

Managing property properly



WHAT CAN AN OWNER ACHIEVE BY ATTENDING THE AGM?

EXCERPT COURTESY OF WWW.PADDOCKS.CO.ZA

A certain sports club holds its AGM directly after the annual fun competition that just about all the members like to take part in. Why? Because most members are on the premises, everyone's in a good mood with not much else to do on the Saturday afternoon and, consequently, it's the best chance of getting enough members to attend the AGM to make it worthwhile. And yet members still run for the hills, muttering excuses about shopping, kid's play dates, gardening tasks, anything to avoid sitting through the AGM. Sound familiar?

UCT Sectional Title Scheme Management course Just as for members in sports clubs, attending the AGM is the sectional title owners' only real chance of influencing how their scheme is run. The prescribed rules specify a number of very important items that must be considered and decided on by the owners at the AGM. These decisions directly affect owners' lifestyles and pockets so it's worth the time and trouble of attending and taking part in those decisions.

The root cause of most serious disputes in schemes is money. At the AGM, members have the opportunity to discuss, and have explained to them if necessary, how their money was spent. The logical as well as stipulated second part of the financial discussion is the approval of the budget for the coming year. This is each owner's opportunity to make sure that the amounts approved are reasonable but realistic enough to avoid raising the spectre of a special levy.

A very common cause of dissatisfaction among owners is the behaviour of trustees and the chairperson. Every owner is entitled to nominate one or more persons – including him or herself – to serve as a trustee and then, at the AGM, to vote for their election. There is no need to suffer because of incompetent or overzealous trustees. The AGM is the opportunity for owners to vote in people of their choice for this very important function.

Once suitable trustees have been voted into office, there is opportunity at the AGM to direct or restrict their activities. Any owner may make such a proposal. Examples could be a limit on spending on a single item without informing the owners beforehand; a direction that a different managing agent be appointed; or any one of the trustees' tasks. But bear in mind that the owners can't take away any function or power that is given to the trustees in the Act or rules, such as the raising of a special levy: the owners may only make restrictions on how the trustees go about that function.

Any owner who wants to influence a specific aspect of scheme management is able to do so, but a single owner's influence is limited. Lobby other owners before the AGM. One owner's views are easily marginalised (however many proxies he or she might hold). If five voices are raised on an issue, they become very difficult to ignore. If ten people actively support an issue, even if they are eventually outvoted, they are likely to make a permanent impression!

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Footnote from Compeg:

Don't forget, you can visit our website to check your latest statements and trustees can view levy rolls, disbursements statements and investment statements.

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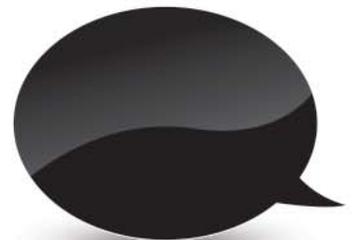
Quote of the Month



Home wasn't a set house, or a single town on a map. It was wherever the people who loved you were, whenever you were together. Not a place, but a moment, and then another, building on each other like bricks to create a solid shelter that you take with you for your entire life, wherever you may go."

- Sarah Dessen,

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