

Low sectional title levies not always a good thing

By [Willem le Roux](#)

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Buyers tend to compare the costs of different apartments and rate them according to how high their levies are, but this can be a dangerous approach as a low levy is not necessarily a good thing.



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Some people looking at higher end luxury apartments or housing estates are often horrified at the levies being charged but they need to sit down and do the exercise of calculating what it costs to live in a full title house with all the extras such as water, electricity, gardeners, garden maintenance, swimming pools, landscaping, electric fencing, a security guard at the gate, gymnasium, etc.

Adding up the incidentals

In our experience people are often taken aback with high levies but if all of the incidentals are added up it is easy to see why this might be necessary. The benefit of this is that a buyer will have all of the extras and only pay a portion of the cost of running these each month.

One must remember that the levy includes all the external maintenance of the building, the upkeep of the lifts (if there are any), the gardens, the communal property, the gates, security, and much more.

An apartment block might have low levies because the body corporate has not done the necessary financial planning for the year ahead, and this can lead to special levies having to be raised later in order to get much needed repairs or maintenance done. A low levy could also mean that certain things are being neglected because there are no funds available to carry out the repairs.

This is of particular importance when looking to buy into an older block, where more maintenance might be necessary and where replacement of certain large budget items (such as a lift or roof) might be needed down the line.

When looking to buy, the financial health of a scheme should be assessed carefully. Ask the agent for copies of the financial statements and check whether the levies are being put to good use. The banks will also ask for these if the buyer is applying for a bond so it's best to check beforehand and be sure that you're buying into a financially sound scheme.

ABOUT THE AUTHOR

Willem le Roux is director of the sectional title finance company Propell.

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