

Strata Community Awards for Excellence (2024/2025)

Essay (Chapter: VIC)

Alex Smale

Essay

Recognising the author of an exceptional essay that sheds light on innovative practices, theories, or technological advancements within the strata industry. The winning essay should not only demonstrate a deep understanding of current challenges and opportunities but also present original ideas or solutions that contribute significantly to the field.

Write a 1,000-word essay (with 10% leeway) on any topic (a current topical stratum issue).

Death by committee: Is strata where dreams go to die?

"Every door will have a different colour, it will look just like a European city!" A committee member was explaining a bold vision he had to transform an uninspired, dull block of apartments. It was obvious from the atmosphere in the room that there would be no support for this plan, "I just can't imagine it" the Chairperson stated and there the dream died. Strata is not a place for dreamers, I thought. Time and time again I've seen big ideas be brought up, committees discuss it politely and no progress is ever made. This essay explains why big ideas are likely to fail in strata and offers some tools to increase the likelihood of success.

One way to increase the chance of success is to use our natural predilection for loss aversion to your advantage. In 1992, Kahneman and Tversky published a landmark study showing that losses have twice the strength of gains. They explored how, for example, the pain of losing \$100 is much greater than the joy of finding \$100. When discussing large ideas, we get caught up in the vision and focus on benefits instead of potential losses. This is working against the way our brains work. For example, if trying to get an electric vehicle retrofit approved, instead of focusing on the potential benefits of the project, it would be more effective to focus on the potential loss of not doing it. For example, by emphasising that your building will struggle to attract tenants with electric cars. As Kahneman has stated "losses loom larger than gains" in our minds.

Working alongside loss aversion is status quo bias, a cognitive bias showing a preference for the current situation over change. This bias is rooted in fear of the risk that comes with change and negatively impacts the ability of committee members to make decisions. Overcoming status quo bias requires demonstrating how the current situation is untenable and how there will be a greater chance of success and less risk, if change is embraced. The committee member who wanted the multicoloured doors may have seen more success had he focused on the building's present situation. The committee knew their building was unattractive to good tenants, they jokingly referred to it as "the boulevard of broken men." They had seen some improvement recently because of an agent that was renovating some of the apartments in a bright and funky style attracting students. If the committee member had framed his project as a continuation of this project, it would not have appeared as such a large departure from the status quo. Less change means less risk and less risk means less fear.

Loss aversion and status quo bias explain two psychological roadblocks to big ideas in strata, but there is another category of roadblock: political. In the book "How Big Things Get Done" the authors describe that "the common denominator of any project is that people are making the decisions about it. And wherever there are people, there is psychology and power... They are found whenever someone is excited by a vision and wants to turn it into a plan and make that plan a reality." Big ideas in strata are only viable with the support of others, so what commences is a political process where ideas are brought forward, debated and voted on. A necessary part of this process is seeking feedback on your plan and canvassing your community for support.

We all know that feedback can be useful, but it can also be a hindrance. Take for example the story of the Facebook news feed. In 2006, Facebook announced a new home page where users saw an updated list of their friends' activity. The backlash was severe, people found it creepy and invasive, but Facebook did not act on the complaints. Why? Because their data showed people were using the site more because of the new feed. Today it is hard to imagine a world without the newsfeed, and all other social media platforms are modelled off it. Unlike Facebook, strata communities do not have the luxury to proceed without stakeholders on board. All large projects will require at minimum committee approval, and often a special resolution as well. However, the story of the Facebook news feed does have a good lesson for strata communities, you can ignore loud negative voices if you know otherwise you are right. In strata, it will be crucial for others to be on your side, but you don't have to listen to all the negative feedback.

Most often, I see bold initiatives derailed by a single resistant individual who is not representative of the whole. Say for example you are wanting to install solar panels. This person does not want solar panels on the roof and will not approve it under any circumstance. Instead of stating that so it can move to a vote, they will bring a litany of concerns such as: what is the impact on the insurance? how will the roof be impacted? and shouldn't we wait until the defects are done first? For those on the fence, these questions will appear reasonable, not realising that they are never ending and are merely tools used to

stymie action. Rather than trying to appease the one person adamantly opposed to the project, committee members should take a lesson from political canvassing. Voter scoring is used in political canvassing to rank individuals based on their likelihood to support a party. This approach helps campaigners prioritise their outreach. There is no point in trying to convince someone who is deadset against you, instead look to the undecided.

Turning big ideas into reality is difficult in strata. Two threads run through this difficulty: psychology and power. These two factors form the basis of any decision making in strata and are therefore crucial to progressing large projects. On the psychological side, committees can utilise our predilection to loss aversion to advance their ideas. Further, if committee members understand status quo bias, they can counteract it. Finally, committees should understand the political forces at work in getting projects approved. This approval works similarly to political canvassing, focusing on the undecided voters who can be swayed and ignoring the loud naysayers.

Add citations and references supporting your Essay.

Flyvbjerg, B & Gardner, D. (2003). *How Big Things Get Done: The Surprising Factors Behind Every Successful Project from Home Renovations to Space Exploration*.

Kahneman, D. & Tversky, A. (1992). "Advances in Prospect Theory: Cumulative Representation of Uncertainty". *Journal of Risk and Uncertainty*. 5 (4): 297–323.

Issenberg, S. (2013). *The Victory Lab: The Secret Science of Winning Campaigns*.

Schmidt, Tracy Samantha (September 6, 2006). "Inside the Backlash Against Facebook". *Time*.

Zeckhauser, R & Samuelson, W. (1988). "Status Quo Bias in Decision-Making." *Journal of Risk & Uncertainty*. 1 (1): 7-59.