



LONG ESTABLISHED FARM MACHINERY MANUFACTURING BUSINESS. R10,500,000

Rare opportunity to own this first class farm machinery manufacturing enterprise lock stock and barrel. Includes all its extensive machinery, current and future orders and past clients lists. This business makes farm machinery to order. Well established business with long history of success. Owner now retiring after many years with an exceptional reputation. Contact Mike Spencer 082 881 4711

DEVELOPERS TAKE HEED – METRO IS COMING FOR YOU UNLESS YOU MOVE FAST!

Part II.

Last month we warned Developers to check on their own accounts and especially where they developed sectional title units, as to whether or not their accounts were up to date. We have had three cases now where Metro has suddenly discovered large outstanding amounts and have gone after both the body corporate concerned and the Developer in which name the account was.

For the body corporate this has meant that no transfers are able to take place. Metro are using this as a pressure point to get the Body Corporate to pay the outstanding account. The Developer is being asked to pay the same account.

This may be happening as a result of Metro not finalising builder's water and electricity accounts for the time that they were building and much of the account is accumulated interest. However, it could also be because of the common practise of that time for the developer to allow the body corporate to continue to operate the water and electricity account for the body corporate in the developer's name. At that time, Platinum Global suggested to developers that they should add the prorated deposit amount to the asking price of the unit or at least made payment of it at the date of transfer a condition of sale. In this way there would be some money to put down as a deposit at Metro and Centlec and change the account into the body corporates name. In most cases this was not done, and many body corporates are still running with their accounts in the developer's name. While Metro and Centlec can now bring out a surprise account for the Body Corporate – the account was never in their name, they can sue Developers if the accounts have been sent out to the Developer's then address. Debts for water and electricity prescribe after three years if the Metro takes no action. <https://www.legalwise.co.za/help-yourself/quicklaw-guides/prescription>

The Commercial Landlord

Newsletter for
Commercial &
Industrial Landlords



October 2019

100% Tax Rebate When Installing Solar

Too good to be true, but it is; in terms of section 12 of the Income Tax Act, you can write off the full purchase price of a solar system. That's great news for landlords of blocks of flats, because essentially you become a seller of electricity that costs you nothing. Your tenants will love you too because they will have electricity during the rolling blackouts. The sale of electricity can become a quite large income source. For example, 40 flats x R500 pm could generate an additional R20, 000 income for the buildings.

Solar systems are definitely self-funding within a short period of time. It could also be that "difference" that draws people to stay in your building.

Mike Spencer 082 881 4711

Talk Shop

by Platinum Global

BLOCKS OF FLAT IN DEMAND

Yep, the economy is not strong but there are still pockets of demand for commercial properties. One of these is the demand for blocks of flats. Owning a block of flats is a traditional way of getting into the property market. It may be that being a residential investment it is more familiar to potential buyers and easier to manage than commercial or industrial property.

The risks on blocks of flats is mitigated because of the nature of flats being a number of tenants in a single building rather than a single one with most commercial or industrial opportunities. Demand for rental accommodation has been steady over the past few years with very little building for the less upmarket client so that rentals in this market have been steady.

Sellers can make it difficult for investors to buy by demanding prices that are not justified by the income offered. The condition of the building also being a major factor as upgrading a high-rise building can be very expensive. Lack of parking, for modern tenants, can also be a rather negative factor.

Tendency to Give Wrong Information.

If you are thinking of buying an industrial or commercial property do your homework before making an offer.

We have told everyone about the problem of illegal offices and commercial properties. We have noticed that in the electronic media that a owners and agents are offering commercial and office properties in areas that have not traditionally been zoned areas. Making an offer on a factory in Hamilton is unlikely to be a problem, but I would be very suspicious of making an offer on an office building in Eeufees Rd.

Increasingly these types of properties are being offered as commercial properties, but buyers really need to do their homework to ensure that they do have official registered commercial or office rights – many don't.

Having bought a property that does not have the rights that you thought it did can be a costly mistake. The owner will be responsible for damages because he was or should have been aware of the problem and told you, but once it is transferred the cost of retransferring it back may be nearly impossible. We have already written about the fact that the courts are coming down hard on this.

CENTRAL RECEPTION FOR MULTI TENANT SMALL OFFICES

There is still a demand for normal sized offices between 200 and 300 sq. m for single tenants, but there is also a good demand for smaller space, where the tenant is prepared to share receptionist and office equipment.

Some of these small office tenants only need their offices for a limited time each month and cannot afford to have reception staff full time. They also cannot justify a lot of office equipment and are therefore happy to pay for these facilities when they are offered by a central reception. Such offices can supply photocopy and printing, boardrooms and interview rooms, cleaning services, fast internet connections. Offices can be let on a normal leasing basis or let by the week, hour, or day.

Rentals need to be somewhat higher than normal rentals to take any vacancy factor into account. Currently small two room offices are simply not available. Short term offices should do well.

VACANT BUILDING SECURITY – ARE YOU STILL INSURED?

Believe it or not Christmas is just around the corner – in fact it is just two months, almost to the day, away.

The year-end holidays are always a security risk time, homes are empty, companies have closed for the holiday period, but we need to be vigilant. Now is the time to have your company alarm system checked and upgraded. Just call your security company and tell them that you are going to test the alarm system. Then set the system and open a door or window. Make sure your beams are working – and make sure that the security company reports that the alarm went off in their offices. Did your alarm in your office activate too? Change the code on the door before year end. Check the electric fence is working to. Our electric fence is activated on each side independently. I suddenly realised that the back section could not be working as a creeper had fully covered it in one corner and a tree was growing through the wires in another area. Easy to fix but could have been a disaster if we had not spotted it.

For those of you that have empty premises awaiting a new tenant, remember that you need to inform the insurance company if your premises are empty for more than two months. Then call Platinum Global and ask them to let it for you.

THE MARKET



A-LEVEL OFFICE SUITE, 1200 SQ M

Top-quality first-class offices in high visibility location suitable for national tenants. 15-year-old building that will be upgraded to new tenants requirements. LOTS of parking open, undercover, and under building. A very special building. Long term lease available with early occupation. Would suit wide range of larger businesses. R110 sq m per month Dedicated parking extra.

Jodi 081 315 4274, Mike 082 881 4711



INDUSTRIAL WAREHOUSE 3300 SQ M

Such large premises are seldom available. Can be used as factory or warehouse. 3 phase electricity. Good truck parking and turning circles. Early occupation available to the right tenant. Owner would consider subdivision into smaller units.

Jodi 081 315 4274, Mike 082 881 4711



SMALL OFFICE SET UP R 110 SQ METRE

New on the market. Small office set up of 101 sq m in independent office building. 3 offices plus reception. Kitchen storerooms and 2 parking bays.

Total rental R10,500 pm plus VAT. A great little suite of offices for the smaller company.

Jodi 081 315 4274, Mike 082 881 4711



SUB DIVIDED INDUSTRIAL WAREHOUSING

R35 sq m on medium- or long-term leases.

Choice of 5 man-sized real factories. From 1574 to 2943 sq m. These are places for the tough warehousing and manufacturing industries. If you are looking for a proper factory, this is the place for you. Immediate occupation of some units.

Jodi 081 315 4274 or Mike 082 881 4711



**COMING SOON!
WESTDENE OFFICE**

WITH EXISTING TENANTS

We have no details for this Westdene property that is currently not in the market. But it will be. This is a property to buy and hold as it is already has tenants.

Ask for details.

Jodi 081 315 4274



WESTDENE HIGH VISIBILITY SHOP

Very few shops are available presently and this is a rare example of VTR

Visibility – very easy to see and find parking in front
Traffic – one of the highest traffic volumes in town
Rental – excellent rental for this sort after shop
180 sq m shop or commercial property.

Call Jodi 081 315 4274 or Mike 082 881 4711



**WANTED, WANTED, WANTED
BLOCKS OF FLATS – LARGE & SMALL**

Platinum Global have clients looking for blocks of flats from small to large. Preferably close to town. Condition not a priority as long as price is commiserate with current condition. Our buyers can upgrade and renovate the right buildings. Give us a call if you want to sell.

Call Jodi 081 315 4274 or Mike 082 881 4711



**NOTHING IS BLACK AND WHITE THESE
DAYS.**

Central workshop and offices including board room. Recently vacated and will be redecorated to tenant's choice.

Lots of large office space of good quality. Managers office. This is a comfortable set of office for the medium sized company. Current company has been too successful and has moved out to bigger premises. Ideal radio or tracker fitment centre.

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Platinum Global is looking for BODY CORPORATES to manage - 40 plus units