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rei REAL ESTATE INVESTOR

MARCH/APRIL 2023



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TAX SEASON
Answers to top 3 Questions

RISE OF SMART TOWNSHIPS
Will it bridge the digital divide?

AIRBNB vs TRADITIONAL RENTALS
Which gives the best ROI?

MAURITIUS LURES INVESTORS
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GAWIE VENTER

Leading the revival of the KZN South Coast

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EDITOR'S VIEWPOINT

In these times focus on your purpose despite the challenges

In times that we are experiencing right now, it seems that when the chips are down and the bad news flow is large, then we need to refocus and redefine our purpose and not to allow the negativity to influence us. Our daily activities and intent determine our results and we need to fight and create our own happiness and success. It is in these times that we need to forget about the macro-economic environment that is out of your control, called the uncontrollable, and revisit our purpose, goals and your life and focus on the micro-factors that you can absolutely control every day.



Kenny Purcell, President of the National Association of Realtors (NAR) based in Utah, in the United States was the keynote speaker at the recent Real Estate Business Owners of South Africa (REBOSA) estate agent conference in Cape Town recently.

Kenny delivered three key inspiring messages but practical keys that can assist you to become more successful. We can all learn and do more in our lives if we apply these very simple but powerful keys into our personal and business lives.

EDITORS PICK:
Meir Ezra Webinar

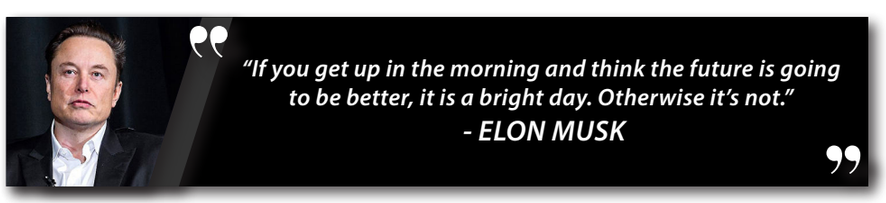
The first key to life he says is to work hard at what you do - both on your business and yourself. He says if you work hard then things tend to become easier. If you work easy, hard things tend to present themselves to you. The second key is to ensure that you are always having fun in whatever you do every day. The more happiness and fun you have in your business and life the more success you will have, so enjoy what you do daily despite the good or bad challenges. Thirdly, always give back. The fulfilling feeling of giving back and contributing to society gives you a sense of purpose. Have the confidence in leading yourself to implement these three things in your life and you will be more successful.

Life is challenging for so many of us right now. In this edition of REImag we have an inspirational property investor story about Gawie Venter on a journey of confronting obstacles, overcoming failure, struggles and eventually achieving success by beating all the odds. The truth is that every success story involves failure, and this was no different for Gawie in this month's Master Investor profile.

This story depicts how he overcame great obstacles in his path to give you guidance, encouragement and hope to apply some these principles in your own lives. Sit back, relax, get your favourite beverage, read, inhale, and enjoy the process of educating yourself in the property game.

Successful investing!

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FRONT COVER IMAGE: Gawie Venter, founder of Tieleo Property Fund. Left of him is Marius Louw of Lions Rugby team and right is James Venter of Sharks Rugby team both investors into Bahari Bay

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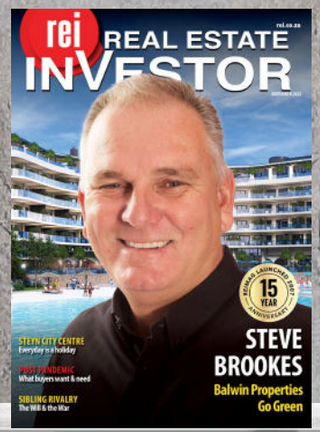
REI MAGAZINE ARCHIVES



FEB 2023



DEC/JAN 2022



NOV 2022



OCT 2022



SEP 2022



AUGUST 2022



JULY 2022



JUNE 2022



MAY 2022



APRIL 2022



MARCH 2022



FEB 2021

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



The best alternative capital investment options to get maximum returns

NICK MORGAN
Co-Founder & CEO, Opportunity Private Capital

Q **I am interested in investing around R500,000 of my capital which I have lying in my personal bank account receiving only around 6% per annum at the moment and is also not tax free. I have been looking at number of different types of alternative investments, crypto, direct property investment and also investing alongside the developer for a period of maximum 2 years.**

I am very new to this short-term type of capital investment and I need to be sure that:

1. **I get the maximum return on investment.**
2. **That the risk is minimised and the investment is secure for that period.**

Can you explain how the Opportunity Private Capital investment works and is it based on a particular property or unit or the entire development? How is this structured? What happens if the development is left unsold at the end of the development process. Are returns taxed? Lastly, do investors receive monthly payments?

A Your strategy is sound in that you are looking to maximise returns and minimise risk, although one could argue that risk mitigation should be the first point. There is a theory promulgated in investing about 'myopic loss aversion' which surmises that investors are significantly more sensitive to losses than to gains. So, to this point, despite investors achieving healthy returns averaging 16.75% per annum over the last 5 years, its vital to note that this entire investment strategy is first and foremost focused on protecting the investor capital.

This security is two-fold: A covering bond is held over the entire development to protect investors and in addition, investments are assigned to specific units within the development. These assets are thus held as security until you, the investor, is paid. Your returns are generated by the sale of the unit assigned to the investment and the unit cannot transfer to the end buyer unless funds are available for investor payment.

There are also strict protocols in place for the flow of investor funds with professional independent parties that check and authorize any release of funds on an ongoing basis.

Investors do not receive monthly payments with this specific offering. The returns are paid at the end of the investment cycle. The estimated period of the current cycle is around 12 months although the historic average is closer to 16 months. In terms of tax, this is in the individual's hands. The investor will need to declare interest income earned upon exit with their tax return.

The investment returns on offer are tiered, and dependent on the amount invested. With an investment amount of R500 000, per your enquiry, the projected returns are calculated at 16% per annum. Although the Company is more than 16 years old, this particular type of investment offering has been in place for only 8 years. No units have been left unsold in completed projects to date which is in large part due to the niche strategy of pursuing investment projects in high-demand, middle income suburbs of Cape Town.

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I can't pay my bond – Loadshedding, my business and income is struggling!

DANIEL LOMBARD
Founder, The Assist Group

I am a home owner feeling the economic pinch. My small manufacturing business is suffering daily because of really weak economy and also with load shedding is adding insult to injury. I have retrenched staff and my personal income has also dropped dramatically and my reduced income coupled with rising inflation is now become an everyday reality. You can then add rising interest rates which is in turn push up my monthly bond payments to almost double to what I was paying in April 2020.

As a result I cannot maintain my monthly bond payments. I am now more than 4 months in arrears with my bond and the danger is that I can end up losing my home if I don't take steps to remedy the situation."

I have tried to engage with my bank regarding my financial problems but they still want a payment plan which I still cannot afford at the moment even when restructuring the debt.

My question is what other options do I have with the property to ensure that I don't lose it and that I can retain the property for myself and my family?

More than 100,000 families in South Africa today are experiencing difficulty in keeping up with their home loan repayments, with their loans being more than 90 days in arrears. It is essential not to remain passive in this situation or overreact out of fear. Instead, there are various solutions that one can leverage against their current property to address the challenges they are facing.

Financial institutions have their own inFinancial institutions have their own in-house solutions that are less costly, and they should be the first port of call for those in arrears. Unfortunately, Real Estate Owners (REOs) are often unaware of the various options offered by the bank, and they mostly avoid communication with them as far as possible due to the harassment from call centres. However, it is essential to keep communication channels open and truthful.

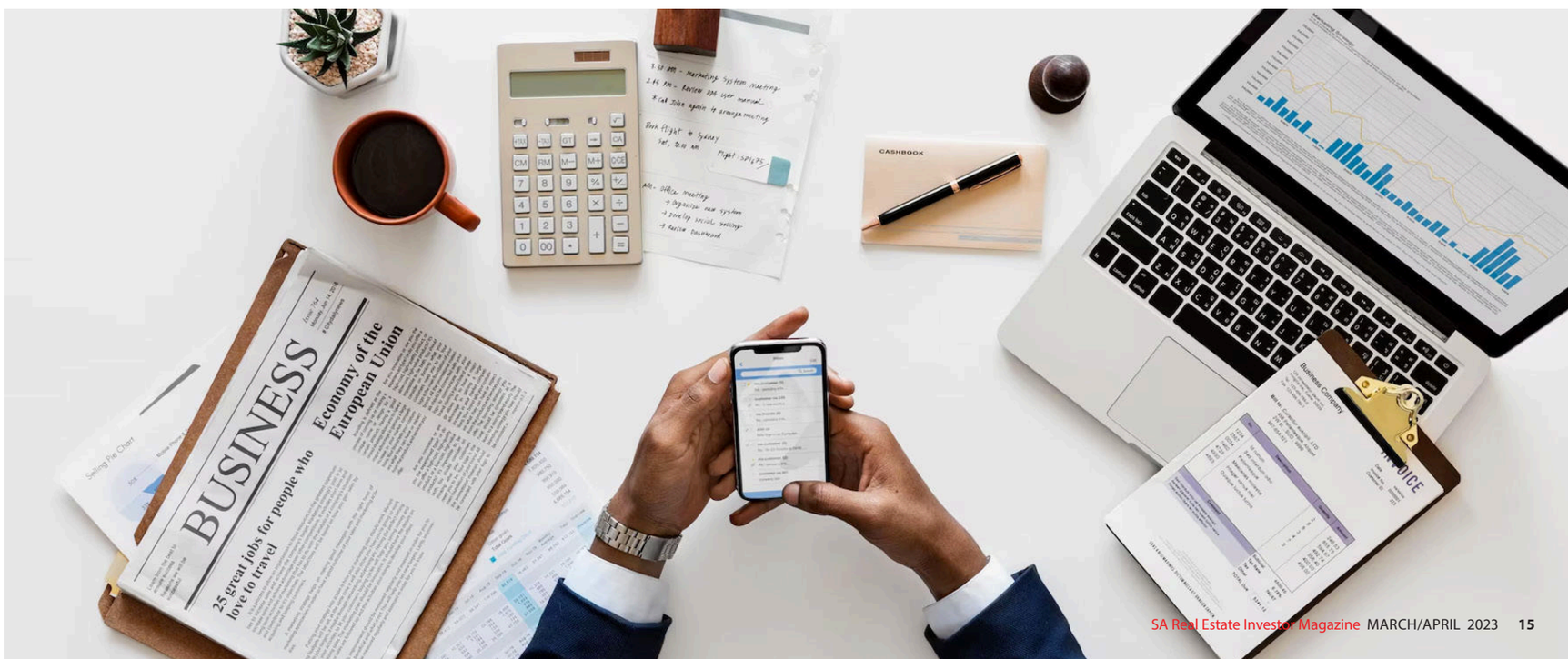
Three important keys to remember are not to make commitments you cannot meet, to keep the communication going, and to explore alternative solutions.

Each REO situation is different. Apart from being able to assist with any bank arrangement, companies like Real Estate Assist have two main options to assist real estate owners. They offer "on-sale solutions" that stop legal action or auction if in process, unlock cash from the property to address urgent financial matters, buy time to sell the property, and maximize proceeds selling for the best possible market value the REO is not able to recover.

Finally, Real Estate Assist offers solutions "to keep your property". They stop legal action or auction processes, unlock cash to address urgent financial matters, address critical maintenance, and keep your property through structured "Recovery" property transactions and through participation in our Financial Wellness Program to improve your credit status and utilize a mortgage to retain the property.

It is essential to seek out the right assistance to help you navigate through these challenging times.

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Ground rents and laws around leasehold property in the United Kingdom

RAYMOND HAYES
Solicitor & Chairman, Barton's Solicitors

Q I've heard that there are some issues surrounding what are called ground rents in England which makes some properties unsellable-what is happening?

A Unlike South Africa, much property is leasehold and because of affordability many buy to let investors have bought leasehold flats. The best leases are for 999 years at a peppercorn rent.

Unfortunately, some leases are shorter but also have problems because of ground rents. Legislation was passed last year to prevent any new ground rents being created but this doesn't help with pre-existing leases where the ground rent is or could be £250 a year outside London or £1000 a year in London.

The reason for the problem is an obscure provision in the English housing acts meaning that a long lease at a ground rent is capable of being an "assured tenancy". If the rents are above the thresholds and a tenant is more than 3 months late in paying the ground rent the landlord can request the termination of the lease and this is a mandatory ground for repossession.

There are three possible solutions pending any possible change in the law:

a. a deed of variation with the landlord either reducing the ground rents or obtaining confirmation the landlord will not enforce the mandatory ground - there is nothing to compel the landlord to agree this;
b. where a property is mortgaged (bond) it is possible to obtain a relatively cheap insurance policy but it is for the benefit of the lender only; or
c. use legislation which is available after 2 years' ownership to obtain a 90 year lease extension at a peppercorn rent-this is more expensive but the process is guaranteed and the premium is in accordance with a statutory formula.
d. Professional advice is always required when this type of situation is encountered.

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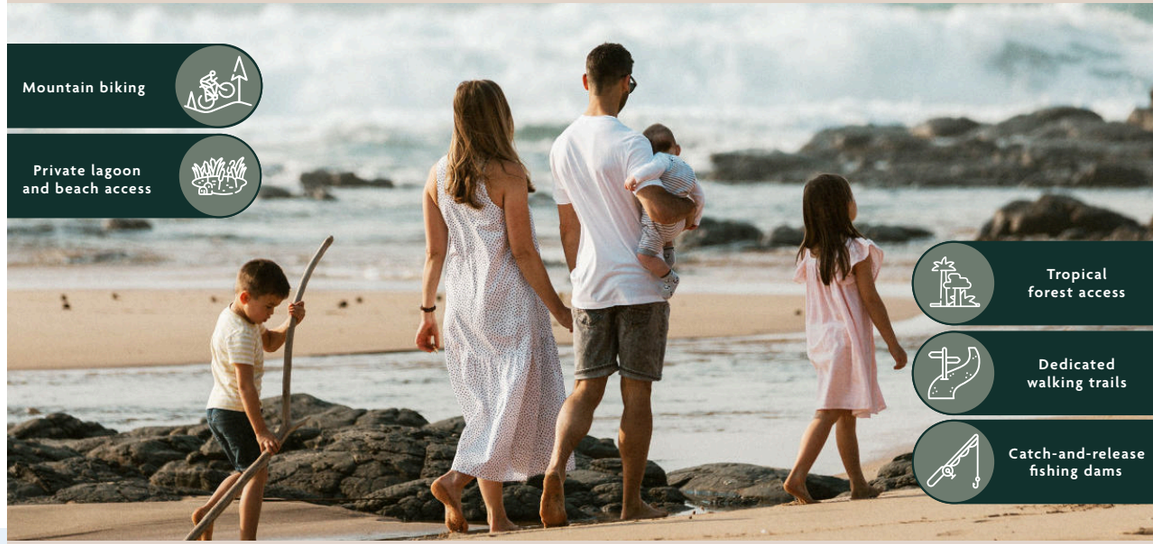
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Property turnaround specialist leading the revival of the KZN South Coast

By Neale Petersen



Gawie Venter is a passionate property dealmaker that has been involved in turning around struggling properties for the past two decades. He is a serial entrepreneur that has found his niche in buying distressed properties and making them work.

Gawie is not only driven purely by making money out of property or doing property deals for personal gain, but more importantly believes that by turning around a sizeable property in an area, an entire region can be uplifted and shifted into increased economic growth. He does that by spotting the opportunity, focusing on the needs of adjoining communities, adding value to users and tenants of the property and their immediate environment.

Gawie took ownership of the spectacular 100-hectare Bahari Bay (previously called Sunrise Bay) a beachfront property development located on the KwaZulu-Natal South Coast in December 2022. More than 50 hectares of this outdoor heaven will remain untouched nature allowing bushbuck and other wildlife to roam freely across the landscape, with an array of outdoor activities like walking, running and mountain bike trails that allow outdoor lovers to enjoy nature and adventure in a safe gated estate.

Gawie's start

Gawie's business Tieleo Property Fund is based in Somerset West in the Western Cape though many of his bigger deals have been secured outside of the Western Cape.



Gawie originally reigns from Klerksdorp (or Matlosana) from the North West Province about 200km south west of Johannesburg. He attended school in Potchefstroom just 50km outside of Klerksdorp and matriculated at Potchefstroom Gymnasium High School in 1996.

In 1997, he left North West Province for the Western Cape to study at Stellenbosch University where in 2002 he acquired a B.Accounting degree. In between his varsity studies, when he was 21, he embarked on an African travel expedition to five different African countries on a very tight budget of R3,000.

Instead of completing his Chartered Accountant (CA) qualification the traditional way by doing his articles at an accounting firm, Gawie decided to make a career in the property industry. Before he started his first property job he went on a Summer camp for a few months to Minnesota, USA after varsity to clear his head and take a break. When he returned he only had a red Mazda 323 vehicle, a roof rack on top for his surf board and his

MINI BIO

Name: Gawie Venter
Age: 44 years old
Company: Tieleo Property Fund
Family: Married to Tracy with 4 children (Janae 8, Michael 7, Sarah 5 and Jean 1 years)
Hobbies: Surfing, mountain biking, anything outdoors, travel – lends itself to what you enjoy in life.
Favourite book & reading: Listens to a lot of audio books; The 2 books that made a big impact in his life were 'Rich Dad Poor Dad' by Robert Kiyosaki and 'Unmerited Favour' by Joseph Prince
Life motto/favourite quote: Around his business – 'turn around communities by turning around properties'. He believes that the South Coast and Bahari Bay is on the same 'bull' run that Ballito had in Northern KZN in the early 2000's.

bicycle with no money but with plenty of ambition. He had an unfortunate accident with his car and had to use his bicycle as a mode of transport for a season. He jokes about the times that he went to work on a bicycle as an estate agent and also the time when his car ran out of petrol while he was transporting clients around to showcase them investment properties.

Gawie's property journey

His first job in property was as an estate agent with Homenet in Stellenbosch selling new developments and investment properties. He wanted to invest in property and the best way he thought he could learn to acquire property knowledge and how the deals work was to be amongst the dealmakers and buyers and sellers. He also realised that he needed to learn how to sell to make money. For the first five months he was an agent he did not sell one property. When he sold the first one thereafter the sales floodgates then started to open.

The property bug was inspired by his mother who was also a real estate agent in Centurion. She also gave him the book 'Rich Dad Poor Dad' written by Robert Kiyosaki that added to his interest in making property a full-time career. He attended multiple property investment courses, especially Hannes Dreyer's property investment courses to educate himself more about investing in property.





While he was at Homenet he saw an opportunity to buy a flat in a prime location in Stellenbosch. He ended up signing up for the deal and then got another buyer that was willing to buy from him before the transfer went into his name. That was the trigger to get him out of the estate agent business and start investing in property fulltime.

At the age of 25 he bought a commercial industrial property for R200,000 that gave him R6,000 per month rent. Three years later he sold a piece of the property to MacSteel for R1,2 million. He fondly remembers closing the deal on his cell phone clad only in his underpants in the Stellenbosch University gym bathrooms.

Some other funny investment moments were buying a flat in the Helderberg area on a Sheriff auction using his credit card for the deposit as he was short of cash at that stage. He managed to flip the property before transfer at a modest profit and was back in the black. Over the years that followed he bought and sold multiple properties that he fixed and flipped' for profit. He then decided it was time to start leaning towards commercial and residential property development turnarounds.

He formed Tieleo Property Fund to seek investment opportunities in the

commercial property and residential development sector and to focus on property turnarounds.

'The Deal' reality show

In 2015 TV producer Howard Fyvie, followed Gawie around on a real life property turnaround for a TV series called 'The Deal' (www.thedeal.tv). The show follows Gawie and his team across South Africa in their quest to turn around a degraded building into an architectural gem in only one month. The property was one of his commercial property deals in Radium street in Klerksdorp, his original home town.

Gawie's favourite deal before Bahari Bay

In 2016 Gawie signed to buy 'The heads Shopping Centre, a 10,000m2 retail shopping centre with a Checkers anchor in Lydenberg that had been on the market for over 3 years before he saw it. The centre had more than 4,000m2 of space that was completely vacant for more than 10 years and most of the listed retail property funds looked at the deal and rejected it outright and could not see the value or upside of this centre working.

Gawie saw it differently and had a 'aha moment' as they saw a need for new tenants in the centre based on discussions with tenants and the community. During the Due Diligence process they managed to completely fill up all the vacancies with new tenants before they took transfer of the property. They took the net operating income (income after expenses) from R5,4 million to R10 million on transfer date and today he still owns it together with two other partners.

This is where Gawie says where Tieleo brings real value, where they take something that looks like it is dead in the water and then resuscitate it to success.

The Bahari Bay development deal

When the Bahari Bay deal first came onto Gawie's radar screen more than two years ago, it piqued his interest from the start to investigate the opportunity in more depth. In his formative years Gawie had spent family holidays on vacation in the Shelley Beach area in the KZN South Coast, so he was familiar with the area and its surrounds from his childhood and he completely fell in love with the area.

The South Coast of KwaZulu-Natal, with its scenic hamlets and tranquil ambience, offers many attractions for those seeking a coastal lifestyle at an affordable price, coupled with solid infrastructure including hospitals, shopping centres and all amenities on hand.

It is also renowned for its blue flag beaches and its world-class dive sites. The area has long been a prime holiday destination for many families for years. The impact of the pandemic has also seen more people choosing to move to the coast, rather than just visiting part-time.

Bahari Bay in KwaZulu-Natal South Coast is surrounded by popular areas close by such as Margate, Shelly Beach, Hibberdene and Uvongo. Bahari Bay he says is set to shift the KwaZulu-Natal South Coast economic landscape in a significant way. Margate has an airport with a daily direct flight to and from Johannesburg with CemAir which feeds the area directly.

Gawie was about to go on leave when the deal came across his table and he asked his attorney partner to immediately delay her Christmas vacation to get the deal under contract before they went on holiday. It was quite a complex deal on the face of







it in terms of the liquidators, banks, Home Owners Association (HOA), municipalities with arrears on the property plus many vexatious legal battles between different parties.

Gawie spent most of the two years prior to the Bahari Bay deal closure working fulltime on the due diligence, site visits, haggling, negotiating and coercing, wheeling and dealing with attorneys, investors and financiers. While it ticked most of the deal boxes, it still took many twists and turns both up and down for Gawie along the way, it was a long, stressful and arduous process but seeing the incredible site today with it's amazing sea views it was well worth it.

He also had a big conundrum in sorting out the water certificates with the local municipality and after no other alternatives were left on the table, had to force them via an urgent High Court Order to deliver the water certificates which they then did. Eventually on 12 December 2022 Bahari Bay was registered in the deeds office in the name of Tieleo 5 (Pty) Ltd.

Bahari Bay has been the most complex but most satisfactory deal for Gawie as it had so many moving parts.

ENQUIRE NOW

GAWIE'S TOP 4 BUSINESS & INVESTMENT TIPS

1. **Find the value in the distressed properties**
2. **Invest in knowledge as it can aid you**
3. **Have an amazing team around you**
4. **Be on the ground and in the arena all the time**



Turn around property specialists

Tielo Group founded by serial property investor Gawie Venter are experts in buying any commercial property and resdential estates below market value and then extracting value out of the property.

The Tieleo Group have formed many relationships with more than 500 liquidators and partners across South Africa to source distressed commercial property and residential estates anywhere in the country.

Tieleo Property Fund have developed a knack to identify and turn-around under-performing assets and to make them work. They have become specialists in identifying non-performing property developments and commercial properties across the country and turning them around.

The acquisition and turnaround of Lydenberg Shopping centre and Bahari Bay were both a case in point. The key is finding any property that could be experiencing legal and financial problems, high vacancies, properties in poor physical condition or just bad management then Tieleo can help.





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Website: www.baharibay.co.za



Bahari Bay investment opportunity

The bulk of the demand is from people moving to the area from Gauteng or traditional KZN metropolitan suburbs. The traditional model of working in the city and enjoying the seaside on holiday or retirement has also been upturned.

People are now looking to live the holiday lifestyle through remote working or hybrid working models. It is not surprising that in recent years, we've seen a marked trend among home buyers and investors participate from other provinces, most notably semigrators from Gauteng.

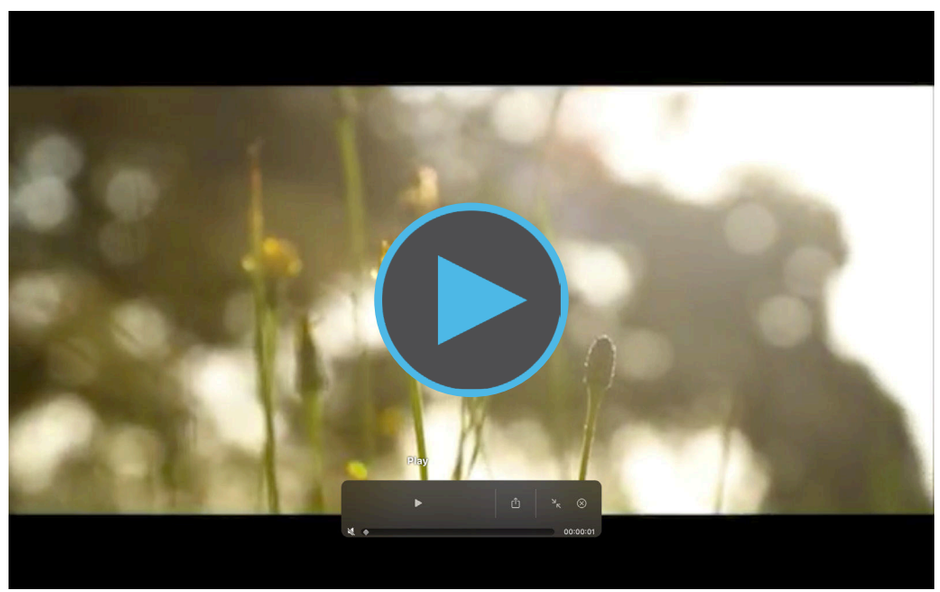
Seaside property prices are comparatively much lower than other South African destinations, with the KZN South Coast enjoying year-round subtropical weather and great facilities

Since taking transfer in Deeds Office on 12 December 2022 Tieleo has sold 51 plots of which 46 already transferred to the final buyers. At time of writing phase one has sold out 60% while phase two was sold to a private consortium of local architects boasting some very high end stylish designs.

The Estate will boast a signature Mountain Bike Trail and fulltime building of this trail has commenced on 27 February 2023 by trail building legend Hylton Turvey (https://youtu.be/OZEaRtB5hzs) and are scheduled to open on 31 June 2023.

Some well-known Bahari Bay investors that have bought plots in Bahari Bay include local Sharks rugby player James Venter and Lions rugby player Marius Louw with an array of high end investors who have invested into the Bahari Bay estate. The first home plans from buyers have been submitted to







the local municipality with building commencing during April 2023 within a well designed architectural guideline. Most homes that have been designed so far have beautiful sea views and we are seeing high end homes being designed with sizable space overlooking the ocean. Plot and plan options are also available at reasonable prices.

Amenities

- Security with gated Eco-estate
- Off-grid water supply
- Communal clubhouse
- Swimming pool
- Gym
- Play parks
- Dams
- Bird hides
- Hiking trails
- Mountain biking trails
- Array of outdoor activities
- Private beach access

Investors have found considerable value in purchasing a plot or plot and plan homes with spectacular views, with prices per plot starting from R460,000 for a plot of roughly 500m2. Most plots in phase one are around 1,000m2 in size and were sold at prices averaging around R750,000 with many plots that sold for over 1 million at market-related prices moving quickly as we move to the next phase.

Many people are predicting 'Bahari Bay 'will change the KZN South Coast for good and that it is predicted to be to be the' Zimbali' of the South Coast.

Since he resides in the Western Cape, Gawie constantly asks himself where in South Africa can a buyer buy a plot with a sea facing view, get access to a private beachfront with all the amenities available in a great temperate climate all year around for the prices we are selling at. This has created a buoyant property market along the KZN South Coast, with affordable pricing making this area a key coastal destination to invest in.



MARIUS LOUW Lions rugby player and plot owner that invested in Bahari Bay

'When I first heard about Bahari Bay, I knew that I had to invest in this estate due to it's potential and the incredible opportunities in store for home owners and the South Coast! When I first visited the site and I drove through the Estate gate, following a beautiful road covered by trees to view a potential plot to buy, my excitement grew and I could see myself, my family and many other investors benefiting from this environment-friendly estate! Buying at Bahari Bay is an exciting opportunity and I know many more people will see the value of investing in this estate, like I do. '



JAMES VENTER Sharks rugby player and plot owner that invested in Bahari Bay

'I think something that is really special about Bahari Bay is that on the South Coast there is a such a need for an Eco Estate, added security, yet the beauty of nature being immersed in this beautiful coastline that we have been able to go for hikes, catch and release dams. I'm a personal fisherman so I really enjoyed that aspect. The fact that the family could just really have a beautiful safe place to really enjoy each other's company and relax.'

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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?
- from?

4

Bond Originator performs Credit Checks

- Should they need a hom… contact a bond orginator

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TAX SEASON ALERT: Get answers to the three most asked tax season questions

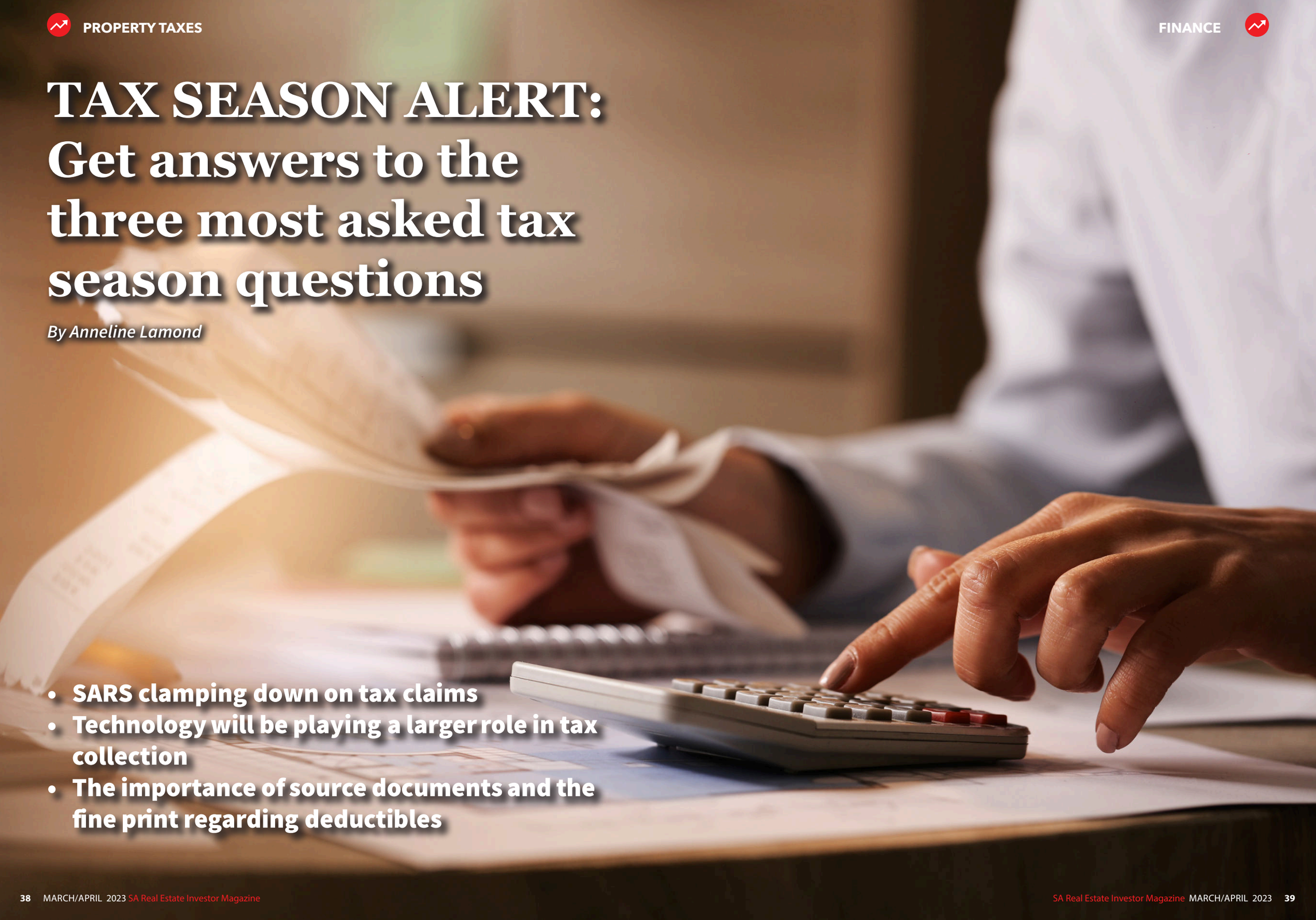


TRENDING ONLINE

Joint Home Loans Explained

TAX SEASON ALERT: Get answers to the three most asked tax season questions

By Anneline Lamond



- **SARS clamping down on tax claims**
- **Technology will be playing a larger role in tax collection**
- **The importance of source documents and the fine print regarding deductibles**

South Africa's Revenue Service (SARS) is determined to harvest every last cent this tax season. The government department has upgraded its IT systems and is using artificial intelligence to start identifying those who aren't paying up.

In the Medium Term Budget Speech presented by Minister Enoch Godongwana in October last year he commented that SARS is required to bring in R1 682 billion in this tax year – as opposed to the previous estimate of R1 598 billion. Ninety percent of the government's revenue relies on this income.

To ensure that your tax season is hassle free, here are some tips:

1. Importance of source documents

Source documents are the original records of a transaction which generates a paper trail. These documents are essential to the bookkeeping process as it provides evidence that a financial transaction has occurred. During a tax audit by SARS, source documents are used to back up the accounting transaction trail. A source document includes some basic facts about the transaction, such as the amount, the purpose of the transaction and the transaction date.

Trust source documents

- **Bank statements**
- **Bond statements**
- **Levy statement**
- **Utility bills**
- **Rental statements**
- **List of improvements, repairs and maintenance**
- **Sale agreement or notification of shares**

New Properties: Transfer documentation and statements from the Transferring Attorney/s Asset register. Photocopies of source documents are acceptable, as long as it contains all the information in a format identical to the original. It is essential that source documents are filed as SARS requires that they are kept for five years.

Providing source documents to your bookkeeper or accountant assists them in preparation of financial statements and accurately analysing the financial activity.



2. Capital Gains Tax

Capital Gains Tax applies to individuals, trusts and companies. In this article I will focus mainly on CGT when selling your primary residence vs your non-primary residence as an individual.

CGT forms part of normal income tax. A capital gain arises when you dispose of an asset on or after 1 October 2001 for proceeds that exceed its base cost. Proceeds are the selling price; base cost is the purchase price plus any amounts spent on renovations or improvements and other cost paid when the property was acquired. Costs such as interest, repairs, insurance, and rates & taxes are normally allowed as a deduction from income or are incurred for personal use and are not allowed as part of the base cost.





The capital gain is taxed at a lower rate than normal income, because only a portion (currently 40%) of the capital gain is included in taxable income and not the full profit. When selling your investment, the tax will not be calculated at the same rate as money earned from your salary.



'Source documents are the original records of a transaction which generates a paper trail. These documents are essential to the bookkeeping process as it provides evidence that a financial transaction has occurred.'



The Tax Act also provides a R2 million 'primary residence exclusion' for those taxpayers who sell their primary residence.

This means that the first R2 million of your capital gain is exempt from tax.

Please note that Capital Gains Tax does not apply when you sell personal use assets. So, you do not need to declare the details of your recent car sale or sold TV in your tax return.

Which expenses can be deducted

Here are a few of the major expenses you can claim as deductions.

3. Home office expenses

When claiming expenses for your home office in your primary residence, your Accountant will calculate the area based on the following formula:

A = the area in m2 of the part specifically equipped and used exclusively for business

B = the total size of the residence in m2

Total costs = the costs incurred that are linked closely to the premises (such as rent, rates and taxes, repairs, and electricity), excluding expenses of a capital nature.

In such a case, SARS may request the following:

- **Floorplan of your residence**
- **Pictures of your office space**
- **Depreciation schedule (if applicable) Internet and telephone invoices**
- **Rental on property/s registered in your personal name**

There are many examples of a SARS logbook online, but if you want more information, don't hesitate to contact your Destinata Accountant for a template.

For more information on tax click on the button below

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Anneline Lamond
Managing Director
Distinata Accounting

What Happens to Your Deposit if the Home Sale Falls Through?

By Editorial



Jacky Smith
Head of Buyers Trust
Ooba

It's every home buyer's worst nightmare – you find your dream home; your offer is accepted; and you pay a deposit – only for the sale to fall through before the property is transferred into your name. The question now is, where does this leave your hard-earned deposit?

The answer, says Jackie Smith, Head of Buyers Trust, a safe and secure bank-hosted deposit solution for homebuyers and subsidiary of ooba Group, depends on the terms of the purchase agreement and the reasons for cancellation. It is also largely dependent on which party is responsible for the sale falling through," she adds.

"If you, the buyer, are in breach of contract, and the breach cannot be rectified within a stipulated time frame, you could lose your deposit. The seller has the right to use the deposit to cover any damages, such as legal costs or agents commission, that have been incurred from the transaction falling through."

A variety of factors may be considered a breach of contract under property law, with the most common one being a homebuyer backing out after signing an Offer to Purchase (OTP). "Buyer's remorse can be a massive factor", says Smith.

What constitutes a buyer's breach of contract?

While the sale of land in South Africa is governed by the Alienation of Land Act, and must be in writing, the buying of a home is most importantly a contract. The contract needs to list all conditions of the sale that are important to you so that there is no room for uncertainty. That can range from when occupation takes place and whether there is occupational rent or not, to whether the pool pump works, or the retractable washing line stays. The OTP or Sales Agreement usually also includes 'suspensive conditions' – certain conditions that must be met for the contract to be enforced. The most usual one is whether you will need a home loan approved to secure the finance for the purchase.

Once the OTP or Sales Agreement is signed by all parties involved in the property transfer, it is considered binding, and both the buyer and the seller are obligated to fulfil their parts of the transaction.

"This means that if the buyer pulls out after signing, they may incur significant penalties, including the loss of their deposit," explains Smith. "However, if the reason for the sale failing through is due to any of the

suspensive conditions not being met, the contract falls away, and they will get their deposit back."

Examples of suspensive conditions can include the requirement for a buyer to conduct a home inspection in a timely manner and be satisfied with the outcome, for example, checking the roof structure. The most common suspensive conditions are the requirement for the buyer's financing (home loan) to be approved and the requirement that the buyer's current property be sold first. This is known as a "subject to" sale.

"Buyers are strongly recommended to consult with a lawyer when including suspensive conditions as these are there to protect the buyer to make sure they are ready to fully commit.



Having those suspensive conditions in place can protect your deposit. The last scenario is the seller breaching the contract, for example, breaching a warranty. Cancellation might not be the only remedy for the home buyer. However, if the home buyer can cancel because the seller breached the agreement, the home buyer will be entitled to their deposit back. Your deposit is safe should the seller not fulfil their obligations."

Reason a Sale may fall through

Instances where the buyer can forfeit the deposit if the sale falls through include:

1. When a buyer deliberately withdraws their home loan application.

"Regardless of if the home loan is approved or not, withdrawing an application is a breach of contract if a home loan is needed to finance the purchase."

2. Buyer's remorse.

"A buyer may get cold feet and choose to pull out after signing, without a legally permissible reason."

3. No attempt to meet suspensive conditions.

"While suspensive conditions are intended to protect the buyer, they will forfeit their deposit if no attempt is made to meet them. For example, if the purchase is contingent on a buyer's home selling, they must prove that they have made efforts to market it."



Instances where the deposit is refunded to the homebuyer should the sale fall through:

1. Failure to secure funding.

"If the OTP is contingent on securing funding and their home loan application is denied for whatever reason, the deposit will be refunded.

2. Breach of contract by seller.

"If the seller breaches the contract, and the buyer cancels, the buyer is entitled to their full deposit back."

3. Title deed and legal issues.

"If the transaction fails due to outstanding payments owed by the seller or title deed disputes surrounding the property, the seller is in breach and the buyer will have their deposit returned."

Guaranteeing the safety of your deposit

Smith says that while most home sales are successful, it's important to remember there is always some risk that a sale may fall through. "Both buyers and sellers should be aware of this possibility when entering into a property transaction."

"The deposit, which is held by a conveyancing attorney, estate agent or secure platform like Buyers Trust is meant to serve as a show of the buyer's commitment to the home purchase and an assurance to the seller that the buyer will honour the agreement of the OTP. Should the sale fail, and the buyer is not at fault, for example, a condition precedent isn't met, the buyer needs to be 100% assured that the deposit will come back straight to them, together with interest for the time it was invested," Smith concludes.

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INVESTING



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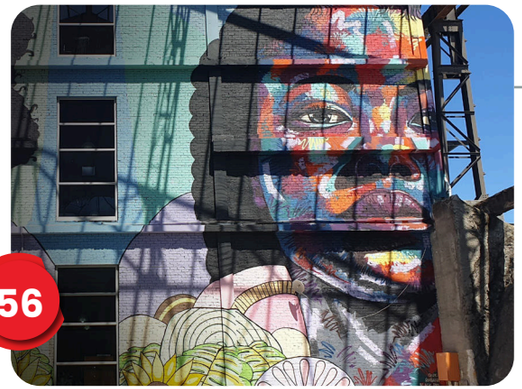
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Will the rise of smart townships and informal settlements help to bridge the digital divide?

5 Reasons why Airbnb property is better than a long-term rental property

By Editorial



Airbnb investments are a perfect way to generate passive income. They are suitable for you whether you're getting started in real estate investing or you've just heard about them and desire to explore their potential.

Airbnb investments are a perfect way to generate passive income. They are suitable for you whether you're getting started in real estate investing or you've just heard about them and desire to explore their potential.

Airbnb properties are a great option for investors who want to invest in rental properties but wish to forgo the responsibilities of being a traditional landlord.

With inflation and a rising cost of living, it's no surprise that earning extra money and saving more in 2023 are near the top of many investors New Year's resolution lists.

If you're determined to earn more in 2023 and stick with it, becoming a Host on Airbnb might be just your answer. New Hosts last year collectively earned over R115 million in income between January and September 2022 in South Africa alone, with the average new Host earning over R8,350 over the same period.

Hosts are joining the ongoing travel resurgence after Covid restrictions and new economic opportunities for communities, as well as new Hosts looking to earn extra income. New insights from Airbnb show that about 15 percent of South African Hosts that became active last January went on to become Superhosts.

What's more is that new homes globally on Airbnb are getting booked almost immediately with half of listings activated and booked in Q3 2022 receiving their first reservation within three days.

1. Higher ROI's

Owning an Airbnb rental property with a good occupancy rate consistently throughout the year can generate higher profits than renting out the same property as a traditional rental. Remember, you're charging the rental rates on a nightly basis instead of the traditional monthly basis.

Let's assume you purchase an apartment and get a long-term tenant who pays R12,000 per month for it. If you lease the property to the tenant for a year, your income within a 12-month period will be R240,000.

Now if you list the same property on Airbnb as a short-term rental for R2,500 per night. Of course, you won't host guests every night of the year. Assuming you enjoy a 50% occupancy rate, which is 182 days of the year, you'll make R455,00. This is more than you'd make from a traditional rental by about R215,000.

Bear in mind that these numbers are rough estimations to show that short-term rentals can offer higher returns. They don't represent actual housing market figures. Amounts could be higher if the property's fair market value as a vacation rental appreciates. They could also be lower depending on the property expenses and taxes.

2. More diverse portfolio of renters

With traditional long-term rental properties, you lease your property to a single tenant for an extended period. This is synonymous with putting all your eggs in one basket. While it can be beneficial for you when the tenant is financially stable and treats your property well, it can also be detrimental should they miss out on a payment or cause too much damage.

Airbnb rentals give you the opportunity to collect rent from different tenants regularly. Each guest is a small percentage of your total rental income. If any of them cancels their booking or fails to pay, it might not have that much of an effect. In other words, renting out to multiple guests lowers the risk.

3. Potential Passive Income

Most investors are usually looking for an investment that won't require their presence or energy to generate an income. While passive income investments still require some level of work, the win for you is that you get a good income with little to no effort.

Once you've purchased a rental property and listed it on Airbnb, you can sit back and earn money every time your property gets a booking. You don't have to be present to entertain your guests or keep them company. Simply list the property and always ensure it's in top condition.

Keep in mind that an Airbnb investment property generally requires more maintenance and management. Airbnb management tasks include responding to queries on Airbnb, managing bookings, handling guests on check-in, ensuring guests enjoy their stay, and cleaning the property after each check-out. These tasks can be a bit overwhelming.

The best thing about these properties is that you can choose a vacation renatl management platform to help you streamline the process and take care of these tasks.

4. Minimal Wear and Tear

In a long-term rental property, the extended use of furniture and other utilities causes wear and tear. The effect may not be that pronounced in a short-term rental since the guests keep moving in and out. The wear and tear reduce significantly since the property isn't used daily. Moreover, whether you cater to the needs of holiday makers or business travellers, short-term guests are likely to spend most of their time outside and only minimal time in your property.

Remember that you also carry out maintenance taks every time a guest moves out. It's easier to spot any issues early and nip them in the bud before they morph into bigger ones. This isn't the case with traditional rentals since long-term tenants may fail to report issues, and you can't constantly be checking on the property.

Since the wear and tear decreases, your maintenance costs may reduce with time since there's little to no work when fixing the property.

5. Flexibility

Many real estate investors buy their Airbnb properties to also serve as their second homes. The best thing about Airbnb rentals is that you can pull the listing down any time you want. You can decide when your guests can book your property and for how long they can stay.



This means you can have regular breaks for you and your family to enjoy the property. Whether you're an absentee owner who needs to use it for your vacation or a local owner who wants to host visiting family and friends, enjoying the property for personal use is a huge perk of buying a vacation rental over a long-term rental.

You also benefit from flexibility when it comes to your Airbnb pricing strategy. Airbnb doesn't define what you should charge on a weekly or nightly basis. This is your work. You can charge as high or as low as you want. However, you want to keep your rates competitive, having in mind other short-term rentals in your area.

Summation

Airbnb rental properties have become increasingly popular with both investors and renters. Investors love them since they can be very lucrative, while tenants prefer them since they're more affordable compared to hotel rooms and other means of accommodation. If you'd like to take advantage of this booming real estate investing strategy, be sure to do your homework before buying an Airbnb property.

Easy to host, here's how

Whether your goal is to travel more, offset holiday season costs, or combat the rising cost of living hosting on Airbnb has never been easier.

With the introduction of Airbnb Setup, the all-new, super easy way to Airbnb your home, new Hosts can access one-to-one guidance from a Superhost; the opportunity to have an experienced guest for your first booking; and specialised support from Airbnb Community Support agents in over 42 languages.

All Hosts also get even more AirCover, now featuring even more top-to-bottom protection, with guest identity verification, reservation screening, and $3M damage protection, including coverage for cars, boats, art and valuables.

If you're interested in joining the first new Hosts of 2023, **visit Airbnb.com/host.**

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Source: Hospitable.com; Airbnb.ca

Will the rise of smart townships and informal settlements help to bridge the digital divide?

By Editorial



South Africa's failing infrastructure and local service delivery has been well-documented in recent years. Failing infrastructure has an outsize impact on township and rural communities with the growing digital divide in townships fuelling inequality. Townships were never designed to become major economic drivers, with the result that today they are characterised by high rates of unemployment and challenges with housing, education, healthcare, transport, crime, and inadequate digital access. South Africa's digital divide is exacerbated by uneven broadband distribution.

In 2021 the Department of Small Business Development – through its implementation agency, the Small Enterprise Development Agency (Seda) – put out a request for tenders to establish technology incubators and digital hubs in townships. Seda cited the fourth industrial revolution (4IR) as one of the reasons for the tech incubators and digital hubs. There is no question that technology has the ability to respond to some of the challenges faced by township residents and those living in rural environments, including transforming them into more inclusive micro-economies.

At Gwakwani, a small, rural village located in the northern area of Limpopo which previously had significant issues with infrastructure, electricity, and telecommunications, including no access to technology, the introduction of basic 4IR technologies has resulted in a smart Internet-of-Things village that is operating successfully without municipal infrastructure. A partnership with the University of Johannesburg and Schneider Electric South Africa has reaped life-altering results for the local community including providing electricity and clean water. The first phase of the project included the installation of a solar powered water pumping station, a mini cellphone charging station, a security lighting system and a remote monitoring and communication system. The second phase of the project included the installation of solar lighting in households and the establishment of a local bakery which provides employment and bread to local residents.

However, it is the Stellenbosch township of Kayamandi that plans to be the first smart township in South Africa. In the latter half of 2022 the township embarked on a programme to implement a digital platform which is intended to serve as a catalyst for its digital vision. The idea behind smart townships is to use data and digital technology to improve the quality of life of its residents, enable better decision making and to connect local communities with local government. Ultimately, the idea is to use Kayamandi as an innovation lab for townships and rural areas both across South Africa and the African continent.



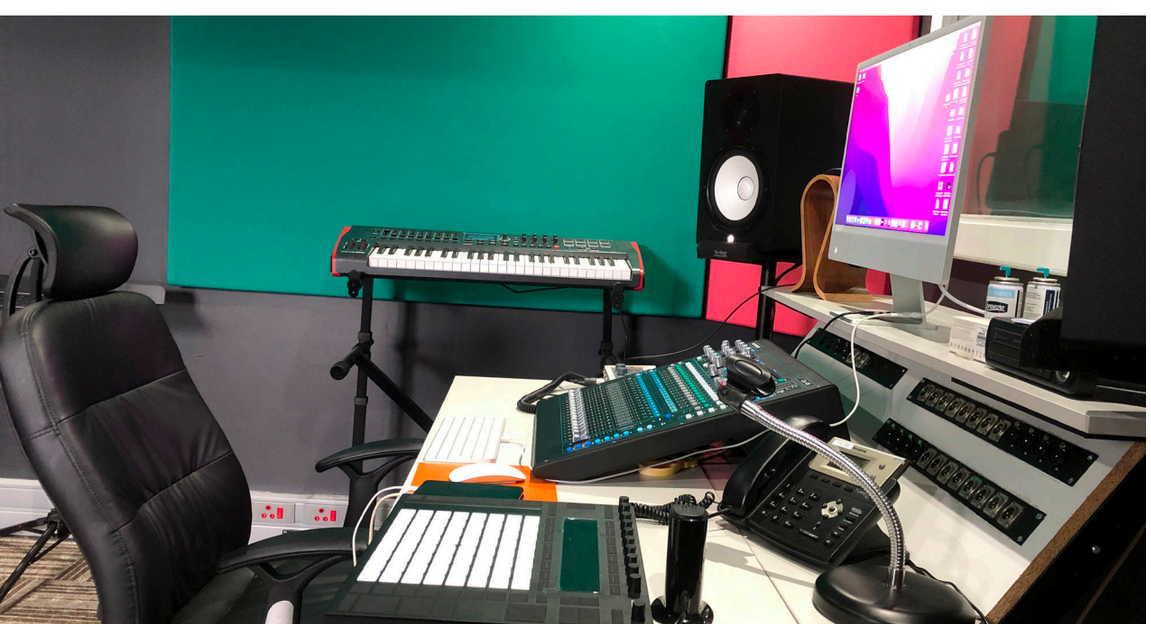
Bushra Razack, the CEO of Philippi Village, a multi-purpose commercial park situated in the Cape Flats township of Philippi, cautions that although we should be using smart technology platforms to help people achieve a better life, the reality is that technology is not an answer by itself. "The creation of community and business hubs like Philippi Village are a strategic and meaningful way to amplify the power of technology in an impactful, inclusive and relevant way," she says. The term 'Community' isn't investigated deeply enough. Philippi Village is moving past simply informing or consulting community, we are attempting to foster a culture of collaboration without passive coercion and facilitating administration aspects that allow the community to build their own economies. Tech has been a tool for enslavement in the past. Philippi Village aims to consider this in its approach moving forward.

Philippi Village, which boasts world class fibre and wireless internet access, is currently exploring how to use IT and technology to become more efficient, including working with partner organisations Afrolabs and CoderLevelUp to help address the digital divide. Afrolabs is working closely with Philippi Village to better understand how technology and humanity work together. David Campey, the founder of Afrolabs, reveals that a QR-community solution is being rolled out to allow local residents to record participation levels in community activities. He explains that this has

the dual benefit of enabling Philippi Village management to understand usage patterns as well as providing incentives to encourage community members to participate in the activities.

Philippi Village has also established CoderDojo, an international network of coding clubs aimed at the youth, including helping the local community develop coding skills. The hub is home to technology tenants currently, including Women in Tech South Africa, a global organisation that fosters inclusion, diversity, and equity in STEAM with a particular focus on young girls and women, and Silulo Ultho Technologies which offers basic computer skills training. Philippi Village also supports programmes that help embrace informal traders including connecting them with cashless payment options as well as providing them with technology demonstrations and training. In addition, it provides the local community with access to computers when required.

Bryan Banfield, MD of Artibeus, the IT service provider to Philippi Village says there is a growing demand for access to the internet in townships and informal settlements from both residents and small businesses. Although the high cost of data is an obstacle, he maintains this could be overcome if larger retailers saw the provision of WiFi services to informal communities as a potential opportunity. The latest tenant Close The Gap is an international social enterprise that aims to bridge the digital divide by offering high – quality, pre-owned IT devices to educational, medical, and social projects in developing and emerging countries.



Despite all these advancements within Philippi Village, Bushra maintains that it is not tech alone that creates a successful "smart township". Technologist Cod Harrell is attributed with the quote: "You can't fix broken things by digital technology. You will only get digital broken things."

Philippi focuses on an understanding of technology within its social-cultural context and brings a holistic approach to tech implementation including reducing food, water, and other scarcities. Coming from a place of community sovereignty, Philippi is strategising an approach of technology for, and of, the people. This involves decentralised algorithmic governance and microeconomics that focus on stakeholder belonging and responsibility over its economies and environment.

Bushra is incredibly excited to begin a journey with Benjamin Gellie, a Social Ecosystem designer who she describes as a mentor, to better understand the ways in which digitisation is a double-edged sword.

It is a tool to control and that allows control. Philippi hopes to aid in digital skill building within the community that will flip the traditional wielders of technology and allow digital agency within the community.

Razack concludes pointing out that hubs like Philippi Village become spaces that bring together the community, township entrepreneurs, local government, and corporate South Africa in a joint effort to support how technology can be used to transform township spaces in ways that allow digital agency and true transformation.

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Bushra Razack
CEO
Philippi Village

The alarming flight of property wealth south and offshore

By Editorial



There is a clear flight of property wealth to the Western Cape, but Samuel Seeff, chairman of the Seeff Property Group says, it is potentially also going offshore. Where we do see the wealthy investing, even in the Cape, they are spending less than what they could with the rest then potentially invested offshore.

What is happening at the top end of the property market, he says, has always been a reliable initial indicator for investment in the country. It is the "canary in the coal mine" so to speak.

We see clearly, that despite two exceptionally good property years - and a record number of sales above R20 million in the Cape especially last year – we can clearly see that the upper price limits are now growing and it has stagnated in the Sandton/ Johannesburg area.

Confidence is worryingly low, and the wealthy are clearly "voting with their wallets" showing that the wealthy are not confident about their investments. There is growing concern about where the country is heading.

Semigration trend

According to Antonie Goosen, principal and founder of Meridian

Realty, the ongoing semigration trend taking place in South Africa and globally makes it clear that people are buying into villages, towns and cities that offer more than just the ideal home. "Buyers investigate what amenities areas offer and how an area can meet their expectations of a new, secure lifestyle with ample service delivery. We are seeing a new trend where communities are stepping up where municipalities are failing, to create the functioning conditions that residents desire," says Goosen.

"When municipalities operate within the expectations of residents like, for example, in Cape Town, Geoerge Plettenberg Bay, Hermanus, McGregor and Greyton (all of which are in the Western Cape), we are seeing a simultaneous semigration trend where one of the main attractions to an area is the functioning municipality, backed by solid residence associations keeping the city or town in pristine order," says Goosen.

Unfortunately, in some instances municipalities lack funds and resources.

Luxury sector

Nowhere is this better demonstrated than when you compare Cape Town and the Johannesburg/Sandton area. There has basically been slow movement above the R10 million price band for the last 10 years and upper price limits are not moving at all.

Even in the Cape, Seeff adds that despite the record number of sales above R20 million in the 2022-year across the Cape Town Metro last year, upper price limits have remained more or less the same as it was five years ago.

It is notable that more properties sold above R20 million in Stellenbosch (10 sales with a combined value of about R330.6 million) over the last year compared to Sandton/Johannesburg where just 7 sales worth under R194 million were recorded.

The upper end sales in the Johannesburg/Sandton areas were also mostly in the lower R20 million range with only a single high value sale of R50 million (in Steyn City). The highest price achieved in Sandhurst, reached only R30 million, well below what we should expect for what is one of the two top suburbs on the continent.

In Cape Town too, sales are mostly in the lower R20 million range despite a record 120 properties worth a combined R3.7 billion sold above the R20 million last year. Only just over a handful of sales were above R50 million and the top end price ceiling has hardly moved since around 2015.

2022 Sales Volumes - Cape Town vs Johannesburg/Sandton

	Johannesburg	Cape Town	% Diff.
R5m-R10m	886	1808	61%
R10m-R20m	136	419	145%
R20m-plus	24	127	235%
Combined R10m+	160	546	241%

Source: Seeff/Lightstone

Despite the buoyant investment last year by international buyers - about 30% of all sales on the Atlantic Seaboard as they still see good value - international buyers too may become reluctant to invest locally, says Seeff.



R20 million-plus Sales – Cape vs Johannesburg/Sandton

Area	Number of Sales	Value of Sales (rounded)	Highest Prices Paid above R50m
Sandton/Johannesburg	7	R193m	R50M (Steyn City)
Cape Town (Atlantic Seaboard (85), Southern Suburbs (33))	120	R3.7bn	R125m (Bantry Bay) R100m (Constantia) R74m (Bantry Bay) R72m (Bantry Bay)
Stellenbosch	10	R330m	
Other areas	8	R167m	
Total sales	**145**	**R4.4bn**	

Source: Seeff/Lightstone

There also appears to be no sales above R50 million in Clifton or at the Waterfront last year which is concerning given that it was a record year for this sector and these are absolutely prime locations.

Even just looking at the R10 million-plus level tells the story of 241% more sales in Cape Town compared to the Johannesburg and Sandton areas with 546 sales compared to just 160. This clearly shows how much more the wealthy will invest in Cape Town and the reason is well understood; better service delivery and confidence in the local governance.

A strong property market supported by wealthy buyers is the cornerstone of a strong economy. Real estate contributes about 6% of the total GDP and supports just over 3 jobs (direct and indirect) for every R1 million generated. Seeff says it is an excellent early warning indicator that we now need to see strong leadership driven by a Cabinet fit for purpose and a sense of urgency to set the economy back on a growth-led path.



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MY STUDENT HOUSE

A ONE-OF-A-KIND SOUTH AFRICAN BOOK

By Retha van Rooyen – Student Accommodation investor and property management specialist



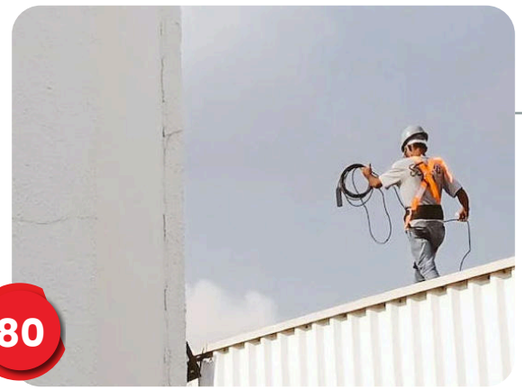
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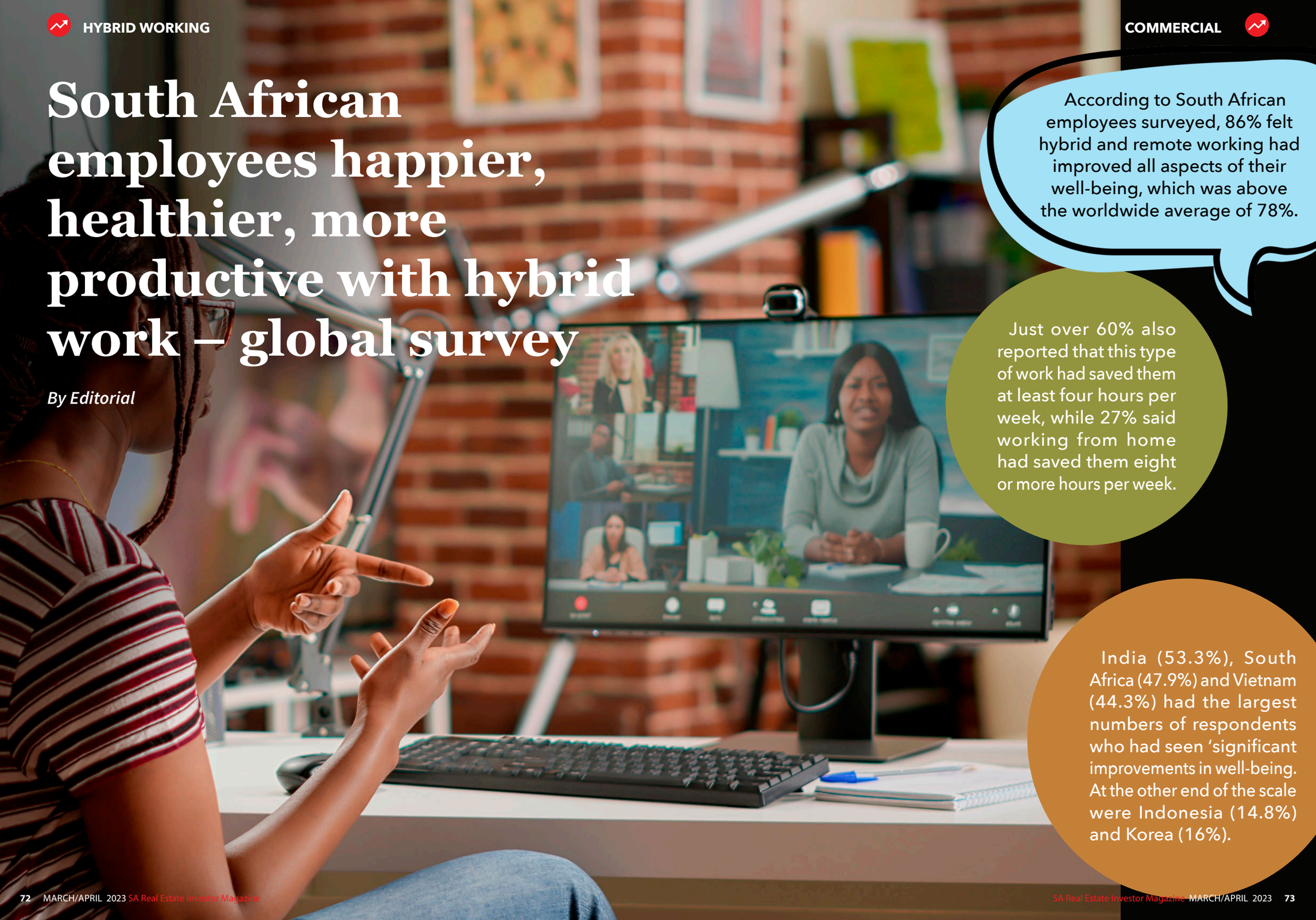
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South African employees happier, healthier, more productive with hybrid work – global survey

South African employees happier, healthier, more productive with hybrid work – global survey

By Editorial



According to South African employees surveyed, 86% felt hybrid and remote working had improved all aspects of their well-being, which was above the worldwide average of 78%.

Just over 60% also reported that this type of work had saved them at least four hours per week, while 27% said working from home had saved them eight or more hours per week.

India (53.3%), South Africa (47.9%) and Vietnam (44.3%) had the largest numbers of respondents who had seen 'significant improvements in well-being. At the other end of the scale were Indonesia (14.8%) and Korea (16%).

A new report says that returning to the old ways of doing things is not an option for companies serious about competing for the best talent. SA respondents who participate in hybrid working models reported having a positive effect on all areas of employee well-being. Hybrid work has improved employee performance, work-life balance, well-being and company culture.

The countries with employees most in favour of fully remote work were the Philippines (37.7%); Canada (34.8%), and South Africa (33.5%), while the Netherlands (9.5%); UAE (9.7%) and Mainland China (10.1%) were least in favour of this work model.



For South Africans, participating in hybrid work can lead to better mental, physical, and financial well-being. This is according to the latest Cisco Global Hybrid Work Report, a study looking at the impact of hybrid working around the world.

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The report, which included a survey of 28 000 full-time employees in 27 countries, reveals that for most people, work performance improved along with employees' relationships and even personal confidence.

"While initially, many employees were challenged by the sudden shift to hybrid and remote working arrangements, our study shows that two years on, as businesses have pivoted to survive, hybrid work has yielded many positive and lasting benefits for both employers and employees. In fact, this mode of working has become the norm and is set to stay," the report reads.

Survey respondents worked across a wide range of industries, including agriculture; consumer goods; construction and engineering; education; financial services; government and public service; healthcare; IT; technology & telecommunications; media and communications; NGOs, and tourism and hospitality.

Interestingly, there were some significant differences among the working generations, where over two-thirds (70.3%) of Gen-Zers (born between 1997 and 2010) said that their quality of work improved with hybrid work, compared to 49% of Baby Boomers (born between 1948 and 1964).

"At last, there is recognition that people are not commodities. Rather than HR standing for human resources, it can be rebranded as 'human relations' in the hybrid world. This is because companies realise

that happier employees are more productive, and they are therefore investing in mental health, employee well-being and improved lines of communication", says Joanne Bushell, MD, IWG, South Africa.

"At its best, hybrid working embodies respect and personalisation, meaning that no matter what an employee's needs are, they will always have a place to work that best suits them and the flexibility to deliver what is required of them outside the confines of a traditional 9-5 working week", she adds.

With this in mind, the hybrid model naturally aligns with better mental health because people are less frequently forced to compromise their own needs for those of the company. We have already seen employers such as Nike, Bumble, KPMG, The New York Times and LinkedIn giving staff impromptu 'pop-up' paid leave to reboot or spend some time on a passion project in a bid to avoid mass burnout.

The Covid-19 pandemic has transformed the way most of us work. This is because they are realising that stress is a significant problem not just for individual workers but for businesses as well (and the pandemic has been highly stressful for almost everyone). For many, a hybrid future is imminent, says the global consulting firm McKinsey.



Modern life has led many of us to live in a high-speed world, leaving us with little time to spend with our loved ones. Therefore, it is no surprise that more than half (52%) of surveyed South Africans had reinvested extra time from hybrid working into "time with family, friends, and pets".

Nearly 90% of those surveyed also said hybrid working had improved their family relationships, while 56% said it had improved their relationships with friends.

Just over 80% of South Africans said hybrid working had helped them save money, while 92% believed these savings could be maintained over the long term.

More than 90% of South Africans said hybrid work had made them happier, while 67% said it helped reduce stress levels. Hybrid working was more relaxing and resulted in a less pressurised environment, said 34% of respondents.

Around 70% of surveyed South Africans said they exercise more when working remotely, while 67% said their physical fitness had improved. The eating habits of the majority of surveyed respondents had also improved.

The report

This study shows that employees don't want either end of the extremes – to be back in the office or to be working entirely remotely – they want a middle ground that offers flexibility to achieve their own personal version of work-life integration that works for them and their employer.

Building trust

The study also indicates that managing and maintaining high levels of trust will be critical for businesses to operate as they grow hybrid-working arrangements. While 70.5% of respondents believe their manager trusts them to be productive when working remotely, a far lower number (58.9%) believe their colleagues can be trusted to work remotely.

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Focusing on both rights and obligations - not only rights - will benefit SA's construction

By Ian Massey



South Africa's construction sector is facing strong headwinds, not least of which is the loadshedding currently causing havoc in South Africa. As construction contract specialists, at MDA Consulting we are seeing that the initial optimism for recovery on the back of the promised massive public infrastructure projects is being overtaken by uncertainty and a shortage in projects available for tender.

In addition to the issue of work shortage, there are further factors contributing to increased risk, stunted growth and decline in the industry. One of the more common issues of concern is the Treasury requirement applicable to public sector contracts which imposes contract participation goals (CPG) whereby a significant percentage of the main contractor's work must be awarded to SMME subcontractors. A second, sometimes related issue is community unrest in the form of now-infamous local business forums, which have earned an unflattering reputation as the construction mafia.

Both of these complex risks can be mitigated, but to do so requires industry players to take a step back. Without the influence of an adversarial outlook, there are some solutions available to employers (the parties commissioning the work) and contractors alike.

Contract participation goals

Contract participation goals have been put in place to ensure that small, emerging contractor organisations are able to participate in projects. In this way, they gain valuable experience, can be mentored and can build sustainable businesses.

Generally, there is support in the industry for the principle of developing emerging businesses in the sector. But qualifying CPG contractors who meet the minimum CIDB-regulated level are not always available, particularly in more remote parts of the country. In addition, there are serious risks for contractors such as progress, quality and the cost involved in working with CPG subcontractors.

Statutory requirements of parties

The requirement for CPG subcontracting is driven by National Treasury and set out in the CIDB Best Practice document gazetted in November 2017. The employer (referred to as the Organ of State) is bound by statutory requirements.

It is the responsibility of the employer to interact with the local community in the area, set up community liaison committees, and agree dispute resolution processes.

Further, a feasibility study must be carried out to ensure that the CPG targets are attainable. The employer must compile a database of target enterprises available to carry out the CPG allocated work as well as available labour resources. All this information must be included in the tender enquiry document to enable prospective tenderers to assess the inherent risk and compile bids.

In our experience, these requirements are generally not complied with. The risks are being absorbed by the contractors – an unsustainable predicament.

Community unrest/local business forums

In its role as the employer in public contracts, the state generally places community unrest risk squarely on the shoulders of contractors and they are obligated to absorb the risks of any disruptions due to local business forums.

Way forward

Successful contract outcomes are difficult to achieve in adversarial relationships and a collaborative approach requires a mental reset. However, risks related to the many complex issues in South Africa's construction sector can be mitigated when all parties in contracts live up to their reciprocal rights and obligations.

Awareness is key. Engineers who usually draw up construction contracts must be made aware of the requirement for CPG contractors and community engagement, as must CPG contractors and local communities.

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Ian Massey
Director
MDA Consulting



Retail property heartbeat looks strong – new leasing activity looking stronger

By Editorial



Trading density performance and growth at South African shopping centres in 2022 was the highest in four years, according to the Clur Shopping Centre Index.

The index is derived from The Clur Report, an asset management industry standard, tracking performance for listed and unlisted property funds at more than four million square metres of prime retail space in over 100 centres across SA and Namibia.

Despite the tough operating environment, the retail property heartbeat, backed by new leasing activity, looks strong, says Belinda Clur, managing director of Clur International which produces the index.

"Super-regional and regional shopping centres have maintained the highest trading density levels since mid-2018, when the Clur indices were introduced. Smaller centres show a consistent improvement. In 2022, super-regional centres showed the steepest climb in trading density levels," she says.

"These major centres grew year-on-year trading density by 13,6% to R41 103/m² in 2022, outperforming annual inflation by 6,7%. In particular, super-regional centres achieved trading density of R45 933/m², a 17,7 % increase and outperformance of CPI by more than 10%. For the Clur index for all centres the growth was 11,5% to R39 155/m², 4,6% better than CPI in 2022. Small regional and smaller centres grew trading density by 6,9%, on par with inflation, to R35 057/m²."

Overall, the renaissance theme in retail property after the Covid-induced downturn, put forward by Clur in a presentation to the industry last year, continued in 2022, with a further growth surge in centre performance.

"Significantly, the trading density index for the combined November-December period for all centres was R52 841/m², an increase of 9%. The index for the rest of the year – January to October- was R36 372/m², an increase of 12,3%. This underscored a previously noted pattern of festive season business driving trading density levels with the rest of the year boosting growth levels.

"These results highlight the extent of consumer support for physical retail space and the important role the sector plays in supporting communities as well as the economy. They also show that agility in response to shifting consumer dynamics and tailored tenant mixes are helping drive the improvements in trading densities.

"These factors are rewarding astute asset managers who recognise the fundamental differential has to be the experience that is offered within the bricks and mortar of the physical shopping centre.

"Moreover personal touch, and an important relationship economy, underpinned by excellent service, customer knowledge, thoughtfulness and philanthropy are increasingly to the fore as people value these aspects highly after isolation and ongoing hard times."

Clur says new leasing activity suggests a shift from a survival to more of a lifestyle oriented tenant mix as the Covid-19 related hard rules and their dire implications become a distant memory.

"There's been a distinct uptick and renewed confidence in apparel, with the segment taking up about a third of new lettings in terms of gross lettable area (GLA). Specific activity is seen in unisex wear, athleisure wear, shoes and men's wear. Unisex wear outlet sizing shows a cautious approach, with stores smaller than 500m² currently being dominant, and are often smaller than 250m². Women's wear stores show a conservative approach with most being below 250m²."

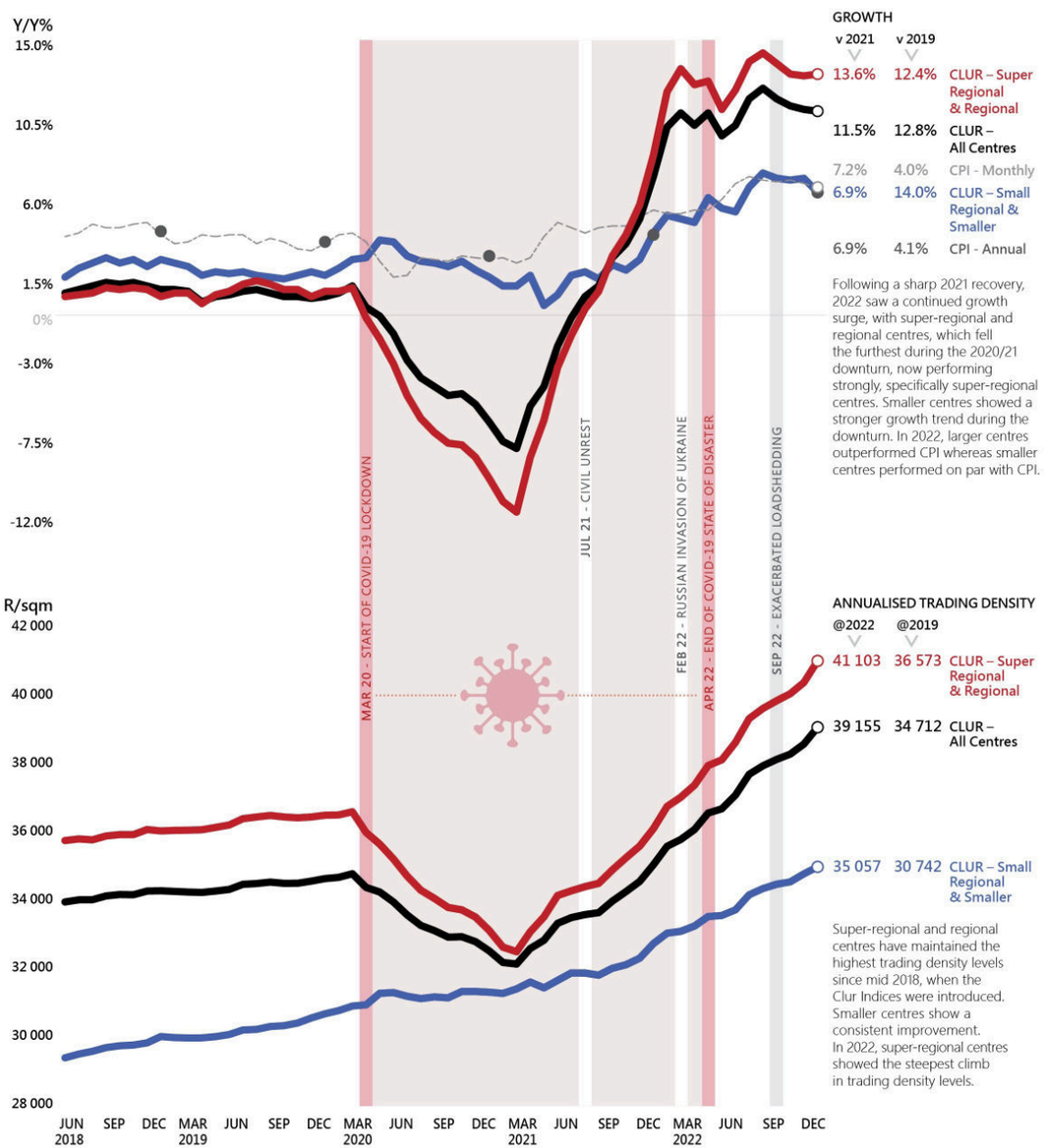


THE CLUR SHOPPING CENTRE INDEX
FULL YEAR 2022 - HEADLINE PERFORMANCE

The Clur Shopping Centre Index is derived from The Clur Report, an asset management industry standard, **tracking performance** at more than **4 million sqm of prime retail space** across South Africa and Namibia, for listed and unlisted property funds.

CLUR INTERNATIONAL

CONSOLIDATED TRENDS: ANNUALISED TRADING DENSITY (LOWER) & Y/Y% GROWTH (UPPER)



The homeware, furniture and interior as well as hardware categories continue to be popular and see growth, with about 20% of new lettings GLA going to this segment, says Clur.

"There's a specific focus on trendy kitchenware, décor inspired soft furnishings and lighting, beds and DIY.

"Speciality stores are a key theme, making up about 15% of recent lettings GLA, showing diversity across butchery, green grocers, oriental foods and spices, sweets and chocolates, tea and coffee specialists, pet stores, gifts, tobacconists, vape shops as well as toys.

"Food service also features prominently, with a diverse spread of mostly fast casual dining formats and fast food stores taking up about 10% of the new lettings GLA. These are more or less equally represented in terms of store numbers, with a GLA weighting toward fast casual dining."

Clur says department stores, at about 8% of new lettings GLA, have changed their form. Major discount department stores have gained traction in recent years, whilst traditional department stores are mostly being pared back to a more successful mini format.

"Health, wellness, beauty and grooming remains buoyant, contributing in the region of 7% to new lettings GLA.

"An already strong technology sector continues to grow, with a number of smaller, but high-powered stores spanning cell phones, electronics and games. This sector typically yields one of the highest trading density and growth levels across categories.

"Banking, medical and convenience services play an ongoing important role, whilst the rest of the new lettings activity is peppered with accessories, jewellery, optometrists, sunglasses, books, stationery and some luggage stores."

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Belinda Clur
Managing Director
Clur International

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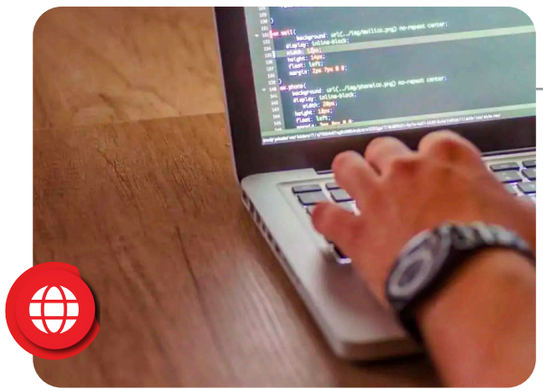
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Smart cities and the sum of their parts

TRENDING ONLINE

Trends that will be key to successful property investments





TRENDING ONLINE

5 Reasons why you should automate your FICA Process

Smart cities and the sum of their parts

By Thabang Byl



Thabang Byl
Digital Energy Lead
Schneider Electric South Africa

Business premises is one of the first places companies take stock of when assessing their electricity usage and the optimisation thereof. And rightly so, approximately 30% of global greenhouse gas (GHG) emissions, and 70% of energy consumption are attributed to buildings. Moreover, it's estimated that 30% of energy is wasted in buildings.

Coupled with our country's much-talked-about volatile grid, buildings must become smarter. Also, as it becomes smarter, through the upgrade of existing premises and development of new, smarter buildings, we will steadily see the dawn of a new era, the smart city.

If a smart building is a collection of disparate systems seamlessly working together, a smart city is a microcosm of disparate environments, including smart buildings and the grid, operating as one organism.

Cities define a civilisation, which shine light on the human element. Thus, today's push for a smart building to meet these people-centric objectives, such as well-being and social cohesion, will form a key part of the transformative journey to a smart city.

Start first

However, for us to realise smart cities, we must lay the building blocks and it starts with buildings. A holistic building management system (BMS) is the key to a smart building strategy as it overcomes many of the struggles that both service providers and owners face when establishing a smart building.

At Schneider Electric, our BMS offering is a collaborative Internet of Things (IoT) solution that features a scalable, secure, and global architecture to make buildings of all types, smart.

It connects hardware, software, and services over a digital IP backbone to help service providers and owners maximise building efficiency, optimise comfort and productivity, and increase building value.



And the grid?

If there is one driver that is going to become a vital part of our journey towards smart cities, it's electricity. The future relies on our ability to provide resilient electricity to the infrastructure within the smart city.

The grid's ability to respond actively to surges in energy demand and supply will be a key enabler to realising our smart city vision. However, this also remains one of our biggest challenges, particularly with technology's reliance on electricity.

Condition-based monitoring systems, for example, can lead to self-healing designs, which will in turn enable modernisation of the power system to an automated microgrid. Furthermore, smart grids will enable consumers to readily gain access to their energy data. This will enable them to autonomously make decisions on their energy consumption.

Let's get real

To some, smart cities still feel like it belongs to an advanced civilisation in a Sci-Fi movie. Not quite, already we are seeing developments such as Steyn City emerging as bona fide mini smart cities which will or already feature entirely self-contained resources such as generators that protect its residents and tenants against power disruptions.

In South Africa, smart cities will likely be built on a smaller scale but the adage lead by example will undoubtedly drive the country towards implementing smart buildings that will eventually lead to bigger smart cities.

As a country we need to keep on investing and believing in the future of smart cities with leadership in both public and private sectors forging the way towards smart buildings and cities that establish a future built on sustainability, resiliency, hyper efficiency, and people centricity.

IMAGE: Schneider Electric

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WEALTH



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INVESTMENT ADVISORY: Don't purge your property portfolio

TRENDING ONLINE

Covering your legal fees, daily expenses and unforeseen costs at death?





TRENDING ONLINE

How you can pay zero tax on your money

INVESTMENT ADVISORY: Don't purge your property portfolio

By Marishka van Zyl



South Africa's data points may paint a dismal financial picture for investors, but it is an opportune time to hold onto current portfolios, if not expand them.

The recent 0.25% increase in the repo rate - which is expected to increase again - matched with rising inflation, load shedding and water shedding, is placing financial strain on investors.

Cash-strapped investors are looking for ways to ease financial stress and looking to cash out on their investment properties. This is often an ill-advised decision. Property remains one of the most stable investments available, and in uncertain or tumultuous economic periods, the values remain constant.

Property investment is a long-term commitment that traditionally serves long-term financial growth and revenue opportunities. And while the cash crunch may mean slightly lower rentals than bond repayments, these tenants are still settling a high proportion of the bond, ensuring less financial stress on retaining the asset.

The rental market is also recovering. According to a study by Mordor Intelligence, "The average rent in Western Cape surpassed the ZAR 9,185 (USD 598.21) mark during Q2 2021, making it the most expensive province to live in, with an average price differential of nearly ZAR 1,000 (USD 65.13) compared to the second-most expensive province.



In Gauteng, the average rent reached ZAR 8,292 (USD 540.05) for the first time in Q2 2021, 4.84% more than the 2020 rent and the third-highest growth rate in the country for the quarter. While this rate was lower than the previous year, it was the province's first increase in quarterly growth in two years, implying the beginning of a recovering rental market in the province".

Mordor's research provides a median across the whole country. Certain areas are attractive for tenants, and property owners can either sustain or increase the opportunity.

Rentals rise with interest rates as financial pressure leaves many homeowners in a position where they need to sell and enter the rental market.

The option of downscaling the current properties in a portfolio is an option, but it does come with an additional financial burden of the costs involved in the purchase. In addition, the high number of property stock on the market has made it a buyer's paradise, where owners often sell at a drastically reduced rate that may incur a financial loss.

If anything, the buyers' market makes purchasing more property to diversify the investment portfolio an attractive option. New developments and specifically two-bedroom townhouses or apartments are gaining popularity in demand.

The tax benefits of the property, specifically in a Living Trust provide a financial break for current property investors.

Each investor should consider these points, because each portfolio is unique in its collection, consulting an advisor is the best option to ensure that decisions made do not just supply short-term relief, but long-term benefits.

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Marishka van Zyl
Trust Advisor
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What you need to know - The inside track on worldwide wealth and overseas Wills



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6 reasons why UK property investment makes sense for 'Saffers' now!

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Mauritius lures SA investors, business owners and retirement buyers with property and residency

6 Reasons why UK property investment makes sense for 'Saffers' now!

By Sophie Gamborg



The other day I was listening to a talk by the CEO of a well-known tax and retirement planning company in South Africa and he made a comment I had not heard before but one that I will not forget: 'Live in the sun but invest in the shade'.

1. Benefit of investing in an offshore currency

He said most of his African clients invest some of their money overseas in hard currencies. He briefly mentioned the political climate of South Africa, the security, load shedding, volatility of the currency and that his clients felt more confident once they had taken some of their income out of South Africa.

As someone that has recently moved to South Africa and sees all it has to offer, I found this discussion a little negative but at the same time it did make sense that his clients would want to do this, especially now the Rand is at 22 to the UK pound. I am in the fortunate position of having a UK passport, owning a UK investment property and being able to return to the UK whenever I want.

2. Ability to become a global citizen!

A South African passport holder is more limited in where they can travel, live, and work and therefore this statement rings true. If you can take rand and invest overseas you can make it work harder for you and give yourself the opportunity to achieve greater global independence.





3. High yield performance of the UK property market

The UK property market has always maintained strong stability and resilience, despite the many challenges that it has faced; financial crashes, Brexit, changes in the monarchy and government. The past 50 years of the property market has seen 43 years positive growth, so it is not surprising it is one of the most popular investment assets. 85% of property investors around the world choose to invest in the UK market.

4. Favourable UK mortgage interest rates

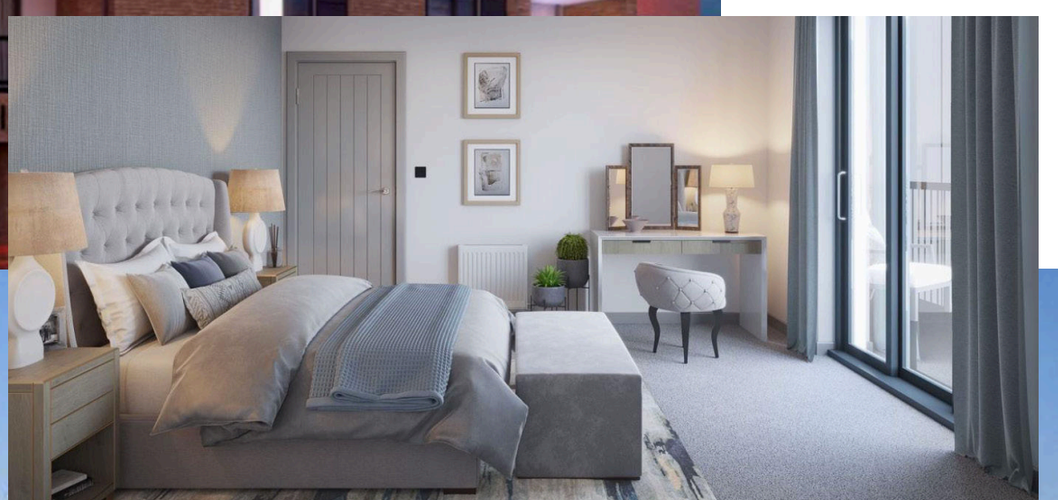
This week has been especially good for the UK property market with the news that there has been a drop in UK mortgage rates, which are now set to remain between 4-5% in 2023, having been around 6% at the end of last year. A South African looking to invest money offshore would benefit from this drop in interest rates but also the soaring demand of the UK rental market, which is still making headlines. The Telegraph reports that rents have risen 8.3% in the year to January and a statement from Knight Frank read "this is the best rental market we have seen in years in terms of price and demand".

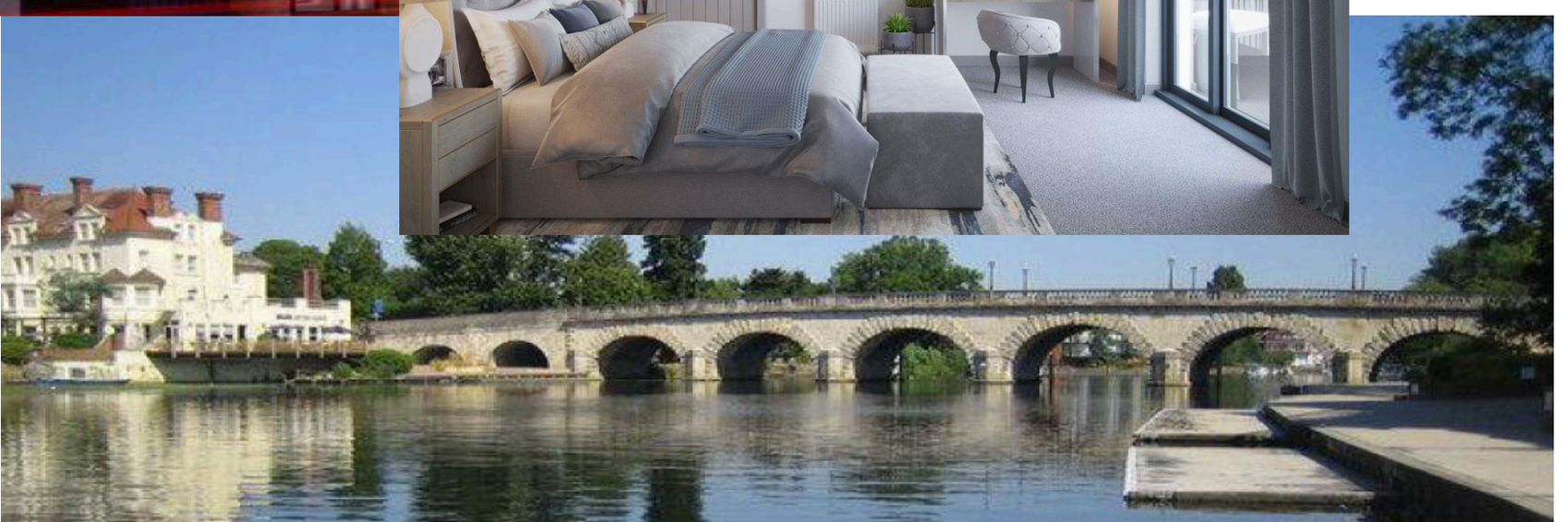
If you are a South African who loves the idea of investing offshore and having the ability to create an income in a hard currency, perhaps now is the time to strike whilst the iron is hot.

5. Leverage your investment through a UK mortgage!

As a South African you can borrow from the UK banks and benefit from an interest only mortgage (bond); the rent pays the mortgage so you can start to build an income in UK sterling.







6. Opportunity to invest in top performing areas

Currently the top 3 performing UK markets in terms of price growth are Nottinghamshire (+9%), Birmingham (+8.1%) and Manchester (+8.1%). In 2021, Newark, a beautiful historic town in Nottinghamshire saw a remarkable 20% increase it its house prices.

It is therefore no wonder that LIO International saw 3 of its clients this week alone invest in Nottinghamshire and one of its Birmingham projects sell out within 2 months of launch. One of our latest projects in Manchester, a 7-minute walk from Manchester Piccadilly (the major train line direct to London) offers 7% rental yields, more than double the UK average.

House price growth in Manchester is anticipated to increase 19.3% by 2027. Given these statistics it is understandable why such a high percentage of property investors from around the world choose to invest in the UK market.

With competitive returns and almost no restrictions on foreign investment into property the UK still remains an excellent place to hold property for South Africans in particular.

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Sophie Gamborg
Property Specialist
LIO Global SA

What you need to know - The inside track on worldwide wealth and overseas Wills

By Editorial



All packed up and ready to emigrate?
When buying a property abroad and drawing up a Will, the clever thing to do is to make use of Estate specialists. One should bear in mind that there are different sets of rules governing heirship in different countries

Here are a few FAQs to help you along the way:

What is freedom of testation?

Freedom of testation is a law that allows a Testator (or Testatrix) to bequeath assets in a Will as they please. South Africa observes freedom of testation, so a person can leave his or her assets to whoever they like.

What is forced heirship?

This a set of rules which restrict the Testator's freedom to distribute his/her Estate to protect certain heirs, such as a spouse or child. In most countries where this system applies, a portion of the Estate is subject to the laws of forced heirship while the balance is left to the Testator's discretion.



Does my SA will cover my UK Assets?

A Worldwide Will could come in handy if you live in South Africa but have assets in a country with similar heirship laws to our own, such as the UK. Like South Africa, the UK has freedom of testation.

It's important to have appropriate Wills drafted to suitably protect your Estate and heirs. You can either have multiple Wills for each jurisdiction that you have assets in, or you can draft a Worldwide Will to cover assets in different countries that have the same inheritance laws as SA.

While certain countries follow the same rights of inheritance that South Africa recognises, there are others that are vastly different. A Worldwide Will or an offshore Will may protect your Estate if you're intending to relocate or if you're thinking of buying property abroad.

But it always better to speak to a specialist in testation.

What is accidental (implied or tacit) revocation concerning wills?

The simplest method of revoking a Will is by validly executing a further Will or Codicil. A clear way of doing this is by including a revocation clause in the later Will. An example is: "I revoke all former Wills and Testamentary dispositions and declare this to be my Last Will and Testament". This simple clause will revoke all previous Wills and Codicils.

But this clause might present problems when acquiring foreign assets in countries which don't have testamentary freedom. Testamentary freedom, as we have in South Africa, simply means that the Testator may leave his Estate to whomever he wants to. In some countries, for example France, the principle of forced heirship applies. Under the laws of forced heirship children are prioritised above spouses.

Why should this be a problem? Well, let us assume that a South African buys a property in France. He then draws up another Last Will and Testament to leave the property in France and his properties in South Africa to his wife. But the property in France might end up going to his children, because of France's laws of forced heirship which prioritise children above spouses.

How could this happen? Simply because the Last Will and Testament is subjected to the laws of the country where the asset is situated.

That part of the Testator's Will is thus accidentally revoked.

How will principle of survivorship affect me if I have a joint foreign bank account or own a property overseas jointly?

Care should be taken when preparing a Will for a South African who jointly owns a foreign bank account or investment account. If one joint owner passes away, the deceased's share might not pass through their Estate and may pass automatically to the surviving joint owner. This is known as the Principle of Survivorship. A caveat though, the Principle of Survivorship operates in the UK, Ireland, Jersey,

Guernsey, the Isle of Man, and many other countries, but not in all of them. An example of the principle is that a husband who jointly has a bank account with his brother in the Isle of Man, should not try and make a gift in his Will of his share in the bank account to his wife or any other person than his brother.

In circumstances where two or more people own a property jointly, the asset is held 100 per cent in all names and this is called joint tenancy. When one of the owners passes away, the percentage holding of the other owner/owners increases. This differs from owning assets in tenancy in common, which has no right of survivorship and may be dealt with in terms of the Testator's Last Will and Testament.

What are the implications of the European succession regulation no. 650/2012 (Brussels IV) concerning estates?

Many countries in Europe, such as France, Spain, Germany, and Italy restrict testamentary freedom through their forced heirship rules, which can potentially provide statutory or fixed shares to certain family members.

This means that in some cases, a South African individual with assets in certain European countries may be restricted as to whom they can leave their assets to. However, where a South African individual owns assets located in the European Union (the UK, Ireland, and Denmark excluded), the European Succession Regulation No. 650/2012 (also known as Brussels IV) presents a very useful planning opportunity.



Brussels IV enables an individual to elect for the law of their nationality to apply to the succession of their assets. This can, potentially, be a convenient way to avoid the forced heirship rules and, for a South African national, ensure that South African law applies to the succession of the European assets.

Both the EU citizen and the non-EU citizen may choose the law of his country or nationality to apply to his Estate. The default position is that the governing law of the state in which the deceased was habitually resident at his death will be utilised for the distribution of the deceased's Estate. Brussels IV applies to deaths on or after 17 August 2015.

The signatory states are Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Spain, Slovakia, Slovenia, and Sweden.

Which type of will is best if I own fixed property in other countries?

Generally, a foreign Will is advisable if you own immovable property overseas. Fixed property will need to be transferred according to the laws of the said country so you will need to ensure that all formalities are complied with. Also, some countries only recognise a locally drafted will when it comes to disposing of property and your South African Will may, therefore, be disregarded. This is one of the reasons why the European Succession Regulation No. 650/2012 (Brussels IV) is such a groundbreaking agreement.

So, if you're considering purchasing a property abroad or have emigration in mind, remember to consider the implications on your Will. For more information on securing your offshore assets, expert advice or to schedule a private consultation please click the enquire button below.

ENQUIRE NOW

Mauritius lures SA investors, business owners and retirement buyers with property and residency

By Editorial



Mauritius has always been known for its island lifestyle with blue lagoons, long stretches of white-sand beaches and its top class amenities. It has received many international accolades over the years and was placed first for: 'Ease of doing business,' 'tax competitiveness', 'best place to work from home', 'property rights protection,' 'innovation', 'governance' and 'economic diversification'. It also ranked 2nd in 'transparency' and 3rd in 'security.

According to Tim Mertens, Chairman of Sovereign Group South Africa, Mauritius is getting better known for its investor friendly policies when considering setting up a business, residency, retirement and property investment. He says the process can become complex so it is advisable to use their consultation services as a 'one stop shop' to walk you through the process.

The island is renowned for its favourable business and investment outlook, and is on an economic growth path with political stability. Other features include high-tech infrastructure and 4G available across the island. It has a strong financial and banking system. Taxes are also a draw-card and retirement buyers can benefit from zero wealth and inheritance tax.

There are four options for investing or acquiring a residency in Mauritius for you to consider and with just some of the highlights and benefits for you to consider:

1. **Work permit**
2. **Invest**
3. **Acquire**
4. **Retire**

Occupation permit

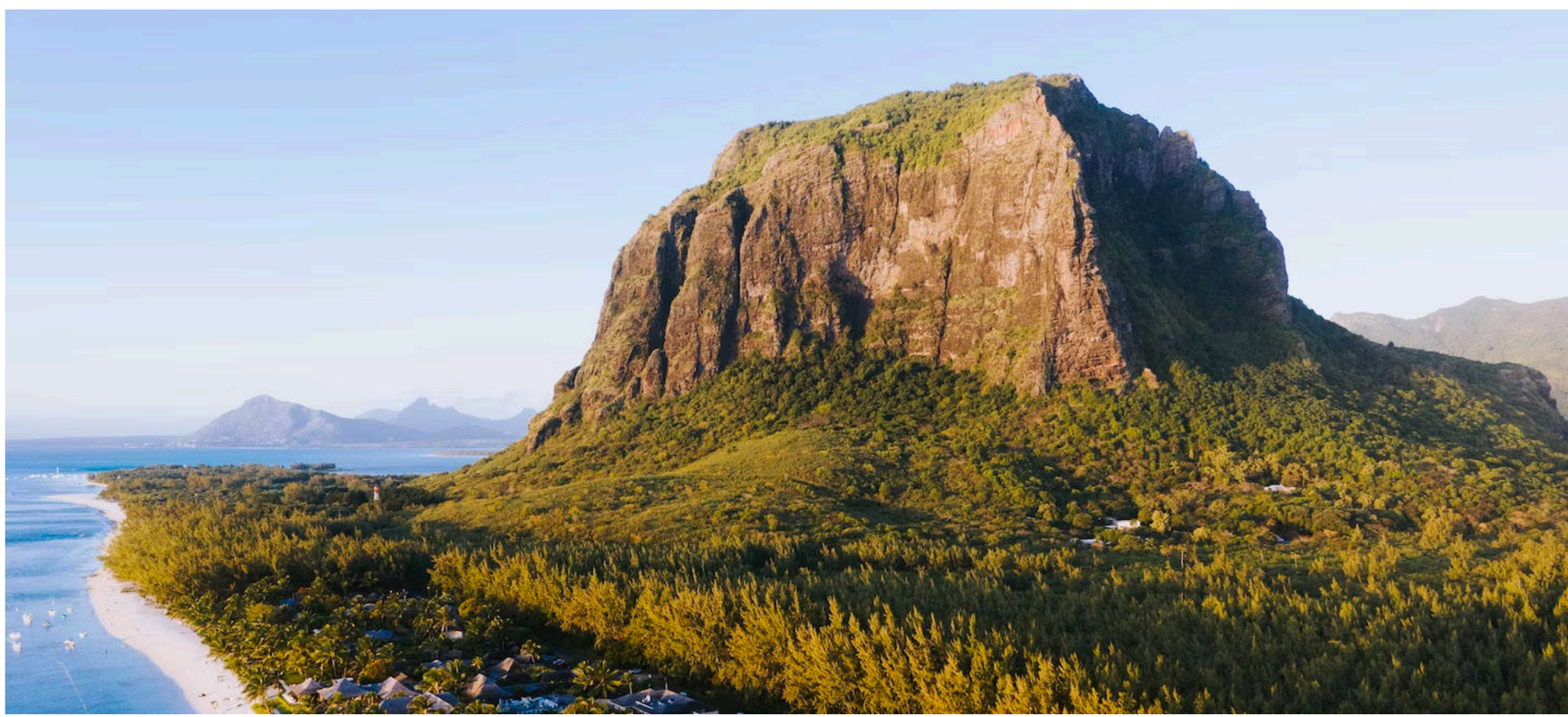
Mauritius has made it cheaper and easier for investors and expatriates to live and work. The island recently reduced the minimum investment required to acquire an occupation permit as an investor, and live in Mauritius as a non-citizen, to $50,000 (MUR867,000), from $100,000.

The validity of an occupation permit has also been extended from three to ten years, and the spouses of holders will no longer require a separate permit to invest or work in Mauritius. The holders of occupation permits will also be allowed to bring their parents and dependants under the age of 24 to live in Mauritius.

Retirement

Mauritius is also fast becoming a great destination for older and retirement buyers looking for a great lifestyle and good amenities. Mauritius is a great choice for South Africans, says Mrs Dalais-Pietersen Marketing Executive of Seeff Mauritius. English is commonly spoken, and the culture is amazingly easy to enjoy. The commute from South Africa is also easy in about four to six hours with regular flights, so you are not too far from friends and family.





Mauritius residency by retirement is another simple option available to retired foreign nationals who can apply for the financially independent residency programme without the requirement of a minimum capital investment.

This initial 10-year residency permit is a popular and affordable route to obtaining 20-year permanent residency after a period of three years provided the permit holder meets the minimum requirements set by the Economic Development Board.

Healthcare facilities across the island is also top class. There are plenty of doctors, pharmacies and hospitals. You are also able to find specialised care such as orthopaedics, cardiology, ENT and eye care, mental health and more. Health insurance is also available.

People over fifty and retirement buyers can now get a ten-year visa which can be extended thereafter. They can include their partner or spouse as well as any children up to the age of 24-years.

To qualify for a retirement residency, you need to have income at an average













of $1,500 per month which is brought into the country. This can be monthly or in tranches on a quarterly or annual basis.

The best way to secure residency is, however, to invest in property, says Mrs Dalais-Pietersen. There are designated developments ideal for older buyers where you can invest in a unit or life rights. No minimum price applies, and the residency is available to include your partner or spouse and children who are dependent.

You, however, do not have to purchase a retirement property and can invest in any development approved for foreign purchases, she says. The minimum requirement to invest in property has also been lowered to just $375,000 (about ZAR 5.7 million).

This is probably similar to what you would pay for a house in a golf or lifestyle estate in South Africa, but Mrs Dalais-Pietersen, says you get much more in Mauritius. It is safe and the lifestyle is like being on holiday all the time.

It is also much easier to buy property in Mauritius compared to other Africa countries and there are now plenty of new developments with modern designs and added lifestyle amenities, often close to or with easy access to the beaches.

There is also plenty of choice, from apartments and penthouses to townhouses and villas. Amenities range from a golf course to swimming pools, fitness and spa, tennis courts, restaurants and facilities for children.

As an added bonus, these developments are generally highly sought after holiday properties, hence they offer lucrative opportunities for rental income when not in use.

Sovereign Trust are experts in assisting you to set up business structures, permits and investing in property in Mauritius. They have a long history with the regulators on the island and have more than 33 staff including HR, legal compliance, and consultants to assist you in the process.

Sovereign Trust will be running a series of articles in the following editions of Real Estate Investor that will assist you in setting up a step-by-step process with Sovereign to set-up the best structure for residency, retirement or investment.

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R3 150 000





Luxury Apartments

SELLING FROM

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ESTATE FEATURES

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PODCAST

Honest Money

Honest Money is your personal guide to financial freedom. Hosted by Warren Ingram, the bestselling author and award-winning financial planner, the goal with Honest Money is to ensure there is a platform for everyone to understand they can achieve financial freedom. Warren believes that although wealth can be defined as the abundance of valuable possessions, that definition ignores the most beautiful truth about wealth, which is this: Wealth is the wonderful responsibility that some are given to create things worth leaving behind.

LISTEN

BOOK

The South African guide to global investing

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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Assisted living and frail care in a quality life right environment

TRENDING ONLINE

Imhoff Manor Retirement Home launched by Devmark Property Group





TRENDING ONLINE

Six Trends That Will Define Retirement Property in 2023

Assisted living and frail care in a quality life right environment

By Editorial



The hugely successful Helderberg Manor Retirement Village based in Somerset West, a prestigious collection of houses and garden apartments, has officially opened its Healthcare Centre managed by well-known leaders in high-quality healthcare and wellness solutions, Medwell SA.

Hein Ehlers, founder and Group CEO of the Devmark Property Group, continues that "Medwell SA is an established home health care provider and service company with a national footprint. The company is currently managing the healthcare services of 14 retirement and lifestyle estates across South Africa and comes highly recommended."

Executive Director of Medwell SA, Gerhard Lombard, adds that the company is contracted with medical schemes to provide managed home nursing and care service within the comfort of a person's home. "We engage directly with medical schemes to unlock funding for certain care and nursing services on the client's behalf, all depending on each medical scheme's rules.

The newly launched 50 Assisted Living Suites will be sold on a Life Right basis, with suites varying from one bedroom with an en-suite bathroom to double bedrooms with an en-suite bathroom, lounge and kitchenette. It will offer all the benefits of living independently in the welcoming retirement community of Helderberg Manor whilst having help close at hand. Prices start at R1 185 000.

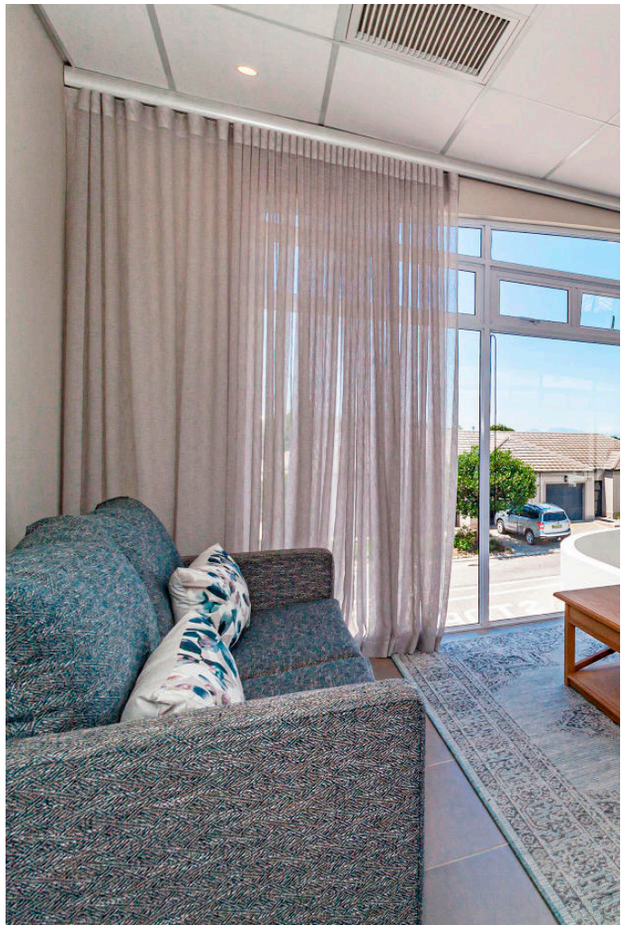
Life Rights has many advantages

- No transfer duties
- No VAT
- No Bond registration costs
- Life time occupation
- Fully maintained and managed environment.

We strongly believe that retirement estates should offer support for all the different phases of your retirement, especially if one becomes immobile or ill, healthcare must be on hand."

Frail Care Packages offered by Medwell at Helderberg Manor include single rooms with shared bathrooms starting at R25 500, single rooms with en-suite bathrooms from R25 900 per month and shared rooms for couples from R18 000 per month. Cost for other services offered in the Assisted Living and independent units vary according to







requirements and can be tailored made to suit the client's needs. Individuals not residing on the estate can also be accommodated in the care centre.



Home & frail care services

- Nursing staff on duty 24/7 – constant monitoring
- Nutritional meals - 3 times a day
- Laundry
- Carers for Personal hygiene & incontinence
- Mobility assistance
- Dementia stage-related mental and social programmes and activities
- Medication management and administering of medication
- Exercise and relaxation activities
- Set programmes to promote social interaction
- Chronic disease management





Developed by the respected Devmark Property Group, Helderberg Manor is situated in Heritage Park – a 200 hectare private estate, complete with its own houses, schools, shops, places of worship, parks and waterways at the foot of the picturesque Helderberg Mountain.

Ehlers concludes that the success of Helderberg Manor lies in the fact that it offers retirees everything they need. "We all know that location is of the utmost importance. Helderberg Manor is situated close to the scenic winelands of Somerset West and Stellenbosch, beaches, shops and restaurants. Furthermore, all the amenities have been completed including the clubhouse, library, Assisted Living Suites and 24-hour medical care – all located in beautifully landscaped gardens. It remains one of our most successful developments to date.

Our residents are active, social and enjoy life to the fullest, and our garden and house cleaning services give residents the opportunity to lead a lock-up and go lifestyle. Somerset West is and will always be a very popular destination for retirement. Together with our facilities and security, holistic healthcare services on offer and the availability of home based care services, it definitely makes for an attractive retirement investment."

IMAGE: Helderberg Manor

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ASSISTED LIVING SUITES

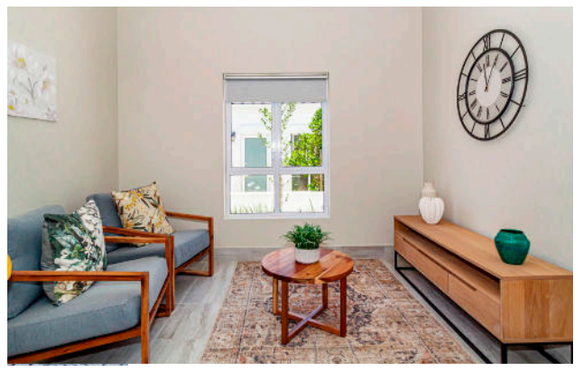
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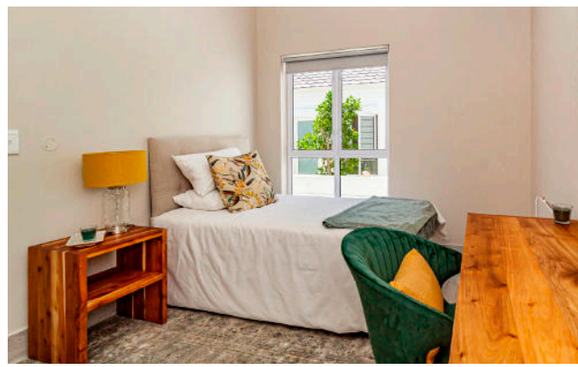
LIFE RIGHT

ENJOY ALL THE BENEFITS OF LIVING INDEPENDENTLY IN THE ESTABLISHED RETIREMENT COMMUNITY OF HELDERBERG MANOR, WHILST HAVING HELP CLOSE AT HAND.









1 BEDROOM | 1 BATHROOM | OPEN PLAN KITCHENETTE | MEDICAL CARE & ASSISTANCE IN THE COMFORT OF YOUR OWN HOME

ADVANTAGES OF LIFE RIGHT

- Fully maintained and managed environment
- No transfer duties
- Life time occupation
- No VAT

ESTATE FEATURES

- Healthcare
- 24-hour manned security
- Restaurant
- Clubhouse
- Library
- Gym
- Swimming pool

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Look out for our next issue in April 2023

info@rei.co.za



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