

NEWSLETTER

SAIF REAL ESTATE

ISSUE #12



Dear Esteemed Clients,

A journey of a thousand miles begins with one step. Over the years I have learnt that it is not enough to idealize, but rather, it is necessary to begin. Looking back over the past 5 years, I must say that it has been a great privilege and honor to serve and lead this company, with an exceptional team of individuals by my side.

As the saying goes, there is no I in TEAM; I tip my hat to them for the success and the gains and be assured that we have definitely learnt from our shortcomings as well.

I take this opportune time to thank our clients for their continued partnership and patronage over the last five years. We take pride in having delivered on our promise of modern home living to you, our clients.

My team and I continue to strive to make homeownership dream a reality for all our clients.

Here's to completing a journey of a thousand steps..... we keep walking!

Sincerely,

Mohamed Abdikadir

Chief Executive Officer

SMART HOMES, IS IT THE WAY TO GO?

A smart home refers to a convenient home setup where appliances and devices can be automatically controlled remotely from anywhere with an internet connection using a mobile or other networked device.

Devices in a smart home are interconnected through the internet,

allowing the user to control functions such as:

- Appliances, like washing machines, fridges, and garage door openers
- Home entertainment systems
- Home security systems
- Environmental controls, like air conditioning, heating, and lighting
- and a home theater remotely

How Smart Homes Work?

A smart home's devices are connected and can be accessed through one central point—a smartphone, tablet, laptop, or game console. Door locks, televisions, thermostats, home monitors, cameras, lights, and even appliances such as the refrigerator can be controlled through one home automation system. The system is installed on a mobile or other networked device, and the user can create time schedules for certain changes to take effect.

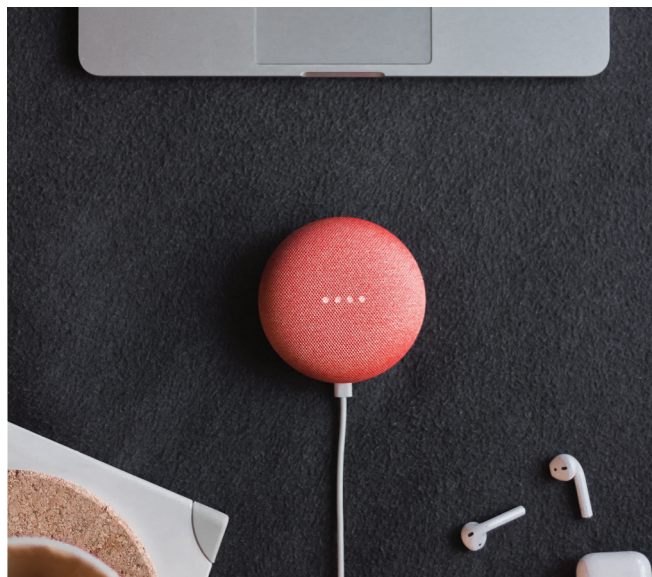
Smart home appliances come with self-learning skills so they can learn the homeowner's schedules and make adjustments as needed. Smart homes enabled with lighting control allow homeowners to reduce electricity use and benefit from energy-related cost savings. Some home automation systems alert the homeowner if any motion is detected in the home when they're away, while others can call the authorities—police or the fire department—in case of imminent situations. Once connected, services such as a smart doorbell, smart security system, and smart appliances are all part of the internet of things (IoT) technology, a network of physical objects that can gather and share electronic information.



Advantages of a smart home

Connecting all of your appliances to your smartphone is an obvious plus – it means that you can run your laundry while you're at work, or save money on your energy bill by optimizing your heating to only be on when you're home (and maybe 15 minutes either side).

Another advantage is that people have a greater awareness of where their resources are going with more information about what's using what. Most smart home systems come loaded with usage logging tech, making it easy to see your resource use (and thus your money).



LEASEHOLD VIS-À-VIS FREEHOLD INTERESTS

What is Land, leasehold and freehold property?

Land:

The definition of what constitutes “land” has an extended and complex meaning, usually expressed in two Latin maxims, namely:

- *Cuius est solum eius est esque ad coelum et ad inferos* – meaning – (s)he who own the land owns everything extending to the very heavens and to the depths of the earth.

- *Quidquid plantatour solo, solo cedit* – meaning – what-ever is attached to the ground becomes a part of it.

It can be observed that taken together and with the common law, land may be defined to include the soil, any buildings thereon - and anything affixed to the building or soil - together with anything growing on the land, with statutory exceptions as regards to the ownership of geospace and aerospace.

Freehold:

Freehold Estates refer to interests in land whose term continues forever, that is does not expire.

This means that upon the death of the current owner, the estate would descend to his/her heir and successors in title. This definition encompasses the definition of “Freehold” in both the Kenyan and Ugandan contexts generally.

Someone who owns the freehold of a property owns the property and the land it stands on, for an unlimited period.

Specifically, in the Ugandan Context: The Mailo Land Tenure System (which has the same meaning as the Freehold Tenure system); is where land is registered and owned in eternity or perpetuity with its holder having a land title for it. This land tenure in Uganda has its basis from the allocation of land pursuant to the 1900 Uganda Agreement, subject to legislative qualifications. Land in Uganda held under mailo tenure is mainly confined to the Central region of Uganda. The system confers freehold granted by the colonial government in exchange for political co-operation under the 1900 Buganda Agreement.

The holder of a Mailo land title has absolute ownership of that land.

Leasehold:

Unlike a freeholder, as a leaseholder the interest in the land is held for a fixed term of years. Ownership of your property is also for a set period, which can be a number of years or decades, depending on the length of your lease. If your lease expires, ownership of your property technically passes to the lessor.

How long can a lease be?

In Kenya and Uganda, the maximum number of years any person (whether corporeal or incorporeal) can hold is ninety-nine (99) years. The term of the lease can be extended at any time before its expiry.

What else is different about a leasehold property?

Most leasehold properties are flats, though some are houses. With leasehold you do not own the land the property is on, and if it's a flat you don't own communal areas such as stairs or hall, nor the structure of the building itself. You will pay fees (e.g. ground rent) to the freeholder.

Make sure you are clear about how much this will be, and by how much it may rise in the future.

A lease will also tend to include certain restrictions; for example, you may not be allowed pets, and you may need to ask permission to make changes to the property. If you break any conditions, you could be taken to court and may risk losing your lease. The freeholder is usually responsible for buildings insurance (though not contents insurance). The freeholder should consult with you on certain maintenance costs and some charges you can challenge if you disagree with them.

What are the advantages of a leasehold property?

If you are in a shared block of flats, there are some advantages to the property being leasehold.

- A leasehold property is usually cheaper (because of the risks involved).
- The freeholder is normally responsible for building maintenance in communal areas.
- The freeholder is responsible for the structure and maintenance of the building.
- The freeholder arranges building insurance.

There can also be specific advantages for flat owners to continue owning their flats under a leasehold structure. For example, flat owners can club together to buy the freehold on their block (see below) and then grant themselves 99 year leases.

The long lease gives them all the same security as freehold, but will also set out the rights and responsibilities of the residents, such as funding the maintenance of the building and placing restrictions on antisocial behavior. This kind of arrangement combines the advantages of freehold with the few perks of leasehold.

How can I find out how many years are left on the lease?

If you're considering buying a leasehold property, then the very first thing you should do is check how much of the lease is left to run. The first few pages of your lease document should show how many years are left on your leasehold and help you find out when the lease started. It should say the date of the lease, the length of the lease term and the date that lease term started. If you don't have a copy of your lease you might be able to get one from your solicitor or mortgage lender, or you can order one from the Land Registry by post or online.

Can I extend or renew my lease?

Yes, you can. Generally, you are allowed to apply for an extension of the lease at any time before its expiry. It's best to extend sooner rather than later, as the shorter the remaining lease, the costlier it may be to extend.

It follows, that the first priority on an application to extend the lease terms is usually granted to the immediate previous lease holder.

The cost of extending may also depend on:

- Any improvements you've made to the property.
- how much your property is worth.
- how much ground rent you currently pay.

Costs will also include

- legal fees.
- property valuation.
- Land Registry update fees.
- Stamp Duty.



TIPS TO GET TO KNOW YOUR NEW NEIGHBOR

Whether you are a social butterfly or a homebody, getting friendly with the folks next door will make your new house feel like home.

There are so many things on your to-do list when you move into a new house or apartment, and meanwhile meeting your neighbors might not be at the top of it, it's something you should try to do sooner rather than later. Home is more than just the physical structure where we keep all of our things. They're the buildings and neighborhoods we live in, full of people that we share this larger definition of home.

Smile and Wave

Getting to know your neighbors doesn't have to include your introduction. Maybe you're tired, or your hands are full, literally. Instead of thinking about a housewarming party as soon as you move into your new home, just smile and wave to your neighbors when you see them.

Offer Help

If you see your neighbor and realize they need help, offer some help. Who wouldn't appreciate help? They might need a tool that you have, or help them to carry something. This way, you'll establish yourself as a person who's willing to help.

Ask some questions

when it comes to meeting your new neighbors, asking a question about the area can be a warm and lovely conversation. Most people will be grateful to fill you in on things they know about the neighborhood and local life.



Introduce Yourself

In an apartment, there are plenty of opportunities to introduce yourself – parking lot, amenities, staircase, garage, etc. You can also knock on doors and greeting one another.

Host a welcome party

If you would like to, you can host a casual event at your place and invite your neighbors to come by. Try something like: “I’m new to the neighborhood and would love to meet you all.”

Meeting your neighbors doesn't have to be an uncomfortable process. Think of it less as networking and more as just a pleasant way to ingratiate yourself in your new neighborhood.

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