



Warehouse/Showroom – High Visibility

Exceptional opportunity for the right business. 150 m² warehousing/despatch. Secure parking, roll up door, store, kitchenette and open plan receptionist. Managers office included. Exceptional value at R20,500 pm plus VAT.

Contact Jodi 081 315 4274

POSITION, POSITION, POSITION – STILL SO TRUE

We all know the old adage about position being king – but it is so true. In times of stress on the market quality outs. A typical example would be BaysVillage Shopping Centre on the corner of Waverley and Milner Roads. Despite a massive upgrading of Preller Square and the newly redesigned Northridge Mall and the new Pick n Pay centre on the corner of Waverley and Andries Pretorius St, that centre buzzes and it difficult to get a parking. Why? Well position is the key. Just about everyone living in Waverley and Bayswater passes that property at least once a day. Lots of passing traffic tends to mean business. To go to Northridge Mall, you often have to pass it. To put is simply it is convenient. It also has quite a good range of tenants including a supermarket, bottle store, butchery and chemist – what more do you need. On top of that it has some good restaurants too. The biggest problem is parking – because so many people go there!

Other properties struggle. Westdene Centre tends to be a centre that battles to hold its tenants. While it is fine for offices with limited staff it is not that easy for the general public to access. Parking is quite tight. It is not intended that you should exit out of Reid Street and because of the sharp bend they are not encouraging you to turn into it from the north. As a result, it is not the best of trading point – leaving it to more limited office use.

When considering development, it is important to look at it from a user's eye point of view. Shoppers are looking for a quick pop in and pop out situations where herring bone parking would be ideal. Office workers are looking for parking. Residential tenants can be brought in if solar electricity at below Eskom tariffs is on tap, plus fibre internet connections. In fact, you can charge a premium if you are bigger, better and well designed. The cost of building a building is the same across the country only the ground cost varies. If you design right, you can have a full house at less cost.

The Commercial Landlord

Newsletter for Commercial & Industrial Landlords



Aug 2020

Well Priced Commercial Property Selling

It has been a busy time on the commercial side with sales of blocks of flats, commercial mini centres and a factory during the month. Price is obviously key to the exercise and net return is most important. Where the price is fair with regard the realistic net trading income of a property then it will sell, despite the considerable amount of commercial property that is available. Nice strong well maintained buildings in Hilton have been on the market for a number of years because the price is not relevant to the real worth of the property. Being a residential owner's home on the first floor and show rooms on the ground is not always what the normal tenant is looking for and this does influence what a buyer is prepared to pay. Price Right!

Talk Shop

by Platinum Global

GET READY TO LET

As we are all aware the commercial letting market is not a simple or easy one. Indeed, it is very competitive though the volume of vacant places is not as bad as it has been in the past. Landlords must consider that in a tenants market they need to compete HARD with the competition in the market. We have mentioned it in the past, but it pays to have your place ready. Gone are the days when you can drag a tenant into the last tenants mess and expect him to rent from you. Today you really need to make your premises as attractive as possible. Your property must beat the opposition in the market. It must give the impression that the Landlord cares. Leaving it dirty, full of rubbish and not spring cleaned is not doing you any favours. They will simply rent from your neighbours

While I remember, please tell your insurance company that your property is standing vacant for more than 2 months or they could repudiate your claim. Also make sure that your water and electricity and rates accounts are up to date too.

Building to Let could be the Answer.

There has been virtually no building of residential properties to let for many years and almost all development has been done for sale to individual owners. While some of these units have been put up for rental by their owners extraordinarily few flat/apartment building has been built at all and almost nothing for simple letting. The last wave of apartment buildings for rental, was in the early 1970s over 50 years ago.

If I had reason to move out of my modest house, I would find it near impossible to find an apartment that would cater for my needs. Small flat area, lack of decent parking, no fibre in many places, old fashioned design and next to no facilities would not be attractive to me. Larger developments would allow for in house mini-marts, car washing facilities, cheaper than Centlec solar energy plants, squash courts and the like giving rise to a higher quality of living. An extremely attractive combination for any tenant. Even in todays market there is a demand for modern rental properties with good facilities. With most couples having more than one car, 2 parkings per unit has quickly become the norm. Anything less and you will find it hard to attract tenants.

Let Them Know If It is Empty!

Unless you don't have any insurance, you need to let your broker know when your property stands empty for more than two months or risk not getting paid out when you have a break in. Don't think that it won't happen. A house which was sold was waiting for the new owner to move in, but they had yet to take occupation or responsibility for the property. Just before the new owner was due to move in the thieves did! They stripped the place of plugs, carpets, basins, piping, cupboards. What they could not remove they broke. Because the property had stood empty for a few months and had not been reported as being empty the insurance company declined to pay out. They contend that there is a requirement to let them know that the place was long term empty which would have allowed them to charge an extra premium for a riskier property. This clause effects all types properties to ensure that properties are not left unprotected.

Consider Inflation Related Rentals Rather than Straight Escalation.

The real risk for landlord is the current exceptionally low interest and inflation pattern. While this is great when paying your bond back it adds potential risk when signing longer leases. If think back a few years with inflation at 20% and interest rates at 18% any mistake that you may have made in the rental asked was quickly corrected.

Current inflation is now around 4% with interest rates around 8%. If you are pushed into accepting a long term lease with a low, say 6% escalation you could be in trouble if interest rates start to rise again. While an interest rise from 20 to 21% is an increase of only a 5%, an increase from 8% to 9% is a 12.5% escalation. If you are working on a low escalation and inflation bumps back up to previous levels, you could be in trouble with your bond going up faster than your rental.

One solution is to allow for inflation linked escalation. If it is set at .5% above the inflation rate you would be getting slightly more each year, but most important you would be protected from Zimbabwe type inflation increases.



Office Park – Ground Floor Offices (Furnished)
Offices & Reception & Store & 2 covered parkings Only
R8,600 + VAT. Security modern complex. Bargain!
Contact Jodi 082 315 4274



City Centre – Show to the World
Great location & Visibility. Exactly right for you and
your businesses. 205 sq m shop with 2 offices.
Contact Jodi 081 315 4274



OOSEINDE 560 SQ M WAREHOUSE
With offices (air-conditioned) and spray booth. 3 phase
electricity. Reception & kitchen. R28,000 pm plus VAT.
Ideal for wide range of industries. Great area, great
property for you.

Call Mike 082 881 4711 mike@platinumglobal.co.za



Warehouse with Extensive offices on smallholding.
North of town in Rayton. 2 sets of offices one could be
uses as cottage. 250 m² warehouse 2 x offices 80 m²
each. Well situated in upmarket small holding area.
Could be uses as sales point, especially for agricultural
goods. Upmarket building.

Contact Jodi 081 315 4274



REALLY SERIOUS SELLER – MAKE AN OFFER TODAY!
When times are tough , the tough get going. This Seller
really wants to sell and is seriously negotiable on his
price. Asking price R10,000,000 plus VAT. A great
property to own. What is your offer? Lots of parking.
Contact Jodi 081 315 4274



WESTDEENE OFFICE TO LET. R12,000 PLUS VAT
Free standing and highly visible set of offices. Tastefully
finished with offices, boardroom, and kitchen.
Substantial parking area on street side. Something to
be proud of. Occupation available by arrangement.
Come view this one before you decide on anything else.
Contact Jodi 081 315 4274