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REAL ESTATE
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MAGAZINE
SEPTEMBER 2025 #183
18th
ANNIVERSARY
THE LANDLORD'S PLAYBOOK
Your 9 Step system for better returns
THE DESKTOP AI REVOLUTION
Do more with what you have
THE HIDDEN WEALTH CRISIS
Is Property Ownership out of reach?
BROLL AFRICA leads the charge
Inside the minds of Africa's Real Estate Leaders

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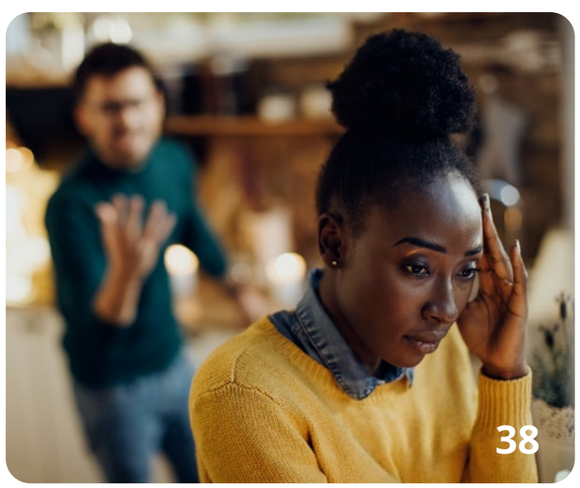
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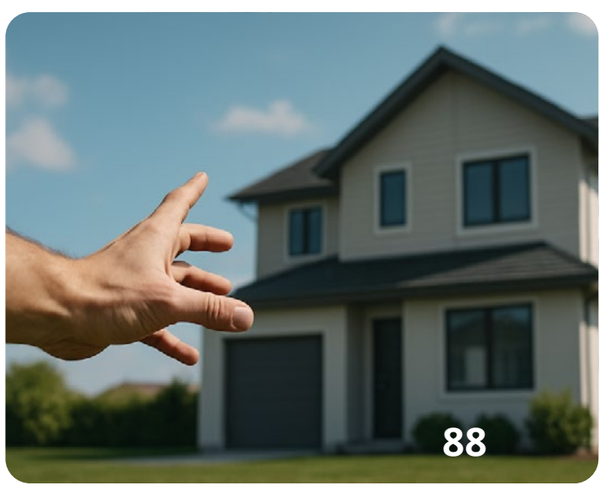
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EDITOR'S VIEWPOINT

18 Years, One Mission - Actionable property wins you need to apply

Eighteen years ago we launched Real Estate Investor to do one thing well: turn property knowledge into results. From a scrappy bi-monthly print magazine to a daily multi-digital platform content engine, magazine, REItv, webinars, NewsHub, video hub and sold-out events, we've always stayed ruthless about what matters to investors: numbers, cash flow, good decisions and execution.

This anniversary edition wears a fitting cover: Broll Properties advancing at 50, a masterclass in staying power. Markets change. Models evolve. Discipline endures. Inside, we distil the lessons from these experts.

What's inside and why it matters now:

The Landlord's Playbook with Jaco Grobbelaar: nine field-tested systems for stress-free, profitable rentals, tenant vetting, leases that hold, arrears workflow, and maintenance that saves money before it spends it.

Small Town Property, Opportunity or Risk? Written by investor Jason Lee: cheap entry and big yields vs liquidity traps and single-industry towns. A practical due-diligence checklist before you wire a cent.

8 Pitfalls When Choosing a Builder: contracts, credentials, insurance, avoid the "cheap now, expensive forever" trap.

Section 13sex: The tax benefit most investors miss by Dr Samantha Smith: the mechanics, thresholds and structuring to turn new-build rentals into after-tax performance.

The Hidden Crisis by Gerhard van der Westhuizen: house-price-to-income reality, the "distressed investor" trap, and fresh models to protect tomorrow's cash flow.

Also in this issue: Own Your Premises - 7 Ways to Business Wealth for owner-operators who want cheaper funding, capped occupancy costs, and equity compounding.

Here's the point: the cycle won't carry you. Systems will. Use this issue to tighten your operations, upgrade your financing strategy, and make two brave decisions before month-end, one to grow income, one to cut drag.

Read it. Apply it. Then tell us what moved the needle.

Thanks for riding with **REI for 18 years,** now let's make the next 12 months your most profitable yet.

Neale Petersen **Founder & Editor-In-Chief**





MASTER QUOTE

Price is what you pay. Value is what you get.

WARREN BUFFETT

REI 18th ANNIVERSARY

18 Years of REI: From start-up Magazine to Investor Engine

Since **2007**, Real Estate Investor (REI) has helped South Africans turn property knowledge into action. We launched as a bi-monthly print guide, sold out early editions at newsstands, built a national events platform, went digital before it was fashionable, and kept scaling on web, TV, webinars, newsletters, data, and we won awards, through every market cycle.

Milestones that mattered

2007 - 2011: Launch, first resource guides, national roadshows, monthly print, digital add-on, award-winning journalism recognised.

2012 - 2016: REI TV goes live; global interviews (Trump, Kiyosaki, Kerzner, Wiese) investor tours; conferences across SA; multiple SAPOA award winners

2017 - 2019: Millions of video views, record conference audiences, PropTech summits, heavyweight cover stories.

2020 - 2021: Fast pivot to fully digital; weekly webinars with 1,000+ audiences; metaverse events; new website.

2022 - 2025: 150th and 175th editions; ABC-audited highs; News Hub expansion; Reside/REI Awards most successful in packed house in Sandton.

Five lessons at 18

1. **Audience first**, always. Teach, don't hype - practical playbooks win trust.
2. **Be where investors are**. Print, digital, video, live rooms - own the channel mix.
3. **Data beats opinions**. Let rates, yields, DOM and arrears guide the story.
4. **Adapt fast**. Markets move; formats must move faster.
5. **Build the ecosystem.** Partners, panels, and community amplify results

Thank you to our readers, partners, panellists, and the deal-makers who share the journey. The next chapter? Bigger data, sharper insights, and even more investor wins.

Enjoy our 18th Anniversary Edition





ASK THE EXPERTS

AI Tenant Vetting: Faster approvals, fewer nightmares



MEET OUR GUEST EXPERT

ROSS FITZCHARLES Founder & CEO - ***Preferental***

Question

"What's the most reliable, end-to-end way to spot fake documents, verify identity and income in real time, and approve the right tenant fast, without slipping up on FICA?"

Answer by Ross Fitzcharles

Tenant fraud isn't theoretical anymore; it's widespread. The fix is a standardised, data-verified, AI-assisted process that removes guesswork and "gut feel." Here's how we do it at Preferental:

1. Digital application & consent
Send a secure link. The applicant uploads ID, payslips, bank statements and gives POPIA/FICA consent. No paper. No WhatsApps.

2. Real-time verification (no phone tag)
- ID match with Home Affairs
- Employment & income cross-check with SARS
- Credit behaviour via TPN and Experian (judgments, arrears, payment patterns)

3. AI bank-statement forensics
We scan PDFs for edits, mismatched totals and manipulation artefacts. If something's been "polished," it's flagged immediately.

4. Affordability that matches reality
We reconcile declared income vs actual deposits to the cent. Then we run rent-to-income and expense tests to avoid stretch scenarios.

5. Risk score you can act on
The platform outputs a clear Low, Medium and High risk rating with reasons. Agents and landlords can approve or decline in minutes—not days.

6. FICA done by design
Every supporting document and step is stored, time-stamped and downloadable for compliance. No shoe- box admin, no missing files.

7. Close the affordability gap, safely
With Deposit+, tenants can spread the deposit over up to 10 months, while landlords receive the full deposit upfront, plus cover for death, disability or retrenchment during the lease term.

Get started now https://preferental.com/

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

Enquire here

PUBLISHING & EDITORIAL TEAM



NEALE PETERSEN
FOUNDER & EDITOR-AT-LARGE
neale@rei.co.za



MARISA GEORGE
ACCUMULATIONS MANAGER
marisa@rei.co.za



GRAHAM MILLER
WEBSITE SPECIALIST
graham@rei.co.za



JADE NICHOLSON
SENIOR DESIGNER
design@rei.co.za



CHRISTIAN SCHUTTE
DIGITAL MARKETER
christian@rei.co.za

CONTRIBUTORS

Khanya Gundwana
Retha van Rooyen
Ross Fitzcharles
Eric Nienaber
Jaco Grobbelaar
Jason Lee
Gerhard Van Der Westhuizen
JP Pretorius
Samantha Smith
Inge Wessels
Michael Horne
Bolaji Edu
Moses Lutalo
Armand Nel
Elize le Roux





COVER STORY

broll

Broll Africa on the Charge: A CEO's ambitious Playbook for growth



Turn 50 and slow down? Not Broll Africa. Under Group CEO Malcolm Horne, the company has shifted from a traditional property manager into a pan-African, tech-enabled real estate services platform that competes on speed, data, and local leadership

“Africa is open for business,” Horne tells me, leaning forward. “Backed by data, run by local leaders, delivered with global discipline.”

This is not hype. It’s a blueprint born from hard cycles, currency shocks, and a thousand operational decisions in markets that don’t forgive tourists. “Merit beats muscle,”

Horne says. “We win on capability, not on logo size.” The company’s advantage is simple to say and difficult to replicate: local authority plus global standards plus technology. That mix helps Broll move faster than multinationals while delivering consistent outcomes across countries.



The Vision, the shift, the momentum

The market is changing. Financing costs are easing, occupiers are optimising space and energy, and owners want operational excellence more than glossy brochures.

Horne’s response is surgical: build annuity revenue through scale in Facility Management (FM), wire data into daily decisions (from leasing to life-cycle maintenance), and press into sectors with clear catalysts, hospitality and residential.

“We’ve moved beyond the label of ‘property manager’,” he says. “Clients want one partner to protect value across the asset life cycle. That means technical services, soft services, valuations, data, and a training pipeline that keeps performance predictable.”

The strategic through-line: keep Broll independent on the continent so it can partner widely, and standardise outputs so clients know exactly what they’ll get anywhere.

Inside the Operating System

Broll runs multi-country mandates with a single client view and defined outputs, the same reporting cadence, the same training spine, the same KPIs, so a Broll-managed building in Accra looks and performs like one in Kampala.

Local CEOs run the field; expats support, not substitute. In smaller territories, Broll uses a franchise model, vet a strong local player, enable them, and scale with oversight. In larger markets, it deploys full-stack capability.

“We built valuations and FM ‘under the radar’ for years,” Horne says. “Now we’re ready to show our hand.” The platform’s data backbone ties HR, training, maintenance workflows, and reporting into one narrative about performance. That matters to clients who operate across borders and want comparability, not excuses.

What makes Broll shine

Prospects usually arrive with the same questions: Can you operate at our speed? Will you protect our cash flow? Do you understand the city beneath the spreadsheet? Broll's answers are practical, not pretty.

- **Local leadership with teeth.** Country CEOs with deep tenure and teams that know permits, people, and problem-solving.
- **A single playbook.** Unified outputs across markets, so cross-border portfolios stop feeling "custom-built" every month.
- **Data as an instrument panel**. Pricing, escalation, energy, capex timing - measured and managed, not guessed.



"Our job is to turn volatility into controlled outcomes," Horne says. "That's FM uptime, clean audits, predictable opex, and resilient anchors."

Africa's Global Relevance *(and what people get wrong)*

The old narrative that Africa is an underwriting black box, hasn't kept up. Two decades of data now inform returns in hospitality, residential, retail, and logistics across multiple corridors.

"The bigger challenge isn't the asset, often it's currency and capital mobility," Horne says. Price those risks properly, and the rest becomes execution: anchors that trade, facilities that run, maintenance that prevents.
New demand drivers are not theoretical. Asian OEMs and manufacturers are reshaping logistics and light-industrial footprints. Infrastructure corridors are catalysing hotel and residential nodes. And diaspora buyers are a structural bid in housing.

"We're seeing more sophisticated regional investors," Horne notes. "Meritocratic bidding is real. If you can show outputs, you get the mandate."

Regional Picture: A Portfolio, not a monolith

Ask Horne where the energy is, and his map starts in Uganda, where oil-and-gas activity is lifting hospitality and FM demand and opening doors into Rwanda and the DRC.

Ghana is a residential story: "The diaspora wants to bring money home," he says. In Nigeria, data centres and hospitality are advancing, though size and timing vary by corridor. East Africa's retail is strongest where Carrefour anchors the ecosystem; logistics modernisation is underway but uneven. For offices, prime will hold; second-tier stock is still rationalising footprints.

The lesson: allocate by readiness and anchor depth, not headlines. Find corridors where the operating model works now, not in theory.

“This is a game of selection and discipline,” says Horne. “Pick the right node, the right anchor, the right operator and then do the hard yards.”

What Broll is doubling down on 2025 into 2026

- **Facility Management: the annuity engine. Technical and soft-services acquisitions deepen capability, margin, and stickiness.**
- **Residential: rolling out multi-family playbooks in select markets; in South Africa, a targeted move into the sub R10k rental band.**
- **PPPs: from border posts to student housing, Broll has built a specialist PPP team to steer process, compliance, and delivery.**
- **Data: a majority stake in a demographics-and-AI platform fuses market and property data, unlocking city-level insights on pricing, escalation and capex timing.**

“Own the pipes, understand the city, and scale the beds,” Horne quips. “FM, data, and residential are where we can compound. PPPs unlock the canvas.”

PropTech with Purpose

Broll’s tech posture is pragmatic: use data to do what clients actually value, cut opex, reduce downtime, set rents intelligently, and time capex. “Everyone ‘has’ data,” Horne says.

“The question is: can you turn it into comparative benchmarks that drive decisions?” With one data spine across 13 countries, Broll can see trendlines, not snapshots, what rentals were 20 years ago, what escalations hold now, and how energy and maintenance intersect across portfolios.

That insight shows up in monthly client conversations about service levels, tenant sales, footfall, energy intensity, and maintenance backlogs. Less theatre, more instrument panel.

People First: Skills that scale

“We’re a people business,” Horne says. “Our performance is the product of skills, not slogans.” The Broll Academy is already running 2,000 learnerships, with the next phase focused on plumbing, electrical, and other core trades.

The culture is resolutely local. “Don’t be arrogant about market entry,” Horne cautions. “We learned that the expensive way. Put locals in charge, support them with systems, and judge by outputs.”

Many country CEOs trained abroad and came home; underneath them sits a bench that actually knows the corners where reality hides.

Capital allocation and M&A

Broll’s capex goes where returns are repeatable FM, technical services, data and where acquisitions can plug capability gaps without derailing client service.

“We’re strategic buyers, not collectors,” says Horne. The filters are clear: client adjacency, margin uplift, cross-border portability, and tech leverage. Integrations are staged so the output promise to clients is never compromised.

“We built a lot ‘quietly’ so competitors couldn’t front-run us,” he smiles. “Now we’re ready to broadcast because scale without noise is still scale.”

Partnerships without handcuffs

Broll partners up (public sector), across (anchors, operators, tech), and out (global networks where it helps). In South Africa, the firm is affiliated with Cushman & Wakefield; across the rest of the continent, it stays independent so it can serve any global or regional counterparty from JLL to CBRE, wherever clients need coverage.

“Independence keeps the deal flow open,” Horne says. “It’s how we help more people, more often.”

The ecosystem still has gaps: skills funding at scale, stronger anchor depth in parts of West Africa retail, and FX/capital-mobility tools for long-term investors. “Governments don’t have all the capital,” Horne says. “They can create enabling markets. PPPs, student housing, border posts these are doable now with the right frameworks.”

The Broll difference

If you operate across African markets, you need local authority, comparable outputs, and frictionless problem-solving. Broll’s proposition is that you can have all three in one relationship. You’ll get FM uptime that protects rent, data that turns best guesses into benchmarks, and teams that know the ground truth of permits, power, and people.

“We don’t ask clients to be brave on our behalf,” Horne says. “We do the brave work, so their returns look boringly reliable.”

The Next Wave: Tough cycles, real compounding

Broll tends to gain share in tough markets. When vacancies pinch, power is erratic, or anchors wobble, FM excellence and decisive operating discipline matter more.

“Anyone can surf during a boom,” Horne says. “In headwinds, capability shows.” The firm’s recent wins in property management, the build-out of one of Africa’s largest FM footprints, and new REIT mandates (across several countries) reinforce the pattern: focus on the controllables, build annuity, compound trust.

The residential pivot is equally pragmatic. In South Africa, Broll is targeting the sub R10,000 rental band, a volume market that needs professional operations: letting, collections, maintenance, and quick turn-arounds.

Elsewhere, the company’s multi-family playbooks lean on a decade of lessons about service charge discipline, metering, and tenant experience.

A Word on risk

There’s no soft-pedalling here: currency and repatriation are still issues in several jurisdictions. The remedy is clear sight and clear contracts, price FX/exit risk properly, stage entries, and commit only when anchor depth and operator capability align. “Be brave, not reckless,” Horne says. “Stage entries, prove outputs, then scale.”

The 50 Year Advantage

Anniversaries matter when they come with receipts. Broll’s five decades mean institutional memory: how a city’s rent curve behaves in stress, which corridors actually trade, which maintenance shortcuts always backfire. “We know where the ghosts live,” Horne jokes. “And we’ve got the data to prove it.” That knowledge, layered onto modern tech and a continent-wide people system, is the real moat.

The Way Forward

First, precision growth. Choose corridors with anchor depth, commit to FM uptime that hardens yields, and compress opex with technology. Keep training pipelines full through the Broll Academy so service levels don’t slip as you scale. “Consistency wins the marathon,” Horne says. “That’s skills, standards, and speed.”

Second, partnership as a force multiplier. Lean into PPPs that unlock infrastructure and refurbish portfolios (ROT/BOOT models included). Co-develop with anchors and operators who can trade through cycles. Stay independent enough to partner widely, but standardised enough that every mandate feels familiar from day one.

Africa’s property market is moving from speculation to systems. Broll’s answer, local leadership, FM scale, data fusion, and disciplined M&A, is built to turn volatility into a portfolio of controlled outcomes. If you’re looking for a partner who can show up in multiple markets with the same standard and the right kind of speed, the invitation is clear.

“This continent rewards operators who do the hard yards,” says Horne. “That’s our lane, prove it, then scale it.”

Up next in the October edition of REImag Part Two: West & East Africa, inside the markets with Bolaji Edu (Nigeria) and Moses Lutalo (Uganda). Don’t miss Part 2 in our October issue.”

EXP REALTY

eXpcon Cape Town 2026:
South African Agents Networking With International Industry Leaders

eXpcon
CAPE TOWN

From 17–19 February 2026, Cape Town will host its first-ever eXpcon, a milestone moment for South Africa and a bold new chapter in eXp Realty's global story. Against the backdrop of Table Mountain and the city's vibrant culture, eXpcon Cape Town will be more than a conference.

It will be a celebration of innovation, community, and global opportunity.

EXP REALTY

Global Leaders. Local Opportunity.

For the very first time, some of the world's most influential real estate leaders will step onto South African soil to share insights and connect with agents. Confirmed international guests include:

- **Glenn Sanford** – Founder & CEO, eXp World Holdings
- **Felix Bravo** – Managing Director, eXp International
- **Sarah Hutchinson** – VP of Brand & Creative, eXp Realty
- **Adam Day** – Expansion Leader for Europe

And this is only the beginning, with more global icons and top-producing agents to be announced.

This is your chance to hear directly from the people shaping the future of real estate worldwide and to meet them face to face.

Speed Networking: Your Gateway to Global Referrals

One of the most anticipated highlights of eXpcon Cape Town is the Speed Networking Session — designed to connect South African agents from all provinces with our international community of agents and leaders.

Think of it as next level business matchmaking: a fast-paced, high-energy opportunity to forge referral partnerships that could grow your business beyond borders. Whether it's sending clients to Europe, partnering with U.S. agents, or building cross-border teams, this is where it starts.

South African agents will also be able to plug into the Global Referral Program, turning these connections into practical business growth opportunities long after the event ends.



Driving Growth with Future-Forward Technology

As a forward-thinking real estate agency, 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 1,300 agents in less than four and a half 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 #WhereTheProsGoToGrow!

eXp REALTY

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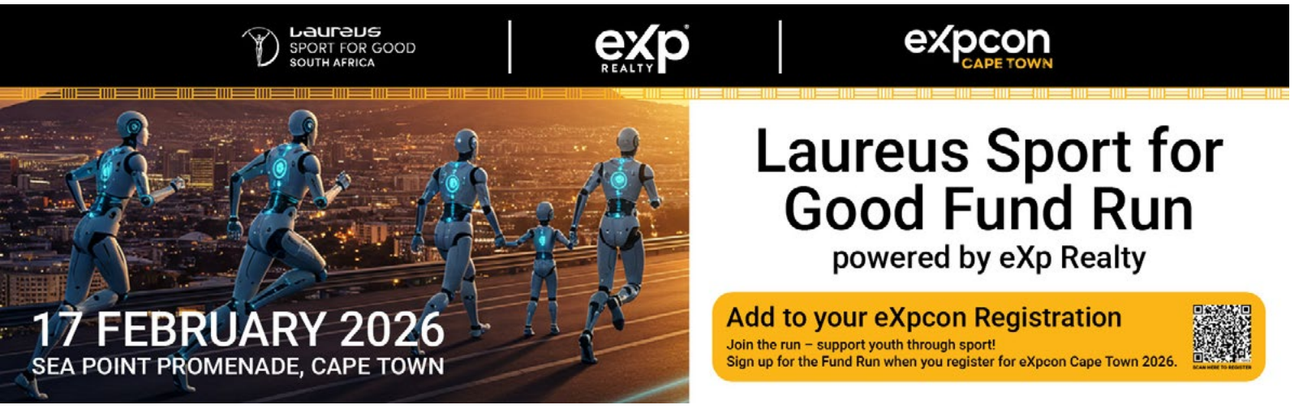
Kicking Off with Purpose: Laureus Sport For Good Fund Run

Before the learning begins, the festivities start on Tuesday, 17 February with the Laureus Sport For Good Fund Run Powered by eXp Realty South Africa.

Taking place along Cape Town's iconic Sea Point Promenade, this 5KM fun run/walk is about more than exercise — it's about community, wellness, and giving back. With all proceeds supporting the Laureus Sport for Good Foundation, every step you take helps empower youth and uplift South African communities through sport.

- **Time:** 18:00 – 20:00
- **Location:** The Peninsula Hotel, Sea Point Promenade (Queen's Beach)
- **Distance:** 5KM walk/run
- **Perks:** Goodie bags, hydration stations, and an unforgettable atmosphere

It's the perfect way to set the tone: fitness, fellowship, and philanthropy on the eve of eXpcon.



The Main Event: 18–19 February 2026

Over two high-energy days at the Cape Town International Convention Centre (CTICC),eXpcon Cape Town will deliver an unforgettable program:

Day One (18 Feb): Innovation showcases, agent panels, and immersive learning sessions that empower agents to thrive in a digitally connected world, including a spectacular 'Welcome to Africa' Cocktail Party.

Day Two (19 Feb): More transformative insights, inspiring keynotes, collaborative workshops, the International Cocktail Party with hosts First National Bank, and the highly anticipated eXp Realty South Africa International and Local Awards Celebration.

Every session is designed to fuel growth, spark ideas, and strengthen connections across our global network.

Explore More: Optional Excursions

With African Agenda curating optional excursions, you'll have the chance to experience Cape Town beyond the conference walls with the whole family. From vineyard tours to adrenaline-filled adventures, these trips are an opportunity to bond with fellow attendees while soaking in South Africa's beauty.

Why This Event Matters

eXpcon Cape Town is more than a milestone — it's a movement. It's where South African agents step into the global spotlight, build life-changing referral partnerships, and position themselves for international growth. With global leaders on stage, the speed networking session set to create international opportunities, and the energy of Cape Town as our backdrop, this is an event no South African agent can afford to miss.

- The drumbeat of innovation — and opportunity — is calling. Will you answer?
- Register today at www.expconinternational.com/expconcapetown

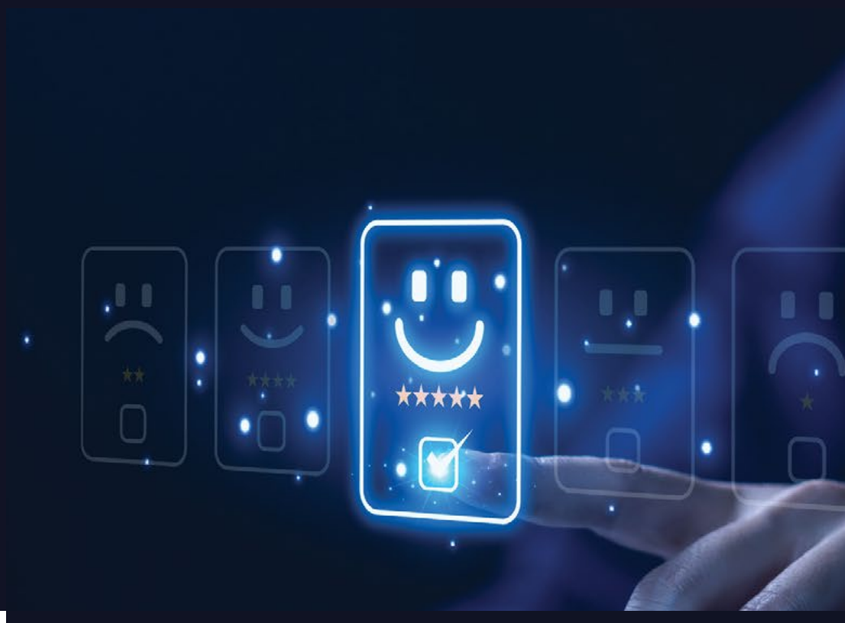
eXp REALTY | OFFERS

Boost Your Earnings with Exclusive After-Sales Services

At eXp Realty, we're constantly evolving to bring you innovative ways to enhance your real estate business and increase your income. With the launch of eXp Offers, you can now provide your clients with a wide range of essential after-sales services, adding value to their property exchange experience while earning referral fees or commissions!







What's in It for You?

- ✓ **Earn referral fees or commissions** when your clients utilise services offered through eXp Offers. You introduce the services, and we handle the rest.
- ✓ **Strengthen your relationship with clients by offering** them access to trusted partners, from insurance and banking to home services like construction and maintenance.
- ✓ **No extra work for you!** Simply introduce the services and the client takes it from there – all managed seamlessly through our customer portal.

Service Partners:

- ✓ **Discovery and CTRL:** Your clients can access more than eight live insurance quotes, while you earn a referral fee for each successful policy.
- ✓ **Discovery Bank:** Offer clients exclusive banking services and earn commissions on referrals.
- ✓ **Currency Direct:** Help clients manage international transactions with ease and earn while doing so.
- ✓ **Vitality:** Connect clients with South Africa's leading wellness and rewards programme.
- ✓ **Schmidhauser:** Provide access to 24-hour construction, electrical, and plumbing services, giving your clients peace of mind in their new homes.

Why eXp Offers?

- ✓ You provide more than just real estate; you offer a full suite of essential services, increasing client satisfaction and loyalty.
- ✓ Monetise your network effortlessly – it's another way to boost your revenue while enhancing the client experience.
- ✓ Build lasting relationships by offering post-sale support through our trusted partners.

Make the most of **eXp Offers** and elevate your business while providing unmatched value to your clients.

The future of real estate is here – and you can earn from every step!

COMMERCIAL

High Street Auction company puts a price on lifestyle and location in KZN

“Green shoots are sprouting in the KwaZulu-Natal property sector, a region that the High Street Auction Co is targeting for growth during the second half of 2025, says director, Greg Dart.”

“We’ve got a huge pool of Gauteng investors looking to redeploy capital out of this region. While many local competitors in the auction space are reticulating existing money in the province, High Street has an investment pool that will inject new capital into the region.

Investors with which we have built strong relationships over the past 15 years trust our platform and ability to find the right investment opportunities. People are looking to diversify and trade into new regions. KZN is certainly attracting a lot of interest,”

Dart explains.

Dart says High Street is already negotiating the sales of a number of iconic properties in the province starting with three in the **upcoming auction** at the Bryanston Country Club in Johannesburg on September 25.

Spreading South

These include High Rocks in Umkomaas, which has been repeatedly voted as a Top Ten Getaway Beach House by Getaway Magazine and Widdy’s Beach Club, the neighbouring property, that benefits from the resilient tourism sector along what is known as the Mid-South Coast.

Offering direct beach access, High Rocks nestles on the top of the Widenham Point overlooking the magnificent coastline. The covered deck provides an exceptional vantage point to spot dolphins, whales, rays and the famous sardine run. Widdy’s Beach Club, also just a 40-minute drive from Durban, has not only operated as a self-catering destination for over 15 years but hosted corporate events, weddings and conferences.

Dart says that the upswing in the Mid-South Coast, led by developments such as JSE-listed Crookes Brothers’ Renishaw Hills, Serentiy Hills and Umdoni Point estates, together with plans to build small craft harbours at both Scottburgh and Hibberdene, is just the beginning of a far larger property awakening along the South Coast which is home to the majority of the country’s blue flag beaches.

KwaZulu-Natal’s North Star

Dart says that the North Coast, which has driven rapid economic development in the region for over two decades on the back of the opening of the King Shaka Airport and surrounding Dube TradePort and aerotropolis as well as key logistics and warehousing nodes such as Riverhorse Valley and Cornubia is a priority for High Street.

Proximity to the airport and South Africa’s busiest and largest container port, make this a strategic investment hub. The large Stanger property that is suited to warehousing, light manufacturing or logistics that is due to come under the High Street hammer on September 25 is likely to be the first of many.

The KZN North Coast has also seen residential and tourism-based development with the soon-to-open Club Med development by Umhlanga-based Collins Residential together with the evolution of the Sibaya Coastal Precinct and Zimbali Lakes Development creating a great deal of anticipation.

Chris du Toit, project lead for the Club Med South Africa development commented:

“The Club Med development and other residential and mixed-use developments in the area will change the North Coast forever. We are really excited about where the tourism market is heading and anticipate significant secondary market developments in all the nearby precincts. The influx of international guests will create very strong market dynamics for the region.”



This KZN Coast is known for attracting high net worth individuals, many of whom have settled their families in premier estates that are close to upmarket schools while they commute to and from Gauteng weekly.

This work-to-travel market also presents a potentially lucrative pool of investors says Dart: “Durban is an hour away. You do your business in Joburg, but your family and lifestyle are in KZN.

We are finding that because the family has established itself there, those with capital are looking to invest in the region too.”

Channelling investment inland

The Upper Highway area, which includes key logistics hubs such as Westmead and Hammarsdale along the main N3 route to Gauteng which is in the throes of a multi-billion-rand upgrade, is another noteworthy investment node.

The most obvious development taking shape in Durban’s Outer West is the R15-billion Westown Development which promises not only residential but also retail and logistics space.

Carlos Correia, CEO of Fundamentum Property Group, which is driving this development, notes that the greater Westown Precinct is moving ahead rapidly: “Westown focuses on the value of open space and is designed to integrate with existing outdoor and lifestyle activities that define the Shongweni/Hillcrest sub-region such as horse riding, trail running, mountain biking, walking, birding and much more.

With a primary catchment area stretching from Westville to Cato Ridge, just off the N3 highway, Westown is attractive due to its location and ease of access.”



Neighbouring developments include the Classic Balwin Collection (with earthworks having commenced for the first 200 units of Shongweni Eco-Park), the 100-bed West Private Hospital, Parc Ferme, a motor focused new commercial scheme and the Farrier Business Park which will focus on logistics and warehousing.

“We’ve sold a lot of properties in KZN in the past. In light of this, we certainly want to formalise our presence more aggressively here. Already, we are doing a lot of work to get more exposure. We believe that this is a region that should not be neglected in anybody’s investment planning,” Dart concludes.



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PROPERTY MANAGEMENT

Evictions made simple: This system saves landlords stress & money

By Neale Petersen

Introduction: The Rising Tide of Rental Defaults

For landlords and property managers, rental income is the lifeblood of financial stability.

Yet across South Africa, defaults are on the rise, creating cash-flow crises and sparking a surge in eviction cases.
Too often, owners desperate to stop the bleeding turn to bad advice found online or from dubious service providers decisions that end up costing them far more than they save.

“Even if a tenant is months in arrears, you can’t take shortcuts,” warns Ann-Suhet Marx, Director and Head of Litigation at VDM Law. “Cutting off water, changing locks, or intimidation isn’t just illegal, it exposes landlords to criminal charges and damages claims.”

The True Cost of Bad Advice

- **Illegal eviction shortcuts cost landlords fortunes - lawful, expert processes protect your property and reputation.**
- **Rental defaults are rising; fast, lawful action is the only way to limit financial damage.**
- **Xpello's R250 per month service resolves 98% of breaches without costly evictions.**

Marx has witnessed the consequences first-hand. Her firm regularly takes over cases where landlords have spent R10,000 - R20,000 on unqualified eviction "consultants" only to be left in legal limbo. When cases collapse at the Rental Tribunal or in court, landlords then face fresh legal costs on top of mounting arrears.

"It's called the long arm of the law for a reason," she says. "It takes time, but if you follow due process, the courts will protect you. If you cut corners, you'll pay more in the end."

A Sandton nightmare that cost R150,000

One of Marx's most harrowing cases involved a distressed Sandton homeowner in 2022. After months of unpaid rent and failed attempts with two other law firms, she turned to Marx in desperation.

The tenant not only refused to vacate but also lodged false racism charges, threatened to shoot both the landlord and Marx herself, and vandalised the property. Police and sheriffs had to forcibly evict him, only to find the interior trashed, cupboards ripped out, illegal water connections installed, and solar panels smashed.

The price tag? About R150,000 in damages and lost rent. "This should never have escalated to that level," Marx says. "But because the landlord received bad advice early on, the situation spiralled out of control."

Why speed and legality matter

Eviction under South Africa's PIE Act follows a strict process:

1. Letter of demand (±20 business days).
2. Lease cancellation.
3. Court application for eviction.

It's a process that takes weeks or months, not days. Unopposed evictions can cost R15,000 - R40,000 and take three to four months. Opposed evictions can drag on for nine months or more. For landlords, every delay means escalating losses.

"The earlier you act, the less you lose," notes Elize le Roux of Xpello, a company that has made lawful, affordable eviction support accessible to landlords, agents, and property managers across South Africa.

Xpello: A Smarter, More Affordable Solution

Xpello offers a subscription service at just R250 per lease per month. For this fee, landlords get:

- **Immediate breach management** - Notices and legal steps initiated as soon as tenants default.
- **Panel attorneys** who specialise in evictions.
- **Legal fees covered** for lawful eviction proceedings.
- **Transparent updates** and timelines to reduce stress.

Most importantly, Xpello's system is designed to prevent evictions where possible. "We resolve 98% of breaches without ever needing to evict," says le Roux. "By stepping in early, we protect landlords from spiralling costs and preserve tenant relationships where possible."

How landlords can protect themselves

The lessons from VDM Attorneys and Xpello are clear:

- **Act quickly** - Don't let arrears accumulate. Issue a breach notice within 7 days.
- **Stay lawful** - Illegal action always backfires. Only the courts can authorise eviction.
- **Keep records** - Document arrears, notices, and communication to strengthen your case.
- **Use experts** - Eviction is specialised; don't entrust it to unqualified providers.
- **Leverage subscription protection** - At R250/month, Xpello's service is a fraction of what a single eviction costs.

Peace of mind for R250 a month

Rental properties should be wealth-building assets, not sources of stress. By combining lawful processes with proactive management, landlords can avoid eviction nightmares and protect their returns.

As Marx puts it: “Evict first, then go for damages. That’s the safest path.” And with Xpello’s model, landlords don’t have to navigate that path alone.

For just R250 a month, you gain expert legal backup, cost coverage, and the assurance that 98% of tenant disputes can be resolved before eviction ever becomes necessary.

Because in property management, peace of mind isn’t just valuable, it’s essential.

CLICK HERE FOR VIDEO EXPLAINER





Image 1: Armand Nel - COO, Xpello and Image 2:Elize le Roux, CEO, Xpello



Eviction and breach management made simple.
Full legal support, nationwide reach, and zero hidden stress.

At Xpello, we take the stress out of breach and eviction management for property owners and rental agents across South Africa. Our experienced legal team handles everything — from breach notifications to court proceedings — so you don’t have to.

With residential and commercial solutions tailored to suit your needs, we act efficiently on your behalf and protect your property with confidence — every step of the breach process. Xpello operates nationwide and is trusted by rental professionals across the country to handle the tough stuff — legally, reliably, and with care.

Prevention is protection.
Protect your rental property from the beginning — partner with Xpello from the start.

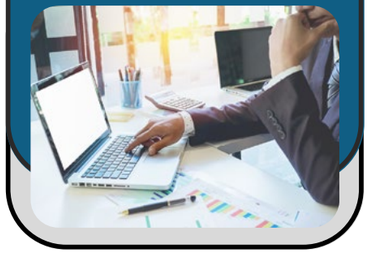
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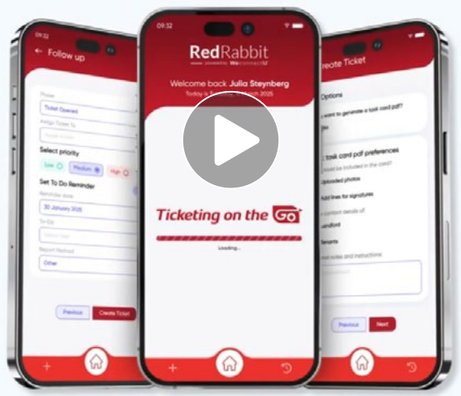
Inspections & Maintenance

From Insight to Instant Action:

RedRabbit's Next Leap in Value

Industry-First Solution.

Market Leadership in Action.



RedRabbit
powered by WeconnectU



RedRabbit has never just been about inspections. It's always been about transformation – replacing clipboards with mobile inspections, embedding maintenance into intelligent workflows, and helping rental professionals do more with less. All while delivering greater value to clients.

Now, we're turning the page to our next chapter: **Enterprise Insights** – a dynamic reporting feature that shifts property data from static to strategic, and from information to instant action.

From digital records to real-time results

The journey to Enterprise Insights began with RedRabbit's move from paper-based inspections to mobile-first, interactive digital reports. These weren't just format upgrades – they laid the foundation for accountability, transparency, and faster decision-making.

Time-stamped visuals, structured commentary, and secure sharing brought clarity and trust to the inspection process. Clients could finally see the full picture, clearly, professionally, and on any device. But seeing the full picture is only part of the job. Today's property professionals don't just want to document; they want to act. ***Which is exactly where Enterprise Insights steps in.***

Inside Enterprise Insights

Enterprise Insights is a powerful upgrade to your inspection and reporting workflow, giving you instant visibility into performance, trends, and bottlenecks across your portfolio.

It turns your inspection data into a real-time decision engine, designed for busy teams managing at scale.

Here's what you can expect:

- ***Interactive dashboards*** – Click directly on stats and charts to drill down into inspection lists.
- ***Team and workload oversight*** – Monitor volumes, spot missed signatures, and address turnaround delays or quality shortfalls.
- ***Custom filters*** – Segment your data by property, inspector, timeframe, or issue type.
- ***Smart architecture*** – Built for scale, with features like benchmarks, saved filters, and dashboard customisation on the roadmap.

With these tools, property professionals can stop digging through static reports and start managing performance as it happens.

From reports to results

That "start" is an important differentiator.

Traditionally, inspection reports marked the end of a job.

But today, inspections are the starting point for better outcomes.

With RedRabbit's integrated ecosystem, every inspection can trigger a task, launch a ticket, or notify a contractor – without duplicating data or effort, or slowing your team down.

With Enterprise Insights, every datapoint becomes a decision point.

Instead of waiting for end-of-month summaries, your team can see what's happening and act immediately.

That agility is a serious competitive edge in today's rental market.

Proving value, driving growth

Speaking of competitive edge, Enterprise Insights also helps property professionals quantify and communicate their value clearly, confidently, and with data that drives decisions.

Whether it's tracking inspection completion rates, identifying recurring maintenance issues, or demonstrating service consistency across buildings, the numbers are there – visual, contextual, and ready to share.

For growing teams, that unlocks:

- ***Operational efficiency*** – Stay ahead of tasks and timelines
- ***Quality control*** – Benchmark and monitor performance across the team
- ***Client trust*** – Share branded reports that highlight delivery and diligence

Scalable by Design

Enterprise Insights forms part of our Enterprise tier, designed to scale with your portfolio.

With unit-based pricing, the model is fair, transparent, and consistent with the rest of the WeconnectU ecosystem – giving you flexibility without complexity.



TECHNOLOGY

The AI Revolution: is already on your desktop

By Eric Nienaber



- **AI is already in Workspace, 365 apps; it builds usable outputs from files, no dev team required, just your phone and a prompt.**
- **Real-world proof: on an iPhone with patchy 4G, Gemini built and converted a responsive site to React; devs approved, we published.**
- **Connect Drive or SharePoint to Gemini/Copilot; auto-draft leases, proposals, contracts from templates and client folders, summarise documents, turning hours into minutes.**

AI is coming to you, not the other way around

I often tell people that the AI revolution isn't something you need to go looking for. Unless you're a software developer or a custom application owner, AI is coming directly to you, integrated into the products you already use. My own recent experience at a swimming gala demonstrated this point.

I was sitting in a packed pool hall, waiting for my daughter's event. With some time to kill, I decided to tackle a task that had been on my list for a while: updating our company website for IntelliWeave AI. The goal was to better explain what we do. All I had with me was my phone (an iPhone 15 Pro Max) and a spotty 4G signal. "Could AI help with this?" I wondered.

First pass with Gemini: usable HTML in minutes

At first, AI felt like magic. It could scaffold an entire project, create I opened Google Gemini on my phone and gave it access to some of our product documents on my Google Drive. I provided a high-level outline of what I was trying to achieve and the colour palette we use. "Ok, lets see what you can do" as I pressed the button. I waited in anticipation. Within minutes, it provided an HTML site I could use.

There were a few iterations of prompts. When I realised I needed a React site, I simply asked, "Please can you convert what you have built into a React site?" After a few more minutes, it had done the job. I also asked it to change the font and add placeholders for images and menu items. The site it built was fully responsive and it had created all the copy, layout, and colours ready to go.

The big test was sending it to our development team. The answer came back as a resounding yes. A couple of minor changes such as adding images to the placeholders and integrating it with our platform, and it was ready. I made the decision to publish it as is.

You can see it here: https://inteliiweave.ai



Why this matters for your business

Now for the real reason I'm telling this story. The power I tapped into is in your hands too. Most small to medium-sized businesses in the property market already uses Google Workspace or Microsoft 365.

The AI is literally sitting there on your phone or desktop, waiting to be used.

Connect a few dots: automate the grunt work

By simply connecting a few dots, you can turn your Google Drive or OneDrive into a powerful, intelligent assistant that handles the tedious work for you. Think about all the documents you create in a day quotes, proposals, contracts, listings.

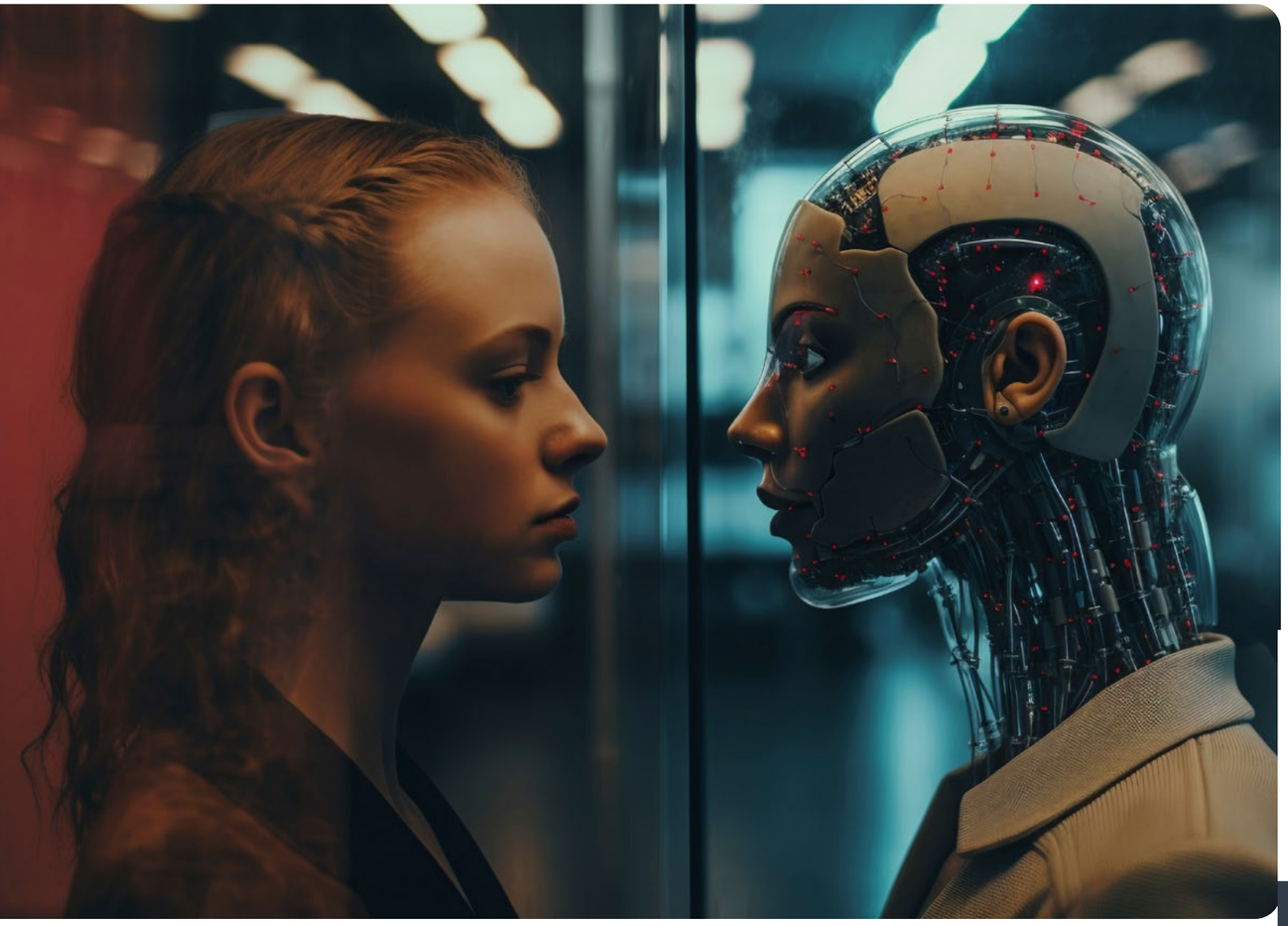
The old way means starting from a blank page or a tired template, then manually copying and pasting details. Now, with Gemini in Google Workspace or Copilot in Microsoft 365, you can automate a lot of this very quickly.

Natural language commands replace templates

Imagine giving a command like: "Draft a lease proposal for 456 Main Street using the 'Standard Proposal Template' and the client details from the 'Joe Cool Property Files' folder."

The AI gets to work, pulling the right information and creating a professional document ready for your final review. It takes you from a blank screen to a finished product in a fraction of the time.

Your collection of documents, the files, spreadsheets, and emails in your Google Drive or SharePoint, is more than just storage; it's the brain of your business. With these AI assistants, you can now tap into that collective knowledge. Instead of digging through folders to find an old report, you can simply ask a question. "Summarise the key points from the project "Wide Angle documents" and it will almost instantly give you a concise overview without you opening a single file.

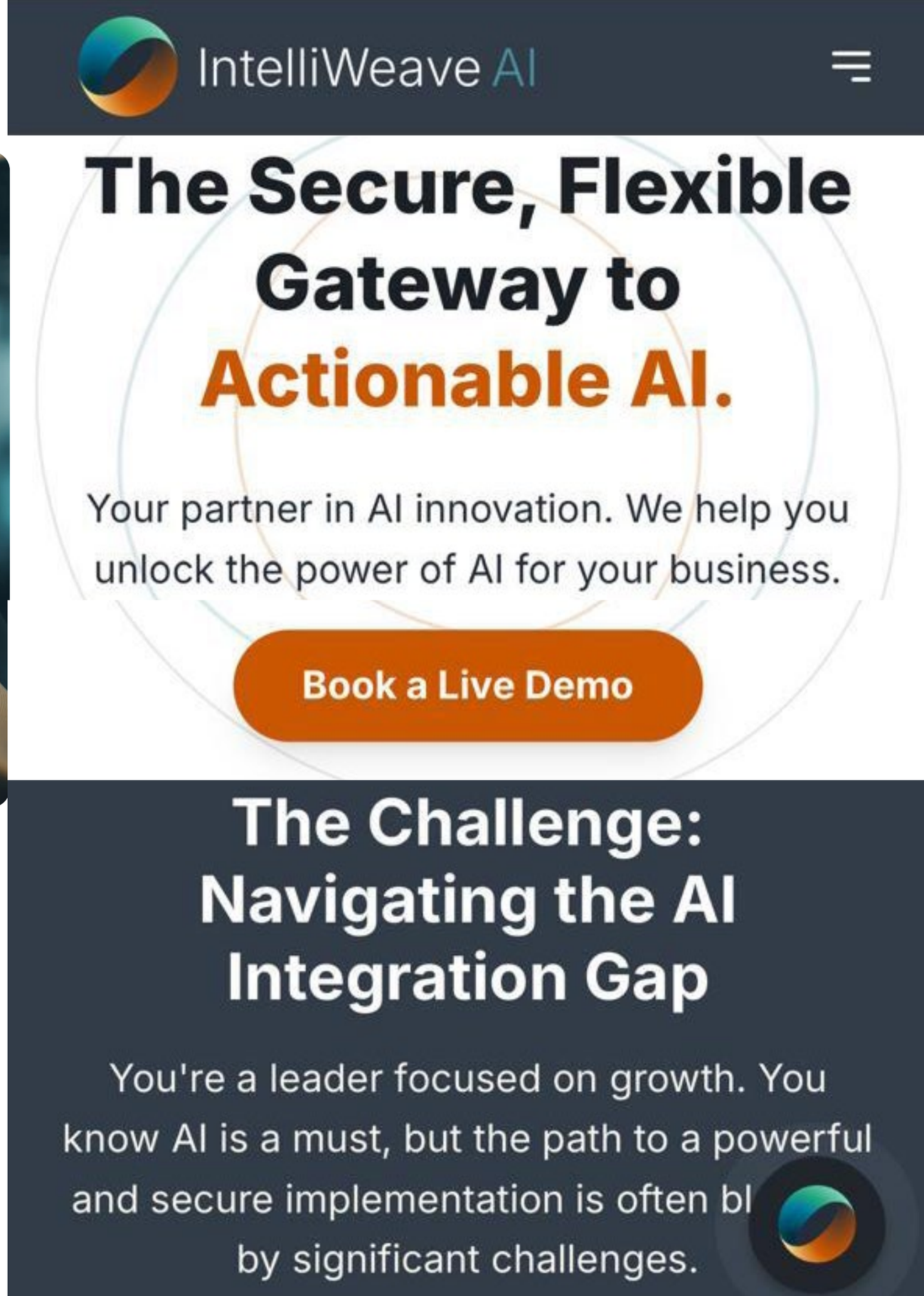


Tools, costs and a realistic caveat

The different companies have different strengths and weaknesses, and costs for some of the more premium offerings vary but are often worth the money. I loved what Google Gemini (Flash 2.5) produced here.

One small caveat. Sometimes it blows you away and other times it can be quite frustrating, but the better you get at prompting, the better the results you get.

Besides the serious business aspect, it's also just great fun. Try it. You might be surprised at what you can achieve in a few minutes, all while waiting at a gala.



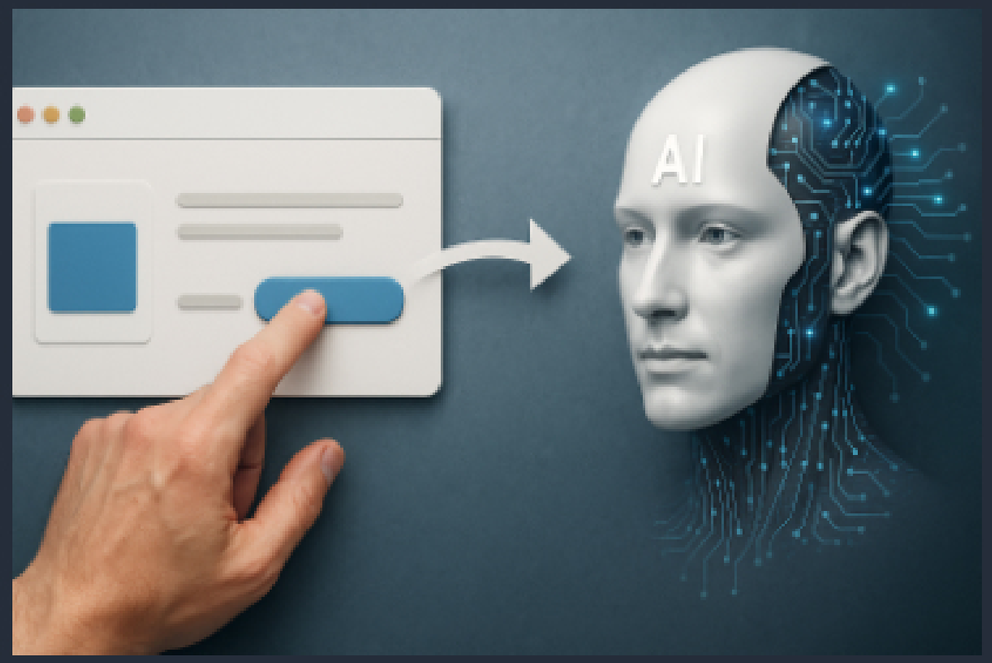
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with

IntelliWeave AI

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ydangle apps



Embed AI into your website or app!

IntelliWeave AI makes it easy to connect any AI model, use it with your own knowledge base, and deploy it across websites, apps, and business tools in a low code way — all while keeping full control over user interactions and data. It allows you to ***easily unlock the productivity, speed and decision making benefits that AI offers***.

Contact us for a demo and find out what IW-AI can do for your business.

Visit: intelliweave.ai

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INVESTING

The Landlord's Playbook: Nine ways to run a stress-free, profitable rental business

By Jaco Grobbelaar





Managing a rental portfolio can be one of the most rewarding paths to financial freedom. It creates steady income, long-term wealth, and, when done right, a sustainable business. But anyone who has ever managed tenants, handled maintenance calls, or chased late payments knows that property management is far from "easy money."

At Prosperity Enterprises, we've built our rental property business on systems, discipline, and care. In this article, I'll walk you through the key components of managing your rental portfolio covering everything from vetting tenants to dealing with non-payment.

These strategies come directly from years of real world experience, and they can save you thousands of rands, countless hours, and plenty of stress.

- **Strong systems, tenant vetting, and clear leases reduce risk, protect cash flow, and keep your rental business profitable.**
- **Preventative maintenance, inspections, and trusted contractors save money, extend asset lifespan, and keep tenants satisfied.**
- **Treat rentals like a business, use automation, reports, and teams to scale sustainably and build long-term wealth.**

Every successful portfolio is built on three foundations: location, tenant quality, and efficient management.

Location: Choose properties near working hubs, transport routes, and amenities. Proximity to jobs and schools reduces vacancies because tenants value convenience.

Tenant Quality: The right tenant can be your best partner. A bad tenant can become your biggest liability. Never compromise here.

Efficient Management: Property management isn't just about collecting rent. It's about systems, maintenance, communication, inspections, and administration. Efficiency ensures profitability.

Once these foundations are in place, everything else builds more smoothly.



First Line of Defence - Tenant Vetting

Tenant vetting is where many landlords cut corners, and it costs them dearly later. At Prosperity Enterprises, we treat tenant placement as a business process, not a gamble.

1. Credit Checks: Always run a credit report through reputable platforms (like TPN or Experian). Past behaviour is the best predictor of future reliability.

2. Employment Verification: Contact employers directly to confirm stability of income. A payslip without confirmation doesn't guarantee employment.

3. Affordability Tests: Ensure rent is no more than 30 - 35% of gross household income. If a tenant is stretched, payment problems are inevitable.

4. Reference Checks: Speak to previous landlords. Did the tenant pay on time? Was the property left in good condition?

Strict vetting means fewer headaches. Remember: it's better to leave a unit empty for another month than to place a high-risk tenant who costs you thousands later.

Second Line of Defence - Setting Clear Expectations with your Lease Agreement

A lease agreement is your blueprint for a good landlord/tenant relationship. It removes ambiguity and prevents conflict.
Key elements to include:

- **Rental amount** - This must be agreed clearly in writing
- **Due Date** - Clarity prevents "misunderstandings.
- **Deposit Terms** - How much, where it is held, and under what conditions it will be refunded.
- **Maintenance Responsibilities** - Who handles what (e.g., tenant handles minor upkeep like lightbulbs, landlord covers structural repairs).
- **Rules on Subletting, Pets, & Noise** - Small details make a big difference in tenant harmony.
- **Inspection Rights** - Landlords must have access for inspections, with reasonable notice.

Always explain the lease in person before signing. A tenant who understands the rules is less likely to break them.

Third Line of Defence - Proper Tenant Placement

Even after vetting, placement matters. You're not just filling space, you're building a long-term business relationship.

- Match Property to Tenant: Place families in properties with enough space and parking; young professionals in convenient lock-up-and-go apartments.
- Provide Orientation: Walk tenants through the property, show them how utilities work, and explain key rules. This prevents unnecessary callouts later.
- First Impressions Count: A well-maintained, clean property at move-in sets the tone. Tenants are more likely to care for a home that feels cared for.

Fourth Line of Defence – Deposits: Your Financial Safety Net

Deposits are not optional; they are essential. They cover damages, unpaid rent, or cleaning costs at the end of a lease.

- Standard Practice: Collect at least one month's rent as a deposit. In higher-risk scenarios, consider six weeks to two months.
- Keep Deposits in Trust: Legally, deposits must be held in an interest-bearing account. Be transparent about this with tenants.
- Documentation is Key: Always provide receipts and written acknowledgement. At the end of the lease, provide a breakdown of deductions, if any.

Handled correctly, deposits protect your portfolio without creating mistrust.

As we often say: "Happy tenants and well-run systems equal fewer headaches and more cash flow." And from my side, I'll add: "Plan for growth, don't just manage properties, build a portfolio."
With these principles, you can transform your rental business into a wealth-building machine.



Fifth line of Defence - Entry & Exit Inspections - Evidence important

Inspections are often neglected but are legally and practically vital.

- Entry Inspection: Conducted with the tenant present, noting every detail, scratches, stains, appliances, plumbing, electrical. Photographs or videos should accompany the written report.
- Exit Inspection: Again, with the tenant present. Compare conditions against the entry report. This ensures fair treatment and avoids disputes.
- Ongoing Inspections: We recommend quarterly drive-bys or bi-annual inside inspections. Early detection prevents expensive damage.

Remember: Inspections protect both landlord and tenant. They're about fairness, not suspicion.

Sixth Line of Defence - Maintenance : Prevention is Cheaper than Cure

Maintenance is often where landlords lose the most money, not because repairs are expensive, but because neglect makes them catastrophic.

- Preventative Maintenance: Regular servicing of geysers, plumbing checks, roof inspections, and pest control avoids massive costs later.
- Tenant Reporting System: Make it easy for tenants to log maintenance issues. At Prosperity Enterprises, we use property management software that tracks and timestamps requests.
- Trusted Contractors: Build relationships with reliable service providers. A good plumber who responds within hours is worth gold.
- Budget for Maintenance: A rule of thumb is to set aside 8 - 10% of rental income for maintenance. This ensures you're never caught off-guard.

A well-maintained property keeps tenants happy and extends the lifespan of your asset.

Seventh Line of Defence - Billing & Administration: Run It Like a Business

Your rental portfolio is a business, and businesses require systems.

- Accurate Invoicing: Use property management software for rent, utilities, and admin fees. Manual spreadsheets invite mistakes.
- Clear Communication: Tenants should know exactly how much they owe and by when. Ambiguity leads to disputes.
- Tracking Payments: Automate reminders for due dates and receipts. This builds trust and enforces discipline.
- Financial Reports: Monthly income/expense summaries help you track profitability and spot issues early.

Efficient administration is the invisible backbone of a successful portfolio.

Eighth Line of Defence - Handling Non-Payment: Firm but Fair

Even with vetting, non-payment happens. The key is to act swiftly.

1. **Early Reminders:** If rent isn't received by the due date, send polite reminders immediately. Don't wait weeks.
2. **Formal Notices:** Follow legal procedures, letters of demand, breach notices, and clear timelines.
3. **Payment Plans:** If a tenant is usually reliable but faces temporary hardship, consider structured repayment.
4. **Credit Reporting**: Report defaults to credit bureaus like TPN. This incentivizes payment.
5. **Eviction as last resort:** Always follow legal eviction processes. An illegal eviction can cost you far more than the arrears.

Firm, consistent processes protect your cash flow and your reputation. and strategic structure.

Ninth Line of Defence - Scaling Your Portfolio: Systems Make It Possible

Managing one or two properties is one thing; managing ten or more than fifty requires a completely different approach.

- Leverage Equity: Use refinancing to unlock equity in existing properties for new purchases.
- Buy Right: Focus on properties below market value in areas with strong demand.
- Automate: Use property management software to track leases, maintenance, billing, and communication.
- Build a Team: You cannot do everything alone. A portfolio manager, accountant, and trusted contractors are essential for growth.

Scaling is not just about acquiring more properties; it's about building the infrastructure to manage them sustainably

Treat it like a Business

At the heart of it all, the most important lesson is this: treat your rental portfolio like a business.
That means:

- Setting systems, not relying on memory.
- Prioritising professionalism in every interaction.
- Continuously learning about legal changes, market shifts, and new technologies.
- Planning for growth rather than just reacting to problems.

A rental portfolio isn't passive, it requires active stewardship. But with the right structures, it can become the engine of long-term wealth and financial independence.





RESIDENTIAL

8 Pitfalls to avoid when choosing a builder

By Neale Petersen

- Don’t rush into handshake deals, demand contracts, credentials, and insurance to safeguard your home and finances.
- Low quotes often hide shortcuts, check the details before committing to a “bargain” builder.
- Asking the right questions upfront protects your property, budget, and ensures ethical, compliant building practices.



What to ask before you sign a renovation contract

Renovating or building a home is one of the biggest financial decisions most people will ever make. Choosing the wrong builder can derail your budget, timeline, and even the safety of your home.

The Building Industry Bargaining Council (BIBC), with decades of industry experience, has seen the risks firsthand. Their advice? Avoid the common pitfalls by doing proper due diligence before signing.

“Even if a builder is eager to start, it’s worth pressing pause to check their qualifications, compliance, and insurance,” says Danie Hattingh, BIBC spokesperson. “By asking the right questions, you’re not only protecting yourself, you’re also supporting ethical standards in the industry.”

Industry Wisdom:
“If someone competes on price alone, dig deeper, cheap work often comes at a very high cost.”



Eight Pitfalls and how to avoid them

1.Failing to check credentials

Pitfall: Hiring unregistered, non-compliant builders.

Solution: Verify registration with the NHBRC, BIBC, and ensure compliance with labour, tax, and safety regulations.

2. Overlooking Experience

Pitfall: Assuming all builders can handle your type of project.

Solution: Ask for photos, references, and past client contacts to confirm quality and professionalism.

3. Relying on Verbal Agreements

Pitfall: Handshake deals with no legal protection.

Solution: Insist on a detailed written contract covering scope, timelines, payments, and warranties.

4. Ignoring Insurance

Pitfall: No coverage for liability, workers, or professional errors.

Solution: Request valid certificates for public liability, workers’ compensation, and professional indemnity insurance.

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5. Not clarifying work hours & conduct

Pitfall: Noise, delays, or unsafe practices on-site.

Solution: Ensure adherence to BIBC Collective Agreements and local bylaws. Discuss security and safety measures upfront.

6. Not knowing who's on site

Pitfall: Unqualified subcontractors doing key work.

Solution: Confirm subcontractors are registered, insured, and have a track record with the main builder.

7. Falling for bargain quotes

Pitfall: Choosing the lowest price without digging deeper.

Solution: As Hattingh warns: "Low quotes can hide shortcuts that cost far more in the long run."

8. Skipping Key Questions

Pitfall: Accepting vague answers.

Solution: Ask about itemised costs, warranties, safety protocols, timelines, NHBRC registration, and Construction Regulations compliance.

Danie Hattingh, BIBC:

"By asking the right questions and checking credentials, you protect yourself and support ethical building practices."

Making it work effectively
Avoiding these pitfalls is about more than risk management, it's about building responsibly. Always:

- Do thorough background checks before you sign.
- Get everything in writing, from contracts to inspection reports.
- Keep communication open and professional throughout the project.
- Remember, being an informed client protects both your investment and the people who work on your property.

"Hiring a builder doesn't have to be risky," says Hattingh. "With the right checks and questions, you can create a project that's safe, compliant, and successful."



RESIDENTIAL

Small Town Property: Opportunity or Risk for SA Investors?

By Jason Lee



- Small towns offer cheap entry and high yields but carry liquidity and tenant risks.
- Local industry and government jobs create stability, but sudden shocks devastate demand.
- Smart investing requires due diligence, buffers, and reliable local management.

Investing beyond the core

Every month, investors are tempted by property deals in South Africa's smaller towns often priced far below what's available in Johannesburg, Cape Town, or Durban. These non-core markets can look irresistible, but the reality is more complex.

Some investors have built sizeable portfolios in these areas, enjoying strong cash flow and little competition. Others, however, have been badly burned. As one investor put it: "When core markets catch a cold, non-core markets catch pneumonia."

So, should you diversify into these markets? Let's weigh the pros and cons.

The Pros: Why non-core markets appeal

1. Lower entry costs

Properties in small towns are far cheaper than in metros. For investors with limited capital, this can be an affordable way to enter the market.

2. Higher rental yields

Low purchase prices often translate into attractive rental returns and immediate positive cash flow, something rare in large cities.

3. Less competition

In many towns, properties sit on the market for months. Investors rarely face bidding wars, which improves negotiating power.

4. Industry-linked demand

Mining, agriculture, logistics, and government sectors often provide stable, well-paid tenants such as teachers, nurses, and police officers.

5. Supply shortages

When new industries expand into smaller towns, rental demand can outstrip supply quickly, driving up rental income.

6. Lighter regulations

Fewer restrictions around rezoning, renovations, or short-term rentals can make investment strategies easier to implement.



The Cons: Serious risks to consider

1. Volatile demand

Local economies often depend on a single large employer. If it shuts down or relocates, rental demand evaporates almost overnight. Seasonal workers can also disappear as contracts end.

2. Lower tenant incomes

Outside of government or industry, wages are modest. This raises the risk of rental defaults. Evictions, especially in rural courts, can be slow and expensive.

3. Difficult property management

Managing a property several hours away is challenging. Reliable managers and contractors may be scarce, making inspections, maintenance, and collections problematic.

4. Liquidity trap

Properties in small towns can sit unsold for months or years. Capital growth prospects are limited, and exit options are narrow.

5. Infrastructure weaknesses

Municipal instability, water shortages, poor waste management, and load shedding can undermine tenant satisfaction and increase vacancies.

6. Financing and insurance hurdles

Banks may refuse loans or limit bond sizes in smaller towns. Insurers often load premiums or avoid high-crime areas entirely.

7. Squatter risk

Vacant properties are vulnerable to illegal occupation. Evicting squatters is costly, stressful, and time-consuming.

Smart investing in small towns

If the potential returns outweigh the risks in your view, proceed carefully:

- **Test demand:** Research the rental market via local estate agents, online listings, and community groups.
- **Screen tenants thoroughly:** Verify employment, check references, and distinguish between stable industry professionals and seasonal labour.
- **Assess the town's fundamentals:** Is it growing or shrinking? Which industries dominate? Are new infrastructure or industrial projects underway? What are the long-term property price trends?
- **Work with locals:** Partner with reputable estate agents and managers who understand the community.
- **Budget conservatively:** Maintain cash buffers and never assume 100% occupancy. Municipal fees and levies can be higher than expected.



Conclusion

Investing in non-core or small-town property markets is not for everyone. These opportunities suit investors focused on cash flow rather than capital growth, who are comfortable with risk, and who can commit to deep due diligence and strong local partnerships.

Handled correctly, small-town properties can provide excellent yields. But go in with your eyes wide open, a buffer in place, and a clear exit strategy.

Happy investing.

5 Questions to ask before you buy in a small town

1. **Is the town growing or shrinking?**
   Check population, job creation, and local economic trends over the past decade.
2. **Who drives rental demand?**
   Are tenants from stable industries (mining, agriculture, logistics, government) or short-term seasonal labour?
3. **What's the risk of vacancies?**
   How long do properties sit empty? Are there signs of oversupply or weak demand?
4. **How reliable is infrastructure and governance?**
   Investigate municipal services, electricity, water, and waste management. Poor delivery = unhappy tenants.
5. **What's my exit strategy?**
   Can you resell quickly if needed? Are long-term capital growth prospects weak or strong?

Tip for Investors

Always budget for vacancies, repairs, and unexpected shocks. Small-town property works best with cash flow buffers and local expertise

rei Education

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Presented by Retha van Rooyen

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REGISTER NOW

FINANCE

Up Your Property Game: The tax benefit every property investor should know about

By Samantha Smith





Designed to incentivise property investment, section 13sex of the Income Tax Act ('the Act') provides a valuable and often underutilised tax deduction tool for individuals and entities investing in new and unused residential rental properties in South Africa.

Introduced in 2008 to simulate the growth of the residential rental sector, section 13sex of the Act entitles a taxpayer to deduct 5% of the building cost of any new and unused residential unit or improvement to such a unit, provided certain conditions are met.

The conditions of section 13sex are as follows

- The unit must be new and unused
- It must be located within the borders of South Africa
- It must be used solely for the purposes of a trade, i.e. residential letting, and
- The taxpayer must own at least five such residential units in South Africa.

If the unit qualifies as a low-cost residential unit, an additional 5% deduction is permitted in terms of section 13sex(2), bringing the total allowable deduction to 10% per annum.

Generally, SARS defines low-cost units based on specific criteria relating to unit size, cost, and rental thresholds, which makes this additional allowance particularly attractive for investors targeting the affordable housing market.

While section 13sex does not expressly impose a time limit on the duration over which deductions can be claimed, the practical effect of the 5% per annum allowance is that the full cost of the qualifying residential unit (or improvement) can be deducted over 20 years (5% × 20 years = 100%). Correspondingly, the deduction is spread over 10 years for low-cost residential units.

Importantly, section 13sex(3) limits the allowable cost to the lower of the actual cost incurred or the market-related cost under an arm's-length transaction.

Where a taxpayer acquires only part of a building (e.g., a sectional title unit), section 13sex(8) deems 55% of the acquisition price to be the cost of the unit, and 30% in the case of an acquired improvement.



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If you are in the process of developing or acquiring residential units for rental, it is imperative to structure your transactions from the outset to comply fully with the requirements of section 13sex.

Accordingly, it is strongly recommended to engage a skilled and qualified legal advisor to ensure that you gain optimal benefit from this crucial tax provision.

Source: STBB – Dr Samantha Smith (BSocSci, LLB, LLM, PhD, UCT) is a writer, analyst and editor at STBB Attorneys, producing legal updates and s trategic content.

In addition, it is essential to note that no deduction is allowed where the unit has already been disposed of in a prior tax year, or where any portion of the cost has qualified for a deduction under another provision of the Act, per section 13sex(6). Moreover, the aggregate of all deductions under section 13sex and any other provision may not exceed the original cost of the unit or improvement, in line with section 13sex(7).

For developers and investors building a portfolio of rental units, understanding and utilising section 13sex has significant tax advantages. When applied correctly, the provision can substantially improve after-tax internal rate of return ('IRR'), support cash flow planning, enhance the financial feasibility and viability of large-scale residential development, and provide a predictable tax benefit over time. Strict compliance with all legislative conditions, however, is required.



WEALTH

The Hidden Crisis: Why Property Ownership is Slipping Out of Reach

By Gerhard Van Der Westhuizen



Are You a Distressed Investor Without Knowing It?

South Africans have long viewed property ownership as the cornerstone of wealth. For generations, buying a home was the ultimate marker of financial stability. The first step towaard building wealth, but times have changed. Today, many who proudly call themselves “property owners” are unknowingly walking a fine line and will most likely become distressed investors.

They invest diligently for decades to create the asset base required to enjoy income form their investment portfolio, not knowing trouble lies around the corner. The crisis lies in the widening gap between household incomes, cost of living and the retirement provision periods, a gap in disguise that is reshaping the future of each investment portfolio.

The 1:2 to 1:4 Ratio Shift

Thirty years ago, the path to property ownership was far more accessible. These were my actual numbers:

- **Mid 1990's:** Our family earned around R75,000 per annum, and we bought our first home in a middle-class suburb at the cost R154,000. The ratio of roughly 1:2, two years of gross income could cover the cost of a home.

- **Today:** The same property is valued at R2,500,000. Using the ratio above, the family should be earning R1,250,000 per annum in today's terms, which is not the case. Average household income per month is between R40,000 to R60,000. If we do the calculation on R600,000 per annum the ratio has ballooned to 1:4, four years and a bit of gross annual household income to afford the same property.

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This stark shift tells a sobering story: property values have outpaced income growth so dramatically that the traditional dream of ownership is slipping away for the majority. The facts for the financially elite are looking worse and in most cases have surpassed the ratio and is closer on a 1:7 ratio.



LIVE
WEALTH ASSIST INVESTMENT WEBINAR
Wealth Assist
Real Estate Investment Advisory
Avoiding the Distressed Investor Trap
Rethinking the Old Investment Models
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Register
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LIVE
Gerhard van der Westhuizen
rei
LIVE
Neale Petersen
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Renier Kriek

Why This Matters for Investors

On the surface, owning a property portfolio seems like the ultimate safety net. Rental income flows in, bonds get paid down, and the value of your assets climbs over time.
But here's the catch:

- Cash flow positive does not equal retirement ready.
- Static property ownership does not equal wealth creation.
- And debt-heavy portfolios can quietly erode future portfolio value.

If your future portfolio income hasn't been stress-tested against inflation, rising interest rates, and the cost of living, then you may not be building wealth, you may be slowly slipping into financial distress.



Tomorrow's Legacy at Risk - The Generational Wealth Gap

The current reality if one looks at the House-Price to Income Index we are seeing an accessibility crisis already. So much so that the focus for every family should be the next generation.

If property ownership becomes the privilege of the few, then younger South Africans will be permanently locked out of the market. Without the foundation of property their ability to build wealth is severely compromised.

For parents and investors, this raises a critical question: What legacy are you leaving behind? What if the ratio for them is 1:10 or worse?

Rethinking the Old Investment Models

The hard question to ask is will the old formula of investing guarantees financial security. Will investing 15% of my monthly income for 40 years in a share portfolio or "buying a couple of financed properties to rent out and hold for 20 years give the expected results?

Investors need to start asking themselves:

- Am I truly growing wealth, or am I just surviving month to month?
- Do I understand how much income I'll really need from my portfolio?
- Am I relying on outdated assumptions about property value growth?

Only by confronting these questions can today's investors avoid tomorrow's trap.



A Glimpse at New Solutions

At Wealth Assist, we believe that confronting this crisis head-on means rethinking property investment models. One example is our new product, Assist-to-Own, which helps families secure their lifestyle while freeing up their bond affordability for higher-yield opportunities.

It's not the only answer, but it represents the kind of innovative approach that will be essential if South Africans are to bridge the growing gap between income and property ownership.

Join the Conversation – October 7th at 7pm

This topic is too urgent to ignore. That's why we're hosting an exclusive webinar on 7 October 2025:

Avoiding the Distressed Investor Trap
Rethinking the Old Investment Models

We'll explore:

- The hard numbers behind South Africa's accessibility crisis.
- Why you might be unaware of the "Distressed Investor Trap"
- New strategies, including Assist-to-Own, that can help safeguard your financial future.
- Should we still buy a primary residence or not? If yes, when should we buy?

Register now to secure your spot.

Final Word

Property has always been seen as the safest path to wealth, but if we don't adapt our approach, the next decade will prove that assumption dangerously wrong. The affordability gap is widening, and those who fail to see it may discover too late that they are not investors at all, but distressed owners in waiting.
The time to act is now.



EVENTS

Eastern Cape investors pack out Prosperity's Gqeberha event



Southern Sun, The Marine hotel in Gqeberha hosted a full house as Prosperity Enterprises' Property Investors Evening delivered hard data, practical tactics and serious networking.

This wasn't a meet-and-greet; it was a playbook for action.

Highlights of what investors learned

Win in any market

- **Neale Petersen** - 12 Power Moves to beat the averages.

Eastern Cape vs National Trends

- **Esteani Marx (Lightstone)** - Estates/coastal nodes leading; investor data-driven hotspots.

Funding growth

- **Marleze Moller (My Home Loans)** - How to leverage 100% finance, keep liquidity.

Wealth structures

- **Jaco Grobbelaar (Prosperity)** - Companies & trusts for tax efficiency and protection.

Legal must-haves

- **Nicole Oosthuizen** - 7 Clauses to negotiate before you sign.
- **Student housing**
- **Michael Brink (Century 21)** - Big national bed shortage = strong yield case.

Tenant risk

- **Elize le Roux (Xpello)** - Negotiate early to avoid costly evictions.

'You don't need to chase headlines. Build patiently, one smart deal at a time.' Jaco Grobbelaar



Beyond the stage

Deal chat flowed well past the programme: new partnerships were formed, first-time buyers mapped next steps, and portfolio owners workshopped restructures. Gqeberha showed up ready to scale.

NEXT STOP: JOHANNESBURG - SEATS ARE LIMITED

DATE: THURSDAY, 23 OCTOBER 2025.

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