



SECTIONAL  
TITLE  
SOLUTIONS

## LEVY COLLECTION AND SECTIONAL TITLE ADVISORY SOLUTIONS

Thank you for your interest in procuring Levy Collection and Sectional Title Advisory Solutions from Sectional Title Solutions (“STS”).

### 1. WHAT WE DO

---

STS is a solutions driven consultancy business, focusing on delivering value-added products and services to Sectional Title Bodies Corporate and Homeowners Associations.

Our core focus is to provide sustainable solutions that will benefit all unit owners and stakeholders, while reducing inefficient costs and generating much needed revenue for Bodies Corporate and Homeowner Associations. Ultimately, we aim to bolster the financial sustainability of communal property ownership, ultimately assisting in the protection of one’s investment value in your most important asset, your home.

Our success has been based on over 50 years combined experience within the Sectional Title industry, partnering with market leading service providers and offering significant value propositions to our clients nationwide.

Solutions provided to our Sectional Title and Homeowner Association clients include:

1. State of the art Fibre to the Home and Wireless Internet solutions;
2. Innovative arrear levy and project funding solutions;
3. Cost-saving energy efficiency and Solar solutions;
4. Revenue generating outdoor media and advertising solutions;
5. Comprehensive property related insurance solutions;
6. Legal and levy advisory services and solutions; and
7. High-quality paint and maintenance related solutions.

Our core focus is to provide a sustainable value added solution that will benefit all unit owners and stakeholders, reducing inefficient costs and generating much needed revenue for Bodies Corporate, in order to ultimately ensure financial sustainability and protect the unit owner’s value of their investment in their property.



## SECTIONAL TITLE SOLUTIONS

### 2. STRATEGIC LEVY COLLECTION MONITORING AND SECTIONAL TITLE ADVISORY: THE MISCHIEFS AND THE SOLUTION

---

This solution directly relates to the rigorous monitoring of levy collection attorneys and agents ("the legal service providers") which is an essential ingredient for efficient and streamlined enforcement of levy collections for Bodies Corporate.

**Without** this hawk-eyed monitoring solution, Bodies Corporate – and Trustees in particular, who are effectively volunteers in the management of the Body Corporate and receiving no remuneration for same – will experience:

- a. **Increased conflict** between unit owners who are in arrears with their levies and Trustees / Managing Agents / Administrators who are driving the levy collection process, often resulting in time-intensive sessions with unit owners regarding their arrears;
- b. Frequent reliance on **legal knowledge without the requisite legal background** in respect of levy collection law and general court procedure and solutions unlocking certain hard cases experienced in the levy collection process, including the Magistrates' Courts Act and Rules;
- c. **Mistakes in the levy collections process**, drafting of pleadings, notices, and other important court documents, **costing time** and **unnecessary legal costs**, often resulting in Trustees / Managing Agents being **misguided or misled (innocently)** by legal service providers as to the most efficient and cost-effective method of levy collection and recovery;
- d. **Slow levy collections** because of lack of constant daily and weekly query-raising and advice-providing sessions with the legal service provider, including other performance-related difficulties encountered from time to time, such as what can be expected when the legal service provider employs inexperienced para-legals or support staff without the requisite legal background;
- e. **Increased levy-debtor complacency** due to ineffective, slow and lenient legal service providers who are either waiting for instructions (simple and serious instructions), utilising inexperienced staff members, or who are often over-capacitated; and
- f. **Increased time and money spent** by Trustees / Managing Agents / Administrators in the provision of instructions to the legal service providers, based on several and varying approaches to the collections process in relation to debt collection law and procedure, from summons commencing action to final execution, attachment and recovery.



## SECTIONAL TITLE SOLUTIONS

Having outlined some of the mischiefs which this solution improves, STS is equipped with the following resources to enable it to ensure that legal service provider performance is being monitored and assessed on a daily / weekly basis, so as to ensure an efficient collection process:

- a. Expert consultants with over 50 years combined experience canvassing:
  - (i) Litigious and non-litigious levy collections;
  - (ii) The Sectional Title industry in general, including specific legal provisions which renders levy collections a unique and specialised area of the law;
  - (iii) Court procedure; and
  - (iv) Strategic levy collection solutions for legal service providers catering for varying types of opposition encountered by Bodies Corporates in the levy collection environment.
  
- b. Up-to-date electronic legal resources through subscription to JUTA LAW, allowing for:
  - (i) Speedy research on provisions of the laws applicable to the collections process, including the Rules and Act governing the procedures in both the Magistrates' Courts and the High Courts, as well as the Sectional Titles Act itself;
  - (ii) Readily accessible senior legal professionals (attorneys and counsel) within the Group's expert network; and
  - (iii) Access to, and a high-level understanding of, landmark judgments relating to the collection of levies and the Sectional Title industry itself.
  
- c. Refined and step-by-step internal protocols which are used to measure performance of legal service providers and check work produced at every stage of the proceedings, including high-level advice and instruction (where applicable) on certain procedural and strategic steps that the legal service provider ought to take in the best interests of the Body Corporate; and
  
- d. Refined user-friendly external protocols which STS uses to hold legal service providers accountable for errors causing unnecessary delays or extra costs, and which STS also encourages and instructs the legal service providers (through the Trustees or with a special mandate) to implement with their staff members so as to improve performance and ensure continued adherence to the high-standard expected of the legal service provider.

A spin-off benefit available to Bodies Corporate and Managing Agents in respect of this solution is expert opinion in the field of Sectional Title law and management, including the Prescribed Management Rules, new legislation relating to the Sectional Title industry and its effect on the various role-players in the industry, especially in relation to the collection of levies and the implementation of Bodies Corporate's fiduciary duties as stipulated by prevalent legislation.



# SECTIONAL TITLE SOLUTIONS

## 3. OFFERING

---

STS offers two services under its Levy Collection and Sectional Title Advisory Solutions offering, which will be offered depending on the Body Corporate's needs at any one time. Given the large amount of time spent by Trustees in the assessment of, and the providing of instructions on, legal reports received from levy collection attorneys, STS offers the following services to assist Trustees and / or Administrators with this complex time consuming task:

- a. A **Legal Monitoring and Advice Service** in which STS assesses, monitors and advises the Managing Agent / Trustees and / or Administrator on the progress being made from the legal reports received from the Bodies Corporate relevant service provider. The Managing Agent / Trustees / Administrator will be provided with a monthly report, produced by STS, which will include:
  - (i) Each levy collection matter in an easy to read format;
  - (ii) History of the matter and current status;
  - (iii) Proposed actions / instructions to the Managing Agent / Trustees / Administrator on what should be done next in each particular matter; and
  - (iv) Identification and reporting of patent and latent bottle-necks.
  
- b. A **Legal Assessment, Advice, and Enforcement Service** which includes the basic services as mentioned above, with the following additional services:
  - (i) The STS legal team will interrogate the internal processes and quality of the legal services being performed by the legal service provider;
  - (ii) Create explicit protocols which the legal service providers will be instructed to implement so as to render their service more efficient; and
  - (iii) Take certain needless decisions off the shoulders of the Trustees or Administrator, by recommending crisp standing instructions for a variety of occurrences in the legal process.

These services aim to provide advice on the complicated (but necessary) relationship that exists between Trustee / Administrator / Managing Agent and the Legal Service Provider. These can be seen as the three corners of the triangle that forms a Body Corporate's functioning legislative levy collection responsibility, where STS actively renders the lines of communication between the Trustees and the service providers both meaningful and efficient.

