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REAL ESTATE INVESTOR®

MAGAZINE SEPTEMBER 2026 #194

19 YEARS
2007 - 2026
ANNIVERSARY ISSUE



AFRICA'S NEW CYCLE DECODED

Malcolm Horne reveals where growth is becoming real estate opportunity

Malcolm Horne, Group CEO, Broll Property Group

BECOME SA'S NEXT PROPERTY DEVELOPER
Turn property experience into affordable housing

PUT YOUR EQUITY TO WORK
Turn trapped property capital into purposeful wealth

FIND THE DEAL BEFORE YOU BUY
Six steps to test before you invest

WHEN THE NOISE WON'T STOP
7 Steps to protect your property rights

INSIDE REI

19 YEARS 2007 - 2026 ANNIVERSARY ISSUE

REAL ESTATE INVESTOR

Independent Property Intelligence Since 2007

ABOUT REI

Real Estate Investor is an independent South African property investment media platform delivering intelligence, education and opportunity across residential, commercial and alternative real estate. Through our magazine, website, newsletters, video, webinars and events, we connect investors and property professionals with the people, markets, strategies and opportunities shaping real estate.

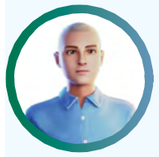
OUR PURPOSE

To give property investors the intelligence, education, connections and opportunities they need to make better investment decisions.
This should be a strong but understated brand statement.

PEOPLE. MARKETS. STRATEGY.

OPPORTUNITY.

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Better intelligence. Better property decisions.

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WANT TO CONTRIBUTE?

Have property expertise, research or an investment perspective worth sharing?

REI welcomes expert commentary, market intelligence, educational articles and thought leadership from across the property industry.

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19 years of REI

2007
Launched in print

2026
Magazine | Online | Video
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FROM THE EDITORS

19 YEARS ON, THE OPPORTUNITY KEEPS EVOLVING

September is always significant for Real Estate Investor. This month marks 19 years since we launched our first print edition in September 2007.

Much has changed since then. Property cycles have turned. Interest rates have risen and fallen. Technology has transformed how property is bought, financed, managed and marketed. We have moved from print into digital publishing, video, webinars, events and daily online intelligence.

But one thing has remained constant: property rewards investors who keep learning. That principle sits at the heart of our 19th Anniversary Edition.

Our cover conversation with Malcolm Horne, Group CEO of Broll Property Group, looks beyond the familiar narrative of “Africa’s potential”. Broll’s Africa Real Estate Intelligence Report 2026 asks a more useful investment question: where are infrastructure, capital, trade, energy and technology actually connecting to create investable real estate demand? Increasingly, the answer may lie in economic corridors rather than simply countries.

That search for actionable intelligence runs throughout this edition. We examine the changing agency model through eXp Realty, while our legal and Ask the Experts features tackle the practical rights and responsibilities that can directly affect owners, tenants and property managers. Our investment coverage goes back to fundamentals. Jason Lee demonstrates why negotiating even a fraction off your bond rate can materially alter long-term returns, while Jaco Grobbelaar continues challenging investors to understand the numbers behind sustainable wealth.

We also explore the opportunities being created across Commercial, Hospitality, student accommodation and retail, including the latest Clur Index Q2 insights. Different sectors, different risk profiles, but the same requirement for better information and disciplined decision-making. And REI no longer ends when you turn the final page. Read us online, join our webinars and Investor Talks, attend our events and engage with the people shaping the market.

Nineteen years ago, we set out to make property investment intelligence more accessible. Today, that mission is bigger than ever. Thank you for being part of the journey. The next chapter starts here

Neale Petersen
Founder & Editor-In-Chief

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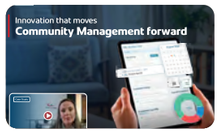


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When the noise won't stop: 7 Steps to act

Persistent noise can destroy peaceful living and rental value. Here's how tenants, landlords and owners can escalate complaints and protect their rights.



MEET THE EXPERT

ZERLINDA VAN DER MERWE

Co-Founder | Director, TVDM Consultants
Expertise: Sectional Title Law | Community Schemes | Property Management | Dispute Resolution

INVESTOR QUESTION

What can you do when noisy neighbours simply won't stop?

We rent an apartment in a sectional title scheme and regularly experience banging, furniture being dragged and other disturbing noise from the unit above, often late at night or early in the morning.

We've spoken directly to the neighbours, reported it to our landlord and complained to the managing agent, but the disturbance continues.

What rights do tenants have when repeated noise complaints are ignored and when should the landlord, trustees, CSOS or even the police become involved?

EXPERT ANSWER
from Zerlinda van der Merwe



Banging late at night. Furniture dragged across the floor at 5am. Loud music. Shouting. A dog that won't stop barking. Some noise is simply part of living close to other people.

But when it becomes persistent, happens at unreasonable hours and continues despite repeated complaints, residents do not simply have to live with it.

The key is to stop treating each disturbance as an isolated incident and start building a documented escalation process. Here is seven steps to resolve persistent noise disputes.

STEP 1 | Speak to the neighbour, if it's safe

A calm, direct conversation should usually be the first step. It gives the neighbour an opportunity to correct the problem and demonstrates that you attempted to resolve the matter reasonably before escalating it.

But don't force a confrontation. If there is hostility, intimidation or you feel unsafe, skip the face-to-face approach and communicate in writing instead.

"One noisy night is an anecdote. Six weeks of dated, timed entries is evidence."

STEP 2 | Start building evidence

This is where many complaints fall apart. Don't simply say: "The neighbours are always making noise." Create a written record showing:

- Date of each incident
- Start and end times
- Type of noise
- Frequency and pattern
- Whether other neighbours heard it
- Previous complaints or correspondence

Where appropriate, retain short timestamped recordings.

STEP 3 | Put the complaint in writing

Once a pattern exists, don't rely on WhatsApps, telephone calls or informal conversations. If you are a tenant, put the complaint in writing simultaneously to: Your landlord, your managing agent and your trustees/body corporate.

This distinction matters because the managing agent doesn't necessarily have the ultimate authority to act against another owner.
The trustees do.

STEP 4 | Know the difference between living noise and nuisance

Not every irritating sound constitutes unreasonable noise. Footsteps, children playing, appliances and other ordinary activities are part of communal living.

What strengthens a genuine nuisance complaint is the combination of: Frequency plus timing plus severity plus repetition after complaints.

Owners also have a legal obligation not to use their units in a manner that unreasonably disturbs other residents.

STEP 5 | Push the trustees to act

Once trustees receive a properly documented complaint, the matter should progress beyond simply acknowledging it.

The responsible party should receive a formal written warning identifying the incidents and requesting that the conduct stop.

If the person causing the disturbance is a tenant, the trustees can also hold the owner of that unit accountable for the tenant's behaviour.

For landlords, there is another important lesson. If your tenant tells you another unit is materially disrupting their ability to live peacefully, simply saying "it's a body corporate problem" isn't enough.

Support your tenant by escalating the complaint formally through the managing agent and trustees.

adjudication order requiring the disturbance to stop or remedial action to be taken.

STEP 6 | Escalate to CSOS

If the landlord, managing agent and trustees have received a documented complaint and the problem remains unresolved after a reasonable period, the next escalation point is the Community Schemes Ombud Service (CSOS).

Importantly, this isn't limited to owners. Owners, tenants and occupiers can apply.
The process begins with dispute resolution and can ultimately result in a formal adjudication order requiring the disturbance to stop or remedial action to be taken.

STEP 7 | Know when to go outside the scheme

Not every noise dispute should remain within the body corporate. For an ongoing measurable noise problem, the municipality's noise-control function may become relevant.
For an active and serious late-night disturbance, police intervention may also be appropriate.
These routes don't necessarily replace CSOS for an ongoing community-scheme dispute, but they provide additional avenues where the circumstances justify them.

KEY INSIGHT

"Complaining is not enough. Document the pattern, put it in writing and escalate it through the right channels."

Persistent noise becomes far easier to challenge when residents can demonstrate frequency, timing, previous complaints and a failure to act.



Have a property investment or property management question?
Email your question to info@rei.co.za and our panel of South Africa's leading property experts could answer it in a future edition of REImag.

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INSIGHTS | INTELLIGENCE | OPPORTUNITY

PEOPLE | MARKETS | STRATEGIES | OPPORTUNITIES

MARKET SNAPSHOT

SOUTH AFRICAN PROPERTY AT A GLANCE

THE NUMBERS EVERY PROPERTY INVESTOR SHOULD KNOW

AS AT **14 SEPTEMBER 2026**

Despite global uncertainty, South Africa's property market remains resilient, with key residential and industrial sectors showing continued momentum.

KEY MARKET INDICATORS

AT A GLANCE

REPO RATE
7.00%
0.00pp vs 24 July 2026
Jan 25 | Apr 26 | Sep 26

PRIME LENDING RATE
10.50%
0.00pp vs 24 July 2026
Jan 25 | Apr 26 | Sep 26

CPI INFLATION
4.3%
-0.2pp vs June 2026
Jan 25 | Apr 26 | Aug 26

NATIONAL HOUSE PRICE GROWTH
5.4% YoY
+0.2pp vs Q1 2026
Q1 25 | Q4 25 | Q2 26

AVERAGE RENTAL GROWTH
4.9% YoY
+0.3pp vs Q1 2026
Q1 25 | Q4 25 | Q2 26

BY THE NUMBERS

KEY STATS FOR INVESTORS

Average Home Price	**R1.72 million**	↑ +2.4% YoY
Average Rental Yield	**9.6%**	↑ +0.3pp
Average Bond Size	**R1.46 million**	↑ +3.1%
Building Plans Approved	**+4.9%**	↑ YoY
Semigration Destination	**Western Cape**	**#1**

INVESTOR HOTSPOTS

AREAS TO WATCH



- **Cape Town** — Residential & Lifestyle
- **Rosebank** — Mixed-Use & Office Recovery
- **Midrand** — Logistics & Industrial
- **Umhlanga** — Residential & Coastal Demand
- **George** — Lifestyle Estates & Semigration

> *"Better information builds better investors."*
> — *Neale Petersen*



PROPERTY SECTOR SCORECARD

PERFORMANCE OUTLOOK

SECTOR	OUTLOOK
Residential	↑ Strong
Industrial	↑ Strong
Student Housing	↑ Strong
Hospitality	↗ Improving
Retail	→ Stable
Office	↗ Mixed

BOND REPAYMENT WATCH

WHAT RATES MEAN FOR YOU

BOND AMOUNT	EST. MONTHLY REPAYMENT*
R1 000 000	R10 910
R2 000 000	R21 820
R3 000 000	R32 730
R4 000 000	R43 640

*Based on current prime lending rate of 10.50% over 20 years.

INVESTOR SENTIMENT BAROMETER

WHERE DO YOU THINK PROPERTY PRICES ARE HEADING OVER THE NEXT 12 MONTHS?

Strong Growth	34%
Moderate Growth	36%
Flat / Sideways	18%
Decline	6%
Unsure	6%

Results from our September 2026 online poll (n = 1 245).

MARKET MOVERS

THE BIG STORIES THIS MONTH



INTEREST RATES HOLD
SARB keeps repo rate unchanged at 7.00% but signals a cautious outlook.
Page 14



RESIDENTIAL DEMAND REMAINS STRONG
Limited supply continues to support house price growth in key metros.
Page 28



BUILDING ACTIVITY LIFTS
Plans passed increase by 4.9% year-on-year, signalling renewed confidence.
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INDUSTRIAL STAYS RESILIENT
Logistics and warehousing remain investor favourites.
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HOSPITALITY RECOVERY CONTINUES
Occupancy and average rates show further improvement.
Page 78

LOOKING AHEAD

KEY DATES AND DATA TO WATCH

SARB Interest Rate Decision	21 September 2026
Inflation Data Release	23 September 2026
Lightstone House Price Index	28 September 2026
TPN Rental Monitor	End September 2026
REIT Results Season	September 2026
Municipal Tariff Increases	Various (Oct 2026)

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MASTER INVESTOR

Broll's next move: From property services to intelligence

By Neale Petersen

Group CEO Malcolm Horne is reshaping Broll around intelligence, specialist expertise and execution as property markets across Africa become more complex.

From services business to decision-making partner

When Real Estate Investor last sat down with Broll Group CEO Malcolm Horne for our March 2026 cover, the conversation centred on the future of property services: strategy, analytics and how intelligence was beginning to shape Africa's next property cycle.

Six months later, the conversation has moved forward. The question is no longer simply how a property services company prepares for the future.

It is how Broll positions itself to help investors decide where to deploy capital, when to move and whether an apparent opportunity can actually be executed.

For Horne, that shift starts with a frank assessment of the traditional property-services model. His mandate, he explains, has been to determine how Broll grows and positions itself across the continent and its markets. Historically, the business concentrated on several core property disciplines.

But Horne saw a limitation: opportunities that fell outside those disciplines were effectively being sent elsewhere, while clients were not necessarily receiving the breadth of advice they increasingly required. His response has been to broaden Broll's capabilities.

"The philosophy was: how do we build a different skill set within our business that is more advisory, more sophisticated, more data-driven?"



approach, bringing a wider range of capabilities around the same client and investment decision. But the important point for investors isn't the corporate terminology. It is what sits behind it.

Broll's 2026 intelligence work draws together in-country research, valuations, risk management, capital markets, property expertise, economic datasets and external investment perspectives.

That means the objective is increasingly not merely to manage the asset after somebody has bought it. It is to help interrogate the decision before the capital is committed.

A business being built around execution

Horne's strategy becomes particularly relevant in Africa. Broll has spent years building country expertise and operating capability. What has changed is the lens through which that footprint is being viewed.

Instead of asking only what is happening in Ghana, Kenya, Namibia, Mozambique, Nigeria or South Africa independently, Broll is increasingly asking how economic activity connects across those markets.

That has implications for the company's structure too. Horne revealed during our interview that Broll has reworked its Africa structure around a senior leadership team spanning three broad disciplines:

- Strategic advisory and opportunity
- Property and facilities management
- Finance, administration and operational backbone

The objective is to connect execution capability with intelligence rather than treating research, advisory and implementation as separate worlds. And sitting over that structure is something Horne repeatedly returns to: data.

Why intelligence is becoming the differentiator

There has never been more property data. AI can analyse it faster and more cheaply than ever. That does not, in Horne's view, make property expertise less important. It potentially makes credible expertise more valuable.

He is surprisingly forthright about the danger of relying on AI-generated analysis for investment decisions. AI can create an impressive-looking report, he argues, but the question is whether the information is real, locally relevant and investable.

His formula is therefore not AI versus people. It is: AI plus proprietary data plus local intelligence plus specialist expertise plus experience.

Broll has consequently invested in proprietary data, Fernridge capabilities and in-country data modules, while combining external information with people who understand the markets themselves.

That matters particularly in Africa, where datasets can be incomplete and where the difference between a promising national statistic and the economics of one building in one precinct can be enormous.

Horne puts it simply: "We want data-backed opinions in the market, and not just because I say so."



MASTER INVESTOR

Leadership through a changing market

Africa's opportunity cannot be reduced to a list of "hot" cities or countries. The company's strategy is therefore increasingly built around being able to combine continental perspective with local execution. That distinction matters.

A logistics corridor may cross several borders. A multinational occupier may be considering several countries. A data-centre operator may be looking for the optimum African location. But ultimately, property remains local.

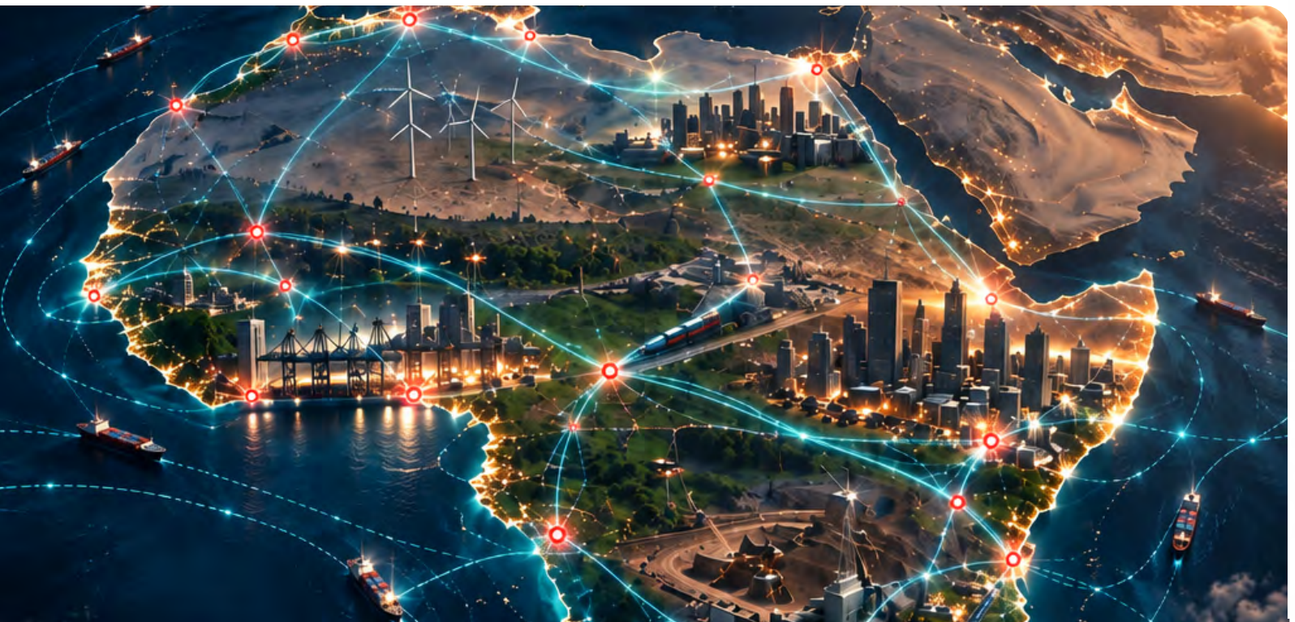
The investor still buys a particular asset, on a particular piece of land, under a particular legal system, with particular tenants, infrastructure, utilities and exit options.

Horne argues that deep local expertise is therefore essential to protect an investment and ensure it can ultimately be monetised.
It is a useful insight into the direction Broll is taking under his leadership:

Think continentally. Understand locally. Execute practically.

And that provides the bridge into the bigger story behind this September cover.

Because Broll's new Africa Real Estate Intelligence Report 2026 takes that philosophy and applies it to one of global real estate's most discussed and frequently oversimplified, investment stories. Africa.





A Global Voice. An Unmissable Perspective.

Internationally renowned journalist and broadcaster **Richard Quest** joins our distinguished speaker line-up.

Best known for his work with CNN, Richard is one of the world's most recognised voices on global business, economics, and current affairs. His insightful analysis and engaging style have made him a trusted authority on the forces shaping economies, markets, and industries worldwide.

As global landscapes continue to evolve, Richard will share invaluable insights into the trends influencing investment, leadership, and the future of business—offering delegates a rare opportunity to hear from one of the world's most respected media voices.



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COVER STORY

Africa: Stop Betting on Potential. Start tracking execution

By Neale Petersen



Broll's 2026 intelligence report challenges investors to look beyond countries and follow the capital, infrastructure and economic corridors creating demand.

Africa doesn't have a potential problem

For decades, the African investment pitch has sounded remarkably familiar. Population growth. Urbanisation. A growing middle class. Infrastructure. Natural resources. Young demographics. Horne has heard it all before. So have investors.

And that is precisely the problem Broll's Africa Real Estate Intelligence Report 2026 is attempting to address. The report deliberately moves away from another broad statement of African potential towards the much harder questions:

- **Where is economic growth actually connecting?**
- **Where is capital starting to move?**
- **What converts economic activity into property demand?**
- **When does potential become investable?**

The report is deliberately optimistic about Africa's structural prospects while distinguishing between potential and realised demand, and between spotting an opportunity and knowing when it can actually be executed. Horne agrees that African property has spent too long discussing the former.

"Opportunities exist", he says. "The difficult part is determining where, when and whether they can actually happen. That distinction may be the single most important lesson of the report."

Lesson #1: Stop looking only at countries

Perhaps the most interesting idea in Broll's report is that property investors should start looking between countries, not simply at them individually. Its framework identifies six strategic economic corridors:

- Namib - Cape Atlantic
- Mozambique - South Africa
- East Africa Rift
- Trans Maghreb
- Gulf of Guinea
- Lobito - Beira Trans Africa

These are not rankings of Africa's six "hottest" property markets. They are systems where combinations of infrastructure, energy, resources, trade, people and capital could create new concentrations of economic activity and ultimately real estate demand. The distinction is fundamental.

Property follows economic activity. And economic activity doesn't stop politely at a national border.



Lesson #2: Follow the four Ps

Broll analyses the opportunity through four forces:

PEOPLE
Where are populations, employment, income and urbanisation creating effective demand?

POLITICS
What do regulation, geopolitics, trade relationships and government policy mean for capital and commerce?

POWER
Is reliable and affordable energy available and where is infrastructure actually being built?

PRODUCTION
Where are mining, manufacturing, logistics, technology and digitalisation creating economic activity?

Together, those forces provide investors with a more practical framework for distinguishing economic promise from emerging property demand.

Lesson 3: Watch what moves, not just where it sits

This is where the report becomes particularly interesting. Horne believes investors historically concentrated too heavily on individual countries and traditional asset classes.

The emerging opportunity increasingly lies in understanding flows: Goods. Capital. Energy. Minerals. People. Trade.

Broll is currently involved around three border-post environments, Horne shared with REI and illustrated how improved movement between jurisdictions can create opportunities around logistics and related real estate. His point is broader than border posts.

Railways connect mines to ports. Ports connect producers to global markets. Energy enables industry. Industry creates employment. Employment drives housing. Economic activity brings services, retail, hospitality and offices.

Infrastructure is therefore not simply something that makes property more convenient. It can be the mechanism that creates the property market in the first place.

Lesson 4: Look for the activators

How does an investor know when a corridor is moving beyond a compelling PowerPoint presentation?

Horne's answer is one of the strongest practical insights from this interview: Follow capital flow and investment flow.

Look at who has actually committed. Look at which multinationals are moving. Look at whether infrastructure financing is materialising. Look at who arrives first; logistics operators, industrial users, data-centre businesses or other occupiers.

Broll describes this as monitoring the "activators" within the corridors. Once capital starts flowing, Horne says, it becomes a signal to examine that corridor much more closely.

For investors, that changes the question from: "Has a project been announced?" to: "Who has committed money, and what is actually happening on the ground?"

That is a far more useful investment question.

Lesson 5: Logistics could be the big play

Horne identifies the opportunity investors may currently be underestimating, he comes back to one theme: Logistics corridors. Key questions:

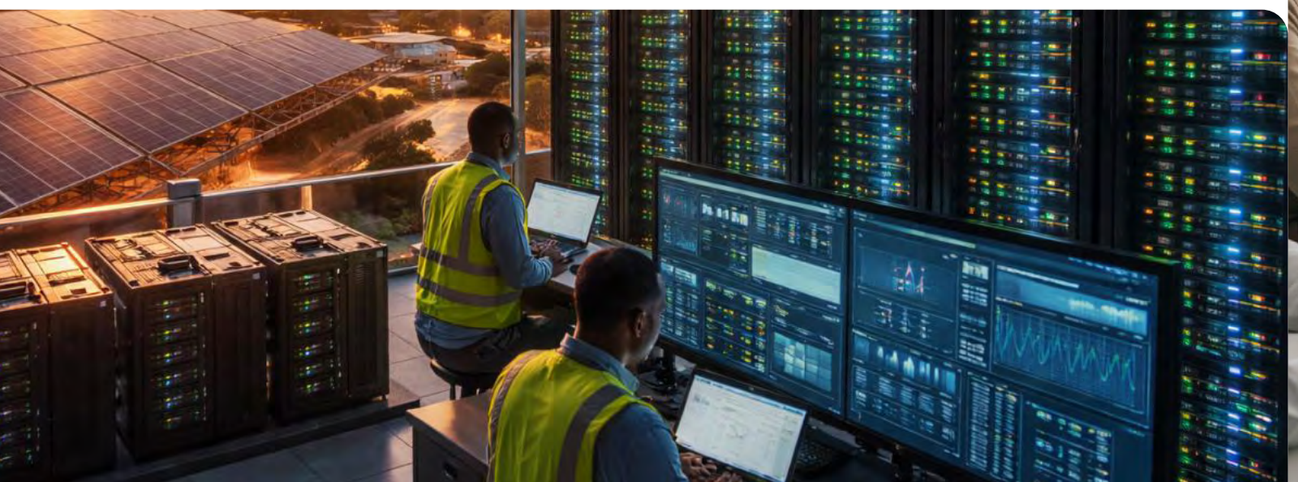
- When asked which property sector he would overweight for the next decade, his answer was again: Logistics.
- When asked which African city he would buy commercial property in today: Nairobi.
- And between Johannesburg and Cape Town for the more interesting commercial opportunity over the next five years: Johannesburg.

Those answers are worth highlighting graphically in the magazine because they take the report out of the abstract and reveal where the CEO himself is looking.

Lesson 6: Don't believe every data-centre story

Data centres may be one of property investment's hottest global themes, but Horne offers a useful warning. Asked whether Africa is ready for the scale of data-centre investment currently being discussed, his response was straightforward: "I don't think we're ready for that scale yet."

The constraint comes back primarily to power, energy and enabling infrastructure. The opportunity is real. The timing may not be uniform. That encapsulates the entire report. A powerful structural theme doesn't automatically equal an investable asset today.



Lesson 7: Africa is connected, but property remains local

There is an apparent contradiction at the centre of the corridor thesis. If investors should think across borders, does that mean Africa should be treated as one market?Absolutely not. Horne stresses the need for deep local expertise.

An investor may correctly identify a continental trend and still buy the wrong asset, in the wrong precinct, under the wrong structure.

The continental lens tells you where to investigate. Local intelligence tells you whether to invest. That distinction is crucial.



Lesson 8: Get the exit yield right

One of Horne's less obvious observations may be among the most valuable for professional investors. Asked about the mistakes investors make in Africa, he highlighted an unrealistic exit yield.

There can be a substantial difference between the theoretical yield used in an investment model and the yield achievable when the investor eventually needs to sell.

Horne's words are worth remembering: "The theoretical exit yield versus the actual exit yield, the delta between the two is probably where the secret lies."

That is classic property investment discipline. The deal isn't successful simply because the acquisition works. The exit has to work too. From potential to wealth

After discussing corridors, infrastructure, power, logistics, capital, data, AI and investment timing, Horne says he is more bullish on African property today than five years ago. But with an important qualification.

Horne is more bullish about the opportunities Africa presents, while considerably more realistic about the ability to execute them. The opportunities themselves, he believes, are maturing faster than they were a decade ago.

The question is what happens when they mature: Can you execute? Perhaps that is the most important difference between Africa's previous property cycle and the one now taking shape. The winners may not be those who make the boldest forecasts about population, GDP or urbanisation.

They may be the investors who can identify where the four Ps converge, follow the corridors through which economic activity is moving, distinguish committed capital from announcements, understand the local market and enter when evidence begins replacing expectation.

Complete the sentence:

Africa doesn't need more property investment based on potential. It needs investment based on...?

Horne's answer:

"Partnering with partners who have the ability to execute on the opportunity."

Ten years from now, what will separate the investors who successfully captured Africa's next real estate cycle from those who merely believed the growth story?

Horne's answer was only three words: "It'll be wealth." And perhaps that is the ultimate test. Potential makes a compelling presentation. Execution creates the return.



COVER FEATURE

MALCOLM HORNE: OFF THE CUFF QUESTIONS

African city he'd buy commercial property in today: **Nairobi**

Sector he'd overweight for the next decade: **Logistics**

Johannesburg or Cape Town for the next five years: **Johannesburg**

Most overrated African property word: **"Opportunity"**

First thing to check before investing: **Who owns the property?**

Underestimated African opportunity: **Logistics corridors**

Big investor modelling danger: **Unrealistic exit yields**

Africa's opportunity: **Maturing faster than a decade ago**



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PROPERTY PROFESSIONALS

Shifting gears: From agent to entrepreneur

By Khanya Gundwana



eXp Realty SA takes its Regional Rally Tour nationwide, helping agents harness technology, build stronger brands and shift from salespeople to entrepreneurs.



Real estate in South Africa is evolving rapidly, and eXp Realty South Africa is leading the charge with its inaugural Regional Rally Tour, the very first of its kind in the country.

Regional Rallies form a cornerstone of the global eXp Realty ecosystem, serving as the foundation for agent attraction, seamless collaboration, and community growth.

These events provide a physical dynamic where real estate professionals gather to elevate their businesses, share strategies, and build lasting professional networks.

It has been an absolute pleasure connecting with our agents on the ground throughout this tour, starting in Durban, East London, Gqeberha, George, and Cape Town. The feedback from agents across the country has been overwhelmingly positive, with many describing the experience as refreshing, enlightening, and inspiring.

The rallies have offered an extraordinary opportunity to shine a different lens on eXp Realty South Africa's vibrant culture and operational framework. Beyond our cloud-based model, these gatherings showcase the real power of our community: an environment where independence meets continuous support and collective growth.

Centered around the theme **"SHIFT GEARS. DRIVE SUCCESS,"** the rally sessions are designed to help agents transition from traditional salespeople into thriving real estate entrepreneurs:
efficiency, and market expansion:

• Leadership & Entrepreneurship

CEO and Country Leader Andrew Thompson and Operations Manager Mike Walters kicked off sessions by detailing the shift from manual processes to tech-driven automation, building their revenue share, all equipping agents to scale their operations effectively.

• High Tech & High Touch

Interactive presentations explored leveraging AI tools for lead generation and qualification while maintaining authentic, high-touch referral relationships. In the words of Steve Johnstone, "Real Estate is a contact sport!"

• Brand Visibility

In her feature session "Be Known or Be Invisible: Turning Visibility into Opportunity," Princess Ncuthe shares practical tactics for converting market presence into closed deals.

• Marketing Infrastructure & Compliance:

I had the privilege of walking agents through our custom Agent Microsites, Canva Brand Kits, eXp Hub communication network, and essential Property Practitioners Regulatory Authority (PPRA) compliance standards.

• Network & Governance

Lizna Nel presented on the eXp Women's Impact Network (WIN), while Risk & Compliance Director Hawken McEwan, alongside partners nCino KYC Africa, provided crucial insights into FICA compliance.

Building on this massive nationwide momentum, we are thrilled to announce that top industry leader and eXp Realty agent, André Vorster will be officially joining the tour in October!

The upcoming October leg will hit the road to bring this high-energy experience to agents in **Bloemfontein, Potchefstroom, Rustenburg, Johannesburg, and Mbombela.**

A powerful takeaway across all stops was the strong message inspired by eXp Realty Founder Glenn Sanford's guidance, supporting agents in shifting from a traditional sales agent mindset to becoming true business owners and entrepreneurs.

Navigating this transition while remaining "AI Super Significant" is an exciting challenge, and one we feel is pivotal to a modern real estate agent's success.

If you are ready to experience the eXp Realty culture firsthand, elevate your skills, and connect with industry leaders, reach out to an eXp Realty South Africa agent or visit www.expsouthafrica.co.za to secure your spot at an upcoming Regional Rally near you!





HOSPITALITY

One Building. One Operator. Better Short-let returns.

By Charlene van Zyl



A building mandate can turn fragmented short-let management into one coordinated operation - aligning standards, pricing, accountability and guest experience.

Short-let accommodation can generate attractive returns, but the more short-let units operating within one development, the more complex the building becomes to manage.

When individual apartments are managed by different operators, fragmentation quickly appears: different housekeeping standards, competing pricing strategies, multiple maintenance suppliers, inconsistent guest experiences and numerous points of contact for trustees and body corporates.

For investors, the issue is bigger than inconvenience. Poor operational coordination can affect guest reviews, occupancy, achievable rates, building reputation and ultimately investment performance. That is where a building mandate can change the operating model.

1. Understand what a building mandate actually does

A building mandate brings multiple short-let apartments within a residential or mixed-use development under one professional operating structure.

Instead of several agencies independently managing units, one operator coordinates the guest and operational journey across the portfolio.

For investors, that can mean:

- One operating system
- One service standard
- One point of accountability
- Coordinated housekeeping and maintenance
- Consistent guest management
- A building-wide approach to revenue

The objective is not to make every apartment identical. It is to make the operation consistent.

2. Replace fragmented operations with one system

Short-let property management is operationally intensive. Reservations, check-ins, housekeeping, inspections, maintenance and guest support all have to work together.

Under a centralised model, these functions can be managed through one coordinated system rather than duplicated across multiple operators.

Investor takeaway

Before appointing a short-let manager, ask:

- Who is accountable when something goes wrong?
- Who controls housekeeping standards?
- How quickly are maintenance issues escalated?
- How are guests managed after hours?

How frequently does the owner receive performance reporting? The management fee matters. The operating infrastructure behind it matters more.



3. Protect the building's reputation and your asset

A guest does not necessarily distinguish between Unit 401 and Unit 702. Their experience often shapes their perception of the entire development.

That means poor cleanliness, disruptive guests or inconsistent service in one apartment can potentially affect the reputation of other short-let investments in the building.

A common operating standard across housekeeping, maintenance and guest relations creates greater consistency while protecting the individual identity of each apartment.

4. Stop competing against your own building

Here lies one of the most important commercial arguments.
When several operators manage comparable apartments in the same development, they may be chasing the same guest at the same time. The result can be unnecessary price competition. A coordinated revenue strategy instead considers:

- Market demand
- Seasonality
- Local events
- Length of stay
- Occupancy
- Available inventory
- Appropriate daily rates

The aim is to optimise occupancy and rates across the portfolio rather than treating every apartment as an isolated listing.

Key insight
The goal isn't simply maximum occupancy.
It's th right occupancy at the right rate.

5. Look beyond the leisure traveller

A resilient short-let strategy should not depend entirely on holidaymakers.

Corporate travellers, relocation clients, international businesses and project teams can provide access to longer stays and potentially reduce guest turnover.

In The City Hospitality Group says its network includes corporate booking agents, relocation companies, international businesses and project teams seeking professionally managed accommodation.

For investors, diversifying the demand base can be as important as diversifying the property portfolio.



6. Make governance easier, not harder

Short-term letting inevitably intersects with building governance. Guest behaviour, security, access procedures and building rules can become contentious when numerous operators are involved.

A building mandate creates a central liaison between short-let operations, owners, trustees and building management, helping align guest activity with the rules and expectations of the development.

7. Developers should think about operations before launch

Perhaps the biggest missed opportunity occurs before the first guest ever checks in. Short-let performance can be influenced during development planning through:

- Market feasibility
- Apartment layouts
- Interior and furnishing packages
- Operational infrastructure
- Rental-pool structures
- Investor positioning

In The City Hospitality Group works with developers during this phase to help optimise projects for short-let performance and off-plan investor appeal.

The Bottom line

A successful short-let investment is not simply a well-located apartment listed on a booking platform. It is an operating business.
The property provides the asset. The mandate provides the structure. Management determines how effectively that structure is executed.



For developers, trustees and investors with multiple short-let units operating within one development, the question therefore becomes: Are you managing individual apartments or building a coordinated hospitality operation?

READY TO REVIEW YOUR SHORT-LET STRATEGY?

5. Look beyond the leisure traveller

Developing a new project, managing multiple short-let apartments or considering a building-wide hospitality mandate?

Speak to In The City Hospitality Group about short-let feasibility, building mandates and professionally managed accommodation solutions.



About the author
Charlene van Zyl is the Sales and Marketing director and property acquisitions manager of ITC Hospitality Group



PROPERTY DEVELOPMENT

Could you become South Africa's next Property Developer?

By Neale Petersen



Part 1

An REI Development Series in partnership with ALSA

The leap from investor or built-environment professional to developer is demanding, but a structured platform can make the journey more achievable.

- **Development demands more than capital: it requires viable land, finance, approvals, construction discipline, sales and reliable professional support.**
- **ALSA's model helps capable investors and built-environment professionals navigate each stage through systems, training and centralised expertise.**
- **The opportunity is substantial, but success depends on feasibility, working capital, disciplined governance and a long-term commitment.**

South Africa does not only need more houses. It needs more capable developers who can turn land, finance, professional expertise and market demand into homes people can afford to buy.

That creates an important question for experienced property investors, architects, quantity surveyors, engineers, construction professionals and entrepreneurs: could your next move be to become a property developer?

Many already understand property, construction or finance, but have never led an entire development. The barriers are real: viable land, proven demand, approvals, capital, construction, buyers and transfers. One weak link can undermine the project.

The opportunity is equally real. South Africa's shortage of well-located, entry-level housing remains substantial. ALSA reports more than 3,500 units under development and a pipeline exceeding 7,700 homes across six provinces.

The answer is not to make development look easy. It is to make the process understandable, structured and repeatable.

From owning property to creating it

Property investment and property development are related, but they are not the same business.

An investor usually buys an existing asset and focuses on income, costs and capital growth. A developer starts earlier: identifying the opportunity, assembling the site, proving demand, securing funding and approvals, delivering the buildings and completing sales and transfers.

That means the developer creates the asset before earning a return from it. The risk is greater, the capital cycle is longer, and the number of moving parts increases sharply. But development also gives capable operators the opportunity to create value rather than merely purchase it.



This is why ALSA's proposition is aimed less at complete beginners and more at people who already bring part of the development equation: professional knowledge, property experience, capital, land, construction capability or entrepreneurial discipline.

Step 1: Know whether development suits you

Before looking for a site, assess whether development matches your skills, resources and temperament. A developer must manage professionals, make decisions under pressure and keep moving through delays.

ALSA has made clear that this is not a get-rich-quick opportunity. Prospective franchisees need an appropriate practical or academic background, sufficient capital, sound values and a long-term outlook.

Its formal onboarding process can take approximately three to six months. Ask what you bring: design, construction, finance, sales, project management, capital or land. Can you lead a team, follow sound governance and learn what you do not yet understand?

Step 2: Start with demand not land

A cheap site is not automatically a development opportunity. The starting point is a clearly defined buyer and a location that supports that buyer's life.

Study incomes, bond affordability, employment nodes, transport, amenities, municipal services and competing supply. Then define the unit size, price, density, parking and operating cost the market can absorb.

Affordable housing only works when it is affordable beyond the purchase price. Rates, levies, electricity and transport costs all affect whether a household can sustain ownership.

ALSA's emphasis on energy-efficient infrastructure, including solar PV, battery storage and centralised heat-pump systems in selected projects, is intended to reduce long-term operating pressure while improving resilience.

Step 3: Test the feasibility before falling in love

Development decisions must be driven by numbers. A proper feasibility study brings the site, product, selling prices, professional fees, statutory charges, construction costs, finance costs, sales costs, contingencies, taxes, timing and expected return into one model.

Stress-test every assumption. What if approvals take longer, construction costs rise or sales slow? How much working capital and presales will the funder require?

This is where many aspiring developers fail: they calculate the visible building cost, but underestimate time, professional work, compliance, marketing, finance and cash needed between milestones. A project should still be viable when realistic setbacks are included.

Step 4: Structure the project for control and funding

Development requires clear ownership, governance and accountability. ALSA's model uses a ring-fenced special-purpose vehicle for each development, separating the project from day-to-day management activities and creating clearer financial flows and risk allocation.

The structure must define land ownership, equity, contracting authority, funding flows, fees and profit distribution. These choices have legal, tax and financing consequences, making independent advice essential.

A clean structure does not guarantee funding, but it makes a project easier for lenders and partners to understand, assess and monitor.

Step 5: Build the right team and approvals pathway

No developer succeeds alone. A project may require architects, engineers, quantity surveyors, town planners, environmental specialists, conveyancers, contractors, sales teams, bond originators and project managers.

The developer coordinates these disciplines around one viable outcome: confirming zoning and title conditions, managing approvals, controlling the programme, procuring construction and maintaining accurate reporting.

ALSA's franchise-led approach is designed to give local developers access to standardised architectural designs, Bills of Quantities, operational manuals, feasibility tools, sales and credit-origination systems, training and central technical, financial and administrative support. Franchisees can also shadow active developments before taking full responsibility for their own projects.

The local operator still has serious work to do - particularly around finding viable sites, driving approvals, managing construction and building local relationships - but does not need to invent every system from scratch.

Step 6: Finance the full journey

Development finance is not simply a larger home loan. Funders assess the land, equity contribution, feasibility, approvals, professional team, contractor, presales, projected cash flow and exit strategy.

Aspiring developers need genuine skin in the game, working capital for early stages and delays, and disciplined cost control. Every variation, late decision and overrun can erode the margin.

The strongest funding application is a thoroughly packaged project: credible demand, controlled land, realistic costs, appropriate approvals, capable delivery partners and a clear route from construction to sale and transfer.

A structured route from interest to development

ALSA's onboarding journey begins with initial engagement and fit assessment. Suitable prospects move through an application, franchise committee review, disclosure and contracting process, followed by training and practical exposure to active developments.

The aim is to identify people with the capability, resources and values to build sustainably. For the right candidate, the platform can reduce the isolation and avoidable trial and error facing first-time developers. It also creates a wider opportunity for landowners.

A person may not want to become a developer but may control a site with residential potential. Connecting viable land, capable local operators, central development systems and appropriate capital can unlock projects that might otherwise remain dormant.



This is the beginning of the journey

Becoming a developer does not happen with a title change or a single workshop. It happens by learning the process, proving one viable project, building a reliable team and developing the discipline to repeat what works.

Over the coming months, Real Estate Investor and ALSA will unpack that journey: financing a first development, finding where housing is needed, testing sites and moving from blueprint to building. We will also document real projects and the people making the transition.

South Africa needs more housing. It needs more credible people capable of building it. For an investor or property professional ready to move from owning assets to creating them, the next question is no longer simply, 'Where should I invest?' It may be, 'What am I ready to develop?'

Explore the ALSA developer opportunity and find out whether you qualify to begin the journey.

CONTACT ALSA FOR MORE INFO

Website: www.alsa.co.za

Contact https://alsa.co.za/#contact

Tel: Juanita de Beer 079-499-5386

Email: juanita@alsa.co.za



OPPORTUNITY
PRIVATE CAPITAL

Built on Disciplined Execution. Trusted by Private Investors.



Opportunity Private Capital is an investment company based in Cape Town. The firm provides access to structured capital investment opportunities, enabling investors to gain exposure to property development projects that are typically not accessible through traditional investment channels. The investment approach is designed to target attractive, risk-adjusted returns, supported by downside mitigation through development assets.

Real Assets. Structured Capital. Disciplined Approach.

www.opportunity.co.za

Opportunity Private Capitals' aim is to provide private investors with alternative portfolio diversification by granting access to targeted residential property development returns, supported by tangible property assets and disciplined capital structures.

Investor Profile

These investment opportunities may be suited to investors seeking:

- Exposure to returns associated with residential property development.
- An alternative to direct property ownership.
- Investment structures supported by underlying property assets.
- Opportunities with an established track record.
- Exposure to developments located in high-demand areas of the Western Cape.

Key Investment Highlights

- Over R600 million in private capital invested.
- Over R1 billion in completed residential project value.
- 28 completed investment cycles across multiple developments.
- Investment activity spanning more than a decade.
- Outcomes achieved across varying market conditions.

R 662 750 264
Total Private Investments

R 1.23 Billion
Total Project Value

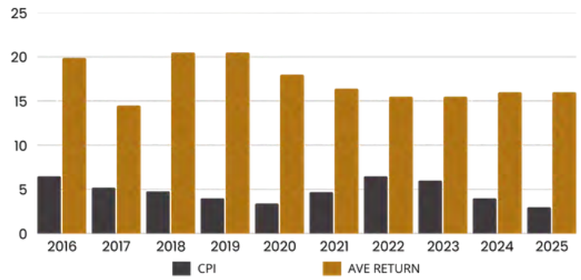
16.3 Months
Ave Investment Timeframe

Key Investment Characteristics

- Targeted returns from 14% to 17% p/a tiered per capital committed.
- Asset-backed downside mitigation.
- Minimum investment from R100,000.
- Targeted investment horizon: 18 - 24 months.

10 YEAR PERFORMANCE

AVERAGE INVESTOR RETURNS vs CPI



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*

Independent Capital Oversight

- Independent Security Trust governance structures.
- Trust oversight of invested capital and safeguarding of investor interests.
- Trust governing the authorisation of capital use and investor repayment.

Current Available Investment: Capital investment in the Somerset Hills Development

This investment opportunity in the Somerset Hills development offers targeted returns of 14%–17% per annum, subject to the level of investment, with a minimum investment of R100,000. The indicative investment horizon is 18–24 months.

Interested in this opportunity? Contact us at invest@opportunity.co.za to find out more.



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PROPERTY PROFESSIONALS

Beyond the Deal: Turning Property Into a Performing Asset

By Neale Petersen



Grove Properties is expanding its specialist divisions around one objective: helping owners, investors and developers extract more value from property.

GROVE PROPERTIES
putting people first

- **Grove is integrating investment sourcing, commercial, residential, hospitality and asset-management expertise around the client's property journey.**
- **Its asset-management approach extends beyond rent collection into portfolio strategy, improvements, maintenance, renovations and identifying underperforming assets.**
- **Strengthened specialist leadership aims to give investors deeper expertise while retaining a single, integrated property relationship.**

Property ownership is changing and so is the service investors need

Buying a property is one transaction. Making that property perform over five, 10 or 20 years is something entirely different.

For investors, developers and business owners, the real work often starts after acquisition: finding and retaining tenants, controlling operating costs, maintaining the asset, managing renovations, monitoring performance, securing finance and deciding when to hold, improve, refinance or sell.

It is this broader property lifecycle that Grove Properties is targeting as it strengthens the leadership of four core divisions:

Commercial Broking & Property Asset Management;
Investor Services & Property Sourcing;
Grove Prestige Furnished Rentals, Hospitality Marketing & Management
Residential Sales & Development.

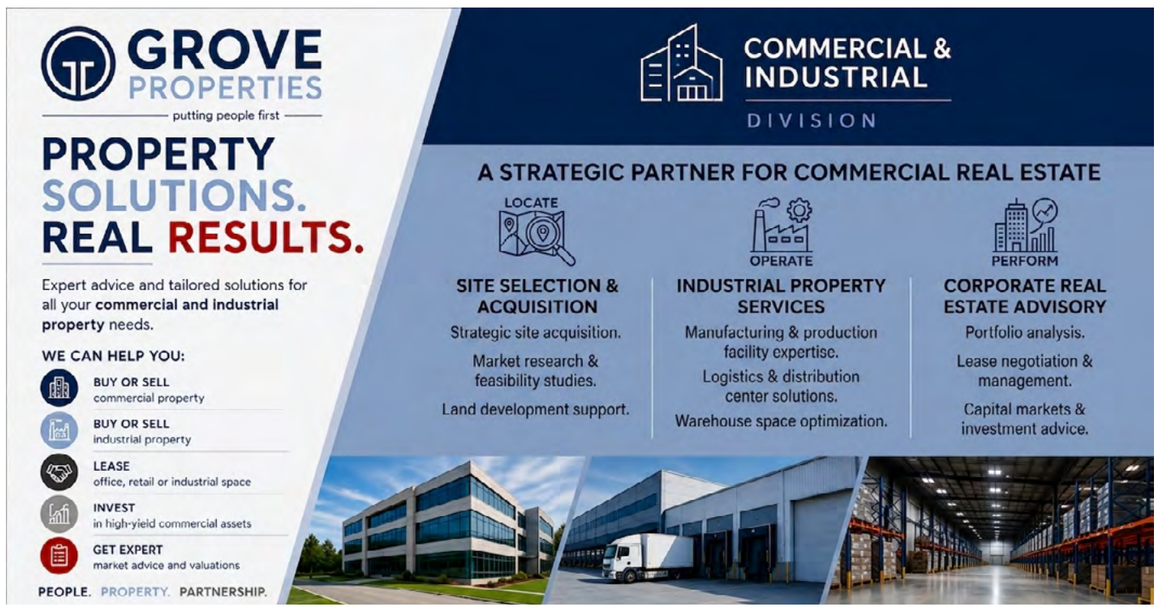
The strategy reflects Grove's evolution from a predominantly investment-focused business into a full-service property company with a wider geographic reach and services aimed at investors, owners, developers and businesses. (groveproperties.co.za)

For founder and principal Jacques Grove, the objective is to make the relationship less about individual property transactions and more about what happens to the client's wealth before, during and after the deal.

"Our focus is not simply on helping clients buy, sell or let property. We want to understand what they are ultimately trying to achieve with the asset and then bring the right expertise around that objective," says Grove.

From property management to asset management

One of the most important distinctions in Grove's expanded model is between simply managing a property and actively managing the asset. Traditional rental management is largely operational: securing tenants, collecting rent, administering leases and dealing with day-to-day issues. Asset management asks bigger questions.



Is the property producing the return it should? Could rental income be improved? Is capital being deployed effectively? Does the property need refurbishment? Is an underperforming asset tying up capital that could earn better returns elsewhere?

Grove's model combines rental management with project management and longer-term portfolio strategy. Its service can include planned maintenance, renovations and fit-outs alongside decisions around unlocking value, disposing of underperforming properties and sourcing additional investments. (groveproperties.co.za)

That integrated approach is particularly relevant as higher operating costs, rates, levies, maintenance and financing expenses put increasing pressure on the difference between gross rental income and actual investor returns.

The company's commercial division in the Western Cape will be led by Chere Redelinghuys, who brings more than 20 years of experience and will also oversee portfolio asset management for commercial clients. In Gauteng, Hendrik Jansen, with more than a decade of industry experience, will lead the growth of Grove's commercial team.

Finding the investment before managing it

The second pillar tackles an equally important investor problem: buying the right asset in the first place.

Led by Andre Esterhuizen, who brings more than 30 years of development, investment and property experience, Grove's Investor Services division is positioned around sourcing opportunities and assessing them against the client's investment objectives.

Grove says its process starts with a needs analysis before properties are sourced, with deal-analysis tools used to evaluate potential acquisitions.

The company can also act on the buyer's side of a transaction and assist with contracting, due diligence and finance before subsequently managing and improving the acquired property. (groveproperties.co.za)

This creates an important distinction for investors. The question isn't simply whether a property looks attractive. It is whether the numbers work.

Rental demand, realistic income, vacancy risk, operating costs, financing, future capital expenditure and exit potential all influence the actual investment case.

Buyer representation can also extend beyond Grove's own listings. Under its buyer-mandate model, the company says it can work across the wider market and collaborate with other property practitioners in sourcing an appropriate asset. (groveproperties.co.za)

Unlocking the furnished and hospitality opportunity

Not every residential investment should be managed in the same way. For properties suited to furnished accommodation and hospitality-driven demand, Grove Prestige Furnished Rentals, Hospitality Marketing & Management, led by Tania Hanslo, gives owners access to a more specialised management proposition.

Hanslo brings more than five years of experience in unlocking value from property, with the division focused on the additional management and marketing requirements associated with furnished accommodation.

The underlying principle remains the same: match the property to the strategy rather than forcing every asset into the same operating model.

A property capable of generating stronger returns through furnished or hospitality-oriented accommodation requires a different approach to positioning, guest or tenant experience, marketing and ongoing management than a conventional long-term rental.

Residential sales and development remain part of the cycle
Grove will continue personally to lead the Residential Sales & Development division.

The development side is another area where the business is positioning itself beyond conventional brokerage.

Its offering includes market research, development-specific sales and marketing strategies and digital marketing, while Grove says its buyer database exceeds 12,000 potential purchasers, including domestic and international investors. (groveproperties.co.za)

The company is also progressing several new projects in Gauteng and the Western Cape, with further details expected to be announced in the coming months.



For developers, the value proposition is therefore not merely to list finished units. It is to use market intelligence, positioning, marketing and an established investor and buyer network to support the commercial performance of the development.

One property relationship across the investment lifecycle
What connects Grove's four divisions is its Portfolio Asset Management capability.

Instead of an investor assembling different service providers for acquisition, leasing, management, refurbishment and eventual disposal, Grove's proposition is to create a more integrated relationship around the portfolio.

The business describes its approach as an "all-in-one" solution, including a single point of contact for investor queries and portfolio optimisation. (groveproperties.co.za)

For property owners, the potential benefit is not simply convenience. It is continuity of information and accountability.

The team sourcing an investment can understand why it was bought. The management team can track how it performs.

Project management can implement improvements where required. Asset management can assess whether those interventions are improving the investment case.

And when the numbers no longer make sense, the conversation can shift from managing the asset to repositioning or disposing of it and redeploying the capital elsewhere.

The value is created after the transaction

That may ultimately be the bigger shift taking place in property services. Investors don't generate wealth simply because they own property. Wealth is created when the right property is acquired at the right price, financed appropriately, managed effectively, improved intelligently and ultimately exited at the right time.

Grove Properties' strengthened divisional structure is designed around that lifecycle rather than a single transaction. As Jacques Grove puts it, the objective is straightforward: help clients maximise wealth through property.

For investors, that changes the relationship with a property company from someone who facilitates the deal into someone expected to help answer a much more important question:

What is this asset doing for my wealth and what can we do to make it perform better?

Explore Grove Properties and its property services



PERSONALISED PROPERTY PORTFOLIO MANAGEMENT STARTS HERE

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RENT & LET

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INVESTMENT
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GROVE PROPERTIES
putting people first

INVESTOR INTELLIGENCE

6 Steps to score a property deal before you buy

DO THE MATHS. BUILD THE WEALTH.

PART 2 OF 6

By Renier Kriek



Great properties can make poor investments. Renier Kriek shows investors how to test the fit, interrogate the numbers, price the risks and know when to walk away.

Property investing has an emotional problem. You see a property online, walk into a viewing or spot something that appears undervalued and immediately start imagining what it could become.

The renovation. The tenant. The rental income. The negotiation. The capital growth. Property is tangible in a way that shares, bonds and many other investments are not. You can walk through it, touch it and imagine owning it. That is part of its attraction.

It is also why investors can fall in love with a property before establishing whether the deal actually makes financial sense.

In Part 1 of this series, I argued that the first asset an investor should analyse is not the property, it is the investor.

Once you understand your objectives, finances, available time and appetite for risk, the next step is developing a repeatable process for evaluating individual opportunities. You don't need a complicated spreadsheet to screen every property. You need a disciplined way of deciding whether a deal deserves deeper analysis.

Here are six steps I use.

STEP 1: MAKE SURE THE PROPERTY FITS THE INVESTOR

Before asking whether a property is a good investment, ask: Is it a good investment for me?

Different investors require different properties. Someone with a demanding career and little spare time should think carefully before buying an investment requiring renovations, furniture, cleaners and constant management of short-term guests.

Someone with construction experience may see opportunity in precisely that type of property.

A retiree needing immediate income should evaluate a property differently from a high-income professional able to absorb temporary negative cash flow while pursuing longer-term capital growth. Start with yourself
Ask:

- **How much cash can I invest without exhausting my liquidity?**
- **How much monthly shortfall could I comfortably absorb?**
- **How stable is my existing income?**
- **How much time can I realistically give this property?**
- **How long can I leave the capital invested?**
- **What level of gearing am I comfortable carrying?**
- **How does tax affect the investment?**
- **Am I looking primarily for income, growth or both?**
- **Does this investment suit my temperament?**

The same property can be an excellent investment for one person and an expensive headache for another.

INVESTOR ACTION
Before analysing the deal, write down your investment strategy in one sentence.

For example: "I want a low-management residential property producing sustainable long-term rental income with limited monthly cash-flow risk."

Now test every potential acquisition against it.

STEP 2: ASK THREE QUESTIONS BEFORE YOU TOUCH THE NUMBERS

Before building a financial model, reduce the investment decision to three questions.

1. Would I want to own this property?

- **This is about the underlying asset. Ask:**
- **Is it in a location where people want to live, work or trade?**
- **Is there sustainable tenant demand?**
- **Is there likely to be resale demand?**
- **Is the building fundamentally sound?**
- **Is the area improving or deteriorating?**
- **Is the property relatively easy to maintain?**

Will there be a broad pool of potential buyers when I eventually exit? Importantly, this does not mean asking whether you personally would live there. Your tenant is not necessarily you.

2. Would I want to own it at this price?

This is where a good property and a good investment can become two different things. A beautiful property can be a poor investment if the asking price already prices in years of future growth.

An ordinary property can become compelling if the price adequately compensates you for its weaknesses. Price changes the investment.

3. Would I still want it when something goes wrong?

Don't test the investment only against the best-case scenario. Assume:

- **A vacancy**
- **A non-paying tenant**
- **An interest-rate increase**
- **A special levy**
- **Unexpected maintenance**
- **Higher rates and taxes**
- **A renovation overrun**
- **A delayed transfer**
- **Lower-than-expected rent**

If a R100,000 renovation becomes R150,000, does the deal survive? If the property only works when everything goes right, it probably doesn't work.

INVESTOR ACTION

Before making an offer, write down three things that could go wrong and calculate whether you could financially survive them.



STEP 3: SCORE THE DEAL OUT OF 30

Now turn judgement into a repeatable process. For an initial screening, score every property from 1 to 5 across six categories.

- 1 = serious concern
- 3 = acceptable
- 5 = unusually strong

That gives you a first-pass score out of 30.

THE 30-POINT PROPERTY DEAL SCORECARD

Factor	What you're testing	Score
FIT	Does it suit your strategy, finances, time and temperament?	/5
PLACE	Does the location have durable tenant and resale demand?	/5
PROPERTY	What are you physically buying and what problems come with it?	/5
INCOME	Is the expected rental income credible and resilient?	/5
PRICE	Does the return justify the purchase price and risks?	/5
PRACTICALITY	Can you finance, manage and execute the strategy?	/5
TOTAL		/30

But don't worship the score. The explanation next to the number is more important.

• Place: 4/5 excellent tenant demand but poor parking. Tells you considerably more than simply: Place: 4/5.

• Similarly: Property: 2/5 attractive purchase price, but the body corporate appears underfunded. It identifies the actual risk. The score creates discipline. The explanation preserves judgement.

INVESTOR ACTION

Create this six-factor scorecard on your phone, spreadsheet or notebook and use the same process for every property you seriously consider.

STEP 4: SEPARATE FACTS FROM THE SALES STORY

Property deals arrive surrounded by stories.

- **"You could easily get R18,000 a month."**
- **"Everyone wants to live here."**
- **"The body corporate is sorting that out."**
- **"They're building a shopping centre nearby."**
- **"Short-term rentals in this area are making a fortune."**

Maybe. But before putting any assumption into your investment calculation, ask: How do I know this?

- **A signed lease is evidence.**
- **Several genuinely comparable rentals are evidence.**
- **Municipal accounts are evidence.**
- **Body corporate financial statements are evidence.**
- **Actual historical operating costs are evidence.**

An agent saying, "You should easily get…" may be useful market intelligence, but it isn't the same thing.

Property investors have a dangerous ability to turn anecdotes into assumptions and then assumptions into cells on a spreadsheet. A precise spreadsheet does not turn a guess into a fact.

INVESTOR ACTION

Beside every important number in your deal analysis, write:
SOURCE: _____
If you cannot fill in that blank with credible evidence, treat the number as an assumption and stress-test it.

STEP 5: PRICE THE RISKS YOU CAN'T SEE

One of my more expensive early lessons came from comparing a fixer-upper in Durbanville with a completed, immediately lettable property in Bellville.

The fixer-upper appeared to be the clever deal. It was cheaper. The defects were visible. And the potential increase in value appeared comfortably greater than the renovation budget.

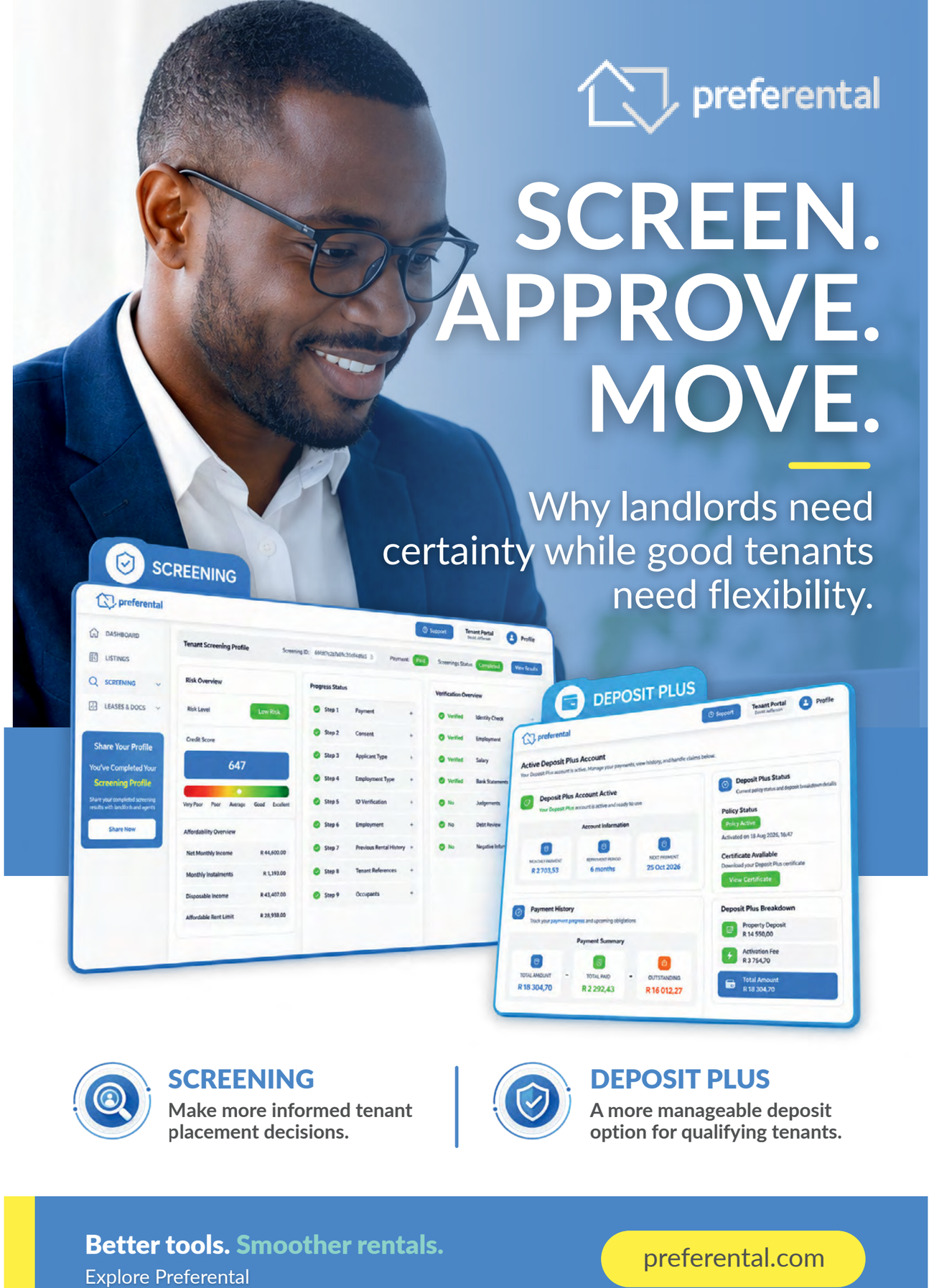
The temptation is obvious: Buy cheaply. Renovate. Unlock the value. Pocket the difference.

What I had not adequately priced was everything surrounding the renovation. The hidden renovation equation. I should have asked: How long will the property produce no rent?

- **What happens if the contractor discovers additional problems?**
- **How much of my own time will the project consume?**
- **What will financing cost while the property produces no income?**
- **Where will the renovation capital come from?**
- **Is the scope of work genuinely complete?**
- **What contingency should be added to the budget?**
- **What if the completed property is worth less than projected?**
- **What return am I demanding for taking the additional execution risk?**

The completed property looked less exciting because there was less obvious value to unlock. In retrospect, that was partly its virtue.
Had both properties been scored using the same process, the fixer-upper might still have won, but only after lost rent, financing costs, execution risk and my own lack of experience had been priced into the decision.

INVESTOR ACTION
For any renovation or value-add investment, calculate: Purchase price + transaction costs + renovation + financing costs + lost rent + contingency + your time = true investment cost.
Only then calculate the potential return.



STEP 6: CHANGE THE DEAL - OR WALK AWAY

This may be the most valuable lesson of all: A poor score doesn't necessarily mean it's a poor property. Sometimes the deal is wrong. Consider a property offered at R1.8 million. Perhaps it scores only 19/30 because the roof needs work and the initial yield does not compensate for the capital required.

At R1.6 million, with the seller repairing the roof, perhaps it scores 23/30. At R1.5 million, perhaps it becomes genuinely compelling.
The property hasn't changed. The transaction has. Investors often treat the asking price as though it were fixed. It isn't.
The variables you may be able to negotiate include:

- Purchase price
- Repairs
- Occupation date
- Occupational rent
- Existing lease arrangements
- Deposits
- Fixtures
- Conditions precedent
- Timing
- Sometimes financing

A scorecard shouldn't merely tell you whether to say yes or no. It can tell you: "Not at these terms." That is extremely valuable information.



INVESTOR ACTION
When a property fails your scorecard, identify the two or three things that would have to change for the investment to become attractive.

Then negotiate those variables. If they cannot be changed, walk away.
KNOW YOUR OWN INVESTMENT BLIND SPOT
Different investors make different mistakes.

- **THE OPTIMIST**
Be suspicious of aggressive rental forecasts, renovation budgets and capital-growth assumptions.
- **THE BARGAIN HUNTER**
Remember that cheap property is often cheap for a reason.
- **THE PERFECTIONIST**
Don't reject a financially sound investment because of cosmetic defects that can be fixed economically.
- **THE SPREADSHEET INVESTOR**
Not everything valuable fits neatly into Excel. A good street, natural light, sensible proportions, parking and general desirability can materially affect tenant and resale demand.
- **THE ENTREPRENEUR**
Don't underestimate how much time "one small project" will consume.
- **THE PASSIVE INVESTOR**
Be careful not to buy an operating business disguised as passive property investment.

Short-term rentals, student accommodation and rent-to-rent strategies may be excellent businesses. But they are still businesses requiring execution.

The useful question isn't simply: What type of investor am I?
It is: What kind of mistake am I naturally inclined to make?
Build your investment process around protecting yourself from it.

THE FINAL RULE: KNOW WHEN TO STOP

Property transactions develop emotional momentum remarkably quickly.

- You've attended the viewing.
- Your partner likes the property.
- You've spoken to the bank.
- The agent says another offer is coming.
- You've spent three evenings analysing it.
- You're already imagining the new kitchen.

None of those things improves the investment. The money and time spent investigating a bad deal are cheaper to lose than the money you could spend owning the wrong property for years.

That is one of the most useful functions of a repeatable scoring process. It gives you permission to stop before emotional momentum becomes financial commitment.

Experienced investors often appear to make decisions quickly because years of experience have compressed their analysis into instinct. Until you have accumulated that experience, a scorecard gives you discipline. Use it repeatedly. Say no repeatedly.

And eventually, when the property, price, income, risk and your own strategy align, you will have much greater confidence saying: Yes. This deal deserves deeper analysis. The goal isn't to eliminate instinct from property investing. It is to train it.

Score the property. Challenge the assumptions. Price the risks. Change the deal if you can. And have the discipline to walk away when the numbers don't work.

Because successful property investing isn't about finding a reason to buy. It's about developing a process that prevents you from buying for the wrong reasons.

In Part 3, the series can move from first-pass deal screening into the deeper financial analysis required before capital is committed.

ABOUT SENTINEL HOMES
Sentinel Homes provides an alternative to traditional mortgage bond finance through instalment-sale home finance and is a registered credit provider (NCRCP8067). (Sentinel Homes)

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INVESTING

Two strategies, one goal: Building generational wealth

By Jaco Grobbelaar



Two experienced investors prove that there is no single route to property wealth. The real advantage lies in choosing a strategy, mastering it and building for the next generation.



Two investors, two routes to the same destination.

Put two experienced property investors around a table and an important truth quickly emerges: successful investors do not always agree.

Albert van Wyk and I have both built substantial property portfolios. We share a belief in property as a long-term wealth-building vehicle, use multi-let strategies and place financial education at the centre of every decision. Yet our methods are markedly different.

Albert favours full-title properties and looks for strong positive cash flow from each asset. I invest predominantly in sectional-title properties and may accept a smaller return from an individual unit when the model can be repeated efficiently at scale. We also approach leverage from different angles.

The lesson is not that one of us has found the perfect formula. It is that successful investors understand the fundamentals, select a model suited to their market and strengths, and then execute it consistently.

Why property remains a powerful wealth-building vehicle

Albert starts with the tangible nature of property: land, bricks, cement and labour. Construction costs tend to rise over time, giving well-selected existing property an underlying replacement value. Property can also provide a measure of protection against the long-term erosion of purchasing power.

For me, the defining advantage is leverage. Unlike many investments, property can allow you to use responsible bank funding to control an asset worth substantially more than your initial capital contribution. you have accumulated that experience, a scorecard gives you discipline. Use it repeatedly. Say no repeatedly.

Imagine investing R200,000 in improvements to a R2 million property financed largely by a bank. Your contribution may be R200,000, but your decisions influence the income and potential appreciation of the entire R2 million asset.

Used intelligently, leverage can accelerate wealth creation. Used carelessly, it magnifies losses, vacancies and interest-rate pressure. The debt must always be supported by realistic income and adequate reserves.

The long-term demand case is equally straightforward: people need places to live. Population growth and urbanisation will continue creating housing demand, but demand is never uniform. Investors still need to understand affordability, location, transport, employment, safety and the type of accommodation tenants can sustain.



The seven-step roadmap to generational property wealth

Different strategies can succeed when they rest on sound principles. Use these seven steps to build a portfolio that can survive cycles and compound over time.

Step 1: Define the destination before choosing the deal

Start with the life and legacy you want the portfolio to support. Are you building monthly income, long-term equity, a retirement asset base, an inheritance for your children, or a combination of these?

Then translate that goal into numbers: the required monthly net income, target portfolio value, time horizon, acceptable debt level and cash reserve. A property is only a good investment when it advances that wider plan.

Ask yourself: Where do I want to be in 20 years? What must the portfolio produce by then? How much risk can my household and business genuinely absorb?

Step 2: Build the structure before you scale

One of the most expensive mistakes is to accumulate assets first and consider ownership, tax and estate planning only when the portfolio has become difficult to restructure.

Albert initially acquired five properties personally before changing his approach. Once suitable entities had been established, expanding the portfolio became easier to manage. His experience underlines a basic principle: your structure is the foundation of your portfolio.

At Prosperity Enterprises, a structure we commonly consider involves a family trust and a holding trust that holds shares in a property company. That is not a universal prescription. The appropriate structure depends on the investor's family position, financing needs, tax exposure, estate plan and risk profile.

Before buying at scale, obtain independent legal, tax, accounting and estate-planning advice. Consider asset protection, succession, administration costs, lender requirements and the tax consequences of both income and future disposals. Trusts are not only for people who are already wealthy; they deserve consideration from people who intend to build wealth.

Step 3: Protect your borrowing capacity

Investors often maximise their personal affordability on the first one or two purchases. The properties may look affordable individually, but together they consume all available lending capacity and stop the portfolio from growing.

Stress-test every acquisition before signing. Model higher interest rates, a period of vacancy, maintenance shocks, municipal increases and slower rental growth. Do not treat the bank's maximum approval as your investment budget.

Track loan-to-value, monthly surplus, cash reserves and total exposure across the portfolio. The objective is not to acquire as much debt as possible. It is to use sustainable debt to control productive assets without placing the entire portfolio under strain.

Step 4: Develop a home-field advantage

Investors frequently ask us, "Where are you buying?" It is usually the wrong first question. Albert calls his approach home-field advantage. He focuses on specific parts of Pretoria and understands the differences between suburbs, streets and even sections of the same street. He knows pedestrian movement, traffic, crime considerations, parks, amenities, tenant preferences and realistic values.

I apply the same principle in Johannesburg's northern suburbs. I know the employment nodes, transport routes, complexes, levies, rental demand and the pockets where a deal is more likely to perform.

Concentration also creates operational efficiencies. Agents can show several units in one trip. Maintenance teams travel shorter distances. Contractors learn the portfolio, and management becomes faster and less expensive.

Do not chase somebody else's hotspot. Choose a manageable area and study actual listings, achieved rentals, vacancies, levies, municipal charges, planned supply and tenant demand until you can recognise value quickly.

Step 5: Choose your engine for growth

A portfolio generally scales through one or both of two engines: cash flow and capital growth.

Strong rental yield produces cash that can service debt, fund reserves, pay for maintenance and support future acquisitions. Capital growth builds equity. Investors can accelerate that process by buying below value, renovating, adding accommodation or improving operations, subject to legal and municipal approval.

The ideal investment can deliver elements of both, but investors should know which engine carries the strategy. A high-growth property with weak cash flow can place sustained pressure on monthly finances. A high-yield property in a deteriorating location may produce income while losing long-term desirability.

Model the numbers honestly. Use achievable rent, allow for vacancies and management, include maintenance and compliance costs, and calculate both gross and net returns. A deal should work on evidence, not optimism.

Step 6: Turn the strategy into a repeatable system

Albert's full-title strategy offers flexibility. A three-bedroom house may be reconfigured into additional accommodation; garages may sometimes be converted; and unused land may create development potential, provided zoning, building regulations, title conditions and other approvals permit it.

My sectional-title approach is built around scalability. I can acquire similar two-bedroom townhouses, convert appropriate units into three-bedroom configurations, furnish them for a multi-let model and repeat the process. Instead of reinventing the investment every time, I refine a production system.

Albert's method is closer to building distinctive vehicles one at a time. Mine resembles a production line. Neither is inherently superior. One prioritises flexibility and value creation; the other prioritises standardisation and repeatability.

Document your own acquisition criteria, due-diligence checklist, renovation specification, tenant profile, letting process, maintenance standards and monthly reporting. A portfolio becomes scalable when sound decisions no longer depend on memory or improvisation.

Step 7: Review, adapt and reinvest

One of Albert's biggest influences on my portfolio has been room rentals. I had pursued another strategy that initially appeared promising but did not perform as market and economic conditions changed.

Instead of defending a failing assumption, I adapted. I applied lessons from Albert's room-rental model to suitable sectional-title properties and improved their rental performance.

Three mistakes that prevent investors from scaling

Albert repeatedly sees three traps: exhausting personal affordability too early, buying in the wrong ownership structure and acquiring cash-flow-negative property without a clear and adequately funded reason. A negative-cash-flow asset is not automatically a bad investment, but the shortfall must be deliberate, affordable and justified by a credible value-creation or growth thesis. If every acquisition needs an increasing salary subsidy, a larger portfolio may simply produce a larger financial problem.

Before the next purchase, ask: Does this asset strengthen or weaken monthly cash flow? What happens during vacancy? Is the ownership structure still appropriate? Will this deal preserve the capacity to act when the next opportunity appears?

The strategy comparison

Factor	Albert's approach	Jaco's approach
Primary asset	Full-title properties	Predominantly sectional title
Core advantage	Flexibility to reconfigure, add space or develop where approvals allow	Standardised acquisitions and a repeatable multi-let conversion model
Operating model	Bespoke value creation	Production-line consistency
Shared discipline	Local knowledge, responsible leverage, education and long-term execution	Local knowledge, responsible leverage, education and long-term execution

Property is a long game

Property is not a get-rich-quick scheme. Chasing the latest suburb, fashionable strategy or extraordinary advertised yield is speculation when it is not supported by disciplined research.

The more useful question is where you want to be 20, 30 or 50 years from now. Build an appropriate structure. Understand the finance. Acquire cash-generating or value-creating assets. Master your market. Develop systems. Maintain reserves.

Reinvest. Protect what you create.
Most importantly, keep learning. Property education is not a side issue; it is one of the highest-return investments you can make. The greatest asset in your portfolio is not the first property you buy. It is the knowledge that helps you buy, manage and protect the next 10, 20 or 100 wisely.

Albert and I may take different roads, but our destination is the same: build assets, cash flow and knowledge - and ultimately create wealth capable of outliving us.



WEALTH

Put your property equity to work, with purpose



By Gerhard van der Westhuizen

Your property may hold untapped capital. The question is whether that equity should stay where it is or be strategically deployed to build income, growth and impact.

Your property may be holding more capital than you think. If you hired someone, gave them no responsibilities and allowed them to sit idle every day, you would quickly question why you were paying them. Capital deserves the same scrutiny.

For many South African property owners, significant wealth may already be sitting inside their existing real estate portfolio in the form of equity.

The question is not simply how much equity do you have? It is: What job is that capital doing for you?

Capital may have different purposes at different stages of an investor's journey. Some should provide liquidity. Some may need to reduce debt. Some may be deployed to generate income or acquire additional assets. And some should remain untouched as a buffer against risk.

The principle is not to invest every available rand. It is to ensure that every rand has a defined purpose.

1. Give your capital a job

Property owners should start by looking at their existing balance sheet and identifying what each part of their capital is meant to achieve. Available equity or access-bond capacity can potentially form part of a broader investment strategy, but only after the risks and costs have been properly assessed.

Before deploying equity, ask:

- How much equity is actually available?
- What will it cost to access that capital?
- Can existing cash flow comfortably service additional finance?
- What return would the new investment need to generate?
- What happens if that return is delayed?
- How much liquidity should remain available?
- Am I increasing the risk attached to an existing property?
- Does the opportunity fit my overall investment strategy?

Investor action: Never unlock equity simply because it is available. Give the capital a specific investment objective first.

2. Think about capital recycling

One way investors can potentially make capital work harder is through capital recycling.

Rather than capital being deployed once and remaining locked into a single investment indefinitely, the principle is to put capital into an opportunity, realise the return according to the transaction terms and then consider redeploying the proceeds.

Over time, disciplined reinvestment can contribute towards compounding wealth. But there is an important qualification: Every new transaction still needs to stand on its own merits.

A successful previous investment does not automatically make the next opportunity a good one. Capital recycling should therefore consider:

- Expected return
- Investment period
- Cash-flow requirements
- Security
- Exit mechanism
- Transaction-specific risks
- Portfolio concentration
- The investor's ability to absorb a loss or delay

Investor action: Measure the performance of each deployment of capital rather than simply the growth of your overall portfolio.



3. Consider co-investment rather than owning everything yourself

Direct property ownership can require substantial capital and considerable hands-on involvement. Wealth Assist's Deal Portion model takes a different approach.

Deal Portions are structured as co-investments in selected property-backed transactions. Qualifying investors can participate proportionally rather than necessarily funding or acquiring an entire property themselves.

This potentially enables investors to spread available capital across more than one opportunity while reducing the amount committed to an individual transaction.

The model is designed around:

- Selected property-backed transactions
- Proportional investor participation
- Transaction-specific legal agreements
- Professional coordination
- Due diligence and administration
- Defined investment terms
- Documented security arrangements
- Defined exit mechanisms
- Diversification can help reduce concentration risk, but it does not remove investment risk.

Investor action: Understand exactly what you are investing in. A co-investment should be assessed with the same discipline as purchasing an entire property.

4. Know the transaction before committing

Every Deal Portion relates to a specific property transaction rather than a generic pool of property investments. That distinction matters.

Before committing capital, investors receive the relevant transaction information and contractual documentation setting out factors such as:

- Required investment amount
- Investment term
- Proposed return
- Security arrangements
- Key risks
- Exit mechanism
- Applicable contractual conditions

The objective is to enable an investor to assess the actual transaction rather than simply buying into a broad investment concept.

Investor action: Don't invest because the structure sounds attractive. Invest only after the underlying transaction, numbers, security and exit



5. Understand what the security actually means

One feature of applicable Deal Portion transactions is a proposed pro-rata cession of rights in a covering mortgage bond registered over the identified property.

The investor's proportional cession forms part of the transaction's security arrangements. This is intended to provide a more clearly documented security position.

But investors should understand an important distinction: Security reduces certain risks. It does not eliminate investment risk or guarantee a return. The quality and economics of the underlying transaction remain fundamental.

Investors should therefore establish:

- What property supports the transaction?
- What is its value?
- What security is actually being provided?
- Where does the investor rank?
- What happens if the transaction does not perform as expected?
- How would the security be enforced?
- What is the intended exit?

Investor action: Never treat the word "secured" as a substitute for due diligence.

6. Property exposure without managing every detail

Traditional private property investment can involve considerable administration. Finding and assessing the property may be only the beginning.

Investors can also face negotiations, attorneys, contracts, conditions precedent, property management, documentation, monitoring and eventually the exit.

Under the Deal Portion model, professional partners coordinate much of this process, including due diligence, legal agreements, security arrangements, administration, monitoring and communication. Transactions are also considered through a risk committee before capital is committed.



For applicable income-focused arrangements, tenant rental warranties may also form part of a transaction, subject to the specific terms, exclusions and obligations.

This can create a comparatively hands-off investment experience. But hands-off should never mean eyes-off. Investors remain responsible for understanding where their money is going and the risks they are accepting.

7. Measure financial return and impact

Investment performance will always matter, but Wealth Assist argues that investors can consider a second measure alongside financial return: impact return.

Some of the underlying property transactions are intended to address financial distress experienced by property owners.

Depending on individual circumstances, a transaction may help an owner:

- Prevent an auction
- Address urgent arrears
- Unlock property equity
- Reorganise debt
- Create time to resolve financial difficulties
- Repurchase a property where applicable
- Sell through a more orderly process

The model therefore seeks a dual outcome: an appropriate risk-adjusted financial return for the investor alongside a measurable impact on a property owner experiencing financial pressure.

Importantly, impact should not replace investment discipline. A transaction must still make financial sense.

8. Know what this investment is and what it isn't

Deal Portions should not be confused with a conventional listed property investment, unit trust, collective investment scheme or publicly accessible property fund.

Each opportunity is considered separately and remains subject to its own transaction documentation, investor suitability requirements, applicable legislation and completion of the necessary legal and compliance processes. That makes transaction-specific due diligence particularly important.

Investor action: Understand the legal structure, underlying property, counterparties, proposed return, security and exit before committing capital.

The bottom line

Every rand needs a purpose. Property wealth is not measured only by how many properties you own. It is ultimately measured by what your capital achieves for you.

At different stages of life, that purpose may be growth, income, liquidity, capital preservation, financial independence or building assets for the next generation.

The objective should not be to keep capital constantly moving simply for the sake of activity. It should be to allocate capital deliberately. Review the equity sitting inside your portfolio. Understand what it is costing you. Decide what role it should play. Compare that against other opportunities. Protect sufficient liquidity. Assess the downside.

And only then decide whether that capital should remain where it is or be put to work elsewhere. Because the principle remains simple: Don't give every rand an investment. Give every rand a job.

WEALTH ASSIST
Creating wealth through real estate impact investing
To learn more about Wealth Assist and its property investment opportunities:

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Community Schemes

PROPERTY MANAGEMENT

Innovation that moves
Community Management forward





WeconnectU™



There is no shortage of new technology entering the property industry. New tools, new features and, increasingly, new applications for AI are expanding what businesses can do.

But more technology doesn't automatically mean better Community Management.

At WeconnectU, we've learnt the real measure of innovation is not how much new functionality you create, but how meaningfully it improves the way people work. Does it remove friction? Improve collaboration? Make good practice easier to repeat? Give professionals more capacity to apply their judgement where it matters?

Those are the questions that shape the way we innovate - because progress, for us, means solving real industry challenges in ways that move Community Management forward.

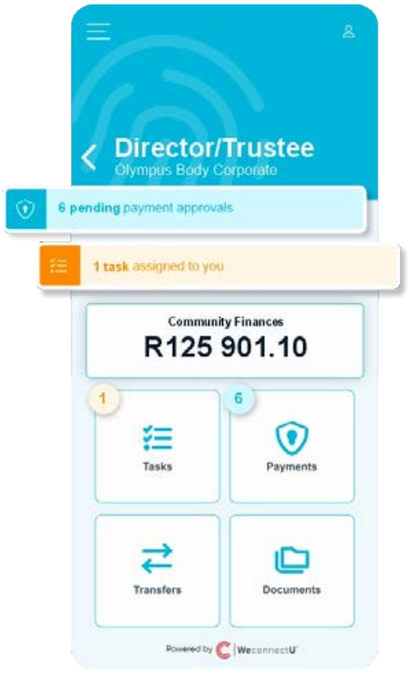
Start with the work, not the feature

Every improvement and innovation we develop has its roots in the operational realities of Community Management.

Where is time being lost? Why does work remain reactive? Where do handovers create friction? Why can a process work brilliantly in the hands of one experienced person, but become difficult to replicate across a growing team?

The answers often reveal opportunities to improve the way work gets done by looking at the people, processes and information involved, and where better connections could create better outcomes.

That bigger-picture view guides our development: solving immediate challenges while strengthening the wider Community Management ecosystem.



Innovation builds on innovation

We can see that progression clearly in two of our most recent developments. Our Community App addressed a familiar challenge: too much interaction between Community Managers, trustees and owners was happening through fragmented channels.

Approvals, requests, documents and decisions could become buried in email and WhatsApp conversations, leaving Community Managers to connect the dots and chase progress.

By bringing these interactions into structured workflows, our Community App gave trustees and owners clearer visibility and more direct ways to participate – all while making the Community Manager's strategic contributions more visible.

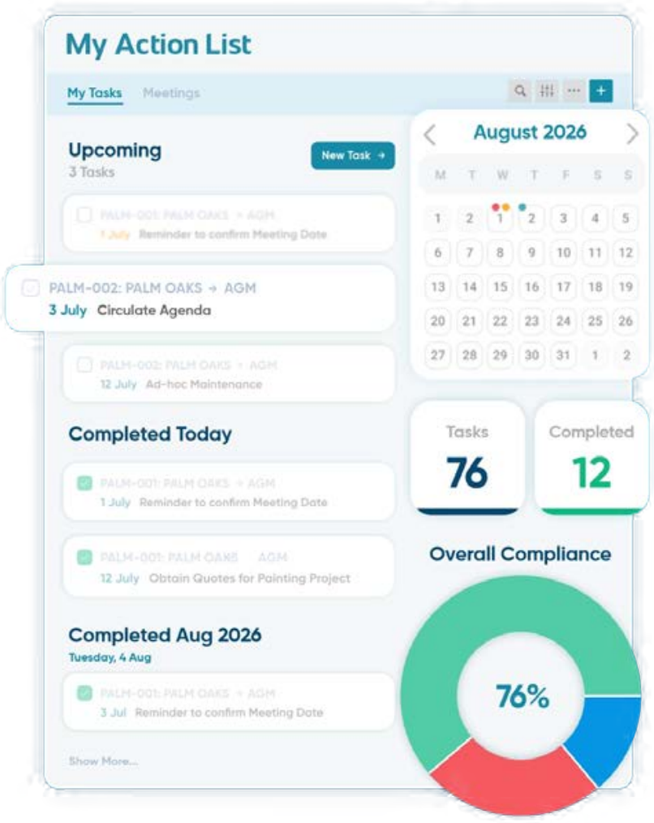
But Community Management doesn't happen between Community Managers and their clients alone. Behind every well-managed community sits a wider team spanning Finance, Operations, Compliance and other specialist functions.

Connecting trustees and owners to the workflow was an important step, but it also highlighted our next opportunity – strengthening the connections within the Community Management business itself.

From individual effort to business-wide value

Many Community Management businesses already have excellent processes and experienced people who know exactly what good service requires.

The challenge is that too much of that best practice can depend on those people remembering what needs to happen, when it needs to happen and who needs to be involved.



As teams and portfolios grow, that dependence becomes harder to sustain. A busy Community Manager, a departmental handover or a change in personnel can interrupt a process that worked perfectly when the right person was there to drive it.

The opportunity behind our Next Generation of Tasks was therefore bigger than improving task management. It was to help shift responsibility for carrying the process from people to the process itself. Connected workflows can carry the sequence, timing, ownership and context of the work, allowing Community Managers, Finance, Operations and Compliance to focus on executing their responsibilities rather than continually coordinating what happens next.

Accountability remains with people, but the process no longer has to live in their heads. That creates value across the business. Service standards become easier to repeat across teams and communities. Handovers become more reliable. Leadership gains greater visibility into progress and risk. And businesses can grow without becoming increasingly dependent on a handful of experienced individuals to hold everything together.

Building for what comes next

Structuring work more effectively has another important consequence: the information created by that work becomes more structured too. Over time, those connected workflows build a clearer, more current picture of what is happening across the business – creating a stronger foundation for better decisions today and the technologies that will support them tomorrow.

This is where AI enters the picture. For AI to deliver meaningful efficiencies through automation, prioritisation, recommendations or intelligence, it needs reliable context. Clearly defined workflows, consistent execution, accountability and structured, current data all become critical. That's why we see AI readiness as more than adopting an AI tool. Businesses still managing significant parts of their work across disconnected tools may first need to address the workflow and data foundation beneath them.

The Community App and Next Generation of Tasks are helping create that AI-ready foundation – delivering greater visibility, consistency and collaboration now, while preparing the ecosystem for deeper AI-enabled efficiencies in the future.

More capacity for what matters

Ultimately, innovation is only valuable if it improves outcomes for people.

For Community Managers, that means reducing the attention consumed by coordination, follow-ups and information gathering, creating greater capacity for the work where their professional expertise matters most: governance guidance, financial stewardship, risk management, compliance oversight, stakeholder relationships and proactive advice.

This is how technology supports the progression towards Community Asset Management. It doesn't replace professional judgement; it creates more room for that judgement to be applied.

Our mission

Our mission has always been to create more valued and valuable Property Managers.

Every innovation is another step towards that goal – giving Community Managers and their teams better ways to work together, deliver consistently and focus their expertise where it creates the greatest value.

The Community App and the Next Generation of Tasks are the latest steps in that journey. But they're also part of something bigger.

As Community Management evolves, so will the opportunities to work smarter, collaborate better and use technology and AI to strengthen the contribution of the professionals at the heart of this industry.

Our role is to keep listening, learning and innovating alongside them – ***solving what matters today*** while building purposefully for what comes next.

Book a Demo

WeconnectU™

STUDENT ACCOMMODATION

The NSFAS cap is changing. Are your numbers ready?

By Retha van Rooyen



Parliament's student housing debate could reshape how accommodation is funded. For investors, the real issue is no longer the cap alone, but what actually reaches your bank account.

For student accommodation investors, one number can have an outsized impact on an entire investment model: the NSFAS accommodation allowance.

But the debate around that number may be entering a fundamentally different phase.

At a parliamentary colloquium on student accommodation, the Department of Higher Education and Training argued that the accommodation cap should be "reconceptualised" to reflect the realities and costs of different forms of accommodation.

Universities South Africa argued that a single national cap is neither suitable nor realistic. Student representatives proposed differentiated tariffs based on location, quality and services. The PPRA called for an evidence-based review recognising regional cost differences.

For investors, the direction of travel is important: A one-size-fits-all student accommodation cap is increasingly difficult to defend. But that does not necessarily mean landlords should simply expect a higher number.

1. First understand what could actually change

One of the most significant developments came from NSFAS itself. According to my analysis of the parliamentary proceedings, NSFAS disclosed that its legal review indicates the NSFAS Act probably empowers it to determine accreditation conditions, where funded students may live and the allowance it pays, but may not empower it to prescribe the price a private accommodation provider charges. That distinction matters.

PRICE CAP vs FUNDING FORMULA

A price cap says:
This is what accommodation may cost.
A funding formula says:
This is what NSFAS will contribute towards qualifying accommodation.

If the latter interpretation prevails, the debate shifts away from simply choosing a national number and towards establishing a defensible methodology for calculating student accommodation funding.

For landlords, that makes understanding your actual cost per bed increasingly important.For landlords, that makes understanding your actual cost per bed increasingly important.



2. The numbers show why the model is under pressure

Private-sector providers presented Parliament with evidence arguing that current economics are becoming increasingly difficult. According to the Private Student Housing Association's submission:

- A compliant new-build bed costs approximately R326,300 to develop.
- Its model indicates approximately R65,000 per bed annually is required.
- This compares with an annual cap of approximately R52,000.
- That represents a claimed viability gap of roughly 25%.
- New-bed delivery has reportedly fallen from 17,489 beds in 2023 to fewer than 4,000 annually.

These figures require an important qualification: they are provider-supplied models and have not been independently audited by the author. But they illustrate the investment problem clearly.

If development costs, finance, utilities, security, maintenance and operating expenses rise faster than the accommodation allowance, new supply eventually becomes financially unviable.

3. R22.4 billion shows the scale of the market

This is no longer a niche accommodation category. NSFAS told Parliament that its 2026 accommodation expenditure amounts to:

R18.83 billion for university students
R3.52 billion for TVET students
R22.4 billion Total in 2026
That compares with **R15.6 billion** in 2023.

For property investors, those numbers demonstrate both the scale of demand and the degree to which the sector is exposed to public funding policy. That creates opportunity, but also policy, payment and operational risk.

4. Don't model your return on the headline cap

This may be the most important lesson for investors. Retha argues that the published cap itself is not necessarily the number that matters most.

What matters is: How much of the published accommodation allowance actually reaches your bank account?

Deductions, payment processes, institutional arrangements and operational costs can create a material difference between the headline tariff and an owner's effective income.

So don't build your feasibility study around:
CAP × NUMBER OF BEDS = REVENUE.

Instead calculate:
FUNDED RATE on deductions, vacancies, operating costs, management costs, maintenance, utilities, finance costs

= ACTUAL INVESTOR CASH FLOW
That final number is what determines whether the investment works.

5. Know your true cost per bed

If future accommodation funding becomes more differentiated and evidence-based, landlords who understand their own numbers will be in a stronger position.

Retha's own analysis across eight properties calculates a measured cost to serve of R1,622 per bed per month.

She also tested a formula using developers' submitted numbers and arrived at R64,709 annually, compared with their stated requirement of R65,273, a difference of just 0.86%.

Whether those numbers ultimately become relevant to official policy remains uncertain.

The investment lesson, however, is already relevant: Know these numbers for every bed you own

- Gross annual accommodation income
- Effective amount actually received
- Utilities per bed
- Security costs
- Maintenance
- Wi-Fi and connectivity
- Cleaning and common-area costs
- Management costs
- Finance costs
- Vacancy and bad-debt assumptions
- Net operating income per bed

If you don't know what one occupied bed costs you to operate, you don't fully know your investment.

6. Location could become even more important

A differentiated funding system could also change how investors assess geography. Operating and development costs in Johannesburg, Cape Town, Bloemfontein, Mthatha or Potchefstroom are not identical. Neither are land values, construction costs, transport requirements, demand patterns or achievable alternative rentals.

Retha highlights a particular problem outside major metros: if revenue is discounted by 18% while operating and development costs are not 18% lower, new development can become commercially unattractive in precisely the locations where accommodation shortages may be greatest.

For investors, this means location analysis must go beyond student numbers. Ask whether the funded rental economics work in that specific market.



7. What should investors do now?

There are still important unknowns. At the time of Retha's analysis, the final structure of a reconceptualised cap, outstanding 2026 rates and the outcome of the Competition Commission investigation were unresolved.

So don't speculate. Stress-test. Before acquiring, developing or refinancing student accommodation:

1. Calculate your real cost per bed.
2. Reconcile what was billed against what was actually paid.
3. Identify every deduction from gross accommodation income.
4. Model different funded-rate scenarios.
5. Stress-test higher utilities and operating costs.
6. Don't assume every location deserves the same economics.
7. Run the numbers before committing to your 2027 intake.

THE INVESTOR BOTTOM LINE

The student accommodation debate is moving beyond one politically determined number. That is potentially positive, but it also raises the standard of analysis required from investors.

The winners will not necessarily be the landlords receiving the highest nominal tariff. They will be those who know what each bed costs, what each bed earns, what actually reaches their bank account and what happens to their return when any of those assumptions change.



STUDENT ACCOMMODATION

Student accommodation remains a compelling property sector because the underlying need for accommodation is substantial. But demand does not automatically equal investment viability. The numbers still have to work.

INVESTOR ACTION
KNOW YOUR NUMBER BEFORE YOU BUY
Already own or considering investing in student accommodation? Before buying another bed, developing another building or signing for the 2027 intake, calculate your true net income per bed, not simply the advertised NSFAS allowance.

Retha van Rooyen runs My Student House, managing student accommodation across Cape Town, Johannesburg, Gqeberha, Potchefstroom and Bloemfontein.

UNDERSTAND THE NUMBERS NEW STUDENT HOUSING RESEARCH

DOWNLOAD FREE REPORT
https://www.rethavanrooyen.com/monitor

South African Student Accommodation Monitor 2026: The Beds, The Money, and The Gap
Access the new investor-focused research covering demand, supply, NSFAS funding, rents, costs, returns, locations and investment risk.

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Student Housing 2026 - The Data Behind the Investment Gap
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Student Accommodation in South Africa - The Investor's Guide
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RETAIL

SA Retail's new consumer: Value, but not at any cost

By Neale Petersen



Clur's Q2 2026 Index reveals a resilient but more selective shopper, changing where money is spent, which centres outperform and how landlords must respond.

The South African shopping-centre consumer hasn't disappeared. They have become harder to win.

That is arguably the most important message emerging from the Q2 2026 Clur Shopping Centre Index, which shows a retail-property sector that remains resilient, but where trading-density and rental growth have slipped behind inflation.

THE Q2 NUMBERS AT A GLANCE

- R43,612/m² national annualised trading density
- +4.6% trading-density growth year-on-year
- 5.1% super-regional trading-density growth
- R53,643/m² super-regional trading density
- R248.69/m² national base rental
- +4.8% national base-rental growth
- 6.6% national base rent-to-sales ratio
- 5.0% Gauteng trading-density growth
- R50,629/m² Western Cape trading density
- 5.6% community and smaller-centre rental growth

The Index covers more than 5.4 million square metres of shopping-centre space across listed and unlisted property funds in South Africa and Namibia, making it an important barometer of both retail-property performance and changing consumer behaviour.

For investors, landlords and retailers, the question is therefore no longer simply whether consumers are spending. It is what they are spending on, where they are spending it, and what they now expect in return for every rand.

1. Retail is growing but inflation has caught up

The national Clur Index for All Centres closed Q2 2026 at an annualised trading density of R43,612/m², representing year-on-year growth of 4.6%. That remains positive.

But June CPI reached 5%, meaning trading-density growth finished the quarter 0.4 percentage points below inflation. May was also significant: it was the first month since September 2024 in which trading-density growth had underperformed CPI.

Belinda Clur, founder of the Clur Collective and managing director of Clur International, describes this as an important inflection point after an inflation-beating trend dating back to October 2024.

"The trend of ongoing resilient positive growth continued across the board, along with an encouragingly stable rent-to-sales level."

The distinction matters. Positive nominal growth isn't necessarily real growth. If sales per square metre are increasing more slowly than inflation, investors need to look beneath the headline number and interrogate whether a centre is genuinely becoming more productive.

2. Which Shopping Centres are winning?

The Q2 data shows that performance isn't uniform across shopping-centre formats.

Trading-density growth

CENTRE FORMAT	Q2 YoY GROWTH
Super-regional	5.1%
Regional	4.6%
Community & smaller	4.4%

Super-regionals were the only format to outperform June CPI, although only marginally, by 0.1 percentage points. But growth rates tell only part of the story.

Trading-density leaders

Super-regionals: R53,643/m²
Community & smaller centres: R49,523/m²

The Clur data therefore continues to show an interesting barbell effect: very large destination centres and smaller convenience-orientated centres remain highly productive. This pattern has been evident since 2018.

Investor Insight

The middle of the market cannot rely on size alone. A large destination centre can offer choice, entertainment and experience. A smaller centre can win through convenience and frequency.

The investor question is: what compelling reason does your centre give consumers to visit it?

3. Gauteng is growing fastest, but the Cape spends more

Provincial performance provides another important lesson: growth and productivity are not the same thing.

Trading-density growth
- Gauteng: 5.0%
- Western Cape: 4.5%
- KwaZulu-Natal: 4.1%

Gauteng has held the leading growth position since overtaking the Western Cape in March 2026. But look at actual trading density and the ranking reverses:

Annualised trading density
- Western Cape: R50,629/m²
- KwaZulu-Natal: R45,353/m²
- Gauteng: R42,178/m²

So Gauteng is currently growing fastest, while Western Cape retail space remains considerably more productive in rand-per-square-metre terms. For investors, that is an important distinction.

Don't simply ask: "Which market is growing fastest?" Also ask: "From what base, at what rental, with what trading density and at what sustainable return?"



4. Rentals reveal another side of the market

The national base rental closed Q2 at R248.69/m², up 4.8% year-on-year. Again, positive growth, but 0.2 percentage points below June CPI. The differences between centre formats are more revealing. Base rental performance.

Super-regional
R335.64/m²
+4.5% YoY

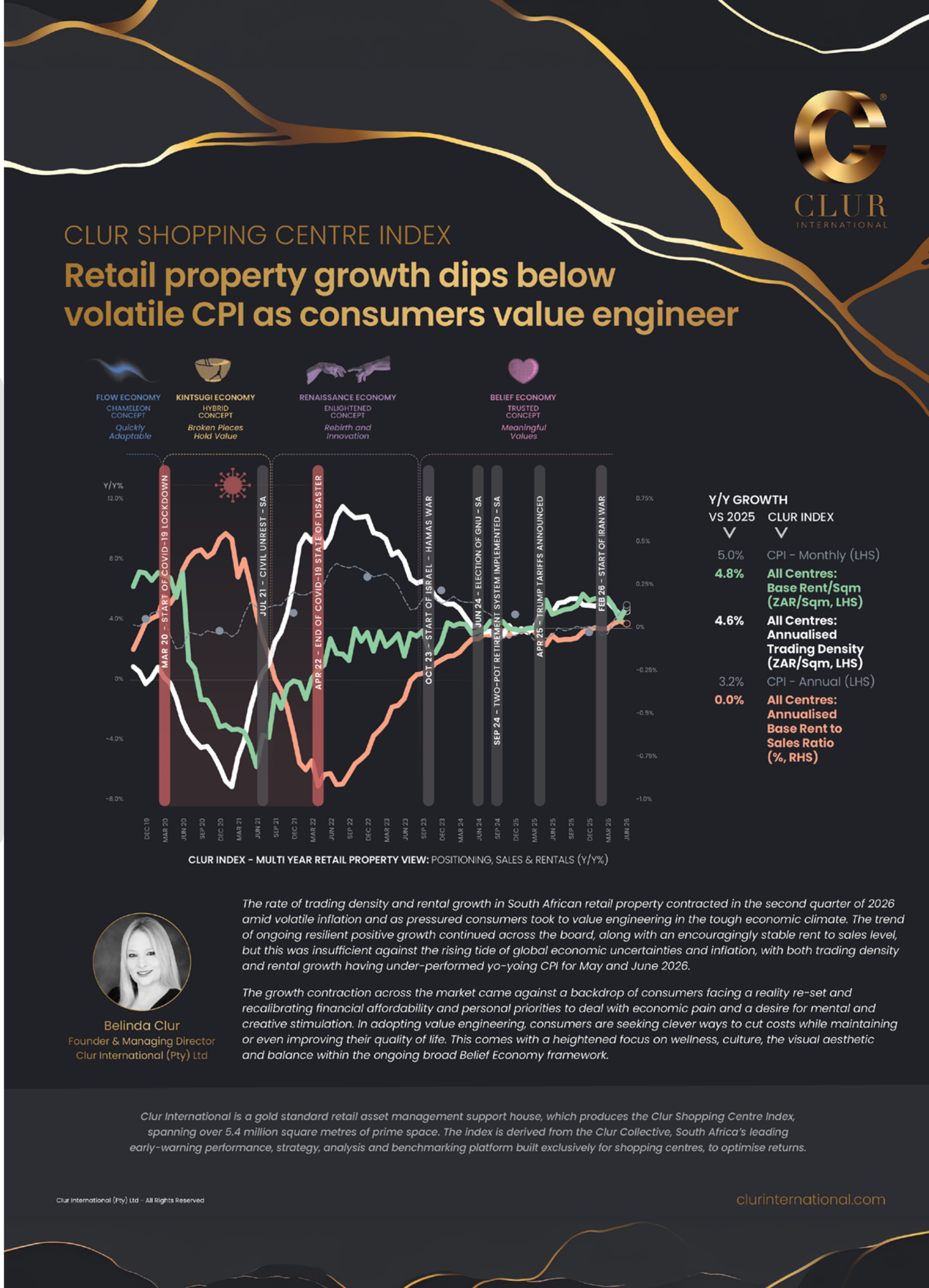
Regional
R242.07/m²
+4.6% YoY

Community & smaller
R202.37/m²
+5.6% YoY

Small regional
R197.77/m²
+5.2% YoY

Community and smaller centres therefore produced the strongest rental growth, outperforming June CPI by 0.6 percentage points. Small regionals also beat CPI. That reinforces the investment case for well-positioned convenience and community retail.

Consumers may be scrutinising expenditure more carefully, but they still need groceries, services, food, healthcare and everyday convenience.



5. The Western Cape wins on rental growth

Provincially, the Western Cape stands out again.
Base rentals

- Western Cape: R274.07/m² | +5.3%
- KwaZulu-Natal: R257.83/m² | +3.8%
- Gauteng: R247.83/m² | +4.8%

The Western Cape was the only one of the three major provinces whose base-rental growth exceeded June CPI, by 0.3 percentage points.
For landlords, however, rental growth should never be considered independently of tenant affordability. And this is where another Q2 number becomes particularly important.

6. The 6.6% number investors shouldn't ignore

The national base rent-to-sales ratio remained at 6.6%. That ratio has remained relatively stable since the market found greater balance around mid-2024.

Super-regionals were highest at 7.2%, while community and smaller centres were lowest at 4.7%. Gauteng recorded 6.8% provincially and the Western Cape 6.2%. Why does this matter?

Because landlords don't simply need higher rentals. They need sustainable rentals supported by tenant turnover. A centre can achieve impressive nominal rental growth but destroy value if occupancies weaken, tenant failures increase or retailers cannot sustain occupancy costs.

The stable national ratio therefore provides an important counterweight to Q2's softer growth numbers.

7. Meet the 'value-engineering' consumer

This may be the biggest retail story in the entire Index. Clur describes a consumer undergoing both a financial affordability reset and a personal-priority reset.

Consumers are "value engineering" their lives: finding ways to reduce expenditure without necessarily sacrificing the things that make life enjoyable. This isn't confined to grocery bills. It extends across:

- Apparel
- Home
- Travel
- Transport
- Experiences
- Wellness
- Lifestyle purchases

As Clur explains: "Consumers seek clever ways to cut costs whilst maintaining, or even improving, their quality of life."

This isn't necessarily a consumer who has stopped buying. It is a consumer who has become far more deliberate about what deserves their money.

8. Small luxuries still matter

Clur identifies what it calls "lipstick-index behaviour": even during periods of financial pressure, consumers continue seeking smaller luxuries that deliver an emotional reward.

There is also a growing element of nostalgia, with consumers seeking comfort and familiarity. That changes the tenant-mix conversation.

Value does not necessarily mean cheapest. Increasingly, value can mean: affordable plus useful plus enjoyable plus emotionally rewarding.

That creates opportunities for retailers and shopping centres capable of delivering experiences that consumers can justify within tighter household budgets.

9. Wellness, culture and experience become retail drivers

The consumer reset goes further. Clur identifies a more heightened interest in:

- Wellness
- Emotional health
- Better sleep
- Weight management
- Digital detox
- Culture
- Art and design
- Cuisine
- Travel
- Visual experiences
- Authentic human connection

Wellness itself is evolving into what Clur describes as a sophisticated consumer value and status symbol.

At the same time, cultural curiosity, knowledge, aesthetics and “in real life” community are becoming increasingly important counterweights to digital overload and economic pressure.

What this means for Shopping Centres

The shopping centre of the future cannot simply be a collection of stores around parking. The strongest assets will increasingly need to understand why people want to spend time there.

Tenant mix may therefore need to balance: necessity plus convenience plus food plus wellness plus entertainment plus experience plus community.

10. The Investor Checklist

For retail-property investors, asset managers and landlords, Q2 provides a useful set of questions to take into the second half of 2026:

- Is trading-density growth keeping ahead of inflation?
- Is rental growth supported by tenant sales?
- How does the centre’s rent-to-sales ratio compare with peers?
- Which categories are gaining or losing consumer wallet share?
- Does the tenant mix reflect the value-conscious consumer?
- Is the centre winning on convenience, destination, experience, or ideally more than one?
- Are wellness, food, culture and lifestyle becoming genuine traffic drivers?
- Is the asset gaining market share, or merely participating in nominal market growth?

The Bottom line - Retail isn’t weak: The consumer is smarter.
The Q2 Clur Index doesn’t describe a South African retail sector in crisis. Trading density remains positive. Rental growth remains positive. Rent-to-sales levels remain stable. Super-regionals remain productive, while smaller and community centres continue to demonstrate considerable resilience.

But inflation has raised the hurdle. And consumers are changing the rules. They are scrutinising value, prioritising expenditure and looking for ways to preserve lifestyle and emotional reward without ignoring financial reality.

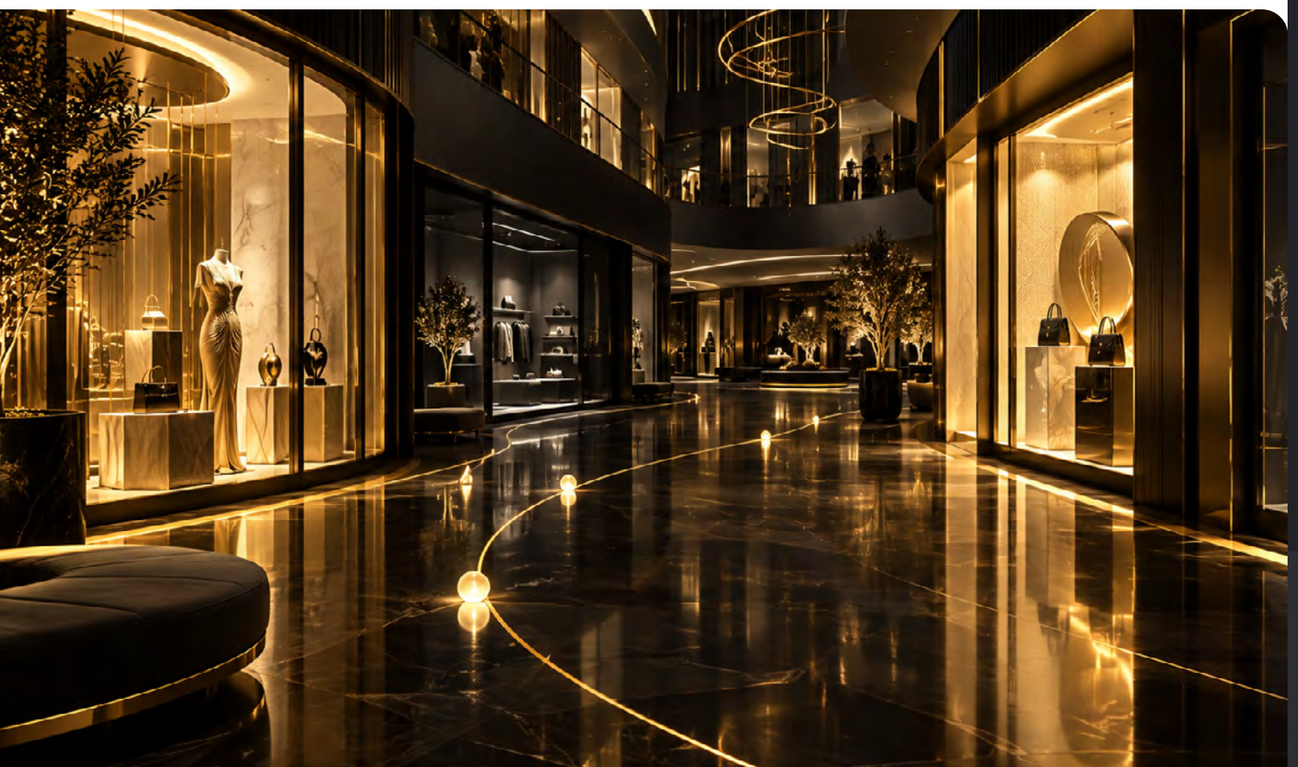
That means the next winners in retail property may not simply be the biggest centres, the newest centres or those charging the highest rentals.

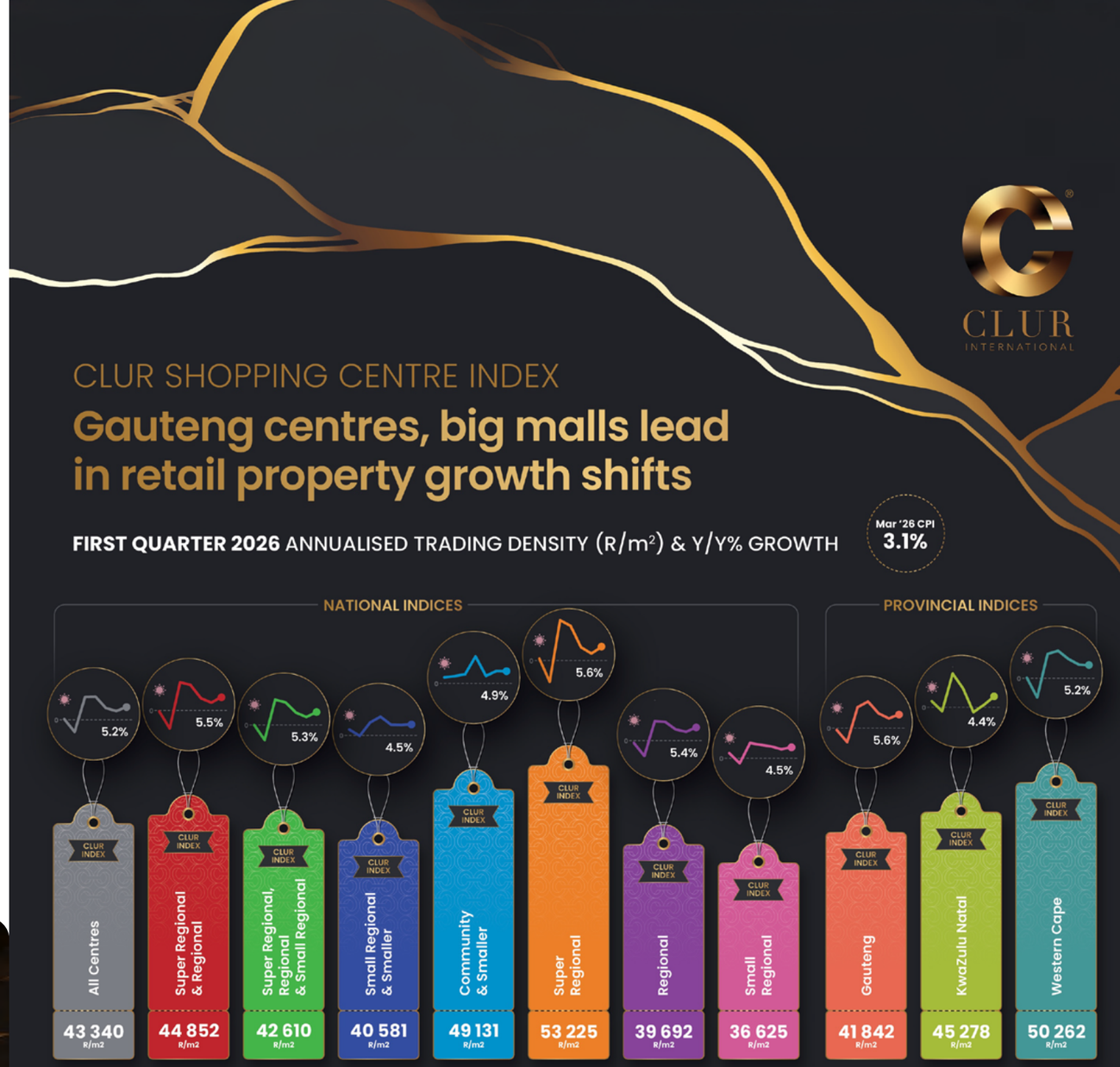
They will be the assets that understand what today's consumer values and continually engineer the property, tenant mix and experience around it.

REI INVESTOR TAKEAWAY

The consumer hasn't stopped spending. They've become more selective about who earns the spend.

And for retail-property investors, that may be the most important Q2 statistic of all.





"Gauteng shopping centres and super-regional malls outperformed as growth shifted across formats and the three key provinces in the first quarter of 2026, underlining the need for a diversified approach in strategy. The quarter saw ongoing retail property sector resilience, supported by continued trading density and base rental growth as well as a persistently stable base rent to sales ratio.

This came as consumers showed a desire for an authentic heartbeat, underpinned by a strong need for empathy, value and honesty in customer relationships and management, within the continuing Belief Economy context. The need for these elements is expected to intensify in ongoing tumultuous times highlighted by the Iran war, evolving energy crisis, rising living costs and overall global geo-political tensions.

This authentic heartbeat concept reflects a critical new strategic sensitivity and connection point which brands need to embrace to drive optimal consumer engagement, loyalty and hard-earned spend."



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

Clur International is a gold standard retail asset management support house, which produces the Clur Shopping Centre Index, spanning over 5.4 million square metres of prime space. The index is derived from the Clur Collective, South Africa's leading early-warning performance, strategy, analysis and benchmarking platform built exclusively for shopping centres, to optimise returns.

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RENOVATIONS

7 Steps to turn a fixer-upper into a better investment

By Jaco Grobbelaar



Smart renovations aren't about creating the prettiest property. They're about spending strategically to increase rent, reduce risk and build long-term value.



The properties other buyers avoid may hide the opportunity

Some of my favourite investment properties are the ones most buyers walk away from. The kitchen is outdated. The bathroom belongs in another decade. The walls desperately need paint. The property photographs badly, smells a little strange and makes a terrible first impression.

We call them the dirty, smelly properties. And as an investor, I love them. Why? Because property investors shouldn't necessarily be searching for the prettiest property. We should be searching for opportunity.

A tired property may offer something that a beautifully renovated property doesn't: the ability to buy below its potential value and create additional value yourself.

Buy correctly, renovate strategically and understand your target rental market, and you may be able to improve both the property's income-producing potential and its underlying value.

But there is an important distinction. Renovating an investment property is not an interior-design exercise. It is an investment decision.

Seven steps investors should consider before spending the first rand.

STEP 1: BUY THE PROBLEM AT THE RIGHT PRICE

There is an old property investment principle: You make your money when you buy. The purchase price determines much of the investment's future performance.

Renovation specialist Michael Rehder makes another important point: You can also make money when you renovate properly. When you walk into a run-down property, don't immediately see everything that's wrong with it. Start asking what those problems could mean for the purchase price.

An outdated kitchen, tired bathroom, damaged paintwork and neglected finishes may frighten owner-occupiers away. For an investor, however, those defects can potentially strengthen your negotiating position.

- Before making an offer, calculate:
- What is the property's realistic value in its current condition?
- What are comparable renovated properties selling for?
- What rental is the property achieving now?
- What could a renovated version realistically achieve?
- How much will the renovation cost?
- What contingency should you allow?

Does the purchase discount adequately compensate you for the work and risk?

The opportunity exists when the economics between purchase price plus renovation cost plus achievable income/value stack up.

Don't buy an ugly property simply because it is ugly. Buy it because the numbers work.

STEP 2: KNOW YOUR TENANT BEFORE YOU RENOVATE

One of the easiest ways to destroy a renovation return is to renovate according to your own tastes. Imagine you live in a beautiful house in Fourways and buy a two-bedroom investment apartment in Randburg.

You begin specifying the property as if you were going to live there yourself: Premium appliances. Designer taps. Expensive countertops. High-end finishes. The result may look fantastic. But will your target tenant pay enough additional rent to justify what you spent? If not, you've overcapitalised.

An investment property is a business. So don't ask: "Would I like to live here?" Ask: "What does my target tenant value and what will they pay for?"

Build a simple tenant profile

- Before approving your renovation budget, understand:
- Who is likely to rent the property?
- What can they afford?
- What competing properties are available?
- Which features command a premium?
- Which finishes are expected at this rental level?
- Is convenience more important than luxury?

What would make your property win against five competing listings? Your renovation specification should come from the market, not your emotions.

STEP 3: SPEND WHERE TENANTS WILL NOTICE IT

You don't always have to replace everything. Often the best renovation is the one that creates the largest visible improvement for the least sensible cost.

Three areas deserve particular attention:

Kitchen

Don't automatically rip out an old kitchen. If the underlying cupboards are structurally sound, consider:

- Replacing doors and visible panels;
- Fitting modern handles and hinges;
- Upgrading countertops;
- Replacing the sink and tap;
- Improving lighting; and
- Installing a contemporary backsplash.

You may be able to create the appearance of a substantially new kitchen without paying for a complete replacement.

Bathroom

Bathrooms can disproportionately influence how tenants perceive a property. Consider whether value can be created through:

- Replacing an old bath with a walk-in shower;
- Installing a modern vanity;
- Upgrading taps and fittings;
- Improving mirrors and lighting; and
- Simplifying fixtures to reduce future maintenance.

The investor should be thinking about two things simultaneously: What attracts the tenant today and what reduces my maintenance tomorrow?

Overall property presentation

Never underestimate the basics:

Fresh paint;
Good lighting;
Clean flooring;
Repaired fittings;
Functional cupboards;
Modern handles;
Clean grout and silicone; and
Professional cleaning.

These improvements can fundamentally change a property's first impression, particularly when tenants initially discover it through photographs online.

STEP 4: GIVE EVERY RAND A JOB

This is where investors need to become disciplined. Before starting a renovation, decide exactly what the money is expected to achieve. Ask: What return am I buying with this renovation?

A useful benchmark discussed in the original investment example is that for every R100,000 invested into a renovation, the investor should ideally target approximately R1,000 or more in additional monthly rental income.

It isn't a universal rule. Every property, location and financing structure is different. But the principle is valuable: Capital must produce an economic result.

If you spend R100,000 purely to make a property look prettier, you have spent R100,000. If that R100,000 helps you:

- Increase rent;
- Reduce vacancies;
- Attract stronger tenants;
- Lower maintenance;
- Improve resale appeal; or
- Increase the underlying value,
- then you've deployed capital towards improving the investment.



STEP 5: CALCULATE THE RENOVATION RETURN

Consider the example discussed with Michael. A two-bedroom apartment was purchased for approximately:

- **Purchase price:** R800,000
- **Renovation:** R200,000

Before renovation, the property was achieving around:
- **Rental:** R8,000 per month
- After renovation, the asking rental increased to approximately:
- **Rental:** R14,000 per month

That's a potential R6,000 monthly uplift, or R72,000 a year, before considering vacancies, operating expenses, financing costs, taxes or other ownership costs.

The important lesson isn't that every R200,000 renovation will produce another R6,000 per month. It won't.

The lesson is that a strategic renovation can reposition an asset within its rental market, rather than merely improve its appearance.

Run three numbers before renovating

1. **Rental uplift**
   How much additional monthly rent can the market realistically support?
2. **Payback period**
   How long would the additional rental income take to recover the renovation expenditure?
3. **Potential value uplift**
   What are comparable renovated properties selling for, and could the improvements increase your property's marketability and value?

Always stress-test your assumptions. Don't base a R200,000 renovation on the rent you hope to achieve. Base it on market evidence.

STEP 6: LOOK FOR TWO RETURNS - INCOME AND EQUITY

A well-executed renovation can potentially create two forms of return.

RETURN 1: Higher income

Increasing rental income changes the property's cash-flow characteristics and can improve the investment's overall performance.

RETURN 2: Potential equity creation

A better-presented, more functional property with stronger income-producing characteristics may also become a more valuable asset.

This becomes particularly interesting for investors building portfolios. Think beyond Property Number One.

If you can:

- **Buy well >**
- **Renovate intelligently >**
- **Increase income >**
- **Potentially increase value >**
- **Refinance when appropriate >**
- **Redeploy capital**

you begin using one investment to help create the next. That is a fundamentally different mindset from simply buying a property and waiting for capital growth. You are actively looking for ways to manufacture value.

STEP 7: DON'T OVERSPEND - BUT DON'T UNDERSPEND EITHER

Overcapitalisation is dangerous. But so is refusing to invest in the asset. Some landlords purchase a tired property and immediately ask:

"How quickly can I put a tenant in?" That can be false economy. A poorly presented property may:

- **Achieve a lower rental;**
- **Remain vacant longer;**
- **Attract a narrower tenant pool;**
- **Require repeated repairs;**
- **Compete poorly online; and**
- **Create more expensive maintenance problems later.**

The objective is therefore not to spend as little as possible. It is to spend as intelligently as possible. For one property, a coat of paint and deep clean might be enough.

For another, R150,000 spent properly on a kitchen and bathroom could materially reposition the asset.

That's why the renovation should begin with the investment strategy, target tenant and numbers, not a shopping list.

BONUS OPPORTUNITY: SHOULD YOU FURNISH IT?

There is another opportunity worth investigating, particularly when targeting students, young professionals and mobile tenants. Convenience has value.

Some tenants don't want the cost or hassle of buying beds, appliances, furniture and household essentials. A properly furnished unit could include essentials such as:

For the right target market, a ready-to-live-in property may justify a rental premium. But again, test the market first.

Don't furnish an investment property because you've heard furnished units earn more. Furnish it because your specific tenant market values the convenience enough to pay for it.

THE INVESTOR'S RENOVATION CHECKLIST

Before approving your next renovation, ask seven questions:

1. **Who is my target tenant?**
   Know exactly who you're renovating for.
2. **What rent can the market support?**
   Use comparable properties, not wishful thinking.
3. **What improvements matter most?**
   Prioritise visible, functional improvements tenants value.
4. **What is my total budget?**
   Include labour, materials and a contingency for surprises.
5. **What additional income could this create?**
   Calculate the expected rental uplift.
6. **Could it reduce future costs?**
   Durability and lower maintenance have financial value too.
7. **Am I creating value or simply spending money?**
   Every renovation decision should ultimately answer this question.

RENOVATIONS

FROM UGLY PROPERTY TO PERFORMING ASSET

Property investing is ultimately about learning to see what could be, rather than simply paying a premium for what is already there. Where another buyer sees an ugly kitchen, an investor might see negotiating leverage.

Where another buyer sees an outdated bathroom, an investor might see an opportunity to reposition the property.

Where someone sees R200,000 worth of work, the investor should be calculating what that R200,000 could potentially do to rental income, tenant demand, maintenance costs and the underlying value of the asset. That is the difference between renovating emotionally and renovating strategically.

Buy well. Know your market. Renovate for your tenant. Measure the return. Protect your capital.

Because when renovation is approached as an investment rather than an expense, you aren't simply improving a property. You are building a better-performing asset.





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RESIDENTIAL

The income hiding inside your property

By Jason Lee



Base rent is only the beginning. Discover how to uncover ancillary income, grow NOI and turn overlooked opportunities into asset value.

Most property investors can tell you exactly what rent their tenants are paying. Ask them what their parking bays, storage areas, rooftops, signage rights, shared facilities or unused spaces are earning, however, and the answer is often less certain. That is where many investors may be leaving money on the table.

I have walked through many properties with owners who believe they have maximised their investment because their base rental is at market. But market-related rent does not necessarily mean a property has reached its full income potential. Base rent is only one part of the income statement.

The other opportunity is ancillary income: smaller, additional revenue streams generated from the property, its facilities, services and rights.

Individually, these amounts can look insignificant. Collectively, they can make a meaningful difference to net operating income (NOI). And because income-producing property is generally valued by capitalising sustainable NOI, additional recurring income can potentially create considerably more value than its monthly amount suggests.

STEP 1: AUDIT WHAT YOU ALREADY OWN

Before thinking about increasing rentals or spending money on improvements, walk through the property with a different question: What assets, spaces, services or rights do I already control that aren't producing income?

For commercial and industrial properties, investigate:

- **Reserved, covered and visitor parking**
- **Unused basement parking that could be rented externally**
- **Storage cages and lock-up facilities**
- **Fascia, pylon and rooftop signage**
- **Building naming rights**
- **Rooftop telecommunications infrastructure**
- **Solar or other infrastructure agreements**
- **Vending machines, ATMs and kiosks**
- **Underused meeting rooms and co-working areas**
- **After-hours services and recoverable utilities, where permitted.**

The objective isn't to charge for everything. It is to identify genuine value that tenants or third parties are prepared to pay for.



STEP 2: LOOK BEYOND RENT IN RESIDENTIAL PROPERTY

Multifamily and residential investors should conduct exactly the same exercise. Opportunities could include additional parking and garages, storage facilities, laundry services, furniture and appliance packages, selected amenities, fibre arrangements and EV charging infrastructure.

The opportunity will differ from property to property. A secure apartment development with parking constraints may have significant parking value.

A student or young-professional development could potentially monetise laundry, furniture or shared workspaces. A building with unused storage areas might have another opportunity entirely.
Start with what tenants actually value rather than simply inventing new charges.

STEP 3: TEST THE MARKET BEFORE SETTING THE PRICE

Finding an opportunity doesn't automatically make it commercially viable. Benchmark the proposed charge against comparable properties and services in the immediate market. Ask:

- **Is there real demand?**
- **What are people already paying?**
- **What will it cost me to provide?**
- **Will the income be recurring?**

Could the charge negatively affect tenant retention?
This is where ancillary income becomes an operating strategy rather than a collection of miscellaneous fees.



STEP 4: CALCULATE THE NOI - NOT JUST THE REVENUE

This distinction matters. An additional R10,000 of monthly revenue is not necessarily an additional R10,000 of NOI. There may be operating, maintenance, administration, electricity or management costs associated with generating that income.

Calculate: Additional revenue - additional operating costs = additional NOI

It is the sustainable net income that matters when assessing its potential contribution to property value.

STEP 5: CAPITALISE THE ADDITIONAL INCOME

This is where relatively small numbers can become surprisingly powerful.

The basic formula is: PROPERTY VALUE = NOI ÷ CAPITALISATION RATE

- **Consider an apartment building valued at an 8% cap rate.**
- **Suppose parking and other ancillary initiatives generate an additional R15,000 per month in sustainable NOI.**
- **That equals: R15,000 × 12 = R180,000 additional annual NOI**
- **Capitalised at 8%: R180,000 ÷ 8% = R2.25 million**
- **Potential additional property value: R2.25 million.**

No additional apartment has been built. There has been no rezoning and no major refurbishment. The owner has simply become better at monetising the existing asset.

The same principle applies commercially. Jason's example of a building generating another R25,000 monthly from a cellular rooftop lease and two signage tenants produces R300,000 additional annual NOI. At a 9% cap rate, that equates mathematically to approximately R3.33 million.

STEP 6: MAKE THE INCOME SUSTAINABLE

There is an important qualification. Not every additional rand of revenue automatically creates capital value.

For a purchaser or valuer to take the income seriously, it should be demonstrable, defensible and sufficiently sustainable.

Document agreements properly. Track the revenue separately. Understand the associated costs. Ensure the income stream is contractually and operationally sound.

A once-off payment is very different from recurring income backed by a credible agreement.



STEP 7: MANAGE ANCILLARY INCOME LIKE RENT

The final step is perhaps the most important. Don't bury ancillary income under "other income" and forget about it.
Create an ancillary-income schedule for every property in your portfolio and review it regularly:

- **What are we earning now?**
- **What could we be earning?**
- **What isn't being monetised?**
- **What is the cost of generating it?**
- **What income streams are sustainable?**

Jason's central point is that ancillary income should be actively managed rather than treated as an accounting footnote. In a market where rental growth can be modest and cap-rate movements unpredictable, it represents one of the operational levers owners can influence without necessarily undertaking major capital expenditure.

INVESTOR TAKEAWAY

Don't only ask: "What rent is this property earning?" Ask: "Is every part of this asset working hard enough?"
Sometimes the next increase in property value isn't hiding in another acquisition, development or expensive renovation. It is already sitting inside the property you own.
Happy investing!

ABOUT JASON LEE
Jason Lee is a property investor, entrepreneur, speaker and author with extensive experience in property investment and wealth creation. His books provide practical insights into using property strategically to build sustainable long-term wealth.
Jason Lee author of:

Retire rich through property
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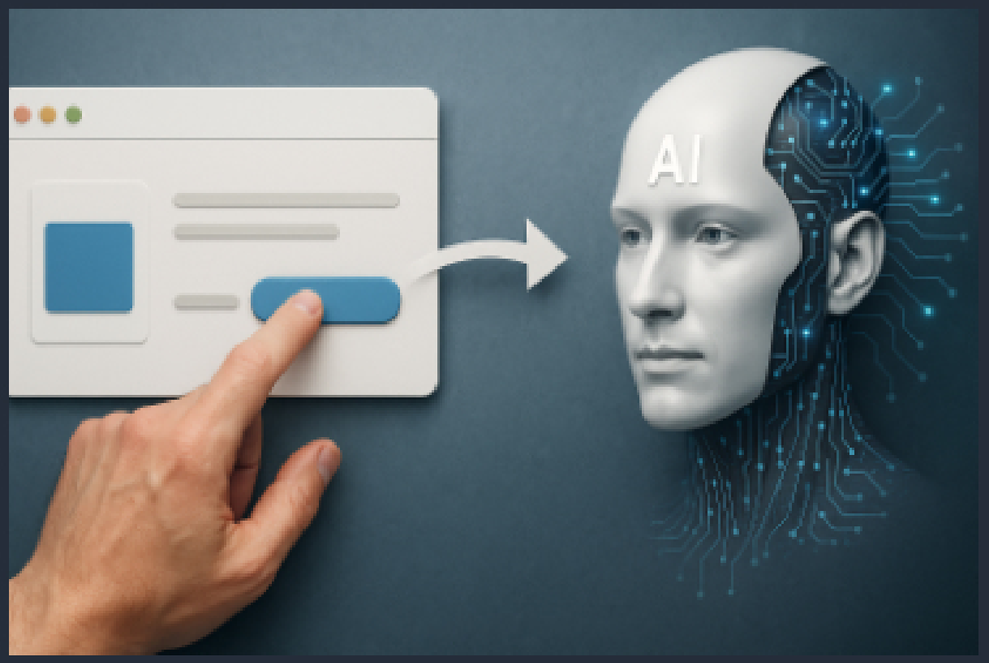
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EVENTS

Green Buildings: Shift From ambition to investment action

The 19th Green Building Convention will bring more than 800 property and sustainability leaders to Cape Town as performance data strengthens the commercial case for greener, more resilient buildings.

Green building has moved out of the environmental margins and into the centre of property investment strategy.

For owners, developers and investors, the question is no longer whether sustainability matters, but how it affects returns, income, occupancy, operating costs and the long-term resilience of assets.

That commercial reality will shape the 19th Green Building Convention, hosted by the Green Building Council South Africa (GBCSA) at the Century City Conference Centre in Cape Town from 27 to 29 October 2026.

More than 800 built-environment and sustainability leaders are expected to gather under the theme The Green Revolution: From ambition to action.

The Convention will focus on the decisions, technologies, research and proven approaches already changing the property sector.

For investors and property professionals, it offers a concentrated opportunity to understand where the market is heading - and what action is required now to protect performance and future value.

The investment case is becoming harder to ignore

Fresh South African evidence is giving the market a firmer basis on which to assess green buildings in commercial, rather than purely environmental, terms.

The MSCI Green Annual Property Index 2025, released in June and sponsored by Growthpoint, draws on a decade of South African data.



It found that green-certified Prime- and A-grade offices delivered an annualised total return of 6.98% over the 10 years to December 2025, compared with 5.26% for non-certified assets. Over the period, that represented cumulative outperformance of 28.2%.

- **6.98% annualised total return from certified offices over 10 years**
- **28.2% cumulative outperformance compared with non-certified assets**
- **34% higher gross income per square metre**
- **41% operating cost-to-income ratio, versus 48% for non-certified offices**
- **10.3% vacancy rate, compared with 13.1% for non-certified buildings**

The numbers point to a wider investment proposition. Green-certified buildings are not only reducing environmental impact; they are generating stronger income, operating more efficiently and carrying less vacancy risk.

Evidence that changes the conversation

Georgina Smit, CEO of GBCSA, says the index reflects strong collaboration between GBCSA and the property industry to answer a crucial market question: does it pay to go green?

“What makes this particularly valuable is that we can show that green-certified buildings are performing better than non-certified buildings across a range of investment fundamentals - not only total return, but also income generation and operating efficiency,” she says.



For decision-makers who remain sceptical, that evidence matters. It gives asset owners and investment committees measurable results against which to test development, refurbishment and portfolio strategies.

“Most people are not going to go green simply because they think it is the right thing to do. They will do it if it makes business sense,” says Smit. “The MSCI data gives the market a tool to think about doing things differently and to drive change in the right direction.”

What the Convention will examine

The programme is designed to move the debate from intention to practical implementation. The Buildings Track will examine what high-performance African buildings should look like and how owners, developers, designers and operators can translate sustainability goals into better-performing assets.

Key discussions will include:

- **The commercial and operational case for green-certified property**
- **The characteristics of high-performance buildings in an African context**
- **The opportunities and limitations of artificial intelligence across the property lifecycle**
- **Research into the real-world performance of EDGE-certified residential buildings in South Africa**
- **Practical responses to water stress, extreme weather and rising temperatures**
- **How resilience, tenant expectations and operating efficiency affect long-term asset value**

The breadth of the programme reflects how sustainability now influences the full property lifecycle - from design and development through financing, leasing, facilities management, refurbishment and eventual disposal.

Resilience is now an investment issue

Climate-related risk is already affecting business continuity. Water constraints, extreme weather and higher temperatures can disrupt operations, increase costs and weaken the attractiveness of buildings to tenants and investors.

“An empty building is a property owner’s worst nightmare. Climate change is increasingly becoming one of the factors that can make a building untenable,” says Smit. “Sustainability is therefore not only about reducing environmental impact. It is about ensuring buildings can continue to operate, perform and create value under changing conditions.”

Why property professionals should attend

The Green Building Convention is relevant to anyone responsible for investment performance, development decisions, building operations or portfolio risk.

It brings research, market evidence and implementation experience into one forum, allowing delegates to test ideas against what is already working in practice.

- Understand the performance evidence. Interrogate the latest data on returns, income, operating efficiency and vacancies in certified buildings.
- Strengthen investment decisions. Explore how sustainability and resilience can be incorporated into acquisitions, developments, refurbishments and asset-management plans.
- Learn from active practitioners. Hear directly from researchers, architects, sustainability specialists, industry leaders and property professionals implementing solutions now.
- Prepare assets for changing conditions. Assess how climate pressures, resource constraints, technology and tenant expectations may influence future performance.
- Build valuable connections. Engage with more than 800 leaders from across the property and built-environment value chain.
- Move from strategy to execution. Identify practical steps that can be applied to buildings and portfolios after the Convention.
- As the property sector moves from asking whether green buildings create value to determining how those benefits can be scaled, the 19th Green Building Convention offers a timely forum for the people shaping the next generation of South African assets.

Green Building Council Convention details

Event: 19th Green Building Convention
Theme: The Green Revolution: From ambition to action
Dates: Tuesday 27 October to Thursday 29 October 2026
Venue: Century City Conference Centre, Cape Town, South Africa

Register now
Join property and sustainability leaders at the 2026 GBCSA Convention and gain practical insight into the buildings, technologies and investment decisions moving the industry from ambition to action.
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