

The Landlord

For Landlords and Sectional Title Owners



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Welcome back to 2011! It looks like the New Year is going to be an exceptionally busy one. Even though we are still in the week before everyone goes back to work on 10th January our offices are full of people looking for places to stay, buyers looking for places to buy and our commercial department is really busy.

Interest rates seem to have come to a standstill for the moment, mainly as a result of the rising price of oil. Hopefully it will drop down again as the northern summer comes around and their temperatures start to rise. We will have to see.

Platinum Global has been appointed to two new sectional title complexes as Body Corporate managers, Westville in Fleurdal and Ikebana in General de Wet. We will also be looking after the new complex Lantana in Lilyvale (a suburb of Rayton) and have already started looking after Bella Donna in the same area. These are really nice ground floor only townhouses either 2 or 3 bedrooms – if you are looking for a nice place to stay!

2011 will be the year of the Time of Use electricity meters (TOU). They are steadily being installed in all major buildings other than those older ones which have individual unit meters. There is a lot of un-happiness and many owners have agreed to pay R200 each to the new owners association which is looking at taking Centlec and the municipality to court over the excessively high electricity accounts. If you would like to participate I can put you in touch with the organizers. Hopefully this problem can be sorted out to everyone's satisfaction. Yes 2011 looks like being a very busy and interesting year.

SHORTAGE OF QUALITY FLATS LOOMS IN BLOEMFONTEIN

Platinum Global reported last year that there was likely to be a shortage of all types of residential properties this year. Already this trend is rearing its ugly head. Family orientated flats and townhouses are virtually non-existent and any good properties are being taken up immediately when notice is given. Of the over 1400 residential properties that the company manages there are in total no more than 35 properties that are currently available – spread over the period January to March. Already since Monday the number of available units has dropped dramatically and our offices are full of people desperate to find accommodation.

The lack of family orientated flats is a real concern. Non student flats are very hard to come by indeed. While there has been some building of this type of property during the last part of 2010 (Saratoga 96 units, Oakleaves Village 76 units) these properties are being let as fast as they are finished. A further 44 units at Lantana Lilyvale Rayton (which sold out in a week) will be started early this year but this small number of units will do little to satisfy the needs of the market.

The biggest problem with developing new family homes is the lack of zoned sites. While there are in theory sites available in Willows, Westdene and Navalsig most of these properties are occupied by other types of buildings and are only available at uneconomic prices. An additional problem is that with the increased standards of parking that are required by local authorities it is very difficult to get sufficient units on to a site to make it financially viable. For example sites in Navalsig that could previously house 27 units with one parking per unit will now have to be scaled down to only 18 units because of the requirement for 1.5 parkings per flat. This requirement thus makes it quite difficult to financially justify building new blocks of flats. As a result there is a demand for relatively inexpensive (per unit) small holding sites with flat rights. To date though most developers have concentrated on townhouse development and virtually no small holdings have yet been zoned for the development of blocks of flats. Watch this space.

DO YOU NEED A CLEANER?

Traditionally each sectional title complex has its own cleaner who also looks after the garden. While this is an ideal situation some smaller buildings may find it cheaper and more appropriate to use a garden service and to negotiate with them that they take out dustbins on the day and take away bulk rubbish as part of their work.

Wages for cleaners have become quite an expense and garden services are often able to do the work for surprisingly little – and you don't have to worry about the cost of gardening equipment or repairs to the lawn mower.

Some gardeners are capable of doing small repair work so you will have to look at this aspect too. My feeling is that if you do need the occasional paint job done it may be cheaper to get a proper contractor or supervise a street painter.

It all depends on how much you feel comfortable in paying for the service that you want but having a garden service can be a viable option for many buildings. In fact some of the newer larger buildings, which are built on an open plan basis have opted for modified garden services rather than employing four or five staff of their own.

Discuss the options at your next Trustees meeting and ask your managing agent's advice on what is the best way for your particular building.

Olivetti D-Colour MF25 for Sale

Half way through our lease we have outgrown our colour photo copy machine. If you are looking for a high quality full colour A3 photo copier at a great price let us know – we have it waiting for you. Olivetti are no longer being maintained in Bloemfontein but the machine is a badge engineered Minolta machine so it should be possible to have it serviced locally by Minolta or independent servicing companies. This large machine comes complete with a full sorter and stapler.

Contact Jill Spencer at 082 881 4711 or platinumglobal@telkomsa.net for more information.

2011 COULD BE A GOOD YEAR TO INVEST IN PROPERTY.

Low interest rates with a strong possibility of further drops, shortage of accommodation, rising rentals. Why would you put your money in the bank? 2011 could well be the year to buy more property. Prices have stuck in a price range over the past couple of years for obvious reasons but you should be aware that real prices hardly dropped at all ie you are now paying much the same as what you would have paid for a residential investment unit as you would have done 3 years ago (As opposed to asking prices!!).

If you have cash in the bank you are now getting something like half of what you were getting three years ago. With the shortage of available rental units rentals have tended to rise quite well. What would you rather do have money in the bank or a rental flat investment. I know what my answer would be. My feeling is that the cycle is past the bottom and is due for a rise – not stupidly steep like 2004/5 but real and gradual. So it could be the right time to take the leap and buy your next investment property. Just last week my daughter in law bought her second investment property!

Don't expect sellers to be highly negotiable. If they have put them into the market at a reasonably realistic price they know that the market is on the point of changing and wont be willing to negotiate much. Make sure that the price that you are paying is fair for the unit and condition that you are buying but be reasonable with your offers. With current interest rates you are paying only R9.25 per R1000 so saving R10,000 on the price only saves you R92.50 per month. On a R3000 pm rental flat a single increase of 10% will bring you in an extra R300 pm. It is important to review rentals at least once a year. While you may feel sorry for your current tenant and not want to put up your rental too much for them when your flat goes vacant push it up to close to the maximum that you can obtain – your not hurting anyone. However err on the side of caution by setting your rental just below what could be got so that you get a longer term, more stable tenant rather that a short term one and make sure that your letting agent only takes people with good credit records. Keep your flat in good condition at all times. A happy tenant will be prepared to pay more for nice well maintained property and will stay longer.

Buy2Let Property Web Page has Opened

GO TO www.buy2let.co.za TODAY.

Finding properties on the web is not always easy. Sometimes web pages don't have much stock to show you and others are just difficult to use. After 35 years in the industry I have come to realize that people when looking for property to buy often don't know where they want to live. If I was moving to PE for example I would not know which suburbs would suit my needs.

To overcome this problem Buy2Let works in areas in each town. Some towns have more areas than others. For example Bloemfontein has North, South, East and West, while Bethlehem may have just Bethlehem and Clarens. When you choose an area you will be able to see all the suburbs that the area covers. Some suburbs fall into more than one area as would Noordhoek in Bloemfontein (North and East). Looking for property is really easy. All you need to do is to select your town, then the area, price range and if you want to the number of bedrooms. You will quickly see a list of properties with the basic details, price etc and a few photos. The whole idea of Buy2Let is to put you into direct contact with the listing agents and company as quickly as possible. You are able to put your selected listing into a shopping basket and to print out the details for further use. Buy2Let is a free service to all estate agents and is intended to make finding property easy and quick. Estate agencies can apply to join on line.

Also on Buy2Let are a number of service provider blocks for plumbers, glass, removal etc. These service providers subscribe to Buy2Let for a small annual fee and allow buyers and sellers to make use of their services. There is a maximum of 4 service providers for each category per area and names come up in random order. 20% of all the income generated will be used to promote Buy2Let and the services that it offers.

Said Mike, "Buy2Let will make it easier and cost free for smaller estate agencies to be on the web and to bring their properties to the market. Buyers and sellers like it because it is easier to see properties and compare prices. They also find it an easy place for them to make contact with people who offer property related services. Buy2Let will shortly be upgraded to include rentals and will then be launched countrywide.

If you would like to list your property on Buy2Let or would like to become a service provider on the web page just contact Mike Spencer at 082 881 4711 or mikehome@telkomsa.net or your estate agent friend



UFS YOUNG PERSON'S FLAT R525,000

Children going to UFS this year? No place to stay or can't find a nice place to rent? The do yourself a favour buy in Gaudeamus. A most popular up-market modern building just 5 minutes from the main gate. Well managed by Platinum Global and concerned trustees. Choice of this really nice up-graded ground floor one bedroom unit (R525,000) or equally nice two bedroom units, one with two carports (R650,000). A lovely place to stay amongst great people.

Contact Mike Spencer 082 881 4711



NEW ON THE MARKET – IMMACULATE 2 BEDROOM

Brand new on the market – huge 113 sq m 2 bedroom flat with wide full length balcony. Brand new kitchen with built in oven. This is one of those really lovely properties with spotless floor tiles, perfect paintwork and gleaming glass. I wish my house was that clean! Having been there for 10 years they are only moving because their children need more play space. Come view this lovely property as your own home or as a buy to let property investment.

Call Mimie Jacobs 079 552 3450 or Mike 082 881 4711



CUT STUDENT FLATS FROM R170,000

Rental flats are just not easy to find. Are your children going to CUT or Bloemfontein FET College? Need and affordable place to stay. Buy a bachelor flat in Willow Glen (for two people). Prices from only R170,000. You will then have peace of mind and avoid expected heavy rental increases. Willow Glen is managed by well known Platinum Global and has excellent finances. The building is due for repainting and this will be paid out of current reserves!

Contact Mike Spencer at 082 881 4711



NEAR NEW ELECTRICITY METERS FOR SALE!

Due to the change to Time of Use meters Platinum Global have been asked to offer you 70 near new disk type electricity meters. These meters were installed just 3 months ago!

If you are a developer or individual who is looking for electricity meters or sub meters we are able to offer these quality meters at only R400,00 each. We can arrange delivery anywhere in the country.

Contact Johan Gerber, our Body Corporate Portfolio Manager who will be able to give you more details and send you details of the meters. These meters are available immediately.

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