

PROPERTY OF THE MONTH!



YOUR CLOSEST NEIGHBOUR IS A SPARROW!

Be very far from the Madding crowd! Country house with its own natural fountain. Why spend a fortune when you can retire in rural comfort. Huge 3 bedroomed home in the countryside with its own cottage. Pecan nut trees and granadilla in the garden all for just R650,000. Air conditioning. Now that is the life. Eastern Free State retirement bargain. Call Getrude 084 590 3235 Universitas, Langenhoven Park, Brandwag.

WHAT MAINTENANCE IS THE BODY CORPORATE RESPONSIBLE FOR?

It is not always so easy to know what the body corporate is responsible for or not. For example, some experts feel that while the line goes through the middle of the garage door, that the mechanism that is clearly inside the garage, is part of the door and the cost of repair of this part of the door should be shared by the body corporate. My feeling is that it clearly lies within the unit and as only the unit owner (tenant) has use of it they should be responsible for the repairs of this part of the door.

The body corporate is responsible for the box of the units outside. So if damp comes through the wall from the outside and causes problems inside the unit then the body corporate would have to sort the problem. Owners and tenant need to report problems to the body corporate, for example roof leaks, and not leave these repairs till they become a real problem. In that case the owner must repair the problem not the body corporate or at the very least the body corporate can do the repair and claim the additional cost from the owner of that unit. This is on the principal that the body corporate cannot be expected to cover the cost of a major repair over a minor one because the owner (tenant) did not report the problem in time.

It is also important for body corporates to understand that any repairs that they do must be normal acceptable repairs. The body corporate cannot be expected to buy the best and most modern pool cleaner when a normal creepy would do a very adequate job.

Lastly owners, must realise that they cannot just do repairs without first getting approval from the body corporate. For example an owner cannot replace a garage door and recover half the door costs from the members of the body corporate because he decided the door was old and should be replaced, especially if he changes it from an opening door to a roller door. The body corporate decides when things need to be repaired or replaced

The Landlord

Newsletter for
Sectional Title
Trustees & Landlords



August 2021

Owner Right to Add Security

An owner may not make changes to the outside of a building but the Act allows for an owner to put in security on his doors. This can be on the outside. While an owner is allowed to do this, they must still comply with any decision regarding design, materials and colour. Normally all burglar proofing and security gates would need to be the same as agreed by members with regard to design, materials, and colour. An owner would be responsible for maintaining them too, especially burglar proofing which is normally on the inside of windows and frequently are the wrong colour or not painted on the window side.

Alarm system companies often require access to the building and this is given by way of a chip in the gate motor that allows their security personnel to enter the building using their own remotes. There should only be a need for one chip per company. Security is important but has to be controlled by the Body Corporate.

Talk Shop

By Platinum Global

CHECK YOUR INTEREST RATES.

Body corporates only need a relatively small amount of money to cover the normal day to day running costs of the complex, together with a small amount to cover urgent unexpected items such as burst pipes. The bulk of the building's money should be kept in an interest-bearing account.

Trustees should check on how much interest their building is receiving. These rates vary over time but also vary from bank to bank. With so many new banks, getting higher interest rates could mean having the day-to-day money in one bank and the interest-bearing account in another. Care should be taken when selecting a new bank that is it approved in terms of the STMSA and to avoid possibly risky banks, that have excessively high interest rates. You really need to use your head. It is important to understand that small banks have more risk than large ones.

Trustees must be sensible about putting in and taking out money too. Most banks have on line apps that allow for movement of funds quite easily but it could be unreasonable to expect a managing agent to have a whole raft of different banks to deal with just because a particular Trustee likes one or other bank or that the managing agent needs to visit the branch to take out cash at a teller. Trustees should also understand that it might not pay to have savings in more than 12-month notice account as money could at times be needed that much more quickly to cover especially important or urgent items.

Body corporates are able to earn up to R50,000 in non-levy income in a year without paying tax, though many body corporates exceed that limit on a regular basis. Tax is currently levied at a rate of 38% on that sort of profit. That is why body corporates should take their savings very seriously. When one considers that many body corporates have considerable funds they should be earning very helpful amounts of interest in a year.

Want to Sell then Get the Price Right – First Time

Although lots of people are having a hard time due to a variety of factors including Covid, the market is not all doom and gloom. The less expensive part of the market is doing fine, though I would like to see fewer 100% loans.

The middle market is also active but there is a major problem in this and the upper market – serious over pricing. Despite the state of the market, sellers in this segment are asking crazy high prices. While there are homes that are worth top prices most of the properties coming on to the market are simply way out of their real value. Part of this is because estate agents are not educating sellers on real prices but to a great extent some companies are way over pricing to get sole mandates. These then press sellers to reduce price. But these sellers are losing out. Buyers at those inflated prices are just disappointed and the buyers at the right prices are not looking because the price is too high.

Buyers are not stupid and are some of the best valuers around. They are not impressed with over priced homes and will never come back to them when price is reduced. These sellers who are being duped into giving a sole mandate at inflated prices are not doing themselves any favours and are making their homes unsellable. The market knows who these agencies are but sellers tend to go with the company who promises the highest price.

Sellers need to ask for facts about sales over the past 6 months in their area and be realistic about where their home fits in. A R2.5 million bond cost R21,000 pm so buyers need R100,000 income plus transfer and bond costs of R175,000. I would suggest that the number of people earning that salary today, in Bloemfontein, is very low and how many of them are actually looking to buy a new home? Sellers should be very wary of what they are being told. Platinum Global will freely give documented proof of recent sales to help set the right price for your home.

SPECIAL LEVIES – WHEN NECESSARY – FOR ALL TO PAY

The STMSA now requires long term reserves which are specifically set to avoid special levies. But it can still happen. Recently we had a building where we suddenly found some serious garden wall problems where they had broken on the foundations and just had to be replaced.

Whatever the reason for a special levy, it means an urgent need for funds as an extra payment by every owner proportionate to that owners PQ.

Unless instantly needed, special levies should be approved at a general meeting (AGM or SGM) to which all owners are invited. Once approved they are payable by all owners based on the time allowed to pay them off. Whether you agree with the special levy or not ,or whether you attended the meeting, or whether it directly affects you or not is immaterial – you have to pay your share.

Nobody likes special levies because they always come as a surprise. Schemes with proper levies don't often have special levies, which is why proper budgeting and savings need to be made. Owners should not complain where levies have been set at minimal levels for years because there are insufficient levies to do what they need to do.

A big problem with special levies is that they are budgeted based on everyone paying and if one or two owners don't pay the project may not be able to be proceeded with for lack of funds.

Special levies are not instituted lightly and those that don't pay are likely to find themselves in hot water about their non-payment.



SHELLYVALE TOWNHOUSE – SUPER VALUE

Size and quality all in one. 165 sq m 3-bedroom 2-bathroom townhouse with double garage. Pristine unit with large open plan living room and modern kitchen with breakfast nook, scullery and pantry. Enclosed patio with customized vinyl covers and private garden. All situated in a safe and secure complex that has 24-hour security. This owner has gone above and beyond to create an exceptional unit.

Call Mpho 082 321 5206 NORTHERN SUBURBS



UNIVERSITAS R1,799,999. 10 STUDENT HOUSE

Are you looking to invest in student housing? This newly renovated home is well suited for what you need. 10 student rooms, neat and clean, large garden and well positioned for University of Free State.

This is a serious seller that has priced to sell.

Call Nox 074 492 2909 SOUTHERN SUBURB HOMES



LANGENHOVEN PARK JUST R596,000

Lovely ground floor 2-bedroom flat in a low levy building. Well situated for the easy life, this neat and well looked after flat is suitable for young and old and makes an ideal retirement unit or investment property. Price includes double carport.

This is a nice property to own as an investment or for self-living.

Call NOX 074 492 2909 SOUTH & WESTERN SUBURBS



BAINS GAME LODGE – OLD KIMBERLEY ROAD

6 FLATS SOLD THIS WEEK!!

As popular as ever, we have sold 6 flats this week alone in this building with two others "On Offer". This just shows you how in demand these units are.

The location of the building just outside town close to Langenhoven Park, is a real attraction as is the modern architect design. Well managed by Platinum Global which adds to the buyability of these units.

Call GETRUDE 984 590 3235 SOUTHERN & WEST SUBURBS

PLATINUM GLOBAL SELLS ALL TYPES OF PROPERTIES