

Mutual Heights Body Corporate

Eleventh annual Chairman's report: June 2017

Introduction

This report concerns the management of the building and the activities of your trustees for the period July 2016 to June 2017.

At the first meeting of trustees after the 2016 AGM I was re-appointed chairperson. We met as trustees four times, and there have been many other meetings relating to operational issues such as those noted below.

Composition of the Trustees

Dave Linder joined the trustees at the 2016 AGM, and hence in the period of this report, your trustees have been:

- Andrew Bytheway (Chairman)
- Simon Hudson
- Jared Lamb
- Dave Linder
- Mark Mallin
- Sarah Ward

On your behalf, I thank all my fellow trustees for their time and effort over the year. It has been an interesting and progressive period during which the litigation with Old Mutual receded into our shared history and operational matters came to the fore.

Financial matters

Once again, our operational budgets have worked well. They are fully reported elsewhere of course. The settlement funds from the litigation are invested and now deliver useful interest, although the cost of damp works begins to deplete the funds according to the long-term expenditure plan. About one third of the funds is being deployed in the short term to complete the external damp-proofing works; the balance remains as a reserve to deal with other ad-hoc damp-related works that become necessary. During the year, the nature of those ad-hoc works has become clearer and we are optimistic that we are now on a steady course of action that will keep the building dry.

The fabric of the building

The Damp works

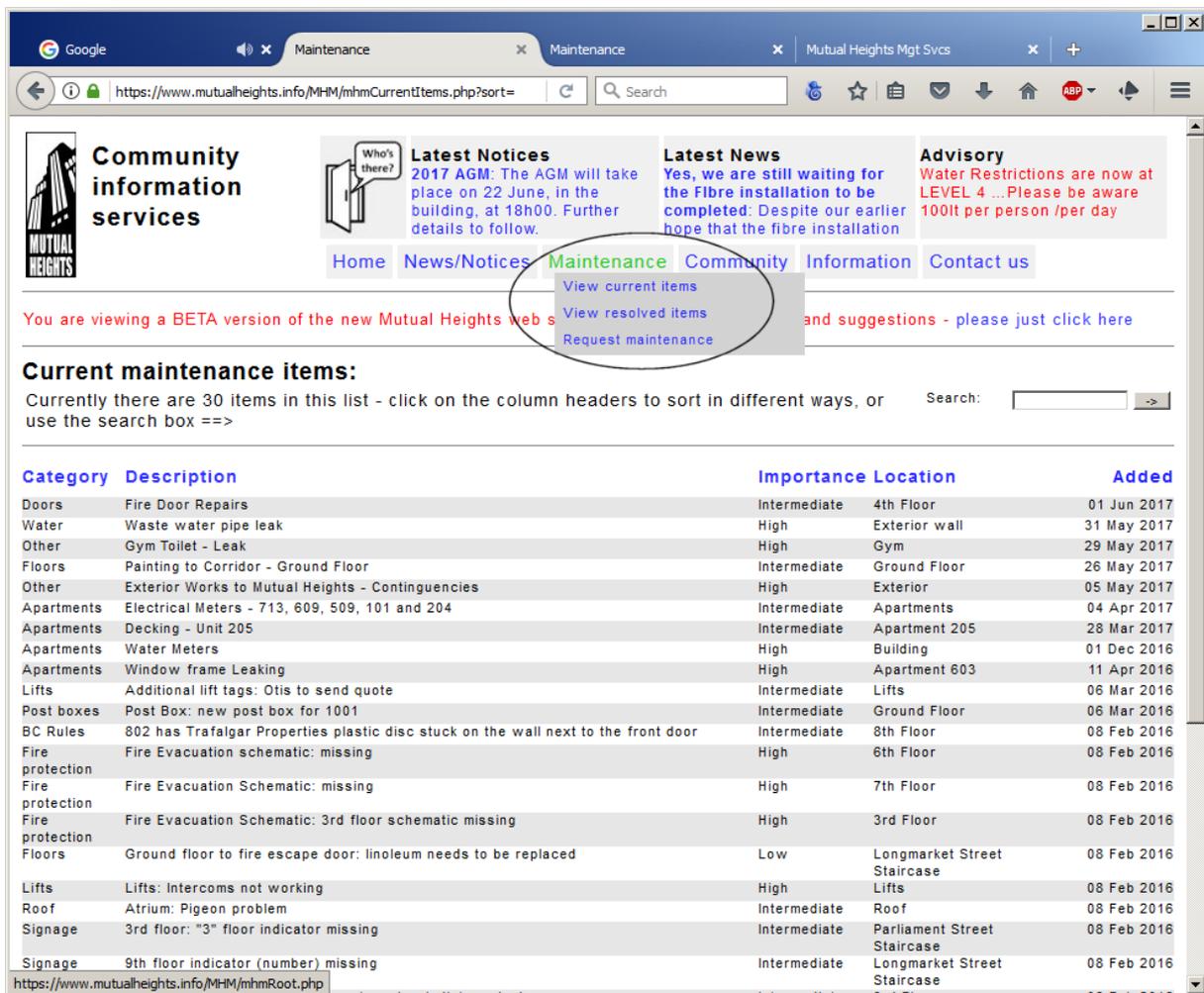
The main project to complete the re-sealing of granite joints and the replacement of vertical window flashings was put out to tender. SkyRiders were awarded the contract. As often seems to be the case, there were delays in getting started. It took more than three months to get 'heritage approval' from the Western Cape heritage authorities, but progress has been good now that the project has got off the ground. As I write this report, we can be pleased (despite all the other more serious consequences) that the arrival of the winter rains has been delayed; however it is worth noting that as a result some of the work is yet to be tested through a complete, wet, winter.

Other internal projects

The other owner-driven 'internal' projects (for example on the 4th, 7th and 10th levels) have continued to cause some disruption but these projects are being managed quite aggressively where needed in order to minimise the impact. We have rules (about cleanliness and hours of working) that are being applied where needed. Please bring your comments and concerns to the AGM so that we can get a 'reading' on how this work is actually impacting on your use of the building.

Routine maintenance management

As noted last year, following the litigation there has been a backlog of work to be done. The new maintenance management 'system' (accessible from the new community web site) has worked well and lets us see exactly what is on the 'to-do' list from time to time. Colin Larkan has worked the list of current maintenance items down to 30, from the hundreds that were listed a year ago:



The screenshot shows the Mutual Heights website's maintenance management interface. The 'Maintenance' menu is highlighted, and a dropdown menu is visible with options: 'View current items', 'View resolved items', and 'Request maintenance'. Below the navigation, there is a search box and a table of 30 current maintenance items.

Category	Description	Importance	Location	Added
Doors	Fire Door Repairs	Intermediate	4th Floor	01 Jun 2017
Water	Waste water pipe leak	High	Exterior wall	31 May 2017
Other	Gym Toilet - Leak	High	Gym	29 May 2017
Floors	Painting to Corridor - Ground Floor	Intermediate	Ground Floor	26 May 2017
Other	Exterior Works to Mutual Heights - Contingencies	High	Exterior	05 May 2017
Apartments	Electrical Meters - 713, 609, 509, 101 and 204	Intermediate	Apartments	04 Apr 2017
Apartments	Decking - Unit 205	Intermediate	Apartment 205	28 Mar 2017
Apartments	Water Meters	High	Building	01 Dec 2016
Apartments	Window frame Leaking	High	Apartment 603	11 Apr 2016
Lifts	Additional lift tags: Otis to send quote	Intermediate	Lifts	06 Mar 2016
Post boxes	Post Box: new post box for 1001	Intermediate	Ground Floor	06 Mar 2016
BC Rules	802 has Trafalgar Properties plastic disc stuck on the wall next to the front door	Intermediate	8th Floor	08 Feb 2016
Fire protection	Fire Evacuation schematic: missing	High	6th Floor	08 Feb 2016
Fire protection	Fire Evacuation Schematic: missing	High	7th Floor	08 Feb 2016
Fire protection	Fire Evacuation Schematic: 3rd floor schematic missing	High	3rd Floor	08 Feb 2016
Floors	Ground floor to fire escape door: linoleum needs to be replaced	Low	Longmarket Street Staircase	08 Feb 2016
Lifts	Lifts: Intercoms not working	High	Lifts	08 Feb 2016
Roof	Atrium: Pigeon problem	Intermediate	Roof	08 Feb 2016
Signage	3rd floor: "3" floor indicator missing	Intermediate	Parliament Street Staircase	08 Feb 2016
Signage	9th floor indicator (number) missing	Intermediate	Longmarket Street Staircase	08 Feb 2016

Current maintenance items as at 2nd June 2017

Our thanks to Colin and all in the office for achieving this excellent result. Do remember you can go to the web site (<http://www.mutualheights.info>) any time that you want to see the status of things, or if you want to submit a request for maintenance (see above).

Community

Communications

During the period we circulated newsletters in September, November and March 2015 (newsletters 37 to 39), all available on the new web site (go to '**Information**' and then '**Newsletters**'). Topics included damp proofing, the change of bank for levy payments, the median line between sections, the fibre installation project, smart water meters, the new web site, security, short-term letting, the management of contractors and equipment for the gymnasium.

Safety, Security & Services

The management team continues to manage our service providers well. Please come to the meeting with any comments that you may have. We are making budget provision for the implementation of a 'concierge' service, but the detail of this plan still needs to be attended to. Your comments and suggestions will be welcome.

Managing our community information

I would like to devote a little space in this report to making some personal comments about the moves we are making to manage information more effectively. I think that the building has always been managed well, in comparison with many others. Nevertheless, all sectional title schemes in RSA are coming under pressure from two directions.

First, there is a **pattern of increasing short-term occupancy** that is sometimes attributed to AirBnB but actually arises from different modes of making accommodation available to holiday makers and tourists, and is associated with different agencies, not just AirBnB.

Our Conduct Rules already put an obligation on all owners to make sure that all those who are residing in their sections *when they themselves are absent* must:

- be registered at the Management Office,
- be provided a copy of our Conduct Rules, and
- acknowledge that they have read and understand our Conduct Rules.

This rule has not been strictly enforced in the past, but as the permanent residents of the building feel the changing pattern of usage affecting their own occupancy, we need to be quite sure that we do know who is resident, how they can be contacted, and what the chain of responsibility is between short-term visitors and the owners who must - ultimately - take their obligations as owners very seriously.

Second, and quite separately, the amended **Sectional Title Schemes Management Act** (2011), and the new **Sectional Title Schemes Management Act Regulations** (2015) that derive from the act, both put pressure on managing agents and trustees to deal with more and more detail, including detail about exactly who is resident in the sections of a sectional title building. The words that are used are 'occupancy' and 'occupant', but I find no definition of these terms in the act, nor in the regulations. The new regulations make other provisions concerning complaints (about owners, occupiers or managing agents) and prescribe exactly how complaints shall be recorded and processed.

I see these pressures as issues of information management. In an emergency, the managing agent (or any other responsible person) must be able to find out who is in residence, and how to contact them; in any case of misbehaviour, then it must be possible to track down a miscreant without waiting for the office to open in order to search through the paper records. When guests arrive without any identification, it would be helpful if security had a list of those people you wish to be allowed access to your section (including family, friends, contractors and domestic workers). In managing the building and the community's concerns it will be very helpful to have statistics about the number of nights of short term visitor, long term tenant and owner occupation of sections.

Hence, in designing and developing the new web site, I decided (and the management team agreed) that it should be *database-driven* and that it should provide facilities for proper information management, obviating needless phone calls, emails and other messages through the office. In the 'beta' web site that is running today, facilities are already available for owners (or their agents) to register people needing access to your section and there is a facility to submit community 'reports' (rather than 'complaints'). These facilities have been under trial for some weeks now, and I hope that we will be able to go live shortly. They will enable daily lists to be provided to security (or the concierge, should we have one) and they will provide a means for 'quality management' that will further enhance ownership and occupancy of the building.

However, this requires that those responsible for individual sections are identified and provided secure access to the web site, and the database that sits behind it. That means identities and passwords ... more about this soon.

At the moment, it is intended that every section shall have a 'nominee', or 'appointee', who will be enabled and responsible for access to the database for the purposes of registering occupants and submitting community reports. That might be the owner, or it might be an agent (such as Afribode, who are assisting us with the development of these facilities), or it might be a representative of a family trust.

We are open to comments and suggestions about how this might be best done, and we seek your co-operation and support in managing our information in the best and most effective way. We want the

Mutual Building to be the best-managed sectional title building in the CBD (*if not in the whole country*) and this is an important step in that direction.

Final words

I thanked my fellow trustees at the start, let me now once again thank Clint Riddin, Kirk Odgers, Colin Larkan and all the staff who work in the background to keep the building working well. On your behalf, I extend our collective thanks to the whole management team.

With warm regards, on behalf of the Trustees,

A handwritten signature in black ink, appearing to read 'Andy Bytheway', with a horizontal line extending to the right.

Andy Bytheway,
Chairman of the Trustees, Mutual Heights, Cape Town.

**NOTE: The new web site has a different address ending in .info;
for now, email communication is still with '... .net'**

<http://www.mutualheights.info>
<mailto:info@mutualheights.net>

Check out "Mutual Building" on Wikipedia:

https://en.wikipedia.org/wiki/Mutual_Building