Another Form of Group Areas Act in a Democratic South Africa – Complex Homeowners Dilemma

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Abstract

South Africa comes from a bitter period of apartheid where human rights of property ownership were violated through racially biased legislation called ‘The Group Areas Act’ of 1950 as amended. The act imposed control, based on race, property ownership and occupation in SA (Frog, 2002). The democratic government repealed the Act in 1994, but class discriminations continue. The promulgation of property rights in section 25 of the Constitution Act, of 1996, guaranteed human rights, but these rights are hard to enforce without monitoring structures. Municipalities are mandated to deliver essential services under the Public Protector’s watchful eye but are exonerated in Sectional Title Properties administered by bodies corporate and trustees (Bc&Tru). Managing sectional title properties presents multifaceted challenges, as competing interests of several stakeholders (i.e. Bc&Tru, owners and tenants, popular with the elderly and university students) must be reconciled (Whiteoak and Guilding, 2009). This paper examines the homeowners’ dilemma, when moot bills and penalties result in water and electricity disconnections affecting dwellers lives. Potential abuse of power as well as conflict of interest by Bc&Tru is noted. The paper aims to highlight the need for an Ombudsman to regulate Bc&Tru to enforce accountability and protect rights as granted by the Constitution as the property rights of vulnerable people such as the elderly and tertiary students are violated. Qualitative method was used, through snowball sampling technique to access interviewees. Data also includes a summary of six complainants on “Hello Peter” an online service that refers allegations to perpetrators to defend their stance. Results: An unlegislated ‘Group Areas Act’ is back to haunt a democratic society, but this time based on class and wealth, not race. Sectional title homeowners loose their right to basis services and ultimately the value of their homes. Water and electricity disconnection renders properties uninhabitable despite settlement of such services, a disguised dispossession.

Keywords: Bodies Corporate, Trustees, Student tenants, Abuse, Water & Electricity disconnections, Uninhabitable Property

1. Introduction

The ownership of sectional title properties in complexes is becoming popular as a type of residential accommodation worldwide, and particularly in SA for the security offered by complexes. Property rights are now enshrined in the country's constitution in section 25 of the Constitution, Act, of 1996, and (s 37(1)(a)) requires the establishment of fund which is usually administered by elected trustees.

In some cases a managing agent utilized to assist trustees to maintain common property and uphold complex policies, pay rates and taxes, water and electricity charges etc. (Delport, 2005; Segal, 2004). Trustees must be principled, ethical and even-handed as their decisions and behaviour have a direct effect on body corporate members and the value of their property. There are no specific credentials required for eligibility to be elected for this critical job and neither are they trained or given the materials needed to do so (le Roux, 2013; McWilliams, 2007; Van der Merwe, 2011). This lack of specifications and expertise, but where duties are based on implied understanding may create unrealistic expectations for unit owners as well as abuse of power by those on the board of trustees or in the body corporate (Adams, Disberry, Hutchison and Munjoma: 2002). Often their roles are misunderstood, abused and sometimes cause disharmony especially when dealing with people in different economic classes. The roles may lead to elitism and opportunistic use of community resources to the detriment of more vulnerable members, resulting in serious repercussions both legally and financially. (Jacobs: 2011; Le Roux: 2012).

Decisions made by Bc&Tru, guided by inputs from the managing agents, have a serious bearing on the value of their sectional title, almost invariably determining complex’s property prestige or deterioration and loss of value (Henry, 2013). Properties may turn from treasure to trash overnight simply because of the management style of Bc&Tru. Bullies tend to be attracted to sectional title investments and there are thousands of people who have been pushed out, endured
atrocities and ill-treatment under their rule (Jacobs, 2012; Pillay, 2008). Homeowners are be browbeaten, their rights and opinions trampled, to a point where they feel worthless and helpless as the value of their property take a dive for the worst, but how can homeowners seek legal redress? The courts have potential to remedy any violation of a person's rights, but this route is too costly for most people who are already struggling to make ends meet. Many cannot afford the expensive legal action especially when it is a battle by an individual against the Bc&Tru giant whose legal fees are financed by the very victims. In SA these civil court cases are habitually lengthy and like many others in the world, do not guarantee punitive measures for the perpetrators nor redress for the victims.

The theoretical context of this paper is informed by agency theory, which is a branch of financial economics that looks at conflicts of interest between people (eg. between company managers and shareholders) having different interests in the same assets (Lambert, 2001; Pietersz, 2005-2013). This conflict of interest is called agency problem, which arises when managers place their personal interest and goals ahead of their shareholders (Gitman and Zutter, 2012; Marx and de Swardt, 2014). In this study, the conflict of interest is happens between owners and/or tenants, and Bc&Tru with the blessing of managing agents. According to the review by Jassim, Dexter and Sidhu (1988), several studies indicate that managers substitute their own interests in place of the shareholders or those that they are supposed to represent; this is made possible because managers possess more information about the firm (complex), control the election procedure to the Board of Directors (Trustees), and the shareholders (sectional title holders) are widely dispersed. The agency problem phenomenon is endemic where Sectional Titles exist as well as where South Africa's progressive Constitution applies except for those who can afford the legal route to enforce their rights.

1.1 Research Method:

The study used qualitative method by interviewing five (5) former and current homeowners from a Johannesburg complex using a snowball sampling technique. The interviewees were accessed through references from one victim to another, who have come to know each other through their common struggle. The interviewees were requested to express their experience with the management style of the Bc&Tru of their complex. Responses were recorded and then transcribed into text, grouping common ideas into themes.

The researcher sought participants' consent before starting with the interview and the purpose of the research was briefly explained. Interviewees accepted the invitation without prejudice and were made aware of their right to withdraw at any point during the interview. The fact that their identity would not be disclosed and that their responses would be presented in the form of codes that could not necessarily be traced back to the originator eased their uneasiness about publicity.

Data also included a summary of six complainants on “Hello Peter”, an online service that usually refers complaints to the alleged perpetrators to allow them to defend their stance or explain their position. The site is also an important record keeper (for historical complaints and compliments from its clientele) for a company's image as well as a source of reference for users who wish to establish the reputation and history of service providers for products and services they may require for their business or personal use. In this research, the site was used to establish the public reputation of Bc&Tru in the view of complex homeowners. Their management style is considered to be influential to reactions to property: either leading to property abandonment with ultimate devaluing, or prestige that appeals to buyers and the financial institution's support required in the property market.

From the analysis of participants' responses, the following themes emerged: How homeowners experienced Bc&Tru management regarding billings, levies, water and electricity, causes of disputes, and how their management style impacted on the value of their properties and reasons for placing it on the market when selling.

1.2 Research limitations:

Information from this research must be used with caution when interpreting and generalising the results because the study had a small sample size which may have a bearing on the results.

1.3 Practical implications

This paper highlights the plight of homeowners and, at times, tenants in complexes; this form of accommodation is popular with retired people and university students who could not be accommodated into limited mainstream residences.

The need for a Bodies Corporate Ombudsman in SA is long overdue as the problems impact on other pressing issues of higher education, crime reduction and housing, as the country is battling to overcome the housing backlog
which is made worse by property disposessions created by past policies. The problem may have been unintentionally
downplayed because of the non-existent statistics from formal structures to keep track of the real issues or understand
the impact it creates on ordinary people. It can no longer be business-as-usual, else the housing problems may escalate
to irrevocable stages.

2. Background and Housing Perspective in South Africa: Home Ownership in Complexes in Gauteng

The paper aims to highlight the need for government to regulate Bc&Tru through an industry Ombudsman, to mediate
and enforce provision of essential services like water and electricity and appropriate billing. This service should ensure
that Bc&Trus are held accountable when their actions render the economically weak and vulnerable holders of sectional
title properties uninhabitable and ultimately affecting the market value. The lack of systems to hold the Bc&Trus
accountable for their actions may render the constitution not worth the paper it is written on.

2.1 South African perspective and how other countries enforce compliance – a case of Australia

Housing has the potential to contribute positively towards all aspects of development in human life such as psychological,
social, economic, cultural and institutional (van Wyk and van Wyk, 2001) whereas homelessness brings a sense of
worthlessness and shame especially to parents who cannot afford to house their families. A new distinction has emerged
and economic status and class defines the direction the country is taking in complex housing. In South Africa, Black
people have been systematically exploited and oppressed economically and now the country has one of the world's most
unequal patterns of distribution of income wealth (SAAM, 2012). For decades, forces within the white minority, now joined
by a few black elite, have used their exclusive access to political and economic power to promote their own sectional
interests at the expense of the majority of people (RDP document). The very structures that acknowledge the existence of
these atrocities are however silent about restitution as a key element to reduce poverty and minimize inequality other
than simply enshrining the rights and obligations in legislation and hoping it will be complied with. Unfortunately, hope is
not a strategy, and without structures that enforce and oversee compliance with legislation prescripts, the desired results
would be neither achieved nor recorded.

Economic deprivation in South Africa has created a fertile base for the violence and instability now engulfing our
country, and the economic outlook is not improving but worsening, putting the majority of blacks in a perpetual state of
economic depression. The disparities have existed over many generations (SAAM, 2012) the 'now' generation must act
decisively to address the huge housing backlog which they have inherited, and which impacts so directly on other critical
issues as mentioned by van Wyk and van Wyk (2001).

Other countries take their housing issues beyond legislation and put support structures in place in order to protect
the interest of homeowners and tenants. The Australian Body Corporate and Community Management Bill 1997
Explanatory Notes, p 6 ... provid[es] an avenue for additional Regulation Modules to be developed and specific problems
to be targeted in specific schemes, (Everton-Moore, Ardill, Guilding and Warnken, 2006: p5). Targeting specific problems
is effected through different spheres of support such as the Ombudsman SA to investigate housing complaints,
Commissioner for Consumer Affairs to assist with rights and obligations, Tenancy officers to mediate disputes, negotiate
to reconcile and then refer maters which could not be settled or reach a consensus to Residential Tenancies Tribunal.
(Consumer and Business Services, South Australia). The country's regulatory structure is based on the fundamental
recognition that different community title schemes have diverse needs and problems that no single piece of legislation is
able to accommodate, thus to protect the rights of the people Services officers have to base their actions on the objective
facts and circumstantial merit of the case. (Consumer and Business Services: South Australia). Whether these structures
are effective or not, is a subject outside the scope of this paper.

It is accepted that large sections of the community cannot exist without intervention and it is the duty of the
Municipality to support and ensure that citizens are able to access their constitutional right of having access to basic level
of services (Amathole District Municipality. 2013/14 :4; Amahlathi Municipality). How this commitment translates into the
actual delivery to be experienced by the people on the ground and that their rights are protected, is a matter that this
paper intend to address.

2.2 Group Areas Act (of 27 April 1950)–A repeat of the country’s History to be avoided at all cost

Group areas were created “for the exclusive ownership and occupation of a designated group” (Christopher 1994: 105). It
further became "a criminal offence for a member of one racial group to reside on or own land in an area set aside by
proclamation for another race” (Dyzenhaus 1991: 71). During the period before the act was introduced; people of different racial groups were living side by side in harmony. After its introduction people lost their properties and their sense of community that they had created in the period they lived together.

Living Conditions Post Group Areas Act of 1950


Source: (South End Museum) (assessed 3 June 2014).

These were the results of the National Party’s Group Areas Act passed on 27 April 1950. Complete destruction of buildings simply because they had formerly belonged to people of another skin colour was accomplishing, firstly by bulldozing the structures, then burning to the ground whatever remained.

The Reconstruction and Development Programme and other programs within the Ministry of Human Settlement are trying to address the housing backlog especially to house people who are low-income earners or are unemployed. The need is endless and it would take some time to cover a satisfactory number of those who qualify. Unless people who are in the middle income bracket are protected in their endeavour to house themselves, especially those in complexes, the country risks increasing the waiting list even further. The legislation is there, it just requires structures and systems that will enforce its compliance and hold those who violate its prescripts accountable. South Africa needs the services of an Ombudsman for Bc&Trus so that they can be held accountable for their deeds and on the other hand protect the interest of homeowners in an affordable and effective way.

3. How Homeowners Experience Management of Bc&Tru and Billings

Many complex homeowners have concerns with their billings and dispute them because they are either too high, unreasonable or unfounded because users are usually expected to settle the bill presented without the opportunity to validate its accuracy based on evidence or self-re-examination of the readings. The problem is even more difficult if it involves tenants because homeowners are liable for their property’s outstanding water and electricity consumption charges, which they can recover from, tenant if they are able to (Kelly-Louw, 2004). Sometimes the bills include penalties
and charges for sending a warning letter for violations of the scheme’s rules and regulations, whether justifiable or not. While Bauer (2010) argues that trustees have a thankless job, the reality is that the majority of homeowners have suffered because of abuse by Bc&Trus and their mismanagement, which overwhelms and taints the image of those who are true to the cause and serve their communities well.

The SA Rental Housing Act 50 of 1999 requires a landlord of a sectional-title unit to attach a copy of the scheme’s rules to a lease agreement in order for tenants to know the rules that bind them (Paddock, 2008; Kelly-Louw, 2004). The Bc&Tru, together with managing agents cannot however declare a dispute with a tenant who causes a nuisance, as arbitration forums are between bodies corporate and owners and between owners and owners; thus it is the owner’s responsibility for tenants’ behaviour and penalties charged. The Act’s revision Section 28 and 29 protects Municipalities further, as they are entitled to recover rates and taxes from tenants, occupiers and agents up to their rental amount to pay on behalf of owners.

4. Part 1

4.1 Exhibits: Interviewees responses to the question of billings from Bc&Tru

4.1.1 Respondent one (couple -intended use of the flat: for their children still at high school)

Our tenants were two students and we had many complains from the BC&Tru about overcrowding at the flat which they disputed out-rightly. We learned form investigations that their sister had visited them. We got letters of demand for loud parties and overcrowding, each with a penalty of up to R500. These were at our expense as the students were adamant, rightfully so, that they would not live in solitary confinement. When the penalties were not paid immediately, electricity was switched off causing serious disputes with the tenants’ parents. Luckily, water was part of the levies.

The scheme chairperson bragged that without electricity nobody would live in the flat. In previous instance we were forced to find a temporary flat for the students at our cost as the parents called us at midnight demanding immediate connection as their children were writing exams. The Bc&Tru demanded settlement of account including (disputed) accumulated penalties before they reconnect. The flat was without electricity for +two months and empty.

4.1.2 Respondent two (couple who expected to relocate to Gauteng but it did not happen)

Please do not open up my wounds, I wish you had the powers to claim my +R20 000 withheld by the buyer’s Lawyer claiming it is for electricity we owed the Bc&Tru without proof and Municipality disputing the claim. The Lawyer demands the onus on us to prove we do not owe them and disregard our payment proof. Our troubles started when we gave Bc&Tru a complaint copy to Municipality that they gave us a wrong bill for a flat in another complex. The bill was later corrected and we arranged and paid accordingly.

The disconnection continued after Municipality’ prepaid meter installation, some lasting up to three days, and the same reason given. Each disconnection followed Bc&Tru’s fabricated cost recovery (for replaced geyser, penalties for stealing garden flowers (no garden) etc. At some point, we had three disconnections in one month, making it impossible for anybody to live in the dark with spoiled food. Bc&Tru made it almost impossible to find tenants. We eventually sold the property out of frustration, for a fraction of its market value and on the buyer’s terms. The buyer said he was told we did not pay electricity (prepaid?), and were not disconnected as we bribed Municipal officials (person’s version of black means bribes). We had to pay even double for some of this claims. We sought legal help but it only escalated the costs but no justice served. Reality is Bc&Tru are untouchable.

4.1.3 Respondent three (divorced father – with regular visits of his children)

My rates and taxes are +R3000 per month and the complex is in a state of disrepair, no way justifying such high payment. I could not afford the amount together with exorbitant electricity and water bills. My attempt to come to some agreement with the Bc&Tru, fell on deaf ears.

My electricity has since been disconnected and I am without the service for more than a year now. I live on a bare minimum free water level of 6kilo-liters per month, which I can hardly do much with that little supply.

I am stuck with the property; I cannot live in it, lease it nor sell it out because nobody wants it. I am even tempted to abandon it without recovering my costs just to save myself from the headaches.
4.1.4 Respondent four (single parent with a small child)

I bought property using all my savings hoping to have a place of my own after renting for ten years. Immediately when I took occupation after registration, I realized there was no electricity. When I enquired, Bc&Tru told me the property has arrear water and electricity bill amounting to thousands of Rands. I am affected as a new owner as the bill must be paid before they reconnect me. The old owner is not reachable and I am stuck. Inability to access these necessary services has exposed me to crime. I was robbed at night in the dark and my house cleaned by thugs. Each time I need a decent bath or a meal I must drive to my parents home (+20km) away. I am scared to leave the house unattended as I may find the roof and doors gone and when I am in it I risk being killed in the dark.

This is a catch twenty-two situation for me. Is there help anywhere? I do not enjoy democracy at all.

4.1.5 Respondent five (home-owner turned investor) now almost bankrupt

I used to help destitute students and those who were on the university’s waiting list until I decided to move out and rented my home as student residence. I considered living near the university as a blessing from which I could supplement my income only to find myself in the middle of Bc&Tru and the students. It was as if this people do not have children of their own. These students were not angels but I think Bc&Tru was also exaggerating their action when they turn off water and electricity. How would they use the bathroom and study in the dark?

I could not stand the fights; so i sold the property cheap, just to get out of it quickly. You can guess who bought it. I am now struggling to maintain my existing bond because I do not have the additional funds I used to have.

4.1.6 Respondent six: First time buyer

I am fortunate to have bought this property in the complex I live in. My estate agent was also a lawyer who did his homework and was honest about what to expect. The place is clean, gardens are rosy and the environment and building are the envy of many investors and owners. Paying +R2000 for levies, electricity and water is cheap for the security and beauty we receive here. We hear of people who pay far more for fewer services. Bc&Tru live in the complex and are quick to respond to our problems. We have a newsletter that update residents about the monthly activities, how our money is spend, problems experienced and how they were resolved. Everything is open and we try to get involved as much as possible.

I have just learned that it is not easy to find a property for sale in this complex, they are scarce and prices increase very fast.

Unchecked water and electricity disconnections for reasons other than for nonpayment of the relevant service perpetuate and expose homeowners to abuse and distortion of justice; whereas similar injustices in countries such as America have structures that challenge counter legislation activities or misuse of protective law either indirectly or directly. Examples such as the use of credit ratings to deny rental subsidy applications and arbitrary rights and obligations of tenants were picked up and challenged head-on (Brown, 2005; Jones, 2011). In South Africa, if the rights of the elites and connected people were protected the same way as those of the poor, then such information is not well documented or publicized. Rather what is echoed is problems or complaints that remain unresolved. The fact that public companies and service providers fail to respond when given a chance to give a good account to defend their action publicly on an online consumers complaints platforms such as ‘Hello Peter’, does not portray the country in a good light. Here are some such issues not accounted for:

5. Part 2

5.1 Exhibits From Hello Peter (online service for consumers to voice their concerns – as is)

5.1.1 Body Corporate does as it pleases!!!

Would anybody out there pay a “special levy” enforced by a Body Corporate (approx. R500 per month, over and above the monthly levy) for supposed arrear electricity bills that amount to R5m for the whole building? Would anybody out there pay the “special levy” without being given full disclosure as to how the amount was calculated, apportioned and without
seeing the original electricity bills? Potential purchasers beware of the Park Avenue Body Corporate who manages the building that goes by the same name in Killarney, Johannesburg!

As for the head of the Body Corporate, *person in charge - shame on you for never replying to one of my emails and hiding behind the managing agent who runs an equally sloppy accounting system. I will not pay a cent until I have FULL disclosure – be assured!

Non-disclosure and lack of accountability of Bc&Trus is one of the most common problems homeowners and tenants complain about, especially regarding financial management, resulting in non-payment of services. There is no need for municipalities to act against tenants, because owners are now compelled to pay arrears, (even where the municipality had contracts with tenants themselves) before they can sell or lease their properties. Section 118 of the Municipal Systems Act, allows a Municipality to hold landlords accountable for their tenants' water and electricity arrears. It also means that there will be no need for municipalities to act against tenants, because owners are now compelled to pay arrears, even where the municipality had contracts with tenants themselves (Kelly-Louw, 2004).

5.1.2 Are body Cooperates a law unto themselves? What does catchy words like ‘You are in good hands’ mean? .. four (4) complains summarized

We are property owners of flats in the block of flats .. For years we have been paying into the account of sectional title, for levies, special levies, electricity and water and they in turn have just pocketed our money and never paid a cent to the municipality for services despite the fact that we paid them. Now the municipality after being fed up of trying to get their money (millions) have switched off the water and electricity at the flats. Sectional Trusts are the worst managing agents ever.

They always shift the blame, we live in hell without water and electricity, and municipalities can't help us. The Estate Agency Board and the Consumer Protector must save all South Africans from these slimy /greedy**!

5.1.3 Over Charged for Water!!! Does anyone care to act for us?

I have recently learnt about this website, I have been trying to resolve this problem for the last year no one can give me a straight answer. My mom is a 72 year old Widow who is a cripple; I had bought a Duplex for her. We received a summons from *complex lawyers’ for a water account, which was in arrears for R700.00 plus with Lawyers fee, was about R2500.00. We made an arrangement to pay this off and later received a second summons, which claimed a further R8000.00. I had called *their lawyers and they could not give me any answers as to why I am billed a huge amount for water. I was pushed to pay over R13 000 for a R700.00 water account.

We have been everywhere to explain our case and that my mum was in and out of Hospital and she had lost her knee she could not walk for three years. I have a stop order for levies every month. They showed no compassion and they instructed “their lawyers” to attach an old widow's furniture. I had a medical bill handed to a lawyer for collection but didn't result in the thousands.

Although these complainants' records from ‘Hello Peter’ show that they were forwarded to the companies concerned, allowing them an opportunity to respond and give their side of their story, or defend their position publicly, none of those involved bothered to answer the complaints. Those with compliments must surely be attractive to would-be sellers and buyers in terms of both the property and the estate agent’s concern.

4. Analysis and Findings

The results show that many homeowners dispute moot billings, and unreasonable penalties are used by or through Bc&Tru to disconnect their home's water and electricity supply to push them away from their homes. It seems like another form of the Group Areas Act, this time based on class rather than race, is back to haunt a democratic society; it is not legislated but equally tormenting. Disconnection of essential services renders complex properties uninhabitable especially when reasons include those other than for users default for relevant account. It confirms 'agency problems' as Bc&Tru are those who would usually buy these properties for a fraction of their value. The vulnerable pensioners and university students who could not find accommodation in the limited mainstream residences are the most affected. Complex homeownership is thus becoming exclusive to the elite class who can flex their legal muscle and abusive trustees who enter the scheme for selfish reasons. The rest of the owners suffer to a point where they abandon their properties. The public domain website “Hello Peter” is there to expose the atrocities, but that is all it does. The government recourse systems such as the Public Protector and an Ombudsman exist for other fields, but none exist for Bc&Tru; this protection...
is long overdue.
Indeed every owner is a member of the body corporate scheme and has powers to elect and remove non-performing trustees (Singh, 2012). Such trustees however surround themselves with supporters who endorse their position because either they have not been aggrieved themselves or they simply do it with the hope that the incumbent would protect their interest in return.

5. Original Statement and Significance of the Study

The results of the study suggest that the repealed Group Areas Act of 1950 (amended in 1957) might come back to haunt a democratic SA society. This time not racially based but economic class related; not legislated but equally tormenting. Sectional title property serve an important sector in the housing market however there is scarcity of research (almost non) directed towards understanding the idiosyncratic management issues that can arise (Whiteoak and Guilding, 2009). Scholarly literature is also silent about how Bc&Tru’s management style influences a home-owners’ unpretentious or obnoxious complex dwelling except in Law, citing cases to validate liquidations, tax and creditor liability etc. claims. Only electronic media and print occasionally highlight the homeowners’ dilemma. The critical security role played by these complexes is not underestimated although the owners’ professed gross violation of their right in the hands of Bc&Tru cannot continue to be ignored. The future of these complexes is put into perspective to explain why the absence of a regulatory body (or Ombudsman) threatens middleclass property ownership extinction.

The paper findings intend to inform policy makers of the necessity to hold Bc&Tru to account to a regulatory body in order to protect the owners’ interest and the vulnerable without breaking their backs and their bank account. In a country with a high crime rate like South Africa, the sectional title sector plays an important and meaningful role to the people who are dependent on them for survival and security.

6. Recommendations

It is necessary to provide inexpensive redress to sectional title homeowners and tenants in the form of an Ombudsman to provide reconciliation services where there are disputes and misunderstandings between homeowners and the Bc&Tru. Sectional title dwellers provide for their own accommodation thus relieving the government from the dependency burden in housing provision. Water and Electricity must be given special attention, as part of the policy prescript and requirement that any such disconnection must be purely for non-payment of the service, and excluded as a bargaining or bullying tool to force residents into certain behaviour and compliance mechanisms. Without heeding this call, people who are dispossessed will join the majority of the poor who are demanding free housing from the government already. The complexity of housing and security demand is already a thorny issue in South African society, and inability to protect the interest of the vulnerable (the elderly and students), will impact negatively on other important sectors like social services, education, costs, safety and security in the country. Over and above these, the sectional title housing market will plummet to levels that impact negatively on the country’s Gross Domestic Product (GDP).

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