

# The Mutual Heights Body Corporate

## Fifth annual report from the Chairman of the Trustees

June 2010

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This report concerns the management of the building and the activities of your trustees for the period August 2009 to May 2010.

Four meetings of the Trustees were held in that period, the first immediately after the AGM (on 30 July 2009), at which I was re-appointed chairperson. A significant number of other "task-force" and "ad-hoc" meetings have been held, some of them with lawyers, some with representatives of the construction industry.

### Composition of the Trustees

In the period of this report, your trustees have included:

Andrew Bytheway (Chairman)  
David Falck  
Simon Hudson  
Susan Lieberman  
Paul Rippon  
Dion Williamson

I would like to express my appreciation of the time and effort that trustees and the task-force members have put in, for everybody's benefit.

I would also like to acknowledge the assistance provided to the trustees by the members of the "damp penetration task force": Dennis Schwultz, Iain Low and Chris White.

### Financial matters

The financial reports are available elsewhere in the meeting papers, and it is not necessary to dwell on the details here. At a time of soaring costs, it was a relief to be able to propose and apply a more reasonable increase in the levy this year. However, the costs of maintaining a 70-year old building are beginning to make themselves evident, and we will come back to the question of dealing with the work that is necessary on the building. We still have our "business" on a sound financial footing where other bodies corporate are really struggling with overdrafts and the costs of borrowing. We still face uncertainty about the extent of the valuation settlement with the municipality but we have paid up all that was demanded under the disputed valuation, and we await the outcome of the appeal. It may be (if we succeed) that we get a rebate.

The need to deal with the short-term and long-term maintenance of the building was noted last year, and we now have plans in place. Let's talk about the building next.

### The building

#### *Damp penetration*

Work has begun on the damp problems. Selected windows have been removed, disassembled, inspected and re-constructed. We now have a reasonable basis to estimate the costs involved there. A short section of the caulking between the granite blocks has been removed, investigated and replaced, confirming our expectations of the costs of renewing the caulking. The most urgent work on the most problematic apartments has been evaluated and work is in hand.

We must then attend to the walls and the windows on a progressive basis. We have to decide at what pace the work should proceed, and how it will be financed. We may win our case against the developer (see the separate legal report below) or - if we lose - we will have to pay for it ourselves.

That sounds like bad news, but the simple truth is that every building needs maintenance, and a 70-year old building of this calibre will always have special needs.

At this stage, my personal opinion is that there is probably a 40-year cycle of work that will be needed on the exterior of the building. It might be 30 years, it might be 50, but over that period the walls and windows (and other features of the building, no doubt) will need attention. Therefore, I think we need to plan for a steady expenditure on the fabric of the building that is tolerable, and that will make sure that the job is done.

In fact, our survey of the damp problem shows that there are only 16 apartments reporting "serious" problems, in the view of the occupier or owner. 28 Apartments are reported with lesser problems. Needless to say, all this evidence is being fed into the legal process (see below) and it is quite persuasive. Let's hope for the best when it comes to the legal crunch.

## **Legal process**

If you have been reading the newsletters you will be aware that we have initiated legal proceedings to make a claim for the cost of the remedial works arising from the damp problem. We have had meetings with our instructing attorneys and senior counsel and although these things progress so slowly (we have learnt to be very patient) we really have made progress.

At the time of writing, there is a little more work to do on the estimation and documentation of costs, and we have to decide whether to go for arbitration or to go the whole distance. We are warned that if this goes to court, it will be at least six months for "pleadings", and then three years to get a slot in the court schedules. That is, of course, far too long and you might expect that all our efforts will be to keep the pressure on the process and to find an effective way of bringing it to a conclusion much more quickly.

Anyone with experience of these things is welcome to come and talk to me, or to Paul Rippon. Paul's extensive experience in London has been immensely useful (and has probably saved us thousands of Rand in terms of lawyers' fees) but there is no reason to think that things will go in the same way here. Please share your ideas with us. Thank you.

## **Community**

It was good to see support for the annual "New Year" party. Next year we are thinking of doing something different (and probably quieter!) so ideas are welcome. Let's continue to think about ourselves as a community, but without intruding upon people's privacy of course.

### ***Communications***

I have circulated only three newsletters this year, but I hope that you feel you have been well informed about progress on the critical fronts. Comments have been forthcoming as a result, and for that we are grateful.

I also endeavour to keep the web site up-to-date, not always as promptly as I would wish, and if there is any way we can improve the web site let me know so we can consider making it work better. It is what is known as a "static" web, there is no interactivity. If you want to have that, then we could work on it!

Whilst we think about the web, the internet service provider (Dynacom) has proposed a revised arrangement for internet service providers - it originates from the problems with short stay visitors, who presently need to check out their "MAC" address and send it to Dynacom before they can use the service; they now propose a "bundle" arrangement whereby anyone with a credit card can buy a "bundle of data" and use it from the building (you would get a log-on and password to make the connection). We need to give this a moment at the meeting so that we can decide whether to initiate these new arrangements. We are conscious that the availability of low-cost uncapped services from the main providers seem to provide better value for money, we need your views on this.

### ***Safety, Security & Services***

I will repeat what I said last year: my personal opinion is that services generally work extremely well in Mutual Heights. Yes, there are occasional problems, but we are fortunate to have a very pro-active management. We undertook a survey of services this year, and discussed the most appropriate way to monitor the level of service delivery. Most contracts are agreed on a short-term basis, and when

service providers fall short we can change them without difficulty. There has been a special effort to improve the quality of security, and I can vouch for the effectiveness of the security staff on two separate occasions when we had visitors. I was pleased to send a note of thanks via the management office.

Elsewhere, the recycling project is working well and if you are not using the facilities down in the garage then do please consider making an effort to take your recyclable rubbish down there. It is good for us, for the operators of the scheme, and for the environment.

Do **please** let us know if you have any concern or comment about services. If you do not tell us, we might never know.

### ***That football competition***

I am not sure whether you have special arrangements for the soccer world cup, but we must all bear in mind that the profile of the residents in the building may change over the period of the competition and we need to be on the look out for strangers and those who might need assistance. There has been some concern about security arrangements, given that we are so close to the "Fan Fest" areas in the Grand Parade, and I am happy to report that additional security will be on duty over this period.

Do please let the building management know if you have any questions or concerns.

### ***Filming and road works: noise and nuisance***

There has been even more filming activity since the last meeting, and we have also had the inconvenience of noisy road works. The extent of the problem led to a meeting with the City authorities where all the issues were raised. We are assured that the City will pay extra attention to the needs of city centre residents, and that there will be more attention to the processing of film permits and oversight of filming activity (where there have clearly been problems). We were also informed that any road works outside of the permitted hours (6am to 6pm, Monday to Saturday except for emergencies) was as a result of "rogue contractors" and that this would be dealt with. Much of the work on the roads and pavements is associated with the soccer competition and will cease soon.

In short, we have done our best but we will keep a log of all incidents and keep up the pressure on the authorities. There is a complaints procedure, we must use it!

## **Final words**

This is a longer report than I intended but shorter than last year! I hope it has served its purpose and that you find it useful.

I have already thanked my fellow trustees, let me now thank Charles Keefer and his staff for their excellent service. There is always too much to do, but everything gets done. Thanks to the whole crew in the management office.

Finally, I must thank those of you who have assisted in some specific way with the "remedial works" and the "legal" task forces that we established last year. We are getting there.

With warm regards,  
on behalf of the Trustees,



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