

SPECIALIST SECTIONAL TITLE FIRM IS ACTIVE IN YOUR AREA



SECTIONAL TITLE/HOA/SHAREBLOCK SPECIALISTS, BODY CORPORATE MANAGEMENT, GUIDANCE ON TOWNHOUSE LIVING

Unlimited Townhouses is a Management Agency that specialises in residential and commercial sectional title, share block and Home Owners Association management and administration thereby avoiding any possible conflict of interests that could arise if involved in other activities such as property sales and rentals.

A MANAGING AGENT TO SUIT YOUR REQUIREMENTS

For the past 30 years UNLIMITED TOWNHOUSES has rendered these specialised services; Initially in Johannesburg in the early 80's and in Kwazulu Natal since 1994. Our unique web sites, which have attracted countrywide interest, have prompted an expansion program by opening regional offices in order to serve a broader spectrum of homeowners who have chosen a communal lifestyle in sectional title and gated estate living.

Trustees are coached and guided regarding their duties and responsibilities in terms of the act and they are provided with regular meaningful financial reports together with recommendations on the maintenance of the buildings and common property. Swift action is taken in respect of arrear levies and enforcement of the rules of the Body Corporate and accurate forecasts are given to the trustees to assist with the budgeting of the levy fund.

WEB SITE www.uth.co.za A USEFUL TOOL FOR GROWTH & TRANSPARENCY

The business of Unlimited Townhouses has grown beyond expectations because of the unique free web site service offered to all of our clients. This service provides each body corporate with a library of current information as well as all the important historic records from inception of the scheme including such items as current registered rules, minutes of meetings, audited financial statements, details of current trustees and up to date financial information. The web is updated on a daily basis to give owners the latest information such as, copies of insurance policies, monthly income & expenditure reports compared with the budget, a monthly balance sheet, an age analysis of all owners levy accounts, levy statements for the past three months in the form of debtors' ledgers,

news letters, trustees reports and a wealth of sectional title information in the form of specialized publications. We believe that the availability of information to every member of the body corporate promotes transparency and builds trust amongst the members.

PRIVATE PROPERTY SALES

There is a facility on www.uth.co.za for owners to sell and buy property at minimal cost. Simply click on the link on the home page of the web.

A NEW ERA IN SECTIONAL TITLE MANAGEMENT

If you Google search "Sectional Title" today, whom would you find in the top listings?

Certainly www.sectionaltitlecentre.co.za and www.uth.co.za

Why?.....because, these are two websites are most frequently used/accessed by those in the Sectional Title industry. They both contain a wealth of sectional Title information. Unlimited Townhouses and Sectional Title Centre are sister websites administered by Unlimited Townhouses for the benefit of the Sectional title community.

A Recent Trend

Many traditional Estate Agencies that have in the past relied on turnover from sales, have now urgently directed their focus on property management due to the obvious slump in the market. A few selected Companies remain the top professional "sales companies" whilst the smaller agents or agencies battle to survive. The leftover, scramble for a share in the unknown, although accessible, **property management** sectors ... this could be a sad day for the consumer if such newcomers do not equip themselves properly with the knowledge required in this field.

Unlimited Townhouses however, has focused purely on Sectional Title management for the past 30 years. The fact that Unlimited Townhouses do not have a sales or rentals division creates an environment for strong relationships to be formed with the professional sales and rental agents in each area of operation.

FREE TRAINING & GUIDANCE

Each newly elected trustee is given a "Trustees Package" which explains in detail what their duties and powers are and how to best manage the complex. In addition the web site contains a free booklet produced by Unlimited Townhouses entitled "TOWNHOUSE LIVING" – The Laws, The Rules and Your Rights.... What you as an owner should know. This is a comprehensive guide for owners and trustees regarding their duties, responsibilities and their powers. The booklet is used as training manual for newly elected trustees.

COMMUNICATION LEADERS IN THE INDUSTRY

Unlimited Townhouses prides itself on the fact that the elaborate communication infrastructure that has been in place since inception of the organization, allows for specialized ST management of complexes without any distance constraints.

Unlimited Townhouses successfully manages a wide portfolio of over 150 complexes in the KWAZULU-NATAL province and now, with the establishment of regional offices this portfolio will be expanded considerably.

The Unlimited Townhouses Website www.uth.co.za provides unlimited online access to all owners in schemes managed by UTH to documents such as: rules, monthly reports, minutes, levy statements, notices, insurance policies, news and legislation updates etc. The level of information to which trustees require their owners to have access to, has no limits.

Daily communication with portfolio clerks and senior staff is facilitated through landline, fax, cell phone, email and Skype. Staff in the field as well as the UTH in-house courier facility smoothly facilitates document drop off and collection.

Unlimited Townhouses with a policy of "We come to you" and an elaborate communication infrastructure dispels any preconceived priority to appoint a managing agent within the local proximity of any scheme.

INNOVATIVE ON-LINE COMMUNICATION

An innovative facility recently introduced on our web site www.uth.co.za is the "On-Line Request form" which allows the members of a body corporate to submit a request, query, suggestion or complaint via the web master to the managing agent and trustees that is then tracked until the matter is dealt with. The member who submitted the form in the first instance is kept in the loop. These forms are filed by the web master and made available to the trustees regularly for them to assess the type of information requested from owners as well as an analysis of the type of maintenance problems being experienced.

SERVICE MODULES TO CHOOSE FROM

Whilst it is recommended that the full management package is chosen by a body corporate, it has been found that some bodies corporate have sufficient expertise within their ranks to manage part of the functions of the body corporate on their own. For that reason Unlimited Townhouses offers a variety of supplementary packages to match the needs of each body corporate. It has been found that in some cases a body corporate merely requires their accounting records to be kept up to date and prepared for audit

whilst in other cases it has merely been the collection of monthly levies and mailing of levy statements.

ENFORCEMENT OF THE RULES

There will always be instances where action needs to be taken against individuals who blatantly ignore the rules of the body corporate and in such instances Unlimited Townhouses deals firmly and swiftly with the registered owner to ensure that he or his tenant abides by the rules. We do not recommend that trustees become involved in these issues that could lead to confrontation and unpleasantness within the complex.

ATTENDANCE AT TRUSTEE AND GENERAL MEETINGS

Senior management of Unlimited Townhouses attend quarterly trustees meetings, SGM's and AGM's at your complex or alternate local venues. Inspections of the complex for guidance on maintenance issues are usually coincided with trustees meetings.

MONTHLY REPORTS

In order for trustees to make good business decisions, they need to be informed and up to date on the financial standing of the Body Corporate. The following regular monthly reports are given to the trustees between the 10th and the 15th of each month:-

- a) Balance Sheet for year to date
- b) Income & Expenditure report for the month and year to date vs the budget
- c) Age analysis of levy accounts of all owners
- d) Overdue levy report in respect of arrears
- e) Detailed report on any serious arrears giving full details of action taken to date

Monthly levy statements are dispatched at about the 18th of each month for the following month and owners are given various options of paying their levies into a dedicated trust account of the body corporate.

ANNUAL LEVY BUDGETS

Particular attention is paid to the preparation of the annual budget that is presented to the trustees for their approval prior to the beginning of the financial year. We ensure that sufficient provision is made for anticipated monthly expenditure as well as future maintenance such as major repairs and replacements including the repainting of the exterior of the buildings on a regular cycle as recommended by professionals. Bodies corporate are assured that no special levies will be implemented if our recommended budgets are adopted.

CREDIT CONTROL

A very strict credit control policy is recommended to the trustees and, once approved, is rigidly enforced by Unlimited Townhouses. A healthy cash flow for the body corporate ensures efficient management and prompt attention to all maintenance issues. The policy

recommended includes a punitive interest charge on late payments and arrear levies, the prompt issue of a summons if reminders are ignored followed by attachment of movables, rentals, garnishee orders on salaries and, in severe cases, the sale of the property or the sequestration of the estate of the defaulter.

In certain instances facilities are withdrawn such as parking within the complex, use of swimming pool, use of TV reception and at times disconnection of water or electricity supply to the unit depending on the basis of supply.

SERVICES OFFERED TO PROPERTY DEVELOPERS

Unlimited Townhouses assists developers in the preparation of the initial levy budget that is used to determine the proposed levies at the launch of the scheme. This ensures that the estimated levy is as close as possible to the actual anticipated expenditure and not just a figure based on random guesswork. We present the levy budget at the inaugural meeting of the body corporate and explain the implications to the members after which it is either approved or amended by the members of the body corporate.

Our proposals always include provisions for future maintenance that is now a legal requirement. We encourage to developers make it a requirement for all purchasers to contribute an amount to a levy stabilisation fund which then gives us the opportunity of reducing the initial levy by removing the provision for future maintenance to make the marketing levy more attractive.

We encourage developers to register exclusive use parking and garden areas as provided in section 27A of the act. This is an inexpensive way of securing exclusive use rights for an owner as opposed to the unsatisfactory method of merely allocating parking bays on a site plan and leaving garden areas as grey areas of the common property. The other option as provided for in section 27 of the act is very costly for the developer.

Unlimited Townhouses becomes involved in the scheme at the hand over stage to ensure that owners understand the legalities of their contract. Owners often have expectations that do not entirely match the terms of the sales agreement. At times the selling agent is to blame by not explaining in detail what the finished product is likely to be. We provide written guidelines explaining patent and latent defects and well as the definition of structural defects as defined by the NHBRC. We also explain the need to maintain the interior and the exterior of the buildings as well as the need to work with the developer in dealing with teething problems rather than resorting to immediate confrontation. The initial board of trustees has the particularly onerous task of dealing with common property issues in addition to issues relating to their own units. The first two years of a new complex is the time to pay attention to and to resolve common property issues in a professional manner.

The developer is often unfairly labeled as the “bad guy” by the owners due to a lack of understanding of basic principles. This is where Unlimited Townhouses, with its vast experience in new developments becomes the ideal mediator.

GENERAL GUIDANCE FOR OWNERS

An A5 information booklet is prepared for each complex and all members of each body corporate are provided with a copy which includes general information about the specific body corporate, the rules of the complex and additional general information relating to sectional title living. Unlike conventional freehold living, Sectional Title ownership has certain restrictions which many owners are unaware of and Unlimited Townhouses makes it their business to inform owners and tenants of the rules and regulations of the complex when an owner or tenant first takes occupation. Simple basic issues such as keeping of pets, parking arrangements, disposal of household refuse, installing a DSTV dish, alterations to the premises or affixing items to the exterior of the building etc must in most cases first be approved by the board of trustees in writing. In some instances permission can be refused if not provided for in the registered rules of the body corporate. The benefits of sectional title living however far outweigh the restrictions and owners and tenants, often overlook this important factor, when the rules of the body corporate are explained to them. Unlimited Townhouses use their best endeavours to encourage trustees to be reasonable about the enforcement of the rules by placing more emphasis on the education of occupants rather than the punishment for breaches of the rules.

MANAGEMENT FEES

When you receive a quotation from Unlimited Townhouses it is in the form of an all-inclusive, very competitive fixed monthly charge without any extras being added. When making comparisons with other quotations, take great care to establish what additional charges are mentioned but not included in other quotes received.

PROPERTY REPLACEMENT VALUES FOR INSURANCE PURPOSES

It is essential for complexes to ensure that the sum assured is at all times adequate cover in case of total destruction.

Our preferred insurance broker, Captivest Wealth Management Services is able to arrange complete property evaluations at not cost on condition that the complex takes out a minimum 3-year policy term with the insurer and that the sum assured as determined by the property valuer is accepted.

PROTECTION OF YOUR CASH RESOURCES

Unlimited Townhouses cc is a registered Estate Agency and therefore holds an Estate Agency Affairs Board Fidelity Certificate. The principals as well as the executive officers

are registered estate agents who also hold Fidelity Certificates. This means that your funds are protected by the Estate Agency Affairs Board fidelity fund.

A separate Trust Account is opened for each body corporate as provided for in terms of Section 32 of the Estate Agents Act. All payments are made electronically to avoid any possibility of cheque fraud and no payments are made without prior approval of the board of trustees. Surplus funds are securely invested in commercial banks as stipulated by the Act.

Unlimited Townhouses in Association with ABSA BANK has a facility in place for all bodies corporate managed by Unlimited Townhouses to have on-line access to their bank account balances and transaction history by way of on-line enquiries to ABSA BANK so that trustees can, with peace of mind, positively advise their owners that they personally are able to monitor and confirm the balances in the bank accounts of the body corporate.

Unlimited Townhouses, in addition to being registered with the EAAB is a member of the National Association of Managing Agents (NAMA) that has a very strict Code of Conduct that must be adhered to by their members.

TRUSTEES/MANAGING AGENT TEAM

Defined Roles Help Avoid Conflict

Much has been written recently about the management industry indictments, the role of the managing agent and how to monitor management. Little has been said, however, about what it takes to make a trustee/managing agent relationship work. The managing agent and board of trustees are a team working together to operate the building in the most efficient, yet highest quality manner possible. Like any team, they must rely on one another and know what the other needs and expects in order to work effectively.

The best time to establish a good working relationship with your management firm is at the very beginning. But it is never too late to delineate how the two groups intend to work together.

Put Expectations in Writing

Start by putting in writing what you expect of your managing agent and what is expected of the Trustees (NAMA contract), in order to avoid any future misunderstandings. By instituting a specific policy for how information will be gathered and passed on to the agent, as well as regular performance reviews and meetings, trustees can be sure they're working with, not against, the agent they've chosen. Only by having clear written policies and procedures can the board expect the managing agent to effectively carry out their wishes.

While the management company has certain contractual responsibilities, the trustees, in turn, must have realistic expectations. The trustees should know the managing agent's obligations as per the written contract. How many meetings will be attended? Who at the company will be the portfolio clerk, fielding owner complaints and queries and what is the policy and procedure for acting upon them?

Knowing the answers to these questions will give the trustees a better understanding of what can be expected from the managing agent. The answers should be put into writing and become part of the management contract when it is time to hire a new firm or renegotiate the existing contract. If the reality does not meet the written expectations, then managing agent needs to be told. It should also be noted that if the board of trustees is not doing its share, they're only hurting themselves. Managing agents should not and cannot be expected to handle everything alone. With these considerations agreed upon, the board can have clear expectations and plan accordingly.

Develop an Action Plan

The trustee's role is to set policy, make decisions and manage all onsite affairs (with input and guidance from the managing agent) and which in larger buildings normally involves the appointment of a building manager. You want to avoid unproductive trustees meetings, multiple calls to the managing agent office regarding the same complaint and conflicting information. In order to do so, trustees must end each meeting with a specific set of goals and action plans for tasks to be performed, deadlines for their completion, and a written list of who is responsible for what.

Deadlines must be realistic, taking into consideration the resources that are necessary, the time of year, and outside vendors that will be involved. Assignment of tasks must be realistic as well. Too often a particular person, be it a trustee or agent, commits to doing much more than can be reasonably accomplished in the given time period. Be sure to break big projects into smaller steps so that progress is made between meetings and pieces of the project can be assigned to different individuals.

With trustees that have their thoughts and concerns organized and written down, the managing agent will have a fuller grasp of what needs to be done to assist. Trustees can then take responsibility for projects that are realistic and communicate with the managing agent to assist them.

Productive Meetings

The importance of providing the managing agent with minutes of trustees meetings cannot be understated. The only way for management to stay current on building problems and advise the trustees if need be, is if regular meetings are conducted and communications remain open at all times. All members of the trustees/manager team can then hear the same progress reports and have a chance to give input into decisions.

And remember: the minutes of each meeting are part of the institutional memory of the organization. Minutes, which should include trustees policies and decisions, must be taken at every meeting and reviewed for accuracy at the next.

Trustee training should also be considered as a way to reduce time spent at trustee meetings and avoid reinventing the wheel every time there is a changeover of trustees. Many trustees discuss the same issues year in and year out with no resolution, or new trustees revisit old issues time and again.

Problem Resolution

When dissatisfaction surfaces, it's important to have an in-house policy for handling conflict. Don't let unhappiness stew under the surface and remain unresolved. Some schemes have complained about their managing agent for years without ever having a face-to-face meeting or shopping for a new agent. As with any relationship, the best approach is to speak or write directly to the person who can resolve the conflict; if the individual involved does not know there is a problem, there is not going to be a resolution. The discussion of complaints should not be hostile or accusatory, but rather a frank discussion about dissatisfaction and how it can be corrected.

The management company will need clear input on the problem and should be given the opportunity to resolve the situation. Don't assume the trustees cannot solve a personality conflict with one agent. Management companies fight hard to get new business and they will be willing to accommodate the board's needs if the requests are reasonable.

When it comes to handling problems and complaints within the building, decide who in the building and at the management firm will receive complaints and how they will be acted upon. Establish the system, try it out and make adjustments. In areas of high conflict, like pets or parking, trustees may need to create a special system or assign one individual to handle those complaints and resolve conflicts.

If the doorman, superintendent or concierge is the recipient of complaints, set up a system where they can pass the information along to the person responsible for solving the problem.

When problems arise, information should be gathered as to what the problem is exactly and how it can be solved. Make sure that a log of complaints is compiled and the person making the complaint knows what action is being taken.

Trustees and managing agents should look upon themselves as a team, working for the betterment of the building. With a clear understanding of their responsibilities and a positive strategy for dealing with each other, all members of the team can be assured they're doing the best possible job for their building. A successful relationship between the trustees and managing agent is one that hinges on the active participation of both groups. Neither group should bear the full burden of responsibility; each should work towards creating a harmonious relationship.

WHAT MANAGING AGENTS REALLY DO

Very few owners of apartments and townhouses really understand the role of a managing agent, and while this usually includes sending out statements and receiving levy payments, it also goes well beyond these fairly mundane administrative tasks. Successful management of a sectional title (ST) scheme takes much time and requires extensive knowledge of the Sectional Titles Act and the rules that govern the way in which schemes are run.

Most trustees in self-managed schemes lack this specialized knowledge so, it is perhaps not really surprising that the introduction of arbitration as the prescribed method of resolving disputes within ST schemes has exposed many that are not run within the terms of the Act and the rules. A professional ST portfolio manager also has access to specialists and resources of information not available to most trustees.

In just two years, a manager of 30 schemes will probably, for example, have attended at least 60 annual general meetings, 30 special general meetings and more than 300 trustee meetings; taken more than 6000 telephone enquiries and answered hundreds of letters. A trustee in a self-managed scheme would have to serve for 60 years to gain similar experience.

The decision to appoint a managing agent and choice of agent is usually made by the trustees, although the body corporate by a majority vote can direct the trustees to appoint an agent.

Prudent trustees will carefully investigate potential candidates to make sure that the agent possesses sufficient experience and knowledge of the Act; check references; and ensure that the agent is registered with the Estate Agency Affairs Board as well a registered member of the Association of Managing Agents.

The number of ST schemes in South Africa continues to grow, as does the number of managing agents. In addition, the Sectional Titles Act and the prescribed rules are constantly under review, with major changes to both having been made recently.

Most of the established and experienced managing agents have kept up with the changes and are in an excellent position to guide and advise owners and trustees. However, it is important to remember that quality of service and management is not related to the size of the management company.

The Estate Agency Affairs Board can be contacted at (011) 883-7700 or at <http://www.eaab.org.za>

The Association of Managing Agents can be contacted at (012) 481-6070 or email: proadmin@global.co.za

THE DUTIES OF THE MANAGING AGENT

The duties of a managing agent are briefly covered in the Sectional Titles Act and the Management Rules of the body corporate and generally include: -

- Accounting
- Secretarial
- Administration
- Advice and Guidance

It is however a requirement that there must be a contract entered into between the managing agent and the complex. In terms of current legislation the contract must run for a year at a time and then renewed for a further year if notice of termination is not received prior to the anniversary date. The contract should cover: -

1. Full details of the duties and responsibilities of the managing agent
2. The powers of the managing agent
3. The commencement date of the contract
4. The expiry date of the contract
5. How notice is to be served
6. Full details of the monthly fees
7. How the fees can be reviewed
8. Explanatory notes where required

FOR MORE INFORMATION AND A QUOTATION

For more information about Unlimited Townhouses please visit our web site

www.uth.co.za

For a quotation and power point presentation, please contact us by email or fax and provide us with an email address, the name and street address of your complex as well as the number of units which comprises your complex

By email to: **info@uth.co.za**

Or By fax to: 086 295 1812

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