

The Landlord

For Landlords and Sectional Title Owners



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[Come Meet the Team!](#) Saturday 18th April from 09.30 to 17.00

ABSA Bank has very kindly invited Platinum Global to participate in an Estate Agents function at Mimoso Mall this Saturday. Many of our team will be present and you will be able to talk to us about your property needs. We will be able to answer your questions regarding Buying, Selling, Letting, Renting – and – Body Corporate Management. On display will be properties for sale, properties to let – contact us early if you have a property that you would like us to enter on display.

Mike Spencer will be there to answer your questions on Body Corporate Management and Body Corporate Consultation for Body Corporates in difficulty. This is a wonderful opportunity to ask your questions about property and get professional advice from the experts. See you in the main exhibition area on the ground floor.

New Green Building Materials Available from August

If you read this newsletter on a regular basis you will know that Green building materials are the 'new' essential when constructing buildings these days. Until now these new material have not really been available. Either they were excessively expensive compared with conventional brick and mortar, or they were seriously inefficient – current solar electric panels are between 15 and 30% efficient compared with Benchmark panels at 90% efficient. Only in the last few weeks have European standard green building materials become a realistic alternative. Not only that, but South Africa is now the recipient of some of the most advanced green building materials in the World. Benchmark has been developing in South Africa for the past four years and while it was providing new suburbs in Bloemfontein it realised that there was a huge need to modernise the way that buildings are constructed not only in South Africa but Africa as a whole.

Two new factories are currently being constructed in Henneman. The one is for AAC Autoclaved Aeriated Concrete. These 600 x 200 x 300 blocks weigh 20% of that of bricks but provide almost 100% protection from heat loss (or gain), sound penetration, and moisture ingress. The second factory will produce uPVC double glazed windows and doors. Both these factories will be up and running by the beginning of August this year. Production of the Gazbeton has been increased from 50,000 to 300,000 cubic metres per annum because of demand. Further factories will be opened by the end of the year in PE and Cape Town and these plants will be for 500,000 cubic metres. Benchmark is asking for Letters of Intent (LOIs) from developers who are interested in buying these materials. These materials alone are said to reduce the cost of building by as much as 25% and reduce energy requirements by 55% or more. Together with special finishes on Gazbeton, the Gazbeton and uPVC windows and doors have very long (about 35 year) no maintenance periods. Gazbeton is essentially for new buildings but the uPVC windows and doors together with the 3, 5 or 10 kw solar systems can easily be retrofitted.

Also being produced later this year on the same site will be a very attractive self-insulated aluminium roof sheeting. Not only does it look stunning, last for long time without any maintenance but will remove the need for "Think Pink" and similar insulation material to be added. Benchmark has been awarded the very first licence for 90% efficient solar electric panels. (Current panels are only 15 to 30% efficient). They have been awarded the exclusive license for the whole of Africa on this product that is currently so new that it is only available in Austria and Germany. These panels are the first to be effective enough to make a home totally independent of the electricity grid and discussions are underway for the creation of mains free suburbs. Systems come in 3, 5, and 10 kw individual plants but can also be supplied as solar farms. Benchmark have already quoted on a 4.5 megawatt plant for a Home Owners Association. Not limited to residential properties Benchmark's panels are suitable for commercial buildings of all sizes. If you are interested, Benchmark is already able to give quotations for the Solar Panels and Heat Exchangers. Enquiries for individual homes, townhouses and flats are welcome (including farm properties). They will also quote on complete installations for blocks of flats and townhouses and HOA's. Multiple systems can be installed using current wiring so that demand between individual homes is balanced to provide electricity 24 hours per day – heavy users being supplied from lightly used battery sets. A 10 warranty is given on the batteries and 12 years on the panels which is something not available from any other manufacturer. All solar panels are built to operate in temperatures up to 145 degrees C (desert proof) compared to conventional panels that are only designed to work at 85 degrees C.

A revolutionary heat exchange system is also available from Benchmark which can be installed in both existing and new buildings. The heat exchanger uses a small portion of the power provided by solar panels to provide both heating and cooling together with hot water. They are effective enough that together with Gazbeton and uPVC doors and windows, air-conditioning and underfloor heating can be replaced.

Brochures for all these products are available and LOIs are welcome to book pre-production products. Email mike@platinumglobal.co.za for further information.

New Act – Limits on Proxys Could Prove a Problem

The new Sectional Titles Act is set to come into force when the Regulations are promulgated by the Minister. It is likely to happen before the end of the year. While there are not expected to be major changes the Act will bring forth the Ombudsman for group housing schemes - Sectional Title Schemes, Home Owners Associations, Retirement Schemes etc.

The Ombudsman can be appealed to when an owner (and tenant) is unhappy with the way that a scheme is being managed. It will not be a totally simple process to appeal to the Ombudsman as appellants will need to pay fees before their causes will be considered. The Ombudsman will be able to decide whether or not the request is reasonable before having it adjudicated. He will be able to ensure that Rules are properly applied and also that Rules are fair and reasonable. This could prove to be a problem for the management of many HOAs as frequently they have rather undemocratic rules where the Trustees or Developer have casting votes and can currently overrule the desires of the majority.

One interesting aspect of the new act as it is currently written is that it will not allow for any one person to hold more than proxies. Proxies are frequently used to be able to hold General Meetings especially in buildings where few owners are residents. Personally I believe that it is a very unfortunate inclusion as it could well be unconstitutional. In the companies act there is no similar provision preventing people from giving proxies who whomever they wished. One way to overcome this restriction would be for an owner to give a Power of Attorney (not a proxy) to another person (with limitations to vote at a meeting or meetings of the Body Corporate). In this way the owner is personally represented and not by a proxy. The ridiculousness of this proposal would mean that if insufficient people were present in person or by proxy then the meeting is held over to the same time and place seven days later. At this meeting whoever turns up forms the quorum – ie even fewer people can hold the meeting (even a single person) and pass all the resolutions needed. I believe that the intention is to stop single people or small groups canvassing for votes but the reality of the situation is that not only should people be free to canvas for votes but owners should be free to give their vote to whomever they wished. If owners are unhappy with the proxy vote decision then they can vote differently or with different proxies at the next meeting to correct the situation.

Even One Bad Tenant Can Cause Problems

Home Owners and Trustees are facing increased difficulty when trying to run their buildings in a proper business like way for the benefit of good tenants. The time and cost of getting rid of disruptive tenants has become excessive and can take months. In the meantime they make life hell for both the owner and other tenants living in the building.

Everything should be done in order to prevent these disruptive people from moving in. The type of disruption that they cause can be anything from public drunkenness, excessive noise to prostitution and drug dealing.

It really is not an easy problem to solve. Trustees and Managing Agents must take a positive and aggressive stance against this type of misbehaviour. Immediately that it becomes apparent that a disruptive element has been allowed into the building strong steps must be taken. Unfortunately many sectional title schemes have never updated their rules in order to be able to enforce them more easily. Does your scheme have an approved fine system for those that breach the rules? Does it have rules to prevent overcrowding etc. If you don't it is just that much more difficult to enforce the rules and will mean that you will have to resort to Arbitration. Change your rules now if you have not already done so.

Frequently it is not the owner that is the problem but rather his tenant. An owner may be very cooperative in giving notice to a bad tenant but if the tenant refuses to go – with many of these miscreants knowing “their rights” very well, then it can take months and lots of money to get them out as the Landlord will have to go the legal route and get an eviction order.

While most letting agents are very good there are still those that will be prepared to put tenants in irrespective just to get some income for the owner – a very short term policy. Often prospective tenants “front” for other especially Nigerians who seem to be a serious problem all over the country and from personal experience are frequently involved in drugs and prostitution. Take strong and urgent steps against “fronters”. They are being paid to allow illegal people into your building. At the very least black list them so that finding getting any other properties or general credit very difficult. Talk to the owner to take urgent action against disruptive tenants and take action against the owner if he/she is uncooperative. I am not suggesting that such serious steps should be taken against occasional disruption but must be taken quickly against real problem people.

Proper Budgeting Critical

Just this week Platinum Global was asked to take over the management of a Body Corporate that was in desperate states. There was no money in the kitty, the AGM was long overdue and the maintenance on the building was woefully inadequate. The Trustees are telling us that they have to do everything – current managing agents never seem to suggest solutions to the problems.

A quick glance at what was happening made it very clear that the reasons why there was no money available was twofold – the levy was too low – and too many people had not paid. When the budget is set unrealistically low there is no room for anyone not to pay their levies. A combination of a realistic budget and good credit control are essential.

What are the responsibilities of an Owner in a Sectional Title Scheme? Firstly is to pay the approved levy and secondly to ensure that the occupants of his unit stick to the rules. Essentially nothing else!

Looking at the budget one could see that the budget was being set using the very common three column method. First column shows what you budgeted, second column shows you what you spent last year, column three shows what the budget is for the current year. Unfortunately you simply cannot budget this way. Firstly you cannot see on what you spent money last year. What if you spent money on a new gate motor, this will throw your budget right out. What if you spent nothing of your budget because you did no gardening – does that mean your new budget should be nil?

Budgeting is an art that can only be done if you have the full information. Budgets need to be done on a month by month, item by item basis so that you can immediately see any anomalies. It also allows for real budgeting to be done ie increases in the correct months. Budgets must be controlled by the use of a Budget to Actual. This gives discipline to spending. When budgets are overspent expenses can be curtailed. (You don't need to spend extra if you are under budget). It also helps to see incorrect allocation and ensure that everything is properly budgeted for. I am happy to send a sample budget to anyone who would like one.

One essential is to budget in the current year for future expenses rather than just saving an amount for a reserve. Painting needs to be done every 8 years or so – budget for it every year. Same applies to lift replacement, waterproofing etc. These allocations must be identified separately in your funds. This way you WILL have money at the right time.



Jocapa R390,000

Really nice one bedroom flat in neat and tidy building. Lots of extra parking space makes this ideal for young couples and singles. Well managed building with great finances and all maintenance up to date. Good reserves in this body corporate.

For this building and a choice of others phone

Contact Mike Spencer @ 082 881 4711 to view.



Vista Park R 860,000

Lovely new face brick tiled roof home built by Pearl Construction to its usual very high quality. 3 bedroom, 2 bathroom, lounge cum dining room, 2 carports, electric fence. Aluminium windows. Tiled floor interior.

Contact Thabo 083 539 6184

Other Great Offers



VAN DER STEL COURT – TOTALLY RENOVATED

One of the aspects of finding a rental property in Bloemfontein is that very seldom are flats really in top class or modern condition. Many flats that were built in the mid to late 70s have never been upgraded since then – some even have the original carpets! Having a modern interior makes your property that much more attractive to good quality tenants and increases its resale value.

Looking for a lovely new flat to let call 051 447 4711 and ask about Van der Stel Court Bachelors and 2 bedrooms.



NEAT AS A PIN LARGE TOWNHOUSE

Just arrived – new on the market. A really lovely family townhouse in a great area – Langenhoven Park. 3 big bedrooms plus two neat bathrooms. What you will really like is a king sized garden with its own very sexy swimming pool. Double garage included.

A well run building with good funding – recently painted . Property is managed by Platinum Global need we say more. Langenhoven Park is a nice quiet suburb with plenty of facilities and three large shopping centres – you will be spoilt for choice.

For this and other lovely homes call Ben Miller 081 430 3076



LILYVALE TOWNHOUSE R1,530,000

Lovely 3 bedroom townhouse with double garage and large private garden. Well managed quiet building. Modern, comfortable and safe. Tel 081 430 3076 Ben

Pass this "The Landlord" on to your friends or get them to subscribe to mike@platinumglobal.co.za If you have questions about letting residential property or the management of your scheme you are welcome to write to the same email address and we will do our best to give you professional guidance. Contact Gillian/Adelle at 051 447 4711 in connection with letting out residential