



ATLANTIC BEACH ESTATE

Atlantic Beach Estate Homeowners' Association NPC

Chairman's Report

At the beginning of every year since this Board and Management team first convened in 2011, we have spent a weekend reviewing our objectives and strategizing the year ahead. This session has always followed a survey sent out to homeowners to ensure that we are in sync with priorities identified by homeowners.

In our first year we agreed that our overall goal was that Atlantic Beach Estate be an exclusive lifestyle estate providing a sustainable and secure environment in which homeowners could raise their families and enjoy their retirement years. An Estate where people would respect the rules because they respect each other; a place where homeowners are shamelessly proud to be a homeowner and outsiders enviously strive to become one.

At the same time, we identified the following strategic pillars to achieve this goal:

- Exceptional technical and manpower security solutions
- Financial sustainability (for both the association and individual homeowners – this reflected in the increasing value of their properties)
- A relaxed and considerate lifestyle environment
- Quality infrastructure in a visually pleasing and ecologically conscious environment
- An efficient organizational management structure
- An effective health, safety and disaster management strategy
- A proactive and informative communication network

In the survey conducted at the beginning of 2018, a massive 81.8% the respondents indicated safety and security to be the most important reason for them investing in the Estate. This was followed by the following 'lifestyle-related' opinions - 4.4% prioritized proximity to nature, 3.5% indicated the golf course as being their most important consideration, while 3.3% felt that the lifestyle offering was paramount. The remaining 7% represent a wide variety of differing reasons.

It is not by chance that these homeowner priorities are reflected in the first 4 strategic pillars listed above and these have been relentlessly pursued since they were initially highlighted.

Safety and Security

As pointed out in this report last year, Atlantic Beach Estate has become synonymous with security of the highest standard, this a consequence of significant investment in security infrastructure and professional staffing in the previous six years. It is undisputed that properties in secure residential estates are highly sought after and the better the security, the higher the demand for that property will be. The Estate has now recorded at least 7 straight years without a breach of the perimeter fences.

This year saw the installation of modern video analytic equipment and a state-of-the-art thermal-imaging camera network covering the perimeter fencing and the internal parks. There was also great benefit from last year's decision to employ a fulltime Estate/Security Manager with a strong security background, a security infrastructure technician and three senior operations officers. This highly-trained team continues to go beyond the call of duty to ensure the 24-hour well-being of all the Estate's residents.

Thorburn Security Solutions have continued to deliver a highly professional service to the Estate. The security officers are regularly commended by residents for their friendliness and willingness to go beyond the call of duty.

Financial sustainability of the Association

The Association's financial position and related reputation are extremely important for the following reasons:

- 1) Accumulated cash reserves are a necessary 'war-chest' to protect the interests of homeowners when necessary.
- 2) Good reserves ensure that the Estate infrastructure is properly maintained and developed into the future.
- 3) New owners/buyers evaluate and compare the level of levies and the Associations Balance-Sheet to other competing opportunities.
- 4) 'Special-levy' collections in times of need are undesirable.

A financially-strong Association will result in better value being attributed to individual homeowner properties.

The Estate finances have benefitted from a year without the legal expenses which characterised the previous two years. The success achieved by our accredited agent, Pam Golding Properties, and the related contribution of R728 thousand (2017: R489 thousand) towards the Estate's marketing expenses was significant. In addition, the reduced contribution to the maintenance of the golf-course in terms of the settlement agreement negotiated in the previous year resulted in savings of R870 thousand for the year.

As at 30 June 2018, the Association enjoyed R6.73 million in cash reserves, up from R5.5 million in 2017. This was achieved after capital/project expenditure of R1.75 million during the year.

The Association recorded an after-tax operating surplus of R1 171 116 (2017: R186 786) for the year ended 30 June 2018.

Because of the drought, it was decided to invest in infrastructure to ensure water security into the future. The estate now has the capacity to supply all homeowners with at least 20 litres of drinking water per day. In addition, we are better able to combat the effect of the drought on the Estate's gardens and have improved our capacity to fight any outbreak of fire. We are looking forward to investing in similar projects that add value to the Estate and to the lives of our residents.

Inflationary increases in monthly homeowner levies are necessary to ensure long-term sustainability and the Board accordingly approved a levy increase of 5.45 % (R120) for the 2018/19 financial year. We endeavour to keep increases to a minimum and monitor progress through monthly budget comparison and a 5-year financial forecast which is presented annually to homeowners.

The focus on collecting outstanding levies has been maintained and during this year, we reached the position where prepaid levies exceeded outstanding levies! Thank you for assisting our endeavours by making prompt payment every month.

Financial sustainability of homeowners' investments

The strategic marketing agreement with Pam Golding Properties (PGP) has been spectacularly successful in positively impacting the value of our properties through professional and appropriate marketing while also contributing significantly to the Estates marketing overheads that would otherwise be funded by levy income.

Since this marketing initiative was introduced in 2013 with the primary objective being the regional, national and international promotion of the Estate as a prestigious lifestyle estate, the average value of properties sold on the Estate have increased from R2.8 million in 2012 to R5.3 million in 2018 – an increase of 89% over 6 years. A single property on the Estate was recently sold for a record price of R18.5m. Property prices in Steenberg (the only other residential golf estate in Cape Town) have increased by 3.13% in the same period.

Pam Goldings legacy is celebrated annually by way of their annual Gold Club Achievers awards, where the best-of-the-best are recognised. At this year's awards event, Pam Golding Properties Western Seaboard, under the leadership of their Managing Director Emarie Campbell, was honoured with the following awards:

- National Rental Franchise of the year
- National Large Franchise of the year
- National Franchisee of the year

Mandy Oschman, who is Pam Golding's Atlantic Beach Estate onsite Property Consultant, was awarded Residential Agent of the Year and we take this opportunity to congratulate her on this award.

Sustaining and enhancing Atlantic Beach Estate's 'Lifestyle' offering

Our time in the previous two years was predominantly focused on the negotiations and legal action that ultimately resulted in the far-reaching Settlement Agreement being concluded with the Golf Club. This year the issue of caracal visiting the Estate and preying on domestic cats has absorbed many hours of our attention.

We remain committed to preserving and enhancing the natural flora and fauna that make our Estate so unique, while ensuring compliance with the original environmental management and planning requirements and relevant laws. We must, however, also take heed of the wishes and needs of all our homeowners. No issue during the tenure of this Board has created as much debate. It has been our job to consult with homeowners, environmental experts, legal consultants and various authorities to extract the correct facts on which to base our actions.

It was necessary to request the removal of the offending caracal to ensure that liability for a potential 'human' incident, no matter how remote, would not fall at our doorstep. It was also necessary to support homeowners who have lost beloved family pets to the caracal and it was necessary to test the resolve of the authorities and the related legislation by asking all the necessary questions.

We are still involved in the work-in-progress of forging a middle-ground solution that will both preserve and enhance the nature that inhabits our Estate while also providing comfort to those who rightfully worry about the safety of their pets. This solution involves:

- The tagging and tracking of the caracal and accumulating relevant data regarding its access points and behaviour while on the Estate, while also providing a warning mechanism to homeowners.
- The publishing of a 'Predator Manual' which will amongst other things provide guidelines to residents regarding the securing of their properties and protocols for reporting (and locating) missing pets and predator activity.
- The appointment of an Estate Game-Ranger in conjunction with Cape Nature whose role will be multifaceted but will include the monitoring of predator activity and wildlife numbers, rescuing roaming pets from naturally vegetated areas and returning these animals to their owners, capture and removal of snakes, educational talks and the maintenance of a data-base of all pets and related incidents occurring on the Estate.

While the issue of the caracal demanded much of our time over the period under review, we also forged ahead with the planning for other projects in pursuit of constantly improving our Estate's offering. Among these are:

- The acquisition of the Leisure Centre land from the City.
- The redevelopment of the Leisure centre land to include frail care and other beneficial community friendly add-ons.
- The replacement of the perimeter fencing.
- The expansion of our non-potable landscape irrigation network
- The modernisation of the architectural guidelines.
- The completion of the estate wide conversion from gravel pavements to hard surface pavements.
- The implementation of outdoor gym's and play areas for children.

In Closing

There is no doubt that Atlantic Beach is incredibly fortunate to have secured and retained the services of Harry White who continues to innovate and manage the daily business of the Estate with uncompromising professionalism and enthusiasm. Under his management Atlantic Beach has certainly evolved to be “a place where homeowners are shamelessly proud to be a homeowner and outsiders enviously strive to become one”.

Harry’s success is however made possible by his dedicated staff team who work behind the scenes 24 hours a day to ensure the wheels are well-oiled and we take this opportunity to thank each one of them for their contribution.

Once again, we thank Mike Morey and his team at Pam Golding Property Management who continue to ensure the professional management of the Estate’s levy-collection and financial affairs.

Another year where we have been able to register a zero-security breach reflects the high standards that continue to be maintained by Thorburn Security Solutions. We are indeed fortunate to have such friendly and professional officers who work so closely with our incredible in-house operational team of Gary, Shane, Leon and Hein.

I thank Lucienne Fild, David Lotz, Alan Keet and Bruce Kaiser, my fellow board members, for their assistance and guidance and for the many hours they continue to selflessly dedicate to serving the interests of our community at Atlantic Beach. I also wish to reiterate that the decisions we ultimately take are always guided by what the best possible outcome for the majority of our homeowners will be.

Finally, I thank you, fellow homeowners, for the overwhelming support that you have shown the Management Team and the Board during a year where we have been confronted with some very difficult issues.

Don Boyce
Chairman
Atlantic Beach Homeowners’ Association