

# AULA



Since 1991!

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# News Letter

## AULA RENTALS

Sectional Title Management  
and  
Property Rental Specialists

January 2017

[www.aulaprop.co.za](http://www.aulaprop.co.za)

## Property Rentals

- Rental Specialists since 1991!

- Free advertising
- Urgent maintenance and repairs
- Routine inspections
- Well trained staff
- Pre-qualifying tenants
- 25 Years of rental experience

Call our office on 012 665 5111  
to speak with one of our  
rental agents!



## EARN COMMISSION ON REFERRALS!

- Referral fee for rental property for tenants up to R12 000 pm, R1 000 is paid for a 12 month contract and R500 for a contract less than 12 months!

- For rental from R12 100 and more, R1 500 referral fee is paid for a 12 month contract and R750 for less than 12 months!

- Commission is payable after payment of 1st month's rental.

*New Year's marks  
a new beginning.  
New people to meet,  
new adventures to  
enjoy  
and new memories  
to create.  
Here's wishing you  
the Happiest New  
Year ever!*

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## IMPORTANT CHANGES TO LEGISLATION

The **SECTIONAL TITLES SCHEMES MANAGEMENT ACT 8 OF 2011** is important new legislation that came into effect on 7 October 2016. It is very important that all owners of sectional title property be aware of this new Act, as it may effect the financial management of the complex / scheme.

AULA has already presented an information session in 2016 about these changes because of the importance thereof. In November we distributed to you the information about the **COMMUNITY SCHEMES OMBUD SERVICES ACT 9 OF 2011** which also changed.

### Changes to Sectional Titles Schemes Management Act:

#### **Maintenance, Repair and Replacement Plan & Reserve Fund for a Sectional Title Scheme.**

Sectional title schemes will in future be required to (a) sustain a Reserve Fund and (b) have a 10 year written Maintenance, Repair and Replacement Plan for the common property.

Section 3(1)(b) of the Sectional Titles Schemes Management Act (STMSA) stipulates: A body corporate must perform functions .... including "to establish and maintain a reserve fund in such amounts as are seasonably sufficient to recover the cost of future maintenance and repair of common property but not less than such amounts as may be prescribed by the Minister".

#### **Minimum amounts for Reserve Fund:**

- If the amount of money in the reserve fund at the end of the previous financial year is less than 25% of the total contributions to the administrative fund for the previous financial year, the budgeted contribution to the reserve fund must be at least 15% of the total budgeted contribution to the administrative fund;
- If the amount of money in the reserve fund at the end of the previous financial year is equal to or greater than 100% of the total contributions to the administrative fund for the previous financial year, there is no minimum contributions to the reserve fund;
- If the amount of money in the reserve fund at the end of the previous financial year is more than 25% but less than 100% of the total contributions to the administrative fund for the previous financial year, the budgeted contribution to the reserve fund must be at least the amount budgeted to be spent from the administrative fund on repairs and maintenance to the common property in the financial year being budgeted for.

#### **Reserve Fund example:**

Financial Year End 28/02/2017

- Levy Contribution as at 28/02/2017	
R250 000	
25% of levy	= R62 500
The bank balance of Reserve Fund	= R50 000
<b>No Compliance!</b>	

- Levy Contribution for year ending 28/02/2018	
R275 000 (250 000+10%)	
15% of new year R275 000	= R41 250
Total levy payable for new year	
R275 000 + R41 250	= R316 250
<b>R250 000 + R25 000 = R275 000 + R41 250</b>	<b>= R316 250</b>

- Actual Increase in levy	
$R250\ 000 = 10\% + R41\ 250 = 15\% = R316\ 250 / R250\ 000 = 26.5\%$	

**For more information or to view legislation, please visit [aula@aulaprop.co.za](mailto:aula@aulaprop.co.za).**