

PROPERTY SIGNPOST NEWSLETTER

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Your Area Specialist:

Chas Everitt International sales agents have all the latest market information regarding local property values at their fingertips – and are committed to the highest standards of personal service when it comes to selling your home. In addition, the Chas Everitt International property group offers you, the homeowner, the best possible exposure for your property in both national and international markets. So if you are thinking of selling your home, call your nearest Chas Everitt International office today for the name of your local area specialist - or visit www.everitt.co.za

Every month the **Property Signpost Newsletter** will be issued to all our subscribers, filled with real estate information to help you make an informed decision, whether you are buying or selling a property.

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1. Welcome By Publisher

It's celebration time! The Chas Everitt International property group is 25 years old this month and we have marked the occasion with gala functions around the country to recognize and say thank you to all the people who have made our success possible. These include all our agents and franchisees as well as all our partners in the legal, banking and mortgage origination sectors, our admin staff, our trainers and our technology whizzkids – and, of course, our wonderful clients, many of whom have put their faith in us many times over the past two-and-a-half decades.

Most important of all, though, are our founders Charles and Tilla Everitt, whose vision, absolute integrity and empathy are the rocks on which the group is built. We are enormously grateful to them for instilling the values that still inform all our activities – and we intend making them as proud of us as we are of them as we continue to run a highly-principled business for the next 25 years.

This month also marks the second anniversary of the launch of our national franchise operation – and the launch of our 50th office. With well-established networks now in the Western Cape and Eastern Cape as well as Gauteng, This operation is already 18 months ahead of planned growth in turnover – and we will shortly also be launching in KwaZulu-Natal. Beach party, anyone?

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2. Critical questions for young buyers

When will you be ready to buy your first home? Home ownership is, of course, a great way to start building wealth, and most financial advisors will tell you it is never too early to take advantage of the benefits of compound interest.

But many young adults worry about being able to keep up the repayments on a home of their own, or that ownership will restrict their job choices or travel plans.

And home ownership should be a pleasure, not a burden. So before they buy, they should be able to answer the following questions in the affirmative:

- Am I ready to take on the responsibilities of home ownership, including regular maintenance and involvement in my community?
- Am I in a secure job that I genuinely enjoy and intend to stay in for a few years?
- Can I afford to buy a home that I will be happy to live in for a few years? Too many quick sales as a homeowner upgrades to a bigger house or better area can wipe out many of the gains of home ownership.
- Do I have the creditworthiness to qualify for a home loan? This means having a sound employment record, and a record of paying bills fully and on time.
- Can I afford the ongoing costs of home ownership as well as the monthly mortgage repayments? Such costs include levies, rates and taxes, insurance premiums, repairs and general upkeep.

If the answer to all these questions is “yes” then you are ready to become a home owner, and to fully enjoy the pleasures of living in and improving your own “space”.

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3. You can't just pocket the rent

Have you been declaring the rental income received on your investment properties?

Non-declaration of rentals received - after deducting the appropriate expenditure - is a contravention of the Income Tax Act. And with the improvements in the efficiency of tax collections by the South African Revenue Service, it is very likely that non-declarations of rental income will be detected, says Paul Nelson, director of Johannesburg-based auditing firm Nelson Financial (www.nelsonfinancial.co.za).

SARS requires landlords to draw up financial statements declaring the profits made on any rented property . If several properties are let by the same landlord, these statements can be consolidated.

Any expense actually incurred in relation to the letting of the property or properties may be noted in the statements and deducted from the gross rental when determining the taxable profit. These are typically interest paid on the bond; assessment rates; costs of repairing and maintaining the property; insurance paid on the property and any levies paid (sectional title and home owners associations).

“The Act generally allows for revised assessments to be issued for three years after an assessment is issued. However, where income has actually been omitted, this three-year period does not apply, allowing SARS to re-open any year of assessment for which income has been omitted,” he says.

“And if you have not declared your rental income in past periods it is advisable to approach SARS and settle the matter rather than to adopt the wait and see approach. This will save you worry and perhaps the cost of paying the additional taxes and interest that SARS can impose.”

It is recommended, though, that you make use of the services of a reputable tax consultant or accountant to approach SARS on your behalf - and to ensure that the net rental income received is properly calculated and disclosed in your current tax return.

- For more information on this topic, Paul Nelson can be contacted on (011) 325-4452 or at nelsonfinancial@telkomsa.net

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4. Get the right tools for the job

A new homeowner inevitably has a long list of items to buy, but high priority should be given to a household tool kit – it will soon be needed, even if the owner has no intention of becoming a DIY expert.

There are always some small jobs around the house – even a newly built house - that will not wait or are simply not worth calling in an expert to do, and they will be much more easily and neatly completed with the right tools.

At the very least, you should have on hand a light hammer, a screwdriver set with bits for different size and type screws, pliers, a small spirit level and a tape measure, as well as a selection of nails and screws, wood and plaster filler, insulation tape and a general purpose adhesive.

This will equip you to handle simple tasks like changing a power plug, hanging pictures or removing a door lock to get extra keys cut. But be warned - successful DIY is habit-forming and this will fuel demand for more tools, like a power drill, sander, saw and angle grinder. And then you'll be needing a workshop. . .

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5. Don't let your garage become a dump

A large garage is a highly desirable feature of any property, especially if you need parking space for a doublecab or SUV, or your garden is too small for a toolshed.

But empty space quickly becomes an invitation for clutter, and firm discipline is demanded if bikes and surfboards, camping equipment, lawnmower, weedeater and garden tools are also all going to be stored in the garage.

The first objective must be to make maximum use of the available space by removing as much as possible from the floor. Shelves and wall cupboards, perhaps salvaged from a kitchen makeover, will accommodate most of the garden hand tools, pesticides, insecticides and paint cans that usually clutter the floor space.

Any good hardware shop will offer a variety of hooks to hold a bike, garden fork, pick and spade, brooms, surfboards and even a canoe. Cheap galvanised guttering supports can be used to hold fishing rods and garden umbrellas safely out of the way.

A double benefit of getting organised in this way is that whatever you want out of the garage will be visible and easily accessible. The garage will also be easier to clean and that will discourage insects, rats and snakes from taking up residence.

And when the time comes to sell your home, a tidy, spacious-looking garage is bound to be a plus for potential buyers who also need ample storage space.

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