



MANGAUNG MEDICAL CENTRE/GENERAL OFFICES

New on the market. Originally designed as maternity hospital these offices are now available either as a whole or as divided segments. Well situated central to commercial and residential properties with high rate of passing traffic and high visibility. Will be upgraded to tenants requirements. An ideal situation for doctors, dentists, physio, insurance brokers and the like. This is an exceptional opportunity to make good business.

SIGNS OF AN IMPROVEMENT IN THE ECONOMY?

Despite a generally poor economy there are some signs of an improvement. The CPI and factory results seem to indicate a better situation lies ahead. In my opinion the fact that some of the culprits seem about to have their day in court is a pre-dawn sign that things might be on the brink of improvement. Our company has seen properties that we manage being brought to book by the Hawks. We now have to send income to them instead of owners, while the owners are taken to task.

Platinum Global are still looking for new residential sales agents for different suburbs and are certainly not overwhelmed with applicants, which is somewhat surprising. Perhaps we are setting high standards, but we need people that we can trust to do a good job with the minimum of supervision and to give the right advice to our buyers and sellers.

As previously noted, there is some quite large developments in the advanced planning stage and a definite increase in the enquiries that we are receiving on various projects and developments that we are working on. This includes two or three overseas enquiries about business opportunities in the country. It seems from what we are learning that there is a new appetite for opportunities in Africa as the outside world sees Africa with the largest percentage of young people and perceives future growth. Their focus is not entirely or even mainly based on South Africa and we are picking up enquiries for work to be done especially in West Africa including Ghana, Togo, and the Gold Coast.

I know truly little about the rest of Africa but there seems to be an appetite for development in many African countries and investors willing to bring the capital needed to the table. It is still early days, I will be listening and learning and seeing what is being put on the table.

The Commercial Landlord

Newsletter for Commercial & Industrial Landlords



May 2021

BOYCOTT ON MONDAY NOT HELPFUL.

I don't think that anyone disagrees that Metro is in a shambles and should be replaced. Definitely over paid and underworked. They seem to have little idea about how to organise anything properly. Let's just hope that the October elections bring in a party that is able to start enforcing the municipal regulations and doing proper credit control.

Getting industry and commerce coming to a halt is not going to improve the situation, it just kills jobs. The focus must be on Metro workers doing what they are paid to do and taking responsibility individually when they don't. The Glas Palaise simply shuts down at midday. Totally unacceptable. There are great individuals such as Betty in rates collections but many people, especially at the top are simply not worth employing and should be replaced by those that can do and are willing to work.

Talk Shop

by Platinum Global

Hold on to Your Good Tenants

A Landlord knows when they have a good tenant – they are worth their weight in gold. I'm not so sure about the other types.

Platinum Global recently took over a small portfolio of one of our current Landlords and was asked to conclude new leases with the current tenants.

Although we were told that the tenants had decided to keep their current lease and in one case to add a large extension, just getting them to sign a standard lease agreement has been a problem. Current businesspeople seem to find it hard to make a decision, fight about the rental, and then gip at paying the deposit. It all comes down to whether these are good tenants or are taking a chance and will duck as soon as times are tough for them.

That is why I say, if you have good tenants, keep them happy. A slight cut or no increase won't kill you and will keep your place full. Loosing a month's rental to fix the place up is better than not have any rental income for six month.

THINKING OUT OF THE BOX.

The pandemic has totally changed the way that companies view property. From the tenant's side, many are now working at home and this has become highly acceptable by the cost and variety of ways of communicating online. I personally work at home to keep isolated because of my age but it has not been a handicap. Yes, there are times when it is necessary to meet face to face (with a 6 ft gap) but it is being avoided until I have the jab.

Landlords on the other hand must realise the tenants of old are no longer there and that rentals for office space have softened considerable. They also need to think laterally and look for possible alternative tenants. Can their offices be legally converted to shop front stores, could there be a demand for gym space? What about flexible office space? We are currently sitting with about 20% vacant and under-utilised office space and personally I don't see the situation changing unless there is a big upswing in the economy. While I do see growth in the market, I am not sure that we are going to see a booming office market for some time.

What else can a landlord do. Firstly make your premises super competitive against other offices in the market. Rental is important but appearance is an equal factor. What can you do to make your tenant feel at home? An alternative is to sell your offices as there are tenants out there that see it beings as cheap to buy as to rent and prefer to buy. Just don't do nothing and expect results in this market.

OVERSEAS INVESTORS ARE LOOKING AT SA

Regular readers will know that Platinum Global does consultation for developers across South Africa and occasionally oversea. We have clients that live in Eastern Europe and India and look after property for them. We have given advise to young developers in Hungary. Recently we have had enquiries for some of our ways of working from UK bases investors and developers who are interested in doing developments in the UK, USA, Ivory Coast and Ghana using novel methods that we have devised.

Investors are also talking to us about finding them development projects and existing major buildings in South Africa. The latest enquiry having more that £24 million (R432 million) to invest. They are seeing a strengthening of the Rand and higher interest rates as being attractive. In discussions they feel that is a good time to invest as they see a change of government on the horizon with a subsequent improvement in the business atmosphere. It seems that they calculate that the extremely high percentage of young people offers investment opportunities. That's their opinion not mine. Not sure how they find us, but it is interesting work with them all the same.

NEW VALUATION ROLE IS DUE THIS YEAR.

The new valuation role is due out every four years and a new valuation role should be created this year. There is no sign of it coming, but that is not surprising given the current state of Metro. We have been doing a little work with the Kimberley Valuer to give them some pointers on Sectional Title Schemes and Duets, so they are going ahead with the new valuation roll for this year.

When it does get published, the proposed valuation roll will be available for public view. Take the opportunity to look at the valuation of your property and see whether it seems realistic as a probable selling price in the current market. Affordable and medium priced properties will probably find it very hard to argue against the proposed valuations but top range residential properties have seen quite large selling price declines and should be in a position to challenge their rates values. Commercial property in existing commercial areas should definitely object as their values are on the decline because of the vast number of illegal office buildings. I do know however that these illegal commercial properties are going to be heavily punished. In Kimberley for example illegal premises are being asked to THREE TIMES the rates of a legal building. The same for water and electricity charges. That means that if a legal office premises was due to pay R3000 per month rates the illegal building will be charged R9000 pm. I am not sure what will happen in Bloemfontein, but I would suspect that similar bye laws will be created. The new town planning scheme proposals are out as well.



HAMILTON – WAREHOUSE – 1100 SQ M

Very lettable general-purpose warehouse to let at R25 sq m. Open plan design. Truck yard. Single phase connection. Great place to let at a reasonable price.
Contact Getrude 084 590 3235/Jodi 082 315 4274



EAST END – WAREHOUSE/FACTORY 700 SQ M

Practical warehouse premises. 3 offices. Truck yard. 6 m. roller door to allow large trucks inside the warehouse.
Contact Jodi 082 315 4274



BRANDWAG PRESTIGIOUS OFFICES R 16,000 VAT

Well situated, easy find, popular office space at very reasonable rental. Platinum Global are leading letting agents for offices in all suburbs of Bloemfontein.
Contact Jodi 082 315 4274



ARBORETUM OFFICES R24,000 VAT

220 sq m open plan offices. Boardroom and secure parking. Lovely set of modern offices with secure parking. Shop front design. Top quality offices for top quality companies.
Contact Getrude 084 590 3235



DENTAL PRACTICE AND PHYSIO OFFICES

Existing medical practice. Take over existing practice offices in CBD/Westdene. Ideal opportunity for new doctor/dentist/physio/and more. 5 offices of 250 sq m. 4 secure parkings. Contact Jodi and see what he has to offer for your business.

Contact Jodi 081 315 4274



HAMILTON SMALL WORKSHOP WAREHOUSE

150 sq m open plan design. 2 offices with bathrooms. Small yard. Ideal for start up business. When to see what we have for you? Call Getrude and let her know what your needs are, and she will find premises to match. Your commercial and industrial specialists.

Contact Getrude 084 590 3235