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FEB/MARCH 2023



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15 YEAR ANNIVERSARY

SKHULILE NDLOVU

International Banker becomes property entrepreneur

BOND SURVIVAL GUIDE
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STOP SPIRALLING ELECTRICITY COSTS
10 Ways to take control today!

THE FUTURE OF REAL ESTATE TRANSACTIONS
From Blockchain, ChatGTP & Due Diligence

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2022-2023

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REALE ACTIVATION

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The benefits of 'Big ideas' solving problems in an economic downturn



It was English economist and philosopher, John Maynard Keynes, founder of modern macroeconomics whose ideas fundamentally changed the theory and practice of macroeconomics. His work was built on the causes of business cycles which set the standard of economic policies of governments worldwide. His statement that, 'difficulty lies in not so much in developing new ideas as in escaping old ones.'

Our government can take a leaf out of his book in escaping old ideas and implementing new ones (not based on ideological thinking) while they ponder the economic future of South Africa. The necessity to apply and implement new ideas to fix the electricity crisis, rampant corruption, crime and appointment of a new cabinet to grow the prosperity of the ailing SA economy is a must.

In his 2023 State of the Nation Address (SONA), President Ramaphosa said that 'unleashing' SA's own electricity generation programme among private households and businesses is a key part of the country's wider plans to end load shedding. He identified 5 key points to fix the electricity crisis:

- Fix Eskom and improve the availability of the existing
- electricity
- Fundamentally transform the electricity sector
- Enable and accelerate private investment in generation capacity
- Accelerate procurement of new capacity from renewables, gas and battery storage
- Unleash businesses and households to invest in roof top solar

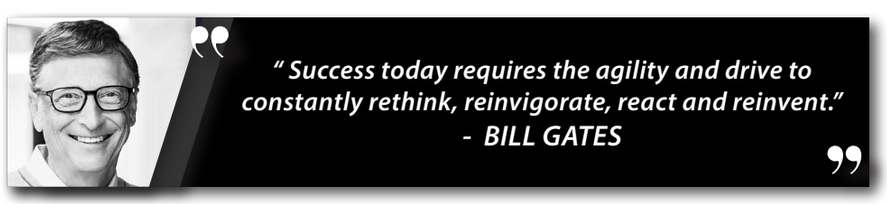
Adam Smith, the father of modern economics, said in his writings that wealth is created via labour, and that self-interest spurs people to use their resources and 'ideas' to earn money.

Smith's theorises that economies thrive when competition, capitalism, and a free market, are alive and well. On a more individual, household and company level, microeconomics study of individual and business decisions regarding the allocation of resources and prices of goods and services. Small says that here are six key microeconomic business factors that affect almost any business daily: customers, employees, competitors, media, shareholders, and suppliers as well as the relationship between supply and demand.

He says the heart of economic theory, is inextricably linked with the concept of generating 'big ideas' to solve problems. When they stick they can to guide you and your business to an extraordinary future. Now if that is not message to all property landlords, business owners and entrepreneurs to implement in their businesses daily.

Successful investing.

NEALE PETERSEN
FOUNDER & EDITOR-IN-CHIEF



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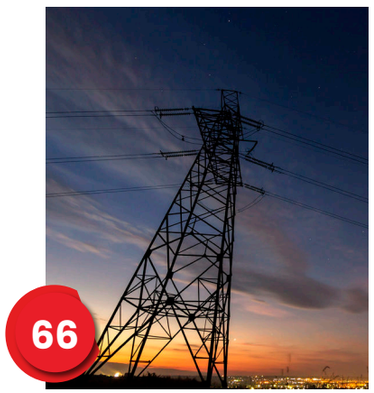
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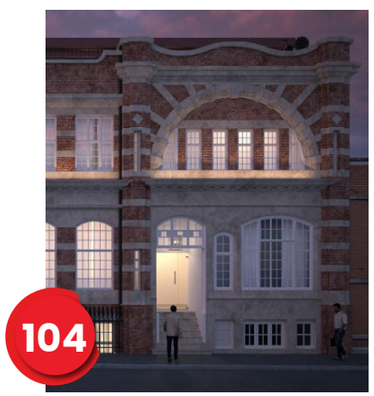
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FEB 2021



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ASK THE EXPERTS

Send your questions to info@rei.co.za or post on our FaceBook or LinkedIn pages and we will direct them to the necessary expert



Avoiding Capital Gains tax when selling a property in a trust

COERT COETZEE
WealthMasters

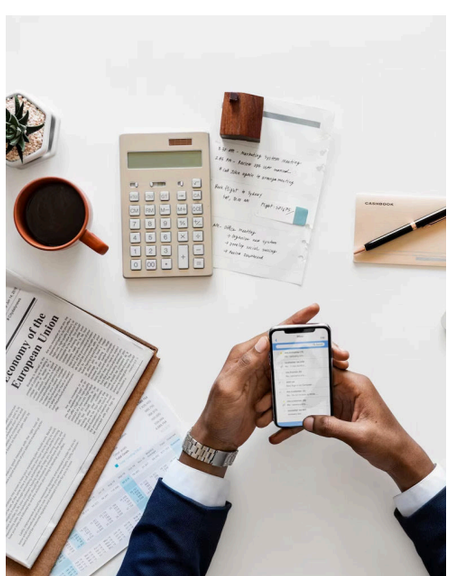
A

I own a property in a living residential trust. My small business is struggling and as a result the income is not enough to sustain it in the short term. I am more than 5 months behind in bond payments and now I am forced to sell my property. The problem is, if I sell my property, which has around R1,5 million equity in it, then I will be forced to pay 40% capital gains tax because it is in a trust. Is there a way that I can look at selling the property but not be liable for the capital gains tax on the profits? Your advice on this would be helpful?

Fortunately, you own the property in a living trust. It means that you can apply the conduit principle of SARS to make the tax liability on the capital gain 100% zero. However, you'll have to make sure that the beneficiary clause of your trust is correctly structured for this purpose. It will be best to consult with one of our trust lawyers before you sell the house. Coert Coetzee, Founder of Wealth Masters Club

Q

ENQUIRE NOW





Key advantages of investing offshore into the Switzerland residence market

TONI ENDERLI
Sales Director Lauchernalp Resort, Switzerland

Q

I am a keen skier, and I am looking to invest in a destination where I can get the benefit of both the snow skiing lifestyle but more importantly that gives me maximum benefits within that particular country or investment destination. I have identified Switzerland as a place where I can both invest but also get the benefits of living there part-time in an area where I can get both the lifestyle and the benefits you get from investing in property offshore. What are the key benefits of investing in Switzerland, the type of properties, typical returns, and investment benefits such as tax, etc.

A

Switzerland is a proud nation that emphasizes family, tradition, and a love of the outdoors.....

Switzerland is a dream destination to both live and invest in. In fact, Switzerland has been named 'the best country in the world' several years in a row. It is one of the most immigrant-friendly countries in Europe and the most sought after by businessmen because of its high standards of living, political neutrality, world-class infrastructure, and beautiful landscape. It has been an ideal destination for retired people, business investors and wealthy individuals.

Switzerland's taxation system, geographic and political position, low inflation, highly skilled professionals as well as its competitive business environment are all factors that make it a country of preference for investors. The economic stability of Switzerland must be the envy of all nations!

Switzerland is also an attractive business centre for companies,due to its business model that aims to provide the ideal framework for the foreign investors. As a result, about 30% of the world's biggest brands have offices in this country. In fact, 15 Fortune 500 Companies such as Glencore International, Nestle, Novartis, Roche Group or ABB have the headquarters in Switzerland.

"In an unstable global economy, Switzerland is a popular safe haven for investors due to its political neutrality, policy stability, strong currency and low levels of inflation and unemployment. South Africans can now invest in this stable, year-round destination for the first time. It's a great legacy investment for families as there are no death duties," said Toni

ENQUIRE NOW



Invest now in residential or wait for the market to improve?

CARLO MARIANI
The Property Coach

Q **I am the current owner of one buy-to-let residential property in Johannesburg. I am struggling to get my rent paid in on time on this property and is always a struggle. I still desperately want to grow my property portfolio but I am just wondering if now is a good time to buy given my experiences on the rental side and the market seems to be in the doldrums because of load shedding, poor municipal services, etc. What would you recommend that I invest now or wait until the market improves?**

A There are two separate issues in this one question. Firstly, getting rent paid in full, on-time, all-the-time is core to the success of any property investor. I'm sorry to hear you're struggling. Here are some practical solutions:

1. Make your tenant selection process more robust, using credit checks and landlord references as non-negotiable

2. Be prepared to say no to sub-standard applicants, even it feels painful in the short-term

3. Ensure you use a professional lease agreement. My first tenant was a nightmare and it was entirely my fault. I learnt the hard lessons, didn't give up and never looked back.

Secondly, waiting is rarely a winning strategy, unless you're convinced that the residential property market in SA is about to crash. This is unlikely, considering the robustness of the underlying demand and demographics drivers and the not overly aggressive property lending by the main financial institutions, as regulated by the National Credit Act. This does not mean buying any property, in any area, at any price and just waiting...that might be a losing strategy. Develop area expertise, operate with strategic focus, grow your knowledge and collaboration platform. Then take patient action, not desperate action.

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VIEW MORE

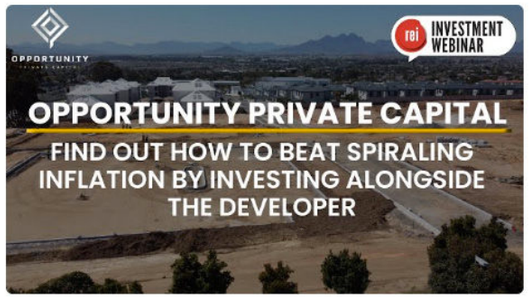


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Meet SK: the real estate entrepreneur who wants to make a difference for first-time buyers

By Neale Petersen



Skhulile Ndlovu is a passionate and knowledgeable real estate entrepreneur that wants to make a difference in the South African property space. His LinkedIn profile highlights his passion for digital solutions, being a former international banker but most importantly proves his passion for keeping himself educated on a continuously evolving property journey.

Photographer: Sethu Dym Dlamini , Dime Creative Studios
Creative Director : Muhle Ndwalane, Asante Solutions

His humble upbringing in Pietermaritzburg, KwaZulu-Natal (KZN) and his focus on being a self-made entrepreneur started from a very young age.

He was only 5 years old when he assisted his grandparents with the running of their farm which supplied fruits and vegetables to their local supermarket. His duties ranged from ordering seeds, ploughing, harvesting and delivering the supplies.

This instilled a solid business acumen in him with acquired knowledge, which later resulted in Ndlovu and a friend co-founding a wine and corporate branding business while they were university students. Unbeknown to him, he was getting educated and prepared to build his future business and career ambitions in banking, finance, digital solutions and real estate.

MINI BIO

Name: Skhulile Ndlovu (also known as SK)
Age: 32 years old
Family: Single
Company: Co-Founder & Chief Executive Officer of Ntaba Holdings and Founder and MD of Encore Real Estate
Current position: Chief Executive Officer of Ntaba Holdings
Career highlights & achievements:
2018 - Attended the World Economic Forum in Switzerland;
2019 - Selected to the Obama Leader fellowship programme;
2020 - ENACTUS South Africa Alumni of the year
2020/21 – University of Free State – Master of Land & Property Development
Hobbies & Passions: Golf, technology, digital solutions, travelling & reading books
Books that have made an impact on his investment life: Making Money out of Property in South Africa by Jason Lee; Steps to Property Wealth in South Africa by Jason Lee
Motto/favourite quote: 'Just do it' (Nike's pay-off line) and 'Inspiring greatness' (UKZN's slogan) is one of his motto's



Skhulile subsequently matriculated at Masijabule High School close to Pietermaritzburg (KZN) in 2006. Thereafter he attended the University of KwaZulu-Natal (UKZN) where he acquired a B.Comm degree. He majored in Supply Chain Management, Marketing and Human Resource Management. Ndlovu then studied for a postgraduate degree in maritime law and economics from UKZN.

At UKZN he was part of an international student organisation called ENACTUS (formerly known as SIFE), sponsored by HSBC Bank, focussing on sustainable entrepreneurial community projects.

He was subsequently selected to go overseas to Malaysia and Singapore in 2011. On his return he joined HSBC Bank.

SK the employee

SK started his corporate career journey with HSBC Bank, which is one of the largest global banks, with international headquarters in London. Ndlovu was based locally in their Sandton office in Johannesburg when he landed his first job. He spent five years that started with the graduate programme, trade finance, trade support on the trading floor, then served as an analyst for a number of international clients.



Then a new opportunity arose with UBS Investment Bank a leading global investment bank with their head office in Switzerland. He was appointed to the investment banking: security division on the supporting desk for traders from 2015 – 2017.

After his 5 year stint at HSBC Bank and almost 2 years at UBS Investment Bank, Ndlovu says, ' this gave me the necessary fundamentals to understand business finance, investments, and how property finance works both from a banking and investor perspective.' This also gave him the international exposure and the experience he wanted.

Ndlovu decided to leave his comfy well-paying corporate job after being bitten by the colloquial 'property bug'. He was always an avid student and reader of property education books and material after deciding that it was now time to take the plunge into real estate as an entrepreneur.

International Banker becomes property entrepreneur

He first joined an international real estate agency in the Sandton area to service their clients for five months. He realised at the time that many people could not afford to buy those expensive properties in Sandton and saw opportunity in other areas.

In the same year he decided to equip himself with a Property Investment and Practice programme qualification from Wits University to navigate through his new proposed business venture and terrain to fulfil his clients property investment aspirations.

Late in 2017 Ndlovu formed his own property business focusing on servicing first-time buyers, young professionals looking to buy their first properties, entrepreneurs looking for office space and educating people with limited knowledge about property.

His company Encore Real Estate, a property sales brokerage and marketing business focused on marketing, selling new developments and managing properties on behalf of property developers in Johannesburg and KwaZulu-Natal. Today he says, ' the move into my own real estate business has been a well-calculated move.'

His passion for property education is also part of the company offering. Encore Real Estate Academy (a division of Encore Real Estate) is an accredited SETA company in the real estate training area, where different qualifications for real estate agents, investors and professional can be attained. Moreover, Encore Real Estate is making inroads

in the property digital transformation solutions space especially around property technologies and smart building solutions.

Ndlovu's passion for education played a significant role in the various organisations he served. In 2017 & 2018 he did a postgraduate degree in Management specialising in Corporate Governance at Monash University.

Formation of Ntaba Holdings

Ndlovu was always constantly working, seeking new opportunities - especially in the affordable and new development space aimed at first-time buyers, as this is where he feels where he could make the biggest impact.

In 2019, soon thereafter, Ndlovu met his current business partners Altus Fourie (General Manager), Kevin Penney (Chief of Marketing, Mzimkhulu Nxumalo (Chief of Operations) and Tiaan Potgieter (Chief Financial Officer) and formed Ntaba Holdings. COVID hit in March 2020 and even after many new development submissions were made to municipalities for approvals business grinded to a halt before picking up again in 2021. Ntaba Holdings partnered with Asante Solutions to handle all their digital marketing and technology solutions.

Today, Ntaba Holdings have 3 major projects that they manage, market and sell in St Francis Bay and KZN. They have at least three more key projects in the pipeline in the St Francis Bay, Jeffreys Bay & Durban areas including Ballito.

Recently, they launched their first major residential development called Avoca Heights located in Avoca, Durban. This is a secure residential estate that provides a live, work and play environment starting under the R800,000 price mark per unit, a 'sweet spot' for young professionals, first time-home buyers and investors.

Ndlovu as CEO of the company wants Ntaba Holdings to be known as a leading property developer in the residential affordable space, moreover they are looking into converting commercial properties to residential (mainly in the KZN area) and also in the student accommodation space nationally.

Investor Challenges

Raising capital is probably one of the biggest challenges in real estate and is not a small money process to follow as you are dealing with a stringent due diligence process, managing yields, maximising ROI for investors all the time. Navigating the municipalities in getting development approvals is also not a straight forward process.



Opportunities abound

However, he believes despite the challenges there are more than enough opportunities in the property space - you just have to find them. Affordable housing; technology or 'PropTech' and green solutions, are all big opportunities if you have the knowledge, insight of industry and the ability create and protect investments.

Key insights, knowledge or lessons gained

Invest in your knowledge – books, digital content, associate yourself with the right people and business partners who are consumers of the product.

Gauge what products are available and whether you are in the financial sector or investment space. In property it makes sense to understand and do what government stipulates as a potential opportunity and not

NDLOVU'S TOP 5 BUSINESS & INVESTMENT TIPS

1. **Partner with the right professional team**
2. **Invest in technology – as it is revolutionising how we manage our properties, source data insights for investment decisions**
3. **Invest in knowledge as it can aid you!**
4. **Make the bank your friend**
5. **Be on the ground – in the arena all the time**



break regulations. Understand what technology can do for property – digital transformation.

Property developments generally give above average returns.

Ndlovu's lasting legacy

Ndlovu believes that property ownership comes with personal dignity. Once you own a home, it is an investment, financial tool to borrow against and also can become a provider not only for businesses but in your personal capacity - a fundamental start to making money and building long-term wealth.

Ndlovu wants to build Ntaba Holdings to be a household name. He would like to contribute to property sector whether in an advisory capacity or serve different board of directors to contribute knowledge and expertise. Encore Real Estate Academy also gives him the opportunity to share his knowledge and leaving lasting impact through education.

One thing is for sure is that you need to look out for Skhulile Ndlovu. He definitely is going to be one of our leading players in the property game of the future in South Africa.

FOR SALE:

Upmarket Apartment in Avoca Heights
2 Bed, 1 Bath | R845 00

Nestled nicely on the backside of the Durban North Suburb, Avoca Heights affords an opportunity to those who would previously not have been able to afford property in the area, to own an apartment a few kilometers from Umhlanga.



A LIFESTYLE &
SECURED LIVING ENVIRONMENT

2 | 1 | 2 | 63 m²





AT A GLANCE

Avoca Heights offers an upmarket selection of 100 apartments, 63 square meters in size, with additional secure access control within the complex to the apartment buildings.



PARKING

This 2 bedroom, 1 full bathroom apartment comes with 2 undercover parking bays.

ENQUIRE NOW

AVOCA HEIGHTS

Ntaba Holdings focus on developments that add to your quality of life



Ntaba Holdings is an up and coming property development company with a dynamic team that aims to give its clients quality of life through the construction of homes of a high standard and value for money.



We build for your comfort!

Ntaba Holdings is proudly a level 2 BEE company. The founders and the team at large possess a wealth of experience in property finance and related sectors, with all members having successfully been involved in major projects in the past that have been very successful thus have been translated to this winning team joining forces under Ntaba Holdings. As part of our long-term strategic vision, the company recognises that to build and sustain a vibrant local economy, it needed to ensure that the supporting social infrastructure in terms of education, health and housing was in place in our target areas to support it in. By increasing property values through quality value for money homes to attract and retain those 'key investors' that would be an asset in our chosen areas.

The curators of Ntaba Holdings

Skhulile Ndlovu, heads up the Ntaba Holdings team as the Chief Executive Officer, Mzimkhulu Nxumalo, Chief of Operations, Tiaan Potgieter as Chief Financial officer, Kevin Penney, Chief Marketing Officer and Altus Fourie as General Manager – Property Development Specialist



Skhulile Ndlovu



Kevin Penney



Tiaan Potgieter



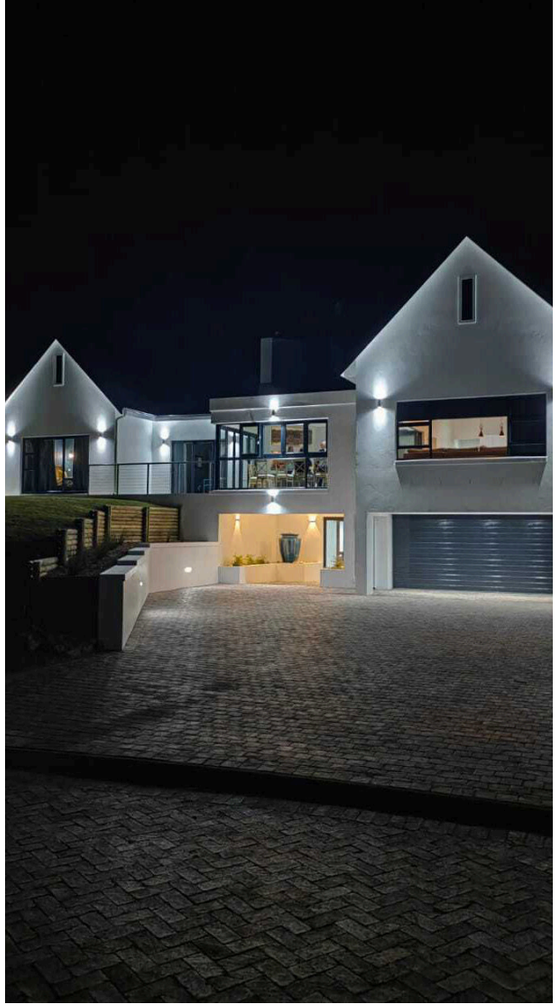
Altus Fourie



Mzimkhulu Nxumalo

Ntaba Holdings - Property Developments

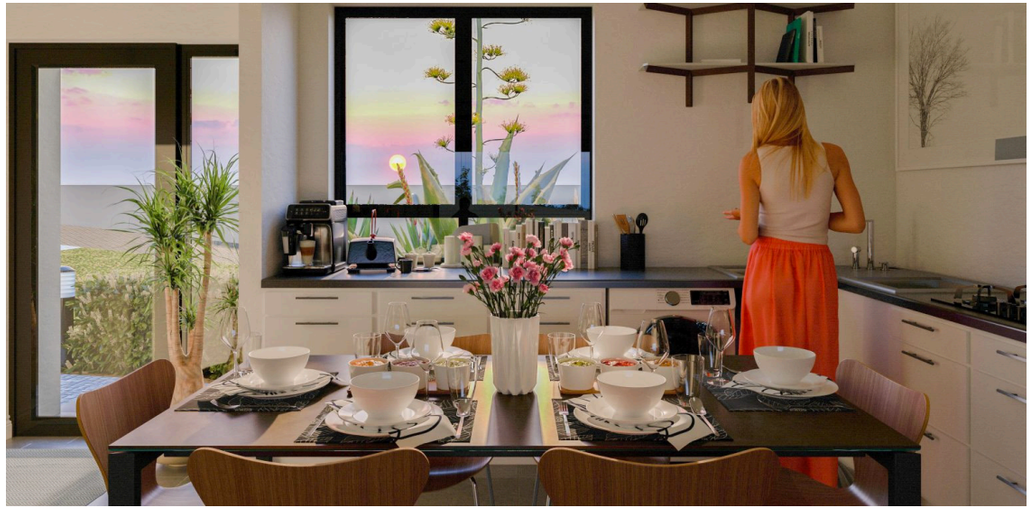
Ntaba has 3 key developments that they are busy with and with another 4 in the pipeline (Port St Francis, Humansdorp & Jeffreys Bay). This includes:

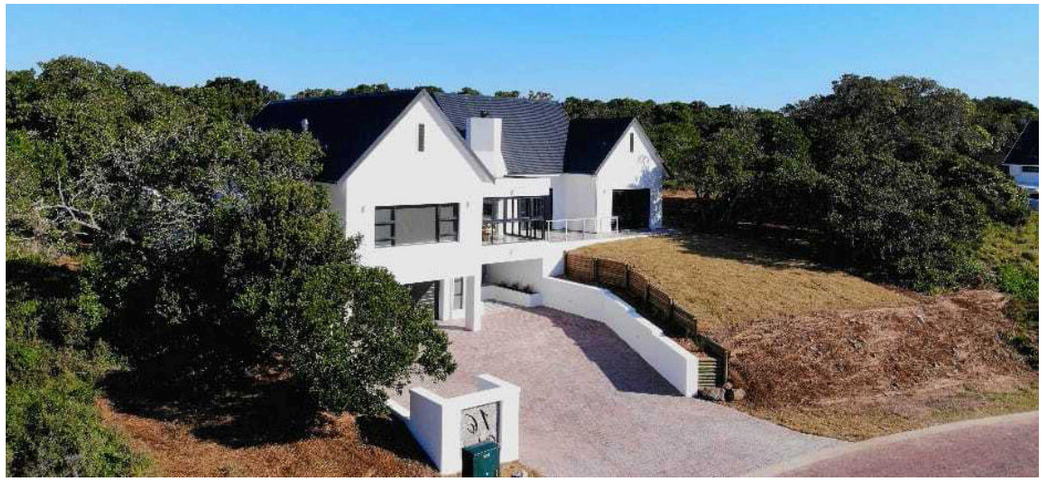




St Francis, Links Golf Estate - Eastern Cape

This Jack Nicklaus designed golf course was voted as the Best New Course in South Africa. St Francis Links has also been included in New World Wealth's top 10 golf estates in SA for 2019 and is currently rated the 5th best course in South Africa according to Golf Digest. Ntaba Holdings is developing building packages in the estate priced between 3.7mil to 8.5mil





Homestead Views, Security Estate - Eastern Cape

Homestead Lifestyle Estate offers a variety of turnkey sectional title and full title homes that are meticulously designed for contemporary family living. The project is 75% sold out with construction of the estate well underway with the first residents taking occupation in Dec 2022



Avoca Heights – Durban, Kwazulu-Natal

As demand for affordable, lifestyle and modern designed apartments continues to outweigh the supply, it is without doubt that the demand for this attractive Avoca development will be a game-changer In the Durban North property space.









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FICA Compliance

Guidance for the Real Estate Sector

rei



1

Relationship Starts with Seller

- Relationship starts with seller when **mandate is signed**
- **FICA needs to happen on seller** as Estate Agents are Accountable Institutions
- Lightstone / Windeed report is pulled to **ensure that the registered seller is the owner of the property**
- **Application with seller's details is created on DocFox where FICA is done within minutes - this includes risk rating, sanction screening and adverse media checks**

Read our article:
An example of when to conduct Enhanced Due Diligence in the Property Sector>>> for examples on how to conduct proper due diligence

2

Property is Listed For Sale

- **Marketing** of property starts
- **Prospective buyers** come and view the property
- Buyer can submit an **Offer to Purchase (OTP)** if interested in buying the property

3

Prospective Buyer is Identified

The following questions are some examples that will impact how the terms and conditions of the sale of the property are put together in the OTP & whether the prospective buyer is a good fit:

- What are the suspensive conditions of sale?
- How do they intend to pay?
- arriage status?

4

Bond Originator performs Credit Checks

- Should they need a hom
contact a bond orginator

rom?

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SURVIVAL GUIDE for your Home Loan - Save R420,000 on a mortgage of R605,480



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10 Tips to take control of spiralling electricity costs for your business



TRENDING ONLINE

Discover how tax laws allow investors to claim millions

SURVIVAL GUIDE for your Home Loan - Save R420,000 on a mortgage of R605,480

By Editorial



If a home loan is paid off over the normal 20-year term, the interest that is paid to a financial institution is often more than the capital borrowed, says Meyer de Waal, a conveyancing attorney in Cape Town, who made a study of home loan repayments, how to save thousands of Rands on home loan repayments and FLISP subsidies.

"If the buyer is a first-time homeowner, then such homeowner can save thousands of Rands, if the proceeds of a FLISP policy are paid into the home loan account, reducing the capital as a 'once-off' payment.

Not many first-time homeowners are aware that they can apply retrospectively for a FLISP subsidy, where they have never apply for the subsidy previously."

Total Payment over 20 years

For example, if a home loan of R605 480.00 is paid back over a 20-year term at the current prime lending rate of 10.5%, the interest to be paid back will add an extra R845 317.00 to the total home loan repayment.

This will mean that the homeowner will end up paying back R1 450 79.00 to the bank over the 20-year repayment term, where the home loan interest rate of 10.5%.

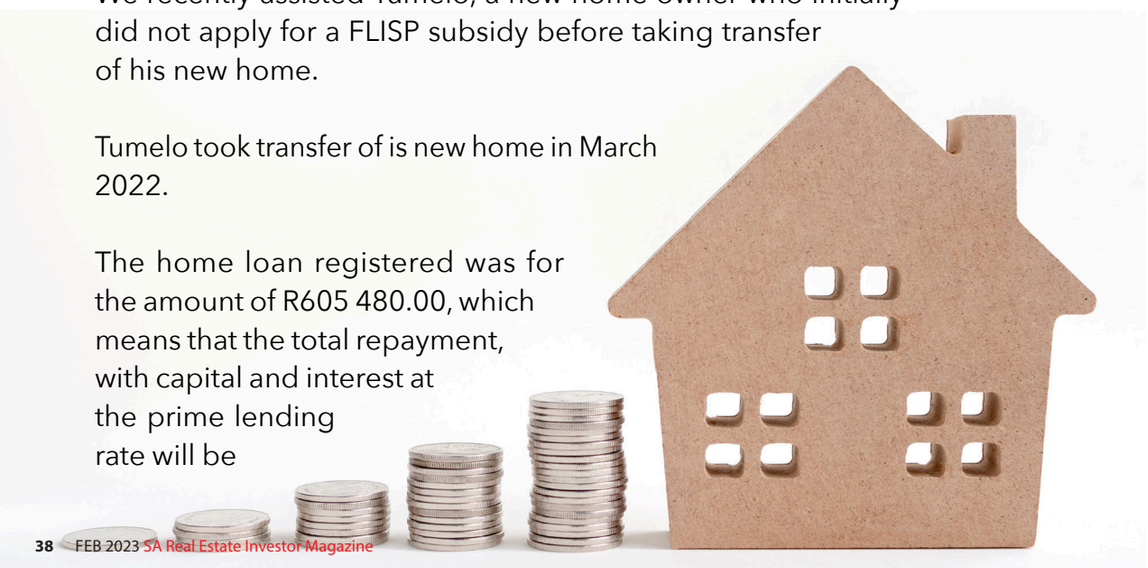
If the interest rate is 11.2%, then an extra amount of R914 275 will be payable on the home loan, and the total payment would be R1 519 755.00.

How a first time home owner can save thousands of rands

We recently assisted Tumelo, a new home owner who initially did not apply for a FLISP subsidy before taking transfer of his new home.

Tumelo took transfer of is new home in March 2022.

The home loan registered was for the amount of R605 480.00, which means that the total repayment, with capital and interest at the prime lending rate will be



R1 519 755.00 over the 20 year repayment term, as the bank approved a 11.2% home loan interest rate.

Only in late in 2022 Tumelo realize that FLISP subsidies were available for existing homeowners as well. Tumelo was assisted and guided to process his FLISP application by our FLISP consultants.

In January 2023, he received the good news that an amount of R89 187,00 will be paid back into his home loan.

The advice to him is to continue with the current home loan repayment and pay off the home loan as quickly as possible and shave off 6 years and 8 months on the 20-year repayment term. By doing so, Tumelo will save up to R420 000.00.

The Calculations

The first is a calculation done one how much he will pay without the FLISP subsidy.

The home loan amount is R605 480.00, paid over 20 years and at the rate of 11.2%

	Original payment
Pay-off time	20 years
Monthly payment	6,332.32
Total capital paid	605,480.00
Total interest paid	914,275.68
Total amount paid	R1,519,755.68

Pay FLISP subsidy of R89 187 into home loan

Then we calculate the timing, considering the various dates of the registration of transfer and the actual date when the FLISP subsidy will be paid into the home loan.

FLISP LETTER OF GRANT

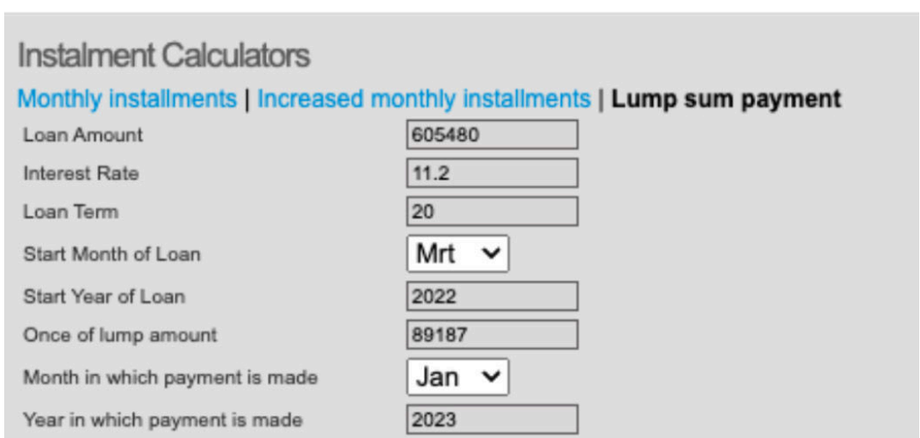
The National Housing Finance Corporation (NHFC) is pleased to advise you ("the beneficiary") of your approval for a housing subsidy under the Finance Linked Individual Subsidy Programme (FLISP) for an amount of R89187.00 (EIGHTY-NINE THOUSAND ONE HUNDRED EIGHTY-SEVEN & 0 CENTS).

The subsidy must be used to reduce the initial home loan amount to render the monthly loan repayment instalments affordable over the loan repayment term and/or to make good any shortfall between the qualifying loan amount and the total residential property price. The subsidy amount may at the discretion of the NHFC be paid directly to your bond account or the conveyancing attorneys responsible for registration of the property.

Below is the breakdown on how the subsidy amount will be utilised:

Purchase Price:	R605,480.00
Approved Loan Amount	R605,480.00
Shortfall after Bank loan amount	R0.00
Deposit already paid to the Attorneys	R0.00
Balance after Deposit	R0.00
Less Approved FLISP Subsidy:	R89,187.00
Amount to be paid to the Attorneys on lodgement	R0.00
Amt. to be transferred to the bond account upon registration	R89,187.00
Shortfall after bank loan and subsidy amount	R0.00

We then calculate the savings of the FLISP subsidy of R89 187.00 paid into the home loan, where the monthly home loan repayment remains at R6 332.32 per month.



Calculate new repayment term reduced to 13 years & 4 months

Lump instalments	
Pay-off time	13 years 4 months
Monthly payment	6,332.32
Total capital paid	605,480.00
Total interest paid	493,340.98
Total amount paid	R1,098,820.98

The actual savings on a home loan with a capital value of R605 480.00 is that can be saved if the FLISP subsidy is paid into the home loan as a once-off payment and the home owner continues to pay the current home loan monthly premium is an amount of R420 934.00.

AMOUNT SAVED

Lump Savings	
Time saved	6 years 8 months
Interest saved	R420,934.70

Says De Waal "Many new first time home owners are not aware that they can save thousands of Rands on their home loans if they apply for a retrospective FLISP subsidy".

To qualify for such a subsidy, the home owner must be a South African citizen, with financial dependents and must have not owned a property before. Home owners whose combined gross household income is between R3 501 – R22 000.00 per month can apply.
As from the 1st of April 2022, the FLISP application process was de-linked from only finance approve through a traditional home loan, and now any home buyer/owner can qualify for a first-time buyer FLISP subsidy if they have financial assistance to buy a property in the form of:

- the beneficiary's pension/provident fund loan,
- a co-operative or community-based savings scheme, i.e. stokvel,

- the Government Employees Housing Scheme,
- any other Employer-Assisted Housing Scheme,
- an unsecured loan,
- an Instalment Sale Agreement or Rent-to-own Agreement.

Save even more - Renegotiate high interest rate to a lower rate

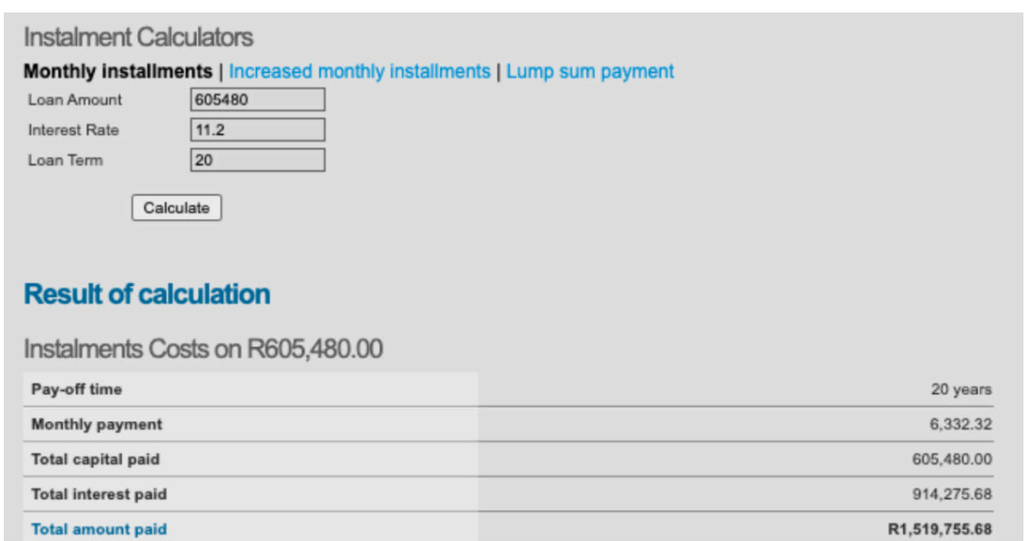
Many homeowners are trapped in their high interest rates when their home loans were granted.

Their financial situation may have improved, and they do not know that they can approach their own bank to consider a reduction in their interest rate for their home loan.

Take the example of Tumelo, whose home loan was approved at a rate of 11,2 %, which is higher than the current prime lending rate of 10,5 %.

Based on the interest rate of 11.2 %, Tumelo will pay R1 519 755.00 over a period of 20 years to settle the bond.

How it looks now


Instalment Calculators

Monthly installments | Increased monthly installments | Lump sum payment

Loan Amount	605480
Interest Rate	11.2
Loan Term	20

Calculate

Result of calculation

Instalments Costs on R605,480.00

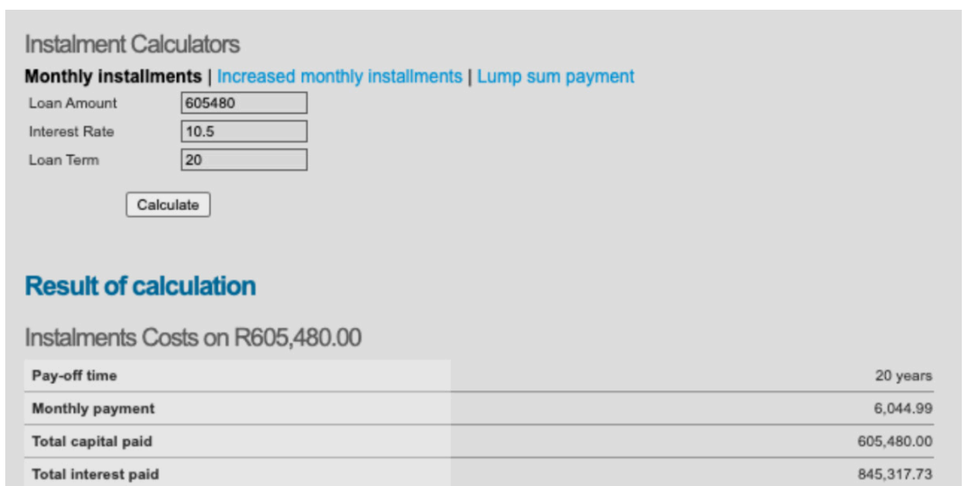
Pay-off time	20 years
Monthly payment	6,332.32
Total capital paid	605,480.00
Total interest paid	914,275.68
Total amount paid	**R1,519,755.68**

One the FLISP subsidy of R89 187.00 is paid into the home loan of Tumelo, his financial situation will change.

The risk for the bank now also changed and reduced and with the FLISP deposit paid into the home loan, the bank ought to consider a reduction in the home loan interest rate for the client.

This seldom happens, as the home owners are not aware they can ask the bank for such reduction.

Herewith the possible savings, if the interest rate can be reduced to the current prime lending rate of 10.5%


Instalment Calculators

Monthly installments | Increased monthly installments | Lump sum payment

Loan Amount	605480
Interest Rate	10.5
Loan Term	20

Calculate

Result of calculation

Instalments Costs on R605,480.00

Pay-off time	20 years
Monthly payment	6,044.99
Total capital paid	605,480.00
Total interest paid	845,317.73

These are the savings

- Total repayment on 11,2 % x 20 years = R 1 519 755.00 Less
- Total repayment on 10,5 % x 20 years = R 1 450 797.00

Total amount saved = R68 958.00

The opportunity to renegotiate a lower interest rate is open and available for all home owners, and they must make use of such opportunity as the ever increasing interest rates are adding more pressure to the budgets of home owners.

If your own bank do not want to reduce your current high interest rate and your financial situation and credit score and the value of your property improved, then consider switching your home loan to another bank that may grant you a lower home loan rate to save thousands of Rands.

DO YOUR OWN CALCULATIONS

FLISP Subsidies

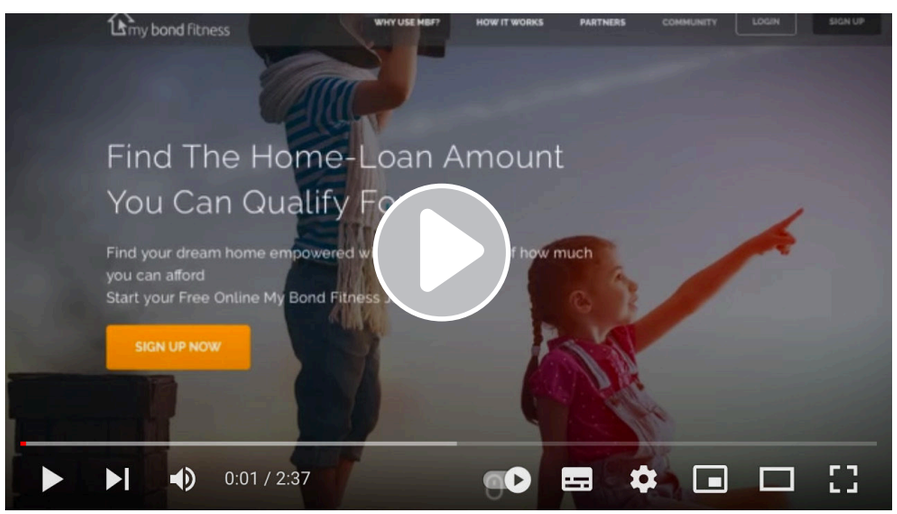
To calculate your own Flisp subsidy – click on the FLISP Subsidy Calculator

CALCULATE NOW

What home loan can I qualify for now?

Homeowners can do a quick online check if they can qualify for a higher home loan, go to https://mybondfitness.co.za for a free online assessment.

Watch a video on how to check your credit score and do your affordability check online: My Bond Fitness Video





Switch your home loan?

Need assistance to switch your home loan? **Register here**

Click here for an online credit check and affordability calculation, all in one. You will receive a certificate used to reflect the possible home loan that you may qualify for.



Watch the interview on SABC 1 Yilungelo Lakho with Meyer de Waal, discussing this topic.

ENQUIRE NOW

10 Tips to take control of spiralling electricity costs for your business

By Editorial



All indicators point to 2023 being another year that South Africa will be required to operate in the face of a very challenging energy-constrained environment. Additionally, spiralling energy costs will drive an immediate cashflow crunch for businesses, and surging inflation is going to cause a spending slowdown.

It's time to batten down the hatches…and have a plan. Whether this is saving electricity, using it more smartly, or generating their own, South African business and property owners must have a plan now, before the crunch hits.

This is according to Roger Hislop, energy management systems executive at CBI :energy, who says, "South Africans are understandably shocked by the unprecedented tariff increases that Nersa has approved, with an 18.65% increase set to take place from April 2023, and another 12.74% confirmed for next year."

"While this is being couched as 'only' 18%, in reality it is a 34% increase in just over a year," he adds. "This is going to lead to inevitable price increases on everything, driving inflation way past the current 6-7% which is already crippling growth and job creation."

Hislop points out that, in addition to this, most municipalities with distribution licenses will also add a higher markup, meaning that come the beginning of April, South Africans may expect to see an increase of up to 22% or more on their utility bills, depending on who their local supplier is. "These huge cost increases, together with continued low reliability of energy supply, are going to not only strengthen the case for installing solar and battery storage, but also clearly show that private generation is only half the solution: everyone needs automated energy management and load control systems to reduce wasted consumption and optimise power availability."



"The only solution in the short term is for both business and residential consumers to use electricity more efficiently, use less of it, and treat it like the scarce resource it has become," he recommends.

10 tips to help you take control of your energy costs

1. Understand your bills

Many business owners are unclear on what they're paying for, such as 'time of use' tariffs and Notified Maximum Demand penalties. If you comprehend these, then some simple behaviour changes you make could take 20-30% off your business' electricity bill.

2. Check your bills

Install managed smart meters behind your utility meter to confirm you're being billed correctly. You'll also be able to see day by day what your consumption trend is to identify runaway usage before you get a month-end bill-shock.

3. Measure, measure, measure

Put managed smart meters on key distribution boards or large loads to understand where your consumption is happening, and when.

4. Energy design

Build a simple plan around what parts of your business are energy-critical such as IT infrastructure, production machines, knowledge workers' computers, and communications systems. Consider which areas are your first, second and third priority electricity consumers; this allows you to plan around energy resiliency systems.

5. Schedule your loads

Just putting bigger loads on an automated schedule can easily save 10% of bills. Air conditioners, geysers and hydro boils don't need to be on

at night. Most office lighting can be switched off too. Basic dumb timers can do the job, although a better option is centrally managed load controllers that let you quickly adapt to changing conditions.

6. Just when required

Don't leave anything running unless it's needed. Install load controllers on your meeting room air conditioners, for example. This, combined with a room occupancy sensor, means you only consume power when necessary.

7. Manage your physical environment

Look at your office design and make it more efficient. For example, use less electric lighting and more natural lighting options such as light pipes. You could also put in draught-doors to reduce your heating and cooling costs.

8. Implement Small-Scale Embedded Generation (SSEG)

In South Africa, SSEG is generally either generator sets or solar PV. Generators are a useful stopgap, but their energy is very expensive per kWh. The price of solar systems is falling, although pent-up demand is keeping costs high, so shop around and make sure that you're talking to an installer with strong credentials and a solid (referenceable) track record.

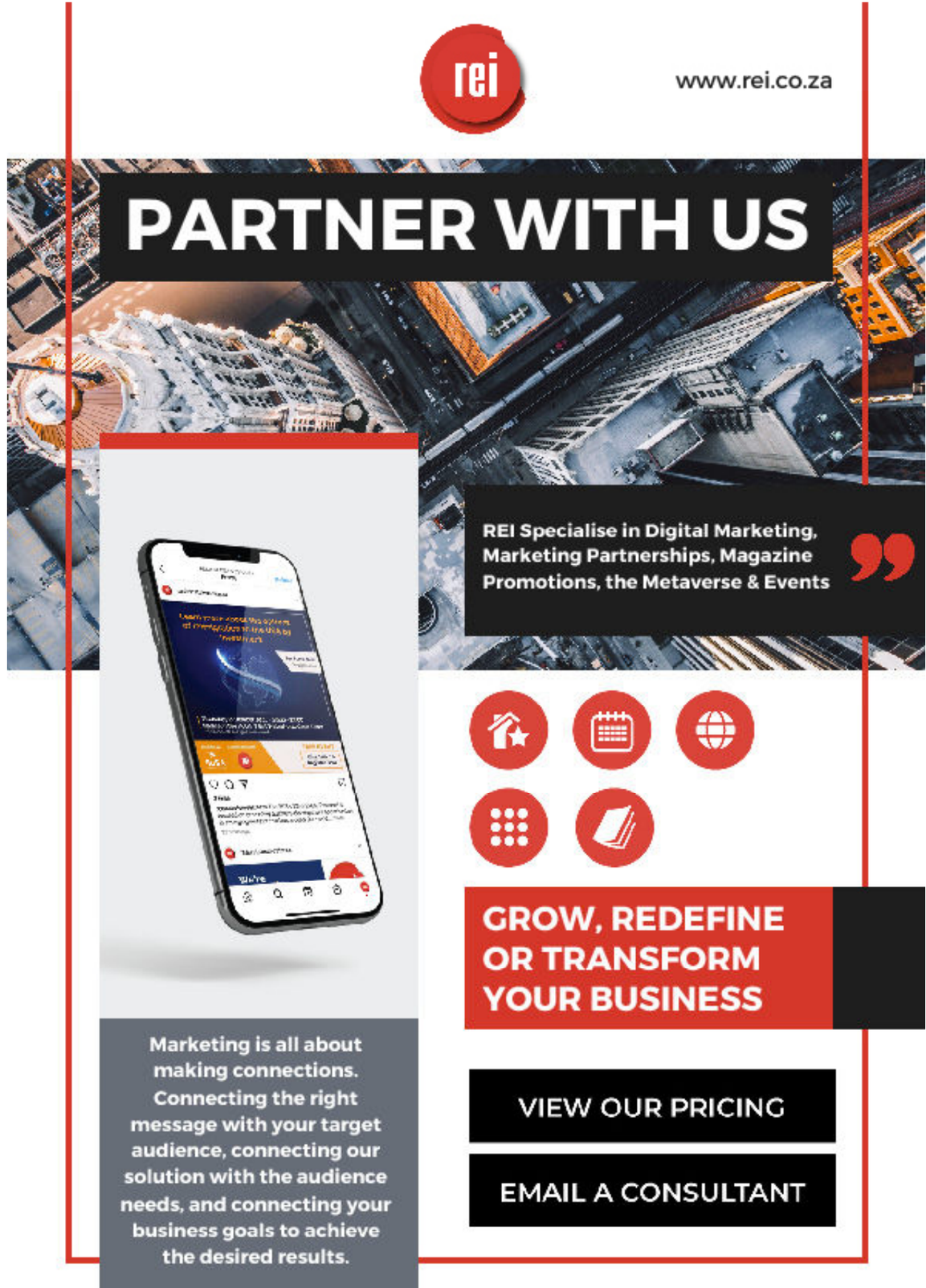
9. Apply load management to your SSEG

By managing your loads using even a basic Building Energy Management system, you can reduce the size of the inverter and batteries you need, while also ensuring that it is not tripped by overloading. You can optimise this when you use energy to "sweat the sun" – in other words, don't waste sunlight by starting the day with full batteries.

10. Consider the impact of energy security on your business

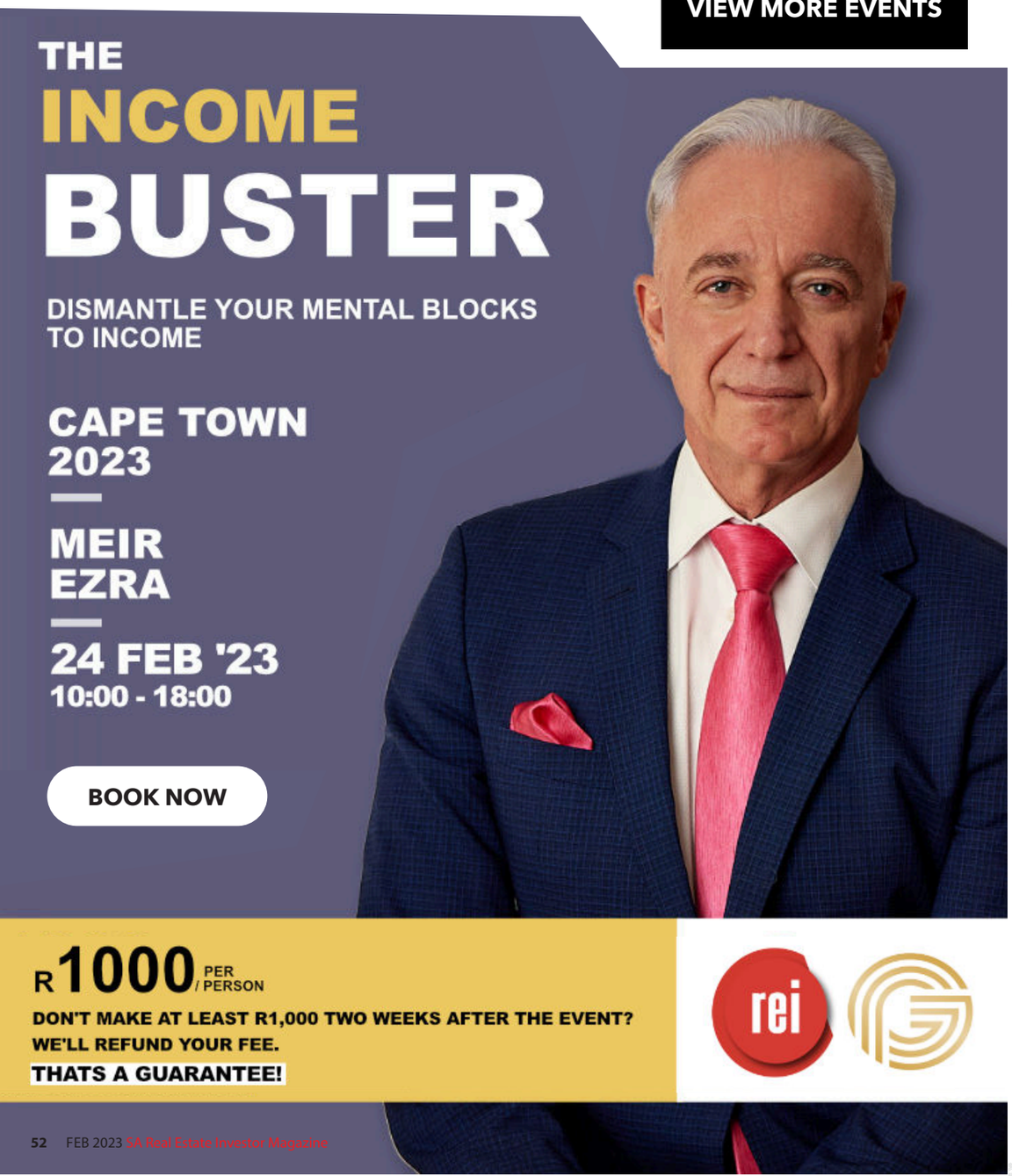
Electricity costs come directly off the bottom line, but reduced productivity, damage to equipment or machines and not being reliably open for business all have a more serious negative impact – this must be understood to successfully navigate our energy crisis.

ENQUIRE NOW



Upcoming Events

VIEW MORE EVENTS



INVESTING



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Ski-ing & the likeness to property investing

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WeConnectU: Let's Engage 2023



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TRENDING ONLINE

Investor case study – Slava Village: Making residential living safe and affordable

Ski-ing & the likeness to property investing

By Carlo Mariani



I grew up in Italy, less than 2 hours from the high mountains in the Italian Alps, so skiing is a big part of my "youth" before I moved to SA in 1999. With Covid lock-downs behind us, I was very excited about a skiingholiday and I was not disappointed until the big crash (will tell you more later...)

Here is what my ski holiday reminded me of (as it relates to property investing):

The power of starting "early"

I started "skiing" when I was 2 years old (well, they don't allow that any more...) but skiing is totally 2nd nature for me and even after 3 years of not being on the slopes, it was so easy and quick to ski well again.

What we learn when we are young(er), we often masterand enjoy at the same time. It is pretty much the same thing with property investing. Start as early as possible in your youth and start as early as possible in 2023.

Starting right is critical

Truth is the 1st property investment deal is often a "make or break" for your property success. Starting right with skiing is mainly down to have the right ski instructor that has the experience to get you going right from the first day.

As much as I am a skilled skier, my son improvements just in a week were mainly down to the experience of his instructor Margherita (as well as his enthusiasm).

So why re-inventing the wheel of rapid progress and success? Millions of people have learnt how to ski before you...what so exciting about "failing fast"...other than a bruised back-side... Would you not benefit from having the right guidance and support from somebody like me that has invested in SA property since 2003? Hundreds of aspiring and growing property investors have done the same by joining our PropertyHack.Club or engaging my private coaching services.

The morning is cold but beautiful

Waking up in the dark freezing cold is tough, even for a morning person like me. But you get massive rewards for doing so. In the mornings the ski slopes are at their absolute best, smooth, powdery and with hardly anyone you need to share them with.

Starting your property journey is often the toughest and scariest move to make, but also the most rewarding in so many ways. The only way to start is to start and to start now.

Ski or snowboard? Make up your mind when you start

They are both great snow disciplines but also fundamentally different. When you start it is unwise to try both of them at the same time. It will slow your progress down and cause you too many unnecessary painful falls. Start one of the two, master it and only then move to the next discipline.

I see the same mistake with many growing property investors investing in too many different areas, using too many different strategies. Focus first, diversify later, much later.

Our family "white" holiday in the Italian Alps suffered a big blow when my wife Zinhle fell on an icy road. A badly fractured wrist and a trip to the local Casualty ensued, with an early return to SA to help her recovery and healing.

If you hope or plan for 2023 to be easier, you will be likely very disappointed... Expect the unexpected and be ready for it.

2 HACKS FOR YOU

Hack 1

Have a crash helmet in the form of adequate health and property insurance.

Hack 2

Have a back-up crash helmet in the form of adequate cash reserves so that you can sleep well at night no matter what is happening in the world, in SA and with your property investments.

The best crash helmet I can think of is knowledge, that is local and practical on how invest inproperty the right way.

I look forward to guide you and support you through this exciting ahead of us.



Carlo Mariani
Founder
The Property Coach





The start of a new year is always a great time for goal setting. At WeconnectU, our goal for the year is to ENGAGE.We're rolling this theme out in our own operations, but also using it as a guide to help you, our clients, achieve even greater success in 2023.

Let's take a look at how you can join us in embracing the ENGAGE mindset (with our help and solutions, of course), and the rewards you can expect to reap along the way.

ENGAGE with your clients

Today's trustees and investors demand a far more sophisticated skillset than the community administrators and rental agents of the past. (That's why we use titles like Property Managers for those managing communities including Body Corporate and HOA's, and Asset Managers for those managing rental portfolios.)

We know that – using WeconnectU – you and your teams are not just meeting but exceeding the demands of these new and highly specialised roles. That's why our first ENGAGE goal for 2023 is to help you make sure your clients know that too.

How do we plan on achieving that? By empowering you with our solutions to help your clients:

- See the full scope of what you do through complete transparency and real-time reporting.
- Understand the outcomes/effects of your service through sophisticated asset performance reporting focussing on the KPIs trustees and investors really care about.
- Experience WOW moments at every touchpoint, thanks to the responsiveness, professionalism, seamless communication and intelligent reporting WeconnectU enables.

What does this achieve, you might ask? That one's easy.
You see, clients who fully understand your value are clients who fully value you. That means more recognition, more respect, and more willingness to pay professional-level fees for professional-level services.
In other words: ENGAGE with us and say goodbye to pushback on fees in 2023!

WeconnectU
INTELLIGENT PROPERTY MANAGEMENT SOFTWARE

ENGAGE with your business and your teams

WeconnectU is the only consolidated software ecosystem that includes all three property management solutions (rental asset management, community management, and inspections and maintenance management) under one roof.

Used together, this creates an optimal environment for:

- Seamless interdepartmental collaboration and teamwork
- Ultra-efficient workflows with zero duplication of effort
- Full transparency between all stakeholders
- Effortless KPI tracking for the ultimate management experience

Our 2nd ENGAGE goal for the year is to help business owners make the most of these capabilities in order to spend more time working ON their businesses instead of IN their businesses. In other words, ENGAGE where your skills have the greatest impact, safe in the knowledge that your teams are fully capable of handling day-to-day operations.

For some, this will mean ENGAGE-ing with us to enhance your existing use of our solutions. For others, it could mean exploring opportunities to expand into more of our ecosystem, unlocking the full benefits of a consolidated solution.

Regardless of how you get there, achieving an optimal level of internal ENGAGEment can deliver some extraordinary benefits (as many WeconnectU clients have already discovered). These benefits include: happier, more motivated teams with lower risk of burnout; greater scalability through optimised workflows and skills deployment; and lower overheads thanks to more efficient use of human and technology resources.

Engage with WeconnectU

Do we want to help you ENGAGE with more of our solutions in 2023? Of course we do – a huge part of WeconnectU's power lies in its consolidated ecosystem. That said, our ENGAGE goals go much deeper than just product level.

We aim to ENGAGE with all our clients on a business level as well.
We may be a software supplier, but we see our role as far more than just building cutting-edge technology. We see ourselves as partners, collaborating with our clients to identify emerging challenges, create innovative solutions, and support positive change in the industry as a whole.

To achieve this, we encourage all our clients to ENGAGE with us on every possible level. That includes:

- Making use of our customer success resources to ENGAGE fully with our solutions.
- Leveraging our industry insights to make more informed strategic choices about your operations and business models.
- Approaching us with your challenges so that we can work together to find sustainable and value-adding solutions.
- Joining our movement to create a more resilient, professional, valuable – and valued – property management industry.

Let's take the wheel, embrace change, and propel our industry to the next level in 2023. Together, we can shape the future, and turn property management into the powerhouse we know it can – and should – be.



MY STUDENT HOUSE

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- In over 3 Provinces

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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

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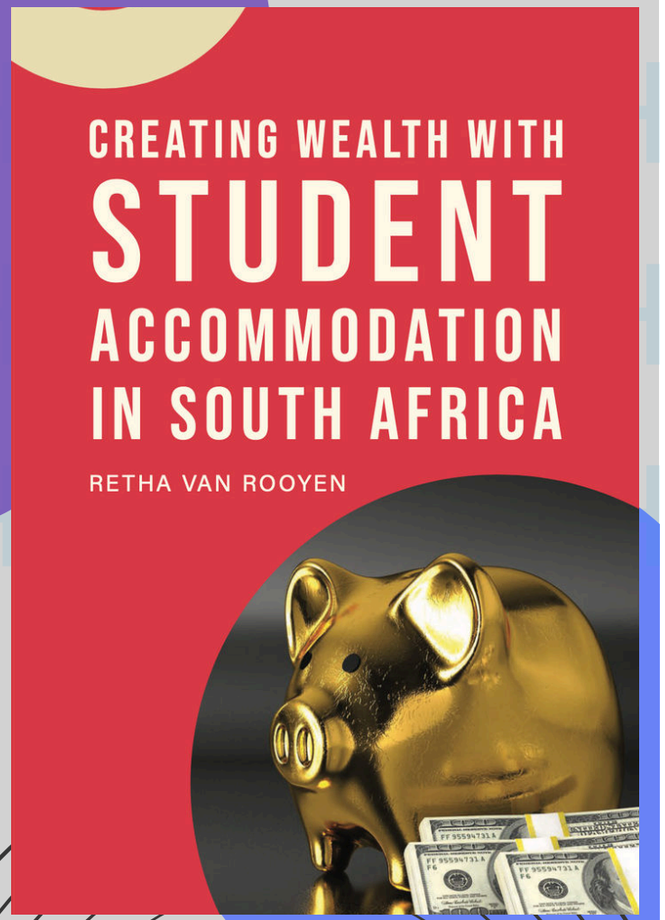
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COMMERCIAL



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Loadshedding survival - will solar power increase the value of your home?

PAGE 70

Coworking Space versus Traditional Office Space





TRENDING ONLINE

Growthpoint powers SA business through load-shedding

Loadshedding survival - will solar power increase the value of your home?

By Editorial



Stage 6 loadshedding is now firmly in effect, many South Africans are without power for up to 12 hours each day, and the threat of Stage 8 blackouts loom large on the horizon. It's no wonder then that many households are turning to 'off-grid' power sources to keep the lights on and return to some semblance of normality.

"Solar power has emerged as the most popular alternative energy option due to its relatively quick installation, soundless efficiency (unlike a noisy generator), its environmental benefits and the prospect of lower future energy bills," explains Grant Smee, property entrepreneur and Managing Director of the Only Realty Property Group. "However, the upfront costs associated with solar installation may be prohibitive for the average middle-class homeowner, with options ranging between R59 000 to R289 000 according to pricing from solar provider Solana Energy.

"Luckily, the increased popularity of solar power has given rise to a variety of innovative financing options to make solar more accessible and more affordable."

1. Outright purchase:

Buying the system outright using one's own funds.

2. Rent-to-own:

"Various solar financing companies have popped up in recent years, offering consumers the option to pay a monthly fee for solar, with the understanding that you will own the equipment after a certain period of time - usually five to seven years."

3. Financing the system through a home loan provider:

"Some of the major banks now offer the ability to 'add the cost of solar installation to one's home loan."

4. A subscription service:

"Solar providers such as GoSolr offer a fixed-monthly subscription to solar power using their equipment. Prices generally start at R1 580 per month."

Smee also cites the importance of justifying the significant initial financial investment by considering the value it will add to your home in the long-term.

According to South African home loan experts, ooba Home Loans, solar panels can increase the value of a property by around 3 to 4%. "Taking into account the current electricity crisis in South Africa and with no long-term solution in sight, I believe that this estimate is actually rather conservative," says Smee.

Ability to sell the buyer long-term peace of mind

Most of the country is still experiencing a Buyer's Market, meaning that many well-priced and well-designed homes are sitting on the market for far longer than they usually would, due to an oversupply of homes.

"Solar power is definitely a Unique Selling Point (USP) and a way for sellers to distinguish themselves from the competition," Smee comments. "Thus, I would encourage homeowners to make the transition now while they can afford it, as it can be a lifeline should they become financially distressed in the future and need to make a quick sale."

By investing in solar power, owners are also able to market the 'peace of mind' that their property will offer prospective buyers, both in the short and long-term. "The buyer has the assurance that they will be able to work from home and perform daily household tasks such as cooking without interruption." Another positive selling point is the prospect of lower electricity bills and resilience against unforeseen tariff increases.

"Eskom was recently approved to implement an 18.65% tariff hike come April 2023, which is yet another blow to South Africans dealing with interest rate hikes and the rising cost of living. In contrast, most solar providers' annual price increases are in line with annual inflation, giving consumers the ability to plan and budget accordingly," explains Smee.



Factors to maximise your solar investment

1. Choose your financing option wisely.

"If you're investing in solar power with the goal of adding to the value of your home, make sure that you own the equipment outright. If you've opted for the 'rent-to-own' (and haven't completed the contract) or solar subscription option, the new owner will have to carry the costs of the contract."

2. Take the size of the installation into account.

"The more solar panels on your roof, the more electricity can be generated."

3. Make sure that you purchase a hybrid solution.

"A hybrid system consists of solar panels, a smart invertor, and a battery. The battery is what keeps your electricity running during loadshedding, using the power generated from the solar panels during non-loadshedding periods."

4. Choose a reputable service provider.

"Make sure that your provider is accredited, uses the highest quality materials to increase their lifespan and that they offer a warranty should something go wrong."

Finally, remember location is key. "If your roof is constantly in shade, the solar panels will receive very little sunlight to generate electricity, making a costly installation essentially useless. Solar power has the potential to greatly increase the selling potential of your home– but all factors must be considered to maximise your return on investment," Smee concludes.

FIND OUT MORE

Coworking Space versus Traditional Office Space

By Editorial



For generations, professionals worldwide have commuted to offices for work. As the business world evolves, workplaces change. Isolated office cubicles have transformed into open-plan floors where collaboration is encouraged. High-tech coffee machines, ping-pong tables, and comfy couches have become common amenities in new-age workplaces.

As many professionals got accustomed to working from home, business owners and employees pondered the future of office working. Since the COVID-19 pandemic and the subsequent lockdowns, many companies have reconsidered their office operating policies to control overhead costs in times of uncertainty.

Now, most companies have returned to the office, whether that is on a full-time basis or a flexible hybrid model, which allows staff to divide their working days between working in the office and at home.

A coworking space allows you to work among other professionals across different industries. For example, a marketing agency could work alongside creative freelancers and sole trader start-ups in a shared office space in a coworking space.

On the other hand, traditional office space is located in an area exclusive to your business. Both office types offer excellent benefits and appeal to different types of businesses.

When choosing the right office for your business, consider whether a traditional or coworking option is more suitable for your team. Considering the pros and cons of a coworking space vs traditional office space is essential. There are many factors to consider when deciding on the right choice for your business, so follow our guide to make a more informed decision.

Advantages of a Traditional office?

1. Company culture

You have your own private office space to build and develop your ideal company culture. You can design the space to complement your brand and pay close attention to detail. From table tennis to the type of coffee machine, you can work to shape the company culture that you want to reflect your business. This closed environment is built around your company's values,

with no potential for your unique culture to dilute when all areas of your team are working in different places.

2. Flexibility

In a traditional office environment, businesses have complete control over the space. You get to choose the opening hours, the level of security, and the amenities you offer your staff. Some companies like to keep it simple and cost-effective, and others want to treat their staff to an on-site gym and ergonomic office furniture.

3. Privacy

Traditional office environments create a private space for your teams to work in and discuss sensitive or confidential topics. In a private office exclusive to your company, you can openly share ideas and plans without worrying about competitors or other people listening in. You also get exclusive use of important facilities such as conference rooms and meeting rooms.

4. Wide variety of office choices

When renting a traditional office space for your business, you are open to more than the coworking options in your preferred town or city. In most areas, you will have many choices when it comes to available buildings and locations.

Cons of a traditional office

1. Office management

Running a fully functioning workspace is no walk in the park. If you choose to have a traditional workspace, you will likely need to hire an office manager and reception staff to keep your office running smoothly.

2. Fewer networking opportunities

In a traditional office, you get to meet and mingle with your coworkers on a daily basis. But meeting like-minded people from other companies and sectors proves more challenging when there's just one company under one roof.

3. Long-term commitment to one location

A flexible workspace may suit you better if you want the freedom to move and not commit to a long-term agreement. That way, you don't have to make decisions now about the future of your business, and you're free to move with the needs and growth of your business.

What are the advantages of a coworking space?

1. Collaboration opportunities

Coworking spaces break down the barriers that traditional offices can have. When you opt for a coworking set-up or hot desks, you immerse yourself in a social environment. You'll get to focus on your work, but you'll also get the opportunity to have social interactions with others who work in different industries and professions.

2. Work-life balance

Many professionals enjoy a better work-life balance while working in a coworking space. Coworking spaces tend to have a community-inspired structure, making them more



flexible than traditional workspaces and, therefore, less stressful for those working in them.

3. Ideal for the hybrid working model

Since the COVID-19 pandemic, many businesses are turning to the hybrid working model. This allows employees to split their time between working in the office and working from home. A coworking space can be the ideal set-up for companies using this model as they don't require as much space as they did when the whole team would be working in the office daily.

Coworking memberships offer the perfect solution to businesses turning the hybrid working model. With access to lounges, coworking spaces and offices when you need them, it has always been challenging for businesses to adopt flexible working.

4. Budget-friendly

Coworking spaces can be more budget-friendly. You can rent a smaller, more affordable space within the coworking office and scale up when necessary. Most coworking spaces are serviced, meaning all costs for maintenance, bills, cleaning, and office management are included in the rental price.

Cons of a coworking space

1. Distractions

Some people prefer to work in a quiet, closed-off environment to limit distractions. Even though professionals in a coworking space surround you, some people concentrate better in their own private areas.

2. Meeting rooms

Coworking spaces offer excellent meeting rooms that give you the privacy to discuss confidential ideas. However, in most cases, you must book a meeting room or conference room in advance to ensure that it is available when needed.

3. Lack of privacy

Coworking offices are where creativity and collaboration are encouraged. However, some professionals, particularly those dealing with sensitive information and confidential work, may prefer the privacy and exclusivity that comes with a traditional office space.

Why are coworking spaces preferable to standard office spaces?

Many businesses enjoy the flexibility and freedom that comes with a coworking space. Firstly, you're not tied down to an extended leasing agreement. Secondly, you get to immerse yourself in a sociable environment that unites a diverse group of professionals. The networking possibilities are endless. And last but not least, in a serviced coworking space, you don't have to worry about office maintenance and other management qualms, so that you can focus on the job at hand.

Every Regus location has a team of specialists on hand to deal with any problems, from technical issues to security needs.

In the post-pandemic world, many businesses are opting for coworking spaces to deal with the quick-changing needs of their company. Renting a coworking space means you can commit to a whole office building. Instead, you can start by renting a small space and opt to expand it if your team grows or you need more employees to work from the office.



Best option for you

We hope that this guide to the pros and cons of coworking space vs traditional office space helps you to decide which type of office is the best fit for your business. Take a look at dedicated desks in coworking spaces, private offices, and shared offices we offer at Regus across our many locations to find the ideal office space for your business.

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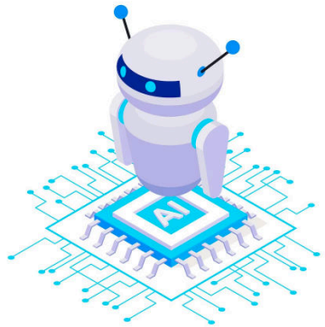
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The future of real estate transactions

Bringing Due Diligence to the Residential sector digitally

By Editorial



Founders Justin Leve and Sean Godoy met as co-tutors on a successful online property course, which gave them a unique opportunity to get to know each other.

Choosing the right partner in any new business venture is absolutely key. Justin's property career originated in the commercial sector, where his client-facing roles have been focused primarily on investment property deal facilitation and due diligence advisory. Sean's experience as a property market analyst evolved into providing a range of advisory and training solutions to the property industry. He is also a Proptech enthusiast and commentator, having co-founded the SA Proptech and Proptech Africa Associations.

"With exciting innovation in the form of Proptech rapidly gaining traction throughout the SA property market, we saw the opportunity to collaborate on an online solution that facilitates an often misunderstood and underutilised area of residential property - a thorough pre-transaction due diligence process for buyers and sellers" says Sean.

"To this end we were lucky to have assembled a passionate and highly skilled team to bring our due diligence Toolkit to fruition during a



Justin Leve



Sean Godoy

12-month period of ideation, product development and plenty of problem solving. This was a fascinating learning curve for us too, as neither of us had prior experience in the world of software development, or the additional and crucial avenues of brand, web and user experience (UX) design."

Since the platform launched at the end of 2021, they have achieved some rewarding milestones in the market - major product updates pre- and post-launch, industry partnerships (Enterprise Development Property Fund and ooba Home Loans), successful market outreach and stakeholder feedback campaigns, with further exciting developments on the way.

What need does PropDD address in the market?

PropDD's pioneering product, the **PropDD Residential Toolkit™** accessed at **www.propdd.online** adds value to both sides of a property transaction for buyers, sellers and estate agents, at an affordable price point.

Purchasing a property is one of the most critical financial decisions a person will make in their lifetime. The PropDD Residential ToolkitTM provides an online framework that guides a buyer through the process of investigating and understanding the important legal, technical and financial aspects of the property they are looking to purchase, to better inform this important decision. This process is known as due diligence.

The Toolkit facilitates this process by allowing a user to upload relevant due diligence documents and record information in their own secure toolkit vault. They can then auto-generate a professional Due Diligence Report which they can share with selected external parties, along with read-only access to their vault.

For example, a buyer may want to share their toolkit information with the financial institution where they apply for finance, or their attorney. Moreover, as an added resource, they are able to build a simplified cash flow based on their purchase strategy with the easy-to-use PropDD cash flow calculators.

The Toolkit was also developed for use by sellers, as well as the estate agent they appoint to sell their property, enabling them to fast track the due diligence process for prospective buyers by providing them with relevant property information upfront that is often not easily accessible. This will empower buyers to make quicker and more informed decisions. The sharing functionality of the Toolkit makes this possible and establishes a greater level of trust with buyers.

The PropDD platform also enables property practitioners to significantly improve transparency and boost their marketing strategy, while simultaneously meeting the regulated disclosure requirements related to a sale. All of this is facilitated through an online Toolkit that is easy-to-use and educational.

"Our ultimate goal is to improve transparency and aid decision-making around residential property transactions. We are not aware of any product like this in the SA market, and our international competitor research yielded a limited number of similar products" says Justin.

"We see effective property due diligence becoming an industry standard, and our aim is for PropDD to become the primary facilitator in driving this process."



Key features of the PropDD Residential Toolkit™

"Purchasing a property is one of the most critical financial decisions a person will make in their lifetime. The PropDD Residential ToolkitTM provides a framework that guides a buyer through the process of investigating and understanding the important legal, technical and financial aspects of the property they are looking to purchase, to better inform this important decision."

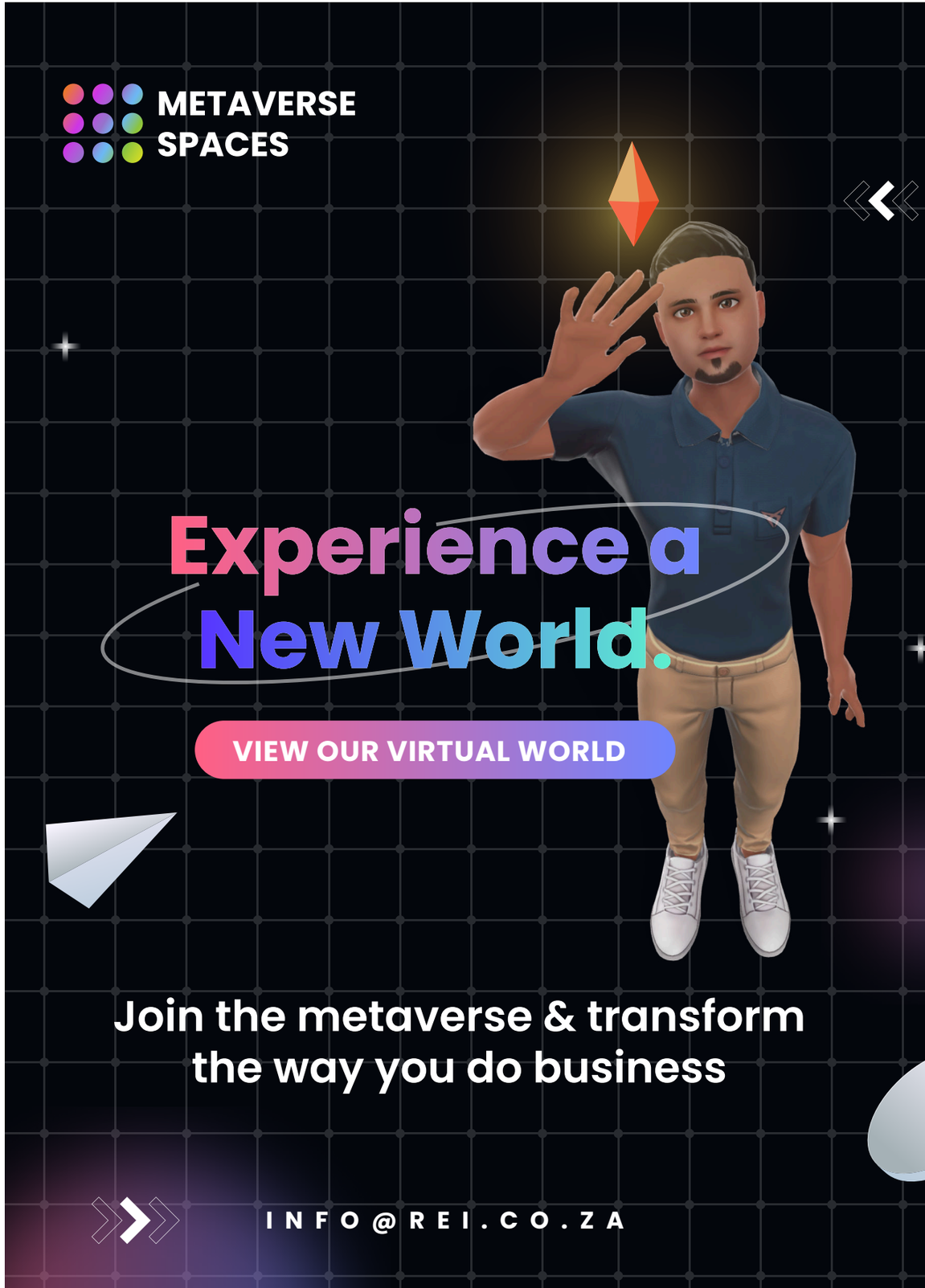
The Toolkit is designed for a single residential property and associated transaction, and takes a registered user through the key legal, technical and financial stages of the due diligence process, allowing them to upload important documents and input information where required.

Included with this process are downloadable, legally compliant sale agreements for freehold and sectional title properties, the use of which is optional. Furthermore, a comprehensive property inspection checklist is included where a user can identify and flag any physical issues, upload photos and input any important notes that relate to each issue detected.

All documents and information are stored in a secure toolkit vault which only the user has access to. However, should they wish to share read-only access to their Toolkit Overview page with any designated party of their choosing, they can do so by using a secure sharing function. This will enable the designated party to download any documents uploaded to the user's toolkit vault, including a Due Diligence Report which summarises all information the user has inputted as of that date.

A user is also granted access to a number of other useful resources when they purchase their first Toolkit, such as the PropDD cash flow calculators and an instructional Market Analysis 'how-to' guide.

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How Artificial Intelligence could revolutionise the Commercial property sector

By Editorial



Artificial Intelligence (AI) has been hailed as the 'ultimate disruptor', with companies from all sectors excited about its potential to fully automate tasks and improve efficiencies.

But as the mainstream use of AI has skyrocketed in recent months, many have found themselves wondering if the 'AI revolution' is a sign of great things to come – or a threat to traditional work as we know it.

John Jack, CEO of Galetti Corporate Real Estate believes that the use of AI in the local commercial property sector has many positive and far-reaching implications, when used strategically.

"The use of technology in our industry has accelerated, and now with the advent of easy-to-use AI tools, we have the ability to improve efficiencies, reduce costs, and make better-informed decisions".

"This doesn't mean that AI is better than a human workforce, and business leaders should keep in mind that these tools are most effective when utilised by a skilled professional. Don't view AI as a threat to job security, but rather to 'work smarter' and provide tenants, landlords and property managers with a better experience."

Jack adds that while many AI-powered tools have come onto the market in the last six months, ChatGPT is by far the most popular, boasting one million users within a week of its public launch.

What is ChatGPT?

ChatGPT is a machine learning algorithm designed to understand and respond to text input in a human-like way and can be used for a wide range of natural language processing tasks, such as language translation, text summarisation, and question answering.

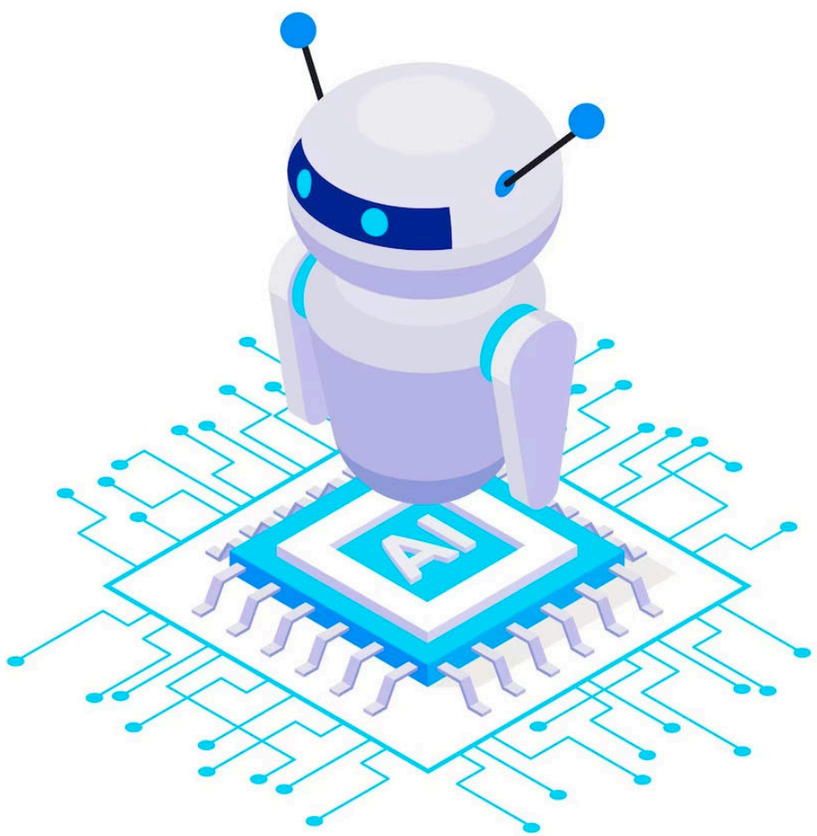
The free-to-use service was launched by San Francisco-based OpenAI, the creator of DALL·E 2, at the end of 2022. It is widely considered to be the most powerful and user-friendly language-processing AI model to date.

"In the commercial property context, the primary benefit of ChatGPT is as a tool to analyse data and communicate more efficiently with clients through fast and accurate responses," explains Jack. "However, as AI capabilities are constantly and rapidly evolving, we believe that this technology will transform even the most advanced tasks associated with real estate transacting in the near future."

The benefits of AI in the commercial property sector He explains that AI-powered systems can be used to analyse large amounts of data on property prices, rental rates, and market trends to help predict future real estate values. "This empowers us to make informed decisions and allows clients to better manage and optimise their commercial real estate portfolio, which is good news for the industry at large."

Other potential uses of AI tools in commercial property include:

- Leasing: "One of the key areas of a commercial real estate business is centered around leasing management. Here, AI can assist by answering FAQs, scheduling tours, and applying for tenant leases. Accurate and human-sounding chatbots provide prospective tenants with quick,easily accessible information to speed up the leasing process."
- Property management: "To improve property management efficiencies, AI tools can be used to automate routine tasks such as responding to tenant enquiries, document generation, making payments and scheduling maintenance."
- Automating energy management: "AI can be integrated into a property's automation systems for seamless control of lighting and temperature control through standard language demands, allowing for reducedcosts and a lowered carbon footprint."



The limitations of AI

While a firm believer that AI-powered tools have the potential to keep the commercial real estate sector on the forefront of innovation, Jack emphasises that this technology is not without its limitations.

"AI systems are excellent at performing specific, repetitive tasks, but they lack the crucial human understanding required to identify the purpose of these tasks or the larger context they fall into," he says. "This can lead to it making mistakes when the data is incomplete - something a human would pick up on and work around, which is why human perspective is always needed."

Ultimately, Jack believes that an AI-smart workforce of skilled and forward-thinking real estate professionals armed with AI-powered tools is the combination needed to move the industry forward. "Companies that embrace rather than fear these tools will come out on top," he concludes.



John Jack
CEO
Galetti Corporate Real Estate

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The future of real estate transactions

By Editorial



Farbod Sadeghian
Founder and CEO
Qlindo

REI speaks to Farbod Sadeghian, founder of real estate technology company Qlindo on blockchain, crypto currencies, title, smart contracts, green real estate investment tokens and how it is transforming real estate

What will the impact and benefits be of smart contracting?

Smart contracts are the kind of technology that can prove truly revolutionary in a number of ways and could be applied to all kinds of transactions. Using smart contracts, transactions are only triggered when all conditions are met, so they are inherently secure. And as they are stored on the blockchain for everyone to see, communication becomes truly transparent –-fraudulent real estate developers are going to have a hard time getting around smart contracts, that's for sure!

Is selling shares using crypto currency the only current method of using blockchain when purchasing real estate shares at the moment?

Selling real estate on the blockchain is not limited to cryptocurrencies. For example, a common method is virtual shares, where people can take entire single properties and divide them into smaller shares to be sold via the blockchain. However, Qlindo's approach works by securing $Qlindo token holders the highest ROI and aiming to build the most profitable green real estate portfolio.

How will property titles be managed on blockchain?

Depending on the country and the kind of operating property laws, blockchain-based virtual shares can include property titles through the use of smart contracts. However, many countries still lack institutional regulations of this kind, which is why the majority of blockchain real estate projects see the property tokenized instead and only in rare cases accredit the investor with true property rights. We are confident that this will change in the coming years, as the technology evolves and the laws change with it.

Will blockchain eradicate money laundering through real estate and make the transactions more secure & transparent?

We hope so! Blockchain technology counts –among its many advantages– the fact that it can bring security and transparency to real estate transactions. Any and all transactions are automatically and instantly saved on the blockchain, making them publicly accessible and traceable.

What other benefits does blockchain offer real estate?

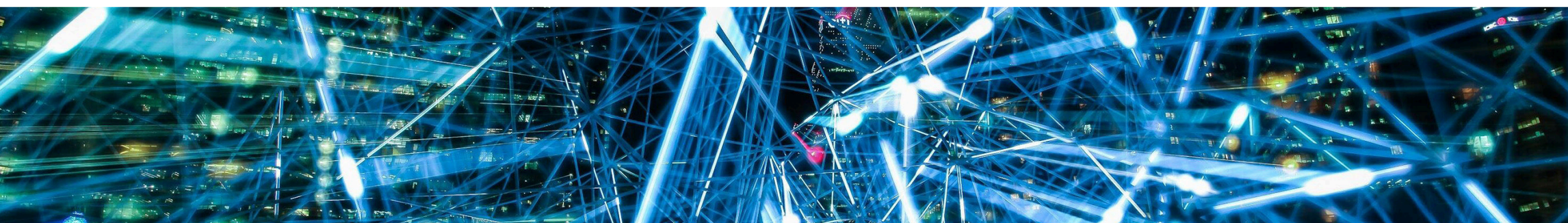
Well, transferring real estate ownership in a fast, secure, transparent way is probably revolutionary on its own merit! True to the promise of Web 3.0 technology, it's a decentralized and very "unbureaucratic" way of doing business, and it has the potential to be the most secure method available on the market.

Lastly, how is blockchain really transforming the real estate industry?

Blockchain technology connects buyers and sellers in entirely new ways, cutting middle-men out and thus helping both parties save on fees, commissions, and streamline the process. When talking about fractional ownership, blockchain significantly lowers the barrier for entry and allows people to get on the property ladder by pooling funds together and trading tokens in real time. Naturally, as transparent and secure transactions are the basis of blockchain technology, bringing these advantages to the real estate market would be a big step forward, too.

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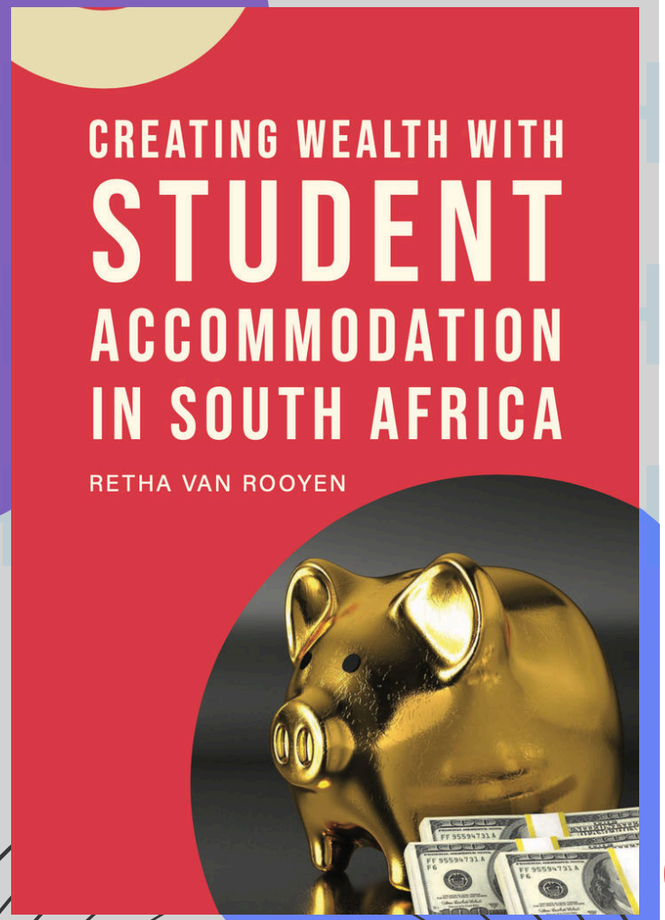
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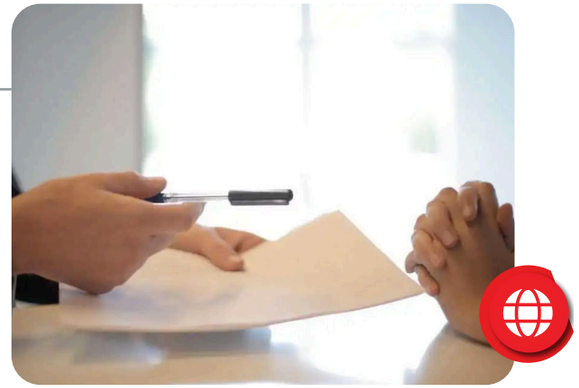
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Prince Harry and Meghan Markle's Netflix Show Mansion for sale

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Prince Harry and Meghan Markle's Netflix Show Mansion for sale

By Editorial



The Montecito mansion, where Prince Harry and Meghan Markle filmed much of their Netflix documentary Harry & Meghan, is on the market at $33.5 million.

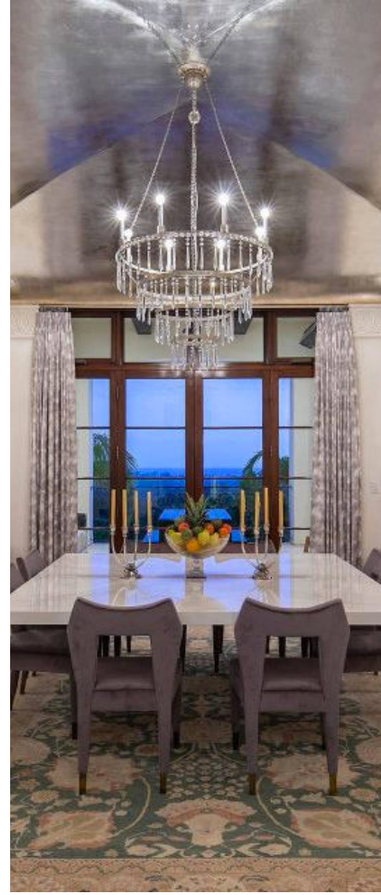
The Montecito mansion, where Prince Harry and Meghan Markle filmed much of their Netflix documentary Harry & Meghan, is on the market at $33.5 million. The home is featured on TopTenRealEstateDeals.com. Fit for royalty, the Mediterranean-style, six-bedroom home with 13,599 square feet includes ocean and mountain views, multiple terraces, and a regal great room chandelier and arched windows – where Meghan was extensively filmed for the show's interviews. The home was built in 2006.

The home's exterior includes two acres of lush grounds with romantic walkways and year-round flowers, soaring palm trees and accent vines, a vegetable garden, citrus orchards, and even a chicken coop for fresh eggs. Amenities include a pool, hot tub, bar, gym, game room and a theatre. A picturesque guest house is perfect for any king or royal relative who might drop by for the beautiful Southern California weather.

The Duke and Duchess of Sussex moved to Montecito in 2020 where they lived for a few months at Tyler Perry's home before buying their own $14.7 million mansion. The six-part Harry & Meghan docuseries follows the couple from the early days of their courtship up to their well-publicized resignation from the royal family and move from England, and is setting television viewership records.

Montecito has long been a favourite escape for the wealthy, including John and Jacqueline Kennedy's honeymoon in 1953, and increasingly drawing Hollywood types such as Oprah Winfrey, Kim Kardashian, Gwyneth Paltrow and Ariana Grande.









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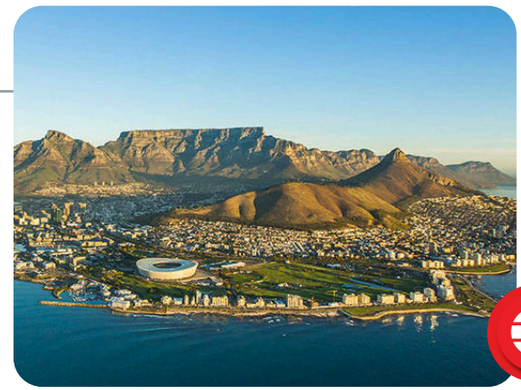
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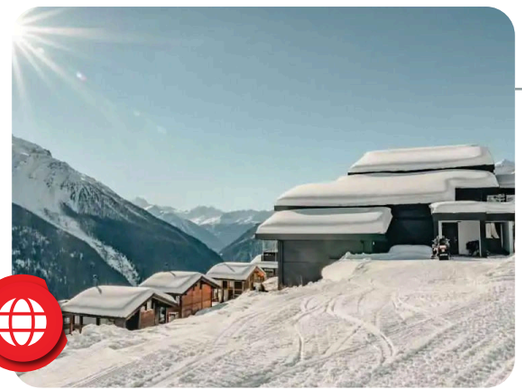
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Now is the time to invest in UK property as a South African: the buying process explained

TRENDING ONLINE

Reasons to stay in the local market South Africa





TRENDING ONLINE

Switzerland a long-term dream investment with immediate benefits



Now is the time to invest in UK property as a South African:

the buying process explained

How is it possible and how best can I make a good return?

By Editorial

2023 kicked off to a good start for the UK property investor market with the news that interest rates were coming down. The Financial Times reported that TSB and other UK lenders had dropped their mortgage rates as confidence grew in the market and UK lenders fought for home loan customers, but in comparison to this time last year they remain high.

A year ago, an average 2-year fixed rate buy-to-let mortgage was 2.9% and now it is around 6%, which explains why there is some negative outlook regarding the UK property sector.

"Historically the best time to invest is when people are the most negative", as quoted in The Times by Rob Dix, co-founder of The Property Hub and this makes sense because buying a property now at today's rates ensures your investment numbers work and takes away the uncertainty faced by investors who bought when rates were very low.

Furthermore, the UK continues to go through a rental crisis as rental prices soar; last year they increased by 7.9%. My sister moved out of her London property last week and the landlady relisted the room to let, within 10 minutes she had received 15 enquiries and the lease was resigned that week. Demand is high and buy-to-let investors are not seeing void periods.

Now is the time to invest in UK property, how is it possible as a South African?

Buying property in a foreign country can seem daunting. From which area to choose, to legal processes, finances, tax and mortgages, there are many decisions to be made. Many people never take the first step mainly due to fear of making a mistake or not knowing where to start. Often investors deem it unattainable due to the cost and fear of the unknown, but the entry level for international real estate investors is much lower than people think. With lending accessible to most investors, the minimum investment requirement is around R800,000, which would buy you an asset class around £120,000.





A simple guide to the UK investment process:

1. Prepare Finances: Getting your finances in order

The first step to buying a foreign property is to evaluate and prepare your finances. If you are looking to make use of a mortgage, it is important to understand the obligations as well as benefits thereof. In the UK, South Africans can borrow between 60% - 80%, with interest rates around 3-6%. The current UK base rent is 3.5%. Mortgage costs involve a broker and lender fee and total around £2000 approximately. South Africans can access a mortgage in the UK relatively easily and due to the double taxation treaty between South Africa and the UK, any tax paid in the UK will not be paid again in South Africa.

2. Property Selection

Do your research and due diligence and most importantly, know what the desired outcome is. If you are looking for a buy-to-let unit, then rental returns and capital growth are important. Alternatively, if your goal is to acquire a second or holiday home, that will result in a very different purchase. At LIO Global Property our properties are carefully selected in specific locations focusing on stability, investment security and yields.

3. Legal & Due Diligence

Once you have selected your property and are ready to proceed, a solicitor will need to begin the conveyancing process. The solicitor prepares a legal report, offering full due diligence. This report includes local searches, rights of way, confirmation of title and planning consents, and raises any issues that you should be made aware of. Solicitor costs vary from £900 - £1500.

4. Exchange of Contracts

Once the solicitor is satisfied that due diligence is complete, the contracts are exchanged, and the deposit is due. Most developers request a 20% deposit, and the remaining 80% balance is paid on completion.

5. Completion

In the UK, completion equates to transfer in South Africa, and this is when the remaining balance of the funds are due and when keys are ready to be handed over. At this stage you will also be required to pay Stamp Duty Land Tax, which your solicitor will make you aware of early in the process, so you have an idea of the cost, but it is also advisable to speak to a tax specialist.

LIO Global Property's team has been investing in the UK property market since 2003. We always prefer to take a long-term view on UK property investment because the market is constantly changing and buy-to-let is not a quick returning asset class. With a long-term view in mind, you have the potential for building a successful property portfolio and in doing so building generational wealth. The UK provides a low-risk opportunity to property investors in that it is one of the oldest and most consistent markets in the world.

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By D.A. Joshua

Too many South Africans are excluded from the benefits of the international marketplace. This book aims to change that, by showing how to grow your wealth through simple, sustainable investment principles, and how to harness the fundamental drivers of global growth. Drawing from a career providing international investment solutions to global clients, David Joshua addresses the most common and costly blind spots individual investors have, and lays out the key fundamentals everyone can learn to transform their financial future.

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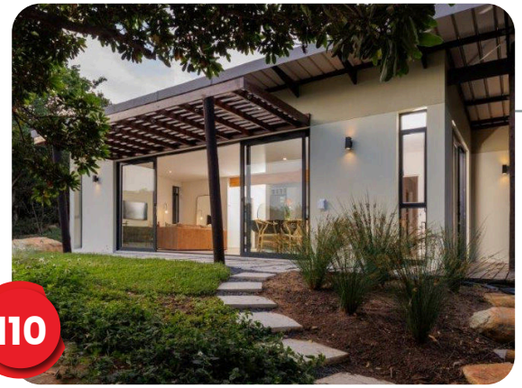
APP

Dulux Visualizer ZA APP

Choosing your next wall colour has never been easier. The Dulux Visualiser app helps you see Dulux paint colours on your wall INSTANTLY. Using augmented reality technology, explore different colours with just a tap of the screen. Narrow down colour choices or experiment with bolder colours risk free. You can even MATCH a colour from existing furnishings and let the app suggest co-ordinating colours to go with them. Or be inspired by the world around you and let the app find the nearest Dulux colour.

EXPLORE

RETIREMENT



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TRENDING ONLINE

Six Trends That Will Define Retirement Property in 2023

10 Factors and Guidelines to assist buyers to find the ultimate retirement

By Editorial



Investing in a 'forever home' is a big decision that requires careful consideration of existing and future needs. In South Africa, there has been a massive shift towards coastal semigration, with retirees following suit. According to the property market intelligence report, Lightstone, the town of Margate on KZN's South Coast is emerging as an in-demand location for retirement living. There are many great reasons for this, but investors mustn't overlook certain key factors when choosing a home.

"There has been a significant shift in retirement trends the past few years, because retirees are living longer than ever before," explained Reece Daniel, Developer of Serenity Hills in Margate. "People are now looking for a retirement home where they can enjoy an active, outdoor lifestyle which has meant a shift in priorities.

To assist buyers on a retirement estate house hunt, here are 10 key factors to consider

1. Self-sustainability

South Africa's blackout woes are set to continue into 2023, according to the medium-term adequacy report Eskom released in October. Add in the climate crisis and resultant water supply concerns, and self-sustainability should be top-of-mind for retirement investors. Solar panels, LED lighting, and water storage solutions should all factor in the decision.

2. Security

Safety and security are always key deciders for property investment in South Africa which is why security estates are a popular choice for retirees. Considerations should include electric fencing, 24-hour access control, CCTV cameras, and emergency response.

3. Active lifestyle

With retirees living longer, it's important to think about the opportunities for active living when investing. Gyms, swimming pools, hiking and biking trails, tennis courts, bowling greens and volleyball fields are all some of the facilities that are attractive to retirees.

4. Natural spaces

The mental and physical benefits of the natural world are well-documented, and connecting with nature in retirement is becoming increasingly important. Nature reserves for hiking and bird watching, dams and lakes for fishing, and the seaside for relaxing and bathing … these make for happy, healthy living.

5. Quality of life and area

Area is an important factor and comes as no surprise as quality of life becomes one of the biggest deciding factors in retirement. Area's such as Margate's natural beauty, accessibility, year-round subtropical climate, and laidback lifestyle have positioned it as a top retirement destination.

6. Pet-friendly

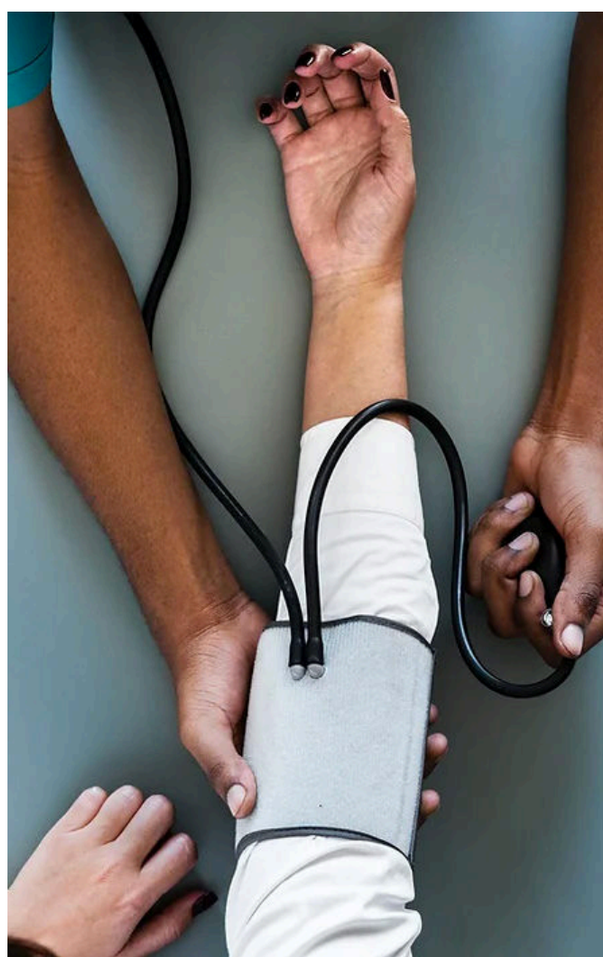
There are documented health benefits for senior citizens living with pets including decreased blood pressure, anxiety, and depression as well as improved cognitive function. Despite this, many retirement villages have regulations preventing pet ownership. It's well worth considering pet-friendly estates, even if there isn't a pet in the house now, it's always good to have the option.

7. Value for money

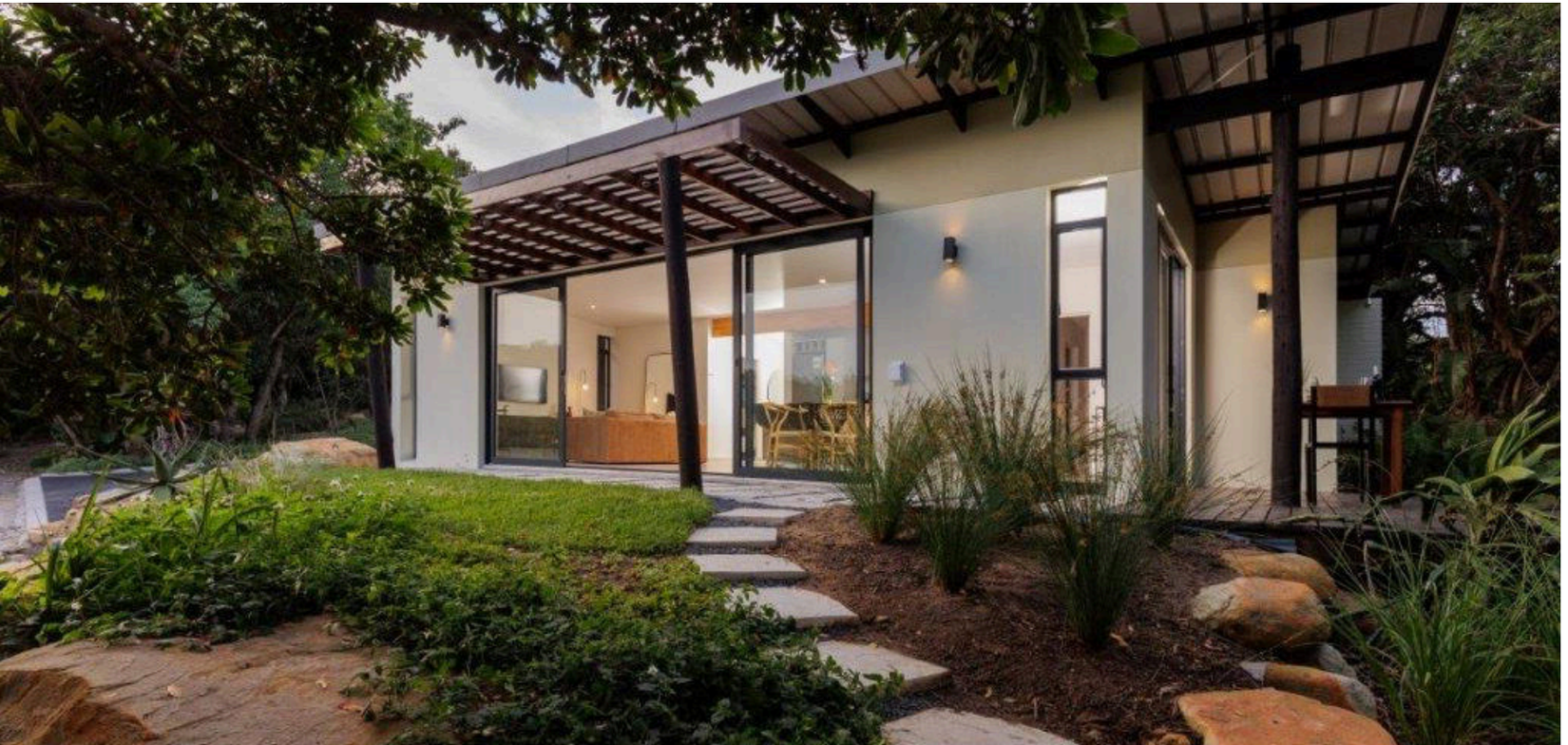
Even those who've put away a significant amount of money for retirement will still need to spend carefully because of extended life expectancies and the rising cost of living. That's why it's important to consider locations where property prices and cost of living are substantially lower than in other coastal towns.

8. Healthcare

While it's not something people want to dwell on, diminishing health in later years needs to be addressed. That's why frail care, dementia, and







step-down facilities are all important factors when choosing a retirement home. Where these are accommodated on-site, there's no need for relocation in the future.

9. Children's facilities

An often-overlooked factor in retirement living is facilities for the younger generations. Even if grandchildren aren't around just yet, they're likely to be in the future and their needs need to be considered. Estates with fishing dams, jungle gyms, swimming pools, and near the ocean will encourage more family visits in future.

10. Community

The importance of socialising and community engagement for mental well-being was highlighted during the forced isolation of the pandemic. Those residing in lifestyle estates benefit from ongoing community engagement through social clubs, sports classes, and volunteer programmes all enhance day-to-day life.

IMAGES: SERENITY HILLS

ENQUIRE NOW

How to protect your family from the unforeseen costs of dying

By Editorial

Budgets are tight. There is no doubt that many South Africans are experiencing tough times, with rising inflation resulting in that bag of groceries costing substantially more than we are used to. This doesn't even include loadshedding's effect on our time management, which adds additional pressure on the running of our households.

There are some expense items however that most South Africans would agree are non-negotiables, such as medical aid and car insurance. We don't procrastinate when it comes to getting those in place, and keep them going at all costs, because we want to protect our families from financial drama should anything unforeseen happen.

We also know that it's important that we consider what we need in place as safeguards for our families when we pass away, but there is a common misconception that a funeral policy and life cover are enough.

In 2012, Capital Legacy was founded by Alex Simeonides as a result of Alex identifying a crucial flaw in traditional estate planning.

Many people don't plan for, and aren't even aware of, all the unexpected legal fees and costs at death. A few examples would be Executor fees, Conveyancing attorney fees, Masters fees, Correspondence Fees, Testamentary trust fees, Inheritance tax and other immediate expenses such as travel costs and household expenses. Depending on your Estate,

these bills can rack up to hundreds of thousands of rands.

Even with a funeral cover and life cover, some estates don't have enough liquidity to cover all the costs, and so the Executor of your Estate may have to sell some of your assets to pay for the winding up of your Estate. This has a devastating ripple effect on family members who may end up not inheriting what was intended, and children and spouses having to change their standard of living completely. Before starting Capital Legacy, Alex saw cases where Executors had to auction off cars and homes, leaving families destitute and having to start from scratch.

This led to pioneering insurance to cover these legal fees and costs at death with the creation of the Legacy Protection Plan™.

"The Estates I encountered often didn't have enough liquidity to pay off the debts and cover the fees and costs involved in winding up the Estate. I found that family members were in the dark as to the process and costs they would need to cover and often properties and other assets would need to be auctioned off to cover these costs which naturally meant that the legacy the clients had intended to leave behind didn't materialise", says Capital Legacy CEO and founder, Alex Simeonides.

3 Examples of Legal Fees at Death

1. Executor Fees

The industry standard fee charged by the executor or assisting professional to wind up your estate will be a maximum of 3.5% + VAT of the value of your estate. An estate worth R3 Million will pay, for example, approximately R120 750 in fees. In terms of South African Law, Executors may also charge 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, usually 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.

This is where the Legacy Protection Plan™ comes in very handy, seeing that all these fees and more are covered by the plan.

Free will drafting

We offer a complimentary Will-drafting consultation in which we will draft your Will and calculate your estimated legal fees and costs at death to determine which Legacy Protection Plan™ would be best for you. For less than R200 a month, you can ensure that these costs will be covered and rest easy knowing that you have planned for the unexpected.

CLICK HERE
For more information on getting a will drafted

Indemnity cover

The costs of dying are one of the most important factors often overlooked when drafting your will and considering your estate. Make sure you prioritise this type of insurance for your family's sake. These fees eat away at the legacy you plan to leave behind.

CLICK HERE
For more information to get indemnity cover

Look out for our next issue in March 2023

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