

PROPERTY SIGNPOST NEWSLETTER

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**Chas
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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

The celebrations to mark the 25th Birthday of Chas Everitt International continue – and our clients are the ones getting the presents, including the totally commission-free transactions that are up for grabs in our “Zero Percent” campaign.

This runs until the end of November, and means that any home seller who gives Chas Everitt International a 90-day sole mandate or mandate renewal between now and then stands a chance to win a “Zero Percent” transaction. In other words, they will not be charged any commission when we sell their property, or will have their commission refunded if they have already paid it by the time we do the prize draw.

We will be giving away 25 of these Zero Percent prizes to clients around the country, and while the specific value of commissions obviously depends on the sale price of the property, every winner will have had the same benefit in terms of the hours of professional time we put into every sale, as well as the superior marketing and technological techniques we are able to bring to the transaction after our 25 years in the real estate industry.

Now that's a prize really worth winning, so good luck to all our home seller clients.

2. Property Still a (very) Sound Investment

Insurance companies have arguably been the biggest losers in the property boom that has swept the world in the past five years, as private investors not only steered their money out of equities but also out of retirement and other policies to get into bricks and mortar.

They have also fallen victim to the growth, worldwide, of consumers' determination to feel more in control of their own financial destinies. So they are no doubt pleased at the slowdown in property price growth, and the return of many short-term investors to the stock markets.

This shift should not, however, be interpreted to mean that property is no longer a good investment – and should certainly not be portrayed that way by insurers or their brokers, especially if they are doing so just to steer clients towards their own investment products.

In South Africa, especially, residential property is and will remain a sound investment for years to come. There are of course certain social and political risks to take into account, but these apply to the whole economy, not just property.

Meanwhile, our economy continues to grow at more than 4 percent a year, and the middle class continues to expand through BEE. Consequently, the market for housing is growing, with the number of homeowners in the formal market conservatively estimated to quadruple from some 900 000 currently to around 4-million by the end of this decade.

And there are surely not many sectors that can offer potential investors expansion on that scale – or the prospect of continued real price growth underpinned by a steady excess of demand over supply for the foreseeable future.

Of course home ownership for most people is primarily about family and not about investment potential and capital growth. They have an asset they can live in and use as collateral, and any real (after inflation) growth in value is a bonus – which in the current market they would receive if prices rose by even a measly six or seven percent.

As it happens, however, prices are still rising by between 15 and 20 percent in most areas – which translates into real value growth in most cases of 10 to 15 percent a year and would certainly appeal to many of the small investors that seem to be the chief targets, currently, of the insurers' campaigns to discredit property.

3. Time to Make a Manual

There are just a few days left for homeowners or investors whose property is registered in the name of a closed corporation (CC), partnership or trust to comply with the Promotion of Access to Information Act (PAIA) – or face a possible jail term.

The original deadline for compliance with the Act was two years ago but although it was extended, an amendment has since been passed making it a criminal offence for any private organisation with business interests not to publish an "information manual" by 31 August.

Such organisations include property-owning companies, CCs, partnerships or trusts - even if they only own one residential property - as well as every Sectional Title body corporate. The information they must make available includes the identity of the organisation and the owners / shareholders; an explanation of what the organisation does and what records are kept, and the procedure to be followed by anyone wanting access to its records.

A copy of each manual must be submitted to the SA Human Rights Commission, and a copy must be kept at the organisation's office. It is no longer necessary to publish it in the Government Gazette.

There are currently plans to exempt small businesses from the Act's requirements, but there are no indications yet if such an exemption will be in force before the deadline or how organisations

would qualify for exemption. It would thus be prudent for organisations to comply now anyway.

Guidelines on how to compile a manual are available on the commission's website and help for property owners and investors is also available from Chas Everitt International at the TOLL FREE No. 0860 104 355 or on www.everitt.co.za

4. Cuddly Chas for Children on the Move

Entries are pouring in for our Chas Bear colouring-in competition, which is also part of our 25th Birthday celebrations and in which the entrants stand a chance to win one of our adorable Chas Bears. The competition is open to all children aged between 4 and 12 and entry forms are available at all the group's offices countrywide or from Chas Everitt International agents. The competition runs until September 9, and entries are being judged in three age categories.



Each office will hold a children's party during September to award a Papa, Mama and Baby bear, respectively, to the winner of each category. Meanwhile, Chas Bear continues to look after our youngest "clients" by providing cuddly companionship and reassurance whenever they move to a new home.

5. Choose Your Franchise With Care

Besides being the brink of spring, this is also the time of year for matriculants to start thinking about what they're going to do when they leave school. Or for those about to graduate to think about what comes next.

And although jobs are being created in our growing economy, the prospects in big companies and corporations are, not to put too fine a point on it, not great for the newly-qualified. What's more, low inflation means that the salary growth prospects for those already employed are currently not great either.

So it is not surprising that increasing numbers of school-leavers are looking for ways to be self-employed, or that franchising is attracting record numbers of qualified, experienced business people intent on writing their own cheques.

For both groups, real estate is an excellent choice, being an industry that fosters initiative and entrepreneurial spirit, and where the financial rewards are directly in proportion to the individual's own commitment to training and hard work.

But, and it's a big but, not all real estate companies are created equal, and people looking to enter the industry really need to do their homework before choosing an agency to work for or buying a franchise.

Potential franchisees, in particular, need to look beyond the sales hype and slick presentations to what they are really being offered in return for their money. The whole point of buying a franchise, after all, is to have access to proven systems, training and branding that will make your business instantly competitive, and thus profitable much sooner than if you just set up on your own.

In addition, we believe, potential franchisees should also be looking for all the items contained in the Chas Everitt International Franchising "bill of rights" (see www.everitt.co.za), including real area exclusivity, fair dealing and full disclosure.