



**Langenhoven Park, Direct from Developer, No Transfer Duty**  
**Really modern bright light big roomed 3 bed roomed townhouses. Choice of 6.**

### **CONSORTIUMS CAN BE AN EASY INVESTMENT**

When looking at investment in property the cost of running a body corporate is now becoming expensive. Not only is there a manager for the sectional title scheme but it is also necessary to have a letting agent doing the letting. The new sectional titles act is making the running of a body corporate far too expensive and complicated compared to what owners really want.

An alternative is to become part of a consortium. Essentially a consortium is a group of investors that get together to do a project and then have it run as a single entity. For example if 200 individuals each invest R100,000 then they can have a building to the value of R20 million built for them. Assuming 60 sq m unit costing R5000 per unit then they could, in theory, have a building of about 60 flats built for them. That building is then let out by a letting agent who does the letting on their behalf and manages the building for a single monthly fee. A big advantage of this type of investment is that the building is constructed on a cash basis and benefits from not having any bond. There is therefore always a cash flow positive advantage. Building a property on this basis also benefits from the ability to get cash discounts on building materials and the benefit of better design (low maintenance) and practical layout that reduces overall costs and increases net income. Modern buildings are designed to be more in tune with today's type of living and can supply DSTV and lower cost self-generated electricity, fast internet connections and the like, which make them very attractive to long term tenants. This in turn tends to increase income and reduce running costs. If you are interested Platinum Global would be happy to talk to you. Just drop us an email indicating the value of the investment that you would consider.

# The Landlord

Newsletter for  
 Sectional Title  
 Trustees & Landlords



April 2018

### **Honorariums?**

Trustees are unpaid servants of the body corporate that represent the interests of all owners. Sometimes they are paid an "Honorarium" to cover their expenses on behalf of the building.

All honorariums must be approved each year at the AGM. They should be nominal amounts to cover small costs that are paid for by the Trustees, such as cell calls to the managing agents, internet costs. Anything more than a nominal amount could well be a salary (R6000 pm to look after the building or a free flat). This must be treated as employment with all the UIF, tax implications and compliance to labour act etc. that this involved. Don't get caught out on being compliant

051 447 4711  
 Office hours 8 am to 4.30 pm  
[www.platinumglobalproperties.co.za](http://www.platinumglobalproperties.co.za)

# Talk Shop

By Platinum Global

## Platinum Looking for More Selling Agents

Selling of homes and commercial property has become an important part of our business. Our residential selling side has been quite active over the past couple of years and we would like to expand this part of our business. This department sells conventional homes as well as sectional title properties and sales agents prefer to specialise in one or the other.

Each agent needs to be registered with the EAAB to work and within the first year take the NQF4 Real Estate Exam. With our in-house training, agents are well prepared to take the exam and normally pass without difficulty.

Selling property is a very rewarding activity though quite tough at the beginning. Agents need to support themselves for the first six months until their first sales occur and they receive income from them. It is an industry for intelligent people as an agent needs to be able to access the situation of the buyer and seller and give advice on the best way to proceed. An understanding of property laws, the transfer and bond process and peoples needs and wants is essential. The better an agent understands his buyer and seller the easier it is for them to be successful. Good agents tend to work with prequalified Buyers and serious motivated sellers. Although they may have a smaller portfolio of properties for sale, they are far more successful. A 43-year property career has shown me that dedicated, hard, and clever working selling agents can be part of our successful team and reap the financial rewards of being good at what they do. Interesting to you? Email your CV to [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za)

## How to Get Enough People to Hold Meetings

The new sectional titles act has amended the number of people required to attend a sectional title meeting to make it a valid meeting to 33.3%. The reality is that owners don't or cannot attend meetings. The aim was to have an investment that was looked after by the body corporate and managing agents – not get involved in complicated formal meetings. This is especially the case if an investor owns in various buildings – often at a distance from where they live.

To get the numbers required means – early notice of meetings, sending of SMS reminders frequently, asking and pleading for proxies (but limited to 2 per attendee which is another problem with the new act). It may be possible to have permanent Power of Attorneys given to certain people only to attend meetings on behalf of owners. The sad reality is that most meetings are now held over to the following week where only two people need to attend. There is a real need to reduce the attendance requirement back to the levels set out in the old act. Automated SMS's do help to an extent but far too many meetings are postponed.

## Space for One Large Body Corporate with Platinum

Platinum are in the fortunate situation of being able to change systems to make things ever more effective and efficient. Currently we are changing over to a new management program which, while giving the same output to Trustees and Owners, will do it in a more effective and efficient manner.

This is leaving an opening for us to take on one more larger sectional title scheme into our management portfolio. If you are looking for new managing agent, then you are welcome to talk to us. We are looking particularly at large schemes close to or above 100 units. Currently we manage schemes up to 680 units.

Our fee structure is a very simple one where we charge per unit. The company never accepts kickbacks from any supplier or contractor and does not charge for extra work such as raising special levies. Each body corporate has its own separate set of bank accounts and books and all income, including interest, and expenses are easily identified to that individual building.

We are always happy to talk to prospective new clients.

## New South African Plug for New Buildings.



This new South African plug is compulsory for new buildings. It is an earthed 2 pin European plug, which makes your appliance usable overseas. Quite nifty for lighter ampage items such as cell phone chargers, TVs etc

<https://mybroadband.co.za/news/technology/254597-new-south-african-plug-standard-is-mandatory-for-new-installations.html>

It will come out in varieties such as three small and two large plugs. Really handy around the house and will add to the value of whatever you are wiring. For once not such a bad change.



**LANGENHOVEN PARK R1.6 MILLION**  
**LARGE duet - 4 bedrooms - 3 bathrooms – 2 Garages – 2 Carport**  
**Beautiful living area in a light modern, well designed, comfortable home. Nice views from upstairs balcony. Just a really nice place**  
**Carin Pretorius 072 938 9729**



**Stunning 2 Bedroom Flat in Navalsig**  
 Newly renovated and ready to move into. Fully tiled flat with rental income of R4500 pm this is a great investment property! Nice low maintenance flat. Call today to view.  
**Carin Pretorius 072 938 9729**



**DAN PIENAAR R2.5 MILLION**  
**Large 3-bedroom family home with double garage and 4 carports. Large yard. Great area – neat and well-maintained property. Rentable cottage. Conversion to offices very doable. High visibility site. Very good value and well prices property**  
**Carin Pretorius 072 938 9729**



**GREAT PRICE FOR GREAT PLACE**  
 Popular bulding in popular area. 2 bedroom flat sunny north facing. Modern light design, just 5 km from UFS. Really nice complex well managed with good finances. A must see.  
**Carin Pretorius 072 938 9729**



**WAVERLEY R2,400,000 SPECIAL HOME**  
**400 sq m house with huge rooms. 4 bedrooms 3-bathroom, massive lounge and separate dining room. Full on office suite with own kitchen and bathroom – could be duet unit. High potential as office property with plenty of parking. Call today.**  
**Mike Spencer 082 881 4711**



**HEUWELSIG R2,800,000**  
**Serious negotiable seller. Well-priced three storey house with large garages and parking area. 4-bedroom house with 3 bathrooms. Massive kitchen. Big pool and workshop area for the man in your life.**  
**Mike Spencer 082 881 4711**



**GROWING BIGGER & BETTER**

**Looking for new Estate Agents**  
**Specialist agents to sell Houses, Sectional Title, Smallholding Commercial & Industrial**  
**Good training will be given**  
**CV to [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za)**



**Carin Pretorius – Houses and Sectional Title**  
 Working hard and being successful, let her do the same for you.  
 Sell your house, flat or townhouses with her (Intern Agent).  
 Contact Carin on **072 938 9729** and be surprised

**Andrew Smith – Houses**  
 Welcome to Andrew who has joined our team of residential sales specialists. Andrew has degrees in marketing and project management. He will be working in the northern suburbs mainly on houses and duets. Andrew (Intern Agent) can be contacted at 081 541 8085. Give him a call.

# **Rubbish Removal Does Not Happen**

## **– and now it does!**

In last months The Landlord, we had an article about the rubbish condition of our street and the lack of collections by the rubbish department. This article was sent on to the new Mayor. Not sure if it was the article or the other people who read it that went on to complain to Metro, but I can see that as of today, things are looking much better. Have a look around Westdene and you will see far less rubbish hanging around. They seem to have found a rubbish truck from somewhere as I have seen it running around in the area picking up rubbish from the sidewalk. Whatever the reason I am pleased to be able to report that the streets are much cleaner as of now and hopefully they will stay that way. R2 million spent for the Premiers coming and going party could have bought a new rubbish truck! Now lets talk potholes.....

**Mike Spencer 0828814711 [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za)**

## **How to be Rich – Save Money on your Bond!**

Some very interesting facts to make you think about how you handle the bond on your house.

**R500,000 bond for 20 years at 10.5% will cost you R1,187,663!**

**R500,000 bond for 30 years at 10.5% will cost you R1,632,248!**

**That's R 444,585 more! (37% more)**

**R500,000 bond for 20 years at 10.5% will cost you R 4,948 per month or R1.187,663 in total**

**Same bond but pay R100 extra will cost you R 5,048 per month or R1,135,776 in total!**

**You save R51,886 but more importantly you pay off your bond in 225 months (18.75 years not 20))**

**If you take a 100% bond you will pay 14% bond rate or 33.3% more than the standard rate! For a total cost of R1,475,016 or R287,353 more than the standard rate.**

**Each month you pay interest on the capitalisation day. If you pay your bond before that date you save the interest on your payment. For a payment of R5000 that amounts to a saving of R43,75 every month (R525 per annum). If you are two months in arrears you will pay double this every month!**

**Service fees on bonds are additional to your bond payment. Pay them off in additional to you bond payment or they simply get added to your balance – you can actually go backwards, and your bond grows if you don't. Check what you are being charged. They vary from R7.50 to R75 pm!**

**Check if house owner's insurance is debited separately or included in your bond. If it is included in your bond, make sure you pay it immediately otherwise it will be large enough to wipe out any reduction that you have managed on your bond balance. You pay the premium plus interest!**

**Negotiate for a better rate on your bond. A reduction of .5 or 1% on your bond makes a serious difference. If you get a reduction in rate don't pay the lower amount but keep paying the higher amount. The extra that you are paying comes off your balance and you will pay off sooner.**

**Need advice on bonds – drop an email to [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za)**