



BEAUTIFUL VIEWS OF NAVAL HILL. NORTH FACTING WITH RELAXING BALCONY

Just a nice comfortable sunny flat with a balcony that you feel that you must use. Lovely open views of the only nature reserve in the centre of a city. Glimpse occasional views of the wild buck. Spacious bedrooms (2), large open plan lounge make this a very liveable home. A sensible investment property or home of your own.

Contact Retha 073 198 2615

DON'T HIDE YOUR VACANCIES – LET THE INSURANCE COMPANY KNOW!

During lockdown because of the virus, it is quite likely that some of your tenants gave notice and moved out and no new tenant was available. Student accommodation especially found many of the students travelling home at the beginning of lockdown and either abandoning their lease or just not being there for the past four months! In other words, the property stood vacant for more than 60 days.

It is then the insurers responsibility to let the insurance company know that the unit is standing vacant and allow the insurance company to assess the situation. If you don't it is certain that the insurance company will repudiate any insurance claim that you may have. We recently experienced the rejection of a claim for water damage from a burst pipe because the property had stood empty for three months. The insurance company said that they could not pay the claim because there was nobody in the unit to notice and prevent the damage caused by a leaking pipe.

In my opinion, it is unreasonable to expect your managing agent to be aware on vacant units in your building, especially if they do not let them, and trustees must make sure that the managing agent reports vacancies when they become aware of them. While it is important that owners tell trustees when their units are vacant for long periods, the body corporate is actually the holder of the policy and is the one that must do so. This could be quite difficult in some buildings where vacant flats cannot be noticed from outside. Vacant units would include those that are still rented but where the tenant has gone home for an extended period. Student flats for instance could well have a high percentage of vacant (unrented or rented but not there) units between the end of the academic year in November and the start of the new academic year in February the next year. It would be impossible to notify the insurance company of each individual unit but a general note that units were potentially vacant each year during this period should suffice.

The Landlord

Newsletter for
Sectional Title
Trustees & Landlords



August 2020

Levies Can Only Be Written Off in Exceptional Circumstance.

It is a difficult time for unit owners, and many are battling to pay their levies. But Trustees have no authority to reduce or cancel levies owed by owners. The cost of running a body corporate remain the same and it is their duty to run a body corporate correctly and to budget correctly. While Trustees can make extended arrangements to pay levies, it cannot write them off.

Those body corporates that have budgeted correctly in the past and built up proper reserves should have little problem weathering the storm but those on tight budgets may find it very difficult to continue without the income from those owners who are battling to pay.

Talk Shop

By Platinum Global

TRUSTEES CANNOT SPEND WHAT IS NOT BUDGETED FOR.

Trustees must work within the budget approved by the members of the Body Corporate. As expected, Trustees can arrange for normal repairs and maintenance because that has been budgeted for but they cannot spend money which was not planned for. An example would be where trustees want to upgrade the cleaner's room and wanted to buy in new blinds, lockers and the like. This would mean spending a few thousand Rand that was not allowed for in the budget. If they want to do this then they must either wait for the next budget and add it to the budget or they need to send out a notice giving telling all the owners what they would like to do and how this would effect the budget.. If after 30 days no one has complained, then they could go ahead. If anyone objects, then they need to call a special general meeting to allow owners to discuss the matter. This especially applies to what are called luxurious improvements ie unnecessary improvements. Unnecessary improvements would include cosmetic improvements such as installing washing machines and tumble driers, changing a functional entrance for something more attractive.

Trustees are entitled to take necessary and urgent repairs that might pop up and not be covered by the budget. So a major burst pipe just has to be fixed. Although it is outside the plumbing budget there is no alternative but to have it fixed. But care must be taken. If a driveway gate is damaged beyond repair the trustees can have it replaced by a similar gate (even if it is not exactly the same) but could not go ahead with a costly redesign because they wanted it to look prettier. That would not be their prerogative. If they wanted to spend extra money on upgrading the new gate they would need to get permission from all the owners.

It is not always easy to know what is necessary and what is a luxury. Is a CCTV camera essential or a luxury? Everyone would have their own opinion.

THINKING OF SELLING?

You bought your unit as an investment and you really don't want to sell it, but maybe you need to do so. How should you go about it?

Firstly find an estate agent that you trust and have a discussion about the process and setting the price. A good agent will help you with the options, bond holidays, taking an extra bond, tenant quality selection. If you need to sell they should be able to give you details of recent sales in your building of similar units and those in other buildings close by. Bear in mind sales before lockdown may be at higher rates than those during lockdown. Look at the prices being paid per square meter. You will need to allow for the condition of your unit. Neat and well maintained units will receive better prices than scruffy ones.

Marketing during lock down will be almost totally electronic on the internet, but surprisingly good response is being received for a wide price range of properties – providing the price being asked is right. Remember you are competing with every other property that is for sale – and buyers tend towards those that appear to offer better value for money.

When you receive an offer the most important thing is to know that your buyer will qualify for a loan – good agents only work with pre-qualified buyers which reduces the chance of the sale not going through. Bonds should be approved in two weeks or so.

If you need help or guidance, then drop me an email at mike@platinumglobal.co.za or call 082 881 4711.

INFECTED TENANTS – HOW TO DEAL WITH THEM.

You are likely to have to deal with the reality of Covid confirmed cases in your building and have to make a plan. Firstly, it is essential that the person involved and those living with them understand that they MUST stay in doors for at least 14 days. That means totally indoors. They are not allowed outside even onto balconies during this period. They must not be allowed to walk around the scheme at all. If they refuse to be isolated then you must call the police to deal with the situation. It is the trustees responsibility to look after the safety of all residents.

Great care must be taken when dealing with waste that is put out is black bags. Cleaning staff should carefully sanitise the bag and it is suggested that it should then be put into a further garbage bag and sealed. All cleaning staff must be supplied with a minimum of face masks and (preferably) disposable gloves and must be trained to use them at all times.

It is not clear whether or not you should tell other people about infection cases but providing the people stay in doors and the area outside the unit is continually sanitised it should not cause a problem.

What is vitally important is that people should not be allowed to party and have outside visitors which is still against the lockdown level three regulations. All owners and tenants are obliged to act in terms of any lockdown regulations, and this is contained in your rules.

This is not a nice virus, just talk to any health worker and over 100 people were reported dead from it in the Free State over night (6th June). We need to remain vigilant.

THE MARKET

WILLOW GLEN BACHELOR R295,000 43 SQ M 1 BEDROOM DELIGHT

We have sold all that we have. These are new on the market. 2 units at the same price, the choice is yours. Popular building with students, young people, visitors and retirees. Well managed and in sound financial position under the management of Platinum Global. Talk to Christine about this and a wide range of other investment and self-live in buildings of all sizes and shapes. Two units available for R 295,000 for both. Call Christine 081 474 2357

WILLOWS ONE BEDROOM

Opportunity to own a nice property. Spacious 1 bedroom flat for just R420,000. Covered parking bay included. This property has excellent finances and sold savings account. Popular letting building. Good security. Convenient location for CUT, UFS, and more.

Christine will give you advice on the best to invest properties.

Call Christine 081 474 2357

A LOVELY ONE TO OWN – NEW KITCHEN

Just a really nice property with upgraded kitchen and a flat that has been looked after by somebody who really cares. This flat is walk in ready throughout.

Renting is old hat. With current low interest rates is is now cheaper to buy than rent – what an opportunity. To find out more contact an agent at Platinum Global and sit with us while we show you the options and arrange for our to be pre- qualified by Betterbond. We will be able to show you all the great properties that are available in your price range.

Call Mike 082 881 4711

A GOOD REASON TO BUY A LEMON!!

This is an absolutely astounding 3 bedroom townhouse. Picture perfect with everything in its place and a place for everything. And yes, it does include a lemon – tree in its sunny courtyard. Open plan kitchen cum lounge dining room. Wonderful winter warm solar extension ideal as a quiet office space or contemplation room. Large double automatic garage and much much more. Simply one of the best homes I have had the pleasure to market for years.

Call Mike 082 881 4711

DID YOU REMEMBER TO PAY YOUR RATES AND TAXES?

It is amazing how many people forget to pay their rates and taxes. Sectional title levies do NOT include rates on individual unit. This must be paid directly to the Metro by the owner. Platinum Global point this out every time the budget is discussed but many body corporates manages simply don't discuss it. When your unit is transferred to you the Deeds Office sends a list of transfers to the Metro and they take the old owner off the rates and taxes list and put yours on. But they do not know where you stay. In most cases they simply send the account to the unit or in the case of free standing units to the property. They have even been known to post your account to an erf number so there is a good chance that you won't receive your account.

Often it is only when the owner wants to sell that it is discovered that the rates have not paid. Not only are the arrears to be paid but accumulated interest also has to be settled. Not paying your rates can result in additional costs including attorney collection fees. The worst situation that can arise is that Metro take the matter of the arrear rates and taxes to court and can sell your property on auction. It does not happen very often but with Metro looking for every cent it is a strong possibility. Interest and arrears can add up. Only today arrears of over R19,000 had to be paid on a bachelor flat that we had sold!

BODY CORPORATES WOULD DO WELL TO PUT IN PARALLEL METERS

With Metro and its water accounts and Centlec and its electricity accounts being uncertain it might be sensible to make ones own arrangements. It seems that Metro and Centlec offices are more often closed than open and from my own experience my electricity meter has not been read since lockdown – we have been here practically all the time over the past three months and nobody has been near our house!

One solution is to put in your own electricity and water meters. It is possible to buy exactly the same meter that is being used by Metro and Centlec and to have them installed so that they read the same as the municipal meters. That way you will be able to send out electricity and water accounts every month and will not have to rely on an account from Metro or Centlec or an estimated account. These meters are quite accurate and vary by only small amounts if both meters are working correctly. They are also a very good check on whether the metro meter is working or not. We are finding it increasingly difficult to get readings out of Metro and Centlec – in one case the meter has not been working for over a year. We don't have to worry we have our own meter. The time of use electricity meters give accurate readings of what is used and when. If similar meters are installed for each unit then it is possible to ensure that nobody subsidises anyone else and to create an automated pre-payment system.

HEAT PUMPS COULD BE AN ANSWER

Heat pumps are becoming more popular. A heat pump can be used for a variety of purposes but frequently are used to create hot water from the difference in temperature between two sources. This can be a roof collector source and the ground – just imaging how much energy is created by the differential between the cool ground and red hot roof in the middle of summer. There are buildings in Bloemfontein where heat pumps are powering the hot water systems and the tenants do not even know! Heat pumps work much the same way as a refrigerator and be used to heat or cool using little power. With so few moving parts they seldom if ever go wrong. Think the last time your fridge broke.

The system can be used as a hot water system or cooling system depending on their design. Combined with a solar electricity system they can be powered with free electricity. As you know a solar system can be written off against tax and it is quite likely that heat pumps fall into the same category of energy saving devices. These devises are popular overseas and should be used far more in South Africa.

PLATINUM GLOBAL offers a consultancy service for Body Corporate which will help you with management and budgeting.