Creating Successful Communities

CITYSCAPE GLOBAL

ISS — INTEGRATED STRATA SOLUTIONS

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INNOVATION AND KNOWLEDGE FOR COMMUNITIES

The "controlled environment" concept

- **Has its origins in the early "master planned communities" in the United States**

- **Objective is to apply a "controlled environment" over a building or community**

- **"Control" is directed to –**
  - ➢ Architectural and landscape standards
  - ➢ Service and maintenance standards
  - ➢ Conduct of owners and tenants
  - ➢ General sustainability

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The "controlled environment" concept
(continued)

- ## Controlling parties –
  - ➢ **Initially – the Developer**
  - ➢ **Later – the Owners**

- ## Outcomes sought are:
  - ➢ **Enhanced lifestyle**
  - ➢ **Sense of community or 'belonging'**
  - ➢ **Enhanced marketability and initial sale prices**
  - ➢ **Longer term preservation of values**

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The "controlled environment" forms the foundations for a successful community

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But, what is involved in creating this underlying "controlled environment" and the successful community?

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A Useful Analogy -

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Ingredients →→

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Ingredients $\longrightarrow\longrightarrow$

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A Useful Analogy -

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Ingredients for a Successful Community

1. Enabling laws and regulatory environment
2. Master planning or architectural designs
3. Governance and management structuring
4. Survey plan preparation
5. Cost modelling and service charge calculation
6. Quality legal documentation
7. Establishment of Owners Associations
8. Quality management
9. Transition to Owner control
10. Strategies to develop sense of community

Enabling Laws and Regulatory Environment

- **Laws must provide the mechanisms needed for –**
  - ➤ Secure titling (including boundary definitions)
  - ➤ Governance and management structuring
  - ➤ Equitable cost sharing within the building or across the community
  - ➤ Operation of Owners Associations

- **Regulatory environment must be supportive and not hostile**

- **In the absence of laws contractual solutions need to be used**

Master Planning or Architectural Designs

- **Building or community infrastructure**
- **Mixture of uses**
- **Recreational and social facilities**
- **Operational functionality (including environmental sustainability)**
- **Quality of "build"**

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Governance and Management Structuring

(including Survey Plan Preparation)

- Has to occur whether or not laws are in place

- Demarcation of component use areas, including boundary definition

- Identification of real estate rights to be created (e.g. easements and covenants)

- Reserve fund calculations

- Cost allocations among component use areas

- Common area and unit boundary identification within Owners Association areas

- Cost allocations (entitlements) among individual units/apartments

- Content of Codes and Community Rules

- Preparation of draft plans for off-plan sale contracts

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Cost Modelling and Service Charge Calculation

- **Whole of mixed use building or whole of community**

- **Individual buildings (all component use areas) or neighbourhoods**

- **Individual Owners Associations (i.e. a single Residential component use area)**

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Quality Legal Documentation

- Compliant with local law

- Drafted in simple terms (plain English) – longer is not better

- Must be practical from an operational perspective

- Best if scoped by an FM or Association Management team, not by lawyers

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Establishment of Owners Associations

- **Choice and commissioning of technology**
- **Choice and commencement of management team/company**
- **Establishing initial records**
- **Development of operational strategies**
- **Scoping, tendering and documenting service contracts**
- **Hand-over assistance**
- **Initial meetings**
- **Establishment of social programs/strategies to develop sense of community**

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Transition to Owner Control

- **Has to be balanced against Developer needs**
- **Timing for the transition is critical**
- **A staged approach is often the best approach**
- **Transparency at all stages of the process is essential**
- **Reputational (brand) damage can occur if this is not well handled**

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