



### WHY RENT WHEN YOU CAN BUY? R1,957,000 PAID OFF OVER 10 YEARS

It does not make sense to rent when you can buy. After 10 years your bond falls away and your business can operate rent free! Is that a competitive advantage or not? The best thing you can do to secure your future is to own your own premises. Over time your property costs remain pretty static making your business ever more viable. Contact Jodi 081 315 4274

### COULD THIS BE THE TIME TO BUY INDUSTRIAL AND COMMERCIAL PROPERTY?

It might seem a crass thing to suggest when one considers the current state of the South African economy. However, consider that the ANC government is under huge pressure to perform. President Ramaphosa obtained a reduced majority on the promise of clean government and improved employment. If he does not perform the ANC will face not only a battering at the next local government elections but a beating at the next national elections. He has to perform!

Performance means that business must perform because without improvement in business sentiment no jobs will be created. Business not government is the source of jobs. Hopefully he will heed the call for more business-friendly legislation and a reduction on legislation that burdens business with social responsibilities that are a government function. Typical of which would be proposed changes that will force new developers to the west and north of town to include 30% affordable housing into their developments. Why I say it will not work is because the fault lies with poor town planning of these new areas – in fact no town planning at all. Developers should be free to develop whatever the market desires and not be burdened with a social responsibility clause. The end result will no doubt be – no development rather than the supply of affordable rental properties in these areas. The correct solution is for proper suburb wide town planning to be done by local authorities after which development will take place based on what zonings are available. Similarly, where the rental housing act now limits disconnection of tenants not paying electricity to the local authorities, it will simply discourage buy to rent ownership and development of rental properties. When one considers that the complex is connected to the supply not individually, the local authority has no connection to the individual tenant and is hardly likely to want to become involved with the disconnection of non-payers. They will be vigilant in their pursuit of non-paying body corporates and expect other tenants and owners to cross subsidise non-payers.

# The Commercial Landlord

Newsletter for  
Commercial &  
Industrial Landlords



May 2019

### What to Consider when Buying Commercial Property.

The old adage position, position, position applies especially when buying commercial property. Even on the same crossroads each of the corners will have different values due to their effectiveness for your business. You need to consider what your market is and how they will access you. No good opening a business for up market clients if they cannot park at your premises. But on the other hand, a cheap bulk frozen foods outlet would do wonders on a taxi rank. Think about future business and expanding and whether the area is changing up or down. Parking is vital for both staff and customers. Be centrally situated if you have town wide customers and not out on any one extreme. Yes, position, position, position does count.

# Talk Shop

by Platinum Global

## **DON'T LEAVE YOUR PROPERTY EMPTY!**

With the economy is a dip we are seeing increasing signs of strain. For those who read The Landlord (for residential properties) you will have read that I thought that house prices were way above where they should be when one considers the current economy, salary incomes, and in many cases no income at all for those that lost their jobs! It is indicative of the market that many homes that have been sold are being brought back to the market because finance is not being found and that there is a general rapid dropping of prices to sell.

On the commercial side what you never want to see is your property standing empty. Chances are that it will be broken into and later vandalised. The cost of security is excessive and at least R20,000 pm unless you do it yourself. Simply not worth it. Rather put a temporary tenant in even a residential one rather than let it stand vacant. A building can be vandalised to an unoccupiable condition overnight and you won't be covered by insurance if it stood empty for more than a month!

## **Is Bloemfontein Oversupplied with Industrial Sites?**

It is not about the current economy but rather about spatial planning, but is Bloemfontein oversupplied with industrial sites? Hamilton was designed as large industrial sites but many stand empty or underutilised. Old Industrial on the eastern side of town also with a fair sprinkling of old, out of date and underutilised buildings. Ooseinde has about 20% of sites that still have not been sold by Metro 30 years after the area was developed. But despite this, new industrial areas are being developed at Witherow Dam (old Corobrick), along the N8 in Bainsvlei and in Lessing Avenue close to the abattoir in Bloemspruit. Bloemindustria sits in the middle of nowhere about 14 km out of town on the Thaba Nchu Rd (N8), where very few erven have been completed. There are even illegal areas such as the one at Groenvlei.

In my opinion there is a need to rationalise these areas with an emphasis on smaller sites for smaller warehouses and mini manufacturing opportunities. Some of these sites should be considered for high density residential development, especially when one considers that they already have high level service connections and could be developed immediately.

## **Mentoring New Buyers**

There are new businessmen and women entering the market every year as business owners or investors. Property is not an easy market to be in and requires a steady head and years of experience. Platinum Global is pleased with its mentoring of young buyers and offers them assistance and guidance in all aspects of property whether they are buying or letting in town or out of the province.

When buying property there are some basic principals that need to be followed which include ensuring you have reliable information about the property you are buying, especially the income and expenses and sellers are not always as open as they should be. If you have been mentored in these skills, you will have the equipment to avoid some of the more obvious pitfalls of investing in property.

Sometimes it is just good old gut feeling that tells you whether you are looking at a bargain or a disaster. You can avoid the later by having a good mentor to show you the ropes.

## **Do You have a Rental Portfolio that Needs Collecting? Talk to Us.**

Platinum Global is one of the few estate agents in town that has a dedicated commercial and industrial division. If you have a portfolio of properties that need to be rental out and managed, you will find it hard to do better than let us manage them for you. Rental collection in this market is never easy and is especially difficult in a downturn market, which is why you need to employ the best managing and letting agents that you can. While no agency will guarantee a fully let portfolio, equally important is that you know that your properties are being well looked after from a credit control and on-site management basis.

Platinum Global will assist you with all types of commercial and industrial property from individual offices to shopping centre complexes. Our systems are simple but effective and allow for easy financial review by landlords and tenants alike. Our commercial and industrial division can give advice on new developments on the best ways to meter recoverables and manage your property. We are able to take over existing schemes with account practice problems and give the owner a much clearer picture of the real state of affairs. Platinum Global would be prepared to manage repossessed properties until resale in a caretaker capacity. Contact Mike at [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za) 082 881 4711

## THE MARKET PLACE (2 Let or 4 Sale)



### SEXY SET OF SULTRY OFFICES – FOR A SMART COMPANY

Lovely set of modern offices for the up and coming company. 250 sq m with 4 offices and a boardroom. Something very different that will impress your clients.

7 covered parkings included in rental.

Just a lovely set of offices which are great for professionals from marketing to doctors and dentists.

Jodi 081 315 4274 or Mike 082 881 4711



### WORKSHOP/WAREHOUSE OPEN NOW

Just listed this very useful 350 sq m warehouse with its own offices and reception.

Has private yard for trucks and delivery. Guardhouse at entrance for manned security if needed. Shower block and rest rooms for staff.

Available immediately at a very reasonable R16,000 plus VAT per month

JODI 081 315 4274 OR MIKE 082 881 4711



### R2,200,000 BARGAIN AT 90% OF THE PRICE

Stunning offices that have been fully renovated and upgraded. Just right for moving your business into. Centrally situated in Westdene with early occupation. Ideal investment property for all the right reasons.

This is one to come and view – the price is definitely very reasonable and has been set to sell. To view and sign the offer contact Thabo.

Thabo 063 058 9210



### Available 1<sup>st</sup> July – Month Free Set Up

Centrally situated offices with good parking ratios. 6 car workshop/store. Big board room and four other offices, reception kitchen and toilets. Owner will upgrade on reservation and give 1 month free set up rental. Would suit attorney/medical/ union offices. Could also be for sale to approved buyer. Ready to view – come view them today.

Jodi 081 315 4274 or Mike 082 881 4711



**NEW ON THE MARKET – 180 SQ M WAREHOUSE PLUS NOT 1 BUT 2 OFFICE SUITES TO LET R16,000 PLUS VAT**

This is a very pleasant rental property with 180 sq m Shed or Warehouse or Workshop. Very nice up-market quality with roller door on both ends for easy access.

Included in the rental price are two sets of offices of which one could be used as on-site accommodation for your staff. This is a very safe area (I own small holdings close by). Central between Woodlands and Langenhoven Park. Mike 082 881 4711



**NORTH FACING WESTDENE FIRST FLOOR OFFICES**

Starting your own professional company or your lease is coming to an end and you want something better. This is just the place for you. Good onsite and offsite parking. A stone's throw from St Andrews School, close to restaurants and entertainment. Your clients will love you for your position. So will your staff! Professional Offices for a professional business. Really large offices and open planned areas. Great property for professionals and medical teams.

Mike 082 881 4711



**WANTED WANTED WANTED WANTED WANTED**

- ✓ Two offices with training room R10,000 plus VAT
- ✓ Small holding with workshop and house
- ✓ Restaurant CBD 80-100-seater with liquor license
- ✓ Blocks of flats central areas bigger the better
- ✓ Office blocks in CBD for conversion to flats
- ✓ Bangladeshi looking for in town premises for café
- ✓ Flat development sites – all areas
- ✓ Small offices/sub offices 50 m<sup>2</sup> R3 to R6,000 pm
- ✓ Mike 082 881 4711 [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za)



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**TO LET R15,000 PLUS VAT**

1. 135 m<sup>2</sup> open plan office on first floor with balcony. Two managers offices. In house bathroom and kitchenette. Nice set of offices for smaller company ideal for sharing to reduce costs. Situated in Westdene busy area
2. Hair Salon or Spa premises. Vacant immediately available R12,500 plus VAT. Large premises 180 m<sup>2</sup> exceptionally low rental in good area for salon.
3. Cheap offices R60 m<sup>2</sup> extra affordable multi-use office space. Whatever size you need.

Mike 082 881 4711

Platinum Global is looking for 4 full time home sales agents – training will be given.