



THE LANDLORD Jan 2024

Newsletter for Sectional Title Trustees and Landlords

DO IT RIGHT – PLAN YOUR AGM AND TRUSTEES MEETING FOR 2024

After a rather hot and fairly dry end of year I hope that you have returned home without mishap, having enjoyed your year-end break.

Even though your Body Corporate is being run by a competent Managing Agent, you still need to hold your AGM and Trustees meetings for the year. It is a good idea to plan these well in advance. Importantly your AGM **MUST** be held within 4 months of the end of your previous financial year **WHETHER OR NOT** you have received the audited annual financials from your auditors. Setting these meeting should be done in conjunction with your managing agents – a good Managing Agent should be doing this in early January for every building that it manages. Where your Managing Agent is less reliable it is a good idea for the Trustees to write to them and insist that the meetings are set and that they are kept too. Far too many Managing Agents don't feel that it is their job to set the AGM and Trustees meetings and they simply get missed. Trustees need to instruct the Managing Agent that they will organise the annual audit as soon as possible after the end of the Financial Year End and **WILL** call the AGM irrespective before the end of the four months allowed. Failure to do so being a dismissalable offence.

The AGM is the only meeting, held once a year, at which owners can ask questions. Owners should be encouraged to send in items for the Agenda and I believe that there should be an open item when questions of general interest can be asked. Note that no decision can be made on items that were not on the agenda.

INVESTMENT OPPORTUNITY IN WESTERN CAPE.

A Bloemfontein developer, now living in the Western Cape, is looking for investors to get his next project up and running. He is servicing house sites close to Napier where he will be offering plot and plan development and needs a rather small financial boost. Currently he is looking for R1,500,000 to get going and is happy to spread this amongst 15 investors looking to invest R100,000 each (or multiples thereof). I know that he is offering a high interest in the region of 25% for a short term loan.

If you are interested, you are welcome to contact me at mike@mikespencer.co.za and I will pass your details on to Bertus so that you can negotiate directly with him.

Bertus has done several developments in Bloemfontein and the Western Cape and was involved in larger projects in Gauteng in his early years. I have known Bertus as a careful developer for the past 10 years or so.

I am quite happy for you to send me your details and I will give you the contact details of Bertus so that you can do your own investigations. If you ever need property advise, just drop me an email to mike@mikespencer.co.za

CSOS COULD BE YOUR SOLUTION

CSOS is a national organisation funded by an extra levy on your levy that looks after the owners and tenants of Sectional Title units. Their website is <https://csos.org.za/>

They can help you if you feel that your Body Corporate is not being run properly. For example if levies are not charged as per the PQ – some owners paying less levy for the same sized unit, which is more common than you think. You will find all the forms, including the complaint form at <https://csos.org.za/forms/> with the complaint form being at the bottom of the list of forms.

The process to complain about an injustice is as follows. Complete (in full) the complaint form and send it to the correct CSOS office (Natal for the Free State). CSOS will write to the person complained against and ask for their reply. When the reply is received they will send it to you and ask if you are happy. If not they will arrange a hearing between the parties (sorry run out of space).

DIFFICULTIES OF ONLINE MEETINGS

I held a very interesting developers meeting last week at which an AI (artificial intelligence) program took the minutes of the meeting. Within 30 minutes I received a transcribed copy of what was said at the meeting, and I must say that it appeared to be pretty accurate. I don't have a Radio voice in the least, but it recorded even what I said with a high degree of accuracy. The program does not create a set of minutes but rather records what has been said by different parties during the meeting. One improvement would be that it should identify the name of the speaker rather than Speaker 1, Speaker 2 etc. I must say though that it did recognise the different voices well.

From the transcription it is possible for the Secretary or Managing Agent to create a good quality set of Minutes.

The Free version only takes the first 30 minutes of a meeting, so you are likely to want to buy one of the professional packages.

Name of the program is Otter.ai and is found at otter.ai. A 90 minute package costs R200 while a 240 minute package costs R400 pm.

KEEP LEVIES AS LOW AS POSSIBLE - MINIMIZE MAINTENANCE

Levies always are controversial. Some Owners can pay in full for the highest level of service, some owners see it as an investment and want to keep levies low. Unfortunately, many schemes were converted 70's buildings when painting and roof maintenance was not a major problem. But these buildings are now 50 to 70 years old and are high maintenance ones. How can we reduce levy costs?

An important aspect is to ensure that you are saving enough to undertake upgrading that WILL have to be done in the next few years so that you don't have one year with a high special levy. Look for this in new lifts, replacing all the plumbing and wiring (common property not inside units), and major roof repairs.

Some of the ways of spending less on maintenance in the future could be.

Changing roofs to non-maintenance ones. My office Harvey Tile roof has cost not a cent since 1987. Think about this if you have a cement tile roof that needs constant expensive repairs. Start by changing one roof and then another. Over time you will get to zero cost.

Wooden windows are very expensive to repair, replace the worst with aluminium frames. You will not be able to see the difference but your maintenance is zero for windows that have been changed.

STATSA – SOME INTERESTING STATS

For many years I have been receiving information from STATSA. I have used it for my developers and developments to help decide what sort of schemes are the best to build. I received the lastest update a few days ago. What was interesting was that the White population is getting older with the majority of them now in the retirement bracket. But the Black population is also getting older too. This means that the population boom in this market of a few years ago (that young black population boom of the 1980s/90s is now fast approaching middle age! As we all know there is a major shortage of general housing in all price ranges and both for sale and to rent. What will these people do when they reach retirement age, which for many of them is only 10 years from now? It is keenly obvious that lifestyles for everyone have changed and current housing is no longer suitable for parents to live with their children. On top of that, like all upwardly mobile people, children are moving town and even country far more rapidly than they would have in the past. With this major surge in the population my question is where will all the retirement accommodation come from? Is it not an opportunity for a developer to start looking at this market?