

The Landlord

For Landlords and Sectional Title Owners



[Volume 8, Mar 2015

158 Zastron Street, Westdene
Bloemfontein 9301
051 447 4711 - 082 881 7411
mike@platinumglobal.co.za
www.platinumglobalproperties.co.za

Let the Managing Agent Do Your Letting

In terms of the Sectional Title Act an owner is entitled to let out their unit to whomever he wants. Any occupant has to abide by the rules of the Body Corporate but we all know that a bad tenant can be a real pain. Very often the problem lies with the letting agents who just seem to want to put anyone into the building simply to get rental for the owner. While this is important it is also not in the owners' interest to have poor tenants that cause problems. One helpful solution is to ask the managing agents to do the letting for you. Not only will they only be paid if they find a tenant who pays, but they also have an interest in only taking tenants that won't give them problems with their behaviour in the building. Where discipline is required it is also easier for them to take actions, in terms of the lease, directly against the tenant and if necessary to give the tenant notice to vacate far more effectively and quickly than an outside agency. Having another agency simply letting to the very tenant that has just been evicted is never helpful.

Try Not to Make Your Problems the Managing Agents Problem

Some Body Corporates run so smoothly that even when really hard news is received there is little dissent between owners. In other buildings even minor happenings cause problems between owners. It is quite common with many buildings to find it difficult to get a quorum to a meeting because of disinterest by many owners in the running of a building until – it affects them in their pocket. Then they are unhappy with the decisions that have been taken by the people that did take the time and trouble to be there.

Another problem is one of blaming the Managing Agents for their problems. While many managing agents take a reactive position to running a body corporate – essentially they do what they are asked to do, good managing agents take a leading proactive role in the management of the schemes they look after. As a result they are often on the receiving end of blame by those that are not happy with decisions that are made. A recent example was where the managing agents brought to the attention of the meeting the problem of overgrown trees that were causing problems in some of the buildings that they manage. Discussion was around the fact that owners and occupants needed to be aware of these problem trees and that they needed to be removed before they damaged the building or garden walls. As a result the meeting decided that the Trustees would look around the building and identify problem trees and asked the Managing Agents to write to all the owners asking them to remove the marked offending trees within a two month period. Many owners were not happy with the decision, almost all of them had not bothered to come to the meeting. The managing agents offered to check which trees the Trustees had marked and give advice as to whether the trees really needed to come out or not. While the number of trees to be removed was reduced to those that were actually or very likely to cause a problem in the near future many owners were still not happy. They blamed the Managing Agents for causing the problem which is very unfair. Even in a building where the Managing Agents take a proactive view to the Body Corporate management, all decisions are actually taken by the Trustees and Owners. The good Managing Agent will make suggestions on how a building should be run but it is for the meeting to decide how they want matters to be handled. Owners who do not attend meetings should not be upset with the Managing Agents as they do not make decisions but only carry out decisions that are confirmed at these meetings.

It is the responsibility of the Trustees to ensure that their building is as well managed as possible which includes ensuring that anything that is likely to damage their building is removed. One solution would be to get an irrevocable written undertaking by any dissenting owner that they will be fully liable for any and all damage that is caused by the offending trees including that they will have the trees removed at their cost if and when they sell their unit and the new owner will not sign a similar undertaking.

Help Us to Help You?

Platinum Global has been associated with Benchmark for the past four years. They have found the company and people to be totally honest and open and have received plenty of new ideas from them.

Now this Prague based company is looking for your help. They will shortly be introducing the latest technology in solar energy into South Africa. Current solar voltaic panels are between 15 and 30% efficient. Benchmark are due to introduce 5 and 10 kilowatt systems that will take your home off the electricity grid.

We would like to ask your help in determining current usage patterns in South Africa. Benchmark are gathering this information on individual households in the form of monthly costs for electricity, the number of units used, the type of property, description of the property and number of people living in the home. We are looking for the past 12 months accounts so that we have usage for a full year. Reports on blocks of flats and townhouses would also be very useful. Copies of your 12 monthly accounts plus the details of the property can be sent to Douglas Lund (dLund2640@gmail.com). A typical description would be; flat, 2 bedroom, 2 bathroom, kitchen, lounge, carport, 2 adults or for a house 4 bedrooms, 2 bathrooms, kitchen, lounge, dining room, study, pool, maids room and bathroom, double garage, 3 adults, 2 children. For a block of flats and town houses could be 40 2 bedroom one bathroom, 60 1 bedroom units, average 2 adults, communal pool. You can either send through copies of your accounts or create an excel spreadsheet. Data should include month, amount of electricity used (in each category if on time of use meter) and cost of electricity.

The new systems are currently only available in Austria and Germany and are 90 % efficient. They have the ability to take households totally off the grid. These new systems come with a 10 year warranty on the battery and 12 on the solar panels and prices include maintenance. There will be no initial outlay and the instalments will have a maximum escalation of 2% pa!

Two different sizes will be available 5 & 10 kw dependent on the demand size with especially designed units for blocks of flats or townhouses. Office building can be accommodated but will only be engineered for early next year.

Electricity and Water – Covering the Costs

The bug bear of every managing agent is the reading of water and electricity meters, sale of electricity and water and rendering of accounts. This aspect of managing sectional title schemes gives more problems than any others.

Reading of meters is neither simple nor easy. Large schemes cover vast areas and it just takes lots of time to run around. In well-designed schemes water and electricity meters are on the boundary of properties or in centralised meter boxes and are relatively easy to read in batches but in many buildings water meters are hidden away at the back of buildings and in the ground (where the meter reader needs to take the water out before he can read the meter). This is why meter reading is charged as an extra over and above the management fee.

Selling electricity and water also causes unhappiness. Ideally the account should be directly with the suppliers but this is now seldom the situation. The body corporate is supplied with a bulk supply and then is forced to resell it to individual users. The control of deposits, connections, disconnections, intermediate readings, and selling of electricity and water is an expensive exercise. There has to be control over payments and unless there are measures in place to stop the supply of services if they are not paid for it is often impossible to get payment from some owners and tenants. Strict credit control must be exercised. Water should be restricted immediately after the payment period expires with the cost of doing so debited to the defaulting payer and fully paid for before reconnection is done. Ideally remotely read – pre-paid water and electricity meters are installed that means that when the money runs out so does the supply. These systems are not cheap as new meters or at least add on electronics need to be installed but they are worth their weight in gold. They prevent the owner having his tenant running up bills and then absconding. They also take into account time of use supply (different tariffs for different seasons and parts of the day) and ensure that one owner is not subsidising another owner. It also allows each user to see what their consumption is in half hour slots.

While we are waiting for an affordable 24 hour off line automated payment system we will continue to have people phoning after hours because they forgot!

Setting the Standards?

The outside of the building belongs to everyone and as a result it is correct that everyone should have a say in what may or may not be erected on the outside of the building even in your own garden area.

It is important for a body corporate to bring these standard up as an item at a general meeting so that owners can decide how, where and what can be changed. While we all understand that satellite dishes are a fact of life it is important that where and how they are erected is controlled. By confirming a standard for their installation the Trustees can give approval for the installation – with the required conditions. For example that you can put up one in the position indicated by the Trustees, that the cabling has to come out at the back of the base and not along the walls, that you have to leave the dish when you go (to prevent damage to the building), that you have to pay a deposit to cover repair/replacement etc.

Standards are usually set for such items as Wendy Houses (yes/no, what type, size, usage, maintenance etc.), awnings, carports, air conditioners and so forth.

Setting these standards makes life simpler for the managing agents, the trustees and owners. For those items where standards have been sent a simple application to the managing agents will be approved together with any conditions that need to be met. It is important that for certain items the trustees meet with the applicant to approve the way in which the item is installed. For example an air-conditioning unit that is situated so that the hot air and noise goes into the neighbours bedroom window would cause a problem. A trustee should be designated to ensure that the installations are done correctly and sensibly.

Each building is different so where in one building the owners feel that there is a need for strict uniformity other buildings will have owners that are happy to have a variety of options. It is important that all owners understand that the building will be responsible for maintenance unless it is a condition that the person putting in the addition must pay any costs involved. We have the example of an owner who (without written permission – because they were a trustee at that time) put a pool in their garden (common property) and is now telling the body corporate that they must replace the motor which burnt out. Our advice has been to ask the owner to apply for written approval to have the pool, which will only be granted it on the basis that they pay all costs involved including insurance, maintenance and replacement. The alternative being that as the pool is on common property they must give access to everyone in the building 24 a day and must remove their dog as it is aggressive to strangers! Who said managing sectional title units was easy?



Vista Park R550,000 to R1 million

Wow there are some unbelievable houses in Vista Park. Big and small we have them all. One of the most popular areas in Bloemfontein and where you can buy your next house stand.

Great place for you to buy your own home and ideal for the builder who can buy from 1 to 10 stands next to each other. Discount offered for bulk buys. Buy ground now and build later or we can put you together with your favourite builder to have a home erected for you in the next few months. The quality being offered by some of the builders is outstanding and at costs that you CAN afford. Whatever your dream we have just the right place for you.

Contact Thabo Ramaboulu 083 593 6185 mike@platinumglobal.co.za

Fauna Full House

Lovely 4 bedroomed house with lounge and dining room. Nice pool with lapa, 2 carports, big kitchen and neat yard. Auto gate. Really good value for money home ideal for starter family and at a price that you can afford.

Talk to Thabo 083 593 6185

Thabo has lots of homes for you in Fauna, Fleurdal, Vista Park also flats and townhouses in all areas **R900,000**

University Free State

Platinum Global Managed Sectional Title one and two bedroom flats within minutes of UFS main gate. Price range around R650,000 for two bedroom ground or first floor unit with carport. Can accommodate two students per bedroom if required. Very popular building with many non-student young people staying there. Very convenient for UFS but within easy walking distance of Mimosa and Westdene. This building is well managed and has conscientious Trustees. Well financed building with healthy reserves. A good investment property.

Call Ben Miller 081 430 3076

Blaauwberg 2 Bedroom Flat Serious Seller

Lovely spacious north facing two bedroom flat with laundry and carport. Well managed building with healthy funding and reserves. Strong building with well managed finances. No arrears problem. Seller retiring and serious about selling. Good investment. Call Mike Spencer 082 881 4711



Thinking of Selling / Buying?

Get helpful professional advice on the best way to find your new home or sell your investment. We are very expensive – nice coffee and lovely chocolate biscuits !

Call 051 447 4711 or 082 881 4711

