

# NAMA NEWS

JANUARY 2020



NATIONAL ASSOCIATION  
OF MANAGING AGENTS  
SHAPING OUR PROFESSION

## QUESTIONS RAISED CONCERNING BODY CORPORATE FINANCE AGREEMENTS

CORPORATE MEMBERS



SECTIONAL  
TITLE  
SOLUTIONS



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# QUESTIONS RAISED

## CONCERNING BODY CORPORATE FINANCE AGREEMENTS

By Elmo Stuart, EY Stuart Inc.

### THE FACTS:

1. A Body Corporate requires loan financing for their operations.
2. A financier has offered to buy the arrear levies due by members to the Body Corporate at a discounted rate, alternatively to lend funds to the Body Corporate in terms of a Loan Agreement.

### THE QUESTIONS:

The Trustees require advice on the following:

1. Can they write-off arrear levies (by selling/ceding the arrear levy book at a discounted amount)?
2. Can they write-off interest and/or legal fees incurred with regard to the collection of arrear levies?
3. What Resolutions are required to write-off levies and/or interest or legal fees?
4. Who must authorise this action?

[CLICK TO READ ARTICLE](#)



# The power is in the paper



The Electrical Contractors' Association is the most influential members' association for electrical contractors in South Africa. Registered in terms of the Labour Relations Act, the ECA(SA) has represented SA electrical contractors since 1948 and is firmly established as 'the home of trusted electrical contractors'.

The other important thing that ECA(SA) does is keep property owners up-to-date with legislation around electrical installations, both at home and at the office. Here's some very interesting reading from them about electrical certificates of compliance.

## Unregistered electricians

Using an unregistered electrician may be cheaper on paper but... It's illegal, and it can also invalidate your insurance cover. In the event of an electrical fire, your insurer could refuse to pay your claim if the certificate of compliance for the property:

- Doesn't exist.
- Is fraudulent.
- Isn't valid and up-to-date.

Worse news: If a claim is rejected by your insurer, a civil claim against a 'pirate' contractor would be futile. And, if a faulty installation causes damage or injury you'll be held liable.

**Click here** to read more.

## Electric fences

Freehold and sectional title residences, town houses, complexes, housing estates, commercial, industrial and business parks... All properties with electric fences must have an electric fence system certificate of compliance.

Property owners can be prosecuted if their electric fences are found to be non-compliant. You could also find yourself in court if someone is injured by your non-compliant fence.

**Click here** to read more.

(Erika van Zyl, National Communications Manager ECA(SA), kindly gave us permission to use her articles.)

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**INSURANCE**

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# USING OUR EXPERTISE TO HELP YOU NAVIGATE POTENTIAL HURDLES IN THE ECONOMY



**Jonathan Ridley**  
Nedbank Head of Business  
Banking Investments and  
Corporate Saver

**A**s a money expert Nedbank is mindful of economic challenges facing business in South Africa as they compel entrepreneurs to look for innovative ways to manage cashflow effectively and optimise savings for their businesses.

Finding solutions to weather these economic headwinds is crucial, particularly with Finance Minister Tito Mboweni expected to present a gloomy outlook on the economy during his medium-term budget towards the end of October. Some economists have predicted that ratings agency Moody's will downgrade South Africa's outlook from stable to negative. This would have serious consequences for the economy.

In pursuit of its brand promise to enable clients to see money differently, Nedbank believes that a better understanding of how recession and downgrades affect businesses and cashflow is key to mitigating the negative impact of a challenging economy in your business and planning how best to overcome these adversities.

**Nedbank believes that a better understanding of how recession and downgrades affect businesses and cashflow is key...**

A downgrade by a ratings agency means that the cost of borrowing may become more expensive, making it harder for businesses to remain viable. In challenging economic times business owners have little choice but to manage cashflow and liquidity requirements better to remain sustainable.

"One way to manage cashflow is through more effective debtor and creditor management, which allows businesses to receive funds quickly and extend creditor payment terms where appropriate," says Jonathan Ridley, Nedbank National Head of Business Investment Products and Corporate Saver Retail and Business Banking.

But it is not only about managing payments and receipts. What is also important is that businesses optimise the liquidity associated with those payments and receipts by reducing the interest paid when borrowing funds and increasing the interest earned from excess funds in their accounts. This can be achieved only by understanding the flow of money through their accounts as well as the prevailing market conditions, in both an increasing and decreasing interest rate environment. By combining these two practices, businesses will be able to make the most appropriate investment and borrowing decisions on a sustainable basis.

**'Business owners must tap into the latest technology and information available to become more efficient and ride out any economic storm,'** says Ridley.

For more information please email  
[business@nedbank.co.za](mailto:business@nedbank.co.za)

see money differently

**NEDBANK**

# Sectional Title Solutions

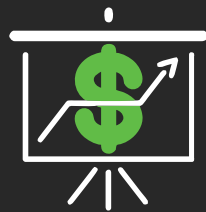
Specialises in providing value-add solutions to Sectional Title Bodies Corporate and Homeowners Associations across South Africa.

Our success is based on over 100 years of combined experience within Community Scheme property sectors.

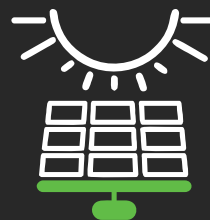
Our tailor-made solution-based approach, combined with our emphasis on a symbiotic working relationship is what adds real value to our clients.

Guided by this “win, win, win” philosophy, STS has partnered with several industry leaders, as well as smaller niche specialist service providers to deliver beneficial, sustainable solutions to our clients, regardless of their size or unique requirements.

## Our value-added solutions include:



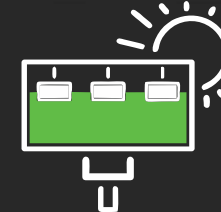
Innovative arrear  
levy and project  
funding solutions



Cost-saving energy  
efficient and solar  
solutions



State of the art  
Fibre-To-The-Home  
solutions



Revenue generating  
outdoor media and  
advertising solutions



Legal and Levy  
Advisory  
Services



SECTIONAL  
TITLE  
SOLUTIONS

**Urbanise Community** is a web system and have a mobile app.

The system has some a powerful marketing and communication tools for property managers, committee/trustee members, property owners and tenants, a maintenance ticketing, SMS, Lobby screen and a digital noticeboard system.



## COMMUNITY APP FEATURES. A BETTER WAY TO WORK TOGETHER.



### Building Web Sites

CMS-enabled web site with Overview page, Gallery, Business Directory and What's On page



### Members-only Section

Different access levels for committees, owners, tenants, strata and building managers which can be customised for each property



### Real-time Financials

Graphical reports showing Cash at Bank, Annual Budget, P&L, Balance Sheet, GL, AP Ledger and Levy Collections



### Online Approvals

Committees can approve invoices online based on approval rules and can see all supporting files such as invoices and work orders



### Levy Statements

Owners can view their statements in real-time, including invoices and receipts and pay online via a credit card gateway\*



### Service Requests

Owners and tenants can lodge maintenance or service requests with their manager & track the progress of these requests



### Document Library

View important community and apartment documents securely in the cloud and set viewing permissions for different users



### Communication Tools

Managers can send out Community Notices, Events, SMS and post comments on the Wall or the building's Lobby screen



### Your Look. Your Feel.

Create your own branding, colour schemes, headers and footers to suit your community or business



### Serious Security

Hosted on AWS, Urbanise Community combines world-class hosting and application security including user-security and access controls



# Bringing your estate the wonders of Fibre!

When we bring you Fibre, we don't just bring the world fastest Internet delivery technology, we bring you everything that comes along with that technology!

## VOX HOME PRODUCTS & SERVICES



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087 805 0003 or email us  
at [sales@vox.co.za](mailto:sales@vox.co.za)







A single solution that takes care of both the body corporate's insurance and maintenance needs

### Insurance to cover property damage and other risks is essential, but what about appropriate, quality assured and cost-effective maintenance of the sectional title properties?

Body corporates, together with their managing agents, have a duty to plan and fund the necessary maintenance and repair work required for the appropriate upkeep of sectional title. Seemingly inconsequential issues like old geysers and clogged gutters can turn serious if left unchecked. We at Constantia Insurance Group believe the most frequent sectional title claims are for losses resulting from burst geysers and the consequential losses therefrom.

Consequential losses from burst geysers that have not been appropriately maintained can have a substantial impact on insurance losses. Body corporates need to ensure that there is a clear and effective maintenance plan in place, as any inaction could result in partially or wholly void insurance coverage.

**Constantia's Residential Sectional Title product not only provides comprehensive insurance cover but also includes the following features and benefits:**

- Constantia's one-stop shop for maintenance and repair services provides access to suitable accredited contractors and cost-effective services via a digital platform.

**For more information contact us using any of the options below:**

**Telephone:** 011 686 4200 | **Email:** [rst@constantiagroup.co.za](mailto:rst@constantiagroup.co.za)

**Web:** [www.constantiagroup.co.za](http://www.constantiagroup.co.za)

- Provides the body corporate with an insurance guarantee certificate for all work done via the digital platform, in terms of the Maintenance, Repair and Replacement Warranty section of the policy.
- An opportunity for qualifying body corporates to have access to advance maintenance and repair services, where they have insufficient funds in their Maintenance Reserve Fund to commence work on a key element of their 10-Year Maintenance, Repair and Replacement plan.

Finding the right, cost-effective service providers and ensuring that maintenance repairs are carried out on time, goes a long way to saving the body corporate money in the long run and protecting or even increasing property values.

#### Hello summer

The rainy season is here and with it, the increased risk of storms. Heavy rainfall for many parts of South Africa means that it is crucial for body corporates to ensure that gutter and roof maintenance has been done. Ill-maintained gutters may cause storm water to overflow into rafters and residences, causing untold damage.

We believe the following advice would benefit body corporates:

- Ensure that you seek the advice of a trusted intermediary when selecting a sectional title insurance policy.
- Proper and effective maintenance is key in lowering future costs for both body corporates and property owners, and any preventative actions taken are always seen favourably by insurers.

Constantia Insurance Company Limited is an Authorised Financial Services Provider. FSP No. 31111.

1493/Stratitute/10.19



**The festive season** is upon us. For many it is a time to slow down, spend time with friends and family and enjoy a much needed break.

Estate managers can use the opportunity to send a Season's Greetings newsletter that connects in a friendly way with residents, reminding them of rules but also giving them useful information that they will appreciate.

#### Rules

It is important to remind residents of scheme rules, especially relating to noise, access control and use of facilities like play areas, pools or a clubhouse.

#### Contact Numbers

Importantly, provide residents with a list of contact numbers, including:

- Estate manager (incl. after hours and public holidays)
- Managing Agents (incl. account queries)
- Security
- Service Providers (approved electricians, plumbers, etc)
- Emergency Services (incl. Police, Fire and Medical)



#### Self Service

By giving residents access to the information and a self service platform Estate Managers can make the most of this time to relax and get a much needed break before the new year starts.

[READ MORE](#)



#### Top Staycation Ideas:

- Move Nights
- Go for a picnic
- Go for a hike
- Catch up on reading
- Go Shopping
- Go to a local museum
- Visit the botanical gardens

#### Our gift to you:



Make it easy for your residents to get all the information they will need this festive season.


Register a Resident Portal for each of your complexes and you get up to 60 days free.

Please contact us for more information:

[www.residentportal.co.za](http://www.residentportal.co.za)  
[info@residentportal.co.za](mailto:info@residentportal.co.za)

**residentportal**





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the NEXT ISSUE!**

Electronic Newsletter Advertorial – only R200,00 per placement  
NAMA website featured member banner on home page – only R1500,00 per year

**Contact Lizbé at [lizbe@nama.org.za](mailto:lizbe@nama.org.za) for more information**



# Upcoming EVENTS

## SAVE THE DATE! NAMA National 2020 Charity Golf Day

15 May 2020 | Ebotse Links (Benoni)

Please contact Lizbé at [lizbe@nama.org.za](mailto:lizbe@nama.org.za) for more information

## GAUTENG EAST REGION

25 January 2020 – Intermediary (Level 2) Sectional Title Training Seminar (Johannesburg)

Please contact Nelia at [nelia@nama.org.za](mailto:nelia@nama.org.za) for more information

## WESTERN CAPE REGION

1 February 2020 – Intermediary (Level 2) Sectional Title Training Seminar (Cape Town)

Please contact Isabella at [isabella@nama.org.za](mailto:isabella@nama.org.za) for more information

## GAUTENG NORTH REGION

8 February 2020 – Intermediary (Level 2) Sectional Title Training Seminar (Pretoria)

Please contact Gerlene at [gerlene@nama.org.za](mailto:gerlene@nama.org.za) for more information

## KWAZULU-NATAL REGION

15 February 2020 – Intermediary (Level 2) Sectional Title Training Seminar (Pietermaritzburg)

Please contact Vanida at [vanida@nama.org.za](mailto:vanida@nama.org.za) for more information

## EASTERN CAPE & BORDER REGIONS

19 February 2020 – Regional Meeting

Please contact Gerlene at [gerlene@nama.org.za](mailto:gerlene@nama.org.za) for more information



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**Publisher : NAMA**

**Contact person : Lizbé Venter**

**[lizbe@nama.org.za](mailto:lizbe@nama.org.za)**

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FOR ENQUIRIES:  
[wilma@blackmarblemedia.co.za](mailto:wilma@blackmarblemedia.co.za)