



trafalgar

One-stop property solutions

Sectional Title and HOA Property Management



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About Trafalgar

Trafalgar's core business is property management services for sectional title schemes and home owners associations across South Africa. Trafalgar has a successful 50-year property management track record, dating back to the opening of the first sectional title registers in South Africa. Trafalgar holds current **registration certificates** with all the regulatory bodies relevant to managing agents in South Africa: the Estate Agency Affairs Board ("EAAB"), the National Association of Managing Agents ("NAMA") and the Council for Debt Collectors.

Trafalgar combines specialist skills, customised computer information systems, a national infrastructure and economies of scale to provide a comprehensive property management service with client service excellence an overriding objective. Trafalgar's current portfolio under management covers approximately 65 000 residential units in over 1 200 buildings nationally, managed by seven regional branches and over 350 staff.

Sectional Title and Home Owners Association Management Services

Trafalgar provides comprehensive sectional title and home owners association management services which are described in more detail below. A designated portfolio manager, supported by a portfolio administrator, serves as a single point of entry for all trustee and owner service requests. Specialised support teams, comprising accountants, maintenance administrators, debt collectors, municipal account, creditor's payment and clearance certificate administrators, as well as building inspectors, closely support the portfolio manager teams. Considerable emphasis has been placed on online and electronic reporting to provide fast and efficient management information; management reports and a property library are directly available through an online property portal. World-class, same day service delivery is the service delivery objective for all Trafalgar portfolio management teams.

Trafalgar's property management approach is centred on accurate budgeting in advance of the property's year end (ideally the tenth month of the financial year), including a detailed maintenance plan and associated maintenance costs. In this way, the levy income required to cover all necessary and forecast expenses is accurately quantified. An allowance is also made for building reserves which are important to achieve.



Stable and consistent cash flow together with the ability to meet consistent maintenance expenses are achieved in this way and are critical success factors for a well-managed property. Best-practice governance with creditor payment approvals, prompt annual audits, annual general meetings and statutory returns are also closely managed. Detailed financial management reports are prepared and circulated on a monthly basis to closely manage expenses and variances. Significant attention is placed on service delivery around day-to-day service requirements such as obtaining quotes, correspondence to owners and circulating meeting minutes together with actioning the matters arising from the minutes. Regular common property inspections, together with maintaining high facility management standards, are extremely important and should be overseen by resident trustees or a Trafalgar caretaker service.

Trafalgar's sectional title and home owners management service covers the following service scope which can be tailored to specific building circumstances and requirements:

i) Billing, collections and debt collection:

- Monthly billing and distribution of owner levy statements by e-mail, post or delivery to the property
- Collection of levies and monthly services charges through a variety of payment channels
- Debt collection of arrear levies, utilising a specialised debt collection computer information system
- Liaising with attorneys appointed to manage legal collections.

ii) Financial management and reporting:

- Preparation of the annual budget of income and expenditure including the levy schedule
- Payment of and accounting for approved expenses, including municipal accounts, salaries and wages
- Monthly management reporting online and by e-mail. Management **reporting packs** include income statement and performance to budget reports, balance sheet, levy roll, unit arrears, surplus report and investment account bank statement(s).



ii) Financial management and reporting: (continued)

- Annual audit file preparation
- Completion and submission of statutory returns
- Surplus funds invested in call accounts to maximise interest earnings
- Payroll administration.

iii) Administration, Secretarial and Advisory Services:

- Preparation and circulation of notices for Annual General Meetings
- Arranging, attending and taking minutes for trustee meetings
- Preparation and mailing of owner and service provider correspondence
- Preparation and issuing of clearance certificates
- Sectional Title, property and facility management advice
- Sourcing of building maintenance quotes
- Liaison with maintenance and building contractors
- Archiving of statutory and permanent body corporate records, utilising an electronic document management system for security and convenient document access.

iv) Insurance Broking Services:

- Legislation, set out in or contemplated by Rule 29 of the prescribed Management Rules set out in Annexure 8 to the Regulations promulgated under the Act, requires that bodies corporate have in force insurance cover; HOA's and Share block companies, while not legally obliged to have insurance cover, would be prudent to have at the very least public liability, directors' liability and arguably common property cover. Trafalgar Financial Services (TFS), in conjunction with leading underwriters, has developed a specialist sectional title product, tailor-made for bodies corporate and in line with legislative requirements
- TFS offers highly competitive premiums with optional extras such as excess waivers and shortfall cover. Our professional staff and specialist infrastructure ensure fast, effective and convenient claims management.



v) Property Websites

Each Trafalgar-managed property will have access to a building website linked to Trafalgar's **Property Portal**, providing access to useful information such as contact details, plans, rules, financial reports, frequently asked questions, applicable legislation and a photo gallery.

A voting function to test owner opinion, a bulletin board for sharing comments and messaging options to send owners e-mail or text messages are also available.

vi) Annual Maintenance Inspections and Maintenance Plan Development

Routine and reactionary maintenance facilitation is handled by a dedicated maintenance department via in place and force service level agreement contractor relationships.

Sectional Title Bodies Corporate maintenance requirements as directed by the new legislation (PMR22 of the STSMA), can be facilitated with professional, external, maintenance experts with whom Trafalgar has longstanding relationships or, detailed financial information can be provided to the trustees to enable them to compile their own plans and programs. In certain cases, building inspections can also be arranged to assist the trustees.

Trafalgar can assist with facilitating the documentation of 10 year maintenance plans required for sectional title buildings (specified in the STSM Act) either by recommending a panel of maintenance specialists who offer this as a service, or alternatively by providing a building inspection report and schedule of historic maintenance costs to the Trustees to compile the necessary plan.

vii) Take-on Health Check

All new properties taken on by Trafalgar are carefully screened, utilising a legal compliance 'health-check checklist'. This is a free service to promote governance excellence and longterm property management success. A report and action log are compiled for the trustees to address any identified legal compliance gaps.



Additional Services

Optional additional services to complement the standard management services covered above and for specific building circumstances and requirements are:

i) Caretaker Service

Trafalgar's caretaker service will manage contractors, gardeners, cleaners, security guards and maintenance workers at the property on a part-time basis as required, to support and achieve facility management excellence at the property. Caretakers would also be available to purchase and deliver consumables such as petrol and cleaning materials as well as to change common area light bulbs when required. This service element would suit buildings where limited trustee capacity creates gaps and challenges with onsite facility management.

ii) Body Corporate, Home Owners Association and Share Block Loans

Routine maintenance and improvement projects such as painting, waterproofing and security installations are vital for preserving and enhancing the value of a property and the lifestyles of residents. Trafalgar Financial Services provides loans with flexible terms and competitive rates specifically for refurbishment projects or to settle municipal arrears. A loan of this nature often allows onerous special levies to be avoided as well as inflationary escalations that arise when maintenance requirements are postponed.

iii) Levy Solutions

Eliminate the pressures of late levy payments and arrears with a product that settles the full levy income, less a cost effective finance charge, on the 1st working day of each month. Levy solutions achieves a consistent and predictable cash flow for a property and supports accurate budgeting, maintenance planning and efficient creditor payments. At inception, Trafalgar Financial Services pays across the full debtor's book to unlock the value embedded in arrear levies and so allow the immediate settlement of arrear creditors (municipal arrears) and to address maintenance backlogs. Legal costs, all too often a significant cash flow impediment for the building, for collecting the levy arrears are financed by Trafalgar Financial Services ensuring uninterrupted legal recovery and process directly overseen and managed by an in-house attorney. Levy solutions may be of interest for small to medium-sized buildings that are experiencing cash flow challenges arising from a few owners falling into levy arrears. This product is flexible and can be cancelled with 30-days' notice when the arrear levies have been collected.



iv) Trustee Training and Advisory Service

Interested trustees can obtain further information by e-mailing training@trafalgar.co.za. Trafalgar also offers a free advisory service for all clients as well as external buildings; telephonic or online support.

v) Estate Management Service

Trafalgar offers an estate management service, including full facility management, with an onsite management capability, including:

- Contractor management (including registrations, adherence and compliance to contractor agreements)
- Pavement deposit management
- Penalty management and collections
- Dispute resolution
- Architectural guidelines
- Building site inspections
- Enforcement of rules
- Management of estate staff.

vi) Financial Management

Trafalgar is also able to provide a financial management service excluding maintenance administration and trustee meeting attendance. The service scope for financial management includes billing, collections, debt collection, approved creditors payments, monthly reporting and annual audit file preparation. A property website with online reporting is also included. This service, at reduced cost to a full management service, suits buildings with very hands-on trustees who are comfortable to cover building maintenance and meetings.

vii) Executive Managing Agent

Trafalgar is equipped to provide an executive managing agent service as envisaged in the legislative clause copied below, promulgated on the 7th October 2016. This service covers the role of Trustees where time, capacity and location for traditional Trustee involvement at the body corporate, are challenges. As stipulated, Trafalgar will cover both the role of managing agent and the board of Trustees, circulating to all owners on a quarterly basis, a full management report and newsletter, explaining the financial and facility management performance of the building together with relevant planning ahead. The overriding objectives for the executive managing agent service will be good governance, legislative compliance, facility management effectiveness and sound maintenance planning to add value to the building and individual sections over the long term. For a full description of the legislative provisions for an executive managing agent, please see <https://www.trafalgar.co.za/executive-managing-agent>.



Sample Management Reports

Effective financial management and reporting are critical property management success factors and are competitive advantages of Trafalgar's property management service. Detailed management reports are circulated to trustees on a monthly basis by e-mail; they can also be accessed online in real time from Trafalgar's **Property Portal** and the building's website. The report format and detail can be customised to meet trustees' preferences and cover all the important financial management transactions for the building's prior month operations.

The monthly management reports are prepared and reviewed by an accountant on a monthly basis together with a municipal payment reconciliation, noting that municipal expenses generally represent close to 50% of a residential property's expenses and are therefore very important to manage closely. Utility recoveries are measured and reported to focus on effective recoveries, an important financial management objective.

The accountants add notes to explain material variances to be closely investigated and managed ahead. A **sample management** reporting pack can be viewed online.

The monthly accounting and reporting approach facilitates a time-efficient audit file being produced for the appointed auditors, thereby reducing audit costs and any delays to achieve the audited financial statements and Annual General Meeting. Trafalgar utilises a world-class document management and workflow solution for secure document archiving and creditor invoice processing. The annual audit file can be electronically generated within a few minutes and made available to the appointed auditors online to further accelerate timelines and reduce audit costs.

Registration Certificates

All Trafalgar's current **registration certificates** are available online. It is important that a managing agent is fully registered with all the relevant industry bodies and compliant with the applicable legislation and codes of conduct.

Reference Buildings

Written references are available on request from neighbouring or comparable properties managed by Trafalgar.



Why Trafalgar is a preferred managing agent

- Trafalgar is a well-established national brand with a 50 year track record, existing national footprint and specialised staff and computer systems.
- All necessary regulatory body registrations are in place and in good standing: EAAB, NAMA and Council for Debt Collectors.
- Free online property portal with real-time and convenient access to your property's documents, financial reports, building information, contact details and owner messaging functionality.
- Dedicated portfolio manager team creating a single point of contact, communication, service delivery and accountability.
- All portfolio managers have completed a UCT Sectional Title Management course and have many years of property management experience.
- Comprehensive financial management reports circulated monthly by e-mail and available online to effectively manage expenses and variances.
- Electronic document management system to secure and archive all property documentation, reports and records. Also supports electronic audit file collation to achieve a time- and cost-effective audit.
- Real-time text messages confirming all building payments for added security.
- In-house financial services products: refurbishment loans, levy financing & insurance broking.
- Efficient facilitation of year-end audit, budget preparation and monthly municipal account reconciliations by a dedicated Trafalgar accounting team. Public officer role, CIPC submissions and tax returns covered where required.
- Annual maintenance inspections conducted to compile a maintenance plan and budget.
- Take-on health check at the inception of managing a property, applying a detailed legal compliance checklist. A health-check report and action log are recorded for the trustees to address identified compliance gaps.
- In-house attorney who oversees legal levy collection file management.
- Trustee and director training programs available directly and online via Paddocks at discounted rates.

Please contact queries@trafalgar.co.za for any questions, advice, or support you may require or sales@trafalgar.co.za for a proposal.





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