



The Landlord

Newsletter for
Sectional Title
Trustees & Landlords



New on the Market Nicely updated large roomed north facing flat close to Oranjemeisies Skool. Well run complex with great finances. Talk to Mike 082 881 4711

Post Office Discontinues Pre-Paid Registered Post – You Cannot Comply with the STMA Regarding AGM Meeting Notification

In terms of the Sectional Title Manages Act you can either deliver notices of the AGM by hand under the door of the unit OR by Pre-paid Registered Post. Only you can't because the Post Office no long offers this service. Insured Parcel is what the Post Office will offer but this is not the same thing. Registered Post was a total waste of time and effort. Costing about R60 per letter in total, hardly anyone collected them anyway. (We recently were asked whether we wanted uncollected Registered Post for one of our larger buildings. The cost per returned letter R13 each!) Over 450 of the 670 letters sent out were never collected.

What to do. Our suggestion is that you consider sending out an email to every owner and getting their written approval that you can communicate these agendas by email. They should indemnify the Body Corporate for sending the notices this way. That should keep you covered.

Like many ideas in the STMA it was not well thought through, was impractical and expensive and went against the advice of professional bodies within the industry. Other aspects of the STMA are also going to have to be changed and these include such things as the limit of 2 per proxy and the voting by PQ rather than unit numbers. The latter just makes voting far more complicated and time consuming and adds little or nothing to the voting procedures. Remember that any owner could ask for voting to be done by PQ when it was appropriate. To my knowledge it has never happened in the near 40 years that I have been managing sectional title schemes though I can see that there would be occasions when it would be necessary – any one owner only had to ask, and it would have been done that way. For the other 99% of cases it now, like so much government legislation, just adds time and cost to everyone else. What happens in practice is that those that do come to a meeting where there is not a quorum, hold the meeting, and take the decisions forward to the next meeting where two people have to come again to approve what had already been decided. Otherwise two owners who do attend decide for the other 99%!

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Who Pays?

Who pays when the electricity trips? If it trips inside the unit it is at the cost of the tenant or owner of that unit. But what happens when it trips in the mains box outside the unit, who should pay. The mains box is intended to be a last resort security trip in case there is a major problem inside the unit. In the normal case it should never trip – if there is a problem it should trip inside the unit. But it seems than many electricians put in extra strong trip switches which means that the trip happens in the body corporate trip switch which often means an electrician has to be called out. Who pays? My feeling is that despite the fact that the box is on common property the real problem lies inside the unit with too big a trip switch and that the owner/tenant should pay not the body corporate.

What do you think?

Talk Shop

By Platinum Global

Hold Meetings During Working Hours!

Having unpaid Trustees means that being a trustee is a voluntary exercise. Managing Agents have a limit to the number of schemes that they can manage by the time that is available for meetings. Good managing agents organise and attend all general meeting plus the Trustees meetings. The ideal place to hold these meetings being in the office of the managing agents where all the necessary records and facilities are available. All meetings of the Body Corporate are recordable meetings, and this can only be done effectively in an office environment.

Most Trustees and owners are not available during working hours and expect these meetings to be held at 5 pm (some even ask for later). Staff have already worked a full day and need to stay after work to attend these meetings. With meetings held at managing agent's offices Trustees and Owners tend to want to get finished and go home, while when meetings are held in flats at the premises there does not seem the same pressure to start or finish.

The reality is that meetings are business meetings and should be held during working hours. If this were to happen then it would be possible to hold a number of Trustees meetings in one day (allowing 1 hour per meeting) and general meetings (allowing a little longer). Unfortunately, the new STMA with its unreasonable limit on quorums and proxies is likely to make this near impossible to do. Without regular Trustee meetings it is difficult for a building to be well managed – two Trustees meetings plus a Budget meeting being the norm for most sectional title schemes.

Damage Caused by Removing Items Outside.

Fed up with tenants and owners removing satellite dishes and aerial from the outside of your building and leaving damage and holes in your walls. Do you have people moving out and pulling cables off the wall, removing dishes and leaving just the bolts or a number of holes? Do they take flower pot holders off the wall and leave the bolt holes? Do they remove their security gates?

Remember nobody may make any changes to the outside of the building without having permission of the Body Corporate. When giving this permission you may impose any reasonable conditions. Do you not think that it is reasonable to require a deposit that is enough to cover the repair to any damage that made? You should ask for a deposit for each item that they want to attach to the building ie a satellite deposit, plus an air-conditional deposit, plus a security gate deposit. Personally, I think that it is not unreasonable to have a condition that items that are attached become the property of the body corporate and may not be removed. You should have a standard for each item that is available to everyone and only those standard items can be put up. (Single design/colour for security gates). Unless there is some enforced standard a building can very quickly become rather messy. Having different gates, shade port covers, burglar proofing, security gates can make a building look slapdash and cheap and will definitely reduce the selling price of units in your scheme.

Standards should be clear and precise including colours with codes, material thickness etc.

Credit Controlling Your Owners.

The worst thing that you can do is not to take action again unpaid levies. If you are not tough in collecting levies, owners will take you for a ride. Unpaid levies mean that somebody else is keeping the building going. It is NOT the body corporate's problem that owners are finding it difficult to pay the levy. You may feel sorry for them but paying levy is part of the business of owning property. If you cannot afford to pay, then you should sell your unit and rent. It is not the job of the managing agent or the trustees to be nice to people who are not paying. It is their job to collect everyone's levy every month.

In well run schemes credit control is strict and done every month. Anyone who has more than one month's levy outstanding should be automatically handed over for collection. Experience will tell you that people who make arrangements to pay frequently don't. There should be no second chances legal action should be taken immediately. The body corporate is not a bank, there are plenty of places where you can take out short term loans and at very low interest. The body corporate runs the risk that by allowing these people to not pay that they are in effect lending them money. That could result in not being able to collect outstanding debt because the loan was given without the body corporate being a registered financial institute.

While you may have some sympathy for those in genuine difficulty nothing should be given to those who simply don't pay. I am sure that you know the owners that always promise to get up to date but never do. There is only one route to go – the legal one including CSOS.



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Did You Know?

Platinum Global – Room for One More Body Corporate

Looking for a GREAT Body Corporate Manager

We have space for one good sized sectional Title Scheme to Manage
Not happy with the way that your scheme is being managed. Is your managing agent not collecting levies, enforcing the rules, paying the accounts, not giving you easy to understand and accurate monthly account?
Platinum Global has space for one more large scheme (50 units plus NO MAXIMUM SIZE). You have tied the rest now work with the BEST. mike@platinumglobal.co.za 082 881 4711

No Matter How Difficult!

Has your letting got out of hand? We know how difficult letting can be if you lose control of who lives where, who has paid or not, which parking goes with which flat. Let Platinum Global help you to do your letting right. Call Mike for a confidential consultation. We manage Residential or Commercial.

Talk to Mike Spencer 082 881 4711

mike@platinumglobal.co.za

Solar Electricity

Eskom Blackouts – A Practical Solution

Last month we discussed the two different types of Solar systems that you could install and the advantages and disadvantages of each.

With the current rolling blackouts – especially as we are looking at stage 4 blackouts – no electricity for hours at a time every day – everyone needs to seriously look for a solution. In my area we will be having no electricity from 8 to 10.30 this evening – most people will be going to bed early?

Actually, I hardly notice what is happening. I have solar panels on the roof, an inverter and a sizeable battery pack. When the electricity goes off – nothing happens. My fan still works, my TVs and DSTV keep on working, my laptop is still on charge.....

Not a cheap solution but at least makes life enjoyable. My neighbours call me to see if I also don't have electricity, only I won't know unless I try some of my appliances such as the oven and air-conditioning. They are not connected to the solar and don't work during blackouts. My fridges, freezer are, and continue to work. You just have to work out what should be connected or not.

Items with elements should be disconnected, so geysers, stove, plates and air-conditioning units would be on a separate mains only circuit. Fridges and freezers can go on the solar, especially if they are the more modern A+ quality units that use much less electricity. Hairdryers and heaters should not be used during blackouts as they kill the battery very quickly. Normal candescent lamps were usually 100watts each, but new LED lamps are only 4 to 8. This means that if you had 20 lamps in your home (count them you could easily have more) you would have used 2 kilowatts just to light your home. Changing them to 8-watt globs means that you would only use 160 watts in total. Such a little energy will mean that your battery system of 5 kw could last for a massive 31.5 hours (if you only used the lights!) Normal usage would be around 5 hours if you allow for your fridge, tv etc. Even my modem works so I still have internet and can switch the TV off and watch DSTV on my laptop to save energy.

It is sadly a fact of life that we must make a plan. Solar systems are not cheap, but also save energy during the day too by being part of the energy that you use. The bigger the system you install the cheaper per unit the electricity. Installing some solar should be on the agenda for every body corporate even if only to allow each owner to install their own system.