



Classic house which would suit home business. Large house with big flat for home business (attorney) and two to let out. Solid as a rock – on a rock! Lots of antiques

NEW STMA TRYING TO DO THE RIGHT THING THE WRONG WAY!

Those of you who attended the NAMA seminar in Bloemfontein will have a much better idea of what the new STMA and CSOS is all about. It is obvious that the writers of the Act were confronted with problems that they tried to solve but in my personal opinion sometimes just did not understand how to go about it. One of these is about people who collected proxies in order to change the direction that a body corporate was being managed. What happened that a person, often the Chairman, would canvas proxies in order to pass a resolution which some owners did not like. The solution that they came up with was to limit the number of proxies that any one person could hold to two.

The practical result of this, and the increase of the quorum to 33.3% was to make it far more difficult for general meetings to be held. It was difficult enough to get sufficient people and proxies to hold a meeting especially for a big scheme. Their meddling has simply made the situation worse. Their good intentions have actually worked against those owners who take the time and trouble to attend the meetings. Now it is far more likely that the meeting will not have a quorum and as a result they are less likely to bother to attend the meeting which actually makes the situation worse. Now a far higher percentage of meetings will be held over to the same time and place the following week and those that attend (inevitably only two people) form the quorum. So far from improving the situation they have simply made the situation worse! Now two people could be representing the wishes of, in our case, 685 owners instead of allowing people to give proxies as they wished and having the meeting attended by a reasonable representation of owners. What makes the situation worse is that good quality managing agents will not have staff or space to attend these additional meetings so that trustees (who are perceived as often being the problem) will have to manage the meeting without professional guidance.

No Mr CSOS I think you got this one totally wrong.

The Landlord

Newsletter for
Sectional Title
Trustees & Landlords



April 2017

SMALL SCHEMES NOW UNATTRACTIVE TO MANAGE

The new STMA and CSOS have added a considerable admin burden to the management of sectional title and HOA schemes including regular reporting to CSOS, extra accounting and additional levies. This extra work simply makes the management of small schemes much less attractive to managing agents. Schemes under 30 units (the vast majority of schemes are simply unattractive to managing agents, and these are the schemes that need management assistance. Bigger schemes take up less after hours management time as they only have one set of accounts, one AGM, two trustees meetings and a budget meeting. Small schemes will have to pay more per unit to be managed by a good agency.

Talk Shop

by Platinum Global

YOU NEED A TRI-ANNUAL VALUATION.

In terms of the new act you are now compelled to have your building replacement value tested by a qualified Valuer every three years. Not all Valuers are competent to do a replacement cost valuation as this is not what they are normally asked to do. Alternatively, you could use the services of a quantity surveyor or architect though this is likely to be more expensive. Always check that your Valuer is registered with the council.

I totally agree that this is the right thing to do. Far too many schemes find their building value for the insurance purposes by the long thumb method! Replacement cost valuations need to consider that the damaged building may have to be demolished before rebuilding and that for old buildings there may be no building plans to work from. Owners might also decide to build to a more modern design.

Valuations must consider the entire building including boundary walls, pools, outside buildings, parking and garages etc.

YOUR MANAGING AGENT DID NOT BUILD YOU SCHEME!

Good managing agents must be strong to do their work properly. The need to give positive advice on all aspects of managing a building. They do it for the benefit of their owners and trustees but ultimately the decision on what painter and what quote to accept remains the trustees and owners.

Some trustees believe that the managing agent is responsible for everything! When things go wrong it is always the managing agents fault – even when it is not. A managing agent does not let the individual units. They are not responsible for noisy and disruptive tenants. It is not their job to go around to the building at midnight to tell noisy tenants to be quiet! Their job is to write to the tenant/owner warning of their bad behaviour and taking action in terms of the rules. It is their job to get some quotations for painting and to point out potential problems with the contractor's quotes – it is not their job to check the contractors or inspect their work. Managing agents have lots of experience with problems when jobs are not done right. Skimping on painting preparation is one of them. There is a reason when they harp on the potential problems of not preparing painting properly.

TRUSTEES DON'T RULE – THEY ASSIST!

Trustees work for the body corporate by tackling the day to day work on behalf of the body corporate and oversee the managing agents. They DON'T make rules!. While they must approve changes to the common property this must be done in terms of guidelines from the Body Corporate. So for example no Trustee can say that they will not allow air-conditioning in a scheme, just because they don't like it. They must bring the request for a/c to a general meeting and take instructions from the meeting on how such applications must be handled (type of machine, position etc.).

In the same way they cannot decide to spend money on special projects that they decided on. In one case a Trustee decided to buy R20,000 of 45 gallon drums as dustbins on each floor. This is not something that they are authorised to do.

Trustees must only do what a reasonable person would do to manage the day to day running of the body corporate.

SIMPLIFY, MINIMISE, REDUCE MAINTENANCE TO A MINIMUM

The new STMA requires a 10 year ring fenced reserve for every item that will require maintenance or replacement within the next 10 years. What would happen to your levies if you could reduce the amount of maintenance required – they would go down! To me it makes sense to seriously consider changing wooden windows, a major maintenance cost, with bronze aluminium ones that require no maintenance. If you need to replace a tile roof, replace it with a Harvey Tile roof (our roof has required ZERO maintenance over more than 30 years!). Remove gutters or replace them with unpainted ones. Increase their size so that they become self-cleaning every time it rains. Replace cast iron pipes with plastic or galvanised steel pipes. Put in stronger gate motors that are strictly needs – they last far longer. Replace boundary fencing that must be painted with a non-painted fence.

Whatever you install should last longer and need less maintenance than the previous version. Consider installing sky hooks on high rise buildings so that there is less need to use very expensive scaffolding – the biggest cost when painting. Get in professions from the paint contractors to ensure that your painting is properly applied and thus last for the longest possible time – change painting to non-painted surfaces that last for years and year. Anything to get your levy down.



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