



**UCT Sectional Title Development Course**

**Part 1 - Definition of the developer**

- Various types of title and tenure
- Sectional Titles Act legislation
- Sections of the Act
- Regulations
- Role of sectional title developers in provision of housing, resort, commercial, industrial and retail developments

**Part 2 - Pre-sales activities**

- Resolutions and authorities for signature of contracts and documents
  - From Social Housing Budgets to Scheme budgets
  - Process cost estimate
  - Setting service provider training requirements and standards
- Local authority liaison
  - Valuation department
    - valuation of units
    - valuation roll and objections
  - Billing
    - separate rates bills for units
    - separate metering and billing of services to units
    - general service delivery
  - Building survey
    - audit building plans to ensure all structures approved and no encroachments or other town planning contraventions
    - ensure understanding of process for future approvals
- Selection of suitable insurers
  - Arranging for appropriate insurance cover after opening of the register
  - ring-fenced excess provisions
  - separate billing
- Valuation of units for sales and insurance purposes
  - obtain copies of current diagrams
  - check no encroachments
  - locate servitudes
  - check location of buildings and necessity for any notarial ties or consolidations
- Land survey team and service providers
- Scheme management team and service providers
- Selection of suitable attorneys
  - Negotiating with attorneys rates for scheme establishment and conveyancing work
  - Deeds office searches for irreconcilable conditions and certificates of conditions and suitability
  - Locate title deeds
- Selection of suitable financing institutions
  - Arranging mortgage finance
- Tenants
  - Establishing updated tenant rolls
  - Arranging re-location where appropriate
  - Establishing tenant capacity to purchase
  - Obtaining written evidence of waivers of pre-emptive rights
  - Tenant education
- Development conditions
  - pre-emptive rights
  - management control
  - considering an over-arching management body

**Part 3 - Sectional plan**

- Who should be involved in the design process?
- What areas should be sections?
- What exclusive use rights should be created?
  - Should domestic quarters be tied to main residences or part of the same section?
  - Should balconies form part of sections or be subject to exclusive use rights?
  - Does the scheme need areas of limited common property?
- Capita selecta

**Part 4 - Future development rights**

- Reservation documentation
- Correlation to real rights imposed on opening of register

**Part 5 - Scheme rules**

- Management
  - Exclusive use
  - Notional participation quotas
  - Multi-tier scheme
  - Debt recovery
  - Dispute resolution
- Conduct
  - Short-term letting
  - Pets
- Drafting of rules

**Part 7 - Sales**

- Attorneys
  - Liaison with prospective mortgagees
  - Management of sales process
  - Bundled costs
- Marketing activities
  - Existing tenants
  - Others
- Sales contracts
  - Full equity sales
  - Part equity and leasehold sales
  - Mandatory disclosures

**Part 6 - Scheme contracts**

- Employees
  - Managing agents
  - supervisors
  - gardeners
  - cleaners
- Other contracts
  - insurance
  - security
  - painting
  - building maintenance
  - plumbing
  - gardening services

**Part 9 - Approval of the Sectional Plan and Opening the register**

- Documentation
  - Conveyancer's Certificate
  - Special rules
  - Certificate confirming establishment of body corporate
  - Title Deeds
- Processes
  - Surveyor Generals Office
  - Deeds Registry

**Part 10 - Transfers / cessions of rights**

- Rates clearance
- Transfers/cession of rights

**Part 11 - Handover to body corporate**

- First Meeting
- Documents
- First Annual General Meeting
- Dealing with the transition from tenants to owners

**Part 12 - Interim bookkeeping**

- Setting up the management body
- Training trustees

Two sets of interim accounts