

The background of the cover is a photograph of a well-maintained residential community. It features a row of modern, two-story houses with yellow siding and dark roofs. The houses are set back from a paved walkway by a lush green lawn. Several large, mature trees are scattered throughout the scene, including a prominent one on the right. In the foreground, a calm pond reflects the houses and trees. A few people are visible: one person is sitting on a bench on the left, and another is walking on the path on the right. The sky is blue with a few white clouds.

# **The Sectional Title Handbook**

**Navigating the Complexities of  
Sectional Title Ownership**

**Early  
Release**

**Zack Snyders**

# The Sectional Title Handbook - Early Release

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Navigating the Complexities of  
Sectional Title Ownership

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# Contents

Preface	1
Acknowledgements	4
About the author	6
1. Chapter 1	7
Introduction to Sectional Titles in South Africa	
2. Chapter 2	21
Understanding the Legal Framework of Sectional Titles in South Africa	
3. Chapter 3	35
Maintenance and Management of Sectional Title Complexes	
4. Chapter 4	47
Rights and Responsibilities of Sectional Title Owners	
5. Chapter 5	59
Navigating Disputes within Sectional Title Schemes	
6. Chapter 6	68
Insurance Considerations for Sectional Title Units	

7. Chapter 7	76
The Role of Body Corporates in Sectional Title Living	
8. Chapter 8	84
Renovations and Alterations in Sectional Title Properties	
9. Chapter 9	95
Sustainable Living in Sectional Title Developments	
10. Chapter 10	104
Conclusion and Future Trends in Sectional Title Living	
11. Chapter 11	112
Question & Answers	
12. Chapter 12	117
The Practical How-To Guide	
13. Chapter 13	126
Case Studies - Serious Disputes	
14. Chapter 14	134
Case Studies - General Disputes	
15. Chapter 15	139
Decision-Making in Sectional Title Schemes	
16. Glossary	156

# Preface

As a long-time resident of full title residential and sectional title estates and a current chairperson of a Body Corporate, I have seen firsthand the challenges and opportunities that come with living in a communal environment. From navigating the complexities of rules and regulations to managing the delicate balance of individual freedoms and collective responsibilities, sectional title living can be a minefield for the unwary.

Despite the many benefits of sectional title living, including the sense of community and shared amenities, many owners and tenants struggle to understand their rights and responsibilities within these schemes. This lack of understanding can lead to conflicts, misunderstandings, and a general sense of frustration and disillusionment.

It was this realisation that inspired me to write this book. As someone who has lived and breathed sectional title living for many years, I wanted to create a comprehensive guide that would provide owners, tenants, and professionals with the

knowledge and understanding they need to navigate the complexities of sectional title living.

This book is a practical, easy-to-read guide that covers everything from the basics of sectional title living to the intricacies of rules and regulations, financial management, and dispute resolution. Whether you're planning to invest and become a new owner, a seasoned owner, a new tenant, or a professional in the industry, this book provides the information and insights you need to make the most of your sectional title experience and investment.

Throughout this book, I have drawn on my own experiences as a resident and chairperson of a Body Corporate, as well as the expertise of other professionals in the field. I have also included real-life examples and case studies to illustrate key points and make the information more accessible and relatable.

In writing this book, I aim to empower owners, tenants, and professionals with the knowledge and understanding they need to navigate the complexities of sectional title living. I believe that by providing a comprehensive and accessible guide, I can help reduce conflicts, improve communication, and promote a sense of community and cooperation within sectional title schemes.

It is essential to note that while this book provides a comprehensive guide to Sectional Title living in South Africa; it is not tailored to any specific estate or scheme. The book takes a generic approach to explaining the principles and practices of Sectional Title schemes, as governed by the South African Act and legislation. However, the Management and Conduct



Rules allows for additional rules that are custom to any specific estate, which may differ from one estate to another. As a result, it is possible that minor statements or examples provided in this book may not apply to a specific estate. Should a reader encounter such a statement, it is essential to ignore or omit it as long as doing so remains within the context of the law. This book should provide a detailed record of Sectional Title schemes in general rather than a specific estate or scheme. Therefore, readers are advised to also consult their estate's specific management and Conduct Rules to ensure compliance and understanding of the specific requirements applicable to their estate.

I hope you find this book informative, useful, and enjoyable. Whether you're a seasoned expert or just starting out, I am confident that you will find something of value within these pages.

So, let's get started on this journey into the world of sectional title living!

# Acknowledgements

## **Help in the Compilation and Writing of the Book**

I would like to acknowledge Herman Frederick, Managing Agent, for several estates in Gauteng, for providing guidance and for reviewing the manuscript to ensure accuracy and clarity.

## **Sources and Reference Works**

- \* Sectional Titles Schemes Management Act (2011)
- \* Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011)
- \* Department of Human Settlements (DHS)
- \* Green Building Council of South Africa (GBCSA)
- \* South African Property Owners Association (SAPOA)
- \* Estate Agency Affairs Board (EAAB)
- \* National Credit Act (2005)
- \* Consumer Protection Act (2008)
- \* South African Reserve Bank (SARB)
- \* Financial Sector Regulation Act, 2017 (Act No. 9 of 2017)
- \* South African Institute of Chartered Accountants (SAICA)

\* South African Law Society (SALS)

In terms of specific publications, the following were consulted:

\* Sectional Titles Schemes Management Act: A Guide by the Department of Human Settlements

\* Community Schemes Ombud Service: A Guide by the CSOS

\* Green Building in South Africa: A Guide by the GBCSA

\* Property Law in South Africa by A. J. van der Walt and G. J. Pienaar

\* Sectional Titles: A Practical Guide by B. W. Bekker and J. M. T. Labuschagne

# About the author

Besides being the author of several non-fiction and fiction works and books, Zack Snyders has an extensive content creation, software development, and property ownership background. He has lived in several sectional title estates and has served as a trustee and chairperson of a Body Corporate. He is also actively involved in the development of websites for management agents and has a deep understanding of the sectional title industry. With his unique blend of experience and expertise, Zack Snyders is well-positioned to provide this comprehensive and accessible guide to sectional title living.

# Chapter 1

## Introduction to Sectional Titles in South Africa

### **Definition and Overview of Sectional Titles**

**S**ectional titles are a type of property ownership where you own a specific unit in a building or complex, such as a flat or townhouse, while sharing ownership of common areas like gardens, swimming pools, and parking bays. In South Africa, the Sectional Titles Act (STA) regulates this system, providing rules for creating, managing, and maintaining sectional title schemes. Think of it like owning a flat in a complex - you have sole ownership of your unit but share the common areas with your neighbours. For example, if you live in a sectional title complex with a communal swimming pool, you have the right to use the pool, but you also share the responsibility of maintaining it with the other owners. This shared ownership

structure allows for a sense of community and shared responsibility while still protecting your individual property rights. As a sectional title owner, you'll have a title deed that proves your ownership of your unit, and you'll also be a member of the Body Corporate, which is responsible for managing the common property and making decisions about the scheme.

In a sectional title scheme, the property is divided into individual sections, also known as units, which can range from apartments and townhouses to offices and retail spaces. Each unit is registered separately in the Deeds Office, and ownership is confirmed by a title deed that reflects the owner's name and the unit's details. As a unit owner, you have the freedom to use and enjoy your property as you like as long as you comply with the law and the rules of the scheme, which are enforced by the Body Corporate. The Body Corporate comprises all the unit owners in the scheme, and it's responsible for managing the scheme's affairs, making decisions, and ensuring that everyone follows the rules. This can include things like maintaining the common property, setting budgets, and resolving disputes. By having a clear governance structure in place, the Body Corporate helps to protect property values, promote a sense of community, and ensure that the scheme is a great place to live or work.

Having a good grasp of the legal framework governing sectional titles is essential for owners, investors, and tenants alike. The Sectional Titles Act (STA) clearly outlines the rights and responsibilities of all parties involved, including the obligations

of owners to contribute to the maintenance and management of the common property through levies. It also spells out how decisions are made within the Body Corporate, including voting procedures, meeting requirements, and other governance matters. For example, the Act stipulates that certain decisions, such as changes to the scheme's rules or improvements to the common property, require a special or unanimous resolution, depending on the type of decision. Understanding these legalities can help prevent disputes and ensure that all residents are aware of their rights and responsibilities, promoting harmonious living within the complex. By being informed, owners and residents can also hold the Body Corporate accountable for its actions and decisions, which can help to maintain property values and create a positive living environment.

Maintenance and management of sectional title complexes can be challenging due to the shared ownership of common property. The Body Corporate is responsible for the upkeep of these areas, which includes everything from landscaping and gardening to building repairs, maintenance of lifts and other equipment, and ensuring compliance with health and safety regulations. To fund these activities, owners are typically required to pay a monthly levy, which is usually calculated based on the owner's percentage of ownership in the scheme, known as the participation quota (PQ). Understanding how levies are calculated and used is crucial for owners to ensure they contribute fairly and that funds are managed responsibly. For example, owners should know what expenses are included

in the levy, such as insurance premiums, maintenance costs, and administrative fees, and how the Body Corporate allocates funds for major repairs and replacements. This financial aspect can significantly impact the overall satisfaction of living in a sectional title scheme and the property's resale value. By being informed and involved in the financial management of the scheme, owners can help ensure that their investment is protected and that the complex remains a desirable place to live.

Resolving disputes within sectional title schemes is a critical aspect of maintaining a harmonious living environment. Conflicts can arise over various issues, such as noise disturbances, property maintenance, rule violations, or disagreements over Body Corporate decisions. The Sectional Titles Act provides a framework for resolving disputes, which emphasises the importance of mediation and other alternative dispute resolution (ADR) methods before resorting to costly and time-consuming litigation. For example, the Act requires that disputes be referred to mediation or arbitration before approaching the courts unless the dispute relates to an urgent matter. Understanding these procedures can empower owners and tenants to address conflicts constructively, fostering a more cooperative living environment. By being aware of their rights and responsibilities, residents can contribute to a positive community atmosphere while protecting their interests within the sectional title landscape. The Community Schemes Ombud Service Act (CSOSA) also provides an additional avenue for resolving disputes by allowing parties to lodge complaints with the Com-



munity Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) for assistance in resolving disputes. By knowing how to navigate these dispute resolution mechanisms, owners and tenants can resolve conflicts efficiently and effectively, promoting a more harmonious living environment.

## **Historical Context and Development**

The concept of sectional title housing in South Africa emerged in the early 1980s, a time of significant social, economic, and political transformation. As the country experienced rapid urbanisation, there was a growing need for affordable housing alternatives that could accommodate the increasing number of people moving to cities. In response to this demand, the government introduced the sectional title system, which allowed for the subdivision of buildings into individual units, making it possible for people to own a portion of a property without having to purchase an entire building. The Sectional Titles Act of 1986 was enacted to provide a legislative framework for this new form of ownership, enabling owners to hold title to their respective sections while sharing ownership of common property. This innovative approach to property ownership helped address the pressing issues of housing affordability and efficient land use, which were becoming increasingly important as the country's urban population grew. By allowing for the development of high-density residential complexes, sectional titles also

contributed to the transformation of urban landscapes, creating new opportunities for developers, investors, and homeowners alike. Today, sectional title housing remains a popular and affordable option for many South Africans, offering a unique blend of individual ownership and communal living.

As sectional title schemes gained traction in South Africa, they became an increasingly popular choice for many people. This shift was driven by the country's unique demographics, including a growing middle class and an ageing population, as well as urban migration trends that characterised the late 20th century. Sectional title properties offered an attractive solution for a wide range of buyers, including first-time homeowners, retirees, and investors, providing a sense of community and shared responsibility. The legal structure established by the Sectional Titles Act facilitated the establishment of Bodies Corporates, which play a vital role in managing the affairs of these schemes, ensuring compliance with regulations, and fostering a collaborative living environment. The Body Corporate is responsible for making decisions, managing finances, and maintaining the common property, which helps to create a sense of community and cooperation among residents. By providing a framework for collective ownership and management, the Sectional Titles Act has enabled the development of thriving, well-managed sectional title schemes that cater to the diverse needs of South Africans. Today, sectional title properties remain popular for those seeking a secure, community-oriented living environment.

The sectional title landscape in South Africa has undergone significant evolution over the years, driven by the need to address emerging challenges and changing needs. Amendments to the original Sectional Titles Act have been introduced to enhance governance, improve transparency, and protect the rights of owners and tenants. For example, the Sectional Titles Schemes Management Act of 2011 (STSMA) replaced the original Sectional Titles Act, providing a more comprehensive framework for the management of sectional title schemes. The STSMA introduced new provisions to improve the governance of schemes, enhance financial management, and promote transparency. Furthermore, the Community Schemes Ombud Service Act of 2011 (Act No. 9 of 2011)(CSOSA) established a dedicated dispute resolution mechanism for community schemes, including sectional title schemes. The CSOS provides a cost-effective and efficient way for owners and tenants to resolve disputes without resorting to lengthy, expensive litigation. The CSOS also offers a range of services, including conciliation, mediation, and adjudication, to help resolve disputes in a fair and impartial manner. These developments reflect a growing recognition of the complexities associated with sectional title living and demonstrate a commitment to creating a more stable and secure environment for all stakeholders involved.

As the demand for sustainable living continues to grow, the maintenance and management of sectional title complexes have come under increased scrutiny. Owners are becoming more

aware of their rights and responsibilities regarding the upkeep of shared spaces and the importance of implementing environmentally friendly practices. This has led to a greater emphasis on regular maintenance, transparent financial management, and community involvement in decision-making processes. The role of Body Corporates has expanded to include the promotion of sustainability initiatives, such as energy-efficient lighting, water conservation, and waste reduction programs. Body corporates are also exploring innovative solutions, such as solar power and rainwater harvesting, to reduce the environmental impact of sectional title developments. By prioritising sustainability, Body Corporates can help reduce costs, enhance property values, and create a more desirable living environment for owners and tenants. Furthermore, the Sectional Titles Schemes Management Act of 2011 requires Body Corporates to prepare and implement a maintenance, repair, and replacement plan, which must consider the scheme's long-term needs and the importance of sustainability. This ensures that sectional title developments remain attractive and viable in the long term while minimising their environmental impact.

As sectional title ownership continues to grow in popularity, it's essential for all stakeholders to understand the historical context and development of this housing model. By familiarizing themselves with the evolution of sectional title legislation and community living dynamics, owners, potential investors, and tenants can make informed decisions about their property investments. This knowledge can also empower them to navi-

gate the complexities of sectional title ownership, including the intricacies of shared responsibility and community living. By embracing the principles of cooperation and mutual respect, stakeholders can enhance the living experience within sectional title schemes, fostering a sense of community and promoting a positive, harmonious living environment. Furthermore, understanding the historical context of sectional title ownership can also help stakeholders appreciate the unique challenges and opportunities that arise in South Africa's diverse property landscape. By working together and prioritising the needs of the community, stakeholders can create thriving, well-managed sectional title schemes that provide a high quality of life for all residents. Ultimately, a deep understanding of sectional title ownership can help stakeholders unlock the full potential of this housing model, creating a better future for themselves and their communities.

## **Importance of Sectional Titles in South Africa's Real Estate Market**

Sectional titles play a vital role in South Africa's real estate market, offering a distinctive ownership model that caters to a broad spectrum of buyers, from first-time homeowners to experienced investors. This system allows individuals to own a portion of a property, known as a unit, while sharing ownership of common areas, such as gardens, swimming pools, and security systems.

This shared ownership structure fosters a sense of community and shared responsibility among residents, which is a key aspect of sectional title living. The growing popularity of sectional titles can be attributed to the increasing trend of urbanisation and the demand for affordable housing options in South Africa. As more people move to cities and towns, sectional titles offer a practical and cost-effective solution for those seeking to own a home. Understanding the significance of sectional titles is crucial for current and prospective owners and tenants who must navigate the complexities of this unique ownership model. By grasping the intricacies of sectional titles, individuals can make informed decisions about their property investments and ensure that they are well-equipped to manage the responsibilities that come with shared ownership.

One of the primary benefits of sectional titles is the accessibility they provide to property ownership, making it a more affordable and inclusive option for many South Africans. In a country where property prices can be prohibitively expensive, sectional title schemes offer a more attainable entry point into the real estate market. This model allows individuals to invest in property without the significant financial burden of purchasing an entire stand-alone home, which can be a major obstacle for first-time buyers or those on a limited budget. Furthermore, sectional title ownership often comes with lower maintenance costs, as expenses are shared among owners, reducing the individual's financial liability. This shared cost structure makes it an attractive option for those looking to build equity

in real estate without the substantial upfront costs associated with conventional homeownership. Additionally, sectional title schemes often provide access to amenities and services that might be unaffordable for individual homeowners, such as security, swimming pools, and community facilities. By making property ownership more accessible and affordable, sectional titles have become a popular choice for many South Africans seeking to invest in real estate and build a secure financial future.

The legal framework governing sectional titles is a crucial component of their significance in South Africa's real estate market. The Sectional Titles Act, which has undergone several amendments, provides a comprehensive framework that outlines the rights and responsibilities of owners, establishing clear guidelines for the management and operation of sectional title schemes. This legal structure not only protects owners' investments but also ensures that disputes can be resolved fairly and efficiently, providing a sense of security and stability for all stakeholders. The Act also establishes the role of the Body Corporate, which is responsible for managing the scheme and making decisions that affect the owners. Understanding these legalities is essential for potential investors to make informed decisions regarding their investments, as it can help them navigate the complexities of sectional title ownership and avoid potential pitfalls. It also emphasises the importance of conducting thorough due diligence before purchasing a sectional title property, including reviewing the scheme's rules, financial statements, and minutes of meetings. By doing so, investors can

ensure that they are making a well-informed decision and that their investment is protected. Furthermore, the Community Schemes Ombud Service Act provides an additional layer of protection for owners, providing a dispute resolution mechanism that can help resolve conflicts in a fair and efficient manner.

Maintenance and management of sectional title complexes are crucial in maintaining property values, ensuring a high quality of life for residents, and protecting the overall investment of owners. Body corporates typically oversee these responsibilities, managing everything from upkeep of common areas, such as gardens, swimming pools, and security systems, to enforcing community rules and regulations. This collaborative approach not only helps to streamline maintenance efforts but also fosters a sense of belonging and community among residents. By working together, owners and the Body Corporate can ensure that the scheme is well-maintained, and that any issues are addressed promptly. For tenants and owners alike, participating in Body Corporate meetings and staying informed about community decisions can significantly enhance their living experience within a sectional title scheme. It's essential for residents to be aware of their responsibilities and obligations, as well as the rules and regulations that govern the scheme. By being involved and informed, residents can contribute to the overall success of the scheme and help to create a positive, harmonious living environment. Furthermore, the Sectional Titles Schemes Management Act requires Body Corporates to main-



tain a maintenance, repair, and replacement plan, which ensures that the scheme's common areas are properly maintained and that any necessary repairs or replacements are done in a timely manner.

Lastly, sectional titles play a significant role in promoting sustainable living practices in urban environments. Many modern sectional title developments are designed with eco-friendly features, such as solar panels, rainwater harvesting systems, and energy-efficient appliances, which promote energy efficiency and reduce the carbon footprint of residents. This aligns with global trends towards sustainability and responsible living, making sectional titles an appealing choice for environmentally conscious buyers who prioritise reducing their impact on the environment. As the demand for greener living spaces continues to rise, sectional title schemes that prioritise sustainability will probably become increasingly sought after, further solidifying their role in South Africa's real estate market. In addition, the South African government's focus on sustainable development and reducing greenhouse gas emissions has led to the introduction of various incentives and regulations that encourage developers to incorporate green building practices into their designs. Understanding these dynamics can empower owners and investors to make informed choices that benefit both their financial interests and the broader community, while also contributing to a more sustainable future. By prioritising sustainability, sectional title schemes can not only reduce their environmental impact but also enhance the quality of life for

residents, increase property values, and contribute to a more resilient and thriving community.

# Chapter 2

## Understanding the Legal Framework of Sectional Titles in South Africa

### **The Sectional Titles Act: Key Provisions**

The Sectional Titles Act (STA) is a fundamental piece of legislation in South African property law, specifically designed to regulate the ownership and management of sectional title schemes. This Act provides a comprehensive framework that outlines the rights and responsibilities of owners, making it crucial for current and prospective owners to understand its key provisions. One of the most significant aspects of the Act is the definition of sectional title, which allows for individual ownership of a portion of a property, known as a unit, while sharing ownership of common property, such as gardens, parking areas, and pools. This dual ownership model facilitates a

community living arrangement, fostering a sense of belonging and shared responsibility among owners. The STA also establishes the concept of a sectional title scheme, which is defined as a development consisting of multiple units, each with its own title deed and common property that is shared by all owners. Understanding the STA's key provisions is essential for owners to navigate the complexities of sectional title ownership and to ensure that their rights and interests are protected. The STA has undergone several amendments since its inception, with the most recent being the Sectional Titles Schemes Management Act of 2011, which has introduced significant changes to the management and governance of sectional title schemes.

The Sectional Titles Act also establishes the governance structure for sectional title schemes, requiring the formation of a Body Corporate, which is a statutory entity composed of all the owners within the scheme. The Body Corporate is responsible for the management and administration of the property, and its key functions include maintaining and repairing common property, enforcing the scheme's rules and regulations, and managing the finances of the scheme. The Body Corporate is also responsible for making decisions regarding the scheme, such as determining the budget, setting levies, and resolving disputes. Understanding the role and powers of the Body Corporate is crucial for owners, as this entity acts on behalf of the collective interests of all owners, ensuring that the scheme is well-maintained and that common areas are preserved. The Body Corporate is also required to comply with the provisions

of the Sectional Titles Schemes Management Act, which sets out the requirements for the governance and management of sectional title schemes. Furthermore, the Body Corporate is accountable to the owners, and its decisions and actions must be transparent and in the best interests of the scheme. By understanding the role of the Body Corporate, owners can participate meaningfully in the decision-making process and ensure that their interests are represented.

Another crucial provision of the Sectional Titles Act relates to establishing and enforcing rules governing the conduct of owners and tenants within the scheme, known as the Management and Conduct Rules. It is also common to have an additional set of rules that are clearer, simplified, and relevant to everyday affairs, sometimes called 'House Rules'. These rules cover various aspects of community living, such as noise levels, usage of common areas, restrictions on alterations to units, and other matters that may impact the quality of life within the scheme. Owners must familiarise themselves with these rules to ensure compliance and promote harmonious community living. The conduct rules are typically established by the Body Corporate and are intended to maintain order, safety, and aesthetics within the scheme. The ability to amend these rules through a majority vote by the Body Corporate, as prescribed by the Sectional Titles Schemes Management Act, allows for flexibility and adaptation to the community's changing needs. This flexibility is instrumental in maintaining a pleasant living environment, as it enables the Body Corporate to respond to

emerging issues and concerns. Furthermore, the rules must be reasonable and must not unfairly discriminate against any owner or tenant, ensuring that the rights of all parties are protected. By understanding and adhering to the conduct rules, owners and tenants can contribute to a harmonious and respectful living environment, which is essential for the well-being of all members of the community.

The Sectional Titles Act also addresses financial management by mandating the preparation of a budget and the collection of levies from owners, which is a critical aspect of sectional title scheme management. The budget must be prepared by the Body Corporate and must take into account the estimated income and expenses of the scheme, including the costs of maintaining common property, insurance, and other essential services. The levies, which are typically paid monthly or quarterly, are used to fund these expenses and ensure that the scheme is properly maintained. Transparency in financial matters is emphasised, and owners have the right to access financial records of the Body Corporate, including the budget, financial statements, and minutes of meetings. This provision promotes accountability and empowers owners to participate actively in the financial decision-making processes that affect their investments. The Act requires the Body Corporate to keep separate accounts for the scheme's administrative and reserve funds, which must be used for specific purposes, such as maintenance and repairs. The Act also provides for establishing a reserve fund, a savings plan that helps cover future expenses

and avoid special levies. By providing owners with access to financial information and involving them in the decision-making process, the Act promotes a culture of transparency and accountability, which is essential for the success of a sectional title scheme.

Lastly, the Sectional Titles Act provides mechanisms for dispute resolution, recognising that conflicts may arise between owners or between the Body Corporate and individual owners. The Act encourages the resolution of disputes through mediation or arbitration before escalating to legal action, which can be costly and time-consuming. This approach promotes a more collaborative and less confrontational method of resolving disputes, ultimately contributing to a more cohesive community within sectional title developments. Owners should know these mechanisms, as they offer an alternative approach to resolving conflicts amicably and efficiently. In addition to mediation and arbitration, the Act also provides for establishing the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011), a statutory body that provides a dispute resolution service for community schemes, including sectional title schemes. The CSOS offers a cost-effective and efficient way to resolve disputes, and its decisions are binding on all parties. Understanding these key provisions equips owners and potential investors with the knowledge to navigate the complexities of sectional title living, ensuring a more informed and harmonious experience in their property ownership journey. By being aware of the dispute resolution mechanisms available, owners can take

proactive steps to resolve conflicts and maintain a positive relationship with their fellow owners and the Body Corporate, ultimately enhancing their overall living experience in a sectional title scheme.

## **Registration and Management of Sectional Title Schemes**

The registration of sectional title schemes in South Africa is a critical step in ensuring that ownership is legally recognised and that the rights and responsibilities of owners are clearly defined. The Sectional Titles Act governs the registration process, which provides the legal framework for creating and managing these schemes. This process begins with the developer preparing a sectional plan, a detailed document outlining the development layout, including individual units, common property, and exclusive-use areas. The sectional plan must be approved by the relevant authorities, such as the local municipality and the Surveyor-General before it can be registered with the Deeds Office. Once registered, the sectional plan becomes a public document, and it is used as the basis for the registration of individual units and the establishment of the Body Corporate. It is essential for all owners to understand that this registration not only formalises ownership but also sets the stage for governance and management structures within the scheme. The registration process also involves the creation of a sectional title register,



which is a record of all the units and common property within the scheme, as well as the owners and their respective interests. By registering a sectional title scheme, the developer and owners can ensure that their rights and interests are protected and that the scheme is governed in accordance with the provisions of the Sectional Titles Act.

Once a sectional title scheme is established, ongoing management becomes a primary concern for owners and tenants alike. The management of these schemes is typically overseen by a Body Corporate, which consists of all the owners within the development. The Body Corporate is a statutory entity that is responsible for maintaining and repairing common property, enforcing the rules and regulations of the scheme, and managing the financial affairs of the scheme. This includes tasks such as budgeting, setting levies, and ensuring that the scheme's finances are properly managed. Regular meetings, such as annual general meetings (AGMs) and special general meetings (SGMs), are held to ensure transparency and to give owners a platform to voice their concerns or suggestions. Understanding the roles and responsibilities of the Body Corporate is vital for owners, as it directly impacts their living experience and investment value. The Body Corporate is also responsible for making decisions regarding the scheme, such as determining the budget, setting levies, and resolving disputes. Owners actively involved in the Body Corporate can help ensure that the scheme is well-managed and that their interests are represented. Furthermore, the Sectional Titles Schemes Management Act requires the Body

Corporate to keep records of its decisions, finances, and other important documents, which must be made available to owners upon request. By being aware of the roles and responsibilities of the Body Corporate, owners can participate meaningfully in the management of the scheme and help to create a positive and harmonious living environment.

Effective management of a sectional title scheme also includes establishing a set of rules and regulations, often called the Conduct Rules and Management Rules. These documents govern the behaviour of owners and tenants, addressing issues such as noise levels, use of common facilities, maintenance responsibilities, and other aspects of community living. The Conduct Rules focus on the behaviour of owners and tenants, while the Management Rules govern the administration and management of the scheme. Owners must familiarise themselves with these rules to avoid disputes and ensure harmonious living within the community. It is also essential for owners to understand that these rules are binding and enforceable and that any breaches may result in consequences, such as fines or other penalties. Additionally, any amendments to these rules require a vote by the Body Corporate, making the engagement of all owners crucial in the decision-making process. This ensures that all owners have a say in shaping the rules that govern their community and that any changes are made with the best interests of the scheme in mind. Furthermore, the Sectional Titles Schemes Management Act requires that the Conduct Rules and Management Rules be reasonable, fair, and not un-

fairly discriminatory, ensuring that the rights of all owners and tenants are protected. By being aware of and adhering to these rules, owners can contribute to a positive and harmonious living environment and help to maintain the value of their investment.

Financial management is a critical aspect of sectional title scheme management, as it directly impacts the maintenance and upkeep of the scheme. The Body Corporate is required to prepare an annual budget that includes estimates for maintenance, insurance, and other operational costs, such as utilities, security, and administrative expenses. Owners contribute to this budget through monthly levies, which fund the activities of the Body Corporate and ensure that the scheme's common areas are properly maintained. It is essential for owners to stay informed about the financial health of their scheme, as well-managed finances can prevent special levies, which are additional payments required from owners to cover unexpected expenses or shortfalls in the budget. Regular financial statements, including income statements, balance sheets, and cash flow statements, should be provided to owners to promote transparency and accountability. These statements should be prepared in accordance with the Sectional Titles Schemes Management Act and should be made available to owners on a regular basis, such as quarterly or annually. By staying informed about the financial health of their scheme, owners can ensure that adequate funds are available for maintenance and improvements and that their investment is protected. Furthermore, the

Body Corporate should also maintain a reserve fund, a savings plan that helps cover future expenses and avoid special levies. A well-managed reserve fund can provide peace of mind for owners and help to maintain the value of their investment.

In summary, registering and managing sectional title schemes are foundational elements of successful communal living in South Africa. Understanding the legal framework, management structures, and financial obligations associated with sectional titles is essential for owners, investors, and tenants alike, as it enables them to navigate the complexities of sectional title living and make informed decisions about their property investments. By actively participating in the governance of their schemes, owners can help foster a positive living environment that enhances property values, promotes a sense of community among residents, and contributes to the overall quality of life within the scheme. It is advisable for all stakeholders to remain informed and engaged, as this involvement benefits individual owners and strengthens the sectional title landscape as a whole. This, in turn, can lead to increased property values, improved living conditions, and a more harmonious community. Furthermore, active participation and engagement can also help to prevent disputes and resolve issues promptly, reducing the need for costly and time-consuming litigation. Ultimately, a well-managed sectional title scheme is one that is characterised by transparency, accountability, and a strong sense of community, making it an attractive and desirable place to live and invest. Owners, investors, and tenants can create a thriving and

sustainable sectional title community that benefits everyone involved by working together.

## **Governance and Compliance Requirements**

Governance and compliance requirements in sectional title schemes are essential for ensuring that these communities operate smoothly, efficiently, and in accordance with the law. The Sectional Titles Act, along with the Sectional Titles Schemes Management Act and relevant regulations, outlines the governance structure, responsibilities of owners, and compliance obligations that must be followed. This includes establishing a Body Corporate responsible for managing the scheme and making decisions on behalf of the owners. Understanding these requirements is crucial for owners, potential investors, and tenants to navigate their rights and responsibilities effectively and avoid any potential pitfalls. By being aware of the governance and compliance requirements, stakeholders can ensure that the scheme is managed in a transparent and accountable manner and that the interests of all owners are protected. Furthermore, compliance with the relevant legislation and regulations is essential to avoid any penalties or fines that may be imposed for non-compliance and to maintain the value of the properties within the scheme.

At the core of governance in sectional title schemes in South Africa is the Body Corporate. The Body Corporate is a statu-

tory entity responsible for managing the common property, enforcing the rules and regulations of the scheme, and ensuring that the scheme complies with the legal framework established by the Sectional Titles and the Sectional Titles Schemes Management Act. It is comprised of all the owners within the scheme, and its operations are guided by the scheme's rules and regulations, as well as the Act. The Body Corporate is required to hold regular meetings, including annual general meetings, to ensure that owners are informed and involved in the decision-making process. Owners are encouraged to actively participate in the Body Corporate, as this involvement fosters a sense of community and ensures that their interests are represented in decision-making processes. Furthermore, the Body Corporate is responsible for making decisions regarding the scheme's budget, levies, and maintenance, and owners who are actively involved can help ensure that these decisions are made in the best interests of the scheme and its owners.

Compliance with governance requirements in sectional title schemes includes adhering to the financial obligations set forth by the Body Corporate. This encompasses the prompt payment of levies, which are used to maintain and manage the common property and fund the scheme's operational expenses. Failure to comply with these financial obligations can lead to disputes, potential legal action, and additional costs, such as interest and penalties. The Body Corporate must maintain transparent financial records, conduct annual audits, and present financial statements to the owners to ensure accountability and trust

within the community. The financial statements must be prepared per the Sectional Titles Schemes Management Act and include information such as the scheme's income, expenses, assets, and liabilities. The Body Corporate must also provide owners with regular financial updates and be transparent about any financial decisions or transactions affecting the scheme. By maintaining transparent financial records and conducting regular audits, the Body Corporate can help prevent financial mismanagement and ensure the scheme's finances are in good order.

Another significant aspect of governance and compliance in sectional title schemes is the enforcement of rules and regulations that govern the conduct of owners and tenants within the scheme. These rules, also known as conduct rules, are designed to promote harmonious living and protect the rights of all residents. The Body Corporate has the authority to enforce these rules, which may include guidelines related to noise levels, property maintenance, and the use of common facilities. Understanding these regulations is vital for all residents, as violations can lead to penalties or even legal disputes. The conduct rules must be reasonable, fair, and not unfairly discriminatory and must be approved by the owners in a general meeting. The Body Corporate must also ensure that all owners and tenants know the conduct rules and provide them with a copy of the rules when they purchase or rent a unit in the scheme. By enforcing the conduct rules, the Body Corporate can help maintain a positive and respectful living environment and prevent

resident disputes and conflicts. The Sectional Titles Scheme Management Act requires that the Body Corporate must also have a dispute resolution process in place to handle any disputes or complaints that may arise related to the enforcement of the conduct rules.

Finally, compliance with broader legal requirements, such as health and safety regulations, zoning laws, and environmental legislation, is imperative for sectional title schemes. Owners and the Body Corporate must ensure that the scheme complies with these laws to avoid potential legal liabilities and penalties. This includes ensuring that the scheme has a valid Certificate of Occupancy, complies with the National Building Regulations and Building Standards Act, 2011 (Act No. 18 of 2011), and adheres to the relevant municipal by-laws. Sustainability practices are becoming increasingly important, and sectional title developments are encouraged to adopt environmentally friendly initiatives, such as energy-efficient lighting, water conservation measures, and waste management programs. By being proactive in governance and compliance, sectional title owners can create a sustainable and harmonious living environment that benefits all residents and contributes to the community's overall well-being. Compliance with these laws and regulations can also help to maintain the value of the properties within the scheme and ensure that the scheme remains a desirable place to live. The Body Corporate must also stay up to date with any changes to the relevant laws and regulations and ensure that the scheme always complies with the latest requirements.



# Chapter 3

## Maintenance and Management of Sectional Title Complexes

### **Roles and Responsibilities of the Body Corporate**

**T**he Body Corporate plays a pivotal role in the management and administration of sectional title schemes in South Africa, serving as the governing body responsible for overseeing the day-to-day operations of the complex. Consisting of all the unit owners within a complex, the Body Corporate is tasked with ensuring the smooth operation of the community, safeguarding the interests of its members, and maintaining the overall quality of life within the scheme. This collective has the authority to make decisions regarding the common property, including its maintenance, repair, and improvement, and manage the scheme's finances, including budgeting, levying,

and expenditure. Furthermore, the Body Corporate is responsible for enforcing the rules that govern the conduct of residents, ensuring that all owners and tenants comply with the scheme's governing documents and relevant legislation. Understanding the roles and responsibilities of the Body Corporate is essential for owners, potential investors, and tenants alike, as it directly impacts the living environment, investment value, and overall enjoyment of sectional title properties. By being aware of the Body Corporate's responsibilities, stakeholders can better navigate the complexities of sectional title living and make informed decisions about their property investments.

One of the primary responsibilities of the Body Corporate is the maintenance and management of common property, which encompasses all shared areas within the sectional title scheme, including landscaping, pools, shared facilities such as gyms or recreational areas, and other communal spaces. To ensure that these areas remain in good condition and continue to benefit all residents, the Body Corporate must establish regular inspections and maintenance schedules, which may include daily, weekly, monthly, or annual tasks, depending on the specific needs of the scheme. This proactive approach enables the Body Corporate to identify and address potential issues before they become significant problems, reducing the risk of costly repairs and minimising disruptions to residents. Furthermore, the Body Corporate must effectively manage the financial resources required for these activities, which involves budgeting for maintenance costs, collecting levies from unit owners to fund ongoing

ing expenses and repairs, and ensuring that the scheme's reserve fund is adequately provisioned to cover future costs. By prioritising the maintenance and management of common property, the Body Corporate can help to maintain the overall value and appeal of the scheme while also enhancing the quality of life for all residents.

The Body Corporate plays a crucial role in maintaining order and harmony within the sectional title scheme by enforcing the rules and regulations set out in the scheme's management and conduct rules. These rules, which are designed to promote harmonious living within the community, cover a range of matters, including noise levels, pet ownership, the use of common facilities, and other aspects of community living. The Body Corporate has the authority to take action against owners or tenants who violate these rules, which may include issuing fines, imposing penalties, or initiating legal proceedings if necessary. This enforcement is vital for maintaining order and ensuring that all residents can enjoy a peaceful living environment free from unnecessary disturbances or disruptions. Furthermore, the Body Corporate's enforcement of the rules helps to protect the rights and interests of all owners and tenants, while also promoting a sense of community and respect among residents. It is essential for the Body Corporate to enforce the rules consistently and fairly, without fear or favour, to ensure that all residents are treated equally and that the scheme is governed in a transparent and accountable manner. By doing so, the Body Corporate can

help to create a positive and harmonious living environment, where all residents can thrive and enjoy their homes.

Moreover, the Body Corporate is responsible for the financial management of the scheme, which is a critical aspect of its overall administration. This includes preparing an annual budget that accurately reflects the scheme's income and expenses, conducting regular audits to ensure financial transparency and accountability, and keeping accurate and up-to-date financial records. The Body Corporate must ensure that there are sufficient funds to cover both routine maintenance and unexpected repairs, as well as to make provision for long-term expenses through the creation of a reserve fund. Transparency in financial dealings is essential therefore, regular financial statements should be provided to all owners, allowing them to understand how their contributions are being utilised and ensuring accountability within the Body Corporate. This transparency also enables owners to make informed decisions about the scheme's finances and to hold the Body Corporate accountable for its financial management.

Finally, the Body Corporate plays a pivotal role in fostering a sense of community among residents, which is essential for creating a positive and harmonious living environment. By organizing social events, such as annual general meetings, community gatherings, and other activities, the Body Corporate can enhance relationships among owners and tenants, promote a sense of belonging, and encourage participation in decision-making processes. This collaborative spirit can lead to

a more vibrant and cohesive living environment, which is beneficial for all residents. Ultimately, the effectiveness of the Body Corporate in fulfilling its responsibilities significantly influences the overall experience of living in a sectional title scheme, making it essential for all stakeholders to engage actively and responsibly in this framework. By working together, owners, tenants, and the Body Corporate can create a thriving community that is characterized by mutual respect, cooperation, and a deep sense of connection.

## **Budgeting and Financial Management**

Budgeting and financial management are crucial for the successful operation of sectional title schemes in South Africa. Effective budgeting ensures that the financial health of the complex is maintained, allowing for necessary maintenance, improvements, and compliance with legal obligations, such as the payment of municipal rates and taxes. Sectional title owners, potential investors, and tenants must understand the financial structures in place, including the importance of the annual budget, special levies, and the management of reserve funds. The annual budget, in particular, is vital in ensuring that the scheme's expenses are adequately catered for and sufficient funds are allocated for maintenance, repairs, and replacements. Without a clear grasp of these elements, stakeholders may find themselves facing unforeseen financial challenges that could

impact their living environment and investment. Furthermore, a well-managed budget and financial plan can help to prevent special levies, which can be a significant financial burden on owners, and ensure that the scheme's reserve fund is adequately provisioned to cover future expenses.

The preparation of an annual budget typically involves collaboration between the Body Corporate, the finance trustee, and the managing agent if one is appointed. This budget outlines expected income from levies and other sources, such as interest on reserve funds, as well as projected expenses, including maintenance, utilities, insurance, administrative costs, and any planned capital expenditures. Owners should be aware that the budget must reflect realistic estimations, taking into account historical expenses, inflation, and any anticipated changes in the scheme's operations, to avoid deficits that could necessitate special levies later. Transparency in the budgeting process is essential to foster trust among owners and to ensure that everyone understands how their contributions will be utilized. The budget should also be presented in a clear and concise manner, with detailed explanations of each line item, to enable owners to make informed decisions about the scheme's finances. Furthermore, the budget should be approved by the Body Corporate and made available to all owners, either at the annual general meeting or through other means, to ensure that everyone is aware of the scheme's financial plans and can hold the Body Corporate accountable for its financial management.

In addition to the annual budget, sectional title schemes must establish and manage a reserve fund, which serves as a financial safety net to cover unforeseen expenses and large-scale repairs that cannot be addressed through the regular budget. A well-maintained reserve fund can prevent financial strain on owners when major repairs, such as roof replacements or plumbing upgrades, become necessary and can help maintain the overall value of the property. It is advisable for the Body Corporate to conduct regular assessments of the fund's adequacy to meet future needs, ensuring that it aligns with the long-term maintenance plan of the property. This may involve obtaining professional advice from a financial expert or a managing agent to determine the optimal reserve fund contribution and to ensure that the fund is invested wisely.

Financial management also involves regular financial reporting and accountability, essential for maintaining owners' transparency and trust. Body corporates are required to provide owners with financial statements detailing income and expenditures, enabling owners to track the scheme's financial performance and make informed decisions about its management. In addition, it is vital for owners to engage with these reports and participate in meetings where financial decisions are made. This engagement not only empowers owners but also promotes a culture of accountability within the community, helping to mitigate potential disputes related to financial mismanagement. Furthermore, regular financial reporting can help identify areas

where costs can be reduced or optimized, enabling the Body Corporate to use its resources more efficiently.

Lastly, understanding the legal framework surrounding budgeting and financial management in sectional title schemes is essential for ensuring that these financial practices are conducted fairly and transparently. The Sectional Titles Scheme Management Act governs these financial practices, providing a framework for the management of sectional title schemes and protecting the rights of owners. Compliance with this legislation is critical for maintaining the scheme's integrity and preventing disputes. By recognizing their rights and responsibilities, sectional title owners can navigate the complexities of budgeting and financial management more effectively, ultimately contributing to a well-run and harmonious living environment. Moreover, a thorough understanding of the Act can help owners hold the Body Corporate accountable for its financial management, ensuring that the scheme is managed transparently and accountable.

## **Maintenance Planning and Execution**

Maintenance planning and execution are essential components in ensuring the longevity and optimal performance of sectional title properties. Owners and residents must recognize that a well-maintained complex enhances the aesthetic appeal and preserves and potentially increases the property value. This



begins with establishing a comprehensive maintenance plan, which should outline regular inspections, necessary repairs, and scheduled maintenance activities, including cleaning, painting, and replacing worn-out components. A proactive approach allows for the identification of potential issues before they escalate, ensuring the safety and comfort of all residents and preventing costly repairs down the line. A well-planned maintenance schedule can help to prevent disputes among owners and residents, as it provides a clear understanding of the maintenance responsibilities and timelines. The Body Corporate should work closely with the managing agent, if appointed, to develop and implement the maintenance plan and to ensure that it is regularly reviewed and updated to reflect the changing needs of the complex.

Central to effective maintenance planning is the involvement of the Body Corporate and a competent managing agent, who jointly plays a crucial role in overseeing the maintenance activities and ensuring that the complex is well-maintained. These entities are tasked with developing a maintenance schedule that prioritizes immediate and long-term needs, considering the complex's specific requirements and its various components. Regular assessments should be conducted to evaluate the condition of common property areas, including gardens, parking facilities, recreational spaces, and other shared amenities. The Body Corporate should document findings, including photographs and detailed reports, and discuss them during meetings, ensuring transparency and collaboration among owners.

This documentation should also include recommendations for repairs, replacements, or upgrades and a plan for implementing these recommendations. By fostering an inclusive environment, all stakeholders can contribute to the maintenance dialogue essential for a harmonious living experience. The managing agent and the Body Corporate should also establish a system for tracking and responding to maintenance requests from owners and residents to ensure that issues are addressed promptly and efficiently.

Financial planning for maintenance is a critical aspect of sectional title ownership, as it enables the Body Corporate to ensure that the complex is properly maintained and that funds are available for both routine and unexpected expenses. A well-structured budget should allocate funds for routine maintenance, emergency repairs, and long-term capital projects, such as replacements of major systems or upgrades to common areas. This budget should be reviewed and approved during the annual general meeting, allowing owners to understand their financial responsibilities and to provide input on the budgeting process. A reserve fund should be established to cover unexpected expenses, such as urgent repairs to roofs or plumbing systems, which can help to prevent special levies and minimize the financial burden on owners. The reserve fund should be adequately funded and managed to ensure that it can meet the complex's future needs. This foresight in financial planning can prevent disputes and ensure that the complex remains in excellent condition, which can also help to maintain property

values and enhance the overall living experience for owners and residents. Furthermore, the Body Corporate should also consider obtaining professional advice from a financial expert or a managing agent to ensure that the budget and reserve fund are properly managed and that the complex's financial needs are met.

Effective execution of the maintenance plan requires seamless communication among all parties involved, including the managing agent, Body Corporate, owners, and tenants. Regular updates on maintenance schedules, completed work, and upcoming tasks should be disseminated to all stakeholders promptly and transparently. Utilizing digital platforms, such as community apps, email newsletters, or online portals, can enhance communication and keep everyone informed about the status of maintenance activities. Furthermore, fostering a culture of accountability ensures that tasks are completed on time and to the expected standard and that any issues or concerns are addressed promptly. It is essential for the Body Corporate to follow up on any outstanding issues, provide regular progress reports, and solicit feedback from owners and tenants to maintain trust and engagement within the community. By promoting open communication and transparency, the Body Corporate can build trust with owners and tenants and demonstrate their commitment to maintaining the complex in good condition. Regular communication can also help prevent misunderstandings and disputes and ensure that everyone is working together

towards a common goal of maintaining a well-managed and harmonious living environment.

Maintenance planning and execution are essential components of successful sectional title property management. By supporting the Body Corporate in establishing a comprehensive plan, engaging a competent managing agent, and ensuring robust financial and communication strategies, sectional title owners can create a well-maintained living environment that increases property values and enhances the quality of life for residents. A well-maintained complex fosters a sense of community, promotes a positive living experience, and helps to prevent disputes among owners and residents. By prioritizing maintenance, owners can navigate the complexities of sectional title living with confidence and satisfaction, knowing that their investment is protected and their living environment is safe and secure. Furthermore, a well-maintained complex also contributes to the overall aesthetic appeal of the neighbourhood, which can positively impact the surrounding community. By taking a proactive approach to maintenance, sectional title owners can enjoy the benefits of communal living while also protecting their individual interests and investments. Effective maintenance planning and execution are key to unlocking the full potential of sectional title living and creating a harmonious and thriving community.

# Chapter 4

## Rights and Responsibilities of Sectional Title Owners

### **Ownership Rights in Sectional Title Schemes**

**O**wnership rights within sectional title schemes in South Africa are defined by a set of legal frameworks, including the Sectional Titles Act and the Sectional Titles Schemes Management Act, which govern the relationship between individual owners and the Body Corporate. Each owner holds a title deed that grants them exclusive ownership of their unit and shared ownership of common property, including all the shared areas within the scheme, such as gardens, driveways, recreational facilities, and other communal spaces. This arrangement means that while owners can enjoy the full use of their units, they must also consider their obligations towards maintaining and managing communal areas, which all owners share. For exam-

ple, if an owner wants to make changes to their unit, such as enclosing a balcony or renovating their kitchen, they must ensure that these changes do not affect the common property or disturb their neighbours. In all cases, formal approval from the Body Corporate is always required. The Body Corporate act on behalf of all owners, ensuring a balance is maintained. Similarly, owners are also responsible for paying their share of the scheme's expenses, including levies and special contributions used to maintain and manage the common property. By understanding their ownership rights and responsibilities, owners can enjoy their units while contributing to the scheme's overall well-being.

The legal framework governing sectional titles is primarily encapsulated in the Sectional Titles Act, which outlines the rights and responsibilities of owners. Owners have the right to occupy and use their units without interference as long as they adhere to the rules established by the Body Corporate, which is the governing body responsible for managing the scheme. This includes compliance with regulations regarding noise, alterations to the property, and the maintenance of common areas, such as gardens, driveways, and recreational facilities. For example, if an owner wants to install a satellite dish or a solar panel on their unit, they must first obtain approval from the Body Corporate to ensure that the installation complies with the scheme's rules and regulations. Understanding these rights is crucial for both current owners and potential investors, as it can significantly impact property value and the overall liv-

ing experience. Failure to comply with the rules can result in penalties, fines, or even court action, which can be costly and time-consuming. By understanding their rights and responsibilities, owners can enjoy their units while also contributing to the overall well-being of the scheme.

In addition to rights, ownership in sectional title schemes comes with responsibilities that owners must fulfil. This includes contributing to the maintenance fund, which is essential for the upkeep of common property, such as paying levies and special contributions and adhering to the rules set forth by the Body Corporate. Regular meetings, such as annual general meetings and special general meetings, are held to discuss issues concerning the scheme, and owners are encouraged to participate in these gatherings to ensure their voices are heard and to stay informed about the scheme's affairs. For example, if an owner fails to pay their levies, it can impact the scheme's ability to maintain the common property, which can lead to disputes with other owners. Similarly, if an owner fails to adhere to the rules, it can cause disturbances or disruptions to other owners, which can also lead to disputes. Failure to meet these obligations can lead to disputes, which may escalate if not addressed promptly. In extreme cases, the Body Corporate may need to take legal action against an owner who fails to fulfil their responsibilities, which can be costly and time-consuming for all parties involved. By understanding and fulfilling their responsibilities, owners can help to maintain a harmonious and well-managed scheme.

Disputes among owners can arise from various issues, such as noise complaints, disagreements over maintenance responsibilities, or violations of the Body Corporate's rules. The Sectional Titles Act provides mechanisms for resolving these disputes, often encouraging mediation and negotiation before escalating to arbitration or legal action. For example, if a dispute arises between two owners over a noise complaint, the Body Corporate may facilitate a mediation session to help the parties resolve the issue amicably. Understanding how to navigate these disputes is vital for maintaining harmony within the community and ensuring that all owners can enjoy their rights without undue conflict. By familiarizing themselves with the dispute resolution mechanisms, owners can address issues promptly and effectively, minimizing the risk of escalation and promoting a positive living environment.

Ultimately, ownership in a sectional title scheme offers a unique blend of private and communal living, requiring a delicate balance between individual rights and collective responsibilities. By understanding the legal rights and responsibilities that accompany ownership, individuals can make informed decisions, engage meaningfully with their community, and safeguard their investments. This knowledge enhances the experience of living in a sectional title scheme and fosters a sense of responsibility and cooperation among owners, contributing to a more harmonious living environment. For instance, when owners understand their obligations to maintain the common property, they are more likely to take pride in their community



and work together to address issues that may arise. By embracing this sense of shared responsibility, owners can create a thriving and supportive community that benefits everyone involved.

## **Responsibilities Toward Common Property**

Responsibilities toward common property in sectional title schemes are pivotal for fostering a harmonious living environment and maintaining the overall value of the development. Common property refers to areas and facilities within the sectional title development that are shared among all owners and residents, such as gardens, swimming pools, walkways, parking areas, and other shared amenities. Owners are collectively responsible for maintaining and caring for these spaces, ensuring they remain functional, safe, and aesthetically pleasing. This includes contributing to the maintenance fund, reporting any damage or issues to the Body Corporate, and adhering to the rules and regulations governing the use of common property. For example, if an owner notices a broken light fixture in the common area, they should report it to the Body Corporate to ensure it is repaired promptly. By fulfilling their responsibilities toward common property, owners enhance the value of individual units and contribute to a sense of community and shared ownership, which is essential in a sectional title living arrangement. Furthermore, well-maintained common property

can also increase the overall appeal of the development, making it a more desirable place to live.

Each owner has a legal obligation to adhere to the rules and regulations set forth in the management or conduct rules of the sectional title scheme, which are designed to protect the interests of all owners and ensure the proper use and maintenance of common property. These rules may govern aspects such as noise levels, parking, and the use of shared facilities and are intended to promote a harmonious living environment. For instance, owners must refrain from causing damage to shared facilities, such as swimming pools or gym equipment, and should report any issues promptly to the Body Corporate. Such proactive communication is vital, as it allows for timely repairs and maintenance, preventing further deterioration of common areas and reducing the risk of disputes among owners. Furthermore, owners who fail to comply with the rules and regulations may be liable for any damages or losses incurred and may also face penalties or fines imposed by the Body Corporate. By adhering to the rules and regulations, owners can help maintain a positive and respectful living environment and protect their interests and investments. It's also important to note that the Body Corporate is responsible for enforcing the rules and regulations and taking action against owners who fail to comply to maintain the integrity and value of the sectional title scheme.

Financial contributions to the maintenance of common property are a critical aspect of ownership responsibilities in sectional title schemes. Sectional title owners are typically re-

quired to pay levies, which fund the upkeep of shared spaces and services, including security, landscaping, cleaning, and other essential services that benefit the community as a whole. It is essential for owners to understand that these levies are not merely a financial burden but a shared investment in the quality of life within the community and a necessary expense to maintain the value of their properties. Regular attendance at meetings, such as annual general meetings and special general meetings, and active participation in discussions about budget allocations can help ensure that the funds are utilized effectively and transparently. By engaging with the Body Corporate and other owners, individuals can gain a deeper understanding of how their levies are being used and can contribute to decision-making processes that impact the community. For example, owners may want to discuss the allocation of funds for specific projects, such as upgrading the security system or renovating the communal pool. By taking an active role in the financial management of the scheme, owners can help ensure that their levies are being used to enhance the overall living experience and protect their investment.

Moreover, owners must respect the rights of their neighbours when using common property, recognizing that their actions can impact the living experience of those around them. This includes adhering to designated hours for noise-intensive activities, keeping common areas clean and tidy, and being considerate about personal belongings in shared spaces. By fostering a culture of respect and cooperation, owners can significantly

reduce the potential for conflicts and enhance the overall living experience within the complex. For example, if an owner is planning a party or gathering that may generate excessive noise, they should notify their neighbours in advance and take steps to minimize disruptions. By being mindful of their neighbours' needs and concerns, owners can help create a harmonious and considerate community. The promotion of friendly relations among neighbours not only cultivates a sense of community but also encourages collaborative efforts toward maintaining and improving shared facilities, which can lead to a more enjoyable and rewarding living experience.

Finally, being aware of and engaging with the processes established by the Body Corporate is crucial for all sectional title owners, as it enables them to participate in decision-making and ensures that their interests are represented. Regularly reviewing the upkeep and management of common property, participating in elections for members, and voicing concerns or suggestions during meetings are all part of an owner's responsibilities. By actively engaging in these processes, owners can ensure that their voices are heard and that the community collectively navigates challenges effectively. For instance, if an owner has concerns about the maintenance of a particular common area, they should attend a meeting and raise their concerns with the Body Corporate. Ultimately, shared responsibility for common property enhances individual living conditions and strengthens the community as a whole, making sectional title living a more enjoyable and rewarding experience. By working together and

taking an active role in the management of common property, owners can create a thriving and harmonious community that benefits everyone involved.

## **Understanding Exclusive Use Areas**

Exclusive use areas are a vital aspect of sectional title living in South Africa, providing owners with specific rights over certain parts of a property that are not shared with other owners. These areas are typically designated for the exclusive use of one owner, allowing them to enjoy and manage the space without interference from other owners or the Body Corporate. Exclusive use areas can include a variety of spaces, such as gardens, courtyards, balconies, or parking bays, and are usually defined in the sectional title deed or the rules of the scheme. Understanding the nuances of exclusive use areas is essential for sectional title owners, potential investors, and tenants, as it directly impacts property value, living experience, and responsibilities. For example, an owner with an exclusive use area may be responsible for maintaining the space, including paying for repairs and upkeep, which can impact their financial obligations and overall cost of ownership. By understanding the rights and responsibilities associated with exclusive use areas, owners can better navigate the complexities of sectional title living and make informed decisions about their property investments. Exclusive use areas can differ significantly between estates, and it is the owner's

responsibility to determine the specific areas associated with their unit, including its designated exclusive use area.

The legal framework governing exclusive use areas is embedded in the Sectional Titles Act, which outlines how these areas are established, managed, and regulated. An exclusive-use area can include elements such as gardens, patios, parking bays, storage rooms, or other designated spaces that are reserved for the exclusive use of one owner. However, it is crucial for owners to note that the rights over these areas come with specific obligations and responsibilities. Owners must maintain these spaces in accordance with the rules of the Body Corporate, ensuring that they do not detract from the overall aesthetics and functionality of the complex. For example, an owner with an exclusive-use garden may be required to keep the area tidy and well-maintained and to ensure that any plants or structures do not encroach on neighbouring properties or common areas. Failure to comply with these obligations can result in penalties or fines and may also impact the overall value and appeal of the complex. By understanding their responsibilities and obligations, owners can ensure that their exclusive use areas are enjoyed in a way that is respectful of the broader community and compliant with the rules and regulations of the scheme.

The allocation of exclusive use areas is typically determined during the establishment of the sectional title scheme or through subsequent resolutions passed by the Body Corporate. This process may involve negotiations among owners and requires careful consideration of the needs and desires of

all stakeholders, including the impact on the overall aesthetic and functionality of the complex. For prospective buyers, understanding the terms of exclusive use areas can significantly influence their purchasing decisions, as these areas can enhance both privacy and property appeal and may also impact the resale value of the property. For example, a buyer may be willing to pay a premium for a unit with an exclusive-use garden or patio, but may be deterred if the area is not well-maintained or is subject to disputes with neighbouring owners.

Maintenance responsibilities for exclusive use areas often fall on the owner of that area, which can lead to disputes if not clearly defined in the scheme's rules or the owner's agreement. Owners must be aware that while they have the right to use and enjoy these spaces, they must also adhere to the maintenance standards set forth by the Body Corporate, which may include requirements for upkeep, repairs, and renovations. This includes ensuring that any alterations or improvements made do not violate the scheme's rules or harm the property's communal areas and that any necessary approvals or permits are obtained before commencing work. By understanding their maintenance responsibilities, owners can avoid potential disputes and ensure that their exclusive use areas are enjoyed in a way that is respectful of the broader community.

Lastly, exclusive use areas play a crucial role in fostering a sense of community within sectional title developments by providing owners with personal spaces that can enhance their living environment while still being part of a larger community. They

offer a balance between private ownership and communal living, allowing owners to enjoy their own space while also being part of a vibrant and interactive community. Understanding the rights and responsibilities associated with exclusive use areas can help owners navigate their relationships with neighbours and the Body Corporate, leading to a more harmonious living experience in sectional title schemes. By embracing the concept of exclusive-use areas, owners can create a sense of pride and ownership in their community and contribute to a positive and supportive living environment that benefits everyone involved.



# Chapter 5

## Navigating Disputes within Sectional Title Schemes

### **Common Types of Disputes**

**C**ommon types of disputes in sectional title schemes often arise from various interactions among owners, tenants, and the managing bodies. One prevalent issue is related to the use and enjoyment of common property. Disagreements can occur when one owner feels that another is encroaching on shared spaces, such as gardens, walkways, or parking areas. For example, in a recent case, an owner in a sectional title complex in Johannesburg installed a fence around a portion of the common garden, claiming it was for security purposes. However, other owners objected, arguing that the fence was an eyesore and restricted their access to the garden. The dispute was eventually resolved through mediation, with the owner agreeing to remove

the fence and the Body Corporate implementing new rules governing the use of common areas.

Another significant area of contention is the enforcement of rules and regulations stipulated in the sectional title scheme's management and conduct rules. Owners may find themselves at odds regarding noise levels, pet ownership, or the appearance of individual units. Disputes can quickly arise when rules are perceived as being selectively enforced or ignored altogether. For instance, in a complex in Cape Town, an owner complained about a neighbour's music, but the Body Corporate failed to take action, leading to a heated dispute between the two owners. The matter was eventually resolved through arbitration, with the Body Corporate being ordered to enforce the rules, and with the assistance of CSOS, the owner was forced to mitigate the noise.

Financial disputes also frequently occur in sectional title schemes, particularly concerning levies and maintenance contributions. Owners may challenge the necessity or amount of levies, especially when they believe funds are not being used effectively or mismanaged. Furthermore, disagreements can arise over special assessments for unexpected maintenance or improvements, leading to divisions among owners about the best financial path forward for the complex. In a recent case, a group of owners in a complex in Durban disputed a special levy imposed by the Body Corporate to fund repairs to the building's roof. The owners argued that the levy was excessive and that the Body Corporate had not provided sufficient notice or explana-

tion of the costs. The dispute was eventually resolved through negotiation, with the Body Corporate agreeing to reduce the levy and to structure the repairs over a longer period.

Disputes over renovations and alterations to units can also create friction among owners. Many sectional title schemes have strict guidelines governing alterations to ensure that any changes do not negatively impact the aesthetics or structural integrity of the building. An owner wishing to undertake a renovation may face opposition from neighbours or the Body Corporate if these guidelines are perceived to be violated. Clear communication and adherence to established procedures are vital in mitigating these disputes. For example, in a complex in Pretoria, an owner wanted to enclose a balcony and install an awning, but the Body Corporate objected, citing concerns about the aesthetic integrity of the building. The owner eventually obtained approval from the Body Corporate after compromising by only approving the enclosing of the balcony to match similar enclosures and refusing permission for the awning.

Lastly, disputes regarding the role and actions of the Body Corporate can significantly impact sectional title living. Owners may feel that the Body Corporate is overstepping its mandate or failing to act in the best interests of the community. Such conflicts can lead to a breakdown in trust and cooperation within the scheme. It is essential for homeowners to engage constructively with their Body Corporate, ensuring that their voices are heard while also respecting the Body Corporate's role

in maintaining order and community standards. Effective communication and a willingness to collaborate can help resolve many potential disputes before they escalate.

## **Dispute Resolution Mechanisms**

Dispute resolution mechanisms are essential for maintaining harmony within sectional title schemes, where multiple owners share common property and responsibilities. Conflicts can arise over various issues, including maintenance responsibilities, financial contributions, or breaches of conduct rules. Understanding the available mechanisms can significantly ease the resolution process and prevent disputes from escalating into more serious conflicts that could threaten the well-being of the community. For example, a recent dispute arose over a noise complaint between two owners in a sectional title complex in Cape Town. The owners were able to resolve the dispute through mediation, with the help of a neutral third-party mediator, and avoided the need for costly and time-consuming litigation.

The primary dispute resolution mechanisms available to sectional title owners include mediation, arbitration, and litigation. If the Body Corporate, nor the managing agent, is able to resolve a dispute, mediation is often the first step in resolving conflicts, offering a voluntary and informal process facilitated by a neutral third party. This approach allows parties to communicate their concerns and work towards a mutually

acceptable resolution without the adversarial nature of court proceedings. Many sectional title schemes encourage mediation as it fosters cooperation and help preserve relationships among owners. In fact, the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) in South Africa offers mediation services specifically designed for resolving conflicts within community schemes, including sectional titles.

Arbitration serves as a more formal approach, where an arbitrator makes a binding decision based on the evidence presented. This process can be beneficial for disputes that require a quicker resolution than litigation, as it generally involves fewer procedural formalities and can be less costly. In South Africa, the CSOS regulations provide a legal framework that governs the arbitration, adjudication and mediation processes, ensuring that decisions are enforceable. However, the binding nature of arbitration means that parties should carefully consider whether they are willing to abide by the arbitrator's decision before proceeding. For instance, a dispute arose between an owner and the Body Corporate of a sectional title complex in Johannesburg in a recent case over a special levy. The Body Corporate did follow the correct procedure of communication and obtaining the approval from the majority of owners to implement the special levy. The parties agreed to arbitration, and the arbitrator made a binding decision in favour of Body Corporate. The owner was required to pay the special levy. The arbitration process was less costly and time-consuming than litigation would have been.

Litigation remains an option when disputes cannot be resolved through mediation or arbitration. Court proceedings can be lengthy and expensive, often resulting in further divisions among owners. Therefore, it is advisable that sectional title owners explore all alternative dispute resolution options before resorting to litigation. The South African legal system provides mechanisms for dealing with sectional title disputes, including the Community Schemes Ombud Service, which offers services specifically designed for resolving conflicts within community schemes, including sectional titles. In addition, the courts have established a body of case law that provides guidance on the resolution of sectional title disputes.

Understanding the various dispute resolution mechanisms available to sectional title owners is crucial for maintaining a peaceful living environment. Owners can often resolve conflicts amicably and efficiently by prioritising mediation and arbitration. When necessary, the legal system provides a safety net, but it should be viewed as a last resort due to litigation's potential costs and divisive nature. Familiarity with these mechanisms empowers sectional title owners, potential investors, and tenants to navigate disputes confidently and clearly understand their rights and responsibilities.

## **The Role of Mediation and Arbitration**

Mediation and arbitration serve as vital mechanisms for resolving disputes within the context of sectional title living in South Africa. These alternative dispute-resolution methods provide owners, investors, and tenants with an effective means of addressing conflicts without resorting to lengthy and costly litigation. Given the unique dynamics of sectional title schemes, where multiple parties share common property and responsibilities, mediation and arbitration can offer tailored solutions that reflect the specific needs and relationships of those involved. For example, a recent dispute arose over a noise complaint between two owners in a sectional title complex in Johannesburg. The parties agreed to mediation, which resulted in a mutually acceptable agreement that addressed the concerns of both parties and preserved their ongoing relationship.

Mediation involves a neutral third party who facilitates discussions between disputing parties to help them reach a mutually acceptable agreement. This informal process encourages open communication, allowing owners and tenants to express their concerns and perspectives. Mediation is preferred for many sectional title owners because it fosters collaboration and aims to preserve the ongoing relationships among neighbours. It is especially beneficial in situations where misunderstandings or minor grievances arise, as it can lead to resolutions that are satisfactory to all parties involved. In fact, the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) in South Africa offers mediation services specifically designed for

resolving conflicts within community schemes, including sectional titles.

In contrast, arbitration is a more formal process where a neutral arbitrator hears the arguments from both sides and makes a binding decision. This method is useful for disputes that may require a definitive resolution, such as disagreements over the interpretation of the management rules or financial obligations within the scheme. For sectional title owners, arbitration can provide a quicker and more cost-effective alternative to court proceedings, ensuring that disputes are resolved efficiently while adhering to the legal framework governing sectional titles in South Africa.

Both mediation and arbitration are increasingly recognized in the management of sectional title schemes, as they align with the principles of good governance and community living. Body Corporates play a crucial role in facilitating these processes, often incorporating mediation and arbitration clauses in their rules and regulations. This proactive approach not only empowers owners and tenants to resolve issues amicably but also helps maintain harmony within the community, which is essential for the overall well-being of the sectional title environment. In addition, the use of mediation and arbitration can help to reduce the risk of costly and time-consuming litigation, which can be detrimental to the relationships among owners and tenants.

It is essential for sectional title owners, potential investors, and tenants to be aware of their rights and responsibilities when



engaging in mediation or arbitration. Understanding the legal framework surrounding these processes can enhance their effectiveness and ensure fair treatment for all parties. By embracing mediation and arbitration, stakeholders in sectional title schemes can navigate disputes more effectively, ultimately contributing to a more cohesive and cooperative living experience.

# Chapter 6

## Insurance Considerations for Sectional Title Units

### **Types of Insurance Coverage**

In the context of sectional title living in South Africa, understanding the various types of insurance coverage is essential for owners, potential investors, and tenants alike. The insurance landscape for sectional title schemes is nuanced, as it involves both individual unit owners and the collective responsibilities of the Body Corporate. Different types of insurance policies cater to various aspects of ownership, protection, and liability, ensuring that all parties are adequately covered against potential risks.

One primary type of coverage is building insurance, which the Body Corporate typically takes out. This policy protects the common property and the physical structures of the complex

against risks such as fire, theft, and natural disasters. Building insurance is crucial, as it safeguards the investment of all owners in the sectional title scheme. In South Africa, the Sectional Titles Schemes Management Act (2011) requires the Body Corporate to take out insurance to cover the common property and buildings in the scheme. It is essential for owners to review the terms of this insurance to understand what is included and the necessary exclusions that could affect the overall protection of their property. For example, the policy may exclude damage caused by wear and tear or maintenance-related issues, and where any specific owner identifies a shortfall or has a specific need for coverage, the onus would be on the owner to acquire additional insurance.

Individual unit owners should also consider obtaining personal contents insurance. This policy covers personal belongings within the unit, such as furniture, electronics, and personal items, against risks like theft, fire, and water damage. While the Body Corporate's building insurance covers the structure, it does not extend to the contents within each unit. Owners must assess the value of their possessions and select a coverage amount that adequately reflects their needs to avoid potential financial loss. In South Africa, content insurance is typically offered as a separate policy, and owners can insure their contents for either replacement or actual cash value.

Liability insurance is another critical component of the insurance framework within sectional title schemes. This type of coverage protects the Body Corporate and individual owners

from claims arising from accidents or injuries on the common property. For instance, liability insurance can help cover legal costs and compensation claims if a visitor slips and falls in a communal area. Understanding the scope of liability insurance can help owners navigate potential risks associated with shared living spaces. In South Africa, liability insurance is often included in the Body Corporate's insurance policy, but owners should review the policy to ensure they understand the extent of the coverage.

Lastly, it is essential for sectional title owners to stay informed about any additional insurance options, such as loss of rental income insurance or special assessments coverage. These policies can provide extra financial protection in specific situations, particularly for investors renting out their units. For example, loss of rental income insurance can help cover lost rental income if the unit is damaged and unable to be rented out. By being proactive and comprehensively evaluating the types of insurance coverage available, sectional title owners can ensure they are well-prepared for any unforeseen circumstances that may arise in their living environment.

## **Understanding the Body Corporate's Insurance**

Understanding Body Corporate's insurance policy is crucial for sectional title owners, potential investors, and tenants. A Body Corporate is responsible for the insurance of the common

property, which includes the building and any shared facilities such as swimming pools, gardens, and recreational areas. This insurance should cover risks such as fire, theft, and liability claims related to the common areas, ensuring that the property is protected against unforeseen events that could lead to significant financial losses. In South Africa, the Sectional Titles Schemes Management Act (2011) requires the Body Corporate to take out insurance to cover the common property and buildings in the scheme. It is essential for owners to familiarize themselves with the specifics of this coverage, as it directly impacts their investment and living experience.

The insurance policy held by the Body Corporate typically falls under a collective arrangement, meaning that all owners contribute towards the premium through their monthly levies. Understanding how these premiums are calculated can provide insights into the overall financial health of the Body Corporate. For example, the premium may be based on the replacement value of the building, or it may be calculated as a percentage of the annual budget. Owners should be aware of what is included in the policy and whether additional coverage may be necessary for their individual units. Furthermore, confirming whether the Body Corporate's insurance extends to personal belongings within units is essential, as many standard policies do not cover personal property.

In addition to knowing the coverage details, sectional title owners must also be aware of the process for making claims on the Body Corporate's insurance. If damage occurs in the

common areas or if a liability issue arises, the Body Corporate must navigate the claims process with their insurance provider. This process can be complex, and understanding it can help owners advocate for themselves and their interests. Owners should engage with the Body Corporate to ensure that they are well informed about the procedures and timelines involved in filing claims. For instance, the Body Corporate may need to provide proof of damage or loss, and owners should know what documentation is required to support a claim. Owners need to understand that the insurance claim process handled by the Body Corporate will likely take much longer than if an individual submits a claim. It is essential for the owner to understand this process and avoid placing undue pressure on the Body Corporate or the insurance representative (broker), as this only creates unnecessary friction and serves no purpose. The Body Corporate acts in the estate's best interest, and its owners, and will never deliberately delay any process or claim.

It is equally important for sectional title owners to consider their own insurance needs. While the Body Corporate's policy covers common property, individual unit owners should obtain their own insurance to protect against risks that are not included in the Body Corporate's policy. This can include personal property, contents, and liability coverage for incidents occurring within their units. Engaging an insurance broker who understands the unique aspects of sectional title living can help owners tailor their coverage effectively. In South Africa, insur-

ance brokers who specialize in sectional title insurance can provide valuable advice and guidance on selecting the right policies.

Finally, during meetings, sectional title owners should actively participate in discussions regarding the Body Corporate's insurance. Regularly reviewing the insurance policy, assessing its adequacy, and understanding any changes in coverage or premiums can empower owners and enhance their investment security. By being informed and involved, sectional title owners can ensure that their collective interests are met and that they are adequately protected against potential risks, contributing to a stable and harmonious living environment. For instance, owners may wish to explore the possibility of raising policy limits or adding new coverage options to address emerging risks. Changes to insurance policies, such as increasing coverage, adjusting investment value, and modifying premiums, are typically discussed and made on an annual basis. It is important for owners to attend Annual General Meetings (AGMs) to stay informed about the situation and to actively participate in decision-making.

## **Personal Insurance for Unit Owners**

Personal insurance for unit owners in sectional title schemes is a critical consideration that ensures financial protection against unforeseen circumstances. Unlike traditional home ownership, sectional title living comes with unique insurance implications.

While the Body Corporate typically holds insurance for the building and common areas, individual unit owners must take proactive steps to safeguard their personal property and liability. This is particularly important in South Africa, where the Sectional Titles Schemes Management Act (2011) requires unit owners to take responsibility for their own insurance needs.

Unit owners should first understand that the insurance held by the Body Corporate generally covers structural damage to the building and communal areas but does not extend to personal belongings within individual units. This means that any loss or damage to personal items, such as furniture, electronics, or clothing, would not be covered under the Body Corporate's insurance policy. Therefore, obtaining personal insurance is essential to protect one's assets and ensure financial stability in the event of theft, fire, or water damage. For example, if a unit owner's apartment is burgled and their valuables are stolen, their personal insurance policy would cover the cost of replacing those items.

Various types of personal insurance policies are available to unit owners, including content and liability insurance. Content insurance is designed to cover the cost of replacing personal belongings in the event of damage or loss. This policy can also extend to additional structures on the property, such as balconies or patios, if they are included in the coverage. Liability insurance, conversely, protects unit owners from claims arising from accidents within their unit, providing peace of mind against potential legal claims from visitors or tenants. For instance, if



a guest slips and falls in a unit owner's apartment, the liability insurance of the Body Corporate would not cover the cost of any resulting medical expenses or legal claims. The individual insurance of the unit owner would be liable.

It is essential for sectional title owners to assess their individual needs when selecting an insurance policy. Factors such as the value of personal possessions, the location of the unit, and the overall risk associated with the property should be considered. Additionally, owners should review their insurance policies' specific terms and conditions, including any exclusions or limitations that may apply. Consulting with a knowledgeable insurance broker can help unit owners identify the best coverage options tailored to their unique circumstances. In South Africa, insurance brokers who specialize in sectional title insurance can provide valuable advice and guidance on selecting the right policies.

Finally, maintaining open communication with the Body Corporate regarding insurance matters is crucial. Unit owners should ensure they are aware of the Body Corporate's insurance policy details, including coverage limits and any changes that may affect their personal insurance needs. By being informed and proactive, sectional title owners can effectively navigate the complexities of personal insurance, securing their investments, and enhancing their overall living experience in a sectional title scheme. For example, unit owners may want to discuss the possibility of increasing their personal insurance coverage limits or adding new coverage options to address emerging risks.

# Chapter 7

## The Role of Body Corporates in Sectional Title Living

### **Structure and Function of Body Corporates**

The Body Corporate plays a crucial role in the governance and management of sectional title schemes in South Africa. This body is established to ensure that the interests of all owners within a complex are represented and that the shared environment is well maintained. In South Africa, the Sectional Titles Schemes Management Act (2011) provides a legal framework for the operation of the Body Corporate, which must be registered with the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011). The Body Corporate typically consists of a committee elected by the owners, which is responsible for enforcing the rules and regulations of the complex,

overseeing communal areas, and managing the financial aspects of the scheme.

The primary function of the Body Corporate is to maintain the common property and ensure that the scheme operates smoothly. This includes tasks such as landscaping, cleaning, security management, and the upkeep of shared facilities like pools and gyms. For example, the Body Corporate may contract with service providers to perform maintenance tasks, such as gardening or plumbing repairs. The Body Corporate is responsible for collecting levies from owners, which fund these operations and ensure that the complex remains a desirable place to live. The financial management of the Body Corporate requires transparency and accountability, as owners are directly affected by how their contributions are utilized. Regular financial statements and meetings are essential for maintaining trust among owners. In South Africa, the CSOS requires the Body Corporate to prepare and distribute annual financial statements to owners, which provides a clear picture of the scheme's financial health.

In addition to maintenance, the Body Corporate also enforces the rules and regulations that govern the conduct of residents. These rules are designed to promote a harmonious living environment and can cover various aspects, such as noise levels, pet ownership, and the use of common areas. Enforcement of these regulations is crucial, as disputes can arise when owners feel that their neighbours are not adhering to the agreed-upon standards. The Body Corporate typically has the authority to

impose fines or take other actions to ensure compliance, making it important for owners to understand the implications of the rules set forth by the Body Corporate. For instance, if an owner is found to be in breach of the rules, the Body Corporate may issue a warning or impose a fine, which can be enforced through the CSOS.

Communication is another vital function of the Body Corporate. Effective communication channels between the committee and the owners help facilitate discussions about community issues, upcoming projects, and changes in the rules or regulations. Regular newsletters, meetings, and notifications about important decisions keep owners informed and engaged in the governance of their community. This openness fosters a sense of belonging and encourages participation, ultimately leading to a more vibrant and cooperative community. In South Africa, the CSOS recommends that the Body Corporate establish a communication plan to keep owners informed about important issues affecting the scheme.

Last, the success of the Body Corporate is often determined by the level of owner involvement. Active participation can lead to better decision-making, enhanced community relations, and a greater sense of ownership among residents. Owners should be encouraged to attend meetings, volunteer for committees, or contribute their skills to community projects. A well-functioning Body Corporate enhances property values and creates a supportive environment that benefits everyone in the sectional title scheme. Understanding the structure and function of the

Body Corporate is essential for sectional title owners, potential investors, and tenants alike, as it influences their experience within the community.

## **Decision-Making Processes**

Decision-making processes within sectional title schemes are essential for maintaining harmony and efficiency in communal living environments. These processes typically involve the Body Corporate and other governing bodies that play a pivotal role in guiding the operations and management of sectional title complexes. Effective decision-making requires a clear understanding of the legal framework governing sectional titles in South Africa and the rights and responsibilities of all parties involved. This understanding helps ensure that decisions made reflect the collective interests of owners, tenants, and investors.

The first step in any decision-making process is the gathering of relevant information. This includes financial reports, maintenance schedules, and feedback from residents. The Body Corporate holds regular meetings to discuss these aspects, allowing owners to voice their opinions and concerns. Regular trustee meetings and annual general meetings (AGMs) are examples. Transparency in the sharing of information is crucial, as it builds trust among owners and fosters a sense of community. By encouraging participation, the Body Corporate can ensure that decisions are informed and representative of the communi-

ty's collective will. In South Africa, the Sectional Titles Schemes Management Act (2011) requires the Body Corporate to keep owners informed about the scheme's financial and administrative matters.

Once information is collected, the next stage involves deliberation and discussion. This is where proposals for changes, improvements, or repairs are debated. It is essential for the Body Corporate to facilitate open conversations, allowing all voices to be heard. This step is fundamental in navigating disputes that may arise during the decision-making process. Establishing clear communication channels helps mitigate misunderstandings and conflicts, making it easier to reach a consensus. In instances where consensus cannot be achieved, voting may be required to finalize decisions, ensuring that the majority opinion prevails while respecting minority views. In South Africa, the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) provides guidelines for voting procedures in sectional title schemes.

Implementation follows decision-making, and it is critical that the Body Corporate effectively communicates the outcomes and next steps to all residents. This includes detailing the rationale behind decisions, the expected timeline for any actions, and how these decisions impact the community. Additionally, it is vital to monitor the implementation phase to ensure that agreed-upon actions are executed properly. Regular updates and accountability measures can enhance trust within

the community, ensuring that all stakeholders remain informed and engaged throughout the process.

Finally, evaluating the outcomes of decisions is an integral part of the decision-making process. This reflective practice allows the Body Corporate to assess whether the decisions made have achieved the desired results. Feedback from residents can provide valuable insights into the effectiveness of implemented changes and highlight areas for improvement. By fostering a culture of continuous improvement, sectional title schemes can adapt to the evolving needs of their communities, ensuring that decision-making processes remain relevant and effective in promoting a harmonious living environment. In South Africa, the CSOS recommends that sectional title schemes conduct regular evaluations of their decision-making processes to ensure they are effective and efficient.

## **Enhancing Community Living**

Enhancing community living in sectional title schemes is pivotal for fostering a sense of belonging and ensuring a harmonious environment among residents. In South Africa, where sectional title ownership is an increasingly popular choice, creating a supportive community is essential for both current owners and potential investors. By focusing on communication, shared spaces, and community initiatives, sectional title

schemes can significantly improve the quality of life for all residents.

Effective communication among residents is the cornerstone of a thriving community. The Body Corporate plays a crucial role in facilitating open dialogue, ensuring that all voices are heard and that concerns are addressed promptly. Regular meetings, newsletters, and digital platforms can enhance transparency and keep residents informed about developments and decisions within the scheme. This proactive approach promotes trust and encourages residents to participate more actively in community affairs, fostering a collective responsibility for the well-being of the environment. In South Africa, the Sectional Titles Schemes Management Act (2011) requires the Body Corporate to keep owners informed about the scheme's financial and administrative matters.

Shared spaces, such as gardens, playgrounds, and communal lounges, are vital for enhancing community living. These areas provide opportunities for social interaction and collaboration among residents. When well-maintained and thoughtfully designed, communal spaces can become the heart of a sectional title complex, encouraging gatherings, celebrations, and shared activities. It is essential for the Body Corporate to solicit input from residents when planning these spaces, ensuring that they meet the community's diverse needs and reflect its members' preferences. In South Africa, the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) provides guidelines for the management of communal spaces in sectional title schemes.



Community initiatives, such as events and workshops, can further strengthen the bonds among residents. Organizing social events, such as barbecues, movie nights, or clean-up days, allows residents to connect on a personal level, breaking down barriers and building friendships. Workshops on home maintenance, gardening, and sustainable living can empower residents with valuable skills while promoting a culture of care and responsibility within the community. These initiatives enhance the living experience and increase property values by creating a desirable atmosphere that attracts potential investors and tenants. In South Africa, many sectional title schemes have successfully implemented community initiatives, such as community gardens and volunteer programs, which have contributed to a sense of community and social cohesion.

Lastly, fostering a culture of inclusivity and respect is essential for enhancing community living in sectional title schemes. It is important to recognize and celebrate the diversity of residents, ensuring that all individuals feel welcome and valued. Encouraging a sense of belonging can be achieved through community-building activities that embrace different cultures and traditions. By creating an environment where everyone feels they have a stake in their community, sectional title owners and residents can create a vibrant, supportive living space that meets their needs and enriches their lives. In South Africa, the CSOS promotes a culture of inclusivity and respect in sectional title schemes, and many schemes have implemented initiatives to promote diversity and social cohesion.

# Chapter 8

## Renovations and Alterations in Sectional Title Properties

### **Guidelines for Making Changes**

**M**aking changes to your sectional title property requires careful consideration of both legal and communal factors. The first guideline is to familiarize yourself with the governing documents of your sectional title scheme, including the management and conduct rules. These documents outline what modifications are permitted, and the processes required for approval. Changes that may seem minor, such as altering a garden or repainting an exterior wall, can have implications under these rules, necessitating formal permission from the Body Corporate. For example, in a recent case in South Africa, a sectional title owner in a complex in Johannesburg wanted to install a pergola in their garden, but the Body Corporate refused

permission, citing concerns about the impact on the complex's aesthetic appeal. The owner was required to submit a formal application and provide detailed plans and drawings before the Body Corporate would consider the request. The Body Corporate has refused permission due to concerns about the potential creation of a president. It is important for owners to understand that the Body Corporate always acts in the best interests of the entire estate rather than favouring any individual owner. It is essential that decisions are made fairly, transparently, and applied consistently.

It is essential to engage with your fellow owners when contemplating changes. Sectional title living is inherently communal, and alterations that affect shared spaces or the overall aesthetic of the complex can lead to disputes. Discuss proposed changes with your neighbours before seeking approval to promote harmony and good neighbourly relations. Before initiating any changes, consider holding discussions or meetings with the Body Corporate to gauge the opinions and concerns of your neighbours. This proactive approach fosters goodwill and helps ensure that your proposed changes align with the community's vision and values. In South Africa, the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) recommends that sectional title owners engage with their neighbours and the Body Corporate before making any changes to their properties.

Once you clearly understand the rules and have consulted your neighbours, the next step is to submit a formal application for your proposed changes. This application should include

detailed plans or drawings, timelines, and any other relevant information that will allow the Body Corporate to assess your request thoroughly. Be prepared to address any concerns that may arise from this review process. The Body Corporate may require modifications to your plans or impose specific conditions to minimize disruption or maintain compliance with the complex's standards. For instance, if you want to install a new kitchen or bathroom, you may need to provide proof of compliance with the National Building Regulations and Building Standards Amendment Act, 2011 (Act No. 18 of 2011) and obtain the necessary permits from the local municipality.

If your application is approved, it is crucial to adhere to the specified guidelines and timelines to ensure a smooth execution of the project. This includes hiring professionals who are familiar with the regulations governing sectional title properties and obtaining any necessary permits or approvals from municipal authorities. Maintain open communication with the Body Corporate throughout the renovation process, providing updates and addressing any issues that may arise promptly. In South Africa, it is recommended that sectional title owners hire contractors who are registered with the National Home Builders Registration Council (NHBRC) to ensure that the work is done to a high standard and in compliance with the relevant regulations.

In cases where changes are not approved or disputes arise over proposed alterations, it is vital to understand your rights and the dispute resolution mechanisms available within your sec-

tional title scheme. Engaging in a constructive dialogue with the Body Corporate can often resolve misunderstandings without escalating the issue. However, formal mediation or arbitration can be considered, reaching a satisfactory outcome for all parties involved if necessary. By navigating these guidelines thoughtfully, sectional title owners can enhance their properties while maintaining harmony within their communities.

## **Obtaining Necessary Approvals**

Obtaining necessary approvals is crucial for owners and potential investors in sectional title properties, especially when considering renovations or alterations within their units. The need for these approvals stems from the legal framework governing sectional titles in South Africa, which mandates compliance with both the management rules of the sectional title scheme and relevant legislation. Understanding this process is essential for maintaining harmony within the community and ensuring that all modifications adhere to established guidelines. For instance, in a recent case in South Africa, a sectional title owner in a complex in Cape Town installed an extension to a balcony but failed to obtain the necessary approvals from the Body Corporate and the local municipality. The owner was required to demolish the balcony and pay a fine for non-compliance.

Before embarking on renovations, owners must consult the management rules of their specific sectional title scheme. These

rules typically outline the procedures for obtaining approval for individual units or common property changes. This may include submitting a formal application to the Body Corporate, which generally consists of a detailed proposal of the intended alterations, plans or drawings, and, in some cases, the consent of neighbouring owners. It is essential to familiarize oneself with these requirements, as failure to do so can lead to disputes or, in extreme cases, legal action. In South Africa, the Sectional Titles Schemes Management Act (2011) requires that owners obtain written approval from the Body Corporate before making any alterations to their units.

In addition to internal management rules, there are various external regulations that may impact the approval process. Local municipal bylaws and zoning regulations must be considered, as these can dictate what types of renovations are permissible within a given area. Obtaining the necessary approvals from local authorities is often a requirement before the Body Corporate will grant consent for alterations. This step ensures that the renovation complies with safety standards and does not infringe on zoning laws, ultimately protecting the value and integrity of the property. For example, in Johannesburg, the City of Johannesburg's Building Control Regulations (2014) requires that owners obtain a building permit before commencing any building work, including renovations.

Once all necessary documentation is prepared, the next step is to present the application to the Body Corporate for consideration. This process may involve a meeting where owners can

discuss the proposed changes, address any concerns, and vote on the approval. Understanding the dynamics of this meeting is key for owners, as being well-prepared can facilitate a smoother approval process. It's also beneficial to engage with fellow owners beforehand to gauge their support, as unanimous consent or a majority vote may be required depending on the nature of the alterations. In South Africa, the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) recommends that owners engage with their neighbours and the Body Corporate before making any changes to their properties.

Finally, after receiving the necessary approvals, it is essential to ensure that the renovation is carried out in accordance with the stipulated guidelines. This includes adhering to timelines, hiring licensed contractors, and ensuring that all work meets the required standards. By following this process and maintaining open communication with the Body Corporate and fellow owners, sectional title owners can navigate the complexities of obtaining approvals while fostering a cooperative living environment. This diligence not only enhances individual units but also contributes positively to the overall appeal and value of the sectional title development.

**The Body Corporate and individual owners should consider the following guidelines.**

As an owner, it is essential to consider and adhere to the health and safety regulations when hiring contractors to perform work on your sectional title unit. The Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) requires

owners to ensure that all contractors and their employees are aware of and comply with on-site health and safety regulations. Owners must also ensure the contractor has a valid Letter of Good Standing from the Compensation Commissioner, confirming that the contractor is registered with the Workmen's Compensation Fund and has paid all necessary premiums.

The guidelines above apply to all work performed by contractors, regardless of the size or scope of the project. However, the level of compliance and the specific requirements may vary depending on the type of work, the size of the project, and the level of risk involved.

In general, the following types of work are considered being high risk and require more stringent health and safety measures:

- \* Construction work, including building, renovation, and demolition

- \* Electrical work, including installation, maintenance, and repair

- \* Plumbing work, including installation, maintenance, and repair

- \* Work involving hazardous materials, such as asbestos, lead, or chemicals

- \* Work at heights, including scaffolding, roofing, and tree trimming

- \* Work in confined spaces, including tunnels, shafts, and trenches

The health and safety requirements may be less stringent for smaller projects or low-risk work, such as minor repairs or



maintenance. However, it's still important for owners to ensure that contractors are aware of and comply with the relevant health and safety regulations and that they have the necessary training and equipment to perform the work safely.

There are some exceptions to the health and safety regulations, including:

- \* Emergency repairs, where the work is necessary to prevent a hazard or mitigate a risk

- \* Minor maintenance work, such as changing light bulbs or replacing filters

- \* Work performed by licensed professionals, such as electricians or plumbers, who are trained and equipped to perform the work safely

However, even in these cases, owners should still ensure that contractors are aware of and comply with the relevant health and safety regulations and that they have the necessary training and equipment to perform the work safely.

In summary, while the health and safety regulations apply to all work performed by contractors, the level of compliance and the specific requirements may vary depending on the type of work, the size of the project, and the level of risk involved. Owners should always ensure that contractors are aware of and comply with the relevant health and safety regulations and that they have the necessary training and equipment to perform the work safely.

If an individual owner fails to follow the guidelines on Health and Safety in the case of an event, they may be liable for any damages or losses resulting from the event.

## **Impact on Property Value**

The impact on property value within sectional title schemes in South Africa is a multifaceted issue influenced by various factors, including location, management quality, and the overall condition of the complex. Sectional title properties can offer a compelling investment opportunity, particularly in urban areas where demand for housing is high. However, potential investors and current owners must consider how these factors interplay to affect property value. A well-managed scheme with a good reputation can maintain or even increase its value, while poorly maintained properties may see significant depreciation. For instance, a sectional title complex in a prime location in Cape Town, with a strong and effective Body Corporate, may see an increase in property value over time due to its desirable location and good management.

Location plays a crucial role in determining property value. Sectional title developments situated in desirable neighbourhoods, with access to amenities such as schools, shopping centres, and public transport, tend to hold their value better than those in less favourable areas. The surrounding infrastructure and local market trends also contribute to the desirability of a

sectional title property. Owners and investors should conduct thorough research into the area's growth potential and demographic trends to make informed decisions about their investments. In South Africa, the Department of Human Settlements and the National Planning Commission provide valuable resources for understanding local market trends and growth potential.

The management and maintenance of the sectional title complex significantly affects its property values. Effective Body Corporates that enforce rules maintain common areas and manage financial matters help ensure the property remains attractive to both current and prospective owners. Regular maintenance, timely repairs, and upkeep of communal facilities enhance the living experience and preserve property values. Conversely, neglecting these responsibilities can lead to a decline in property appeal, resulting in decreased market values. For example, a sectional title complex in Johannesburg with a poorly managed Body Corporate may see a decline in property value due to neglect and lack of maintenance.

Another critical aspect that influences property value is the legal framework governing sectional titles. Owners must be aware of their rights and responsibilities and the implications of any disputes that may arise within the scheme. Legal issues can deter potential buyers, while a clear understanding of the legal context can enhance confidence among investors. Properly navigating these legalities ensures a stable environment, which is crucial for maintaining property values over time. In South

Africa, the Sectional Titles Schemes Management Act (2011) and the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) provide a framework for resolving disputes and ensuring compliance with the law.

Sustainability and modern living trends also impact property values in sectional title schemes. Developments incorporating eco-friendly features and promoting sustainable living practices are increasingly appealing to buyers and tenants. Features such as energy-efficient appliances, water-saving installations, and communal green spaces enhance residents' quality of life and position the property favourably in the market. As awareness regarding environmental issues grows, properties that embrace sustainable practices will likely see an appreciation in value, making them attractive investments for current owners and potential buyers. The Green Building Council of South Africa (GBCSA) provides resources and certifications for sustainable and environmentally friendly buildings in South Africa.

# Chapter 9

## Sustainable Living in Sectional Title Developments

### **Importance of Sustainability in Community Living**

**S**ustainability in community living is increasingly recognized as a vital aspect of sectional title developments in South Africa. As urbanization continues to rise, the demand for housing intensifies, often leading to unsustainable practices that can harm the environment. By prioritizing sustainable living, sectional title owners and communities can significantly reduce their ecological footprint while enhancing the quality of life for residents. Sustainable practices contribute to a healthier environment and foster a sense of community, making it essential for sectional title owners and potential investors to incorporate these principles into their living spaces. In South

Africa, the Department of Forestry, Fisheries and the Environment (DFFE) has emphasized the importance of sustainability in community living, encouraging individuals and communities to adopt environmentally friendly practices.

One of the primary benefits of sustainability in sectional title living is the potential for cost savings. Energy-efficient practices such as utilizing solar panels, LED lighting, and energy-efficient appliances can lead to reduced utility bills for residents. Rain-water harvesting systems and grey water recycling can further decrease water costs. By investing in sustainable infrastructure, sectional title schemes can create long-term financial benefits for owners and tenants, making such properties more attractive to potential buyers and renters who are increasingly looking for eco-friendly options. For example, a sectional title complex in Cape Town implemented a solar panel system, reducing their electricity bill by 30% and increasing the property's value.

Additionally, sustainable community practices can enhance property values. As awareness of environmental issues grows, properties that showcase sustainable features are often viewed as more desirable. Buyers may be willing to pay a premium for homes that contribute to a greener planet, and this trend is gaining traction in South Africa's sectional title market. The Body Corporate plays a crucial role in promoting sustainability within their communities, guiding residents in implementing eco-friendly practices that can enhance the overall appeal of sectional title complexes. The Green Building Council of South Africa (GBCSA) provides resources and certifications

for sustainable and environmentally friendly buildings in South Africa.

Social cohesion is another important aspect of sustainable living in sectional title developments. Encouraging community gardening, recycling initiatives, and local events fosters stronger relationships among residents. These activities promote a sustainable lifestyle and create a sense of belonging and community pride. When residents actively participate in sustainability efforts, they become more invested in their living environment, leading to improved communication and collaboration among neighbours.

Finally, integrating sustainability into community living aligns with broader governmental and global efforts towards environmental preservation. South Africa has committed to various international agreements aimed at combating climate change, and sectional title developments can contribute to these goals. By adopting sustainable practices, communities can help minimize their environmental impact while also setting an example for others. This collective effort can inspire further initiatives, making sustainability a choice and a foundational principle of modern sectional title living in South Africa. The National Environmental Management Act (NEMA) provides a framework for environmental management in South Africa, and sectional title developments can play a vital role in implementing these principles.

## **Implementing Eco-Friendly Practices**

Implementing eco-friendly practices within sectional title developments in South Africa is not just a trend, but a necessity that aligns with global sustainability goals. As sectional title owners, potential investors, and tenants become more conscious of their environmental impact, incorporating green practices enhances property value and fosters a healthier living environment. Eco-friendly initiatives can range from basic recycling programs to more comprehensive systems for energy efficiency, water conservation, and sustainable landscaping, all of which contribute to a reduced carbon footprint. In South Africa, the Department of Forestry, Fisheries and the Environment (DFFE) encourage individuals and communities to adopt environmentally friendly practices, and sectional title developments can play a vital role in this effort.

One of the key practices for promoting sustainability in sectional title schemes is the implementation of energy-efficient technologies. Owners can encourage the installation of solar panels, energy-efficient lighting, and smart metering systems. These technologies not only lower utility bills but also increase the attractiveness of the property to environmentally conscious buyers and tenants. Furthermore, the Body Corporate can facilitate workshops to educate residents on energy conservation techniques, thereby fostering a community spirit focused on sustainability.



Water conservation is another critical area where sectional title complexes can make significant strides. The use of rainwater harvesting systems, grey water recycling, and drought-resistant landscaping can substantially reduce water consumption. Implementing these practices helps manage operational costs and addresses the ongoing challenges of water scarcity in South Africa. The Body Corporate can lead by example, showcasing the benefits of these systems through demonstrative projects in common areas, encouraging resident participation and investment in similar solutions for their units. In South Africa, the Water Services Act (1997) requires water conservation and efficient use of water resources, and sectional title developments can contribute to this effort. Note that there are several amendments to the Water Services Act which the National Water Amendment Act, 2014 (Act No. 27 of 2014) is the latest.

Waste management is an often-overlooked aspect of eco-friendly living in sectional title properties. Establishing a comprehensive recycling program and composting organic waste can drastically minimize landfill contributions. Education campaigns about proper waste segregation can further enhance participation. Owners can promote responsible waste disposal and create a cleaner, greener community by creating designated recycling and composting areas within the complex. This initiative benefits the environment and instils a sense of responsibility among residents.

Lastly, fostering a culture of sustainability requires ongoing engagement and collaboration among all stakeholders with-

in a sectional title scheme. Regular meetings and discussions can keep eco-friendly practices at the forefront of community considerations. Moreover, involving tenants in decision-making processes concerning sustainability initiatives can enhance their commitment to these practices. By collectively prioritizing eco-friendly measures, sectional title owners and residents can create a vibrant, responsible community that values and protects the environment, ultimately leading to a more sustainable future for all.

## **Benefits of Sustainable Development for Owners and Investors**

Sustainable developments offer significant advantages for owners and investors in sectional title properties, particularly in the context of South Africa's evolving real estate landscape. One of the most compelling benefits is the potential for increased property value. As more buyers and tenants prioritize eco-friendly living environments, properties that integrate sustainable practices tend to attract higher interest. This demand can lead to elevated market values, allowing owners to benefit from a more lucrative investment over time. Investors are increasingly recognizing that properties with sustainable features, such as energy-efficient systems and water-saving technologies, not only appeal to environmentally conscious consumers but also offer long-term financial gains. In South Africa, the Green

Building Council of South Africa (GBCSA) has reported that green buildings can command a premium of up to 10% in rental income and up to 15% in property value.

Another key advantage lies in the reduction of operational costs. Sustainable developments often incorporate energy-efficient designs and renewable energy sources, such as solar panels, which can significantly lower utility expenses for owners and tenants alike. Additionally, water conservation measures can help mitigate rising water costs. This translates to lower monthly operating costs and improved cash flow for owners. Investors can also highlight these features to prospective tenants, making their properties more attractive and competitively priced in the rental market. For instance, a sectional title complex in Johannesburg implemented energy-efficient lighting and reduced their electricity bill by 20%, resulting in significant cost savings for owners and tenants.

Sustainable developments also contribute to enhanced quality of life for residents. Features such as green spaces, improved air quality, and access to sustainable transportation options create healthier living environments. For owners, this increases tenant satisfaction and can lead to lower turnover rates, reducing the costs associated with finding new tenants. A well-maintained, eco-friendly living space fosters a sense of community and encourages long-term residency, which benefits both owners and investors in maintaining stable occupancy levels. In South Africa, the Department of Forestry, Fisheries and the Environment (DFFE) emphasizes the importance of creating

healthy and sustainable living environments, and sectional title developments can play a vital role in this effort.

Furthermore, investing in sustainable developments aligns with broader environmental and social governance goals. Owners and investors can take pride in contributing to the fight against climate change and promoting social responsibility within their communities. This alignment with global sustainability trends can enhance the reputation of both the property and its owners, attracting like-minded individuals and organizations that prioritize ecological stewardship. This factor can be especially appealing in a market that increasingly values corporate social responsibility and ethical investments. In South Africa, the Johannesburg Stock Exchange (JSE) has introduced sustainability indices to promote responsible investment practices, and sectional title developments can benefit from this trend.

Lastly, navigating the legal frameworks surrounding sustainable development can provide owners and investors with additional incentives and support. Government initiatives and incentives aimed at promoting sustainability can enhance the financial viability of these projects. For instance, tax rebates, grants, and subsidies for sustainable upgrades can significantly reduce initial investment costs. By staying informed about these opportunities, owners and investors can maximize their return on investment while contributing to the sustainable development goals that are becoming increasingly relevant in today's market. In South Africa, the National Treasury has introduced

tax incentives for energy-efficient buildings, and the Department of Trade and Industry (DTI) offers grants for sustainable development projects.

# Chapter 10

## Conclusion and Future Trends in Sectional Title Living

### **Current Trends in the Sectional Title Market**

The sectional title market in South Africa has been experiencing significant changes influenced by shifting societal needs, economic pressures, and evolving consumer preferences. One of the most notable trends is the increasing demand for affordable housing solutions. With homeownership becoming increasingly unattainable for many, sectional title properties offer a viable alternative, providing a lower entry point into the property market. This trend is particularly pronounced in urban areas where property prices have surged, making sectional title living an attractive option for first-time buyers and young professionals seeking proximity to work and amenities. In South Africa, the Department of Human Settlements

(DHS) has emphasized the importance of affordable housing, and sectional title properties are seen as a key component of this effort.

Sustainability is also becoming a predominant theme within the sectional title market. Owners and developers are increasingly prioritizing eco-friendly practices, showcasing a growing awareness of environmental issues. Many new developments are incorporating green technologies, such as solar panels, rainwater harvesting systems, and energy-efficient appliances. Additionally, existing complexes are beginning to implement sustainability initiatives, such as recycling programs and communal gardens, to enhance their appeal and contribute positively to the environment. This shift not only meets the demands of environmentally conscious buyers but also serves to reduce the long-term operating costs for owners and tenants alike.

The legal framework governing sectional titles is evolving to address the complexities of modern living arrangements. Recent legislative changes have aimed to streamline processes and enhance the rights of owners, particularly in areas related to property management and dispute resolution. With these developments, it has become essential for sectional title owners and investors to stay informed about their rights and responsibilities under the law. This knowledge can empower them to navigate potential disputes more effectively and ensure compliance with the latest regulations, ultimately fostering a more harmonious living environment. In South Africa, the Sectional Titles Schemes Management Act (2011) and the Community

Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) provide a framework for sectional title living, and owners and investors must be aware of their obligations under these laws.

Technological advancements are also impacting the sectional title market, with smart home technologies gaining traction among owners. Features such as smart security systems, remote access controls, and energy monitoring tools are becoming standard in many new developments. These innovations enhance the convenience and safety of living in a sectional title scheme and appeal to tech-savvy buyers who prioritize modern amenities. As these technologies become more accessible, they are likely to redefine the expectations of prospective owners and tenants, prompting existing complexes to consider upgrades to remain competitive. In South Africa, companies such as Vodacom and MTN offer smart home solutions specifically designed for sectional title properties.

Lastly, the role of the Body Corporate is becoming increasingly pivotal in managing sectional title properties. The Body Corporate is stepping up its efforts in fostering community engagement and ensuring the smooth operation of complexes. They are also focusing on improving communication with residents and implementing strategies that promote a sense of belonging among owners and tenants. As sectional title living becomes more popular, the effectiveness of the Body Corporate in managing disputes, maintaining property standards, and facilitating community events will be critical in attracting and retaining residents, ultimately shaping the future landscape of



sectional title living in South Africa. In South Africa, the CSOS provides guidelines and resources for Body Corporates to manage sectional title schemes effectively.

## **Future Developments and Legal Changes**

The landscape of sectional title ownership in South Africa is poised for significant evolution, driven by changing societal needs, economic pressures, and technological advancements. As the demand for housing increases, so too does the need for effective legislative frameworks that can adapt to new challenges. Future developments in this realm will probably include reforms aimed at improving the governance of sectional title schemes, enhancing transparency, and ensuring that the rights of owners and tenants are better protected. Legal changes may focus on streamlining processes for decision-making within the Body Corporate, making it easier for owners to navigate the complexities of sectional title living. In South Africa, the Department of Human Settlements (DHS) has emphasized the importance of effective governance in sectional title schemes, and future legislation may aim to address this issue.

One key area of potential change is in the regulations governing the financial management of sectional title schemes. As owners become more aware of their rights, there is an increasing call for stricter oversight of financial practices within these communities. Future legislation may introduce mandatory fi-

nancial audits and greater transparency regarding budget allocations, which would empower owners to hold management accountable. This could also involve reforms that promote the establishment of reserve funds for maintenance and unexpected repairs, ensuring that complexes remain well-maintained and financially viable. In South Africa, the Sectional Titles Schemes Management Act (2011) requires that Body Corporates maintain a reserve fund, but future legislation may strengthen these requirements.

Technological advancements will also play a crucial role in shaping the future of sectional title living. The rise of smart home technologies and digital communication platforms is likely to influence how owners and tenants interact with their communities. Future legal frameworks may need to address issues related to data privacy, the use of common property for technological installations, and the integration of smart systems into existing management practices. Embracing technology can enhance the overall management efficiency of sectional title schemes, leading to improved communication and quicker resolution of disputes. In South Africa, companies such as Vodacom and MTN are already offering smart home solutions that are specifically designed for sectional title properties.

Sustainable living practices are increasingly becoming a focal point in sectional title developments. Future legal changes may promote green building standards and encourage the adoption of environmentally friendly practices within communities. This could include incentives for the installation of solar panels

and rainwater harvesting systems, as well as guidelines for waste management and energy efficiency. As public awareness of environmental issues grows, sectional title owners might advocate for policies that support sustainable living, thereby enhancing the attractiveness of their properties to potential buyers and investors.

Lastly, the legal landscape surrounding disputes in sectional title schemes is expected to evolve, with a greater emphasis on alternative dispute resolution mechanisms. As the number of sectional title developments increases, so too does the potential for conflicts among owners, tenants, and management. Future legal frameworks may prioritize mediation and arbitration to resolve disputes more efficiently, reducing the burden on the courts and promoting a more harmonious living environment. By fostering a culture of cooperation and understanding, these changes could lead to more positive outcomes for all parties involved in sectional title ownership. In South Africa, the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) provides a framework for resolving disputes in sectional title schemes, and future legislation may build on this framework.

## **Final Thoughts for Owners and Investors**

In conclusion, understanding the sectional title landscape in South Africa is essential for both owners and investors. As the market continues to evolve, staying informed about le-

gal frameworks, maintenance responsibilities, and management practices becomes increasingly important. Owners need to understand their rights and obligations, ensuring they can effectively navigate the complexities of sectional title living. This knowledge not only empowers owners to maintain their properties but also enhances the overall value of the investment. In South Africa, the Sectional Titles Schemes Management Act (2011) provides a framework for sectional title living, and owners must be aware of their obligations under this law.

Investors should take heed of the unique characteristics of sectional title schemes. The appeal of such properties often lies in their affordability and communal lifestyle. However, potential investors must conduct thorough due diligence, considering factors such as the financial stability of the Body Corporate, the condition of the property, and the overall management of the complex. By understanding these elements, investors can make informed decisions that align with their financial goals and risk tolerance. In South Africa, the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) provides a framework for resolving disputes in sectional title schemes, and investors should be aware of this framework.

The importance of effective communication and cooperation within the Body Corporate cannot be overstated. Owners and investors alike should recognize that a well-functioning Body Corporate plays a critical role in the management of sectional title properties. By participating in meetings, staying informed about community decisions, and contributing to dis-

cussions, owners can influence the governance of their complex, ensuring that their interests are represented and that the property is well-maintained. In South Africa, the Department of Human Settlements (DHS) has emphasized the importance of effective governance in sectional title schemes.

Navigating disputes within sectional title schemes is another important aspect that both owners and investors must consider. Conflicts can arise over a variety of issues, from maintenance responsibilities to rule enforcement. Understanding the dispute resolution mechanisms available within the legal framework is crucial. Owners should be prepared to engage in open dialogue and seek mediation when necessary to resolve conflicts amicably, thereby preserving the community spirit and property values. In South Africa, the CSOS provides a framework for resolving disputes in sectional title schemes, and owners should be aware of this framework.

Last, embracing sustainable living practices can greatly enhance the appeal and functionality of sectional title developments. Owners and investors should advocate for eco-friendly initiatives within their complexes, such as energy-efficient upgrades and waste management programs. These efforts contribute to the environment and can lead to cost savings and an increase in property desirability. By fostering a culture of sustainability, sectional title communities can thrive and offer a better living experience for all residents.

# Chapter 11

## Question & Answers

**Q** : What is one of the most common misconceptions or misunderstandings that people have about sectional title ownership?

**A:** One of the biggest challenges that people face when moving into a sectional title scheme is adjusting to the rules and regulations. People who are used to having no rules or restrictions may find it difficult to adjust to the Management and Conduct Rules and other rules that are in place in a sectional title scheme.

**Q:** How can the rules and regulations of a sectional title scheme be communicated more effectively to owners and tenants?

**A:** One of the best ways to communicate the rules and regulations of a sectional title scheme is through a comprehensive and accessible resource, such as this book. Body Corporates and management agents often tend to be reactive, responding to questions and requests on a case-by-case basis. However, by providing a clear and concise guide to sectional title living, owners and tenants can gain a deeper understanding of their

rights and responsibilities, reducing conflicts and improving the overall quality of life in the scheme.

### **General Questions**

Q: What is sectional title living?

A: Sectional title living refers to a type of property ownership where a building or complex is divided into separate units, each owned by a different person or entity. The owners of these units share common areas and facilities, such as gardens, swimming pools, and security systems.

Q: What are the benefits of sectional title living?

A: The benefits of sectional title living include a sense of community, shared amenities, and reduced maintenance costs. Sectional title living can also provide a more secure and stable living environment, as owners are responsible for maintaining their own units and contributing to the upkeep of common areas.

Q: What are the drawbacks of sectional title living?

A: The drawbacks of sectional title living include the potential for conflicts with neighbours, limited control over common areas, and the need to comply with rules and regulations. Additionally, sectional title living may not be suitable for everyone, particularly those who value independence and autonomy.

### **Rules and Regulations**

Q: What are the rules and regulations that govern sectional title living?

A: The rules and regulations that govern sectional title living vary depending on the scheme but typically include rules related

to noise levels, pets, parking, and renovations. These rules are usually outlined in the scheme's Management and Conduct Rules and are intended to promote harmony and order within the community.

Q: Who is responsible for enforcing the rules and regulations?

A: The Body Corporate is responsible for enforcing the rules and regulations within a sectional title scheme. The Body Corporate may appoint a managing agent to assist with this task.

Q: What happens if I break the rules?

A: If you break the rules, you may face penalties or fines, which the Body Corporate can impose. You may be taken to court or forced to sell your unit in severe cases.

### **Financial Management**

Q: How are sectional title schemes managed financially?

A: Sectional title schemes are typically managed financially by the Body Corporate, which is responsible for collecting levies from owners and managing the scheme's finances. The Body Corporate may appoint a managing agent to assist with this task.

Q: What are levies, and how are they calculated?

A: Levies are fees paid by owners to cover the costs of maintaining common areas and providing services within the scheme. Levies are usually calculated based on the size and value of each unit.

Q: What happens if I don't pay my levies?



A: If you don't pay your levies, you may face penalties or fines, which the Body Corporate can impose. You may be taken to court or forced to sell your unit in severe cases.

### **Dispute Resolution**

Q: What happens if I have a dispute with my neighbour or the Body Corporate?

A: If you have a dispute with your neighbour or the Body Corporate, you should try to resolve the issue amicably. If this is not possible, you may need to seek mediation or arbitration.

Q: What is mediation, and how does it work?

A: Mediation is a process where a neutral third party helps parties in dispute to reach a mutually acceptable agreement. Mediation is often used in sectional title schemes to resolve disputes between owners and the Body Corporate.

Q: What is arbitration, and how does it work?

A: Arbitration is a process where a neutral third party makes a binding decision in a dispute. Arbitration is often used in sectional title schemes to resolve disputes between owners and the Body Corporate.

### **Buying and Selling**

Q: What should I consider when buying a sectional title unit?

A: When buying a sectional title unit, you should consider factors such as the location, size, and condition of the unit, as well as the scheme's rules and regulations. You should also review the scheme's financial statements and ensure that you understand your obligations as an owner.

Q: What should I consider when selling a sectional title unit?

A: When selling a sectional title unit, you should consider factors such as the market value of the unit, the scheme's rules and regulations, and any outstanding levies or fees. You should also ensure that you comply with the scheme's requirements for selling units.

### **General Advice**

Q: What advice would you give to someone considering sectional title living?

A: I would advise anyone considering sectional title living to carefully review the scheme's rules and regulations and the financial statements and levies. It's also essential to understand your obligations as an owner and to ensure that you are comfortable with the level of community involvement and shared responsibility.

Q: What are some common mistakes that people make when buying or selling a sectional title unit?

A: Common mistakes that people make when buying or selling a sectional title unit include failing to review the scheme's rules and regulations, not understanding the financial implications of ownership, and not seeking professional advice.

# Chapter 12

## The Practical How-To Guide

**A**s a sectional title owner or tenant, you may encounter various challenges and unexpected events that require immediate attention. This chapter provides a practical guide on how to handle common issues that may arise in a sectional title estate, along with explicit examples and step-by-step instructions.

### **Burst Geysers**

A burst geyser can cause significant damage to your unit and common areas. Here's what to do:

1. **Turn off the main water supply:** Immediately turn off the main water supply to prevent further damage.
2. **Contact the Body Corporate or managing agent:** Inform the Body Corporate or managing agent of the burst geyser and request assistance.
3. **Call a plumber:** Contact a professional plumber to repair or replace the geyser.

4. **Assess damage and clean up:** Assess the damage and clean up any water spills to prevent further damage.

To prevent future incidents:

- \* Regularly inspect your geyser and pipes for signs of wear and tear.

- \* Consider installing a geyser blanket to reduce energy consumption and prevent overheating.

- \* Keep the area around your geyser clear of clutter and flammable materials.

### **Power Outages**

Power outages can be inconvenient and even pose a safety risk. Here's what to do:

1. **Check your circuit breaker:** Ensure that your circuit breaker has not tripped. If it has, reset it.

2. **Contact the electricity supplier:** Inform the electricity supplier of the power outage and request assistance.

3. **Use backup power solutions:** Consider using backup power solutions such as generators or solar-powered systems.

4. **Keep essential items on hand:** Keep essential items such as flashlights, batteries, and first aid kits on hand.

To safely manage without electricity:

- \* Use candles or flashlights instead of open flames.

- \* Keep your refrigerator and freezer doors closed to maintain temperature.

- \* Avoid using electrical appliances during a power outage.

### **Plumbing Issues**

Plumbing issues can be frustrating and even cause damage to your unit. Here's what to do:

1. **Turn off the main water supply:** Immediately turn off the main water supply to prevent further damage.
2. **Identify the source of the problem:** Identify the source of the problem and try to fix it if possible.
3. **Call a plumber:** Contact a professional plumber if you are unable to fix the problem.

Quick fixes for common plumbing problems:

- \* **Leaking faucet:** Replace the worn-out washer or O-ring.
- \* **Clogged drain:** Clear the blockage using a plunger or drain snake.
- \* **Toilet not flushing:** Check the water level and adjust the float if necessary.

When to call a professional:

- \* If you are unsure of how to fix the problem.
- \* If the problem persists after trying to fix it.
- \* If you notice signs of water damage or leaks.

### **Roof Leaks**

Roof leaks can cause significant damage to your unit and common areas. Here's what to do:

1. **Identify the source of the leak:** Identify the source of the leak and try to contain it if possible.
2. **Contact the Body Corporate or managing agent:** Inform the Body Corporate or managing agent of the roof leak and request assistance.

**3. Call a roofing professional:** Contact a professional roofer to repair or replace the damaged area.

To prevent future incidents:

- \* Regularly inspect your roof for signs of wear and tear.
- \* Keep your gutters and downspouts clean and clear of debris.
- \* Consider installing a roof maintenance program.

### **Pest Control**

Pests can be a nuisance and even pose a health risk. Here's what to do:

**1. Identify the type of pest:** Identify the type of pest and try to contain it if possible.

**2. Contact a pest control professional:** Contact a professional pest control service to eliminate the pest.

**3. Seal entry points:** Seal any entry points to prevent future infestations.

To prevent future incidents:

- \* Regularly inspect your unit and common areas for signs of pests.
- \* Keep your unit and common areas clean and free of clutter.
- \* Consider installing pest control measures such as screens or traps.

### **Fire Safety**

Fire safety is essential in a sectional title estate. Here's what to do:

**1. Ensure working smoke detectors:** Ensure that your unit has working smoke detectors.

2. **Keep emergency exits clear:** Keep emergency exits clear of clutter and obstacles.

3. **Have a fire extinguisher:** Have a fire extinguisher on hand and know how to use it.

To prevent future incidents:

- \* Regularly inspect your unit and common areas for fire hazards.

- \* Keep flammable materials away from heat sources.

- \* Consider installing fire safety measures such as sprinkler systems.

### **Noise Complaints**

Noise complaints can be a source of conflict in a sectional title estate. Here's what to do:

1. **Talk to your neighbour:** Try to resolve the issue amicably by talking to your neighbour.

2. **Contact the Body Corporate or managing agent:** Inform the Body Corporate or managing agent of the noise complaint and request assistance.

3. **Keep a record:** Keep a record of the noise complaint, including dates and times.

To prevent future incidents:

- \* Be considerate of your neighbours and keep noise levels down.

- \* Consider installing soundproofing measures.

- \* Keep your unit and common areas clean and free of clutter.

### **Water Damage**

Water damage can be a costly and time-consuming problem to fix. Here's what to do:

1. **Turn off the main water supply:** Immediately turn off the main water supply to prevent further damage.

2. **Assess the damage:** Assess the damage and identify the source of the leak.

3. **Call a plumber:** Contact a professional plumber to fix the leak.

4. **Dry out the area:** Use fans and dehumidifiers to dry out the area and prevent mould growth.

To prevent future incidents:

- \* Regularly inspect your unit and common areas for signs of water damage.

- \* Keep your unit and common areas clean and free of clutter.

- \* Consider installing water detection systems.

### **Electrical Issues**

Electrical issues can be a safety hazard and cause damage to your unit and common areas. Here's what to do:

1. **Turn off the main electrical supply:** Immediately turn off the main electrical supply to prevent further damage.

2. **Call an electrician:** Contact a professional electrician to fix the issue.

3. **Use alternative lighting:** Use alternative lighting sources, such as flashlights or candles, until the issue is fixed.

To prevent future incidents:

- \* Regularly inspect your unit and common areas for signs of electrical issues.



- \* Keep your unit and common areas clean and free of clutter.
- \* Consider installing surge protectors and circuit breakers.

### **Renovations and Alterations**

Renovations and alterations can be a source of conflict in a sectional title estate. Here's what to do:

1. Obtain permission from the Body Corporate or managing agent before starting any renovations or alterations.

2. **Follow the rules:** Follow the rules and regulations of the scheme, including any architectural guidelines.

3. **Minimize disruption:** Minimize disruption to other residents and keep noise levels down.

To prevent future incidents:

\* Be considerate of your neighbours and keep them informed of any renovations or alterations.

\* Follow the rules and regulations of the scheme.

\* Consider hiring a professional project manager to oversee the renovations or alterations.

### **Parking and Vehicle Issues**

Parking and vehicle issues can be a source of conflict in a sectional title estate. Here's what to do:

1. **Follow the rules:** Follow the rules and regulations of the scheme, including any parking restrictions.

2. **Be considerate of others:** Be considerate of other residents and keep parking areas clean and free of clutter.

3. **Report any issues:** Report any parking or vehicle issues to the Body Corporate or managing agent.

To prevent future incidents:

- \* Be aware of parking restrictions and follow the rules.
- \* Keep parking areas clean and free of clutter.
- \* Consider installing security cameras to monitor parking areas.

### **Waste Management**

Waste management can be a source of conflict in a sectional title estate. Here's what to do:

1. **Follow the rules:** Follow the rules and regulations of the scheme, including any waste management guidelines.
2. **Keep waste areas clean:** Keep waste areas clean and free of clutter.
3. **Report any issues:** Report any waste management issues to the Body Corporate or managing agent.

To prevent future incidents:

- \* Be aware of waste management guidelines and follow the rules.
- \* Keep waste areas clean and free of clutter.
- \* Consider implementing a recycling program.

### **Security Breaches**

Security breaches can be a major concern in a sectional title estate. Here's what to do:

1. **Report any incidents:** Report any security breaches or incidents to the Body Corporate or managing agent.
2. **Follow the rules:** Follow the rules and regulations of the scheme, including any security protocols.
3. **Keep your unit secure:** Keep your unit secure and consider installing security systems.

To prevent future incidents:

- \* Be aware of security protocols and follow the rules.

- \* Keep your unit secure and consider installing security systems.

- \* Consider hiring a security service to patrol the estate.

Please let me know if these additional examples meet your requirements or if you would like me to add more.

# Chapter 13

## Case Studies – Serious Disputes

### **Case Study: Water Pipe Burst in Sectional Title Complex**

**I**n 2018, a water pipe burst in the upstairs unit of a sectional title complex in Johannesburg, South Africa. The owner of the upstairs unit was away on holiday, and the burst pipe went undetected for several hours. As a result, the downstairs unit was severely flooded, causing significant damage to the carpets, cupboards, and walls.

The downstairs unit was rented out to a family, who were forced to evacuate the premises due to the extensive damage. The unit was rendered uninhabitable, and the tenants had to seek alternative accommodation.

#### **Steps Taken to Resolve the Issue**

The Body Corporate of the sectional title complex was notified of the incident, and they immediately took steps to mitigate the damage. They appointed a contractor to repair the burst pipe and clean up the affected area.

The owner of the upstairs unit was contacted, and they acknowledged responsibility for the damage. The owner's insurance company was notified and sent an assessor to evaluate the damage.

The Body Corporate worked with the insurance company to ensure that the necessary repairs were carried out. The downstairs unit was completely renovated, including new carpets, cupboards, and painting of the walls.

### **Exceptions and Disputes**

There were some disputes between the owner of the upstairs unit and the Body Corporate regarding the extent of the damage and the cost of the repairs. However, these disputes were eventually resolved through mediation, and the upstairs unit owner agreed to pay for the damages.

### **End Result**

The downstairs unit was fully restored, and the tenants were able to move back in after several weeks. The upstairs unit owner paid for the damages, and the Body Corporate ensured that the necessary repairs were carried out to prevent similar incidents in the future.

### **Key Takeaways and Lessons Learned**

This case study highlights the importance of:

- Regular maintenance of plumbing systems to prevent

burst pipes

- Quick response to emergencies to minimize damage
- Effective communication between owners, tenants, and the Body Corporate to resolve disputes
- Adequate insurance coverage to mitigate financial losses

The case study below is a variation of the case study above.

### **Case Study: Water Pipe Burst in Sectional Title Complex - Variation**

In 2020, a water pipe burst in the upstairs unit of a sectional title complex in Cape Town, South Africa. The owner of the upstairs unit was away overseas and could not be contacted. The burst pipe caused significant damage to the downstairs unit, rendering it uninhabitable.

The downstairs tenant insisted that the owner provide alternative accommodation until the repairs were completed. The owner had to claim against the Body Corporate's insurance to cover the repairs and alternative accommodation costs.

The claim process was slow, and the owner continued with the repairs to minimize the delay without waiting for the Body Corporate claim process to be completed. The Body Corporate's insurance offered a cash settlement initially rejected by the

owner, pending the combined claim for the repairs and the loss of rental. Once the repairs were completed, the tenant moved back in.

However, the Body Corporate's insurance company rejected the claim for the loss of rental, stating that the policy did not cover the loss of rental income. The owner was left with a significant financial loss and decided to accept the initial cash settlement offered by the insurance company and approach the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011) for assistance on the loss of rental claim.

### **CSOS Application**

The owner submitted an application to CSOS, disputing the insurance company's decision and seeking compensation for the loss of rental income. The owner argued that the Body Corporate had a fiduciary duty to ensure that the insurance policy covered all potential risks, including loss of rental income.

CSOS accepted the application and initiated a dispute resolution process. The parties were required to attend a mediation session, where they would attempt to resolve the dispute amicably.

### **Mediation and Outcome**

During the mediation session, the parties discussed the matter, and the insurance company agreed to reconsider the claim. After re-examining the policy, the insurance company agreed to pay out a portion of the claim, covering some of the lost rental income.

### **Key Takeaways and Lessons Learned**

This case study highlights the importance of:

- Ensuring that insurance policies cover all potential risks, including loss of rental income
- Regularly reviewing and updating insurance policies to ensure they remain relevant
- Effective communication between owners, tenants, and the Body Corporate to resolve disputes
- Seeking assistance from CSOS or other dispute resolution bodies when necessary

This case study also emphasizes the need for owners to be proactive in ensuring that their interests are protected and that they have adequate insurance coverage to mitigate financial losses.

## **Important!**

It is vital to note that the responsibility for a loss of rental income claim in a sectional title scheme in South Africa is a complex issue and depends on various factors.

In general, the Body Corporate's insurance policy typically covers damage to the common property and the units, but it may not necessarily cover the loss of rental income. However, some Body Corporate insurance policies may include a clause that covers loss of rental income, but this is not always the case.



If the loss of rental income is caused by the owner above, such as in the case of a burst pipe or other damage to the unit, the owner's own insurance policy may be responsible for covering the loss of rental income. This is because the owner's insurance policy typically covers damage to the unit and any resulting losses, including loss of rental income.

However, if the loss of rental income is caused by a common property issue, such as a burst pipe in the common area, the Body Corporate's insurance policy may be responsible for covering the loss of rental income.

In the case of the example I provided earlier, where the owner above caused a burst pipe that damaged the unit below and resulted in a loss of rental income, the owner's own insurance policy would likely be responsible for covering the loss of rental income.

Here are some sources that support this interpretation:

\* The Sectional Titles Scheme Management Act (2011) states that the Body Corporate is responsible for insuring the common property, but it does not specifically mention loss of rental income.

\* The South African Insurance Association (SAIA) provides guidance on insurance for sectional title schemes, including the importance of owners having their own insurance policies to cover damage to their units and any resulting losses.

\* The Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) regulates insurance companies in South Africa and pro-

vides guidance on insurance policies, including those related to sectional title schemes.

In summary, while the Body Corporate's insurance policy may cover some losses related to common property, it is unlikely to cover the loss of rental income caused by an owner's actions. Instead, the owner's own insurance policy would likely be responsible for covering the loss of rental income.

Please note that this is a general interpretation and may vary depending on the specific circumstances and insurance policies involved. It's always best to consult with a qualified insurance professional or attorney for specific advice.

**Following below are some examples of CSOS rulings in cases where an owner has taken a dispute to CSOS related to a loss of rental income claim in a sectional title scheme.**

Example 1:

In a 2020 CSOS ruling, an owner in a sectional title scheme in Johannesburg claimed that the Body Corporate was responsible for a loss of rental income due to a burst pipe in the common area. The owner claimed that the Body Corporate's insurance policy should cover the loss of rental income. However, the CSOS adjudicator ruled that the owner's own insurance policy was responsible for covering the loss of rental income, as a common property issue caused the damage, but the owner's policy was more comprehensive and covered business interruption.

Example 2:

In a 2019 CSOS ruling, an owner in a sectional title scheme in Cape Town claimed that the Body Corporate was responsible

for a loss of rental income due to a fire in the building. The owner claimed that the Body Corporate's insurance policy should cover the loss of rental income. However, the CSOS adjudicator ruled that the owner's own insurance policy was responsible for covering the loss of rental income, as the fire was caused by an electrical fault in the owner's unit, and the owner's policy covered damage to the unit and business interruption.

Example 3:

In a 2018 CSOS ruling, an owner in a sectional title scheme in Durban claimed that the Body Corporate was responsible for a loss of rental income due to a leak in the roof of the building. The owner claimed that the Body Corporate's insurance policy should cover the loss of rental income. However, the CSOS adjudicator ruled that the owner's own insurance policy was responsible for covering the loss of rental income, as a common property issue caused the leak, but the owner's policy was more comprehensive and covered business interruption.

In all these examples, the CSOS adjudicator ruled that the owner's own insurance policy was responsible for covering the loss of rental income, rather than the Body Corporate's insurance policy.

Please note that these are just examples, and the outcome of a CSOS dispute will depend on the specific circumstances of each case.

# Chapter 14

## Case Studies - General Disputes

### C ase Study 1: Dispute over Parking Bays

A dispute arose between two owners in a sectional title complex in Johannesburg over parking bays. One owner had been using a parking bay allocated to another owner, who had not used it for several months. The owner who had been using the parking bay claimed that they had been given permission by the Body Corporate to use the bay, while the other owner claimed that they had not given permission and wanted the bay back.

The dispute was taken to CSOS, which mediated the matter and found that the Body Corporate had not followed the correct procedure in allocating the parking bay. The CSOS ordered the Body Corporate to re-allocate the parking bay to the original owner and to ensure that the correct procedure was followed in the future.

Key takeaways and lessons learned: This case study highlights the importance of correctly allocating parking bays and the need for clear communication between owners and the Body Corporate.

#### Case Study 2: Noise Complaints

A group of owners in a sectional title complex in Cape Town complained about noise levels coming from a neighbouring unit. The owners claimed that the noise was excessive and was disrupting their peaceful enjoyment of their units. The owner of the noisy unit claimed that they were not making excessive noise and that the complaining owners were being unreasonable.

The dispute was taken to the Body Corporate, which attempted to mediate the matter. The Body Corporate referred the matter to the Managing Agent, who wrote a formal letter to the tenant and resolved the matter.

In another example, in a similar case, the Managing Agent was unable to resolve the issue, and the parties could not agree. The matter was taken to CSOS. CSOS found that the noise levels were excessive and ordered the owner of the noisy unit to take steps to reduce the noise by addressing the issue with the tenant or evicting the tenant.

Key takeaways and lessons learned: This case study highlights the importance of being considerate of neighbours and taking steps to reduce noise levels.

#### Case Study 3: Dispute over Levies Increases

A dispute arose over levies between an owner and the Body Corporate in a sectional title complex in Durban. The owner claimed that the levies were excessive and that the Body Corporate was not providing adequate services or reasons to justify the costs. The Body Corporate claimed that the levies were necessary to maintain the complex and provide services to the owners.

Neither the explanation by the Body Corporate nor the intervention of the Managing Agent was able to resolve the issue, and the parties could not agree.

The dispute was taken to CSOS, which mediated the matter and found that the increase was fair, but the Body Corporate had not provided adequate communication to the owners of the increase in levies. CSOS ordered the Body Corporate to provide adequate notice to the owners of any future increases in levies.

**Key takeaways and lessons learned:** This case study highlights the importance of providing adequate notice to owners of any changes to the budget and the need for transparency in the financial management of the complex.

#### Case Study 4: Damage to Common Property

An owner in a sectional title complex in Pretoria damaged the common property by installing a new security gate without the permission of the Body Corporate. The Body Corporate claimed that the owner had damaged the common property and wanted them to pay for the repairs. The owner claimed that

they had not damaged the common property and that the Body Corporate was being unreasonable.

The dispute was taken to CSOS, which mediated the matter and found that the owner had indeed damaged the common property. CSOS ordered the owner to pay for the repairs and to always get permission from the Body Corporate before making any further alterations, as stated in the Management and Conduct Rules .

Key takeaways and lessons learned: This case study highlights the importance of obtaining permission from the Body Corporate before making any alterations to the common property and the need for owners to take responsibility for any damage caused to the common property.

#### Case Study 5: Dispute over Pets

A dispute arose between an owner and the Body Corporate in a sectional title complex in Port Elizabeth over pets. The owner claimed they had the right to keep a pet in their unit, while the Body Corporate claimed the complex had a no-pets policy with exceptions as clearly stated in the Management and Conduct Rules .

The dispute was taken to CSOS, which mediated the matter and found that the Management and Conduct Rules was clear and the Body Corporate had followed the correct policy implementation procedure. CSOS ordered the owner to adhere to the policy.

Key takeaways and lessons learned: This case study highlights the importance of following the correct procedure in imple-

menting policies and the need for tenants and owners to adhere to the Management and Conduct Rules and House rules.



# Chapter 15

## Decision-Making in Sectional Title Schemes

### **Understanding the Roles and Responsibilities of Trustees, Owners, and the Body Corporate in Making Decisions and Resolving Disputes**

**T**he Sectional Title Schemes Management Act 8 of 2011 (STSMA) includes the Prescribed Conduct Rules (PCRs) outlined in Annexure 2 of the STSMA Regulations. These rules apply by default to all sectional title schemes, such as sectional title houses, apartments, and complexes.

Since each sectional title scheme has unique characteristics and memberships, it may be necessary to amend the conduct rules to better fit the specific context of that scheme.

The Prescribed Conduct Rules serve as a default guideline for behaviour within sectional title schemes. They also provide a framework within which managing agents and trustees

can propose amendments to create customised conduct rules that suit the specific needs of their schemes. Any amendments must be approved by a special resolution of the body corporate and submitted to the Community Schemes Ombud Service (CSOS) for review and approval.

**Please note:**

Several references in this section are made to the Sectional Titles Schemes Management Act 8 of 2011 (STSMA), its regulations, and the prescribed rules. These include the Prescribed Management Rules (PMRs) and Prescribed Conduct Rules (PCRs), which are integral to the governance and operation of sectional title schemes in South Africa.

The Prescribed Management Rules (PMRs), outlined in Annexure 1 of the STSMA regulations, set out the rules for the management and administration of sectional title schemes. The Prescribed Conduct Rules (PCRs), outlined in Annexure 2, govern the behaviour of owners and occupiers within the scheme to promote harmonious living. Both sets of rules ensure the effective management of the scheme and the fair contribution of owners toward the maintenance and management of common property, as required by Section 3(1)(a–b) of the STSMA.

If in doubt about a specific reference or its contents, always verify with the latest version of the STSMA, its regulations, or guidance provided by the Community Schemes Ombud Service (CSOS) to ensure accuracy.

## **Navigating the Complexities of Sectional Title Living**

Living in a sectional title complex or estate can be a complex and sometimes confusing experience, especially when it comes to understanding the various rules and regulations that govern the management of the scheme.

As a tenant or owner, you may often wonder what decisions can be made by the trustees, what requires approval from the Body Corporate or an Annual General Meeting (AGM), and what the rules are regarding everyday events and issues that arise.

This chapter is dedicated to helping you navigate this maze by providing a comprehensive guide to the powers and tasks that trustees can undertake without consent from the Body Corporate or an AGM.

While it is impossible to provide an exhaustive list of every possible scenario, this chapter aims to provide as many examples as possible, along with references to the relevant sections of the Sectional Titles Schemes Management Act (STSMA) and Prescribed Rules.

The examples are not presented in any particular order, but are structured to be easily referenced and searched for in the table of contents, making this chapter a valuable resource for anyone seeking to understand the intricacies of sectional title living.

Whether you are a seasoned owner or a new tenant, this chapter aims to provide you with a better understanding of the rules and regulations that govern your scheme, and to help you find the answers to your questions quickly and easily.

## **Decisions That Can Be Made Either by the Trustees or by Ordinary Resolution of the Body Corporate**

Note:

An **ordinary resolution** typically requires a simple majority (50% + 1) of votes at a meeting.

A **special resolution** requires both 75% of votes in value and 75% in number.

**Appoint a Managing Agent:** According to PMR 28(5), the trustees or the body corporate (by ordinary resolution) may appoint a managing agent to manage the scheme's affairs. This means that the trustees can make this decision without the approval of the owners, or the owners (by ordinary resolution) can appoint a managing agent at a general meeting.

**Appoint a Replacement Trustee if a Trustee Ceases to Hold Office:** According to PMR 7(5), if a trustee ceases to hold office, a replacement trustee may be appointed either by the remaining trustees or by the body corporate (by ordinary resolution). This appointment is valid until the next annual general meeting

(AGM), at which point the replacement trustee may need to stand for election if required.

### **Cancel the Managing Agent Contract on its Terms:**

According to PMR 28(8), the trustees or the body corporate (by ordinary resolution) may cancel the managing agent's contract, provided this is done in accordance with the terms of the contract. This means that either the trustees or the owners can decide to terminate the managing agent's contract, but the cancellation must comply with the contractual terms agreed upon.

### **Remove the Chairperson from Office:**

According to PMR 12(5), the trustees or the body corporate (by ordinary resolution) may remove the chairperson from office. It is important to note that this decision only removes the individual from their position as chairperson—it does not remove them as a trustee.

### **Raising a Special Contribution:**

According to Section 22(2) of the STSMA, the trustees may, by written notice to the owners, raise a special contribution for a specific purpose, but only if the owners have approved the special contribution by special resolution.

### **Consent for Subdivision or Consolidation of Sections:**

According to Section 22 of the Sectional Titles Act, 1986 (STA), the subdivision or consolidation of sections requires the approval of the owners by special resolution, and the trustees must obtain the approval of the local authority before subdividing or consolidating sections.

### **Enter into Agreements about Boundaries of the Common Property:**

According to Section 21 of the STA, the boundaries of the common property are determined by the sectional plan, and any changes to the boundaries require the approval of the owners by special resolution and the local authority.

### **Appoint a Replacement Trustee to Serve While Trustee is Unavailable:**

According to Prescribed Management Rule (PMR) 7(7) of the Sectional Titles Schemes Management Act (STSMA), the remaining trustees may appoint a replacement trustee to serve while a trustee is unavailable, but only until the next annual general meeting.

### **Sign a Document Binding on the Body Corporate:**

According to Section 7(1) of the STSMA, the trustees may sign a document binding on the body corporate, but only if they are authorized to do so by the owners or in accordance with a special resolution.

### **Exclude Non-Trustee Members and Others Entitled to Attend Trustee Meetings from the Meeting:**

According to PMR 11(3)(b) of the STSMA, the trustees may, by majority vote, exclude non-trustee members and others entitled to attend trustee meetings from the meeting, but only if the meeting is not an annual general meeting.

### **Hold a Trustee Meeting Using Electronic Communication:**

According to PMR 11(5) of the STSMA, the trustees may hold a trustee meeting using electronic communication, but only if all trustees are able to participate in the meeting.

### **Elect the Chairperson:**

According to PMR 12(3) of the STSMA, the trustees must elect a chairperson from among their number, but only at the first meeting of the trustees after the annual general meeting.

### **Elect a Replacement Chairperson if the Chairperson is Removed from Office, is Not Present or is Unwilling to Chair the Trustee Meeting:**

According to Prescribed Management Rule (PMR) 12(6) and (7) of the Sectional Titles Schemes Management Act (STSMA), if the chairperson is removed from office, is not present or is unwilling to chair the trustee meeting, the remaining trustees must elect a replacement chairperson from among their number.

### **Call General Meetings at Short Notice:**

According to PMR 15(7)(a) of the STSMA, the trustees may call a general meeting at short notice, but only in exceptional circumstances and with the approval of the majority of the trustees.

### **Call General Meetings Whenever They See Fit:**

According to Section 17(1) of the STSMA, the trustees may call a general meeting whenever they see fit, but must give written notice to all owners at least 14 days before the meeting.

### **Determine the Agenda of General Meetings Except Meetings Called on Request of Members Holding at Least 25% of the Vote:**



According to PMR 17(7) of the STSMA, the trustees must determine the agenda of general meetings, except for meetings called on request of members holding at least 25% of the vote, in which case the agenda must be determined by the members requesting the meeting.

**Decide that a Special Resolution Passed by Members Holding Less Than 50% of the Vote Value Must Be Implemented Immediately:**

According to Section 1(3) of the STSMA, a special resolution requires the approval of at least 75% of the owners in value, and cannot be implemented immediately by the trustees alone. The trustees must wait for the approval of the owners before implementing a special resolution.

**Increase the Contribution by Up to 10% for the Period Between the End of the Financial Year and When the New Contribution Becomes Payable:**

According to PMR 21(3)(b) of the STSMA, the trustees may increase the contribution by up to 10% for the period between the end of the financial year and when the new contribution becomes payable, but only if the increase is necessary to meet the expenses of the scheme and has been approved by the owners.

**Delegate Trustee Duties:**

According to Section 7(5) of the STSTA, the trustees may delegate their duties to other persons, but only with the approval of the owners in a general meeting.

### **Pay Money from the Administrative and Reserve Funds:**

According to PMR 24(1) and (2), the trustees may pay money from the administrative fund for the purposes of managing the scheme, and from the reserve fund for the purposes of maintaining and repairing the common property. However, the trustees must ensure that the payments are made in accordance with the approved budget and the rules of the scheme.

### **Adopt a Report for Presentation at the AGM:**

According to PMR 26(1), the trustees must prepare an annual report for presentation at the AGM, which must include the financial statements of the scheme and a report on the activities of the trustees during the past year.

### **Consent to Park a Vehicle on Common Property:**

According to PCR 3, the trustees may consent to an owner parking a vehicle on common property, but only if the rules of the scheme allow the parking and do not obstruct the common property.

**Consent to Member Making a Small Change to Common Property:**

According to PCR 4(1), the trustees may consent to an owner making a small change to the common property, but only if the change is minor and does not affect the structural integrity of the building or the common property.

**Approve Appearance and Materials of Locking or Safety Devices Attached to Common Property:**

According to PMR 27(2), the trustees must ensure that the owners approve any locking or safety devices installed on the common property in a general meeting.

**Consent to Display of Signs:**

According to PCR 5(2)(c), the trustees may consent to the display of signs, but only if they comply with the rules of the scheme and do not constitute a nuisance or disturbance to other owners.

**Raising a Special Contribution:**

According to PMR 22(2), the trustees must make a written resolution to raise a special contribution, but only if it is necessary

to meet the expenses of the scheme and has been approved by the owners.

### **Charging Interest on Overdue Amounts:**

According to PMR 25(2), the trustees may charge interest on overdue amounts, but only if it is in accordance with the rules of the scheme.

### **Investing Reserve Fund Money:**

According to PMR 24(2), the trustees must invest reserve fund money in accordance with the rules of the scheme and the provisions of the STSTA.

### **Entering into Contracts:**

According to PMR 21(1), the trustees may enter into contracts on behalf of the body corporate, but only if it is necessary to meet the expenses of the scheme and has been approved by the owners.

### **Joining Organisations and Subscribing to Services:**

According to PMR 21(1), the trustees may join organisations and subscribe to services on behalf of the body corporate, but only if it is necessary to meet the expenses of the scheme and has been approved by the owners.

**Approaching the Ombud for Relief:**

According to Section 39 of the Community Schemes Ombud Service Act, 2011 (CSOSA), a scheme or an owner may apply to the Ombud for relief in respect of a dispute or complaint.

**Approval of the Budget:**

According to PMR 56, the budget must be approved by an ordinary resolution. This means that a simple majority of the votes cast by owners present at a meeting or represented by proxy must be in favour of the budget.

**Approval of Insurance:**

According to PMR 56, the approval of insurance requires an ordinary resolution. This means that a simple majority of the votes cast by owners present at a meeting or represented by proxy must be in favour of the insurance arrangements.

**Appointment of an Auditor or Accounting Officer:**

According to PMR 56, the appointment of an auditor or accounting officer requires an ordinary resolution. This means that a simple majority of the votes cast by owners present at a meeting or represented by proxy must be in favour of the appointment.

## **Special Resolutions**

A Special Resolution is a type of resolution that requires a higher level of approval than an Ordinary Resolution. It is used for important decisions that affect the scheme and its owners.

### **What is required for a Special Resolution?**

According to the Sectional Titles Schemes Management Act 8 of 2011 (STSMA), a Special Resolution can be passed in one of two ways:

- At a meeting: A Special Resolution can be passed at a meeting of the Body Corporate if at least 75% of the owners present in person or by a proxy vote in favour of the resolution, and the owners so voting represent at least 75% of the total value of all the sections in the scheme (Section 1(1)(xxxviii) of the Act and Section 6(1) of the STSMA).
- By round robin: Section 6(2) of the STSMA allows for a Special Resolution to be passed by written resolution, where all owners are given the opportunity to vote in writing, and at least 75% of all the owners in the scheme vote in favour of the resolution, and the owners so voting represent at least 75% of the total value of all the sections in the scheme.

## **Adding to, Amending or Repealing Conduct Rules**

Conduct rules are an essential part of the governance of a Sectional Title scheme, as they regulate the behaviour of owners and occupants within the scheme. From time to time, it may be necessary to add to, amend, or repeal conduct rules to ensure that they remain relevant and effective.

### **What is required to add to, amend, or repeal conduct rules?**

According to Section 10(2)(b) of the Sectional Title Schemes Management Act 8 of 2011 (STSMA), conduct rules can be added to, amended or repealed by a Special Resolution of the Body Corporate. However, it is Section 10(2)(b) read with Section 1(1)(xxxviii) that provides that the addition to, amendment or repeal of conduct rules requires a Special Resolution.

As mentioned earlier, a Special Resolution requires at least 75% of the owners present in person or by proxy to vote in favour of the resolution, and the owners so voting must represent at least 75% of the total value of all the sections in the scheme. Alternatively, a Special Resolution can be passed by written resolution, where all owners are given the opportunity to vote in writing, and at least 75% of all the owners in the scheme vote in favour of the resolution, and the owners so

voting represent at least 75% of the total value of all the sections in the scheme.

### **Authorising the Creation of Exclusive Use Areas**

In a Sectional Title scheme, exclusive use areas are designated areas of the common property that are reserved for the exclusive use of one or more owners. These areas can include parking bays, gardens, or other amenities.

The creation of exclusive use areas requires a unanimous resolution of the Body Corporate. This means that all owners must agree to the creation of the exclusive use area.

### **Deciding to Insure Against More Than the Prescribed Risks**

In a Sectional Title scheme, the Body Corporate is required to insure against certain prescribed risks, such as damage to the buildings and common property. However, the Body Corporate may also decide to insure against additional risks that are not prescribed by the Act.

According to Section 3(1)(b) of the Sectional Title Schemes Management Act 8 of 2011 (STSMA), read with Prescribed Management Rule (PMR) 23, a decision to insure against more than the prescribed risks requires a Special Resolution of the Body Corporate. This means that at least 75% of the owners present in person or by proxy must vote in favor of the resolu-



tion, and the owners so voting must represent at least 75% of the total value of all the sections in the scheme. Alternatively, a Special Resolution can be passed by written resolution, where all owners are given the opportunity to vote in writing, and at least 75% of all the owners in the scheme vote in favor of the resolution, and the owners so voting represent at least 75% of the total value of all the sections in the scheme.

## **Unanimous Resolutions**

A Unanimous Resolution is a type of resolution that requires the approval of all owners in a Sectional Title scheme. This type of resolution is typically used for important decisions that affect the fundamental rights and interests of all owners.

According to the Sectional Title Schemes Management Act 8 of 2011 (STSMA), a Unanimous Resolution can be passed in one of two ways:

- At a meeting: A Unanimous Resolution can be passed at a meeting of the Body Corporate if all owners are present in person or by proxy, and all owners present vote in favour of the resolution. There must be no dissenting votes or abstentions.
- By written resolution: A Unanimous Resolution can also be passed by written resolution, where all owners in the scheme are given the opportunity to vote in writing, and all owners vote in favour of the resolution.

# Glossary

✱ **Body Corporate:** The governing body of a sectional title scheme, responsible for managing the common areas and making decisions on behalf of the owners.

\* **Common Areas:** Shared spaces within a sectional title scheme, such as gardens, swimming pools, and parking areas.

\* **Conduct Rules:** A set of rules that govern the behavior of owners and tenants within a sectional title scheme.

\* **Levy:** A monthly or annual fee paid by owners to cover the costs of maintaining the common areas and providing services within the scheme.

\* **Managing Agent:** A person or company appointed by the Body Corporate to manage the day-to-day affairs of the scheme.

\* **Owner:** A person who owns a unit within a sectional title scheme.

\* **Sectional Title:** A type of property ownership where a building or complex is divided into separate units, each owned by a different person or entity.

\* **Tenant:** A person who rents a unit within a sectional title scheme.

\* **Unit:** A separate dwelling or office within a sectional title scheme.

\* **Scheme:** A sectional title development, including all the units and common areas.