

MUST-READ



12B or not to be  
PAGE 2



The CSOS Levy  
PAGE 4



First-time time buyers beware  
PAGE 6



## City Centre, welcomes its very first homeowners

● Steyn City's flagship development, City Centre has been built as a series of villages and was developed around the notion of an old-fashioned village, where neighbours meet in a central square to celebrate life and catch up on each other's news

PAGE 3



# HOMEFRONT

BusinessDay

Don't miss the next edition



# 12B or not to be

*With the chaos of continued blackouts, it's becoming apparent that SA needs to look to the private sector to find a financial solution to the technical problem of sustainable clean energy*

WORDS: MARK PETTIPHER :: PHOTOS: ENVATO ELEMENTS

**R**olling blackouts and issues around sustainable energy are topics that are affecting every South African. Recently President Cyril Ramaphosa opened the way for independent energy producers to come to the fore, encouraging private entities to begin generating renewable energy that can be grid-tied to Eskom's existing distribution network. But how and who is going to fund these projects? Keep in mind that SA is one of 196 parties to have signed the 2015 Paris Agreement on carbon emissions, which requires economic and social

transformation and a commitment to taking action through nationally determined contributions (NDCs). The NDCs are plans that will reduce greenhouse gas emissions and, in turn, support sustainable renewable energy. Linked to a drive towards adoption of low-carbon solutions and policies mitigating climate change, many countries, regions, cities and companies are advocating carbon neutrality and zero-carbon targets. Through mutual trade legislation countries are also being rewarded with favourable tax levies based on carbon credits. According to website earth.org, one of the most effective financial tools

available to combat climate change is a carbon tax. This is tax imposed by government that places a direct price on greenhouse gas emissions (per tonne) produced by companies or industries, and it therefore economically incentivises polluters to lower carbon emissions and find more efficient processes while helping to develop sustainable cleaner energy solutions. It also opens channels for the buying and selling of carbon tax credits. Our standing in the world of international trade and commerce can benefit from a positive carbon credit rating. So how does this all tie in to Section 12B of the

Income Tax Act? We all know of our local electricity woes – the capacity to generate electricity is just not there and we're suffering from the repercussions and maladies of an ageing energy production network. The solution is clear. There is enough intellectual and technical capacity in SA to come up with answers, but the crisis is a financial one. Impact Investment Group executive chairman Chris Hart, in a recent energy financing briefing, offers a unique solution. "Let your taxes pay for the technology," he said to potential investors. He outlined the now closed 12J government

incentive and pointed to Section 12B of the constitution. To develop the financial solution model, Impact Investment Group has partnered with Fed Group, technical suppliers Red Hawk and Accute accountants as well as Rosh Pinah Properties. Rosh Pinah Properties director Rene Styber said: "With the rising costs and stability of SA's energy supply, we welcome this initiative that all developers and landlords should consider when looking for a sustainable green energy solution." Hart pointed to previous tax benefits: "We need to look at electricity from a strategic point of view. 12J required investors to find the resources to fund property incentives, similarly section 12B can be made like 12J, the difference being the structure would be based on tax returns and carbon credit incentives. "Good partners will also spread the investment load and create a deeper capacity to role out this initiative." The energy solution requires regulated engineering with energy management systems and bespoke solutions which includes battery storage capabilities, while at the same time still being grid-tied. The solution consists of three propositions:

registered for carbon credits at the beginning of the project, developing a fungible energy currency - carbon credits - which can be traded for the best price internationally. These credits help with the fundraising. The offset of the purchase of the technical and physical equipment is realised through savings on reduced electricity bills, meaning that the project becomes cost and balance sheet neutral from the start. As the project is paid off the assets go onto the balance sheet and cost of electricity becomes a function of maintenance. At the beginning the company gets price security from reduced energy bills and long-term energy security through own energy generation, mitigating escalations by the power utility. The solar solution feeds the energy system's batteries in peak times and tops up during off peak at reduced tariffs.

**FOR INDIVIDUALS:** In order to get tax deductions, section 12B requires that the electricity-generating equipment must already be installed upfront and in use, and must be part of a business or trade. Individuals are placed into a legally recognised limited partnership, and as an individual you become an investor in the partnership and your taxes become part of the partnership investment. Investing in the equipment enables the individual to claim the taxes from their tax submission and the partnership's business is effectively to sell electricity. Trusts can also participate, and any entity that is paying a form of income tax can be evaluated. Property developers can also benefit from this energy solution. Banks, when approached for funding, often require an owner contribution. Aligning funding through the Impact Investment Group allows the tax deductions to form part of the contribution, making it possible for solar energy security to become part of a development.

**FOR INVESTORS:** This type of investment is secure, as taxes will fund 60% of the equipment acquisition with a guaranteed return of investment through the resale of the energy which will bring a yield better than traditional investments. The group has established a fund called the Capital Builder Fund to secure the balance of 40%. As with all investment funds it is regulated and encourages investment in the upfront equipment spend. Investment will also come from foreign direct investors, government institutions such as the IDC and development banks as well as the funds partnership through the FedGroup. It is expected that a yield of upwards of 12% will be achieved through this investment.

**FOR COMPANIES:** Impact Investment Group will fund each renewable energy project, and capital funding is available upfront. A company's deducted taxes will be used as part of the energy investment and the refunded taxes will be passed to the Impact Investment Group as the partner who is funding the energy solution. Each project will be

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ADVERTORIAL

# New life for Steyn City's City Centre

*Around the world, spring is enjoyed as a time of rebirth and renewal – there's an undeniable, almost tangible sense of growth and possibility. While this is always the case at Steyn City – it really couldn't be any other way, given the development's location on a magnificent, indigenous-planted parkland – this spring is an exceptionally exciting one*

WORDS AND PHOTOS: SUPPLIED



That's because, this August, Steyn City's flagship development, the City Centre, welcomes its very first homeowners, followed by its first residential tenants in September.

"We've been looking forward to this since the City Centre launched in October last year," says Steyn City Properties CEO Giuseppe Plumari. "The arrival of our first residents breathes life into our development, creating the community we always imagined."

This community was developed around the notion of an old-fashioned village, where neighbours meet in a central square to celebrate life and catch up on each other's news.

At the City Centre, the square takes the form of treed piazzas, which will one day be lined with bustling coffee shops, bespoke retail outlets and restaurants.

The City Centre itself

has been built as a series of villages, breaking away entirely from the idea of a single, monolithic apartment block. This is but one of the features that make it unique: the design also stands out because of the lack of stairwells which, until now, have been an almost inevitable part of apartment living. Similarly, all services have been located within the development's superbasement – capable of accommodating more than 2,000 cars – to ensure that the wide passages of the City Centre remain uncluttered (both physically and visually) and easy to navigate.

The basement itself is noteworthy for its spacious brightness with architectural cut-outs allowing in natural light and maintaining the parklands' lush greenery.

Visible and attractive motifs make it easy for residents to find their way around.

The forward-thinking

design is carried through to the homes as well.

Open the door to your one- two- three- or four-bedroom single- or double-storey home (or penthouse), and you'll be amazed at the generous dimensions, made possible by high ceilings and wide passageways.

All rooms are large enough to accommodate a king-size bed, and some of the larger homes feature private studies, separate TV lounges and, in some instances, private lifts. Entertainers patios complete the package.

The focus on space is complemented by meticulous attention to detail, resulting in a truly luxurious ambience – think integrated blu-line kitchens with Gaggenau appliances and Kohler sanitaryware, as well as air-conditioning and double-glazed windows.

Add to this an emphasis on convenience: all City Centre residents enjoy access to the wide range of facilities

available at Steyn City, ranging from leisure and sporting amenities to world-class education at Steyn City Schools – all carefully planned with an eye to decreasing the commute to make life less stressful.

After all, what could be easier than enjoying life where you live it – imagine being able to take a weekend off at the Steyn City lagoon, rather than driving out of town to unwind for example.

Nor is there any reason to pack a gym bag, plot a cycling or running route, or even plan for a picnic – not when you can do all of that where you live. And thanks to Steyn City's excellent security, all of this can be enjoyed with complete peace of mind.

While the City Centre makes for a once-in-a-lifetime investment, the release in September of a selection of luxury homes for long-term rental means that the same lifestyle can be enjoyed by tenants.



## GET IN TOUCH

Potential homeowners and residential tenants can explore all that this award-winning development has to offer when City Centre hosts its next showcase weekend on August 20 and 21. For more information and to book an exclusive viewing, contact [ccsales@steyncity.co.za](mailto:ccsales@steyncity.co.za) or call 010 597 1170. Bookings are essential. For further information log on to <https://www.steyncity.co.za/city-centre>. **City Centre, where every day is extraordinary.**



# The CSOS Levy

When buying into a residential estate there are a number of legal requirements a community scheme must have in place, one of which is the adherence to paying Community Scheme Ombud Service fees

WORDS: ALAN LEVY ATTORNEYS: COMMUNITY SCHEME ATTORNEYS IN JOHANNESBURG :: PHOTOS: ENVATO ELEMENTS

A community scheme refers to a scheme or arrangement where there is shared use of, and responsibility for, parts of land and buildings. This includes a sectional title scheme, a homeowners association, a housing scheme for retirees, a housing co-operative and a share block scheme. If you are an owner in a community scheme, you may have wondered what your monthly CSOS levy contribution is and what it is used for.

#### WHAT IS THE CSOS?

The Community Scheme Ombud Service, or the CSOS, is a public entity created by the Community Schemes Ombud Service Act No. 9 of 2011.

The CSOS came into operation on October 7 2016 and falls under the portfolio of the human settlements minister

#### WHAT IS THE ROLE OF THE CSOS?

Disputes over a variety of issues may arise between people who have a material interest in the scheme, such as the scheme itself, represented by the scheme executives, an owner or an occupant. These parties may be in disagreement over how finances should be utilised, which behaviours are acceptable, or how the scheme should be managed or overseen, and by whom.

Fortunately, conflicts and disputes no longer need to be addressed through arbitration or the courts.

Dispute resolution is the primary role of the CSOS. However, the role of the CSOS is not limited to dispute and conflict resolution.

#### As per Section 4 of the CSOS Act, the CSOS fulfils several functions and subfunctions, as follows:

- Regulating, monitoring and controlling the quality of all sectional title governance documentation;
- Taking custody of, preserving and providing public access electronically or by other means to sectional title scheme governance documentation;
- Promoting good governance of community schemes; and
- Providing education, information, documentation and other services to raise the awareness of owners, occupiers, executive committees and other people.

#### WHAT IS THE CSOS LEVY?

The levy is collected by a community scheme from the owners in the scheme and paid to the CSOS under Section 29(l)(b) of the Community Schemes Ombud Service Act No. 9 of 2011, which came into effect on October 7 2016.

The amount that each

owner in a community scheme has to pay, and its manner of calculation, is set out in the regulations to the CSOS Act published by the human settlements minister on October 7 2016.

Each scheme is obligated to collect the levy from every owner in the community scheme and to pay such an amount over to the CSOS on a quarterly basis.

The monthly levy payable

by the owner depends on the monthly levy charged by the community scheme to that particular owner, as set out by the Regulations.

The actual formula for the monthly levy is as follows: the lesser of R40 or 2% of the amount exceeding R500 of the levy. Therefore no levy is payable to the CSOS if the levy charged is less than R500.

The maximum monthly

amount payable by a unit to CSOS is R40 per month.

#### WHEN ARE CSOS LEVIES DUE?

Owners in a community scheme are billed on a monthly basis for the CSOS levy.

The levy for all the owners is then paid by the community scheme to CSOS on a quarterly basis. Community schemes must

use their CSOS registration number as a payment reference for all payments made to CSOS.

#### The Community Scheme must pay CSOS quarterly in terms of CSOS Regulation 11(l) and in terms of the Practise Directive of the Chief Ombud dated June 14 2018:

- Quarter 1, ending March 31 (payment by April 7);

- Quarter 2, ending June 30 (payment by July 7);
- Quarter 3, ending September 30 (payment by October 7);
- Quarter 4, ending December 31 (payment by January 7).

#### As per the CSOS Practise Directive No. 3 of 2017, certain unit owners automatically qualify for

#### exemption from the CSOS levy payment:

- Unit owners residing in schemes for retired persons who are in mid-care/assisted living;
- Unit owners residing in schemes for retired persons who are in frail care;
- Unit owners who receive Sassa grants;
- Unit owners with a net monthly income below R5,500.

#### WHAT ARE THE CONSEQUENCES OF NONPAYMENT OF CSOS LEVIES?

There are several repercussions for the nonpayment of a CSOS levy. As per Section 34(l)(b) of the CSOS Act, nonpayment of CSOS levies is a criminal offence.

There are also financial penalties. Interest is charged at 2% per month for CSOS levy payments not made within the due date.

This article does not constitute legal advice of any sort. This article should be seen as an educational summary of the applicable legislation and procedures pertaining to CSOS legislation and regulations, and CSOS levies, in SA. Should you require legal advice please consult a qualified legal practitioner.



# Invest in prime Ballito property

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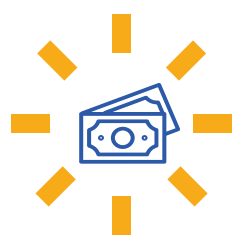
**PHASE 2**

**NOW SELLING**

Following the sell out success of Phase 1, Bliss Ballito's Phase 2 is now selling. Bliss Ballito promises affordable resort-style living without any compromises making this an attractive rental opportunity. Situated within the easily accessible, sought-after and secure location of North Point Ballito, this residential development is set to become the centrepiece of Ballito's newest mixed-use urban neighbourhood.

When you buy within Bliss Ballito Phase 2 and secure your bond by 30 September 2022, you can stand a chance to win a **FREE APARTMENT** to the value of R700 000 (T&C's apply).

## Benefits of purchasing at Bliss Ballito:



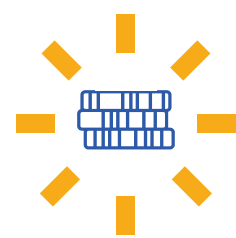
DEPOSITS START  
FROM ONLY  
R20 000



NO TRANSFER  
DUTY



ESTIMATED ANNUAL  
GROSS LONG-TERM  
RENTAL YIELDS FROM 9%



MONTHLY RENTAL  
INCOME STARTS  
FROM R7 000



24-HOUR  
DOUBLE LAYER  
SECURITY

## Invest in an unrivalled lifestyle and location:



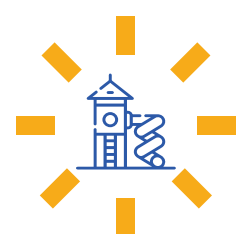
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ENTERTAINMENT  
AREAS



ACCESS TO ALL  
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LIFESTYLE  
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FINANCE

# Take caution when buying your first home

*The prospect of buying your first home can mean a rollercoaster of mixed emotions*

WORDS: SUPPLIED :: PHOTOS: ENVATO ELEMENTS

It's an overwhelming experience for anyone who's giving it a try. "There are a great many moving parts to every property deal so it's essential that you be cautious," says Longitude Developments MD Shaun Roos.

"Urban lifestyles are changing rapidly which requires property developers to bring aesthetically pleasing housing products to market that not only give buyers an entry into lifestyles of absolute convenience, but also offer security and,

crucially, efficiencies of architectural design and resource consumption," says Roos.

Mistakes are bound to happen but there are preventative measures you can take.

Here are some common mistakes for first-time homebuyers to avoid:

**DO NOT OVERCOMMIT**  
Banks calculate affordability according to predetermined ratios and parameters. One way of knowing exactly what you can afford is to be

pre-approved by a lender. Most lending houses have affordability calculators on their websites making it easy to find out what loan you qualify for so that you can buy a home within your price range.

Not only does this save time but it gives you access to your credit score. You can then realistically start your search for a new home based on solid groundwork.

**LOCATION IS KEY**  
When buying a property there are certain long-term

aspects that will influence your lifestyle and quality of life. Keep in mind:

- Is it close to amenities, major routes and transport options?
- How safe is the area?
- Is it a desirable up-and-coming area?
- What will the area look like in 10-15 years?
- How will your investment mature?
- Young families will want to ensure that their children's education and care facilities are close to home and suit their budget.
- Access to medical care and emergency medical facilities might be important to some buyers.
- When buying in a sectional title complex, buyers need to ensure the body corporate's financial health, that the complex is well maintained and, most importantly, that they can afford the levies.

#### UNDERSTAND COSTS

The selling price is the start of the home-buying journey but home ownership comes with a number of other costs such as transfer fees, bond registration fees, municipal rates and taxes as well as water, energy and maintenance bills.

With a sectional title purchase there are also monthly levies and, in some cases, special levies, additional security monitoring and response

subscriptions as well as short-term insurance.

Once you have been pre-approved for a bond and commence your property search, it's essential to draw up a realistic budget of monthly expenses you are likely to incur and specify what you are able to afford.

Ask questions and keep accurate notes so that you are not blindsided by unexpected expenses.

#### EXISTING OR NEW?

An existing home offers fixer-upper renovation potential to the practically minded DIYer, with the potential for capital gain, but the downside includes failing and outdated installations such as electrical and plumbing, noncompliance with building codes and regulations, as well as general wear and tear.

Older homes are not that energy efficient and could prove difficult to heat in winter and cool in summer, yet they may offer beautiful established gardens and entertainment areas that could prove attractive to certain buyers. But keep in mind that it takes enormous money and effort to continuously update an older property. Even well-maintained properties (freestanding or communal) that have up-to-date energy systems and modern amenities will come at a price.

On the other hand, new builds offer the reassurance of a maintenance-free few years due to new materials and installations, potential energy efficiency and even hygiene. Discerning buyers will possibly fall for modern designs and finishes.

#### COMMUNITY LIVING VS FREESTANDING

Autonomy, privacy, security and a sense of community are all key factors to consider when deciding on your future lifestyle and property purchase.

The growth in sectional title property ownership points towards lifestyle benefits that outstrip traditional homeownership. Security and a sense of community are key considerations.

It does, however, require neighbourly consideration and compliance with rules that may not always suit everyone, but offers peace of mind and the knowledge that common property maintenance matters are dealt with by a board of trustees and managing agents according to a strict code of practice.

Keep in mind that communal living places constraints on how you live in and decorate areas around your home and garden and will be governed by strict rules of aesthetics.

For more information, visit <https://longitudedev.co.za/>



THE  
**RUBIK**  
DESIGNED TO INSPIRE

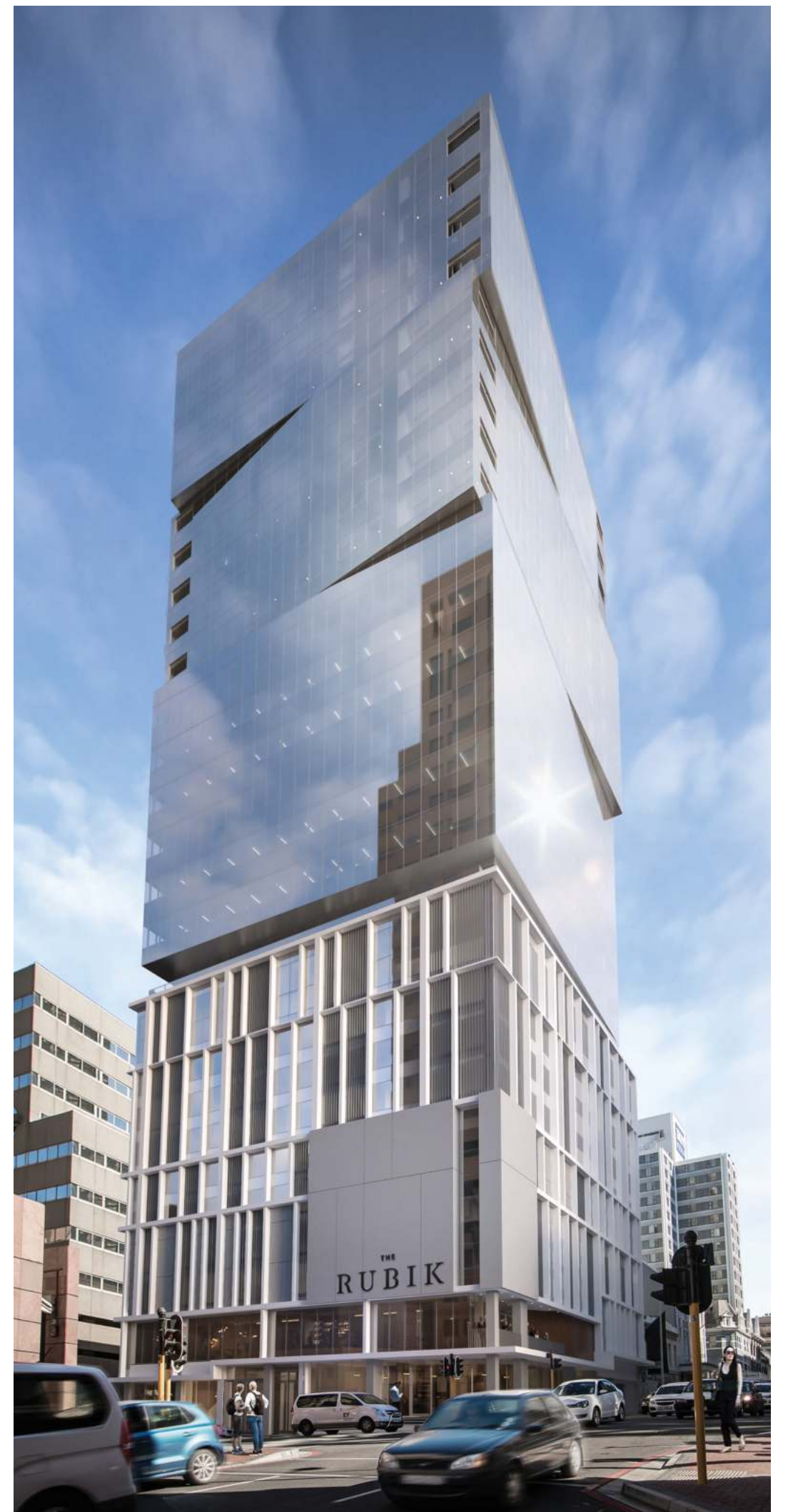
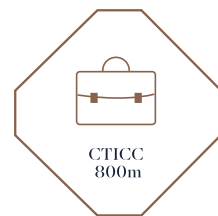


## Living designed to inspire

Situated on the corner of Loop and Riebeeck street in the heart of Cape Town, The Rubik has commenced and will change the skyline forever. The Rubik is ideal for discerning individuals who appreciate elegance and unique, modern architecture.

The luxurious apartments and penthouses with their floor-to-ceiling windows offer interiors flooded with natural light and spectacular views across the city.

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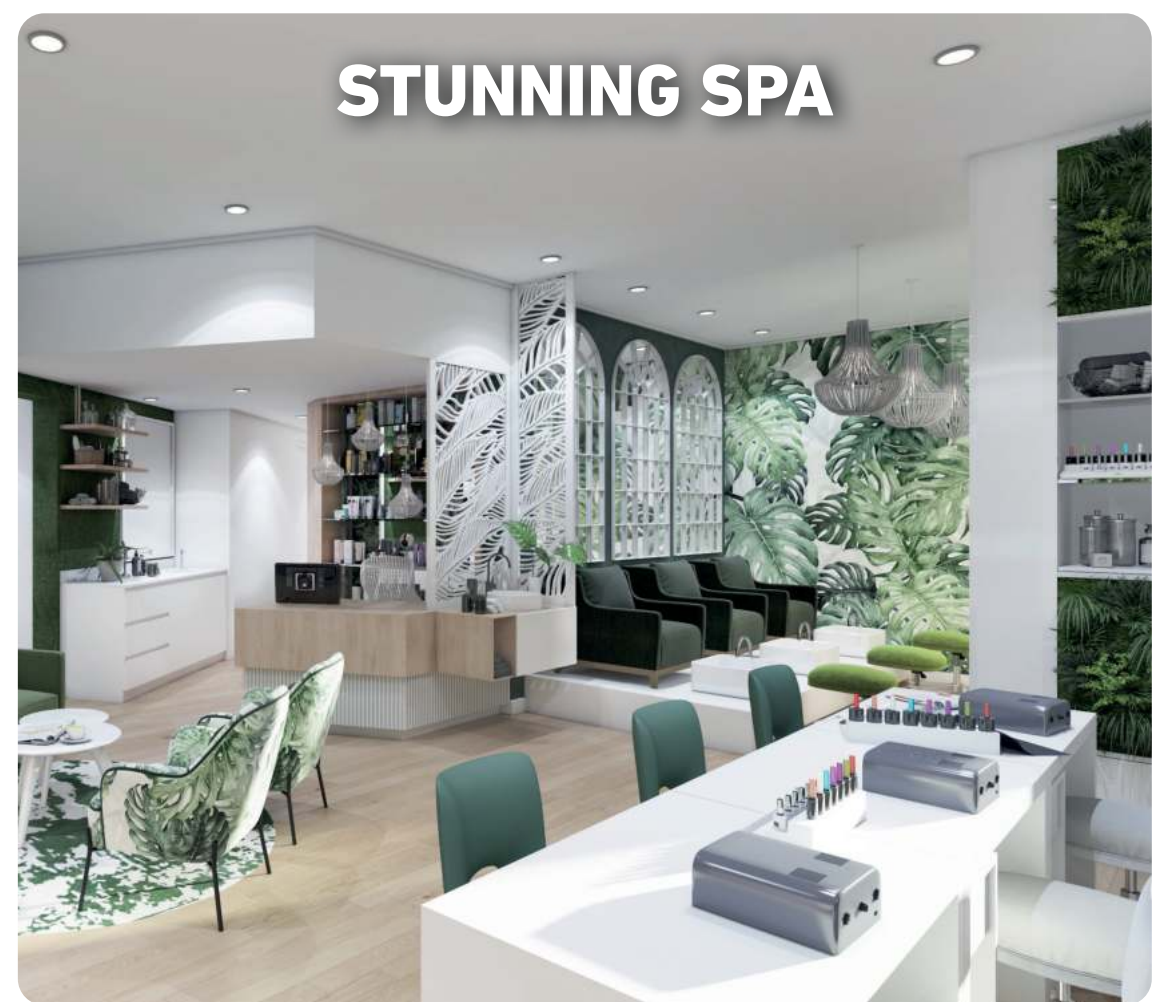
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