



#### **NORTHERN WESTDENE – GROUND FLOOR MODERN OFFICES**

Jodi has successfully negotiated this ground floor set of offices as the new TUHF regional offices. Jodi can do the same for you. We have potential clients for most types of property providing that the condition of the property offered is relative to the rental required. Not sure what your rental should be? Give Jodi a call. Contact Jodi 081 315 4274

#### **SMALL BODY CORPORATES NO LONGER COST EFFECTIVE TO MANAGE**

For some time, Platinum Global has been asking developers to look at developing larger sectional title schemes from 80 units upwards because it is no longer financially or physically viable to manage smaller schemes. In the past many schemes were typically 20 to 30 units. With the previous sectional title act it is still possible to manage these smaller schemes reasonably successfully as they could be run doing a normal amount of work for the fees usually paid. By attending to the basic needs of the body corporate most managing agents could assist with running a small scheme.

But that all changed with the new Sectional Titles Management Act (STMA) which requires far higher levels of management. Reporting on owners, voting by PQ instead of a show of hands, higher quorums, especially for large schemes are just some of the things that make running a body corporate far more difficult and time consuming. Just holding general meetings is a major exercise as the frequency of delayed meetings has risen to more than 50% (caused by higher quorums and limit of two proxies per attendee). Failure to have a quorum results in the meeting being delayed to the same day and time one week hence – a second meeting. What are the managing agents to do? Busy managing agents don't have spare meeting slots – apart from which, in my opinion, it penalises the owners who do attend the meeting by making them come to two meetings or miss out – very unfair.

Developers of schemes need to be aware that they will find it very difficult to get competent managing agents to take on these small schemes. It certainly not attractive for larger firms to take on small schemes under at least 50 units. Developers should look at larger schemes and allow different builders to build portions of the total scheme. This will allow them to sell the development of small sections of a large scheme which is affordable to small builders.

# The Commercial Landlord

Newsletter for  
Commercial &  
Industrial Landlords



Feb 2019

#### **Poor Credit Report – Don't Touch them with a Barge Pole**

It is vital to check the credit rating of your potential tenants and analyse the report to ensure that they are worth taking a risk on. What should you be looking for? A tenant that pays late on a regular basis? A tenant who tries to give you their personal bank account details rather than the company details. A tenant who has bank accounts that show too little income to be able to afford the rental that is being ask – and pay running expenses and wages? A tenant that has moved three times in the past year. A tenant that does not give full and detailed information about himself and his business. If it smells bad, it probably is. Seldom will it pay you to “take a risk” on a marginal potential tenant or to see “if they will work out”. Far better to say NO

# Talk Shop

by Platinum Global

## FIBRE OPTICS – GETTING CLOSE

Fibre optics are in the process of being rolled out over much of Bloemfontein – just look out for the trenches that are being dug along pavements and roadways. I take my hat off to the installers as they are working quickly and neatly, and you can hardly see where they dug up. Langenhoven Park is almost finished, and I understand that the first schemes will be operational by the end of this month. Installation to complexes are free of charge with each occupant/tenant making direct arrangements with the provider of their choice.

Commercial buildings will also be wired, especially complexes, but also individual buildings. It will remove the need for Telkom lines in a building as VOIP is included in the fibre offerings. It also means that DSTV satellites should be a thing of the past. Not having fibre could be a real disadvantage when you want to let your commercial building – so make sure that you are connected. Fibre is very inexpensive and likely to get cheaper – it will allow business at the speed of lighting!

## Does it pay to have Security

So many tenants believe that it is the Landlord's responsibly to look after building security. They have no concept of just how expensive security is. Having said this be aware that a well secured building is likely to let quicker. Review your security to see whether it is up to scratch.

Is your boundary secure – a six panel concrete fence is not good enough. Not only is it easy to climb over- panels can be kicked out. Electric fencing is only worth having if it is high voltage and has a security company that pops over to see what is happening when it goes off!

24-hour entrance security it OK to a point, but needs patrols to make it effective. It also does not help if anyone can just talk their way in with the guards. A strict control system does need to have an easy system for allowing guests and contractors to get into the scheme.

Ultimately it is the owner/tenant that must see to the security of their own unit. There is no substitute for a unit alarm system and personal camera. But don't forget that you need to have these checked to see that they are working at least once a month.

Call Mike Spencer 082 881 4711 or email [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za)

## TRY NOT TO BE DOGMATIC

You have a five-year contract with a 10% escalation each year. Year three and your well-paying client lets you know that they want to move out because business is bad, and they cannot afford the rent. What do you do - sue the tenant for the rental for the balance of the lease?

Not a good idea. You have just got rid of a good tenant, are not making friends, have a vacant property and are looking for a new set of tenants that may or may not be as good as your old one.

Why not consider negotiating the same rental for the new year or even a slightly lower one. Vacant sites give you R0 income. If you eventually get a tenant at the same rental two months down the line you will have lost two months rental. If you get 10% more it will take you 20 months to recover these vacant months. The new tenant is likely to ask for repainting, carpets, repairs which will make the situation worse. Rather keep the old one. Contact Mike at [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za) if you have any enquiries.

## LET PLATINUM GLOBAL COLLECT YOUR RENTALS

Single premises, groups of individual lettings, or single lettings, we would offer you our KISS reporting system that makes understanding exactly what is happening in your properties a synch. All properties receive monthly income and expense statements issued in a way that is very easy to understand. All reports come with full copy invoices and supporting documentation. Large buildings are run with the own personalised bank accounts so that all income and expenses are shown in your own separate account. Our Landlords love our simple, but accurate, easy to read reporting system.

Platinum Global is happy to pay electricity, water and rates and taxes on your behalf. Water and electricity readings are done at a very moderate fee and free of charge where your meters can be incorporated into our distant read meter reading system. There is no argument that our system is the most Landlord friendly in town.

Contact Mike Spencer, [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za). telephone 082 881 4711



**1<sup>st</sup> May 2019 – Modern Offices with Good Parking**  
 Looking to up grade to modern offices with high visibility. Current tenant moving to other premises due to economy. Landlord able to make adjustments to meet your needs. Some of the nicest offices in town.  
**Contact Mike 081 315 4274**



**APPROVED DEVELOPMENT SITE NORTHERN SUBURBS**  
 19 ha approved site. High lying with beautiful views. Most services already in. Excellent up market position. 50/50 townhouse/apartment and housing sites. Quiet country position. Nowhere better available.  
**Contact Mike 082 881 4711**



**4000 sq m DEVELOPMENT SITE WESTDENE**  
 Exceptional site for construction of offices/guest house or similar properties. Rare offering consolidated with single owner. Early occupation available to qualified clients. You won't find better. Talk to Platinum Global  
**Call Jodi 081 315 4274**



**WORKSHOP & SHOWROOMS & ACCOMMODATION**  
 Unique opportunity to have some of the most practical workshops and showrooms in town. Either rent or buy at a very reasonable rate. Great secure place for panel beaters and spares business.  
**Call Jodi 081 315 4274**



**PHAHAMENG–SHOP SITE READY TO BUILD R1,000,000**  
 Start building today. Level site previously supermarket. Great opportunity to own your business site in this popular area. Level site close to access to graveyard. Double corner site. Could be utilized as a church site. Something very different.  
**Call Mike 082 881 4711**



**HARVEY RD CORNER ST GEORGES AVE TO RENT**  
 Just come on to the market. Be the first to get an opportunity to open a shop on this busy crossroad. Neatly tiled with the minimum of move-in work needed. Roller shutter security over front display windows.  
**Call Jodi 081 315 4274**