

Business Partner Prospectus

Introduction to the Association of Residential Communities (ARC)

The Association of Residential Communities (ARC) was established in 2008 to **proactively support the volunteers/ members of Homeowners**



Associations (HOAs) and Bodies Corporate, and their management teams in the achievement of the vision to establish, maintain and enhance the value of properties and the lifestyles of residents.

ARC's support services are aimed at all **organised residential communities** such as golf, lifestyle, wildlife, eco, equestrian, marina, retirement villages, leisure estates and cluster developments. ARC is a unique organisation which goes way beyond the traditional 'association' that is typically just a clearing house of information and a member listing, to one that **engages with members, business partners and other stakeholders** on a practical level and offers a wide range of support services, dynamic networking opportunities, access to best practices and provision of policies, procedures, tools and templates for the effective management and leadership of residential communities.

Research shows that there are over 3000 registered Homeowners Associations and over 56000 Sectional Title Schemes containing around 2 million properties in South Africa. Each of these is represented by a Homeowners Association (HOA) or Body Corporate, consisting of elected volunteers who are members of the HOA. It is also the responsibility of the HOA to put in place a management team to manage the estate/community. ARC believes that since **80% of HOAs share similar issues and challenges** there is a great opportunity for increasing efficiencies through **sharing information and collective networking**.

Directors and trustees are normally **elected because of their passion, commitment and willingness** to serve as volunteers and **not necessarily because of their expertise in residential estate affairs**. These directors and trustees are seldom fully aware of best practice and experiences outside of their community. This inevitably affects the performance and effectiveness of these office bearers who **have a responsibility to fulfil not only their legal obligations, but also to meet their member's aspirations and objectives**. ARC exists to **provide the support** required for designated directors/trustees and estate management to provide good governance and effective management.

ARC is the driving force for **common interest community research and development** and is committed to identifying trends in residential community living as well as to research and **identify best practices**. We aim to serve as the catalyst for positive change in the community association industry by making information available to our members.

ARC strives to adapt to change and we continually revisit our priorities, services and structure. We are **committed not only to benchmarking SA best practice but also to benchmarking internationally**. As ONE organisation, we strive to meet the needs of our members and the industry.



The Residential Community Industry

Industry research has shown that in South Africa:

- There are over 3 000 Homeowners Associations (HOAs)
- There are over 56 000 Sectional Title Schemes
- There are over 1.9 million homes in residential communities
- Over 5 million people currently reside in residential communities
- Organised communities occupy around 9% of developed land
- Property value in residential communities makes up 27% of total residential property
- The industry has in excess of R 800 billion assets under management

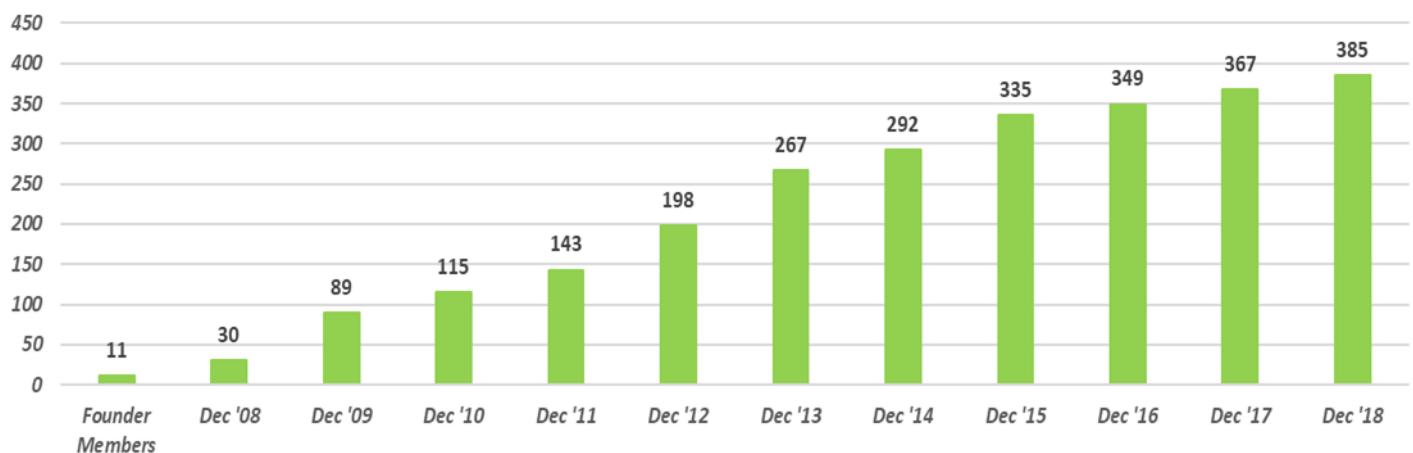
Other research conducted by The Association of Residential Communities on its members has shown that:

- Our members currently have over R 1 billion in financial reserves combined
- Our members work with an average monthly operating budget of over R 1 million
- An average of around 32% of our members' operating budget is spent on security

- An average of around 23% of our members' operating budget is spent on maintaining common areas
- There is an average of 540 levy payers in each of our member communities, who pay an average monthly levy of over R 2 000
- Each of our members employ an average of 2.8 people in management positions, 3.2 people in administration positions, 17.2 people in operations positions and 2.1 people as retained external consultants managing the lifestyle, security, well-being and property value of its residents.



Growth of ARC Membership



Industry Partners

ARC's goal is to drive unification and representation of all Homeowners Associations and Bodies Corporate, as well as drive professionalism and best practice for all residential communities throughout South Africa. Through our services to members including; project management, consulting and professional memberships, and with the partnerships we develop with our strategic business

partners, ARC strives to create harmonious, safe, well maintained and financially sound communities which provide quality of life and a secure financial investment. Through the provision of strategic support and optimisation of estate leadership, ARC's mission is to enhance the lifestyle and property value for homeowners in organised residential communities.

ARC has established the following bodies in order to assist us in achieving our mission and objectives:

- **The Residential Communities Council (RCC)**, managed by ARC, is governed by a Memorandum of Incorporation and functions through its network of regional working structures and a national decision-making forum. It has a set of defined objectives, functions and powers, aimed at establishing an effective consultative and representative industry body with the resources and mandate to act on the industry's behalf. The RCC will facilitate the process of industry consolidation and self-regulation in the ultimate interests of the individual HOA member. Membership to the council is through a levy determined by ARC.
- **The Community Associations Institute of South Africa (CAISA)**, who provide training and education that culminates in qualifications and professional designations for community managers, service providers and directors who form part of the current membership. This is done through the Professional Management Development Programme (PMDP) and includes the *Certified Manager of Community Associations (CMCA)*, *Association Management Specialist (AMS)* and *Professional Community Association Manager (PCAM)* qualifications, along with other designations.

ARC is represented on the following bodies:

- **The World Congress of Community Association Management (TWCCAM)**, who brings an international focus to the profession of managing community associations, as well as establishing international standards of management excellence and developing international education criteria. Ultimately, TWCCAM provides a voice to universal ethical management values and is made up of members from the USA, Dubai, Australia, Spain, Canada and South Africa
- **The International Foundation of Community Management Research (IRF)** who conduct community management research across the globe and distribute the outcomes of this research to all members in each participating country.



ARC Industry Initiatives

ARC is actively involved in various industry initiatives and will develop new initiatives based on changing industry requirements. Business partners with specific expertise in identified areas can be called on to get involved or even initiate projects.

Legislation and Lobbying

ARC continuously monitors all new legislation and any applicable court judgments that impact on the Residential Community Industry, including those made by the Community Schemes Ombudsman Service. Where necessary, ARC will invite its members to make comment and will facilitate the required interventions in the best interests of the Industry.

Loyalty Programme

In partnership with Mahala, ARC has developed an affordable mobile solution to engage with home owners & tenants by bringing them rewards through existing service providers.

ARC members access the platform for their estate. The loyalty & rewards platform is accessed by members through an app/mobile platform or a physical card (the member's choice). The purpose of the project is to increase member spend within an estate through the estate's retailers & other services, thus creating an eco-system that rewards and attracts loyal behaviour.



ARC Business Partners

ARC understands that numerous industry trends exist that highlight the need to partner with best of breed service providers and to allow our members to have access to these business partners.

The following industry trends outline the vast opportunities that exist for service providers to have direct access to residential communities, their management teams as well as their members:

- **Community living continues to be a sought-after lifestyle** which is driven by several factors of which security is normally the primary motivator. In addition, benefits such as investment returns and quality of life ensure the continuance of existing estates and the entry of new estates which will allow for the ongoing potential for new members of ARC.
- **Technology will continue to play a part in improving communication** between home owners, HOAs, and providers. Services to residential communities will be more automated and provide personalised information to each owner. ARC is technologically enabled to provide services and resources effectively and efficiently.
- **Energy management and associated issues** will be more prevalent, and ARC will meet this by providing best practice guidelines as well as continuing education to members.
- **Communities are becoming eco-friendlier** and we see legislation being introduced to apply this requirement more directly. As with any of these trends, we provide our members with updated information and work to influence legislation on behalf of the industry and our members.



With the above being constantly top-of-mind, ARC offers best of breed companies to partner with us by providing ARC and the industry with education, best practice documents, publications and ongoing consultation to ARC and its members. In exchange for this, ARC allows its partners to attend and present at chapter meetings, sponsor our workshops and conferences. We will also facilitate introductions with our members.

ARC understands that we cannot force our members to use the services of our business partners, but we do ask that members allow business partners to develop a relationship with them and the industry at large and that they be given the opportunity to present or quote on their products and services.

The benefits of becoming an ARC business partner

ARC provides opportunities for business partners to access the market in several ways. The extent of this will depend on the level of partnership selected and these are outlined in the table on page 7.

1. **Your listing on the ARC Service Provider Directory page on the ARC website** with a click-through to your contact details
2. **Your company Listing on a scrolling banner on the ARC website home page** with a click-through to your website and contact details
3. **Your listing on the ARC Member Portal Marketplace** where you can publish marketing material on your products and services
4. **Loading of your contacts on the ARC Member Portal** to receive documents, updates and information we share
5. **Your branding on the ARC newsletter 'Association Times'** which is distributed quarterly to ARC members
6. **Publishing of articles** that will be received by all ARC members listed on the ARC Member Portal
7. **Attendance at ARC member chapter meetings** allowing you to engage with all member estates in attendance
8. **Presentations at ARC Chapter Meetings** – regional meetings for ARC member estates, held three to four times a year (depending on size of region)
9. **Personal introductions to ARC member estates** where specific potential clients are identified by each business partner
10. **Roadshows to ARC member estates** where the business partner would identify a region or several estates to present their products and services to and be accompanied by an ARC employee

Depending on the selected level of partnership, there are also opportunities for:

- Sponsorship of workshops throughout the year, the annual national conference and the annual golf day
- Publication of your company's events on the events calendar available to our members
- Becoming a part of our 'panel of experts' in your area of expertise when it comes to answering queries from our members



Partnership Categories

Any company who provides products or services to the residential community industry will be directly connected to their target market and will have the opportunity to promote their company and gain recognition and visibility among many potential clients. There are various partner options available which have been customised to cater for the diverse nature of the various provider categories:

ARC is actively sourcing business partners in the following (not limited to) areas of service provision:

1. Legal, Compliance & Governance

- Attorneys
- Community Scheme Ombud Service (CSOS) specialists
- Occupational Health & Safety specialists
- Labour Relations specialists
- HR specialists
- Building Regulations specialists
- Protection of Personal Information (POPI) and Promotion of Access to Information (PAIA) specialists
- Environment & Conservation specialists
- Reserve Study specialists
- Other relevant legislation specialists

2. Security

- Guarding
- Access Control
- Perimeter Fencing
- Armed Response
- Security Technology Hardware
- Security Technology Software
- CCTV
- Alarm systems
- Security consulting
- Control centre management

3. Environmental

- Environmental Management
- Landscaping Management
- Landscaping equipment and supplies
- Turf companies
- Garden services

4. Resource Management

- Renewable Energy
- Water Management
- Waste Management
- Utilities Management

5. Telecommunications & FTTH

- Licensed Mobile Operators
- Fibre Suppliers, Distributors & Project Managers
- Internet Service Providers

6. Short-Term Insurance

- Short-Term Insurance Underwriters
- Short-Term Insurance Brokers

7. Long-Term Insurance

- Long-Term Insurance Underwriters
- Long-Term Insurance Brokers

8. Financial Service Providers

- Transactional Banking
- Investment houses
- Finance providers
- Auditors
- Tax consultants
- Accounting firms

9. Maintenance & Infrastructure

- Common Area Maintenance
- Road Infrastructure
- Paint Providers
- Construction
- Cleaning and hygiene

10. Sport, Recreation & Lifestyle

- Golf Course Maintenance
- Equestrian Centre Management
- Boating equipment and supplies
- Club Management
- Food & Beverage Management
- Entertainment
- Golf course equipment
- Playground equipment

11. Property Management & Administration

- Managing Agents
- Property Management
- Recruitment Agencies

12. Real Estate

- Estate Agents
- Property Developers

13. Industry Associations

- Security
- Landscaping
- Building
- Health and safety
- Club Management
- Industry regulators

14. Information technology

- Community Portals
- Website development
- Workforce Management Systems

15. Media & Publications

- Online publications
- Printed magazines
- Newsletters

16. Event Management

17. Resident Services

- Home maintenance services; plumbers, electricians, builders, painters etc.
- Other services to residents: delivery services, pet services, catering services etc.



NIC Brokers joined ARC in 2010 and became a Platinum Business Partner.

Through our affiliation with ARC we have gained invaluable information and knowledge on the industry. This has placed us in a position to customize an Insurance product not only for the HOA, Body Corporate and/or Sectional title but also for the owners and the residents within the different Estates.

By attending chapter meetings, training sessions and conferences we've built relationships with different Estate Managers, Board Members and Owners and through the years became a trusted partner to the extent that even without placing a policy with us, members trust us to provide advice on insurance related issues.

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Partnership Levels - Opportunities, Benefits and Costs

	Standard Listing	Silver - Regional	Gold - National	Platinum - Group
<i>See page 4 for more detail on these opportunities and benefits</i>	<i>Company listing on the ARC Service Provider Directory is available to companies wishing to use ARC as an advertising platform</i>	<i>Silver Partners can only use ARC's platform to operate within the region(s) in which they have partnered</i>	<i>Gold Partners can use ARC's platform to operate on a national level</i>	<i>Group Partnership is available to companies/ organisations with multiple brands/divisions (benefits are per 5 brands/ divisions)</i>
1. Business Partner Listing on ARC Service Provider Directory page on the ARC website	Yes	Yes	Yes	Yes
2. Your company Listing on a scrolling banner on the ARC website home page	No	Yes	Yes	Yes
3. Your company Listing on the ARC Member Portal Marketplace	Yes	Yes	Yes	Yes
4. Number of your contacts loaded onto the ARC Member Portal	0	4	6	10
5. Your company branding on the ARC quarterly Newsletter 'Association Times'	No	Yes	Yes	Yes
6. Number of Articles per year in the ARC quarterly Newsletter 'Association Times'	1	2	3	4
7. Number of Attendance at ARC regional Chapter Meetings per year	0	3	2 per region	3 per region
8. Number of Presentations at ARC regional Chapter Meetings per year	0	1	1 per region	2 per region
9. Personal Introductions to ARC Member Estates	No	Yes	Yes	Yes
10. Number of Roadshow Days to ARC Member Estates,	0	1	3	5
First year fee* and annual renewal fee * should there be a break in partnership, this is the fee that will be paid again for the first year of the new partnership	R3 400* & R2 900 annual renewal <i>Fees exclude VAT.</i>	R14 500* & R11 900 annual renewal <i>Fees exclude VAT.</i>	R39 500* & R34 500 annual renewal <i>Fees exclude VAT.</i>	R109 500* & R99 500 annual renewal <i>Fees exclude VAT.</i>

The above serves as the framework for the extent to which you can work with ARC. This can however be adjusted based on your company strategy, where this is aligned with that of ARC. ARC will endeavour to assist you in your efforts wherever possible.

Silver, Gold and Platinum Partners are required to agree to and sign the 'Business Partner Agreement and Code of Conduct' as part of their partnership. ARC reserves the right to refuse partner and listing applications at its sole discretion.

We undertake to encourage our members to support our business partners so that you receive a positive return on your investment.

For further information or clarification, please email jono@hoasupport.co.za or call 0861 462 463 / 083 286 5939

Business Partner Registration Form



We guarantee that if you use the resources and actively participate in the structures of ARC your benefits will far exceed your membership fees. If you do this and are still not happy then you may cancel your membership. This information is strictly confidential and will not be passed onto other parties without your consent. Please email this form to sandy@hoasupport.co.za

Contact Details	Company Name:			
	Contact Person:			
	Position:			
	Landline No:			
	Cell Phone No:			
	Email Address:			
	Alternate Contact Person:			
	Position:			
	Landline No:			
	Cell Phone No:			
Email Address:				
Invoice Details	Company Name (for Tax Invoice)			
	VAT No:			
	Postal Address:			
	Physical Address:			
Products & Services	Website address:			
	Description of product & service offerings to the industry. Use Partnership Categories on Page 5 and 6 as reference			
	Partnership Level	Partnership Level Selected	✓	Comments (number of partnerships, selected regions etc.)
		1. Standard Listing		
		2. Silver - Regional		
3. Gold - National				
4. Platinum - Group				

Platinum and Gold Business Partners are required to agree to and sign the 'Business Partner Agreement and Code of Conduct' as part of their partnership with ARC. ARC reserves the right to refuse partner and listing applications at its sole discretion.