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SEPTEMBER 2024 #171

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ITUMELENG MOTHIBELI
Ushers in a new era as SAPOA President

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Editor's Viewpoint



Spring awakens:

REI's 17th Anniversary and fresh optimism in the Property Market

As Spring unfolds with longer days and warmer weather, it also brings a renewed sense of hope, fresh opportunities, and the promise of success. This is a season of growth, and at Real Estate Investor Magazine, we are thrilled to mark our 17th anniversary—another milestone in our ongoing mission to provide you with valuable insights, education, and news.

At the recent South African Property Owners Association (SAPOA) Annual Convention, outgoing SAPOA President and Attacq CEO, Jackie van Niekerk, reflected on the past year—a period marked by the real estate sector's resilience in the face of extraordinary challenges. She highlighted key hurdles such as water and electricity crises but also expressed optimism about the future.

Taking over as SAPOA President is Itumeleng Mothibeli, Managing Director of Vukile Property Fund Southern Africa, ushering in a new chapter for the organization at a critical juncture.

In the broader residential property market, South Africa's new Government of National Unity (GNU) has fostered cautious optimism. The GNU's focus on pro-business policies and political stability is key to the property sector's recovery. With inflation rates declining and potential interest rate cuts on the horizon, we anticipate a boost in consumer confidence—an essential driver for real estate.

Yet, the outlook remains nuanced. Both local and international investors are watching closely, assessing the political landscape for signs of long-term stability and effective economic strategies. For investors and homebuyers alike, staying informed and adaptable is crucial during these times.

As we embrace this season of renewal, we encourage you to remain hopeful yet vigilant. The changing political and economic dynamics will undoubtedly shape the property market in the months to come. By staying committed to your goals and staying informed, you can seize the opportunities that emerge.

Here's to a season of growth—for us, and for you, our loyal readers and partners.

Founder & Editor-In-Chief

Neale Petersen



MASTER QUOTE

To be successful in real estate, you must always and consistently put your clients' best interests first. When you do, your personal needs will be realised beyond your greatest expectations.

ANTHONY HITT – President & CEO, Engel & Volkers International

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Ask the Experts

Navigating Auction sales with Business Rescue & Liquidations: Understanding the best solutions



MEET OUR GUEST EXPERT

GREG DART

Operations Director

High Street Auctions

Question from Commercial Property seller:

In the aftermath of the 2008 global financial crisis, South African auctions were marred by negative perceptions and a significant backlash, largely due to forced property sales and the collapse of a major auction house. This led to the view that auctions were predatory, exploiting others' misfortunes. However, the auction industry now seems to be making a notable comeback, offering substantial benefits for buying and selling both residential and commercial properties. With this resurgence in mind, what key factors should landlords consider when choosing an auction partner to ensure they achieve the best possible outcomes?

from Greg Dart:

Auctions have evolved significantly beyond their old image of handling only distressed sales and bargain-hunting buyers. Today, they stand as a credible and effective platform for sellers to achieve maximum value in a transparent manner, on terms that are unconditional, and hence more favourable to them.

Given the current economic climate, which is marked by financial pressures, auctions also offer a strategic advantage, particularly to the Turnaround, Restructuring, and Insolvency (TRI) practitioners industry. Business rescue practitioners focus on turnaround and restructuring efforts, while liquidators handle properties and businesses facing insolvency or bankruptcy. Recent high-profile filings, such as those involving Tongaat Hulett, Rebosis Property Fund, and the SA Post Office, highlight the growing role business rescue practitioners.

High Street Auction Co, an active service provider to the TRI industry, brings extensive experience to the table. Auctions are increasingly favored for their ability to provide clear, competitive bidding processes that often result in higher sale prices and quicker transactions, eliminating the uncertainty found in traditional negotiation-based methods.

If we are looking principally at distressed real estate disposals, key factors to consider when choosing an auction partner include:

Track Record and Experience: Ensure the auction house has a proven history of successful sales, and a record of successful engagement as a service provider to the TRI sector. We, for instance, have extensive experience in managing complex cases and delivering optimal results for liquidators, banks etc.

Transparency and Credibility: Opt for auction partners known for their transparency and fair practices. This fosters confidence and attracts serious buyers who are committed to the process.

Market Reach and Expertise: Choose an auction house with a broad network and specialized knowledge in your specific property sector. We excel in providing comprehensive services, including property assessments, sale advisory, and portfolio optimization.

Strategic Approach: Consider how the auction house approaches different sales scenarios, including strategic liquidations and business rescues. Their ability to tailor their approach to maximize value for creditors and facilitate efficient transactions can be crucial.

By focusing on these criteria, investors and sellers can leverage the advantages of auctions to achieve the best outcomes in distressed sales scenarios.

Auctions are certainly a very important part of a real estate disposal platform mix, creating a sense of urgency and a call to action, with competitive bidding by buyers optimizing the price fetched for assets – whether the disposal was motivated by sound strategic considerations, or due to financial distress.

High Street Auctions holds numerous South African auction records including the highest commercial real estate auction price ever achieved – R205 million for the liquidated Kyalami Racetrack – and the highest residential real estate auction price of R96m for a bank instruction on villa in Clifton. The company was also awarded the NAA/USA Today Global Marketing Campaign of the Year Award in 2021.

Got Questions? We've got Answers!
Send your queries to info@rei.co.za
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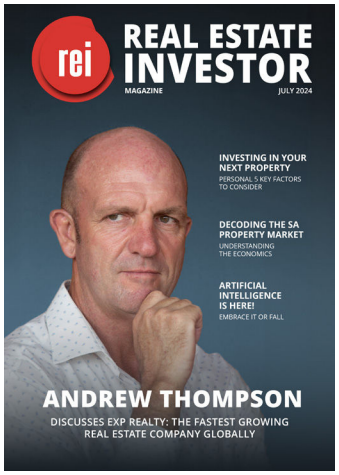
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Master Investor

Itumeleng Mothibeli

steps up as SAPOA President, energising the SA real estate sector

By Neale Petersen



At the 2024 SAPOA Convention held in early September at Sun City, the spotlight shone brightly on Itumeleng Mothibeli, the Managing Director of Vukile Property Fund South Africa, who was named the new president of SAPOA (South African Property Owners Association).



Taking over from Jackie van Niekerk, CEO of Attacq, Mothibeli brings a wealth of experience and a fresh vision to this influential role.

With an impressive 15-year career in the property sector, Mothibeli is renowned for his strategic acumen and leadership. His previous roles include Executive: Asset Management at Vukile and Asset Manager at SA Corporate Real Estate, where his impactful strategies helped drive significant organizational successes. His prior directorship at SAPOA underscores his longstanding commitment to advancing South Africa's real estate industry.

In his inaugural address, Mothibeli expressed his gratitude to the SAPOA board for their past guidance and lauded Jackie van Niekerk for her exemplary leadership. He shared his enthusiasm for addressing future challenges, stating,

> **"There is a lot to concentrate on as we proceed, and I am eager to tackle the difficulties that lie ahead."**

Mothibeli outlined his vision for SAPOA's role on both local and national fronts. He highlighted the association's strength in addressing regional issues and advocating for public sector interests. "One of SAPOA's greatest assets is its capacity to recognize regional issues and bring them to the national stage. My focus will be on public sector advocacy, and I believe in a collaborative approach to solving problems," he affirmed.

In addition to his commitment to advocacy, Mothibeli emphasised the importance of skill development within the industry. "Developing skills is crucial. We must ensure the industry is equipped to integrate new talent effectively. This will be a major priority during my presidency," he remarked. Mothibeli also underscored South Africa's strategic position as a gateway to Africa and its appeal for capital investment despite current challenges. "Even with the difficulties we face, there is an optimistic outlook in the market. I am excited about harnessing growth potential and transforming opportunities into tangible wealth," he concluded.

The SAPOA Annual Convention 2024 was marked by vibrant panel discussions, dynamic debates, and collaborative efforts aimed at propelling the real estate sector forward. Under Mothibeli's energetic leadership, SAPOA is poised to continue its pivotal role in shaping the future of South Africa's property industry, with a strong focus on member support and sector advancement.



ITUMULENG MOTHIBELI PROFILE

Company: Vukile Property Fund South Africa

Position: Managing Director

Qualifications: MCom Finance (UCT), MPhil International Business (GIBS), PME (RBS), PDP (GSB)

Company Description: Vukile Property Fund Limited, listed on the JSE Limited on June 24, 2004, and on the Namibian Stock Exchange on July 11, 2007, boasts a retail portfolio valued at R15.4 billion. Its portfolio includes prominent malls like East Rand Mall, Daveyton Mall, and Hammarsdale Junction.

New Presidency: Established in 1966, SAPOA (The South African Property Owners Association) is a member-driven organisation and the representative body and official voice of the commercial and industrial real estate sector in South Africa.

With Itumeleng Mothibeli stepping into the role of SAPOA President, the future of South Africa's property sector is poised for an exciting phase of innovation and growth. SAPOA's distinctive approach, driven by its active membership, ensures that the policies and strategic direction are shaped by those directly involved in the industry. This collaborative governance model, led by the elected Executive Board and National Council, positions SAPOA as a dynamic force in the property sector.

The SAPOA Board of Directors, which includes Mothibeli, previous President Jackie van Niekerk, and a distinguished group of leaders such as Steven Brown (CEO & MD of Fortress and 2025 SAPOA President Elect), Laila Razack (CFO of Equites Property Fund), Nomzamo Radebe (CEO of SA Corporate Real Estate Limited), Malose Kekana (Group CEO of Pareto Limited), Andrew Koning (CEO of Redefine Properties), and Sakina Norska (CEO of Old Mutual Property), collectively steer the association's day-to-day management. Under the capable leadership of Neil Gopal, SAPOA's Chief Executive Officer, and with such a formidable Board, the organization is well-equipped to drive the sector forward.

"Our industry is at a pivotal moment," Mothibeli said during his inaugural address at the SAPOA Annual Convention 2024. "We have the power to not only shape the skylines but also to shape the future of our country. By investing in education, embracing research, and strengthening partnerships, we can ensure that our growth is both sustainable and inclusive."

"By working closely with our members and industry partners, we can make a tangible impact on unemployment," Mothibeli explained. "At a micro level, this is how we can drive real change—by creating opportunities for young professionals to grow and succeed in our industry."

Collaborations with industry bodies like SAREIT Association and South African Institute of Black Property Practitioners (SAIBBP), and engagement with broader organisations such as Business Unity South Africa (BUSA), are key elements of his strategy to strengthen the property sector's influence on policy and national development.

"Our ability to create meaningful change lies in how well we collaborate," Mothibeli said. "Together, we can tackle some of South Africa's biggest challenges, from housing shortages to employment creation, by pooling our resources and ideas."

"Our industry has the capacity to not only generate wealth but also to drive social change," Mothibeli remarked. "We must be proactive in creating opportunities for all South Africans, and that starts with how we approach transformation."

Drawing inspiration from Nelson Mandela's vision for a just and equitable South Africa, Mothibeli closed his address with a call to action. He urged the property industry to step up and play a proactive role in addressing national challenges. "The issues we face—housing, unemployment, education—are not just government problems. They are our problems too," Mothibeli said. "If we work together, ideate, and commit to sustainable growth, we can create a brighter future for South Africa."

As Mothibeli takes on this pivotal role, stakeholders can look forward to a vibrant and progressive era for SAPOA and South Africa's real estate market. The emphasis on collaboration and innovation promises to unlock new opportunities and address emerging challenges, ensuring the sector remains robust and adaptable.



Cover Story

Community & Small Ce
Retail downturn: Clur In

By Neale Petersen



Trading densities at community and smaller shopping centres were a bright spot in the second quarter of 2024, running counter to a further contraction in retail property performance and supporting an important current theme of community and global wellness.

entres thrive amid

dex Q2 2024 Insights



That's according to the Clur Shopping Centre Index, part of the broader Clur Collective asset management support platform which helps listed and unlisted property funds to understand asset health and optimise returns at more than 4.1 million sqm of prime retail space and 140 merchandising categories across SA and Namibia. This coverage will soon be increasing to over 5.4 million square metres.

"With the emerging importance of the move to make the world well, community focused retail, as a new frontier, is a critical consideration for shopping centre strategy. This community spirit is signalling the need for social impact retail" says Belinda Clur, managing director of Clur International, which produces the index.

She says the Q2 2024 national Clur Index for All Centres closed at an annualised trading density of R41,343 /sqm, and y/y% growth of 3.6%. "This represents a further contraction of -0.9% relative to Q1 2024 and -1.5% relative to the 2023 calendar year. This growth also under-performed June 2024's CPI by -1.5%.

"Highest trading densities were shown by the two size extremes of super-regional centres, at R49,177/ sqm and community and smaller centres at R42,497/ sqm. Highest y/y% growth was shown by super-regional and regional centres, both at 3.9%.

"While community and smaller centres showed the lowest growth rate of the pack at 1.7% in Q2 2024, they were also the only segment to show an expansion in growth relative to the first quarter, of 0.1%. By contrast, super-regional centres showed the greatest contraction of -1.5% relative to the first quarter, with the All Centres index contracting by -0.9% for the same period."
Clur says the Q2 2024 provincial indices for the Western Cape, Gauteng and KwaZulu Natal again saw the Western Cape as the top performer, with a trading density of R45,638/ sqm and y/y% growth of 5.8%, and is the only index to outperform June 2024's CPI, by 0.7%.

"KwaZulu Natal showed the next highest trading density of R42,417/ sqm, and is the only index to show negative y/y growth of -2.2%. However, it is the only province to show a growth expansion relative to Q1 2024 of 0.4%. Gauteng had the lowest trading density of the three provinces, at R40,632/ sqm and the second highest y/y growth rate of 4.9%."

"Social impact retail, as a new frontier of retail in SA, effectively takes retail to where it needs to be, to better service communities and to boost economic opportunities within their localities."

Clur Index

Clur says a split-year comparison of growth rates, considering only Q2 against the remaining nine months of the rolling 12 month period, shows the nine-month trading density is higher across all segments, likely due to the festive season falling within this period.

“However, whilst the y/y% growth is also higher in most instances, community and smaller centres and the KZN province are counter this trend, showing higher growth rates for the three months of Q2 versus the prior nine-month period.

“This counter-trend boost for these segments in the last quarter suggests that even better prospects are emerging there.”

Clur says that there is a return to important basics, with a focus on what really counts and what is needed to make the world well.

“This started as a focus on personal wellness, seen in demand for athleisure, fitness, health and considered beauty categories. This has now evolved into a broader community and global wellness theme.

“Tied to this is a general shift in values characterised by a focus on quality of life and experience, dignity from a human, animal, tech and planet perspective, balance and time being viewed as a currency more valuable than money.

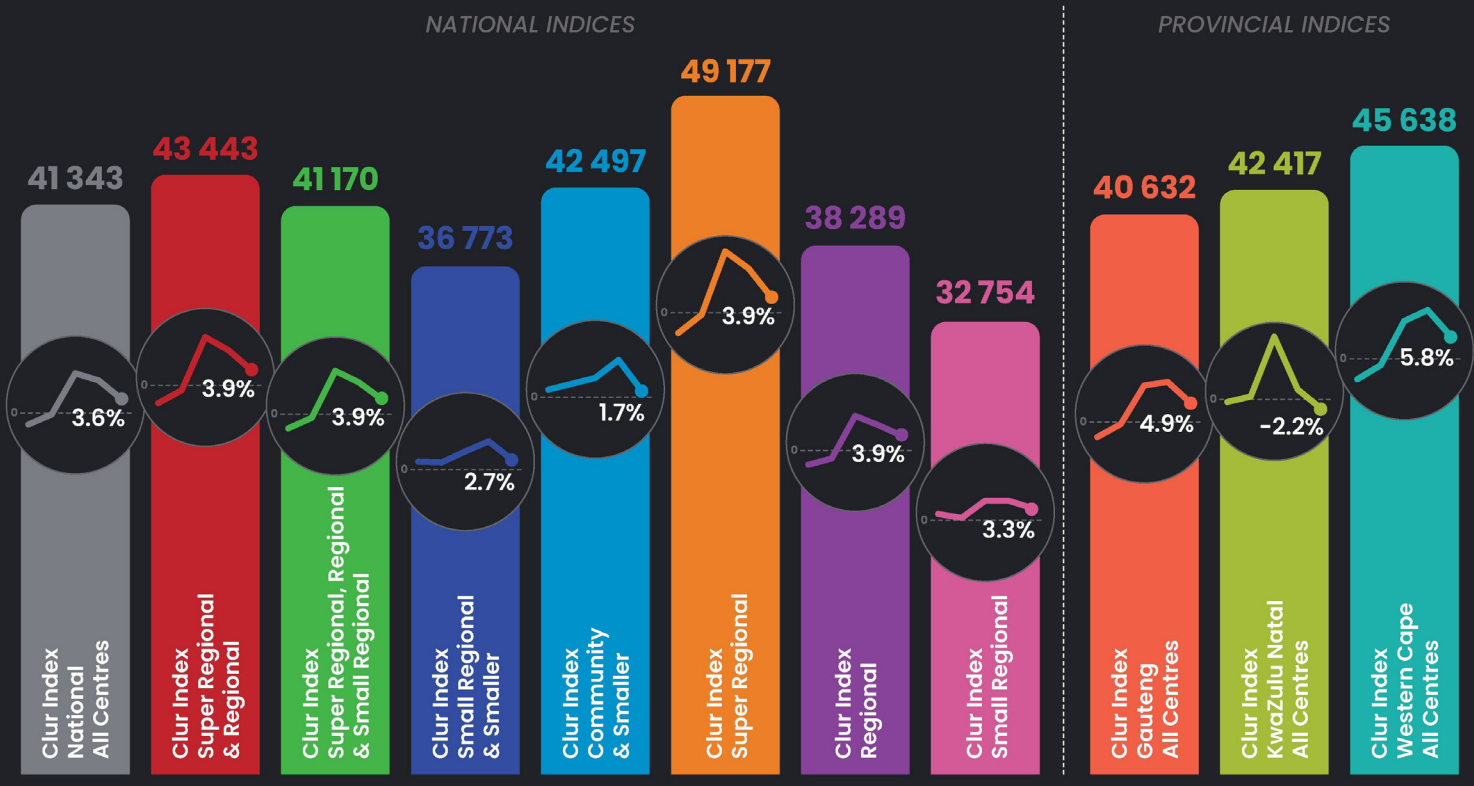
“Social impact retail, as a new frontier of retail in SA, effectively takes retail to where it needs to be, to better service communities and to boost economic opportunities within their localities. In these instances, by bringing retail to the doorsteps of hard-pressed consumers, transport costs are alleviated, increasing available spend for essential groceries and other products – thereby uplifting community living standards and economies.”



CLUR
INTERNATIONAL

Clur Shopping Centre Index

Community and Smaller Centres shine as new retail frontier emerges



SECOND QUARTER 2024 ANNUALISED TRADING DENSITY (R/m²) & Y/Y% GROWTH

Trading densities at Community and Smaller Shopping Centres were a bright spot in Q2 '24, running counter to a further contraction in retail property performance and supporting an important current theme of community and global wellness. With the emerging importance of the move to make the world well, community focused retail, as a new frontier, is a critical consideration for shopping centre strategy. This community spirit is signalling the need for social impact retail.

The Q2 '24 national Clur Index for All Centres closed at an annualised trading density of R41,343 /sqm, and y/y% growth of 3.6%. This represents a further contraction of -0.9% relative to Q1 '24 and -1.5% relative to the 2023 calendar year. This growth under-performed June '24's CPI by -1.5%.

Highest trading densities were shown by the two size extremes of Super-Regional Centres and Community and Smaller Centres. Highest y/y% growth was shown by Super-Regional and Regional Centres. Community and Smaller Centres showed the lowest growth rate of the pack, but were the only segment to show an expansion in growth versus the first quarter. The Western Cape was the top provincial performer, and the only index to outperform June '24's CPI. KwaZulu Natal was the only province to show a growth expansion versus Q1. Gauteng had the lowest provincial trading density and second highest growth rate.



Belinda Clur
Founder & Managing Director
Clur International (Pty) Ltd

Download Report Here

*Clur International is a gold standard retail asset management support house, which produces the Clur Shopping Centre Index, spanning over **4.1 million square metres** of prime space. This coverage will soon increase to over **5.4 million sqm**.*

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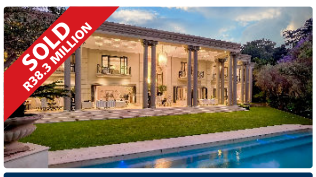
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Kyalami



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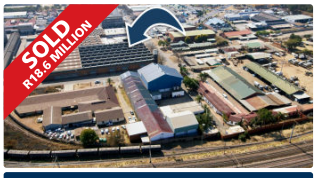
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STELLENBOSCH WINE FARM
Stellenbosch, Western Cape

South Africa's Listed P

An Expert analysis

By Neale Petersen



Keillen Ndlovu delivered a compelling presentation at the South African Property Owners Association (SAPOA) Convention, providing a comprehensive analysis of South Africa's listed property sector.

The presentation, rich with strategic insights, highlighted current trends, challenges, and future opportunities within this vital segment of the South African economy.

roperty Sector:





Current Landscape and Performance Trends

The recent performance of South Africa's listed property sector. Despite global economic uncertainties and domestic pressures, the sector has shown resilience. Ndlovu noted a modest recovery in property values and rental income, driven by improved investor confidence and strategic asset management. Driving the rally of listed property prices been mainly as a result of institutional buying from PIC, the positive election outcome with the GNU and the expected rate cuts in September 2024. However, the sector faces ongoing challenges such as fluctuating interest rates and inflationary pressures which have impacted capital costs and tenant affordability.

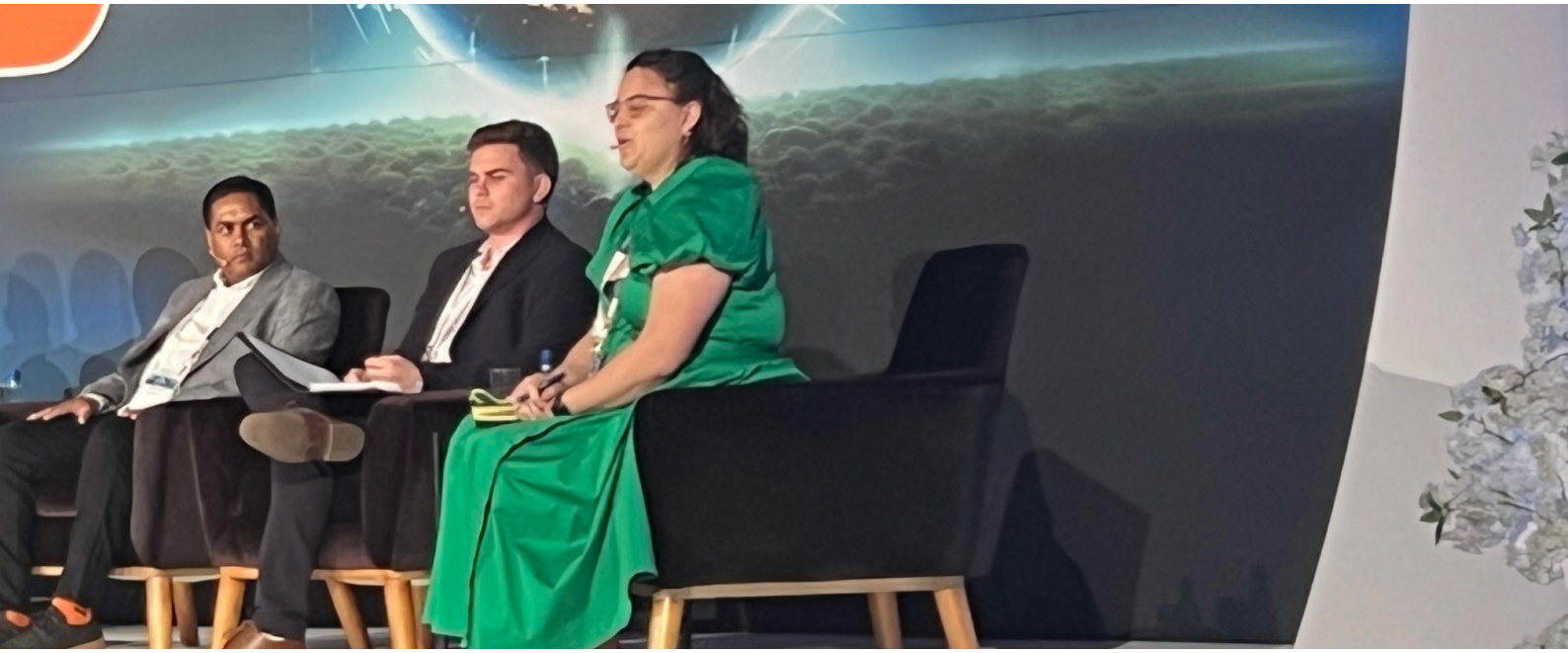
Sector Challenges

A key focus of the presentation was on the challenges confronting the listed property sector. Ndlovu emphasized that the South African property market continues to grapple with high vacancy rates and slow rental growth. Economic volatility, driven by both domestic issues like load shedding, water outages and global factors such as geopolitical tensions, has led to cautious investor sentiment. Furthermore, regulatory changes and increased operational costs have strained profitability for property owners and managers.

Strategic Responses and Adaptations

In response to these challenges, Ndlovu highlighted several strategic adaptations within the sector. Many property companies are diversifying their portfolios to include alternative asset classes such as logistics and industrial properties, which have demonstrated better resilience compared to traditional office and retail spaces. Additionally, there is a growing emphasis on sustainability and green building practices, driven by both regulatory requirements and investor demand for environmentally responsible investments.

We have seen major acquisitions in the retail sector with Mall of the South being sold to Redefine for R1,85 bn, Table View Mall to Hyprop for R1,63 bn and Mall of Africa additional 20% share sold to Attacq. He says despite higher interest rates, loan to value ratios are stabilising with debt levels and cash flows have been manageable.



Ndlovu also discussed the role of technology in transforming the property sector. The integration of smart building technologies and data analytics is enhancing operational efficiencies and tenant experiences, which can lead to improved asset performance and higher valuations.
owners and managers.

Future Opportunities

Looking ahead, Ndlovu identified several opportunities for growth and innovation within the listed property sector. The positive sentiment with Government of National Unity (GNU) continues showing better growth. Fundamentals continue to improve across all sectors. Declining bond yields and interest rate cuts in September. The two-pot retirement system is boosting short-term spending. We have had over 160 days of no loadshedding. Retail sector is showing good signs of growth.

The ongoing urbanisation trend presents potential for development in high-growth areas. Additionally, the sector is expected to benefit from increasing foreign investment as global economic conditions stabilize and South Africa's property market offers attractive yields compared to other regions.

Evolving consumer preferences, particularly the demand for mixed-use developments and flexible workspaces, could drive future growth. Property developers and investors who can adapt to these trends and align their strategies accordingly are likely to gain a competitive edge.

Outlook

While challenges remain, the sector's resilience and capacity for adaptation offer a hopeful trajectory. Strategic diversification, technological innovation, and responsiveness to market trends will be crucial for stakeholders aiming to navigate the complexities of the evolving property landscape.

Keillen Ndlovu is an Independent Property Analyst. He was previously Head of Listed Property at STANLIB Asset Management (Pty) Ltd with over 14 years experience.

Navigating the Global Rental Bans: Implications f

By Robin Booth



“Everyone is asking the same question when it comes to Airbnb investing. It’s general knowledge now that it’s an incredible real estate investing strategy with good returns that often out performs other more traditional strategies.

But the question on everyone’s mind is will South Africa implement strict regulations and even go as far as banning short term rentals in certain cities?”

Trend of Short-Term

for South African Investors



As the popularity of short-term rental platforms like Airbnb has surged globally, so too has the conversation around their impact on local housing markets. Cities such as New York and Florence have implemented strict regulations or outright bans on short-term rentals, driven by concerns over housing affordability and community disruption. These trends have sparked concerns among real estate investors, particularly those leveraging Airbnb as a key component of their investment strategy.

The global effect on Airbnb regulations

In cities like New York, the hotel industry played a significant role in pushing for these regulations, arguing that the rise of Airbnb created an uneven market place. The result was a series of legal restrictions aimed at preserving housing stock for long-term residents and stabilizing rental prices. In Florence, the focus was on preserving the historic city centre and preventing the displacement of local residents by the influx of tourists. Both cities introduced these regulations with some lead time, giving property owners a window to adapt their strategies. However, the impact was palpable, with many owners opting to sell or convert their properties into long-term rentals, thereby cooling the local real estate markets.

As similar trends begin to surface globally, it's natural to wonder how these developments might influence the South African market, particularly in popular destinations like Cape Town. With around 24 000 active Airbnb listings, Cape Town stands out as a major hub for short-term rentals, often ranking among the top global cities for Airbnb investment. The city's appeal lies in its vibrant tourism industry, diverse attractions, and strong demand for unique stays, making it a prime location for short-term rental profitability.

While the South African context is unique, with tourism playing a crucial role in the economy, it's essential to consider how increased regulation could affect local investment strategies. If similar bans or restrictions were implemented here, we could see a shift in the market, with a potential reduction in demand for short-term rental properties and a stabilization of housing prices.

However, it's important to approach these developments with a balanced perspective. While the regulations in other cities may seem like a cause for concern, they also offer valuable lessons. For instance, these measures have provided a more level playing field for all types of accommodations, including traditional hotels, and have helped to preserve the character and affordability of local communities. For investors in South Africa, this could mean a more sustainable and diversified market in the long term.

Moreover, the demand for unique, localized travel experiences—a key driver of Airbnb's success—remains strong. In South Africa, areas outside the typical tourist hotspots are seeing growing interest from both domestic and international travellers. This trend presents an opportunity for investors to explore markets beyond the traditional urban centres, where the impact of potential regulations might be less pronounced.

The impact of regulation in SA

As more cities globally consider similar regulations, the South African market remains relatively flexible. However, the potential impact of such regulations should not be ignored. Investors in South Africa, particularly in Cape Town, should stay informed and prepared to adapt to possible changes. The city's high ranking for Airbnb investments underscores the opportunity for profitable returns in this market.
Personally, I am closely monitoring these developments as someone who has invested heavily in beautiful properties in Cape Town for Airbnb. I prefer this strategy above all other property investments due to its profitability and flexibility. Despite global trends, I remain confident in the potential for Airbnb in South Africa, and I believe that with the right approach, investors can continue to thrive in this dynamic market.
The future of Airbnb investment in South Africa remains promising, particularly for those who approach it with a well-rounded, informed strategy.

Robin Booth brings you the ultimate ADVANCED GUIDE to profit using Airbnb and Booking.com to increase income, expand your portfolio and create wealth for yourself.

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AIRBNB

Unlocking Potential:
Value-add Real Estate Opportun
Africa amidst global market rec

By Jason Lee



“As worldwide economies and real estate markets slowly start to recover from a high inflationary and interest rate environment, there is a window of opportunity to explore value add real estate opportunities in South Africa.

Although there is no direct correlation, in high-interest rate environments cap rates for income producing properties tend to rise. When interest rates drop, cap rates tend to lower in line with these drops.”

nities in South
overy



As global economies and real estate markets begin to recover from a period of high inflation and elevated interest rates, South Africa presents a compelling window for investors to explore value-add real estate opportunities. This strategic approach capitalises on the dynamics of cap rates and interest rates to maximise returns and unlock hidden value in underperforming properties.

Understanding Cap Rates and Market Timing

In high-interest rate environments, cap rates for income-producing properties tend to rise, reflecting increased borrowing costs and decreased property values. Conversely, when interest rates decline, cap rates usually follow suit, indicating potential for appreciation.
For savvy investors, this presents a strategic opportunity: acquiring properties at high cap rates, enhancing their value, and eventually selling or leasing them at lower cap rates. By purchasing at elevated cap rates and improving cash flow, investors can realize substantial profits from these value-add opportunities.

The Vision Behind Value-Add Investments

Success in value-add real estate hinges on having a vision for underperforming assets. It involves seeing potential where others might overlook it. Unlike traditional real estate investments, which often rely on stable, income-producing properties, value-add deals focus on properties with untapped potential.
These properties might be outdated, poorly managed, or in need of significant renovations. By purchasing these assets at a discount, investing in targeted improvements, and then repositioning them in the market, investors can significantly enhance their value and cash flow.

Examples of Value-Add Opportunities

1. **Underperforming Multi-Family Rental Buildings:** Properties with below-market rental rates or poor management can be revitalized through renovations and improved management to attract higher-paying tenants.

2. **Outdated Retail Centres:** Retail properties that are leased at below-market rates and have high additional rent charges can benefit from updates and repositioning to meet current market demands.

3. **Industrial Properties:** Facilities leased at below-market rates or with outdated features can be upgraded to meet the needs of modern businesses, particularly those involved in logistics and e-commerce.

4. **Maximizing Site Coverage:** Properties with unused land or development potential can be enhanced by increasing site density and developing additional space for sale or lease.

Opportunities in South Africa's Real Estate Market

South Africa's diverse and resilient real estate market offers significant opportunities for value-add investments. Major urban centres like Cape Town followed by Johannesburg, and Pretoria still remain vibrant, with potential across residential, commercial, and industrial sectors. Economic fluctuations, shifting demands, and urban planning changes have left some properties underutilized or in disrepair, making them prime candidates for value-add strategies.

Residential Sector

The residential market, particularly in urban areas, is ripe for value-add investments. Many older apartment buildings and housing complexes suffer from outdated designs and deferred maintenance. Upgrading these properties - through modernizing interiors, adding amenities, or improving energy efficiency -can attract higher-paying tenants and boost rental income.
Additionally, the demand for affordable housing remains high. Investors can capitalize on this by upgrading existing affordable housing, benefiting from government incentives and subsidies that enhance project viability.

Commercial Sector

The commercial real estate sector, including office buildings, retail spaces, and industrial properties, presents notable value-add opportunities. The COVID-19 pandemic has accelerated shifts in business operations, with increased demand for flexible workspaces and e-commerce solutions. This has left many older commercial properties underperforming. Investors can repurpose or upgrade these spaces to align with current market demands. For instance, outdated office buildings can be converted into mixed-use developments, while retail centres can be transformed to include experiential retail or logistics hubs.



Industrial Sector

The rise in online shopping and changes in supply chain dynamics have spurred demand for modern industrial facilities. Value-add strategies that enhance the functionality of older industrial properties can yield significant returns as businesses seek well-located, efficient spaces.

Managing Risks and Ensuring Success

While value-add real estate deals offer promising opportunities, they come with inherent risks. Successful investments depend on thorough due diligence, accurate property assessments, and effective cost management. Investors must navigate regulatory considerations, including zoning laws and building codes, and engage with experienced local professionals to ensure compliance and mitigate risks.

Conclusion

Value-add real estate deals in South Africa represent a strategic investment avenue for those willing to enhance underperforming properties. By identifying opportunities, executing effective improvements, and managing risks, investors can benefit from both capital appreciation and increased rental income.

Furthermore, these investments contribute positively to the South African economy by revitalizing neighbourhoods, creating jobs, and optimizing existing infrastructure. For those with a keen eye for opportunity and a strategic approach, value-add real estate offers a path to significant financial and societal rewards.

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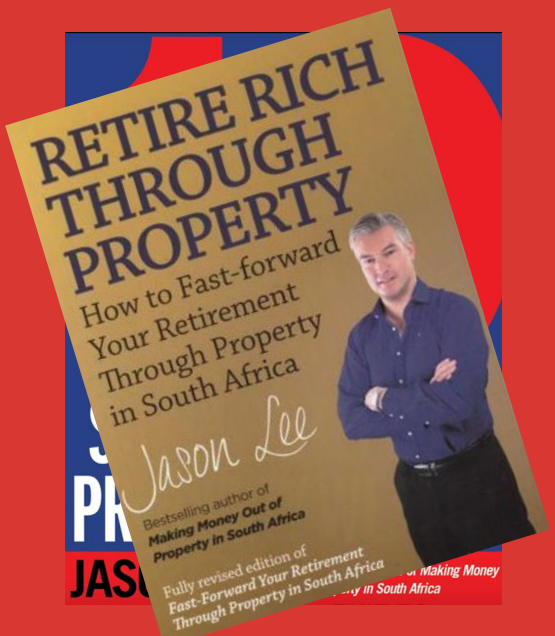
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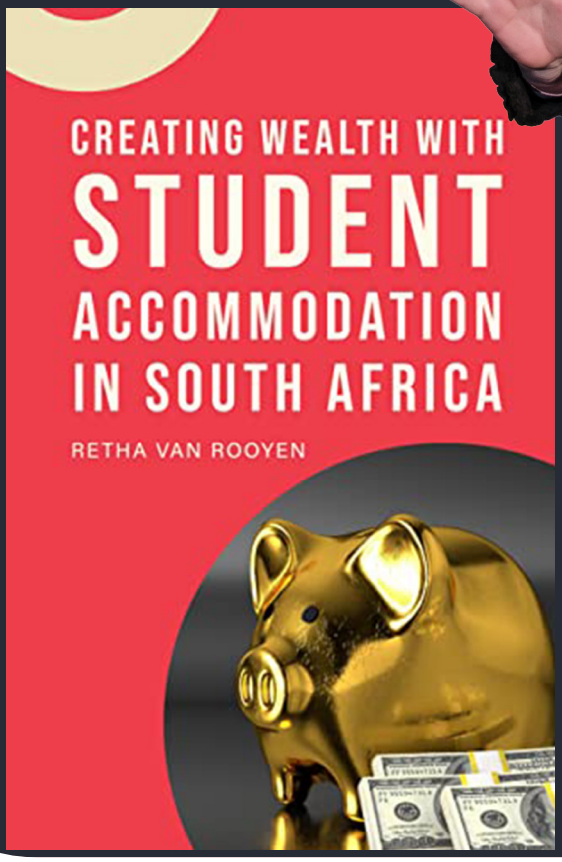


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From the Navy to eXp

The Inspiring Journey of Ferdi A

By Neale Petersen



Ferdi Abrahams, a prominent eXp Realty agent based in Cape Town, South Africa, has carved a remarkable path in the real estate industry.

His story is a testament to resilience, adaptability, and an unwavering commitment to his vision.

Realty:
brahams

eXp REALTY



FERDI ABRAHAMS

eXp Realty, **South Africa**

“The eXp model gives you peace of mind.
you can build a pheomenal business on the eXp
platform and know that your offspring are cared for

“My journey into real estate and how I got into real estate, is quite an interesting story,” Ferdi shares. “I was dating a young girl back in the day, who is now my wife. Her dad owned a real estate company. I was always interested in real estate and property as a career.”

However, life initially took Ferdi in a different direction.

“I joined the Navy, and I spent almost 20 years as a telecommunications and electronic warfare specialist,” he recounts.
But the allure of real estate never faded.

“After many years of a successful naval career, I decided to jump out and venture into the corporate world. That’s how I ended up in real estate. So, real estate was my first real job after the Navy, and that was 24 years ago. And I’m still actively involved.”

Ferdi’s entry into the real estate industry was humble but determined. He joined a small firm in Kuils River, Western Cape, had some training, and enjoyed it. His talent and dedication quickly became evident.

“Two years into the business with that firm, I was introduced to a big brand, which I then joined and spent a few years there.”

His journey was not without its challenges.

“I spent some time with the ‘red, white and blue guys – the balloon guys’ and progressed from being an agent to managing the office. Then I bought shares and bought into the company as a partner. That business spectacularly came to a crashing halt in 2009-2010,” Ferdi reflects.

Despite this setback, his entrepreneurial spirit remained unbroken.

“After that, I found myself in another franchise environment, which I bought into and successfully drove that business for about 6-7 years. Then I decided to go on my own as Prosperity Real Estate.”

Ferdi’s venture into Prosperity Real Estate marked a new chapter where he grew a team of agents in Kuils River. But, the onset of the COVID-19 pandemic in 2019 prompted him to rethink his approach.

“Coming out of lockdown, I looked at the eXp model that (eXp Realty South Africa agent) Steven Johnston presented at the time. I was fascinated. I made a split decision that this is the future of real estate, and it looked like a model that I could really work with and build my future on.”

Ferdi made a seamless and successful transition to eXp Realty.



> **I started with the agents on my Prosperity team and all of them joined me at eXp. I shut my business down. I had five agents when I began the new chapter of Prosperity Real Estate powered by eXp,** he said.

However, life initially took Ferdi in a different direction.

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His dedication and leadership paid off.
"My team under my revenue share organization has grown now to 200 agents in 3 years," Ferdi proudly states.

He attributes much of his success to the innovative model of eXp Realty.



“The big thing for me was the revenue share model and the agent equity share program where I was given shares in the company, becoming an owner and part of the business as a shareholder,” he explains. “The fact that I could operate anywhere on the planet, I could potentially grow my business to all corners of the world where eXp has a footprint really attracted me.”

Beyond professional growth, eXp Realty has offered Ferdi a sense of security and peace of mind.

“I sleep much better at night knowing I could transfer my revenue share earnings to my loved ones if something ever happened to me. The eXp model gives you peace of mind. You can build a phenomenal business on the eXp platform and know that your offspring are cared for,” he shares.

From the disciplined ranks of the Navy to the dynamic world of real estate, he has continuously evolved, embracing opportunities and overcoming challenges. “eXp offers us a retirement plan. You’ve got shares in the company, you can build a revenue share team and carry on with life, making sure that your financial future is secure,” Ferdi concludes.

eXp REALTY

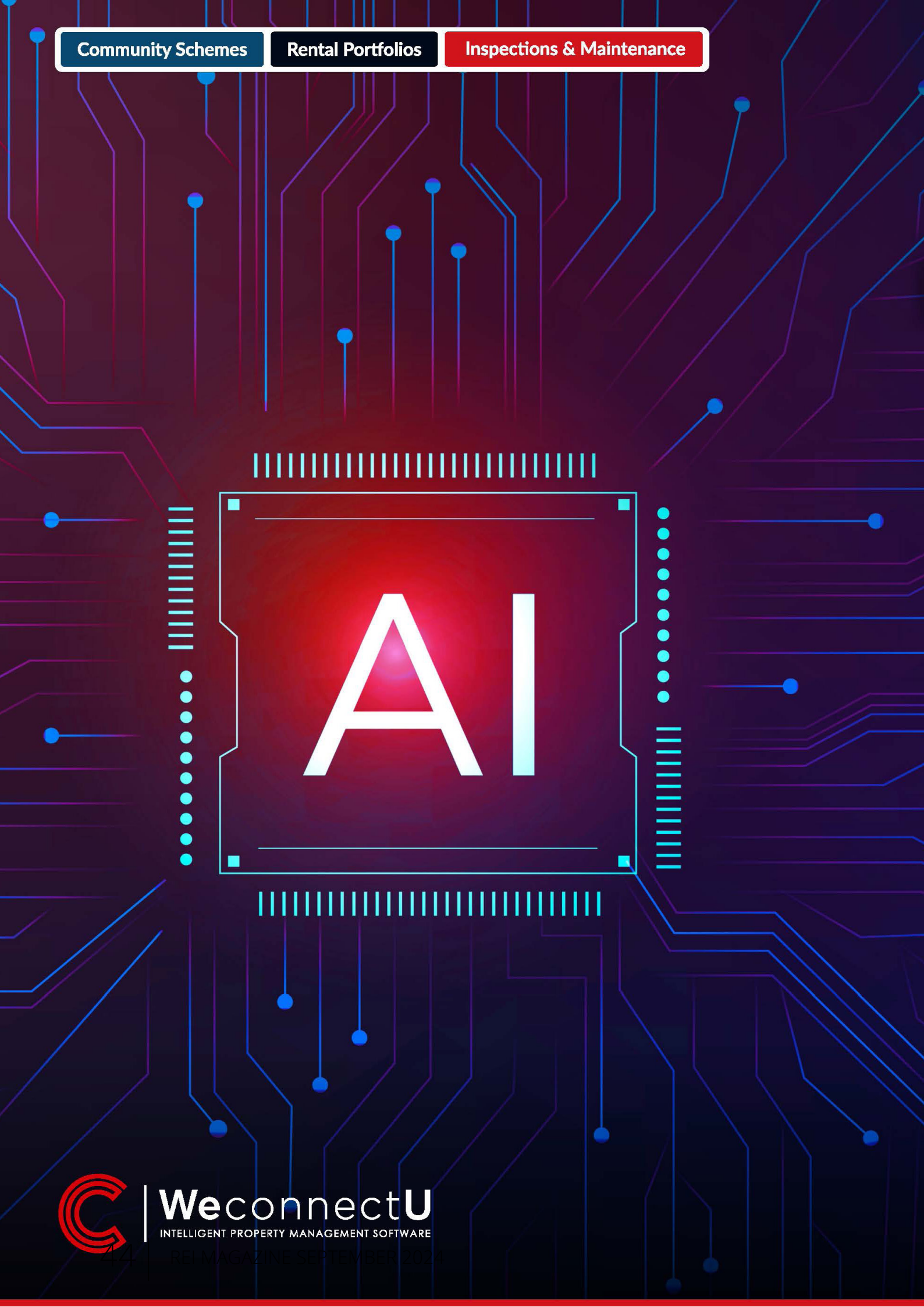


Driving Growth with Future-Forward Technology

As a forward-thinking brokerage, eXp Realty leverages cutting-edge technology and AI to empower agents, boost productivity and spark creativity in the metaverse. This is just one of the reasons why eXp Realty South Africa has grown from zero to more than 1,250 agents in less than four years. At eXp, we're not just building careers - we're creating a community where the best in the business can thrive. Truly, it's where the pros go to grow!

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WHY AI WON'T MAKE YOU OBSOLETE,

But your AI-enabled competitors might

by **Johann, Danie & Schalk van der Merwe**





From left to right:
Schalk, Danie & Johann van der Merwe
Directors at WeconnectU

In today's rapidly evolving technological landscape, the intersection of artificial intelligence (AI) and human ingenuity is creating unprecedented opportunities. Alongside accelerating development, however, is accelerating fear – fear that AI will eventually replace humans in the workplace.

According to Harvard Business School professor Karim Lakhani – a specialist in workplace technology and, specifically, AI – this fear is misplaced, but not entirely unfounded. Having studied AI and machine learning in the workplace for years, he believes that AI will never replace humans – but that humans with AI will replace humans without AI.

This statement underscores the importance of embracing AI as an enabler rather than a replacement – a philosophy that aligns perfectly with WeconnectU's approach to property management.

AI in everyday life

The fact is, AI is no longer a futuristic concept. It's already a seamless part of our daily routines. From predictive text on our smartphones to personalised recommendations on streaming services, AI enhances our efficiency and convenience – often without us even realising it.

These capabilities aren't limited to small conveniences, either. AI's productivity- and user-experience-enhancing abilities are also rapidly transforming various business sectors – including South African property management.



Automation vs AI: understanding the difference

When it comes to AI in business, there is often some confusion around the difference between automation (which has been in use for many years) and true AI. The crux of the matter is that, while automation is able to handle repetitive, well-defined tasks, it cannot think, learn or make decisions autonomously. AI can, introducing a transformative capability that can be invaluable when integrated into business processes in the right way.

At WeconnectU, we've been leveraging automation for years, streamlining mundane tasks like tenant communications and financial reconciliations. This has helped us free property managers up to focus on the more specialised strategic side of their role.

Now, as AI technology matures, we're excited to be bringing a whole new level of intelligence to our solutions.

WeconnectU's AI-enhanced roadmap

AI is not a new concept for WeconnectU. We've made a point of keeping abreast with the emerging technology and are now thrilled to be adding some exciting AI elements to our development roadmap.

By integrating AI into our solutions, we believe we can significantly enhance our ability to fulfil our four promises: helping our clients achieve better compliance, manageability, scalability, and profitability.

Importantly, AI in our solutions will deliver much more than just AI-driven efficiencies (although we'll certainly have those). Our plans are directly linked to our goal of creating more valued and valuable property managers. As such, our AI innovations will not replace human expertise or input, but rather complement and enhance value-adding capabilities like effective communications and intelligent reporting.

This will dramatically increase property managers' ability to provide a comprehensive, professional-level, asset management service to their clients while building stronger, long-term business relationships that leave the competition standing.

How to catch the AI wave

While good AI should feel easy and intuitive, fully leveraging it (and other advanced technologies) in your business does require a certain level of preparation.



That includes:

Ensuring Data Integrity: Clean, reliable data is the lifeblood of AI. Incentivising active attention to data integrity is a valuable step that can make all the difference when it comes to effective AI implementation.

Setting up a "Knowledge Factory": Implementing systems to gather, process, and utilise your data efficiently makes it possible to transform raw data into actionable insights that can be used to fuel decision-making and drive continuous improvement. Examples of important data to collect and include Body Corporate & HOA Updated Rules, Standard Operating Procedures (SOPs), Best Practice Policies and Legal agreements.

Developing a Digital Mindset: It's important for business leaders to remain involved in the digital transformation journey – at least until the new solutions achieve the desired business outcomes. Technology adoption should never be relegated solely to employees – it's a business-wide mission that needs to be lead from the front.

Supporting Change Management: Change is always challenging, but it's much easier when you have a workplace culture that embraces adaptability. Executives that foster this culture, and support it with effective change management, will find it much easier to navigate the technological transitions that lie ahead.

AI as a catalyst for progress

There is no denying that we stand on the cusp of an AI-driven revolution and the potential to transform property management is immense.

AI can enhance human potential, solve complex challenges, and lead us to a brighter, more prosperous future. Those willing to adapt and leverage its capabilities will undoubtedly lead the industry forward, while those clinging to old tools and processes will fall further and further behind.

At WeconnectU, we're excited about the possibilities and are committed to integrating AI into our solutions to drive innovation and growth for our future-focussed customers. Join us, embrace AI, and step confidently into the future of property management.

The time is now – let's get started!

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South Africa's Retirem Property Market

poised for growth amid rising s and lifestyle changes

By Neale Petersen



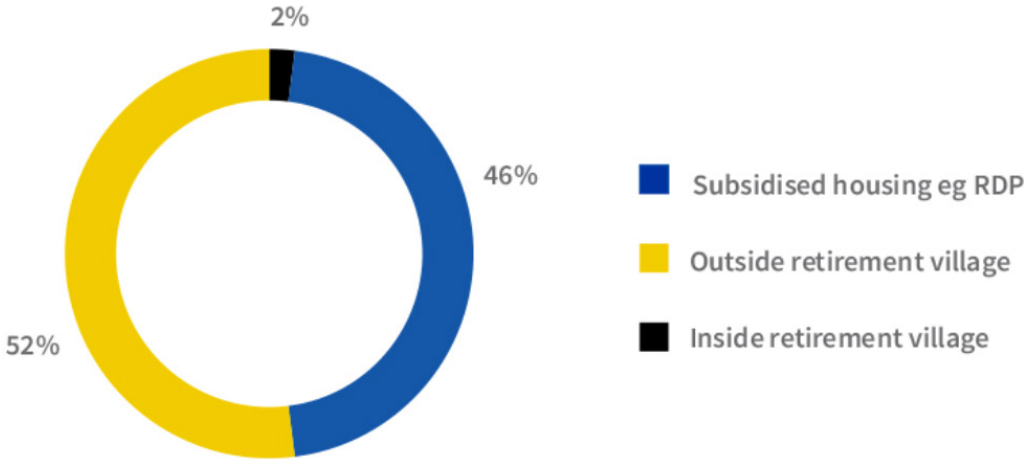
South Africa's formal retirement property market, accommodating 44 000 households, represents a small but significant segment of the country's housing landscape.

While a majority of seniors currently reside in homes purchased earlier in life, the demand for purpose-built retirement communities is on the rise. This trend is driven by a growing senior population, changing lifestyle preferences, and increasing financial security among older adults.


ent
enior demand

Hayley Ivins-Downes, Managing Executive Real Estate at Lightstone, a provider of comprehensive data, analytics and systems on property, automotive and business assets, says the data shows that, of the country's 5.45m residential properties (excluding social housing), approximately one third is owned by >60yrs olds. A quarter of these owners bought their properties after they turned 60, and just 44 000 of these properties are in formal retirement villages, which suggests they are targeted at the upper end of the market.

Properties owned by >60



The pie chart shows how ownership of the >60 year olds is split between subsidised housing (1.3M), non-retirement housing (1.5M), and formally registered commercial retirement homes (44 000).

Lightstone has identified around 650 retirement complexes in South Africa - either Estates or Sectional Schemes - which use words like "retirement", "old age", "bejaard", "aged", or "outehuis" in their name.

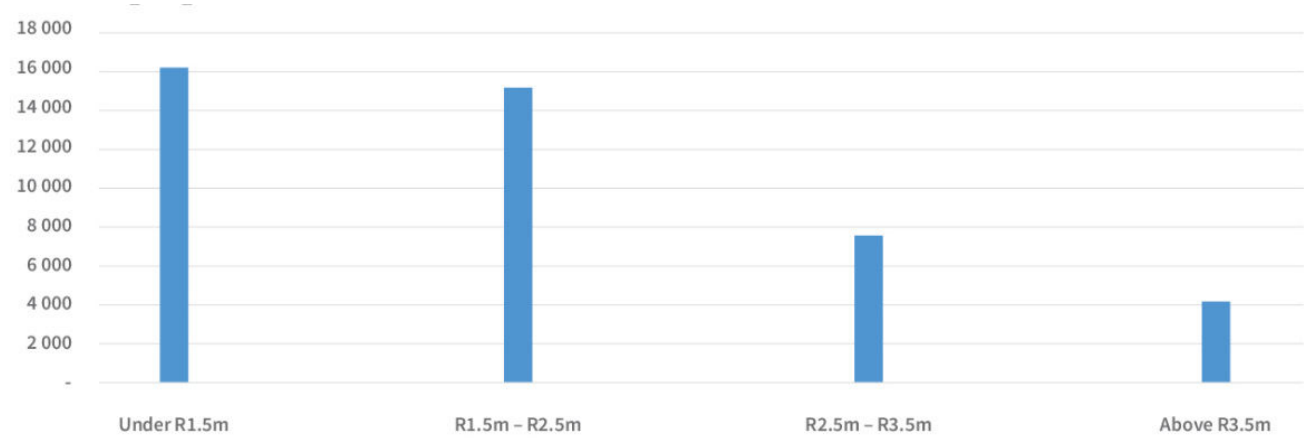
Some 350 of the complexes are made up of properties registered at the Deeds Office (a total of 44k units), while around 300 entities are registered as one property at the Deeds Office but owned by, or allocated to, social services who manage units.

At most, these 650 entities account for less than an estimated 100 000 units and no more than 125 000 individuals, a small proportion of the over five million people who are 60 years of age or older.

Formally registered retirement properties

"The 350 complexes containing units registered at the Deeds Office account for 44 000 properties, of which 33 000 are privately owned and 11 000 are owned by companies or trusts. These properties house anything between 44 000 to 88 000 people, assuming one or two people live in each property. More than half of the properties are valued at more than R1.5m," Ivins-Downes added.

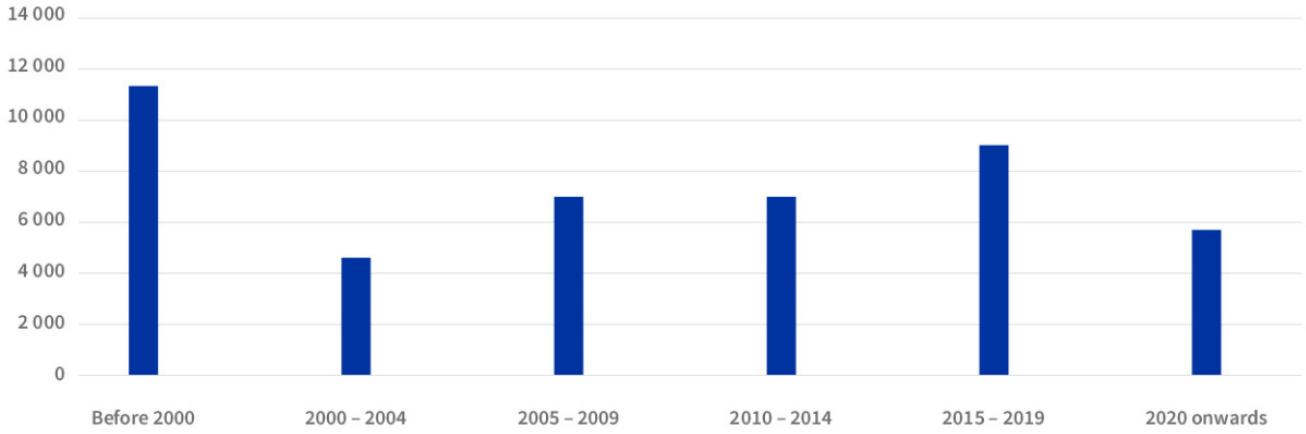
Value of properties



Ivins-Downes says, "The data clearly shows that while many South Africans over 60 own their homes, there's a significant gap in the availability of formal retirement housing options. While we have identified around 650 retirement complexes, these only accommodate a small percentage of the senior population. This highlights the need for more diverse and accessible retirement housing solutions, particularly in the affordable segment."

Additionally, approximately 13% of the stock was developed after 2020, and just more than 25% were built before 2000, with the balance being built in between (see graph below).

Age of stock



Some 35%, or 15 000 properties, are in Estates (gated communities with a shared access/exit gate), and 65%, or 29 000, are in Sectional Schemes.

Sales over the last five years

A total of R29 billion has been spent on more than 15 000 properties at an average price of R1.9m in retirement complexes over the past five years (see four tables below).

While sales have mostly occurred in Gauteng, Western Cape and KwaZulu-Natal, the Western Cape has had the highest average sales prices.

Finance

Why Sectional Title ou
freehold properties:
– Multiple benefitslifestyle chan

By Renier Kriek



In South Africa, sectional title properties have overtaken freehold properties in sales volume, now constituting 54% of all property transactions in the fourth quarter of 2023, up from 44% in 2013.

This shift represents the first time in two decades that sectional title price growth has outpaced that of freehold properties.


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ges

The increasing popularity of sectional titles is attributed to their affordability and the communal amenities they offer, which are attractive amidst rising property prices and stagnant wages.

Understanding Sectional Title Properties

A sectional title differs significantly from freehold ownership. Buyers of sectional titles own a specific volume of space within a building, extending from the midpoint of the outer walls to the ceiling, but not the land or common areas. The land and shared facilities are collectively owned by all residents in the scheme. This distinction is crucial for potential buyers to grasp fully.

Why Sectional Titles are gaining popularity

The rising cost of property and the increasing gap between asset prices and salaries have made sectional titles a more accessible option. They are generally cheaper to purchase and maintain compared to freehold properties.
Additionally, sectional title schemes often provide communal facilities like swimming pools, gyms, and enhanced security, which can be financially out of reach for individual homeowners.

Essential Guidance for Buyers

1. Financial Health
Examine the scheme's financial statements to ensure it is financially sound. The collective responsibility of managing finances means poor financial health can impact all owners.

2. Commercial Solvency
Confirm that levies are collected efficiently to avoid financial shortfalls. Check for any outstanding debtor balances in the financial statements.

3. Management Quality
Evaluate the competency of the trustees and the overall management of the scheme. A managing agent, required to be registered under the Property Practitioners Act, is typically preferable to direct trustee management.

4. Exclusive Use Areas
Verify the status of exclusive use areas like garages or carports to ensure they are as promised by the seller or estate agent.

5. Resale Value
Consider factors that affect resale value, including the property's proximity to schools, medical facilities, and shopping centres.

6. Improvement Restrictions
Understand that you may not have the right to make external improvements, such as installing solar panels, due to the communal nature of the property.

As sectional title properties continue to gain traction and price growth accelerates, the market offers lucrative opportunities for buyers and investors. However, due diligence is essential.

Crucial Insights for Investors

Scheme Rules
Ensure the rules of the scheme align with your investment goals, such as allowing rentals or property modifications.

Rental Regulations
Check if short-term rentals like Airbnb are permitted. Be aware that some schemes prohibit such rentals to maintain community security and peace. Anticipate possible future changes in these rules.

Legislative Risks
Be aware of potential legislation that could restrict short-term rentals in South Africa, as seen in other countries. Have contingency plans to maintain profitability.

Understanding the complexities of sectional title schemes, including financial stability, management quality, and scheme rules, will help buyers and investors make informed decisions and maximize returns. While sectional titles provide an affordable and attractive option compared to freehold properties, careful consideration of the finer details ensures full value and investment success.



Property Management

Navigating Cannabis in Title Schemes: Essential G

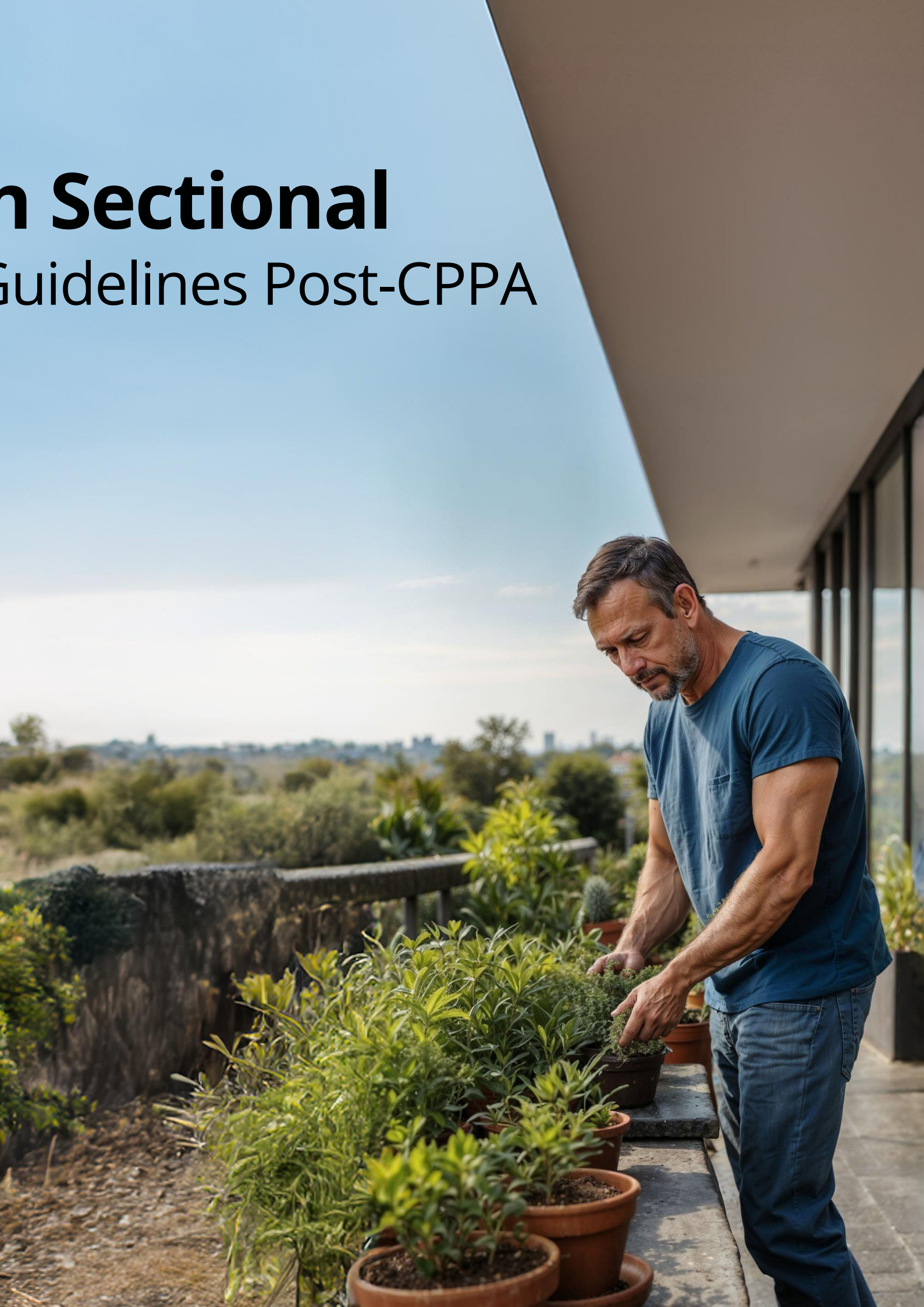
By Andrew Schaefer



> **Since May, 2024 when the Cannabis for Private Purposes Act (CPPA) was finally signed into law, there has been a new urgency to resolve questions about where cannabis can be smoked and grown within Sectional Title complexes and other community housing schemes.**

n Sectional

Guidelines Post-CPPA



First introduced in 2020, the new legislation establishes a legal framework for the use, possession and cultivation of cannabis in SA, and makes it legal for adults to use cannabis (also known as marijuana or dagga) in the privacy of their own homes – but the distinction between private and public spaces is more difficult to define in Sectional Title schemes.

It's fairly obvious that Sectional Title residents cannot smoke or grow cannabis in any common property areas like passages, courtyards, garages and parking bays, playgrounds, gardens, clubhouses, shared braai areas or swimming pool surrounds.

In addition, no plants or dried cannabis can be bought or sold anywhere within a Sectional Title scheme. But what about residents smoking it on their own apartment balcony, for example, or growing it in their own townhouse garden?

Generally, balconies and gardens that are registered as exclusive use areas are considered in Sectional Title schemes to be private spaces, while those that are not registered are considered public spaces, meaning that residents would have to refrain from using cannabis in those areas – even if no-one else in the complex could reach them.

But that's not the end of things. Just like cigarette or vape smoke, cannabis smoke drifts, and could cause neighbours to object even if a resident was smoking on their own, exclusive use balcony or patio, or in their exclusive use garden, or in their private residence. Similarly, they might have concerns if there were cannabis plants growing in an exclusive use garden space that could easily be accessed by others, especially children.

At that stage, the trustees might decide to invoke Section 13 of the Sectional Title Schemes Management Act (STSMA), which states that an owner must not use his or her section or exclusive use area, or permit it to be used, in a manner or for a purpose which may cause a nuisance to any occupier of a section.



Respecting common property & neighbours rights

Residents do not use the common property, their sections or exclusive use areas in any way that unreasonably interferes with the rights of others (who are lawfully exercising their rights); and that

Preserving property value and utility

Residents do not do anything to a section or exclusive use area that would have a material negative affect on the value or utility of any other section or exclusive use area.

And this might result in them requesting residents – both owners and tenants – to refrain from smoking or growing cannabis anywhere in the complex except inside their own sections. Alternatively, they could try to introduce a new Conduct Rule outlining the precise conditions for cannabis use in their scheme – but it is important to note that the CPPA is national legislation, so any new rule would not be allowed to prohibit the smoking or growing of cannabis altogether.

A new Conduct Rule could be regarded by some residents as ineffective in regulating the use of cannabis in their complex, and by others as too strict and an infringement of the rights granted by the CPPA, in which case the parties would need to consider lodging a dispute with the Community Schemes Ombud Service (CSOS) so that the issue could be resolved by mediation or arbitration.

Meanwhile, owners who are renting their Sectional Title units must now make sure that their lease agreements stipulate whether the property is a smoking or non-smoking unit, especially if they don't want their tenants smoking cannabis

– or anything else - because there is a risk of them contravening the scheme's Conduct Rules.

In some schemes, landlords can be fined when tenants break these rules, in which case they need to make sure that the lease also provides for them to cancel the agreement after three written warnings if the tenants are observed or found smoking.

And of course both owners and tenants need to be sensitive to any objections by neighbours whenever they smoke outside, because the reality of living in any community housing scheme is that it requires respectful co-existence between close neighbours, no matter what rights are granted by the CPPA or any other legislation.

Andrew Schaefer, MD of leading property management company Trafalgar.

PROPERTY MANAGEMENT

Statutory prescribed A Inspections and Repor

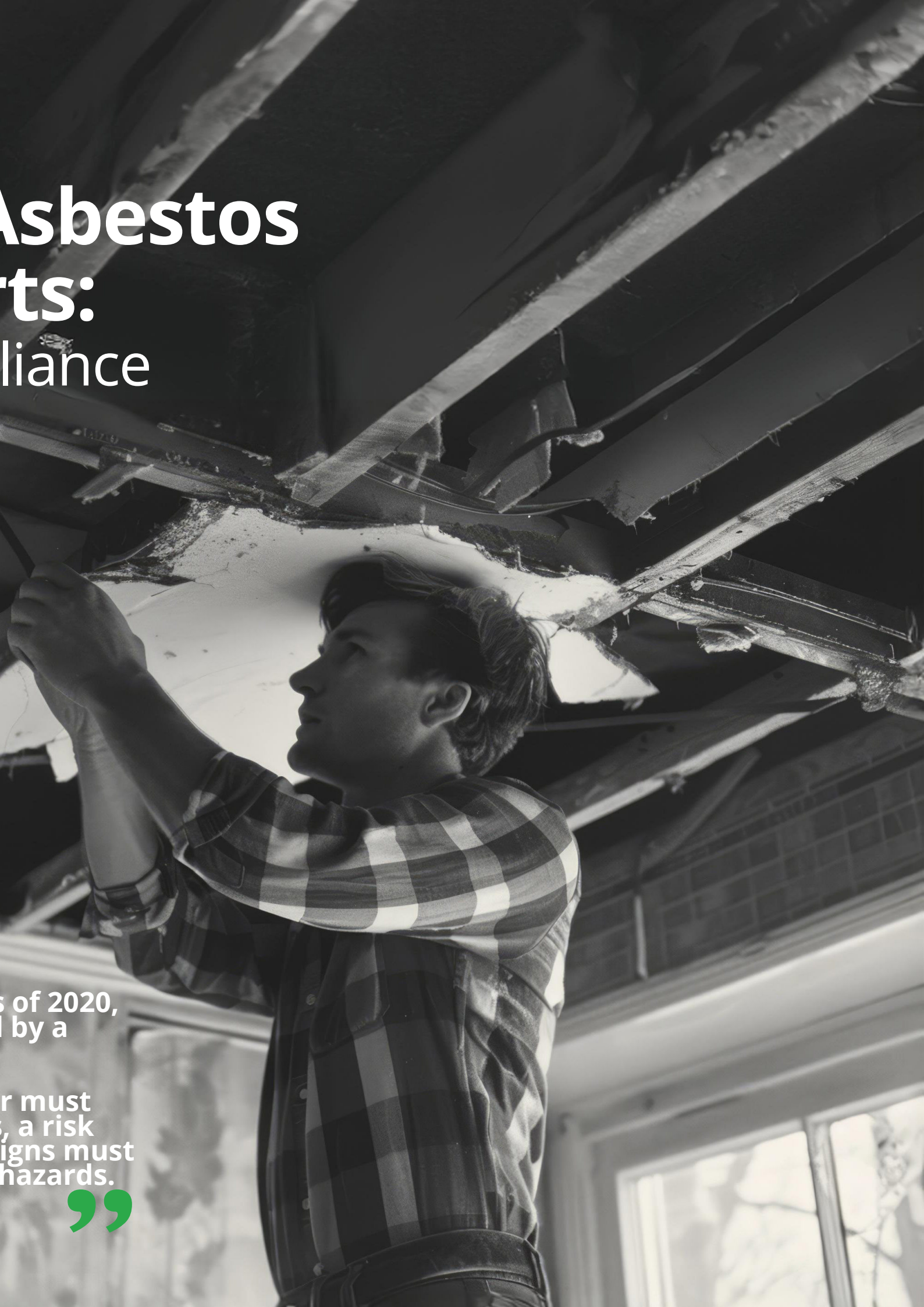
Landlord obligations and comp

By Mario Wilker



Under Regulation 3 of the Asbestos Abatement Regulations employers are required to have their workplaces inspected competent person for asbestos.

If asbestos-containing materials are detected, the inspecto prepare several reports, including an inventory of asbestos assessment, and an asbestos management plan. Warning s also be displayed to alert individuals to potential asbestos



Asbestos
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Importance of Compliance

Asbestos is classified as a carcinogen and exposure to its fibres can cause serious health issues, such as asbestosis, mesothelioma, various cancers, and even death. Non-compliance with the regulations can lead to severe consequences, including prosecution, fines, and imprisonment. The regulations are designed to prevent such health risks and ensure a safe working environment.

Where Asbestos is Found

Asbestos was commonly used in many building materials, including roofing sheets, wall panels, ceiling boards, gutters, insulation, water pipes, and floor tiles. It is prevalent in structures built before its use was heavily regulated.

Leased Premises

According to the Property Practitioners Act of 2020, property owners, landlords, and consultants must disclose the presence of asbestos to prospective tenants or buyers. This disclosure, which must be made on the prescribed form, is crucial to avoid personal liability. Despite this, employers are still responsible for ensuring that their workplaces are free from hazards that could affect worker health and safety.

Managing Asbestos

Asbestos-containing materials in good condition can be either repaired (sealed or painted) or replaced with modern materials. Proper management ensures that these materials do not pose a risk to health.

Urgency for Compliance

Employers must conduct asbestos inspections as mandated by Regulation 3 of the Asbestos Abatement Regulations of 2020. Inspectors from the Department of Labour and Employment are now enforcing proof of these inspections. Failure to provide an asbestos-free certificate or the required reports may result in legal penalties. Buildings constructed after March 2011 are exempt from this requirement.

Additional Services

Competent inspectors can issue asbestos-free certificates if no asbestos is found or prepare detailed reports and management plans if asbestos is present. They also offer comprehensive Asbestos Safety Policies and Procedures Manuals.

Disclosure Requirements

According to the Property Practitioners Act, property practitioners, owners, or lessors must disclose any asbestos-related defects in properties before finalizing any sale or lease agreements. Non-disclosure can lead to legal liability for damages.

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Monthly Economic Snapshot



Co-founder of Opportunity Private Capital, ***Nick Morgan*** *summarises August's economic indicators and takes a look at inflation hedging in the context of Cape Town Property.*

Local Economic Indicators (30 August 2024)	**News**
All-Share Index 30 August 20**24**: +- 83,750 All-Share Index 30 August 20**23**: +- 74,787 Market PE ratio: 17.9 USD/ZAR R17.84/$ South Africa 10Y Government Bond yield: Current 9.21% **(Data: Bloomberg; SimplyWallSt; Tradingeconomics.; Google Finance.)**	• Forget the published inflation rate. According to StatsSA a shopping excursion for grocery essentials that would have cost R1 000 only 5 years ago, now costs a disturbing R1 466. (Moneyweb, 2024). Shopping is hurting consumers in all the wrong places. • According to S&P Global the improved inflationary outlook in the USA will likely prompt a rate cut by the Federal Reserve in September. This is potentially good news for South African consumers as the SA Reserve Bank should follow suit giving much needed respite. • SA Banks to implement a significant change to EFT transactions in September between Common Monetary Area (CMA) countries - Namibia, Lesotho, Eswatini. In effect, SA account holders will no longer be able to make payments to account holders in these countries.

CAPE TOWN RESIDENTIAL PROPERTY AND INFLATION HEDGING

Cape Town property has historically exhibited remarkable growth over certain periods. The question beckons whether this growth has been effective in staving off the eroding effects of inflation. It's commonly said that property provides an effective hedge against inflation. Well, does it really? Let's clear up a familiar misconception about this statement.

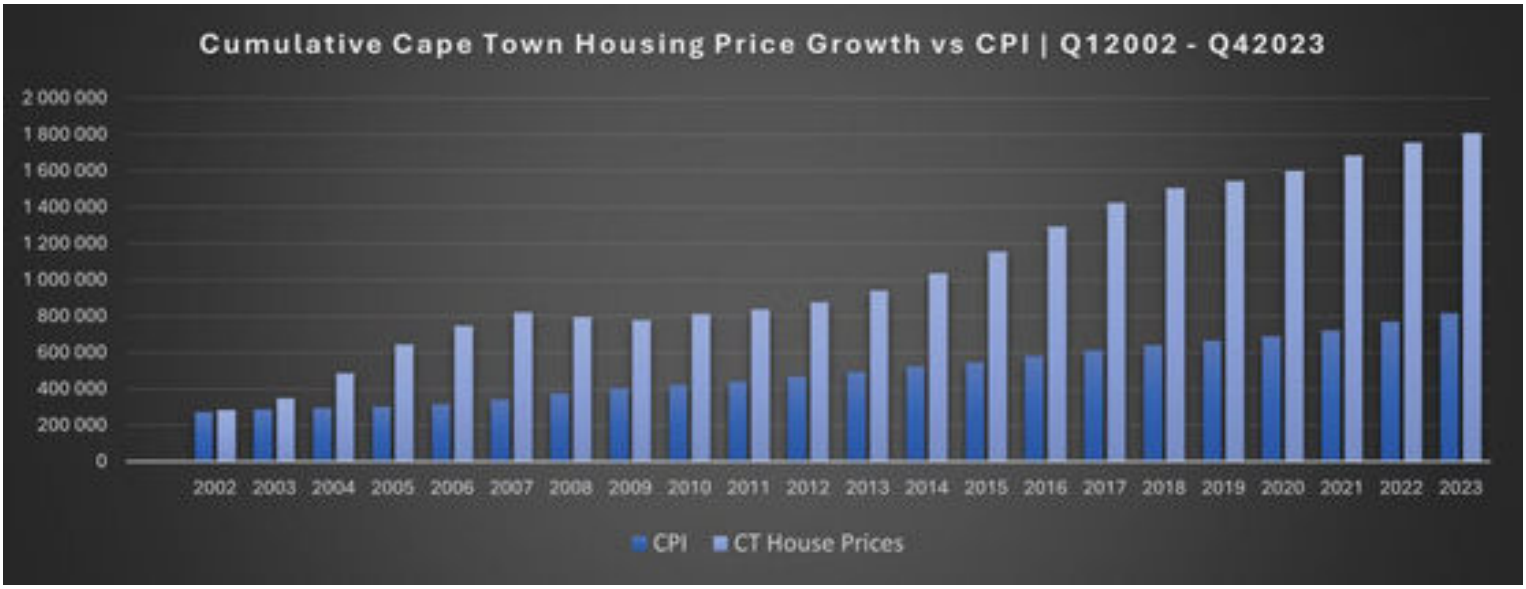
A differentiation must be considered between inflation hedging and inflation protection. To be an actual hedge against inflation housing values should move in synchronicity with inflationary movements. Consequently, for an asset class to be an effective inflation hedge it must correlate positively in a close relationship with inflation (Stefan, 2017).

An **inflation hedge** implies therefore that the housing prices will move in the same direction as inflation at a rate that outperforms inflation. Yes, housing prices do have a sensitivity to inflationary movement but often exhibit an asymmetric relationship with inflation over short periods, which means that in such cases residential property cannot be considered an efficient hedge against inflation.

Inflation protection however refers to returns or values exceeding inflation over a longer term to preserve the purchasing power of investors' capital. Statistics confirm that consistent growth in Cape Town housing values over sustained periods outstrip the cumulative effects of inflation creep over time. The implication for investors and homeowners is that buoyant housing values and attributed growth in Cape Town act as a potent protection against inflation over the long-term and that residential property in this region is a fundamental feature of long-term wealth preservation.

The graph below tracks the cumulative house price growth of residential property in Cape Town against CPI trajectory over the last 22 years. So, while investors should not look to property to hedge against short-term inflation volatility, in particular acute upward trends, the data empirically illustrates the viability of harnessing residential property in Cape Town as a protection against the attritional and damaging forces of inflation over time.

GRAPHIC OF THE MONTH



Source: Adapted from data courtesy of Stats SA and Lightstone

Opportunity Private Capital (Pty) Ltd is a licensed Financial Services Provider, number FSP53400.

Technology

Beyond the Metaverse

Embracing the Immersive Web the Future of the Internet

By Eric Nienaber





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“The term Metaverse was coined by Neal Stephenson in his book Snow Crash in 1992 and has influenced the development of games and virtual worlds.

The term itself is appealing and provides an evocative description of immersive digital environments. However, it became a buzzword and as we have passed through the metaverse hype cycle, the word has become tarnished.”

Today, the word “Metaverse” is often associated with gaming, cartoonish avatars and virtual social engagements. This association has led to the perception that the Metaverse is primarily a realm for entertainment and escapism, distancing it from the broader internet audience and business communities. The relevance of the Metaverse for general business applications has diminished as a result.

The metaverse, as we have come to know it, is a collection of “metaverse islands” disconnected from each other and from the broader internet. These fragmented environments do not fully realise the interconnected potential once envisioned.

We see the emergence of spatial computing, probably best illustrated by Apple’s Vision Pro and Meta’s Quest. These are amazing devices that immerse you in an environment yet still displaying websites as 2D pages in a 3D environment. It’s akin to going into a store to look at the products but being presented with a paper catalogue. The web, as we know it, needs to evolve to keep pace with these advancements.

To realise the potential of this evolution, we must rethink our use of the term “Metaverse” and adopt more suitable terminology. The phrase “Immersive Web” offers a far more accurate description of the next stage in the internet’s development. It signifies a shift from a flat, 2D experience to one that fully covers the depth and richness of 3D websites.

The immersive web also provides opportunities way beyond what the metaverse islands can offer. Imagine browsing a property development website where you can walk through the properties in 3D.

Now, picture being a sales agent who can engage with visitors and potential clients in real-time within this virtual space. This is a win-win scenario for both buyers and sellers. Imagine an internet where you can share these experiences with friends and family or business associates.

As we move into the era of spatial computing it is important that the terminology we uses reflects the shift. The term Metaverse has certainly captured the imagination but has come to mean something that does fit with the next evolution of the web.

The Immersive Web is the next chapter in the story of the internet, one that holds the promise of richer, more engaging experiences for everyone. Perhaps MetaPress needs a name change... but, in the meantime, it is the goto place for an immersive website.

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INVESTMENT SUMMARY

Capital Investors are invited to participate in a limited investment offering. The primary consideration for the offering is the protection of invested capital. Development assets (properties) are held as security for capital, until investors are repaid.

The total Investment required for this participation is R 14 250 000, with a minimum investment amount of R 100 000. The investment returns are fixed at a rate of 14% per year.

RISK PROFILE



INVESTMENT TERM

(PROJECTED)



INVESTMENT OBJECTIVE

The aim is to provide private investors with alternative diversification by offering access to investing in residential property projects. The result being formidable returns based on reasonably predictable timeframes with assets employed to protect invested funds.

INVESTMENT SECURITY

- The investor's capital is protected by the property.
- 100% Private investment in structure - no mortgage bonds
- Independent Security Trust mandated to safeguard investor interests.
- Properties are located in high-demand areas in Cape Town.
- Proven track record.

IMPORTANT FACTORS

- Capital Guaranteed.
- Secured investment structure.
- Limited investment offering.
- Estimated 24-month investment period.
- New property, recently constructed.

Opportunity Private Capital was founded in 2006 and is a boutique investment company located in Cape Town. Secure investment opportunities are provided for private investors to invest capital in residential properties and developments.

LEARN MORE

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Commercial

Cape Town CBD's grow
with R7.285 Billion in 2023

By Neale Petersen



Cape Town's Central Business District (CBD) has demonstra remarkable economic vitality in 2023, with property develo investments surpassing R7.285 billion—a notable increase R3.730 billion compared to 2022. This growth is a strong ind the area's robust recovery and ongoing investment potenti

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The latest edition of the "State of Cape Town Central City Report 2023 – A Year in Review" (SCCR), published by the Cape Town Central City Improvement District (CCID), highlights the significant rebound of the CBD's economy. The report reveals that 30 property developments were recorded last year, with nine completed (valued at over R1.347 billion), eight under construction (over R2.228 billion), ten in planning (over R2.610 billion), and three proposed (more than R1.100 billion). Residential properties accounted for 40% of these developments, reflecting a sustained demand for inner-city living.

Rob Kane, CCID board chairperson, emphasizes that the Cape Town CBD has notably rebounded from the pandemic, a trend that continued strongly into 2023. The total official value of property in the CBD has increased from R12.2 billion in 2016/17 to R42.8 billion in 2023. This growth in property values underscores the area's attractiveness to investors.

Beyond the construction sector, other critical economic sectors such as business tourism, hospitality, eventing, and retail have also shown strong performance. The number of business entities in the CBD rose by 186, reaching 3,302 in 2023. The sectors experiencing growth include retail, ICT, finance, and artistic studios. Retail, in particular, demonstrated resilience, with 62 new outlets opening and a high confidence level among retailers, with 93% satisfied with current conditions.

Despite economic challenges and power outages, the retail space in the CBD faced only a slight decrease in total occupied space, with a vacancy rate of 6.0%, up from 4.9% in 2022. The increase in vacancies is partly due to redevelopment projects like The Mutual on Strand Street.

The commercial sector also saw positive developments, with a decrease in office space vacancy rates to 10.2% by the end of 2023, down from 13.3% in 2022 and 16.1% in 2021. The CBD retains the largest share of office space in Cape Town, representing 39.4% of the total.

The SCCR 2023 offers unique insights into property investment, including a map detailing the locations of completed, ongoing, and planned projects. It also provides an economic overview of resilient sectors, visitor statistics, and an assessment of the factors affecting global downtowns. The report includes a residential survey that explores why people choose to live in the CBD.

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COMMERCIAL

Employers risk talent ‘Quiet Quitting’ without

By Gidgette Osborne



“Employers who micromanage their team’s working patterns and locations risk losing top-tier talent to ‘quiet quitting’, a new study has revealed.

International Workplace Group the world’s leading supplier of hybrid working solutions with brands including Regus, Spaces, and HQ in South Africa.”


exodus and
hybrid work

They explored the main reasons why workers are most likely to "quiet quit," a workplace term used to describe employees who do only the bare minimum required by their job description.

More than half (57%) of workers said that they were more likely to "quiet quit" if their manager made them feel undervalued, micromanaged them, or did not provide the flexibility to work from a location that best suits their needs.

With 22% of the workforce currently feeling or having previously felt demotivated at work, millions of workers could potentially disengage from their roles or seek employment elsewhere if they do not feel empowered by their teams to work in a way that works for them.

Trends without hybrid work

A fifth of the workforce currently feels demotivated at work, posing a widespread threat to productivity levels

Employees who lack flexibility over where they work are more likely to quiet quit than those who work hybrid, citing long commutes, micromanagement and inability to work from their chosen location as their biggest bug-bears

Businesses that offer hybrid working are reaping the rewards, with 78% of hybrid workers saying it boosted their productivity levels

However, two fifths (40%) of office workers are less likely to 'quiet quit' or become demotivated at work if their employers offer a hybrid model.
Workers are sending a clear message to current and potential employers: embrace the benefits of hybrid working, or risk losing talent.

Hybrid work helps employees feel empowered and satisfied

The reality for businesses that don't offer hybrid, is that they will lose the best talent - with six in 10 (62%) hybrid workers saying they would consider leaving their job if required to return to the office five days a week. Furthermore, 71% would decline a new job or position that involved a long commute, while 72% would only consider new roles offering the flexibility to work from any location.

In addition to boosting productivity levels (78%), hybrid working empowers employees to make decisions about their work schedules based on when and where they work best (92%) - one of the most important factors in preventing employees from quietly quitting.

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Managing the future: How managers can prevent quiet quitting

For workers who currently lack the flexibility to work where they want, 55% believe they would experience greater job satisfaction and productivity if their manager or boss allowed them to work in a hybrid manner.

The research also identified the top three markers of good management as: promoting work-life balance, trusting workers to complete work from any location, and being approachable and open to conversations about new ways of working.

This is supported by academic research from Professor Bloom, a Stanford economics professor and world-renowned expert on hybrid working, who says that companies that offer this kind of flexibility can expect to see quit rates decline by as much as 35%.

Mark Dixon, CEO of International Workplace Group, says: "This latest research highlights how businesses can tackle quiet quitting to maintain business productivity. The greatest boost to performance, productivity and employee happiness comes from freeing workers from the bind of a long, unproductive, and expensive journey several times a week to a city centre office where they complete tasks they could perform closer to home.

Businesses need to empower their employees to work when and where they are most productive. By giving employees this option, businesses are less likely to foster a culture with disengaged and unfulfilled workers."

Click Here



CYPRUS
PROPERTY TOURS
2024

Tour 1



APR
27th - 5th

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

Tour 2



JUN
15th - 22nd

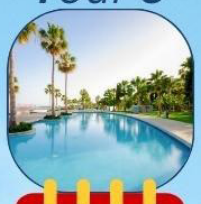
June

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						

SOLD OUT

*Youth Day SA

Tour 3



JUL
20th - 27th

July

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			

SOLD OUT

Tour 4



SEP
14th - 21st

September

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					

Tour 5



SEP
21st - 28th

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

Tour 6



OCT
5th - 12th

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		

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Understanding Spain's
Programme Amendments

By Sean Woolley



On the 9th of April, Spain's Minister for Housing, Isabel Rodríguez, announced that they were taking the first steps to eliminate the Golden Visa.

This visa was a popular choice for non-EU residents who wanted to gain residency in Spain, by making an investment of €500,000 or more, in a property or business. There are fears that scrapping the Golden Visa will put off potential buyers from outside of the EU from investing in property in Spain.

s Golden Visa



Life is a little tougher for buyers looking to make a permanent move to Spain, it isn't the only visa option and in fact, less than 10% of their transactions to foreign buyers are Golden Visa related. Most of non-EU buyers have been happy to abide by the 90/180 access rule or use one of the other visa options available.
Here are the most common questions to help people understand the full implications of this legislation change.

What is the Golden Visa and who have been taking advantage of it since it was introduced in 2013?

The Golden Visa allows anyone of good character outside the EU to apply for residency in Spain and gain unrestricted access to the Schengen area of Europe. The only requirement is an investment of at least €500k in Spain. This includes a simple investment in property. However, this investment can't be via a mortgage, so you'd need to pay €500,000 without leveraging a mortgage loan to do so. This provides the same rights to the applicant's partner/spouse and any dependent children under 18 years of age.

The initial residency is for two years, which can then be extended by a further five years if all the original conditions are still met. You can then apply for permanent residency and thereafter citizenship. When it launched in 2013, the early adopters were mainly Chinese and Russian investors, but during the years up to 2021, the numbers of Golden Visas granted were surprisingly low, at an average of less than 1,000 per year.

What is the change in legislation that has been announced?

The government has announced its intention to scrap the Golden Visa scheme altogether as soon as their proposal is ratified.

Why do you think it is being scrapped now?

Although it wasn't often used between 2013 and 2021, the figures for the last 2 calendar years tell us a different story. There were 2,017 Golden Visas granted in Spain in 2022 and 3,273 in 2023. Already in 2024, 424 have been approved, with plenty more in the application stage. The predominantly left-wing coalition government has come under increasing pressure to abolish the scheme, it being seen as a hurdle preventing locals accessing more affordable housing.

Have you seen a recent increase in interest in the Golden Visa in Marbella?

Yes, especially with the growing interest from the US and Canada. Many people now identify Marbella as an ideal relocation destination for themselves and their families. If you don´t have EU residency, this is now going to become more difficult.

What will happen to the people who have applied, but not yet been granted their visa?

We don't yet know, although it would seem only fair that a deadline for applications is set so that these applicants can rest assured that they will not be unduly affected.

Can people still apply for a Golden Visa now?

Yes. Remember, this proposal needs to be ratified before its abolition, and the idea could be met with objections and delays.

How quickly do you expect this new legislation to come in?

Again, we are unsure, but a timescale of 6-12 months would seem to be a fair assessment.

Do you expect this to affect your buyers/sellers?

It depends on the nationality and residency status of the buyers. Those with EU passports are unaffected. Brits who are happy to adhere to the 90/180 rule (i.e. spending no more than 90 days in the EU within any one period of 180 days) will also be unaffected. Those seeking permanent relocation into Spain via this scheme from outside the EU are most at risk.



What are the alternative ways for non-EU buyers to get residency in Spain?

There are a couple of avenues still available, one being the recently introduced Digital Nomad Visa. This visa is for any foreigner planning to live in Spain as a resident, working remotely as a freelancer, or for a company in another country. There's also the Non-Lucrative Visa, popular with retirees. In this case, you need to prove your ability to financially support yourself and you need to be resident in Spain for at least 183 days per year. With the Golden Visa, you only theoretically need to visit Spain for one day per year.

People are saying this is the end of the Spanish dream for buyers outside of the EU, what is your professional opinion?

It is not impossible buyers looking to make a permanent move to Spain. Most of non-EU buyers have been happy to abide by the 90/180 access rule or use one of the other visa options available.

Are you worried about the impact of this announcement on the property market on the Costa del Sol?

The announcement may bring a spike of renewed interest from those seeking to secure the Golden Visa before it gets abolished completely. There is a window of opportunity now, so there is no excuse to wait.

Author Details
Sean Woolley is the Founder and Director of leading real estate agency Cloud Nine Spain. With 23 years' experience of helping clients buy and sell properties in Spain. He is author of the book From the Ground Up – The Insider's Guide to Buying Spanish Property.





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Wealth

South Africa's Debt Cri

Solution - become an investor

By Gerhard van der Westhuizen



> **Financial distress is not limited to younger individuals. Tho aged 45-54 have a DTI of 128%, and those above 55 years ha the same ratio, despite being in or near retirement. This tre troubling as it suggests that older property owners, who sh ideally have not debt or very low levels of debt, are heavily indebted.**

sis Unveiled:

PART II

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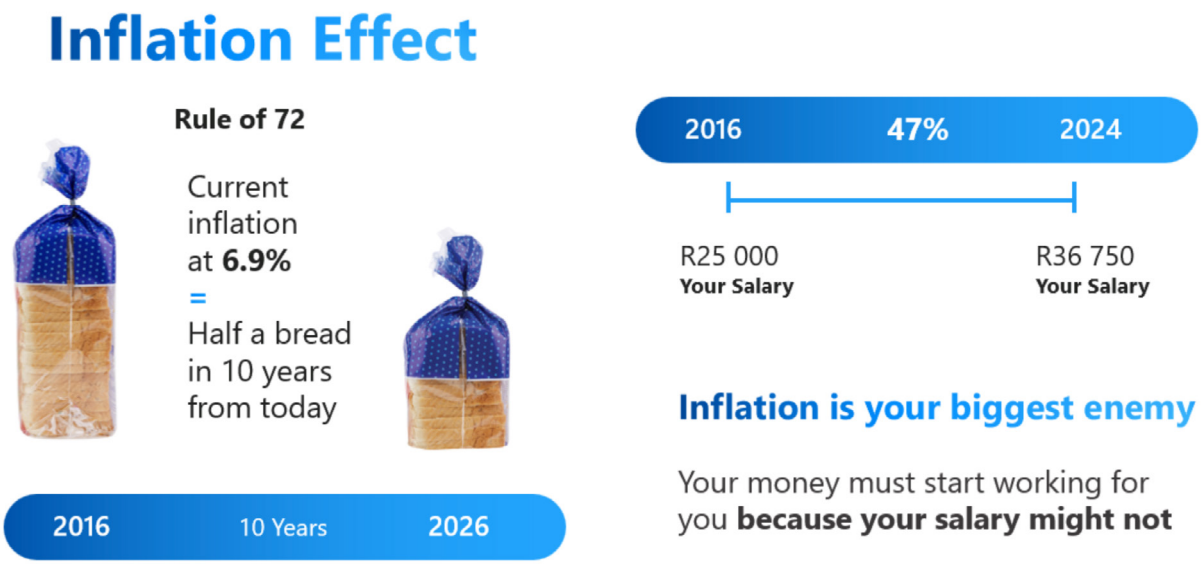


Income Disparities and Economic Impact

South Africa's economic landscape is marked by stark income disparities. We are told to be in the top 1% of earners, one needs a monthly income of R151,000. One struggles to believe that at an income of R25,000 per month, places one in the top 12% of earners. The upper poverty line is set at R1,558 per month, and the lower poverty line at R1,058. With 32.9% unemployment, around 50% of South Africans are economically inactive, exacerbating poverty and financial distress.

Inflation's Impact

Over the past eight years, average net income has decreased by 1% due to inflation that surged by 48%. This means disposable income has shrunk by nearly half, severely impacting purchasing power. For instance, R25,000 in 2016 is equivalent to R36,750 today, just to maintain the same standard of living. This inflationary pressure further strains financial stability.





The Path to Financial Independence

Achieving financial independence in South Africa requires strategic planning. Relying on luck, such as winning the lottery, is not a viable solution. Instead, individuals need to focus on disciplined financial planning and a decision to actively invest. To retire with a monthly income of R25,000, one would need R6.5 million in investments. Alternatively, investing in real estate, such as owning five flats, could generate R30,000 per month.

Becoming a Real Estate Investorct

One of the solutions for the above retirement dilemma so many faces, is to make the decision to become a Real Estate Investor. We at Wealth Assist focus on assisting investors to achieve their goals and make sure our clients have actual property options to consider as part of their real estate portfolio. We believe in direct real estate ownership, because without ownership one will only have a well-structured plan in place.

The Solution To Overcome The Debt Issue: Become An Investor

Focus on these Six Principles as a Real Estate Investor:



Remember, investing is a journey and it's essential to be patient, disciplined, and always to be informed.



6 Six Key Ways to become a Real Estate Investor

1. Set Clear Goals:

Define what you want to achieve and plan accordingly.

2. Understand Property Classes:

Gain knowledge about different property sectors.

3. Risk Management:

All about the implementation of a risk mitigating strategy.

4. Long-Term Perspective:

Focus on long-term gains while you capitalize on short-term opportunities.

5. Ongoing Research and Education:

Continuously update your knowledge and stay informed.

6. Professional Advice:

Seek guidance from professionals to navigate complexities of investment. Collaboration increases all chances for achieving success.

South Africans faces significant financial challenges, with high levels of debt and widespread financial distress. However, with careful planning, disciplined investment strategies, and a focus on education, individuals can work towards financial independence and stability.

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WEALTH

Maximising Legacy Pro

Why your Life Insurance should and your spouse

By Jaco Grobbelaar



One often-overlooked aspect of estate planning is the strat placement of life insurance. Many clients wonder if they sh designate their life insurance to their Family Trust once it's established. The answer, in my experience, is a resounding "Yes!"

Directing life insurance payouts to a Family Trust offers sev strategic benefits that can enhance your estate planning a provide greater financial security for your loved ones. In th article, we'll explore why this approach is advantageous an how it can play a critical role in securing your family's futur

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My reason for this is the same as why I advise clients not to have any property investments in their own name but rather in their trusts. When life insurance pays out to an individual, it becomes a big asset in the name of that individual, which is what we try to avoid. Read on to see why directing your life insurance to your Family Trust is a game-changer.

Navigating life insurance in your estate planning

Life insurance is often taken out to create liquidity in an estate or, in other words, make cash available to pay for costs on death. Most people don't want their spouse or family to have to sell assets (and possibly become distressed sellers) to make enough cash available to pay for costs such as estate duty, capital gains tax, executor's fees, and other expenses in the estate.

One of the main purposes of trust structuring is estate planning and to prevent all these costs on death. If you structure your assets correctly in your Family Trust and your investment properties in a property company or companies under your Holdings Trust, you can avoid costs like estate duties, transfer fees, etc. If structured correctly, you will have a very small estate, and you won't need much liquidity in your estate.

Where should life insurance payouts go?

To avoid the costs mentioned above, any life insurance you take out on your life should rather pay out to a Family Trust. And if you have taken out life insurance on someone else, you rather want it to pay out to the Family Trust than to you. When life insurance is paid out to the Family Trust, distributions can be made to any of the trust's beneficiaries that may require funds.

The life insurance policy that pays out to your Family Trust can be paid as a loan from the Family Trust to your property company (via your Holdings Trust) to settle mortgage bonds or create liquidity in your property company or companies.

My preference, if possible, is to keep the bonds open in the property company or companies when you pass away and to pay the funds you have made available through life insurance in your Family Trust into the access bonds to reduce your outstanding debt on which interest is charged.

This can reduce your monthly bond payments, improving cash flow and keeping funds available to buy more properties or repay your loan to your Family Trust (via your Holdings Trust).

Sadly, most people are unaware of the benefits of having your life insurance in a trust.

Benefits of a trust-owned life insurance policy include:

Avoiding Executor's Fees: Life insurance payouts to a trust are not subject to executor's fees, preserving more of the benefit for your beneficiaries.

Enhanced Liquidity: The policy provides immediate liquidity that can be used to support a property portfolio within the property company or to benefit any of the beneficiaries directly.

Continuity Across Generations: Funds within a Family Trust can be preserved and managed across multiple generations with minimal costs, ensuring long-term stability.

Fund Protection: By paying out to a trust rather than an individual, the funds are shielded from personal claims and potential mismanagement.

Tax Advantages: Trust-owned life insurance policies can offer significant tax benefits, enhancing the overall efficiency of your estate planning.

Your Family Trust must be the beneficiary and payer of your life insurance

Your Family Trust can and should be the beneficiary of a life insurance policy and the payer of the policy.

Here's why? Payment benefits from a life insurance policy are deemed assets or deemed property in an estate and are subject to estate duty taxes irrespective of who the life insurance pays out to.

However, if your life insurance pays out to your spouse, there will be no estate duty, but estate duty will be triggered on everything your spouse owns when they die. So, having life insurance pay out to your spouse is not the solution as your spouse's estate is only growing. Therefore, it is ideal to rather have the life insurance pay out to the Family Trust.

Having the Family Trust as the beneficiary and payer of life insurance policies also offers this unique advantage: All premiums plus 6% compounded interest thereon can be deducted from the policy payouts when it comes to estate duty. So, estate duty will only apply to the difference between the life insurance paying out and all premiums paid over the lifetime of that person plus 6% interest compounded.

Also remember, you can't move big amounts of money from an individual to a trust without tax implications, so that's another reason you want the life insurance policy to pay out to the Family Trust.

Taking all of this into account, our conclusion remains that individuals should have no assets and minimum debt in their names. This will ensure that you can take full advantage of the asset protection, estate planning, financing capability, and tax benefits. In essence, it's not just a financial choice; it's laying the groundwork for a future where your wealth stands resilient, your estate thrives, and your financial journey becomes an enduring legacy.

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Finalists Revealed: Top
turn side hustles into successfu





















“The Investor of the Year (IOTY) Awards, hosted by the SA Property Investors Network (SAPIN) and sponsored by Absa Home Loans, is proud to announce the 18 property investor category finalists for 2024.”

property entrepreneurs
l ventures





















- **18 finalists announced across 10 categories stand to win top prizes**

- **2024's Investor of the Year contest adds exciting new categories to diversify the Awards**

The IOTY Awards celebrate ordinary South Africans doing the extraordinary in property investment. This year's Awards event will take place at Shepstone Gardens in Johannesburg.

From township entrepreneurs who started their investor journeys renting out rooms and expanding their portfolios to managing buildings, to women who've defied the odds to become landlords, the Awards shines a spotlight on the stories of everyday South Africans who created possibilities while facing challenging economic circumstances.

Hundreds of entries have been assessed by a panel of expert judges to find the 18 property-investor finalists spanning 10 categories, who made the finals on 14 September 2024. This year's Awards feature new categories that celebrate diversity, including the Township Entrepreneurs, Women and Youth Entrepreneurs, Big Leagues, and Social Change Agents categories.

Andrew Walker, CEO and Founder of the SA Property Investors Network said, "Winning at the IOTY Awards significantly boosts the reputation and new business opportunities of budding and experienced property investors and solidifies their positions as top-tier investors in the competitive real estate market. We've walked a long journey with all our previous winners, and I can attest to the life-transforming moment this is, not just for the worthy winners, but for all finalists. We look forward to celebrating their accomplishments on the big night."

Nondumiso Ncapai, Managing Executive at Absa Home Loans concurs: "At Absa we are committed to playing a greater role in the industry, beyond mortgage financing, and that is to spearhead initiatives that drive meaningful change for South Africans. Through the IOTY Awards, we are proud to live out this purpose and participate in the journeys of property investors who help develop the real estate sector and the greater economy."

In addition to the coveted title of Investor of the Year, category winners can look forward to an array of fantastic prizes.

Winner Prizes

The crowned Investor of the Year will receive a getaway to Bakubung Bush Lodge valued at R15,000 and a cash prize of R20,000, from Business Partners, Xpello, AfricanTree Developments, Benneton Insurance Brokers and Lightstone.

Other prizes include Absa Home Loans bond initiation fees, SA Property Investors Network memberships and courses, an 11-inch iPad from Preferental, and Preferental management fees. Additional rewards are a Tile Africa voucher, Tuhf TPPE course, Lightstone valuation reports, a Samsung A34 cellphone, SAPIN prepaid meters, and TPN subscriptions for lease packs and property reports. Winners will also receive a double spread profile and a sponsored article from REI. From Intergen, there's free company registration, consultations, and trust registration. BSA Law offers discounts on tax consulting, transfer fees, and commercial agreements.

Meet the finalists by category, and who will be in attendance on the night with our esteemed colleagues and sponsors:

Big Leagues finalists





Intermediate finalists





Starter finalists





Inner City finalists

Lorick Barlow
Laurens Boel
Patricia Tshitema

Most Innovative finalists

Nkateko Mlambo
Mabuye Mokoena
Leonard Dos Santos

Township finalists

Naledi Toona
Percy Madiba

Women finalists

Nthabiseng Masithela
Julia Haddon
Lindiwe Farlane

Youth finalists

Stevens Molai
Percy Madiba

Social Change finalists

Lorick Barlow
Naledi Toona

Most Growth finalists

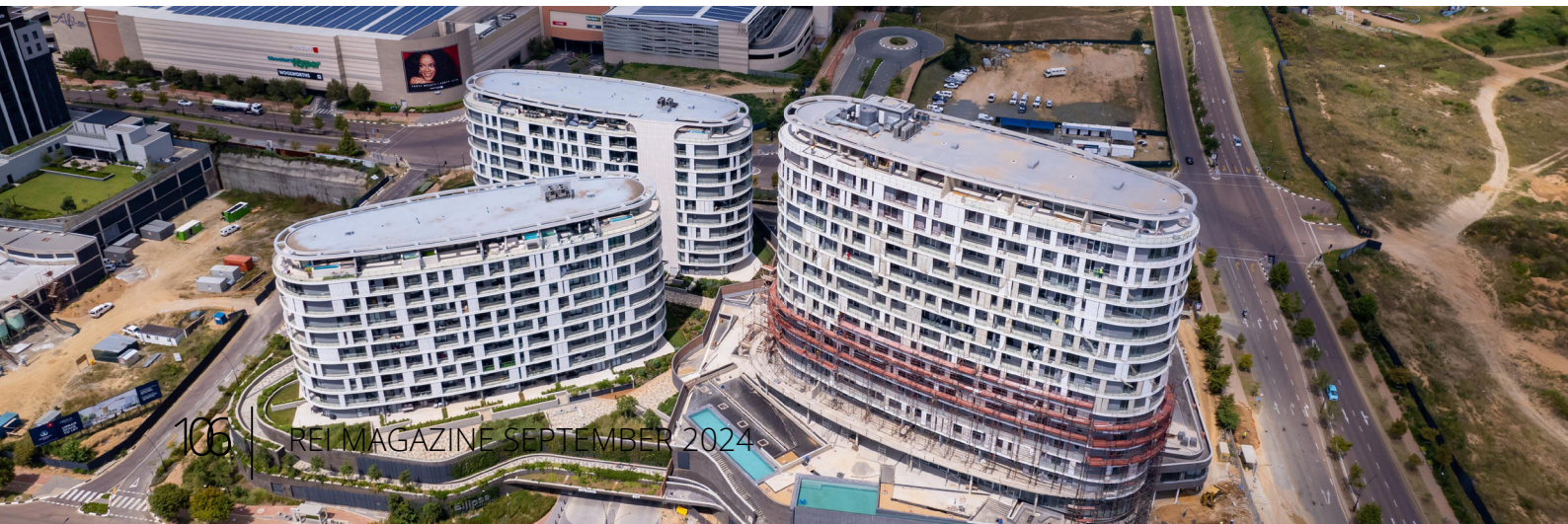
Laurens Boel
Dean Oliver
Bruce Lee

Attacq Reports:
19% Dividend Growth with Future-Fit Strategy

Attacq Limited has reported a strong performance for the fiscal year ending June 30, 2024, showcasing a 19.0% growth in dividends per share to 69.0 cents, alongside a 19.9% rise in distributable income per share to 86.2 cents. Despite a challenging environment, Attacq's strategic focus on sustainable growth and operational excellence has driven these results.

Occupancy rates increased to 92.8%, with collections at a robust 100.2%. The company has advanced its development pipeline significantly, with ongoing and approved projects at Waterfall City, totaling 43,766m² of gross lettable area and an investment of R1.7 billion. Attacq also completed strategic transactions, including acquiring full ownership of Mall of Africa and a 25% stake in Waterfall Junction.

Jackie van Niekerk, Attacq CEO, remarked, "This year, our strategy delivered exceptional results. Notably, the R2.7 billion Waterfall City deal and full control of Mall of Africa mark significant milestones. These moves enhance our growth trajectory and strategic positioning."
Attacq has improved its balance sheet, with gearing at 25.4% and an interest cover ratio of 2.31x. The company's Horizon 2023 vision underscores its commitment to long-term, purpose-driven growth, operational excellence, and community impact, evidenced by its recent SAPOA award for innovative development.



Banks urge innovation to finance Affordable Housing buyers

South Africa's affordable housing sector faces significant challenges due to limited access to finance, hindering its growth and sustainability. The Banking Association of South Africa highlights that affordable homes, priced between R600,000 and R914,000, are out of reach for many low-income South Africans due to financing constraints.

Yedhvir Ramdhani from Nedbank emphasizes the need for innovative solutions to address these issues, noting that balancing affordability with credit indebtedness is crucial. He points out that rapid urbanization and economic pressures exacerbate the problem, calling for expanded policy frameworks and innovative banking products.

At the recent Residential Investment & Development (Reside) Summit, Prof. Simphiwe Madikizela from FNB proposed using the rebranded First Home Finance (FHF) as a subsidy to help overly indebted buyers, which could reduce loan amounts and interest rates. He also suggests leveraging municipal infrastructure funding and collaborating with the National Housing Development Agency to address housing backlogs.

Calgro M3 CEO Wikus Lategan stresses the broader impact of homeownership on wealth building and economic development. Despite high interest rates impacting sale volumes, Lategan notes that the big four banks and other lenders continue to support first-time buyers with favourable loan terms. Barry Chapman from Alley Roads remains optimistic about the sector's potential despite current financial pressures, citing ongoing demand for affordable housing and its positive economic impact.



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