COMMUNITY SCHEME FINANCE

UNPAID LEVIES IN SECTIONAL TITLE SCHEMES
(By Nina Bulteel)

Nina Bulteel

The ugly duckling of communal living in South Africa.

When one thinks about purchasing a property to call “home”, many seem to be gravitating towards community-living. The pros seem to be endless, right? Better security; at times, it is more affordable to purchase a unit compared to a free-standing house; having a sense of community amongst fellow owners; combined efforts to maintain, repair and improve the common property and the Community Scheme overall.

It is very easy to get swept up in this idyllic notion, all the while forgetting that there is also the very real possibility of instead buying into the sharing of an almost-inescapable frustration when things do not always go as planned at the last annual general meeting (“AGM”).

One significant point on the agenda at any AGM is the Community Scheme’s annual financials, which typically involves the presentation of the annual budget as well as the auditors reports and so on. However, this discussion does not always include the necessary debate about what could happen to the scheme when (not ‘if’) some owners unexpectedly stop paying for their accounts in full.

The truth is, it is easier to be an ostrich with one’s head in the proverbial sand than to recognize that, without the necessary funding, the scheme may have to say goodbye to basic supplies and services, from things such as electricity supply to security services to general maintenance. Then comes the question of how a body corporate in this predicament go about recovering levy arrears when legal fees have to be paid?

Without having the gift of fortune telling, it is a tough task for Trustees and Managing Agents to predict the extent of the financial deficits that may arise from non-payment of account(s), especially in bigger Community Schemes with many owners. In a similar breath, it is not always easy to know of and cater for a neighbour’s financial struggle before it is too late.

In response to these common challenges, ZDFin (PTY) LTD has consequently designed the levy finance solutions product, which is aimed at effectively rehabilitating community schemes by advancing levies on a monthly basis while managing the collections through our own in-house team of legal advisors and accounts managers.

Contact us for more information about our specialised products and services and how they could help your Community Scheme in need.

ZDFin

COMMUNITY SCHEME FINANCE

- Administration
- Equipment Rental Finance
- Executive Managing Agent (EMA)
- Insurance
- Levy Finance and Specialist Collections
- Loans
- Overdraft Facility
- Unfinanced Levy Collection

THE FINANCE COMPANY FOR COMMUNITY SCHEMES
ADDING VALUE, ONE SOLUTION AT A TIME

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