

# Shared Living

Issue 2

**Performance  
Information  
Oct – Dec 2017**

**Case Closed**

A case study of a CSOS settlement

**The CSOS Dispute  
Resolution Model**

Service Excellence, Transparency, Integrity  
Innovation, Fairness, Independence

[www.csos.org.za](http://www.csos.org.za)



*Affordable Reliable Justice*

# Gedeelde Lewe Ukuhlalisana Tsamisana Ho Dulisana Mmoho

## Contents

### Foreword

The Chief Ombud shares what's been happening inside the CSOS and focus areas for the upcoming year.



### South Africa's community complex boom

According to recent data, more and more South Africans are choosing gated communities when purchasing property than ever before. It's actually become a favoured lifestyle choice.



### Quarter Three Performance Information

Performance report in respect of new applications for dispute resolution, types of schemes, classifications of disputes, finalised matters, the registration of schemes and quality assurance of schemes documentation.



### Case Closed

Our aim is to ensure that 80% of applications for dispute resolution are settled at conciliation stage. To give you an idea of the type of cases we settle, please read the case of Ms X.



It's a new year...

'Begin with the end in mind' is one of acclaimed and international bestseller, Stephen Covey's 7 Habits of Highly Effective People. It refers to having an image of what you want to achieve and making decisions that will guide you towards that vision.

Our Regulations came into effect on 07 October 2016 and for the longest time, we operated under extreme, constrained conditions – financially and resourcefully. The management team took time out to craft and map out the optimal organisation design for the Service. We asked ourselves what works, what doesn't and

what do we need to let go of. What does the CSOS look like 5 or even 10 years down the line, our end in mind.

To this end, our focus in the 2018/2019 financial period is to boost our resource capacity, to procure an effective revenue management system, to improve our website and finally to establish points of contact in provinces where we currently do not have a presence. The work that we have done and shared with you in the last two quarters is part of the rationale for these investment projects.

We started our national roadshow in Potchefstroom in September of 2017 and managed to visit all nine provinces. The purpose of the roadshow was to clarify any issues that managing agents, trustees or body corporates might be having in the administration of the Regulations to the Sectional Titles Scheme Management Act. All in all, the turnout was good. We received inputs that will be incorporated into the amendments to the Regulations and we were able to register schemes on site.

Two key updates that stakeholders need to be aware of are that one, the Practice Directive on Waiver of Levies and Fees is out (see [www.csos.org.za](http://www.csos.org.za)) and that two, the deadline to register schemes is 30 March 2018.

My team and I look forward to working with you, let's have a productive and cooperative year.

**Adv. Seeng Letele**  
Chief Ombud



# CSOS can assist.

The Community Schemes Ombud Service (CSOS) is the Regulator and Ombud for all sectional title development schemes, home or property owners' associations, housing schemes for retired persons, share block companies, and housing cooperatives.

Established in terms of the Community Schemes Ombud Service Act, 2011 (Act 9 of 2011) to regulate the conduct of parties within community schemes and to ensure their good governance, the CSOS is also mandated to manage the prescripts of the Sectional Titles Schemes Management Act, 2011 (Act 8 of 2011).

The CSOS calls on all executive committees and those in the management of community schemes (as defined by the Act,) to register with the CSOS by 30 March 2018.

Community scheme registration is free and forms can be found on [www.csos.org.za](http://www.csos.org.za)

## For more information contact

**Gauteng:** 63 Wierda Road East, Sandton | Tel: 010 593 0533

**KwaZulu-Natal:** 7th Floor Aquasky Towers, 275 Anton Lambede Street, Durban | Tel: 031 001 4215

**Western Cape:** 8th Floor Constitution House, 124 Adderly Street, Cape Town | Tel: 021 001 2569

[www.csos.org.za](http://www.csos.org.za)



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# South Africa's community complex boom

## It's a Lifestyle Choice

These are still early times for the global trend of increased urbanisation. It's even predicted that the total area covered by the world's major cities will triple in the next 40 years. By all appearances, South Africa is well on route to this reality, especially with so many new gated complexes sprouting all over.

These developments have become a defining characteristic of our major cities. At the one end you have your sprawling lifestyle estates with their manicured gardens, rolling golf courses and lush, multi-storied mansions, whilst on the other you have an overabundance of cookie-cutter complexes extending our urban peripheries.

Whether you're pro or anti, fact is, currently our gated community industry is experiencing an unprecedented growth rate. This has actually been the case for more than a decade now. According to research done by the Association of Residential Communities (ARC), in South Africa today

- over 1.9 million homes in gated complexes
- over 5 million people residing in gated complexes
- over 3 000 Homeowners Associations (HOAs)
- the industry has in excess of R 800 billion assets under management, and
- there are R11 billion annual levies collected

In addition, gated complexes take up around 9% of South Africa's developed property. This translates to a total property value of as much as 27% of all our residential land.

As opposed to traditional ways of living, a community scheme is such a preferred choice because of its numerous practical, cost-saving and security benefits.

In short, for more and more of our citizens the advantages of a sharing-economy-model fits well with the modern lifestyle.

### Safety and security

Safety and security has for many South Africans become a first-level priority – currently our private security industry is the fourth largest in the world per capita. Our citizens are now spending as much as R45-billion annually to safeguard their lives, assets, homes and businesses (which is a staggering third more than the government spent on our police force in 2016).

With crime having such an impact across all sectors, it's surprising that our recorded rates of house burglaries are on a steady decline. Currently they're a third lower than they were 15 years ago. A big part of the reason is because many are opting for a gated community lifestyle and its immediate security benefits. For new families it's especially appealing. In complexes children are simply safer on the street – parents can let them play outside, ride their bikes, and visit friends down the road.

As long as the state keeps failing in its most fundamental duty to society – safeguarding its citizens in an increasingly unsafe environment – community complexes will attract South Africans across the income spectrum.

### Convenience

Gated complexes are developed with convenience in mind. They're mostly situated close to shopping villages or malls, sports and recreation centres, as well as schools and sites of worship. Areas dense with gated complexes are also quick to sprout new shopping centres, fuel stations and convenience stores, even private schools.

Lifestyle estates take things much further of course. Besides the communal pool with clubhouse and kids' play area, many are home to golf courses, spas and wellness centres, business centres and gymnasiums. Some these days even boast on-site convenience stores, libraries, coffee shops, and shuttle services. Another benefit of living in a secured off complex is the peace and quiet. Unlike residential areas where unnecessary traffic adds to noise pollution, complex rules and regulations are there to insulate residents. In addition, complex dwellers don't have to face car queues clogging their doorstep during peak hours.

### Maintenance

The everyday maintenance and management of community complexes are mostly taken care of by their body corporates. Some of the services include gardening and landscaping, refuse removal, as well as wall, roof, road and paving maintenance.

These benefits suit a lifestyle that's becoming more rushed and focused. For instance, many simply no longer have the time or patience for exterior maintenance and repairs or to spend hours in the garden.

### Sense of community

Gated schemes generally have closer knit communities which make their residents feel less isolated and more at home, so to speak. Some do however argue that in South African complexes there lacks a sense of community compared with elsewhere in the world. However, this is reflective of the larger South African reality, where a deeper communality is missing in our diverse national fabric.

By all appearances this might be changing in community set-ups, with a spirit of solidarity becoming more prevalent over the last few years.

Today, it's quite common for communities to form WhatsApp or Facebook groups or to create online community pages. If there was a break-in, or an attempt to poison someone's dog, or a neighbour playing music too loud after hours, or a noisy domestic altercation, the problem is often dealt with internally through the security company, and supported by bulk SMS or email notifications. (Simply creating awareness actually goes a long way toward solving issues in a complex.)

Things just aren't as straightforward in traditional neighbourhoods. There generally lacks a sense of obligation and having each other's best interests at heart. This is especially evident when considering the absence of residents at quarterly meetings or the few who join neighbourhood watches.

### Property value

Studies have further shown that units located within a gated community tend to depreciate less compared to types of housing exposed directly to urban environments and changes in their make-up.

It's almost as if that wall cocooning a complex also acts as economy buffer to the outside world. If, for instance, there's a new industrial development in the area (or anything else unsightly) it will affect the property value of complex units less as opposed to that of freestanding houses.

### It's a lifestyle choice

Some sceptics might find it odd that South Africans are once again allowing walls to be erected between the less fortunate and those who are privileged. Yet, they're missing the point. Whilst in essence gated complexes do represent a form of segregation based on income, their current boom also underlines the growing popularity of a convenient lifestyle within easy reach of amenities and main transport routes – that is, a secure lifestyle built on the pillars of work and school, play and shop.

Seen from this perspective, South Africa is simply following a global trend in which citizens seek a broker between themselves and the unsympathetic, grim demeanour of their dangerous cities.

# Performance Information for the Period OCTOBER - DECEMBER 2017 (Quarter 3)

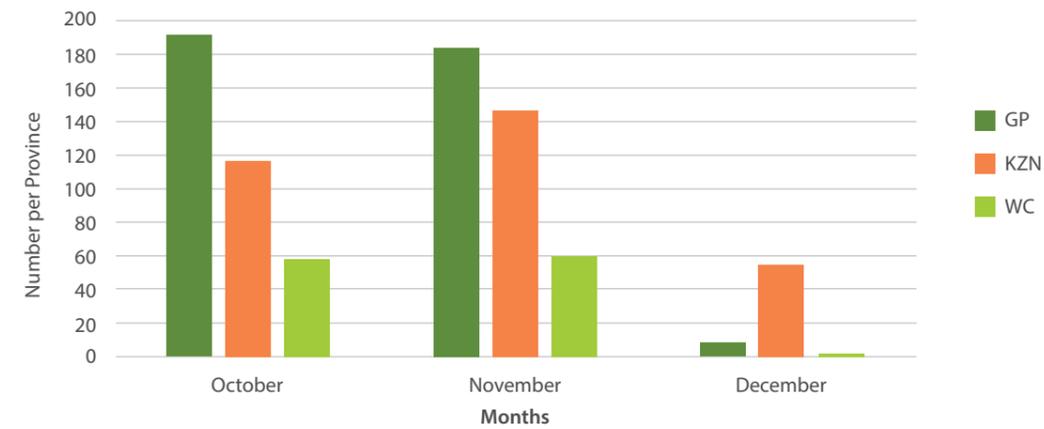
Draft subject to CSOS Board approval/amendment

## SECTION A: APPLICATIONS FOR DISPUTE RESOLUTION

### REGIONAL OFFICES COVERAGE

Applications for dispute resolution are handled in three Regional Offices namely Gauteng, KwaZulu-Natal and Western Cape.

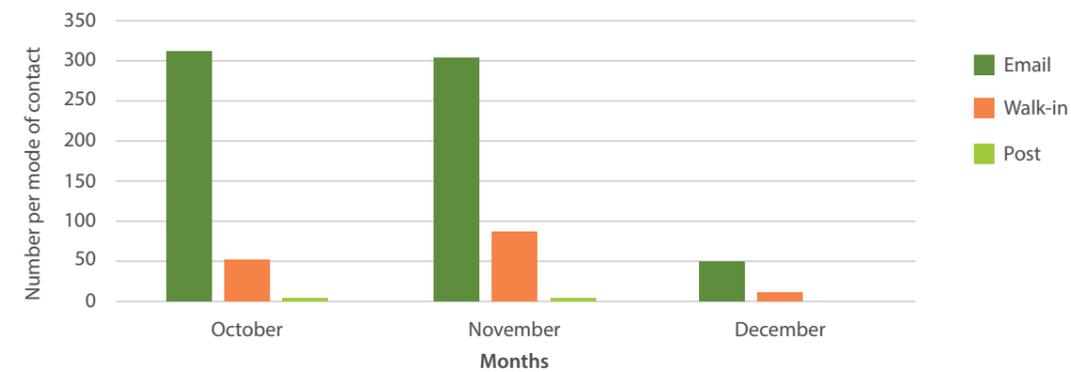
	October	November	December	Total
Gauteng	190	184	6	380
KwaZulu-Natal	117	148	53	318
Western Cape	58	61	1	120
<b>GRAND TOTAL</b>				<b>818</b>



### MODE OF CONTACT

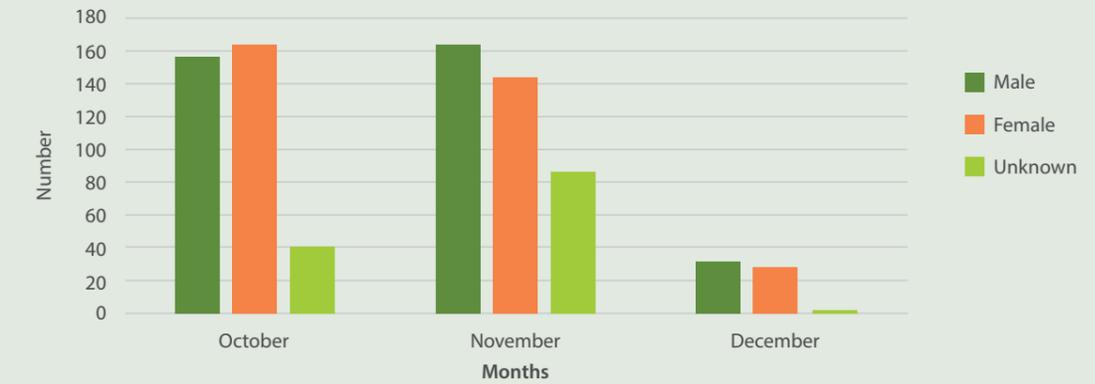
Applications for dispute resolution are received through e-mail, walk-ins, and post.

	October	November	December	Total
E-mail	310	306	51	667
Walk-In	53	85	8	146
Post	2	2	1	5
<b>GRAND TOTAL</b>				<b>818</b>



### GENDER

	October	November	December	Total
Male	157	165	31	353
Female	166	143	28	337
Unknown	41	86	1	128



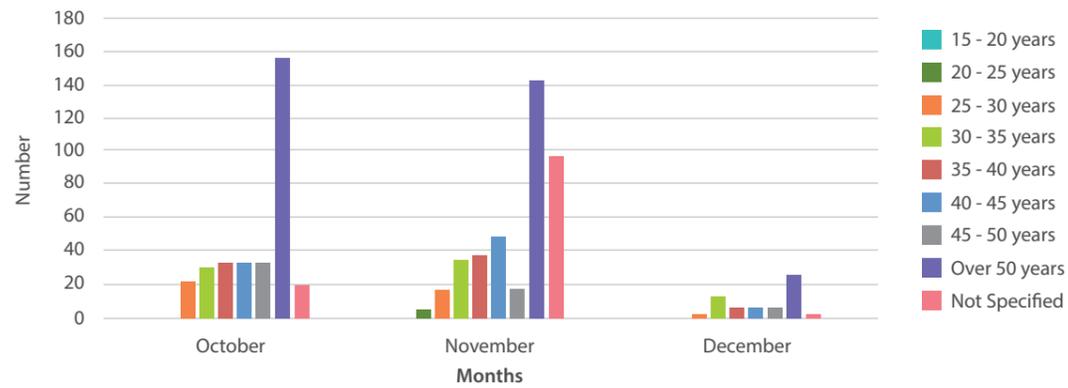
### RACE

	October	November	December	Total
Black	57	60	5	122
White	154	127	28	309
Coloured	22	15	5	42
Indian	41	48	10	101
Other	90	144	12	246



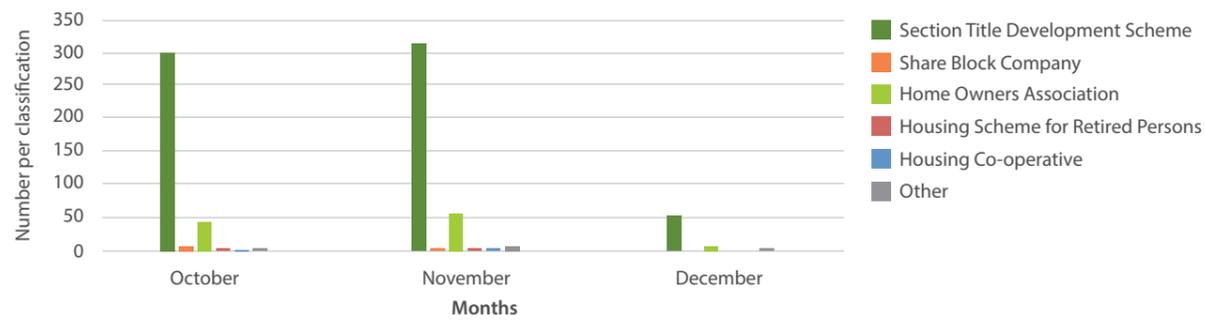
AGE ANALYSIS

	October	November	December	Total
18 to 20 years	0	0	0	0
20 to 25 years	0	3	0	3
25 to 30 years	22	17	1	40
30 to 35 years	32	34	12	78
35 to 40 years	33	37	6	76
40 to 45 years	33	49	6	88
45 to 50 years	37	16	7	60
Over 50 years	154	143	26	323
Not specified	53	95	2	150



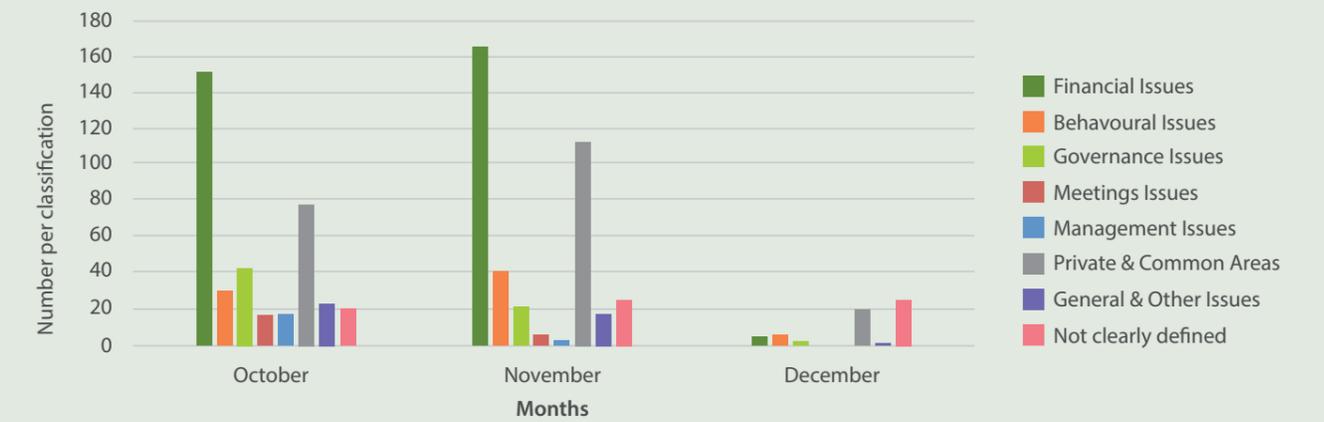
TYPE OF SCHEME

	October	November	December	Total
Section Title Development Scheme	300	319	53	673
Share Block Company	7	4	0	11
Home Owners Association	45	58	6	109
Housing Scheme for Retired Persons	5	2	0	7
Housing Co-operative	1	2	0	3
Other	6	9	1	16



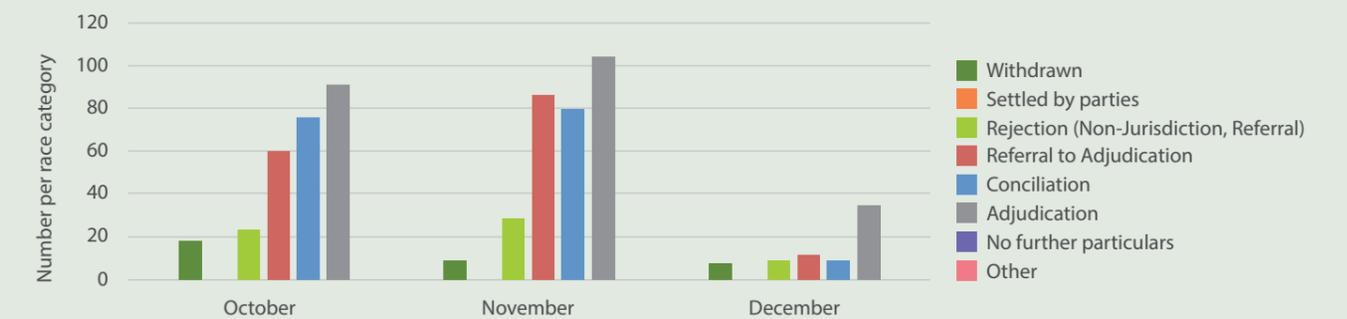
CLASSIFICATION (S39 OF THE CSOS ACT, NO 09 OF 2011)

	October	November	December	Total
Financial Issues	153	166	5	324
Behavioural Issues	29	39	6	74
Governance Issues	41	21	2	64
Meetings Issues	16	6	0	22
Management Services	16	4	0	20
Private and Common Areas	77	113	20	210
General and Other Issues	21	17	1	39
Not Clearly Defined	20	28	26	74



FINALIZED MATTERS

Manner finalised	October	November	December	Total
Withdrawn	18	10	6	34
Settled by Parties	0	0	0	0
Rejection (Non- Jurisdiction, Referral)	26	29	8	63
Conciliation	60	86	12	158
Referral to Adjudication	75	80	9	164
Adjudication	92	105	33	230
No Further Particulars	0	0	0	0
Other	0	0	0	0





# Case Closed

Our aim is to ensure that 80% of applications for dispute resolution are settled at conciliation stage. To give you an idea of the type of cases we settle please read the case of Ms X.

## The Applicant alleged as follows:

- That there are discrepancies between the monthly statement and the detailed ledger;
- That the statement does not show an accumulative balance;
- That the ledger has an amount of R591.36 charged to applicant for fixing a broken window however, there is/was no broken window in the applicant's unit;
- That the Body Corporate (BC) claims to have repaired things but the applicant was not informed of such repairs and no permission was granted for such.
- That the BC replaced the electricity meter without any notification, resulting in the tenant not being able to load electricity units and was without power for a week.
- That I received calls, emails and SMSES from an unknown insurance company for the BC, which claimed that I am owing R9028.81 and the BC had not communicated with me about this before claiming to the insurance company;
- That on 25 July 2017 the Applicant received a final notice of demand from a law firm claiming that the applicant was in arrears to the amount of R8668.91.

## The settlement agreement:

During the conciliation hearing held on 09 November 2017 the parties agreed as follows:

- That the applicant will be notified as and when charges will be brought onto her statement of account;
- That the applicant will be notified when maintenance will be conducted in and around her unit, especially when the owner will be responsible for the costs of the repairs or the replacement costs;
- The applicant will send the CSOS a copy of the conduct rules within 3 days of date hereof, to verify whether the owner is liable for maintenance of windows, should it not be in the rules, the BC will send the owner a separate statement of account indicating the charges of replacing the window;
- The parties agreed that the meter was not replaced but in fact the PLC keypad on the meter and the correct line items should in fact have been "replacement of PLC keypad". Furthermore, the applicant should be notified when repairs are to be done. The applicant is however liable for these replacement charges;
- The managing agent will send an email to "C" Insurers to verify that the applicant has paid all the arrear charges and that the debt is settled in full within 7 days of date hereof.

# 2017 National Roadshow



## HEAD OFFICE

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## COMPLAINTS

### 1. Gauteng, Limpopo and North West

Email applications to [gp-complaints@csos.org.za](mailto:gp-complaints@csos.org.za)

Contact (+27 10) 593 0533

Visit 1st Floor, 63 Wierda Road East, Sandton

### 2. KwaZulu-Natal, Free State and Mpumalanga

Email applications to [kzn-complaints@csos.org.za](mailto:kzn-complaints@csos.org.za)

Contact (+27 10) 593 0533

Visit 7TH Floor Aquasky Towers, 275 Anton  
Lembede Street, Durban

### 3. Western Cape, Eastern Cape and Northern Cape

Email applications to [wc-complaints@csos.org.za](mailto:wc-complaints@csos.org.za)

Contact (+27 10) 593 0533

Visit 8TH Floor Constitution House, 124 Adderley  
Street, Cape Town

## COMMUNITY SCHEME REGISTRATION

1. Download and complete the CS1 Form at  
[www.csos.org.za](http://www.csos.org.za)

2. Email registration to [registration@csos.org.za](mailto:registration@csos.org.za)

