

From 1st May. Neat modern offices in two separately rentable sections. Classroom layout in one section, converted house in the other. Very reasonable rent. Parking.

Current Economy Make Times Tough for Landlords.

It is not the economy that is causing problems for business but rather the uncertainty that the constantly changing economy causes. Different and unknown Finance Ministers, downgrading, swings and roundabouts on the currency front, anti-Zuma marches galore! This is what causes angst for business people. And it is not helped by badly written one sided complicated and unnecessary legislation that is simply more and more red tape that commerce and industry must comply with. This helps nobody. It prevents business people from investing in expansion and job creation and nobody benefits. I am currently reading Alan Greenspan's (ex-Chairman of the USA Fed), autobiography – The Age of Turbulence. A fascinating book which should be read by Zuma before he continues on his Populist pronouncements – that road will lead to inflation, job reduction and misery.

But not all is gloom and doom. We have been invited to discussions with the Metro on how to revive property development in our city – with advice from us to make ground available cheaper, with proper bulk services available to new areas and quick turnaround time for approved zoning.

We are having discussions on “missing zonings” especially for high density high rise sites for large scale development of residential blocks of flats from affordable housing to upmarket apartments. Making these types of erven available will do a lot to encourage new development in the city.

There are draft discussion documents that are in circulation showing the current extent of illegal use of residential properties in all the main suburbs and proposals for some approved rezoning areas and what will be happening outside the approved areas. For example, it is proposed that Louw Wepener St be allow for rezoning for office use from the Albrecht St circle to Fleck St – meaning that the car sales and restaurants will have to close. No rezoning will be allowed in Albrecht St. Allowing unrestricted illegal use is having a major effect on the value of legally zoned properties.



The Commercial Landlord

Newsletter for
Commercial &
Industrial Landlords



April 2017

Lilyvale Rates Payers Meeting

Owners from the Lilyvale suburb are not at all happy with the performance of the Metro. Dustbins are left uncollected, parks are not maintained, many departments don't even seem to know where this five year old suburb is!

A meeting of owners from the area will be held on 11th May from 5.30 pm at the Nasorg Sentrum in Van Blommenstein St. (out of Dan Pienaar Drive it is known as Rayton Rd).

Everyone is welcome to attend, especially the Chairman of each of the townhouse and flat developments in Lilyvale and the Home Owners Association Chairman.

Attendees will discuss what can be done about the lack of services for the area and the possible formation of a Rates Payers Association.

Talk Shop

by Platinum Global

Keep Your Tenants – Negotiate.

We are all aware that the market for rental properties is weak and this is definitely influenced by the number of illegal premises that are available. The current market is also not helping things either.

Landlords need to be aware of the situation and be a little flexible when looking at escalations and renewals. As a landlord myself, I would rather have a good tenant – and no escalation – than no tenant at all or even worse a bad tenant.

Landlords also need to be realistic with regards to leases on vacant premises. It is a competitive market out there and the rental you are asking, the condition of the property and conditions of the lease will be a factor. However desperate you may be NEVER take a bad tenant.

You will have a competitive edge if you fix up your property so that you are offering a neat and well maintained one rather than a scruffy one. The best property will win.

Unpaid Water and Electricity are a Problem

Even the best of tenants will be tempted to let the payment of services (water and electricity) slide in tough times, if they are able to get away with it. Bad tenants will do it as the norm.

In a way, the fact that the municipality will no longer connect electricity on the tenants account and insist that the landlord make the deposit and receive the accounts actually assists the Landlord to collect these charges. It will mean that the Landlord will always be aware of whether or not the service accounts have been paid (there is no reason why the tenant should not pay directly - the landlord will get the account to prove it at the end of the month).

Action should be taken immediately if a tenant does not pay on time and in full for the services. It is illegal to take the law into your own hands and disconnect the electricity, but why not tell Centlec to suspend your services?

Unpaid water and electricity is a sign of a tenant under stress. If you have a good tenant it might be better to have a tenant that pays a bit less than sit with vacant premises for a time. Reducing rent by 10% will mean that you lose 1 month's rent per year but if you give the tenant notice you might

Metro – Hard Look at Illegal Businesses

The Metro have done a lot of homework into the illegal business that have sprung up all over the city. These detail reports targeting every illegal business is fully motivated with suggestions where changes could or should be made. However, there is every indication that they are set to tighten up where businesses can be run.

It looks like business run out of guide lined premises will be allowed to apply for the appropriate business zoning – at considerable cost. Those that are not on approved sites will be forced to close and most probably will be given a grace period to move.

Looking at the drafts it shows hundreds of businesses outside the proposed guide planned areas. There is a vacancy factor for existing business premises but the demand could exceed the current supply. It will certainly tend to increase the letting rentals. The demand may well be such that new office sectional title units could be needed.

PAYING RATES AND TAXES AND NOT GETTING MUNICIPAL SERVICES?

The Metro is quick to ask for your money, but they are not so quick to provide the services that you have paid for. Rubbish removal is a major problem for many Landlords, especially those with large blocks of flats. It is a constant problem to get them to remove rubbish on the correct day.

Major buildings are suffering for days with uncollected rubbish that simply piles up and smells awful. What is a landlord to do? There is definitely a health risk apart from which rubbish gets blown about and interfered with by street plastic collectors and the like. Can a Landlord remove the rubbish himself, submit the invoices and deduct the cost from his rates and taxes account?

It is certainly not a laughing matter when rubbish from 300 or 700 units piles up. The non-rubbish trucks of private contractors are totally inadequate for the job. Quite honestly, I really think that the Landlords private contractors are actually cheaper than the municipal temporary service providers!



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NEW SHOPPING CENTRE LANGENOVEN PARK

Ask and you can get. Big or small our Landlord has it all. Recently established shopping centre offers a variety of shop sizes to suit your needs at R120 sqm. Lots of open parking makes this not expensive as a shop or offices in a top-quality suburb. Well worth investigating how suitable this could be for your business.

Contact Thabo 082 609 9711 to view today



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Contact Mike 082 884 4711