



The Landlord

For the Landlord and Sectional Title Owners

Show me a Bad Building & I will show you poor Managing Agents!

Show me a badly building and I will show you a poor managing agent (sectional title building or rented one). Managing agents should be capable of doing the day to day work without constant supervision. With our rental properties we come to an understanding as to what we can attend too without calling the owners. In fact most owners understand that they are employing a good managing agent so that they don't have to do the work themselves. That is what our owners expect of Platinum Global. In sectional title schemes the situation is the same. Platinum Global would contact the Chairman when special decisions needed to be taken by the Trustees but the day to day work is done automatically.

Good agents will keep owners or trustees apprised of any special circumstances and obtain their guidance when necessary. The managing agent must be capable of making their own decisions in case of emergency. Platinum Global have tackled major pipe bursts on Christmas day by repairing the leak, having locksmiths open flats where tenants are on holiday, drying carpets, airing flats, employing guards, phoning tenants and owners etc. Not every managing agent is capable of this level of service – especially if their offices are closed for three weeks over the end of the year! As I said show me a bad building and usually you will find poor managing agents. Looking after large property is an art that is learnt over many years.

PS just how bad can it be? I have just come back from the AGM for a unit that Jill & I own. We have been trying for ages to get the managing agents to correct our account to show the credits that we have and went to the AGM determined to sort it out. We never got that far. No meetings at all have been held since July 2006 not even a Trustees meeting despite the managing agents being notified in October 2007 that the AGM was overdue. This current meeting was held 3 months late too! When the meeting started it was straight into approving the financials – even when it was pointed out to them that the previous financials had not been given to owners or approved. The budget was simply “we just add on 10% to what you spent last year” and they could not understand why we had a problem if the new levy was implemented at the beginning of November and that 7/12th of the increase was never recovered – no wonder that this large building only had R11,000 in the kitty - barely enough for 1 months expensive. For every question we asked the answer was “I don't know I will find out for you” everything that we wanted to see was either unfindable, locked away or in a different department. When asked the managing agents policy regarding holding of meetings we were told that they host 4 trustee meeting plus the AGM per annum but they only call the meetings if asked to do so by the Trustees. After having run the building for a year it was very informative when they added that “they did not know who the Chairman or Trustees were!” Needless to say Platinum Global now manages this building.



Contents

Special Interest Articles

Show me a Bad Building & I will show you a poor Managing Agent!	1
Question Time	2
Tenant' deposit.	2
Trustees should not!	2
Waverley	3
Noisy neighbours!	3
Earn 4kgs of gold!	3
Dan Pienaar Delight	3
Affordable retirement units being developed.	4
When your tenant's lease comes to an end?	4



Question: From Rina Viljoen ABSA Commercial Property Finance Consultant.

If someone wants to sectional title an erf(Because it is too small to subdivide), Do you perhaps know the correct procedures?

1. Talk to an architect, land surveyor or town planner. There may be a minimum size for sectional title (duet erven). They will be able to do the application for you including the drawing up of the sectional title plans of your existing buildings. If you intend to build a second unit you will have to create two units from the existing building (House, garage, maid's room) and register a right of extension. When the second home is completed the original two units can be rejoined to that you have a total of two units.
2. It is important to remember that this is a sectional title scheme and must comply with the act. Almost all duet schemes never have an AGM, have joint insurance or create a fund for common property maintenance. Don't be caught out when an owner forgets to insure his unit and looks to the other owner to contribute to the repair costs!

Tenant's Deposit - What you need to know.

Trustees Should Not!

- Interfere with what happens inside a unit unless it causes real nuisance in the complex. It is nothing to do with a Trustee what type of spa bath an owner installs or whether they have decided to change the floor tiles or paint the lounge purple.
- Bug the managing agents about problems that the tenant is having with the landlord – the tenant must sort that out with the letting agent.
- Call the managing agents because the tenant has too many visitors – it is nothing to do with them providing their visitors are abiding by the BC rules.
- Call the managing agents at 2.30pm because the can hear water running! The plumber will only come out during the day. It can wait until the morning (after 7.30am). If it is a real emergency the managing agents can be called.
- Call a Trustees meeting on a Sunday morning or Saturday afternoon and expect the managing agents to be there.

When using a managing agent to look after your property it is normal for them to keep the tenant's deposit in their trust account. It is normal not to pay interest on this deposit and not to open a separate account in the bank. Some larger companies do run a special bank account that allows them to recognize individual deposits and pay interest but this is unusual. The purpose of the deposit it cover unpaid rental, damages when the tenant moves out and other expenses such as carpet cleaning, inspection fees, unpaid electricity and water accounts. For this reason it is important that the deposit it kept up to date so that if the rental increases the deposit should be increased to keep it up to the full level required.

- Don't be afraid to ask for the deposit to be greater than one month's rental. Many agencies insist on 1½ or even twice the monthly rental.
- It is important that you can show precisely how any deductions were made and to whom the money was paid. For all actual costs a receipt must be obtained. A deposit refund form should clearly set out any deductions from the deposit and have copies of the invoices for amounts deducted. The original should be files with the tenants lease.
- It is a requirement that where there is no damage to the let premises that the deposit should be paid back within 7 days. Where there are deductions for damage it should be repaid with 14 days. While the first is possible, it is simply not practical to repay deposits with damages within 14 days. Just to get contractors out can take longer than that and to have the work done and receive invoices can take months! Having a system that allows you to know where the repayment of a deposit is helps a great deal.

Before a deposit can be repaid it is important that you have proof that any water or electricity accounts have been settled. With municipal accounts make sure that you have the FINAL water and electricity accounts not just the latest otherwise you could be surprised with an account to be settled after the deposit has been refunded. Where water or electricity is supplied by the Body Corporate they must be approached to give a similar FINAL clearance. No FINAL account No deposit refund must be strictly the rule.

When accepting new tenants make sure that they can afford to pay the rental you are charging. Paying off the deposit over a period of months is a NO NO. If they cannot afford to pay the deposit in one go it is quite likely that they will struggle to pay your rent. If they start battling to pay the rent and have not yet paid the full deposit you could be in real trouble.



Close to Schools & Shops R978,000

Exceptionally good value for money in top quality suburb. Just five minutes easy walk from Dan Pienaar High School and Prellar Square shopping centre, one of the most popular centres in Bloemfontein.

4 spacious bedrooms plus occasional bedroom/sewing room. Large fitted study. Large lounge cum dining room. Kitchen with breakfast space and wash-up. Garage and carport.

Pretty well maintained enclosed garden with entertainment and braai area.

This loved home is only being sold after many years because the owner's children have left home and she is starting a new life in Cape Town. Why take your children to school when they can take themselves? Sleep late and don't take time off during the day to collect kids. Take the easy life.

To view this exceptional value for money home call Mike Spencer 082 881 4711

Type of Unit	Quantity of Gold Eligible	Rebate in lieu of Gold
Studio	1 Kg.	10% of the unit price
One Bedroom	1.5 kg	10% of the unit price
Two Bedroom	2 Kg.	10% of the unit price
Three Bedroom	3 Kg.	10% of the unit price
Office	4 Kg.	20% of the unit price

Would you like to own a kilogram of gold? Or maybe 4 kilograms? Well here is your chance. Depending on what size flat or office you buy in Dubai you can. That or get a sizeable discount on the selling price. You can chose from studio (bachelor) one, two or three bedroom luxury apartments or even an office and whether you would prefer to own your own gold bars or receive a sizeable discount on your purchase. Dubai is one of the World's fastest growing economies and has an incredible high standard of living. Use your new flat as an exotic holiday home or rent it out and receive dollar based rental income.

To claim your gold just contact Mike Spencer and we will put you in contact with our representative in Dubai. This is the most amazing place to visit – lots of interesting things to see and doo from desert sand dune skiing in Toyota Landcruisers to sailing the Arabian Sea n millionaire's air-conditioned launches. Simply a breath taking place to be.

Contact Mike at mikehome@telkomsa.net or 082 881 47111

WAVERLEY

Originally an area of small holdings just outside town. Many doctors lived here and worked at the Bloemfontein Hospital in what is now Andries Pretorius St (Navalsig High School). Some of the original houses are still there especially in Waverley Rd and Innes Avenue.

Over the years these small holdings were subdivided but some very large 7000 sq m erven still exist in the area. Thus you will find homes from the late 1800's right through to brand new duet homes in this up market suburb. This is one of the most expensive parts of our city with prices from as little as R950,000 for smaller older homes on its eastern edge to R5 million plus for plush mansion homes on the slopes of Naval Hill Franklin Reserve game park.

Waverley is the right place to stay for those who appreciate the better things in life.

Noisy neighbours – Legal and illegal ways to cut their vocal cords

- Rules
- Ask – a friendly letter
- Explain – a visit or call from a Trustee or the Managing Agents
- Take to arbitration – in terms of the Act – costly for the losing party.
- Call in the noise control officer – a municipal officer
- Call in the environmental dept – noise is a pollutant
- Call in the constitutional dept you have a constitutional right to piece & quiet
- Call in the police – lay a charge of disturbing the peace
- Call in the security people – they a pretty determined people.
- Cut their electricity – illegal but works – the hi fi won't work!

Affordable Retirement Units being developed

“The Village in Virginia” is an exciting new concept in recycling buildings to new uses. A joint development between Mike Spencer of Platinum Global and Harmony Gold it will offer totally rebuilt one, two and three bedroom retirement units from as little as R350,000! Units will be sold on Life Rights basis with the purchaser receiving their full purchase price back at the end of their stay. What makes this an especially exciting project is that unlike even the most expensive retirement villages **“The Village in Virginia”** has over 18,000 sq m of community buildings including extensive frail care facilities, shopping centre, medical facilities, library, church, club house and bar, gymnasium, swimming pool, tennis courts, bowling green, hairdressers, post office, bank and much more. It is even planned to have it's own garage and petrol station. Restaurants with meals available in units will be provided.

Said Mike Spencer, **“The Village at Virginia”** is going to provide a really affordable retirement home while at the same time offering facilities not found in even the most expensive of retirement villages. We have so much space available to us that we will be able to provide almost any facilities that residents desire. There will kilometres long walking trails, braai areas and places to relax. We believe that if at all possible you should be able to bring your pets with you. This is intended to be a real village with every attempt being made to create a flexible village atmosphere with variety in style”.

Initially some 475 units will be created from the existing 57 ground and first floor hostel complexes. Although mainly of two bedroom design some 1 and 3 bedroom units will be created on demand. The architect for this project is Anton Roodt Partnership; Bloemfontein based architects well known for their innovative designs. The 26 ha site allows for more units to be constructed. “This is a very low density and very affordable retirement village with wonderful facilities,” say Denis Quayle leading Cape Town based estate agent who is Mike’s partner. “The second phase will include free standing cottages, extra facilities, and landscaping of the extensive grounds. We have so much space that it will be possible to include a short golf course. We are going to encourage residents to tell us what they would like to see. Already a walk in aviary has been suggested.”

Preliminary plans are being drawn for the practical conversion of existing buildings. If all goes well building is likely to start towards the end of 2009. A waiting list of potential residents is being started so that can be kept informed of progress. It is intended that the levy will be all inclusive with the exception of pre-paid electricity. An interesting aspect of **“The village at Virginia”** is that residents will be offered a selection of in-house investment opportunities giving exceptional returns, security, and opportunity to preserve the buying power of their savings.

Mike Spencer of Platinum Global will be keeping the names of people interested in **“The Village at Virginia”** and can be contacted at 051 447 4711, email mikehome@telkokmsa.net or PO Box 100976 Brandhof 9324.

When your tenant’s lease comes to an end!

The end of commercial tenants lease is a traumatic time for both the tenant and the Landlord. “Will He – Wont He” is the order of the day. For the Landlord the question is always “will the tenant renew the lease or not?” What is the chance that I will sit with an empty building? For the tenant his greatest concern is whether or not the Landlord will let him stay or not and if yes at what rent?

Landlords need to ask various questions such as; Have they been good tenants? Did they pay on time? Did they keep the building neat and tidy? Can I get better tenants? What rent should I charge? What should the escalation be?

At the same time tenants will have the following questions to ask. Is my business making money? Would it do better in other premises? If the rent goes up is it worth staying here. What is the cost of moving? Are these the right premises for us in the right area? Are they too big – too small? What plans for expansion do I have? Should I buy instead of renting?

The end of the lease is not an easy time. Always try to negotiate early (3 to 6 months) before the end of the lease. Many tenants rely on an option to renew but unless the rental has been specified in the lease or is calculatable then in reality these options are little more than first refusals.

Platinum Global’s Body Corporate Management team have recently been appointed to handle the following buildings;

Droomwereld Fourth Street, Arboretum

Mike offers "Body Corporate Consultation".

For a small fee, Mike is able to spend time with Trustees and owners discussing how to get their body corporates back on track. Mike is able to advise on the best way to collect levies, keep accounts, budget, run meetings, enforce rules and much more. Whatever your problems Mike will be able to offer practical simple to enforce changes which will make life easier for all.

If your Body Corporate needs help call Mike at 082 881 4711 or email him at mikehomke@telkokmsa.net Let Mike get your building back in shape.

It's a secret!

Well known landmark franchise restaurant and meeting place now on the market through Platinum Global. If you have the yearning to own your own business now is the opportunity to take over an active going concern in first class Westdene position. Full financials available to serious buyers.

R1 975 000 excluding stock

Student Flats

Are your children going to UFS this year. Hostels are expensive and problematic. Buying your own flat could be a sensible alternative. Convenient, modern, 2 bedroom units now available within walking distance of main gate. Choice of other units sizes and prices available in secure buildings. Talk to Anne 084 324 1055 or Mike 082 881 4711.



BARGAIN OF THE MONTH

Last month's recommendation sold in two days! This 93 sq m 2 bedroom flat with extra WC, garage and upgraded finish is also a super flat to own either as own use or investment property. Dedicated trustees and professional management by Platinum Global have created high reserves and an immaculate building. R535,000 bargain.

This one **WILL** sell quickly even in today's market!

Platinum Global welcomes ANNE SNYMAN



Top Class Agent with many years experience. Specialising in houses and sectional title units in the northern suburbs.

For professional service call **Anne at 084 324 1055**



Jocapa One Bedroom. Spotless flat tastefully remodeled by the owner. Carport and lots of visitors parking. Now leaving this delightful flat on promotion giving you the opportunity to own it for yourself. Ideal as an investment property or for own use. Professionally managed by Platinum Global R380,000

Platinum Global is always available to help our friends and customers. Whatever your property related problem we are always there for you.

Remember we are able to help you with the following services;

Letting of flats, townhouses, houses, commercial & industrial buildings, blocks of apartments.

Sale of all types of property. Property consultation for developers and Body Corporates.

Body Corporate management by our professional team. Call 051 447 4711 today – and let our simple to understand service please you.

