



# The Landlord

For Landlords and Sectional Title Owners

## BOND RATE DOWN 1% AND MORE TO COME!

Buy the time that you read this latest version of "The Landlord" I am hoping that you will be breathing a sigh of relief over the Reserve Bank Governor's announcement that the prime interest rate has dropped 1% further. It will mean that our prediction for a rate of 10% or less by the end of the year will be one step closer.

What will it mean in practice? For the average man in the street with a R500,000 bond it will mean an extra (and untaxed) R353 pm month in his pocket – (R71 per R100,000). With some 70,000 homes in Bloemfontein this has the potential to add R25 million a month into our economy! In addition Mr Average will be paying less on his car payments, credit card balance and a whole host of other debts. With the strong Rand/Dollar he is likely to see the price of petrol dropping too!

This is all good for business. Over and above this there are signs that the continual drop in overseas economies may also be slowing with a couple of the banks announcing small profits following continual quarterly losses over the past 18 month.

The result is likely to be a slow improvement in consumer spending with businesses experiencing a slight reduction in costs. Economists have reported that the improvement in the Rand exchange rates is likely to take a month or two to be fully felt but it is nice to know that there has been around a 15% improvement in the Rand/Dollar and Rand/£. Not only good for a reduction in petrol prices but will be nice when we need to go overseas on business.

Any disadvantages? Well cash in the bank is looking less and less attractive which is perhaps why we are having more people asking about property investments. Even new developments are on the cards again. We are seeing more investor buyers coming back into the market too. Some interesting options are **Le Grand** – a George World Golf Centre with units fully let by a well known international hotel group for 5 years at a net monthly income per fraction of R4821 per month fixed (or the £ equivalent). It is also a great time to look again at buying **Sharemax** which will ensure you receive a constant income notwithstanding dropping interest rates. (see articles later in this newsletter or contact Mike Spencer) – [mikehome@telkomsa.net](mailto:mikehome@telkomsa.net) (082 881 4711)



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# HAVE YOU BOOKED YET?

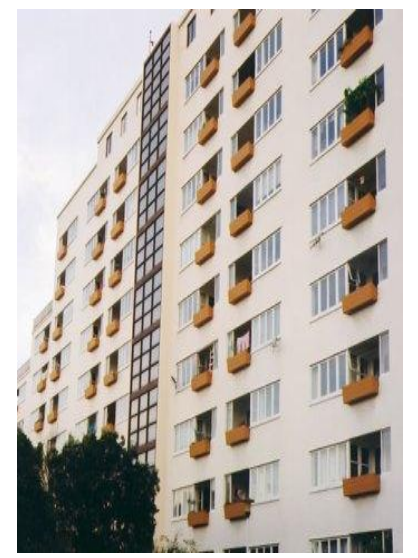
Trustees, Owners! Have you booked for the NAMA Trustees and Owners training session?

23<sup>rd</sup> May 2009 (Saturday morning) at Bain's Game Lodge 08.30 to 13.30. A wonderful opportunity to learn more about owning and managing sectional title units and body corporates. We will be having out of town speakers to talk to you about maintenance, insurance, collecting outstanding levies, reading and understanding annual financial statement – an what to do about solving problems. We have a special speaker to talk about Solar heating and a solar heater can be won in a R10 donation draw. We will also be talking about owners rights to install solar panels and standby generators.

Meet professional administrators and discuss your questions with them.

This morning only costs R100 per person where your complex is managed by a NAMA member and R200 if not. Over 300 people have already booked. Make sure all your trustees and owners attend. Entry forms available from your managing agent or Platinum Global 158 Zastron Street.

**BOOK NOW TO AVOID DISAPPOINTMENT**



## IMPORTANT CHANGES TO SECTIONAL TITLES ACT

Government Gazette 31626 which contains changes to the Sectional Title Act regulations and which should be of interest to you.

The following are the important changes to Annexure 8 (PMR's):

- PMR 29-excess payment insurance
- PMR 31- levies payable at beginning of new financial year.
- PMR 33- luxurious improvements
- PMR 37- financial statements
- PMR 38- trustee report
- PMR 46- appointment and term of appointment managing agent

These changes came into effect on the date of publication in the Gazette 28 November 2008.

## Government simplifies electrical certificate standards

CAPE TOWN (April 16) - New rulings regarding the issuing of electrical compliance certificates for residential properties effective from May 1 will simplify the demands made on sellers and buyers of residential property.

Lanice Steward, MD of Anne Porter Knight Frank, says that the regulations had traditionally made it mandatory for the seller of a property to give the purchaser a certificate confirming that the electrical installations were in working order.

This had meant that the seller had to call in a registered electrician to inspect the electrical network and issue a current certificate and this had to be done prior to the transfer.

Now, however, any certificate issued in the last two years will be deemed valid, provided that no work has been done on the installation in the interim. Furthermore, the buyer does not have the right to demand a new certificate. If he wants such a certificate he must pay for it himself. The electricians issuing such certificates now have to re-register annually, whereas before a once-off registration was acceptable

Under the new rulings it is now permissible for the owner or lessor to sign an agreement with the purchaser or lessee whereby the latter accepts the responsibility for the safety and maintenance of the electrical system.

In addition, the electrician no longer has to guarantee the system is in full working order. He has only to certify that it is, in fact, completely safe.

Steward says this is a welcome clause because in the past electricians found themselves hauled over the coals time and again on account of minor malfunctions that they had not spotted, some of which may well have cropped after the transfer.

An important provision in the new rulings, said Steward, is that the test certificate has to accompany any new electrical compliance certificate issued. Such a certificate, she said, would cover the entire electrical network.



VILLA - PRETORIA

## Sharemax from R10,000

Live off your savings? Protect yourself against falling interest rates. Invest in Sharemax "10 YEARS Young". Always a sensible suggestion Sharemax offers you the opportunity to invest your money in commercial properties. Offering up to 11% pa net return returns increase in line with increases in rentals paid in prime top quality shopping centres. Platinum Global has been associated with Sharemax for the past 7 years and have recommended this investment to close family relatives who are delighted with their purchases. Get in on the ground floor into one of South Africa's biggest developments.

Income is paid electronically directly into your bank account at the very beginning of each month.

Now on offer the very popular Villa major shopping centre in northern Pretoria. Already all the early phase have been sold out within less than 10 days. Talk to us and we will arrange for a Financial Consultant to provide you with full details.

Contact Mike Spencer at 082 881 4711 or e-mail [mikehome@telkomsa.net](mailto:mikehome@telkomsa.net)

## Pets the Cans and Can'ts

Pets are often the love on one's life especially as one gets older and your children have flown the coop. But pets can also be the bane of a neighbour's life. When moving into a sectional title scheme check out the policy relating to pets in your new building before you commit.

Every body corporate has a different view of pets but whatever it is it **MUST** be consistent and applied equally to everyone taking into account realistic circumstances. Rules **MUST** be registered to be applicable. So if the complex has agreed to allow residents to keep dogs but they have decided only to allow 2 dogs less than 30 cm high then this limitation must be registered at the Deeds Office.

The standard rules state that pets are not allowed without Trustees **WRITTEN** approval including any reasonable conditions. Permission not to allow pets cannot be unreasonably withheld! What does this mean? Firstly if owners in general meeting have agreed to have no pets at all then this is the rule and no pets are allowed. This not only includes cats and dogs but all other pets too. So it is important to understand what you intended and make sure that your rules are properly written as this rule would mean that you could not have goldfish or a budgie.

If pets are allowed with reasonable Trustees approval their conditions could include such reasonable aspects as pets not allowed on the common property, must not bark, you must pick up the doggie doos, cats may not enter other peoples units or gardens, that you have a limit to the number of pets or that pets not be replaced when they pass away.

Fair, reasonable and even handed enforcement of these rules is vital. Most problems with pets arise from Trustees treating different people differently. It is also important to remember that a tenant has the same rights as the owner who owns the unit. Tenants cannot be treated differently from owner occupiers. If you do not have a proper policy then start one today and stick to it.

## HEUWELSIG

Originally part of Tempe Army Base – foundations of stables can still be seen in the suburb. When it was developed in the mid 1980's this was an open hilly veldt area on the north western side of town. Interesting historic articles were found during the building period including a full early 1900 British army uniform jacket which had been laid out to dry. Horseshoes and bullets were quite common in the area.

Heuwelsig can be considered one of the prestigious suburbs of Bloemfontein with a variety of up market architect designed homes being the norm for this suburb. Gardens are a speciality of this suburb where almost frost free winters allow gardens to be green throughout the year.

With the city centre moving more to the Westdene Brandwag (Mimosa) area Heuwelsig is well situated for up market home owners.

## Fire Hose Reels & Extinguishers – Are You Still Insured?

We have previously discussed the need to be aware of whether your fire fighting equipment has been serviced or not or risk losing your insurance cover. With difficult financial situations for many insurance companies they are also feeling the pinch. While it is not nice to say so they are going to be looking more critically at insurance claims to make sure that they are legally liable. Some of these aspects are going to be discussed by Bruce Gibson of Corporate Sure at the NAMA function on the 23<sup>rd</sup> of May. But this means more than just having your reels and extinguishers serviced once a year. There are new requirements that special signage indicating where these appliances are kept and building escape routes must also be provided. Not only could your insurance company pay out less or nothing at all but the body corporate and the trustees personally could be responsible for claims by anyone who is injured or has property damaged as a result of non compliance. Remember one of the main functions of Trustees is to ensure that their buildings are fully insured.

Marius Whitehead of Centa OFS Fire said "Not only is it legally required that owners of all types of properties ensure that their fire fighting equipment and signs are up to date and fully serviced but it is important that this is done properly and is well maintained to be effective when needed. While in many cases it is not legally required that each residential unit has its own extinguisher it is a good idea to have your own personal extinguisher. When a fire starts there is no time to try and remember where the nearest extinguisher is."

Marius recommends that every owner should have his own personal ABC dry powder extinguisher preferably a 9 kg rather than a 4.5 kg size. Said Marius, "This extinguisher is the ideal general purpose one for all types of fire which are found in homes including electrical and cooking oil fires. They are also big enough to fight quite serious fires until other people can come to help." Marius can be contacted at 051 523 3702 for a free equipment check ([marius.ofsfire@mymails.co.za](mailto:marius.ofsfire@mymails.co.za))

## **COMPETITION TIME**

Win a 9kg Abc dry powder fire extinguisher for you office or home. Just answer a simple question and email your answer together with your name and contact number to; [mikehome@telkomsa.net](mailto:mikehome@telkomsa.net).

Entries close; 31<sup>st</sup> May 2009



Who is the Free State's and country wide leading supplier of fire fighting equipment for home, office, shop or factory?



### ***Outstanding investment***

*Seller willing to stay on in this larger than normal 2 bedroom flat with enclosed garage. Selling willing to sign term lease at R3200 pm. Immaculate condition ground floor flat in well managed well financed body corporate. Fully secured unit with direct access to garden. Faces onto Naval Hill game reserve.*

*R430,000 well priced unit in easy let building. Platinum Global managed. Great investment. Call Mike Spencer 082 881 4711*



### **WESTDENE DELIGHT R499 000 NEG**

Lovely ground floor flat with private garden just along the road from Mimosa and Mediclinic. Never been empty. Only 5 minute drive from University of Free State. Ideal flat for next year's student. Buy now and get occupation in January 2010. Centrally situated for working people too.

Owner lives overseas. Strong Rand could incentivise sell to be negotiable on the price. Flats in this building seldom come onto the market.

Call Mike 082 881 4711

## **BARGAIN OF THE MONTH**

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



### **R40,000 DISCOUNT ON ASKING PRICE**

Yes the owner has dropped by a whopping R40,000 to a bargain price of R440,000 for this massive 2 bedroom flat with an enclosed carport. Situated in a well loved well known building convenient for all areas of Bloemfontein this must be the bargain of the month. What an ideal way to increase our investment portfolio or to assist your children buy their first property. Tell your friends that this is a bargain not to be missed.

Call Mike Spencer 082 881 4711 today!

**WANT TO SELL YOUR SECTIONAL TITLE FLAT OR TOWNHOUSE. NOBODY IS BETTER AT REAL ESTATE MARKETING THAN PLANTIUM GLOBAL**

**CALL 051 447 4711 NOW!**



## **LE GRAND R220,000 26% NET RETURN!**

*Unbelievable good buy. You receive R4821 pm every month for 5 years! You can choose to take your money in £ pounds at £332 per month (and can change around depending on the exchange rate). The fraction that you will buy has already been let to an international hotel group with an option to renew. No levies, No maintenance, No fees!*

*Le Grand situated high above the cliffs at George is the venue for the International Tournament of Dreams with prize money of £4 500 000 (£2 000 000 for the final) which is one of the biggest prize tournaments in the World. With 100 international golfers playing each week you will still be able to play golf on this course and stay in the hotel at a reduced rate. Your membership is included (outside fee R65,000) and there are no annual fees as long as you own your fraction.*

*Join us at our Le Grand presentation on the evening of Tuesday 19<sup>th</sup> May RSVP urgently to [mikehome@telkomsa.net](mailto:mikehome@telkomsa.net) as space is limited. This is a once in a lifetime opportunity that is not to be missed. It is as good as it sounds and an exceptional investment. Make a booking now or miss out. See you there Mike & Jill. 082 881 4711*

