

SEÑORIO DE ALOHA - Autumn Newsletter

Dear Owner,

In order to give you a broad picture of the community without an overbearing level of detail, herewith are some of this year's highlights & challenges.

FINANCIALS

Given we are now in the 4th Qt of the accounting year, I can confirm the key objective of maintaining good financial stability is being met. In fact, the Ordinary Budget (from community fees) has expended 66% of funds at 75% of time (end Qt3). A busy 4th Qt means expenditure will be in line with budget.

It's important to note that approximately 90% of owners are paying their community fees. Late payers & defaulters are being penalised 20% as previously approved. Approximately 25 Debtors are the subject of legal proceedings. In most cases the community debt has priority over other claimants.

Total debt is approximately €410k, a significant amount of which is difficult to recover. There are 6 owners accounting for over 50% of the debt.

The Extraordinary Budget received €430k from the 2022 cash call. All this money will have been expended by the end of this year. The 2023 accounts will detail the use of these funds.

ACTIVITIES

The repairs & upgrades to the swimming pools met with very positive user approval. All three pools were fully occupied during the summer period.

The HELP maintenance team have been working a 22 hour per day schedule & have undertaken many painting & repair jobs around the community. Given they are working through the night we ask them to be alert to any anti-social & suspicious behaviour.

Basement storeroom areas that have long suffered humidity & ventilation problems due to burst water-pipes or drainage overflows are being retro-fitted with extractor fans & ventilation ducting following a successful experimental system in Alhambra. Costing €6k per portal, these systems will be rolled out on an as needed basis, with the next installation in Mezquita Portal 5.

The gardening Contractor Jaydo, who have done a very good job, will not be renewing their contract in February. They have been contracted by the Melia Hotel group & our gardeners will be reassigned. Good gardening contractors are in short supply & we're now searching for a replacement.

Summer season was very challenging for the management & maintenance teams due to the negative impact of 'short-term' rentals. A high level of complaints was received from owners who were disturbed by anti-social behaviour from rental guests. Our staff & the police were called out during the night on numerous occasions. Behaviour ranged from open use of class-A narcotics, marijuana, inhalation of nitrous oxide balloons, to excessive noise in & outside apartments, & nighttime use of the swimming pools, as well as breaking & entering portals. These incidents cost the community a lot of time & money. Better control by owners/agents, & improved community rules & the means of enforcement are required.

The legal case started in 2004/05 against Señorío's General Contractor FCC has a hearing set for the 22nd of November. It was originally scheduled for 2020 but postponed due to the pandemic. At a previous hearing several years ago, the presiding judge called for an independent valuation of the repair costs caused by defective workmanship. This was due to the huge difference in the estimates submitted by the Community & FCC. As more time passes, repair costs continue to rise & these will be inescapable for the community.

COMMUNITY OF OWNERS SEÑORIO DE ALOHA

We therefore depend on our long-term lawyer Mr Urquia of DUA Abogados to make appropriate representations to the court. Adenjo, Victor Porras, & myself will be in court on the 22nd November.

Another inherited problem is that of Pinturas JJ, which filed a lawsuit in which they claim €138k for painting works carried out in 2017/18. These were additional to the primary agreement of 2015/16 to paint the community for approximately €850k. The trial is scheduled for May 2024, & in the meantime, different payment options are being considered. As discussed at the AGM, such a significant amount is difficult to pay from community fee cash flow especially if there is no staggered payment plan agreement.

Regarding the ruling in the Multimalaga procedure (a lawsuit filed more than ten years ago by a security company) that awarded the plaintiffs nearly €50,000, including interest and costs. Adenjo's efforts to pursue owner's debts along with careful management of our expenses made it possible to service this unexpected debt via cash flow. The same applies to historical creditors HELP & various external lawyers who have been paid €33K. The value of this unseen debt collection work by Adenjo has enable us to pay our creditors approximately €131K since their appointment in January 2022.

We have very good news on the initiative to use an electricity consultant to review the community's configurations & various rates. The year-on-year comparison, January to August, shows a 50% cost reduction equal to €20K.

Work undertaken on the community's network of water-pipes including the irrigation & swimming pools has significantly reduced consumption & cost versus last year.

However, we continue to experience random pipe-bursts to the pipes carrying water from the meter rooms to individual apartments. A replacement pipe costs approx €2k. With 250 throughout the community, we are proactively trying to optimise water pressures to preserve the piping.

Many owners are exacerbated by the reforms carried out by neighbours.

Owners & their builders for the most part have little regard for the disruption they cause. A small number of owners have shown a willingness to inform Adenjo & Victor Porras in advance about their plans. The majority choose not to cooperate, & it's fair to assume they are carrying out work that contravenes Spanish building regulations & the Community rules. We have called on the Town Hall & the police to intervene in 'real time' but with little effect to date. It should be noted that where the Town Hall intervenes this can lead to a legal case against the owner resulting in substantial financial penalties and demolition of illegal works. Agreement will also be requested at the AGM to initiate legal actions against owners who, without recourse to the Administration, blatantly carried out illegal works.

Several owners enquired about chimney cleaning. A successful cleaning operation was recently carried out in Donaña. No major repairs were required, it simply seems they'd never been cleaned since they built. Owners experiencing problems with their chimneys should contact Adenjo to participate in the next cleaning round.

The NAÔ Pool Club was in daily operation throughout summer. The club consistently broke the noise regulations for a residential area, & the anti-social behaviour of many guests was highly disturbing to many residents in the vicinity of the club. The club was raided several times by drug enforcement, & numerous traffic violations & violent behaviour were observed. Efforts in conjunction with our neighbours to curtail the illegal operations are continuing.

With Best Regards,
John Riley – President, Senorio de Aloha.