rei.co.za

rei REAL ESTATE INVESTOR

DEC 2022 / JAN 2023



REIMAG LAUNCHED 2007
15 YEAR ANNIVERSARY

RETHA VAN ROOYEN

Student Accommodation 101

OFFSHORE
Investing in UK Property

BUDGET SURPRISES
Hiddden costs of buying a home

PROPTECH
Disruptive technology in property

THE TEAM

REAL ESTATE INVESTOR

EDITORIAL

Founder & Editor-at-Large
Neale Petersen
neale@rei.co.za

Head of Content
Dayne Stern
dayne@rei.co.za

Digital Strategist
Asheeq Cader
asheeq@rei.co.za

Digital Designer
Caro Kleynhans
caro@rei.co.za

Accounts Manager
Marisa George
marisa@rei.co.za

Digital Strategist Manager
Alexander De Villiers
alexander@rei.co.za

CIRCULATION

abc Audited
***17,120** *(July - September 2022)*

Joomag DIGITAL PUBLISHING SOLUTIONS
***19,650 views**



CONTRIBUTORS

Dayne Stern
Schalk van der Merwe
Wesley Cowan
Brian Andrew
Sophie Gamborg
Grant Smee
Emile Grobbelaar
Bathobile Chime
Jackie Smith
Travis Barington
Alison Groves

REALE ACTIVATION

All rights reserved. No portion of this publication may be reproduced or used in any form without prior written consent and permission from Reale Media. The publisher gives no written guarantees or assurances and makes no representation regarding any goods or services written or advertised within this edition. Prospective investors should always consult their attorneys, advisors or accountants before investing. Copyright © Reale Activation. Pty (Ltd)

Change is inevitable, except from vending machines



It's safe to say that the last three years have been rather eventful. From the COVID pandemic and associated onerous lockdowns, to Russia's sabre rattling and economies around the world teetering on recession, there has been no shortage of drama and tragic comedy on the global stage.

If the last few years have shown us anything, it is that the rate of change is accelerating and it doesn't look like slowing down anytime soon. While this climate of uncertainty adds risk to traditional investment strategy, it also brings new opportunities for the investor who is not afraid of embracing change.

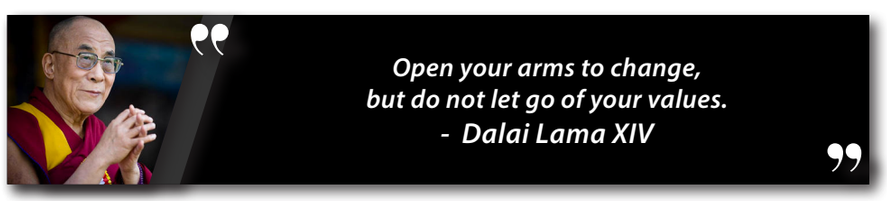
This means that being flexible with investment strategy and agile with operations is vital if you don't want your portfolio or business to be left behind. Im' not saying that we should follow every new investment trend. For instance, I still don't know what NFT's are and I'm too afraid to ask at this stage, but I do know that If I can't understand it, it's probably not for me.

One property investor who is certainly not afraid of embracing change features on our cover as this month's Master Investor. Not discouraged after a few failed attempts, Retha van Rooyen started her student accommodation company in 2019, and has managed to double the growth of her business every year since then. Retha has subsequently written a book about the subject to share her remarkable entrepreneurial journey and inspire other investors to explore this lucrative yet complex property investment model.

I would also like to take this opportunity to thank you personally, our valued readers and partners, for being a crucial part of REI Media's journey and ongoing success. Like almost every South African company, we have had our fair share of trials and tribulations over the last year, but it is how you rise up to face the next challenge that defines your direction. The challenges don't get easier, but with enough practice, overcoming them does.

So, on behalf of the whole REI Media team, we send to you our best wishes for the festive season and an abundance of health, wealth and happiness in 2023. This is the perfect time to reflect on the year passed, to rejuvenate your energy for the year ahead, and most importantly, create happy memories of good times spent with family and friends.

DAYNE STERN
HEAD OF CONTENT



CONTENTS

DEC 2022 /JAN 2023 #153

rei REAL ESTATE INVESTOR

TRENDING

03 Editorial View
08 Cover Story Profile
24 Company Profile

INVESTING

32 The Untapped opportunity of rental inspections
36 When last did you achieve inflation beating ROI
42 Commercial Property Sector 2022: Where Has the Growth Come From?

EDUCATION

50 23 tips to run a better business in 2023
58 The Rise of Sectional Title Homes in South Africa
63 Upskill Yourself

WEALTH

66 Is it time for a strategy change?
70 Equipping black property leaders to take their place in the SA economy







FINANCE

78 The ten hidden costs of buying a home
84 The Upside of Interest Rate Increases: Higher Returns on Your Home Loan Deposit

TECHNOLOGY

92 Disruptive technologies to deal with disruption
98 Why Commercial Real Estate is the perfect use case for No-Code Tech

RETIREMENT

108 How much does it cost to pass away
114 How to FICA a Deceased Estate

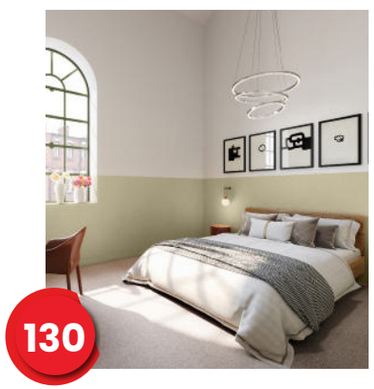
OFFSHORE

130 More South Africans are investing in UK Property
122 Offshore investment opportunities in exclusive Swiss Alps Ski Resort

NEW DEVELOPMENTS

140 The City Centre lifestyle exceeds all expectations
146 Are South African building owners taking EPC seriously?







Student Accommodation 101

When it comes to starting and running a successful Student Accommodation management company in South Africa, Retha van Rooyen can write a book on it. In fact, she already has. And not just any book; Creating Wealth with Student Accomodation in South Africa is the definitive guide for any property investor interested in this field.

Investing in Student Accommodation has the potential to be a lucrative property investment strategy, especially for property entrepreneurs looking to scale up their portfolio. Demand is ever growing and opportunities abound, but there can be costly pitfalls for the unwary or ill prepared.

In her recently published book - Creating Wealth with Student Accommodation in South Africa - Retha recounts her inspirational entrepreneurial journey from a somewhat shaky start, to founding the successful My Student House business which currently manages the accommodation of 798 students across 25 properties in four South African cities.

"The Student Accommodation business can be very rewarding but is certainly not for the faint-hearted," cautions Retha with a warm smile. "It's all fine having a few students staying in a granny flat in your garden, but if you want to scale the business up to the next level you will need determination, a sense of humour, plenty of patience, and a passion for helping South Africa's youth."

Retha explains that she wrote her book as a business guide for the property investor who wants to run Student Accommodation as a successful business. "I'm the first to admit that we were woefully unprepared when my partner officially launched the first student accommodation business in the beginning of 2020 and we had to learn many difficult lessons along the way. Then COVID pandemic struck and the enforced lockdown nearly put us out of business for good, but with lots of hard work, a strong strategy with intent, and a great team of 17 amazing staff, we have achieved an amazing turnaround since then. Now for the next step, we're aiming to grow the business over the next year to accommodate 1500 students around South Africa."



MINI BIO

Name: Retha van Rooyen
Background: 3 kids and a husband
BUSINESS HERO/MENTORS: Vusi Thembekwayo and Grant Cardone
Mentor: Richard Branson
LIFE MOTTO: "I don't know how now, but I will when I'm done" Dr Seuss

But before we get into the nitty gritty details of Student Accommodation as a business, Retha shares her personal story of how she found the inspiration and motivation to venture out of her comfort zone and find success as an entrepreneur.

How it started

"I didn't choose the property life, but the property life chose me," says Retha with a chuckle.

"I had bought and sold a few properties up until 2017, but never considered myself as a real real estate investor. I was busy with a full time job and my family, so I wasn't investing in the property market with any clear intent or purpose."

In 2016, I was invited to one of those corporate mindset training courses that you only really look forward to because it's a day out of the office. The course was based on Napoleon Hill's 1937 book, *Think and Grow Rich* and was delivered brilliantly by the instructor. Instead of being bored, I had a flash of realisation that I had been living my life without intent and was just being used as a tool for my manager's career advancement."

"There are two clear turning points that changed this path and I am so grateful that I was present in the right frame of mind to see these incredible life changing opportunities for what they were."

"I knew I had to start my own business but the first few tries were not as successful as I had hoped. You'll laugh if you know me, but my first failed attempt was trying to breed cockroaches to sell to petshops as pet food for snakes and spiders. That didn't work out, and after trying and failing in a vending machine business and then a rabbit meat business I was nearly ready to give up on entrepreneurial ideas."

But just as I was at my lowest the second epiphany happened after reading Robert Kiyosaki's influential book Rich Dad Poor Dad. It struck a deep chord with me and after much thought, I decided to invest in myself and my future by signing up for quite an expensive three day training course. I must have looked shell shocked when I walked out of the presentation because one of the presenters saw me, gave me a hug and said that although this is scary, you will be laughing about this day a year from now. He was wrong - it only took six months to laugh about that day."

Retha and her family moved to Cape Town later that year and she was eager to take advantage of the booming property market. "I reviewed hundreds of properties and rental models but none made sense in terms of return on investment. That is until one of my property investment students - Lihle King Nxoyi - came to me with a potential property which could be developed for student





accommodation because of its proximity to a local university."

"By the end of the my first year of investing in property with intention, I owned 11 properties"

Enrol in Student Accommodation

But information about student accommodation as a business was hard to find and there were many horror stories about property zoning or how the National Student Financial Aid Scheme(NSFAS) could implode and leave landlords with student squatters. I almost walked away from the opportunity but I was very fortunate to meet someone with the experience of managing a 100 student building in Cape Town. She demystified how the business works and became a partner for the company's first year as well as a trusted advisor and close friend."

"Not everyone is going to be lucky enough to meet someone like that when you really need to. That is part of the purpose of writing my book; to give an account of my learning experiences and pass on the knowledge I wish I knew when I started My Student House. I wanted the book to be a valuable resource and guide for anyone who is exploring the idea of Student Accommodation as a business."

MY STUDENT HOUSE

MY STUDENT HOUSE

CALLING ALL STUDENTS

BOOK YOUR ACCOMMODATION NOW FOR 2023

Get the Best Affordable Student Accommodation close to Campus with everything you need!



Affordable living to create your best future



WHAT WE OFFER:

- Laundry facilities
- Best accessible locations
- Clean and safe accommodation
- Uncapped Wi-fi
- Ongoing maintenance
- Dedicated House Parent

COMING SOON TO MY STUDENT HOUSE

- Connect employers to student workers - learnerships, internships & placements
- Teach entrepreneurship
- Teach sustainable ways to earn such as City Farms
- Access to Financial education
- Create virtual meeting spaces such as the Metaverse to network and engage

CONTACT US:

+27 84 575 1000
getinfo@mystudenthouse.co.za
www.mystudenthouse.co.za

APPLICATIONS CLOSE 20 January 2023

Find your space today!

Get started



Student Accommodation Study Notes

Part journal, part business guide, part business coach; Retha's book, Creating Wealth with Student Accommodation in South Africa, has been written for anyone interested in starting and running a successful Student Accommodation business. The following edited excerpts provide cursory highlights from a few pages of the book. If you would like to study this subject up to expert level you can purchase a copy of Retha's *book here*.

"There's never a dull moment in this business. Sometimes I wish for dull moments." smiles Retha. "There will be challenges to overcome on a daily basis; maintaining student discipline in your properties, managing cash flow when the universities pay out late, and keeping order in a mountain of admin and complex paperwork are some of the things you can expect. But the rewards make it all worthwhile. It's an opportunity to run a successful business that provides students, who might come from disadvantaged backgrounds, with a safe place to live and to pursue their studies so that they can change the course of their future."

What is Student Accommodation (S.A.)

Any property where students live while studying can be classified as S.A., be it a private apartment, university residence, shared room or garden flat. Normally services and costs are included as part of the student accommodation lease, whereas this is not necessary for residential tenants.

One of the most important distinctions between S.A. and normal residential rental property is that students are not considered as normal tenants and are governed by a different set of laws in South Africa. Your SA property is not the students' primary residence; it is as if the student is staying with you on an AirBnB basis. This does make it easier to evict a student from your property if the need arises as they have a primary home to which they can return.

SA as a property investment

It is important to understand that SA requires a hands-on approach, especially at the level where you own or manage several properties with a large volume of students and staff.

You need to treat your SA property like a business. It requires sales and marketing, accounting, customer care, human resources and all other functions you would expect of a business. This also means you can write off expenses and only pay company tax on your profits. Expenses can include a company vehicle, premise costs, laptops, fuel and maintenance costs on the property, and more. In fact, one of the biggest benefits of running SA as a business are the tax benefits, but this requires specialist expertise and I strongly advise you secure the services of a tax professional.



Another major property investment benefit with SA is that you can switch over from a residential valuation where the banks determine the property value using the purchase prices of surrounding properties, to a commercial valuation where the income generated by the property is used to determine the price.

For example - we purchased a residential property in Bellville for R2.6m. Six months later we had generated income through SA so the commercial valuation jumped to R5.2m. That's an extra R2.6m on our balance sheet in half a year. Once you have a couple of these properties on your books, you can use your balance sheet to purchase more properties when the opportunity arises.









Tertiary Institutions

There are many different types of tertiary learning institutions but the majority of South African students attend either university or college. The main difference between the two is that universities are state owned while colleges are private institutions.There are, however, 50 TVET colleges in South Africa which are state sponsored colleges and they operate differently when it comes to student accommodation payments.

There are 26 universities in South Africa across all nine provinces. Presently, there are more than one million university students in South Africa and the government plans to add 500 000 more students in public institutions by 2030.

Since most colleges are private institutions they can make their own rules. Each college operates differently and you would have to do your “homework” on the specific college if you intend catering for their students.



Understanding NSFAS

If you are interested in student accommodation you will need to know what the National Student Financial Aid Scheme (NSFAS) is and how it works. Basically, it's a government backed bursary scheme that provides poor and working class South African students with financial aid to study at universities and TVET (state sponsored) colleges, but does not cover fees for private institutions.

The amount that NSFAS pays towards student accommodation depends on the specific university or TVET college. In 2019, top universities in urban areas paid up to R55 000 per year whereas a smaller university in a rural area might only pay around R15 000 per year. The rate is generally lower for TVET students compared to university students, and these amounts change every year and you need to refer to the published rates annually.

There are many business benefits in catering for NSFAS students; generally these students can commute from home and require accommodation close to campus, and you're entitled to charge the maximum amount of rent that the bursary allows which is sometimes double the rate of what a private student would pay.

"This is not a passive income generating hobby that can be completely outsourced to another rental agency."

But there are negatives too; NSFAS payments are usually late and most universities don't allow you to charge deposits for NSFAS students, so If a student decides to move to another property you can be left with an empty bed for the rest of the year.

The SA Lease

Your lease should be very clear what is, and what is not, included in the rent. You need to specify all the details on the lease agreement such as whether there is a download limit on the WiFi, or whether you charge for laundry using coin operated machines or prepaid electricity and water meters.

One of the most common SA questions I hear is "who signs the lease? If the student has NSFAS funding they must sign the lease as the NSFAS bursary is seen as a contract between the student and NSFAS. However, there are instances where NSFAS don't pay the full amount or cancel the bursary half way through the year due to the student not fulfilling the bursary criteria. This is why I strongly recommend getting a parent or relative to

sign a surety document which binds the signatory to honour the student's debt.

Your insurance will not cover a tenant's personal items so your lease should clearly state that if a student's belongings are stolen, you're not liable to cover any replacement costs. I advise that security cameras are installed in all common areas, especially for the fridge and laundry room.

Collecting Rent

Depending on your business model, you will either be collecting rent from bursary officials or directly from the students or their parents.

Bursaries usually require a monthly invoice or a once off invoice in the beginning of the year before they make payment.
If you are dealing with a student directly, you should hand deliver the account statement and any overdue amount by the third day after the due date. Make sure you send parents or surety individuals monthly statements so that they are aware of any defaults and can address the situation before the outstanding amount becomes too large to cover.



Arrears collections at the end of the year can be extremely difficult, especially if NSFAS has withdrawn funding for one of the students.You should weigh up the costs of taking the legal route vs writing off the debt. Legal fees start at R8000 for an unopposed judgement and escalate from there depending on how many times the case goes to court.

Start SA today

I've been asked if I ever regret getting into student Accommodation and the response is a resounding Definitely NOT. Student Accommodation is the best property investment decision I have ever made. Like everything in life, there are challenges to overcome and lessons to learn



but the rewards are so great that it makes everyday so worthwhile.

My advice for anyone interested in getting into this business - aside from getting your hands on a copy of my book of course - is that Student Accommodation is quite an advanced property investment strategy. It is not possible to sit on the sidelines and expect the rentals to come rolling in, you will need to get your hands dirty. But although Student Accommodation is probably better suited to someone who has previous experience in renting out properties and managing tenants, I do believe that anyone with the determination and strategic intent can do very well for themselves in this business.



A MUST READ

Retha van Rooyen Book

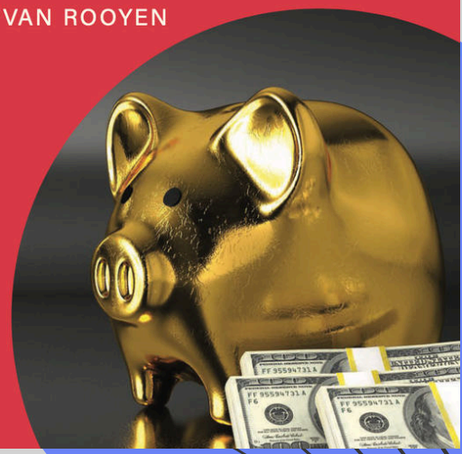
LEARN HOW TO BUILD WEALTH BY INVESTING IN STUDENT HOUSING

MY STUDENT HOUSE

ONLY R350

CREATING WEALTH WITH STUDENT ACCOMMODATION IN SOUTH AFRICA

RETHA VAN ROOYEN



A one-of-a-kind book on finding, marketing, and managing student housing.

BUY NOW

MY STUDENT HOUSE

CALLING ALL STUDENT ACCOMMODATION LANDLORDS



Get student accommodation property management with a **difference**

LANDLORDS

Get the best student property management experts to step-in to manage your portfolio with an experienced, dedicated team removing all the daily property management hassles.

OUR SPECIALISTS MANAGE:

- Over 500+ Student beds
- Over 30 + Properties
- In over 3 Provinces

OUR SERVICES

WE OWN & SOURCE PROPERTIES

We use a tried and tested formula to find the best properties for SA. We will find a house for you to fit your budget, covert it to optimal usage for students, furnish it correctly and provide you with savings from our bulk purchase discounts at major suppliers

WE SOURCE TENANTS

Students know what they want and so do we. We advertise the house to our database of 200 000 students on email, social media, flyers and our extensive network of university contacts and placement agencies.

WE MANAGE YOUR PROPERTY

We collect the rent from universities, students and parents. We protect the value of your asset through ongoing maintenance, cleaning, student satisfaction and discipline.

WE EDUCATE

We teach and educate interested landlords the best ways in becoming successful and profitable student accommodation landlords

+27 84 575 1000
www.mystudenthouse.co.za
landlords@mystudenthouse.co.za
Visit us @ 5 Iona Street, Bellville, Cape Town

CONTACT US

INVESTING

PAGE 32

The Untapped opportunity of rental inspections
Many property professionals still consider rental inspections to be no more than a compliance formality.

BY SCHALK VAN DER MERWE

PAGE 42

Commercial Property Sector 2022: Where Has the Growth Come From?
Against all odds, the commercial property sector has fought back and is showing positive signs of growth and recovery for 2022.

BY WESLEY COWAN

PAGE 36

When last did you achieve inflation beating ROI
Opportunity Private Capital offers a solution that allows you to invest in the early stages of the property development cycle.

BY EDITORIAL







INVESTING | EDUCATION | FINANCE | WEALTH | TECHNOLOGY | RETIREMENT

"Ensure your financial security and maximise your property portfolio for sustainable wealth creation."

THE UNTAPPED OPPORTUNITY OF RENTAL INSPECTIONS



By **Schalk van der Merwe**
Director Sales & Marketing, WeconnectU

A recent industry survey conducted by WeconnectU revealed that many property professionals still consider rental inspections to be nothing more than a compliance formality. We're here to set the record straight by shining a light on the massive opportunity hiding just beneath the surface of this frequently misunderstood rental management "chore".

You see, what many people don't realise is that the best rental inspections are merely the opening act of a far more valuable service. In addition to their compliance purpose, incoming, interim/midterm, and outgoing inspections offer a unique opportunity to identify and eliminate not just existing issues, but also emerging and future maintenance challenges, as well as critical, value-adding improvements.

By using inspections in this way – as a jumping-off point for proactive and/or preventative maintenance – rental asset managers are far better equipped to meet their investors' core needs. Those needs include maximising growth in both asset value and rental income, minimising vacancies, and decreasing risk relating to compliance as well as property damage.

When paired with good communication (to ensure investors are aware of these outcomes), this can be an incredibly powerful tool for retaining existing clients and growing rental portfolios.

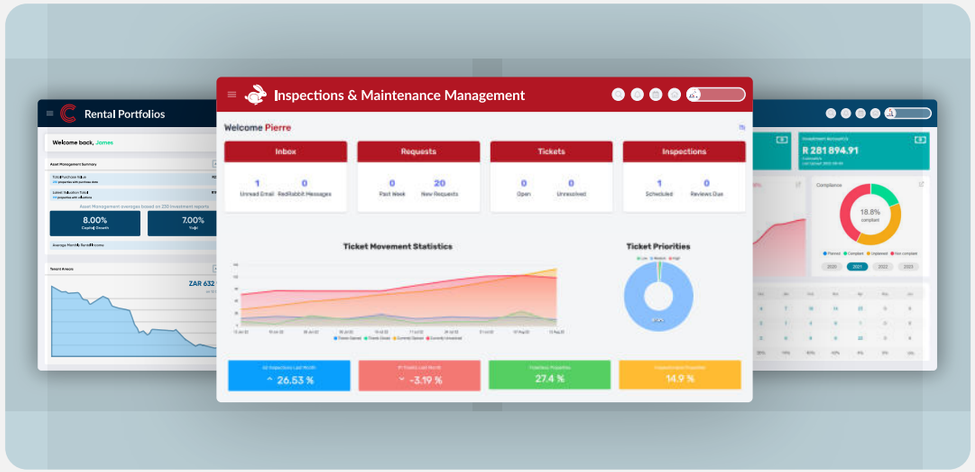
Did you know? *The majority of rental managers taking our survey indicated that landlord expectations are swinging heavily in favour of asset management over rental property administration. These (frequently unmet) expectations are very likely behind the largest reported reason for mandate loss in 2022: landlords choosing to self-manage.*

The limitations of using the wrong tools

So, why is it that so few rental asset managers (outside of WeconnectU) are jumping on the inspections and preventative maintenance bandwagon? The reasons, as our survey uncovered, are deeply rooted in the tools and processes these rental asset managers are trying to use.

Without a consolidated property management ecosystem with built-in inspections and maintenance management tools (like WeconnectU), most rental managers resort to a combination of manual documentation, WhatsApp, email, SMS and phone calls.

This creates a variety of challenges, from inefficiencies between your maintenance and accounts department, indecipherable inspection notes to impossible record-keeping, incessant broken telephone communications, and being on call 24/7.



With so many details spread across personal devices, inboxes and headspaces, it's also nearly impossible to achieve a seamless handover of a rental property if its rental manager is ill, on leave or resigns. This can cause serious disruption to service continuity for investors, and irreparable brand damage to rental asset management businesses.

The solution of the future

So, what's the answer? How can rental asset managers capitalise on the opportunity inspections offer while battling the operational challenges of meeting their bare minimum requirements?

The answer simple: they can't.

The only way to take rental inspections to the next level (and reap the rewards) is to use tools designed to do just that. Tools that integrate all five core pillars of rental asset management (tenant application management, lease management, rental account management, inspections and maintenance, and compliance). Tools like WeconnectU: the ultimate rental portfolio management ecosystem with enhanced integration with industry-leading inspections and maintenance management tool, RedRabbit.

With WeconnectU, there are no more messy spreadsheets, no more inspection clipboards, no missing photos, no cryptic tenant incident reports, no miscommunications, and no time wasted. Inspections and maintenance are no longer standalone tasks, isolated from the wider management experience.

Instead, rental asset managers can run inspections and maintenance as seamless and integrated workflows, using:

- App-based inspections that can be completed offline on any smart device and synced to the cloud as soon as connectivity is available.
- Customisable inspection checklists that use toggles, photos and notes to quickly and accurately document the condition of every item in a rental property, leaving no stone unturned.
- Online tenant maintenance request portal with prompts to ensure all necessary information and images are provided right away.
- Inspection results and maintenance requests that can be effortlessly converted into job cards and assigned to contractors with a single click.
- Reusable inspection information to easily document changes in condition.
- Automatic comparison reports to flag differences between any two inspections, e.g. incoming and outgoing for the same tenant.
- Full audit histories of all events and actions on any job.
- Full progress reports and comprehensive reminders for scheduled inspections and maintenance items.
- Centralised communication capabilities with complete transparency for stakeholders.
- Guaranteed data integrity thanks to a single point of capture.
- Full integration with WeconnectU's complete rental asset management ecosystem.

With all the major productivity hurdles handled, rental asset managers can finally focus on tapping into the true power of inspections: Delivering a comprehensive asset management service that goes beyond mere administration to actively address the needs of investors and improve long-term returns.

About WeconnectU

WeconnectU offers a truly end-to-end Property Management ecosystem that solves all the major challenges in Community Management, Rental Portfolio Management and Inspections and Maintenance Management.

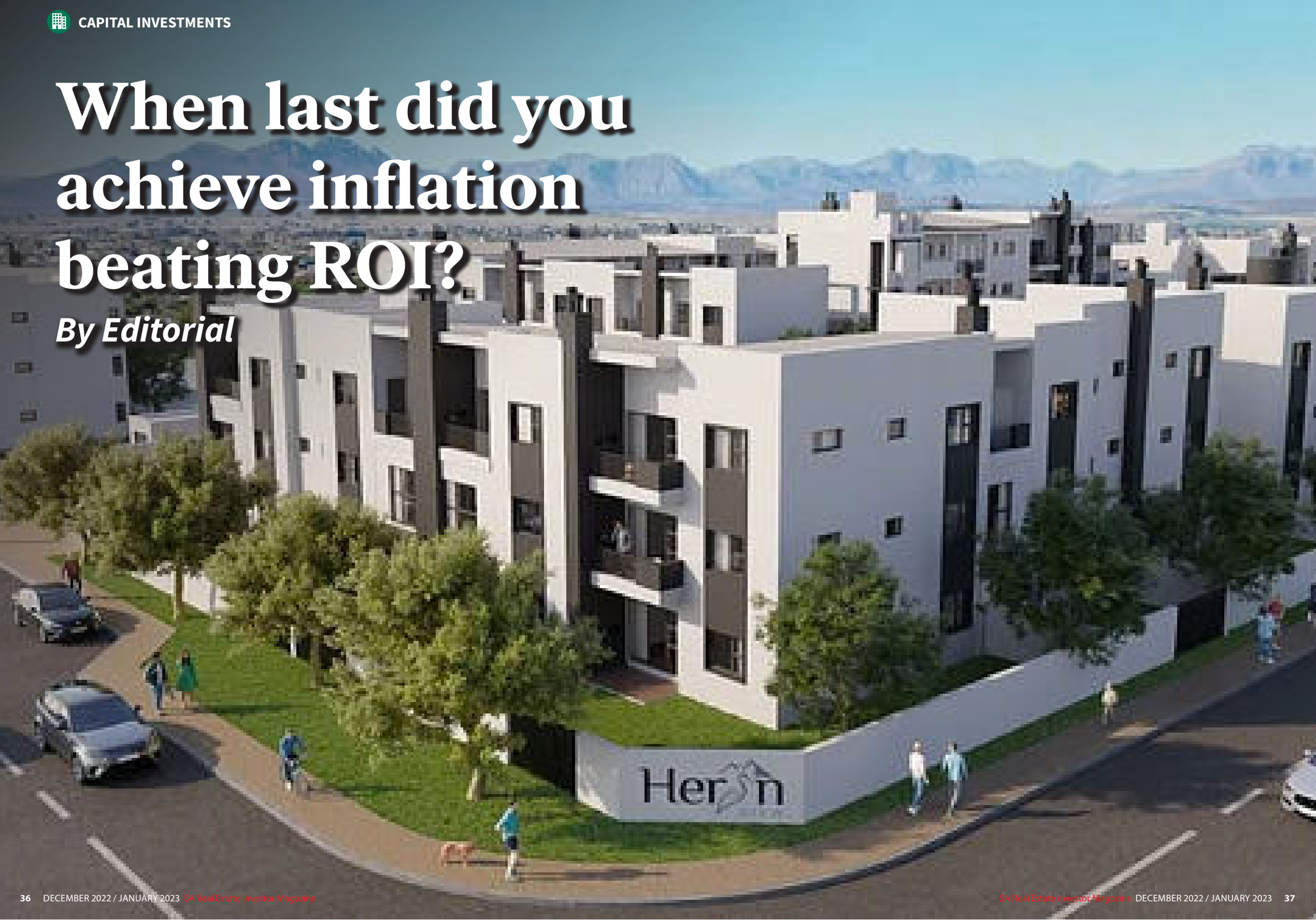
www.weconnectu.co.za

RedRabbit

WeconnectU
INTELLIGENT PROPERTY MANAGEMENT SOFTWARE

When last did you achieve inflation beating ROI?

By Editorial



Opportunity Private Capital offers a solution that allows you to invest in the early stages of the property development cycle, receiving consistent returns and protection on your capital. With this offering, the results are that investors have achieved inflation beating returns consistently for the last eight years.

Who Are We?

A boutique investment company based in Cape Town, operating since 2006. Risk-managed investment opportunities are provided for private investors to invest directly in property developments in the Western Cape region. As investors get access to investing directly in these new developments, it enables them to achieve attractive, inflation-beating returns.

The average annual returns achieved over the last 5-year period has been 16.75% p/a.

How is Investor Capital Protected?

This entire structure is based on protection of the investor's capital in the form of the development assets. Thus, the development assets are held as security until the investor is repaid.

Very strict protocols are in place for the flow of the investor funds into the project. There are independent, professional parties that check and authorise the flow of all funds into the projects, and they are involved in this process throughout until the investors safely exit their investment.

What Investment Opportunities are Now Available for Investors?

A new investment cycle has just been opened for investors with the projected returns anticipated from 14% - 18% per annum, dependent on the amount invested.

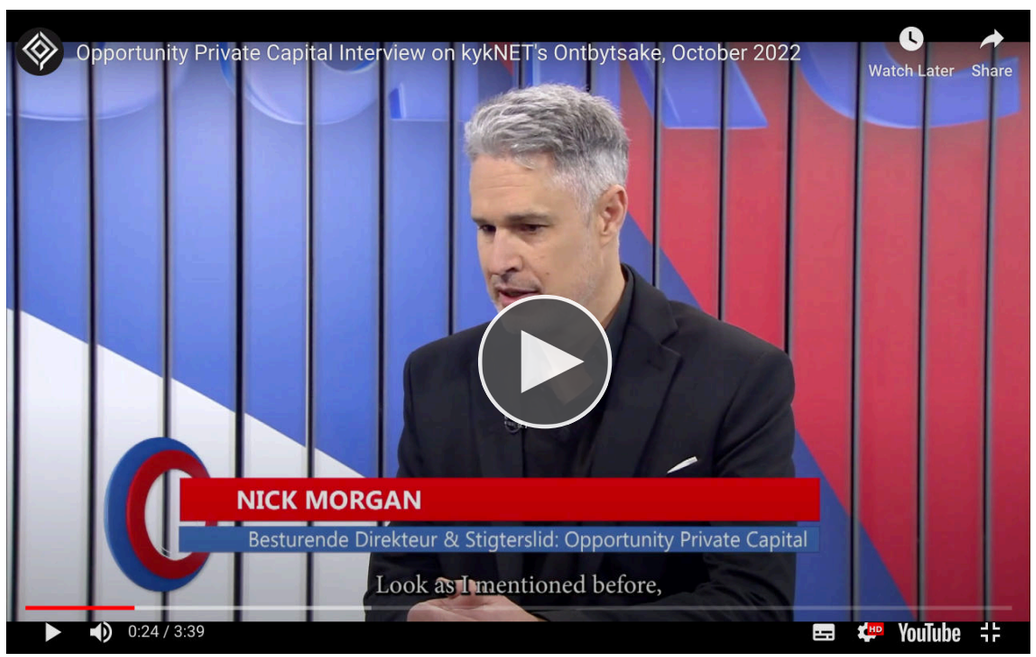
ENQUIRE NOW





To pique your interest, one of our co-founders Nick Morgan was in conversation on Ontbytsake in September to discuss how investments were progressing and the value being provided to investors.

OPPORTUNITY
PRIVATE CAPITAL



meridian REALTY

South Africa's PREMIER
Virtual Real Estate Agency

AFRICAN PROPERTY AWARDS REAL ESTATE
LAUFEN
★★★★★
BEST REAL ESTATE AGENCY SINGLE OFFICE SOUTH AFRICA
Meridian Realty Pty Ltd
2022-2023

AFRICAN PROPERTY AWARDS REAL ESTATE
LAUFEN
AWARD WINNER
REAL ESTATE AGENCY MARKETING SOUTH AFRICA
Meridian Realty Pty Ltd
2022-2023

When you join **Meridian Realty** as an iAgent, you get the full support of our **multi-award winning team** of specialists that provides you with the right systems, takes care of your admin, makes your marketing shine and helps you to build and grow your personal brand. All of this gives you more time to focus on what you do best…**building relationships** that bring buyers and sellers together!

Unlimited **professional photography** and **video tours**

Registered with PPRA



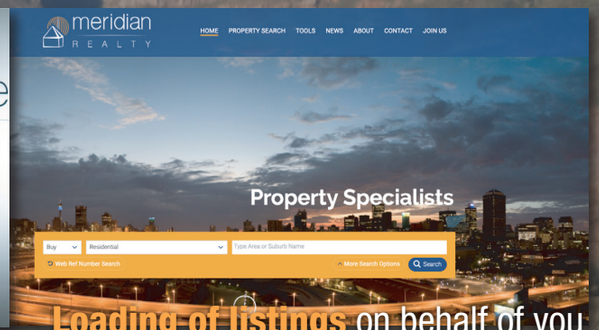
Transaction coordination services



Access to a team of in-house **graphic designers**



Access to **social media specialists**



Loading of listings on behalf of you via support staff

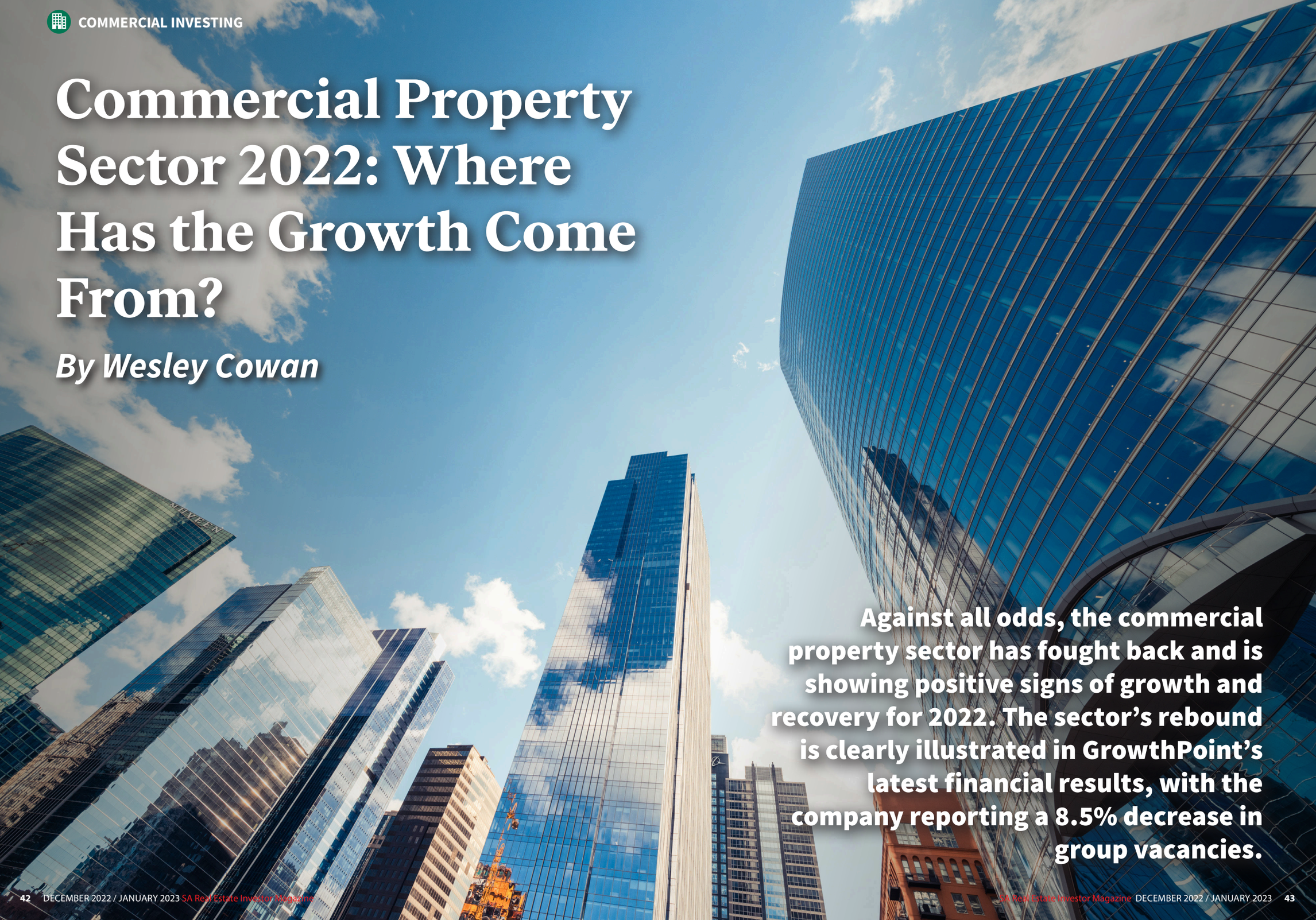
No **area restrictions.**
Negotiate your **own commission.**
Receive **personalised landing pages** and **electronic business cards.**
AND SO MUCH MORE

Explore our model www.meridianiagent.co.za

Start with 70% commission I Receive 100% when you CAP

Commercial Property Sector 2022: Where Has the Growth Come From?

By Wesley Cowan



Against all odds, the commercial property sector has fought back and is showing positive signs of growth and recovery for 2022. The sector's rebound is clearly illustrated in GrowthPoint's latest financial results, with the company reporting a 8.5% decrease in group vacancies.

And while the sector continues to fight against uncontrollable odds such as inflation and interest rate hikes, I believe that the industry has weathered the worst of the storm in the short-term. It has transformed over the past few years and we are cautiously optimistic about the future.

While high vacancies in the office sector cannot be denied, the logistics property sector is a firm frontrunner and has contributed to a large portion of the sector's growth for 2022. Demand from the logistics property sector for warehousing and vacant land in industrial areas is leading the way.

Interestingly, there are few vacant industrial premises on offer – particularly in the Western Cape - giving rise to a seller's market. The major uptake in space can be largely attributed to the growth of eCommerce, for example; Takealot.com has acquired an additional 35000m2 of space and has extended its existing premises by 15000m2.

Property developers have also noticed the uptick and are cashing in. While developers still welcome the opportunity to develop warehouses for a confirmed tenant, there has been a notable upsurge in the development of speculative warehouses, and developers are filling these successfully prior to completion.

Why Logistics & Why the Western Cape?

Rode's Report on the South African Property Market for Q3 2022 detailed a nominal rental growth of 5.3% for spaces of 500m2 (compared to Q3 2021). The report further states that the market was boosted by low vacancies and demand for logistics warehousing.

While there is significant growth and uptake across the country, the Western Cape province has outperformed the rest. With barely any industrial sites on offer, clients are clamouring for space. This creates a unique opportunity for investors and landlords.

Rode's Report seconds this, noting that 'Cape Town is looking as fresh as a daisy'. "Nominal rentals for prime space of 500m2 is up by 6.7% from Q3 2021. In the office sector, various companies are relocating their head office to the Western Cape in a sustained semigration movement.

"2020 was a defining year for industrial property and this trend continues. Today, we are going as far as to use industry contacts to secure stock before they are listed."

The Year 2022 will forever be defined by some of the largest logistics property deals that the industry has experienced in recent history. In Gauteng, prominent brands such as Isuzu, Media24 and Crusader Logistics expanded and found new premises in 2022. In the Western Cape, Truworths, The Foschini Group and Media24 Logistics were some of the frontrunners in securing new premises while in KwaZulu Natal, Zacpack led the way.

Deals concluded in this sector equate to north of 500 000m2 in 2022. We are pleased to be showing positive growth and I believe that the same can be said for the majority of the industry at large.



Wesley Cowan
Director
Galetti Corporate Real Estate

EDUCATION

PAGE 50

23 tips to run a better business in 2023
The end of a year and the beginning of the next is when thoughts turn to improving one's health. The same applies to small business owners.

BY EDITORIAL

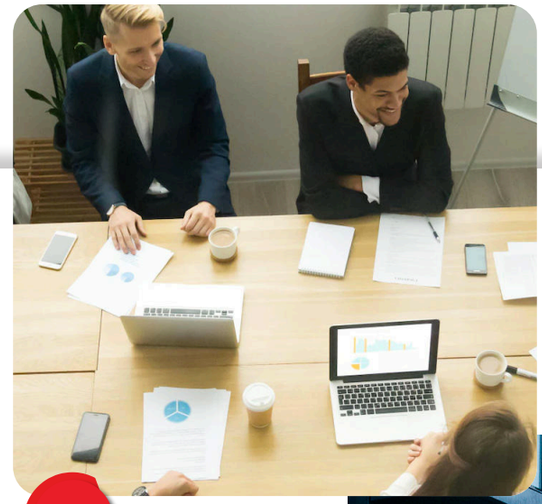
PAGE 58

The Rise of Sectional Title Homes in South Africa
The lock-up-and-go lifestyle offered by sectional title living may soon supersede the demand for full title (or freehold) homes in South Africa.

BY GRANT SMEE

The basics of selling a home | Trending Online
Selling a home can be a complicated process, especially for those who have never done so before. While real estate professionals are there to guide sellers through every step of the way.

BY EDITORIAL







"Stay informed with the latest research and explore new opportunites to up skill yourself and grow your career."

Skills Development In The Workplace

Calling all business owners and interns

The Skills Development Act in South Africa was created to help develop the skills for South African people in the workplace, enabling job seekers to improve their chances of finding work and keeping a job.

Its purpose is to improve productivity in the workplace for employers, the competitiveness of employers as well as to promote self-employment.



EMPLOYER BENEFITS

- Train young people to groom for employment
- Create jobs (while assisting in alleviating poverty in SA)
- Tax incentives
- Improve BBBEE Skills Development scoring

EMPLOYER OPPORTUNITIES

- Mandatory grants access - 20% of the 1% skills levies you have paid will be paid back to you.
- Discretionary grants access – internships, learnerships, bursaries and skills programmes.

IF YOU WOULD LIKE TO ENQUIRE HOW YOUR ORGANIZATION COULD BENEFIT FROM SETA FUNDING, PLEASE CLICK ON THE LINK BELOW OR EMAIL AND WE WILL MAKE CONTACT WITH YOU.

ENQUIRE NOW

www.rei.co.za (+27) 21 761 3848 info@rei.co.za

23 tips to run a better business in 2023

By Editorial



The end of a year and the beginning of the next is when thoughts turn to New Year's resolutions – time to lose weight, return to the gym, improve one's health. The same applies to small business owners.

The year 2022 has been a tough year and the perfect storm for businesses. The difficult recovery from the Covid-19 pandemic, the fallout from the Ukraine war, disruption of global supply chains, skyrocketing energy costs, the local Eskom energy crisis, political instability and climbing inflation are just some of the things that have impacted negatively on local businesses and their clients.

"These are likely to continue," says Denzil Steyn, president of the Durban Chapter of global peer to peer network, **Entrepreneur's Organisation (EO)**. "However, business leaders need to avoid the much quoted mistake of continuing to do the same thing but expecting a different outcome."

According to Statistics South Africa, the total number of liquidations in South Africa increased by 44.8% in August 2022 compared with the same period a year ago. The total number of liquidations increased by 18.8% in the three months ended August 2022 compared with the three months ended August 2021.

"Entrepreneurs need to think and act differently in 2023, not only through growing their business skills but by learning from successful peers who have ridden out and even grown during one of the most turbulent economic times."

Apart from formally underscoring the much quoted fact that this country has one of the highest SMME failure rates in the world, the University of the Western Cape's entrepreneurship specialist Prof Christian Freidrich (an extraordinary professor at UWC's School of business and profess at the University of Applied Sciences in Giessen, Germany) has dug a little deeper. He says that a massive research programme spanning the last 15 years has revealed that a smaller business can rise or fall on the decisions of the entrepreneur who owns it. This is because the owner is the source of action in a firm, makes the key decisions and deals with important customers, suppliers, and employees.



To close off 2022, EO Durban members have shared 24 tips which they believe are integral to running a successful business during 2023:

Denzil Steyn, CEO of Intellisec & president of EO

01. Build your team, set direction and execute systematically and passionately, in that order.

02. Don't demand loss recovery from a chosen path. If it is not working,

learn, let go and reset direction.

03. Love what you are doing. If there is no love, figure out what is draining you and make the changes fast.

04. It's tough and lonely at the top. Invest in membership of an organisation such as EO where you can enjoy the support of peers in the business arena.



Tarryn Tait, CEO of Basics & Beyond

05. Growth is not always linear. Sometimes to go forwards, we have to go backwards

06. Focus on the things you are good at. When a teacher marks an exam and there is 1 wrong answer, they don't score it 1/10, they score it 9/10. Focus on the right metrics.

07. Feelings achieve nothing, action = change

08. Communicate early and honestly.

09. It's not the survival of the fittest, it's the survival of the most adaptable. Learn to adapt.

Bruce Rowe, CEO of MPowered

10. Having a company purpose gives you direction for any and all ideation and decision making

11. Have absolute clarity on what your 3 or 5 year vision is. Make it achievable and get buy-in.

12. Establish a business operating system that your team uses to help keep the business moving forwards.

13. Always be thankful for what you have and who you have around you.

14. Stay focused and be disciplined.



Mark Essey, CEO of Capability BPO

15. Pay attention to what your gut is telling you. Even if it is a tweak, listen.



16. It is all about cashflow, so many businesses close their doors with big profits on paper and not in the bank.

17. Try not to let issues go unresolved. They always come back to visit when you can least afford them to.

Cindy Norcott, CEO of Pro Talent

18. Hire people better than you, treat them well and trust them and you will see your business grow to the next level.

19. Move quickly and heed the saying that "It's not the big who eat the small, it's the fast who eat the slow". Be responsive to changes and react quickly

20. Always keep a close eye on costs because they creep up quickly. Go through every line item on your expenses column each month with the intention of reducing your costs by 10%.

21. You will never save yourself into success. Success comes from sales. Make sure you are always in selling mode and that every staff member in your company understands that sales is part of their role.

22. Never accept "That's not my job" from any of your staff and always model a humble, can-do approach.

23. In every transaction with clients, throw in extra value, whether it is a free smile, extra convenience, support, free advice, free shipping. Give people more than they have any right to expect.



The Rise of Sectional Title Homes in South Africa

By Grant Smee

The lock-up-and-go lifestyle offered by sectional title living may soon supersede the demand for full title (or freehold) homes in South Africa. According to Lightstone Property's recent statistics, the volume of transfer of freehold homes has declined since 2018, meaning that the days of high demand for sprawling lawns and white picket fences may soon be numbered.

In contrast, the volume of transfers of sectional title homes and homes located in estates has climbed steadily since 2018 (with a brief dip in 2020). While freehold homes still made up most of the transfer volume in 2021, the popularity of sectional title homes, homes in new developments and homes located in estates continues to surge across South Africa.

Adding to the appeal of these homes are lower insurance costs, shared maintenance costs and a sense of community. When it comes to investing, Lightstone's latest data also revealed that, compared to full title homes, sectional title properties have enjoyed a lower inflation rate since 2010.

However, while the popularity of these homes will continue to dominate over the next few years, it is adding extra cost pressures to homeowners. Sectional title homes, new developments and properties located in estates are notorious for high levies. This is largely due to security costs and added amenities. If there is onsite security, a restaurant, squash court or swimming pool on-site – its cost is being covered by the homeowners.

Excess supply of full title homes

The trend of low House Price Inflation (HPI) in South Africa cannot be denied. The excess supply of homes on the market has given rise to a prolonged buyers' market in some parts of South Africa, while in high demand lifestyle areas, sellers remain in control.

A large part of the excess supply lies in freehold homes and new developments in over-developed, densely populated areas. Homes in areas where there are security concerns are also moving slowly.

Looking to new developments, property developers like Balwin Group have been cashing in on the demand for high-density, lock-up-and-go living. However, in some developments, many new units are standing empty. "This is largely due to the sheer number of units on offer to homebuyers. When deciding whether to invest, buyers will also be weighing up their possible return for units in densely saturated areas."

"The term 'sectional title' refers to ownership of homes in a complex, estate, or development. You don't own the complex; you simply own the unit that you reside in."

Full title vs sectional title

When deliberating on full title or sectional title living,potential homebuyers should consider a host of factors. These include your life stage, your plans for the next five to ten years and your affordability.

Full title pros:

1. Privacy: "Having extra space and walls around your property gives you a strong sense of privacy."
2. Freedom: "You have the freedom to get pets, paint your walls in the colour of your choice, and undertake internal and external renovations as you please. You don't need to request permission from anyone, aside from letting your neighbours know, as a courtesy, should you renovate."

Full title cons:

1. Unexpected costs and upkeep: "Any maintenance or repair work will need to be handled and funded by you."
2. Neighbours: "There is very little recourse in situations when neighbours are noisy, disruptive or fail to maintain their properties".

3. Security: “This is of growing concern in South Africa. While many homeowners have put significant security measures in place, these add to the cost of the home and don’t eliminate risks.”

Sectional title pros:

1. Structure and upkeep under the body corporate: “The body corporate keeps everyone in check and ensures that each property is correctly maintained. Levies are used for maintenance and services that ensure the property always looks good and retains its value.”
2. Security: “Sectional title properties are generally equipped with 24-hour security in the form of guards, cameras, and motorized gates. In many cases, anyone entering the premises will need to be signed in.”
3. Communal living: “For those who enjoy the idea of having shared amenities such as gyms, cafes, pools etc., sectional title presents an array of options.”

Sectional title cons:

1. Less space and freedom: “With the exception of sprawling estates, most sectional title properties are in close proximity to one another.”
2. Debt liabilities and special levies: “Each owner is responsible for special levies should renovations or upgrades be deemed necessary.”

While the rise of sectional title properties is evident, the choice of the right home is simply based on preference. Be sure to do the math and work with a reputable agent when shopping around.



Grant Smee
Managing Director
Only Realty Property Group

Read & Explore

The Latest Research, Apps & Podcasts

BOOK

Creating wealth with Student Accommodation in South Africa
By Retha van Rooyen

In this book, Retha offers step-by-step details on owning and successfully managing student accommodation properties. From identifying a suitable property to what to provide within its rooms, budgeting, marketing, contracts and evictions, she offers a no-hold’s barred insight into this lucrative albeit under-rated business opportunity.

PODCAST

UNPACK

Unpack property podcast offers advice and resources to first time buyer and property investors who are looking to invest in Africa and abroad. Every week, your host Lerato B chats to friends, experts and specialists in the property industry.

APP

FLOW

Join the Flow Partner Marketplace and grow your brand through relevant and personalised placements in front of property buyers and sellers. South Africa-based Flow uses an API that enables estate agencies and property developers to automate their advertising on Facebook, Instagram, and LinkedIn. Flow’s API plugs into an estate agency or property developer’s listing management system. They currently have a commercial partnership with PropData, one of the largest software providers in that space in South Africa.

DOWNLOAD LISTEN BOOK DEMO

WEALTH

PAGE 66

Is it time for a strategy change?
Although most people were probably not surprised by the Reserve Bank's latest interest rate increase, the news was not warmly welcomed by all investors

BY EMILE GROBBELAAR

PAGE 70

Equipping black property leaders to take their place in the SA economy
Black property leaders with knowledge and skills should be given more opportunity to participate in the South African economy.

BY BATHOBILE CHIME

SA buyers snapping up apartments in Mauritius | Trending Online
With several airlines have resumed flights to Mauritius, the just-launched Phase 4 in the well-established Mont Choisy Golf & Beach Estate in Grand Baie is also set to take off as buyers begin flocking in to view the site.

BY EDITORIAL







"How to structure your portfolio and invest for sustainable wealth creation and secure steady streams of passive income."

Is it time for a strategy change?

By Emile Grobbelaar

Although most people were probably not surprised by the Reserve Bank's latest interest rate increase, the news was not warmly welcomed by all investors. The steady rise in interest rates influences a bonded property portfolio's cash flow; therefore, an adaptive strategy must be considered and implemented.



Emile Grobbelaar
Wealth Master Executive
Wealth Masters

During the recent historically low-interest-rate period, we were fortunate to have had investment opportunities in new developments that provided us with the capital growth required for refinancing while also providing a positive monthly cash flow. That is why we have strongly focused on assisting our investors to buy properties in new developments over the past few years. Usually, the ROI of a new development is too low to provide an initial positive cash flow. Still, we managed to find perfect investment properties for our members.

Buying a refinance-type property with a positive monthly cash flow from day one allows you to do your first refinance on the property much quicker than usual. You could even refinance the property in year one or two.

However, the situation has now changed due to the increase in our interest rate. That same property in a new development we bought which had a positive monthly cash flow, will/could now be cash flow negative – in other words, it will have a monthly shortfall.

Who will be paying this money?

There are two answers to this question:

1. The Trustees of the Trust holding the property will need to make payments into the portfolio/property personally, which is not ideal as this can influence their lifestyle negatively, which is why investors often give up on growing their investment portfolio too early.

The following answer will solve the cash flow problem created by the higher interest rate and avoid the need for a Trustee to cover a shortfall personally.

The answer:

2. Buy a property with a positive cash flow, also known by our members as a 'provider-type property'.

This means that the strategy we've been following over the last few years of only buying properties in new developments must change. The savvy investor must adapt to the current economic climate, as one would with any investment portfolio.

"You always want to have properties you can refinance in your portfolio to take advantage of OPM, that's Other People's Money."

Unfortunately, at this moment, all refinance-type properties (new development properties) will probably be cash flow negative. We must now be wise and alternate our purchases between positive cash flow (provider-type) properties and refinance-type (high capital growth) properties.

A change in strategy is not bad news; some parts of our country still have strong buyer's markets, so good value buys are available if you have the right team looking for the right deal for your needs. The higher interest rate will also put some people under further financial stress, which will allow the investor to buy more distressed properties at bargain prices.

I think investors should consider buying one or two "provider-type" properties before buying another "refinance-type" property, at least until the market conditions have changed again.

If you are looking at expanding the positive cash flow properties in your portfolio or if you require an analysis of your current properties, please get in touch with us.

ENQUIRE NOW

WEALTHMASTERS Club

Equipping black property leaders to take their place in the SA

By Bathobile Chime



Black property leaders with knowledge and skills should be given more opportunity to participate in the South African economy.

The weighting of access to commercial land and opportunities is disproportionate and needs intentional participation by all. South Africa's real estate market is a close-knit industry, there are several diversity challenges which need to be addressed across the listed property sector, corporate real estate services and the development space.

The 2021 State of Gender Diversity in the Listed Real Estate Sector report found that 13 out of 28 Real Estate Investment Trusts had 100% male executive directors. Transformation and gender diversity are still important agenda items that need to be addressed in the sector today.



Access to markets

Black businesses have organised themselves and are ready for opportunities but often they don't get invited to the table in the form of private sector bids, or the bids are exclusionary in design. There is a need for black businesses to be given fair opportunities to pitch for the work – this a major challenge for black practitioners in the property game.

While corporate relationships exist, once practitioners go out on their own, opportunities dry up because they may not have the extensive company experience and backing of a large company profile. In general, people work with those who they have relationships with, and breaking into the circle is challenging. The industry needs to be encouraged to be more inclusive. Legislation exists at supplier and procurement level, yet individuals and companies find ways around this.

"There is a need for financial institutions to grant access while at the same time, do some hand holding, big sister-style arrangements."

People will argue that it is about mitigating financial and performance risk of working with new entrants, however the way to deal with this is to enforce mandatory SMME participation on bids in terms of scope delivery and financial participation. Lead firms need to ensure delivery accountability as part of promoting making the industry more diverse and inclusive. The pool of capable black people with skills exists – the market needs to acknowledge that and get comfortable with allowing them to participate.

Access to land

There is also a need for black property practitioners to participate in the ownership part of the property value chain. They have done the hard yards in the property services businesses and need a graduation

path to asset ownership with fewer barriers. Their deep knowledge and experience must be recognised as a bigger part of the capital they bring to the table when credit committees consider funding applications.

Access to funding

For SMMES, landing more lucrative contracts is difficult without funding and guarantees in place. Limited access to capital stifles growth. If a business doesn't have the financial muscle to go out or mechanism in place to grow, they won't break out of their shell.

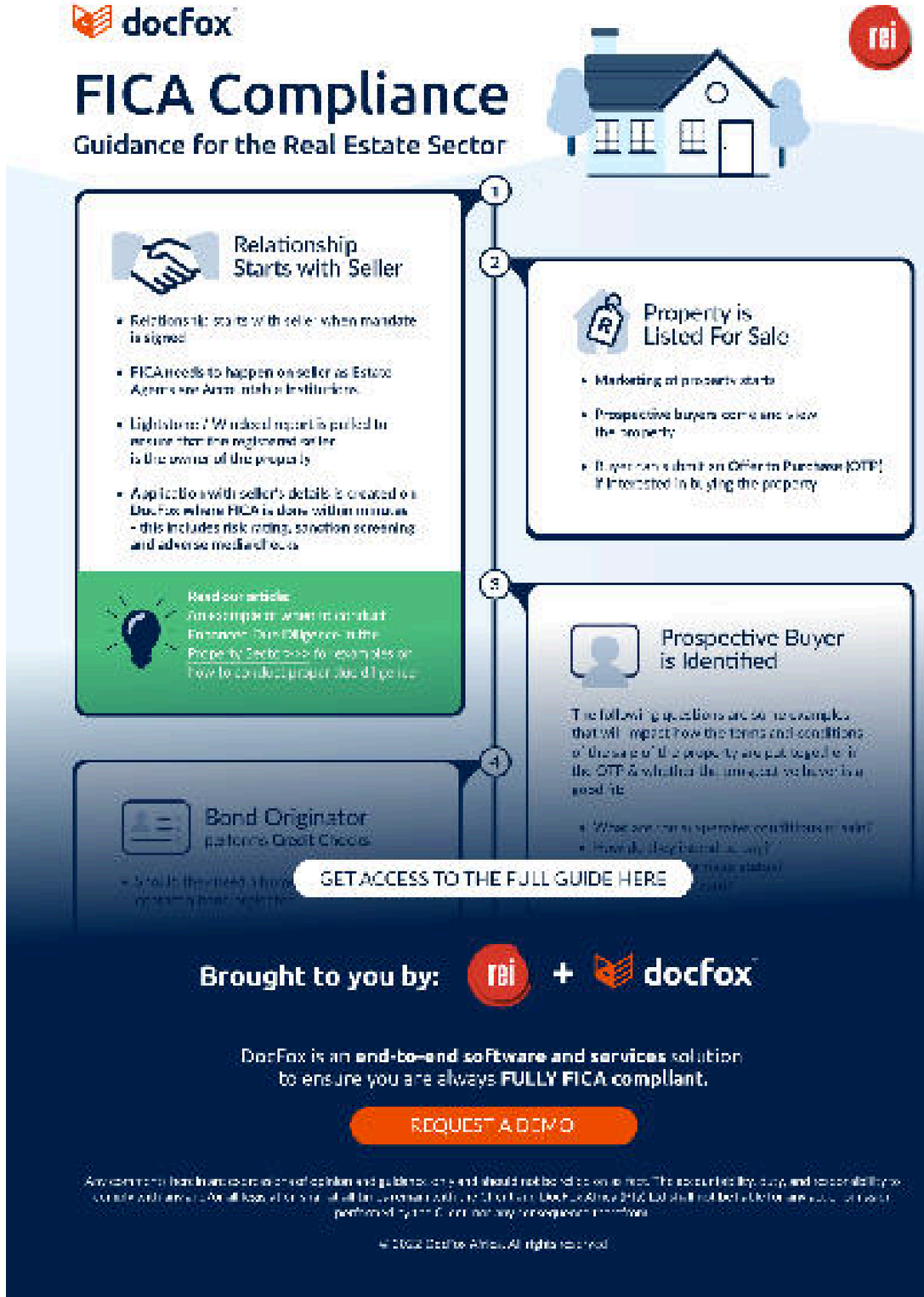
What is needed is more mentorship and partnerships between bigger businesses working with smaller businesses to do skills transfer and training. Traditionally in the property industry, the same handful of companies are the ones winning the majority of the projects. A sharing of knowledge and skills transfer initiatives to the youth is essential to ensure that the property industry remains a major contributor to the South African economy.

Incentivising change of behaviour

Government and Corporate South Africa needs to do more to incentivise a change in procurement behaviour. We need a larger supplier base and more people having access to opportunities which will open up the industry, giving small to medium sized businesses an opportunity to grow. A change in mindset, collaboration and partnerships is called for.



Bathobile Chime
Divisional Director &
Client Solutions
Cushman & Wakefield Broll



FINANCE

PAGE 78

The ten hidden costs of buying a home
There's more to pay than the asking price. Let's lift the lid on the true cost of buying a home to help first-time buyers budget properly.

BY EDITORIAL

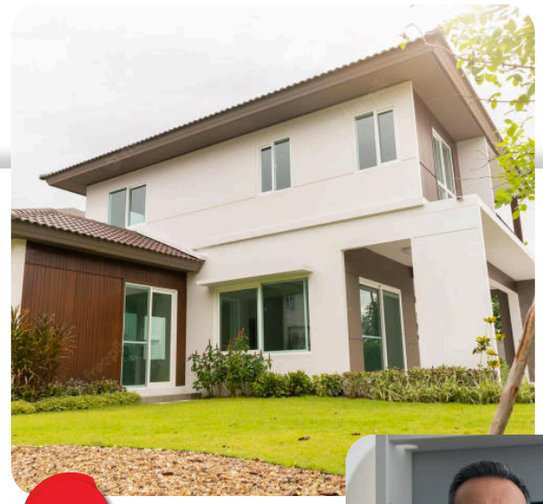
PAGE 84

The Upside of Interest Rate Increases: Higher Returns on Your Home Loan Deposit
Seeing the 'upside' of interest rate increases may seem like an impossible prospect, but those hikes increases savings.

BY JACKIE SMITH

Five top tips to reduce your bond | Trending Online
Affordability is always top of mind when it comes to buying a home, regardless of whether interest rates are going up or not,, your first decision will be how much you can afford to pay each month on a bond.

BY EDITORIAL







"Learn the system, understand the importance of financial responsibility and build a secure legacy for your family."

The ten hidden costs of buying a home

By Editorial

There's more to pay than the asking price. Property professionals Paul Stevens (CEO, Just Property) and Samantha Craddock (Partner, Kaplan Blumberg Attorneys) lift the lid on the true cost of buying a home to help first-time buyers budget properly.



1. Bond initiation fee

Your bank will charge you for initiating and opening your bond. This fee may not exceed R6,037. It can be added to your bond amount if necessary, but you'll save on the interest charges if you pay it upfront.

2. Legal Fees

Buying a home generally involves three types of conveyancing attorneys, who each charge a fee: bond attorneys, cancellation attorneys and transfer attorneys. The bond attorney will register your bond and prepare the related documents. Their fee is based on the bond amount to be registered, guidelines issued by the Law Society of South Africa and the type of property, with sectional title properties attracting additional costs.

You might be able to negotiate slightly but expect to pay around R15,000 ex VAT for a R500,000 bond and R55,000 ex VAT for a R5 million bond.

A bond cancellation attorney is required to cancel an existing bond on a property - for example, if you have a bond on another property you've sold (perhaps in order to buy your new home). (You will require the services of a cancellation attorney when your bond is paid up too.) This fee is independent of the required "90 -day" penalty interest a bondholder is entitled to charge when the bond is under cancellation.

Fees will be according to the Law Society of South Africa's conveyancing fees guidelines. The average bond cancellation fee for cancelling one mortgage bond ranges between R 4800 – R 5200 (an additional fee will be added for an additional bond to be cancelled)

The transfer attorney is appointed by the seller but the buyer pays them for registering ownership of the property in the buyer's name with the Deeds Office. Their fee is based on the property's value and according to guidelines issued by the Law Society of South Africa.

An amount for items like postage and FICA will be added.

Expect to pay around R 13 000.00 ex VAT for a R 500 000 property and R 57 000 for a R 5 000 000 million property.

It is important to note that the examples above do not account for the related disbursements, for example, postage and petties, FICA identification fees, and deeds office searches.

3. Deeds Office Fee

The Deeds Office will charge you a fee for registering your bond over the title deed. This fee may be paid by your transferring attorney, who will then bill you for it, and you can expect to pay around R 755 for properties of R500,000 to R 2350 and up for purchases of R 5 million.

4. Transfer duty

This tax is normally the largest cost you will need to pay over and above the purchase price of a property. It must be paid to SARS within six months of the property transfer. (If a seller is VAT registered, you will pay VAT instead of transfer duty. This is often the case when buying a property in a new development.) Budget for around R50,000 on a R2 million property and R366,000 for a R5 million property. Find the 2022/23 SARS Transfer Duty tables here.

5. Monthly bond administration fee

Your financial institution will charge a small monthly admin fee, usually under R100.

6. Insurance premiums

To get a bond, you will probably be required to take out homeowner insurance/structural replacement insurance. This is on top of your normal household insurance. Costs vary and you don't have to take the product recommended by your financial institution, so shop around. Depending on your credit scoring and or risk assessment, life cover could be a condition of your mortgage loan agreement.

7. Moving costs

Depending on whether you use a minivan or a pantechnicon, you could be charged anywhere from a few thousand rands up to tens of thousands. It is always cheaper to move mid-month, so try to arrange that.

8. Connecting to utilities

Owners of freehold property will need to register for water, electricity and a landline. You're looking at a few thousand rands. Don't forget about the cost of an internet connection and fibre.

9. Rates and levies

The liability for a purchaser could entail making provision for 1 – 2 months' worth of the municipal rates & the body corporates levy premium, payable in advance – subsequent to the registration date. You will pay monthly rates for rubbish collection and sewerage, and taxes based on the value of your home.

Shortly after registration (mostly in freeholds), a deposit is charged to open a new water and/or electricity account at the council's office – approximately R 350 water deposit and R 450 electricity deposit. Owners of sectional title property will pay a set levy every month.

10. Security, maintenance and renovations

Some suburbs have security in place, which you will need to contribute to. And you will need to decide whether to contract with an armed response company. If your home doesn't have a good system in place, this is a good time to ask the security company about a package deal for an upgrade.

Use the BOND CALCULATOR to determine your monthly home loan repayments, how much you can afford to borrow, and what deposit amount is required.

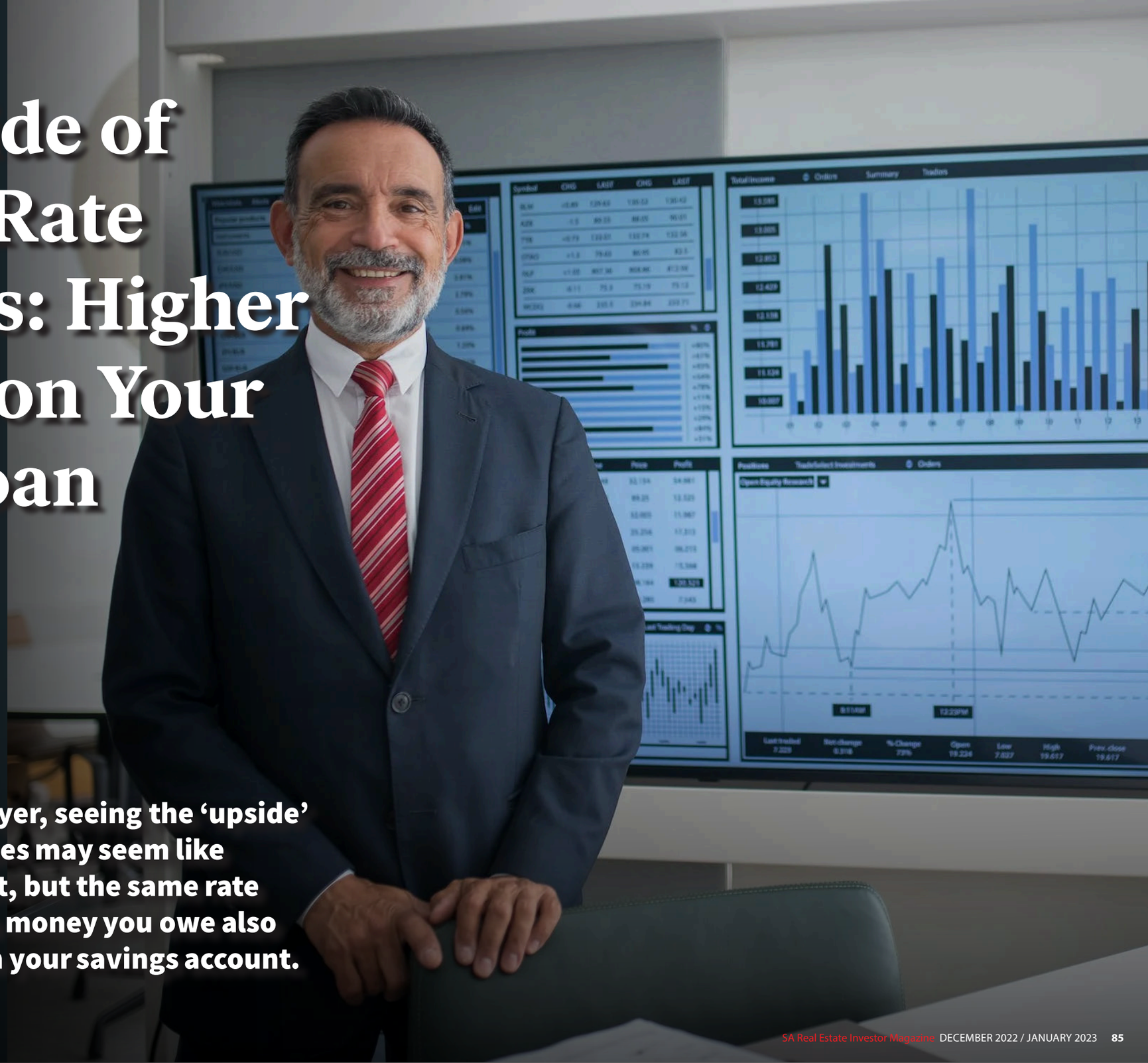
Top Tips To Lessen The Pain

- Give yourself two to three years of really serious saving. Tighten your belt and put as much as possible away for a deposit.
- Spend six months before you start looking for a house to improve your credit score - this will help you get the best rate on your bond.
- Find an estate agent you trust who comes highly recommended for the suburb you're considering. They will be able to give you a true idea of current pricing and other tips about the area.
- Negotiate on the asking price - a good agent will do this for you.
- It doesn't cost you a cent to let a bond originator like BetterBond get you the best deal on your bond from the banks, and it could save you hundreds of thousands of rands in interest over your bond term.
- If there's an attorney you know well, you could ask the seller to appoint them as the transferring attorney. If not, remember that you can try to negotiate the conveyancing attorney's fees before agreeing. You can call for Pro-forma cost statements from any Conveyancing Attorney firm to roughly set out the transfer and bond registration fee applicable to the purchase price you have in mind.
- Shop around for the best deal on homeowners' or bondholders' insurance, movers, etc.
- Remember, it's cheaper to move during the month than at the end/beginning of the month.

APPLY NOW

The Upside of Interest Rate Increases: Higher Returns on Your Home Loan

By Jackie Smith



As a potential homebuyer, seeing the 'upside' of interest rate increases may seem like an impossible prospect, but the same rate hike that increases the money you owe also increases the money in your savings account.

This same rule applies to home loan deposits invested in an interest-bearing account. While deposits on home loans remained low priority for many during the COVID-19 pandemic, the latest statistics from ooba Group's Q3 '22 oobarometer indicate that an increasing number of South Africans are recognising that they can use deposits and earned interest to their advantage, with the year-on-year growth of the average deposit size (as a percentage of the purchase price) up a whopping 18.2%.

"Every rand counts in this challenging economy and that the higher the deposit amount, the higher the potential earnings."

How much interest will your deposit earn?

In an effort to illustrate the beneficial impact of interest rate hikes for homeowners who have put down a deposit, let's compare the possible interest accrued of various deposit amounts against the current interest rate (9.75%) and the interest rate of November 2021 (7.25%).

The Q3 22' oobarometer revealed that the average national purchase price of a home is R1 402 408 and that the average deposit is R127 567 (constituting 9.1% of the purchase price) so these figures will be used as a starting point to give a realistic representation of the possible earnings of homeowners who choose to put down a deposit.

Table Illustrating the Deposit Interest Accrued at the Historical Interest Rate of 7.25%

Deposit amount (and as a % of the purchase price)	Term	Monthly Interest Accrued	Total Interest Earned
R127 567 (9.1%)	3 months	R777	R2 331
R140 240 (10%)	3 months	R854	R2 562

Table Illustrating the Deposit Interest Accrued at the Current Interest Rate of 9.75%

Deposit amount (and as a % of the purchase price)	Term	Monthly Interest Accrued	Total Interest Earned
R127 567 (9.1%)	3 months	R1 045 ***(R268 more than Nov '21)***	R3 135 ***(R804 more than Nov '21)***
R140 240 (10%)	3 months	R1 148 (***R294 more than Nov '21)***	R3 446 ***(R884 more than Nov '21)***

These possible earnings are calculated on the average length of time it takes for a property to transfer, with three months being a relatively short time to see maximum earnings. However, in instances where there are delays in the process or when buying off-plan, a deposit can accrue interest for up to two years until the transfer is complete.



Tips for maximising deposit returns

Homeowners wanting to maximise the earnings on their deposit should consider the costs involved in managing it – especially when the deposit is paid to a transferring attorney.

Homebuyers are legally mandated to pay 5% of the total interest accrued to the Legal Practitioners Fidelity Fund and are also required to pay for the 'hidden' administrative costs of a deposit such as the price of a Bank Guarantee and getting FICA'd. The buyers has zero transparency of their money as their deposit is held in the seller's conveyancer's name.

"Put your earned interest aside to add to your monthly repayments once the transfer is complete – this will help you to pay off your bond sooner."

The second option for managing your deposit – paying it over to an estate agent – does not include the transferring attorney's requirement to pay over 5% of the total interest. But many estate agents no longer offer this service following the change to the Property Practitioners Act earlier this year.

Buyers Trust is a third-party option that looks to maximise deposit returns by including all administrative costs in its minimal admin fee, which is 1% of interest accrued. Opening the account in the buyer's name gives the buyer more transparency over their deposit investment until the transfer process is complete.

Buyers Trust is designed to reward fiscally savvy homebuyers for their decision to put down a deposit, as this decision demonstrates discipline and long-term thinking. We encourage buyers to put these interest earnings to good use by offsetting them against recovering some transfer costs or they can be recycled back by paying it into paying off a home loan.

Use the **BOND CALCULATOR** to determine your monthly home loan repayments, how much you can afford to borrow, and what deposit amount is required.

ENQUIRE NOW



Jackie Smith
Head of Buyers Trust
(a subsidiary of Ooba Group)

TECHNOLOGY

PAGE 98

Why Commercial Real Estate is the perfect use case for No-Code Tech
No two commercial real estate firms are the same. This becomes painfully obvious when they try to purchase software.

BY TRAVIS BARINGTON

PAGE 92

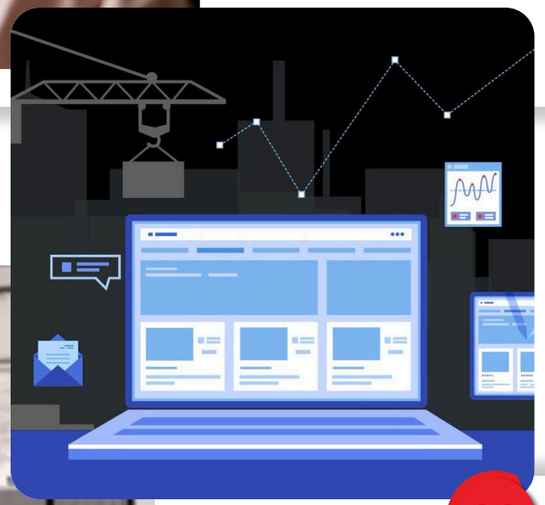
Disruptive technologies to deal with disruption
COVID-19 has accelerated the need for, and the move towards, increased digitalisation across industry.

BY BRIAN ANDREW

Trends that will be key to successful property investments
| Trending Online
The global economy is in an uncertain and unpredictable state currently characterised by rising interest rates, energy supply constraints, climate change and volatile geopolitics.

BY EDITORIAL







"Embrace the technological revolution and stay abreast of the latest innovations in Proptech and the digital world."

Disruptive technologies to deal with disruption

By Brian Andrew



COVID-19 has accelerated the need for, and the move towards, increased digitalisation across industry. RS South Africa outlines some of the solutions and trends to look out for.

The COVID pandemic has impacted and continues to impact every aspect of our lives. Across industry, widespread factory closures and drastically restricted logistics globally, meant that downstream manufacturers soon found they had major supply chain disruptions. Many had to shift swiftly to using predominantly online sourcing and procurement services. Suppliers had to fast-track the expansion of their online sales and services. Transportation and logistics became a major challenge for everyone.

In essence, to tackle the challenges, virtually every aspect of the business, and throughout industry globally, required some form of additional digital, often disruptive technology. Clearly businesses that had embraced digital transformation were better positioned to adapt. Since the start, we have seen, and continue to see, a significant increase in B2B and B2C business, including eCommerce, not only from existing clients but also from new and occasional customers.

"The key drivers are changing customer expectations, the need for greater efficiency, and the realisation that data can be used to spot trends."

In our case, RS was ready to respond quickly and decisively to the COVID-19 crisis in 2020, and was able to provide continued support to customers worldwide, initially prioritising health and allied services and those working on supplying critical and essential equipment and infrastructure. Supply chain continuity was largely ensured, as the crisis management team was able to plan and act swiftly, shifting inventory around a global network of 14 distribution centres (DCs) to where it would be most needed. As a single point of service and support with a broad range of over 650,000 stocked electronic and industrial products and solutions, RS was able to continue to satisfy customer needs.

RS is a UK based multinational company that is also listed on the London Stock Exchange. The company's strong digital, omni-channel offering was easily expandable to support increased online sales. Through communication and collaboration, purchasing staff have been able to extend support for key customers in essential businesses. By encouraging a digital mindset, and connecting teams working remotely, while the DCs rapidly adjusted to operating with social distancing and appropriate PPE, employees were inspired to go the extra mile.

Ease of use, AI-based personalisation tools, and online real-time sales support have brought us repeat business. Many businesses have suffered financially due to COVID-19 and this has increased the emphasis on improving efficiency.

eProcurement is a key starting point, and demand is growing for tools such as RS PunchOut and RS PurchasingManager®. PunchOut is a tool that integrates into your own eProcurement system giving you quick and easy access to products and your purchasing information. PurchasingManager® is a free, web-based order management tool that provides a complementary workflow and spend management system. Customers have found that ease-of-use and process streamlining have produced significant benefits, in particular cutting costs and increasing staff efficiency.

RS also offers eOrdering and eInvoicing which are extensively used by some of SA's largest

beverage and automotive manufacturers. These value-added solutions automate the procurement process for small and medium orders for MRO (maintenance, repair and operations) products, helping to save valuable production time.

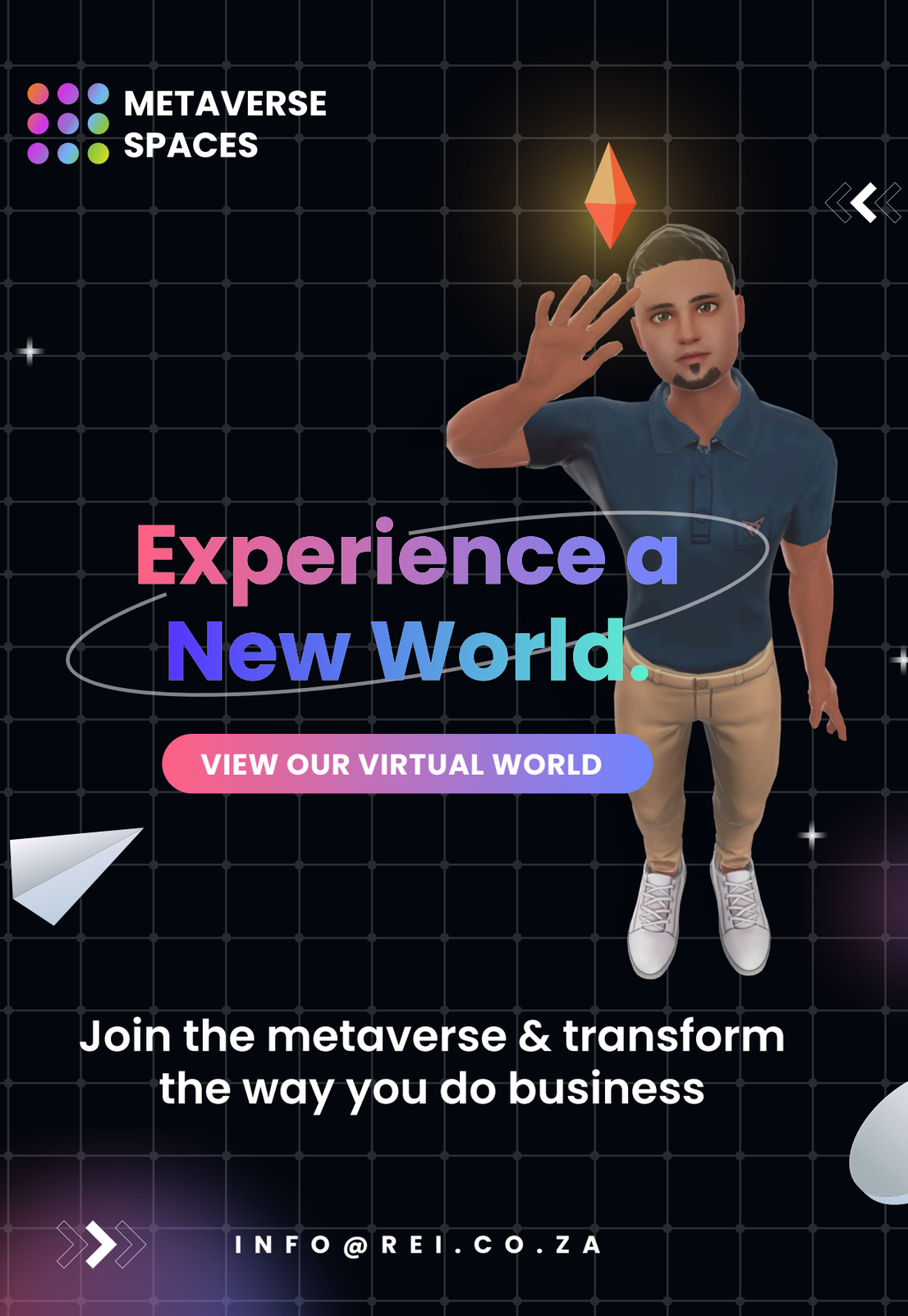
"One of the major causes of hesitation in the wider adoption of digital acceleration is the change it engenders in the workplace."

The aim is to shift from manual to digital tasks, remove low-value repetitive jobs and improve employee productivity. Supporting people through this change requires a behavioural shift in re-educating employees right through the company. The pandemic has demonstrated that dramatic changes in working practices (homeworking, for example) can be made with positive results for all. The key is 'test and learn'. Make evolutionary, small changes in a structured way. Work with the people to see that the change is achieving the required effect.

For sure, digitalisation will cause disruption to processes, and major changes to culture and working practices-but COVID-19 has certainly provided us with a painful demonstration of how much greater the cost of disruption could be without it.



Brian Andrew
Managing Director
RS South Africa



Why Commercial Real Estate is the perfect use case for No-Code Tech

By Travis Barington



No two commercial real estate firms are the same. This becomes painfully obvious when companies try to purchase software. No matter how well thought out an off-the-shelf piece of software is, there is no way that it can universally satisfy the needs of every property company.

Companies putting together their tech stacks usually have to hire software developers to cobble together different solutions using APIs, data warehouses, and custom code. With the current price of a good developer, real estate companies can find themselves paying more to tailor a tech stack to meet their unique needs than they do for the software itself.

According to Statista, the average company across all industries used 110 SaaS applications in 2021, up from just eight in 2015. In the commercial real estate industry this includes specialised software for accounting, ERP, CMMS, CRM, lease administration, portfolio management, market research, energy management, and so much more. Oftentimes workflows and processes don't work together well, if at all, resulting in confusion and data silos throughout the organisation. You end up with underutilised software and a mess of difficult to find and inaccurate data. The bottom line is this approach wastes resources and causes teams to miss business opportunities.

"As promising as that sounds, there isn't a one-size-fits-all answer to getting started with no-code solutions or building a trusted data layer."

Other industries like healthcare, education, retail, and e-commerce have struggled with similar problems related to software integration and customization. Many of them have successfully embraced "no-code" software solutions to enable their team to make these changes without the need for an entire development team, or often no development team at all. The commercial real estate industry has an opportunity to use the same strategy of adopting flexible low-code and no-code software applications to equip real estate business experts with practical IT capabilities.

There is no set definition for "no-code" since the term can mean different things to different people, but broadly speaking, no-code programming refers to using software or platforms that do not require coding knowledge in order to create or customise applications, websites, or other digital tools. This could include drag-and-drop builders, workflow automation platforms, or even simple Excel macros. The appeal of no-code solutions is that they can often be used by people with no technical background, which can make them faster and easier to implement than traditional coding solutions.



Perhaps contrary to your instincts, the first step in integrating and customising a property firm's IT systems is accepting the chaos inherent in disparate software products. Your team could waste a lot of time and resources trying to reinvent the tech stack. But by adopting a central no-code platform and creating a trusted data layer these systems can begin to work together and you can create solutions that meld with your own workflows. Managers can feed historical data into this new analytical framework. There, algorithms can enrich the information with contextual metadata and conform the data to an architecture that can prevent inaccuracies. If configured correctly, this layer also enables data-chain governance (ie., allowing sensor data to inform building controls systems) and monitoring plus support functionality.

Before the technology can be created the problem that it needs to fix should be clearly defined. Then a person or team must be tasked with researching the different no-code software platforms available since they all are a bit different and have their own strengths and weaknesses. Once a platform is selected a training program needs to be designed and implemented. Even though there is no coding involved, these platforms can be difficult and intimidating for team members. Only by easing the transition to a new software system can organisations be sure that these investments will actually be used.



Which no-code platforms you should test depends on the complexity of your organisation's needs. There are some pretty simple ones that you may already be familiar with that have very robust functionality such as Salesforce and Airtable. These types of platforms usually provide hundreds of pre-built solutions and templates for a variety of use cases such as sales, project management, human resources, expense and vendor management, and service requests. Unfortunately, there are not many commercial real estate specific no-code platforms to choose from but that is starting to change and in the meantime, with a bit of research, industry agnostic solutions may already offer the capabilities your firm requires.

"Right now, innovation outweighs adoption in real estate. Our clients' ability to absorb and stack on is slower than the pace of innovation."

MRI Software, one of the commercial real estate industry's largest software providers, has recently launched a no-code/low-code product that promises to help property firms bring together all of their software into one customizable dashboard. MRI's suite of software



solutions already encompasses investment management, property management, facilities and workplace management, and payments, and can be customised to be useful for almost any other organisational process. The new offering is called MRI Agora Insights and it allows for advanced analytics across MRI and non-MRI data sources. Its ability to bring together structured and unstructured data, IoT data, and APIs has the potential to help property organisations more easily build a trusted data layer using a no-code approach.

MRI's Chief Product Officer Saurabh Abhyankar believes that every industry eventually matures from using multiple disconnected point solutions to a go-to platform of choice. He explained that the battle between operating systems is common, but short lived elsewhere. "The OS wars ended with MacOS and Windows, the CRM wars ended with Salesforce.com, and the cloud wars ended with Azure and AWS," Abhyankar noted. "It's time for the entire PropTech industry to adopt a platform that is smart, open, and hyper-connected, where technology from any provider, including MRI, our partners, third parties, and even our competitors can connect together to enable innovation."

While trying to force users into one operating system might be a way for tech companies to create a moat, it can backfire. As users struggle to adapt the system to their needs the critical problem of interoperability becomes more important. Eventually, users will prefer an operating system that allows them to customise its use to their needs, even if it means playing nice with a competitor. From an efficiency standpoint, it is much easier for tech companies to find a way to work with other programs and data schemas than for each company to create its own work around.

Property companies that fail to prioritise integration of their IT-systems will struggle to ever make a return on their digital investments. No code and low-code platforms may be the solution that will allow real estate organisations to quickly develop and deploy applications that integrate with their tech stack without having to invest in costly development resources. In addition, low-code software can be easily customised to fit into existing workflows making it a versatile solution for a complex industry.

This article was originally published by Propmondo.

IMAGES: PROPMONDO TWITTER



Travis Barington
CEO and Co Founder
Propmondo

RETIREMENT

PAGE 114

How to FICA a Deceased Estate
As South Africa's leading FICA compliance experts, one of the questions we frequently get asked is "How to FICA a Deceased Estate?".

BY DOCFOX

PAGE 108

How much does it cost to pass away
Many people make the mistake of thinking a funeral policy is sufficient to cover the costs of passing away.

BY EDITORIAL

Six Trends That Will Define Retirement Property in 2023
| Trending Online
While many of the trends that emerged in the residential property market in 2022 have been the direct result of interest rate hikes this year, the retirement property sector has remained relatively unaffected by these shifts.

BY EDITORIAL



114



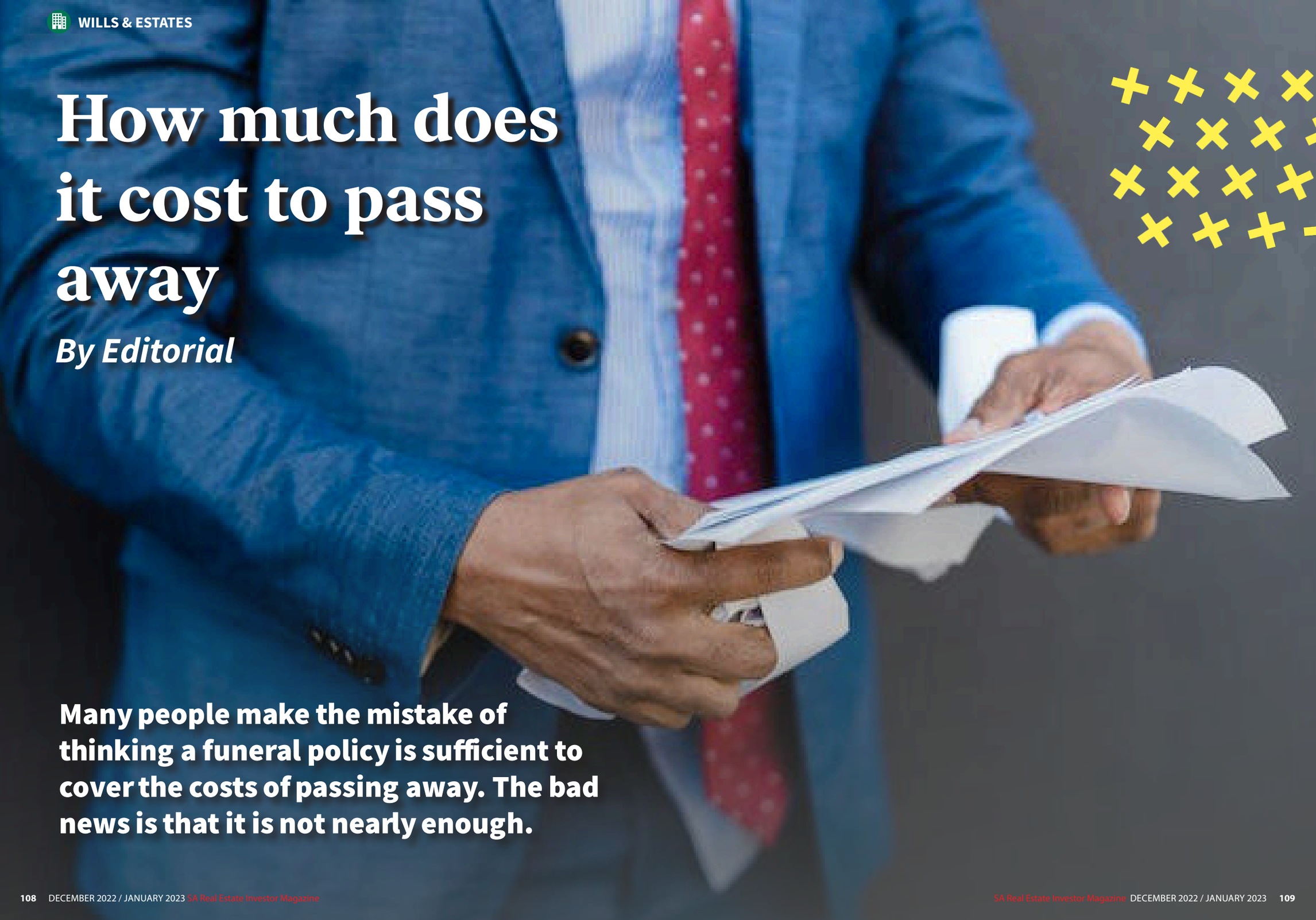
108



"Plan now and prepare to enjoy your golden years in the level of style and comfort you deserve."

How much does it cost to pass away

By Editorial



Many people make the mistake of thinking a funeral policy is sufficient to cover the costs of passing away. The bad news is that it is not nearly enough.

Before looking at the "fine print" of the cost of dying, there are two main points you should determine:

1. If your Estate is solvent and If there is enough liquidity in your Estate to settle it.

2. The reason being, that an Estate may be solvent, but not liquid enough to pay for all the legal and other fees required to wind up your Estate. It may then happen that the Executor must sell some of the assets to cover the legal costs.

The good news is that with a Legacy Protection PlanTM from Capital Legacy, all your legal costs associated with death can be covered.

A SOLVENT ESTATE:

To determine if your Estate is solvent, you must deduct your liabilities from your assets. If the total of your assets is more than your liabilities, then your Estate is solvent.

A LIQUID ESTATE:

An Estate is liquid if there is enough money available to pay for the legal costs associated with dying. If there is not enough money to cover your legal costs, your Estate is illiquid and the Executor of your Estate may have to sell some of your assets to pay for the winding up of your Estate.



COSTS ASSOCIATED WITH PASSING AWAY:

1. EXECUTOR FEES

This is the industry standard fee charged by the Executor or assisting professional to wind up your Estate. A maximum of 3.5% + VAT of the value of your Estate will be charged. An Estate worth R3 Million will pay, for example, approximately R120 750 in fees. In terms of South African Law, Executors may charge 3,5% (plus VAT) of the gross Estate and 6% (plus VAT) of any income into the Estate after death.

2. CONVEYANCING ATTORNEY FEES

This is the fee charged by the Conveyancing Attorney when property needs to be transferred. Fees are calculated on a sliding scale depending on the value of your house as determined by an assessor. A home worth R1 850 000 being transferred to a Beneficiary could cost the Estate R30 544 in fees.

3. TESTAMENTARY TRUST FEES

This is the fee charged by the Trustees to administer the Trust you create in terms of your Will, normally to look after the money you leave to your minor Children. On average, 1.15% of the net asset value is charged to establish the Trust, and 1.6% is charged annually for the ongoing administration of the Trust. The total cost of a Trust with R1.5 million in assets over 15 years would be R377 250. Please bear in mind that when you have a Legacy Protection PlanTM with Capital Legacy, all these fees are covered by the plan.

4. MASTER'S FEES

The fees paid to the Master of the High Court regarding their fulfilment of their role in the administration of

your Estate. The fee is calculated on the worth of your Estate and is capped at R7 000.

5. CORRESPONDENCE FEES

These are the fees associated with corresponding with the Master of the High Court. It could be for documents, duplicates of documents, stamps, and postage. There is no fixed amount, but usually it is not significant.

6. CLEARANCE FEES

One of the requirements to transfer a property is obtaining a clearance certificate from the city council or municipality. This will be issued only if the rates and taxes are paid in advance. Some areas require up to 6 months paid in advance.

7. ADVERTISEMENT COSTS

Two advertisements must be placed in a local newspaper and the Government Gazette. The costs can vary between R1 000 and R1 500 depending on the publication selected.

8. ESTATE LATE BANK ACCOUNT

Banks generally charge in the region of R600 and upwards to open an Estate late bank account.

9. BOND CANCELLATION COSTS

If your Executor is required to cancel a bond over the fixed property, the Estate will have to pay the bond cancellation costs. Bond cancellation attorneys must be appointed through the bank that issued the bond. Costs to cancel the bond range around the R5 000 mark but can be higher depending on the lender.

10. PROFESSIONAL FEES

The Executor of your Estate may need to use professionals to assist with the winding up of your Estate, the cost of which will have to be paid by the Estate. An example is if you are married with the accrual system. In such a case the Executor might have to make use of an accountant to determine the accrual.



11. MAINTENANCE OF ASSETS

Any costs incurred in maintaining an asset will have to be borne by the Estate. Examples are for gardening services to maintain gardens, plumbers, or electricians if a house is one of the assets.

12. INHERITANCE TAX

Not only will all outstanding taxes have to be paid from the Estate before it may be finalised, but the Executor will have to determine whether Capital Gains Tax (CGT) or Estate Duty is payable at death. The first R3,5 million in Estate Duties are exempt from tax.

13. ONGOING SHORT-TERM BILLS

Bills such as medical aid, school fees, car insurance, water, lights, rates, etc. still need to be paid even though bank accounts are frozen. Even though these are not legal fees related to winding up the estate, it is prudent to make provision for these costs to ensure your family's lives are not completely disrupted.

14. OTHER IMMEDIATE EXPENSES

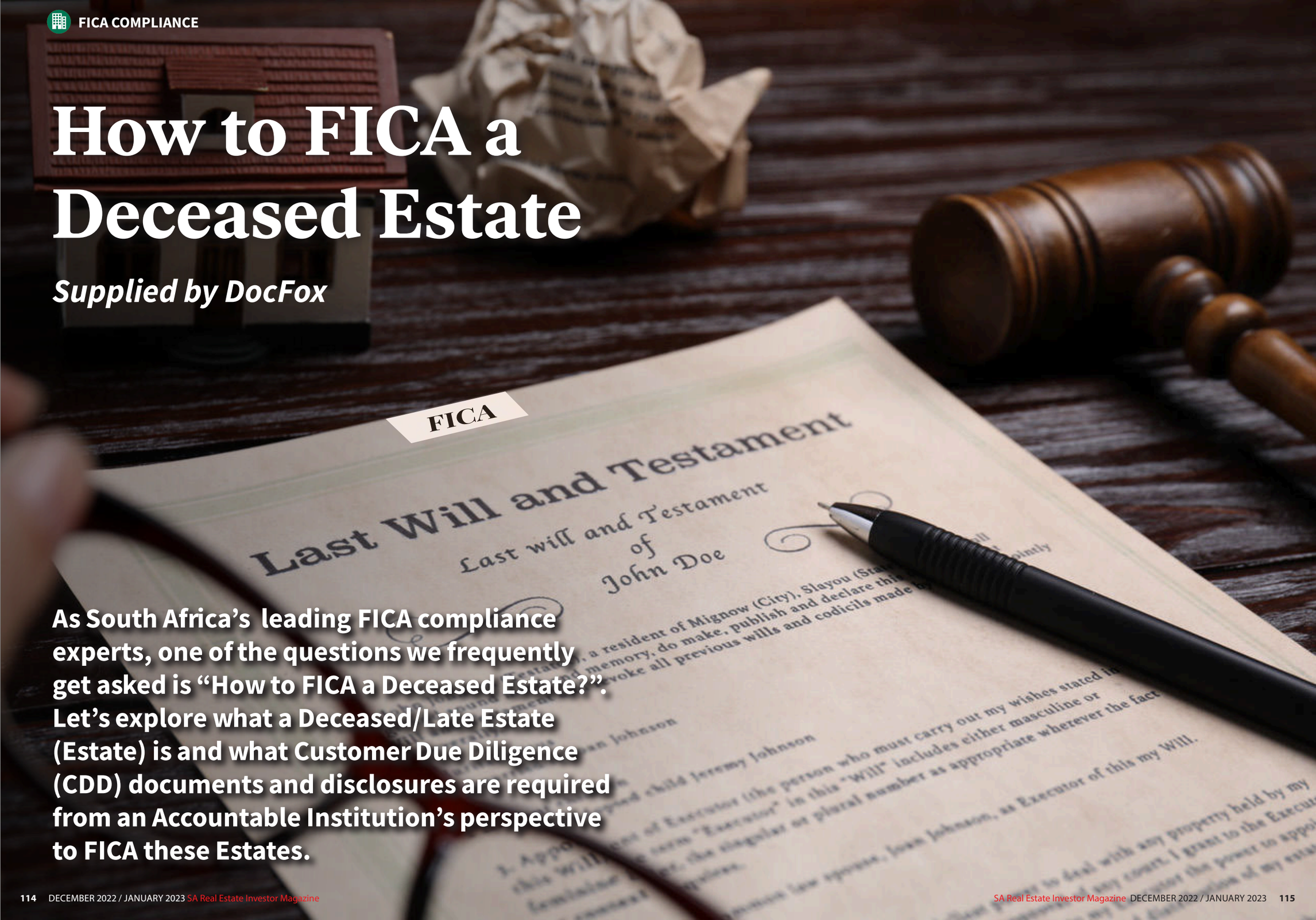
There are many more costs that escalates yearly such as the costs for arranging the funeral, catering, and travel.

These fees eat away at the legacy you plan to leave behind. Do not burden your family. Protect your legacy. Contact Capital Legacy and get covered now!

ENQUIRE NOW

How to FICA a Deceased Estate

Supplied by DocFox



As South Africa's leading FICA compliance experts, one of the questions we frequently get asked is "How to FICA a Deceased Estate?". Let's explore what a Deceased/Late Estate (Estate) is and what Customer Due Diligence (CDD) documents and disclosures are required from an Accountable Institution's perspective to FICA these Estates.

A Late Estate is formed when a Testator (someone who has made a validly executed Will) becomes deceased and is used as a means or a vehicle by which the various assets that were listed in the Will and which now form part of the Estate are distributed and to which heirs. Heirs are the beneficiaries that are listed in terms of a Will and upon a deceased's death, stand to inherit the deceased's property, which may include immovable property (ie: a house) or movable property (ie: proceeds of a life insurance policy, an investment, cash etc).

In addition, an Executor is generally nominated in a Deceased's Will and is appointed by the Master, being charged with the responsibility of administering and distributing the assets of the Estate as well as accounting for and managing its liabilities or debts. The Master is the supervisory authority for the administration of the Estate, who assists the Executor in his/her duties, and whose primary function is to ensure the seamless administration of the Deceased's financial affairs and the protection of the heirs listed in the Will.

"If the deceased was married in community of property, the joint estate is frozen, which necessarily adversely affects the surviving spouse in being able to access accounts/estate assets."

Generally speaking, an Executor nominated in a Will, who in some cases may be a family member of the deceased and is perhaps a lay person in terms of the law relating to the administration of estates, may elect to enlist the assistance of an Attorney/Law Firm/Auditor/Auditor's Firm as an Agent or Authorised Person. However, the ultimate legal responsibility for the administration of the Estate rests with the Executor.

If the value of the Estate assets exceeds R250 000, Letters of Executorship are issued by the Master, whereas if the value is less than R250 000, Letters of Authority are issued, in terms of which the nominated person does not have to fulfil the complete set of obligations in terms of the Administration of Estates Act 66 of 1965 due to the Estate's value. Practically speaking, on the death of the Testator, the bank accounts and assets of the now deceased are frozen and no transactions may occur without the permission and authorisation of the Master.

As previously mentioned, the primary document in an Estate is a validly executed Will, from which various pieces of important due diligence information can be garnered. But there are also

Learn the lingo

DECEASED ESTATE

A deceased estate comes into effect once a person dies. The Estate refers to all the assets and the liabilities that belonged to the deceased at the time of death.

MASTER OF THE HIGH COURT

This is the person who will oversee the Estate process and will ensure that the Executor fulfils his/her requirements and duties according to the laws regarding Estates.

EXECUTOR

This is the person to be appointed by the Master, is generally nominated in the Deceased's Will, and is responsible for administering and distributing the assets of the Estate as well as accounting for and managing its liabilities or debts and ensures that the wishes of the deceased documented in their will gets carried out.

INTESTATE

If an individual dies without having a valid will their estate is considered to be intestate and will be dealt with according to the Intestate Succession Act 81 of 1987.

situations in which a Testator sets up a testamentary trust (or mortis causa trust) and bequeaths/leaves property to a trustee/trustees in his/her Will to be administered in favour of selected beneficiaries on the death of the Testator. This type of trust will only come into being on the death of the testator. Wills are, however, the more standard primary document and the CDD disclosures and documents are set out below with this in mind.



Below are examples of potential documentation and disclosures that may be required, bearing in mind each Accountable Institution's risk-based approach and risk rating matrixes and is by no means exhaustive.

For purposes of this article, we will look at examples of standard evidence (for low and medium risk clients) and enhanced evidence (for those higher risk relationships) that could be requested:

- Client disclosure in a client onboarding form/mandate letter with accompanying copy of Letters of Authority/ Executorship issued by the Master giving authority to the Executor to act;
- A copy of the Deceased's Will;
- Notice of Death
- Death Certificate
- Bank document confirming the Estate's bank details from a standard due diligence perspective may be requested and for enhanced evidence, certified copies of these documents
- In terms of the Parties to be FICA'd, for the Deceased, disclosure by the client, which will likely be the Executor, confirmed against an ID document and residential address dated within the last three months (standard) and certified copies of these documents (enhanced).
- For Related Parties such as the Executor/s and Heir/s, client disclosure confirmed against the Will with a supporting ID document, residential address and contact details from a standard perspective and certified copies and a document evidencing the address from an enhanced perspective.
- For Agent/s or Authorised Person/s, client disclosure with supporting ID document (natural person)/ CIPC documentation (legal person), residential address (natural person) and registered address (legal person) and contact details as well as documentary evidence authorising the Agent to act on behalf of the Executor/s (ie: Power of Attorney) from a standard viewpoint and certified copies and a document evidencing the address from an enhanced perspective. Deceased Income Tax Number, Marital Status, source of funds and wealth, reason for the transaction or relationship and the Deceased's last industry or occupation, client disclosure in an onboarding form is acceptable for low and medium risk clients, whereas for higher risk relationships, documentary evidence may want to be requested

This article serves as a guide and ultimately your business' RMCP should inform the type of due diligence that needs to be carried out when dealing with a Deceased Estate. **For more information** on how to FICA a Deceased Estate, **please reach out to our Compliance Team: compliance@docfox.co.za**

ENQUIRE NOW

OFFSHORE

PAGE 130

More South Africans are investing in UK Property
There has been a growing demand in South Africa for UK investment property - let's have a look at the reasons why

BY SOPHIE GAMBORG

PAGE 122

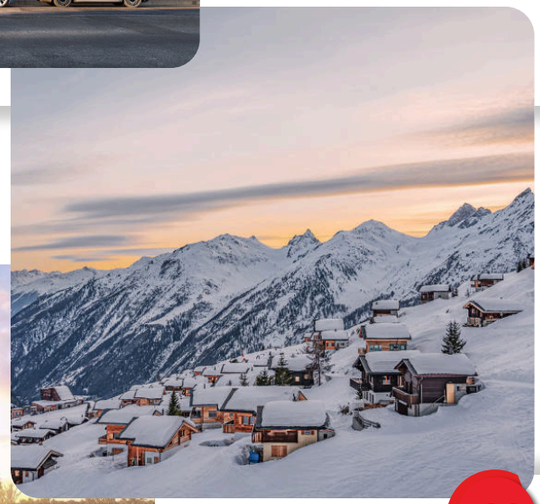
Offshore investment opportunities in exclusive Swiss Alps Ski Resort
Ever dreamed of owning a second home in the Swiss Alps. Dream no more; thanks to a new policy exemption

BY TONI ENDERLI

SA buyers snapping up apartments in Mauritius | Trending Online
With several airlines have resumed flights to Mauritius, the just-launched Phase 4 in the well-established Mont Choisy Golf & Beach Estate in Grand Baie is also set to take off as buyers begin flocking in to view the site.

BY EDITORIAL







"Explore investment strategies across the globe that capitalise on advantages offered outside of South Africa's economic borders."

Offshore investment opportunities in exclusive Swiss Alps Ski Resort

By Toni Enderli



Ever dreamed of owning a second home in the Swiss Alps. Dream no more; thanks to a new policy exemption, Launchernalp Resort AG is permitted to sell apartments and chalets as commercial real Estate to non-Swiss residents. This is great news for South African investors looking to own offshore assets with some of the most beautiful mountain scenary in the world.

In an increasingly unstable global economy, Switzerland is proving to be a popular safe haven for investors due to its neutrality, political stability, strong currency and low levels of inflation and unemployment.

Now, for the first time, a new policy exemption now allows South Africans to invest in one of the strongest and most stable offshore investment destinations. Lauchernalp Swiss Resort is rated among the best year-round tourist destinations in the world. Despite its popularity, Lauchernalp has retained its boutique charm and friendly warm atmosphere.

"This is a great legacy investment for families as there are no death duties in Switzerland"







Situated within a UNESCO World Heritage site away from the major tourist areas, this ski and health spa resort offers unspoilt mountain vistas of the surrounding Swiss Alps. The Resort is conveniently located within a two and a half hour radius from Zurich and Milan, both just a 12 hour flight from South Africa.

Investment Options

The diverse property options allow for "hassle-free" ownership and an attractive 4%-5% annual net return on fully managed and serviced, Studio, One Bedroom & Two Bedroom Apartments, and penthouses. The next phase of Lauchernalp Tourmaline Apartments has been launched, with listings starting from 395 000 CHF (R7.35 million)

What about Tax?

Due to the complexity and regular changes in tax law and regulations, we recommend a specialised tax practitioner should be consulted for your individual case.
Generally, there is Rental Income Tax, Capital GainsTax and Wealth Tax to be aware of.

Rental Income Tax generated is based on the location of the

property from a municipal and Canton level. Taxable rental income is calculated by deducting rental cost from generated rental income. The taxable rental income is taxed at a rate dependant on the owner's worldwide income tax bracket and can differ drastically depending on the tax residency of each owner. Capital Gains Tax or real Estate Gain Tax becomes payable when a property is sold for a higher price than the original purchase price. The gain/profit is taxed at a rate that is dependent on the number of years the property was owned. Wealth Tax is only taxed on a national/federal level and is therefore dependent on the tax residency of the owner and is only paid where the owner is resident.

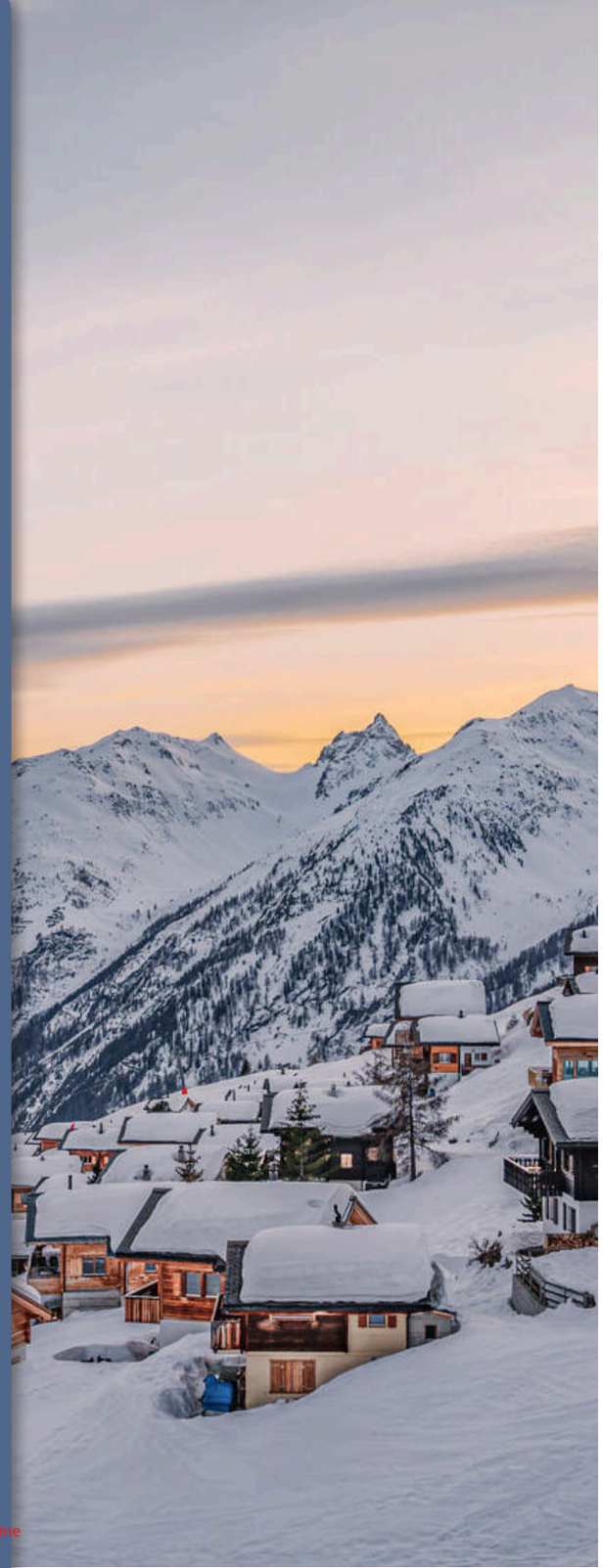






In addition to securing a dream holiday destination for the family, there are many other long-term investment advantages with immediate benefits for the South African investor.

- Lauchernalp is the 7th highest Ski Resort in Switzerland, offering ski-in, ski-out integrated luxury residences in the heart of the Alps.
- Open for foreign ownership
- Attractive capital gains & Strong rental yields
- Fully furnished Studios, one & Two Bedroom Apartments and Penthouses.
- Terraces with open balconies offering panoramic mountain views
- Members' lounge and bar, Spa areas with sauna and steam rooms
- High speed internet for High definition entertainment and remote working freedom
- Turn key professional rental management & maintenance linked to Concierge services



Title & Transfer

The official Swiss notary from Lauchernalp resort AG will act on behalf of both buyer and seller. The notary will draw up the deed of sale and all documents required for the transfer of the legal ownership and has the duty to protect the interest of both parties. By signing, the buyer entrusts that the appointed notary's office with the duty of ensuring all legal formalities are respected, particularly the registration of the deed in the Land Register, and releasing the acquired property from any previous mortgage.

Financing Your Property

A great quality of life and a stable legal framework make Switzerland an attractive location and one of the safest places for offshore investment in the world. The strength of the Swiss franc allows Government bonds to be offered at very low interest rates.

Arrangements have been made with various Swiss based financial institutions to offer investors the most attractive interest rates available. The typical loan-to-value ratio is between 50%-60% of the purchase price. This is set with the customer at the bank's discretion.

Contact us now for assistance in a consultation with the banking institution of your choice.

ENQUIRE NOW



Toni Enderli
Sales Director
Lauchernalp Resort AG

Lauchernalp
SWISS RESORT RESIDENCES

More South Africans are investing in UK Property

By Sophie Gamborg



There has been a growing demand in South Africa for UK investment property - let's have a look at the reasons why and what is the motivation behind these investor's hedging against the rand, and what you should be aware of when investing offshore.

This year has seen huge volatility in the global stock markets and cryptocurrency; and investors have become cautious. In June this year bitcoin was down 60% and the global markets posted the worst first-half performance in decades. It is therefore not surprising that investing in tangible assets has become much more appealing as investors diversify their portfolios. If the stock markets crash you risk losing significant capital, whereas if the property market were to crash you still own that asset and are level with the rest of the property market.

For South Africans, UK investment property provides a hard currency income from rental returns, which allows investors to secure a more fixed income, especially when building longer term portfolios. It provides a degree of security for a South African wanting to put in place a plan B, either in the form of an investment for their children, should they wish to study overseas, or as a retirement option. Property offers stable, long-term returns despite market fluctuations, especially when based in a politically stable, 1st world, high ranking economy such as the UK.

An attractive factor is that South Africans have the opportunity to leverage off attractive international interest rates, especially in comparison to the high lending rate in South Africa. The UK offers interest only mortgage repayments and up to 70-80% loan to value. The only requirement for a South African is that they are earning at least R300,000 per year to be eligible for this.



Prices start from £270,950 -

yields of 5.5% for long term rentals and 19% for corporate lets











But is now the right time to buy?

The latest UK property headlines paint a picture of doom and gloom; the mortgage market is volatile, house prices are down, interest rates are up and there have been huge changes within the government. With 3 different prime ministers this year alone and a change to the head of the monarchy, is now the time to look at buying UK investment property?

Arguably yes, we believe it is a great time. The increasing rate of inflation combined with higher interest rates is pushing first time buyers out of the market as they struggle with the increased cost of living and into the Private Rented Sector. According to The Guardian, demand for rental homes in the UK is “up by 23% in a year, as rents hit a record high”. In November this year The Times quoted that the average monthly UK rental was £1,175, an increase of 11% in a year and demand continues to heavily outweigh supply.

Which are the best UK property Markets to focus on?

The best UK cities for buy-to-let property investment are those that offer high rental yields, good quality of life for residents and prospect of above average house price growth potential whilst remaining affordable. Birmingham and Newark-on-trent, are two examples we have identified as great options. Birmingham is the UK’s second city after London and the ideal location for investors who want quality property in a top UK city but are not able or willing to pay London prices. The city is undergoing billions of pounds of regeneration with inner city development, including the new HS2 railway network; which will connect London to Birmingham in under an hour! The city has become a hotspot for companies looking to relocate: Goldman Sachs, HSBC, Deutsche Bank to name a few. In the past decade house prices have risen 56% and it is expected house prices will increase a further 20%

in the next 4 years. PWC ranked Birmingham among the top cities in Europe to invest in.

"The UK property news may be negative but the outlook for buy-to-let investors is very positive. Get in while the market is low."

In Newark, house prices were up 20% in 2021 alone according to Halifax, making it the second-best performing town across the UK and prices are still very affordable for prospective investors. Yields are also incredibly strong, driven by a severe lack of supply within the town centre. The town is to receive a £25 million grant from the UK government as part of the government fund initiative. It is steeped in history, with its own castle and magnificent Nottinghamshire countryside, yet up to speed with excellent commuter links, it is no wonder that young families and professional couples are flocking there.





Buying property in a foreign country can be a daunting process, however, our team will hold your hand and guide you every step of the way. We are here for the long run and our goal is to help people build generational wealth with a global investment property portfolio.

CONTACT US

LIO GLOBAL
WORLD RESIDENCE AND CITIZENSHIP



Sophie Gamborg
Property Specialist
LIO Global SA

NEW DEVELOPMENTS

PAGE 146

Are South African building owners taking EPC seriously?
The three-year extension as the new deadline for the mandatory display of an Energy Performance Certificate (EPC) on all relevant building classes.

BY ALISON GROVES



PAGE 140

The City Centre lifestyle exceeds all expectations
Ask yourself where in Johannesburg can you find a world class residential estate with access to stunning recreational facilities

BY EDITORIAL



Luxury student development The One, sees R437m investment on launch day; 209 units sold | Trending Online
Sold Property data for Stellenbosch Central is off the charts after launch day sales at The One broke the average yearly Sectional Title Unit sales, in just one day! Here's why these units are being snapped up at a rate of knots.

BY REI MEDIA



"Stay informed with the latest news on all the incredible new commercial, industrial and residential developments that continue to spring up all over South Africa."

The City Centre lifestyle exceeds all expectations

By Editorial



Ask yourself where in Johannesburg can you find a world class residential estate with access to stunning recreational facilities that are available within 2000 acres of immaculate parklands.

From the 300m beach-like lagoon to the 18-hole Nicklaus design championship golf course, a 45km floodlit promenade for jogging, a 50km MTB track, an indoor aquatic centre, a gym, tennis courts, fishing dams, children's play nodes and an equestrian centre, complete with clubhouse; it's easy to see why the Steyn City's flagship development, The City Centre is a first choice for many families seeking the ultimate in urban living and lifestyle.

Always On!

With access to back-up power, water reservoirs and piped gas, luxury takes on a new meaning – offering homeowners and tenants seamless living in the comfort and convenience of City Centre.

Unique design

Built as a series of 38 treed villages sprawling down an attractive hillside, the City Centre creates an exquisite balance of creative design and the convenience of living in your own highly secure city with 24/7 patrols and security hub. Each home is a harmony of luxury, space and comfort, with high ceilings, and bedrooms large enough to accommodate king size beds with ease, while the award-winning residential estate provides a rich sense of community and a connection to endless space and nature as well as access to world class facilities.

There's something for the whole family. To coax younger ones outdoors and away from screens, Steyn City has a number of children's play nodes, along with a Skate Park, Dino Park and enchanted Pirate Ship – and, of course, the development's new Steyn City Lagoon complete with beach-style Laguna kiosk, water slides, beach volleyball, pedalos and kayaks, promises to make every day a holiday.

There are schools on site, as well as AAA-grade offices at Capital Park for people wishing to skip rush hour traffic and school run stress. And for that special occasion or vacation, chartered flights are offered at Steyn City's Ultimate Helistop.

The City Centre experience now available for rental

Families and executives who have always wanted to experience life at Johannesburg's premier luxury address, but weren't sure if apartment living was for them, are able to experience the unique lifestyle at Steyn City now that a selection of developer homes at City Centre have become available for rental. Given the recent interest rate hikes, rentals are soon to become a more attractive option for families seeking a new space, and if they can sign on for longer than a year, so much the better, especially given that long-term rentals are the mid-point between flexibility and the establishment of a comfortable home base.

A selection of luxury family residences has recently been made available for long term rental including one-bedroom apartments

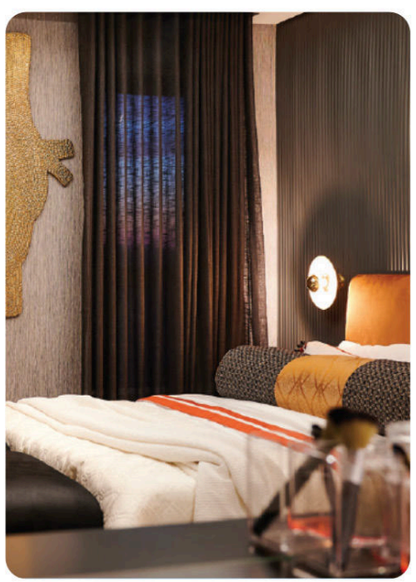
CITY CENTRE
AT STEYN CITY
EVERYDAY EXTRAORDINARY

as well as two-, three- and four-bedroom luxury homes.. Rental terms are a minimum of twelve months, upwards of R15,000 per month. This range ensures that there is something for everyone considering a home at the City Centre, from established families to young professionals starting out in life.

Click here to take a sneak peak into one of the **City Centre's spacious family size apartments.**

For more information about City Centre rentals, visit www.steyncity/citycentre.co.za or contact our team on ccsales@steyncity.co.za or 010 597 1170.

VIEW SOME OF STEYN CITY'S FLAGSHIP APARTMENTS



Duplex

2 Bedroom

City Centre, Steyn City

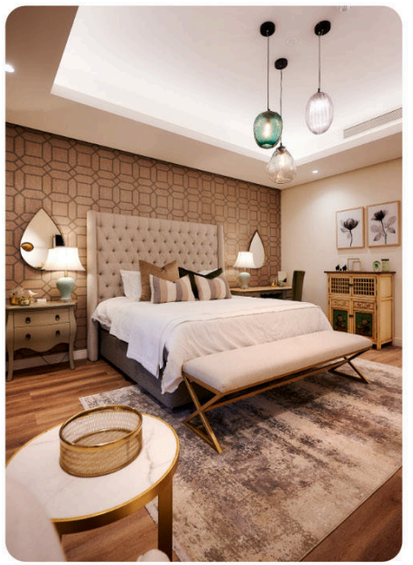
Rentals from R29 500

Sales from R5.9 MILLION

2 Bedroom | 2.5 Bathroom

2 Garage | 166m²

Listing Provided by Steyn City VIEW



Duplex

3 Bedroom

City Centre, Steyn City

Rentals from R48 500

Sales from R10.3 MILLION

3 Bedroom | 3.5 Bathroom

2 Garage | 287m²

Listing Provided by Steyn City VIEW



Duplex

4 Bedroom

City Centre, Steyn City

Rentals from R67 500

Sales from R14.1 MILLION

4 Bedroom | 4.5 Bathroom

2 Garage | 371m²

Listing Provided by Steyn City VIEW

CONTACT STEYN CITY

BOOK A VIEWING

Are South African building owners taking EPC seriously?

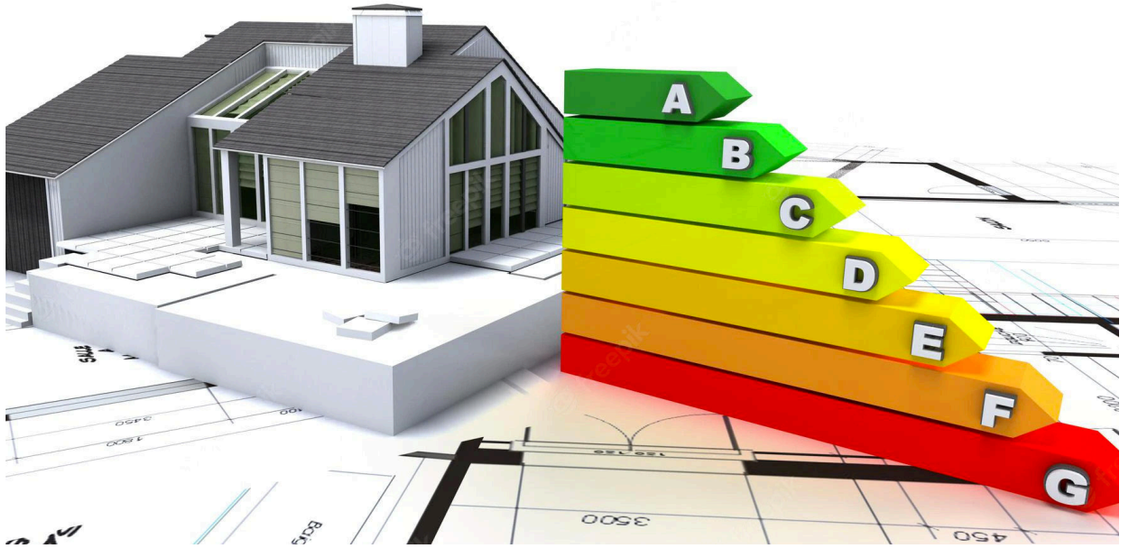
By Alison Groves



The three-year extension gazetted this week, with 7 December 2025 confirmed as the new deadline for the mandatory display of an *Energy Performance Certificate (EPC)* on all relevant building classes in South Africa, offers some reprieve. However, there's no time to waste and property owners and building managers must do more to ensure they do not contravene legislation.

For too long, driving sustainability and increased efficiency have been given lip service by many property owners. However, those who are found to be non-compliant with the EPC regulation could be liable for a fine not exceeding R5 million, imprisonment for a period not exceeding five years, or both. Of course, how strictly this will be enforced remains to be seen, but the consequences could be significant. Here at WSP in Africa, we feel that formalising sustainability practices and standards locally have reached a tipping point.

While many large corporates have adopted ESG (environment, social, and corporate governance) practices as a core part of their financial reporting deliverables, smaller companies who form the bulk of the economic landscape in the country see no perceived value in doing so.

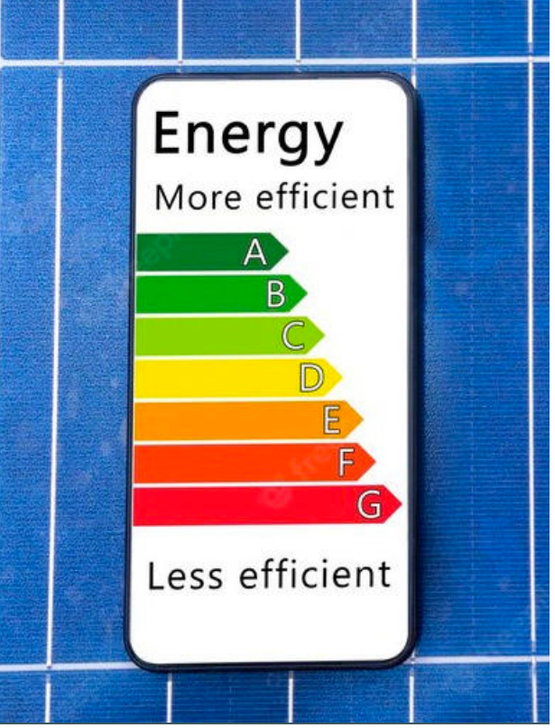


The EPC process could herald the start of a momentum shift in the country. The UK has been doing this kind of certification for well over a decade resulting in a greater awareness of energy efficiency. For example, you cannot transfer property in the UK if the building has less than a B rating. Considering that A is the most efficient rating possible and G the least efficient rating, this is significant. As a first step, local property owners could be embarrassed by having to display a poor rating and will be inspired to work towards improving the energy efficiency of a building.

"More must be done in the country to increase awareness of the need to be more sustainable especially given government's focus on decarbonisation and achieving Net Zero emissions by 2050 as part of The Paris Agreement."

While a lot of work still needs to be done in South Africa to instil a culture of sustainability and energy efficiency, the EPC is certainly a step in the right direction. Of course, improving the energy performance of existing buildings through retrofits and designing more efficient buildings from the ground up will only truly yield the desired results if user behaviour changes in the country.

Having an A rating means very little if tenants do not act responsibly around their own energy usages. Fortunately, we have seen that people are receptive to this and certainly understand the importance of being more energy efficient especially given the continuous rolling blackouts taking place. However, there is still a great need for education and awareness campaigns especially when it comes to EPCs and sustainability in the local market.



We are fortunate in South Africa that the country is manufacturing a lot of the materials required for construction. Using these materials that align to decarbonisation efforts will have a significant positive socio-economic impact. The challenge comes in to determine what carbon is in materials. This is a long and arduous process where every country has unique requirements and needs.

The challenge comes in around misconceptions when it comes to decarbonisation and Net Zero. The former refers to the deep removal of carbon from all stages of the building process. For example, the design of the building, and the materials used like the concrete, steel, and so on. Once the building has been completed, there is nothing to be done about decarbonation. Furthermore, it is critically important to promote locally sourced materials for the economy to grow.

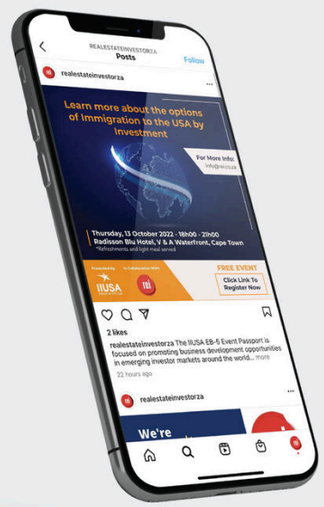


Alison Groves
Regional Director
WSP in Africa

rei
www.rei.co.za

PARTNER WITH US

REI Specialise in Digital Marketing, Marketing Partnerships, Magazine Promotions, the Metaverse & Events



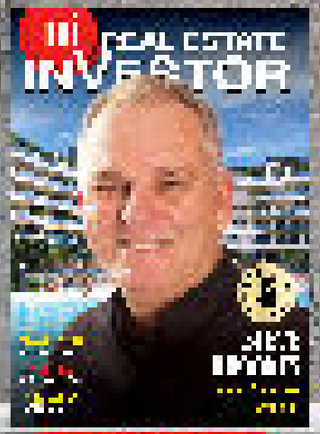
Marketing is all about making connections. Connecting the right message with your target audience, connecting our solution with the audience needs, and connecting your business goals to achieve the desired results.

GROW, REDEFINE OR TRANSFORM YOUR BUSINESS

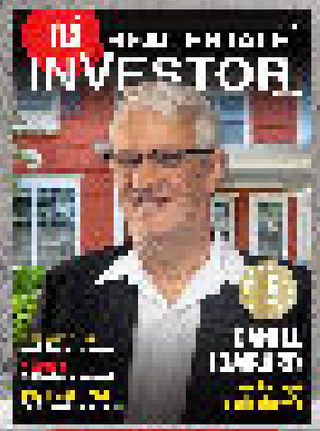
VIEW OUR PRICING

EMAIL A CONSULTANT

REI MAGAZINE ARCHIVES



NOV 2022



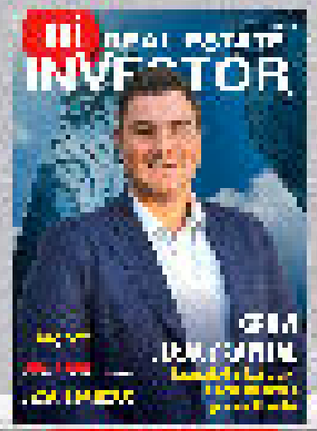
OCT 2022



SEP 2022



AUGUST 2022



JULY 2022



JUNE 2022



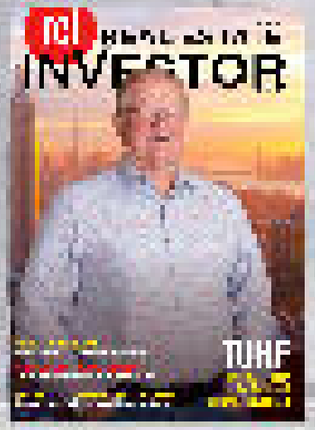
MAY 2022



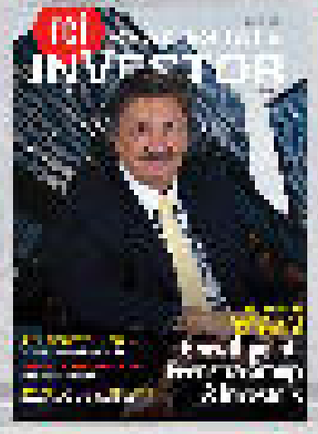
APRIL 2022



MARCH 2022



FEB 2021



DEC/JAN 2021



NOV 2021

Look out for our next issue in Feb 2023



ew magazi