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MAGAZINE FEBRUARY 2026 #187



AIRBNB INVESTOR BOOM
How investors win in Cape Town

WAREHOUSING PROFITS UNLOCKED
A Smart Guide for landlords and tenants

THE LONG WEALTH GAME
How disciplined investors build lasting wealth

EXP REALTY DRIVING INNOVATION

Felix Bravo & Sarah Hutchinson power this real estate powerhouse's next growth phase

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Investor of the Year 2026

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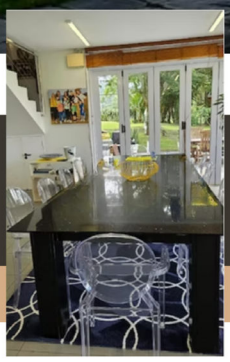
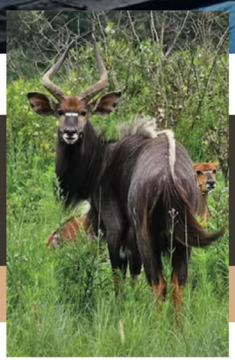
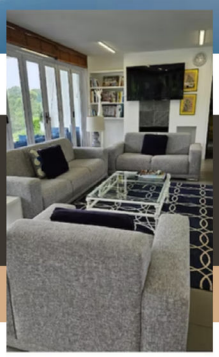
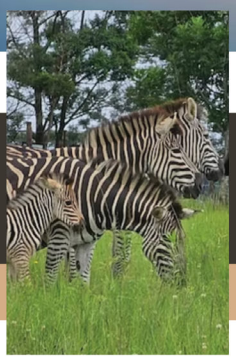
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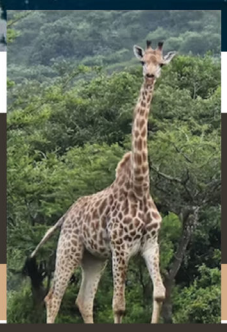
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- All furniture in main house included

Main Residence

- 4 en-suite bedrooms
- Formal lounges
- Open-plan kitchen and dining area
- 2 covered outdoor entertainment areas
- Gas and built-in braais
- Swimming pool
- Private tennis court

Additional Accommodation

- 3-bedroom manager's cottage
- Supervisor's house
- Staff quarters
- Stables

Land, Wildlife & Water

- Fully fenced 520-acre game farm
- River running through the property
- 3 dams
- Established wildlife including:
- 12 Giraffe
- 50 Zebra
- Kudu
- Blesbok
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- Nyala
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INVESTMENT & LIFESTYLE OPPORTUNITY

EDITOR'S VIEWPOINT

Two speed economy: Opportunity favours SA property winners

South Africa's property market is moving forward, but not evenly. As we open the February 2026 issue of Real Estate Investor Magazine, one theme becomes clear: our economy is increasingly operating at two speeds.
On the one hand, parts of the country continue to battle weak service delivery, infrastructure decay and declining municipal performance. On the other, regions like the Western Cape continue to attract investment, residents and business confidence, translating into stronger property fundamentals and measurable price resilience.

Recent analysis from leading economists, including FNB's John Loos, www.rei.co.za LINK confirms what many investors already experience on the ground: where governance, infrastructure and service delivery function well, property markets respond positively. Where they don't, property growth stalls.
This month's issue reflects exactly where opportunity is emerging, Cape Town's short-term rental boom shows how tourism, semigration and lifestyle demand are reshaping investor strategies. Our warehousing and logistics guide highlights industrial property as one of the country's strongest performing sectors.

We unpack why housing prices boom, stall or outperform in certain nodes, while our Alternative Investment Series opens with the OPC story, showing how structured property-backed investments are giving investors new ways to access returns.

We also explore emerging themes shaping the next investment cycle from AI's growing role in property decision-making to navigating geopolitical uncertainty and understanding financially stressed homeowners in today's credit environment. Yet through all these shifts, one principle remains constant: disciplined investors who focus on fundamentals, governance quality and long-term demand trends continue to win.

The opportunity in South African property is alive, but increasingly selective. Knowing where and how to invest is now more important than ever.

In 2026, successful investors won't chase markets, they'll position ahead of them.

Neale Petersen

Founder & Editor-In-Chief







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- WARREN BUFFETT

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ASK THE EXPERTS

Airbnb Boom: How investors can win in Cape Town's market



MEET OUR GUEST EXPERT

ROBIN BOOTH AirBnb specialist Investor, coach, & serial entrepreneur

Question

"Cape Town is experiencing a short-term rental boom, with around 26,000 Airbnb listings currently active. I own two newly prepared three-bedroom properties, a beachfront home in Scarborough and a well-located Pinelands property close to the CBD and airport and I'm planning to list both on Airbnb.

As a first-time short-term rental investor, what are the key steps to get started, the main pros and cons versus long-term letting, and the biggest mistakes investors should avoid in an increasingly competitive market?"

Gone are the days when listing a spare room or holiday home on Airbnb guaranteed strong returns. Cape Town now has roughly 26,000 active listings, and success requires a professional, investor-level approach. The upside? Most hosts won't put in the work, creating a clear opportunity for those willing to operate in the top 10%.

In my experience, the average Cape Town listing achieves around 50% occupancy. Well-run units, however, can sustain 85 - 95% occupancy year-round and consistently rank first in their neighbourhoods. This comes down to three fundamentals.

First: Differentiation.
Your property must stand out visually and experientially. Intentional design, quality furniture, and a clear style matter. Just as important is zero tolerance for poor maintenance or cleanliness—issues should be fixed immediately, and the unit must be spotless, every time.

Second: Reviews.
Reviews are social proof. Guests want confidence, not bargains. When value isn't clearly demonstrated, price becomes the deciding factor and that's a race to the bottom.

Third: Pricing and positioning.
Track your direct competitors, price dynamically, and list across multiple platforms. Understand your guest profile: a Scarborough beachfront home attracts leisure travellers, while a Pinelands property suits business travellers and visiting families.

Done correctly, short-term letting in South Africa should generate roughly double the gross income of long-term rentals and with skill and systems, even three times more.

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COVER STORY

The “eXp Realty Differe



Siya Ndzimande
International Regional Marketing Mgr. (EMEIA)

ence”



Part 1: The "eXp Difference" (Business Model & Tech)

The goal here is to define what separates eXp from traditional "brick and mortar" agencies in the local market.

Questions for Felix Bravo (MD of International):

1. The "Cloud" vs. Culture: "Felix, in South Africa, traditional real estate relies heavily on office presence and face-to-face mentorship. How do you counter the skepticism that a 'cloud-based' agency lacks culture?"

FELIX: That's the most common misconception we hear, and the reality is actually the opposite. In a traditional brick-and-mortar model, culture is constrained by geography. If your broker is unavailable or your office is quiet, support and mentorship pause.

At eXp, we're not replacing culture with technology; we're using technology to scale culture. Through eXp World, our virtual campus, an agent in Durban can attend a live masterclass with a top producer in California or engage directly with leadership in the UK in real time. We've learned that culture isn't defined by physical walls, it's defined by access, collaboration, and shared success. Because we don't operate within rigid franchise territories, our agents don't compete against one another, they collaborate, openly sharing playbooks, strategies, and hard-won lessons. That spirit of openness and connection is our culture, and in my experience, it's stronger, more inclusive, and more consistent than

2. The Profitability Pivot: "We know eXp South Africa reached cash-flow positivity remarkably fast compared to traditional franchise models.

From an operational standpoint, what specific inefficiencies does the eXp model remove that allowed for such rapid stability in the local market?"

FELIX: It comes down to removing the heavy legacy load. Traditional franchise models are weighed down by three major cost centers: long-term commercial leases, redundant layers of middle management, and territory or franchise fees.

When we launched in South Africa, we didn't need to build dozens of offices or lock ourselves into five-year leases to achieve national coverage. We launched centrally and scaled intelligently.

Thatoperational simplicity gives us agility. Every rand a traditional agency spends on rent, utilities, and office overhead is a rand we can reinvest into agent compensation, technology, and support.

As a result, our burn rate is a fraction of a legacy model, while the value we deliver to agents is significantly higher. That efficiency-first structure is what allowed us to reach cash-flow positivity so quickly in the local market.



3. Agent Equity in a Volatile Economy: "The Rand can be volatile. How has the opportunity to earn equity (stocks) and revenue share in USD impacted the recruitment conversation in South Africa specifically? Is this your biggest differentiator here?"

FELIX: Without a doubt. In emerging markets, financial diversification isn't a luxury, it's a security strategy. When we sit down with top agents in South Africa, the conversation quickly moves beyond "What's my split?" to "What's my long-term exit strategy?"

Through revenue share and the ability to earn equity in EXPI stock listed on the Nasdaq, agents can build assets denominated in U.S. dollars, effectively hedging their income against Rand volatility. That shift is powerful. It transforms an agent from a commission-based salesperson into a shareholder with a global asset portfolio. In an uncertain economic climate, the opportunity to participate in long-term, dollar-based wealth creation is absolutely our strongest differentiator and one of the most compelling reasons agents choose eXp here.



Questions for Sarah Hutchinson (VP of International Marketing):

1. The "Lovable" AI Breakthrough: "Sarah, there's buzz about how you recently rebuilt 28 country websites in-house using AI tools like 'Lovable'. Can you tell us that story? How does that agility translate to a better experience for an agent sitting in Johannesburg or Cape Town?"

SARAH: This started as a very intentional, founder-led strategic decision. Glenn Sanford is deeply AI-centric in how he thinks about the future of eXp, and he introduced our leadership team to Lovable, a generative AI full-stack software engineer.

Almost overnight, we became citizen developers. We initially engaged a traditional vendor to modernize our international sites, but they simply couldn't deliver at the speed or quality our markets require. Rather than wait, I built the first country site myself using Lovable, essentially vibe-coding it end to end in about six hours, which became the proof point that this model worked. From there, we brought the entire program in-house and rebuilt the underlying infrastructure across 28 country websites. For an agent in Johannesburg or Cape Town, that agility is very real. When local regulations change or a market-specific campaign needs to launch, we can update their digital ecosystem in minutes, not weeks, without relying on an agency or a developer in another time zone. Their online presence stays current, compliant, and high-performing at all times.

It's a clear example of how we operate as a tech company at scale, and how that speed directly improves the day-to-day experience and competitiveness of our agents in every market.

2. Marketing a "Borders-less" Brand: "Real estate is hyper-local, yet eXp is a global giant. How do you balance the 'global tech giant' brand with the need for South African agents to feel like this is a homegrown community that understands their local suburbs?"

SARAH: It's the "Glocal" paradox, and we lean into it. Our brand promise is: Global Reach, Local Expertise.

From a marketing perspective, we provide the "Global" container—the world-class tech stack, the clean branding, and the international network. However, we aggressively empower our local Designated Provincial Officers (DPOs) and agents to fill that container with "Local" content. We don't try to dictate how an agent in the Western Cape speaks to their client. We give them the tools to amplify their voice. We highlight South African success stories and use local imagery. We want the agent to feel backed by a global giant, but deeply rooted in their community.




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Part 2: The Expansion Outlook (Beyond South Africa)

South Africa is the beachhead; the readers want to know where the ship is steering next.

Questions for Felix Bravo:

1. The "Gateway to Africa" Strategy: "With South Africa established as a stronghold, does eXp view SA as the operational hub for the rest of the continent? What are the specific criteria you look for when choosing the 'next' African country (e.g., Egypt, Kenya, Nigeria)?"

FELIX: South Africa has proven that the eXp model works on the continent, and it gives us a strong operational foundation to build from. But we're very intentional about where we go next. We don't expand just to expand. When we assess new African markets, we look at a few core factors. The first is digital maturity. There needs to be reliable internet penetration and mobile adoption to fully support a cloud-based agency.

The second is the structure of the real estate industry. We look for markets with established agency frameworks or MLS-style systems, rather than purely informal environments, because that structure supports professional scale. The third, and most critical, factor is leadership. We don't simply launch countries; we partner with credible local leaders who understand their markets and can build sustainably. Markets like Nigeria are interesting because of their size and growth potential, while countries such as Kenya and Mauritius stand out for their stability, regulatory clarity, and tech adoption. Ultimately, we're disciplined. Every expansion has to be grounded in long-term viability, not just geographic ambition.



2. Regulatory Hurdles: "Real estate regulation varies wildly across African borders. What has been the biggest operational lesson learned in South Africa that you are applying to your expansion into the wider International markets?"

FELIX: The biggest lesson is: Compliance First, Growth Second. You cannot copy-paste a US real estate model into an African regulatory framework. In South Africa, the specific requirements regarding the PPRA (Property Practitioners Regulatory Authority) and trust accounts required us to adapt our backend systems significantly.

We learned that we must have local legal and compliance experts on the ground before we recruit a single agent. We are now building modular operational systems that can be tweaked for local laws (like French law in parts of West Africa) rather than trying to force a rigid system where it doesn't fit.

Questions for Sarah Hutchinson

1. Digital Adoption in Africa: "Africa is a mobile-first continent. How does your digital marketing strategy for the African expansion differ from, say, Europe or North America? Are you leaning more heavily into platforms like WhatsApp or social media for agent attraction here?"

SARAH: In North America, email marketing is still popular. In large parts of Africa, if you aren't on WhatsApp, you don't exist.
Our strategy for Africa is decidedly mobile-first and low-bandwidth friendly. We are designing marketing assets that are lightweight and easily shareable via WhatsApp and Telegram. We are leaning heavily into video content for platforms like Instagram Reels, which have massive engagement across the continent. We are also focusing on "community commerce," equipping agents with digital business cards and social assets that allow them to do business entirely from a smartphone, because for many, that phone is their only office.

Part 3: eXpcon & The "Cape Town 2026" Event

Joint Question (For Both):

1. Why Cape Town? "Bringing eXpcon to Cape Town in 2026 is a massive signal to the market. Why was South Africa chosen as the host destination over other global hubs, and what does this say about the importance of the African market to eXp Global?"

FELIX: Bringing eXpcon to Cape Town is a recognition of performance and momentum. South Africa has become one of our fastest-growing and most highly engaged international regions, and hosting our flagship global event here is a clear signal that Africa is not a fringe market, it's central to the future of global real estate. This isn't symbolic. It reflects the quality of leadership, the professionalism of our agents, and the scale of opportunity we see across the continent. By choosing Cape Town, we're telling the world that Africa is open for business and firmly part of the global conversation.

SARAH: Cape Town also represents what eXpcon is meant to be. It's not just a conference, it's an experience. Few cities in the world combine world-class infrastructure, natural beauty, and cultural energy the way Cape Town does. Hosting eXpcon here reinforces that eXp is a true global citizen. We're not U.S.-centric in how we think or where we show up. We go where our agents are thriving, where innovation is happening, and where the story of global growth deserves a world-class stage.



Question for Sarah:

1. The Event Experience: "eXpcon is known for high energy and networking. For a South African agent who has never attended, how would you describe the 'vibe' of eXpcon compared to a standard industry conference? What can they expect in 2026?"

SARAH: eXpcon is a global gathering of entrepreneurs, leaders, and builders who are actively shaping the future of real estate. It's high-energy, deeply inclusive, and centered on real connection and momentum. People from all over the world come ready to engage, exchange ideas, and challenge each other in ways that move their businesses forward. In 2026, eXpcon will bring that global energy to South Africa, pairing eXp's forward-looking vision with the warmth, creativity, and rhythm of African hospitality. Expect a vibrant, collaborative experience that expands perspective and opens doors long after the event ends.

Part 4: The "Blue Sky" Closing

Joint Question (For Both):

1. "If we sit down for this interview again in five years, what does the eXp footprint in Africa look like? Are we talking about 5 countries? 10? And how has the role of the traditional real estate agent changed by then?"

FELIX: In five years, the success of eXp in Africa won't be measured by the number of countries on a map. It will be measured by whether the markets we engage with are healthy, supported, and creating real opportunity for agents. Our approach is deliberate and selective, focused on learning, partnership, and building the right foundations before anything scales..

SARAH: In five years, the role of the traditional real estate agent will look fundamentally different. The transactional mechanics of the job will be handled by technology, while the true value of the agent will lie in insight, local expertise, negotiation, and trust. Agents will spend less time managing process and more time guiding people through complex decisions. Our role is to make sure eXp agents are not reacting to this shift, but leading the charge.

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By Neale Petersen



ng 101: A profitable ndlords and tenants



- **Industrial property continues to outperform, offering resilient returns for investors and operational efficiency for tenants.**
- **Location, specification and energy resilience now drive both rental demand and long-term asset value.**
- **Well-structured leases and future-proof facilities reduce risk and unlock growth for both landlords and occupiers.**

Industrial Property: A Stand-Out Performer for both Investors and Occupiers

Over the past five years, South Africa's industrial and logistics sector has emerged as the strongest performer in the commercial property landscape.

In 2024 alone, the sector delivered total returns of around 15.2%, comfortably outpacing both office and retail. For investors, this reflects sustained demand, disciplined new supply and the structural growth of e-commerce, manufacturing and regional distribution.

For tenants, it means competition for quality space and a growing "flight to well-located, well-specified facilities".

"The South African logistics market is being reshaped by a clear flight to quality," says Errol Taylor, Head of Asset Management: Logistics & Industrial at Growthpoint Properties.

Over the past five years, South Africa's industrial and logistics sector has emerged as the strongest performer in the commercial property landscape.

"Tenants are prioritising high-grade, sustainable and technologically enabled warehouses. Energy security, water resilience, automation readiness and flexibility are no longer optional, they are core leasing criteria."

Against this backdrop, first-time tenants need to make informed decisions, while landlords and investors must understand what drives long-term value and occupier retention. Paul Stevens, CEO of Just Property, says the key is aligning operational efficiency with future-proof asset performance.



"Choosing a warehouse is not just about rent per square metre. It's about how the building supports productivity today and scalability tomorrow. The right specification can reduce operating costs, improve logistics flow and make the property more attractive to both tenants and financiers," he explains.

Key factors when leasing Industrial space and what landlords should provide

1. Size, height and throughput

- **Issue:** Inadequate floor area or low eaves restrict racking and expansion.
- **Solution:** Target A-grade facilities with 8 - 13m eaves (15m+ for premium logistics), efficient column spacing and sufficient GLA for future growth.

2. Docking and yard efficiency

Issue: Poor truck circulation and limited staging space create bottlenecks.

Solution: Look for deep yards, multiple dock levellers, on-grade doors, canopies and 1.2m dock heights to support modern fleets and container handling.

3. Floor loading and structural strength

Issue: Weak slabs limit racking, automation and heavy equipment.

Solution: Confirm slab thickness, joint layout and load-bearing capacity suitable for high-bay racking and forklift traffic.

4. Power, Water and Resilience

Issue: Energy interruptions disrupt operations and raise risk.

Solution: Three-phase power, solar readiness, generator capacity and water security are now essential. Energy-efficient design lowers operating costs and supports ESG goals.

5. Fire Safety and Compliance

Issue: Non-compliant buildings increase insurance costs and liability.

Solution: Ensure ASIB-approved sprinklers, SANS-compliant fire systems and clear evacuation design. Many insurers require full certification.

6. Zoning and Permitted Use

Issue: Incorrect zoning can halt operations or future expansion.

Solution: Verify municipal zoning, hazardous-materials classification (SANS 10228, MHI regulations) and, where relevant, SARS-approved bonded warehouse status.

What modern tenants are demanding and what smart investors are building for

According to Taylor, demand is increasingly concentrated in mid-sized logistics facilities of 10,000m² to 30,000m² within well-located industrial nodes, offering:

- Energy-efficient, solar-ready buildings
- High-spec fire protection and insurance compliance
- Flexible layouts for automation and robotics
- Green certification and water-saving infrastructure
- Secure parks with 24/7 access and fibre connectivity

“These features improve tenant retention, protect rental growth and support long-term capital values,” he notes.

“From an investment perspective, assets that meet ESG and operational resilience criteria are also more attractive to institutional capital and lenders.”

Understanding the Lease: Risk and opportunity

Commercial leases are governed by common law and the contract itself, not by the Rental Housing Act. This places greater responsibility on both parties to structure fair, transparent and future-proof agreements. Key elements to focus on include:

- **Base rent and operating costs:** Understand the full gross or net cost, including rates, security, maintenance and utilities.
- **Escalations:** Typically 8 - 10% fixed or CPI-linked. Ensure long-term affordability.
- **Deposits and guarantees:** Usually one to three months' gross rental; clarify trust arrangements and refund conditions.
- **Fit-out incentives:** Tenant Installation Allowances (TIA) and Beneficial Occupation periods can materially improve cash flow at start-up.
- **Expansion and renewal rights:** Secure options for additional space and long-term tenure.
- **Green clauses:** Energy-data sharing, solar PPAs and efficiency upgrades can reduce costs and enhance asset value.

Broker and landlord perspectives

Stevens emphasises the role of professional advice. "A warehouse lease is a long-term operational commitment and a major financial decision. An experienced broker helps tenants assess location, specification, compliance and commercial terms holistically, while ensuring landlords secure sustainable, quality occupiers."

From the landlord side, Taylor adds: “Well-designed, future-ready logistics facilities attract stronger covenants, longer leases and lower vacancy risk. Investing in quality upfront is the best way to protect income and outperform over the cycle.”

Industrial outperformance grows

For tenants, the priority is to select space that supports efficiency, resilience and growth. For landlords and investors, it is to develop and hold assets that meet evolving operational, technological and sustainability standards.

The industrial sector’s outperformance is no accident. It is driven by structural demand, disciplined development and a clear shift toward high-quality, resilient logistics infrastructure.

Those who align their leasing decisions and investment strategies with these fundamentals will be best positioned to benefit from the next phase of growth in South Africa’s warehousing and logistics market.



SHORT TERM RENTALS

By Miguel Martins



Short-Term Rentals: Po
Africa's new property cy


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cle

Short Term Rentals, such as Airbnb's, are driving a significant evolution in the South African real estate landscape.

- **Short-term rentals have evolved into a multi-billion-rand sector, expanding tourism demand and complementing hotels rather than competing with them.**
- **Strong tourism recovery and major infrastructure projects are driving new developments, boosting property values and investor interest nationwide.**
- **Clear, balanced regulation in 2026 will legitimise the sector, unlock growth, and support sustainable, community-driven economic impact.**

What once began as an app enabled "side hustle" for homeowners has matured into a sophisticated, multi-billion rand sector within our national tourism and property economy.

The Short-Term Rental (STR) sector has moved from the periphery to become a core property investment strategy, proving itself to not be a threat to traditional hospitality, but as a growing contributor in South Africa's economic landscape.

A new era of growth

The growth of platforms like Airbnb and Booking.com in South Africa has been nothing short of tremendous.

While the fluid nature of the market means exact, static numbers are difficult to capture, the most recent June 2025 data from Inside Airbnb provides a startling clear picture.

Cape Town alone boasts over 26,000 active listings. This momentum is mirrored across other urban hubs, with substantial footprints in the Garden Route, Gauteng and Durban that continue to expand as travellers seek accessible and flexible accommodation.

This boom is underpinned by a robust recovery in the broader tourism sector. By late 2025, national hotel occupancy reached 59.8%, up on Sept 2024 at 59.2%. Importantly average Hotel nightly rates increased 8.3% indicating strong growth and resilience in the Hospitality sector. Crucially, the rise of STRs has not cannibalised hotel revenues; instead, it has expanded the "tourism pie" and created increased offerings for local and international travellers.

South Africa remains a premium destination where diverse accommodation types can thrive side-by-side.



Development and infrastructure: The STR Catalyst

The STR sector is a primary driver behind a new wave of developments, particularly in high-demand holiday destinations. We are seeing a "halo effect" where major hospitality investments and STR hubs feed into each other.

A prime example is the Club Med Tinley Manor on the KZN North Coast. This R2.1 billion investment, set to open in July 2026, is expected to catalyse property values and demand for nearby secondary accommodation in the Ballito and Tinley Manor areas.

First time visitors to South Africa will no doubt return, and look for other options to stay at.

nfrastructure is moving to meet this demand. The Cape Winelands Airport, a transformative R8bn project, is scheduled to break ground in 2026. Once operational, it will handle wide-body international flights, opening the Garden Route and Winelands to a new influx of travellers and STR guests. Similarly, King Shaka International Airport is well advanced in discussions to confirm with several international direct routes.

Economic Impact: Tourism from the grassroots up

Beyond the bricks and mortar, the STR industry is a champion of "grassroots tourism." It democratizes the tourism economy, allowing the micro-economic impact of traveller spend to reach locations that hotel investment models do not enable.

This sector is a powerful engine for:

- **Transformation and Empowerment:** Providing significant opportunities for women in tourism and small business owners to enter the property market.

- **Employment Creation**: From cleaning services and maintenance to specialized "co-hosting" management firms, the STR ecosystem supports multiple local jobs for each listing.

- **Small Business Development:** Guests at local Airbnb's spend their money at neighbourhood cafes, laundromats, and local tours, keeping capital within the community.

Navigating the regulatory landscape

Concern remains to references made in the Tourism White Paper released in 2024, citing the cities of London and Paris, where 90 day limitations are placed on STR's, and Greece where STR operators are burdened with multiple layers of taxes.

But the conversation around regulation is maturing. The Department of Tourism, under Minister Patricia de Lille, in November 2025, made it clear that the goal is not to "be Big Brother" but to create a fair and balanced environment.

The Tourism Amendment Bill, due to be released during 2026, aims to provide a national framework that ensures safety and quality without stifling the entrepreneurial spirit of hosts.

In our cities, 2025 was a year of active policy development: The City of Cape Town is working toward "levelling the playing field." The 2025/26 draft budget has mooted changes that would see "permanent" STRs (properties used exclusively for short-term rental) shift from residential to commercial property rates. Whilst this increases costs to hosts, it provides the legal certainty that the industry has be crying for.

But in areas like Ballito, in KwaDukuza Municipality, there has been concern regarding new zoning By-Laws not obtaining sufficient public participation, and the "jumping of the gun" on enforcement. The by-laws are not clear on the definition of a Short Term Rentals, whilst zoning was been enforced by the council in early 2025, creating disruption and concern amongst STR Hosts and other Hospitality operators. It is expected that clarity will be achieved in 2026.

Bodies like SASTRA (South African Short Term Rental Association) are working to ensure these regulations remain practical and support industry growth rather than hindering it. SASTRA is currently actively engaging with the Department of Tourism, City of Cape Town, City of Joburg and City of Tshwane.

Communities of Hosts, like 'SA Hosts' are coming together, to support and learn from each other, but also to leverage their collective voice on these issues that impact them.

The road to 2026

Regulation has been on the horizon for some time, and 2026 is the year that will finally provide the clarity the industry needs to move into its next phase of maturity.

Rather than fearing regulation, we should embrace it as a sign of the industry's success, permanence and significance to South Africa's tourism future.

The future of South African real estate is flexible, local, and community-driven. Now, more than ever, the STR community, both smaller Hosts and larger property management companies, must come together to ensure that these new rules have a positive, sustainable impact on our neighbourhoods and our livelihoods.

About the author

Miguel Martins has a long history in banking before entering the Short Term Rental industry. He is a Director at the South African Short Term Rental Association (SASTRA), and also a founding member of SAHosts.

Miguel frequently engages with local and national Government on issues pertaining to STR's, the STR platforms such as Airbnb, Booking.com and Lekkeslaap, as well as industry stakeholders and tourism associations. miguel@miguelmartins.co.za



Why the long game works

1. Direction before deals

Seasoned investors start with a clear destination. They ask what they are building, how each acquisition fits into a long-term vision, and whether it will still make sense in 10 or 20 years. Vision gives context. Without it, even good deals become expensive distractions.

2. Structure before scale

The phrase “I’ll fix the structure later” is one of the costliest in property. Delayed planning often leads to avoidable tax exposure, legal vulnerability, and portfolios that are hard to manage or unwind. Growth without protection is not progress, it is risk deferred.

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Complexity is often mistaken for sophistication. In reality, the strongest portfolios are built on simple, repeatable systems: clear structures, conservative assumptions, disciplined acquisition criteria, and processes that can grow without breaking.

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Creating a More Valuable and Valued Property Management Industry

Johann van der Merwe,
Managing Director at WeconnectU

rei EST. 2007 PROPERTY MANAGEMENT



WeconnectU™

There's never been a better time to be in property management. The industry is evolving. Expectations are rising. Portfolios are growing. And the role of the property manager has never been more important.

With the right support, this evolution is an incredible opportunity for property managers to reshape the perception – and reality – of their field. This shift isn't something to fear, but something to lead – and that's the heart of our mission at WeconnectU:

Creating more valuable – and more valued – property managers.

It's a mission born from experience, and driven by our unshakeable confidence in what's possible when professionals are equipped to do their best work.

Valuable vs Valued: A Critical Distinction

Being valuable and being valued may sound similar but, in property management, the difference is everything.

- **Valuable** is what you bring to the table: experience, skill, professional judgement, and the tools you choose, including your technology.
- **Valued** is what you get back: trust, respect, long-term relationships, and compensation that reflects your worth.

Here's the most important part:

Property managers are in control of both.

The more intentionally you develop your skills, apply your expertise, and choose the right support, the more clearly your value shows. And when that happens, everything shifts.

You're no longer seen as an administrator. You're recognised as a strategic partner – someone trusted to guide, advise, and protect what matters most.



But being seen as a strategic partner doesn't happen automatically.

Many property managers are delivering real value, but aren't always recognised for it. Not due to lack of skill or commitment, but because they're working within a model that makes value hard to see.

We call this the **value gap**: the space between the value you deliver and the value your clients perceive.

Instead of focusing on proactive asset management, too many teams are buried in:

- Repetitive admin
- Compliance overload
- Disconnected systems
- Constant firefighting

The result? A role that's misunderstood, underappreciated, and often labelled as transactional or reactive when it's anything but.

This isn't a problem of effort. It's a problem of enablement.

The Motivation Behind Our Mission

We didn't set out to build software. We set out to solve a problem we knew all too well, because we'd lived it.

Before WeconnectU, we ran property management businesses of our own. Like so many in the industry, we were doing the work, carrying the responsibility, and constantly trying to deliver more, without burning out or breaking the model.

Clients expected more, but our teams were stretched. Margins were too slim to justify more hires. The admin never stopped, and the pressure never let up.

It became clear that no matter how committed we were, we couldn't close the value gap on our own.

That's when we realised:
Purpose-built technology wasn't optional. It was essential.

So we stopped searching for the perfect combination of generic systems, and started building the kind of solution our industry actually needed.

We're a Partner – Not a Vendor

Our history has forever shaped the way we approach our role.
WeconnectU isn't a system provider. We're a partner to the property management industry.

We don't sell features. We solve problems – the ones we've lived, and the ones we continue to learn from you.

Where traditional systems digitise admin, our solutions are built to:

- Reduce friction
- Remove duplication
- Integrate workflows
- Free up your team to focus on higher-value work

Because a system tells you what to do. A solution helps you do it, better, faster, and at scale.

Every solution we offer works together as part of our integrated property management ecosystem, built to solve the four biggest challenges property managers face:

- Compliance
- Manageability
- Scalability
- Profitability

No patching processes or juggling disconnected apps. Just one, connected platform that helps you run a better business, with less effort, more confidence, and full visibility from end to end.



Beyond Software

Just like technology doesn't work in silos, transformation can't happen in silos either.

That's why WeconnectU's ecosystem is about more than connected tools, it's about connecting people, ideas, and momentum across the industry.

That's the spirit behind ENGAGE, our platform for real collaboration and forward-thinking conversations.

Launched four years ago, ENGAGE is now the largest property management gathering in Africa, with over 3,500 attendees across online and in-person events. This year, we're proud to launch ENGAGE In-Person for Rental Asset Managers, running alongside our flagship event for Community Managers.

Because real industry change isn't driven by software alone. It's driven by people working together to shape what comes next.



Leading the Future, Together

Technology is evolving fast, and AI is leading the charge. But even the world's biggest tech players can't agree on what the future should look like.

At WeconnectU, we believe the question isn't what AI will do, but how we use it.

Used well, technology doesn't replace the property manager – it releases them.

From repetitive admin. From disconnected systems. From tasks that get in the way of meaningful work.

That's the mindset behind **Asset Management as a Service** – a forward-looking model where property managers use software, expertise, and strategic oversight to manage property assets across their full lifecycle.

It's about proactive performance tracking, compliance, ROI, and long-term value creation – all delivered through a streamlined, cloud-based platform.

The future of property management will always need people: professionals who think strategically, act proactively, and deliver service that makes a measurable difference.

Ready to Lead the Future?

At WeconnectU, we're building the ecosystem, solutions, and support to help you lead the future – and be recognised for every ounce of work along the way.
Join us on the journey to create a more valuable — and more valued — property management industry.

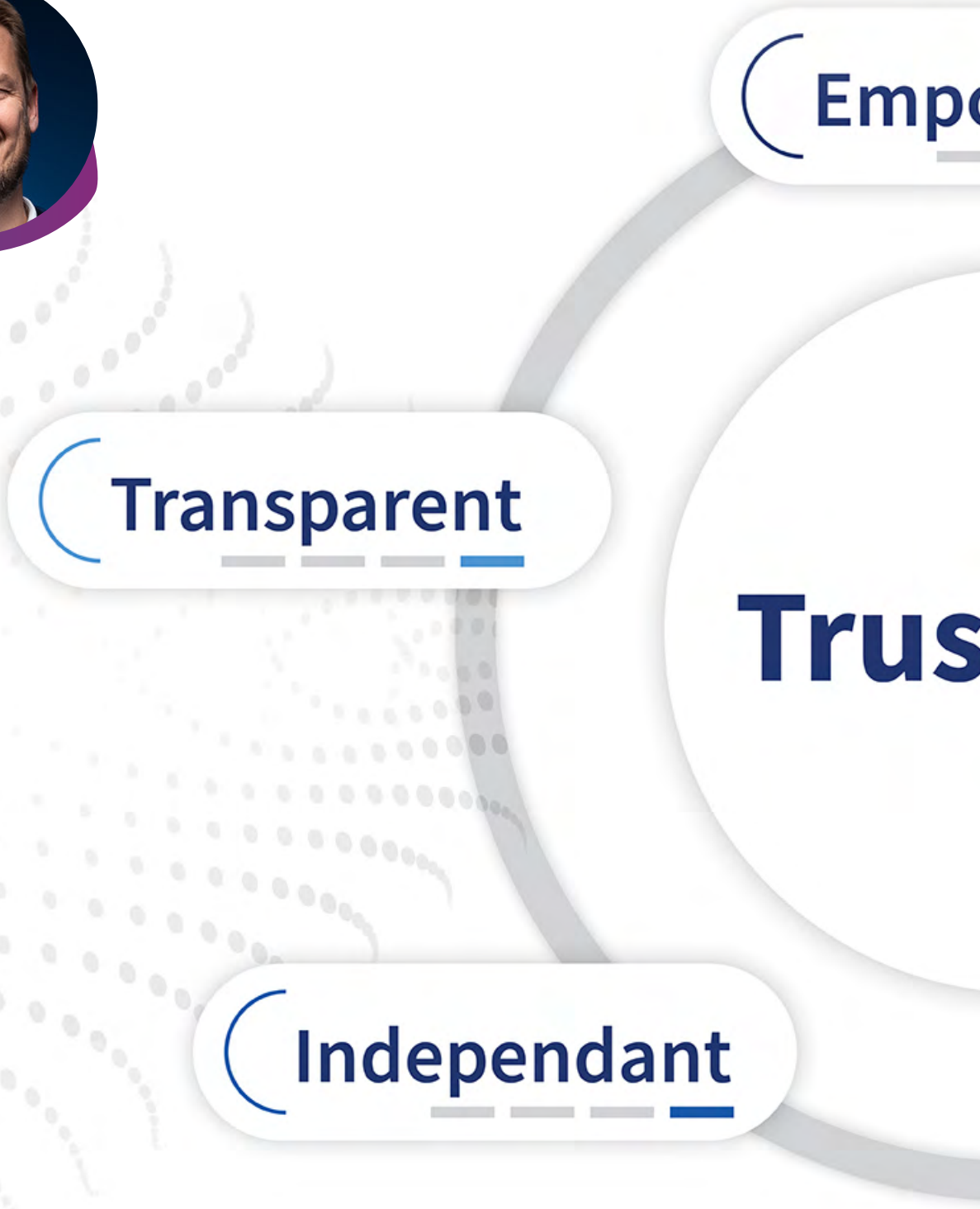


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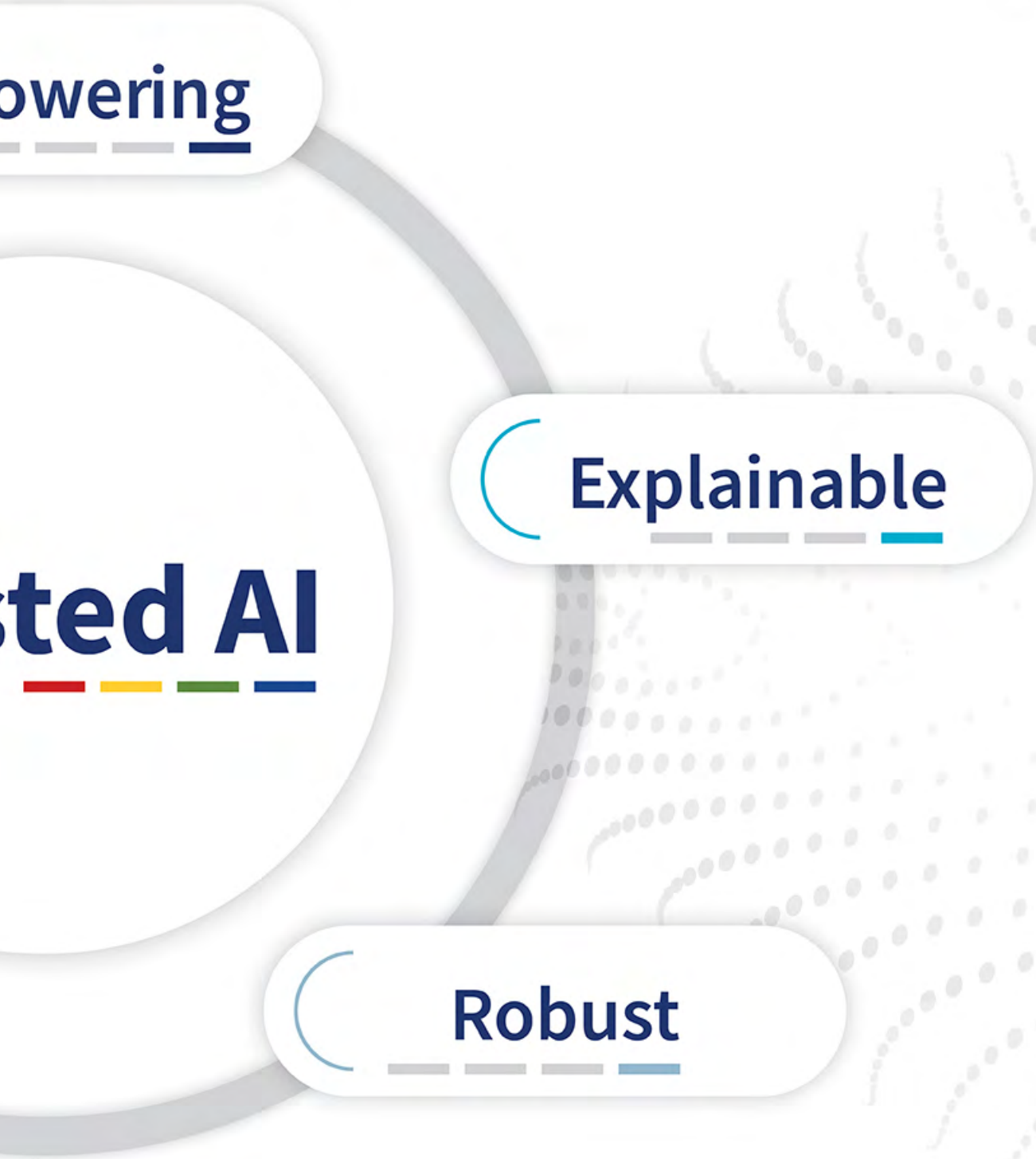
Property's AI will shap

By Paul-Roux de Kock





New Brain: Why trusted pe the next cycle



Artificial intelligence is no longer a futuristic concept in South Africa's property market. It is already shaping how homes are valued, how developments are planned, how retailers choose locations, and how risk is priced by banks and investors.

But as algorithms become more influential in high-value decisions, one issue towers above all others: trust.

In an environment where misinformation is easy to generate and "black box" models can produce results without clear explanation, the real differentiator is not how clever an algorithm is, but how transparent, accurate and accountable it can be.

For property, retail and location intelligence, this is critical. These are sectors where decisions are capital-intensive, long-term and deeply human. A flawed valuation, a misread catchment area or an incorrect risk signal does not simply affect spreadsheets, it affects affordability, investment returns, urban development and financial stability. The future of PropTech will therefore not be defined by artificial intelligence alone, but by trusted artificial intelligence.

Why data integrity is the real foundation of AI

AI is only as good as the data it learns from. In South Africa, that challenge is amplified by:

- Fragmented municipal records
- Irregular service delivery data
- Incomplete or outdated cadastral information
- Informal market activity
- Regional economic disparities

When such gaps are fed into automated models without context, the results can be dangerous: distorted valuations, biased risk scoring and misleading forecasts.

In property, for example, errors in deeds records, outdated zoning information or missing building attributes can materially skew automated valuations. In retail, relying on decade-old census averages rather than live mobility and neighbourhood-level data can result in poor site selection and costly expansion mistakes.

This is why high-quality, locally grounded, continuously cleaned data, combined with human domain expertise, remains the most valuable asset in AI-driven decision-making.

From black boxes to explainable intelligence

One of the biggest concerns around modern AI is opacity. Many models can produce highly accurate outputs, yet even their creators struggle to explain how those conclusions were reached or what biases may be embedded in them.

For financial and property decisions, this is unacceptable.
Regional economic disparities



Trustworthy AI must be:

- **Explainable** - humans can interrogate and understand the logic
- Auditable - results can be independently tested and validated
- **Context-aware** - local regulations, market dynamics and anomalies are built into interpretation
- **Ethically governed** - safeguards against bias, manipulation and data leakage are continuously monitored

In short, AI should empower decision-makers, not replace their judgment.

Trusted AI in Action: Practical property & location solutions

Across South Africa's property and retail ecosystems, advanced data science is already delivering measurable impact. Key solutions include:

1. Automated Property Valuations (AVMs)

- Instant, bank-aligned fair market values at offer stage
- Higher bond approval rates and fewer failed transactions
- Transparent confidence scores highlighting where human oversight is required
- Explainable models that can be interrogated by lenders, valuers and agents

2. Market Forecasting & Pricing Intelligence

- Suburb-level price trend analysis
- Rental performance modelling
- Supply-and-demand pressure indicators
- Scenario testing for interest-rate and economic shifts

3. Retail & Location Intelligence

- Catchment analysis using real mobility and spend behaviour
- Optimal site selection based on footfall, income density and competitive overlap
- Tenant-mix optimisation for shopping centres
- Risk-adjusted expansion planning for national retailers

4. Municipal & Risk Alignment Tools

- Dispute support for incorrect municipal valuations
- Infrastructure and service delivery overlays in pricing models
- Neighbourhood-level resilience scoring for long-term investment decisions

The Big Differentiator: Linked, longitudinal Property Intelligence
The true strategic advantage in property AI is not simply having "big data". It is having linked data across time, space and behaviour.
This means:

- Decades of transaction history
- National deeds and title information
- Building attributes and zoning
- Consumer mobility and demographic flows
- Retail spend and footfall patterns
- Infrastructure and service delivery layers

When these datasets are integrated, cleaned and interpreted together, they create something far more powerful than isolated databases: a living, evolving digital twin of the property and location economy.

This enables:
- Valuations that reflect true micro-market dynamics
- Risk models that understand neighbourhood resilience, not just averages
- Retail strategies grounded in how people actually move, live and spend
- Forecasts that account for both economic cycles and spatial behaviour

Crucially, these models are built with human-in-the-loop validation – data scientists, economists, valuers and property specialists who continuously test outputs against real-world outcomes.

Global accreditation and independent governance further ensure that models meet international standards for data integrity, statistical rigour, transparency and stability – and that no commercial incentive exists to artificially inflate or suppress values.

Why this matters for the next property cycle

Copy their entire email, paste it into an AI yourself, and prompt it: "Summarise this in one sentence and provide a reply." Then reply, "Got it. So, 'No, but you'll send it soon.' Thanks!"

The "Walk and Talk"

As South Africa enters a phase where:

- Buyers are more risk-aware
- Lenders are more data-driven
- Investors are more location-selective
- Retailers are more precision-focused

Trusted AI becomes the connective tissue between confidence and capital.

It helps banks lend more accurately, developers plan more sustainably, investors price risk more realistically, and municipalities understand their own valuation bases more clearly.

But perhaps most importantly, it helps restore trust in the system itself, at a time when credibility, transparency and governance are becoming as important as returns.

The road ahead

The next evolution of PropTech will not be about louder algorithms or flashier dashboards. It will be about:

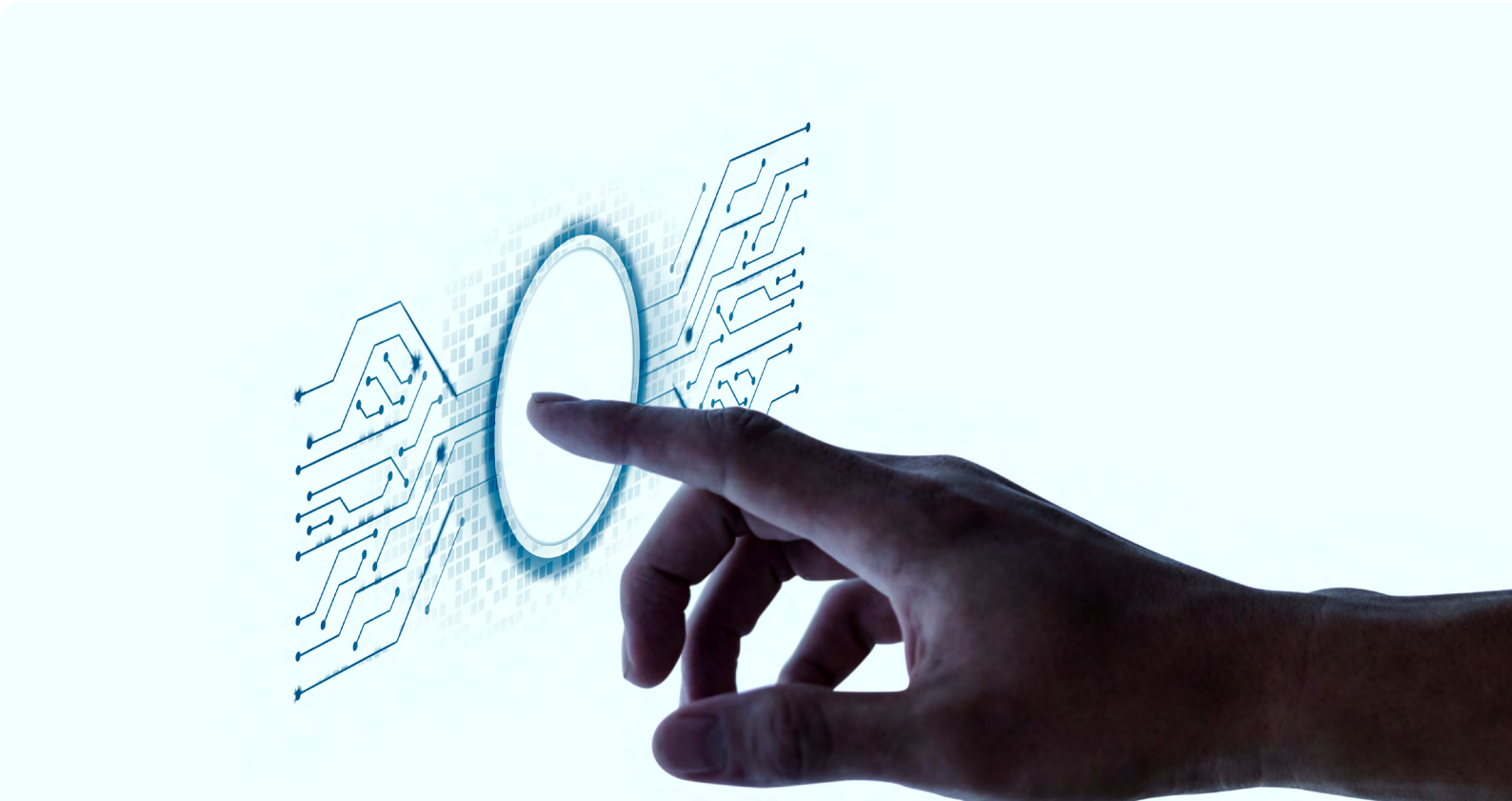
- Deeper data foundations
- Explainable models, not opaque ones
- Domain-specific intelligence, not generic automation
- Ethical, auditable, human-centred AI

In property and location intelligence, the winners will be those who combine machine precision with human judgment, and national-scale data with neighbourhood-level understanding.

Because in a market built on long-term capital, trust is the ultimate asset class.

About the Author (±166 characters)

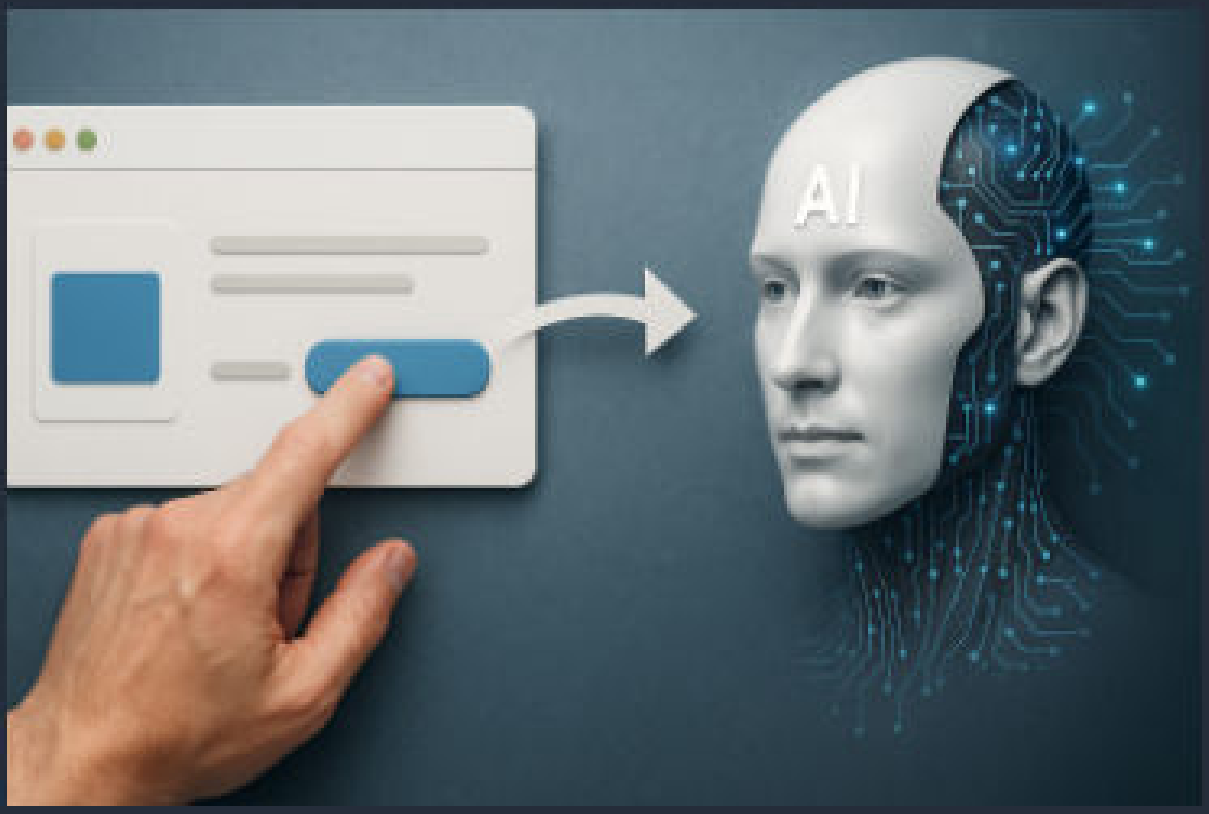
Paul-Roux de Kock is Chief Analytics Officer at Lightstone, leading AI and data platforms that power trusted property, valuation and location intelligence across South Africa.



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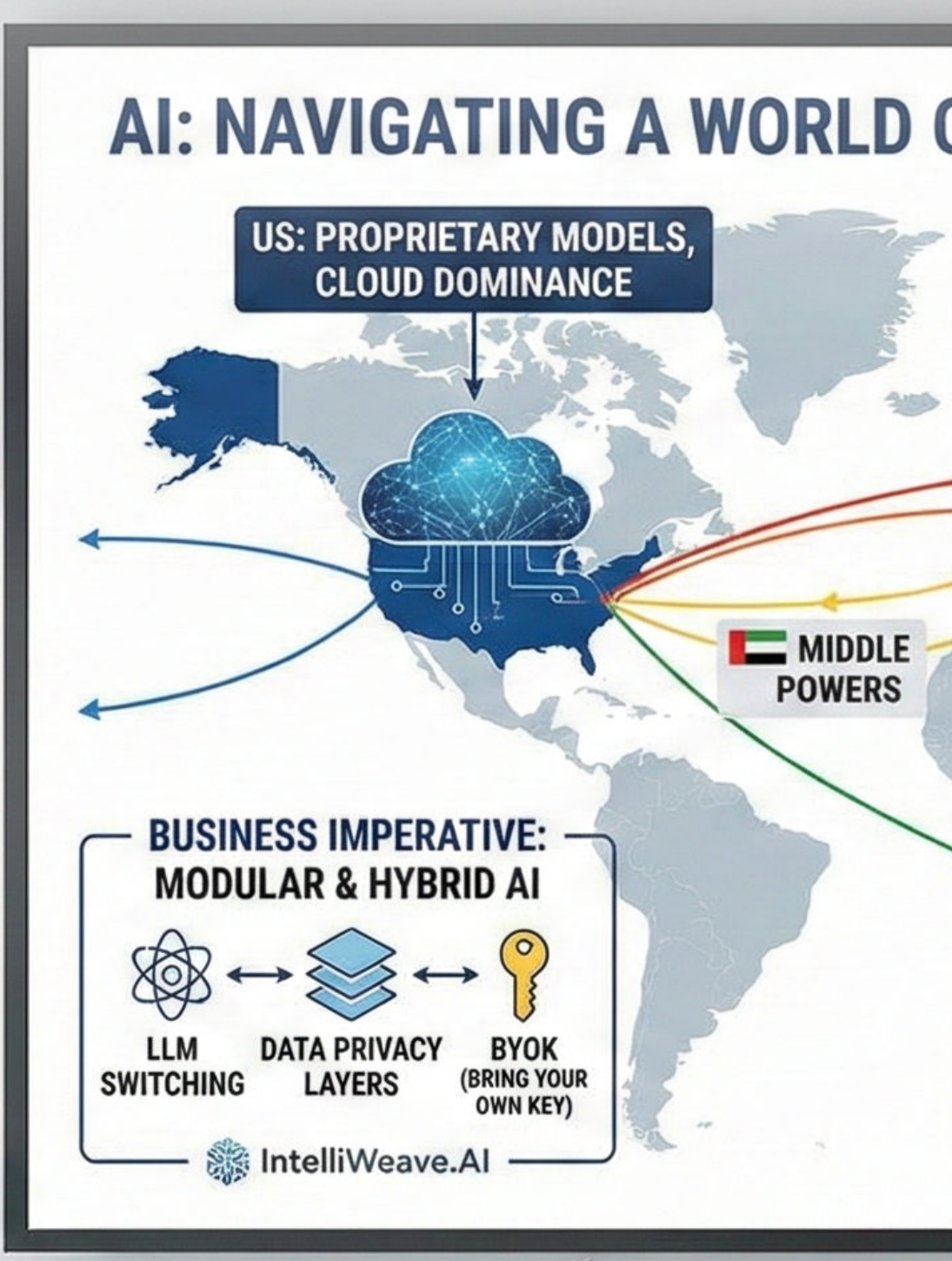
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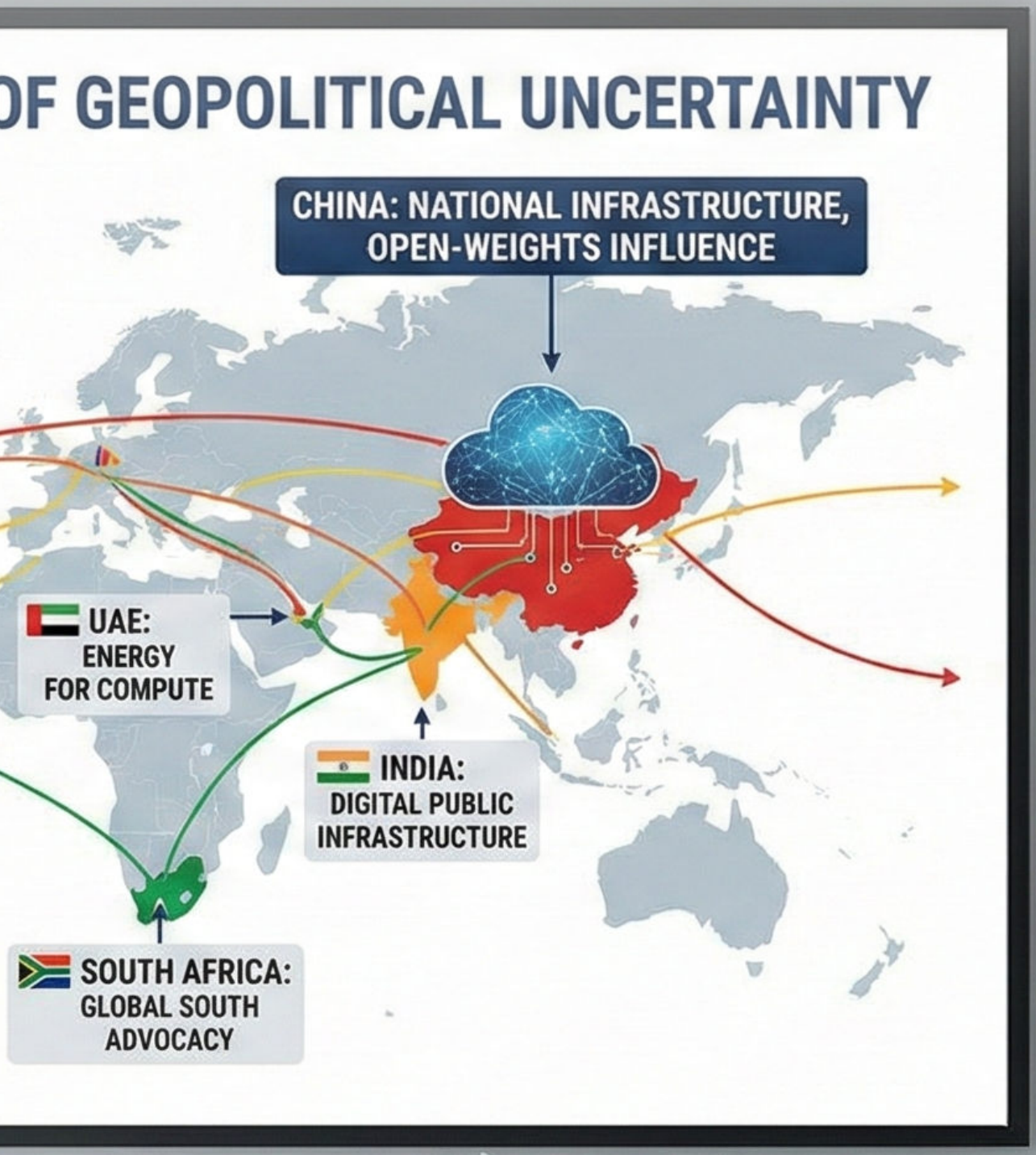
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By Eric Nienaber






OF GEOPOLITICAL UNCERTAINTY
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SOUTH AFRICA: GLOBAL SOUTH ADVOCACY

AI's rapid industrialisation is colliding with a fractured geopolitical order, turning technology dominance into a primary instrument of national power.

Dependence on US or Chinese AI stacks risks digital colonisation; true sovereignty requires modular, switchable, and strategically autonomous systems. Businesses must act now, adopting hybrid AI architectures to hedge against sanctions, vendor lock-in, and sudden geopolitical disruptions.

The past few years have seen a compression of technological history. We are seeing rapid breakthroughs in medical science, a massive pivot toward renewable energy, and the maturation of nuclear fusion as a viable prospect.

Quantum computing and high-powered chip development are becoming more tangible by the day, while the nature of warfare has been changed by drone swarms and autonomous systems.

Yet, the most significant event remains the release of ChatGPT, which triggered a global AI race that is now entering its "industrial era", not dissimilar to what we experienced with the internet.

This technical revolution finds itself during a fundamental shift in geopolitics. As Canadian Prime Minister Mark Carney warned at Davos in January 2026, the "pleasant fiction" of a rules-based international order is over.

The world has moved from a period of relative predictability into a "brutal reality" where superpowers like the United States and China operate with few constraints. The US, driven by a hardened "America First" doctrine, is increasingly using its technological and military dominance as primary instruments of national power. A shift demonstrated by its recent assertive position regarding Greenland.

For countries that are not superpowers, this creates a dilemma. Much of the Western world finds itself in a state of deep dependency on an American technology stack that is far more concentrated than often realised. It isn't just about AI models; it is the entire foundation: operating systems like Windows and Android, productivity suites like Office, and cloud giants like AWS and Azure.

As AI is woven into these systems, the fabric of a nation becomes inextricably tied to a foreign provider. We have seen the risks of this dependency before. Past software bans and sanctions on countries like Sudan show that a digital "kill switch" is a real threat.



China takes a different path, treating AI as critical national infrastructure rather than a purely private venture. Interestingly, on the AI front, the developers of the DeepSeek models and others are increasingly leaning into an open-weights approach to gain global influence.

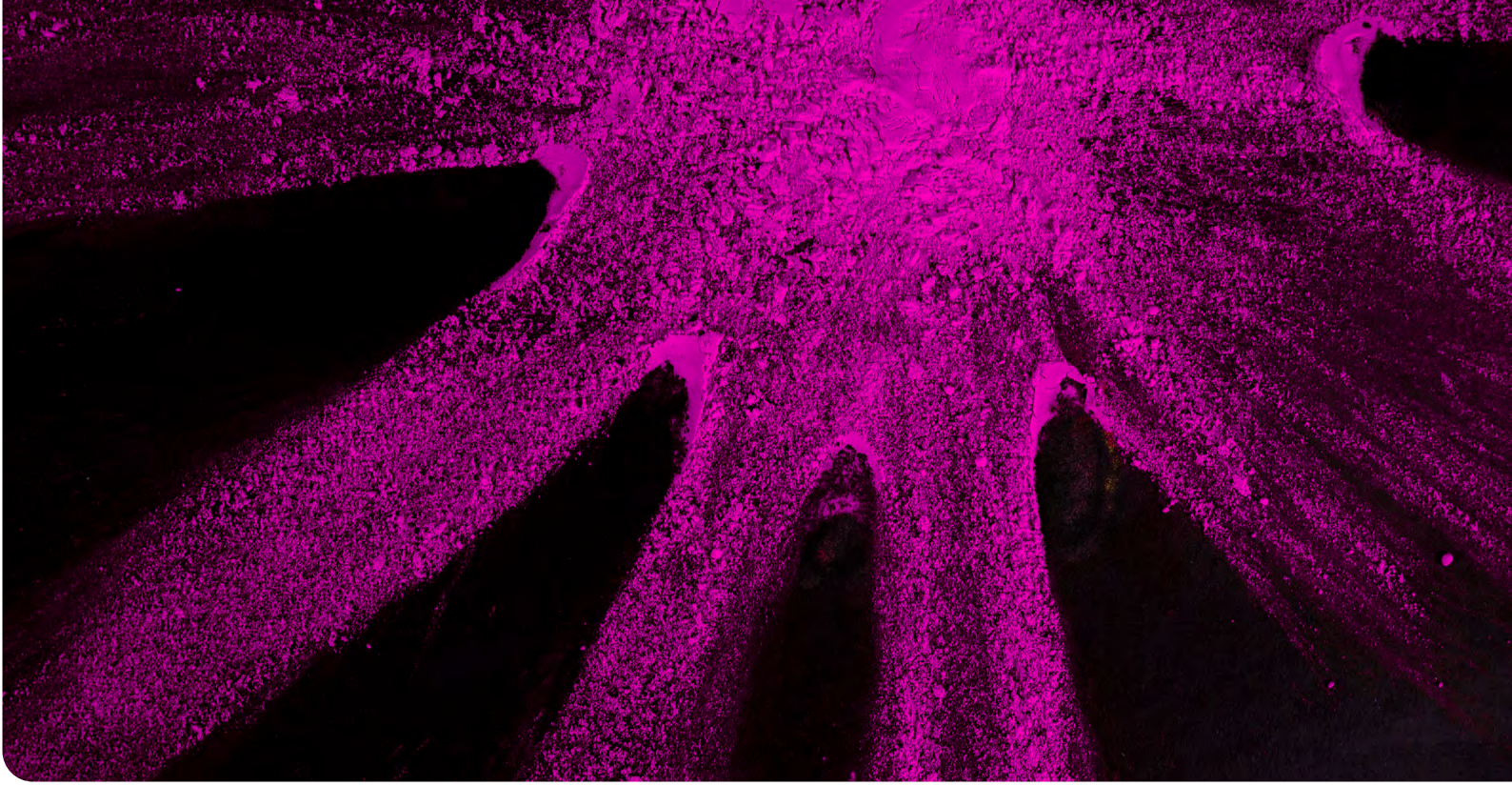
While this provides an alternative to US proprietary systems, it does not necessarily solve the problem of strategic autonomy, it simply presents a different superpower to depend on. The risk of digital colonisation is real.

“Middle powers” are attempting to navigate this by identifying specific areas where they can leverage their strengths. The UAE is leveraging energy surpluses for compute power, while India is building its own “Digital Public Infrastructure”.

South Africa, through its 2025 G20 presidency and membership in the expanded BRICS bloc, is advocating for an AI order that benefits humanity rather than global monopolies. Whilst this stance is admirable, it feels a little naive in this new “no-rules” world.

Given the imperative, I am not sure I sense the urgency that is required to deal with challenges that these countries may face in future. It requires a mindset shift away from regulation to an environment of enablement on many fronts. It is the enablement of the private sector and open-source communities that requires action.

For businesses, the imperative is action. Companies cannot wait for government-led solutions to materialise. The key is to adopt a modular and hybrid approach to AI development.



Strategic sovereignty in the private sector means ensuring that technology modules, whether cloud providers, data privacy layers, or AI models, can be switched out as the landscape changes. This allows firms to leverage global innovation while managing the risk of a sudden loss of service.

This is where technical solutions like IntelliWeave.ai find their purpose. By enabling LLM switching, a "Bring Your Own Key" (BYOK) model, switching of knowledge bases and security contained within applications, they provide a practical hedge against vendor lock-in.

Companies like Open Router provide another example. If a provider is affected by new sanctions or export rules, a company with a modular stack can pivot without rebuilding its entire infrastructure. This may not be simple and may require several strategic choices and partnerships.

In an uncertain world, the only real defence against technological colonisation is operational autonomy. This can be done individually or perhaps more likely through strategic alliances. Plan, architect, and build now for a future where one truly owns the technology used.

RESIDENTIAL

The Long Ga
investors bui

By Jaco Grobbelaar





me: How disciplined ld wealth that lasts



Beyond deals, toward durable wealth

In property, wealth is often portrayed as a race: more deals, more doors, more leverage, more growth. Yet behind many impressive portfolios lies a quieter reality, high income with low peace of mind, complex structures with fragile foundations, and balance sheets that unravel when pressure hits.

The uncomfortable truth is this: wealth built without structure rarely collapses overnight. It leaks slowly through tax inefficiencies, legal exposure, cash-flow strain, and succession chaos. True prosperity is not just about accumulation. It is about control, clarity, protection, and sustainability. And those are built deliberately, over time.
This is the essence of the long game.

The benefits of playing the long game

Investors who take a long-term, disciplined approach don't just grow assets, they build resilience. The long game delivers:

- **Stability over cycles: Portfolios that can withstand interest-rate shocks, market corrections, and personal life changes.**
- **Predictable cash flow: Structures that prioritise sustainability, not just short-term yield.**
- **Protection of wealth: Legal and tax frameworks that safeguard assets from unnecessary risk.**
- **Peace of mind: Clarity about where everything sits, how it performs, and what happens if circumstances change.**

In short, the long game replaces anxiety with confidence and speculation with strategy.

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*Hosted by **Jaco Grobbelaar***

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5. Simplicity that scales

Complexity is often mistaken for sophistication. In reality, the strongest portfolios are built on simple, repeatable systems: clear structures, conservative assumptions, disciplined acquisition criteria, and processes that can grow without breaking.

Property as a tool, not the goal

Property is powerful, but it is still only a tool. The objective is not ownership for its own sake, but a life supported by assets, not dominated by them. When investments lose their connection to purpose, growth can become pressure and success can erode freedom.

The most effective investors ask not only, “Will this make money?” but also, “Will this still make sense for my life in the future?”



Why the long game always wins

Real wealth is rarely built in dramatic leaps. It is created quietly through:

- **Structure before scale**
- **Protection alongside growth**
- **Education before execution**
- **Patience instead of hype**

Shortcuts are tempting, but they are expensive. The long game is intentional, structured, and purpose-driven and does more than grow net worth. It builds confidence, resilience, and a portfolio that supports life, rather than consuming it.

In the end, disciplined investors don't just accumulate assets. They create wealth that lasts.



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INVESTING

What drives S and why they

By Jason Lee



SA housing prices
boom or stall



- Interest rates, incomes and location remain the strongest drivers of long-term housing price performance across South Africa.
- Property markets move in cycles, with regional winners often outperforming national averages.
- SA housing downturns usually mean stagnation, not crashes, as sellers resist sharp price declines.

Housing prices sit at the centre of South Africa's real estate conversation. It is seldom that you meet up with family members or friends and the topic of housing prices does not come up.

For most households, property represents the single largest store of wealth, while for investors, developers, banks, and policymakers, housing prices signal economic confidence, financial stability, and social wellbeing.

Understanding what drives housing prices, how they evolve over time, and why they sometimes surge, stagnate or collapse is essential to understanding the South African property market.

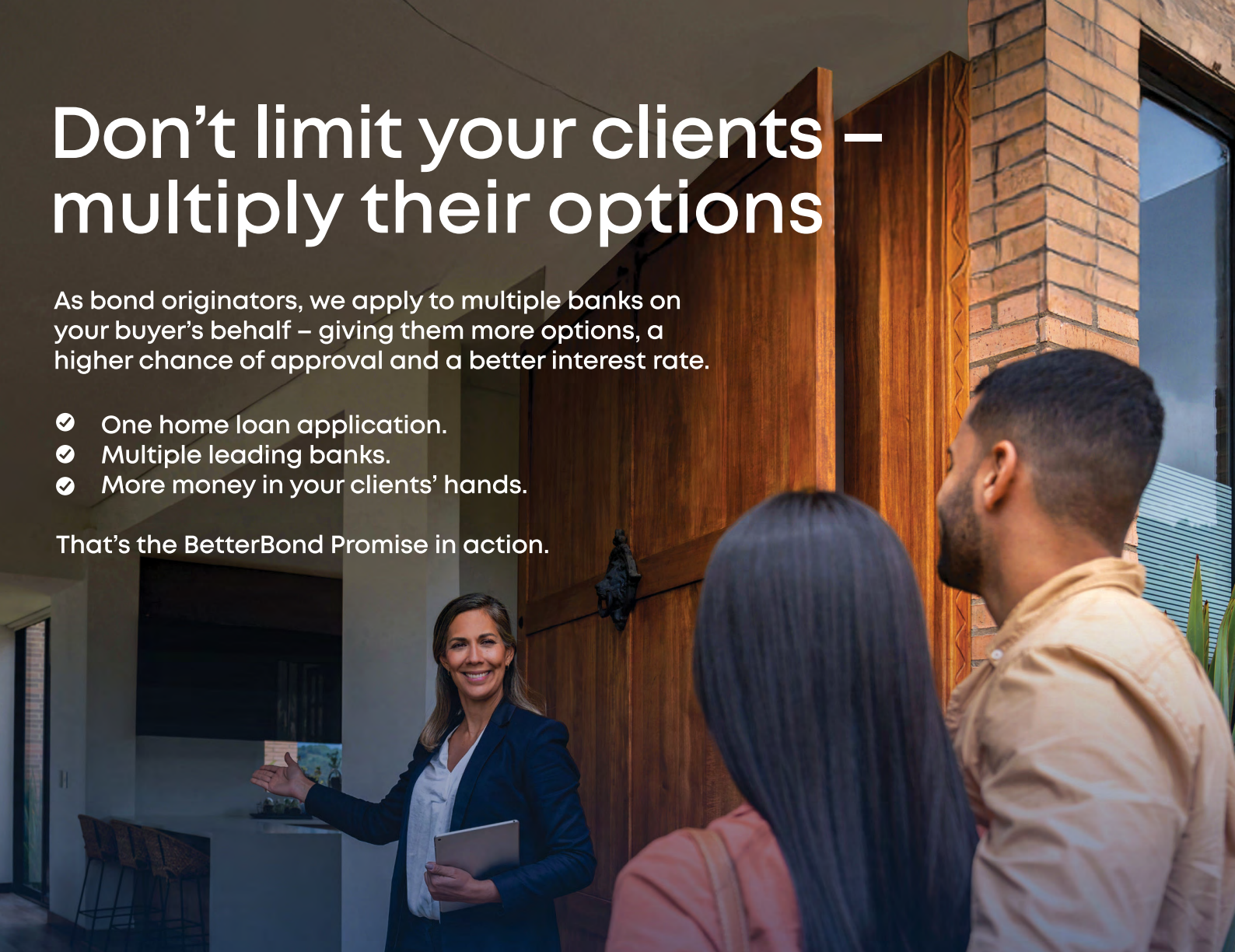
At their core, housing prices are shaped by the balance between supply and demand, but in South Africa this balance is influenced by a unique combination of economic, social, and structural factors.

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BetterBond is amazing. As an estate agent, I count on their expertise to assist my clients, and **they always deliver**. They get **the best rates** and keep us informed throughout the process.

★★★★★ SELINA N

BetterBond isn’t just a bond originator – they’re my **business partner**. I know that when I refer clients, they’ll be looked after. That peace of mind means everything to me and my clients.

★★★★★ LEBO M

Working with **BetterBond** has been a **game-changer** for my business. They take the stress out of the homebuying process. My clients feel empowered, and I have the support I need.

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Household income and employment trends also play a major role. Housing prices cannot sustainably rise faster than incomes over the long term. In South Africa, high unemployment and uneven income growth place a natural ceiling on demand, particularly in the affordable and middle-income segments.

Location and amenities remain fundamental. Access to good schools, reliable infrastructure, security, healthcare, and transport networks significantly affects property values. In the South African context, this explains the persistent premium attached to coastal towns, lifestyle estates, and well-managed urban precincts, as well as the growing appeal of secure gated communities.

It is an interesting exercise to locate the most prestigious private and public schools in the country, and it is no surprise that the surrounding real estate demands premium prices.

On the supply side, land availability, zoning regulations, and construction costs influence pricing. Rising building costs, energy constraints, and municipal approval delays restrict new supply, which can place upward pressure on prices in well-located areas.
The saying goes that they cannot make more land and that is why areas like Cape Town that are squeezed by the ocean and the mountains demand premium prices.

Housing prices do not move in a straight line. Instead, they evolve through cycles, responding to broader economic conditions and shifts in sentiment.

In South Africa, long-term house price growth has historically tracked inflation plus modest real gains, but areas with strong economic fundamentals strongly outperform inflation over the long term.



Short-term fluctuations are often driven by changes in consumer confidence. When buyers feel optimistic about job security, political stability, and future income, they are more willing to take on long-term debt. This confidence can be fragile, particularly in an economy exposed to global shocks, local political uncertainty, and infrastructure challenges.

Importantly, housing prices are sticky downward. Sellers are often reluctant to accept lower prices, which means that during downturns the market may stagnate rather than collapse outright. This results in lower transaction volumes, longer selling times, and slower nominal growth instead of dramatic price falls.

Housing booms typically occur when multiple positive forces align. In South Africa, this often includes lower interest rates, improved access to credit, rising household confidence, and limited housing supply in desirable areas.

The post-pandemic period offers a clear example. Record-low interest rates, combined with changing lifestyle preferences and increased remote work, triggered heightened demand for larger homes, coastal properties, and lifestyle estates. Buyers rushed to lock in low borrowing costs, pushing prices higher in specific regions despite broader economic challenges.

Booms are also fuelled by expectations of future price growth. When buyers believe, prices will continue rising, demand can become self-reinforcing, encouraging speculative behaviour and investor participation.

While South Africa has generally avoided extreme speculative bubbles, localized booms have occurred in certain coastal and high-end markets. When real estate launches start selling out overnight it is a sign that the market is overheated and investors should proceed with caution and or sell their underperforming assets.

Housing crashes are far less common than booms, but when they occur, they are usually linked to economic shocks and credit tightening. Rising interest rates, job losses, or banking stress can quickly reduce demand and force distressed sales.

fExternal shocks also matter. Global financial crises, tariff wars, commodity price swings, or sudden capital outflows can weaken the rand, increase inflation, and push interest rates higher — all of which weigh on housing prices.

Housing prices in South Africa are shaped by a complex interplay of interest rates, incomes, location, supply constraints, and confidence. They move in cycles rather than straight lines and respond as much to psychology as to economics.



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OPPORTUNITY
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Founded in 2006, Opportunity Private Capital is a Cape Town–based boutique investment company. We structure and deploy private investor capital into residential property developments. Investors participate as capital providers, with a proven track record of returns generated trhough development execution and sales.

Simple. Secure. Significant.

Opportunity Private Capital offers private investors access to the value created during the residential property development phase, a return stream traditionally reserved for developers.

This limited investment opportunity allows investors to participate in the capital uplift generated through development, without the operational burden of direct property ownership.

Investment Objective

To provide private investors with alternative portfolio diversification by granting access to residential property development returns, supported by tangible property assets and disciplined capital structures.

Who This Investment Is For

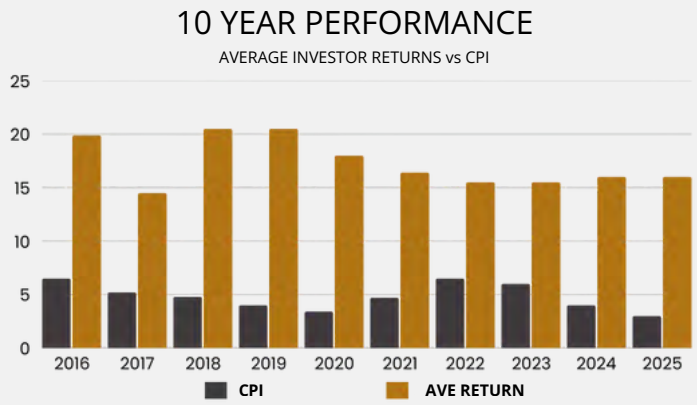
This opportunity is suited to investors seeking:

- Exposure to property development returns.
- Predictable, time-bound investment structures.
- An alternative to direct property ownership.
- Asset-backed capital protection.
- Investments with a consistent track record.

R 601 792 427	R 1.1 Billion	16.94 Months
Total Private Investments	Total Project Value	Ave Investment Timeframe

Key Investment Highlights

- Projected returns from 14% p.a - returns scaled per investment value.
- Defined capital protection with development assets.
- Minimum investment from R100,000.
- Investment timeframes: Estimated 18 - 24 months.



The average return for the period represents the capital-weighted average simple interest rate of investments exited during the year, across the applicable investment tiers.
***Source**: Opportunity Private Capital and Macrotrends.net*

Risk Profile

- Low to Medium, supported by asset-backed security and defined project structures.
- Capital deployed into residential developments in high-demand areas around Cape Town.

Capital Security

- Investor capital secured by underlying development assets.
- Properties held as security for investors until exit.
- Independent Security Trust mandated to safeguard investor interests.



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

INVESTING

The OPC stor
Accessing pro

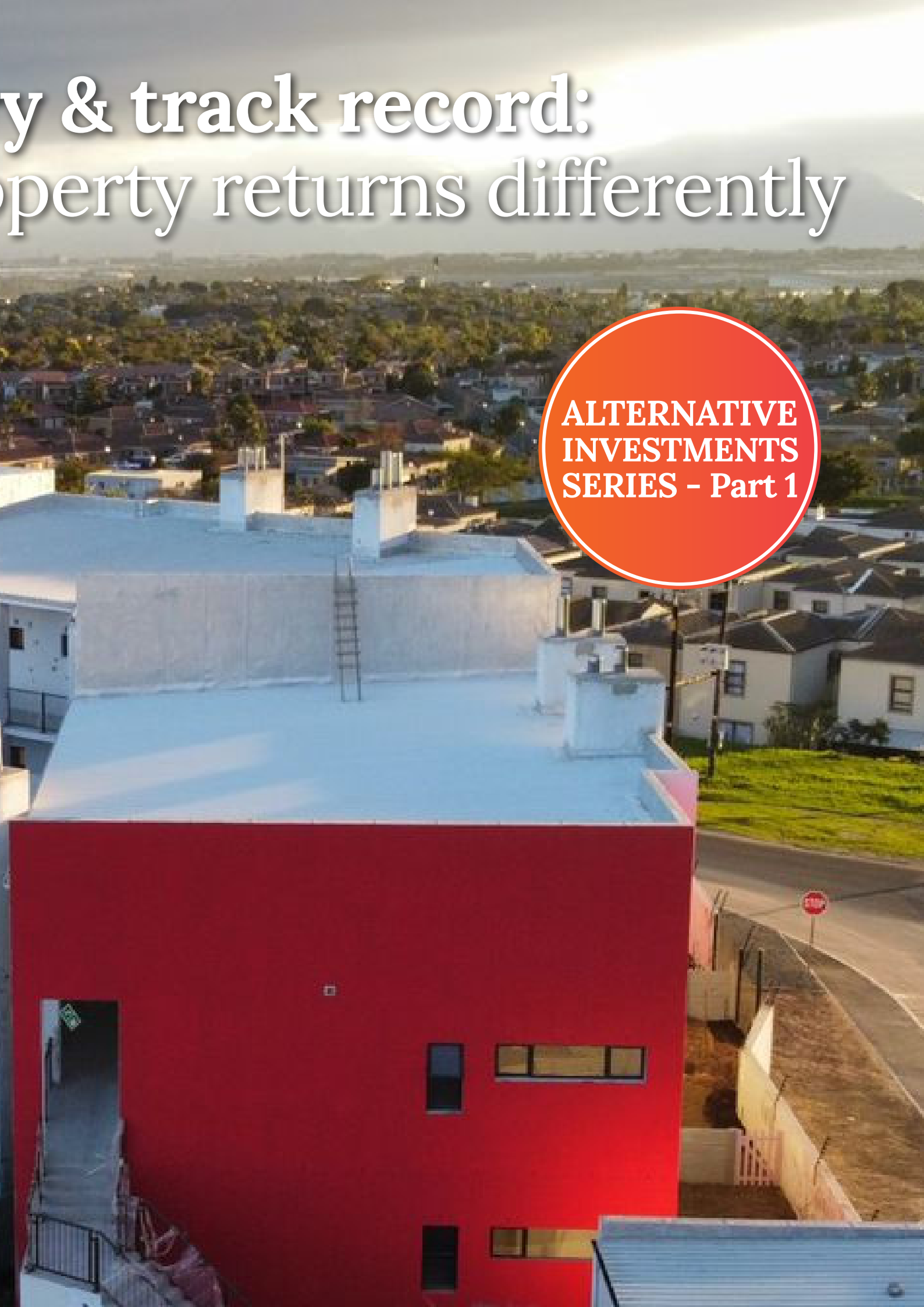


Wynand Haywood
Co-Founder OPC



Nick Morgan
Co-Founder OPC

y & track record:
perty returns differently



We spoke to OPC co-founder Nick Morgan to understand how the model works, why it was created, and why investors continue to support it.

OPC was founded in 2006 by Nick Morgan and fellow director Wynand Haywood after identifying a clear gap in the investment market. At the time, residential property development was largely inaccessible to private investors. Participation required large capital commitments or institutional structures, leaving middle-income investors limited to buy-to-let or listed property investments.

Morgan explains: “We saw that private investors had almost no practical access to value created during the development phase of property. OPC was created to open that opportunity to individual investors in a structured and disciplined way.”

The aim was not simply higher returns, but a combination of returns with strong capital protection.

For investors unfamiliar with OPC, Morgan describes the business simply:

OPC connects private investors with carefully selected residential property developments, structuring investments to deliver predictable short to medium-term returns on invested capital while prioritising capital security.

Unlike speculative property plays, investments are secured against tangible property assets. Returns are generated through development sales, not market timing.

Traditional investments such as equities and unit trusts remain important, but market volatility has pushed many investors to seek alternatives offering greater stability.

Morgan notes: “Unlike many traditional investments, our model prioritises capital protection and consistency. Downside risk is mitigated through asset-backed security, while returns aim to exceed the risk-free rate over time.”

For investors, the appeal lies in the combination of tangible asset backing and a return profile that has, historically, been well in excess of cash and bond alternatives.

Capital preservation sits at the heart of the OPC model. Investor funds are secured against immovable property assets within developments, meaning underlying real estate provides the primary protection mechanism.

Morgan says investors generally value avoiding capital loss more than chasing maximum returns, a philosophy reflected in OPC's structuring approach.

Since restructuring its investment model in 2015, OPC has facilitated funding across multiple residential developments, including townhouses, houses and apartment projects.
Completed and near-complete projects represent:

- Approximately R404 million in funding deployed
- Developments with a combined value of roughly R670 million
- All completed project investors successfully exited
- Current projects progressing according to plan

In addition, OPC is involved in new projects with over R120 million already invested.

Since 2015, OPC has focused exclusively on developments in the Western Cape. Morgan says the decision was driven by governance quality and infrastructure reliability.

The strategy, he says, has been validated through consistent investment project performance.

Project selection relies heavily on long-standing partnerships with experienced development teams.

Each project is assessed by OPC's board based on location, demand, pricing, construction feasibility, timelines and financial structure before approval.

- Risk management includes:
- Conservative feasibility modelling
- Experienced development partners
- Phased development rollouts
- Appropriate pricing strategies
- Pre-sales where possible
- Strong project oversight

OPC investments typically run for 18 to 24 months, with actual historical averages slightly below 17 months.

This timeframe appeals to investors seeking meaningful returns without locking capital away for extended periods.

Shorter cycles allow capital to be recycled and reduce exposure to long-term economic uncertainty.

While security structures can be complex, return generation itself is straightforward.

Investor capital is linked to specific units within developments. As units sell and transfer to buyers, investor capital and returns are paid out.

Investors usually participate per development phase rather than across the entire project, shortening investment timelines.

OPC's investor base consists mainly of experienced private investors who conduct detailed due diligence before committing capital.

Most fall within the 38 - 61 age group, with professionals such as accountants and engineers strongly represented.

Repeat investors form a large portion of participation, reflecting confidence built over time.

Operating through multiple property and economic cycles has reinforced several lessons.

Patience matters. Conservative financial structuring matters more. Experienced teams and disciplined execution matter most.

Morgan notes that local governance and infrastructure quality often influence outcomes as much as macroeconomic cycles.

Looking ahead, Morgan believes asset-backed alternative investments will play an increasingly important supporting role in diversified portfolios.

In uncertain markets, structures offering tangible asset backing and predictable outcomes become more attractive.

Traditional investments will remain core, but carefully selected alternatives provide diversification and downside protection.



The OPC story highlights a growing shift in investor thinking: moving beyond traditional property ownership toward structured participation in development value.

In upcoming articles in this REI Alternative Investment Series, we will unpack:

- How OPC structures investments and manages risk in detail
- How investors evaluate alternative property investments
- Real case studies from completed developments
- Opportunities and risks investors must understand

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FINANCE

Financially imp
SA property ma

By Daniel Lombard



paired homeowners:
arket trends report



This report examines the state of financially impaired residential property owners in South Africa and how major economic and regulatory shifts have shaped this segment of the market over time.

Drawing on historical data from the National Credit Regulator (NCR), South African Reserve Bank (SARB) and leading mortgage originators, the analysis highlights how the implementation of the National Credit Act in 2007, the global financial crisis of 2008, mid - 2010s household deleveraging, and the economic disruption triggered by COVID-19 fundamentally altered homeowner financial stability and mortgage performance.

The report provides a concise executive overview of key property and credit cycles, illustrating how these events influenced homeowner financial distress and the broader residential property market.

Table 1: Historical mortgage status & arrears aging (2007 - 2019)

Year-End	Total Mortgage Book	30 Days Arrears (Rbn)	60 Days Arrears (Rbn)	90 Days Arrears (Rbn)	90+ Days (Impaired) (Rbn)	Total Distressed Value (Rbn)	Arrears Status (3+ Months / Impaired)
2007	**R682.14**	R13.64	R8.19	R6.14	R19.78	**R47.75**	~3.8% (Estimated)
2008	**R745.50**	R17.15	R11.18	R9.69	R20.13	**R58.15**	4.0% (Serious Delinquency)
2010	**R778.20**	R19.46	R14.01	R13.23	R41.24	**R87.94**	7.0% (Peak Arrears)
2012	**R815.40**	R17.94	R12.23	R10.60	R36.69	**R77.46**	5.8%
2014	**R844.20**	R18.57	R11.82	R10.13	R33.77	**R74.29**	5.2%
2016	**R885.60**	R21.25	R13.28	R11.51	R31.00	**R77.04**	4.8%
2018	**R928.59**	R23.21	R14.86	R12.07	R29.71	**R79.85**	4.5%
2019	**R969.99**	R25.22	R16.49	R13.58	R31.52	**R86.81**	4.7%

**Values are in Rand Billions (Rbn) unless otherwise stated.*

Unsecured debt status and defaults (2007 - 2019)

Unsecured debt saw aggressive growth in the early 2010s, often used by consumers to bridge the gap in disposable income.

Year-End	Unsecured Debt Value (R Billion)	Annual Growth (%)	Default/Arrears Rate (%)
2007	R38.50	—	7.75%
2010	R72.10	23.0%	12.40%
2014	R165.20	21.0%	17.80%
2018	R184.44	5.6%	22.50%
2019	R212.64	15.3%	31.17% (Serious Stress)

Credit consumer status and mortgage qualification

Impaired records have historically excluded roughly 35 - 40% of the credit-active population from qualifying for mortgages.

Year-End	Credit-Active Consumers (Million)	Credit Impaired Consumers (Million)	%Impaired (Unqualified)
2007	17.12	6.45	37.6%
2010	18.51	8.61	46.5%
2014	22.50	9.95	44.2%
2018	25.85	10.16	39.3%
2019	27.20	10.15	37.3%

Residential mortgage bond decline rates

- **Historical Average:** Decline rates hovered between 45% and 55% for single-bank applications.
- **Ooba/BetterBond/Multi-Net Trends:** Originators consistently reported that while "initial" bank decline rates were high (up to 50%), their "effective" approval rates were higher (around 65 - 70%) due to multiple bank submissions.

Table 2: COVID - 19 to Current Mortgage Status & Arrears Aging (2020–2024)

IThis period reflects the impact of the 475-basis point interest rate hike cycle.

Year-End	Total Mortgage Book	30 Days Arrears (Rbn)	60 Days Arrears (Rbn)	90 Days Arrears (Rbn)	90+ Days (Impaired) (Rbn)	Total Distressed Value (Rbn)	Arrears (Impaired Accounts)
2020	R1,010.50	R28.29	R18.19	R16.17	R35.37	R98.02	5.1%
2021	R1,095.40	R25.19	R16.43	R15.34	R37.24	R94.20	4.8% (Rate Cycle Low)
2022	R1,165.20	R31.46	R20.97	R19.81	R48.94	R121.18	5.9%
2023	R1,215.30	R38.89	R25.52	R23.09	R54.69	R142.19	6.4%
2024	R1,260.00	R44.10	R28.98	R27.72	R59.22	R160.02	6.9% (Peak Pressure)

Unsecured Debt & Credit Consumer Status (Post-2019)

The number of credit-active consumers grew, but so did the depth of impairment due to the cost-of-living crisis.

Year-End	Unsecured Debt (R Billion)	Credit-Active Consumers (M)	% Impaired (Unqualified)
2020	R205.40	27.50	38.5%
2021	R210.30	28.10	37.9%
2022	R211.50	28.30	38.1%
2023	R212.00	28.60	38.2%
2024	R212.03	28.90	36.0%

•**Bond Decline Rates (2024):** Rejection rates peaked at 67.60% in late 2024, reflecting the highest risk-aversion from banks since the 2008 crisis.

1. Current residential mortgage status & investment opportunity Current Status (2025 - 2026 Outlook)

As of early 2025, the market is at a turning point. Interest rates have begun a downward trajectory (Prime at 10.25% in Jan 2026).

Mortgage arrears remain elevated at around 6.9%, and rejection rates are high (around 65%), but bank impairments have started to fall.

Due to these various factors perfect storm is created, which provides Institutional and Direct Residential Real Estate Investors the opportunity to participate in these property investment opportunities and make a major impact in the lives of impaired real estate owners whilst making excellent returns with minimal risk.

With Impaired residential real estate specialists like the Assist Group (Real Estate and Wealth Assist), cash-rich, credit-rich, and time-poor investors can participate in these opportunities with the least resistance and effort, and with comprehensive due diligence done to mitigate risk.

2. Opportunities for residential real estate investors Distressed Sales/Repossessions

All parties cannot be assisted by high arrears (6.9% of the mortgage book) mean a significant volume of properties are entering "Short Sale", "Sheriff Sale" or "Bank-Assisted Sale" programmes where investors can participate in these investment opportunities.

Through structured Residential Impact Real Estate Investment opportunities as provided by companies like Wealth Assist. Investors can acquire assets at 25 - 35% below market value.

High Decline Rates = Strong Rental Demand

With an estimated 67% mortgage rejection rate, two-thirds of applicants cannot buy. This creates a "renter-by-necessity" class, sustaining high occupancy and rental growth in the R700k - R1.5m price bracket.
These real estate owners can also utilise these structured real estate solutions to access equity from their properties, and through that, provide Investment opportunities for Residential Real Estate Investors.

Positive Yield Spread

As interest rates fall, the gap between rental yields (typically 8 - 10% gross) and mortgage costs is narrowing, turning many properties cash-flow positive earlier in the investment cycle.

Rent to Own Investment Opportunities

Unqualified Potential Purchasers (37% plus of the credit consumer market (+-10m of the 25m) need homes, and a small % of them can recover within 6 to 24 months which provides the opportunity to investors to participate in the high demand for Rent to Own Investment opportunities provided by companies like Wealth Assist and Rent to Buy.

First-Time Buyer Recovery

Investors should target the “Millennial” and first-time buyer segment (average purchase price around R1.3m), which shows the strongest demand rebound as affordability improves.



FINANCE

Case Study: Fr
legacy asset at

By Jacqueline Mills



When non-profit organisations speak about sustainability, the conversation often revolves around fundraising pipelines, donor retention and programme scale.

Far less attention is given to asset ownership, despite property being one of the most powerful tools available to underpin long-term stability.

om loan agreement to Bridges



Bridges Retreat Centre, a Franschhoek-based outdoor education non-profit, offers a rare counterpoint. In just five years, the organisation settled a 20-year property repayment agreement on its 12.5-acre campus, securing full ownership far ahead of schedule and fundamentally reshaping its future.

The outcome is not simply a debt-free balance sheet, but a fundamental shift in how the organisation is able to plan, fund and grow. It is a case study in how disciplined financial management, long-horizon thinking and strategic capital can anchor social impact organisations for generations to come.

A non-traditional property acquisition

Unlike many organisations that rely on bank financing, Bridges' property journey began with a direct loan agreement as opposed to a conventional mortgage. In January 2021, Bridges acquired the Franschhoek property through a R20 million vendor loan agreement with the sellers who had previously operated the site as a group accommodation venue. The agreement allowed Bridges 20 years to repay the amount at an interest rate of 8%, creating space for the organisation to establish and grow its education programme while servicing the long-term obligation.

The structure was deliberate, providing security of tenure from the outset while allowing Bridges to focus on operational delivery rather than immediate capital pressure.

Accelerating repayment without compromising delivery

What followed was not a linear journey. During this period, Bridges was simultaneously expanding a fully subsidised outdoor education programme serving learners from under-resourced communities across the Western Cape. The organisation was running up to 40 camps annually, each requiring funding for accommodation, meals, transport, facilitators and curriculum delivery.

Balancing programme growth with long-term repayment commitments required restraint and careful trade-offs. Rather than slowing delivery or diluting its offering, Bridges maintained scale while holding to a long-term repayment discipline.

The turning point came through once-off capital contributions from three private individuals, allowing the organisation to settle the remaining balance in full in the third quarter of 2025, fifteen years ahead of schedule.

Importantly, these contributions were ring-fenced specifically for the property, protecting operational funding and ensuring the organisation did not compromise its core mandate.

Why ownership changes everything

With the property now fully owned by the non-profit entity, the impact is both practical and strategic.

Fundraising pressure has eased, allowing Bridges to focus its efforts on funding education camps and advancing a site development plan currently undergoing council approval. This next phase will expand accommodation capacity and improve facilities, strengthening the campus as a long-term education asset.

Importantly, ownership does not eliminate the need for ongoing fundraising. Bridges continues to raise funding annually to deliver its education programmes, including accommodation, meals, transport and facilitation for thousands of learners.

What ownership changes is not the requirement for support, but the stability from which that support is sought – reducing structural risk and allowing fundraising efforts to be focused on programme delivery and measured growth rather than debt servicing.

Ownership also provides certainty. The land and infrastructure are secured within the NPC, aligned to its Public Benefit Organisation mandate, insulating the programme from future tenure risk and rental volatility.

For Bridges, this has shifted the conversation from short-term survival to long-term stewardship.

From short-term funding cycles to a 100-year horizon

Bridges describes its approach as a "100-year vision" – not a fixed blueprint, but a guiding horizon that prioritises purpose-driven stewardship over short-term expansion.

The philosophy is simple: secure the asset first, protect its mandate, and allow future leadership to build responsibly on a stable foundation.

In a sector where many organisations operate on year-to-year funding cycles, this level of asset security remains rare. Yet it is precisely this ownership that enables Bridges to think beyond immediate delivery metrics and toward intergenerational impact.

A model hiding in plain sight

While unusual, Bridges' approach is not unprecedented. Across South Africa, schools and public benefit organisations that own their land outright often benefit from stronger long-term sustainability and reduced operational risk.

What sets Bridges apart is the intentionality with which ownership was prioritised and the discipline required to achieve it while continuing to serve nearly 3,000 learners annually.

Between 2022 and 2025, learner participation grew steadily:

- **2022:** 24 camps, 1,869 learners
- **2023:** 32 camps, 2,342 learners
- **2024:** 29 camps, 2,624 learners
- **2025:** 39 camps, 2,923 learners



During this time, the organisation also reinvested in campus safety and infrastructure, including pool fencing and emergency evacuation access, reinforcing the site as a fit-for-purpose educational environment.

Rethinking sustainability in the NGO sector

Bridges' experience raises an uncomfortable question for the sector: why is asset ownership so often absent from sustainability conversations?

The answer may lie less in feasibility and more in mindset. Property requires patience, restraint and a willingness to prioritise long-term resilience over short-term flexibility – qualities that can feel counterintuitive in high-pressure funding environments.

Yet, as Bridges demonstrates, ownership can unlock precisely the stability needed to deliver impact consistently over time.

In an era where donors, partners and regulators increasingly scrutinise governance and financial resilience, the ability to point to a secured, purpose-aligned asset may become a defining advantage, not because it replaces fundraising, but because it anchors it within a stable, long-term framework.

WEALTH

How ‘Impact Inv
distressed prope

By Daniel Lombard





estors' are reshaping
erty investments

- Financially distressed homeowners often have equity but no access to solutions before auction or forced sale.
- Structured investors can unlock value while protecting dignity and delivering predictable returns.
- Impact real estate investing creates win-win outcomes for owners and investors.

When the investor becomes the hero

Across South Africa, thousands of property owners quietly enter financial distress every year. Job losses, business failures, divorce, medical emergencies or rising debt can quickly push a household into arrears.

Often, these homeowners still have equity in their properties but strict lending rules, poor credit records and time pressure prevent them from accessing it.

As arrears mount, legal action follows and auction becomes a real threat.

In this space, fear grows, options shrink and decisions are forced under pressure.

Historically, this moment has attracted opportunistic buyers focused purely on acquiring assets cheaply. But a new class of investor is changing what happens next.

Where impact investing steps in

This is where impact-driven real estate investing steps in, operating like an emergency response unit for property owners in crisis.

Instead of exploiting distress, structured investors provide capital solutions that stabilise situations, unlock trapped equity and create viable recovery paths.

Sometimes families keep their homes. When that isn't possible, properties are sold in a controlled manner that preserves value and dignity rather than forcing distressed auctions.

This approach turns the investor into the hero, not only generating returns but delivering meaningful outcomes.



The size of the opportunity

The financially distressed property market is substantial. Even addressing just a small portion of the market over the next few years would require billions of rand in capital.

Many owners need urgent solutions to:

- Stop legal action or repossession
- Consolidate debt
- Fund business recovery or urgent needs
- Create breathing space during life transitions

Yet traditional banks cannot always act quickly enough. Structured real estate investors fill this gap.

Who the ideal investor is

The model appeals to investors who want both financial performance and social impact.

Typical investors are:

- Capital-rich but time-constrained
- Seeking asset-backed opportunities
- Comfortable making informed decisions within defined timelines
- Interested in predictable returns with controlled risk

Execution partners then manage sourcing, due diligence, risk control and exit strategies.



The system behind the model

The success of this approach depends on discipline, not emotion. Over time, systems evolved to ensure sustainability and investor protection. Three pillars now underpin the model:

1. Contracted, risk-weighted returns
They are pre-structured contractually, secured by property and typically achieve returns above prime depending on risk.

2. Strict value discipline
Opportunities are acquired well below market value, creating strong downside protection and predictable exits.

3. Mature risk controls and systems
Improved screening, layered due diligence and better operational controls now drive consistent execution.
Together, these principles protect investors while supporting homeowners responsibly.

A more flexible investment future

Beyond distressed property recovery, investors can now access additional real estate opportunities, including:

- Cash-flow-positive buy-to-let investments
- Tax-efficient property structures where applicable
- Buy-to-fix-and-sell opportunities

All opportunities follow the same disciplined risk and valuation processes.

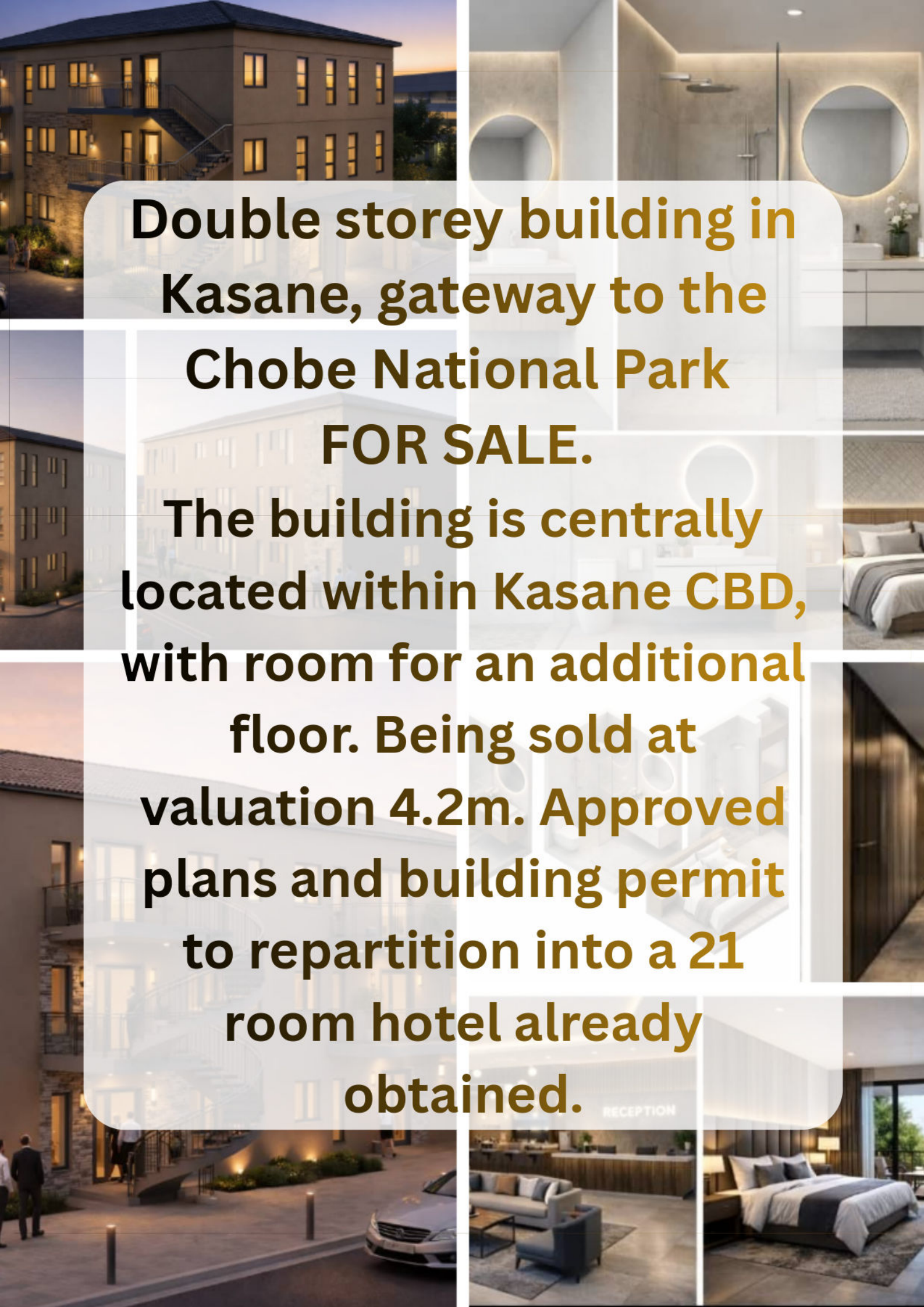
Why this model is disruptive

Traditional property investing relies on long-term holds. This approach recycles capital through shorter cycles, allowing investors to compound returns while still benefiting from property-backed security.

Deals are typically structured at significant discounts, include cash-flow protections where applicable, and run over defined timelines, creating predictable outcomes.

Investors gain exposure to property without managing the complexity themselves.





Double storey building in Kasane, gateway to the Chobe National Park FOR SALE.

The building is centrally located within Kasane CBD, with room for an additional floor. Being sold at valuation 4.2m. Approved plans and building permit to repartition into a 21 room hotel already obtained.

investing with impact

Property distress is a reality of economic cycles. The difference now is how investors respond.

Disciplined, impact-focused investors are proving that returns and responsibility can coexist. By stabilising homeowners in crisis and structuring fair outcomes, investors can create profit while restoring dignity.

In this model, the investor does more than fund deals.

The investor becomes the hero, creating solutions where others see only distress.

In doing so, reshapes how property investment works in South Africa.

The invitation process for the investor is simple

Don't just "fund deals." Back outcomes. If you want structured, asset-backed opportunities that aim for win-win solutions, with clear processes and disciplined risk mitigation, the next step is simple.

Explore current opportunities and book a discussion with our team to understand the model, the safeguards, and where you fit.

Get started, Book a call

Explore our Current Opportunities



Maximise your returns with:

- Carefully sourced,
- Below-market deals

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Belief

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Belinda Clur – Founder & Managing Director, Clur International

Clur Connect™ is a video series profiling **South African retail property**, its economic and community contribution and international leadership. The **second edition features** inspiring industry leaders discussing the Belief Economy.



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President
South African Property Owners Association (SAPOA)



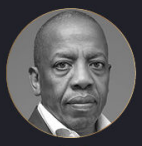
Amelia Beattie
Head of Business Efficiencies, Property & Sustainable Impact Insurance and Asset Management
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Vuso Majija
Executive Director & Head of Retail
Fortress Real Estate Investments Limited
Director
South African Council of Shopping Centres



Lindi Van Der Merwe
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Malose Kekana
Group Chief Executive Officer
Pareto Limited



Jason McCormick
Chief Executive Officer
Exemplar REITail



Belinda Clur
Founder & Managing Director
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This edition of **Clur Connect** presents a comprehensive picture of **how retail property is performing and responding to change**, driven by the arrival of the **Belief Economy**. It shows how the sector is **connecting with communities** and how a **rapidly evolving consumer system** will influence shopping centres going **into the future**. Critically, it shows the **positive catalytic impact shopping centre owners are driving** through investments in sustainability, education, skills development and recreational facilities.



Clur Connect™ is part of the **Clur Collective™**, South Africa's leading early-warning performance, strategy, analysis and benchmarking platform built **exclusively for shopping centres**. This endorsed