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JUNE 2024



GUIDE TO MAKE MILLIONS IN PROPERTY
Investor of the Year Darren Francis tells us how

SA'S AFFORDABLE PROPERTY MARKET
Addressing the potential & complexities

COMMERCIAL RENTAL PROPERTIES
What modern tenants seek?

BOUBKER BENJELLOUN
The rising star of global architecture at the service of humanity



BOUBKER **BENJELLOUN**

The rising star of global architecture at the service of humanity

To read the full article go to pages 16 - 25

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EDITOR'S VIEWPOINT

The Optimistic Viewpoint: Prepare for the Upcoming Property boom

Welcome to an upbeat corner of the property world! Let's face it, South Africa's economy has been on a sluggish journey since hosting the Soccer World Cup in 2010. We've navigated through a maze of challenges – from corruption and municipal service delivery woes to Eskom's on-and-off electricity, poor water supply, deteriorating roads, and a significant lack of investment in local infrastructure. Some call it the "wasted 15 years," but let's not dwell on the past.

Despite these hurdles, many savvy businesses and investors have thrived, proving that resilience is in our DNA. But what about the global elephant in the room – those pesky interest rates? Well, it looks like we might finally be in for some good news! The Monetary Policy Committee (MPC) is expected to announce a long-awaited drop in the interest rate soon. Bradd Bendall, interim CEO of BetterBond, mentioned that a recent dip in consumer price inflation (from 5.3% in March to 5.2% in April) could lead to lower interest rates, offering relief to debt-burdened households and boosting home loan activity.

And it's not just the interest rates showing promise. The rand is holding its ground, and the Consumer Price Index (CPI) is on a downward trend. Industry giants like Redefine Properties, Equites, BetterBond and FNB are signalling cautious optimism, with the latest Property Brief suggesting that the property market slowdown of the last two years may have bottomed out. Improvements in loan values and volumes hint at a brighter future.

Razia Khan, chief economist for Standard Chartered Bank, advises that while the South African Reserve Bank prefers a 3% inflation target, we might not see policy rate easing until November. But hey, good things come to those who wait, right?

As the ever-optimistic Christo Wiese recently shared, there's no reason why we shouldn't be hopeful about our future. Optimism beats misery any day. Current home loan values, rapid rise in bond application volumes and high demand for housing indicate that the property market is poised for a significant turnaround.

So, let's embrace this cautious optimism and get ready for the big property boom! Here's to brighter days and prosperous investments ahead.

Founder & Editor-In-Chief

Neale Petersen



MASTER QUOTE:
"The best investment on Earth is earth"
- LOUIS GLICKMAN

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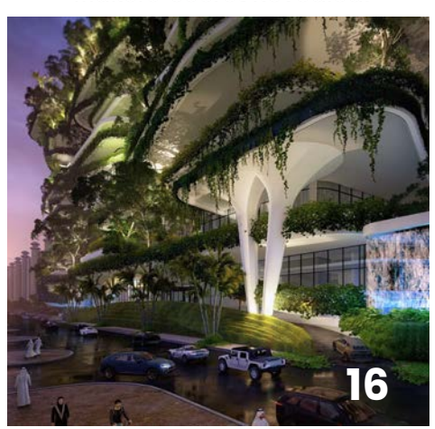
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ASK THE EXPERTS

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.

Empowering Commercial Tenants: The importance of Alternative Power access in Lease Agreements

MEET OUR GUEST EXPERT



SIMON DIPPENAAR
Founder & Managing Partner
Simon Dippenaar & Associates

As load shedding eases for the moment temporarily due to impending elections, the inevitable return of loadshedding looms, necessitating proactive measures. As a retail tenant we don't have a reasonable back-up and we are navigating fluctuating power disruptions akin to shifting hemlines proving very costly, and we are relying on generators for sustenance.

Yet, if your lease remains silent on this critical matter, what recourse do you have regarding access to the property's main generator?

A Understanding your rights to alternative power access in Commercial Leases is a critical element as part of your commercial lease.

With the unpredictable fluctuations in load shedding, reliance on generators and inverters has become paramount for sustaining business operations. As a commercial tenant, your lease agreement's stance on access to alternative power is crucial.

If your lease explicitly addresses this, detailing access terms and associated costs, you're in the clear. However, many leases, especially pre-load shedding era ones, lack such clarity. A recent dispute underscores the complexity surrounding possession of intangible assets like power.

In this case, a tenant in a shopping mall accessed the mall's generator for backup power without additional charges. When the landlord introduced a diesel recovery levy, a dispute ensued. Despite ongoing arbitration, the landlord abruptly cut off the tenant's access, prompting legal intervention.

The court's ruling, while temporary, affirmed the tenant's right to uninterrupted access, citing the "spoliation" principle, which safeguards against wrongful deprivation of possession. This extends to alternative power sources, even if legal ownership is contested.

While arbitration will ultimately determine liability, landlords are prohibited from unilaterally terminating existing power access without due process. If you find yourself in such a situation or have lease-related queries, don't hesitate to reach out for assistance.

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FROM CHAMPION SWIMMER TO ARCHITECTURAL VISIONARY & MASTER DEVELOPER – A journey of Vision and Humanity



From a young age, Boubker Benjelloun stood out not only as a talented swimmer but also as a visionary dreamer. Representing his country on the national swimming team, he dedicated countless hours to the sport. He vividly recalls his mother, a constant pillar of support, sitting by the poolside for hours on end, cheering him on as he perfected his strokes.

But Benjelloun's time in the water was more than just about athletic excellence. As he glided through the water for countless hours, his mind was abuzz with ideas, sketching in his imagination the most exquisite urban landscapes and architectural marvels. This unique blend of physical discipline and creative ingenuity set the stage for what would become a distinguished career in urban design, architecture and real estate development.



SPORTS

NATATION

Benjelloun Boubker : un nageur racé

Second meeting international

Recollecting those early days of childhood, Boubker says, 'During those countless hours spent slicing through the water, where the world seemed to quiet except for the rhythm of my strokes, my mind was always racing, constructing and deconstructing what could become the perfect urban landscape or architecture. Each lap was more than just training for competitions; it was a creative session, where I pieced together my dreams of designing spaces that could inspire and connect people.'

Despite his passion for swimming and architecture, Boubker Benjelloun initially pursued a career in the dental sector, primarily to please his family. He established one of the most successful clinics in Paris, but his thoughts constantly drifted back to his true passions: architecture and urban development.

The turning point came when Boubker stumbled upon a real estate opportunity that beckoned him back to Morocco. With a bit of luck, his first project in Casablanca involved purchasing a villa in a neighborhood that soon transformed into a commercial hub for high-end and top brands. This



fortunate turn of events allowed him to sell the villa and reinvest the money into several very successful projects. Despite these achievements, Boubker still felt unfulfilled, as his ultimate dream was to design and revolutionize the real estate industry.

Boubker's early days in Morocco were fraught with challenges. Operating without a comprehensive support team led to significant business setbacks. These experiences were harsh but invaluable, teaching him the critical importance of legal and financial oversight in large-scale projects.

At the age of 40, determined to pursue even bigger projects, Boubker moved to Dubai, a city synonymous with architectural ambition and innovation. Here, he met with some of the most influential real estate magnates and billionaires, who quickly recognized his exceptional talent. They were struck by Boubker's clear vision and his unique ability to visualize the final project even before the first sketch. Impressed by his foresight and creativity, these industry leaders decided to invest in him. This pivotal moment sparked a series of



Como Residence



Como Penthouse

projects that spanned the globe, from India to Singapore, the Middle East, the USA, and Europe. The success story was launched, becoming an unstoppable force in the world of property development. Boubker finally fulfilled his dream of designing and masterminding some of the most extraordinary property developments worldwide.

Boubker’s structural designs are not ‘academic’ but are ‘free and independent’. They have an inherent appeal that is difficult to describe but all too apparent to the eye. Perhaps the best example of Boubker’s remarkable architectural design is the Como Tower in Palm Jumeirah destined to become a landmark in the architecturally rich city of Dubai.

During the design process, Boubker faced significant opposition from some of the most renowned engineers in the world. The challenge arose from his ambitious concept of incorporating a massive arch at the base of the building—a design element that posed a considerable challenge to the balance and stability of the structure. Despite the skepticism, Benjelloun passionately defended his vision and managed to convince everyone of its feasibility. Ultimately, his bold idea was successfully realized, cementing his reputation as a visionary architect. The market acknowledged the extravagance and beauty of the Como Tower, leading to the sale of the world's most expensive front beach penthouse within this iconic building for approximately USD 150 million.

Boubker elaborates on the Como Towers and states, ‘It was just instinct that made me design the Como Tower the way it ultimately ended up looking. Sometimes, you have a deep feeling of doing right when designing a project. And I always had that feeling



The Pointe



Museum of Humanity



when it came to the Como Tower.

Boubker's previous experiences in Morocco made him realize that conducting a sustainable and successful business requires a strong structure and the support of the best teams. Now, he leads a conglomerate with companies active in several sectors, including architecture, design, engineering, and media, employing more than 300 people.
This determined businessman has no intention of stopping. A visit to one of his Dubai offices, surrounded by lush vegetation and plants, reveals multiple projects in the pipeline, each more extravagant and ambitious than the last.

Alongside his business partner, Ben Piper, they aspire to become the architects for humanity. Looking ahead, Benjelloun Piper Architecture (https://benjellounpiperarchitecture.com/) plans are as ambitious as they are inspiring. Projects like the Museum of Humanity and the largest football stadium in the world are underway, poised to redefine not just architectural standards but also the role such structures play in community and cultural engagement. These projects are designed to be more than landmarks; they are meant to be hubs of human connection and cultural exchange.

'Every corner of my office is a testament to the lessons from my father—a talented landscaper who knew every plant like an old friend. As a child, I would hold up a plant from our garden, and he would always, without fail, tell me its name. This deep-rooted connection to nature profoundly shapes my approach to architecture, where the integration of vegetation isn't just an aesthetic choice but a homage to those cherished moments with my father.'

Beyond the UAE, Boubker's projects have spanned the globe, from Europe to the USA, and Asia, each marked by his signature blend of innovation and utility. Parallel to his architectural career, Boubker has nurtured a deep commitment to philanthropy.

The creation of his Family Foundation, B. Foundation is a testament to Boubker's expansive vision transcending the realms of architecture and venturing deeply into humanitarian efforts. This foundation is not merely an extension of his business; it is the heart of his legacy. Dedicated to improving the lives of the underprivileged, the foundation strategically focuses on long-term solutions such as education and community development, moving beyond the mere provision of temporary relief.

The inaugural chapter of the B Foundation has begun in Ethiopia, where the focus is on empowering local communities to rise above poverty through sustainable initiatives. This is just the starting point; Boubker plans to expand these efforts,

spreading the foundation's influence and programs across other regions in need. His vision includes assembling a global network of talented individuals, including Nobel laureates, to drive these initiatives forward, ensuring that each project has a profound and lasting impact.
Boubker's commitment to the foundation is profound and personal. He has pledged to allocate a significant portion of the profits from his diverse business ventures to fuel this ambitious project. His goal is clear: to leave a legacy that continues to give and grow, long after the buildings have been erected. For Boubker, the ultimate reward comes from the profound sense of joy and fulfillment he receives when witnessing the tangible effects of his contributions—the smiles of gratitude and the hopeful eyes of those whose lives are being transformed by the foundation.

His guiding philosophy—"The true measure of a man is not in what he keeps, but in what he gives"—echoes through every facet of his work. In Boubker's vision, true happiness and success are found in the impact one can make on the world, and in the legacy of positive change one leaves behind. This philosophy shapes every decision and project, making the B Foundation not just an act of charity, but a beacon of hope and a model of sustainable philanthropy.

As Boubker Benjelloun continues to build and innovate, his most enduring designs are perhaps those that lie within the evolving landscape of human potential. Through the B Foundation, he is not only constructing buildings but also building futures, proving that the greatest structures we can create are the communities we uplift and the lives we change.

Boubker says, 'It's a childhood dream, a dream that has grown with me, a dream that accompanies me every day, every moment, occupying my mind entirely. It's about helping the most deprived, the most disadvantaged, those whom life has not spared. Indeed, this foundation is beginning to create movements across Africa. Currently, we are working on an extraordinary application and the establishment of a board composed of former Nobel laureates and influential figures so that in the years to come, these initiatives can be replicated and thus reach the poorest places in the world. And in my opinion, this is the extraordinary achievement and incredible happiness that everyone should aspire to.'



B Foundation's First Ethiopian Village

As Boubker Benjelloun continues to push the boundaries of architecture and philanthropy, his journey from a disciplined swimmer to a visionary architect encapsulates a narrative of relentless pursuit of passion and purpose. His impact extends beyond the skyline; it reaches into the heart of communities, fostering change and inspiring future generations. In a world where architecture and philanthropy intersect, Boubker stands as a testament to the power of visionary thinking and enduring human spirit.



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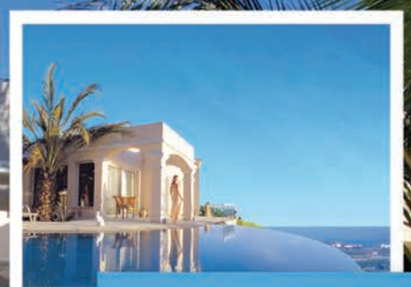
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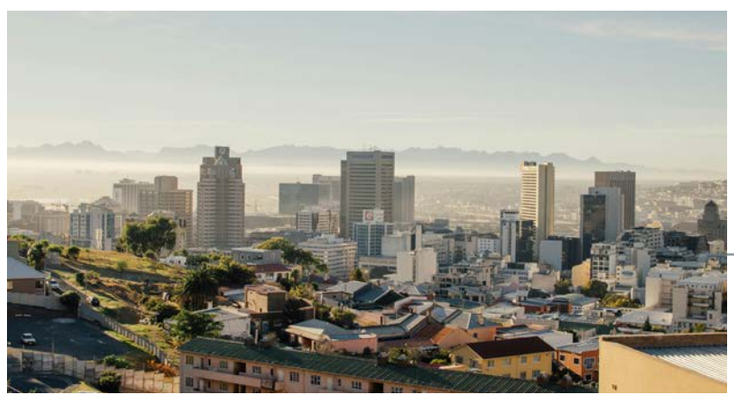
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INVESTING



PAGE 30

Darren Francis shares key lessons in his new book for the aspiring South African property investor



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The Market Makers' Secret Revealed!

TRENDING ONLINE

High Court case could be a plus for owners of hijacked buildings



A GUIDE TO MAKING MILLIONS IN PROPERTY: Darren Francis shares key lessons in his new book for the aspiring South African property investor

By Neale Petersen



Darren Francis opens his story in new book 'Failing to my success: A guide to making millions in property', with a stark portrayal of his upbringing in the Cape Flats, a region notorious for its violence and poverty. This environment forced him to develop a tough exterior as a means of survival. The prologue sets the stage for his narrative of overcoming adversity and highlights the emotional and psychological challenges faced by residents of such areas.

Darren Francis received well-deserved recognition for his efforts when he won the Investor for Change award at the SA Property Investors Network (SAPIN) event. His achievements didn't stop there; he was also named the overall winner of the Investor of the Year awards in 2021, earning a standing ovation for his outstanding contributions to the property investment community.



When did he start investing in property?

His journey truly began at 27 when he read "Making Money out of Property in South Africa" by Jason Lee, a renowned South African property investor, developer, realtor, and best-selling author, back in 2009. Gripped within the first five pages, he dived into research, talking to people, and analysing property trends. Focusing on residential property for the first three years, he had no idea of the incredible journey and growth that lay ahead. Ten years later, he sold his first investment property.

What made him choose property?

He dabbled in Forex trading, photography, PR, and other businesses, but property proved to be the most consistent in terms of growth. His strategy was straightforward: target markets that were not popular and also keep an eye on the big players, even if they seemed overcrowded. Since 2019, the Return on Investment (ROI) on almost every property has been above average. He has flipped six homes, is in the process of registering a vacant erf for development and sale, and has built a robust rental portfolio.

We share excerpts from Darren's story from his book below:

Part I: Failure

Chapter 1: Failure, My Teacher

Francis introduces the concept of failure as a critical learning tool. He recounts his early struggles, including being bullied and facing academic difficulties. A turning point came when he joined Leon Bailey's karate class. Bailey's insistence on perseverance and his mantra, "'Kan nie' is dood" ("Cannot is dead"), instilled in Francis the importance of resilience and viewing failure as an opportunity for growth.

Chapter 2: Overcoming Fear

Fear is depicted as a major barrier to financial success. Francis argues that financial education is essential to overcoming this fear. He shares personal stories of how understanding financial principles and investment strategies helped him make informed decisions and mitigate fear-induced paralysis.

Chapter 3: The Cost of Ignorance

Francis stresses the dangers of financial ignorance. He illustrates this with examples from his early life where lack of financial knowledge led to poor decisions. He advocates for continuous learning and staying informed about financial matters as a means to avoid costly mistakes.

Part II: Success

Chapter 4: Taking the Leap

The importance of taking calculated risks is highlighted. Francis shares his first significant investment experience—purchasing a property for R340,000, which later appreciated significantly. This chapter emphasizes the need to recognize opportunities and act decisively.

Chapter 5: Building a Network

Networking is presented as a cornerstone of success in property investment. Francis discusses how building relationships with industry professionals, attending networking events, and joining investment groups provided him with valuable insights and opportunities.

Chapter 6: Success in My Backyard

Investing locally is a key strategy for Francis. He describes how investing in properties within his

community not only generated financial returns but also contributed to local development. His success in flipping properties during the COVID-19 pandemic is a testament to his strategic thinking and adaptability.

Chapter 7: Learning from Others

Mentorship and learning from successful investors are crucial themes. Francis credits much of his success to the guidance and advice he received from seasoned investors. He underscores the value of seeking mentorship and being open to learning from others' experiences.

Part III: Lessons

Chapter 8: Understanding Wealth

Francis outlines principles for building and maintaining wealth. He discusses the importance of budgeting, disciplined spending, and investment. The chapter provides practical advice on managing finances effectively to build long-term wealth.

Chapter 9: Dealing with Setbacks

Setbacks are inevitable, but how one deals with them defines their success. Francis shares personal stories of setbacks and how he overcame them. He emphasizes resilience and learning from mistakes as critical components of success.

Chapter 10: The Role of Education

Continuous education is a recurring theme. Francis argues that staying informed about market trends, new investment strategies, and financial principles is essential for long-term success. He advocates for a proactive approach to learning.

Chapter 11: The Importance of Goals

Setting clear, achievable goals is vital. Francis shares his process for setting and pursuing goals, both short-term and long-term. This chapter provides practical tips on goal-setting and the importance of staying focused and motivated.

Chapter 12: The Power of Persistence

Persistence is highlighted as a key trait of successful investors. Francis discusses how persistent effort, even in the face of failure, has been a driving force behind his success. He encourages readers to stay committed to their goals despite challenges.

Part IV: Implementation

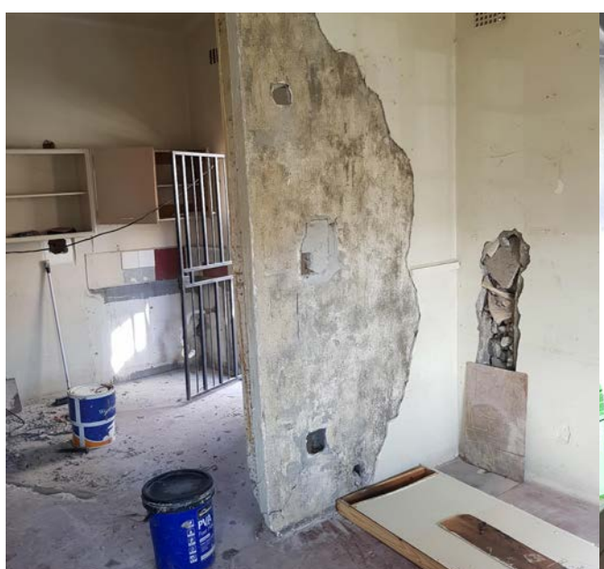
Chapter 13: Getting Started

The final chapter provides a step-by-step guide for aspiring property investors. Francis outlines the initial steps to take, including conducting market research, securing financing, and identifying investment opportunities. He stresses the importance of starting small and gradually building a portfolio.

The Journey to Success

Throughout the book, Darren shares numerous personal anecdotes that illustrate his journey from the Cape Flats to becoming a successful property investor. His story is marked by continuous learning, strategic risk-taking, and a deep commitment to improving his community. Notably, his participation in the South African Investor of the Year competition, where he highlighted his achievements during the lockdown, showcases his innovative thinking and resilience.

Francis's success is not just measured by his financial gains but also by the positive impact he has made on his community. By investing locally and creating jobs, he has contributed to the development and upliftment of his surroundings.





Key Themes and Lessons

1. **Resilience and Persistence**
   Francis's journey underscores the importance of resilience and persistence. Despite numerous setbacks, he remained focused on his goals and continually sought ways to improve and succeed.

2. **Education and Knowledge**
   Continuous education and staying informed are critical for success in property investment. Francis emphasizes the need to understand financial principles and market dynamics.

3. **Networking and Mentorship**
   Building a strong network and seeking mentorship are essential for gaining insights and opportunities. Francis benefited greatly from the guidance of experienced investors and industry professionals.

4. **Strategic Risk-Taking**
   Taking calculated risks is necessary for growth. Francis's success stories illustrate how recognizing and acting on opportunities can yield significant returns.

5. **Community Impact**
   Investing in one's community can create positive change. Francis's local investments not only provided financial returns but also contributed to job creation and community development.

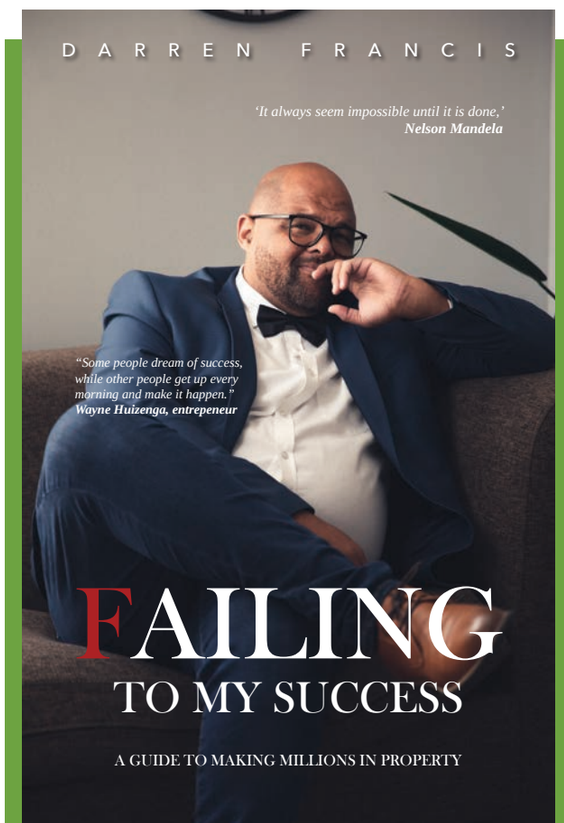




The story that guides you to success

"Failing to My Success" is a compelling narrative that blends personal experience with practical guidance. Darren Francis's journey from the Cape Flats to becoming a successful property investor offers valuable lessons on resilience, strategic thinking, and the transformative power of education. His story serves as an inspiration and a roadmap for aspiring property investors looking to overcome adversity and achieve financial independence.

The book is a testament to the idea that failure is not the end but a stepping stone to success. By embracing failure, learning from setbacks, and continuously striving for improvement, one can achieve remarkable success. Francis's experiences and insights provide a valuable guide for anyone looking to succeed in the property market or any other venture.



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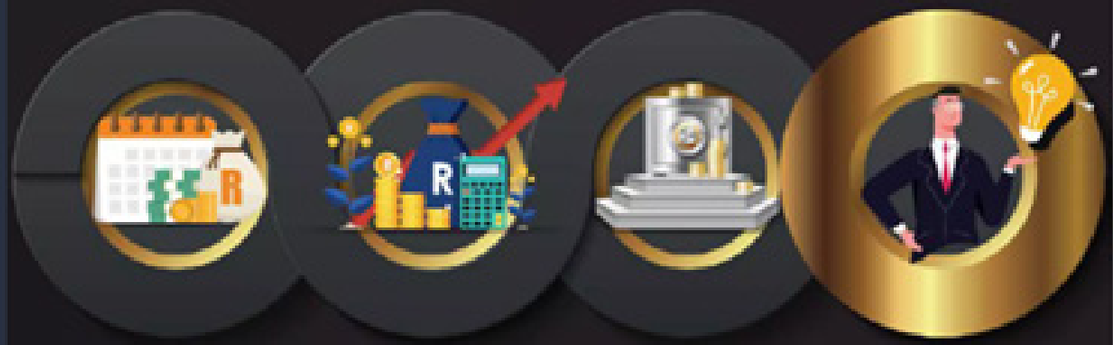
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UNLOCKING EXCLUSIVE PROPERTY DEALS: The Market Makers' Secret Revealed!



BY JASON LEE

Success is a team effort and the property game in my opinion is the greatest team sport ever invented. In my books I often refer to what I call market makers, people who are at the cold face of new opportunities, and if you want to make it in the property game you need to get close to the market makers. The old adage, it is not what you know but who you know applies very strongly to property circles in South Africa.

Although there are a number of market makers in the property game, there are two that stand out if you are looking for the best property deals in the market: Estate Agents and Property developers.

When most investors or any property buyers for that matter want to purchase a property, what is the first thing that they do? They scour the internet thinking they will find bargains.

This might come as a surprise to most, but if you see a property advertised online you are too late. The best property deals that have been done in the past and will continue to be done in the future will never ever be advertised.

Just to drum this home even more on a personal note, not one single property that I own or have developed was ever advertised.

The reason for this is quite simple. In SA, Agents have to spend enormous sums of money on advertising costs that are paid upfront and only recovered once the commission becomes payable.

Because the commission earned by the agent can be considerably reduced by the advertising costs, agents will do everything in their power to try and sell the property without having to incur the advertising costs.

To do this the agents begin by calling their list of preferred investors, in other words investors that they have previously done business with. If the preferred investors are not interested, the agents move on to phase 2 which involves e-mailing their database, which for some agencies can consist of thousands and thousands of buyers.

If they are still unsuccessful, the agents only then advertise the property online. Once the property is advertised online, as a potential investor you are in reality the third tier of purchaser that the agent is trying to reach. You will suddenly find yourself as one of many amongst the madding crowd calling the agent and trying to do a deal.

In a rising market the sale of the property then becomes nothing more than an auction and you will end up paying the seller full asking price or more to secure the deal. Estate agencies, particularly the larger agencies, actually admit that they don't advertise to sell houses, but rather to attract more sellers to give them mandates.

The lesson in this as an investor is love them or hate them you need to draw close to estate agents. The next time you go to a show house, don't do what everyone else does, in other words, leopard crawl around the house, be rude to the agent and then run out the house without leaving your details. Take the time to introduce yourself and to explain very clearly what kind of property deals you are after. And so what if the agent calls you 3 times a day after that, it just might happen that one of those calls could change your life forever.

Property developers are also market makers that are worth drawing close to because they know what properties they will be bringing to the market before anyone else does. By drawing close to developers, you will position yourself to have the first pick of any new product coming to the market long before the product has even been advertised.



Buying properties directly from developers is a win for the investor for a number of reasons:

1. The investor gets to choose the best units in the development prior to the launch date. I am sure you have seen many advertisements for the sale of developments that state on the launch date that five units have already been sold. The five units have been sold to investors that have contacted the developer directly and you can be sure that they are also the five best units available.

2. By purchasing a property off plan from the developer, the investor is purchasing the property at today's price for a product that may only be delivered in twelve to eighteen months' time. In an upward moving market, just by signing an offer to purchase the unit and paying a small deposit, your unit could increase in value before you take transfer.

3. An additional bonus for investors buying units from developers is that there is no transfer duty payable as most developers are registered for VAT. The effect of this is that if the bank grants you one hundred percent finance to purchase the property, you will not have to fork out an additional amount over and above the purchase price to take transfer.





Jason Lee is a property investor, developer, realtor and author. He invests in multi-million rand deals in South Africa and abroad. He has authored 4 Best-selling books in South Africa.

- Making money out of Property in South Africa
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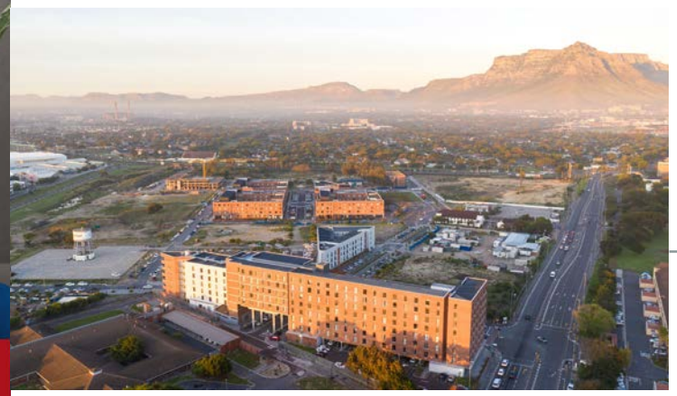
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RESIDENTIAL



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Multi-Generational Living surges Your Comprehensive Guide to this growing phenomenon



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How Affordable is South Africa's 'Affordable' Residential Property Market? Research casts doubt on Affordability claims

TRENDING ONLINE

Public-Private Partnerships Key in delivery of affordable housing



EMBRACING THE TREND: Multi-Generational Living surges

Your Comprehensive Guide to this growing phenomenon



BY GRANT SMEE

Multi-generational households – defined as two or more adult generations living under one roof – are on the rise in South Africa, ushering in a new era for the property industry. The culmination of high interest rates, unemployment and rising costs has given rise to multi-generational living as many families work together to save on costs.

While not a new concept, thanks to the country's diverse mix of cultural traditions, it's becoming increasingly commonplace in recent times.

Statistics SA estimated in 2022 that 32% of South African households were multi-generational, a percentage that has only grown during the extended interest rate hiking cycle.

ooba Home Loans data shows that the average age of a first-time homebuyer is 35 - an age where many people are well into their careers and have started families of their own but are still struggling to get their foot on the property ladder.

Looking to global trends, we see that multi-generational living is not unique to South Africa. In the US, the Pew Research Centre reported that a quarter of all American adults aged 25 to 35 reside in a multi-generational home, with many never having left their family home after turning 18.



Shifting Dynamics: A New Era for Multi-Generational Living Emerges

Not always linked to affordability, generational living is also linked to convenience factors. There is a strong case to be made for young families with small children, close-knit families and families looking after elderly family members seeking solace in the form of multi-generational living.

For some homeowners, having additional family members move in is seen as an unwelcome imposition but others are embracing multi-generational living wholeheartedly, building additional dwellings on their property or converting unused space to granny flats.

In 2020, the City of Cape Town went so far as to amend a municipal bylaw to give homeowners the automatic right to build up to three dwellings on their land on all properties in the city zoned as SR1.

The rise of multi-generational living is more evident in freestanding homes than in sectional title schemes (complexes), where there are restrictions around the changes and additions an owner can make to an existing unit.

We are seeing an increasing trend of residential estates marketing themselves as the ideal site for multi-generational living, offering proximity to family members who can offer

support with child and elderly care needs while still maintaining independence through separate, self-contained homes.

Estates like Steyn City and Val de Vie have carved out a unique niche by catering specifically to the different generations: retirement units for grandparents, large freestanding homes for parents and luxury apartments for young adults, all in one secure gated community.

Unlocking the Benefits: Maximising Multi-Generational Living for your Family's Advantage"

While the rise of multi-generational living is the result of challenging economic pressures, Smee is careful to stress that there are many financial and lifestyle benefits to this kind of living arrangement.

This is particularly true in high-demand areas like the Western Cape, where the average rental is around R10,118 per month according to the latest PayProp Rental Index. This figure is slightly less than the monthly instalment on a R1 million home loan at the current interest rate. Allowing your adult children to live with you for an extended period enables them to put money aside to fund their own property purchase, money that would otherwise be spent on rent with no asset to show for it at the end of the lease.

Other benefits of multi-generational living include shared responsibility for household expenses, increased security and assistance with child and elderly care. South Africa is a very family-orientated country, and multi-generational living can go a long way in strengthening family ties, if approached correctly.

3 Golden Rules for cultivating a Healthy Multi-Generational living dynamic

1. **Establish clear boundaries and expectations for all parties.**
   Determine how financial contributions will work, shared responsibility for household chores and expectations for visitors and noise levels upfront.

2. **Designate personal space.**
   Ensure that every family member or generation has their own private area within the home, whether it's a separate bedroom or living area, as well as expectations around privacy and personal belongings.

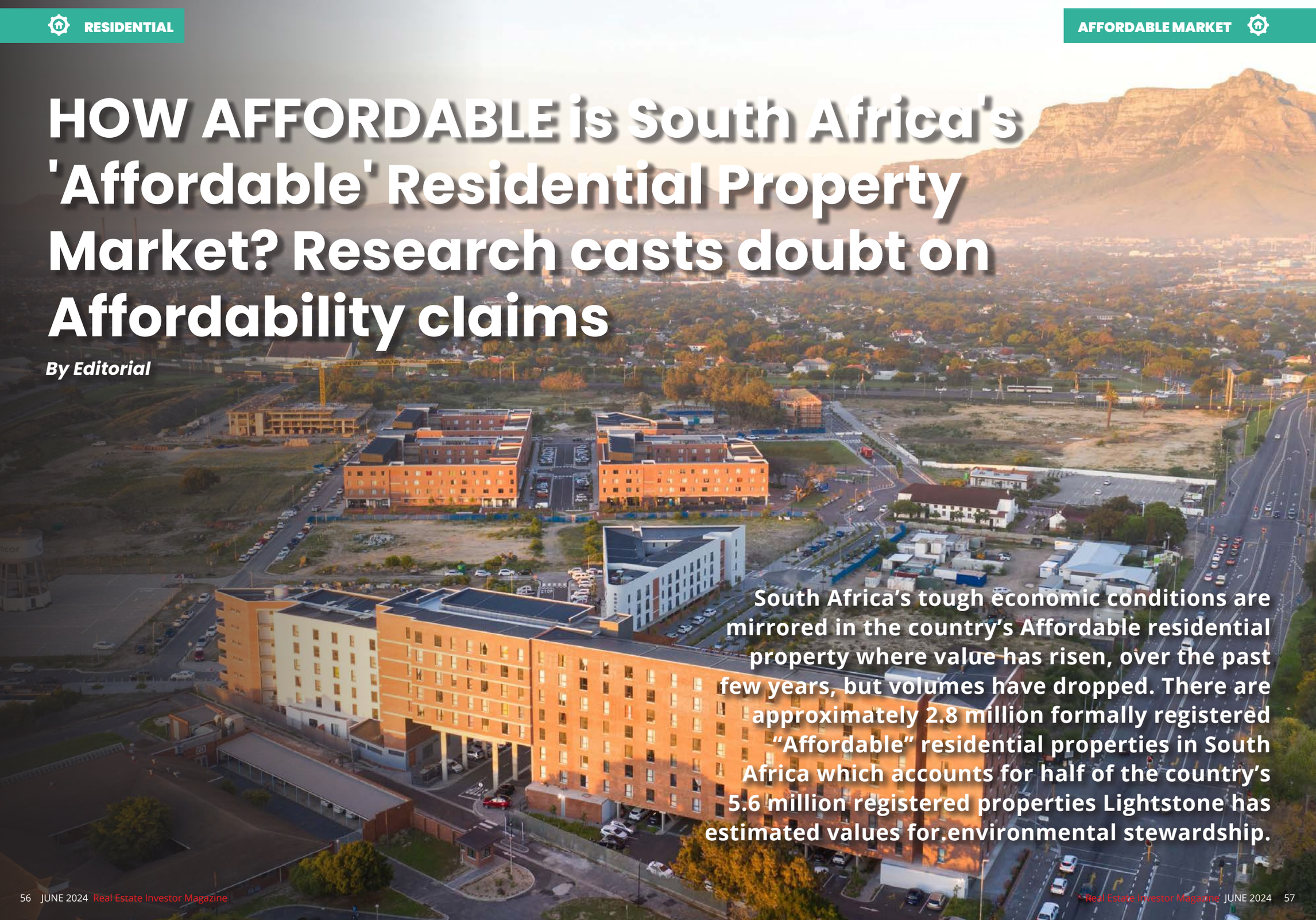
3. **Communication and compromise are key.**
   "Be willing to compromise and adapt to each other's needs and preferences. You can foster an environment where everyone feels valued and heard by holding regular family meetings to address concerns, resolve conflicts and make collective decisions," Smee concludes.

Grant Smee is the Managing Director of Only Realty Property Group



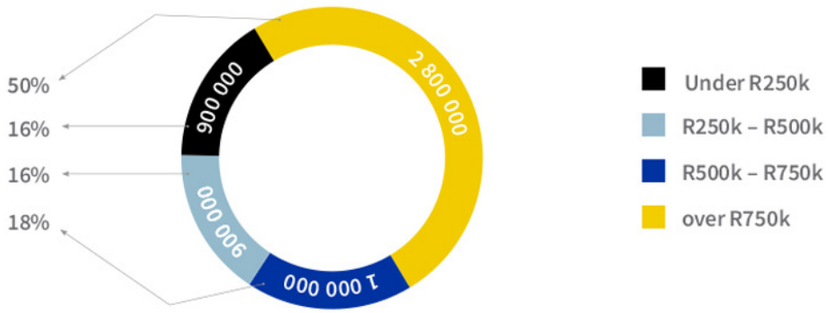
HOW AFFORDABLE is South Africa's 'Affordable' Residential Property Market? Research casts doubt on Affordability claims

By Editorial



South Africa's tough economic conditions are mirrored in the country's Affordable residential property where value has risen, over the past few years, but volumes have dropped. There are approximately 2.8 million formally registered "Affordable" residential properties in South Africa which accounts for half of the country's 5.6 million registered properties Lightstone has estimated values for.environmental stewardship.

Formal Property stock with estimated values



In addition to the 5.6 million registered properties, there are approximately 1.7 million properties Lightstone has not attached a value to (and many of these might be classified as Affordable).

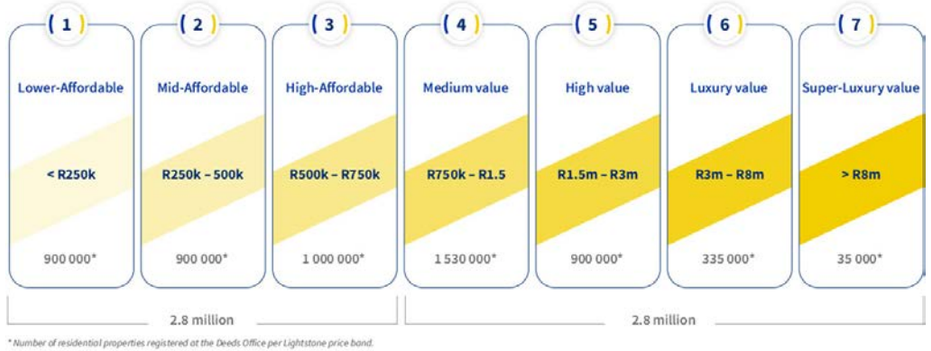
A significant portion of this number is likely to be low-income housing which is not actively trading. The 5.6 million registered properties (see table below for Lightstone's property bands for this segment of the market) exclude units in informal settlements and formal structures built on community trust land, such as the Ngonyama Trust.

What is "Affordable" property? And who can afford to buy?

"Lightstone defines Affordable property as under R750 000 in value, and sub-divides the Affordable price band into three sub-bands: Lower Affordable (values under R250k), Mid Affordable (R250K-R500k) and Upper Affordable (R500k-R750k)," says Lightstone Property's head of digital Hayley Ivins-Downes.

To afford servicing a R250k bond one needs a gross salary of R9k, for a R500k bond it is R18k and R27k for a R750k bond. We estimate there are around 6 million households in South Africa within these income ranges, providing further evidence of the upside potential to meet demand with supply.

Lightstone's Property bands – Affordable to Super Luxury



State of the market

The average price paid for properties in the Affordable price band has risen over the past 10 years, from R230 000 in 2014 to R390 000 in 2023.

Average Purchase Price & Transfer Volumes: 2014 – 2023

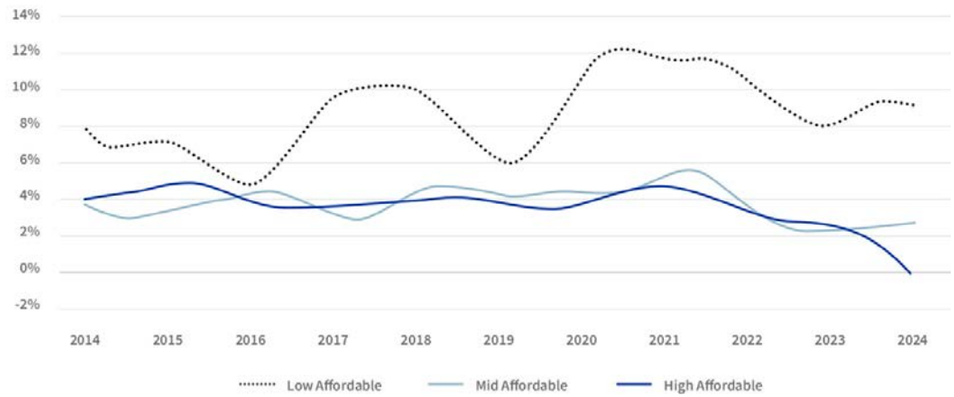




"Transfer volumes have fallen from 78 000 in 2014 to 38 000 in 2023, a more significant decline than that seen in the rest of the market. While the market overall has declined, the data suggests lower earners are under increasing financial pressure and are participating less actively in the property market," states Ivins-Downes.

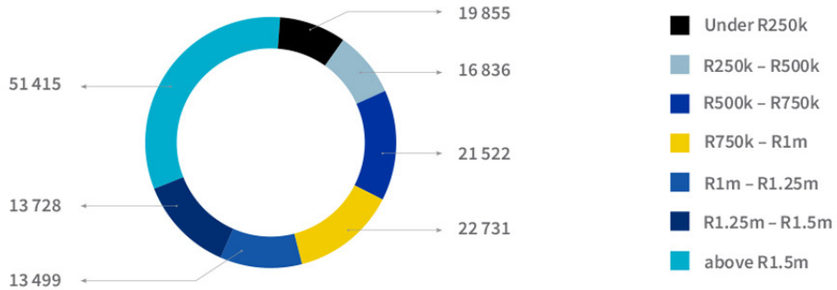
When it comes to value growth though the Affordable sector is doing well, particularly in the Low Affordable sub band, where growth each year has mostly been above 8%.

Affordable Price sub bands: Annual growth 2014 – 2023





Sales in 2023



"Sales data in 2023 highlights that nearly 50 000 transfers took place in the Affordable market, which accounted for a third of all sales. However, as the Affordable market constitutes 50% of registered properties, it does indicate a lower rate of activity in the segment (25% sales from 50% of the market)," adds Ivins-Downes.

Township sales accounted for just 10 000 transfers. Sectional Title accounted for 30% of sales and Freehold 70%.

Where can you buy Affordable properties?
Just more than half (52%) of the 2.8m properties considered as the formal Affordable market are situated in traditional townships, but the activity ratio for sales as a proportion of stock is highest in the suburbs, and especially in the Sectional Title category.

Affordable property categories
There are 1.1 million (75%) Freehold properties in the suburbs, and 300 000 (25%) Sectional Title properties. Almost all Affordable properties in townships are Freehold.

Aging Affordable stock
There are about 3 000 developments (Sectional Title or Estates) which contain more than 30 Affordable units, totalling around 200k living units. The rest of the market is made up of houses in townships or suburbs, with an average value of R520k.

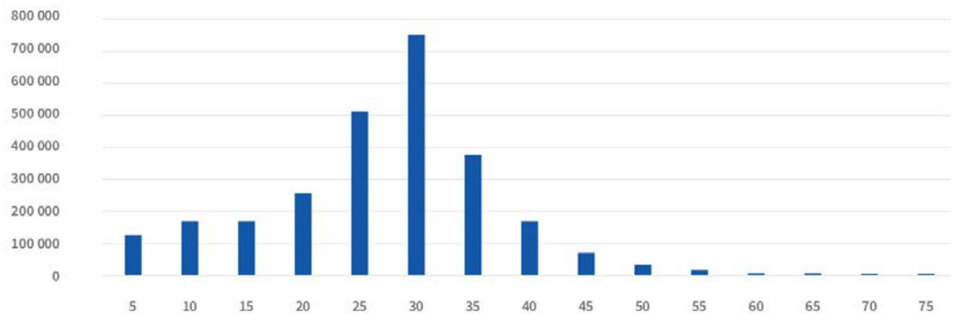
"However, many of these developments are aging and have, over the years, declined in relative value, in areas like Durban and Sunnyside," Ivins-Downes continues.

A small proportion of the

Affordable developments are new developments, with only 10% developed in the last five years, 10% in the previous five years and 80% more than 10 years ago.

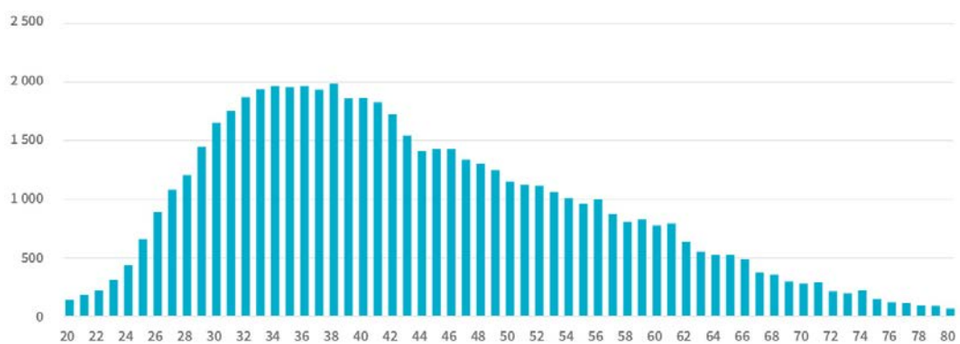
The age distribution of all Affordable properties (not only those in Sectional Schemes and developments) can be seen in the graph below, and it demonstrates that there has been little investment, relatively speaking, in recent years in this category.

Age of Affordable properties

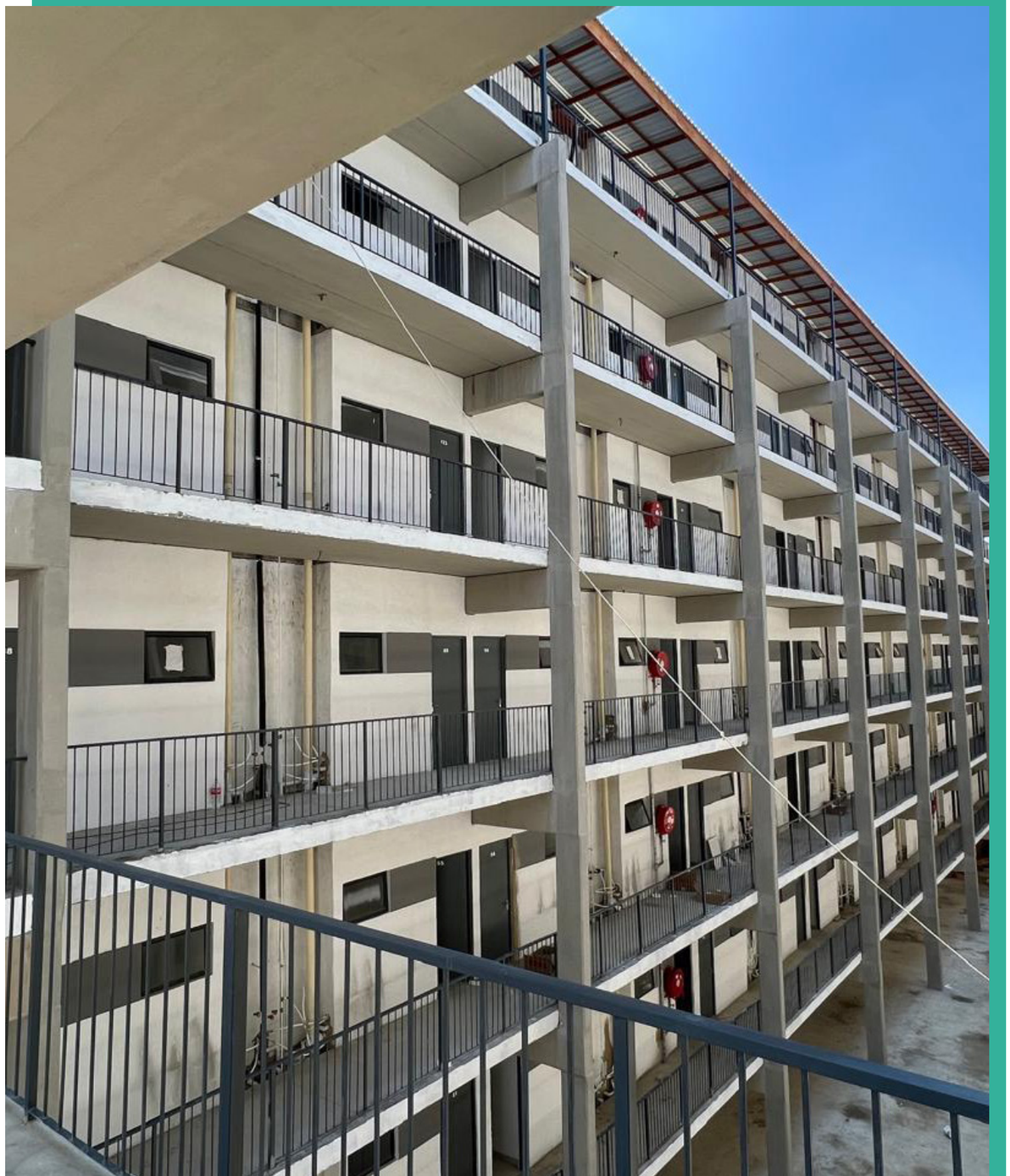


"There are developers aiming to address this, giving the start-up youth access to attractive and affordable housing and not limiting them to old neglected stock," concludes Ivins-Downes. This is important as the graph below demonstrates that people under 30 make up a relatively small share of the market.

Age Distribution of 2023 buyers under R750k properties



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5 Must-Know Tips Before You Begin!

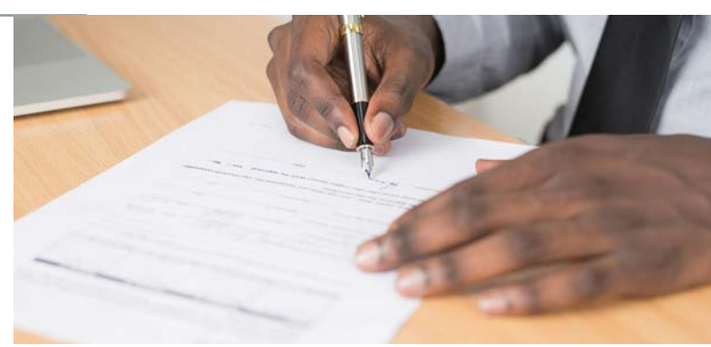


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Six Lessons on how to get out of Bad Debt and increase your Assets and Income

TRENDING ONLINE

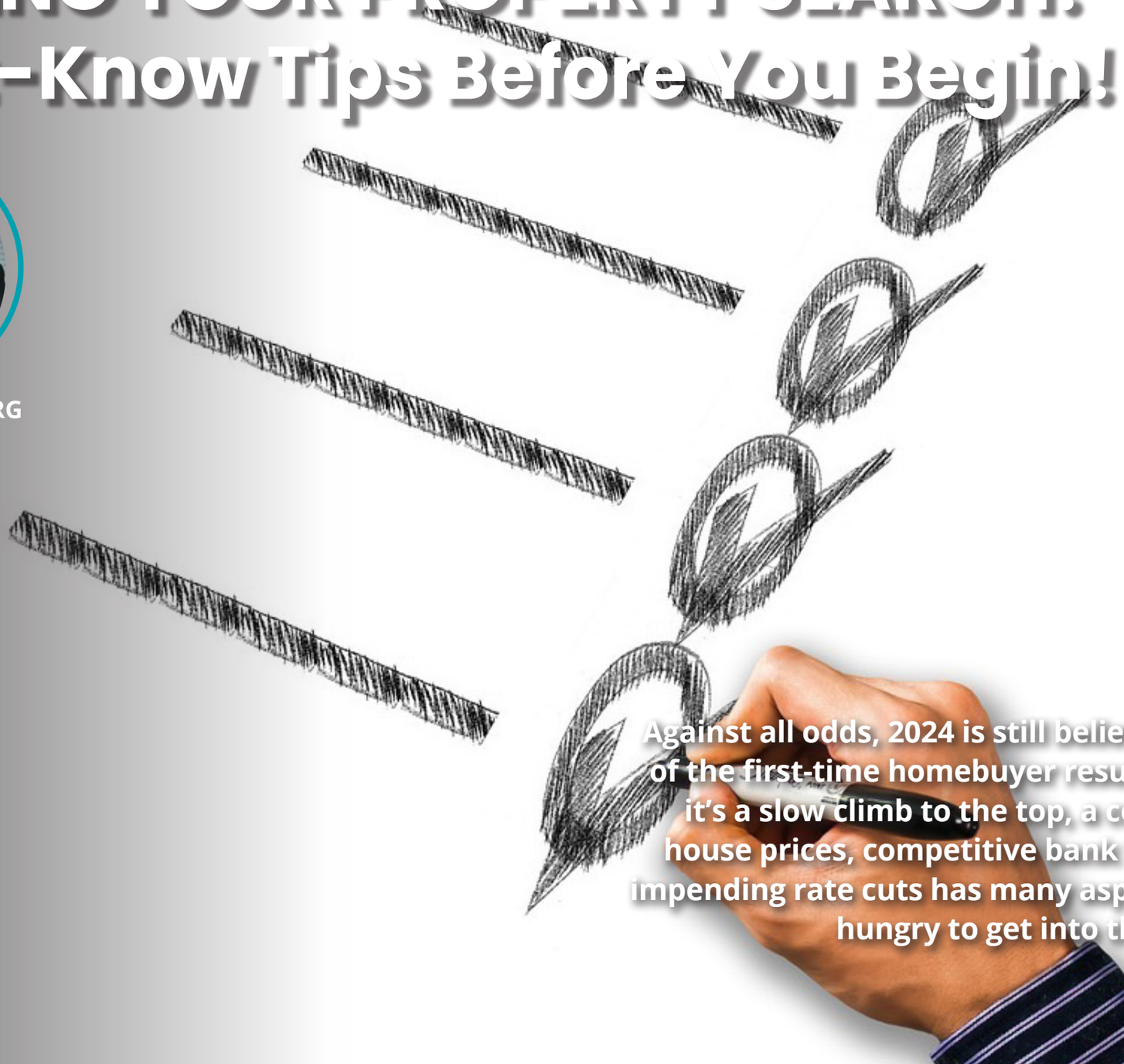
Streamline your bond application: Essential documents and Expert advice



STARTING YOUR PROPERTY SEARCH? 5 Must-Know Tips Before You Begin!



BY GAVIN LOMBERG



Against all odds, 2024 is still believed to be the year of the first-time homebuyer resurgence. And while it's a slow climb to the top, a combination of low house prices, competitive bank interest rates and impending rate cuts has many aspiring homebuyers hungry to get into the property game.

In Q1 '24 first-time homebuyers accounted for 46% of ooba Home Loans' customer intake – a 10% dip from the height of the first-time homebuying frenzy in 2020. Young homebuyers are the beating heart of the property industry and are essential in closing the significant housing gap that still exists in South Africa today.

In addition to reducing housing inequality and promoting stability and security, owning your own home is one of the best ways to build generational wealth and break cycles of economic hardship.

Unfortunately, many would-be homeowners still lack the educational tools required to empower them on their homebuying journey. It's important to remember that the homebuying process has significant financial and legal implications, therefore arming oneself with knowledge prior to shopping around is key.



Unpacking the Top 5 Must-Know Tips for First-Time Homebuyers

1. Why Your Credit Score Matters

The first step on the homebuying journey is to check your credit score. Your credit score is one of the biggest determining factors in whether your home loan application will be approved by the banks. It is used to gauge your ability to repay your monthly debts, determine your risk profile and to secure the best possible interest rate on your home loan.

It's easy to check a credit score online using ooba's Bond Indicator - a free online prequalification tool.

Your credit score is based on several factors, including your debt repayment history, how often you've applied for credit, what kind of credit applied for, how long your various accounts have been open and how much you owe.

A credit score of at least 610 is required for a home loan application to be considered by the banks, and if your score is below this benchmark, it's best to spend six to 12 months taking the necessary steps to boost it before applying again.

Clearing your credit record requires paying outstanding bills in a timely manner, closing accounts once you've paid them off and refraining from applying for additional credit during this time. It's also a good idea to check your credit record for inaccuracies as these do sometimes occur.

2. What You Can Afford

Being realistic about your finances and what you can afford before starting your property search is an essential part of a rewarding homebuying experience. With interest rates remaining elevated, Be conservative when calculating your budget to ensure that you have some breathing room should rates go up again or should your financial circumstances change.

As a rule of thumb, you should ideally not be allocating more than 30% of your salary to home loan repayments, but this figure should also consider:

- Your monthly living expenses
- The current interest rate and
- Whether or not you are applying for a joint home loan.

To take the guesswork out of this, you can use tools like ooba's Bond Calculator to input your gross monthly income, net monthly income, total monthly expenses and desired repayment term as well as the current interest rate to see both the total bond you would qualify and what your monthly repayments would be.

3. How to Boost Your Chances of Approval

The latest oobarometer in Q1 '24 reveals that while national bank approvals on home loan applications were at 66.4% in the first quarter of 2024, approval rates secured in the same period stood at 83.4%.

You have a higher chance of your home loan application being approved when using a home loan comparison service because we submit your application to multiple banks (up to eight) - and different banks have different lending criteria.

Home loan comparison services also have longstanding relationships with the country's biggest lenders and will scrutinise your application to ensure that all the necessary information is present and correct.

Another way to boost your chance of approval is by getting pre-qualified. This can be done for free online, with a tool that checks your credit score, income and expenses to assess affordability.

Upon completion, you'll be issued with a pre-qualification certificate. Our data shows that over 90% of home loan applications that are submitted with a pre-qualification certificate are approved.

Another fundamental way to secure a home loan is through a deposit. Home loan deposits continue their upward trajectory – especially amongst first-time homebuyers.

In Q1 '24, 47% of ooba first-time homebuyer applications secured their purchase with a deposit – up from 43% in Q1 '23.

Furthermore, the average deposit from new homebuyers rose to 10.9% of the purchase price - up from Q1 '23's 9.7% and significantly higher from the average deposit of 7.3% recorded across all applications processed in Q1.

A bigger deposit helps to reduce your home loan term and/or your monthly home loan repayments. It's also a great way to secure the best possible interest rate and show both the banks and sellers that you're a serious homebuyer.

4. You're Allowed to Negotiate

In a challenging economic



environment, receiving the best interest rate possible on your home loan is an effective way of keeping costs down and saving in the long run.

"The advantage of using a home loan comparison service is that by submitting your application to multiple banks, you have multiple interest rates to choose from. Many applicants are unaware that they're able to negotiate with the bank for a better interest rate, and that your bond originator will negotiate on your behalf," says Lomberg.

"The country's banks are actively competing for home loan business and the likelihood of you getting a rate below Prime is high."

He adds that many homebuyers are quick to jump at the first offer, but that it's important to compare and assess because even minor rate discounts can save you tens of thousands of rands in the long-term.

5. The Often-Overlooked Fees Unpacked

Finally, as a first-time homebuyer you should steel yourself for the additional, overlooked costs that come with buying a property. This includes transfer duty (if a home is priced at over R1.1 million and not off-plan), conveyancing attorney fees, administration fees and bond registration fees.

Using the current average first-time homebuyer purchase price of R1 171 798 as an example, these fees would total just under R74 000. However, we are seeing an increasing number of banks offering cost-inclusive lending to first-time buyers in the form of 105% home loans which removes the obligation to put down a deposit as well as covering the upfront bond and registration costs.

While the rise of 105% home loans does remove some of the barriers to entry for first-time buyers, Lomberg cautions that these loans come with higher monthly repayments and a higher interest rate. If in doubt about which option would work best for you, use a free online tool such as ooba's Transfer Cost Calculator to what you would need to have set aside to cover the upfront costs of your purchase.

First-time homebuyers whose monthly household income does not exceed R22,000 have access to a once-off First Home Finance subsidy which can be used towards a deposit or to off-set some of these costs.

The process of looking for your first home is incredibly exciting and with the help of experts, doesn't need to be tedious and complicated. There is so much information available freely online to help young buyers, and to give you the peace of mind that you're not alone on this journey.

Gavin Lomberg is the CEO of ooba Home Loans



THE ADVANCED GUIDE – PART 1
Six Lessons on how to get out of Bad Debt and increase your Assets and Income



BY ROBERT KIYOSAKI

The South African Human Rights Commission (SAHRC) showed that of 19 million credit active consumers in South Africa, more than half have impaired credit records with three months plus in arrears on debt payments.

Before COVID-19 over 10 million South Africans had bad debt and had missed three or more monthly repayments. When you add it all up, it can be daunting and seemingly insurmountable. But don't worry, there are steps you can take to get yourself out of bad debt.

In this 'Advanced Guide to Getting Out of Bad Debt' brought to you by finance and investment education specialist and author of over 20 finance help books Robert Kiyosaki, who was recently in South Africa we look at the first three lessons. He says, 'bad debt is the reason why the economies of the United States, South Africa and many other countries around the world are stagnant, depressed, and dying.'

Bad debt is just the product of the real problem, being controlled by your fear or your greed. Emotions are the biggest cause of financial problems.

We share critical steps over 2-part series on how to help you get out of bad debt. We are not talking about saving your spare change to put towards your credit card balance. We're talking about a bold move increase your assets and income, to take control of your bad debt and your life. This is a big step up from our tried-and-true methods to get out of debt identified.

Advanced Guide to getting out of Bad Debt broken into 6 Steps:

1. Stop spending - Find your financial emotional maturity
2. Start saving - Pay yourself first
3. Look for opportunities
4. Create, build and find your asset
5. Pay down your debt with your cash flow
6. Celebrate. Repeat.

1.Stop spending

Find your emotional maturity. It's important to point out that financial intelligence is also emotional intelligence. Warren Buffett, the world's richest investor, says, "If you cannot control your emotions, you cannot control your money."

The reason many people fail in the process of getting out of bad debt is they cannot live without instant gratification. Many will sacrifice a richer tomorrow for a few indulgent purchases today. Develop your emotional intelligence so that you have the fortitude to stop spending money on things that do not help you get out of bad debt.

If you don't, your tomorrow will be just like your today–or even worse.

2.Start saving - Pay yourself first

Saving money isn't usually my advice, but there's a reason I'm suggesting it now. Let's first dissect why saving money can lead to financial loss.

In times past, saving was a reliable way to grow wealth. But with the shift away from the gold standard, the proliferation of credit has caused debt to spiral out of control.

This isn't just about personal debt; it's about the government's ballooning debt, which they often



manage by simply printing more money. However, this flood of currency decreases its value, resulting in inflation. Inflation benefits debtors but penalizes savers, eroding the purchasing power of their savings.
Since 2008, the US government's printing spree has left many savers worse off, grappling with inflation, higher taxes, and paltry interest rates. The current monetary system thrives on inflation, encouraging spending and discouraging saving.

In this climate, saving may seem futile—except for one crucial strategy: paying yourself first. This entails setting aside a portion of your income for future investment. When my wife and I were tackling debt, we realised the importance of not only saving but also investing to expedite our financial recovery.

It wasn't easy. We had to resist unnecessary purchases and accept that prioritising saving meant enduring creditor harassment. But this pressure fuelled our determination, leading us to seek additional income streams and recognise opportunities we might have otherwise missed. So, while saving may seem counter intuitive in today's economy, paying yourself first can be the key to financial liberation.

3. Look for opportunities

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Realising that a pay cheque won't rescue you from debt is the first step toward financial freedom. But what's the solution? It's simple yet challenging train yourself to recognise opportunities.

This mental shift, from emotional reactions to strategic thinking, unlocks doors to earning beyond what a job provides. Most people miss these opportunities because they seek stability. Yet, once you train your mind to spot one opportunity, you'll see them everywhere. The catch? Many opportunities appear risky to the untrained eye, fuelled by that nagging inner voice.

4 Ways to seize those opportunities:

1. Pause and reassess. Stop what isn't working and explore new avenues.
2. Seek fresh ideas. Dive into books on diverse topics, seeking unconventional wisdom.
3. Learn from those who've succeeded. Connect with mentors over lunch and glean insights.
4. Invest in education. Attend seminars, devour literature, and explore free or low-cost classes.

My life changed through one such opportunity: a real estate investment seminar. Amidst debt and odd jobs, I saved for this chance. Education was my lifeline. The seminar taught me deal analysis and creative financing, empowering me to escape debt's grip. Notably, three of four strategies to find opportunities centred on education—no coincidence.

I invested R3000, buying not just a course but life-changing knowledge. Rapidly, I shed debt and secured financial freedom. Now, I attend similar courses annually, each building on my financial literacy.

By prioritising self-investment over bills, I broke free from debt's cycle. Counterintuitive? However, by paying myself first, I gained the tools to forge a debt-free future. Remember, the key lies in asset acquisition and action. Invest in yourself, seize opportunities, and watch debt fade into the past.

Robert Kiyosaki is an American businessman and author, known for the Rich Dad Poor Dad series of personal finance books.

Don’t miss July 2024 edition of Real Estate Investor Magazine for the last 3 lessons on how to get out of Bad Debt.





6 WAYS TO MAKE YOUR BOND WORK FOR YOU

Have you been diligently paying your home loan for years? Has the current economic situation affected your liquidity or cashflow? Are you looking for relief?

Your home loan may hold the key. The options open to you will differ from bank to bank but these 6 options are worth investigating.

01

Take a holiday

A 'payment holiday' is an agreement with your loan provider that allows you to miss up to 3 monthly payments.

02

Access your access bond

If you have an access bond then you can draw on the extra funds you've paid into your bond.

03

Apply for a readvance

You can apply to access the equity of the bond payments already made, and reduce monthly repayments if your home has gone up in value.

04

Take out a further home loan

It is suggested to take the extra loan over a much shorter period of time, such as 5 years, to attract less interest.

05

Restructure your current home loan

The options available differ from bank to bank and may involve the renegotiation of interest rate and an extension of original term.

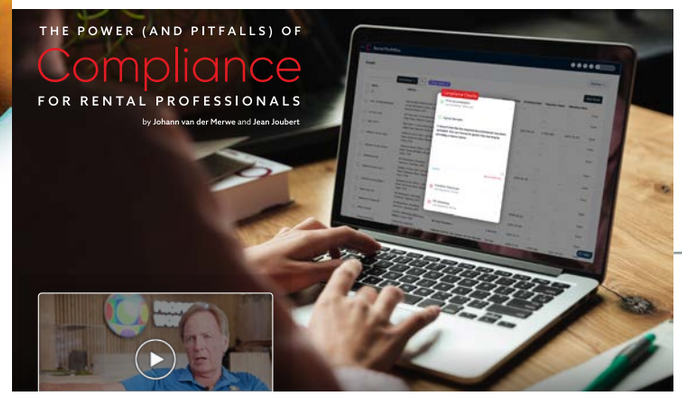
06

Switch!

It is possible to move your bond from one institution to another, but you will have to go through a new application and credit vetting process.

MORE INFO

PROPERTY MANAGEMENT



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The Power (and Pitfalls) of Compliance for Rental Professionals

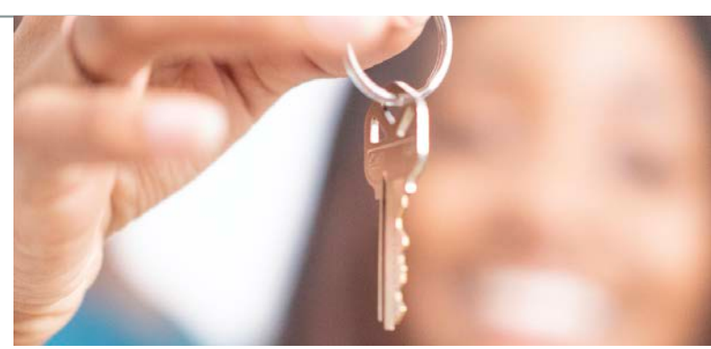


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Procrasti-Nation Alert: South Africans last minute home maintenance habits exposed

TRENDING ONLINE

Revolutionising Rental Asset Management: Customer experience takes centre stage in Portfolio Maintenance, Inspections, and Beyond



Rental Portfolios

THE POWER (AND PITFALLS) OF Compliance FOR RENTAL PROFESSIONALS

by **Johann van der Merwe** and **Jean Joubert**



WeconnectU
INTELLIGENT PROPERTY MANAGEMENT SOFTWARE

THE POWER (AND PITFALLS) OF

Compliance

FOR RENTAL PROFESSIONALS



From left to right:
Jean Joubert and **Johann van der Merwe**
WeconnectU

Compliance in the rental property industry is no laughing matter. The Financial Intelligence Centre Act (FICA), the Rental Housing Act, the Property Practitioners Act, the Consumer Protection Act (CPA) and the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (PIE) all add significantly to rental asset managers' workload.

And the penalties for falling short of total compliance range from serious fines to jail time.

Despite the sizable increase in risk and workload that compliance has added to rental property management in recent years, very few rental management businesses are receiving proportionately higher compensation. Understandably, this – together with its fiddly and time-consuming nature – has made compliance one of the industry's least favourite responsibilities.

The benefits of compliance for the rental industry

Just because compliance is unpopular doesn't mean it isn't a good thing for the rental property management industry. In fact, there are a number of very important benefits that compliance brings.

The first is its positive influence on the professionalisation of the industry, which has been expanding at an unprecedented rate. Without the establishment of professional bodies and the implementation of progressive legislation, it would be easy for rental management to descend into uncontrolled chaos.

By holding rental professionals to a higher standard, compliance not only helps to maintain order, mitigate risk and promote responsible business practices; it also weeds out the "bad eggs" that could tarnish the industry's reputation.

The result is an industry that is increasingly professional, respected and valued – and when value increases, so too does compensation.

Compliance's biggest pain points

There's no denying that compliance can be a painful prospect, however. The requirements are fiddly, time-consuming, and repetitive, and complicated enough that it's easy to miss a critical step here and there.

This is particularly true for rental asset managers with large portfolios working across multiple disconnected tools and platforms. These invariably create incohesive workflows with unavoidable blind spots and bottlenecks that make tracking, measuring and managing compliance virtually impossible.

To make things worse, regulations are updated and amended from time to time, disrupting any established workflows that may be in operation. Under the circumstances, it's no wonder compliance has become a stressful subject.

Fortunately, it doesn't have to stay that way.

WeconnectU

What does good compliance require?

We've done a lot of research into the most effective ways to achieve good compliance, and one thing has always come out on top: manageability.

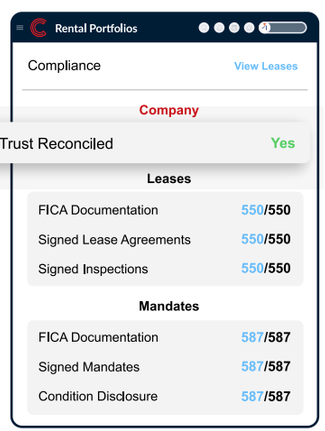
What do we mean by manageability? Having the right tools and processes in place that make it possible to:

- Reduce waste through optimisation.
- Make confident decisions using accurate and up-to-date information.
- Adapt when necessary thanks to better visibility and strategic control.
- Enhance productivity and satisfaction through better workflows and higher morale.
- Align all efforts and activities with business goals.

Good manageability makes it possible to successfully oversee all the moving parts of compliance in a rental management business, ensuring all requirements are met, accurately and on time, with total transparency and accountability.

Did you know?

Compliance is one of the most resource-intensive activities of rental asset management. By optimising compliance, you can greatly improve your ability to handle more mandates without requiring increased resources, enabling you to scale your operations – and your profits!



The easy answer

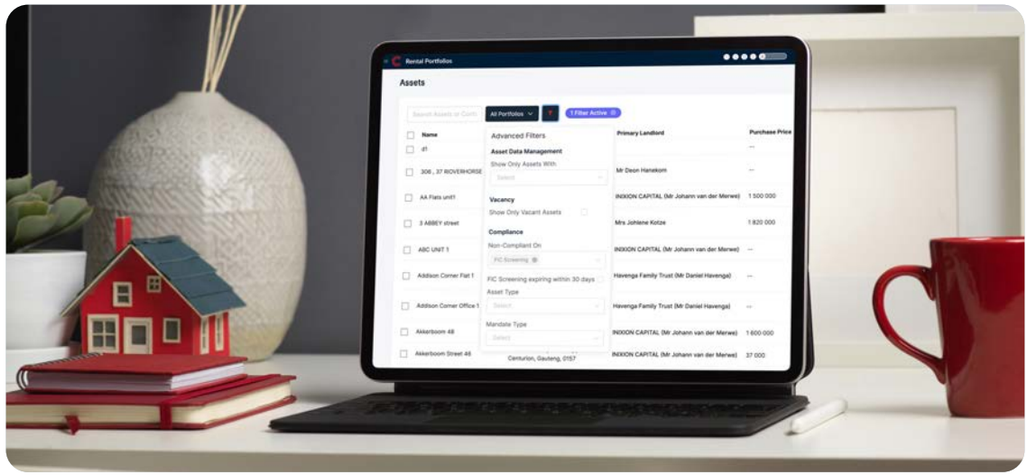
If you're struggling to get into a good compliance rhythm, you're not alone. Our WeconnectU surveys have consistently shown that compliance remains a key concern for rental asset managers. However, we've also seen the impact our Rental Asset Management solution has for our clients.

Our 2023 survey showed 94% of our clients experienced significance improvements to their business' compliance as a direct result of using WeconnectU. A further 95% reported improvements in their business' manageability, with 81% enjoying greater scalability and 72% achieving higher profits.

WeconnectU's Rental Asset Management Solution

We like to believe that our Rental Asset Management suite is as effective as it is because we've been where you are, and we've experienced what you're going through.

We created our suite of compliance tools specifically to solve the pain points of the South African regulatory environment. The result includes everything from up-to-the-moment compliance checklists & planners to real-time compliance status monitoring with full interdepartmental transparency.



Best of all, our compliance functionality is seamlessly integrated with the rest of our end-to-end rental asset management solution – at no extra charge. This enables rental asset managers to effortlessly include (and even automate) compliance tasks as part of their daily workflows.

Benefits of our solution include greater:

- **Security:** All documents are stored securely in the cloud, eliminating the risk of loss.
- **Accessibility:** Documents are accessible to all approved users with the relevant permissions.
- **Consolidation:** All approved users have access to the latest and most accurate documents stored within the solution. These can be effortlessly emailed directly from the solution as required.
- **Cost savings:** Auditors can be granted direct access to WeconnectU, enabling them to view all necessary compliance documents without any back-and-forth requests required. This reduces the time spent on your audit and subsequently lowers audit costs.
- **Manageability:** Advanced filters and reporting offer a quick way to gain an overview of areas requiring compliance documents, enabling faster, more efficient and more effective management.

Say goodbye to dropped balls, missed dates and inaccurate or incomplete information. WeconnectU offers seamless, streamlined, efficient compliance that delivers complete manageability, visibility and control.

Empower your property management team with WeconnectU! We make the full spectrum of your value-adding services visible, reducing pushback on fees and ensuring healthier, happier teams.

RedRabbit Powered by WeconnectU

Find out more

WeconnectU

PROCRASTI-NATION ALERT: South Africans last minute home maintenance habits exposed

By Editorial



Gutters, paint, roof, walls, and pools – important seasonal home maintenance is often forgotten until the very first drop of rain (and that annoying new leak).

When you think of winter weekends, you think of thick blankets and warm fires. What you don't think of is home maintenance, repairs and doing a basic service on essential things around the home. This is exactly what Kandua.com found too – when it comes to roofing, gutters, and waterproofing, eighty per cent of South Africans only pay attention to essential home maintenance when it's too late.

For those north of Cape Town, spring isn't just the turn of the season, it's the number of leaks that have appeared after the first rain. If waterproofing, painting and roof and gutter maintenance aren't done before the rainy season – leaks and damp spots spring up all over the house.

According to Kandua, May, June and July are incredibly quiet when it comes to roofers, gutter specialists, and water proofers, with less than twenty percent of these requests being posted during this period. However, this is exactly when you should be focusing on essential home maintenance such as waterproofing the roof and walls, checking for leaks, and ageing tiles, and emptying your gutters after the trees have shed their weight. When the first rain hits in spring, outside of the Western Cape, the dry season will have created cracks or opened new holes that will immediately damage your home and walls.

In fact, for those who suddenly woke up in September, October, and November – Kandua saw a dramatic spike to nearly seventy percent in September alone – there may have been a few extra expensive surprises that came along with the rain. Because the problem with delaying maintenance is that one problem can cascade into ten more and this gets expensive and frustrating.

While procrastinating under a pile of blankets is the easiest thing to do in the middle of winter, the cost to your bank balance goes up if you leave things to the last minute. Plumbing is especially important to maintain and check, particularly in cold snap, as water comes into the house cold and this can break the pipes, especially if they're old. If you are worried, call in a plumber before the cold front hits so they can check your pipes and make sure everything is in perfect condition.

Another money muncher is the roof. In summer it is pelted with hail, rain, and heat. Your roof tiles endure constant temperature changes, and this causes ongoing damage. Do not put it off. For Capetonians, summer is the perfect time to hire a skilled roofer to check every corner and crevice for leaks, cracks, missing tiles, and potential problems. The rest of the country should use the dry winter season to do the same. This not only makes sure your roof is ready for the first rain, but it allows any repairs or painting to dry completely. Make use of this time to check your gutters for any debris or blockages as these cannot just block water from flowing, putting you at risk of leaks and dampness, but the weight can crack the gutters or damage your roof.

If you have the budget, winter is also an excellent time to paint the house. You give your walls time to dry before the rain and you're protecting the walls from weathering which will add resale value and save you money in the long run.

Tree fellers are most in demand in October, March, and April – which coincides with what is usually the first and last big storms of the summer season. Falling trees can cause considerable damage to your house, walls and garden so don't wait – get a skilled professional to come in and check your trees before the storms.

Finally, there's the pool. Dirty? Old paint? Walls covered in green slime? Pool maintenance is best done in winter when the lack of heat and rain makes it far easier for pool maintenance specialists to store the water from the pool before painting and repairing any cracks. Unfortunately, most South Africans tend to forget about their pool until it may be too late – requests go up as the mercury rises, with a mere ten percent of pool specialists being requested during winter.

So, in 2024, instead of waiting for that first drop of rain, find skilled pros who can step up and help you keep your home in perfect condition. No need to stress if you can't clamber over the roof or don't know how to waterproof, paint, roof, or tile.



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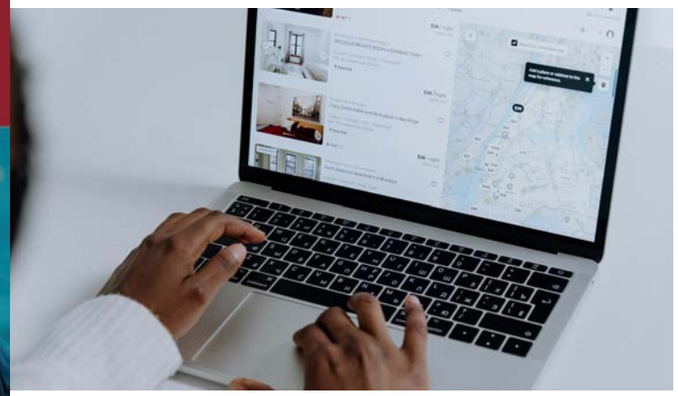
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TECHNOLOGY



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Navigating the Path to Wealth Growth



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Unlocking The Metaverse: Real-World Applications - beyond gaming & social interactions

TRENDING ONLINE

Charting the Course Ahead: Key Technological trends reshaping customer interaction & operational management for Businesses



YACHTIES' GUIDE TO AIRBNB PROPERTY INVESTMENT: Navigating the Path to Wealth Growth



BY WESLEY ROOS

So you've been working on the yachts for a few years and you've managed to save up some money. You've just arrived back home and you're probably wondering where to spend excess money earned by working on yachts. You need a good investment that is hands-off as you're probably heading back to the yachts shortly. So, what next?

Short-term rental property investment could be just what you're looking for. Buy a property, put down a hefty deposit to make sure the cash flow is good enough to cover the bond payment, and let an Airbnb management company manage your property for you while you're away. Simple right? Sure, just make sure you buy the right property.

Yacht crews lead a unique lifestyle, often spending extended periods of time sailing the open seas and experiencing different cultures around the world. While this lifestyle offers adventure and excitement, it can also often lead to frivolous and rushed financial decisions as there is often a limited amount of time to wisely invest money before they are on the move again.

One avenue that many yacht crew members have explored is property investment. Investing in real estate can provide a stable and relatively risk-averse way to grow your wealth. However, navigating the property market can be overwhelming, especiall if you're unfamiliar with the ins and outs of property investment analysis.



That's where Proply comes in. Our mission is to help any property investor, even yacht crew members, to unlock the potential of property investment opportunities. We understand that yachtie money can be hard-earned and that you want to make smart investment decisions. With our expertise in short-term rental investment analysis, Proply will guide you through the process of finding the right property that aligns with your financial goals.

Why Yachties Should Consider Investing in Property

While the open seas are undeniably your domain, there are compelling reasons why diversifying your portfolio with a short-term rental investment property (or several) may be a smart move.

First and foremost, investing in property as a yachtie provides a stable and supplementary source of income and tangible way to grow your wealth. Yacht crew members, with their unique skill sets and global connections, often earn considerable salaries.

However, it's always wise to have multiple ways to grow your wealth, especially in an industry that can be unpredictable. By investing in a property that you can rent out on a short-term basis, you can generate a steady flow of income if it's geared correctly while at the same time enjoying the capital appreciation of your asset, all while you're out at sea. This is obviously dependent on how you finance your property, what kind of deposit you put down, and how your property performs. That is why it's essential to get the right property.

Furthermore, the boating lifestyle often involves traveling to various destinations around the world. Having a property as an investment can serve as a home base when you're back home and generate income through short-term rental platforms like Airbnb when you're away.

In conclusion, investing in property as a yachtie can be a shrewd financial move. Not only does it provide a stable and tangible asset, but it also offers the opportunity for additional income through short-term rental investments. Ultimately, investing in property offers yachties the opportunity to diversify their income streams and create a solid foundation for long-term financial stability.

proply

SHORT TERM RENTAL INVESTMENT REPORT

Client: Joe Soap
Contact: +27 82 954 0000
Email: joe.soap@mail.com
Address:

Investment Property Address: 243 High Level Road, Sea Point, Cape Town, 8001

Deal Summary		
Asking Price	R5,890,000.00	
Feasible Offer	R5,000,000.00	
Savings	R890,000.00	
Savings (%)	15.11%	
Interest Rate	11.75%	
Term (Years)	30	years
Monthly Payment	R45,423.44	
Deposit (%)	10.00%	
Deposit (Rands)	R500,000.00	
Loan Amount	R4,500,000.00	
Bond & Transfer	R430,831.00	
Proply Fee	R50,000.00	1%
Cash required	**R980,831.00**	

Airbnb Summary	
Avg Nightly Rate	R2,602.42
Avg Occupancy	63.00%
Management Fee	20.00%

Size & Historicals	
Beds	2
Baths	2
Parking	2
Size (m²)	83
Rate/m²	R60,240.96
CMA Average	R61,015.27
Difference	-R774.30

You're paying -774.302811244983 less than the average rate/m² for units in this building.

Assumptions:
- 20% management fee
- 10% deposit
- 11.75% interest rate

Investment Performance	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20
Yield	10.82%	11.15%	11.48%	11.82%	12.18%	14.12%	18.97%
Return on equity	-3.23%	-0.61%	1.23%	2.32%	3.17%	5.23%	6.04%
Annualised Cashflow	-R224,665.69	-R215,433.11	-R203,763.86	-R193,969.01	-R182,751.65	-R121,410.48	R32,138.13
Property Appreciation	R200,000.00	R208,000.00	R216,320.00	R224,972.80	R233,971.71	R284,662.36	R421,369.84
Cap Rate	6.41%	6.59%	6.83%	7.02%	7.25%	8.47%	11.54%
Cash on Cash Return	-43.56%	-40.27%	-36.62%	-33.40%	-30.06%	-15.10%	1.80%
ROI (without appreciation)	-24.14%	-23.14%	-21.89%	-20.84%	-19.63%	-13.04%	3.45%
ROI (with appreciation)	-2.65%	-0.80%	1.35%	3.33%	5.50%	17.54%	48.72%
Annualised Return	-R23,150.77	-R5,730.28	R14,470.18	R33,155.24	R53,638.38	R167,591.19	R467,479.18

How to Make Smart Investment Decisions with Proply Software

Investing in real estate can be a lucrative venture, but it's important to make smart decisions based on thorough research and analysis. When it comes to investing in short-term rental properties, having access to accurate insights is crucial. This is where Proply comes in. With its comprehensive data and analytics, it can provide valuable information to help investors make informed decisions.

One of the key features of Proply Insights is its ability to analyze any short-term rental investment property. This analysis considers various factors, such as location, property type, and market trends, to give you a comprehensive overview of the investment's potential. By looking at historical data and current market conditions, you can make more informed decisions and minimize the risk of investing in properties that may not yield favourable returns.

There are many more things to consider when purchasing a short-term rental investment property, but these are some of the main ones. The point is that when it comes to making smart investment decisions, having access to reliable insights and analysis can make all the difference.

Key investment metrics to consider:



1. **Rate/m²**
   Check if you're significantly overpaying or underpaying for your property relative to other units in the building. You do this by looking at the rate/m² you're paying compared to the average rate/m² paid for all recent sales in the building. This means that you are exposing yourself to increased capital growth or appreciation. This information is not easily accessible, so don't worry, Proply Insights will provide it for you.

2. **Yield**
   Make sure your yield is decent. This can be very different based on the area and level of property you are purchasing but be sure to compare yields of different properties to get a baseline of what is good and what is not. As a rule of thumb, we don't really consider anything under a gross yield of 12%.

3. **Cash flows**
   Check you're getting a positive cashflow, particularly if you've put down any kind of significant deposit. If your cashflow is negative, make sure you can afford the monthly amount to cover any deficit.

4. **Management Fee**
   Make sure you're factoring in a management fee. This is so that you don't have to manage your property while you're away. Most Airbnb management companies charge around 18-20% of the booking revenue per month, as well as leveraging most other expenses on the owner.

5. **Return on equity (ROE)**
   This metric allows you to compare different investment opportunities and measure how effectively your equity is working for you. For example, a high ROE means you have a small amount of equity producing you a much greater return. This can be seen in financed versus non-financed properties. Non-financed properties have a very low return on equity while financed properties have a much higher return on equity, as the financed property is producing the same income as the non-financed property but for less capital layout.

Conclusion

For yachties and those in the marine industry, investing in property can be a smart move. However, it's important to approach it with caution and thorough research. That's where Proply Insights can help. By providing comprehensive property investment analysis, it allows yachties to assess the potential of different properties and make informed decisions that align with their financial goals.

Wesley Roos is the CEO & Founder of Proply.

UNLOCKING THE METAVERSE: Real-World Applications – beyond gaming & social interactions



BY ERIC NIENABER

One common misconception about the Metaverse is that it only serves purposes related to gaming and social interactions. This is not surprising given the popularity of platforms like Roblox and VR Chat, as well as brand engagements on Decentraland and Spatial, which emphasise user-centric brand experiences. While these engagements are significant, they tend to overshadow the broader potential of Metaverse technologies.

At the core, all Metaverse technologies share a 3D digital experience, with the level of immersion determined by the hardware used. While 2D digital experiences will remain, 3D experiences are poised to become prevalent in various applications beyond gaming. So, what are the real-world applications of these technologies? The potential applications are extensive, including virtual offices, virtual collaboration, corporate events, education and training, virtual property viewings, architectural visualisation, virtual showrooms, virtual shopping experiences, music experiences, art experiences, healthcare, and more.

The Sense of Place and Presence

A key advantage of 3D immersive applications is their ability to provide a sense of place and presence, which is distinct from 2D interactions. Two examples I have witnessed firsthand are virtual corporate events and the extended reach of real events via 3D immersive experiences.

Virtual Corporate Events

In the corporate world, in-person conferences effectively bring people from different parts of the world together. These events, which often include strategy alignment, new product communications, and topic-specific workshops, are generally expensive and time-consuming, leading to selective attendance.

While in-person events are invaluable for relationship building, 3D immersive technologies can extend these experiences to larger groups at a fraction of the cost. 3D applications create a sense of place and presence, allowing participants to move between different event offerings, network with others, and engage with organisational leaders in a way that is more dynamic than traditional virtual meetings on platforms like Zoom, Teams, or Google Meet.

I've seen such events on the Vatom Spaces platform, where hundreds of people participate in an event featuring a main stage, breakout areas, and workshop zones, mirroring an in-person event. While in-person and 2D virtual engagements each have their place, 3D events enable companies to extend their engagement and alignment activities cost-effectively.

Extending Real Events

Another example is the extension of actual events, such as trade shows. Recently, we participated in an in-person event with a physical product exhibit staffed by our team. We also created a digital twin of the exhibit in MetaPress, staffed by our team members. We were also streaming in a live feed from our exhibit stand.

This allowed people to visit our exhibit in the digital world, extending the reach of our content beyond the physical event and experience the happenings there via the live stream. The response from the virtual world visitors was amazing. This approach can be applied to many industries, such as property showcases, where both physical and digital twins enable personal engagement with the product.

In Summary

It's time to get practical about 3D immersive applications and leverage these technologies for tangible business benefits. The sense of place and presence offered by 3D experiences can enhance various real-world applications, making them more effective and far-reaching. I look forward to discussing more use cases in future articles.

Eric Nienaber is the co-founder of ydangle apps and MetaPress. He is a technology leader with extensive experience in the application development and metaverse space.

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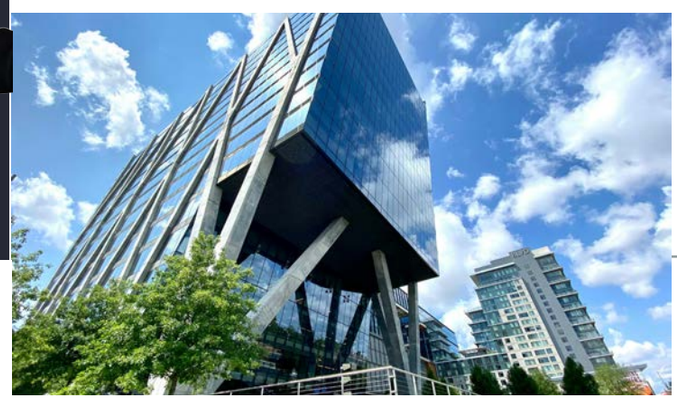
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COMMERCIAL



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Online retail growth bodes well for SA's Industrial Property sector



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Unlocking tenant desire: What Commercial renters seek in Properties vs. Broker loyalties

TRENDING ONLINE

Workplaces that adapt to an Evolving Workforce are key to attracting Next-Generation Talent



ONLINE RETAIL GROWTH bodes well for SA's Industrial Property sector



BY JOHANN NELL



South Africa's industrial property sector is performing well in most key nodes within the Gauteng, Western Cape, and KwaZulu-Natal provinces. New development activity is taking place in these areas as demand for logistics and supply chain functions increases amid the continuing growth of e-commerce in the country.

Naspers-owned e-commerce group Takealot has made significant investments in warehousing centres not only in Gauteng but also in the Western Cape and, more recently, in KwaZulu-Natal in the Riverhorse Valley node. This comes as international entrants like Buffalo Logistics, which services Asian e-commerce giants Temu and SHEIN, and US e-commerce and tech behemoth Amazon enter the SA market.

As online retail continues to capture a larger share of South African consumer spend, with Rand Merchant Bank projecting a staggering 150% surge in e-commerce transactions by 2025, more businesses have invested in developing an online presence. These online sales come out of warehouses, which is a big driver of new industrial property development.

Redefine Properties' Johann Nell, who oversees the company's industrial and development property portfolio, notes that the industrial property market has changed of the past 10 years. "Instead of light manufacturing or heavy manufacturing, where there has been a reduction in activity due to certain duties falling away on certain commodities resulting in an influx of imports, these spaces are moving towards logistics and supply chain uses."



Redefine's industrial portfolio composition has shifted as a result and is now heavily weighted toward modern logistics and high-tech industrial assets constructed to support supply chain elements, such as distribution, retail warehousing, and logistics operations.
"These types of hi-tech industrial spaces are typically what you will find in key areas like Linbro, Longmeadow, and Midrand in Gauteng, in newer nodes north from Paarden Island and Montague Gardens in the Western Cape, and in Riverhorse Valley in KwaZulu-Natal."

Furthermore, the exponential rise in data usage as a result of increased e-commerce, remote work, cloud storage, AI and high-speed streaming has fuelled demand for data centres. These now occupy large portions of industrial land, mostly in Gauteng and the Western Cape, Nell says.

"Large areas of land and electrical capacity are needed for these facilities in those important nodes. Data centres consume a lot of energy and land, requiring more space than is usually found in the industrial sector."

Considering constraints around electricity capacity and water supply in certain areas of the country, and the increasing cost of supply, Nell says tenants require sovereign and sustainable industrial spaces that can function in a node even when infrastructure and municipal services are compromised.

As such, Redefine has made investments into various interventions such as solar PV rollouts on buildings and the use of LED lighting, which significantly reduces kilowatt hour consumption. This, Nell says, helps ensure energy cost efficiencies and a stable energy supply so that the business occupying that space can continue operations without disruption.

There's also the challenge of water supply in certain areas, such as Gauteng metros. Just recently, the City of Tshwane issued a supply warning, stating that Rand Water's supply system is “on the verge of collapse,” with water storage for the bulk supplier sitting at below 30%.

According to Nell, Redefine continues to invest in water security measures at its industrial buildings to provide access to water during outages. These measures include solar power, generators, water harvesting, and storage facilities, and other measures that keep buildings functioning even when the surrounding water infrastructure can't support the building and surrounding node.

"It is essentially about reducing the cost of occupancy and establishing sovereignty; being able to operate irrespective of what's happening around us in the greater node around our buildings. Therefore, our buildings will stay operational and secure."

While many companies are trying to buy the industrial spaces, they occupy rather than rent them, Nell says these buildings might eventually be put back up for sale. "The reason is that managing a real estate portfolio is not their primary function. And, by concentrating on their business while we concentrate on ours, companies can engage in meaningful business when they partner with us. Our goal is to assist companies in implementing efficient and sustainable spaces, which have become increasingly important in the South African environment."

In conveniently located nodes, and with the support of real estate companies that focus on sustainable energy and water supplies, companies in the online retail sector and beyond can flourish.

Johann Nel is the Head of Development and Industrial Asset Management at Redefine Properties

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UNLOCKING TENANT DESIRES: What Commercial renters seek in Properties vs. Broker loyalties

By Editorial



According to a recent report by Savills, while strong demand for top-quality spaces continues to underpin prime office markets around the world, in some markets landlords are having to work harder to attract and retain tenants, with concessions and incentives being used to help offset rising costs to occupiers.

Says Alex Oberholzer, head of the occupier services division of Swindon Property, Savills' commercial property associate for in sub-Saharan Africa: "Globally, as stated in Savills' report, in recent years, concessions and incentives have become increasingly important to attract and retain tenants in a competitive office market. Work-from-home and pandemic-era trends such as hybrid working and hotdesking have made a lasting impact on the leasing environment.

"Demand for fully fitted turnkey space in prime locations has grown. This type of space is desirable to tenants for its 'plug-and-play' benefits, allowing quick move-in and set-up times for new tenants. Occupiers increasingly demand high-quality, fully built-out space without needing to invest time and money into planning and executing the design themselves, while astute landlords can also charge a premium for rent for these spaces.

"Increasing fit-out costs are rising due to a variety of factors, including a general increase in labour and material costs, as well as inflationary pressure, which is true in South Africa as well as internationally. This creates a challenge for both landlords and tenants – for landlords, it means that it will likely be harder to market undeveloped space and more expensive to commit to turnkey developments. Tenants, on the other hand, may be forced to account for these prices in their office footprint decision process."



Adds Oberholzer: "Rent-free periods are another popular means of incentivising leasing activity in a building, especially in light of higher fit-out costs. Over the past five years, the global average duration of these rent-free periods has increased from approximately 7-10 months over the typical lease term, particularly in markets facing higher vacancy.

"In some markets, landlords are going above and beyond the standard amenity provision. In addition to gyms and conference centres, ESG (Environmental, Social & Governance) credential upgrades to buildings and even sports facilities such as basketball courts have become additions. Hong Kong is an example of this, and if the market space is at a premium and buildings can't typically accommodate more amenities, landlords are becoming creative by providing tenant-exclusive apps that offer discounts to local shopping and food."

Crucial Criteria: What modern tenants seek in Commercial Rental Properties

Top of list among Commercial Property Tenants as per Swindon Property:

1. **Location**
   Accessible and convenient locations with proximity to transportation hubs, major road networks and amenities such as restaurants, shops, and banks are highly desirable.

2. **Safety and Security**
   Tenants prioritise properties with robust security measures, including access control systems, CCTV surveillance, security personnel, and well-lit parking areas, to ensure the safety of their employees. This is especially true of call centres which operate 24/7, among others.

3. **Quality of Infrastructure**
   Modern and well-maintained buildings with reliable infrastructure, including electrical systems, HVAC (heating, ventilation, and air conditioning), telecommunications, and internet connectivity, are essential for smooth business operations, while back-up water is becoming another key imperative.

4. **Flexible Space Design**
   Tenants look for flexible space layouts that can be easily adapted to their specific needs, whether it's open-plan offices, modular workstations, or customisable floor plans that accommodate future growth or changes in business requirements. A good amount of natural light and floor to ceiling heights, pleasant views.

5. **Energy Efficiency and Sustainability**
   Increasingly, tenants prioritise environmentally sustainable buildings with energy-efficient features such as LED lighting, solar panels, green roofs, and water-saving fixtures. Green certifications like LEED (Leadership in Energy & Environmental Design) or Green Star are also attractive.



Mike van Schoor, KwaZulu-Natal director for Swindon Property, emphasizes the significance of green initiatives for landlords in attracting employees back to the office and boosting occupancy rates. Despite the initial cost, investing in energy-efficient infrastructure benefits both tenants and property owners. Tenants enjoy reduced utility bills, while landlords experience increased property value and decreased long-term operational expenses.

Although rental rates for space in green-certified buildings may be slightly higher, the long-term advantages outweigh the initial investment.

Amenities and Facilities: Properties offering on-site amenities and facilities such as cafes, gyms, conference rooms, co-working spaces, childcare facilities, and outdoor recreational areas enhance the workplace experience and contribute to employee well-being and productivity.

Parking and Accessibility: Sufficient and secure parking facilities, including both on-site and off-site parking options, are important considerations for tenants, as well as accessibility for employees, clients, and visitors, including provisions for disabled access.

High-Speed Internet and Connectivity: In today's digital age, reliable high-speed internet connectivity is critical for business operations. Properties with access to fibre-optic networksand advanced telecommunications infrastructure are highly sought after.

Cost-Effectiveness: While tenants seek quality amenities and facilities, they also prioritise cost-effectiveness. Properties offering competitive rental rates, favourable lease terms, and value-added services that contribute to cost savings are attractive options.



Key Considerations for Prospective Tenants: A Comprehensive Guide to Leasing Commercial Space

- Lease terms and potential hidden or variable recovery charges, especially where these are based on pro-rata cost allocations, such as charges regarding common areas
- Potential rates increases during the current term of the lease over and above rental escalations
- Operating expenses
- Potential maintenance issues due to the age and upkeep of the property
- Office locations that are affected by severe traffic congestion or potential external security issues
- Flexibility for future needs
- Regulatory compliance and zoning
- Understanding the nature of the other tenants in the building eg a business with high staff volumes per sqm will negatively impact access to lifts, common areas etc
- Tenant rights and dispute resolution

Van Schoor explains further: "Primary common areas are those that all the tenants have use of, with costs split on a pro-rata basis among all the tenants, while upper floors would also have a secondary common area such as a first-floor lobby, the costs of which are split between only the first-floor tenants. A professional occupier services broker would raise these costs to the tenant to ensure they are aware of these upfront and can make an informed decision."

Adds Oberholzer: "As a tenant, sourcing and securing new premises can be challenging, as well as renegotiating and renewing existing agreements with landlords.

"The above key factors emphasise the need for tenants to appoint a professional and reputable firm with a proven track record to represent them and ensure cost reductions risk mitigation and enhanced efficiencies of their workspace. "On renewal negotiations, we will conduct lease audits to ensure post billings are accurate and provide a detailed report of market conditions to ensure a strong position for negotiation. We also often include the service of a space planner to assess size requirements and ensure that the tenant understands what their usable vs rentable space is, as the common area percentage in buildings can differ substantially. "Apart from the space requirement, one needs to understand the market values to ensure that the tenant secures fair terms and fully understands the lease agreement to avoid undesirable surprises later into the lease period."

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CYPRUS
PROPERTY TOURS
2024

Tour 1
April/May
Su Mo Tu We Th Fr Sa
22 23 24 25 26 27 28
29 30 1 2 3 4 5
6 7 8 9 10 11 12
13 14 15 16 17 18 19
20 21 22 23 24 25
SOLD OUT
APR
27th - 5th

Tour 4
September
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8 9 10 11 12 13 14
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22 23 24 25 26 27 28
29 30
SEP
14th - 21st

Tour 2
June
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16 17 18 19 20 21 22
23 24 25 26 27 28 29
30
*Youth Day SA
JUN
15th - 22nd

Tour 5
September
Su Mo Tu We Th Fr Sa
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8 9 10 11 12 13 14
15 16 17 18 19 20 21
22 23 24 25 26 27 28
29 30
*Heritage Day SA
SEP
21st - 28th

Tour 3
July
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14 15 16 17 18 19 20
21 22 23 24 25 26 27
28 29 30 31
JUL
20th - 27th

Tour 6
October
Su Mo Tu We Th Fr Sa
1 2 3 4 5
6 7 8 9 10 11 12
13 14 15 16 17 18 19
20 21 22 23 24 25 26
27 28 29 30 31
OCT
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TRENDING ONLINE

Greek Golden Visa price going up



CYPRIOT REALTY: Your Gateway to the Idyllic Life in Cyprus!

By Editorial



Discover the allure of Cyprus with Cypriot Realty, a distinguished international offshore marketing company boasting a remarkable 16-year legacy of guiding investors towards their dream homes. Whether it's facilitating permanent residency applications or orchestrating seamless relocations, we excel in providing tailored services to make your Cyprus experience both delightful and unforgettable.

Embark on personalized property inspection trips across Cyprus, where you'll explore enticing real estate opportunities and connect with legal experts, financial institutions, and educational resources. Our comprehensive turnkey solutions ensure every aspect of your journey is meticulously managed.

Since 2008, Cypriot Realty has spearheaded the promotion of Cyprus as an ideal destination for property investment, immigration, retirement, and business ventures, earning recognition as Southern Africa's premier investment specialist. Our expansion from Cape Town to international hubs underscores our commitment to delivering unparalleled client service.

Choosing the right investment destination can be daunting, but with Cyprus, the decision is clear. Drawn by its parallels to South Africa and testimonials echoing its safety and charm, countless South Africans have found their haven in Cyprus.



Testimonials from satisfied expatriates paint a vivid picture of Cyprus' appeal:

- Cathy from the Garden Route revels in the safety and tranquility of Cyprus.
- Di, formerly of Cape Town, embraces the unhurried lifestyle and warmth of the local community.
- Martha, hailing from the Eastern Cape, marvels at the security and convenience of daily life in Cyprus.
- Chantall, a resident of Cape Town, savors the culinary delights and abundant produce of Mediterranean life.
- Paula, formerly of Johannesburg, extols the freedom and abundance Cyprus offers, likening life to a permanent holiday.

At the helm of Cypriot Realty is Jenny Ellinas, a seasoned professional with a rich background in sales and marketing. Jenny's passion for excellence and extensive financial expertise ensures clients receive unparalleled guidance and support.

Investing in property is a cornerstone of wealth accumulation, and Cyprus offers a secure path to prosperity. Amidst a global real estate slowdown, Cyprus stands out with its pristine locations, exemplary construction standards, and diverse lifestyle offerings.

A property investment in Cyprus transcends mere financial gain; it's an investment in quality of life and legacy. With permanent residency options, exceptional healthcare, and a sun-soaked Mediterranean climate, Cyprus beckons as a beacon of opportunity.

Your journey to a new life begins with Cypriot Realty. Let us guide you towards a future of abundance, security, and fulfillment in the enchanting landscapes of Cyprus."





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Secure your future with Sable International's Real Estate and Investment Migration division. We'll guide you in obtaining a second citizenship or residency, and expertly assist in migrating your assets to stable, hard-currency offshore real-estate investments. Protect your family's future and build a legacy that lasts.

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EXPLORING OFFSHORE REAL ESTATE INVESTING – Balancing Risks and Rewards

By Editorial



Offshore real estate investment, once the domain of the wealthy elite, is now gaining traction among South African investors seeking higher returns in foreign markets. REI sheds light on this burgeoning trend, highlighting the benefits and risks associated with venturing beyond local borders.

While many investors have already capitalised on the semigration trend, there's a growing interest in diversifying portfolios through offshore real estate investing abroad that not only shields investors from local market volatility but also offers an avenue for long-term wealth accumulation.

The Benefits of Offshore Real Estate Investment

1. Currency Hedging

Purchasing property in a country with a robust currency provides a hedge against rand depreciation. Rental income in a stronger foreign currency offers stability and the potential for intergenerational wealth transfer.

2. Portfolio Diversification

South Africa's property market is subject to interest rate fluctuations and limited in scope. Investing offshore allows access to emerging markets with promising capital growth potential.

3. Citizenship Opportunities

Some countries offer citizenship or residency rights to foreign investors, incentivizing real estate investments as a pathway to permanent residency.

Offshore Real Estate Hotspots for South Africans

Despite the rand's weakness against major currencies, several foreign markets present lucrative property investment opportunities, residency and emigration that prove popular for South African investors include:

- United Kingdom
- Malta
- Cyprus
- Greece
- Portugal
- Spain
- Mauritius
- Grenada
- Australia

Most of which offer tax incentives and residency pathways, driving demand among local buyers.

Navigating Offshore Property Investing

Grant Smee of Only Realty have expanded into Mauritius and Portugal. It underscores the importance of thorough research and due diligence before venturing into offshore real estate. Understanding market dynamics, legal frameworks, and taxation implications is critical for informed decision-making.

Advice for prospective investors

Richard Haller of Sable International says that it is important to conduct a comprehensive analysis of each country and do a risk assessment to mitigate currency fluctuations, legal uncertainties, and geopolitical risks.

- Develop a financial plan considering long-term objectives, budget constraints, and funding options.
- Evaluate tax implications in both the foreign country and South Africa.
- Ensure legal compliance by familiarising yourself with local property laws and regulations.

Consulting Professionals

The value of seeking expert guidance from asset managers, legal advisors, and real estate professionals. Collaboration with knowledgeable professionals minimises risks and maximizes the potential for success in offshore real estate investments.

Offshore real estate investment presents an enticing opportunity for South African investors seeking to diversify their portfolios and secure long-term wealth. With careful planning, diligent research, and expert guidance, investors can navigate the complexities of foreign markets and capitalize on lucrative opportunities abroad.

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Guiding Queries: 7 Essential Questions for retirees eyeing Estate Apartment Investment



LAND RIGHTS: New legal amendment places Minister squarely in the way of substantive land reform



GARY MOORE



DR. BRIAN BENFIELD

The Upgrading of Land Tenure Rights Act (ULTRA) of 1991 was a transformative statute. This provided for the upgrading, or "conversion", of apartheid-era statutory tenancy land-tenure rights in certain municipal jurisdictions to full freehold title. These rights related overwhelmingly to largely black "townships" on urban peripheries.

ULTRA automatically converted to full ownership certain statutory tenure rights in land which, until these 1991 reforms, had been reserved for black occupation. The same objective survey and deeds-registry preconditions which apply to the ownership of land by "white" persons were made applicable to "blacks", at long last respecting the principle of equality at law.

Thus, under given conditions, where a statutory black land-tenure right attaches to a town lot, then that right automatically becomes full ownership of that lot.

Where the given conditions do not yet exist, the Minister of Land Reform may, says ULTRA, facilitate the surveying of lots and framing of general plans by land surveyors, approval of such plans by the surveyor-general, and opening by the registrar of deeds of registers for registrable transactions affecting lots on the plans.

Thus, the same objective preconditions for ownership of lots in formerly "white" areas are made applicable for ownership of lots in formerly "black" areas. Conversion is automatic when these exist and does not require ministerial intervention of any kind.

The equality clause in the Bill of Rights declares that everyone is equal before the law and has the right to equal protection and benefit of the law. Equality includes the full and equal enjoyment of all rights and freedoms. Neither the State nor any person may unfairly discriminate directly or indirectly against anyone on one or more grounds, which include gender or sex.

Except in one important respect, ULTRA was consistent with these fundamental rights. That one exception related to non-sexism. The Constitutional Court in 2018 explained how, in a case brought by Ms Matshabelle Rahube.

Ms Rahube's brother Hendsrine, as holder of a deed of grant, automatically became the outright owner of Stand 2328 where Ms Rahube and her family had lived for many years. These deeds of grant were among the types of black land-tenure rights that ULTRA automatically convert to ownership.



In 2009, Hendsrine instituted eviction proceedings in the magistrate's court against Ms Rahube and the other occupants of the property. Ms Rahube contended in defence that the automatic-conversion-to-ownership provisions of ULTRA were constitutionally invalid. The magistrate suspended the eviction proceedings pending the outcome of an application to the High Court challenging the constitutionality of these provisions of the Act.

Ultimately, the Constitutional Court held that ULTRA differentiates between people who were holders of land-tenure rights under apartheid and those who were not but occupied the property. The practical effect is a differentiation between African men (who could be the head of a family and thus hold a deed of grant) and African women (who could not).

The Constitutional Court declared that, retrospectively to 27 April 1994, ULTRA's automatic-conversion-to-ownership provisions were constitutionally invalid insofar as they automatically convert any deed of grant contemplated in the Proclamation to ownership in violation of women's rights in the equality clause of the Bill of Rights.



The Court suspended the order for 18 months to allow Parliament the opportunity to introduce a "constitutionally permissible" procedure for "the determination of rights of ownership and occupation" to cure the invalidity of the automatic-conversion provisions of the Act.

The Court also ordered Ms Rahube's brother Hendsrine not to dispose of or encumber Stand 2328 before Parliament complied with the Court's order.

In 2021, Parliament made a belated attempt to comply with the Court's order by passing an Amendment Act. This will amend ULTRA to say that the registered holder of a deed of grant, or a person who "could have been a holder" had it not been for laws or practices that unfairly discriminated against that person, may "apply to the Minister" for its conversion to ownership. Title upgrading would therefore no longer be automatic and introduces ministerial interference in every single conversion of title thereafter.

Then, says this 2021 Amendment Act, the Minister must give notice, in the Government Gazette, a local newspaper, relevant social media, and at the local municipal office, of the application for conversion. The notice must give interested persons an opportunity to object.

On receipt of an application or objection, the Minister must designate an investigator to assist him in determining the facts and to "make a decision" relating to the conversion and the vesting of full ownership.

The 2021 Amendment is both cumbersome and vague. It contains no criteria to govern the Minister's ability to "make a decision" and adds layers of expensive, time consuming, and unnecessary bureaucracy to what should be (and has been) an objective process. The Amendment gives the Minister unfettered personal discretion about every upgrade of title and

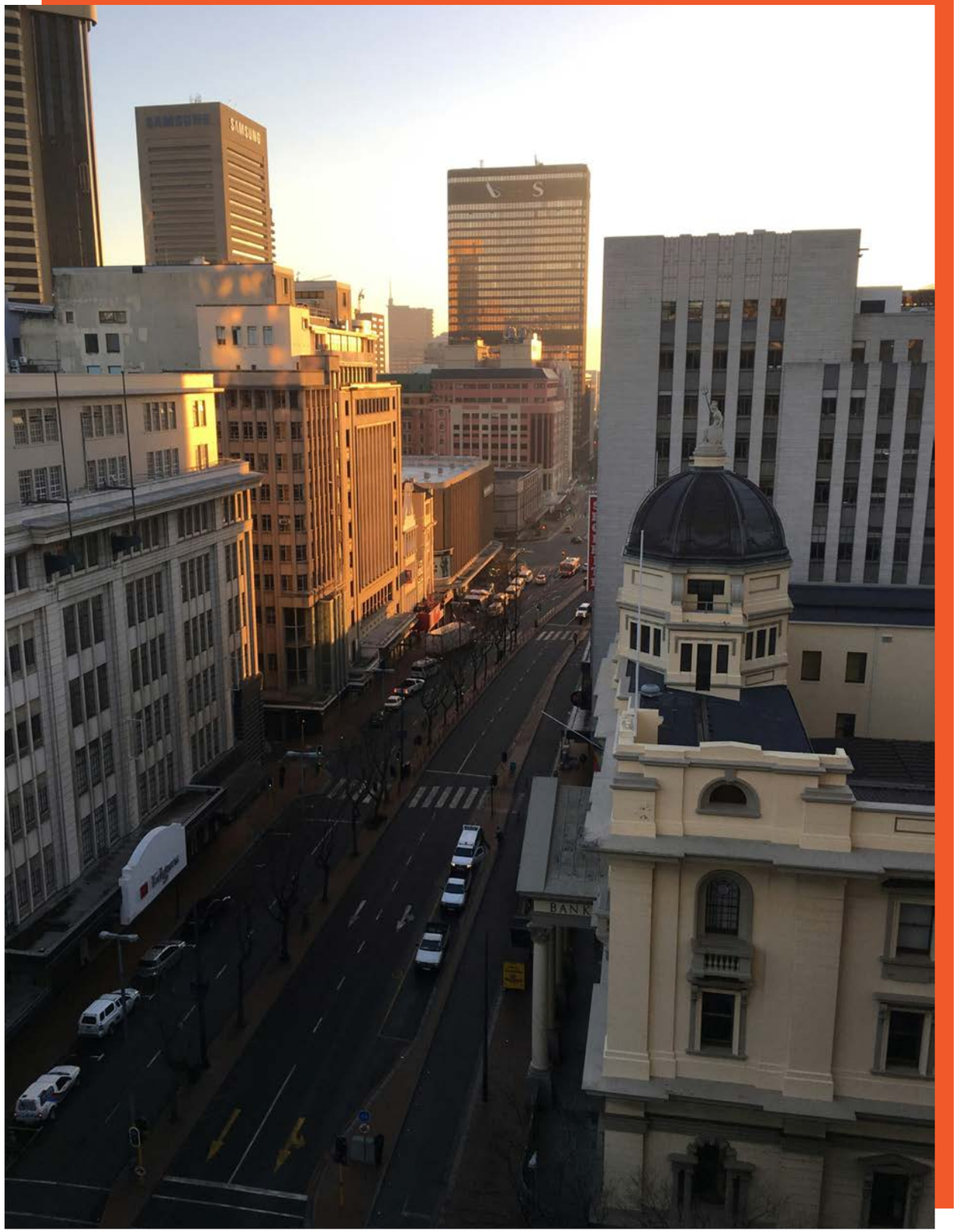
introduces the distinct likelihood of indefinite delays in the vesting of ownership.

There remain, potentially, millions of outstanding title upgrades throughout the country that still need to be processed.

These shortcomings violate the Rule of Law upon which the Constitution is founded. The Rule of Law includes the principles that laws must be clear and predictable, and that no legal right may be determined by individual discretion. The Rule of Law also does not allow an established right to be retroactively nullified, which is the effect of turning a potential owner's automatic upgrading, to which he was entitled by law, into a discretionary exercise.

The 2021 Amendment Act is thus not "constitutionally permissible". On the contrary, it is invalid. Perhaps because that is already perceived to be the case, the Amendment Act has not yet been brought into operation.

A constitutionally permissible procedure for the determination of rights of ownership and



occupation that respected women's rights under the equality clause of the Bill of Rights should expressly state that women are to be treated equally and without discrimination.

Conversions should be subject to consultation with women or other persons who have no statutory black land-tenure right registered in their name but occupy the property or have any other substantial interest in it, and subject to any necessary provision for protection of any such occupants.

The procedure should stipulate that ownership shall vest in the person or persons who have the superior claim or entitlement thereto, and notwithstanding that such person or persons are not the registered holder of the statutory black land-tenure right to the property.

A constitutionally permissible procedure should not be couched in vague terms and should not give discretion to any government official.

In the meantime, the Rahubes no doubt, as well as many others like them, have no certainty.

EXPLORE FURTHER

PROPERTY RETURNS DEMYSTIFIED: Two things you need to consider for your ROI



BY JACO GROBBELAAR



When it comes to property investments, there are many myths and misunderstandings surrounding property returns. When looking at their property returns, many people fail to consider the comprehensive picture of their total return or return on investment (ROI). Very often, they only focus on a single aspect, which can be dangerous for property investors wanting long-term success.

Understanding your property investments' total returns has many benefits, including accurate evaluations of the financial viability of your investments and assessing risk and potential rewards. But to truly understand the ROI of your property investments, it is crucial to consider the following two fundamental factors:

1. Your Property Price Growth (Capital Appreciation Rate), and
2. The Net Rental Yield (Capitalisation Rate for Commercial Property).

The Property Price Growth or Capital Appreciation Rate

The Property Price Growth, also known as Capital Appreciation Rate, is the percentage with which the market value of a property grows annually. It is a crucial concept for you as a property investor to understand, and you should be able to use it to assess the potential profitability of investments. By understanding and analysing Property Price Growth, investors can make informed decisions and strategise for long-term financial success.

The Net Rental Yield or Capitalisation Rate for Commercial Property

Property Price Growth, however, is not the only return you get on your property investments. In addition to Property Price Growth, you also receive monthly rental income, whether you are renting the property yourself from one of your entities or leasing it to a third party.

The Net Rental Yield, or Capitalisation Rate for Commercial Property, calculates the return you receive on your property investments after all the property expenses have been paid. The formula to calculate it is as follows:

Net Rental Yield = (Rental Income – Levies – Rates & Taxes – Rental Commission – Maintenance) x 12 / Purchase Price or Market Value.

P.S. It is important to remember that your property has expenses associated with it, such as rental agency commission, levies, rates and taxes, and maintenance. One must also keep in mind that you might not always have a tenant, so there may be some vacancy costs to consider as well.

When making your projections, it is always best to be conservative and base your calculations on 10 months' rent, budgeting one month for potential vacancy and one month for maintenance.

A low-risk investment is one that keeps its value and slowly but surely increases its value and rental income, which should remain consistent and consistently grow.

It is also good to keep in mind that the average year-on-year Property Price Growth (Capital Appreciation Rate) for any consecutive 20 years in the last 50 years is significantly higher than the current growth rate. And since input costs, such as land prices, and material and labour costs, have increased significantly (more than what property prices have increased), it is very possible for property prices to start growing at a higher rate in the future.

Also, this is not considering that your rental income grows every year (rental escalations) or that you can buy a property at a discount (below market value). Both factors can significantly increase the returns discussed above!

When interest rates are decent or



low enough, and Property Price Growth or Net Rental Yields are strong, leverage or gearing becomes an attractive strategy to increase your returns significantly.

Leverage means using Other People's Money (OPM) or the bank's money. So, instead of using your funds to invest in property, you can borrow money from the bank to build a large asset base without using any of your own funds, or at least very little of your funds.
Leverage also amplifies the existing result, which means that it can turn a small positive return into a big positive return. But be warned; it can also turn a small negative return into a big negative return. So, proceed with caution!

It is thus important to ensure that the combination of your Property Price Growth and Net Rental Yield is more than you pay in interest. This is, of course, over the long term, as there are times when your interest rates are high while your returns are comparatively low.

By understanding the intricacies (and myths) of property returns, you can maximise your returns and reap the benefits of property investment over time. Just remember to consider the growth potential, rental income, and leveraging opportunities when appropriate, and you'll unlock the secrets of ROI on your property investments in no time at all!



YOUR ULTIMATE GUIDE: Decoding Residential Property Ownership in South Africa

When it comes to buying a home in South Africa, there's more to consider than just location and square metres. The type of ownership you choose has implications for your budget, responsibilities, and overall experience. Here's the lowdown on the most common property ownership options, plus some insights from property experts to help you figure out what's right for you.

Freehold Ownership: The Classic Choice

Freehold ownership is when you own both the land and the dwelling itself. This means you have complete control over the property, including any renovations or extensions (sometimes subject to neighbours' approval).



Pros

- Maximum freedom and flexibility, potential for greater long-term appreciation as land values rise.
- Who doesn't dream of having their own garden, personalising the social areas, and adding a braai pit?
- Plus, historically, freehold properties tend to increase in value over the long run.

Cons

- Higher maintenance costs, as all upkeep is your responsibility.
- You'll also bear the full brunt of rates and taxes.
- If you buy property in a gated estate, what you are allowed to do may be governed by the rules of the body corporates.

Best for families or those needing space to spread out and anyone good with a toolbox (or knows a good handyperson).

Noziqhamo Moss of Just Property Port Elizabeth shares, “Freehold properties offer a true sense of independence. If you value privacy and the ability to customise your living spaces, freehold may be the ideal choice."

Sectional Title Ownership: Community

With sectional title ownership, you own a specific unit (like an apartment or townhouse) within a larger complex. You also have shared ownership of common areas like gardens, pools, and security systems. Sectional title developments are governed by a body corporate made up of owners.



Pros

- Lower maintenance costs, as they're split between owners, and everyone contributes via monthly levies.
- Built-in amenities are a bonus, and having other owners nearby in a gated community or block usually offers better security than living in a freehold property.
- The barrier to entry is lower as sectional title units can be less expensive than freehold.

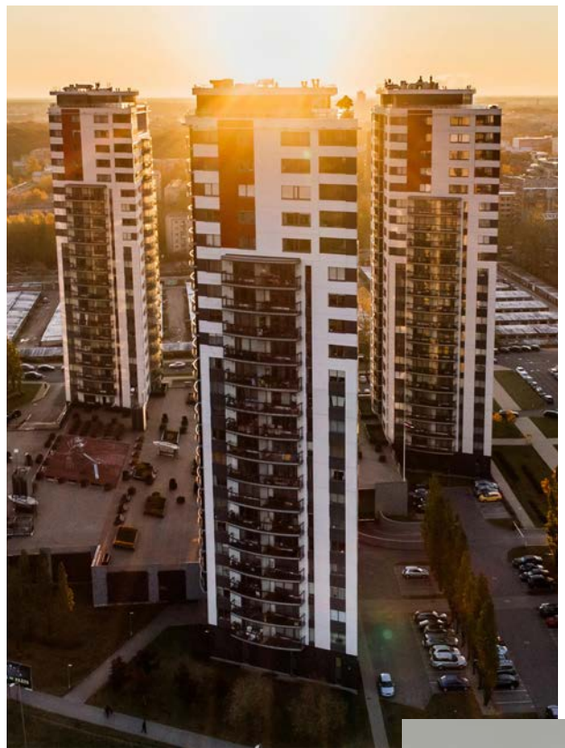
Cons

- There is less privacy, and body corporates have rules—sometimes lots of them.
- Don't expect to paint your front door neon green without getting approval—there will be restrictions on renovations you can make.
- Plus, monthly levies must be paid in addition to rates and taxes, and everyone is responsible for the debt of the body corporate.

Best for first-time property buyers, downsizers, individuals seeking a more low-maintenance lifestyle and anyone who'd honestly rather hit the pool than mow the lawn.

On Sectional Titles, Joe Alves of Just Property Blouberg shares that "Sectional title schemes are an excellent way to enter the property market. They strike a good balance between affordability and convenience, making them a great choice for many. It's worth noting that Lightstone data shows that for the first time in two decades, sectional title property prices rose faster than freehold."

Apartments: City Living
Apartments are a subcategory of sectional title, offering a compact living space within a larger building. They range from tiny studios and micro apartments to multi-bedroom units, often built in high-density areas ideal for a bustling lifestyle.



Pros
- Affordability, minimal maintenance, location within urban centres close to work and amenities. Live, work, play!
- An apartment can be a smart investment – think rental income down the line when you're able to move to somewhere bigger.

Cons
- Limited space and sometimes even stricter body corporate rules. Can be affected by noise from neighbours.
- Typically, there is less long-term appreciation compared to freehold.

Best for young professionals, buy-to-let investors, and individuals seeking an urban lifestyle without extensive upkeep.

"Apartments offer access to the exciting pulse of city life without the price tag or responsibilities of a larger property. For many, a flat is an affordable opportunity to get a toe into the property market," says Chelsea Hendry of Just Property City Bowl in Cape Town.

Buy-to-let Property Investing
Purchasing a property specifically to rent out is a growing investment strategy in South Africa. Any type of property – freehold, sectional title, even leasehold – can be used for buy-to-let purposes.

Pros
- Rental income can help with the bond repayments and even give you some extra cash flow.
- Long-term, it grows your assets and builds your property portfolio. Plus, there might be tax advantages (check with an accountant on that).

Cons
- Being a landlord isn't always sunshine and roses.
- You need to find reliable tenants, deal with repairs etc.
- Fluctuations in the rental market can affect income.
- Buy-to-let ownership requires careful research and financial planning.

Best for those with solid financial footing seeking alternative income and long-term asset growth.

Property investment can be a smart wealth-building strategy. When evaluating opportunities, it's essential to partner with an experienced agent who understands the local rental market. Once you've bought, a managing agent can take a lot of the schlepp out of being a landlord, like vetting tenants' credit history, preparing a water-tight lease and seeing to maintenance.

Finding Your Fit
Choosing the perfect ownership type is a personal decision. How much space do you need? Are you budget-conscious? Do you hate dealing with admin? Be honest with yourself about these things.



NEWS

Balwin Properties reports Stabilisation in Apartment demand after Challenging Year

JSE-listed Balwin Properties released its annual financial results for the year ending 29 February 2024, reporting a revenue decline of 29% to R2.4 billion. The number of apartments recognised in revenue fell by 32% to 1,892 units. Despite these challenges, the group recorded a profit after tax of R217.4 million and a gross profit margin of 28%.

CEO Steve Brookes cited high interest rates, fuel and food prices, and political uncertainty as key factors impacting demand. However, he noted a stabilisation in the market by early 2024. The Western Cape emerged as the top revenue-generating region, contributing 46% of total revenue, driven by semigration trends.

Balwin's annuities business showed robust growth, with revenue up 70% to R132.5 million. The group also made significant strides in sustainable development, launching its 10th Six-Star Green rated and Net Zero Carbon emission lifestyle center, and securing 1,200 green bonds for clients, yielding R80 million in savings over 20 years.

Brookes emphasised ongoing cost containment, leveraging existing developments, and prudent cash management as strategic priorities for the upcoming year amid continued economic uncertainty.



Collins Property Group converts to REIT, boosts dividend by 50%

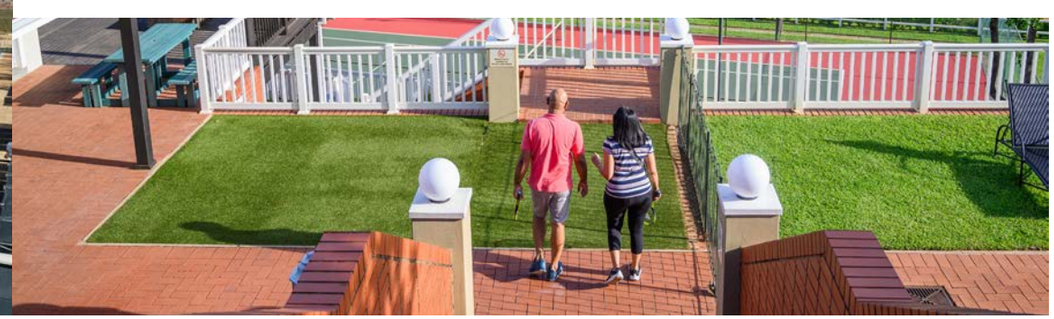
Collins Property Group reported a substantial increase in profits and dividends for the year ending February 2024. Profits from continuing operations doubled to R1.21 billion from R516.9 million in 2023. The company, now a Real Estate Investment Trust (REIT), declared a final dividend of 50c per share, raising the total annual distribution by 50% to 90c per share.

Following its restructuring from Tradehold Limited, Collins has streamlined its structure to focus on growing sustainable income. Despite a R70 million rise in finance costs due to higher interest rates, revenue increased by 6.3% to R1.231 billion. The REIT conversion also allowed for a write-back of R677 million in tax accruals on future capital gains.

CEO Friedrich Esterhuyse credited the robust results to the defensive nature of Collins's South African property portfolio, consisting mostly of large warehouses and distribution centers leased to major national clients. With a high rental collection rate of 98.3% and a low vacancy rate of 3.9%, the portfolio remains strong.

Collins also prioritized convenience retail property development and expansion in the Western Cape and Europe, acquiring four properties in The Netherlands with an 8.9% yield and maintaining secure income from six properties in Austria.

To support growth, Collins is selling non-core assets, with eight sold during the year and eight more in the process of transfer.



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