.

Another stated:

Rules yes, but you have got to have managers and the body corporate of course who are prepared to apply those rules. I mean, rules are no darn good at all - I

mean it's like the law, it's all very well the government passing laws, but if they haven't got people to enforce those laws, then they're useless.
 One of the residents criticized the manager for a lack of rule policing:
 The greatest frustration is again lack of visible management to monitor ... after school and weekends and so on. I know they've got to have time off, ... but they really need to regulate too, and walk around and have a look to see what's going on".

Despite the view that strata title rules and regulations can be a source of frustration for some residents, one of the managers felt that once they had moved in, most residents soon understood and accepted the need for by-laws. It was notable, however, that this interviewee distinguished between the behaviour of owners and tenants saying:
 Where you have a rental couple in there who disrespect the building and the by-laws, then you have a problem.

A further widely cited source of frustration experienced by unit owners concerned "property management", or "lack thereof," and the "uncompromising attitudes" of management teams. One resident was finding that minor housing faults were proving to be a major challenge, saying:
 [T]he thing was that X, they were in charge of the defects and they did not even come out and suggest anything. I had to hound them to come fix anything.

This view needs to be qualified, however, as some unit owners felt that their co-residents had unrealistically high expectations of management. One owner stated:
 Probably the most frustrating is the people expecting the management to do more than is included in the management agreement. So, everything's done by the management that they should do, but there's people who always look for more, and think they're entitled to more, which is not within the agreement.
 Another stated frustration occurred because there were:
 three people out of seven on the committee being very prejudiced towards new managers, and therefore creating considerable friction.

A further frustration that unit owners can experience as they move along the strata title living learning curve was described by one of the managers. This concerns the limited council services provided in a strata titled complex. He commented:
 I think the challenges that they [residents] normally have is understanding the normal rules about services that a council would deliver in suburbia don't apply. ... The most common issue would relate to building-based works like where do I go to get approval to change the colour of my house, or change the building around, or those everyday services? Who controls the water?

Unanticipated dimensions of strata title living

One of the unit owners commented:
 Living in units or apartments that are strata is ... totally different to living in a house. One of the major reasons why there is a problem with people coming from

house living ... [is] they have no idea of the living features, structures, and what to do and what not to do ... So it's very new, and the majority of them take a very long time to settle.

Despite this claim, the large majority of interviewees indicated that their move to their strata titled complex had been a pleasing experience. Most had had their expectations met and were enjoying the community living, facilities and security provided. One owner stated:

We enjoy the complex itself ... the gardens are well maintained, the facilities are well maintained and the majority of the residents are extremely friendly and affable.

Only two of the unit owners interviewed felt their move to strata title living had been displeasing. One of these experienced logistical difficulties with their move to their new home:

This place was late finishing. In fairness, it wasn't entirely X's fault, they had trouble getting the council to approve the entrance, but we weren't told any of this. We were told we could move in next week, ... So we turned up on their doorstep. We have got nowhere to go now. What are you going to do?

Owners were asked whether, prior to purchasing, they appreciated the extent to which strata title living would restrict changes to the appearance of their house or yard. Somewhat surprisingly, half of the unit owners interviewed indicated that they were unaware of this aspect of strata title living. When asked to identify other aspects of strata titled living that they had not been aware of prior to purchase, a common response related to the size of body corporate fees. One owner stated:

When we bought here they told us a pack of lies about how much the body corporate was going to be and it ended up a lot more.

Other owners felt there was inadequate information given about their complex:

... the body corporate, the care taking and letting agreement, the disclosure document. Why wasn't I given any of this in the beginning? Lack of information by the sales force.

When asked for ways to make the transition easier, most of the unit owners wanted more information regarding by-laws and body corporate workings. One unit owner suggested:

Some sort of information brochure, pamphlet, one-page flyer, whatever, which would have said, welcome and in case you don't know what body corporate means, this is how it operates. What the responsibilities of the resident managers are, what the current arrangements are for the removal of rubbish, what gets done in terms of the laws of gardens and things like that that are on common property. ... A copy of the by-laws or any local rules that apply to the complex which were unique to this particular set up rather than just the ones that were standard for any community title scheme.

Owners were asked whether they had ever questioned their move and if so when and why this occurred. The minority had doubted their decision shortly after moving in, often due to management issues which were subsequently resolved. The majority could not think of

a time when they had felt as though they had made the wrong decision, however, a small number of unit owners experienced some frustrations on first moving in, mainly due to management and staff turnover, or teething issues experienced in the course of processes becoming established as residents became more involved in their community. One of the owners commented:

I now know more about the way a community title scheme works. I was not, when I moved in, but I am now and have been for five years, involved with the committee, which in some sense gives you some control of your own destiny and it has allowed me to undertake a role which previously didn't exist.

Conclusion and Discussion

This study has sought to investigate the nature and extent of psychosocial need fulfilment experienced by resident strata title owners and to shed light on factors that detract from residents' lived experience in the strata title context.

Significant psychosocial factors that were found to have attracted the unit owners interviewed to purchase into a master planned community were the security and also sense of community provided by their chosen complex. Their pre-purchase expectations with respect to these factors had largely been fulfilled, with the majority indicating that they were more satisfied with the security provided by their new home and all being more satisfied or equally satisfied with the social contact afforded by their new home relative to their prior residence.

Most residents appeared happy with their property's rules and regulations, although not necessarily with their enforcement. A number of residents voiced concerns with the behaviour of children, but generally attributed such problems to a lack of parental monitoring. Although most owners reported no conflicts with fellow residents, disputes did occur, often in relation to the membership and operation of body corporate committees. This area of owner concern was anticipated by the managers interviewed and has been documented in past research (e.g., Blandy *et al.*, 2006).

Dupuis and Dixon (2006) have suggested that strata title accommodation, and similar forms of intensive living, require "cultural readjustment" to ensure the effective functioning of a body corporate. In our study, residents not serving on their body corporate committee aired some criticisms of the motives and behaviour of some of the committee, whilst some committee members criticised non-members for their unrealistically high expectations. In addition, a minority of residents harboured grudges over the (in)actions of their property managers. This leads to one broad conclusion from the study, namely that relationships between owners, their body corporate and their manager are pivotal to resident satisfaction. The testiness of relationships can be likened to the "three-cornered fight" (Bateson 1985) that exists in many service encounters, where the interests of three parties do not fully coincide and issues of trust, control and responsibility frequently remain unresolved as a consequence.

Several interviewees felt that body corporate living does not suit everyone. This suggests potential purchasers of strata title homes should seek information that is not called for in the conventional home purchase situation. This information relates to the by-laws of the scheme, how well the body corporate committee is functioning and the nature of the prevailing social culture of the complex in question. It is notable that unit owners who expressed some dissatisfaction with their strata title living experience indicated that their needs either for control/autonomy or for social contact and connectedness were not adequately met.

In considering ways to ease the stresses associated with relocating to strata title living, residents suggested that management should provide more information, while managers suggested residents should better familiarize themselves with the information available. It appears that, for the properties examined, the developers could have exercised a greater initiative in facilitating unit owners' transition to strata title living. In many jurisdictions, prospective purchasers of a strata title unit are required to be furnished with a copy of the by-laws pertaining to the strata scheme containing their proposed purchase. While this requirement might appear to mitigate the potential for a unit owner's pre-purchase expectations with respect to rules and regulations not being met, observations made in this study appear to lend support to Craddock's (2013) view that such materials are frequently not read with sufficient care by prospective strata title unit purchasers.

It appears disputes involving residents and their body corporate committee can represent a significant source of stress. This can be a challenge over the longer term. Many Australian jurisdictions have adopted strata title dispute resolution procedures that must be adhered to. Should a dispute not be resolvable at a localised level (within a strata title scheme), a party in the dispute can seek resolution through the appropriate state government's arbitration body (eg, in Queensland, strata title dispute arbitration is facilitated through the Office of the Commissioner for Body Corporate and Community Management). Further to this initiative, there would appear to be strong justification for the training of strata title property managers to include exposure to strategies for achieving dispute avoidance, in addition to dispute resolution.

From a theoretical perspective, the study is supported by, and offers support to, psychosocial needs theory. According to this approach, social environments affect individuals' wellbeing by either facilitating or thwarting their need fulfilment. In the current context, levels of residential (dis)satisfaction depended upon the extent to which master planned communities met or violated owners' needs. We found that the owners who were most critical of the communication, governance and enforcement processes operating in their communities were also the ones who indicated that their needs either for control/autonomy, or for social contact and connectedness, were not adequately met. Unsurprisingly, the same owners reported low levels of residential satisfaction. The study also serves to highlight the importance of what Sheldon and Niemiec (2006) called 'balanced need satisfaction', with several new residents apparently trading off losses in control/autonomy need satisfaction in exchange for high levels of satisfaction of their safety/security and social relatedness needs. For most of these residents, the trade-off was acceptable, and residential satisfaction was high.

In further studies, the initiative pursued in this study could be built upon in a number of ways. Firstly, further qualitative research could be conducted in a broad cross section of complexes to further “flesh out” the nature and extent of particular psychosocial issues arising in strata title complexes and also management practices adopted in light of these challenges. Secondly, a longitudinal quantitative approach, based on large samples of strata title residents could be taken to investigate the prevalence, antecedents and correlates of residents’ issues with strata title living. Thirdly, an intervention study could investigate the impact of programs aimed at improving the communication and management processes within strata title properties. All such studies could be usefully guided by psychosocial needs theories, and could further investigate the role played by these needs in mediating the effects of housing attributes on resident satisfaction and wellbeing.

As noted earlier, the study reported herein suffers from the conventional limitations associated with case study and interview based research. In particular, due caution needs to be exercised in interpreting the categorically-based data reported in Tables 1 and 2. The subjects providing the data were not drawn from a randomized sample, nor are they sufficient in number to permit any generalized extrapolation of observations to a broader population. Due to the problems of accessing unit owners for interviewing, a convenience sample was used that was based in recently constructed strata title schemes where strata managers had agreed to grant access to unit owners. Despite these shortcomings in the data collected, the study provides useful insights into the nature of psychosocial issues that can arise in strata title living and lay the basis for further, similarly-focused, research enquiry.

References

- Arkoll, K., Guilding, C., Lamminmaki, D., McManus, L. and Warnken, J. (2013), "Funding common property expenditure in multi-owned housing schemes", *Property Management*, Vol. 31, No. 4, pp. 282-296.
- Australian Bureau of Statistics (2012), "2011 Census of population and housing", *Australian Bureau of Statistics*, (www.abs.gov.au).
- Bateson, J. E. G. (1985), "Perceived control and the service encounter", in Czepiel, J.A., Solomon M. R. and Surprenant, C. F. (Eds.), *The Service Encounter: Managing Employee/Customer Interaction in Service Businesses*, Lexington, Lexington Books, pp. 67-82.
- Blandy, S., Dixon, J. and Dupuis, A. (2006), "Theorising power relationships in multi-owned residential developments: Unpacking the bundle of rights", *Urban Studies*, Vol. 43, No. 13, pp. 2365-83.
- Blandy, S., Dixon, J. and Dupuis, A. (2010), *Multi-owned Housing: Law, Power and Practice*, Ashgate: Farnham, England.
- Bradley, G. L., McColl-Kennedy, J. R., Sparks, B. A., Jimmieson, N. L., & Zapf, D. (2010). "Service encounter needs theory: A dyadic, psychosocial approach to understanding service encounters", in Zerbe, C. E. J. Hartel, and N. M. Ashkanasy (Eds.), *Research on emotions in organizations. Volume 6. Emotions and creativity, learning, change and development*, Emerald Group Publishers/JAI, Bingley. UK, pp. 221-258.
- Bruin, M.J. and Cook, C.C. (1997), "Understanding constraints and residential satisfaction among low-income single-parent families", *Environment and Behavior*, Vol. 29, No. 4, pp. 532-54.
- Carvalho, M., George, R.V. and Anthony, K.H. (1997), "Residential satisfaction in condomínios exclusivos (gate-guarded neighborhoods) in Brazil", *Environment and Behavior*, Vol. 29, No. 6, pp. 734-69.
- Cassidy K and Guilding, C. (2010), "Defining an emerging tourism industry sub-sector: who are the strata titled tourism accommodation stakeholders?" *International Journal of Hospitality Management*, Vol. 29, No. 3, pp. 421-431.
- Cassidy K and Guilding, C. (2011), "Management models and differential agency challenges arising in Australian multi-titled tourism accommodation properties", *Tourism Management*, Vol. 32, No. 6, pp. 1271-1281.
- Chapman, D.W. and Lombard, J.R. (2006), "Determinants of neighborhood satisfaction in fee-based gated and non-gated communities", *Urban Affairs Review*, Vol. 41, pp. 769-99.

Cohen, A. R., Stotland, E. and Wolfe, D. M. (1955), "An experimental investigation of need for cognition", *Journal of Abnormal and Social Psychology*, Vol. 51, pp. 291-294.

Cradduck, L. (2013), "Living a managed community lifestyle: lessons from Queensland", *Property Management*, Vol. 31, No. 4, pp. 326-334.

Deci, E.L. and Ryan, R.M. (2000), "The "what" and "why" of goal pursuits: Human needs and the self-determination of behavior", *Psychological Inquiry*, Vol. 11, No. 4, pp. 277-68.

Dupuis, A. and Dixon, J. (2006). " 'Getting on': An agenda for living closer together", in Thompson-Fawcett, M. and Freeman, C. (Eds.), *Living together: Towards inclusive communities in New Zealand*, Dunedin: Otago University Press, pp. 227-240.

Easthope, H. Randolph, B. and Judd, S. (2012), *Governing the Compact City: The Role and Effectiveness of Strata Management*, City Futures, Faculty of the Built Environment, University of New South Wales.

Evans, G.W., Wells, N.M. and Moch, A. (2003), "Housing and mental health: A review of the evidence and a methodological and conceptual critique", *Journal of Social Issues*, Vol. 59, No. 3, pp. 475-500.

Everton-Moore, K., Ardill, A., Guilding, C. and Warnken, J. (2006), "The law of strata title in Australia: A jurisdictional stocktake", *Australian Property Law Journal*, Vol. 13, No. 1, pp. 1-35.

Gruis, V., Nieboer, N. and Tsenkova, S. (eds) (2009), *Management of Privatised Social Housing: International Perspectives*, Wiley-Blackwell, Oxford.

Guilding, C, Warnken, J, Ardill, A. and Fredline, L. (2005), "An agency theory perspective on the owner/manager relationship in tourism-based condominiums", *Tourism Management*, Vol. 26 No. 3, pp. 409-20.

Hsieh, H. R. (2009), "Issues and proposed improvements regarding condominium management in Taiwan", *Habitat international*, Vol. 33, No. 1, pp. 73-80.

Khozaei, F., Ramayah, T., Hassan, A. S., and Surienty, L. (2012). "Sense of attachment to place and fulfilled preferences, the mediating role of housing satisfaction", *Property Management*, Vol. 30, No. 3, pp. 292-310.

Lo, K. and Wang, M. (2013), "The development and localization of a foreign gated community in Beijing", *Cities*, Vol. 30, pp. 186-192.

Lu, M. (1999), "Determinants of residential satisfaction: Ordered logit vs regression models", *Growth and Change*, Vol. 30, pp. 264-287.

Maslow, A.H. (1954), *Motivation and Personality*, Harper and Row: New York.

Murray, H. A. (1938). *Explorations in Personality*. New York: Oxford University Press.

Ngai-ming, Y. and Forrest, R. (2002), "Property owning democracies? Home owner corporations in Hong Kong", *Housing Studies*, Vol 17, No. 5, pp. 703–720.

Rohe, W.M. and Stegman, M.A. (1994), "The effects of homeownership on self-esteem, perceived control and satisfaction of low-income people", *Journal of the American Planning Association*, Vol. 60, no. 2, pp. 173-84.

Sheldon, K.M. and Niemiec, C.P. (2006), "It's not just the amount that counts: Balanced need satisfaction also affects wellbeing", *Journal of Personality and Social Psychology*, Vol. 91, No. 2, pp. 331-341.