



# The Landlord

Newsletter for  
Sectional Title  
Trustees & Landlords



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## BE CLEAR ON WHAT YOU EXPECT FROM YOUR MANAGING AGENTS

As we have discussed in previous The Landlords there are different Managing Agents for different Trustees. By that I mean that each batch of Trustees may have very different expectations of what their function should be and what they expect from their managing agents. As you know our normal way of working is as proactive agents where we see the day to day management of the body corporate and report to the Chairman with the monthly financials and when something out of the ordinary happens. Trustees meetings are report back meetings and an opportunity for Trustees to ask us to get quotations for work that they would like to do. This has been the situation with almost all of our Body Corporates for many years.

There seems to be a new breed of Trustees that are being elected, many of them working for government in some form or other. They are now requiring constant motivation of everything that we do and query the cost of work that is being done. Meetings with these new trustees seems to take much longer and far exceed the 1 hour allowed for trustee's meetings in the management agreement. In some cases, these Trustees have little understanding of the Sectional Titles Management Act. A typical problem that is brought up being owners who are unhappy about being told by the Managing Agents that they cannot make extension to their units without following the rather lengthy procedures set down in the Act. More particularly they don't want to be responsible for the cost of asking all bond holders for permission to do the extension and then paying for the cost of updating the sectional title plans to take into account these changes. These owners feel that the managing agents are just being difficult and not letting them do what they want to do in their own building. It seems that these new Trustees feel that we should find a way to accommodate these people- which we know can only be done if they follow the correct procedure.

Perhaps it is a learning curve for these new Trustees, because it could result in extra costs if they continue to have these lengthy meetings. It is quite obvious that they come from a work background where time is not a problem. Perhaps we are being over sensitive. It has resulted in one quite large building where the Chairman has told us that she will run the building and that we are only to do what we are told, which is what we will do. It is interesting that no Trustees meetings have been held in over 6 months!

September 2018

## RENTAL MARKET STILL STRONG

The residential letting market still remains very strong despite the current perilous state of the economy. Partially caused by the increasing number of people moving into the main towns and partially by the steady increase in the overall population. The situation is being exacerbated by the lack of suitably zoned sites for construction of flats in the Mangaung area and is not likely to improve for the time being.

This presents an opportunity as team leaders at this weeks IEASA function in Bloemfontein indicated that the demand has picked up on a national basis and could well result in an increasing demand for flats and townhouses; especially at the lower end of the market. It presents an opportunity to invest in the few properties available.

# Talk Shop

By Platinum Global

## BE NICE TO YOUR MANAGING AGENT!

It is important for owners and trustees to understand how much to expect from their managing agents. Often the managing agent is blamed for everything that happens but, in my opinion, this can be very unfair on them. Managing Agents work for the Body Corporate, even where you have a proactive agent. They run the building with the approval, tacit or direct, of the Trustees. They are not on duty 24 hours a day. When they are not at the office they don't have all the details about a particular owner's account, may well not be able to tell a tenant how much electricity they have left in their account and cannot come out to find out who is parking in your carport. They certainly are not responsible because an owner or tenant just arrived back in town and forgot to buy electricity.

Estate Agents are just human. They try to assist people after hours if they can and will call out contractors to come out at weekends to fix the gates that have been taken off the rail by a miscreant tenant. As they are not at the office and the after hours' person may not be your regular manager, they cannot be held responsible if they call out their general contractor rather than the one that you have asked them to use.

It is not their fault somebody is making a hell of a noise, you cannot demand that they come out and sort out these people. If you have a serious problem, you need to call out the police or your security people. They are not responsible for sorting out disputes between one tenant and another because water is running from the top flat – though they will try to help.

After all, Managing Agents are just ordinary people doing a really hard job!

## Clarify, Clarify, Clarify

Holding meetings is not easy. The person leading the meeting needs endless patience. Importantly that person must ensure that at each stage the meeting records decisions that have been approved. Often the meeting will go around the houses with rambling discussions until it eventually reaches a decision. The meeting chair should really summarise what has been agreed upon in a clear and precise manner before calling for acceptance of the motion.

Minutes are there to record the decisions that have been made by the meetings. At times it needs to record how the decision was arrived at, especially where there was healthy discussion before agreement was reached. Minutes should allow for those who were not at the meeting to have an idea of what happened at the meeting and know exactly what was agreed to. Copies of all the quotations should be inserted in the minutes book.

A copy of all the quotations received should be included with the minutes to prove that competitive quotes were received. Quotes should really be identical so that a fair comparison can be made.

## KEEP DOING THE ITC'S

An ITC is a credit check which should always be done on your tenant. Take notice of what the report as they are quite accurate. If you have a report that gives a poor report on the payments made (unpaid or paid late) on more than the odd occasion, be wary of taking this tenant. If the report shows that they cannot afford the rental don't take them.

Reports also sometimes report bad behaviour and reasons why they have been given notice from previous premises. Why would you want to have a tenant that has been thrown out for drunkenness, drugs or violence?

If you have references you can phone them to see what they say, but a bad tenant will have arranged for somebody to give them a good reference. Try to get hold of the owner of the previous rental property or the letting agent. Listen carefully to what they say. If they don't put you off completely but imply they were not good tenants – don't take the tenant. The reason being that some people are afraid to tell you the truth about a bad tenant or may feel sorry for them. Whatever you do don't take a bad tenant especially if they somehow don't feel right to you.

## INSURANCE- Trustees Duty to Insure

**It is clearly set out in the STMA that one of the most important duties of the Trustees is to ensure that the building is insured. To ensure that it is insured for the full replacement value and that the insurance is kept in force – paid for each month. One of the very important things that they must do is to ensure that the firefighting equipment is checked and repaired once a year and does not get out of date. Included in this would be the servicing of fire extinguishers. Often, despite having sent emails, personal letters and SMS reminders about 10% of the people will not bring their extinguisher for servicing. It is the owner (and their tenant) that is responsible to bring it to the collection point. If a unit does not bring one, then it is the responsibility of the Body Corporate to supply one at the cost of the Owner of that unit. This is also a reminder to Owners and Agents to check the extinguisher when they do the building inspection when tenants move in and out.**



**One Bedroom Flat R360,000**  
**New on the market one-bedroom ground floor flat leasing out on to garden. Very spacious 78 sq m unit.**  
**Well run building with sound finance and trustees. Large lounge and extra kitchen door. Large stoep. Call**  
**Christine Kabere 081 474 2357**

**Heuwelsig – Massive House**  
**New on the market – owner has lived here for years. Huge garden and big pool. Double storey house with 6 bedrooms 3 bathrooms. Definitely not your normal house. Around a 500 sq m house. Quiet street, fully north facing property**  
**Mike Spencer 082 881 4711**

**Brandwag Near UFS**  
**Well loved modern sunny and well managed property outside UFS gates. One 1-bedroom and one 2-bedroom unit available. They seldom come on to the market. Be ready for 2019, buy now. Safe and ideal for new students at UFS. From R550,000**  
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**Pentagon Park R1,500,000 neg**  
**One of the nicest townhouses for its price. Panoramic views. Secure complex with 24 hour security. Owner retiring. Lots of extras. Nicely run complex. 3 bedrooms, big kitchen, double auto garage**  
**Mike Spencer 082 881 4711**

**Navalsig Choice 1 & 2 Bedrooms**  
**Affordable flats in well managed building with good finances. Large units some of which have been upgraded. If you are looking, we have a broad selection in this and other buildings.**  
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YOUR NAME HERE.....

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Besoek ons gerus vir al u plante en tuinbenodighede. Ons spesialiseer in kleurplante spesiaal vir die kleiner tuine. Ons het ook bome, struik, vrugtebome, potte ens. Kom besoek ons vir 'n ware 'kwekery ervaring'!! Ons vriendelike, professionele personeel (Jan, Alta, Adele en JJ) sal u graag van hulp wees.

Visit us for a special 'nursery experience'!! We have lots of colour-plants for smaller gardens as well as fruit trees, shrubs, trees, pots etc. Our friendly, professional staff (Jan, Alta, Adele and JJ) will gladly assist you.

For all your spring plantings and trees. Renewed Body Corporate gardens welcome. Free layout advice.

# The Consortium Concept Well Received

The interest has been considerable and we are now very close to having sufficient investors to tackle the first building in Vista Park. What particularly appeals is the simplicity of ownership of this type of investment and the fact that these modern buildings are especially designed to reduce the running costs, provide a far higher standard of finishes and will be run by one managing agent. Costs are reduced both by the design specifically amended for pure rental occupation with prepaid meters and low maintenance interiors. High standard of finishes are being provided with marble tops and floors together with expected solar electricity supply for all but the heaviest user items. Having only one managing agent that runs the building, finances, and letting on behalf of the building will reduce the management costs while adding better control over the selection and control of tenants.

Both the first, single owner building, and the second consortium building will consist of 40 2 bedroom flats, almost all with 2 carports or parking. Expected use of AAC walling which will reduce heat loss or gain and noise transfer to near zero and make these very comfortable units. Lambert de Kok, of Adsevero Architects is engaged on the final layout designs after which the green building materials will be costed and sourced. Together with Platinum Global, the developers are currently negotiating for the extensive use of artificial sandstone exterior finished and marble countertops and floors. Gazbeton and uPVC double glazed windows and doors will be sourced internationally until these products can be locally manufactured. These new materials ensure an even internal temperature winter and summer, very low electricity use, and ease of maintenance. Solar electric panels on the roof will ensure very low electricity accounts.

Sound Interesting contact Mike Spencer at [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za).

## Property Sales Agents

When times are tough – the tough get going. Property is a funny business. When the economy is up and booming everyone wants to buy and nobody wants to sell. When the economy is in the doldrums everybody wants to sell, and nobody wants to buy! Actually, that's not true at all. Here at Platinum Global we are always really busy, no matter what the state of the economy. Currently our commercial sales department is extremely busy with a whole heap of large building and development ground offers on our desk!

The residential market is equally as busy for those who we train to work the market. Just last week we had 6 enquiries on one small flat that we advertised. Being a major letting company we have access to over 1500 home owners of all types as a source for stock for agents. On top of that we look after even more sectional title units and you are able to talk to the owners of these units too.

We have openings for up to 10 new residential sales agents, mainly in the northern suburbs and in sectional title. We will give you on the job training. Earning capacity is entirely up to you from nothing at all to – well the sky is the limit!

What are we looking for?

Energy, brains, and enthusiasm and an ability to learn and follow our proven systems

A reasonable car, a cell phone, and the finances to survive for six months.

This is a tough but very rewarding long- term opportunity.

Send your CV to [mike@platinumglobal.co.za](mailto:mike@platinumglobal.co.za)