

Mutual Heights

Darling Street, Cape Town
<http://www.mutualheights.net>

News from your Trustees

Edition 14

February 2009

Dear Fellow Owner,

Belated greetings for the New Year from your trustees. Let us hope that it brings more joy and prosperity to the world than the last year did, but I must warn you that the coming year will be a challenging one for our community in the Mutual Building.

Good news first, bad news second ...

Annual party:

The decision to hold the annual party in January is vindicated. The party was a great success, and was enjoyed by many more people than were previously able to attend the "Christmas" party. Our warm thanks go out to Paul Rippon (for initiating the idea), to Christine and Jason (for getting stuck in to some of the details and making it happen) and to Charles Keefer (who, he says, picked up some of the loose ends!). There is already talk of having more than one party per year, more of which later, no doubt.

The building:

You will recall that there was concern at the AGM about damp penetration in the building. We have been consulting with experts and gathering the evidence, and it seems that about one unit in ten has a significant problem with damp, usually through the walls or the window frames.

The plan:

We now need to move on two fronts: first we need to do all that we reasonably can to sort out the problems before the winter sets in again, and second we need to establish to what extent the developers let us down (if they did) by not attending to these problems properly during the conversion of the building. We have selected an expert on the waterproofing of South African buildings to advise us who is independent of the developer. He is tasked to assess the problem in detail, to advise us on cause and liability, and to propose appropriate remedies.

He has suggested a very pragmatic approach to dealing with the practical issues problem. Basically, he is suggesting that before we make any general assumptions about the causes of the damp (and the necessary remedial actions) we should attend to ONE apartment in great detail, doing whatever is necessary to find out what is going on, to develop appropriate remedial works, and to make plans for more general remedial works in the other units on that basis.

What you need to do:

For now, we ask you to do three things:

- Make final submissions about damp penetration in your unit(s), if you have not already done so. Just to be absolutely sure, the management office will be sending the survey form off to every owner, by registered post; if you have submitted your survey form and there is no change, then you need take no action.

- If you have registered a problem, please be prepared to provide access to the consulting engineer should he require it. It will be impossible for him to come to do inspections at everyone's convenience, it is much more likely that we will nominate two or three days when he will be here, and therefore you will be asked to provide access to your unit(s) on those days.
- If you would like to offer your apartment as the "test case", for detailed and early examination, then please let us know. Bear in mind that this will almost certainly involve some construction (or "de-construction"?) work, and it might not be a simple "quick" job ...

Budgets

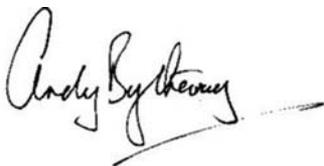
We have been looking very carefully at the likely financial situation over the coming year, and a substantial increase in the levies has become unavoidable. Several factors are working against us here:

- First, we have had the benefit of the income from the "Old Mutual" sign on the building. Following expiry of the agreement with Old Mutual, that has ceased. We are optimistic that we will find a new "tenant" for the wall space (possibly related to the forthcoming 2010 FIFA World Cup) but that will take a little time, and we have made no assumptions about further income from this source.
- As we were advised at the Annual General Meeting, we have to make aggressive efforts to build up our reserves. Living in a building of this stature and of such an age, means that we simply must have funds available to deal with exceptional circumstances.
- There are large increases in the cost of utilities (both past and pending). The cost of electricity, in particular, is going up far above the rate of inflation. We have to allow for an increase of more than 40% in the cost of electricity over the coming year. I am told that municipality costs comprise some 45% of our expenditure, and we can not avoid them.

As in previous years, we have applied a general increase of 8% to 10% to routine budget items, but in order to meet the hugely increased costs of municipal charges (which, as I have explained, are in the range 20%-40%) we have to go much further in setting the new levies. Hence, it has been determined that we must make a **22% increase in levy payments** for the current year (2009-2010).

Please be assured that we review income and expenditure regularly at our meetings, and we do not accept increased costs meekly, especially in the case of the Municipality. If things change during the year, you will of course hear from us.

With warm regards,



(Professor) Andy Bytheway,
Chairman of the Trustees, Mutual Heights, Cape Town.
info@mutualheights.net