



NORTHERN SUBURBS TOP UNIT – CHOICE OF 2 @ R1,950,000

The are townhouses and there are TOWNHOUSES! This is one of those exclusive buildings that are simply different. Secluded position in a quiet cul-de-sac, high quality people staying there and great design. This is what is offered by two sellers in this exclusive complex. As a discerning buyer this could be for you. 082 881 4711

FOR BODY CORPORATES AND LANDLORDS -THE BIG C?

I do not think many people really know what the Corona virus will bring for the owners of property or body corporates.

Body Corporates.

Mainly the need to do proper credit control on the payment of levies and service fees. Business generally is being negatively affected and some people might be laid off or put on short time. Commission based workers could be the biggest sufferers, income will be reduced, and they will battle to pay their levies. It is especially important that managing agents and trustees understand the difference between “cannot” pay and “don’t” want to pay. Body Corporates, who have had good collections, good credit control and good budgeting should have nothing to worry about and should be able to weather the storm easily. The difficult times are likely to last between 4 and six months, after which, hopefully, things will start to return to normal. If the infection rate goes high the number of people who pass on could be about 2% of the total infection rate, but as many sectional title schemes have older aged owners and occupants, especially in retirement villages, this may cause a longer problem as estates will need to be finalized.

A similar situation could arise with tenants. For example, students have all be sent home for an extended Easter holiday and the problem is to make them understand that their rental is still payable. Overall, tenants will tend to be younger than the owners and therefore less likely to succumb the effects of the virus. While more of them will be of working age (and more effected by the business downturn).

It is important to KNOW that the owner or tenant has ACTUALLY had a loss of income due to the virus and is just not trying to avoid paying their levy or rental. One solution is to have them sign an acknowledgment of debt and give up to a maximum of 3 month levy/rental leeway. There is also be big difference between paying nothing at all or just not being able to pay your levy or rent in full.

The Landlord

Newsletter for
Sectional Title
Trustees & Landlords



April 2020

Make Life Easier

You will not believe the messages that we are getting while working at home. “Paid R100 for electricity but still not on. When will it be on?” and the like. Which building? Everyone is now working from home and messages must be shared to be acted on; it is vitally important that messages are comprehensive.

ONLY send SMS messages not WhatsApp. WhatsApp is difficult to print (we need to keep some records) or send an email.

Give your name and cell number, building and door number and clearly explain your need.

We need to pass messages to contractors and the cell number of the sender is not forwarded in the message. Please help us to help you get through this difficult time.

Talk Shop

By Platinum Global

Setting Security Levels

It is not the Body Corporates job to make the scheme so secure that nobody can get in. They must just take steps for reasonable or normal security. Nobody has full time security at their home, why should it be provided as a townhouse scheme – unless it is necessary! Each owner should take reasonable step to secure his/her own unit by installing a security system.

Security is awfully expensive – 24 hour security can easily cost R50,000 per month. It might be more appropriate to install sophisticated camera systems and electric fencing and employ off site security that come when needed.

Does it help having super gate security that allows nobody into the complex if the boundary walls are easily climbed over or if the problem is security from within!

Is it necessary to employ outside security companies or can a body corporate have its own security people? Importantly security is only as good as its ability to reach problem points quickly. If a boundary alarm goes off, it will not help if it takes the security 15 minutes to arrive. We recently took over a 5 ha industrial park and it can take 20 minutes to walk from one side to the other! Means of speeding up reaction times are important (bikes/cars) but security must also be able to handle the situations that they arrive at.

Some types of schemes require different security during the day when people need to move in and out easily (warehouse parks) compared to security that is needed at night. Each building will have its own security needs, but any decisions must be made by and paid for by all owners.

SMALL BODY CORPORATES DON'T PAY MANAGERS TO MANAGE.

We have discussed this not long ago but it has to be emphasised. A recent survey of schemes that Platinum Global manage clearly shows that small schemes cost the company money! We will have to decide about which body corporates we can financially afford to manage. Our survey confirmed that the absolutely minimum size of a body corporate that can be profitably managed is 40 units and then only when it is an easy to manage scheme (taking into account the security of the area it is in and distances that need to be covered to get there).

It may well turn out that marginal schemes will have to pay a higher monthly fee per unit than larger schemes. Body Corporates are not cheap to run and great care to charge right needs to be taken. Especially where a company has a fixed fee charge rather than one that charges on a fee plus basis. Platinum works to the set fee method, but must now charge where additional, out of the ordinary work, is required. Additional or wasted meetings being one case in point. Spending time getting multiple quotations for major work (everyday work being included in the standard fee) but spending times with contractors to get painting and waterproofing quotes is outside the standard fees.

Overall fees must be set that makes managing body corporates profitable, but many management fees are marginal or loss creating. There is no way that professional management services for small schemes can be provided at the cost that many owners would like to pay, and management fees will have to increase.

BIG C – TO MEET OR NOT

The Days of Big C are anything but normal and we need to make unusual decisions.

Body Corporates are required to hold meetings of owners and trustees – how will the current situation change this. While government has changed some of the rules many others that effect people have not been ruled on and trustees and owners will have to make practical decisions. I do not believe that they will be penalised as a result. One such rule is that which prohibits any one person holding more than two proxies. That really does not make much sense when we are trying to reduce the number of people attending functions. Should we not just ignore that rule and allow as many proxies as we can get? That way meetings will be as small and safe as possible. Do you really need to have physical meetings at all? While the act allows for electronic meetings, is it really possible to have everyone being able to hear and participate electronically in a meeting. What about emailing a discussion on each item to all owners and carrying on if there are no objections – the act says you must get a positive reaction. I personally would be happy for a Chairman to circulate an agenda with comments and get an email back from a majority of trustees as a way of holding a trustees meeting for instance.

Can general meetings not also be held the same way? Two of our buildings are 288 and 678 units – can we even hold these meetings as we could have over 100 people present? Personally, I doubt that many owners would come to a physical meeting and as a result many of these meetings will be held over for 7 days. All we are doing to is to expose the owners and staff who would attend.

PRACTICAL PROPERTY HINTS DURING LOCK DOWN

RUBBISH REMOVAL

This one is causing problems with many buildings. There is no cleaner on site to remove the rubbish from the rubbish room to the street for collection. Solution. Owners and tenants who are living on site need to move the rubbish to the street on rubbish day. Tenants and owners need to be reminded that only rubbish that is correctly wrapped can be taken away. In our area black bags are used. You will need to have volunteers to take the rubbish to the street on the proper day.

If you cannot get the rubbish removed correctly then you will have to organise with your managing agent to have the rubbish removed by a private contractor. This would be an unnecessary expense. Trustees should check on those occupiers that are not cooperating and discipline them in terms of the rules if necessary.

TREE TRIMMING

What a wonderful time to go around the building and check on any trees that are growing too close to walls and buildings. Nobody can have an excuse that they do not have time to do this work. Great time to have some exercise too. While it may not be possible to remove the trees, cutting the thicker branches for braai wood might cut down the amount to be taken away.

MAINTENANCE CHECK

A good time for Trustees to check long term maintenance. Is putty getting old or falling out? Are gutters blocked or rusted? What is the condition of the waterproofing? Does the dustbin area need painting? Is the electric fence in order?

PAY OR NOT PAY

Many cleaning staff live hand to mouth. While it is not compulsory to pay your staff during the lock down (no Work, no Pay), morally it is the right thing to do. As body corporate managers we need to take instructions on this from the Trustees. Your thoughts?

LEVY PAYMENTS

Levies are still payable during lock down. Make sure whoever collects the levy knows this and keeps the Trustees fully informed. Owners need to be made aware of any changes in payment arrangements for levies and water/electricity accounts. Let everyone know of these new arrangements including tenants.

REPAIRS AND MAINTENANCE

Trustees and managing agents should have a list of contractors that are still working. Repairs are limited to essential work (no electricity, burst geysers and the like). Rubbish removal is essential work too. Your contractors need permits to work.

Have a policy regarding internal repairs – how do you handle a unit that is rented out which has no electricity because of an internal problem. It is the owners responsibility, but the work needs to be done. Remember Trustees can do urgent work even inside a unit if it effects more than one owner. But be realistic and help where you can. I do not think anyone will think less of you if you help restore electricity and water to a unit because of an internal fault, if the owner cannot be contacted.

SECURITY

Should not be a problem because security is an essential service. Repairs to electric fences, gates and security walls can be undertaken. Perhaps this is an ideal opportunity to clear your cell to gate numbers and re-enter them to get rid of old numbers. What about using this time to change the pin number on your gate?





UPDATING OWNERS AND TENANTS DETAILS

What a lovely time to contact all owners and tenants whose contact details do not work? If you send out a general email to owners, how many are not delivered. Is it not a great time to phone them and get the correct email address?

USAGE CHECK

Nobody may use any part of their property for a purpose that it was not designed for. Is this not a good time to see whether anyone is using their garage as a bedroom, and then taking up a much needed parking outside. What about over-crowded units? Now is the time to do a check and to correct this situation. What about illegal extensions. Do the buildings match the sectional title plans? Remember if you have approved extensions you are still required to have the sectional title plans updated at your own cost. Is it not the right time to check for unapproved alterations to the appearance of the building? What about updating your pet register and checking whether tenants/owners have ever applied for permission to keep a pet? What about updating your standard alterations file (air conditioners?) It is a great time to get up to date!

THE MARKET

	<p>NEW IN THE MARKET UNIVERSITAS TOWNHOUSE - R 783,000</p> <p>A real "Granny" flat, or at least granny did stay there! 77 sq m, 3 bedroom townhouse in quiet street. 2 bathrooms, carport, and private garden. Built in oven included. Granny has moved out and this nice little property is available for you. Well situated being close to UFS and the training hospital, not too far from town either. The price has been set to sell quickly and is way below what similar units have sold for. Be quick if you want this one.</p> <p>Call Mike @ 082 881 4711</p>
	<p>SPECIAL OFFER – 4 BEDROOM STUDENT HOUSE - WILLOWS</p> <p>At R959,000 this is a special property to own. A single storey house with 4 bedrooms, 2 bathrooms and a kitchen. 3 double bedrooms, 1 single bedroom total 7 students each paying R2,100 pm.</p> <p>Looks like a good investment to me.</p> <p>Call Retha 073 198 2615</p>
	<p>NEW LISTINGS – THE CHOICE IS YOURS</p> <p>Just listed. 10 bachelor flats in BAINS GAME LODGE. For those of you that do not know this building it is situated in Bainsvlei and is well liked by students at University of Free State, to which it is a straight drive. This large building consists of nearly 700 units and is close to shopping and entertainment. Managed by Platinum Global it is a well run and financially sound building. Previously run as overnight accommodation for the hotel these units can also be used as permanent flats.</p> <p>Call Mike 082 881 4711</p>
	<p>SPECIAL – 3 BEDROOM FLAT WITH DOUBLE GARAGE</p> <p>Seldom do you find 3 bedroom flats for sale and especially not one with a massive double garage, big enough for 4 old minis! This is a lovely sunny north facing flat of 130 sq m. Yes, this flat is bigger than most 3 bedroom townhouses. In a building ideally suited to retirees, this makes a wonderful and safe alternative to a conventional house for retired couples and singles. Excellent choice for retired farmers. At R650,000 it is very affordable.</p> <p>Call Mike 082 881 4711</p>

SELLING AND BUYING DURING LOCK-DOWN

Life does not stop in lockdown. All that is happening is that our staff are working from home online. Luckily most of our staff have fibre connections and we have been working on laptops instead of desktops for just about everyone.

The sales side of our business is continuing a pace and it is interesting that we have been getting excellent results and have been able to sell several properties online since lockdown started. Our only practical difficulty has been showing properties to buyers, which obviously is not physically possible, and getting some documents signed by older and less tech savvy sellers.

If you are thinking of selling don't wait until after lockdown to market your property as it is obvious that people out there are eager to buy, providing certain conditions are met. One of the houses that we have sold during lockdown had over 50 enquiries!

Firstly, when you decide to sell, you need to make contact with your Platinum Global sales agent. Just phone me at 082 881 4711 or send an email to mike@platinumglobal.co.za, and I will do the initial advice session with you personally before arranging for the most appropriate sales agent to work with you.

The most important aspect of selling in these difficult times is setting the price. This can be done by looking at recent sales in your area and comparing them with the property you would like to sell. For obvious reasons pricing must be keen. It is a buyer's market, so price is particularly important. As a Seller, you should think like a buyer. What will attract a buyer to look at your house before other homes for sale. The house that we had such a response on was bought "as is". It was a house which had been let for over 30 years, was small, not upgraded in all that time and had a very untidy tenant. But the price was right for the area. Step back and look at your property as if you were going to buy it. A flat or townhouse in a complex is often the easiest to price. Just keep your price on the lower side of average if you are serious about selling. When working with a sales agent you will need to give them full information about your home including such items as rates and taxes, levies, special levies, the balance on your bond. All these items are part of the listing process.

We cannot come to see your property, so good, well taken, photos are very important. Make sure that they are well composed, have good lighting, that your property is neat and tidy when they are taken etc. Close cupboard doors put the WC lid down, and do not have washing-up on the sink! Open curtains and try not to take photos towards windows as the light can be overwhelming. Tip face your camera towards the floor and press the shutter half way down, this sets the light setting for a dark area. Keep your finger on the shutter and raise the camera to take your photo in the normal way and you will take a better photo. Most modern cameras (including your cell phone) can take surprisingly good quality video footage too. Take photos from inside and outside your property. Only take photos in the horizontal position.

A good descriptive advert together with a selection of the best photos will be put together by your selling agent. They will make your advert as attractive as possible and arrange for your property to be displayed on their own web page and such as Property24.

When enquiries are received your sales agent will work with the buyer and give more photos and details of your home. When working with a sales agent you will need to give them full information about your home including such items as rates and taxes, levies, special levies, the balance on your bond. All these items are part of the listing process.

Buyers tend to be quite decisive. When the buyer decided to make an offer, your agent will arrange to draw up an Offer to Purchase and have it signed by the buyer and yourself. This can be done online, except that

the buyer and seller will need to print the offer and physically sign it before scanning it and returning it to the agent for processing. Because of the lock down, some special conditions may need to be added.

1. That the buyer has not seen the property and may want to view the property and confirm the offer after lockdown
2. That while the bond may well be approved in time it could well still be subject to an inspection by the bank after which it will be finally approved. This can cause difficulties with the subject to bond clause. Wording that makes the bond approval date flexible will help here. The whole bond application process is quite easily done online.
3. The seller must declare if they are aware of any defects in the house. This can be quite tricky if the Seller does not live in the property, especially if they let the property out and don't know the property personally. Either the buyer can clearly buy the property "as is" or again it can be made subject to inspection after lockdown.
4. Be careful with the Occupation Date or Possession Date (Occupation – move in, Possession – take control). Occupation can only be given when lockdown is ended and subject to proper notice to any tenant. Tenants cannot be given notice during lockdown. Possession is not such a problem. Be incredibly careful when giving occupation on Transfer especially if there is a tenant.

So yes, you can sell your property during lockdown and should get a good response providing that buyers see your home as being well priced.

Mike is a consultant to Developers on the practical management aspects of new Developments and a consultant to Body Corporates in difficulty. He is also a developer in his own right and has over 45 years' experience in the property industry. If you have any property related questions, he is happy to give you advice.

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