

The Landlord

For Landlords and Sectional Title Owners



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Those at a Meeting Take the Decisions

While Trustees are responsible for making normal decisions about the day to day running and maintenance of a complex, larger decisions should be made by all owners usually at a the AGM though a Special General Meeting can be called for urgent decisions. Decisions of Trustees can be overruled by members at a general meeting. So for example the Trustees must set the levies at a Budget meeting before the end of the financial year end and implement these levies from the start of the new year, the Levy Budget is always reconfirmed or amended at the AGM. What does happen is that owners that are unhappy with majority decisions that are made at a general meeting then what to talk to the Managing Agents about changing the decision that was made. Owners must understand that “the majority” decision stands and can only be changed at the next appropriate (usually AGM) meeting held next year. However unhappy you are the decision is made by the owners and the Managing Agent cannot discuss any change that you would like to make as an individual.

Erwin Rode – REIM Real Estate Conferences 2015 – Must Attend Events!

Erwin Rode – well known property guru is holding his annual REIM Real Estate conferences around the country. These are most informative events and a must for anyone connected with the property industry and property investors or landlords. Six events around the country give the opportunity for you to hear the latest facts and trends about the property industry in a comprehensive but easy to understand and informative format – while at the same time taking the time to meeting “important people” in the property industry.

Erwin, who is the author of the authoritative monthly Rode Report, has been recording the changes and trends of property for many years and is viewed as essential reading the the property industry. The report gives statistical data and very readable reports on various trends in property including information regarding the selling prices and rental charges for a wide variety of property times including residential, commercial and industrial and hotels etc. It is a very useful tool when deciding on property issues.

Events will be held;

Durban 18th August, Gateway Hotel, Umhlanga (half day)

Johannesburg 19th August, Emperors Palace, Kempton Park (full day)

Bloemfontein 21st August, Ilanga Estate, Bloemfontein (half day)

Port Elizabeth 25th August, Radisson Blu Hotel, Summerstrand, Port Elizabeth (half day)

Cape Town 26th August, Spier Wine estate, near Stellenbosch (full day)

Windhoek 28th August, Hilton Hotel, Windhoek, (half day)

For more information on these events, please send an e-mail to Lynette Smit at lynette@rode.co.za, visit www.rode.co.za or contact her on 012 664 159 / 082 323 5799

Are the Load Shedding Generators Driving You Mad?

Load shedding is unfortunately a fact of life at least until the new generators at Madupe come on line - now in five years' time – until Eskom find something else to blame! We simply have to learn to live with it. With blackouts now lasting two hours and more it is no longer funny. We need to find alternative sources of energy. Standby generators are a temporary solution, but their use must be approved by body corporates – especially regarding the noise factor.

What are the alternatives? Perhaps we must look more closely at finding alternative sources of energy – hopefully to replace the Eskom supply. While these sources have in the past been too expensive the reality is that while they may require a capital output many of them are no longer more expensive than the mains supply – and are not prone to 25% per annum increased!

The alternative would include anything that would reduce energy usage through to systems that generate electricity and would include the installation of double glazed windows, Gazbeton sheeting to insulate walls, changing of globes to LED lights, solar hot water panels, photo voltaic (electricity generating panels), heat exchangers and roof top wind generators. Fortunately they are all silent!

From the Sectional Title side anything that is installed on the building needs to be approved by the Body Corporate and the best way to go about it is to hold a special meeting or add it on the AGM to approve the installation of this equipment giving clear approval to where, when, how and what can be installed. Using some or all of the above equipment can result in almost completely coming off the grid though you would need to be connected so that it is available if you really need it. Modern technology is becoming smaller, neater and longer lasting with the latest batteries lasting 25 year or more compared to normal lead acid batteries for instance. It may also pay to consider buying systems that cater for the whole complete rather than buying them on an ad hoc basis especially as modern PV panels have the intelligence to balance loads between different units.

Nobody is able use a generator which makes noise that disturbs other people but there is a need to discuss how load shedding can be handled so that nobody needs to stay in the dark. Having those meetings to set the standard is urgent and important especially for those that for health reasons need an electricity supply.

Trustees Locking Your Visitors Out?

I received a phone call today from a very unhappy lady. She is the daughter of an elderly lady living in a retirement village scheme run under sectional title. Her query was whether or not the Body Corporate could refuse to allow her to have a remote to gain access to the scheme and to have key to her mother's unit. Apparently one or more of the Trustees has decided that it is a security risk to allow people who do not live in the unit to have remotes.

While we all understand the need to have top quality security to me it would be totally unreasonable for Trustees to effectively prevent a close relative or caregiver from having easy access to get to their parent or patient. The whole purpose of a retirement village is to look after the needs of retired people and allowing easy access to a daughter to look after the health care of her aging mother is in my mind a fundamental right not to be denied.

But as in all sectional title schemes my first question was whether or not this was a rule that had been properly approved and noted with the Deeds Office which is a simple requirement which must be done before any rule can be enforced. It became very obvious that this was rather a rule instituted at the whim of a Trustee and totally unenforceable.

Even if it had been correctly agreed upon (and I can understand the reason for not giving workers access remotes to the scheme) I still believe that it would be unreasonable to deny ready access to the owners children. One possible way to get around this would be for the parent to give power of attorney to the daughter to act on their behalf regarding the unit. The daughter then would be able to act as an owner and would be entitled to demand a copy of the remote. Either way I would have simply gone off and bought a spare remote for my use anyway.

Trustees cannot impose rules that do not exist. Knowing how difficult it is to get the proper number of owners to agree to rule changes I know that it would be well nigh impossible to get the rules of a retirement village changed,. Even more difficult when we consider that many of the units would not be owned by the residents but rather by Trusts and children who may no longer live in South Africa. I hardly believe that the owners of a retirement village would agree to the children of the people living there not being allowed to have the keys for the unit or the remotes to get into see their parents when they wanted to.

Consult Don't Dictate

Some Body corporate never seem to have drama. They just run without any major crisis happening. Other Body Corporates seem to lurch from drama to drama. Why should this be?

Quite often it seems to be the personalities and methods employed by the currently elected trustees. On one particular building there was nothing but problem after problem. Tenants fighting tenants, Trustees fighting tenants, Trustees and Owners fighting the managing agents.

Then one day the long standing Chairman was ousted and everything stopped. No more crisis meetings, no more fighting – in fact this building is noticeable simply because it is never noticed.

Everyone has their own personality some of which are more prickly than others. Managing Agents are there to give advice and to run the building on a day to day basis. Trustees are there to make sure that what needs to be done is done. Working together in a polite helpful way leads to well run and managed buildings. Confronting managing agents just makes their work that much more difficult.

From a practical point of view having the managing agents run meetings gets things done effectively and efficiently but the Chairman still remains the Chairman. But having the Chairman jumping up and down and explaining things – in his view – every two minutes does nothing to have an efficient meeting or to encourage owners to attend. If a Chairman would like to see things done in a different way the correct thing to do is to have a chat to the managing agents and ask if it is possible to do it a bit differently. This should be done outside the meeting itself perhaps a few days previously – but then to explain to the meeting how and what was done is totally unnecessary.

Unfortunately some Chairmen can be very dictatorial in their approach which will lead to putting the back up of owners. This leads to a drop off in attendance at meetings that are no longer pleasant affairs which in turn can lead to meetings being postponed. This then leads to those that are present at the delayed meeting forming the quorum for the meeting and this could easily result in only one person making decisions in their favour about the running of the body corporate. Clearly a very undemocratic outcome.

Chairmen should expect well run informative body corporate meetings being organised by the managing agents. The meetings should be well run and effective and not overly long. A Chairman (or chairman if the managing agents are coordinating the meeting) should keep discussion to the point and brief and not allow meetings to disintegrate into talk shops. At the same time reasonable time should be allowed for owners to air their view on the subject in hand. As I say consult don't dictate.



Hospital Park Delight

Choice of four two bedroom flats with lock up garage in this well maintained building with quite, selected tenants. This is a popular area as it is easy travel to town, close to the UFS, not far from three major hospitals, near to schools and shops. These particularly large flats are complete with two bedrooms, bathroom, and a huge open plan lounge cum dining room Each flat has its own garage.

Ben Miller 0814303076 will be able to help you with all your property needs whether you are buying or selling. He is able to give you great advice on a wide range of property related problems and opportunities.

Give him a call today 081 430 3076



Easy Walk to Work

Huge 100 square metre two bedroom sectional title unit. North facing with own carport. Just one of those nice buildings where there is actually place for the kids to play. Facebrick finish means that there is less heavy maintenance which should lead to moderate levies. Priced at R495,000 it is a super place to buy using the "HIP" bond option.



Malikhang Malisa 082 446 0438

Brand Spanking New Rentals!

Totally renovated flats to let with immediate occupation. Choice of Bachelor, 1 or 2 bedrooms. Bright light and modern inside finishes complete with built in oven and stove. Parking available on request. Easy walk to town in a good safe area. Highly desirable place to stay available only to selected tenants.
Contact Wendy @ 051 447 4711



Just North

Lovely little home – idea for buying the "HIP" way. Sunny north facing with newly fitted kitchen. 2 bedrooms, spacious lounge with big balcony and garage.

Well managed building recently painted and with great reserve funds. Managed by Platinum Global.

Contact Ashburn Maenzanise 061 480 0198

For this and a happy range of other sectional title buys



BODY CORPORATE MANAGEMENT We do it the way you like it!

Are you pulling your hair out with your managing agents?
Your accounts are late - there is no money in the bank - they are not collecting arrears - you don't know what is going on in your building?

Not with Platinum Global
Call Mike 082 881 4711 and we can do coffee and nice chocolate biscuits

“HIP” Way to Buy Your Home!

Aimed mainly at first time buyers HIP is a hip way of buying your own home up to R650,000. For those buyers between 21 and 40 not earning more than R30,000 per person (R60,000 combined) and in full time employment this is a great way to start.

There are some criteria but all government works, all employees of companies listed on the SA stock exchange and companies with a minimum of 150 employees and an annual turnover of R200 million and more can qualify. SA Citizens only.

Included in the bunch of benefits is free life cover for the main applicant, 5 years early access into the property, due to a lower salary bracket required, competitive bond repayments and a predicable instalment as your bond is not affected by the interest rates.

What is really great is that there is a bit of flexibility on the credit requirements and each application is individually considered.

How it works is because it is based on a 30% payment of your gross salary it becomes far easier to afford to buy a home, especially at the beginning. (Compare this with the banks requirements of left over money to buy your home!).

While bank bonds will be fixed over the period of the bond with repayment changing as the interest changes, with HIP you pay more when you earn more. So for example if your monthly repayment was R4000 per month and you got a 10 percent rise then your bond payment would go up by 10% to R4400. This would happen every time your salary grew. That is actually an advantage as the more you pay the quicker your bond is paid off but your bond payments as a percentage of your salary never changes.

If you would like to see if you qualify just contact one of the property agents at Platinum Global 051 447 4711 and we will have you pre-qualified. You can borrow between R250,000 (for a bachelor flat) up to R650,000 which would be enough for almost all two bedroom flats and a few small townhouses too!

Why rent when you can buy – isn't time you said

“HIP HIP” Hooray?

Meet the Team

We have some wonderful people at Platinum Global just waiting to help you with all your property related problems. And there are some new faces.

RESIDENTIAL SALES

TINUS FERREIRA – our new fully qualified accountant.



Young Tinus has been appointed to assist Jill with our growing rental and management portfolio using his accounting skills. He has been tasked with investigating the upgrading of our accounting systems to make them even more effective and efficient.

ASHBURN MAENZANISE – Northern Houses & Flats



Ashburn has over 10 years' experience in property in the Pretoria market. Now moved to Bloemfontein he is looking forward to helping you buy or sell your home. Contact him on 061 480 0198

MALIKHANG MASISA – Northern Houses & Town Houses



Malikhang is very well qualified to help you with your housing problems with a Masters Degree in Rural Planning. A delightful lady who just loves working with people and property. Call her on 082 446 0438

**BUYING – SELLING – RENTING
PROPERTY MANAGEMENT**

NOBODY DOES IT BETTER

Annual Financials Must Be Audited

I think that anyone that is involved with sectional title management understands that it is important that the books of the Body Corporate are audited each year. This is a requirement of the sectional titles Act.

For schemes of less than 10 units they need only have them checked by an accounting officer to verify that they are correct. An accounting officer MUST be qualified in terms of section 60(20) of the Close Corporation Act 1984 (Act 69 of 1985=4) so not just any odd bookkeeper can do this work.

For schemes with 10 units or more they must be AUDITED by an auditor qualified to act as such under the Public accountants' and Auditors' Act 1951 (Act 51 of 1951).

So an accountant who is not a CA CANNOT audit the books of a sectional title scheme of 10 units or more! I recently came across a set of financial that had been prepared by an accountant who was not a CA. Not only is this not legal but the quality of the report left a lot to be desired. It was quite clear that the accountant did not understand what was required in terms of the sectional title Act.

Audits MUST be received in time to allow you to send them out with the notice of your AGM and that meeting MUST be held within 4 months of the end of the schemes financial year end. In effect it means that the books must be available by the 15th of the third month so that they can be sent out in time.

These financials are vital for the health of a Body Corporate. Without them you will never know whether things are going well or not. It is important that you read and understand them and if you don't understand books that you get somebody to explain them to you.

It was interesting that there was a recent amendment to the act that once again limited the percentage that levies could be increased by Trustees between the beginning of the financial year until the AGM to 10%. While I understand why this is being done, in a well-run scheme the budget should indicate whether or not a levy should rise more than this. For example to allow for collection within the normal levy of an amount for major work in the building rather than having a special levy.

Now the levies can be raised by 10% and re adjusted at the AGM by the additional amount. It is just a pity that they levy needs to be changed twice during the year rather than once – though if it is urgent it would be possible to hold a Special General Meeting instead of a Trustees budget meeting to which all owners are invited.