

The Landlord

Newsletter for
Sectional Title
Trustees & Landlords



New on the Market Supersized 2 bedroom duplex townhouse in cul-de-sac. Private garden and back yard. Neat complex in quiet street. Something to see. R850,000

Body Corporate Management – You’ve Tried the Rest – Now Try Us

The way that Platinum Global would manage your Body Corporate is totally different from the way that just about every other body corporate manager does it. Most importantly we provide you with monthly income and expenses statements that are a pleasure to read. They give you a simple to understand format that lets you see what your total income and total expenses are. The profit or loss you made for the month, how much money you have in your bank accounts and carefully sets out your reserves in details together with prepaid water, electricity, levies and any outstanding accounts. In other words, you know your financial situation to the cent each and every month. At every meeting we go through the current financial situation together with a budget to actual account that shows which items are over or under spent at that time. Platinum also gives out the income financials up to the day before the meeting (current levy month).

All owners are invited to the Trustees Budget meeting which is held in the month before the end of the financial year end. If the likely increase is going to be above 10% this is changed to a special general meeting to pass the increase.

After every meeting a newsletter is sent to owners and another to tenants so that they know what decisions were taken at the last meeting and what information the meeting wants to pass on to them. Thus, we can talk about such things as pets, noise, rubbish, security, and the like. A very useful tool.

While other management companies may seem cheaper, they will add on extras every time they do anything. Our inspections, deliveries, quotations, and advice is included in our fees. No charges for registering cell to gates or special levy accounts. Where electronic meters can be monitored on our in-house system there is no charge for meter reading. Where we can hold meetings at our offices there is no venue charge and even for very large body corporates (670 units), we can normally borrow a venue to hold general meetings.

Meetings are well prepared and organised with Trustees meetings seldom going beyond 30 minutes and AGMS normally under an hour. No charge for the odd over time meeting. Does this sound better than what you currently have? Oh, nearly forget to tell you that you will have your own independent bank accounts and not a bulk one!

January 2019

FNB Property Boom?

At the end of 2018 FNB surveys show an increasing bias to renting rather than buying. An increased demand in the rental market and constrained supply could lead to better returns for landlords says John Loos FNB Property Sector strategist.

The local market is showing similar signs. Student buildings that normally have a large vacancy factor from November to February, while showing similar patterns of giving notice are also showing a far earlier and quicker take up of available flats.

Quality units are in very scarce supply to the extent that there is a need for a building program for new apartment buildings, which seems unlikely in the current market. Accommodation pressure in general would normally lead to increasing prices because of the letting stock shortage and there are signs of this happening already. Students that are starting to look for accommodation now are going to have a really hard time to find something.

Choose Your Chairman and Trustees Carefully!

Trustees work for nothing, so finding people to be Trustees is difficult - especially Trustees of quality. The work now required of Trustees is akin to that required of company directors – and they get paid a lot! Maybe it is time for a change?

A serious problem is that of choosing unsuitable Trustees just because nobody else is available. Some Trustees like to organise other people, others want to organise the building to suit themselves. Some are simply helpful people who really don't have the skills needed. It can be a disaster. How can you choose a Trustee that has no financial understanding but is expected to check the budget and accounting work of a professional managing agent? How can you choose a Trustee who has no legal background and has never read (or understood) the complicated STMA or Rules of the Body Corporate?

Perhaps it is time to change how body corporates are run. Perhaps it is time for professional full-time management of body corporates by correctly trained management companies as what is happening now is not working. In Australia body corporates are run by managing agents not Trustees. These managers set the levies, undertake the maintenance programs and tell the owners what the levies will be.

The STMA is full of good intentions but as you will see in the next article are causing considerable extra management effort. Perhaps it is time to choose professional Trustees to control your building with the help of managing agents. Your thoughts?

Are You Paying Your Managing Agent Enough?

All sectional title units and HOA owners would love to pay as little as possible for their management but running a body corporate is becoming more complicated and time consuming by the month. The new STMA has caused a raft of extra work for managing agents. They now must submit time consuming reports to CSOS and attend CSOS meeting. Often more than one person from the managers needs to be there as the complaint is about finance and management. Body Corporates need to budget for this work – a 3-hour mediation could result in a bill of R6000 plus. While Trustees can attend in place of the manager, they often don't have the technical knowledge or time to attend.

Another cost causer is unattended meetings where General meetings and especially AGMS cannot be held because too few owners attend. This results in a second meeting, same time, same place the following week. This second meeting must be charged for as it takes up time and effort on the managing agent's side. Don't blame your manager – they also don't want to be there – blame the legislation that won't let any owner hold more than two proxies.

Another source of extra work is the new breed of buyer that is quickly becoming a sectional title owner. Unlike previous owners who had a basic understanding of property ownership these new owners often have a widely distorted view of what property ownership is about and demand far more attention at the cost of time to the managing agents. All these factors result in pressure for managing agents to demand higher fees.

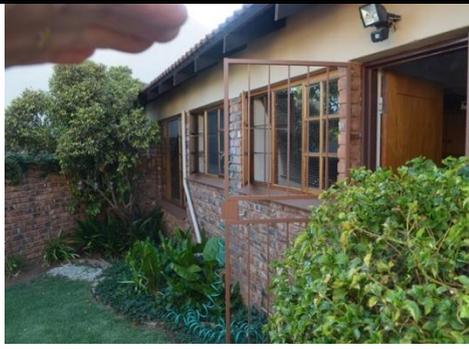
Consortiums Help Investors Buy Well Managed Buildings.

There is a place for sectional title ownership, especially if you intend to live there yourself. But is there a better way to buy an investment property. Buying a property entails huge cost for transfer and bond costs (around R30,000 for a R500,000 buy). Owners must rely on trustees and managing agents to run the building properly. To ensure things go smoothly owners need to attend budget and AGM meetings – which can become a major headache when you own a few properties and a full-time job if you own 10 or more. Then there are the conflicting needs of live in owners and investor owners about what should and should not be done and when.

Consortiums are totally focused on one thing – development of low maintenance, attractive, well managed rental properties. There is only one letting agent with the same instructions to let to the best tenants at the best rental. They have total control of the building and can get rid of problems. They can make instant decisions for the benefit of the building without becoming mired in meetings and personality conflicts. Which type of property would you like to own.

Each building is owned separately, and investors have a choice of investing in income producing or capital gains buildings. This type of investment makes an ideal long-term investment either way.

IF you are thinking of investing in rental property this is a better option. We will be launching our first development during February. Email your details to mike@platinumglobal.co.za and we will invite you along.



LANGENHOVEN PARK R850,000
 New on the market. Spacious 2 bedroom – garage – big garden – garage – parking. Neat as a pin. Tranquil setting in well managed complex. View out on to koppie. Just a really nice property. Come see it.

Mike 082 881 4711

Beautiful Bains – Now Selling – Variety of Unit Available
 Just in time for going back to UFS. We have the place for you to stay. Close to entertainment and varsity. Great area, well managed building. Good place to stay. Live in or rental investment property.

Mike 082 881 4711

WILLOW GLEN – BUY DON'T RENT
 Finding it hard to get somewhere to stay? Maybe the answer is to buy instead of renting. Just around the corner from CUT. R240,000 for bachelor flats. Buying will save you money over the medium term. Think about it.

Mike 082 884 1711



SUPER SIZED UPGRADED 1 BEDROOM
 Great big 1 bedroom flat. Ground floor onto garden. Big rooms and fully upgraded. R410,000 for this very livable flat is just about what you would pay to rent it. Talk to us about buying your own place to avoid rental increases. Mike 082 881 4711

LANGENHOVEN PARK R1,300,000
 Big 143 sq m townhouse with double garage. Quiet street and well managed complex. Semi double storey with upstairs bedroom or big study. Own little garden in secure complex. Good for students too. Mike 082 881 4711

SELLING VERY SOON.
Selling very soon. Be on the list when it happens. Phase one selling February. Choose your site, choose your home – we do the rest. Lovely selling in Heidedal. Close to dam and entertainment centre, proposed school and more.
 Mike@platinumglobal.co.za

We are Seriously Looking 6 Estate Agents Wanted

Internal Training with Bloemfontein's best estate agency.

Residential Agents for all areas. Commission based position with potential for high incomes in today's active markets. Must be mobile with own car and cell phone. Mature people required – needs to be self-motivated. Great opportunity for go-getters. High income position requiring full time attention. Own stock listing from 2000 managed properties.

CV to Mike Spencer mike@platinumglobal.co.za

2019 Starts with a Bang!

There is a notable change in the property market in Bloemfontein. Very noticeable right from the day we opened on the 2nd January but has been creeping up on us for the past few months. The rental market is exceptionally busy. Yes, I know that the students are going back, but there is just nothing to let and we have been able to push rentals up on the few properties that remain. As a result of the shortage sales have also been very busy with even CUT student parents looking to buy rather than rent. With increased student numbers and better bursaries this is likely to continue

The general market is also active with good enquiries for a variety of none student properties. Prices remain a problem as affordability is still weak. Serious sellers need to look carefully at their prices and ensure that they are what the market indicates and not what they would like to receive. We are still looking to expand our residential sales department and are looking for a few more mature people to work as estate agents with us.

Talk to Mike Spencer 082 881 4711

What is Good HOA or ST Management?

The result of good management should be a scheme that runs without too much drama. Owners should receive their levy statements, tenants should receive their service accounts on time. It does not always work that way especially when one must rely on receiving outside information such as municipal accounts. But that is the way that it should run.

In a well-run building each new owner receives a welcome letter and a copy of the rules of the complex with a reminder that he should pass it on to his letting agent if he is not going to live there to give to his tenant.

Meetings should be held on time. AGMs well within the four-month limit and Trustees should receive full monthly management accounts that are on time, accurate, and easy to read.

Occupants should abide by the rules. The rules should be provided to every tenant when they move in. (It is a requirement that the house rules be attached to every lease agreement (by the letting agent). These rules should be registered with CSOS and should be simple, logical and easy to understand.

It should not be necessary to have a fine system because every occupant lives there without disturbing his neighbour but any rules that are in place should be logical, necessary, easy to understand and there should be a mechanism for enforcing the rules on the few people who don't want to comply.

Maintenance should be done as a matter of course, with two or three quotations for each item. Small day to day items should be handled by the managing agents as routines of daily life while more expensive items should be discussed with Trustees first and for larger items all the owners at a general meeting. Owners should be consulted by Trustees on any main decisions whether they are legally bound to do so or not – it is just common courtesy.

That is what a well-managed building should be like – is yours?

mike@platinumglobal.co.za