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REAL ESTATE INVESTOR (REI) MAGAZINE is South Africa's leading magazine for real estate investors and advances real estate industry best practices. It offers a comprehensive view into the REI world, including expert insights on successful investors, strategies, industry trends & news.



FRONT COVER IMAGE:
Paul Jackson - CEO TUHF; Sivan Govender - Regional Mgr TUHF & Velda Derrocks - Regional Mgr W & E Cape

MEDIA KIT



EDITOR'S VIEWPOINT

Optimism & Success: Master your Mindset for Property Investment Prosperity

We stand on the brink of a new era for South Africa, with the looming shadows of political promises casting uncertainty over our future. Amidst fact and fiction seek clarity and focus on elevating your performance to extraordinary heights in 2024.

With governments tightening regulations and closing investment loopholes to serve their own agendas, the landscape of investment grows ever more complex. Yet, in the face of doubts and uncertainties, smart investors persist. They navigate through the labyrinth of challenges, never losing sight of the solutions, and steadfastly release the shackles of the past, focusing unwaveringly on the present.

In the realm of property investment, success hinges not merely on market trends, but on a more intimate scale—the mindset. Real estate investors thrive on rental income, capital appreciation, and the fruits of astute business activities centered around property. The advantages are manifold: passive income streams, stable cash flows, tax benefits, diversification, and leveraging opportunities.

While some property markets may currently languish under pressure and prices, savvy investors perpetually seek to outperform the averages, infusing their strategies with fresh ideas and boundless creativity.

You've likely heard the adage, often misattributed to Einstein: "The definition of insanity is doing the same thing over and over again and expecting different results." However, it is the actual definition of tenacity. True insanity lies not in repetition, but in dwelling incessantly on the past or being trapped in a state of mental stagnation.

By mastering your mindset, anchoring yourself in the present moment, you can surmount obstacles, attract abundance, and make shrewd investment decisions. In the realm of real estate, your mindset is the linchpin of success—shaping your thoughts, actions, and ultimately, your outcomes.

Your inner dialogue shapes beliefs and actions, driving triumphs and setbacks. The journey from who you are to who you aspire to be guided by your mindset. mould and refine it for transformation.

Founder & Editor-In-Chief

Neale Petersen



MASTER QUOTE:
"The difference between successful people and really successful people is that really successful people say 'no' to almost everything."
- WARREN BUFFETT

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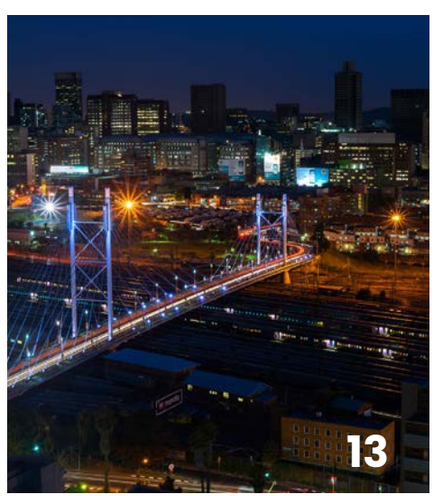
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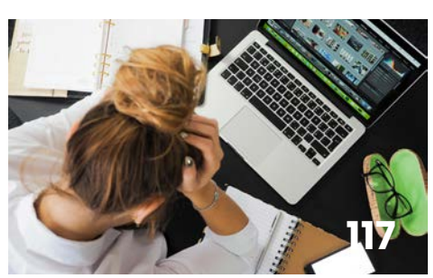
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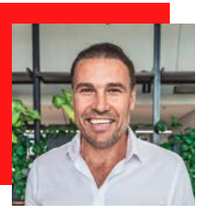


ASK THE EXPERTS

Got Questions? We've got Answers! Send your queries to info@rei.co.za or drop them on our vibrant community on Facebook or LinkedIn. Our team of experts is ready to assist you.

Charting a promising path: What is the future of Property Investment in South Africa

MEET OUR GUEST EXPERT



STEFAN BOTHA
Founder & Director
Rainmaker Marketing

"I am reaching out to seek your insights on the current state of property investment in South Africa, particularly considering the recent State of the Nation Address (SONA) delivered by President Cyril Ramaphosa.

Given the prevailing economic conditions, concerns about municipal mismanagement, and reports of excessive government spending, I am apprehensive about the viability of property investment in South Africa. Despite the government's promises and assurances, it appears that the challenges facing the nation may outweigh the opportunities for potential investors.

Before making any decisions, I am eager to hear your perspective on whether South Africa still holds promise for property investors, or if the risks associated with the economy and governance overshadow the potential returns. Your insights would greatly assist me in making an informed investment decision.

A

President Ramaphosa's SONA underscored the potential for job creation in the renewable energy sector, particularly through harnessing solar, wind, and mineral resources. Regulatory changes enabling municipalities to independently procure power and initiatives like those in Cape Town and Stellenbosch facilitating the sale of green energy back to municipalities signal a growing momentum toward sustainable energy solutions.

Private investors can anticipate innovative investment models as the government fast-tracks transmission infrastructure development to accommodate renewable energy. Commitments to building new transmission lines and partnerships between municipalities and the private sector indicate a promising path forward.

In recent years, sustainability and the green sector have taken centre stage at the State of the Nation Address (SONA), signaling a significant shift in property development practices. Leading developers like the Devmco Group, Collins Residential, Feenstra Group, and Hibiscus Retirement Villages are incorporating green design principles and alternative energy sources as standard features in their projects.

Addressing water supply challenges is another critical aspect highlighted in the SONA. Collaborative efforts between the public and private sectors, such as the partnership in Riverfields, Ekurhuleni, demonstrate proactive steps toward improving water resource management and infrastructure.

Projects like the Riverfields precinct underscore the demand for industrial spaces near ports and airports, attracting blue-chip tenants and facilitating economic growth. Collaboration between developers and municipalities is crucial for infrastructure development and job creation, as evidenced by initiatives like the Infrastructure Fund and coordinated public infrastructure builds.

While positive undertakings have emerged from the SONA, successful implementation remains paramount. The private sector's commitment to the country's growth is evident, but effective collaboration and performance from the public sector are essential for substantial progress nationwide.

In conclusion, while challenges persist, the collaborative efforts between the public and private sectors, coupled with innovative investment opportunities, indicate a promising future for property investment in South Africa. It is through continued collaboration and effective implementation that substantial progress and economic growth will be achieved across the country.

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TUHF FUND GUIDE: Specialised Commercial Finance for Affordable Housing in the urban areas of South Africa

By Editorial



TUHF Limited is a commercial property financier that provides specialised financial services and solutions to their clients in the urban areas of large metropolitans across South Africa, based on the Group's in-depth market knowledge and targeted business model.

Their key objective is to be a good business - doing good by empowering entrepreneurs to transform the urban areas of South Africa which includes inner cities, in-cites and townships. Everything they do is underpinned by their inclusive growth and transformation objectives.

Their financial services and solutions are purposely designed to finance property entrepreneurs in urban areas, who understand these areas and have a strong appetite to grow their property portfolios, generate wealth, and contribute to urban regeneration.

Over the last 20-years, TUHF has provided finance for affordable residential rental properties in all major metropolitan areas of South Africa, totalling over R8.3 billion and encompassing over 50,000 units since their inception in 2003.

In doing so, they have supported hundreds of successful property entrepreneurs in achieving their commercial property goals by running sustainable residential rental businesses.

For more information go to www.tuhf.co.za

About uMaStandi

As a member of the TUHF group, uMaStandi plays a significant supportive role in unlocking investment potential in a market segment that has historically largely been ignored by traditional financiers.

Many resident landlords need a way to access untapped equity in their property. With uMaStandi, property owners or entrepreneurs who hold title deeds can apply for finance to develop units for rental purposes.

uMaStandi is a property financing company; providing commercial mortgage finance, training, mentorship, and guidance to property entrepreneurs who wish to build quality, compliant and sustainable income-producing rental accommodation in townships.

To date, uMaStandi has financed 700 units, expanded their footprint to KZN and East London and grown their loan book to R80 million.

For more information, www.umastandi.co.za



Nahim Ramzan - Portfolio Manager - Western Cape TUHF



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- **Gqeberha** 041-582-1450
- **Johannesburg** 010-595-9000
- **Pretoria** 010-595-8891
- **Durban** 031-306-5036
- **Bloemfoontein** 051-011-8843

CONTACT UMASTANDI FOR FUNDING NOW!

- **Johannesburg** 010-595-9000

Transforming Bellville with revitalisation of New Boston Centre

By Editorial



TUHF Limited is a commercial property financier that provides specialised financial services and solutions to their clients in the urban areas of large metropolitans across South Africa, based on the Group's in-depth market knowledge and targeted business model.

Their key objective is to be a good business - doing good by empowering entrepreneurs to transform the urban areas of South Africa which includes inner cities, in-cites and townships. Everything they do is underpinned by inclusive growth and transformation objectives. Their financial services and solutions are purposely designed to finance property entrepreneurs in urban areas, who understand these areas that have a strong appetite to grow their property portfolios, generate wealth, and contribute to urban regeneration.

With the aim of contributing to revitalising the Bellville CBD, Brönn Properties, under the experienced guidance of Alewyn and Gerdus Brönn, embarked on an ambitious project to refurbish the New Boston Centre, a property with significant potential located at 85 Voortrekker Street. Bellville Cape Town. The project, which kicked off several years ago, was made possible with financing provided by TUHF and it breathes new life into the area, showcasing the transformative power of strategic investment and community-centred development.

When Brönn took over Boston Centre, originally known as the Boston Hotel and Dept of Home affairs, was completely derelict. However, his entrepreneurial spirit, vision for the Centre, and the fact that SPAR was looking to take on a lease agreement, contributed to his decision to partner with TUHF and invest in the property.

The partnership with TUHF has been integral to the success of this project. With funding from TUHF exceeding R76 million, the Boston Centre – a 10-storey building spanning 8,386 sqm – has been transformed from a distressed asset to once again become a beacon of progress and vibrant feature of Bellville's urban landscape.

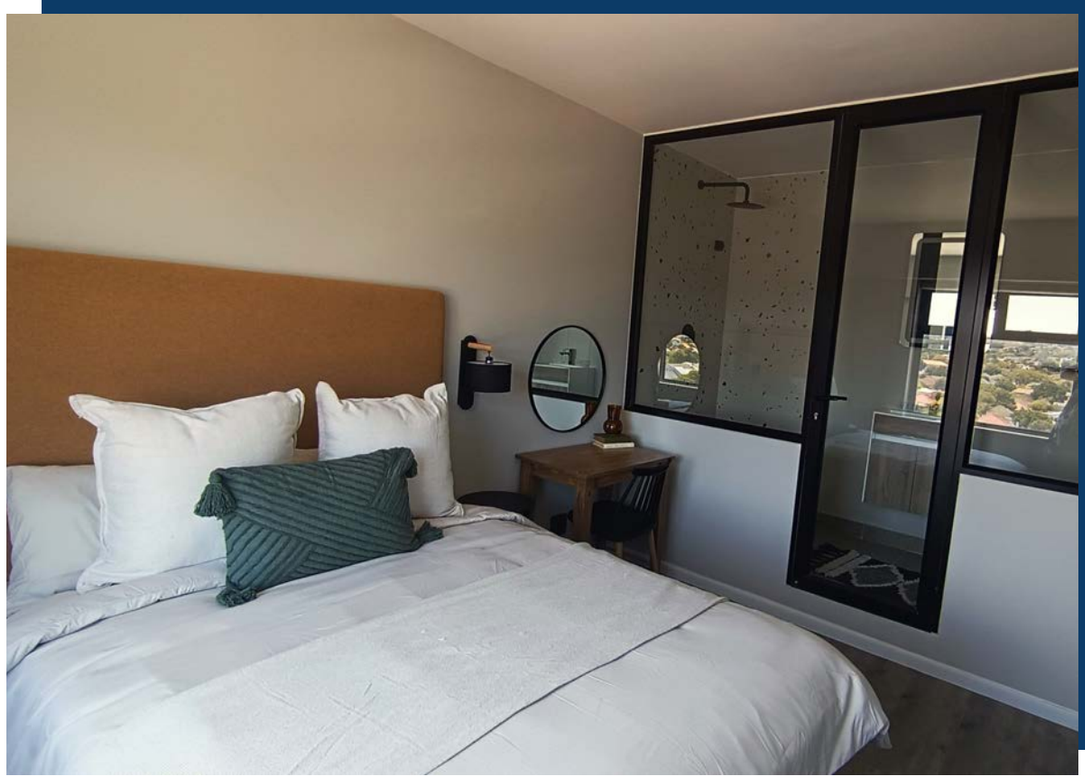
As the first official tenant, the SPAR, which spans the ground floor, opened four months ago – and according to Brönn is one of the best-looking SPARs in the Western Cape.

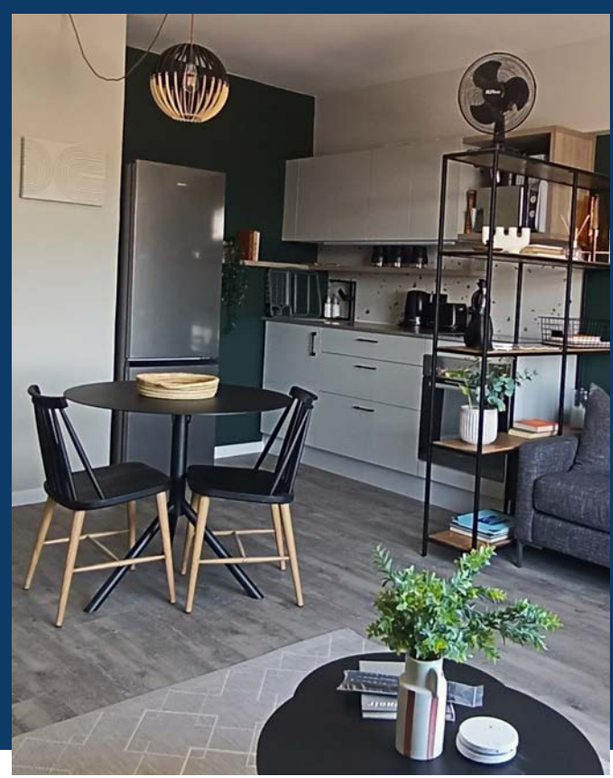
Initially, the focus was on rejuvenating the commercial section on the ground floor, totalling 2,528 sqm. This space now consists of a SPAR and TOPS, creating a vibrant retail space that has grown phenomenally popular among the community for convenience shopping.

Ensuring accessibility and convenience entailed developing outdoor parking, with a ramp to further under cover parking spanning the first floor of the building, with 70 parking bays and two new lifts, catering to the needs of both residents and visitors in the area.

Up next, Brönn's attention turned to the residential component of Boston Centre and meeting the demand for quality and affordable long-term rentals that would meet the need for housing in this metro.

The refurbishment included gutting most of the interior



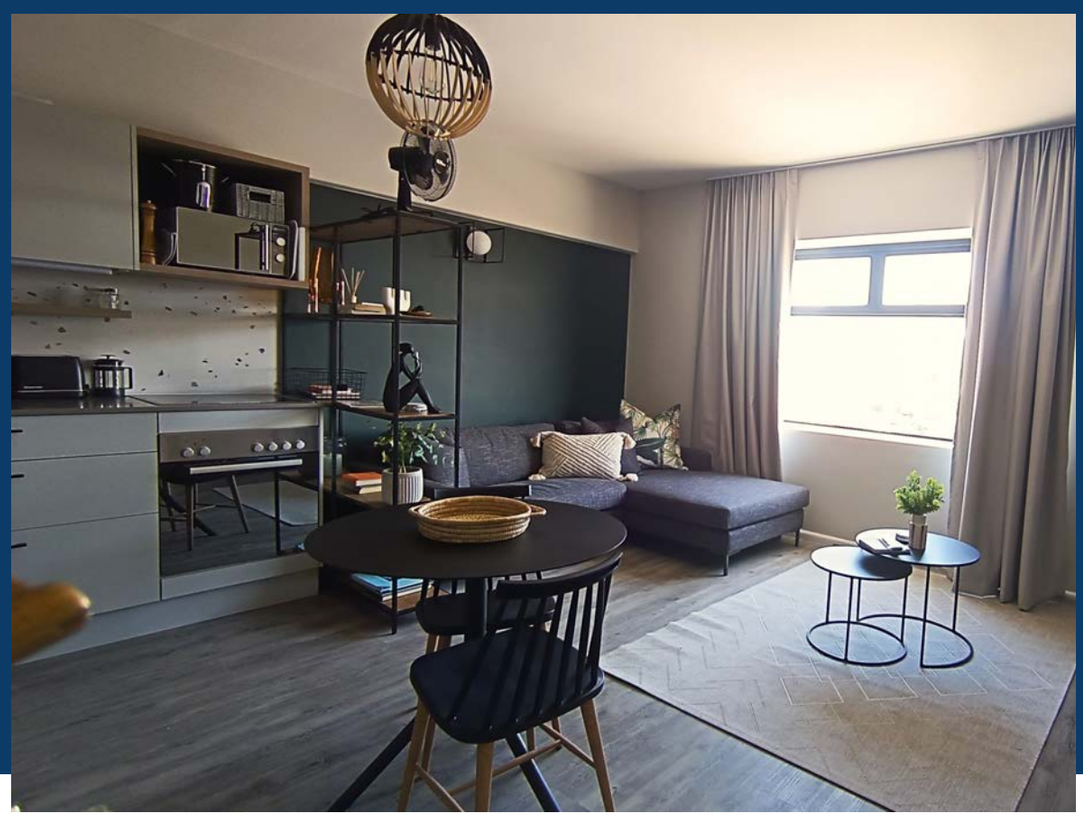


with new engineering services and interior design - from new lifts that now travel to the roof and new HVAC plant, fire and wet services engineering, all new electrical and plumbing including a heat pump system to distribute hot water throughout the building, to all new windows, fire/sound-proof doors, sanitary ware, built-in cupboards, lighting, flooring, fibre for high speed internet, etc.

Every opportunity to improve the usability and liveability of spaces was given careful consideration and today the residential capacity of the refurbished building includes 76 units that embody modern living spaces with top quality finishes on floors two through ten. The makeup of these units includes 11 two-bedroom units (54 sqm each), 18 bachelor units (26 sqm each), and 47 one-bedroom units (33 sqm each).

Looking ahead and pending approval from the City of Cape Town and availability of funds, Brönn also has his sights on developing penthouses on the roof. Furthermore, once the building has been fully let and the electricity demand/ consumption can be measured to determine the business case, Brönn is considering a potential future solar installation on the roof of the building and the external parking bay structures with a micro grid to build power resilience into the development, along with other potential engineering interventions, that will offset the buildings power demand and carbon emissions.





Brönn is a seasoned entrepreneur with a rich history in property development and franchising, where he cut his teeth in business running a restaurant in Secunda in the late 90s. At that stage he had to decide either to buy the building or sell the business. He made the decision to begin a new life in Cape Town where he opened a service station in Belhar and ran it for 15 years. He used the profits to begin investing in further properties.

“I got involved in a block of rental flats in Strand and saw the opportunity in low-income areas and began building up a portfolio of commercial properties. I then had the opportunity to buy the Kensington Shopping Centre, which was run down. I cleaned it up, made it safe, and beautified it. I am passionate about taking something overlooked, restoring it and giving it new purpose,” says Brönn.

The rest is history. There are two other properties under the Brönn portfolio and a longstanding relationship with The SPAR Group. Brönn's son, Gerdus Brönn, plays a crucial role in the day-to-day management of the properties under their care, bringing a fresh perspective and dynamic approach to the business.

"From my side, a special note of thanks must go to my son, Gerdus, for his instrumental role in the success of the New Boston Centre project, as well as to my wife, Marlene, family and friends for advice and emotional support," adds Brönn.

Brönn further notes that there has already been an influx of enquires and lease applications. "We have Revo Property onboard as our property and rental management company, where the units are currently 50% let - and with the last few units expected to be completed by the end of November/December 2023 all residential units are expected to be 100% let by the end of the year, or January 2024."

Matthew McWilliams, COO of Revo Property comments: "We have been impressed by the efficient pre-letting of the residential component prior to work completion and the high calibre of tenants now residing in the building, which are primarily medical professionals and students. Due to the resounding success of the residential and retail area components, we are bound to see a further surge in additional investment in this rapidly growing node of Belville."

Velda Derrocks, Regional Manager for the Cape Region, says: "Boston Centre stands as a testament to what can be achieved through collaboration, strategic investment, and a shared vision for urban regeneration. TUHF is proud to be part of this transformative journey, marking another milestone in our ongoing commitment to revitalising inner cities across South Africa."

"Ultimately, without TUHF, none of this would have been possible. They have been great at understanding me as an entrepreneur and as an investor. And this project has been a significant learning curve, but a wonderful experience all at the same time, and I am very proud of what we have built," concludes Brönn.

Over the last 20-years, TUHF has provided finance for affordable residential rental properties in all major metropolitan areas of South Africa, totalling over R8.3 billion and encompassing over 50,000 units since their inception in 2003 - and in doing so, have supported hundreds of successful property entrepreneurs in achieving their commercial property goals by running sustainable residential rental businesses.



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MASTERING SUCCESS: uMaStandi's Five essential tips for Property Investment Triumph

By Editorial



With 2024 already underway, it is an ideal time for property investors to consider giving attention to investing in townships.

Lusanda Netshitenzhe, the CEO of TUHF21, explains that there are many opportunities for densification and bringing in mixed-use developments to these areas. This is made considerably more accessible by uMaStandi, a commercial mortgage financier that assists township property developers to become property entrepreneurs and build their property portfolio.

Even so, first time and new property developers may be unsure about where to start. To enable them to successfully develop their first property and make a significant difference to unlock the potential of townships, Netshitenzhe offers five essential tips on the best ways to get started.

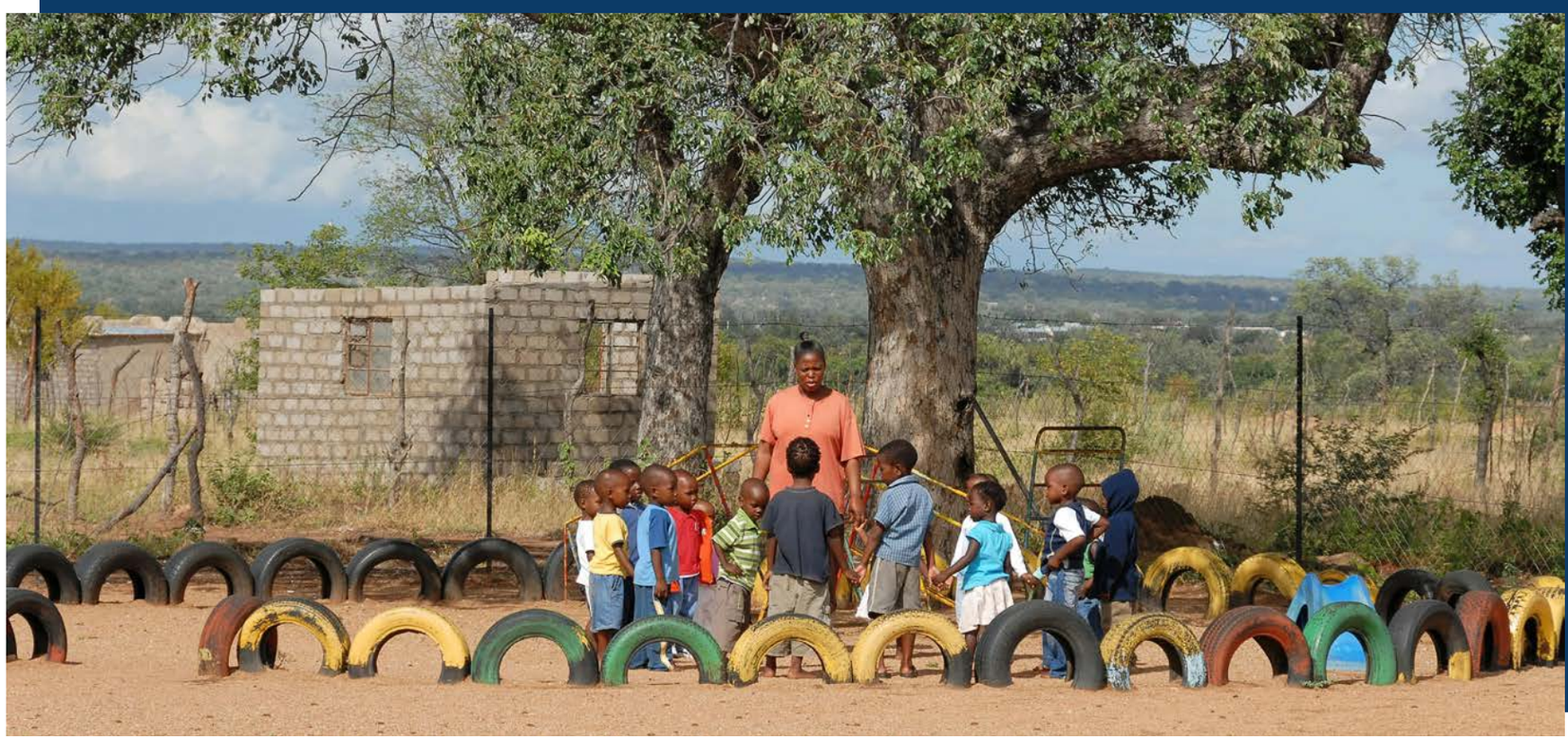
#1 Invest in your yourself
Gaining knowledge of property matters is essential, so that you have a grasp of the fundamentals of property development. These include understanding construction, how to appoint contractors, and the types of construction contracts to enter into. It is also important to learn a bit about property design and how to successfully navigate the town planning processes. You don't have to become an expert, but having a working knowledge of these matters will set you up for success.

#2 Develop basic property management skills
The most important part of property investment is having a firm grasp of property management. While construction of a property may only take six months to a year, effective property management is needed for the lifetime of the investment. If you finance the property through uMaStandi, you should anticipate having a 10 to 15-year relationship - at least.

It is essential therefore that you develop property management skills and learn how to vet your tenants, and what types of leases to enter into. Even if you employ a property managing agent, you need to ensure that your property is maintained and that your tenants are treated well.

Contrary to popular opinion, property is not a passive investment, it requires a hands-on approach and any funder will expect you to mind your property as you would any business.

#3 Build and leverage basic financial literacy
As with any entrepreneurial activity, basic financial literacy is a must have. Applying that to property investment, you need to understand basic concepts such as the time value of money, which means the R20 000 you have today doesn't have the same value tomorrow.
This comes into play when you need to buy building materials, for example, or save money for equity to finance your investment, at least in part. Therefore, it is important that you know how to use your money most wisely today, so that you can take advantage



of opportunities and avoid the rising costs - and risks - that inflation would otherwise bring if you were to only invest that same R20 000 later.

#4 Define your strategy

Another significant tip that all property investors should take cognisance of is to have a clearly defined strategy for going to market. This can be crafted by asking yourself some questions: What kind of property are you going to invest in? Residential, retail, commercial?
What kind of tenants are you looking to cater to? Students? Young Professionals? Families?

Knowing the above will enable you to clarify what kind of product you intend to bring to market, whether these are bachelor units, one bedroom, or two-bedroom units, for example.

Additionally, you must define what kind of investment you are developing for, whether it is a long-term property that you let for the long-term, or a property that you renovate and immediately sell? uMaStandi funds for the former but not the latter approach.

#5 Know your market

As with bringing any product to market, you must know something about the nature of supply and demand. For property investment, this means knowing who wants to live in the area you are planning to invest in, and what kind of rent they would be prepared to pay.

Then, identify existing suppliers. Who are your competitors in the area? What types of units are they offering? And how can you differentiate yourself?

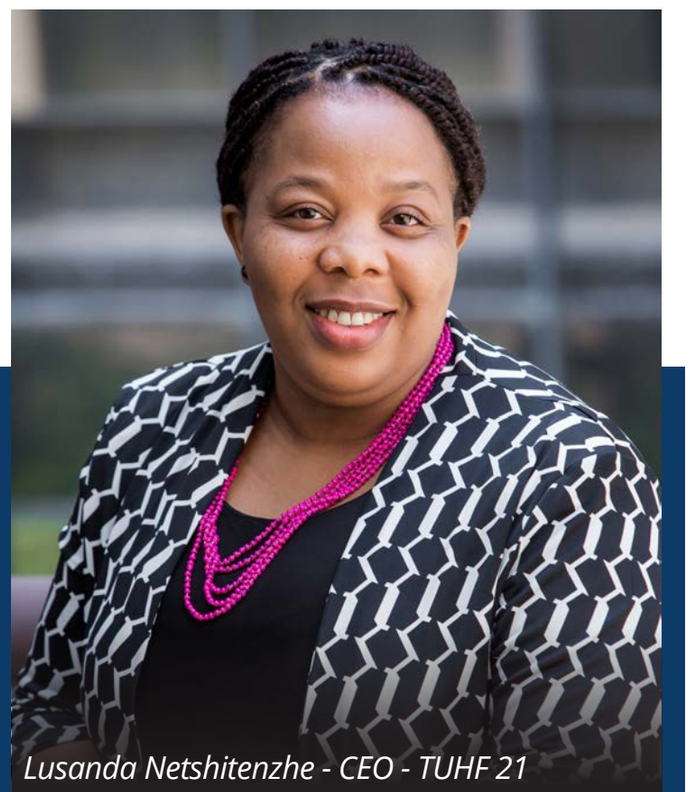
In property development, location is paramount. If you are aiming to develop in Soweto, for example, you need to narrow it down to which suburb and street, so that we can assist you in best catering to the residential trends in that particular node.

Along with these five tips, all property developers and entrepreneurs are best served by finding the right funding partner - and building up their network within the industry. Doing so can immeasurably smooth the property development endeavour and help one become a successful entrepreneur more easily.

That is why, along with funding, uMaStandi offers non-financial support as well, from training and tailored mentorship to networking opportunities that enable you to compare notes with others on this journey.

As a member of the TUHF group, uMaStandi plays a significant supportive role in unlocking investment potential in a market segment that has historically largely been ignored by traditional financiers. Many resident landlords need a way to access untapped equity in their property. With uMaStandi, property owners or entrepreneurs who hold title deeds can apply for finance to develop units for rental purposes.

To date, uMaStandi has financed 700 units, expanded their footprint to KZN and East London and grown their loan book to R80 million.



Lusanda Netshitenzhe - CEO - TUHF 21

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UMASTANDI
Tel: 010-595-9000

OPPORTUNITY

PRIVATE CAPITAL

Opportunity Private Capital is an 18-year-old boutique investment company that has been operating since 2006. We offer solutions that are suited for any private investor looking to invest capital in residential property developments in Cape Town. The offerings allow investors to invest in the early stages of the property development cycle or in fully completed units (with tenants) once the construction is concluded. Historically, consistent marketing-beating returns have been achieved while simultaneously prioritizing protection of invested capital.

How is investors capital protected?

The primary foundation of the investment offerings is the protection of investor's capital in the form of the development assets. Investors hold the property as security until their capital is repaid.

In addition, strict protocols are in place for the utilisation of the investor funds, with independent professional parties checking and authorising the flow of any funds into the developments, and these parties are involved in this process until investors safely exit the investment.

Investment opportunities have been successfully completed for development projects in Gauteng, KZN and Western Cape with a market value of over R800 million. However, during the past 9 years the company's focus shifted to involvement in developments located in high demand areas of Cape Town.

The current available investment offerings differ from one another in that they suit investors with varied investment appetites:

1. Capital Investment (during development phase):
   - Projected returns once invested capital is deployed into developments are from 14% - 18% per annum.
   - Protection is in place for invested capital.
   - Last 5 Years – Average Returns to investors of 15.45% per year.
2. Monthly Income and Growth Investment (Capital invested in completed, tenanted units):
   - Receive monthly income plus capital growth on invested capital.
   - Protection in place for invested capital.
   - The Internal Rate of Return (IRR) over 5-year period: 14.03% [Estimated Income Yield & Estimated Capital Growth over period combined, less costs]

Both these investment opportunities provide private investors access to investments in property developments located in Cape Town.

See what investors have to say:

"Like many other investors I look for certain things: security, attractive returns, track record and transparency. Opportunity ticks all these boxes with their innovative offering providing exceptions fixed returns and regular communication and updates from Nick and the team. As a repeat investor with Opportunity, I've enjoyed their professional approach and would recommend them highly!" David E.

CLICK HERE TO SEE MORE INVESTOR TESTIMONIALS



OPPORTUNITY

PRIVATE CAPITAL

Monthly Income and Growth Investment

Are you looking to invest in property, and have access to the growing Cape Town property market, without the risk associated with carrying a bond, or the hassles associated with managing tenants, or dealing with unforeseen maintenance problems?

Capital investments from R100 000.



The Internal Rate of Return (IRR) over 5-year period: **14.03%**
[Estimated Income Yield & Capital Growth over period combined, less costs]
Average Net Income Return: 9.04% p/a
[Estimated Ave. Annual Rental Income Returns over period, paid monthly, less costs]

- **Monthly income** paid to investor.
- **Appreciation on capital growth** of the asset received by investor upon exit.
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INVESTING



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Buying amidst the selling frenzy



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TRENDING ONLINE

Unlocking Insights: South Africa's 2024 Property Market Forecast from a Developer's Perspective



STRATEGIC INVESTING: Buying amidst the selling frenzy



BY JACO GROBBELAAR
CEO & Founder
Prosperity Enterprises



I've always loved Warren Buffet's approach to investments. He has been a far-off mentor of mine for a long time. One of his sayings has always stuck with me: "We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful." To me, this means we should be swimming upstream when everybody is swimming downstream.

Of course, this is easier said than done! Because there are many valid reasons why everyone is swimming downstream. Mr Buffet also says that when things are going well, people never expect it to go poor again and when things are going poorly, people never expect it to go well again. We often fall into the trap of thinking that when the economy is doing well it will never make a turn for the worst and when the economy is not doing well it will never improve.

It requires a lot of maturity and a different perspective to take a step back and look at things the way they truly are. The thing most people miss is that when things are going poorly, it is often the best time to climb in and start investing! Buffet's insight resonates with me here as well: "Uncertainty is the friend of the buyer of long-term values." The truth lies in recognising that economic cycles are inevitable, and wise investors capitalise on opportunities during downturns. We should apply this to property investment as well.

Turning Uncertainty into Opportunity: Economic Mastery Unveiled

Currently, there is a lot of uncertainty and fear about South Africa as well as about property investment in South Africa. The country is facing an economic slowdown with high unemployment rates and slow GDP growth. Our current political situation isn't helping either, but I have hope that things will look up with the election in 2024. We are also not immune to rising interest rates and external economic influences that shape the country's economic outlook.

However, it is this very uncertainty and fear that are creating opportunities to purchase properties from panicked sellers who have no regard for the intrinsic value and long-term economic worth of the properties they are selling.

Investors seem to have short memories, and as Warren Buffet states: "What we learn from history is that people don't learn from history." I believe that if we heed the lessons from the past and recognise the cyclical nature of markets, there are many opportunities.

Think of the 2008 financial crisis when property prices plummeted due to the housing market crashing. The investors with available capital saw the potential for long-term gains and bought property at significantly reduced prices. And when the economy recovered, they yielded amazing returns on their investments.

"What we learn from history is that people don't learn from history."

WARREN BUFFETT



What I take from this is that investors who remain resilient and vigilant, take calculated risks, and recognise the unique opportunities in the property market, will come out on top every time. Sometimes, we just have to look past the prevailing mindset. Having the foresight to buy properties at lower market prices will likely enjoy better rental income and capital appreciation eventually.

Wise strategies to navigate uncertain times for example:

1. Conducting thorough research on potential property deals, considering location, market trends, and future development plans
2. Diversifying your portfolio by investing in different types of properties to spread risk
3. Looking into how you can optimise your current portfolio
4. Maintain sufficient reserves to get through uncertain economic conditions



My strategy is to buy as many properties as I can get my hands on, while others are selling. Because of the slow economy, I am buying property at great prices. The economy is not going to be slow forever, but I sure hope it stays like this for a while so I can expand our asset base further!

The most successful investors are those who seize opportunities when others hesitate or run away.

And yes, the current economic landscape may be challenging, but it also challenges me to invest strategically.

Others may think the challenges are too big, but I choose to view these times as golden opportunities.

LEARN MORE

Benefits of buying when others are selling

There are distinct advantages to buying property when others are selling, including:

1. Getting property at discounted prices: During periods of economic uncertainty, sellers may be more motivated or desperate, leading to reduced property prices.
2. Increased negotiation power: Buyers have more leverage when there's a surplus of properties on the market, allowing for favourable terms.
3. Higher returns in the long run: Properties purchased at a lower market value have the potential for higher returns when the market rebounds. Patience can be a valuable virtue in property investment.

Inspections & Maintenance

THE UNTAPPED OPPORTUNITY OF

Rental Inspections

by Schalk van der Merwe



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THE UNTAPPED OPPORTUNITY OF

Rental Inspections



Schalk van der Merwe
Director, ***WeconnectU***

Take a moment to think about your favourite part of being a property manager. We're willing to bet that Inspections and Maintenance Management didn't even come close.

Don't worry – you're not alone. Most rental portfolio managers consider inspections and maintenance management to be a necessary evil at best. But what if it didn't have to be that way?

In this article, we'll unpack exactly how you can (and why you should) turn these time-consuming and fiddly "chores" into very real and potent profit drivers.

Let's dive in!

Inspections have always been part of rental asset management, but they've taken on even greater importance since the promulgation of the new Property Practitioners Act. The Act makes disclosure forms a mandatory component of all sales and rental mandates. Without a comprehensive list of property defects, a property professional may neither let nor sell a property.

Incomplete or inaccurate disclosure forms also place property professionals and investors at risk of disciplinary action from the Property Practitioners Regulatory Authority (PPRA). Since tenants can seldom be relied on to voluntarily risk their deposit through a truly comprehensive defects lists on exit, the exit inspection has become a critical component of regulatory compliance.

But what if inspections could be more than just time-consuming and expensive regulatory hoops to jump through? What if they could also save time, save money, and improve the rental experience for both investors and tenants?

In our experience at WeconnectU, inspections are one of the greatest untapped opportunities in the rental space. How? Buckle up – we're about to explain.

What investors are really looking for

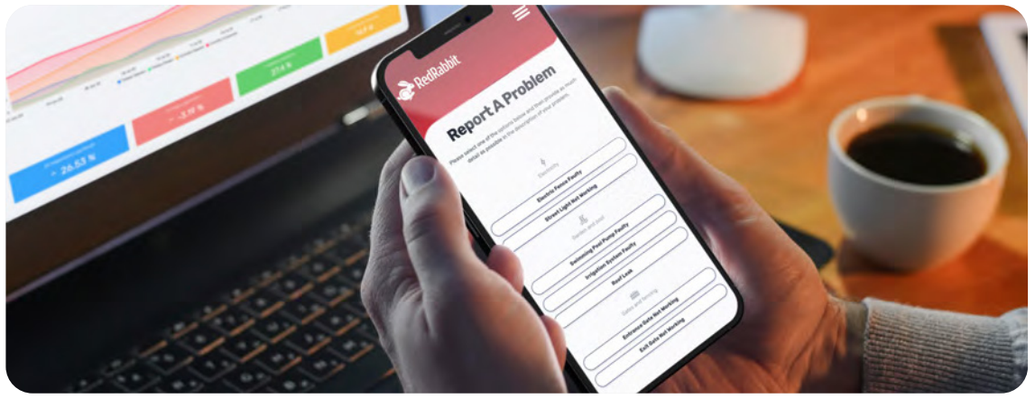
People often assume that the majority of landlords' needs are to have the admin of running a rental property taken care of. That's certainly a big part of it, but it's not the whole picture by a long shot.

Owning a rental property isn't just about keeping it tenanted. It's about turning it into an appreciating and profitable investment. That's something a lot of property managers and property investors forget, letting the title of 'landlord' disguise the investor – and investment – behind it.

> *Investors aren't looking for Inspections and Maintenance. They're looking for a way to keep their investment growing and thriving.*

In truth, rental properties are often the most valuable individual assets in an investor's portfolio. Yes, they require significant amounts of admin to run successfully, but they also require strategic management (just like any other asset class) to reach their full potential.

That means value-adding property management services really need to include optimisation of returns on investment, risk reduction, portfolio expansion strategies, comprehensive investment reporting and more.



The link between problems and pricing

If you're wondering what inspections have to do with asset performance optimisation, you're not alone. The vast majority of rental property managers and investors overlook this connection, too. In fact, the true value of inspections is so routinely underestimated that only 25% of property managers even charge for the service.

You see, customers pay to have their problems solved. They're generally not all that bothered by the details of how that happens. As a result, the price they're willing to pay for a service is less related to the cost or effort involved in its delivery than it is to the value they place on having their problem solved.

In other words: the bigger the problem, the greater the value, and the higher the price customers are willing to pay.

> *The bigger the problem, the greater the value, the higher the price.*

When it comes to inspections, property managers almost invariably present their services as purely administrative – a way to tick the boxes required by current legislation. And while investors are generally glad to have that weight off their shoulders, it's not actually their core problem. Their true problem, as we discovered in Part 1, is keeping their property asset growing and thriving.

As a result, few landlords are willing to pay for inspections and maintenance as a value-adding service. Because, as far as they can tell, it adds very little value. Little do they know that inspections and maintenance are actually one of the most powerful tools in a property manager's asset optimisation arsenal

The role of inspections (and maintenance) in asset performance optimisation

Inspections and maintenance play a pivotal role in enabling almost all aspects of rental asset performance optimisation, but for now, these are the key inspections- and maintenance-driven optimisations to be aware of:

- Protecting and enhancing asset value by enabling the identification and rapid remediation of maintenance issues to keep the property in peak condition.
- Minimising risk by fulfilling regulatory requirements, identifying tenant problems early, and enabling proactive maintenance to reduce the occurrence of larger/emergency issues.
- Improving yield by minimising reactive maintenance costs and maximising tenant loyalty through effective and efficient maintenance that creates a desirable living space.
- Improving customer relationships through active and responsive service, and by providing regular opportunities to share expert investment advice.
- Enabling strategic planning in the form of regular performance reviews, alongside proactive maintenance and improvement strategies to enhance property value and long-term performance.



Click here to download your FREE eBook of **The untapped opportunity of Rental Inspections.**

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About RedRabbit

Ready to turn your inspection and maintenance management "OWs" into "WOWs"? Visit weconnectu.co.za to learn more about RedRabbit's ability to boost your rental management business performance.

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EMPOWERMENT THROUGH ACTION: Combatting Illegal Evictions Together



BY SIMON DIPPENAAR
Founder & Eviction Specialist
Simon Dippenaar & Associates

PART 03 OF PART 4



Feeling at the mercy of commercial landlords while searching for rental properties? You're not alone. Especially in the fiercely competitive rental markets like the Western Cape, landlords may take undue advantage.

However, as a tenant, you must remember that the law offers considerable protection. Knowing your rights and the responsibilities of the landlords can safeguard you from illegal eviction practices. Tenants have rights, and landlords have responsibilities (though they also have rights, and tenants also have responsibilities).

Know your rights as a tenant

Of course, ultimately the party with ownership status has more influence over the fate of the property than the party that rents it. But that does not mean a landlord can take the law into their own hands. Most landlords are honest and respectful of their tenants.

After all, it's a commercial relationship that works best when all parties are satisfied with their interaction. However, it does happen that a landlord occasionally ignores legal requirements and abuses their position. If you find yourself facing an illegal eviction, what are your rights and what can you do about it?

We're not landlords, we're people.

What constitutes illegal eviction in South Africa?

- Tenants may only be evicted from a property by means of a court order.
- Any eviction other than one authorised by a court is illegal.
- The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act No 19 of 1998 (PIE) contains specific regulations that govern the eviction process.
- Any action that contravenes these regulations is deemed to be an illegal eviction and the courts take this very seriously.
- But what might an illegal eviction look like?
- What are some of the things a landlord might do that are in breach of the law?



Common illegal eviction tactics used by landlords

All the activities below are illegal, but unfortunately, they do occur. If you experience any of these behaviours, keep a record of the incident and the date and time. We'll say more about how to deal with these practices below.

1. **Lockouts**
   Landlords may not change locks, deny tenants access to their homes, or unlawfully dispossess them from the property to force them out. This is illegal and is a violation of the tenant's rights to the property. The tenant's rights continue to be in force even if they are in arrears with rental payments.
2. **Utility disconnections**
   Cutting off essential services like water, electricity, or gas is strictly prohibited without following the proper legal channels.
3. **Verbal or threatening behaviour**
   A landlord cannot verbally or physically force a tenant to leave their home without obtaining a court order for eviction.
4. **Harassment**
   Continually disturbing or harassing tenants with the intention of making their living conditions unbearable is illegal and tenants have the right to seek a protection order against their landlord if this happens.

Seeking a legal solution: the spoliation order

If any of these actions lead to dispossession, i.e., being removed from the home, depending on the circumstances tenants may bring an urgent application to court and ask for a "spoliation order".

Spoliation means "the wrongful deprivation of another's right of possession".

If the Magistrate is satisfied that the tenant has been unlawfully dispossessed without the landlord following the necessary legal procedure, an order will be granted for possession to be reinstated.

If the landlord attempts to evict a tenant illegally, they could face a heavy fine or be required to pay damages to the tenant. In the worst-case scenario, the landlord could potentially wind up in jail, facing serious criminal charges.

Your rights as a tenant – safeguards against illegal eviction

The provisions of the Rental Housing Act are clear on the rights of tenants. The tenant's rights against the landlord include the right not to have:

- Their person or home searched
- Their property searched
- Their possessions seized, unless the landlord has first obtained an order of court

A written lease cancellation or eviction notice must first be served by the sheriff on the tenant. This notice has to offer the tenant a minimum of one month to vacate the property. A court date is then set and a deadline given for filing an opposing affidavit, if the tenant wants to oppose the eviction. A landlord cannot evict a tenant without going through this correct procedure.

Dealing with illegal eviction practices – a Step-by-Step guide

If you are being harassed or victimised by your landlord, you are not helpless. Legal recourse is available. But you must not respond with equally unlawful behaviour. Instead, stay calm and be methodical in your approach.

1. **Document everything.**
   Keep a record of all communication and incidents related to the eviction, including notices received, dates, times, and any evidence of harassment or illegal actions.

2. **Seek legal advice.**
   Consult with a qualified attorney to understand your rights and the legal avenues available to you.

3. **Lodge a complaint.**
   Report any illegal eviction practices to the Rental Housing Tribunal, Department of Human Settlements, or your local municipality. They can provide guidance and resolve disputes.

4. **Court intervention:**
   If none of the above gives satisfactory results, consider applying for an urgent interdict at your local court to protect your rights and prevent the eviction until a proper court hearing takes place.

Illegal eviction practices are a violation of tenant rights and can cause significant distress. Don't panic. Know your rights and understand the legal process. This will enable you to deal effectively with the situation.

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- An originator will assist the client with an overall assessment of their FINANCIAL SITUATION, CREDITWORTHINESS and AFFORDABILITY
- It INCREASES THE LIKELIHOOD OF OBTAINING A HOMELOAN due to the originator's knowledge of the different banks' lending criteria
- The multiple-quote model enables originators to NEGOTIATE INTEREST RATES with banks depending on what other banks have offered.
- There is CONTROL and COORDINATION around the application process which also benefits theseller as this creates certainty that everything possible is done to assist on the transaction.

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FINANCE



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Raise Finance for your Property Developments



PAGE 63

Kabarona emerges as premier provider of Student Accommodation

TRENDING ONLINE

Unlocking Insider Secrets: How to negotiate a better mortgage bond rate



COMPREHENSIVE FINANCE MAP: Raise Finance for your Property Developments

By Editorial



In the dynamic landscape of property development, securing adequate funding stands as a pivotal step towards realising ambitious projects. The Gauteng Partnership Fund (GPF) emerges as a key player, offering tailored financing solutions to catalyse diverse ventures. Here's a comprehensive overview of the funding avenues available through GPF, along with the essential documentation required for a successful application.

SOCIAL HOUSING FUND
The Social Housing Fund serves as a vital resource for institutions engaged in social housing initiatives. Designed to bolster equity ratios and optimize financing terms, this fund extends support to projects meeting specific criteria:

- **Qualification**: Social housing institutions or Project Special Purpose Vehicles (SPVs) catering to families with household incomes below R15,000.
- **Funding Parameters:** GPF invests up to 30% of total project costs.

Essential Documentation
Comprehensive business plan, company registration documents, project information, and latest audited financial statements.

APPLY NOW!
- Contact: Shiraaz Lorgat
- Tel: 082 603 2240
- Email: shiraazl@gpf.org.za

STUDENT ACCOMMODATION FUND
Addressing the burgeoning demand for student housing, the Student Accommodation Fund offers financing to providers adhering to DHET standards:

- **Qualification**: Companies or SPVs providing student accommodation with requisite technical and financial capacities.
- **Funding Parameters**: GPF invests up to 30% of total project costs, with full funding for projects below R8 million in total loan exposure.

Essential Documentation
Comprehensive business plan, Company registration documents, Comprehensive project information, Shareholder's statement of assets and liabilities (Proof of availability of Equity) will be requested.



APPLY NOW!
- Contact: Shiraaz Lorgat
- Tel: 082 603 2240
- Email: shiraazl@gpf.org.za

COMMERCIAL HOUSING FUND
Geared towards experienced housing developers and rental property owners, the Commercial Housing Fund fosters participation in the affordable housing market:

Funding Criteria
No BBBEE requirement for developers, with GPF investing up to 20% of total project costs. Full funding is available for projects below R10 million in loan exposure.

Essential Documentation
Comprehensive Business Plan, Company registration documents, Essential project information such as approved zoning, Geotech, elevation plans & elemental bill of quantities, Shareholder's statement of assets and liabilities (Proof of availability of Equity) may be requested.

APPLY NOW!
- Contact: Ms Sandra Ruiter
- Tel: 082 850 9170
- Email: sandrar@gpf.org.za

RENTAL HOUSING FUND
Empowering entities engaged in rental housing projects, this fund offers equity-type loans for



favourable financing terms:

- **Qualification**: Projects yielding a minimum of 15 affordable housing units in Gauteng, demonstrating technical and financial capabilities.
- **Funding Parameters**: GPF invests up to 40% of total project costs, with full funding for projects below R8 million in loan exposure.

APPLY NOW!
- Contact: Ms. Sandra Ruiter
- Tel: 082 850 9170
- Email: sandrar@gpf.org.za

ENTREPRENEUR EMPOWERMENT PROPERTY FUND

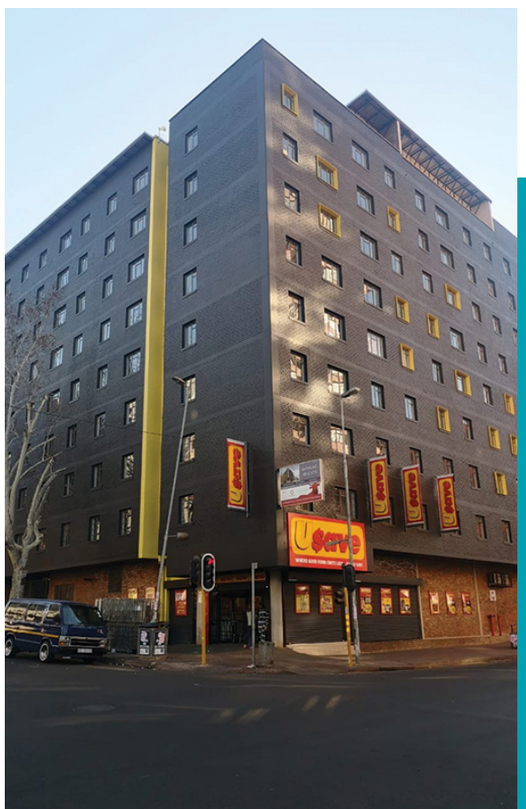
Designed to promote historically disadvantaged individuals in the rental property market, this fund provides substantial support for qualifying projects:

- **Qualification**: Companies with 100% HDI shareholding, demonstrating technical and financial capacities.
- **Funding Parameters**: GPF invests up to 40% of total project costs, with full funding for projects below R8 million in loan exposure.

Essential Documentation

What you need for a successful Application, Comprehensive business plan. Company registration documents. Essential project information. Confidential< Shareholder's statement of assets and liabilities (Proof of availability of Equity) may be requested.

APPLY NOW!
- Contact: Ms. Palesa Tlowan
- Tel: 082 970 7806
- Email: palesat@gpf.org.za

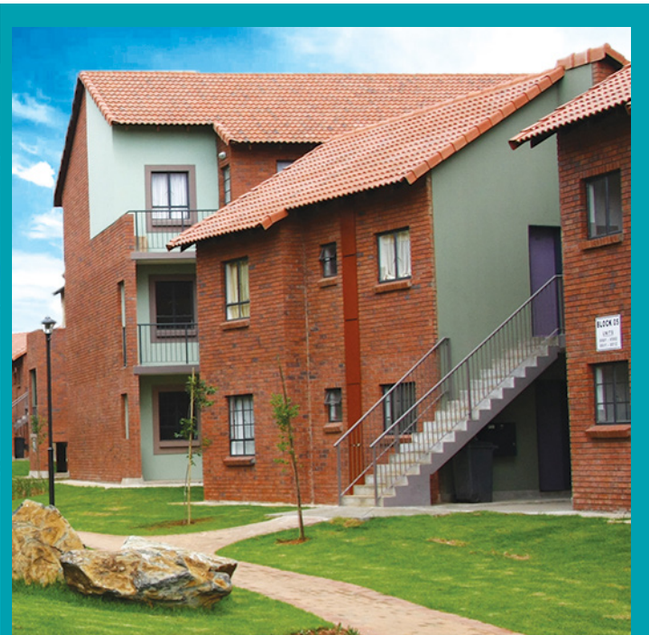


KASI 4 REAL

Targeting township homeowners, KASI 4 Real facilitates the development of rental housing units within existing properties:

- **Qualification**: Residents of Gauteng townships with adequate space for bachelor units, contributing a minimum equity.
- **Essential Documentation**: Detailed business plan, company registration documents, zoning certificate, cost estimates, approved plans, and proof of ownership.

Essential Documentation



What you need for a successful Application, A detailed Business Plan, Company Registration Documents, Zoning Certificate from the relevant municipality, Cost estimates of the Project, Approved Plans, Title Deed/Proof of Ownership, Professional team information

APPLY NOW!
- Contact: Ms. Palesa Tlowan
- Tel: 082-970-7806
- Email: palesat@gpf.org.za

In conclusion, navigating the complex terrain of property development financing demands meticulous planning and adherence to specific criteria outlined by funding institutions like the Gauteng Partnership Fund.

By leveraging these opportunities and compiling essential documentation, aspiring developers can embark on their ventures with confidence, ushering in a new era of sustainable urban development and economic empowerment. Apply for funding now and take the first step towards realising your property development aspirations.

LEARN MORE

RESPONDING TO SURGING DEMAND: Kaborona emerges as premier provider of Student Accommodation

By Neale Petersen

Established in the annals of the mining sector, Kaborona Investments boasts a rich legacy as a pivotal founding shareholder in Exxaro, forged through its strategic interest in Eyesizwe Mining. After a decade-long commitment, marked by a steadfast tenure, Kaborona judiciously exited its stake in Exxaro in 2017, embarking on a dynamic journey towards new investment horizons in the realms of mining, property, and ICT. This decisive move heralded a transformative era for Kaborona, positioning the company to seize diverse opportunities and chart innovative pathways in the ever-evolving landscape of industry and technology.

Power Park Digz - Aerial View

Kaborona Investments emerges as a beacon of empowerment, championing Broad-based Black Economic Empowerment (B-BBEE) with a focused commitment to uplifting the historically disadvantaged youth, many of whom are aspiring students. At the helm of Kaborona's visionary journey stands Mothupi Modiba, the founding CEO whose foresight has guided the company's evolution.

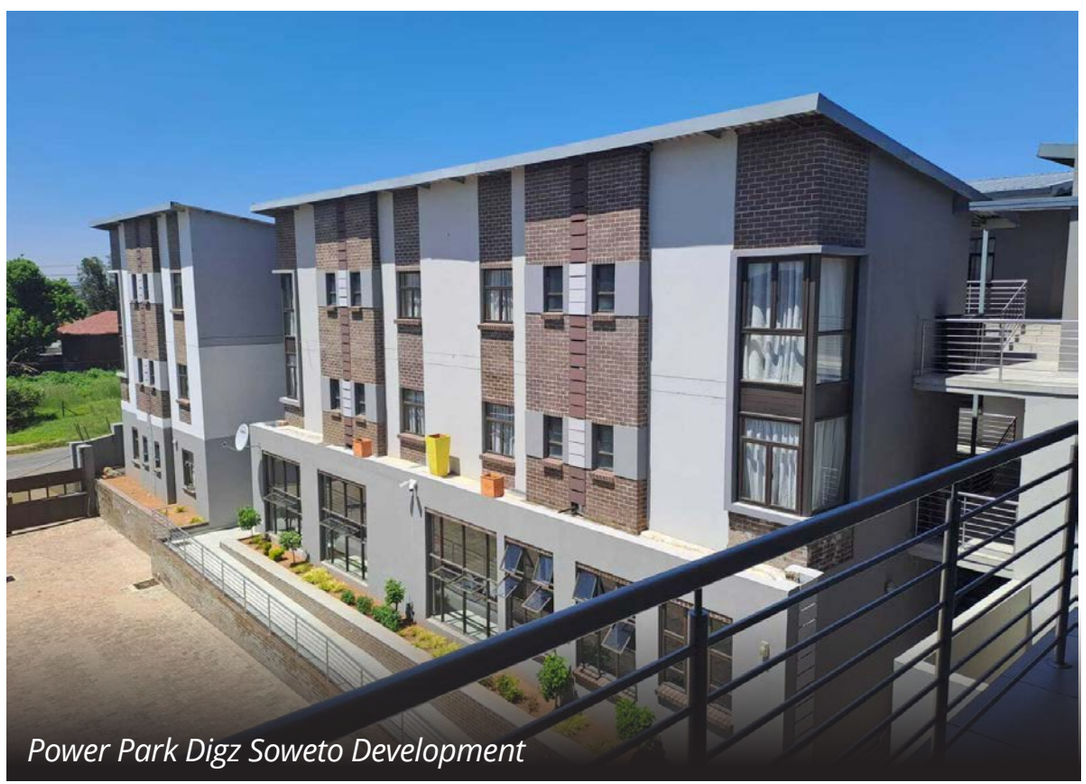


Mothupi's vision for Kaborona's inaugural property development encapsulated three key principles: alignment with the company's strategic goals, catering to the needs of students, and fostering growth in previously marginalized communities.

With the landscape of higher education shifting towards free access and a burgeoning demand for student accommodation, Kaborona swiftly pivoted to position itself as a premier provider in this space.

Their flagship project, 'Power Park Student Accommodation,' stands as a testament to this vision. Offering 150 beds to the UJ-Soweto campus, it not only addresses the pressing need for student housing but also symbolizes a paradigm shift in design standards for student living. Through initiatives like these, Kaborona Investments continues to lead the charge in driving meaningful change and empowerment within the student accommodation sector.

Driven by a strategic vision, Kaborona Investments embarked on a multifaceted approach to revolutionise student accommodation. Recognising the immense potential in repurposing government-leased properties, the company set its sights on acquiring long-term leases from government departments and state-owned enterprises. These properties, whether at greenfield or brownfield stages, are undergoing transformation into premium student residences, with several parcels of land already



Power Park Digz Soweto Development



Power Park Digz Kitchen

earmarked for development.

Understanding the imperative of aligning investment strategy with organisational values while fostering a competitive edge, Kaborona introduced 'Power Park Digz.' This ambitious initiative aims to establish the largest off-campus sanctuary for students within close proximity to the University of Johannesburg's Soweto Campus.

Commencing in early 2019 with land acquisition, the project gained momentum as the dedicated project team broke ground later that year. However, unforeseen challenges emerged with the onset of the global pandemic, disrupting project timelines and impeding cash flow.

To overcome these obstacles and ensure timely completion for accreditation ahead of the 2021 academic year, securing funding became paramount. The partnership with the Gauteng Partnership Fund (GPF) proved instrumental, aligning seamlessly with Kaborona's ethos as a first-time developer.

Although initial deadlines were missed, with GPF's support, the project reached fruition, with operations commencing successfully in 2022. This collaborative endeavour not only underscores Kaborona's resilience but also its unwavering commitment to providing exemplary student accommodation experiences."

LEARN MORE





Mothupi Modiba CEO of Kaborona Investments

EMPOWERING PRETORIA NORTH: Pioneering Partnerships and Collaboration harnessing feminine energies



BY DR MARY MANTHATA-SETATI
Wellness real estate developer
Reatha Investments and Property Developments

In the heart of Pretoria North central district, a groundbreaking development stands as a testament to determination and innovation of feminine energies. Meet the visionary Dr Maria Manthata-Setati a medical professional, who defied odds to bring her real estate developer vision to life, by establishing a block of apartments consisting of 40 two-bedroom units in a great location.

It started as a vision

From vision to the manifestation of reality has been a testament of the power of focus, perseverance, including collaboration with individuals and institutions with unwavering determination to succeed. Individuals such as Mr Andrej Romanowicz, a professional architect who's over forty years' experience, brought invaluable insight to the project as a mentor. As a family friend his dedication and passion fuelled the shared vision even after his passing, ensuring his legacy lives on through his pivotal role as a principal agent.

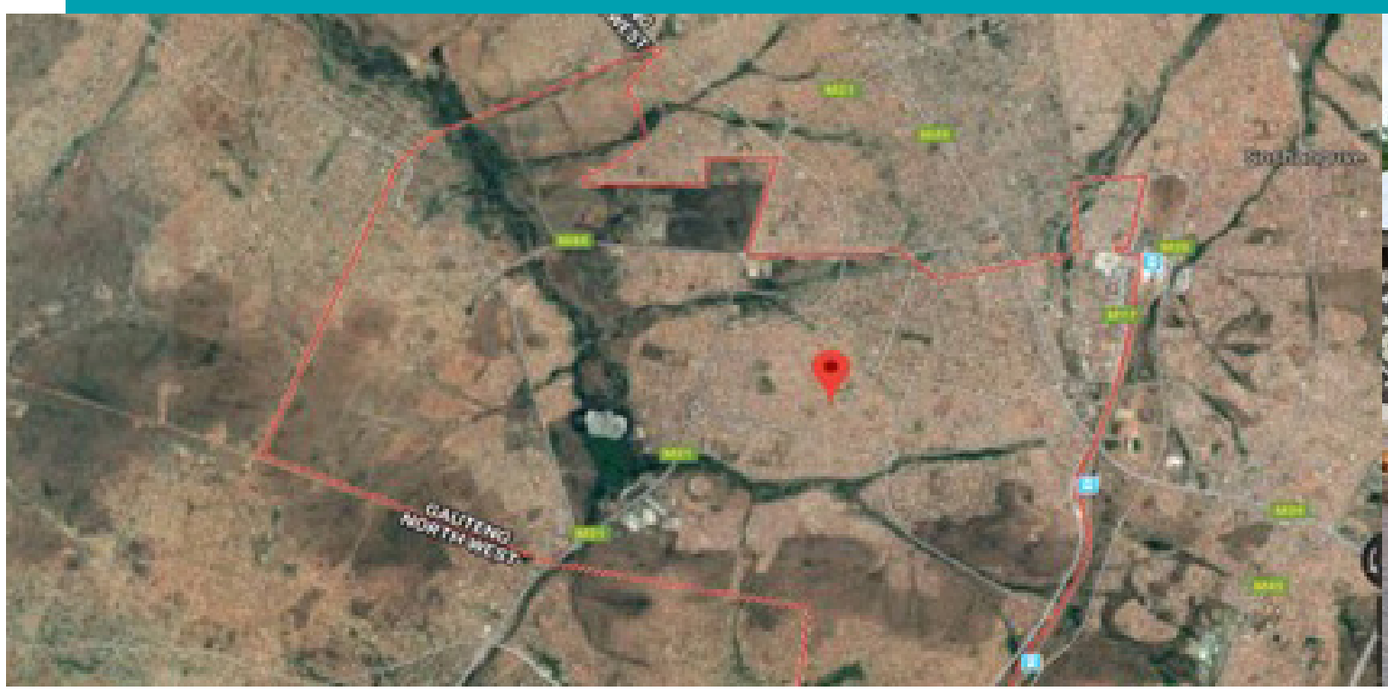
His guidance was instrumental in assembling a team of seasoned professionals from conception to completion within timeframes and budget. As I celebrate the realisation of OUR vision, I honour the legacy of Mr Andrej Romanowicz, including institutions and all other individuals who contributed positively to bringing the vision to life.

However, no journey is without challenges. An unforeseen obstacle emerged in the form of inadequate budget for the bulk electrical works for the site, threatening to derail project progress almost to a standstill. With resilience and access to private funders, I refused to let financial constraints dictate the fate to our development. Today, as I reflect on the journey, the lessons learnt, challenges I overcame, the collective spirit that propelled me forward, I am filled with profound gratitude.

Overcoming funding barriers

I overcame barriers to funding by leveraging unencumbered land as equity through my participation in a programme initiated by the Gauteng Partnership Fund (GPF), namely, the Entrepreneur Empowerment Property Fund (EEPF).

It's a programme designed to promote the participation of historically disadvantaged individual-owned companies, particularly those owned by women and youth, in the affordable rental property market. As the first woman to be approved for the development funding, it provided an enabler to realise my





vision and possibility for growth.

How the development fund was structured, was indeed an empowerment tool, it was a junior debt with part interest-free loan, which needed to be fully serviced within the agreed-upon period. The senior debt funding was provided by National Housing Finance Corporation (NHFC). This catalysed the vision into reality empowering us to pioneer the transformative development. The development has profoundly transformed the local area and the community at large. It has conveniently provided residents access to workplaces, social amenities, public transportation and more. Most residents come from outside Pretoria north, and now closer to essential services. Additionally, the proximity to shopping centres, schools, restaurants, and other amenities are within walking distance, enhancing the overall quality of life for residents. Beyond convenient access, the development has also created permanent employment for five staff members.



Recognition and Award

This transformation has not gone unnoticed, evidenced by the stakeholder testimonials and positive reviews, which led to Dr M.G Manthata-Setati being awarded the “Best Women entrepreneur” by both Gauteng Partnership Fund (GPF) as well as the National Housing Finance Corporation (NHFC) in 2016.

Collapse of a dream realised

The 2020 Covid-19 lockdowns on property investment created uncertainty, characterised by reduced cash flow, increased vacancy rates, tightened funding for projects including project implementation delays. This perfect storm of economic and market conditions did not spare the vision, realising accumulation of arrears, more than forty percent vacancies, including constraints of inability to evict non-paying tenants, resulting in inability to service both bonds with both National Housing Finance Corporation and Gauteng Partnership Fund in a completely depressed rental market.

Troubles never come alone, over, and above property rates and taxes needed to be payable monthly, Tshwane Municipality introduced a monthly fee per unit per month in any complex situated within their jurisdiction. The fee is payable by property owner in case where the unit stays vacant.

2021-to date implementation of Load Shedding

Load shedding as a daily occurrence together with increased crime of cable theft in the area created significant costs in property maintenance, making it difficult to ensure safety, functionality as well as overall upkeep of the development. We experience equipment damage, increased repair costs in a depressed residential rental market.

Daily frustrations of managing loadshedding alongside burdensome financial challenges of accumulating arrears, market saturation of empty units in the area and low rentals are truly palpable. Resolving these intertwined challenges requires a sustained, multifaceted approach to support committed women developers by all stakeholders

including funders such as National Housing Finance Corporation and Gauteng Partnership Fund, acknowledging that meaningful progress will take time with patience and persistent effort.

It is important to consider the potential long-term implications of the pandemic on the real estate market. While the immediate impacts of the pandemic were significant, the long-term effects will depend on a variety of factors, such as the effectiveness of government policies and responses.

So, while the Covid-19 pandemic has created challenges for the African real estate market, there are still opportunities for growth, particularly in the areas of affordable housing, mixed-use developments, and sustainable real estate. These opportunities would require the industry to adapt and innovate.

Bouncing forward "BEYOND" Covid-19: "Pioneering Wellness Lifestyle Real Estate for Sustainable, Healthier, Communities

According to global wellness Institute, the Pandemic-induced shifts in wellness real estate. Before the pandemic, most consumers associated wellness real estate with vacation, resort properties; active retirement communities; and/or amenities like gyms, swimming pools, spas, walking trails, and recreational centres. Covid-19 has forced us to see our homes and our built environments in a new light – as the protectors and enablers of good health. With our homes becoming a first line of defence against Covid-19, wellness real estate is now quickly moving from elective to essential.

The pandemic has driven healthy homes into mainstream consumer consciousness. While many people are now waking up to the understanding that our built environment can impact our health, research long before the pandemic, showed us that external and environmental factors (not genetics) can affect up to 80-90% of our disease risks and health outcomes.

In a world reshaped by Covid-19, its time to reimagine our living spaces as catalysts for holistic wellness and community resilience. Drawing insights from global wellness institutes January 2018 research report, which underlines the imperative of treating our homes as investments in our well-being, we advocate for a paradigm shift in real estate development.

Traditional approaches to home construction have inadvertently perpetuated lifestyles that compromise our health and happiness. By provocatively designing and building homes that support residents' holistic health we not only combat the surge of "sick buildings" but also foster environments that enhance well-being. Central to our vision is the





concept of wellness communities; clusters of individuals living in close proximity who share a commitment to pursuing wellness.

Wellness real estate has the potential to protect and enhance the health and well-being of its occupants across multiple wellness dimensions: physical, mental, emotional, social, spiritual, environmental, and financial.

Expanding the scope of "do no harm" and optimizing wellness. The science of "sick buildings" was well established before the pandemic. Many activities and substances can create harmful and/or lethal indoor air, including burning coal, kerosene, and biomass fuels for cooking and heating; Mold and fungus; and various building materials and substances (e.g., PVC, phthalates, flame retardants, VOCs, etc.). Covid-19 amplified these problems by confining people at home and indoors for long periods of time, and by returning them to work in buildings where ventilation systems had been shut-off for months.

The pandemic has brought renewed attention to the role that buildings play in spreading communicable disease, especially in high-density and shared spaces. There is now heightened interest in natural ventilation, airflow, and air filtration systems; temperature and humidity control; antimicrobial surfaces; voice-activated and touchless doors, keys, and elevators; UV light sanitation; and other products and solutions to prevent virus transmission. Developers and employers are also seeking out design innovations and spatial reconfigurations to tackle these problems. Having enough space to spread out people in high-traffic areas like elevators, corridors, bathrooms, and cafeterias may no longer be a luxury in a post Covid-19 world.

There are four key principles for understanding, conceptualizing, planning, building, and operating wellness real estate which include:

- "Do no harm" to optimizing wellness
- Passive to active wellness
- Hardware to software

Lessons learned - From ME to WE

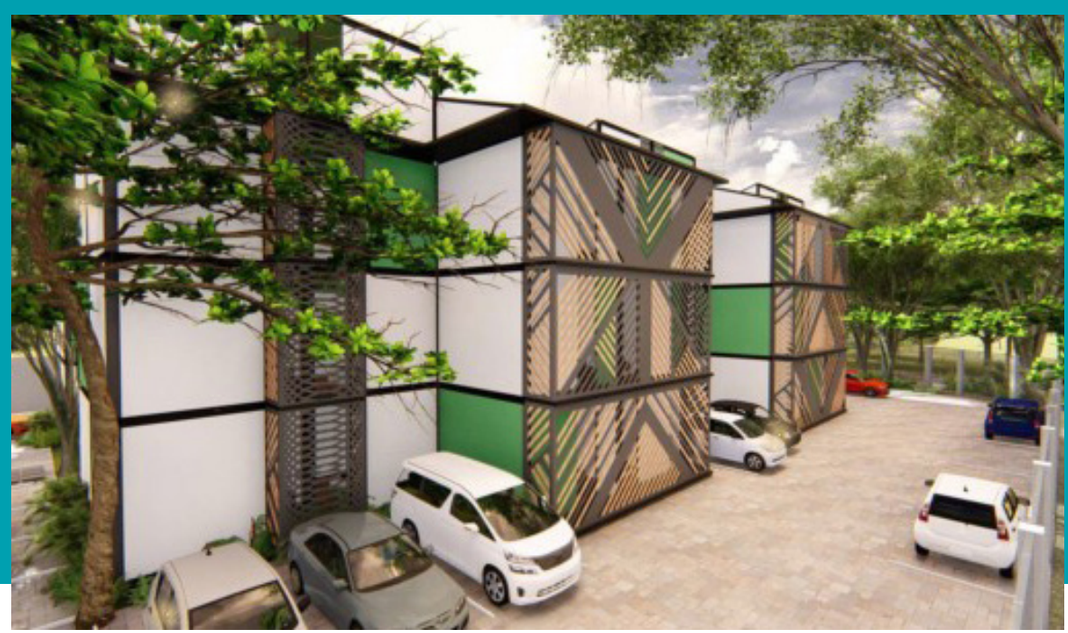
The Covid-19 pandemic has created important shifts in how we apply these four principles.

These opportunities would require the industry to adapt and innovate. For example, the shift in housing preferences towards larger homes with outdoor spaces could lead to new opportunities for suburban and rural development, while government policies and support could help to stimulate investment and growth in the industry.

It is essential that industry stakeholders stay informed and adapt to the changing landscape. By working together and embracing new opportunities, the South African real estate market can continue to thrive in the post-pandemic world.

So dear intelligent investor, you can avoid making the wrong investment decision by learning the facts. Dr Maria Manthata-Setati with her extensive expertise and of over three decades in lifestyle medicine, and experience of over a decade in real estate developments, underscores a compelling business case for wellness lifestyle real estate consulting, guiding developers, investors, new entrants in property investments, in creating healthier living spaces.

Join her in shaping a future where homes are not just shelters, but sanctuaries for well-being and community thriving.



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Focus first then prioritise your offering



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Data-Driven Insights for short-term rentals

TRENDING ONLINE

The Evolution of Investment Strategies in the Real Estate Market



LESSONS IN PROPTECH SUCCESS
Focus first then prioritise your offering



BY BEN SHAW
Investment Professional
EXEO Capital

Last month Reimag published the reason why Ben Shaw and Lorne Hallendorff authored 'The First Kudu' published the story of HouseMe which they founded. This rental technology company founded in South Africa grew to 34 employees and 50 000 registered users, processing hundreds of millions of rands each year. The company won awards, raised several rounds of funding, and was sought after by competitors. The story continues as we share valuable lessons.

Property Technology has evolved significantly since we launched HouseME in 2016. It was then a new niche, a place to disrupt and to dream of making a difference. Agencies were open to technological progress, tenants were transitioning into digital natives and landlords were keen to try anything that could save them money.

Actually – perhaps it hasn't evolved much at all. These same characteristics are true of several communities across our land today. And to my mind at least, property is (still!) the right industry to target, as new technologies offer all kinds of innovative solutions to the same old problems we seem to face year after year.

A few years on from building HouseME, I have had the opportunity to reflect on the various lessons learnt and mistakes we made along the way. In fact, Lorne Hallendorff (COO) and I wrote a whole lot of them down in 'The First Kudu' last year.

And amongst the many cautionary lessons from our start-up adventure, perhaps one stands out as being even more relevant today as it was to us back then: the need for absolute, bloody-minded focus.

We realised too late that ambitious entrepreneurs aim to accomplish too much, too quickly. As many of you who run your own property businesses already know - this brings nothing but a tumult of trouble your way.

In building HouseME, we were faced with a business that had no shortage of exciting problems to solve, and we merrily set about pursuing them all. Focus was difficult and product builds became extensive – and ill-disciplined. There were too many – and therefore no – priorities. This mindset extended into our products and service we offered.

In our chapter called Focus (The Tracks), we reflect that our best performance came when we were able to relentlessly pursue a goal in a single direction. Choosing the right direction for a business is difficult – and excluding other distractions to focus on it was at times even harder!

Find, and focus on your unique value proposition, and then perfect it!

This has not gotten easier. Today's world of business is more, not less complex. The paradigm shift brought in by generative artificial intelligence is seismic, and entrepreneurs worldwide are grappling with how best to navigate the fluctuating future. The route ahead of proptech start-ups now must pass through landscapes seemingly capable of change overnight. So, as you build amid this flux, find and then focus on staying on track!

In HouseME's case, our single most important goal was new leases signed. That should have been our sole focus as we built the company. Instead, we concentrated on multiple product offerings – and across tenant, landlord and agency profiles! Too much, we later realised.

Each additional product we built had to be marketed, explained by customer support, managed by our back-office team and factored into our tech product roadmap. Each required reporting, and senior leadership time.

We lost focus on signing new leases. It was a lesson learnt, never to forget. In fact, it was a big part of the reason we found ourselves stared down by a tenant dressed in nothing but a towel, one day...

HouseME aimed to provide a product and service that was ten times better than existing solutions by being more efficient, more affordable, more convenient and more innovative.

Most start-ups have such intentions. And there is a reason it's known to be damn hard to achieve. Being clear on your tracks certainly makes it easier. So does sticking to them.



LEARN MORE

SMART DECISIONS FOR AIRBNB SUCCESS: Data-Driven Insights for short-term rentals

By Neale Petersen



Cape Town's allure as a tourist destination has propelled it into the spotlight as a prime location for short-term rental investments and a lucrative Airbnb market. The city's breathtaking landscapes and rich cultural heritage have attracted visitors worldwide, driving up demand for unique travel experiences. This surge in tourism has made short-term Airbnb accommodations, highly sought after among investors.

SERIES PART 1: Maximising Short-term Rentals in Cape Town

Amidst Cape Town's bustling streets lie a plethora of properties, ranging from urban apartments to seaside villas, all catering to the growing demand for temporary residences. Positioned strategically near tourist attractions, these properties present lucrative opportunities for investors in the short-term rental market.

Investing in short-term rentals in Cape Town promises significant profitability. With a consistent flow of tourists and increasing preference for personalized accommodations, investors can expect high occupancy rates and competitive rental incomes.

While the potential for profit is enticing, making informed decisions based on reliable data is paramount. In an ever-evolving real estate landscape, relying on intuition alone can lead to costly mistakes. Leveraging data-driven insights is essential for navigating market complexities and maximizing returns.

Importance of Data-Driven Insights in Short-Term Rental Investments

Investing in real estate, especially short-term rentals, comes with inherent complexities and risks. Without a thorough understanding of market dynamics and property performance metrics, investors may face significant challenges. Leveraging data-driven insights mitigates these risks and ensures informed decision-making.



Wesley Roos - Founder Proply

Understanding the complexities and risks of the real estate market is crucial. Factors like economic trends, regulatory changes, and seasonal variations in demand can impact investment outcomes. Data-driven insights provide a comprehensive view of market trends and help investors assess potential risks accurately.

Introducing advanced financial models facilitates objective evaluation of investment opportunities. These models consider various factors like purchase price, operating expenses, and projected cash flows to assess financial viability accurately.

STEP-IN PROPLY
Your partner in informed decision making

Proply is a trusted software resource designed for real estate agents and investors for Cape Town's lucrative short-term AirBnb rental market created by tech entrepreneur Wesley Roos. Proply Reports offers comprehensive property analyses tailored to individual needs, empowering users to make informed decisions aligned with their investment goals. Reports are customized to reflect specific parameters, ensuring accuracy and relevance.

Wesley Roos is more than just a tech entrepreneur; he's a visionary problem solver with a passion for property. Armed with a BSc Honours in Property from Wits University, Wesley's expertise is as diverse as it is impressive.

His academic journey culminated in a groundbreaking thesis exploring the barriers to private sector investment in affordable housing within Johannesburg's CBD—an endeavor emblematic of his commitment to driving positive change in the property landscape.

With two start-up tech companies under his belt, Wesley continues

to pioneer innovative solutions, driven by a relentless desire to make a tangible difference in the market. Wesley s not just shaping the future; he's redefining it.

He says, 'the emphasis is on reliability and accuracy in its reports, gathering data from various sources to provide users with actionable insights. By leveraging analyses, investors can navigate market complexities with confidence and maximize their chances of success when both buying or renting out their properties in the short-term rental market.



Key Benefits of Proply Reports
Reports he says offer insights into critical financial metrics like yield, annualized cash flow, and return on equity. These metrics help investors assess investment opportunities accurately and identify profitable opportunities while mitigating risks.

Empowering informed investment decisions, the reports enable users to evaluate potential returns and assess risk factors effectively. By leveraging data-driven insights, investors can navigate Cape Town's short-term rental market with confidence and capitalize on lucrative opportunities.
They also provide users with a comprehensive overview of key financial metrics that are essential for evaluating the profitability and viability of potential investments.

The key metrics to track successful investing are:

- **Yield:** The software calculates the expected yield of a property based on factors such as rental income, expenses, and occupancy rates, giving investors a clear understanding of the property's income potential.
- **Annualized Cash Flow:** By analyzing cash inflows and outflows over the course of a year, it helps investors assess the property's ability to generate positive cash flow on an annual basis.
- **Return on Equity (ROE):** It calculates the return on equity, allowing investors to gauge the efficiency of their investment capital and compare the potential returns of different investment opportunities.
- **Suggested Offers:** It provides users with suggested offers based on the property's financial performance and market conditions, helping investors make competitive offers that align with their investment goals. Not to be taken as financial advice of course.

Conclusion
Roos is excited by the prospects of success for investors. In the fast-paced and competitive world of short-term rental investments, leveraging data-driven insights is paramount for success.

Roos says, "I comprehensively explored the significance of relying on accurate and reliable data to inform investment decisions, particularly in the context of the booming Airbnb market in Cape Town. As the demand for temporary accommodations continues to rise and the market landscape evolves, the ability to make informed decisions based on data analysis becomes increasingly crucial."

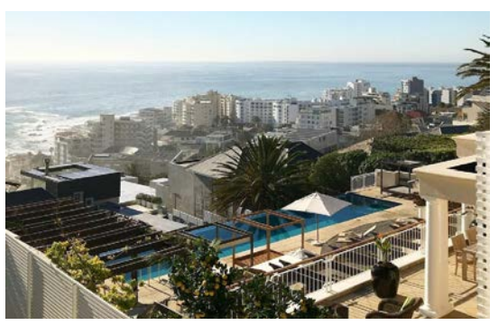
Proply stands out as a trusted partner for investors by

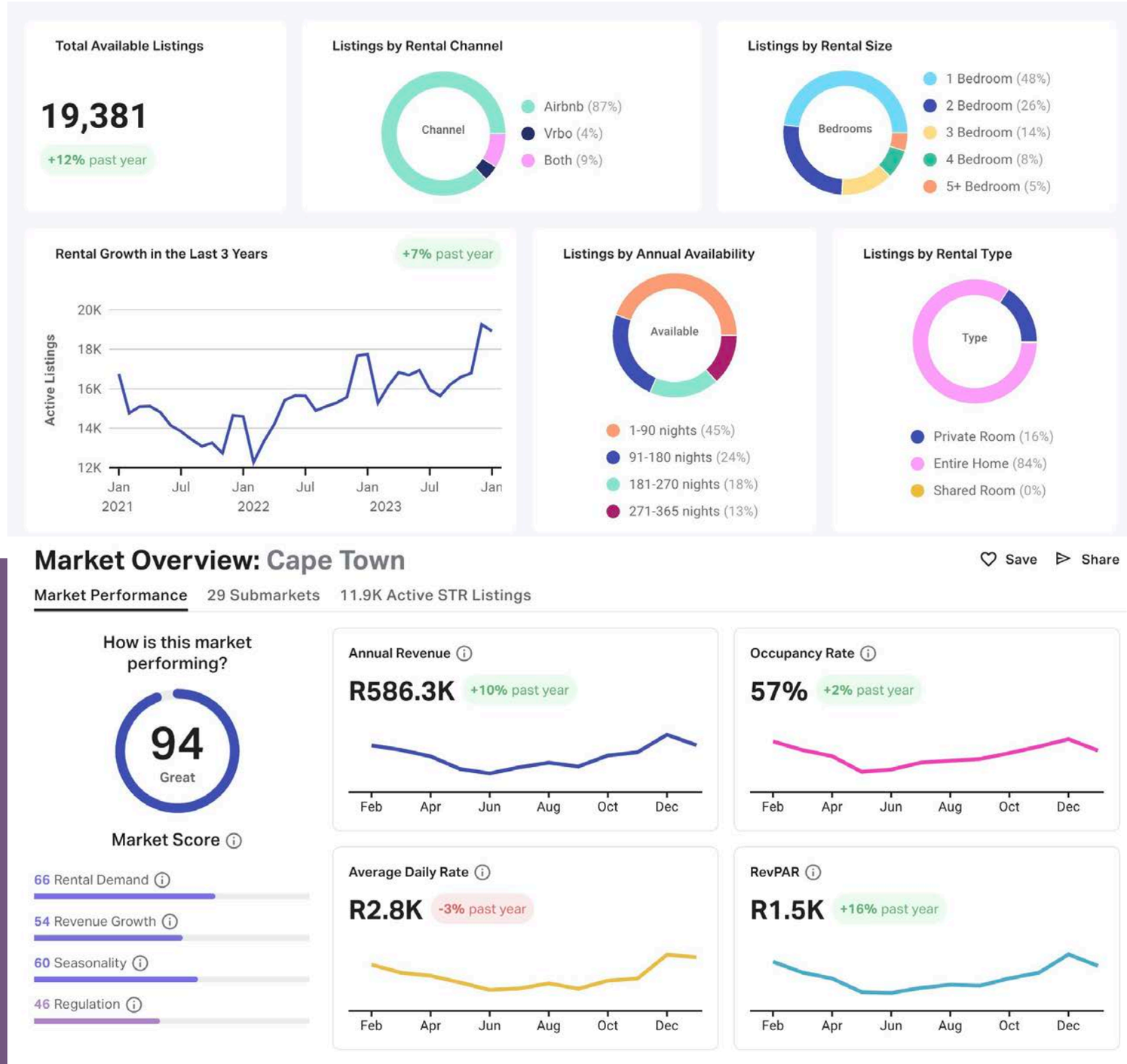
providing comprehensive property analyses and data-driven insights, It empowers them to make informed decisions that align with their investment goals. Whether you're a real estate agent looking to empower your clients or a private investor seeking to maximize returns, it offers the tools and resources you need to succeed.

He concludes by saying, “Investors can gain the competitive edge in Cape Town’s booming Airbnb market and unlock the power of data-driven insights, make informed investment decisions and maximize their returns by investment analysis with a click of the button.”

Your journey to investment success starts here.

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COMMERCIAL



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A Guide to Selecting the Ideal Co-working Space for Your Business Growth



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Tailwinds on the horizon, tethered to interest rates

TRENDING ONLINE

10 Ways to Harness Coworking Spaces for Business Expansion

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NAVIGATING THE WORKSPACE LANDSCAPE: A Guide to Selecting the Ideal Co-working Space for Your Business Growth

By Editorial



Co-working spaces have become increasingly popular across the world and for good reasons. Although they've long been a workspace of choice for entrepreneurs and freelancers, more small-to-medium-sized businesses and corporations are also starting to move into coworking spaces. But how do you know if co-working is right for your business or if a space is good enough for your team to be happy and productive?

The trick is to make sure you can find a workspace that best suits your culture, budget and team. To understand if co-working is right for you and to ensure the space you choose is the best for your business, we've put together this quick guide.

What makes a good coworking space?
Statistics show that the number of people booking coworking spaces is growing each year. For businesses that are considering coworking for the first time, it's important to understand what 'good' looks like when it comes to this type of workspace.

When considering moving to a coworking space, you need to consider what this type of office could bring to your business.



Benefits to your business may include:

- **Networking opportunities**
  The opportunity to connect with new recruits, potential prospects and other businesses is a top reason why many choose to work out of coworking spaces.

- **Increased productivity**
  With no fixed workstation and away from the distractions of their home office, the open-plan environment of coworking spaces has been shown to increase individual productivity, as well as collaboration between teams. Many flexible workspace providers offer access to both hot desking spaces and private offices so each team member can work in their ideal space when needed.

- **Affordable access to amenities**
  If you're looking for a cool start-up office but don't have the capital to invest in equipment and facilities upfront, then coworking spaces are a great option. In Regus spaces, you get access to high-quality meeting rooms, state-of-the-art equipment and reception services without the overheads of traditional serviced offices.

IWG is a global leader in hybrid work solutions and workspace brands. They create personal, financial, and strategic value for businesses of every size. From some of the most exciting companies and well-known organisations on the planet, to individuals and the next generation of industry leaders to increase their productivity, efficiency, agility, and market proximity.

How to choose the right co-working space
Even if you're already convinced by the benefits of coworking spaces, how can you make sure you find the best office for your business? Whether you're looking for the best start-up offices or are a big corporation looking for more flexibility in your office contract, it is important to consider the following factors when choosing a co-working space for your business.

Location
Do you need to find a space in the middle of the city that is easily accessible to your clients, partners and teammates? Maybe you want somewhere that is close to a buzzing nightlife, creative

quarter or technological hub? Finding a central and inspiring location is just as important for your business's growth as it is for operating effectively.

Having access to locations worldwide can also help small-to-medium-sized businesses move into new markets or corporates make connections and offer workspace to their global workforce. Companies like Regus offer co-working memberships give access to thousands of centrally-located offices and business lounges across the world.

Amenities and facilities

One of the benefits of co-working spaces for businesses is that they give teams access to high-quality equipment and facilities without the need for huge capital investment. As well as amenities like office furniture, meeting rooms and reception services available for your business, a good coworking space will make these facilities easy to book and access.

On-site management and facilities, online booking system, mail handling, video conferencing rooms, private offices, all of our coworking businesses can access these amenities and more.

Your budget

The cost-effectiveness of co-working memberships may be one of the main reasons why this type of workspace may be right for you. However, it is always worth checking your contract to see what exactly is included in your agreement.

Checking that it is as flexible as you need it to be is also important. For example, some agreements may give you the option to add extra desks or take them away as the needs of your business fluctuate.

The office environment

Although some employees may enjoy the collaboration of an open-plan, hot desking space, others may need quiet spaces to work productively. Finding a co-working membership that gives employees access to the spaces they need to work effectively is key to keeping your business running smoothly.

When looking at shared office spaces, ensure that your team can access a range of different workstations, including hot desks, business lounges and private offices, in-house cafes and additional bookable on-demand meeting rooms.

LEARN MORE



LISTED PROPERTY UPWARD TRAJECTORY: Tailwinds on the horizon, tethered to interest rates



BY YUSUF MOWLANA
Portfolio Manager
M&G Investments

After several difficult years, listed property is likely to benefit from favourable tailwinds in 2024 and beyond. These include lower levels of inflation and the growing prospect of interest rate cuts. Property offers investors valuable diversification through both income and the potential of capital growth, with unique risks when compared to other equities.

As property companies typically employ more leverage than the average listed company, the interest rate cycle is of particular importance to their performance. Hence, in an upward rate cycle like we've experienced since late 2021, they tend to underperform other sectors.

However, with major central banks signalling the potential for rates to decline in the second half of the year, the rates headwind that has plagued the sector is likely to abate; but this comes with the caveat that rate changes do take time to filter through to earnings.

As regards market volatility, levels may be high over the short term and perhaps even higher than other equities given the uncertainty around the quantum and pace of rate cuts. This is because there is both a ratings impact from interest rates and an earnings impact. Property investors typically hope for a level of volatility that is lower, closer to that of bonds, at least over the longer term, because the effect of a re-rating and the short-term impact of interest rate changes can be smoothed out, and basically eliminated, through time. In practice this hasn't always been the case, however, as over-leveraged companies and those with poor fundamentals have experienced massive volatility. Indeed, some like Intu Properties have seen shareholders lose all their money. On the other hand, UK medical REITs with low levels of asset obsolescence have been much more stable investments.

What's perhaps less clear is the effect the economy will have on property fundamentals. There remains the prospect of a slowdown globally or in South Africa, or both, the depth and length of which will determine the extent of the impact on the sector.

Property sub-sectors diverging

It's important to remember that there are a number of different sub-sectors within property, both locally and globally, with different characteristics and drivers of fundamentals. While our focus in our funds is SA-listed property, we also invest in locally listed offshore



names with strong fundamentals, such as NEPI Rockcastle, Sirius Real Estate and Hammerson.

In the office sub-sector, occupancy rates are dependent on the economic outlook, and currently tenants retain some reticence in committing to longer-term leases, except in rare cases of new developments. In the retail sub-sector, large national tenants are likely to commit to the normal lease length, as they have enjoyed favourable leasing terms over the last few years, especially in metropolitan malls, and are thus aware that the tables are turning in favour of landlords. With conditions remaining subdued, we have been avoiding companies with significant exposure to the office sub-sector.

On the other hand, residential property has been a good place to "hide away" from the malaise in the office sector, with rentals and vacancies recovering gradually. The shorter leasing terms of residential leases mean that passing or current rentals are always at market levels, thus preventing a situation where an investor is met with a negative surprise at the conclusion of a long-term lease which expires above market-level rentals. As such, we have opted for property companies with residential exposure like SA Corporate and Octodec, which have yielded higher than the sector average but with below-average downside risk to cash flows.

SA property vs bonds

One of the major headwinds facing the property sector is high bond yields, which currently exceed 11% in South Africa. Given that we regard listed real estate to be riskier than bonds, our total return expectations for the sector would need to exceed the risk-free rate by a margin that would make property attractive relative to bonds, compensating for the perceived and actual risks involved such as tenant, leverage and capital allocation risks, among others. The low levels of GDP growth in South Africa coupled with South Africa's deteriorating fiscus and infrastructure may negate the potential benefits South African bond yields may enjoy from a lower global interest rate environment. The prospect of our long bonds rallying to, say, 8% or 9% is a bit lower than the chances of 10-year US Treasury yields rallying from their current levels. Therefore, we prefer offshore names, as there is better current support for valuations and also superior demand and supply dynamics in the property sectors.

We could also see an increase in mergers and acquisition activity in the sector, something companies have been reluctant to engage in during the COVID and post-COVID periods. As valuations and fundamentals begin to improve with tail risks abating, we could see M&A emerging as a theme, especially as some companies hope to gain scale and investor support.

When investing in property, diversification, property fundamentals and valuation support from the risk- free rates all need to be considered. As a result, currently there is better value on a risk-adjusted basis offshore. As such, within our South African portfolios we have preferred some of the offshore names, together with some of the higher-yielding mid-cap companies, as these arguably compensate an investor appropriately relative to holding SA bonds.

To conclude, with the overriding theme of the last couple of years for the listed property sector being interest rates, and with these starting to abate over the next year or so, there is the prospect of some stability in valuations, and hopefully some measure of outperformance for listed property versus other asset classes. Much will depend on the path of interest rates, and we have already seen the sector start to re-rate slightly as the possibility of interest rate cuts becomes more certain and draws nearer, both globally and at home.

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FirstPathway Partners helps foreign investors become U.S. permanent residents through the EB-5 immigrant investor visa program. We have a 100% success rate of securing permanent Green Cards for our investors. An $800,000 investment into our project, TALUS could provide you and your dependents a path to permanent residency.

EB-5 BENEFITS

The EB-5 Visa Program offers numerous benefits, including the opportunity for investors and their families (spouse and unmarried dependents under 21) to live, work, and study anywhere in the U.S. It provides a clear path to permanent residency and eventual citizenship, without requiring sponsors or specialized skills. By investing in job-creating projects, investors contribute to the U.S. economy while diversifying their investment portfolio. The program offers flexibility in residency requirements and opens doors to world-class education, healthcare, and lifestyle opportunities. Not to mention, U.S. Citizens can travel visa-free travel to over 180 countries. With its unique advantages, the EB-5 Visa Program is an appealing choice for those seeking a prosperous future in the U.S.

QUALIFICATIONS

The EB-5 Visa Program requires a capital investment of $800,000 in a TEA-designated area. Investors must demonstrate a lawful source and path of their investment funds. Additionally, the investment must lead to the creation of at least 10 full-time jobs for U.S. workers within two years of obtaining residency.

EB-5 PROCESS

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- DEPOSIT $800,000 USD AND APPLICATION FEE IN ESCROW

STEP 2

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- SUBMIT I-526E

STEP 3

CONDITIONAL GREEN CARD
- I-526E APPROVAL
- RECEIVE A "CONDITIONAL" GREEN CARD GOOD FOR 24 MONTHS

STEP 4

I-829 APPROVAL PROCESS
- SUBMIT I-829

STEP 5

GREEN CARD
- I-829 APPROVAL
- YOUR "CONDITIONAL" STATUS IS REMOVED

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OFFSHORE



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Surge in Luxury Property drives Mauritius foreign direct investment inflows to $503 Million

TRENDING ONLINE

What You Need To Know For Retirement



Six Trends That Will Define Retirement Property in 2023



Surge in Luxury Property drives Mauritius foreign direct investment inflows to $503 Million



BY JAY TREDOUX
RE/MAX 24

Mauritius, known for its picturesque landscapes and vibrant tourism sector, continues to attract foreign investors, particularly in its real estate and hospitality industries. The recent surge in FDI underscores confidence in the country's economic stability and growth prospects, further solidifying its position as a preferred investment destination in the region.

Foreign direct investment (FDI) into Mauritius, a nation heavily reliant on tourism, experienced a significant surge in the nine months leading up to September, marking a 27% increase to 23.1 billion rupees ($503 million) compared to the previous year. This upswing was primarily driven by heightened property transactions, according to data released by the Bank of Mauritius headquartered in Port Louis.

A staggering 69% of the total foreign investments poured into real estate activities, totalling 15.85 billion rupees (R3,650 billion rands), showcasing a substantial 59% surge year-on-year. Specifically, sales of high-end residential properties to international buyers saw a notable increase, rising by a third to 10.24 billion rupees, as reported by the Bank of Mauritius.

Preliminary figures from the central bank also indicate a more than twofold increase in investments towards accommodation and food services activities, reaching 2.48 billion rupees during the same period.

These investment inflows are poised to bolster the nation's tourism revenue and augment its exports of manufactured goods, crucial sources of foreign currency for Mauritius, nestled in the Indian Ocean. Notably, Europe emerges as the primary source of foreign direct investments, with France leading the pack.

RE/MAX 24, a reputable real estate agency in Mauritius celebrates its six-year anniversary on the island with great accomplishments to showcase.

With a vast selection of over 200 properties, that cater for diverse preferences and locations across the island, whether you're seeking a dream home, a place to live, retire, an investment opportunity, or a commercial space.

Top agent Barbara Sansom heads up the team clinched 8th position among the top 10 tier agents for RE/MAX Southern Africa 2023. She has over two decades of invaluable experience in the real estate sector.



Image: *Barbara Samson - REMAX 24*



Following an exciting and fruitful rugby career, playing for the Sharks and the Springboks in a career spanning 10 years, Cabous van der Westhuizen moved to the idyllic paradise of Mauritius 15 years ago, to first open "The Beach House", the first beach restaurant run by a foreigner, which became an institution on the island.

Today Cabous is a rising star in the Mauritius real estate scene who has swiftly climbed the ranks to break into the top 100 in 2023 with RE/MAX. Teaming up with Barbara, they've formed an unbeatable duo, delivering exceptional results and setting new standards in the industry.



Image: *Cabous van der Westhuizen - REMAX 24*



RE/MAX has emerged as a key player in driving Foreign Direct Investment (FDI) space into Mauritius, boasting a portfolio of foreign clients, particularly from South Africa and Europe. This trend highlights their pivotal role in facilitating cross-border investments, thereby contributing to the economic growth of Mauritius through the real estate sector.

Mauritius is an attractive investment destination due to its affordable property prices, streamlined acquisition procedures, tax breaks, and access to exclusive property for rent in the hospitality sector.

The island's thriving tourism industry and peaceful lifestyle make it an ideal location for those seeking a change of pace. Mauritius is still one of the most business-friendly countries in Africa. The additional option of residency brings many benefits including lifestyle advantages, with additional benefits for Southern African Development Community (SADC) citizens.

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RETIREMENT



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Majority of cash-strapped South Africans unable to retire comfortably

TRENDING ONLINE

What You Need To Know For Retirement



Six Trends That Will Define Retirement Property in 2023



FINANCIAL REALITIES: Majority of cash-strapped South Africans unable to retire comfortably

By Editorial

South Africa is sitting on a retirement time bomb, with only 6% of the country's population on track to retire comfortably. This is according to the sixth edition of their recently released 10X Investments Retirement Reality Report 2023.

The report is based on the findings of the 2023 Brand Atlas Survey. Brand Atlas tracks and measures the lifestyles of the universe of 15.4 million economically active South Africans – defined as those living in households with a monthly income of more than R6,000, aged 16+, with internet access through online completion surveys.

This year's survey shows that there has been little fundamental change in South Africans' inclination or ability to plan for retirement in comparison to findings from last year's report. The Reality Report 2023 found that the majority of South Africans have not formally planned for retirement, and of those who have planned are not confident that they are on track to be able to support themselves for the long-term considering inflationary pressures and the economic climate.

This comes at a time when half of the South African adult population (49.2%) is living below the poverty line, according to Stats SA. Consumer confidence, as measured by the FNB/BER Consumer Confidence Index, has been negative since the last quarter of 2019. When Covid-19 hit, it dropped to a record -33 points, recovered to about -10 points in 2021, but dropped again, hovering around -20 points in 2022 and the first half of 2023.

Tobie van Heerden, Chief Executive Officer for 10X Investments, said that in comparison to 2022's survey, the 2023/24 report found an increase in the number of people recognising the importance of having a retirement plan in place.

"The difference between what South Africans expect their retirement to look like and the realities faced by those in retirement and approaching it, cannot be underestimated. Knowledge and information are key to closing the expectation-reality gap – in their long-term interests South Africans need to be better informed on the importance of saving, the power of compound interest, the consequences of not saving, the additional disadvantages that women need to overcome, and the impact of costs," said van Heerden.

Planning for retirement

About half of respondents who had a retirement plan indicated that their plans were "probably" or "definitely" on track, with some variation across age groups. Significantly, 29% of people over 50 indicated that their plans were "definitely not" or "probably not" on track.

According to 10X, it is extremely difficult to correct any deficit in savings after reaching 50 and requires at least 30%-40% of a monthly salary to be invested into retirement savings to comfortably retire.

Almost three quarters of respondents (72%) whose plans were not on track gave "I am not able to save enough" as a reason. This ties in with reasons given for not having a retirement plan in the first place: 70% of respondents without a plan agreed with the sentence: "I cannot afford to save; I have nothing left over at the end of the month".

According to van Heerden, the survey responses underline the harsh economic realities for most South African consumers. "Year after year, we are seeing a large proportion of respondents that have been partially or strongly of the view that they will need to continue earning a living after their formal retirement date."

Of the respondents who do have a retirement plan, only 37% could give a definitive answer on the



costs, as an annual percentage of assets, of their retirement investments. Another 37% had no idea what the costs on their investments were; 13% believed that the fee depended on performance, while 13% believed they were not being charged at all.

Women's Financial Health

Over the years, women have consistently been rated lower than men in most metrics concerning financial wellbeing and retirement planning. Half (49%) of all female respondents to the survey indicated that they do not have a retirement plan, compared with 43% of men. More than double (11% versus 5%) the number of men than women said they were diligently following a well-conceived retirement plan.

Women tend to save more than men (30% of women versus 26% of men), while men tend to invest more (24% of men versus 14% of women). According to the report, although a prudent, cautious approach to investing is admirable, it may ultimately be to women's detriment, as only higher-risk investments, such as listed equities, can deliver inflation-beating growth over the long-term.

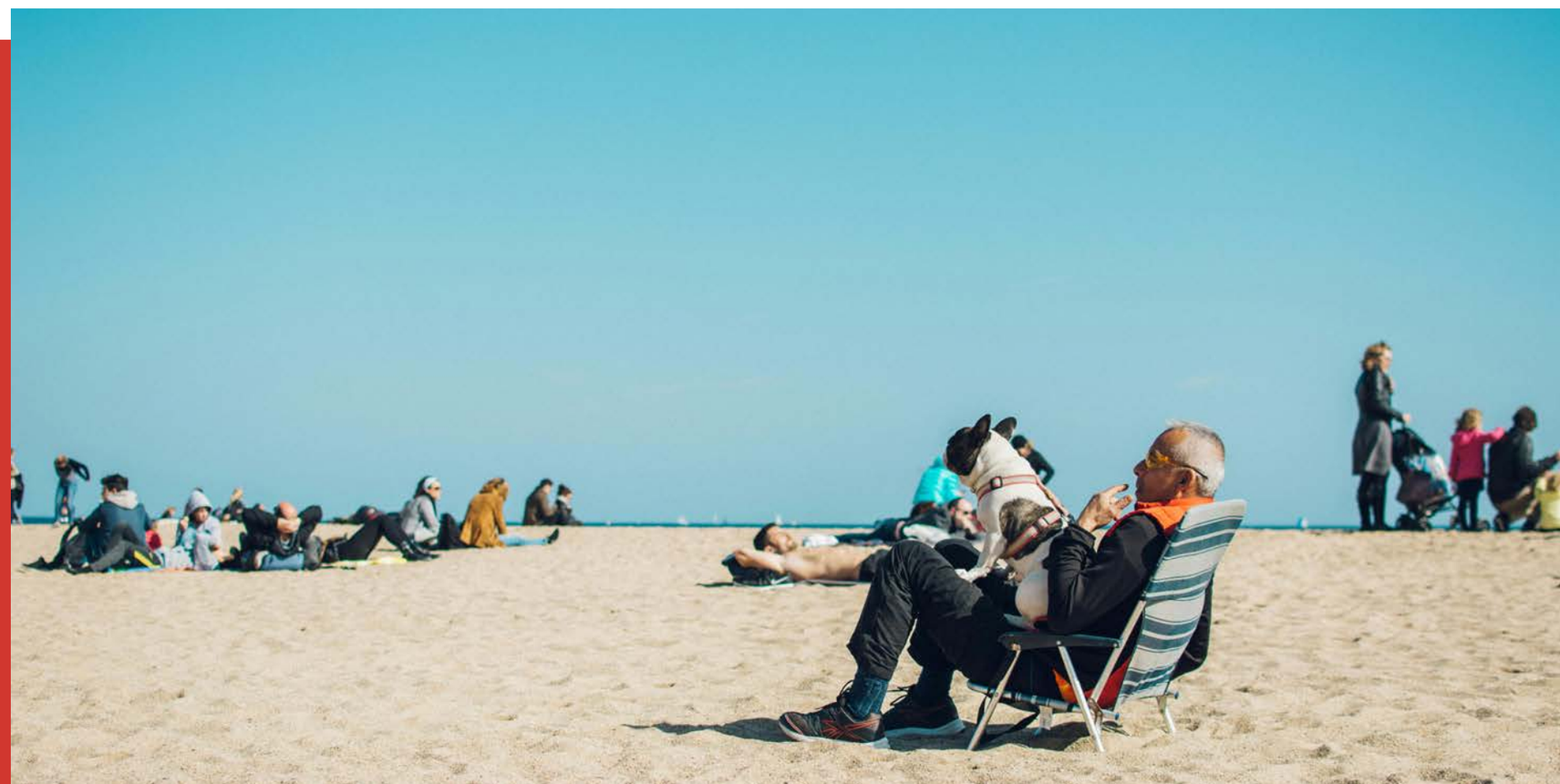
Stagnant GDP, large-scale retrenchments, and the impact of Covid-19, have resulted in people increasingly changing their jobs. According to the Retirement Reality Report 2023, 56% of working people changing jobs admitted to cashing in their retirement savings.

Retiring on own terms

Fewer people can retire on their own terms. In the 2021 report this figure was 70%; this year it had dropped to 60%, one of the most significant statistics to come out of the survey. van Heerden said: "This trend reflects the challenging economic times we are living in, indicating a rise in employers compelling their older workers to take early-retirement packages."

Only just over a third (35%) of the retirees who had saved for retirement indicated that they were "fairly" or "very confident" that their savings would last. Notably, two percent of retirees indicated that they had already run out of savings, meaning they were relying either on family or state support.

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WEALTH



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Millennials opt for renting longer periods to navigate rising housing costs



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Navigating South African Fund externalisation & SARS Tax Compliance status process

TRENDING ONLINE

What You Need To Know For Retirement



GENERATION RENT: Millennials opt for renting longer periods to navigate rising housing costs

By Neale Petersen



Millennials have been labelled "generation rent", with growing numbers of young people priced out of the housing market and therefore renting their homes for longer periods of their lives than previous generations.

In South Africa there is a rising rental property market in South Africa among 'generation rent'. These are mostly Millennials aged 21 – 35 years old (born between 1982 and 1996) and some Gen Z (born between 1997 and 2012). They are increasingly becoming renters as they cannot afford to own their own home and have a different attitude to life and priorities focused on travel work/life balance, travel, and wellness.

The ‘Generation Rent’ phenomenon first emanated in Britain, where house prices started rising faster than inflation for several decades aggravated by rising student debt, challenging labour market, welfare making it more difficult for Britons to get on the housing ladder.

Young people have had to adapt to and struggle against, one of the worst housing crises in recorded history. And, with recent mortgage rate hikes and a cost of living crisis threatening to make matters worse, many would-be first-time buyers are being forced to reckon with a lifetime spent in private rented housing navigating a hostile housing market.

In South Africa Generation Rent concept shared recently in WeconnectU’s 2024 ENGAGE webinar by Johann van der Merwe, CEO of WeconnctU said that the younger generation prefers renting rather than buying property. They are nomads who frequently move around to further their careers. Most don’t want to commit to long-term financial obligations or responsibilities of property management associated with property ownership.

Recent data from PayProp reveals that South Africa has enjoyed eight consecutive quarters of positive national rent growth, signaling a rebound from the pandemic-induced market slump. With year-on-year rental increases of 4.7% to 4.9%, this trend unlocks opportunities for property investors.

Meanwhile, in the UK, over 50s control three-quarters of housing wealth, leaving young adults facing barriers to homeownership. Dubbed 'Generation Rent,' they grapple with soaring rents and delayed entry into the property market. This underscores a pressing need for systemic change.

Understanding the root causes behind 'Generation Rent' is crucial. While rental growth may stabilize at 4-5%, it presents an opportunity for the sector to flourish sustainably. Optimism prevails among industry experts, buoyed by the resilience demonstrated in navigating challenging market conditions and meeting the demands of Generation Rent.

In 2024 most businesses, tenant selection and portfolio growth will continue to be challenging this year, and profitability is a perennial key concern. However, as the latest report shows, there are answers to be had. Managing Agents are now starting to notice “the growing population of consumers who are willing to pay good money for the privilege of not having to own something”.

Perhaps we will soon see companies in South Africa also starting to tailor offers to suit this model of consumption from renters with more spending power.

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- Pre-installed, high-speed WiFi by Bunny Digital
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- Generator for full load-shedding backup
- Two-hectare Eco Park & other green open spaces
- Six kilometres of river trails & running tracks

INVESTMENT OVERVIEW

- Construction is due to commence early in 2024
- Completion is earmarked for mid 2025
- Benefit from capital growth before transfer
- Harness semigration demand for Cape Town real estate
- Exceptional rental returns anticipated
- Over 6000 skilled employees working in the precinct
- Close proximity to Groote Schuur Hospital and UCT
- Turnkey rental management for long & short-term lets
- Airbnb management by Perch & other approved operators
- Tax incentives for purchasers of five or more units

RIVERLANDS
CAPE TOWN

HOMEOWNER SOLAR PANEL BUYERS GUIDE: Everything you need to Know

By Editorial



REI provides a comprehensive guide for homeowners considering solar panel installations, addressing key considerations such as system assessment, financial implications, and available solutions like Solar-as-a-Service and rent-to-own packages. It also highlights the impact of load shedding on the property market and the importance of engaging registered energy solution experts for installation and maintenance.

In recent years, South Africans have increasingly turned to solar systems as a reliable and consistent power source amidst frequent load shedding and grid instability. The return to higher levels of power outages and escalating electricity prices has made installing solar a necessity for many. Moreover, changes in building regulations now require a revised level of alternative energy usage in newly constructed structures, further driving the demand for solar solutions.

For prospective homeowners, purchasing a property with an existing solar system or considering installing one is now more advantageous than ever. Solar power offers cost-effectiveness, reliability, and environmental benefits, enhancing both quality of life and property value.

Just as one would assess key factors like roof condition or structural integrity when purchasing a home, evaluating an existing solar system is crucial. Consider factors such as system capacity, battery storage, and integration capabilities. Assess the efficiency and maintenance requirements of the system, including the condition of solar panels and inverters, maintenance records, and warranties.

Financial considerations play a significant role in solar system decisions. Calculate potential savings on electricity bills and evaluate the system's payback period. Explore financing options such as cash, loans, or subscription agreements, and consider tax incentives to make an informed decision.

For those without an existing solar system, companies like Versofy SOLAR offer innovative solutions like Solar-as-a-Service and rent-to-own packages. These options provide access to solar energy with full-service, insurance, and maintenance plans, making solar installation hassle-free and financially viable for more households.

Their application process is quick and simple, with online pre-approval taking just 30 seconds. With approved installers and dedicated customer support, they ensure quality service and maintenance throughout the system's lifetime.

Ray Fernandez from Probenergy emphasises their comprehensive approach beyond selling solar components, guiding homeowners through the entire process from energy optimisation to installation and insurance. Specialised installers provide flexible proposals with extensive warranties, ensuring quality and compliance.



Here is a 5-step guide to affording Solar Solutions

- **Step One: Understand and Reduce Energy Consumption**
  Before considering solar energy, reduce current electricity consumption through energy-efficient appliances and habits to optimize system sizing and costs.

- **Step Two: Consider Budget and Financing Options**
  Assess budget and explore financing options, including rent-to-own models, or utilizing access bonds, considering tax incentives for first-time solar installations.

- **Step Three: Take a Phased Approach**
  Start with basic solar setups and gradually expand, ensuring scalability and cost-effectiveness over time.

- **Step Four: Ensure Efficient Battery Storage**
  Select efficient battery storage solutions to maximize solar energy utilization and provide reliable power during outages.

- **Step Five: Installation, Sign-off, and Insurance**
  Ensure professional installation, sign-off, and proper insurance coverage to protect your investment and property.



Fernandez stresses the importance of informing insurers about solar installations to ensure coverage and advises homeowners to review policies for any exceptions or additional conditions.

In conclusion, embracing solar energy is within reach for homeowners, offering financial benefits, energy independence, and environmental sustainability. With the right guidance and solutions, transitioning to solar power becomes a seamless and rewarding investment in a brighter future.

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NEWS



Redefining Leadership: A Young Woman's ascendancy in property at Boxwood

PHOTO
Sarah Divaris New Chief Operating Officer of Boxwood Property Fund

Boxwood proudly appoints Sarah Divaris, 29, as COO. Her Finance and Economics degree, alongside a CFA Charter holder designation, infuse Boxwood with strategic vision. Joining 8 years ago, she's instrumental in shaping Boxwood's journey from infancy to managing a R3bn property portfolio. CEO Rob Kane asserts her promotion is well-deserved, heralding a bright future under her capable guidance.

Sarah's blend of financial acumen and creative flair drives value; her revitalisation project increased asset value by 31%. Sarah's leadership centres on collaboration, empowerment, and innovation.

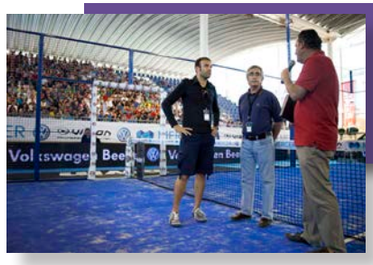


Growthpoint Properties Issues R1 Billion 10-Year Bond, Embraces Green Financing

PHOTO
Estienne de Klerk, SA CEO of Growthpoint Properties

Growthpoint Properties, listed on JSE as GRT, issues a significant R1 billion senior unsecured bonds with a 10-year maturity, demonstrating robust investor interest in long-term Growthpoint debt. Sole arranger, Standard Bank, executed the private placement successfully, with the 10-year note placed at a competitive margin of 185bps above three-month JIBAR.

Growthpoint continues its commitment to financing renewable energy projects, advancing its climate neutrality goals. CEO Estienne de Klerk expresses gratitude for investor trust and confidence in Growthpoint's long-term vision.



Willy Lahoz Partners with Balwin to Grow Padel in South Africa

PHOTO
Willy Lahoz - padel court

Balwin Padel, a division of JSE-listed Balwin Properties, partners with renowned padel player Willy Lahoz to elevate the sport in South Africa. Lahoz, a two-time world champion, arrives to host coaching clinics nationwide for the next 12 months, emphasising talent development among underprivileged players. CEO Steve Brookes sees padel as a community-building addition to Balwin's lifestyle estates.

Lahoz will also team up with South Africa's top player, Jason Blakey-Milner, for exhibition matches. Sebastian Brokmann, Chief of Padel at Balwin, aims to expand padel's footprint, with coaching clinics at select Balwin lifestyle estates nationwide.



Quay 1 launches 'Shared Value Real Estate Brokering' called Elevate

PHOTO
Ryan Greeff - Quay International Real Estate

Quay 1 International Realty launch Shared Value Real Estate Brokering! Ryan Greeff, CEO of Quay 1, explains:

"Our 'Elevate' initiative empowers homeowners to maximize their returns by unlocking direct and indirect financial benefits, ensuring a rewarding selling experience."

"Elevate" offers unmatched savings for buyers, with potential discounts of up to 75% on professional fees and other sale-related expenses. This initiative helps aspiring homeowners turn their dreams into reality while easing the financial burden of property acquisition.

THE HAPPY PROPERTY BUYING GUIDE
Part One: Getting Ready to Buy and Mortgage Pre-Qualification



Buying a property is an incredibly exciting process, but it can be stressful too – property is one of the biggest investments you'll ever make, after all. That's why we've put this guide together to help you understand the homebuying journey so that you can navigate it with ease.

We are going to unpack a 5-Step process
1. Getting ready to buy
2. Finding the right property
3. Putting in your offer to purchase
4. Getting the best mortgage loan
5. Taking care of your new property

1. Getting ready to buy
Before you rush out to view your first property, find out how you can set yourself up for success at the start of your homebuying journey.

The benefits of pre-qualifying
Whether you're a first-time homebuyer or you're looking for your second or third home, having a pre-qualification certificate in your pocket can be a powerful tool on your homebuying journey. Here's why.

1. You'll know what you can afford to spend on a home.
2. You'll save time by only looking at properties that fit within your budget.
3. You'll be able to budget more accurately for the costs of homeownership.
4. You'll know what your credit record is, and whether there's anything you need to improve before applying for a home loan.
5. Sellers and real estate agents will know you're a serious buyer.

How does pre-qualification work?
Using your most up-to-date income and expenses, we calculate how much the banks are likely to lend you. We then do a quick credit check – without affecting your credit profile – to confirm your latest credit score and evaluate your chances of qualifying for a home loan.

What documents are required for pre-qualification?
You'll need to submit the following documents when applying for a pre-qualification certificate in your own name or your spouses name:
- Copy of your ID
- Proof of income
- Three months' bank statements

Depending on your circumstances – for example, if you're self-employed or you're applying for a home loan with your partner or spouse – you may need to submit additional documents. But don't worry, we'll let you know exactly which ones we need.

Is it possible to get a home loan without being pre-qualified?
Yes, it is. You'll just need to submit the documents outlined above together with a signed Offer to Purchase (OTP).

How long does it take to pre-qualify?
If your documents are in order, it should only take a few days.

What happens after pre-qualification?
Once you've been pre-qualified, you're ready to go property hunting! And because you'll know what you can afford, you'll save time and money by limiting your search to properties that fit your budget.

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