



# PE PROPERTY BUZZ

219 Cape Road, Port Elizabeth Tel: (041) 373 9945

[www.ianolivierproperties.co.za](http://www.ianolivierproperties.co.za)

## Hi from Ian

Issue 9, September 2010



**Stunning St Lucia ... but PE's beaches are just as beautiful!**

Glancing at the business headlines in the Weekend Post this past weekend, I was heartened to see how many **positives** there were: an increase of more than **40 000 jobs** in the formal sector; **emigration selling is down**; the revamp on the **Brookes Pavilion** is progressing well; crude **steel production** is up; the **gold price** hit a new record high...

I, for one, am making a serious effort to be selective about what I read these days because I've realised how easy it is to get **bogged down in negativity**.

As I write this, I am reminded of the following story: One evening an old Cherokee told his grandson about a battle that goes on inside people. He said, "My son, the battle is between two wolves inside us all. One is Evil. It is anger, envy, jealousy, sorrow, regret, greed, arrogance, self-pity, guilt, resentment, inferiority, lies, false pride, superiority and ego."

"The other is Good. It is joy, peace, love, hope, serenity, humility, kindness, benevolence, empathy, generosity, truth, compassion and faith."

The grandson thought about it for a minute and then asked his grandfather: "Which wolf wins?"

The old man replied simply: "The one you feed."

As for the new **Consumer Protection Act**, you'll see in the article below that one of the operative words is **"fair"**. I think it's a good thing - agents who embrace fairness and who operate within the bounds of integrity and professionalism shouldn't fear it.

On the local property front, the market is still firmly favouring the buyer. Activity is improving but any significant value growth isn't likely until well into 2011 and sellers are keenly aware of **right pricing**.

If you have any queries or are looking for sound real estate advice, please give me a call on 083 650 2913.

Until next month... ciao ciao!



## In this issue:

- Hi from Ian
- YOU and the Consumer Protection Act
- Algoa FM Homemakers Expo 2010
- ABSA Property Price Index
- Great listings



STOP CRIME SAY HELLO

## Algoa FM Homemakers Expo 2010



Please visit the Ian Olivier Properties stand at the 2010 homemakers expo—and enter our fabulous **Lucky Draw!**

Dates: 30 Sep—3 Oct 2010

Venue: Moffett on Main Lifestyle Centre, PE

SEE YOU THERE!

**"In order to keep a true perspective of one's importance, everyone should have a dog that will worship him and a cat that will ignore him."**

---

## Buyers, developers, builders, estate agents... and the CPA



**Courtesy Greyvensteins Attorneys (greyvensteins.co.za)**

The CPA (Consumer Protection Act), which is due to come into operation during October, will fundamentally change the rights of property purchas-

ers in South Africa. First off, note that the CPA will not apply to every property transaction. It is unlikely to apply to property sales in the average one-off "private sale" situation. Rather it is aimed more at commercial sales such as those by developers, speculators and other property dealers (the basic test being whether you sell property or property services "in the ordinary course of business").

For estate agents, however, the CPA will apply both to their general marketing practices, and to all mandates they take from sellers and buyers (even those in "non-commercial" transactions). Agents, as links in the "supply chain", could also risk liability for the actions of developers, speculators, builders etc.

Where the Act does apply, it requires, amongst other things:

- "Fair and reasonable" marketing - prohibiting anything "misleading, fraudulent or deceptive in any way".
- All documentation has to be couched in "plain and understandable" language.
- "Fair and honest dealing". Specifically prohibited are "false, misleading or deceptive representations", whether by word or by conduct.
- "Fair, just and reasonable terms and conditions".
- "Fair value, good quality and safety".

These are all wide-ranging provisions. The "fair value" requirement means that sale prices could be scrutinised for reasonableness, and there is much speculation that "voetstoots" clauses will no longer be enforceable - certainly buyers will have stronger rights to return defective houses and/or to insist on defects being remedied, regardless of any clauses to the contrary in the sale agreement.

Importantly, courts will be taking into account not just the sales agreements themselves, but also all prior negotiation, as well as representations made to buyers by both sellers and their agents.

**In summary:** Developers, speculators, estate agents, builders etc will have to ensure that buyers are treated lawfully and fairly, that they understand exactly what they are buying (and the meaning and effect of all the applicable terms and conditions), and that they get what they have paid for. To this end, they will have to keep full written records not only of the sale itself, but also of all related marketing and negotiation. Where appropriate, the risk of dispute can be reduced by obtaining a full independent inspection report on completion of building work.

**Note:** This is complex legislation, the above comments are of necessity far from comprehensive, and there are many grey areas here (some of which will no doubt only be resolved in the courts). It is therefore absolutely essential to take full legal advice if in any doubt.

---

## Growth in home values slower



**ABSA House Price Index: Jacques du Toit, ABSA senior property analyst**

The year-on-year (y/y) growth in the value of middle-segment homes for which Absa approved mortgage finance slowed down further in August after peaking in April this year. The average nominal value of small, medium and large houses increased by a weighted 7,1% y/y in August, down from a revised growth rate of 9,4% y/y in July. The average nominal price of a house in the middle segment of the market was around R1 036 600 in August 2010.

In real terms, i.e. after adjustment for the effect of inflation, middle-segment home values were up

[Read more...](#)



## Great residential listings...



### Woodlands

**Excellent entertainer!**

**R1, 795m**

This home will delight anyone wanting a spacious family home with superb entertainment area and all the extras: Hollywood en suite, two additional bathrooms, five bedrooms, formal and informal living areas, designer kitchen, all-year-round entertainment area with built-in pub, Jacuzzi and pool. Fireplace and indoor gas braai. Ample garaging. Fully walled. Auto gate.

Phone Ian Olivier on **083 650 2913** for more information or to view.



### Chelsea Retreat

**Greenbushes**

**From R330 000 to R650 000**

Designed to offer the 50 + age group a safe, scenic country lifestyle at an affordable price.

Watch this space for the Spring launch!

Show unit to view through Vana McGee on **082 449 4933**.



### Charlo

**Fabulous family home!**

**R1,2m**

Great road appeal leads to charming interior. White kitchen, 3 bedrooms, 3 garages. Additional room for garage or entertainment. Sparkling pool. Good condition.

Phone Vana McGee on **082 449 4933** for more information or to view.

To remove your name from our mailing list, please [click here](#).

Questions or comments? E-mail us at [ingridolivier@worldonline.co.za](mailto:ingridolivier@worldonline.co.za) or call **(041) 373 9945**