



The Landlord

Newsletter for
Sectional Title
Trustees & Landlords



Langenhoven Park Delight R1.37 m. Immaculate 2 bedroom townhouse with double parking and private garden with pool. Large 157 sq m spacious unit.

May 2019

Trustees Cannot Deal with Rights of Extensions

A holder of a right of extension in a Body Corporate is essentially a developer who has a right to build additional units in a Body Corporate during the rights period which is between 20 and 30 years after the opening of the register. Many developers use this as a means by which they can build in phases over a year or two. But a right of extension holder is a registered right at the Deeds Office, and they can wait the full time out before starting to build. As a Real Right, the right may be sold to another developer who takes over the right from the original holder. No permission is required from the Body Corporate to do this.

The new rights holder has exactly the same right of extension as the original rights holder but cannot do more than the first rights holder was allowed to do. When the register is opened it is accompanied by a number of documents including a FULL detailed building plan of what is going to be built in future phases, so that any purchaser knows exactly what buildings will be created when the building is finished. The Rights holder may NOT deviate from the submitted plan in any way. The building plan is a detailed one including interior and outside finishes. The intention is that when you buy into a scheme you KNOW how the scheme will look when it is finished.

If the developer owning the right of extension wants to build something different this can only be done by way of a unanimous resolution with NO opposing vote. The developer would also need the approval of the bond holders of all the units sold. A separate unanimous agreement with written approval of ALL owners would be required if the developer wanted to change the footprint or make the built area larger, as the body corporate would be disposing of this area of the common property. Even if these two are approved the use of these units may not be changed without written approval of all the owners and bond holders to this change. Lastly it is a defined duty of an owner not to use a unit for any purpose other than what it was designed/intended for. Therefore, a reception cannot be used as a room, a garage as a bedroom or lounge, a stoep as a room extension. Extension rights holders must pay the cost of managing these rights area too!

Save Costs Use CSOS

If one of your owners gets into arrears with their levies it does not seem to make a great deal of difference whether you chase them or not. Once they are two months in arrears you have either got them to pay or they won't. You then need to decide to hand them over and should not delay doing this past being two months in arrears or it gets difficult to collect.

You have a choice of going to your friendly attorney or you can make a complaint with CSOS. They are far less expensive than an attorney and their decisions become an order of court too. The best way is to start with CSOS who usually hold a meeting in your area. The leader of the conciliation meeting is an advocate. If you don't get agreement, then you come back for the final decision of CSOS. Which is equivalent to an Order of Court.

Talk Shop

By Platinum Global

LONG DISTANCE MEETINGS

The use of technology is allowed in the new Sectional Title Management Act. That means that owners do not physical have to be present in the meeting but can attend by Skype or similar programs. As long as they can hear everyone speaking and can contribute to the meeting by talking that is fine. It has worked well for our dog show meetings, meaning that two committee members don't have to travel all the way from Sasolburg each time.

This is very useful for coastal properties where owners may live overseas or up-country. It works well for relatively small meetings but may have a limitation in larger meetings. Either way it is certainly a cost saving.

Another aspect is the difficulty of getting proxies for meetings. We have discussed the problem of maximum of two proxies per person, but did you know that a proxy can be for just one meeting or all Trustees meetings or all General Meeting until the owner revokes the proxy. It can simply be a proxy, or it could be a proxy instructing the person giving the proxy to vote a particular way. Sending out your proxies in this way means that over time you will accumulate enough proxies to always be able to hold your meetings.

While the number of body corporates was small meetings were held for the convenience of owners and trustees at 5pm in the evening. But this is self-limiting as there are only so many evenings for meeting in a year. I believe that these meetings are actually business meetings and should therefore be held during business hours. Having all Trustees meetings held during the day would greatly ease the burden of after hour staff attendance and would allow managers to manage more buildings.

Letting Demand is Excellent

While the selling market may be overstocked quite the reverse is the situation with the letting market. Market conditions for the past few years have not been conducive to building rental properties. Not only the cost of building but the pro-tenant rental acts has not made this market attractive to Landlords. On the other hand, many home owners have realised that it is far cheaper at present to rent a property than to buy. A typical home in Bayswater say, would cost R1.500,000 to buy plus costs in the region of R70,000 transfer and bonds costs. You would then need to pay R15,000 per month on a bond plus rates and taxes, insurance, letting fees and maintenance, say a total of R20,000 pm. Renting is not likely to cost you more than R12,000 pm. In tough times rental definitely makes more sense, so buyers are in no hurry to buy unless prices drop.

As a result the demand for rental properties has been very strong since the beginning of the year. Unlike similar periods over the past few years, very few rental properties are available in any price range. Houses and up market properties are almost unavailable and ordinary flats and townhouses are let very quickly. Only a few rather poor-quality properties are usually available.

There is a real need for a concerted building program for middle range rental properties in most part of the country. Unfortunately, very few correctly zoned pieces of ground are available and any large building program would be delayed for many years because of this lack of suitable sites. Either way no building plan is likely to succeed unless the draconian legislation is uplifted.

House Market is Slow but Affordable Homes Sell.

Last month we talked about the affordability of buying a home. It was pointed out taking into account the normal range of incomes in Bloemfontein that there is in reality a very small percentage of the population that can afford to buy properties at the prices that are being asked. Is it a no wonder that few homes are selling, many are not obtaining the required bonds and many are having their prices reduced!

While property is an excellent long-term investment, just like stocks and shares, the price of property is subject to short terms fluxuations. Long term prices definitely tend to rise but short term they can level out or even go down. Emigration, the slow economy, relatively high inflation, political uncertainty, all are weighing on the need to sell and the relative lack of demand to buy.

What is the solution? One must remember that there is always a demand, but this depends on the price of what is being offered – the higher the price the fewer the potential buyers. A R6 million house may be quite fantastic, but how many people in Bloemfontein could afford to buy it – all of them would already own a home and probably don't have a reason to move. But bring the price down to R4 million and the number of buyers will increase substantially and the incentive to buy such magnificent home could temp some people to make an offer. Right pricing is a skill that good estate agents have. The keener the price the better the chance of selling. Sellers need to price to sell keeping their price somewhat below their competitors. In a down market the price that homes have sold is an indication of the maximum not the right price.



Assortment of 1 Bedroom Flats
 Now is the time to buy your own place. Why rent when you can buy for less. We have a variety of nice 1 bedroom flats from R350,000. No more rental increases. It is far better to buy than rent. Come and talk to me and I will show you why

Mike 082 881 4711

Walk to Work Flat R575,000
 Don't get caught up in traffic on the way to work. Save RRRsss by being able to stroll to where you work. Big 2 bedroom 1st floor flat, with parking and spacious lounge for the having in central Westdene. It really makes sense to save time and money like this.

Retha 073 660 4494

Best Buys at Bains Bach or 1 or 2 Great buys in Bainsvlei. Modern, practical, and just a nice place to stay. Very different from what you have seen. Lots of entertainment in the area makes it ideal for youngsters. Don't miss out. Great place of your kids at UFS next year

Christine 081 474 2357



The Choice is Yours. RENT OR BUY
 Amazingly it is often cheaper or very nearly so to Buy rather than Rent. We have a selection of 1 & 2 bedroom flats at prices that will allow you to Buy instead of Rent. Talk to us today.

Christine 081 474 2357

Neat as a Pin R400,000 Ground Floor
 Big 2 bedroom flat with carport. Very well priced unit, well looked after, neat and attractive inside. Good body corporate run by Platinum.

Retha 073 660 4494

UNUSUAL 3 FLAT UNIT R760,000
 3 for 1. One unit consisting of three flats. City centre building but well looked after with great finances. Includes a major 1 bedroom, a bachelor, and a 1 bedroom flat.

Christine 081 474 2357

Did You Know?

2 Northern Suburbs House Sales Agent (North of Westdene)

Currently selling property and not happy where you are or new to the industry and looking for a company with a great reputation which will give back up and training?

Talk to Platinum Global

Live where you work. Bayswater, Dan Pienaar, Pentagon Park, Waverley, Heuwelsig, Woodlands. Lets talk.

E-mail your CV to mike@platinumglobal.co.za

WE HAVE A PLACE FOR YOU!

SPACE FOR 2 LARGER BODY CORPORATES

Not your normal body corporate management – very much better. Pro-active management that helps owners and Trustees alike ensure that their buildings are run better than anyone would believe. Monthly accounts available each and every month and on time. Easy to read and understand reports that clearly show your financials, who is up to date and who is in arrears. We are able to take the worst run body corporate and change it around in months. After the initial getting up to date period all arrear owners will have action take to recover arrear levies and services.

Why would you want anything else?

Contact us at mike@platinumglobal.co.za and we will come for tea with the Trustees and show you what a well run body corporate looks like.

CSOS Seems to be Working Well

CSOS (community schemes ombud service) is a government organisation that has been set up to police the community living environment. This environment includes the likes of sectional title schemes, home owner associations, retirement village living schemes and like developments but excluding as far as I know, Time Share schemes.

Its purpose includes the approval of scheme rules and the handling of complaints regarding non-payment of levies and service fees, breaches of the rules and similar concerns. For the Free State they are based in Durban but visit Bloemfontein on a regular basis to deal with cases.

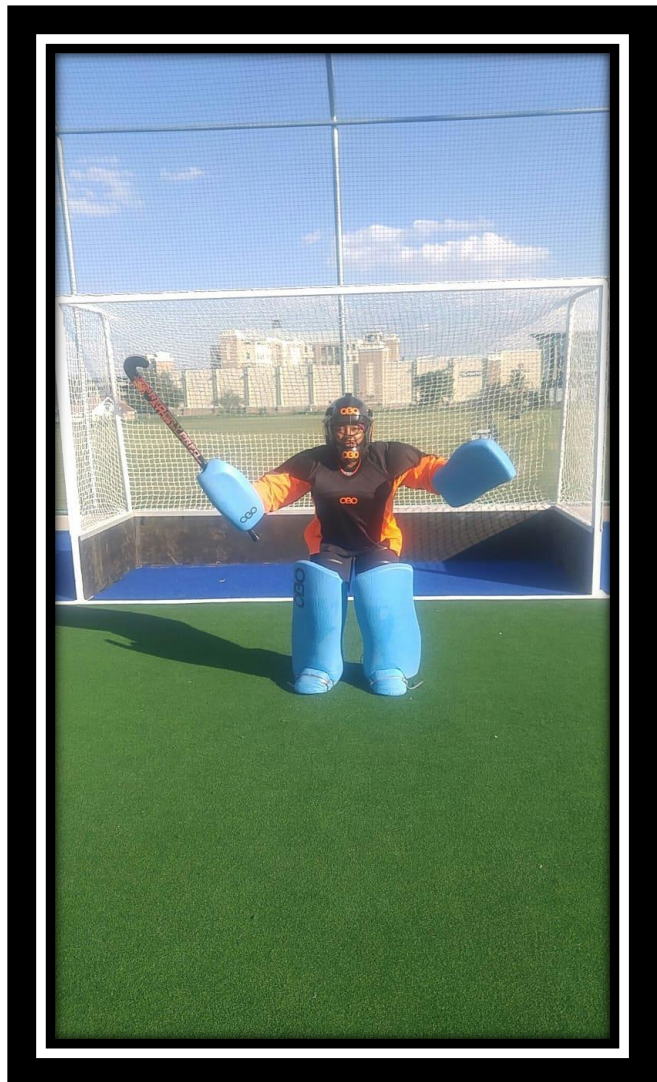
Anyone concerned with one of these multi-unit schemes can make a complaint to CSOS and this includes, trustees, owners AND tenants. The sorts of complaints that they would look into include behaviour complaints, complaints about non-compliance with the scheme's rules, and inter occupant disputes. Platinum Global have been to a couple of these hearings and we were quite happy that they were dealt with effectively, efficiently and fairly by the advocates that represent CSOS at these hearings.

They can be used in place of a court, so body corporates could for example take an owner or tenant who has not paid their service fees to CSOS for an order that they must bring their levies up to date. All orders are effectively orders of court. These hearing are in the form of an initial round table discussion to try to get the parties to agree on the matter. If that does not happen then it proceeds to a second hearing where CSOS becomes an arbitrator. They will listen to the evidence from both parties and make a definitive decision. In many ways this is a quicker and cheaper way of settling a dispute without all the hassles.

This is why good record keeping by the body corporate is so important as these CSOS advocates only work on proved evidence. He said, she said holds no water with them! Cases that we represented the Body Corporate included; Noise, Trustees doing work for the Body Corporate (a big no no for them), carport allocation, children playing in the driveway. They listen to all sides but won't allow personal attacks. They ask very fair questions and keep to the registered rules, the Act and the Regulations. At least one of the Trustees must be present to present the Trustee's side of the story. Their fees are very reasonable, and I would suggest that they might well be a better route to go that running to an attorney first. They will not take on cases where the case has already been handed over.

LOCAL COMMUNITY CONNECTION

PRIDE OF BLOEMFONTEIN ON HER WAY TO HOLLAND!



Imagine the excitement of being chosen as Goalie for a top hockey team going to Holland. That is what has happened to the “Blue Devil” Phemelo Radikeledi who defends goal for her Bloemfontein Hockey team. In September she is travelling from 22 Sept – 3 Oct 2019 when her team will be playing against some top-quality teams in Holland from Soest, Den Hague, and Amsterdam. Her team will be playing 4 matches and having 3 training clinics with Dutch coaches along the way.

I’m not sure that I am brave enough to stand in front of a bunch of Hockey players who are determined to hit a solid puck as hard as they can in my direction as fast as possible – Brave Girl!

Phemelo will be staying in Youth Hostels to keep the total cost down, but I am sure that you know that with airfares, accommodation, and food it is not a cheap exercise to go on such an educational and team building tour. Altogether the tour will cost just on R43,990 – actually quite a good price when you think about it. But Phemelo really would appreciate your help. Any contributions would be a real help to getting this brave young lady over to play against some top-quality teams in Holland. With Hockey becoming a school sport in more schools this is an ideal way of her improving her game. Her ultimate goal is to play for the South African Women’s Team.

I would like to help Phemelo

Banking details;

Name	Freeworld Travel
Bank	ABSA
Branch code	632005
Account no	407 084 5967
Reference	18189 Phemelo Radikeledi

National Tournaments Manager is Juandre Bester tel. 071 766 7752 who will gladly tell you more about this end of year Hockey Tour.