



#### **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

#### **THINK ABOUT SOLAR FOR YOUR COMMERCIAL PROPERTIES**

Those of you who read The Landlord will have seen the article on the installation of solar in residential schemes. Solar actually makes far more sense and is even more efficient and effective in office blocks if you consider that offices essentially work during day light hours and have very few heavy plant users of electricity except the air-conditioning.

This means that the bulk of your electricity can be supplied from the solar system with the a/cs being fed, together with the odd geyser, from Centlec and only after hours when it was dark would the supply for the lights be taken from the same source.

Once the solar is in and paid for it can become an extra source of income. If the electricity for the lighting of the offices were to be sold at a rate less expensive than the Centlec rate it would be a huge draw card to potential tenants. Not only would you tend to get new tenants more easily, but you would tend to keep existing tenants longer (why would you move to where you needed to pay more for electricity).

Landlords need to make sure that they get the best systems in place that suits the needs of their tenants. Even where you may not have enough roof space for the panels or where your roof faces the wrong direction it is possible to put additional panels as replacement roofs on carports. When designing new buildings, it is vital that developers at least ensure that all roofs are fully north facing to allow for future installation of solar panels. This will result in a change in roof style so that there will be a tendency towards single pitch north facing roofs in order to get the maximum number of panels on the roof. Using low to no maintenance roofs for this, such as Harvey Tile will reduce the maintenance that is necessary.

# The Commercial Landlord

Newsletter for  
Commercial &  
Industrial Landlords



Mar 2019

#### **Proper Pre-Checks on Tenants Are Essential**

Taking on a poor tenant is worse than having no tenant at all. Poor tenants start giving problems in only a short few months and inevitably never see out the first year. They will cause the Landlord to refix/paint the premises when they lease and usually have not paid the last couple of months rental too. Altogether a total waste of time and resources.

This can be avoided by a proper credit check on ITC. Check both the company and its directors (often effectively the same thing). Where the company or its directors cannot show enough income to pay at least three months rental from their balance they are probably not worth taking on as they cannot sustain themselves in tough times.

# Talk Shop

by Platinum Global

## **IT COULD BE CHEAPER TO BUY THAN RENT!**

**In 1987 Platinum Global bought its own premises when it opened. Well for the first six months we rented by the Landlord when belly up and our premises were sold on auction!**

**We bought our current premises for R50,000 and fixed it up for another R50,000 – fortune in those days. Over the following 10 years, with a great struggle we managed to pay off our bond. What a godsend that was.**

**Over the years we have done small improvements and extensions mainly on a cash basis which means that our company runs without a bond or rental cost. When times are tough, we don't have that burden hanging over our necks. We can even have a bad month or two from time to time.**

**Perhaps now is the time to look to buy rather than rent. Prices are normally negotiable if the seller is serious and you get the peace of mind that it is yours. Maybe something to think about.**  
**[mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za)**

## **Keeping Your Tenant is Cheaper Than a New One.**

**Times ARE TOUGH!** So, don't throw the baby out with the bathwater. If your tenants give notice, try to keep them. Find out why they are moving. Wanting less space may mean they want a smaller rental. Talk to your tenants and be accommodating. Rather keep a good tenant at a lower rental than have no rental at all. Loosing a tenant and having vacant premises is not the answer. You never know how soon it will be before you do get a new tenant. For every month your property stands vacant it will take you 10 months to recover the lost rental. So if you place stands vacant for six months.....

Ask what it will take for your tenant to stay. Consider the same rent for a new lease and a reduced escalation perhaps. Offer to repaint the premises, clean the carpets--- all the things you would normally do for a new tenant – only your “new tenant” is already in occupation.

Vacant properties need revamping, replacement of carpets, tiling, repainting, with additional cost for security and the like No, in my opinion keep the current tenants at all costs.

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

## **ARE EXTRAS DIFFICULT FOR NON-NATIONAL TENANTS**

Plus, plus, plus, plus.....thats how it feels for the normal tenant in larger complexes and malls. Security contributions, marketing contributions, turn over clauses, pro-rate rates increases, and more and more.

While the anchor tenants receive the benefit of low per square metre rentals in the centre, one off tenant's feel really hard done by. When times are tough there is no let up and when times get better the landlord simply takes a percentage of their increased in turnover. In reality the landlords takes little or no risk, the risk all seems to be on the side of the tenant.

What I am really suggesting is that one off tenants in malls should be offered a fixed rental so that they can budget properly and see the benefit of additional profits when and if it does happen. Might make for a more permanent tenant mix.

Contact Mike at [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za) if you have any enquiries.

## **K.I.S.S.**

Keep It Simple Stupid – or don't make a simple task complicated. I learnt many years ago to simplify everything. What you do should be logical, easy to understand, necessary, and profitable. Take keys for example. They cost a fortune to replace if lost. Mr NOBODY is the one who lost, stole, mislaid them. Have a key book with a page for each set of keys. The key numbers are noted so at least those can be purchased off the shelf is needed. Keep details of who takes out the keys (including your own staff), with the name and cell number of the person – so that if they go missing you know who has them. Get somebody to countersign your own staff. Sign the keys out & IN. Make a policy not to let keys out of the office after 3pm (or they won't be returned that day) and that keys must be returned the same day. Perhaps keep the ID book of clients who borrow keys – that way they are pretty sure to come back. For security reasons you may decide not to keep spare keys for property that you let but rather give all sets to the tenant. Have policy that if somebody loses the keys they are responsible for the cost of replacing them. Don't allow staff to keep keys in their cars. As I say KISS.

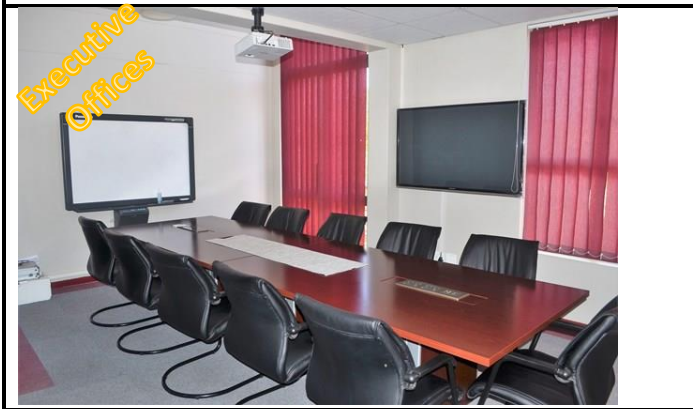
Contact Mike Spencer, [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za). telephone 082 881 4711



**TOP OF THE MARKET OFFICES 150 SQ M - SECURITY**  
 Corporate office quality now available. Partitioned interior. Under cover parking. Boardroom and 3 offices. Own bathroom and kitchen. Excellent quality offices and building – Your clients will love you.  
 Contact Jodi 081 315 4274



**11 UNIT OFFICE COMPLEX (EX TOWNHOUSES)**  
 Spacious well-constructed townhouse scheme for sale as office block. 2 & 3 office units with extra open plan office from amended kitchen. Good parking ratios and off street parking. Very competitive price  
 Contact Thabo 063 058 9210



**Genius Loci Langenhoven Park**  
 Office park 270 sq m 8 offices, 2 boardrooms, 10 parkings (6 under cover), CCTV inside offices. Security guards 24 hour a day. Prestigious office for solid company. Likeable modern suburb will attract your clients to this property.  
 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. Negotiable beautiful premises for wide range of uses.  
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**FACTORY SITE - READY TO BUILD R1,000,000**  
 Developing mixed use area. Choice of 4 1 ha factory sites (one with an existing house). Quality buildings in the area. Ideal for own development, storage, or mini factory park. Ready to build. Very good price. Early Occupation  
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**240 UNIT FLAT SITE – READY TO BUILD**  
 Popular quality area, nearby houses sell for R1 million plus. Next to high quality creche. High rental area. Could be developed for sale by sectional title, single ownership or for sale by Consortium. Lets talk about the options.  
 Call Mike 082 881 4711