

Managing Agent's report

Canal East Home Owners Association

1. Introduction

1.1. We would like to thank the Association for this opportunity to submit this report to the homeowners.

1.2. Our intention in drafting this report is to give you, the homeowner, an overview of what we do for you, the work undertaken on a monthly basis, the challenges that we face in administering Canal East, as well as to give some advice and make requests on how you can help us to improve what we do for you.

1.3. I firstly want to say that I can completely understand when homeowners review the Association's budget and are seemingly shocked or even outraged at the costs incurred by us to administer the day-to-day needs of the Association. However, I am sure that by considering what is set out below, you will be pleasantly surprised you receive more value that is equated into the fees charged.

2. Some Stats of our work

2.1. Canal East comprises of 622 member homes and, compared with the likes of Canal West (529 homes) and Sunningdale 12, is one of the larger Associations within Sunningdale.

2.2. We have, in the past year:

2.2.1 Sent out 622 electronic invoices in October 2020;

2.2.1. Send out electronic statements on a monthly basis;

- 2.2.2. Received and sent, on average 4 000 e-mails a month to and from homeowners;
- 2.2.3. Met with the Committee 11 times to report on the monthly management of the Association;
- 2.2.4. Attended to 41 property clearance certificates from October 2020 to April 2021 for selling homeowners, with 3 pending registration as at the end of April 2021;
- 2.2.5. Undertaken 41 property and area checks for Consents to Transfer as above;
- 2.2.6. Received, updated and collated the old homeowner's database of IPG into our modernised technology platform called WeConnectU;
- 2.2.7. Met and consulted with ABSA in order to re-constitute the banking accounts which comprises of;
 - 2.2.7.1. Current account.
 - 2.2.7.2. Building deposit account (building deposits are refundable).
 - 2.2.7.3. Reserve account for future major maintenance projects.
- 2.2.8. Consulted with the Associations accountants and ensured the registration of the Association as an exempt taxpayer;
- 2.2.9. Undertaken the project of collecting, collating and developing the paint palette following the Special General Meeting;
- 2.2.10. Assisted the Committee in liaising with the local authorities regarding issues with the Canal East area such as water leaks, sewerage, traffic issues, security, the maintenance of the parks and etcetera.

3. Challenges and areas to improve

- 3.1. The biggest challenge was the take on from IPG as there were numerous home owners with either incorrect contact details, or none at all, and this continues to be a challenge;

3.2. Trying to resolve historical debt, which was R86 981.12 and considering the levy was R120 a month, this was an astronomical outstanding debt.

4. Sales of Property

From October 2020 to the end of April 2021 a total of 38 registrations were completed. The difference of 3 (paragraph 2.2.4) are pending registration. The highest price being R4.7 Million, However this is excessively high as the next highest is R3.3 Million. The lowest price was R1.875 million.

5. Communications with homeowners

Homeowners have a responsibility to update their details with the managing agents should an email address or cell phone number change as homeowners run the risk of not receiving important information, such as statements.

6. Compliance with the Rules

Homeowners need to stick to the Canal East Conduct Rules as fines can be levied. Rules and regulations can be obtained on the Canal East Home Owners Association website under the documents tab, kindly find link below for ease of reference.

<https://cehoa.co.za/>

7. Non-compliant homeowners – Incorrect painted homes

7.1. Following the SGM and the approved rules regarding the painting of homes, there were several members' homes that were non-compliant with the Rules and HIG.

7.2. The Committee, having heard from some non-compliant homeowners to be afforded time to become complaint, have taken a decision to afford the identified homeowner members, and only these owners, a grace period of 24 months in which to rectify the matter. This period commenced on the 01st June 2021 to repaint their homes.

7.3.A failure to become compliant within the grace period will result in action being taken by the Association.

8. Minor and Major works application & building deposits

8.1.A reminder to all homeowners to first check the HIG and the Rules before doing any restoration or building works to your homes. Certain building and restoration works require homeowners to apply for approval to the Committee. This is especially the case when building or re-painting your home;

8.2.Once you have completed your building works, it is your responsibility as the home owner to inform us so that we can arrange the necessary inspection. Once it has been signed off we can return your building deposit to you;

8.3.There remains a large number of historical building deposits that have not been claimed by homeowners. We will be recommending to the Committee for a rule change so that should a homeowner fail to collect his/her/their/it deposit within 6 months after the building work has been signed off, that such deposit will be forfeited to the Association. Reminder the onus is on the home owner to claim their refund.

9. Payment of levies

9.1.The payment of your levies on the due date is the lifeblood of your Association and I plead with all homeowners to do the right thing and make payments when called upon to do so;

9.2.I want to refer you to the 2021 and 2022 budget that shows, in summary, the cost to administer your Association and why it is so vitally important that you make your payments timeously;

9.3.We have received several e-mails from homeowners who have requested discounts due to financial hardship and as a result of being pensioners. An exception has been permitted by the Committee to allow homeowners to pay their

annual levy monthly (reminder that this is not a right but is given by the Committee to assist homeowners only), there is unfortunately at this time no financial means in which the Association can give discounts

9.4. It was unfortunate but necessary in the past year; we employed the services of an attorneys firm who took legal action by way of the service of a summons by the Sheriff of the court on 53 homeowner members. The summons was the result of a failure or refusal to pay levies and/or penalties due to the non-compliance with the rules. We will, if necessary, continue to engage with the attorneys to collect all outstanding amounts due and owing to the Association, amounts to be claimed will then, by necessity, include the recovery of legal costs incurred as well as accrued interest.

10. Conclusion

I urge all home owners to familiarise themselves with the rules and the HIG Guide of the Association, in particular regarding Wendy Houses and running of business from home, as well as parking of caravans, trailers, etc., which is not allowed. And to be noted, any alterations, whether major or minor, to your property need the approval of the Trustees.

We are here to carry out the instructions of your Committee and look forward to working hand in hand with the new incoming committee and home owners to ensure a smooth sailing and well run organisation.

In closing, I would like to thank the committee for their support and assistance since we took over in October 2020, and I honestly believe we have made a significant improvement in the running of your Association.

Thank you

Dormehl Phalane Property Blouberg