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REAL ESTATE INVESTOR®

MAGAZINE NOVEMBER 2026 #196



CAVALEROS:
100 YEARS OF BUILDING PROPERTY WEALTH

From humble beginnings to a century-long property empire

AI CAN'T STEAL MY PROPERTY EMPIRE
Building R2.6 billion in assets and protecting wealth

IS YOUR PROPERTY REALLY MAKING MONEY?
The numbers every serious property investor must know

WHY BUY ONE FLAT WHEN YOU CAN OWN THE BUILDING?
More control, diversified income and greater investment potential

COULD YOU BECOME SA'S NEXT DEVELOPER?
Turning South Africa's housing shortage into development opportunities

INSIDE REI

REAL ESTATE INVESTOR

Independent Property Intelligence Since 2007

19 YEARS 2007 - 2026 ANNIVERSARY ISSUE

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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.

PEOPLE. MARKETS. STRATEGY.

OPPORTUNITY.

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We thank all our contributors for sharing their expertise, experience and insights with the REI community.

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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FROM THE EDITOR'S DESK

100 years of vision, courage and building a lasting legacy

Dear Readers, what does it take to build a business that survives 100 years, crosses generations and continues to reinvent itself?

In our landmark 196th edition of Real Estate Investor Magazine, we celebrate an extraordinary South African success story: 100 years of the Cavaleros Group.

From the arrival of a 16-year-old Greek immigrant, Dimitri Cavaleros, in 1926 to a property empire spanning retail, commercial property, hospitality and next-generation AI infrastructure, this is a story of remarkable vision, resilience and entrepreneurial courage. Today, under the formidable leadership of Penny Cavaleros, the family legacy continues to flourish, with her son Alexi Cavaleros helping lead its next ambitious chapter.

What inspired me most about this centenary celebration was not simply the scale of the group's achievements, but the values behind them: hard work, independence, calculated risk-taking, enduring relationships and the courage to back your convictions.

The greatest property fortunes are not built overnight. They are built through generations of disciplined decisions. That lesson runs throughout this month's edition.

In "AI Can't Take My Title Deeds," Investicore CEO Anton Steyl, with R2.6 billion in property assets, shares his principles for creating wealth, protecting capital and investing confidently in an AI-driven world.

Meanwhile, Renier Kriek gets practical in Part 4 of our investment series, "Do the Maths. Build the Wealth." Using a R6.25 million block of flats and a 20% return target, he challenges investors to ask the question that matters: does the deal actually stack up?

My message to investors is simple: Never confuse owning property with creating wealth. Buy on fundamentals, understand your numbers, protect your cash flow and think beyond the next market cycle. As we celebrate our 196th edition, thank you for being part of our growing investment community.

Here's to building wealth, creating opportunities and leaving something meaningful for the next generation.
Happy investing!

Neale Petersen
Founder & Editor-In-Chief

INSIDE THIS NOVEMBER 2026 EDITION

Six essential reads on real estate innovation, property yields, development opportunities, student housing, short-term rentals and long-term wealth.



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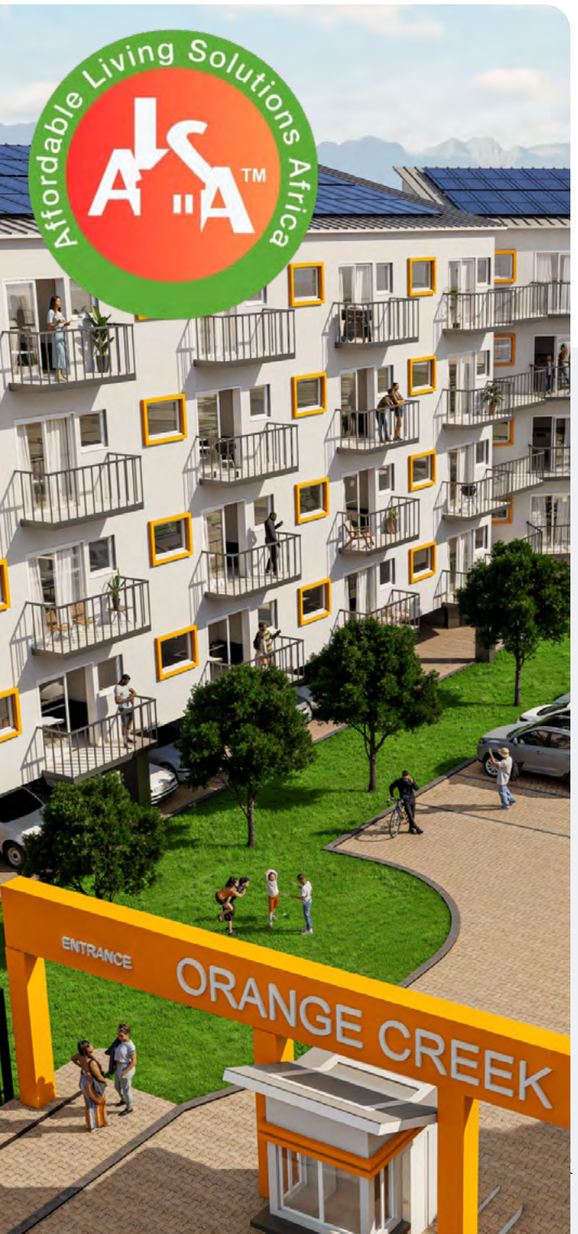
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ASK THE EXPERTS

Can you become a property developer without millions in capital or experience?



MEET THE EXPERT

NIGEL ADRIAANSE

General Manager | Affordable Living Solutions Africa (ALSA)

INVESTOR QUESTION

I am a working professional who has always wanted to move into property development, particularly affordable housing, where there appears to be strong demand.

However, I have never developed a property before, I don't own development land and I certainly don't have millions of rands available to fund an entire residential project.
I understand that developments require architects, engineers, contractors, municipal approvals and bank finance, but I wouldn't know where to start or how to bring everything together.

Is property development realistically accessible to ordinary professionals and entrepreneurs? How much capital and experience do I need, can I obtain development finance, and what is the safest way to get started without taking unnecessary financial risks?

EXPERT ANSWER
from Nigel Adriaanse



Nigel Adriaanse represents ALSA, a property development platform focused on affordable housing and a franchise-led model designed to support aspiring property developers.

Through developments such as Orange View in Protea Glen and the proposed Orange Creek project in Kuils River, ALSA is working to translate practical development experience into a repeatable operating system.

Property development starts with a plan, not millions

The biggest misconception about becoming a property developer is that you must already own land, have millions sitting in the bank or possess years of construction experience before you can get started.

While development certainly requires capital, expertise and financial discipline, you do not necessarily need to provide every rand yourself or personally manage every technical aspect of the project.

What you do need is a commercially viable opportunity, access to the right professional expertise, an appropriate funding structure and a clear development plan. The real question is not simply how much money you have. It is whether you can identify a project that makes financial sense and assemble the resources required to deliver it.

1. Do you need millions to get started?

A residential development costing tens of millions of rands does not necessarily require the developer to fund the entire project from personal savings.

Lenders typically require equity of around 30% of total development cost, backed by the developer's personal suretyship. However, that equity does not have to come only from your own money. Projects can be financed through combinations of sponsor equity, land finance, pre-development mezz funding and senior construction debt.

Bear in mind that each of these reduces your share of the profit or adds additional cost through interest which will affect theprojects' profitability.

At ALSA's proposed Orange Creek development in Kuils River, the land acquisition structure includes a 50% bond and 50% sponsor equity arrangement. A pre-development facility of approximately R8 million has also been structured, while senior development finance is being pursued.

These are project-specific arrangements, not guaranteed funding packages available to every prospective developer.

The important distinction is that you may not need to fund the entire project yourself, but you must still understand your equity contribution, financial exposure and obligations.

2. What if you have no development experience?

Property development is a multidisciplinary business. No single individual needs to be an architect, engineer, quantity surveyor, town planner, financier, project manager and sales specialist simultaneously.

However, someone must take responsibility for coordinating these disciplines and ensuring the development remains commercially viable.

This is where a structured development system can provide value.
ALSA's franchise-led approach is designed to help aspiring developers establish their own development businesses while drawing on coordinated specialist services, standardised residential products, project management systems and funding support.

The franchisee remains the business owner, but does not have to assemble the entire development infrastructure independently.

This does not eliminate risk or replace the need for commercial judgement. It provides a framework for managing the process.

3. How do you know whether a development will work?

Feasibility testing is crucial in determining whether a project will be viable. Work backwards from the buyer, not forwards from the land price.

Start with the price your target buyers will actually pay and can get a bond for, which is based on their affordability. Multiply that by the number of units the zoning and available municipal services allow. Then subtract construction, infrastructure, professional fees, finance costs and the profit margin lenders require (normally around 20%). What remains is the maximum you can afford to pay for the land.

If the asking price is higher than that figure, the project does not work. However, if strong demand for your product is likely from your market study, renegotiating the price is critical for a viable project.

At Orange Creek, this discipline showed that the original R6.5 million land price could not be justified. ALSA assisted our franchisee in renegotiating the selling price to R3.75 million, and the project became viable before construction began.

4. Can buyers help unlock development finance?

Yes. Pre-sales are an important part of many residential development funding structures. Banks and development lenders want evidence that completed homes can be sold and that the project can generate sufficient proceeds to repay its debt.

For Orange Creek, the current lender underwriting target is at least 70% pre-sales, with sales cover equivalent to 1.2 times the debt requirement. The lesson is that successful developers do not simply build homes and hope buyers arrive afterwards.

They establish demand, test affordability and create a credible sales strategy before committing to major construction expenditure.

5. What is the smartest first step?

Start by understanding the development process before purchasing land or committing substantial capital.

Identify a market where affordable housing demand is supported by household incomes, employment opportunities and access to transport.

Then assess your own skills, available capital and appetite for risk.

Speak to experienced development professionals, investigate suitable financing structures and obtain a proper feasibility assessment.

For aspiring developers considering a franchise-led route, the next step is to understand exactly what support is provided, what the franchise costs, how projects are financed and what responsibilities remain with the business owner.

ASK THE EXPERTS

Property development is not about becoming a builder overnight. It is about learning how to turn a viable opportunity into completed homes through disciplined planning, financing and execution.

KEY INSIGHT

"You don't necessarily need millions to fund an entire development yourself. You need a viable project, sufficient equity, the right expertise and a financeable plan."

FIVE STEPS TO GET STARTED

1. **Assess your financial position.** Establish how much capital you can commit and what risks you can realistically carry.

2. **Identify a target market.** Focus on areas with measurable demand for affordable housing.

3. **Understand the development process.** Learn about land, feasibility, planning approvals, funding, pre-sales and construction.

4. **Find the right support.** Engage experienced professionals or investigate a structured development franchise.

5. **Test the numbers before committing.** Never acquire development land without appropriate due diligence and a credible financial feasibility assessment.

THE BOTTOM LINE

You do not have to begin your journey as an experienced property developer. But you must approach development as a serious business requiring capital, professional expertise and careful risk management.

The opportunity is not simply to build a property. It is to establish a development business capable of delivering homes that buyers can afford.
Website: www.alsa.co.za
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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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MARKET SNAPSHOT

SOUTH AFRICA'S PROPERTY MARKET AT A GLANCE

KEY PROPERTY TRENDS & INVESTMENT INDICATORS

NOVEMBER 2026

A snapshot of the key data, trends and opportunities shaping South Africa's residential, commercial and listed property markets.

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



KEY MARKET INDICATORS

REPO RATE	PRIME LENDING RATE	INFLATION (CPI)	NATIONAL HOUSE PRICE GROWTH	AVERAGE NATIONAL RENT
7.25%	10.75%	4.7%	+5.9% YoY	R9,715 per month
▲ +0.25pp (23 Sep 2026)	▲ +0.25pp (23 Sep 2026)	▼ -0.1pp (Sep 2026, YoY)	▲ +0.4pp (Sep 2026)	▲ +5.2% (Q2 2026, YoY)



SA REITS AT A GLANCE

JSE REIT MARKET CAP	TOTAL RETURN (YTD 2026)	DISTRIBUTION GROWTH	MONTHLY PERFORMANCE
R455bn	+6.5%	+11.09% (Sep 2026)	+1.6% (Sep 2026)

REIT MARKET MOVERS – RECENT RESULTS

COMPANY	KEY HIGHLIGHTS	OUTLOOK
Spear REIT	HY2027: DIPS +8.02%; revenue +28.14%; NOI +27.80%; occupancy 96.37%; acquisitions R1.4bn; portfolio R8.8bn.	Positive
Attacq	FY: DIPS +15.5%; dividend +17.2%; Waterfall pipeline 85,247 m² (R2.2bn).	Positive
Burstone	SA platform: R5.4bn; 14 assets; 8.4% yield.	Stable
Moolman / Dipula	R2bn sale of 9 centres; Competition Commission backs transaction (22 Oct).	Positive

BY THE NUMBERS – KEY STATS FOR INVESTORS

Average Home Price	R1.758 million	▲ +5.0% YoY
First-Time Buyer Price	R1.292 million	▲ +5.1% YoY
Average Deposit	12.3%	(FTB: 8.4%)
Zero-Deposit Applications	56.6%	(Approval: 82.4%)
Average Bond Discount	-0.76%	(Sep: -0.83%)
FTB Share of Applications	46.5%	

MARKET MOVERS – THIS MONTH

- **Spear REIT** results and 10-year milestone.
- **Moolman–Dipula** deal receives Competition Commission backing.
- **Rapfund** Pinelands retail hub: Checkers and Dis-Chem confirmed.
- **ThirtyFour18 CTICC** reveal ahead of 17 Nov launch.
- **Abland Blue Downs** retail hub (8,000 m²) fully let.
- **Capri Village** retirement: final release from R3.175m.

PROPERTY SECTOR SCORECARD

PERFORMANCE OUTLOOK (NEXT 6–12 MONTHS)

SECTOR	MARKET TREND	OUTLOOK
Residential	↑	Strong
Industrial	↑	Strong
Student Housing	↑	Strong
Hospitality	↗	Improving
Retail	–	Stable
Office	↗	Mixed

BOND REPAYMENT WATCH

ESTIMATED MONTHLY REPAYMENTS*

BOND AMOUNT	EST. MONTHLY REPAYMENT* (@ PRIME 10.75%)
R1 000 000	R10 910
R2 000 000	R21 820
R3 000 000	R32 730
R4 000 000	R43 640

*Based on a 20-year bond at prime (10.75%).

INVESTOR SENTIMENT BAROMETER

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



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

KEY MARKET INSIGHTS



RATES STAY HIGHER FOR LONGER
Repo at 7.25% keeps borrowing costs elevated, with rate cuts now expected only in 2027.



RENTAL MARKET HOLDS FIRM
Rents grew 5.2% in Q2 2026 to R9,715/month, but growth is uneven across provinces.



DEVELOPMENT PIPELINE BUILDS
Major projects, including Waterfall (R2.2bn), ThirtyFour18 and Abland Blue Downs, signal ongoing investment.



REITS SHOW RESILIENCE
SA REITs gained 1.6% in September with distribution growth of 11.09% (YTD), outperforming the broader market.

DEVELOPMENT & INVESTMENT HIGHLIGHTS



- **ThirtyFour18 (CTICC):** 30-storey residential with rooftop sky bar, pool and spa – launch 17 Nov.
- **Abland Blue Downs:** 8,000 m² retail hub fully let.
- **Helderberg/Valverde:** 39.6 ha, two-thirds green; civils under way.
- **Zimbali Lakes Vilasita:** 146 lakefront residences, from R2.95m – R55m.

KEY DATES & DATA TO WATCH

SARB Interest Rate Decision	21 November 2026
Inflation Data Release	25 November 2026
Lightstone House Price Index	End November 2026
REIT Results Season	Nov – Dec 2026
Municipal Tariff Increases	Various (Dec 2026)



MASTER INVESTOR

Penny Cavaleros: From humble beginnings to a century-long property empire

By Neale Petersen



From working long hours in the family restaurant to leading a century old property empire, Penny Cavaleros proves that lasting legacy is built on hard work, vision, integrity and the courage to evolve.

A century of ambition. A lifetime of determination.

Some property fortunes begin with substantial capital. Others begin with little more than ambition, determination and a willingness to work harder than everyone else. The Cavaleros story belongs to the latter tradition.

A century ago, a teenage immigrant arrived in South Africa with the practical skills of a carpenter and the determination to build a better future. What began as a modest Johannesburg shopfitting business in 1926 would eventually evolve into one of South Africa's established family-owned property investment and development groups.

Today, the Cavaleros name is associated with an extensive portfolio spanning retail centres, commercial offices, industrial properties, hospitality assets and the emerging world of data infrastructure.

At the centre of this remarkable journey is Penny Cavaleros, Chief Executive Officer of the Cavaleros Group and Cosmas Data Cities. But Penny's story is far more compelling than the size of the portfolio she leads.

It is a story of humble beginnings, hard-earned business experience, perseverance, family values and an extraordinary capacity to recognise opportunity.

At the group's centenary celebration at The Portside in Cape Town in November 2026, the spotlight fell not only on a hundred years of property investment, but on the people, sacrifices and relationships that made such longevity possible.

For aspiring entrepreneurs and property investors, Penny's journey offers a powerful reminder: you do not have to begin with wealth to develop the mindset required to create it.

From the Peppermill to property investment

Long before Penny was negotiating major property transactions or overseeing a diversified investment portfolio, she was learning the fundamentals of business from the ground up.

Her parents had worked their way from modest beginnings into business ownership. During school holidays, Penny helped in the family's enterprises, gaining an early appreciation for customer service, financial discipline and the realities of earning a living.



Her son, **Alexi Cavaleros**, recalled at the centenary how his mother ran the Peppermill Restaurant, often working exceptionally long hours. It was an education no business school could fully replicate.

She learned that customers had to be earned, costs had to be controlled and success depended on showing up every day, whether conditions were favourable or not.

Her introduction to the property industry was equally unglamorous. Sitting in a rented apartment with a telephone directory, Penny began calling prospective tenants in an effort to fill industrial premises.

There were no sophisticated digital marketing platforms, automated leasing systems or artificial intelligence tools to identify prospective occupiers. There was a telephone, a yellow pages directory and the determination to make another call. It is a revealing detail in the career of a woman who would eventually lead a major property investment group.

She understood from the outset that a property without a tenant was not necessarily a successful investment. Buildings had to generate income, relationships had to be cultivated and opportunities had to be converted into sustainable businesses.

Those early lessons would become the foundation of her investment philosophy.



INVESTOR LESSON | Start where you are

You do not need to begin with a large property portfolio. Learn how businesses generate income, understand tenants and customers, manage expenses and develop the discipline to identify opportunities others overlook.

A leader who knows the value of hard work
Penny has served as Chief Executive Officer of the Cavaleros Group since November 1989, according to the leadership information supplied for this feature.

Under her stewardship, the family business has continued its evolution into a diversified property investment enterprise with interests in South Africa and internationally. Yet the qualities that define her leadership are grounded in the same principles she learned in her early working years.

She understands the importance of detail. She recognises the value of relationships.

And she knows that a successful property transaction involves considerably more than negotiating a purchase price.

Every acquisition requires an understanding of location, market demand, tenant quality, funding structures, planning rights, development costs and long-term investment potential.

The Cavaleros Group's approach is built around identifying opportunities, conducting rigorous due diligence and assembling specialist teams capable of executing complex projects.

Architects, engineers, quantity surveyors, town planners, legal advisers, financiers and accountants all play important roles.

For Penny, building a successful enterprise has meant recognising that leadership is not about knowing everything personally. It is about surrounding yourself with the right people, asking the right questions and maintaining the standards necessary to protect investors' capital.

INVESTOR LESSON | Build expertise around you

Property investment rewards knowledge and preparation. Successful investors recognise their limitations, seek independent advice and build teams capable of turning investment opportunities into sustainable assets.

Filotimo: The values behind the business

Behind the financial achievements of the Cavaleros Group lies a philosophy deeply rooted in the family's Greek heritage. The concept of filotimo encompasses honour, integrity, personal responsibility, generosity and respect for others.

For Penny, these values are not simply cultural traditions. They are principles that help define the way business is conducted. At the centenary celebration, she acknowledged the employees, tenants, bankers, advisers, business partners and families who had contributed to the group's success across generations.

She also remembered those who were no longer alive to witness the milestone. It was a reminder that no enduring business is built by one person alone.

Although the Cavaleros name appears on major property investments, the enterprise represents the collective contribution of generations of employees, professional advisers, tenants and business partners.

The group's wider commitments include support for education, community facilities, conservation and the restoration of heritage buildings. These initiatives reflect a belief that business success carries responsibilities extending beyond financial performance.

For property investors, there is a practical lesson here. Reputation matters. The relationships an investor develops with tenants, financiers, contractors and business partners can influence opportunities long after an individual transaction has been completed.

INVESTOR LESSON | Relationships are assets

Capital may help you acquire a property, but trust helps you build a business. Protect your reputation, honour your commitments and invest in relationships that can endure through difficult markets.

Knowing your numbers and when to walk away

One of the most memorable stories shared during the centenary concerned the late Cosmas Cavaleros and a distribution property acquired for R4 million.

According to Alexi's account, his father assessed the building's value at approximately R10 million using a straightforward rate-per-square-metre calculation. When a prospective buyer subsequently offered R5 million, he declined. The property was eventually sold to Old Mutual a month later for R11 million, according to the family's recollection.



The lesson was not simply that the family achieved a higher selling price. It was that the investor understood the underlying value of the asset and had the conviction to reject an offer that did not reflect that assessment.

Alexi also spoke warmly of his mother's formidable negotiating abilities, joking that even a celebratory gift might prompt Penny to ask what it had cost and why she had not been given the opportunity to negotiate.

Behind the humour lies an important characteristic of successful investors. They do their homework. They understand the numbers. And they are prepared to walk away when a transaction does not make commercial sense.

Negotiation, however, must be supported by evidence rather than emotion. A disciplined investor needs to understand market value, rental income, future expenditure, financing costs and the risks associated with an acquisition.

INVESTOR LESSON | Never negotiate without knowing value

Understand the asset before discussing the price. Establish your valuation, assess the risks and know when to walk away. A missed transaction can be less costly than a bad investment.

Building a diversified property powerhouse

Over the decades, the Cavaleros Group has expanded across multiple property sectors and geographical markets. Its retail portfolio includes investments such as Village View, Norwood Mall, LXX Sandhurst and a Pick n Pay property in Durban North.

Commercial holdings extend across major business centres, including Sandton, Johannesburg, Umhlanga and Cape Town. Industrial assets include distribution and logistics properties, while the hospitality portfolio encompasses established hotel investments.

Internationally, the group has developed exposure to the United Kingdom through hospitality and retail properties. This diversification reflects a deliberate investment philosophy. Different property sectors respond differently to economic conditions.

Retail assets depend on consumer spending and tenant performance. Industrial properties are influenced by logistics demand and supply-chain activity. Offices respond to corporate occupation trends, while hotels are affected by tourism and business travel.

A diversified portfolio can reduce reliance on a single income stream, although it cannot eliminate investment risk. The challenge is to ensure that each asset contributes to a coherent long-term strategy.
For Penny, diversification has also meant remaining alert to opportunities beyond conventional property investment.



INVESTOR LESSON | Diversify with purpose

Owning more properties does not automatically reduce risk. Understand the income drivers, funding requirements and market fundamentals of every asset you acquire.

From traditional property to the infrastructure of AI

Perhaps the clearest indication of the Cavaleros Group's forward-looking ambitions is its growing interest in data centres and artificial intelligence infrastructure.

Through Cosmas Data Cities, the group is pursuing opportunities in a sector where property investment intersects with technology, energy and digital connectivity. At the centenary, Penny referred to a significant transaction involving Microsoft and the acquisition of approximately 250 hectares in Brackenfell for data, AI and industrial expansion.

The group is also advancing its Samrand data-centre initiative. These developments represent a striking evolution for a business that began with carpentry and shopfitting a century ago. Yet the underlying investment principle remains familiar.

- **Identify where demand is emerging.**
- **Secure strategically positioned land.**
- **Understand the infrastructure requirements.**
- **And invest with a long-term perspective.**

Although artificial intelligence may appear to operate entirely in the digital world, its physical infrastructure is substantial.

Data centres require suitable land, dependable electricity, cooling systems, fibre connectivity, security, specialised engineering and significant capital investment.

For property investors, this creates an entirely new set of opportunities and risks. Successful participation demands expertise well beyond traditional office, retail or industrial property investment.

Penny's willingness to pursue this emerging sector demonstrates an important quality of entrepreneurial leadership: the ability to preserve the principles that built a business while adapting its strategy to a changing economy.

INVESTOR LESSON | Follow structural change

Tomorrow's investment opportunities may emerge in sectors that barely existed when today's successful property portfolios were established. Stay informed, understand emerging demand and invest with discipline.

A century of achievement and the next generation

The Cavaleros Group's centenary celebration at The Portside in Cape Town was more than a commemoration of a successful property business. It was an acknowledgement of the journey from humble beginnings to a substantial investment enterprise, built through generations of determination and commercial judgement.

The Portside building, jointly owned by the Cavaleros Group and FirstRand Bank, provided a fitting setting for the milestone. But perhaps the most meaningful part of the celebration was the recognition that the group's future now rests with another generation.

Alexi Cavaleros, Head of International Acquisitions, outlined ambitions extending into African hospitality and large-scale data infrastructure. Alongside Tina and the wider family leadership, the next generation faces the challenge of protecting what has been built while pursuing opportunities that previous generations could scarcely have imagined.

Penny's responsibility is therefore both commercial and personal. She must lead the business in the present while helping ensure that its values, expertise and entrepreneurial culture survive into the future.

That is a different measure of success from the value of a property portfolio. It is the ability to build an organisation that can continue to thrive beyond the people who established it.

Her first property deal: What was the first property transaction she personally handled, and what did it teach her?

My first step into property was far from glamorous. It began in a rented apartment, with a telephone, the Yellow Pages and a determination to get results. My husband, Cosma, had built an industrial park that needed tenants, so I cold canvased, one after another, until the units were let. It taught me that you cannot sit back and wait for opportunities. You make it happen.

The first property transaction I personally handled was in Wadeville. Cosma had bought an industrial park for R11 million, and six months later, I sold a third of the property to Metropolitan for R12 million.
Those early experiences shaped how I approach business today: know your asset, recognise its potential and be prepared to do the work. Whether letting an industrial unit or negotiating a major transaction, preparation, persistence and the confidence to act remain essential.

Her biggest challenge: What was the most difficult period in your business career, and how did she overcome it?

The most difficult period in my career was stepping up to lead the Group without Cosma beside me. He was an absolute perfectionist, and I carry his standards with me. I had to make difficult decisions, navigate uncertainty and keep the business moving forward, even without all the answers.

As CEO, balancing immediate demands with a long-term vision requires careful judgement, whether securing capital, managing risk, choosing investments or building the right team. I learnt to trust my experience, draw on the expertise around me and step beyond my comfort zone while continuing to learn.

Above all, my determination to make Cosma proud, honour his legacy and continue growing the business carried me through. It still motivates me today.

Her journey to CEO: How did she transition from running the restaurant to leading the property business?

When I joined The Cavaleros Group, I started at the bottom. I worked across the different departments to understand how each function operated, how they supported one another and how they contributed to the business as a whole.

I made it my mission to know my subject, ask questions and learn from the people doing the work every day. I wanted a thorough understanding of the business, knowing that a decision made in one department could have consequences across the entire organisation.

Becoming CEO was the result of years of hard work, continuous learning and taking on greater responsibility. There was no role I considered beneath me and no task I was unwilling to take on.

Each experience strengthened my understanding of the business and the people whose efforts keep it running. That grounding continues to shape how I lead today. I expect commitment, accountability and high standards from my team because those are the standards I have always expected of myself.

Her proudest investment: Which property acquisition or development are you most proud of, and why?

A defining moment for The Cavaleros Group was recognising the potential to transform land ready for data centre development. Through Cosmas Data Cities, we expanded that vision across campuses in Johannesburg and Cape Town, with the ambition of becoming South Africa's largest data centre developer. This led to our landmark transaction with Microsoft for its first self-build data centre in South Africa.

Cosma always said, "God isn't making any more land." Seeing that belief carried into the digital future, through a company bearing his name, means a great deal to me. It reflects our approach to development: understanding what we own, recognising what it could become and having the conviction to realise that potential.

Our acquisition of Portside Towers was another landmark for the Group. We already had an established presence in Cape Town, including ownership of one of Pick n Pay's largest distribution centres in the city. Portside strengthened that footprint and demonstrated our ability to identify opportunities, unlock potential and create lasting value.

Breaking barriers: What challenges did she encounter as a woman establishing yourself in the property industry?

Many, for me, breaking barriers means refusing to let circumstances, limitations or conventional thinking define what is possible.

Establishing myself as a leader in a male-dominated property industry took guts, determination and tenacity. I was often the only woman at the negotiating table, but I never allowed that to intimidate me. I made sure I knew my subject, understood the numbers and had a clear strategy for the asset.

My counterparts quickly learnt that when I entered a transaction, I had done my homework. That preparation gave me the confidence to negotiate firmly, make swift, informed decisions and stand behind them. I expected anyone sitting across the table from me to be equally prepared.

The group's growth: Could you share some headline figures on the group's current portfolio and its growth under your leadership? Portfolio value, no of properties, GLA, and headline financial performance.

Under my leadership, we have focused on growing a diversified portfolio, strengthening existing asset performance and identifying opportunities to take The Cavaleros Group into its next chapter.

Our interests span hospitality, retail, commercial and industrial property, and digital infrastructure. Our hotels include The Maslow, NH Johannesburg Sandton and Travelodge in London. Retail properties include Norwood Mall, Village View, LXX Sandhurst and Checkers Hermanus.

Cape Town investment has been central to our growth. Acquiring Portside Towers strengthened our commercial presence there, while our 150 hectares at Brackenfell provide scope for data centre, AI and industrial expansion.

Through Cosmas Data Cities, we pursue opportunities in specialised real estate, including data centre and AI campuses. Our landmark Microsoft transaction demonstrates the potential to recognise new uses for existing landholdings and turn that opportunity into long-term value.



The Future: What excites you most about Cosmas Data Cities, AI infrastructure and the next generation of property investment?

What excites me most about Cosmas Data Cities is applying our property expertise to infrastructure that will support the next generation of businesses. We have always looked at land and asked what it could become. Data centres and AI infrastructure offer an exciting opportunity to realise that potential.

I see significant potential across South Africa and the wider African continent. Through digital infrastructure, we can help businesses grow, attract investment and participate in the digital economy.

We also have strong ambitions in hospitality, particularly in the luxury sector. I see opportunities to build on our experience and invest in exceptional properties that set new standards for luxury and quality. Across both sectors, our ambition is to anticipate changing needs and invest with conviction to create lasting value.



Her legacy: Looking back on the centenary, what are you most proud of, and what advice would you give someone starting their property investment journey today?

Looking back on our centenary, I am most proud that we have honoured the foundations laid by previous generations while having the courage to pursue new opportunities. Carrying forward a hundred years of hard work, sacrifice and determination, alongside my family and our team, is both a privilege and a responsibility.

I want to leave a strong, sustainable business that creates lasting value and opportunities for future generations. That requires disciplined investment, careful stewardship of our assets and developing the people who will lead the business forward.

Our ambitions in luxury hospitality, data centres and digital infrastructure reflect that vision. I want the next generation to inherit valuable assets and the curiosity, confidence and judgement to recognise change and create their own opportunities.

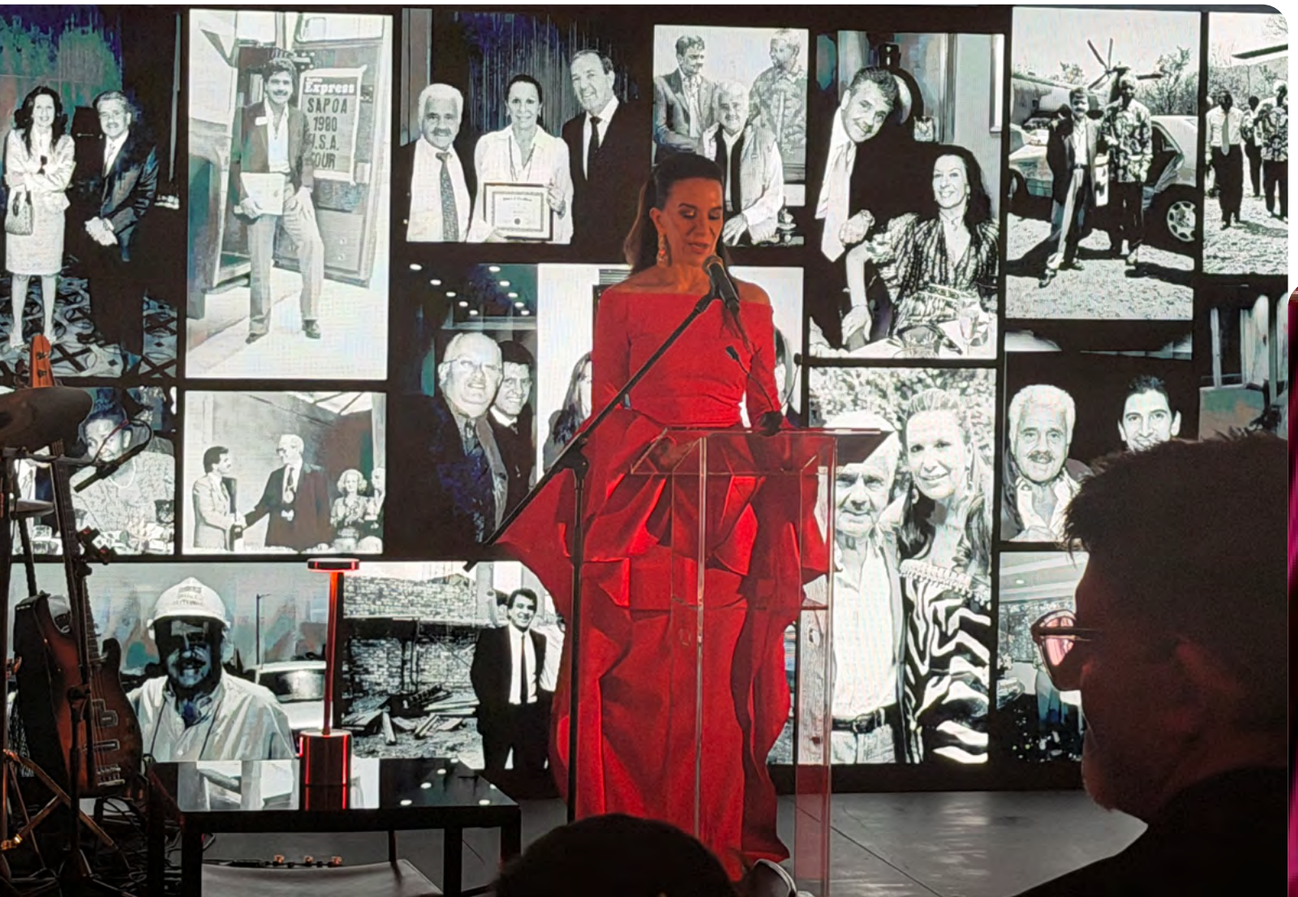


The real measure of a Master Investor

Penny Cavaleros's journey is inspirational not because she began with a property empire, but because her early business experience was shaped by hard work, persistence and an understanding of how income is earned.

From working in family businesses and running the Peppermill Restaurant to finding industrial tenants with a telephone directory, she learned the fundamentals that continue to underpin successful property investment.

Her career illustrates that property wealth is rarely created through one brilliant acquisition. It is built through thousands of decisions: finding tenants, managing costs, negotiating intelligently, selecting partners, protecting capital and recognising when markets are changing.



For aspiring investors, her example offers an encouraging message.

- **Start with what you have.**
- **Learn the fundamentals.**
- **Develop relationships.**
- **Know your numbers.**
- **Take calculated risks.**

And never stop looking for the next opportunity.

The Cavaleros story also reminds us that wealth and legacy are not the same thing. Wealth is what a portfolio is worth. Legacy is the knowledge, values, relationships and opportunities that remain for the next generation.

After a century of building, investing and evolving, that may be Penny Cavaleros's most enduring contribution.

MASTER INVESTOR TAKEAWAY

Great property investors do more than accumulate buildings. They create businesses, develop people and build institutions capable of outlasting them.



COVER STORY

Cavaleros: 100 years of building an empire

By Neale Petersen



From a 16-year-old Greek immigrant's Johannesburg workshop in 1926 to landmark property investments, international expansion and AI infrastructure, the Cavaleros Group celebrates a century of entrepreneurial vision, reinvention and lasting value.

THE CAVALEROS GROUP

From a carpenter's dream to a century of property success

A hundred years ago, a 16-year-old carpenter arrived in South Africa from the Greek island of Imbros with little more than his trade, determination and the ambition to build a better future. His name was Dimitri Cavaleros.

In 1926, he established the foundations of what would become Cavaleros & Son, a Johannesburg shopfitting business built on workmanship, personal relationships and an uncompromising commitment to quality.

A century later, that modest enterprise has evolved into the Cavaleros Group, a diversified property investment and development business with interests across South Africa, the United Kingdom and emerging digital infrastructure.

On 5 November 2026, the family celebrated its remarkable centenary at The Portside in Cape Town, a landmark commercial tower jointly owned by the Cavaleros Group and FirstRand Bank. The setting was symbolic.

What began as a business fitting out buildings for other owners has grown into an enterprise that owns, manages and develops major commercial, retail, industrial and hospitality assets and is now pursuing opportunities in the infrastructure required to power artificial intelligence.

The centenary brought together three generations of entrepreneurial ambition, with Chief Executive Officer Penny Cavaleros and her son, Alexi Cavaleros, reflecting on the sacrifices of the past and outlining the opportunities of the future.

But this is more than the story of a successful family business. It is a masterclass in recognising opportunity, adapting to changing markets, building relationships and understanding when to move from earning an income to owning an asset.

For property investors, the Cavaleros journey demonstrates that lasting wealth is not created through one transaction. It is built through disciplined decisions repeated over generations.

1926 | The beginning: A carpenter who dared to dream

Dimitri Cavaleros arrived in South Africa at just 16 years old, having left Imbros during a turbulent period in the eastern Mediterranean. He possessed a practical skill and the willingness to work.

His early shopfitting business in Johannesburg operated in an era when reputation was everything. Customers expected quality workmanship, projects had to be completed to exacting standards and business relationships were earned through reliability.

As the company grew, Dimitri passed these principles to his son, Cosmas, who learned the business by observing meetings, understanding customer requirements and becoming familiar with the demands of running a commercial operation.

The family was not yet investing in landmark office towers or international hospitality assets. It was learning how buildings worked, what occupiers needed and how commercial environments could be improved. Those lessons would prove invaluable.



THE INVESTOR LESSON

- **Start with a skill, service or business that creates genuine value.**
- **Build a reputation for quality and reliability before pursuing scale.**
- **Learn how properties function commercially before attempting to own them.**

1967 | The turning point: From contractor to property investor

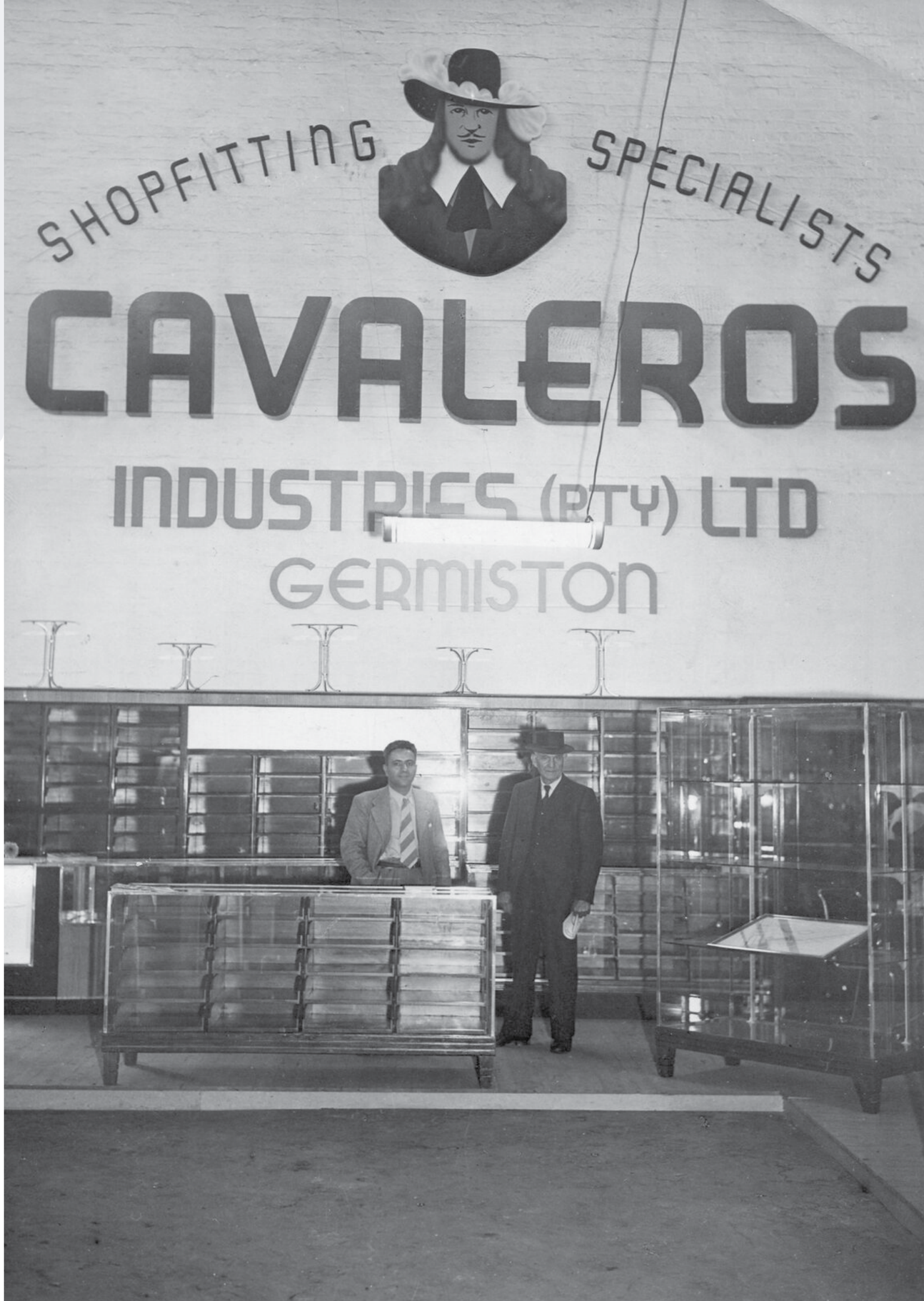
On 19 May 1967, Dimitri passed away, leaving 23-year-old Cosmas Cavaleros to assume responsibility for the family business. It was a defining moment.

Cosmas inherited an established operation, but he also recognised that the business could evolve beyond shopfitting.Rather than simply earning fees for improving properties owned by others, he saw an opportunity to participate in the longer-term value of the underlying real estate. The group's property investment and development arm was established in 1967.

Cosmas believed in the enduring scarcity and strategic value of land. His investment philosophy included identifying overlooked sites, recognising their potential and committing the capital and patience necessary to unlock that value.

Some projects involved industrial township development and even the movement of mine dumps to make land suitable for productive use. These were not simple transactions. They required planning expertise, capital, long-term conviction and a willingness to accept development risk.

But they marked a fundamental shift in the group's economic model. A contractor earns income from completing a project. A property investor can participate in rental income, capital appreciation and the long-term economic value of the asset. For Cavaleros, this change established the foundation of its future growth.



THE INVESTOR LESSON

- **Understand the difference between earning fees and owning income-producing assets.**
- **Look for land and buildings whose future potential is not reflected in their current use.**
- **Recognise that long-term ownership creates opportunity but also introduces funding, vacancy and market risks.**

The 1970s | Building a business of national significance

Under Cosmas's leadership, the shopfitting business expanded considerably. By the early 1970s, the company had become what the group's corporate portfolio describes as the largest shopfitting business in Southern Africa.

Its work included major commercial and hospitality developments, where demanding clients, tight deadlines and exceptional workmanship were essential.

Among the relationships remembered at the centenary was Cosmas's association with prominent hotel developer Sol Kerzner. Penny recalled the intensity of those working relationships, including a memorable disagreement on a hotel site that was eventually resolved with a peace offering of sandwiches.

The anecdote captures something important about the culture of the business. Strong personalities and ambitious projects could create friction, but long-term success depended on delivering results and preserving relationships.

The group's experience in shopfitting also gave it valuable insight into the economics of retail, hospitality and commercial property - knowledge that would later inform its investment decisions.

1978 | The bold decision to sell and reinvent

In 1978, the Cavaleros Shopfitting Group was sold to a large publicly traded institution. For many entrepreneurs, selling an established and successful business might have represented the end of a remarkable journey.

For the Cavaleros family, it became the beginning of another chapter. The sale allowed the group to concentrate its resources and attention on property investment and development. It was a decisive strategic choice: moving away from the operating business that had established the family name to pursue the long-term ownership of real estate.

The decision illustrates a quality often found in enduring entrepreneurial businesses, the willingness to change direction before circumstances force the change.

THE INVESTOR LESSON

- **Do not become emotionally attached to an investment or business model simply because it has been successful.**
- **Recognise when capital and expertise can generate greater long-term value elsewhere.**
- **Reinvention can be a source of strength, provided it is supported by a clear strategy.**



1989 | Penny Cavaleros takes the helm

In November 1989, Penny Cavaleros began her tenure as Chief Executive Officer, according to the leadership information supplied for this feature.

Her journey into business had begun long before she assumed that responsibility. From helping in family enterprises to running the Peppermill Restaurant and personally sourcing industrial tenants, Penny had developed an understanding of the fundamentals of commerce.

She knew the importance of customers, tenants, margins, cash flow and personal relationships. Her early introduction to property leasing involved sitting in a rented apartment with a telephone directory and calling prospective occupiers.

That experience instilled a lesson that remains relevant to every property investor: a building only becomes a successful income-producing investment when there is demand for the space it provides. Under Penny's leadership, the group continued developing its diversified property interests while maintaining the family's emphasis on commercial discipline, careful negotiation and long-standing partnerships.

The Greek philosophy of filotimo - encompassing honour, integrity, responsibility and generosity, remains an important expression of the family's business values.

At the centenary, Penny acknowledged the employees, tenants, financiers, advisers and partners who had contributed to the group's achievements. Her message reinforced a central principle of the family's success: no enterprise survives for a century through individual ambition alone.

THE INVESTOR LESSON

- **Understand your tenants and their businesses.**
- **Treat reputation and relationships as long-term assets.**
- **Combine entrepreneurial ambition with disciplined financial management and specialist expertise.**



Building a diversified property portfolio

The Cavaleros Group's transformation from shopfitting to property ownership created the foundation for investments across multiple sectors and markets.

Today, the group's documented portfolio encompasses retail, commercial, industrial, hospitality and international properties. Each sector contributes different income characteristics, operating risks and opportunities.

Retail | Creating destinations people return to
Retail property has become one of the most recognisable components of the group's portfolio. Documented assets include:

- **Village View, Bedfordview**
  A retail destination serving a combination of shopping and lifestyle needs.
- **Norwood Mall, Johannesburg**
  An established retail centre serving its surrounding community.
- **LXX Sandhurst, Sandton**
  A premium retail and lifestyle property incorporating the LUXX events venue.
- **Pick n Pay property, Durban North**
  An example of the group's exposure to grocery-oriented retail.

At the centenary, Penny also referred to Alex East and announced a Checkers Hypermart acquisition, reflecting continued interest in the sector.

For investors, the central lesson is that successful retail property is about more than collecting rent.

Location, catchment demographics, tenant quality, accessibility and the overall customer experience determine whether a centre remains relevant.

RETAIL INVESTMENT PRINCIPLES

- **Understand the purchasing power and needs of the surrounding community.**
- **Build a sustainable tenant mix rather than relying solely on headline rentals.**
- **Continually improve the customer experience to protect footfall and long-term income.**

Commercial | Landmark buildings and corporate tenants

The group's commercial portfolio includes properties across major South African business centres. Featured assets include 4 Pybus Road in Sandton, Eastgate Office Park in Bruma, Eastwood Office Park in Bedfordview, 34 Richefond Circle in Umhlanga, and The Portside in Cape Town.

The portfolio also includes commercial properties in central Johannesburg and Kensington. These investments demonstrate the group's understanding of corporate occupation requirements and the importance of location, building quality and tenant relationships.

Commercial property investment, however, requires careful management of lease expiries, tenant concentration, operating costs and changing workplace requirements.

Cape Town | Unlocking the potential of Portside

The acquisition of The Portside marked an important expansion of the group's commercial property interests in Cape Town. Located at 5 Buitengracht Street, the building occupies a prominent position in the city's skyline.

Jointly owned by the Cavaleros Group and FirstRand Bank, The Portside provided the setting for the centenary celebration and the official launch marking the group's involvement in the landmark property.

The group identified an opportunity to strengthen the building's commercial performance through a focused leasing and asset-management strategy.

Over the year following the acquisition, changes to the tenant mix and commercial offering helped position the property for continued value creation. The group subsequently acquired the ABSA property on Lower Long Street, strengthening its presence in Cape Town's central business district.

For Penny, the investments demonstrate the group's confidence in South Africa and its ability to identify value in established assets.

As she explained in the group's centenary announcement:

"We have built our reputation on identifying gaps in the market, recognising potential where others may overlook it and pursuing opportunities with conviction."

She emphasised that the group continues working to realise the potential of its investments rather than standing still after acquisition.

Alexi Cavaleros described Portside as an important entry into Cape Town's commercial property market, highlighting the city's appeal to local and international businesses and the group's ambition to expand further in the Western Cape.

THE INVESTOR LESSON

- **A well-located building may still have untapped commercial potential.**
- **Active leasing, tenant-mix improvements and asset management can create value after acquisition.**
- **Long-term investment success depends on improving assets, not merely owning them.**

Industrial | The enduring value of land and logistics

Industrial property has long been central to the Cavaleros investment philosophy. The group's documented portfolio includes:

- **A FedEx facility in Boksburg.**
- **A Pick n Pay distribution centre at Sheffield Business Park in Cape Town.**
- **An industrial property in Linbro Park, Johannesburg.**

These investments illustrate the importance of logistics-oriented property, where transport connectivity, building configuration, loading facilities and proximity to customers influence long-term demand. Industrial property also connects directly to the group's early history of transforming underutilised land into productive commercial assets. The next chapter extends that philosophy into a new generation of infrastructure.

At the centenary, Penny announced the acquisition of approximately 250 hectares in Brackenfell, Cape Town, for industrial, AI and data-related expansion.

The strategic landholding reflects the group's ambition to position itself for emerging infrastructure demand, subject to the necessary planning, power and development requirements.

THE INVESTOR LESSON

- **Location and infrastructure access can be more important than building size alone.**
- **Industrial property must support the operational needs of its occupiers.**
- **Strategic landholdings can provide flexibility for future development, but require patient capital and careful feasibility analysis.**

Hospitality | Investing in experiences and destinations

The group's hospitality interests include The Maslow in Sandton and an NH-branded hotel at 138 Rivonia Road. Hospitality property differs from conventional commercial leasing because investment performance is closely linked to operating results.

Occupancy, room rates, guest experience, operator expertise and ongoing capital expenditure all influence the value of the underlying property.

At the centenary, Alexi outlined the group's relationship with Minor Hotels and its ambitions to pursue distinctive hotels, lodges and destinations across Africa.

The opportunity lies in combining property ownership with hospitality expertise to create assets capable of attracting international and regional tourism demand. The ambition also reflects a wider belief in Africa's long-term growth potential.



THE INVESTOR LESSON

- **Understand the operating business behind the property.**
- **Select partners with proven sector expertise.**
- **Evaluate hospitality assets using realistic occupancy, operating-cost and capital-expenditure assumptions.**

International | Building beyond South Africa

The Cavaleros Group's United Kingdom portfolio demonstrates its willingness to diversify geographically.

Documented investments include Travelodge Kew Bridge in Brentford, a Richmond Station-related property, Costa Coffee sites, a Gail's Bakery property in Bromley, and various retail and service properties associated with established operators.

The UK portfolio spans hospitality, high-street retail, convenience services and other commercial uses. Alexi Cavaleros, Director and Head of International Acquisitions, plays an important role in the group's cross-border investment strategy.

International property investment can provide access to different tenant markets and economic drivers. However, investors must also account for currency movements, tax obligations, financing structures and local market conditions.

THE INVESTOR LESSON

- **Geographic diversification should be supported by local expertise.**
- **Understand currency and tax exposure before committing capital.**
- **Focus on sustainable income and asset quality rather than international ownership for its own sake.**

The deal-making DNA: Seeing opportunity where others see risk

The group's hospitality interests include The Maslow in Sandton One of the most revealing stories shared during the centenary concerned a 10,000-square-metre distribution building acquired by the late Cosmas Cavaleros for R4 million.

According to Alexi's recollection, Cosmas calculated that the property was worth approximately R10 million. When a prospective buyer offered R5 million, he declined. The building was eventually sold to Old Mutual for R11 million, according to the family's account.

The transaction illustrates the importance of independent valuation and the confidence to act on well-researched conclusions. It also reflects the group's broader investment philosophy: identifying potential that others may not immediately recognise.

But recognising opportunity is only the beginning. Successful investors must also understand the risks that could prevent that potential from being realised.

FIVE PRINCIPLES OF DISCIPLINED DEAL-MAKING

1. Know the asset: Investigate its location, condition, income and future potential.
2. Understand intrinsic value: Do not confuse the asking price with what a property is fundamentally worth.
3. Conduct rigorous due diligence: Assess legal, planning, funding and operating risks.
4. Negotiate from knowledge: Establish a valuation range and clear walk-away position.
5. Think beyond acquisition: Determine how the property will generate and preserve value after purchase.

Cosmas Data Cities | Property enters the AI economy

Perhaps the most striking indication of the Cavaleros Group's future direction is its investment ambition in digital infrastructure. Through Cosmas Data Cities, the group is pursuing opportunities in data-centre development and the physical infrastructure supporting cloud computing and artificial intelligence.

Its Samrand initiative represents an important part of this strategy. At the centenary, Penny also referred to a landmark transaction involving Microsoft, although the detailed commercial terms and scope of that transaction have not been established in the supplied material.

The group's approximately 250-hectare Brackenfell acquisition further illustrates its interest in strategically positioned land capable of supporting industrial and digital infrastructure development. The shift is significant.

A century ago, the family business helped create commercial interiors. Today, it is exploring the infrastructure that enables the digital economy. Yet the fundamental property investment principles remain surprisingly similar.

- **Land must be correctly located.**
- **Infrastructure must support the intended use.**
- **Customers must have a genuine need for the facilities.**
- **And capital must be deployed with a clear understanding of risk and long-term demand.**



What makes data-centre investment different?

Unlike a conventional warehouse or office building, a data-centre campus depends on a highly specialised combination of requirements:

Power: Reliable electricity supply, grid connections and backup capacity.

Connectivity: High-quality fibre infrastructure and access to communications networks.

Cooling: Engineering systems capable of managing substantial heat loads.

Security: Physical and digital protection of critical infrastructure.

Capital: Significant upfront development costs and long investment horizons.

Customers: Creditworthy users with sustainable demand for computing and data services.

For the Cavaleros Group, the opportunity is to apply a century of property investment experience to an emerging infrastructure sector.

THE INVESTOR LESSON

The property industry is constantly evolving. Successful long-term investors identify where structural economic change creates demand for new forms of real estate.

Africa | The next frontier of opportunity

Looking beyond South Africa, Alexi used the centenary to express confidence in Africa's long-term investment potential. The continent's young population, natural resources, urbanisation and infrastructure requirements create opportunities across multiple sectors.

Two areas are particularly relevant to the group's ambitions.

Hospitality and tourism
Developing distinctive hotels, lodges and destinations that can serve growing demand for premium African travel experiences.

Digital infrastructure
Supporting the expansion of data centres, cloud services and AI-related facilities as demand for connectivity and computing capacity increases.

Both sectors require substantial capital, long-term partnerships and disciplined execution. The group's ambitions therefore represent opportunities rather than guaranteed outcomes.

Success will depend on identifying commercially viable projects and managing the regulatory, infrastructure, currency and funding risks associated with expansion.

For the next generation of Cavaleros leadership, the challenge is not simply to preserve an existing portfolio.

It is to recognise where future value can be created. More than buildings: The people behind the success A century in business is not achieved through property transactions alone.

At the centenary, Penny and Alexi acknowledged the employees, tenants, advisers, bankers, partners and family members who contributed to the group's development.

The Cavaleros corporate portfolio also records several community initiatives, including support for Naletsana Primary School in Limpopo, the refurbishment of the Greek Old Age Home kitchen in Johannesburg, restoration work at St John's Greek Orthodox Church and hall in Germiston, and animal conservation activities.

These commitments reflect the group's belief that commercial success should be accompanied by responsibility to the communities in which it operates. They also reinforce the importance of reputation and long-term relationships.

For investors, this is a lesson often overlooked in discussions dominated by yields, valuations and acquisition prices. Trust can be a source of enduring commercial value.

100 years in the making | The Cavaleros countdown

The group's defining milestones reveal how each generation built on the achievements of the previous one.

1926 — Dimitri Cavaleros arrives from Imbros at age 16 and establishes the foundations of Cavaleros & Son in Johannesburg.

1967 — Dimitri passes away. Cosmas assumes leadership at 23 and establishes the group's property investment and development arm.

Early 1970s — The shopfitting business grows to become what the group describes as Southern Africa's largest.

1978 — The shopfitting group is sold to a publicly traded institution, enabling a strategic focus on property investment and development.

1989 — Penny Cavaleros begins her tenure as Chief Executive Officer.

Subsequent decades — The group develops a diversified portfolio across retail, commercial, industrial, hospitality and international property markets.

By 2026 — The portfolio includes UK investments and the Cosmas Data Cities programme, reflecting expansion into digital infrastructure.

2025–2026 — The group expands its Cape Town commercial presence through The Portside and the ABSA property on Lower Long Street.

5 November 2026 — The Cavaleros Group celebrates its centenary at The Portside in Cape Town.

2026 and beyond — The group highlights the approximately 250-hectare Brackenfell acquisition, AI and data-centre ambitions, and further hospitality and infrastructure opportunities across Africa.

Individual acquisition years are not available for most portfolio assets; these have therefore not been assigned unsupported dates.

Seven lessons from a century of property investment

The Cavaleros story offers a practical framework for investors seeking to build lasting wealth.

1. **Start with the fundamentals**
   Understand customers, tenants, cash flow and the economic purpose of the property.
2. **Recognise the value of ownership**
   Moving from providing services to owning productive assets can create long-term wealth.
3. **Be prepared to reinvent**
   The business model that created yesterday's success may not create tomorrow's opportunities.
4. **Invest with conviction, not speculation**
   Research, due diligence and financial discipline should underpin every transaction.
5. **Diversify intelligently**
   Spread exposure across different income drivers without losing strategic focus.
6. **Protect your reputation**
   Long-term relationships and integrity can create opportunities that capital alone cannot secure.
7. **Plan beyond your own generation**
   The most enduring businesses develop leadership, systems and values that survive succession.



The next 100 years: A legacy still being built

The Cavaleros Group's centenary is a celebration of remarkable endurance. From Dimitri's Johannesburg workshop to Cosmas's strategic move into property ownership, Penny's leadership of a diversified investment enterprise and Alexi's ambitions in international property, hospitality and digital infrastructure, each generation has confronted a different economic landscape.

Each has also faced the same fundamental challenge: recognising opportunity and having the courage to act. Today, the group stands at another turning point.

Its established portfolio provides exposure to traditional property sectors, while its ambitions in data infrastructure and African hospitality open the possibility of an entirely different chapter.

The future will bring new technologies, economic cycles, investment risks and opportunities that cannot yet be fully anticipated. But the principles that carried the family through its first century remain relevant.

- **Work hard.**
- **Know your numbers.**
- **Build relationships.**
- **Protect your reputation.**

And never stop looking for ways to create value.
A century after a teenage carpenter arrived in South Africa with a dream, the Cavaleros Group is still building its future.

THE CAVALEROS GROUP | COMPANY PROFILE

Headquarters: Johannesburg, Gauteng, South Africa
Chief Executive Officer: Penny Cavaleros
Director & Head of International Acquisitions: Alexi Cavaleros
Core business: Property investment, development and asset management

Investment sectors: Retail, commercial, industrial, hospitality, international property and digital infrastructure
Digital infrastructure division: Cosmas Data Cities / Cosmas Data Centres

Website: www.cavaleros.co.za

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PROPERTY PROFESSIONALS

eXp-anding Horizons: eXp Realty South Africa Appoints Kura Chihota as Growth Development Manager

By Khanya Gundwana



JOHANNESBURG, November 2026

As eXp Realty South Africa celebrates six years of unprecedented market disruption, the cloud-based real estate agency has announced a major strategic appointment to fuel its next era of expansion.

Industry veteran Kura Chihota has officially stepped into the role of Growth Development Manager, a move designed to aggressively scale the brand's footprint both locally and across the continent.

Chihota, a highly respected figure with a rich history of managing realtor teams across Zimbabwe and South Africa, will spearhead the company's expansion while continuing to operate his established regional commercial practice.

"New month, new role," says Chihota. "I have transformed my role from regional realtor to now lead the growth and development for eXp Realty South Africa, over and above my established regional commercial practice."

A Global Powerhouse with Local Impact

Chihota's appointment comes at a pivotal time for the real estate agency. eXp Realty South Africa currently boasts a formidable network of 1,300 local agents, acting as a crucial pillar within the global eXp Realty family. Worldwide, the company operates with an 83,000-strong team across 29 countries, generating annual revenues of US$4.8 billion.

In his new capacity, Chihota's brief is clear: deepen eXp's brand penetration across all market segments—sales, letting, commercial, and luxury. Furthermore, his mandate extends beyond South African borders, with a strategic expansion into Mauritius slated for Q1 2027.

"My role is to grow the business in terms of absolute numbers and increased revenue, and to provide the platform for agents to flourish," Chihota explains. "We achieve this through support, active mentoring, and profitability, using world-class agency tools, our international profile, and agent-centric, winning support systems."

Strategic Leadership Shifts

Chihota takes the reins from Gawie Rossouw, who transitions into a newly formed, critical role as Regional Compliance Manager for eXp Realty South Africa. As the agency's agent count scales, Rossouw will focus on fortifying the regulatory and compliance frameworks necessary to support a massive, agile workforce.

"As eXp Realty South Africa continues its exponential trajectory, the need for robust, proactive compliance has never been more critical," says Rossouw. "I am eager to focus my energy on safeguarding our operations as Regional Compliance Manager. Handing the growth baton to Kura is an absolute privilege. His pedigree, market insight, and infectious passion for agent success make him the exact leader we need to drive our next massive wave of expansion."

The strategic realignment is a proud milestone for Andrew Thompson, under whose leadership eXp Realty South Africa has flourished since its inception six years ago.

"Over the past six years, we have built an incredible, disruptive business that puts the agent first," says Thompson. "Bringing Kura into the Growth Development Manager role is a testament to our commitment to that continued momentum. His deep understanding of both local and cross-border markets, combined with his dedication to mentorship, aligns perfectly with our vision. With Kura driving our market penetration and Gawie ensuring world-class compliance, our executive team is primed for an extraordinary 2027 and beyond."



A Personal Mission to Transform Lives

For Chihota, the new role is more than just corporate strategy—it is the realization of a deeply held professional ethos.

“It’s a challenge I relish in my personal purpose to put as much real estate in as many hands as possible to transform lives,” he shares. “I am so thrilled to be joining a team that has built an incredible business in six years under the leadership of Andrew Thompson.”

True to his collaborative nature, Chihota extends an open invitation to industry professionals navigating today’s dynamic property landscape. “Please, if I can assist you in any way in this real estate maze, let’s have a coffee—real or virtual—to get you getting the very best out of your real estate.”

As eXp Realty South Africa looks toward a bold future, their message to the market under Chihota’s new growth mandate is simple: eXp-ect more. eXp-erience better. eXp-and your horizons.





RESIDE AWARDS
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★★★★★
Residential Estate Agency of the Year 2026
Large Agency
PLATINUM AWARD
Exp Realty South Africa

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As a forward-thinking, agent-centric real estate agency, eXp Realty leverages cutting-edge technology and AI to empower agents, boost productivity and spark creativity in the metaverse. This is just one of the reasons why eXp Realty South Africa has grown from zero to more than 1,400 agents in less than four and a half years. Making us the Largest Independent Real Estate Agency in Africa. At eXp, we’re not just building careers - we’re creating a community where the best in the business can thrive.

eXp REALTY

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Community Schemes | Rental Portfolios | RedRabbit

Celebrating a 4th Corporate Vision Award

and the journey behind it.





CorporateVision
The future of better business

WeconnectU®



This month, Corporate Vision named WeconnectU **Best Property Management Software Company – South Africa** for the fourth year in a row.

The Technology Innovator Awards are a global programme recognising organisations that demonstrate excellence, innovation and forward-thinking approaches across the technology sector.

The awards look beyond technology itself to recognise businesses delivering innovative solutions, creating measurable impact and setting new benchmarks within the markets they serve.

We're incredibly proud of this achievement. Four consecutive wins is something worth celebrating. But we're also very aware that none of them would have been possible without the property professionals who have been part of the WeconnectU journey.

Progress through partnership

The truth is, the WeconnectU receiving this award today is very different to the one that received it for the first time in 2023. Our solutions have grown, our ecosystem has become more connected and intelligent, and the challenges we are working with our clients to solve have become considerably more ambitious.

That progress hasn't happened in isolation. It's grown out of a close, two-way relationship with our clients and the wider property management industry, an industry that has itself changed enormously over the past decade. New pressures, expectations and opportunities have given us fresh problems to solve; the solutions we build have, in turn, helped property professionals find better ways to work and create value.

That constant exchange has kept us evolving alongside the industry we serve. It's a huge part of how we've stayed at the forefront of property management technology and why this fourth consecutive award is something we could never celebrate alone.



The timing makes this year's recognition even more meaningful. In 2027, WeconnectU turns ten.

From the beginning, our founders' ambition was to use technology to help property professionals create more value from the role they already occupied. They knew first-hand how close property managers sit to the finances, operations, risks, maintenance needs and relationships that shape the assets in their care. The opportunity was to give them more capacity to apply that knowledge with greater insight and impact.

That thinking became the foundation of our purpose: creating more valued and valuable property managers.

Almost ten years later, that opportunity feels bigger than ever, especially with AI reshaping what technology can do.

AI can process and connect information at a scale and speed that would have been difficult to imagine when WeconnectU started. It can reduce repetitive work, identify patterns and help

bring the right information into view sooner. We're already integrating those capabilities into the WeconnectU ecosystem.

For property professionals, that creates even more room to focus on the work where experience, judgement and relationships matter most: understanding context, advising clients, making better decisions and managing assets more intelligently.

It also highlights another opportunity where WeconnectU is uniquely positioned to contribute as a technology partner.



Over the past decade, the WeconnectU ecosystem has expanded across **Community Asset Management, Rental Asset Management** and, through **RedRabbit,** inspections and maintenance management.

Today, more than 1.1 million professionally managed assets are connected through that ecosystem, generating an extraordinary volume of financial, operational, compliance, maintenance and property information. The value of that scale lies in what we can learn from it and what we can give back to the industry.

In 2027, WeconnectU plans to release the inaugural South African Asset Intelligence Report, using aggregated, anonymised data from across our ecosystem to build a broader picture of professionally managed property assets across five dimensions: **financial health, operational health, governance health, physical asset health & stakeholder experience.**

The aim is to give property professionals richer context around the assets they manage: helping them identify trends and risks, benchmark performance and have more valuable conversations with their clients.

For us, it's a natural progression.

Better technology has already transformed how much information property professionals can access. Now we have an opportunity to help turn that information into intelligence they can use.

The next ten years

That is the kind of progress we want the next decade to be about.

Technology will keep changing. AI will become more capable, data will become more useful, and many of the tasks that consume time today will become easier to automate or support.

That doesn't make property professionals less valuable. It empowers them to be more so.

We want professionals across the industry to have more time and better information to advise, influence decisions, manage risk and take a more strategic role in the performance of the assets entrusted to them. In other words, to become even more valuable to their clients and more valued for the contribution they make.

That has been our purpose from the beginning, and it remains the direction we want to keep moving in.

Looking forward together

Four consecutive Corporate Vision awards give us plenty to celebrate as we head towards ten years of WeconnectU. More than anything, though, they give us an opportunity to say thank you to the clients and property professionals who have trusted us, challenged us and shared this journey with us.

We're incredibly proud of how far we've come together – and even more excited about where we'll go next.



Community Schemes | Rental Portfolios | RedRabbit

The Trends that Shaped 2026
- and what to Watch in 2027

The demands on property managers continue to evolve. Understanding the patterns behind those demands can help you make better decisions about your business, your team and the assets you manage.

Join WeconnectU for a focused, 2 hour conversation about the trends shaping community and rental asset management, informed by our industry and product surveys, portfolio data and client insights. We'll connect what we are hearing from the industry with what we are seeing across our ecosystem and explore what it could mean for 2027.

THURSDAY
12 Nov 2026

ONLINE EVENT
09:00 - 11:00

Register Today!



WeconnectU®

PROPERTY INVESTING

Why owning the whole building can beat buying one flat

By Jason Lee



One flat gives you rental income. An entire building gives you greater control, diversified cash flow and opportunities to grow value. Jason Lee explains how to invest wisely.

Imagine owning an investment flat and receiving an unexpected special levy for major building repairs.

You voted against the expenditure, but the majority supported it. Now you must pay your share, whether you agree with the decision or not.

It is a familiar frustration for sectional-title property investors. You own the apartment, but you don't necessarily control the decisions that affect your investment.

After 25 years in property investment and development, I've become convinced that investors serious about building long-term wealth should look beyond individual apartments and consider the advantages of owning an entire income-producing building.

That could mean a small block of four or eight flats, a row of rental cottages on one title, or a mixed-use property combining residential and commercial tenants.

Sectional-title properties certainly have their place. They can provide an accessible entry point into property investment, particularly for investors with limited capital.

But owning an entire building introduces something far more powerful: greater control over the asset, multiple income streams and the ability to actively improve its financial performance.

Here is how I would approach the opportunity.

Step 1: Understand the value of control

When you purchase a sectional-title apartment, you own your section and share ownership of the common property. However, many important decisions are made collectively through the body corporate, trustees and owners.

These include maintenance budgets, levies, building improvements, conduct rules and the appointment of managing agents. As an individual investor, your influence is limited.

When you own the entire building, you gain much greater control over how the property is operated and improved.



You can determine:

- When and how maintenance should be undertaken.
- Which contractors and property managers to appoint.
- What improvements could justify higher rentals.
- How to position the property for its target tenant market.
- How to allocate capital between repairs, upgrades and expansion.

That control matters because every operational decision can influence your return on investment.

INVESTOR LESSON

Don't evaluate a property purely on its purchase price and rental income. Consider how much control you will have over future costs, improvements and management decisions.

Step 2: Spread your rental risk across multiple tenants

One of the biggest weaknesses of owning a single investment flat is vacancy risk. If your tenant moves out and the property stands empty, your rental income falls to zero.

Unfortunately, your financial obligations don't disappear. The bond, municipal rates, insurance, levies and other holding costs continue. Now consider an eight-unit rental building. If one unit becomes vacant, seven tenants can continue generating rental income.

The numbers illustrate the difference:
One rental flat: One vacancy means a 100% loss of rental income.
Four-unit building: One vacancy represents 25% of potential rental income.

Eight-unit building: One vacancy represents just 12.5%.
Ten-unit building: One vacancy represents 10%.

These examples assume each unit generates the same rental income. The principle is straightforward: multiple tenants help reduce your dependence on any single rental agreement.

That doesn't eliminate risk. Several vacancies, non-paying tenants or major repairs can still place considerable pressure on your cash flow. But it creates a more resilient income structure.

INVESTOR LESSON

Before purchasing, calculate how the investment performs at full occupancy, 90% occupancy and 75% occupancy. A good investment should have sufficient financial resilience to withstand reasonable vacancies.

Step 3: Learn how to manufacture property value

This is where owning an entire building becomes particularly interesting. When you own one apartment, its resale value is often strongly influenced by comparable sales within the same sectional-title scheme. You can install a beautiful kitchen, upgrade the bathroom and improve the finishes, but there may be a limit to how much additional value buyers will recognise.

With an income-producing building, you have more opportunities to improve the underlying investment.
The objective is to increase net operating income (NOI), not simply gross rental income.

Net operating income is broadly the property's rental and other operating income, less its operating expenses, before financing costs and tax. Depending on the property and the valuation method, stronger sustainable income can support a higher capital value.

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- For example, consider a building generating R600,000 in annual NOI. At an illustrative capitalisation rate of 10%, the income-based value would be: R600,000 ÷ 10% = R6 million

- If improvements increase sustainable NOI to R720,000 annually, and the same capitalisation rate remains appropriate: R720,000 ÷ 10% = R7.2 million

- That's a potential R1.2 million increase in value, driven by an additional R120,000 in annual net income.

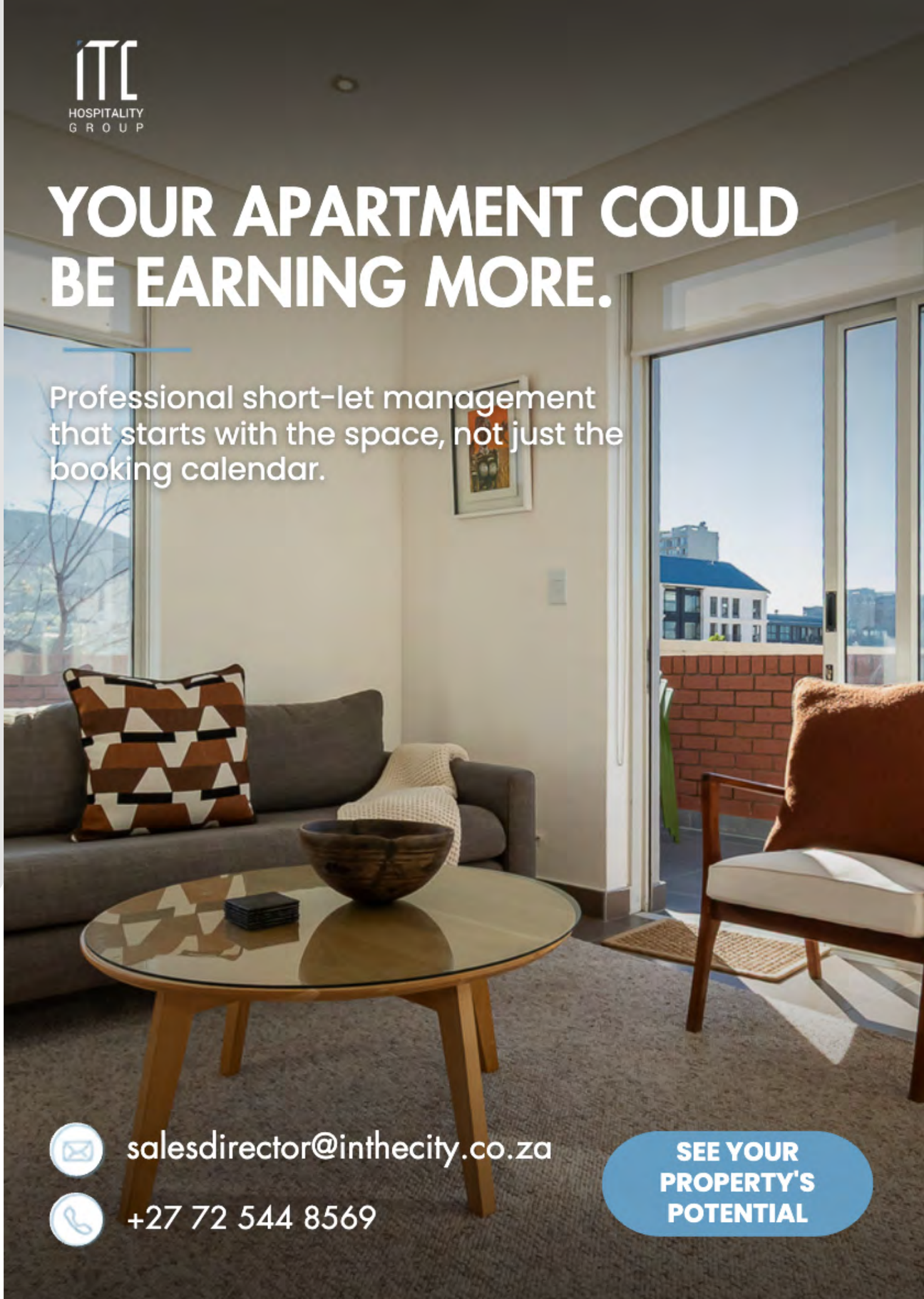
These are simplified illustrations, not guaranteed valuations. Market conditions, building condition, leases, location and the capitalisation rate all influence the outcome.

Ways to improve income or reduce costs include:

- Renovating outdated units to support competitive market rentals.
- Converting suitable unused space into additional accommodation, subject to approvals.
- Installing appropriate prepaid or submetering systems.
- Improving water and electricity efficiency.
- Reducing recurring maintenance through preventative repairs.
- Improving tenant retention and reducing vacancy periods.
- Exploring additional development rights where zoning and feasibility permit.

INVESTOR LESSON

Look for properties where better management, sensible improvements or permitted additional density can increase sustainable net income. Always calculate the cost of those improvements before committing.



Step 4: Use scale to improve operating efficiency

Managing ten apartments scattered across different suburbs can become expensive and time-consuming. You may have ten different buildings, ten sets of trustees, multiple managing agents and contractors working across several locations.

Now compare that with owning ten units in one building. You can centralise many of your operating activities.

A single maintenance team can attend to multiple units. Inspections can be completed on one visit. Insurance and property management arrangements may also be easier to coordinate.

This can create operational efficiencies. However, don't assume that one building automatically means lower expenses. You remain responsible for the entire structure, including common areas, major repairs and building systems.

INVESTOR LESSON

Compare operating costs per unit and per square metre. The cheapest building to buy is not necessarily the most efficient building to own.

Step 5: Get the financing right before you buy

Financing an entire rental building is not necessarily the same as obtaining a home loan for a single apartment.

Banks may assess the transaction differently depending on the property type, ownership structure, income profile and whether residential or commercial lending criteria apply.

Before making an offer, investigate:

- The deposit or equity contribution required.
- The interest rate and loan repayment terms.
- Whether the lender considers actual or projected rental income.
- The property's debt-service coverage.
- The cost of transfer, legal fees and any applicable taxes.
- The capital needed for immediate repairs and improvements.

Most importantly, establish whether the building can comfortably service its debt from sustainable rental income. A property showing an attractive gross yield can still produce weak or negative cash flow after expenses and financing costs.

INVESTOR LESSON

Engage a suitable lender or bond originator early. Never base an investment decision on the assumption that the bank will finance the purchase on your preferred terms.

Step 6: Conduct proper due diligence

Buying an entire building can be financially rewarding, but the risks are substantial. Unlike a sectional-title owner who shares responsibility for common property through the body corporate, the owner of an entire building carries the full financial responsibility for its upkeep.

A leaking roof, ageing plumbing system or major electrical upgrade can quickly erode profits. Before buying, I would insist on examining the following:

Financial performance

- Current rent roll and signed lease agreements.
- Actual rental collections, arrears and vacancy history.
- Municipal accounts, rates, utilities and insurance.
- Operating expenses and maintenance history.
- Net operating income and projected cash flow.

Physical condition

- Roof, waterproofing and structural condition.
- Plumbing, electrical installations and compliance certificates.
- Fire safety and other applicable building requirements.
- Outstanding maintenance and capital expenditure.

Legal and development considerations

- Title deed conditions and registered servitudes.
- Zoning, approved building plans and lawful use.
- Existing leases and tenant obligations.

Potential redevelopment rights and municipal approvals.

INVESTOR LESSON

Make your offer subject to appropriate due diligence and financing conditions. The purpose is not merely to confirm that the property generates rent, but to establish whether the income is sustainable and the risks are manageable.

Step 7: Build a portfolio, not just a collection of properties

The real advantage of owning an entire building is the opportunity to operate property as a business. Instead of collecting rent from one apartment, you manage a larger income-producing asset with the potential to grow through improved operations, additional units and strategic reinvestment.

You don't necessarily need to start with a large apartment block. A small building with four rental units could provide a practical starting point, provided the purchase price, financing and operating costs make financial sense.

As rental income grows and debt reduces, you may be able to use retained profits or available equity to support future acquisitions. But don't rush to expand.



A strong property portfolio is built on sustainable cash flow, disciplined financing and carefully selected assets, not simply the number of properties you own.

The Bottom Line: Buy income, control and opportunity

Owning a single sectional-title flat can be a sensible first step into property investment. It generally requires less capital and may be easier to finance, manage and resell.

But for investors ready to move to the next level, owning an entire building deserves serious consideration. You gain greater control over operations, spread your rental risk across multiple tenants and create opportunities to improve income and potentially increase capital value.

The trade-offs are equally important: higher capital requirements, concentrated property risk, full maintenance responsibility and potentially reduced liquidity.

My advice is simple: don't buy a whole building merely because it is bigger. Buy it because the numbers work, the risks are manageable and you can see a clear strategy for improving its performance.

That's how you move from owning an investment property to building a sustainable property investment business.
Happy investing!



ABOUT THE AUTHOR | JASON LEE

Jason Lee is a South African property investor, developer and bestselling property investment author with more than 25 years of experience in the industry.

Through his books, Jason shares practical insights and investment strategies designed to help South Africans make informed property decisions, build sustainable portfolios and create long-term financial independence.

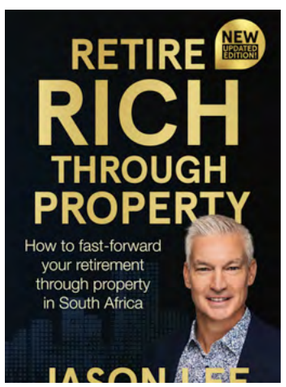
Jason's three property investment books:

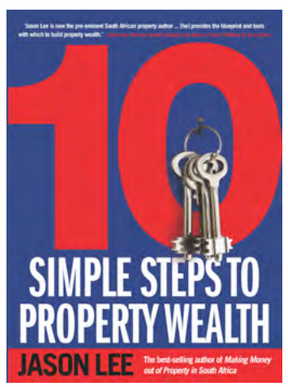
Making Money Out of Property in South Africa
An established guide to South African property investing, covering investment strategies, tax considerations and opportunities across changing property cycles. The updated edition features a foreword by Dr Andrew Golding, with more than 60,000 copies sold according to the book's supplied cover information.

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Minimum participation

TARGETED RETURN*
14–17%
A year, tiered by capital committed

HORIZON
18–24
Months, anticipated

*Returns are targeted, not guaranteed. Capital is at risk, and repayment depends on development progress and property sales. OPC is an authorised financial services provider (FSP 53400).

The video

43 SECONDS · SOUND ON



A video by Real Estate Investor. Footage: Valedrift Village. Satellite imagery: Esri, Maxar, Earthstar Geographics.

Want a video like this for your development? Talk to REI

LOCATION

In the middle of the Paarl estate belt

Valedrift Village is planned on the R301 corridor in the Paarl Winelands, with Boschenmeer to the north and Val de Vie and Pearl Valley to the south.

Parelberg Shopping Centre	OPEN
Life Paarl Valley Hospital	UPCOMING
Akademia campus	UPCOMING



Imagery: Esri, Maxar, Earthstar Geographics. Positions approximate.

REI INVESTING

The opportunity

Opportunity Private Capital (OPC) is opening access to an asset-backed investment opportunity at **Valedrift Village**, a planned townhouse residential development in the sought-after Paarl Winelands, located near Val de Vie, Pearl Valley and Boschenmeer.

Investors can participate from **R100,000**.

The investment is structured around underlying development assets, with independent Security Trust oversight.

REI LIVE · WEBINAR REPLAY

Why Smart Property Capital Is Moving to the Winelands

Neale Petersen with Nick Morgan, co-founder and director of Opportunity Private Capital, and Esteani Marx, head of real estate at Lightstone Property, on the numbers behind the Paarl Winelands.

MORE WEBINAR REPLAYS



Speak to Opportunity Private Capital

Ask for the Valedrift Village fact sheet and investment documents.

invest@opportunity.co.za
Or call 021 919 9944 · opportunity.co.za

SCAN FOR THE VIDEO AND THE WEBINAR ON REI.CO.ZA

Real Estate Investor presents this opportunity with Opportunity Private Capital, an authorised financial services provider (FSP 53400). REI is not a financial services provider, and nothing on this page is financial advice. Details and prices as supplied by Opportunity Private Capital: read its investment documents and disclaimers before you invest.

OPPORTUNITY
PRIVATE CAPITAL

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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

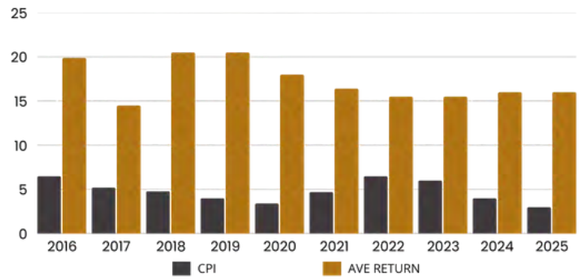
16.3 Months
Ave Investment Timeframe

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 DEVELOPMENT

From Professional to Property Developer: The ALSA Roadmap

By Neale Petersen



PART 3

FROM PILOT PROJECT
TO FRANCHISE ROLLOUT
In partnership with Affordable Living Solutions Africa (ALSA)

From a proven 412-home pilot in Soweto to a 106-unit franchise development in Cape Town, discover the practical steps to building an affordable housing business.

South Africa's affordable housing challenge presents an opportunity for a new generation of property developers. But moving from a professional career, property investment or entrepreneurial ambition into residential development requires more than capital and a suitable piece of land.

It demands a viable business model, specialist expertise, disciplined project management and a clear understanding of how developments are financed, built and sold.

For aspiring developers, the biggest obstacle is often knowing where to begin. Affordable Living Solutions Africa (ALSA) believes the answer lies in a structured, franchise-led development system that allows entrepreneurs and professionals to establish their own property development businesses while drawing on an established operating model and specialist support.

In Part 3 of the REI Property Development Series, we move beyond the theory of becoming a developer and examine how ALSA is translating a working pilot project into a franchise-led development model.

Two developments tell the story: Orange View in Protea Glen, Soweto, where the operating model has been developed and tested, and Orange Creek in Kuils River, Cape Town, where the same principles are being applied to a new franchise-led project.

The central question is no longer simply whether affordable homes can be built. It is whether a proven development process can be replicated by new developers in different locations.

1. Orange View: Where the development model was tested

Every credible development platform needs practical evidence that its model works. For ALSA, that foundation is Orange View, a residential development in Protea Glen, Soweto, planned to deliver 412 homes across eight blocks.

The development has moved well beyond the drawing board. According to ALSA's September 2026 project presentation, the first 80 apartments in Blocks A and B have been completed, with residents already occupying the development.

Of these completed homes:

- **60 units have been sold and occupied.**
- **6 units have been sold and are in transfer.**
- **10 units are allocated to Rent-to-Buy.**
- **4 units remain available for sale.**

The remaining 332 homes are planned for phased delivery, with ALSA's original programme targeting successive two-block construction phases over a 12 - 18-month period.

Importantly, Orange View has allowed ALSA to test more than construction methods. The project has provided practical experience in product design, development costing, funding structures, buyer demand, mortgage origination, sales and property transfers.

These lessons have been translated into an operating framework intended to support future franchise developments.

The lesson for aspiring developers
A successful development business requires a repeatable process, not simply a successful first building.

2. Why standardisation matters in affordable housing

Unlike luxury residential developments, where differentiation and individual design can command premiums, affordable housing depends heavily on efficiency, predictable construction costs and a product that matches the purchasing power of its target market.

ALSA's model uses a standardised residential product mix:

Unit type	Size	Target product mix
One-bedroom	34.8 m²	10%
Two-bedroom	44.5 m²	80%
Three-bedroom	66.5 m²	10%

The two-bedroom apartment forms the core of the model, accounting for approximately 80% of the proposed mix. This approach allows layouts, construction specifications, procurement costs and funding requirements to be benchmarked across developments.

For the franchise developer, standardisation can reduce unnecessary design complexity and improve the ability to estimate project costs before committing substantial capital. However, the final product mix must still be tested against local affordability, demand and site conditions.

The development principle
Build what the market can afford, not simply what the site can accommodate.

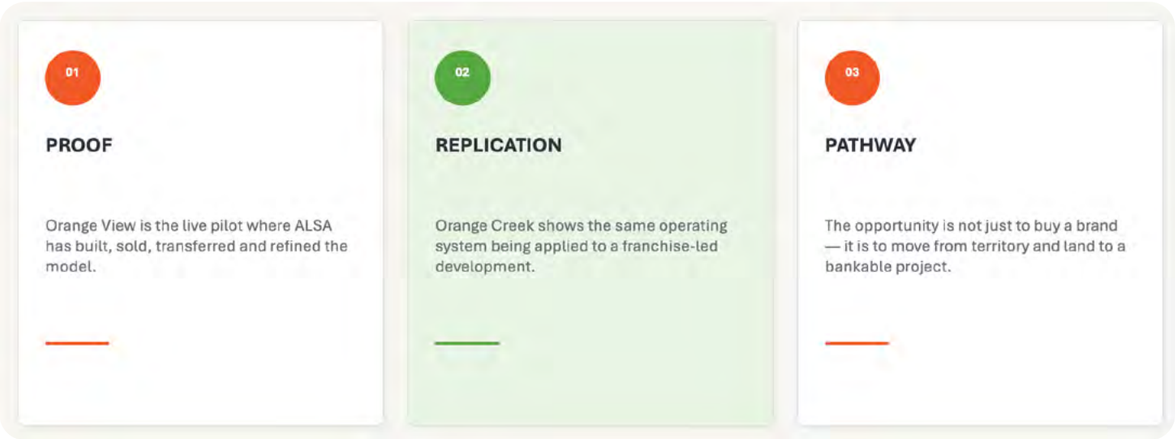
3. Orange Creek: Taking the pilot into a franchise development

The next chapter is unfolding in Kuils River, Cape Town. Orange Creek is ALSA's first franchise rollout project, planned as a 106 - unit residential development across six blocks and two phases.

The development is designed around the same affordable sectional-title model established at Orange View, with the 44.5 m² two-bedroom apartment forming the core product. Its proposed features include secure access, standardised apartment layouts and solar-ready infrastructure.

The project is progressing through planning, funding and pre-sales preparations, with groundbreaking targeted for April or May 2027, subject to the necessary approvals, financing and commercial milestones. What makes Orange Creek particularly relevant to aspiring developers is the work undertaken before construction.

A land deal that changed after due diligence
During the project's assessment, ALSA identified anomalies in the original land proposition. Following due diligence and renegotiation, the proposed land price was reduced from R6.5 million to R3.75 million. That represents a R2.75 million reduction, or approximately 42% of the original asking price.



For a relatively small affordable housing development, this is a material difference. A lower land acquisition cost can improve the overall feasibility, reduce the capital requirement and create additional protection against unexpected development expenses.

The project also demonstrates why developers should not accept the first proposed land price without a comprehensive feasibility assessment.

The lesson
Development profitability is often determined long before the first brick is laid.

4. The eight steps from professional to developer

For professionals considering a move into property development, ALSA's operating framework provides a practical sequence from opportunity identification to completed homes.

Step 1: Identify your territory and opportunity

Start by identifying a geographic market with sustainable demand for affordable housing. Assess household incomes, employment centres, transport links, existing residential supply and the availability of developable land.

Under ALSA's model, prospective franchisees explore a territory and identify potential development sites within that market.

Step 2: Conduct full development due diligence

Before acquiring land, establish whether the proposed development is legally, technically and financially viable. This includes zoning, development rights, bulk services, municipal requirements, environmental constraints, market demand and projected construction costs.

A site that appears attractive can quickly become unviable if infrastructure contributions or approval delays have been underestimated.

Step 3: Negotiate the right land terms

Use the findings from due diligence to negotiate a commercially sustainable purchase agreement. The Orange Creek example demonstrates how a thorough assessment can materially change the acquisition economics.

Where appropriate, developers should seek conditions that protect them while approvals and funding are being secured.



Step 4: Assemble the professional team and development plan

A successful project requires coordinated expertise. The team typically includes architects, engineers, town planners, quantity surveyors, project managers, legal advisers and conveyancers.Detailed site development plans, construction drawings, specifications and bills of quantities must be prepared.

ALSA's franchise model is designed to coordinate these specialists rather than requiring the franchisee to build every capability internally.

Step 5: Structure the development funding

Property development generally requires different forms of capital at different stages. Land acquisition, professional fees, municipal contributions and construction costs must be financed in the correct sequence.

For Orange Creek, ALSA's proposed capital structure includes land acquisition supported by a 50% bond and 50% sponsor equity, alongside a structured pre-development facility of approximately R8 million.The senior development funding process is progressing in parallel. These arrangements are project-specific and should not be interpreted as guaranteed funding terms for future franchisees.

Step 6: Secure buyers before construction

Pre-sales are fundamental to reducing development risk. They demonstrate demand, support lender underwriting and provide greater certainty about the project's eventual revenue.

For Orange Creek, the stated lender underwriting target is at least 70% pre-sales, with sales cover equivalent to 1.2 times the debt requirement. This means the development must demonstrate sufficient buyer commitments and sales value before the construction funding process can proceed.



Step 7: Build with strict cost and quality controls

Once approvals, finance and pre-sales conditions have been satisfied, the focus shifts to construction delivery. Developers must manage contractor performance, programme milestones, procurement, quality assurance, cash flow and cost-to-complete reporting.

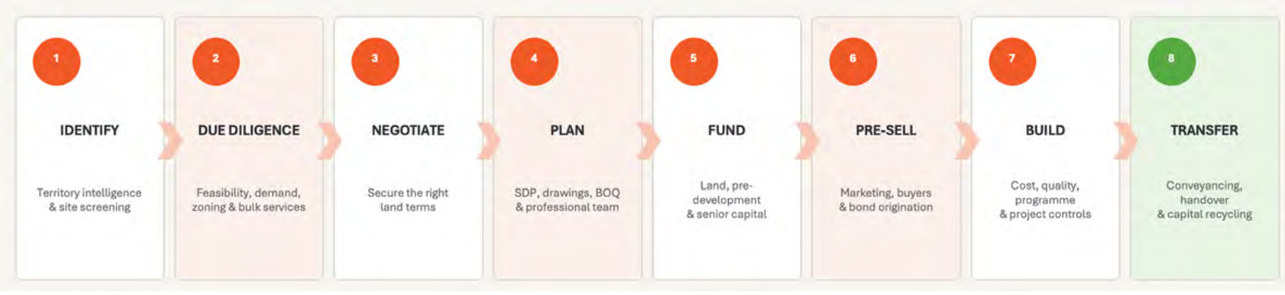
Poor execution can destroy an otherwise attractive development margin. The ALSA system is intended to provide project management disciplines and reporting controls throughout this stage.

Step 8: Transfer completed homes and recycle capital

The final stage involves completing construction, securing the required compliance documentation, transferring homes to buyers and settling project obligations.

Capital released from successful sales can then support the next development opportunity, subject to the project's financial position and financing arrangements.

This is how an aspiring developer begins moving from a single project towards a sustainable development business.



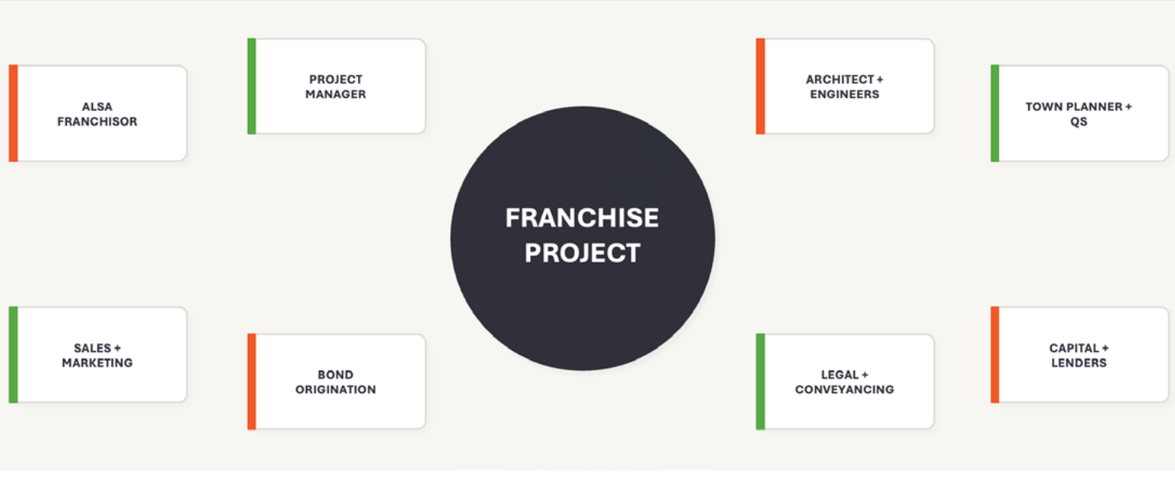
5. The franchisee remains the business owner

One of the most important distinctions in ALSA's model is that the franchisee is not simply an investor buying into a development. The franchisee remains the owner of the development business, while ALSA provides an operating framework and coordinates specialist support.

This includes project management, planning, engineering, quantity surveying, capital structuring, sales, bond origination, legal services and conveyancing. The intended advantage is access to an integrated development process without having to establish every specialist function independently.

However, the franchise structure does not eliminate commercial risk. Prospective franchisees must still assess their capital commitments, contractual obligations, franchise fees, project-level liabilities and the financial feasibility of each development.

A franchise can provide systems and support, but it cannot guarantee planning approvals, funding, sales or profitability.



6. Why the next generation of developers matters

South Africa's affordable housing challenge cannot be addressed through a handful of large developments alone. It requires a broader pipeline of appropriately located, financially viable residential projects and the capacity to deliver them consistently.

Professionals from property, finance, engineering, construction, architecture, project management and other business disciplines may already possess some of the skills required to enter this market. What they often lack is an integrated route from identifying a development opportunity to delivering completed homes. ALSA's franchise approach seeks to bridge that gap.

Orange View provides experience from a functioning residential development. Orange Creek provides an early example of how those lessons are being transferred into a franchise-led project.

The critical test ahead will be whether this model can consistently deliver viable projects across multiple territories, with different franchisees, market conditions and funding requirements.

For aspiring developers, the opportunity is substantial, but success will depend on disciplined execution rather than ambition alone.



7. Your next move: From professional to property developer

For readers considering entering the affordable housing development sector, the practical starting point is to assess their own readiness. Five action points for aspiring developers:

1. **Assess your capabilities and capital**
   Identify your professional strengths, available resources and the development expertise you still require.

2. **Select a target territory**
   Research locations with demonstrable affordable housing demand, suitable land and access to employment and transport.

3. **Understand the ALSA franchise model**
   Request details of franchise requirements, support services, fees, contractual obligations and project funding expectations.

4. **Identify a potential development site**
   Work with the appropriate professionals to assess zoning, infrastructure, buyer demand and commercial feasibility before committing capital.

5. **Develop a project roadmap**
   Establish the approvals, financing, pre-sales and construction milestones required to take a project from concept to completion.

The way forward: Building a business, not just buildings

The transition from professional to property developer is ultimately a transition from earning an income through expertise to building a business capable of creating tangible assets.

Orange View demonstrates how a development model can be tested through actual construction, occupation and sales. Orange Creek is the next test: applying those lessons to a franchise-led project in a different market.

The opportunity for prospective developers is to learn from that experience, understand the risks and follow a structured route into the affordable housing sector.

The message is clear: You do not need to begin as an experienced developer, but you do need a viable project, the right expertise, sufficient capital and a disciplined development system.

TAKE THE NEXT STEP - BECOME A PROPERTY DEVELOPER

Could your professional experience become the foundation of your own property development business?

Explore the ALSA development franchise opportunity, learn how territories are assessed and discover the pathway from identifying land to delivering affordable homes.

REGISTER YOUR INTEREST: www.alsa.co.za

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RESIDENTIAL

Township Property: Hidden wealth or high-risk investment?

By Jaco Grobbelaar



Township properties are challenging traditional investment assumptions. Jaco Grobbelaar explores the returns, rental demand and risks investors must understand before buying.



When South Africans think about property investment, their attention usually turns to Sandton, Fourways, Umhlanga or Cape Town's Atlantic Seaboard. These established markets are associated with wealth, prestige and long-term capital appreciation.

But what if some of the country's most interesting property investment opportunities are found in places that traditional investors have historically overlooked?

What about Soweto, Tembisa, Soshanguve, Mamelodi and the hundreds of other townships across South Africa? I believe township property investment deserves far more attention, not simply because properties can be more affordable, but because the underlying investment fundamentals can be compelling.

The biggest mistake investors make is assuming that an expensive property in an affluent suburb is automatically a better investment than a modest property in a township.

Property investment is not about the prestige of an address. It is about buying at the right price, understanding demand, managing risk and generating sustainable returns.

And when we examine township property through that lens, a different investment picture begins to emerge.

1. Follow the Data: Affordable property's surprising growth

One of the strongest reasons to investigate affordable property comes from research by Lightstone, South Africa's property data and analytics company.

In 2023, Lightstone identified its low-value residential property segment, properties valued below R250,000 as the best-performing value band in terms of house-price inflation over the preceding 22 years.

In June 2024, its research showed that annual price inflation in the low-value segment had reached 12.7%, compared with substantially lower growth in more expensive property categories.

More recently, Lightstone's March 2026 analysis found that affordable property prices had risen by approximately 230% between 2014 and 2025.

Property price growth: 2014 - 2025

Property segment	Price growth
Affordable	230%
Mid-value	141%
High-value	150%
Luxury	156%

Source: Lightstone, March 2026.

These figures challenge the assumption that higher-priced property always delivers superior capital appreciation.

However, there is an important distinction: affordable property and township property are not interchangeable categories. Many affordable properties are outside townships, while some township properties command substantial prices. The data also measures property price appreciation, not net rental yields or total investment returns.

Key investor takeaways:

- **Affordable housing has demonstrated significant long-term nominal price growth.**
- **Lower purchase prices can create opportunities for investors with limited capital.**
- **Historical appreciation does not guarantee future returns.**
- **Every property must be assessed against its specific location, condition and income potential.**

INVESTOR LESSON

Is simple: don't ignore a market because its properties are inexpensive.

2. Understand the Numbers: Why purchase price matters

One of the biggest attractions of township investing is the potentially lower cost of entry. Consider two hypothetical rental investments.

INVESTMENT MEASURE	SUBURBAN PROP	TOWNSHIP PROPERTY
Purchase price	R1,200,000	R400,000
Monthly rental	R8,000	R4,500
Annual rental	R96,000	R54,000
Gross rental yield	**8.0%**	**13.5%**

The township property generates less monthly rental income but a considerably higher gross rental yield. This illustrates a principle I regularly emphasise to investors:

"You make your money when you buy."

Jaco Grobbelaar

The price you pay determines much of the investment's future financial performance. But gross yield is only the beginning. To understand whether the investment is genuinely profitable, you must deduct the costs of ownership.

These may include financing, municipal charges, insurance, maintenance, management fees, vacancies and unpaid rent. Before purchasing, calculate:

Gross rental yield.

- Net rental income after operating expenses.
- Monthly cash flow after bond repayments.
- Expected maintenance and refurbishment costs.
- Vacancy and non-payment scenarios.
- Potential resale value and liquidity.

A 13.5% gross yield can look impressive on paper but still produce poor cash flow if operating costs are high or rental collections are unreliable.



INVESTOR LESSON

Buy for sustainable net returns, not headline rental yields.

3. Know your tenant before you buy

During a recent conversation with Mac from EduProp, we discussed one of the most important principles of successful property investment: understanding the people who will actually live in your property.

Too many investors evaluate rental accommodation from their own perspective rather than their tenants' needs. In my own portfolio, many tenants rely on public transport. That has taught me that proximity to taxi routes, bus services and employment centres can have a significant influence on rental demand.

An additional kilometre might mean little to someone who drives everywhere. For a tenant who walks to a taxi rank twice a day, it can make an enormous difference. Townships are established communities with their own economic activity, transport networks and housing requirements.

Before buying, investigate:

Transport: How easily can tenants reach taxi ranks, bus routes and employment centres?

Affordability: What can local households realistically pay in rent?

Amenities: Are schools, shops, clinics and other services accessible?

Demand: Which types of accommodation are most sought after?

Competition: What are comparable landlords charging?

Security: What are conditions like on the specific street?

Young working adults, families, students and people entering the workforce all require accommodation suited to their budgets and lifestyles. But demand must be verified at street and neighbourhood level.

INVESTOR LESSON

The best rental property is not necessarily the most attractive building. It is the one that meets a clearly identified tenant need at a sustainable rental price.

4. Create additional income through smart development

One of the most interesting opportunities in township property investment is the possibility of increasing rental income through carefully planned improvements.

Depending on the stand size, existing buildings, zoning and municipal approvals, investors may be able to add accommodation or convert suitable space. A property originally designed for one household could potentially accommodate several rental units. This can transform the property's income profile.

Possible value-creation strategies include:

- Renovating older properties to improve their rental appeal.
- Developing additional rooms or cottages where permitted.
- Converting suitable outbuildings into compliant accommodation.
- Improving kitchens, bathrooms and essential services.
- Introducing appropriate utility metering.
- Reducing maintenance costs through preventative improvements.

However, additional accommodation must never come at the expense of safety, sanitation, privacy or acceptable living conditions. Overcrowding, unapproved structures and inadequate infrastructure can create legal, financial and operational problems.

INVESTOR LESSON

Before building additional units, confirm municipal permissions, infrastructure capacity, construction costs and realistic rental demand. The objective is to create long-term value, not simply squeeze more tenants onto a property.

5. Understand the risks before committing capital

Township investing is not a guaranteed route to high returns. In fact, investors who underestimate the risks can find themselves facing expensive problems.

Financing can be particularly challenging where properties have incomplete documentation, unapproved structures or valuation complications. Lightstone's research also points to lower transaction activity relative to the size of the affordable property market, making resale liquidity an important consideration.

Six risks every investor should assess:

Ownership and title
Verify registered ownership, title deed conditions and any legal restrictions before purchasing.

Financing
Confirm whether the property qualifies for mortgage finance and establish the deposit and lending terms.

Building compliance
Investigate approved plans, zoning, structural condition and any unauthorised additions.

Infrastructure
Assess water, electricity, sanitation, drainage and municipal service reliability.

Tenant affordability
Research realistic rental levels, payment patterns, vacancy risk and the costs of professional management.

Resale liquidity
Examine comparable transactions and the availability of finance for potential future buyers.

These are not reasons to avoid township property. They are reasons to conduct proper due diligence.



INVESTOR LESSON

A low purchase price is not a bargain if the property carries substantial legal, infrastructure or maintenance liabilities.

6. Build wealth while strengthening communities

Property investment should create value for more than the investor. Well-maintained rental accommodation can provide families and working individuals with secure, affordable housing.

Renovations and new construction can also create opportunities for local builders, electricians, plumbers and suppliers. Responsible investment can contribute to neighbourhood improvement while supporting local economic activity.

This is particularly relevant in South Africa, where historical inequalities restricted access to property ownership and intergenerational wealth creation.

For me, property investing has always been about building something sustainable, an income-producing asset that can support financial independence and benefit future generations.

A responsible township investment strategy should prioritise:

- Safe, legally compliant accommodation.
- Fair and sustainable rental pricing.
- Reliable maintenance and service delivery.
- Respectful tenant relationships.
- Long-term asset improvement.
- Positive participation in the surrounding community.

The strongest investment opportunities are often those where commercial returns and genuine housing needs align.

7. A practical checklist before you invest

If you're considering your first township property investment, I recommend following this sequence.

- **Step 1 -** Identify your investment objective
  Decide whether your priority is monthly cash flow, capital growth, additional rental units or long-term portfolio expansion.

- **Step 2 -** Research the neighbourhood
  Visit the property, inspect the surrounding streets and understand transport access, local amenities and tenant demand.

- **Step 3 -** Compare recent transactions
  Use available property data and local market evidence to establish a realistic purchase price.

- **Step 4 -** Verify rental demand
  Speak to local rental agents and property managers. Confirm achievable rentals rather than relying on the seller's projections.

- **Step 5 -** Calculate the full investment cost
  Include acquisition costs, renovations, compliance, financing, maintenance and vacancy allowances.

- **Step 6 -** Complete legal and technical due diligence
  Verify ownership, approved plans, zoning, infrastructure and the physical condition of the property.

- **Step 7 -** Stress-test your cash flow
  Model vacancies, unexpected repairs, higher interest costs and slower rental collections.

- **Step 8 -** Plan for long-term management
  Establish how the property will be maintained, how tenants will be screened and how rental income will be collected.

Only proceed when the investment makes financial sense under realistic assumptions.

The Bottom Line: Opportunity, not prestige

South Africa's property market is diverse, and different locations serve different investment objectives. An expensive property may offer attractive capital appreciation but modest rental income. An affordable township property may offer stronger cash flow and opportunities to add value. Neither is automatically the better investment.

The determining factors are the purchase price, location, tenant demand, financing structure, operating costs and the investor's ability to manage the asset.

Lightstone's research demonstrates that substantial property price appreciation is not confined to South Africa's wealthiest neighbourhoods. But the real opportunity lies in combining that market insight with disciplined investment decisions.

My advice is to look beyond appearances, challenge conventional assumptions and allow the numbers to guide your strategy.

Sometimes the opportunities worth investigating most closely are found in markets that receive the least attention. Ultimately, a good property investment is not determined by how prestigious the address sounds. It is determined by the value the property can sustainably create.

ABOUT THE AUTHOR | JACO GROBBELAAR
Jaco Grobbelaar is the founder and CEO of Prosperity Enterprises, a South African property investment business specialising in property education, investment structuring and portfolio development.

Through his experience as a property investor, entrepreneur and educator, Jaco helps investors understand the fundamentals of building, protecting and scaling property portfolios.

His work focuses on practical investment strategies, financial discipline, sustainable rental income and long-term wealth creation.
Jaco is also the author of the forthcoming book Built for Prosperity: Build, Protect and Scale Your Property Portfolio, which explores the principles and strategies behind successful property investment.



WEALTH BUILDING

How to build a R50 Million property portfolio from scratch



Gerhard Van Der Westhuizen

Discover how household income, smart financing, positive cash flow and disciplined reinvestment can help you build a substantial property portfolio over time.

INFINITE CAPITAL
PART 2

You may not have R1 million. Your income may open the door.

In the October 2026 issue of Real Estate Investor Magazine, we explored how capital recycling, disciplined acquisitions and income-generating property will support a journey from a first R1 million asset towards a R50 million portfolio. This is the strategy. Now let's get practical.

Consider a couple earning a combined gross salary of R35,000 a month. They do not have R1 million in savings. Yet, using the illustrative figures presented at our October Infinite Capital webinar, a R1 million mortgage over 20 years at 10.75% would cost approximately R10,152 per month, about 29% of gross household pay. Mortgage finance can therefore make an asset accessible without paying its entire price in cash.

Banks examine net disposable income (NDI), existing debt, credit conduct, proof of earnings and living expenses. A couple earning R35,000 with large vehicle and credit repayments may qualify for less than another household earning the same amount with fewer obligations. Deposits, transfer costs, fees and reserves also need a funding plan. One also need to prepare for the payment of investment cost per transaction.

The first practical step is to establish what you can sustainably borrow. A look at different Home Loans below illustrated the following indicative repayment and income figures at 10.75% over 20 years:

Start with the bank, not the listing

Indicative figures at 10.75% over 20 years; bank assessments differ

BOND AMOUNT	MONTHLY INCOME REQUIRED	MONTHLY REPAYMENT
R500,000	R16,920	R5,076
R1,000,000	**R33,841**	**R10,152**
R1,500,000	R50,761	R15,228
R2,000,000	R67,682	R20,305

Please note: *These figures are guidelines only; individual affordability and bank assessments differ. Before applying, check your credit record, document your income and avoid taking on unnecessary debt. A new car, store account, missed payment or change of employment can affect an application, even after initial approval and before bond registration.*

Not every property that earns rent is an investment

Once you know your financing range, the next test is the property itself. Start with achievable rental income, not the rent advertised by an optimistic seller. Check comparable leases, demand, vacancies and the full cost of ownership: rates, levies, insurance, maintenance, management and reserves.

Take a property earning R12,000 a month in rent. Allow R5,000 for operating costs and reserves. That leaves R7,000 before bond payments and tax. If its mortgage repayment is R10,152, the investor must contribute R3,152 every month.

Five similar properties would consume R15,760 from personal income each month. A growing portfolio can therefore weaken affordability rather than strengthen it.

Not all rental income is positive cash flow

The article's illustrative Property A versus Property B

Rent	**R12,000**
Costs and reserves	**(R5,000)**
Net before bond	**R7,000**
Bond repayment	**(R10,152)**

–R3,152 shortfall

Modelled net income	**R10,625**
Expenses and reserves	**Included in net assumption***
Net before bond	**R10,625**
Bond repayment	**(R10,152)**

+R473 surplus

*Expenses included in Property B's net-yield assumption must be confirmed for each deal.

Please note: The precise expenses included in the net-yield assumption must be confirmed for any actual deal. Do the Stress Test.

Ask six questions before committing

The article's property-investment stress test

1. **Is there real tenant demand?**
2. **Are assumptions supported by evidence?**
3. **Have operating costs and vacancies been budgeted?**
4. **What happens if interest rates rise?**
5. **Is the investment legally and financially viable?**
6. **Will it improve your ability to invest again?**

Buying at a discounted price is not automatically a profit-making decision.

But a discount is not automatically a profit. Finance charges, holding costs, repairs, taxes and the eventual exit must be modelled. An apparently cheap property with weak rental demand or expensive defects can be a costly mistake.

Create value when you buy

A discount is not automatically a profit

1

Favourable purchase price

Compare with defensible market value

2

Account for every cost

Finance, holding costs, repairs and taxes

3

Model the exit

Test timing, risks and net proceeds



Within the wider Assist Group ecosystem, Real Estate Assist division works with property owners who need solutions to financial pressure or property-related constraints. Some opportunities may involve a managed sale, financial recovery, improvements or a transaction in which an investor participates through a documented structure. The homeowner's circumstances and the investor's objectives both matters.

A structured opportunity is not necessarily the same as buying a buy-to-let property in your own name. Depending on the transaction, an investor's rights may arise from a joint venture, an instalment sale arrangement, an option or another agreement.

Before investing, do a full due diligence on the current property ownership. A thorough title deed search must be completed. A detailed analyses of operating costs is essential, what returns can contractually be confirmed, what security exists, and exactly how and when the investor can exit if required. Never assume a projected return is guaranteed.

The Assist Group has built investment property structures that allows for a structured return and operating basis through the initial years and to put the investment on the runway to settle during the initial years that are very crucial in the establishment phase of any real estate investment deal.

Recovery: protect the foundation

Modelled property base, cash accumulation and a rental buffer

INITIAL PROPERTY VALUE

R1.33m

INITIAL BOND VALUE

R1.05m

CASH ON HAND

R60,000 Year 1 — **R17.19m** Year 30

YEAR 30 RENTAL BUFFER

R2.13m

The Recovery leg of the investment strategy focuses on establishing an asset base while accumulating cash and rental buffers.

It begins with a modelled property value of about R1.33 million and bond value of about R1.05 million. In the illustration, cash on hand grows from R60,000 in Year 1 to R1.09 million in Year 10 and R17.19 million by Year 30; a separate rental buffer grows to R2.13 million by Year 30.

• ***Please note:*** *It is very important to understand that investment risk is rectly linked to liquidity. Cash reserves give an investor time to handle vacancies, repairs and financing delays without immediately selling an asset or borrowing more.*

INFINITE CAPITAL / PART 2

Restart: grow assets, reduce leverage

Illustrative Year 2 to Year 30 model from the article

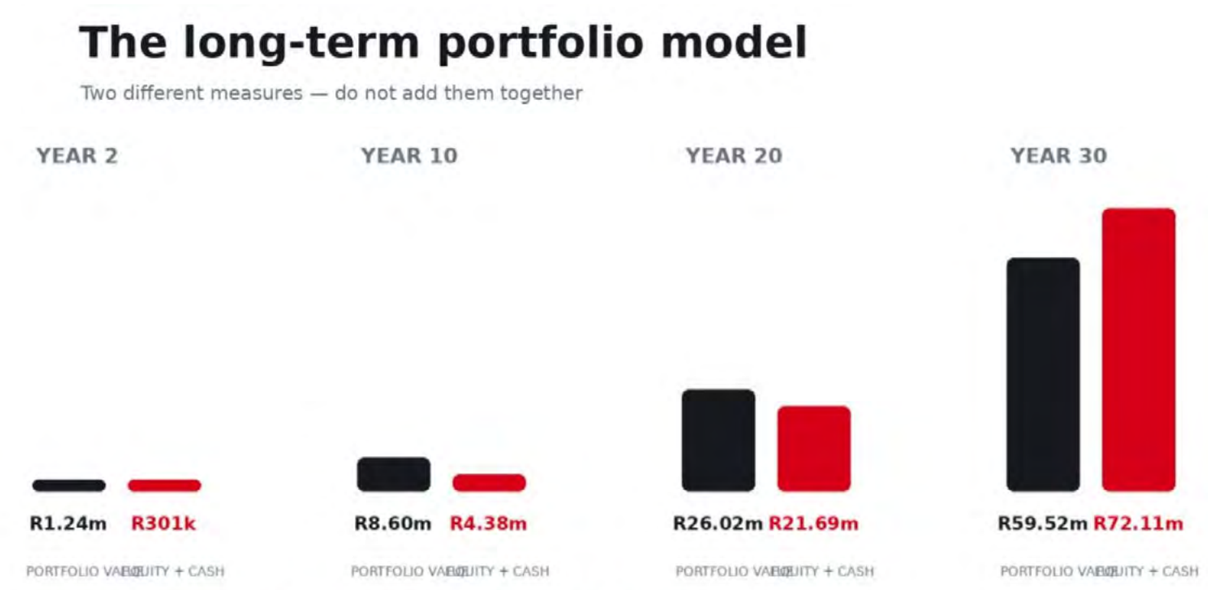
	YEAR 2	YEAR 30
PROPERTIES	1	15
PORTFOLIO VALUE	R1.24m	R59.52m
EQUITY	—	R52.79m
LOAN-TO-VALUE	85.75%	11.30%

The Restart leg of the model shows a progression from 1 property in Year 2 to 15 properties in Year 30. The modelled portfolio market value reaches R59.52 million, while equity reaches R52.79 million. Over the same period, the loan-to-value ratio falls from 85.75% to 11.30%.

Loan-to-value (LTV) is debt divided by property value at any given time. A R1 million property with R800,000 debt has 80% LTV. Falling LTV can improve resilience, but it does not automatically create approval for another bond, but it does allow for the recycling of the existing equity in the current portfolio. The next acquisition must always pass an affordability and cash-flow test.

A property portfolio should be assessed by three separate measures: total property market value, outstanding debt, and available equity plus cash. The first is not the same as personal wealth. A R50 million portfolio carrying R40 million debt has approximately R10 million equity before selling expenses and tax.

The combined approach in using the Recovery and Restart demonstrate how equity, cash accumulation and disciplined reinvestment might interact over 30 years. These were modelled scenarios and based on the current product benefits, but one must accept future changes can be expected:



The combined equity-and-cash figure is not the same measure as the portfolio's market value, and the two must not be added together. The underlying projections depend on assumptions about purchases, reinvestment, rental performance, appreciation, interest rates and costs. Actual results could be materially lower or negative.

**The total market value, plus cash on hand in the bank equals the amount of R131,626,418 based on the current product and deal structure assumptions. Basic allowances has been made for unexpected costs, like possible tax payments, but each investor must get advice from their own specialist in this regard and cannot assume our allowances to be sufficient.*

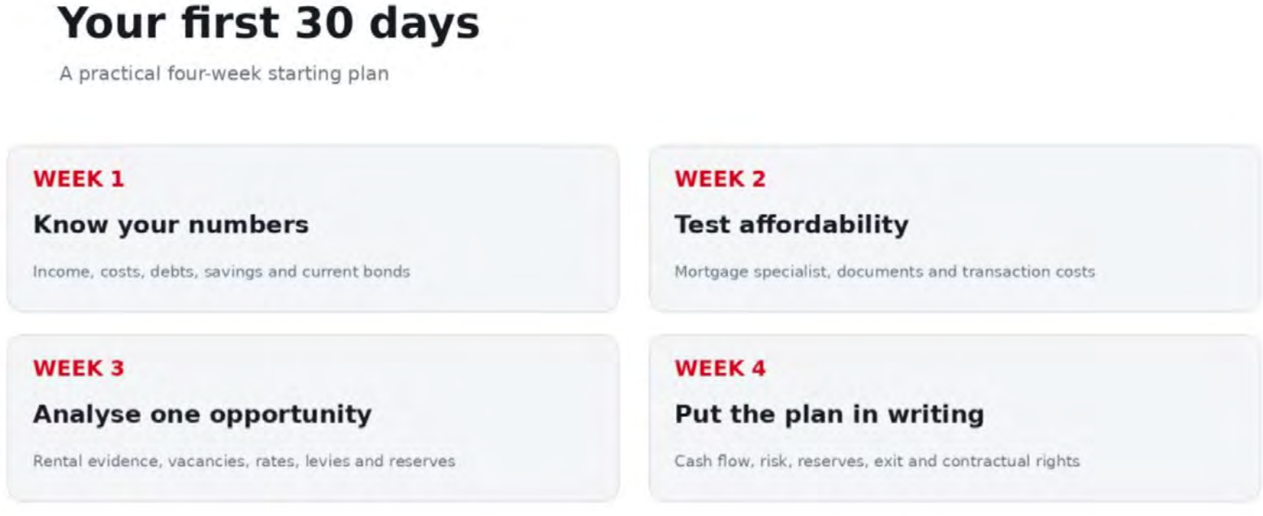
When should you buy again?

Do not let a portfolio target become a reason to purchase a poor deal. First ask whether the current properties are meeting their rental and cost assumptions. Check that leases, collections, expenses, arrears and maintenance records are current. Then stress-test the next purchase: can the portfolio still meet commitments after a vacancy, unexpected repairs or higher interest rates?

Sometimes the right move is another acquisition. Sometimes it is to build a larger buffer, pay down debt, refinance on sensible terms or sell an asset that no longer earns its place in the portfolio.

Capital recycling is useful only when the transaction creates genuine value after costs and leaves the investor financially able to continue.

This is why the 30-year illustration should be read as a planning exercise rather than a destination with a guaranteed arrival date. The objective is to make each decision strengthen the position from which the next decision will be made.



WEEK 1 - Know your numbers on every level.
List household income, living costs, existing debt, cash savings and the amount you can reserve for emergencies. Obtain your credit information. If you already own property, add the current bond balances, actual rents and running costs.

WEEK 2 - Test affordability.
Speak to a mortgage specialist about indicative borrowing capacity, the documents a lender will require, and likely deposit and transaction costs. Avoid changing employment or taking on new credit without understanding the effect on an application.

WEEK 3 - Analyse one real opportunity.
Obtain comparable rentals, realistic vacancy assumptions, a schedule of rates and levies, an insurance estimate and a maintenance allowance. Calculate income less operating costs, debt repayments and reserves. Repeat the calculation with a higher interest rate and one or two vacant months.

WEEK 4 - Put the plan in writing.
Define what the first or next investment must achieve: sustainable cash flow, an acceptable risk level, a reserve target and a clear exit. If the opportunity is structured through agreements rather than direct ownership, be sure to understand the contractual rights, obligations, security and tax consequences before signing.

The practical question that changes everything

Infinite Capital is not about buying as many properties as possible, as quickly as possible. It is about using the resources available today: income, existing equity, accumulated cash and professional guidance, to make sound decisions that can be repeated over time.

At Wealth Assist, the starting point is an individual investment plan: assess the investor's current position, examine the numbers behind each opportunity, understand the legal structure and test whether the next transaction supports long-term growth. The R50 million vision can provide direction; the next financially sound decision provides progress.

So rather than asking, "How do I reach R50 million?", begin with: "What can I responsibly finance, what will it really earn, and will it leave me stronger for the next investment?" That is where Infinite Capital gets practical.

For information about Wealth Assist and investment planning, visit wealthassist.co.za.

Important: All examples and 30-year projections are illustrative and reflect assumptions used in the October 2026 webinar, including a 10.75% lending-rate assumption. Figures are not guaranteed returns, approvals or predictions.

Please note: Actual outcomes depend on individual affordability, transaction structures, property performance, expenses, taxes, market conditions and lending decisions per deal over the term. Each investor should seek appropriate independent professional advice.

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STUDENT ACCOMMODATION

Student Accommodation 2027: Landlord's Countdown to Intake

By Retha van Rooyen



Every year, around now, my phone starts ringing with the same panicked voice.

"Retha… I want students in my property for 2027. Is it too late?"





Here's the truth: It's not too late.

But it's later than you think.

And the clock doesn't care how nice your new curtains are.
Student accommodation runs on one unforgiving calendar. Miss intake, and you don't just lose January, you can lose the whole year. It's like opening a clothing store the day after Black Friday.

So here's your countdown. Print it. Stick it on the fridge. Where We Are Right Now: The 2027 Cycle Has Started.

The NSFAS 2027 application cycle opened on 18 September 2026. More than 51,000 students applied in the first four days. Funding outcomes are expected in December, ahead of 2027 registration. Which means students and parents are already looking for 2027 accommodation. Right now. Today. While you're reading this.

In Cape Town, our residences typically fill by October. In Bloemfontein, most students apply between September and November.
If you're not marketing yet, you're already behind.

October: Get Accredited and Get Visible. This is your MOST important month.

1. Check your NSFAS accreditation. Not accredited? Start today. Documents like zoning certificates and fire compliance can take months.

2. Set your 2027 rates. Know your numbers before you advertise them.

3. Start marketing. Facebook for parents, Instagram for students, WhatsApp for everyone.

4. Contact the university's housing or financial aid office. Get on their lists. Pro tip: post real photos of real rooms. Students have seen enough stock images of smiling people on beanbags.

November: Applications, Documents and Allocation

November is paperwork month. Enquiries pile up, documents arrive from 17 different email threads, and every applicant wants to know if they've got a room. Yesterday.

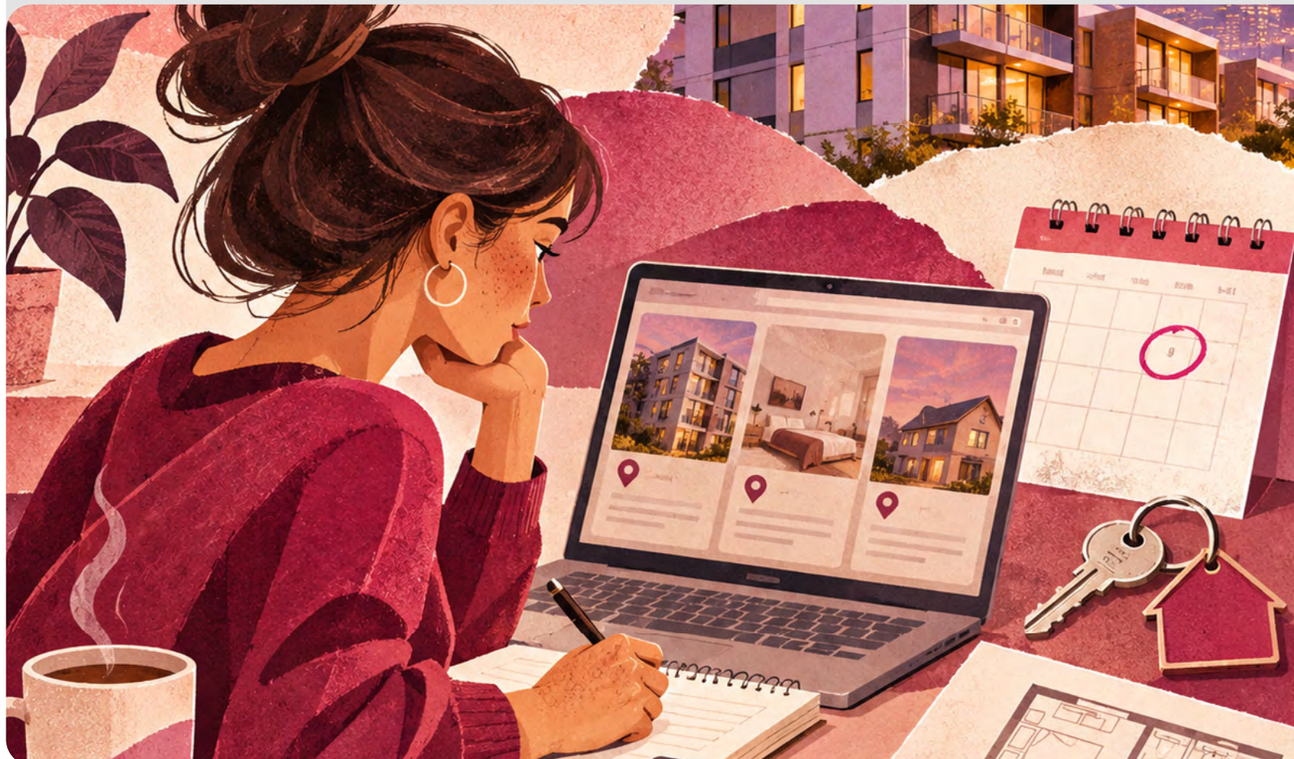
Get a system in place:

- One place to track every enquiry
- One checklist of documents per student
- A clear room allocation board
- A standard reply for the 400th "is there still space?"

Collect what you'll need for NSFAS leases: ID, proof of registration or acceptance letter, and NSFAS confirmation for funded students. Students are also writing exams. Be patient. Be clear. Send reminders.

December: Maintenance Month (And Zero Income).

The students go home. The income goes with them. The repairs do not.



Use December wisely:

- Paint and patch
- Service geysers, stoves and fridges
- Replace tired mattresses
- Test your Wi-Fi and backup power
- Deep clean everything
- Check fire equipment and security

And please, for the love of your investment, don't sign an offer to purchase on a new property in December unless you're paying cash or have guaranteed early access. Banks, attorneys and deeds offices all go on holiday. Ask me how I know.

This is also when NSFAS funding outcomes start coming through. Watch which of your applicants are approved.

January: The Rush

January is chaos. Beautiful, profitable chaos. Late applicants. Last-minute NSFAS approvals. Parents calling from the N1. Students who "definitely" had a room somewhere else, until they didn't.

Your job in January:

- Confirm every allocation
- Get every lease signed
- Prepare move-in packs and house rules
- Brief your house parent
- Make sure every bed, desk and key is ready

A full house in January = a calm year. An empty bed in March = a very expensive bed.

February: Move-In and House Rules

Our research examined the payments that landlords actually receive across different institutions. The findings were revealing. Against the same R5,200 cap, the amount received by a landlord ranged from R4,388 to R5,200 per bed per month. That is a difference of R812 per bed every month.

Students arrive. First impressions matter. On day one, explain the house rules clearly. Explain the consequences. At My Student House we don't use fines, they cause arguments and admin nightmares. We use community service hours instead. Break the rules? No problem. See you on Saturday morning with a reflective vest and a refuse bag.

Also in February: make sure every NSFAS lease is uploaded and every student's funding status is confirmed. This is what gets you paid.



March to May: The Cash Flow Gap

Here's the part nobody puts on the brochure. In 2026, NSFAS paid accredited providers directly, but the big private-accommodation payment was only released on 7 May.

So plan for this: Your property may need to run on your own cash from December until as late as May. That's five or six months. Budget for it now, not when the bond's debit order bounces.

The 2027 Countdown at a Glance

October 2026: Accreditation, rates, marketing
November 2026: Applications, documents, allocation
December 2026: Maintenance, NSFAS outcomes
January 2027: Leases, allocations, move-in prep

February 2027: Move-in, house rules, lease uploads March–May 2027: Cash flow until NSFAS payments land

Final Thoughts

Student accommodation for 2027 will be in high demand. The shortage is real, the applications are already flooding in, and good properties will fill fast. The landlords who win next year are the ones who start this month.

If you want help getting accredited in time, filling your property for 2027, or handing the whole intake over to a team that does this every year, my team and I are ready.

Email: info@mystudenthouse.co.za
Website: rethavanrooyen.com (book a consultation)

RETHA VAN ROOYEN
STUDENT ACCOMMODATION INTELLIGENCE

The playbook.
The proof.

MY STUDENT HOUSE



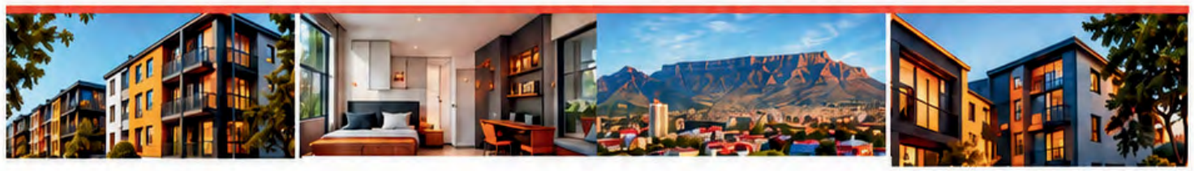
THE INVESTOR'S GUIDE
HOW TO DO IT.
A practical, step-by-step playbook for investing in student accommodation in South Africa.
- Find the right property
- Get accredited
- Fill your beds
- Manage operations
- Maximise returns

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THE MONITOR 2026
WHAT THE MARKET IS DOING.
An evidence-led annual report on demand, funding, returns and risk in South Africa's student accommodation market.
- 511,600 bed shortfall
- R4,388–5,200 net per funded bed
- R1,622 full cost to serve
- 1.4m NSFAS accommodation payment records



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LEGAL

Your first Body Corporate meeting: Know your rights

By Zerlinda van der Merwe



From electing trustees to approving budgets and scrutinising developer contracts, discover the critical decisions that protect your sectional title investment.

The meeting that could shape your property's future

You've signed the offer to purchase, secured your bond and finally collected the keys to your new sectional title property. Perhaps you've even received a bottle of champagne or a welcome gift from the developer.

But while you're planning your housewarming and deciding where the furniture will go, something far more important is happening behind the scenes: your body corporate has come into existence.

For many new sectional title owners, the first general meeting is little more than another appointment in the diary. Yet it is one of the most significant events in the life of a sectional title scheme.

It is where owners take their first collective steps towards managing their investment, electing trustees, approving budgets, reviewing insurance and scrutinising agreements entered into by the developer. Get these decisions right, and you establish the foundations for a financially sound, well-managed scheme. Get them wrong, and owners could spend years dealing with the consequences.

Under the Sectional Titles Schemes Management Act 8 of 2011 (STSMA), a body corporate is automatically established when the first unit in a sectional title scheme is transferred to a purchaser other than the developer.

But establishing a body corporate is only the beginning. It still needs leadership, financial oversight and effective governance. That is where the first general meeting becomes essential.

1. The first general meeting: What every owner must know

The first general meeting is the body's corporate's inaugural formal gathering, where important decisions are taken about how the scheme will operate.

- **When must it happen?**
The STSMA and Prescribed Management Rules (PMRs) require the first general meeting to take place within 60 days of the body corporate's establishment.

The applicable notice requirements must also be observed, including at least 14 days' written notice in certain circumstances.

- **Who must arrange it?**
The responsibility rests with the developer, not the individual owners.

Section 2(8) of the STSMA places this obligation on the developer, who must also provide the meeting agenda, supporting documentation and information about the body corporate's rights and obligations under existing contracts and policies.

The developer cannot simply hand over the keys and walk away from these responsibilities.



2. Eight critical decisions that must be addressed

Prescribed Management Rule 16(2) sets out the minimum matters that must be considered at the first general meeting.

These are not administrative formalities. They directly affect the financial stability and future management of the scheme.

- **Insurance:** Confirm or amend the insurance policies arranged by the developer. Is the building adequately insured at the correct replacement value?
- **Budget and levies:** Review and approve or amend the estimated income and expenditure for the first financial year. This determines the scheme's financial requirements and owners' contributions.
- **Financial statements:** Examine the developer's evidence of income and expenditure before the body corporate was established, as well as financial records from establishment.
- **Developer contracts:** Consider whether agreements entered into by the developer on behalf of the body corporate should be ratified, subject to the STSMA.
- **Documents and funds**: Confirm whether the developer has handed over the required documentation and transferred money belonging to the body corporate.
- **Auditor appointment:** Appoint an auditor to support financial accountability.
- **Trustee elections:** Determine the number of trustees and elect those responsible for overseeing the scheme.
- **Trustee directions:** Consider any restrictions or directions to incoming trustees under section 7(1) of the STSMA.

Investor insight

The budget, insurance cover and developer contracts deserve particular attention. Decisions taken at this meeting can have long-term implications for levies, maintenance and investment value.

3. What documents must the developer hand over?

One of the most overlooked responsibilities at the first general meeting is the formal handover of essential scheme documentation.
Under PMR 16(4), the developer must provide important records, including:

- **Approved building plans and relevant encroachment permits.**
- **Plans identifying pipes, electrical wiring, cables and ducts.**
- **Names and addresses of contractors and subcontractors.**
- **Equipment warranties, operating manuals and maintenance instructions.**
- **Records required to be retained by the body corporate under PMR 27.**

These documents are the operational foundation of the scheme. Without them, trustees and managing agents may struggle to maintain infrastructure, investigate defects, enforce warranties or plan future repairs.

What happens if documents are missing?

PMR 16(5) provides that where the developer fails to furnish required documents, the body corporate must take reasonable steps to obtain or prepare them and may recover the associated costs from the developer. Owners should therefore ensure that the handover is properly documented and outstanding items are identified.

4. An important protection: When developers cannot vote

One of the most significant safeguards for new sectional title owners is contained in PMR 16(3).

The developer's voting rights are suspended when the meeting considers certain matters relating to the developer's own conduct and obligations.

These include:

Approval of the relevant financial statements.
Ratification of contracts entered into by the developer.
Confirmation that required documents and funds have been handed over.

Why does this matter?

Without this protection, a developer could potentially influence decisions approving its own financial records or contracts.
The restriction ensures that these important decisions are made by the owners who will ultimately bear the financial and operational consequences.

Investor insight

Understand your voting rights before attending the meeting. Owners should never feel pressured to approve financial information or contractual arrangements they do not fully understand.



5. Choosing trustees: Protecting your investment

The election of trustees is one of the most consequential decisions at the first general meeting. Trustees oversee the management of the scheme, including finances, maintenance, compliance and enforcement of the rules.

The meeting determines the number of trustees, with at least two required, before nominations and elections take place. Owners should look beyond popularity or personal relationships when deciding whom to elect.

Five qualities to look for in a trustee:

- **Financial responsibility and sound judgment.**
- **Integrity, transparency and accountability.**
- **Willingness to devote time to the scheme.**
- **An ability to work constructively with fellow owners.**
- **A commitment to protecting the common property and long-term interests of the body corporate.**

An effective trustee committee can strengthen financial discipline, improve maintenance planning and protect property values. Conversely, poor leadership can create unnecessary disputes, financial difficulties and deteriorating common property.



6. Developer contracts: Read before you approve

Contracts signed by the developer before the first general meeting deserve careful scrutiny. These may include agreements relating to managing agents, maintenance providers and other services. While owners can vote against ratifying certain agreements, section 15(2) of the STSMA means that the legal consequences of cancellation are not always straightforward.

A decision not to ratify a contract does not necessarily mean the body corporate can terminate it without consequences. Managing agent agreements are a particularly common source of concern.

Owners should examine contractual terms, costs, duration and cancellation provisions before making decisions. Where agreements raise concerns, obtain appropriate legal advice before the meeting rather than attempting to resolve disputes afterwards.

7. Your first meeting checklist: Six questions to ask

Before attending, every owner should prepare to ask:

1. **Is the proposed budget realistic? Does it make adequate provision for ongoing expenses and future maintenance?**
2. **Is the building properly insured? Is the insured replacement value appropriate?**
3. **Are the financial statements complete? Can the developer account for income received and expenditure incurred?**
4. **What contracts are already in place? Are their terms reasonable and in the interests of the body corporate?**
5. **Have all required documents and funds been transferred? Is there a clear record of anything outstanding?**
6. **Who will manage our investment? Are the proposed trustees capable, committed and accountable?**

If something appears unclear, ask questions and request supporting documentation.

Remember, you are not simply attending a meeting. You are participating in decisions that could influence your property's future financial performance and resale value.

The bottom line:

A strong beginning protects long-term value

A successful sectional title investment depends on more than location, rental income and capital appreciation. It also requires sound governance, responsible financial management, adequate insurance and the effective maintenance of common property.

Unfortunately, problems such as incomplete financial statements, undisclosed contracts, inadequate insurance and delayed meetings can create serious challenges for new bodies corporate.

Most can be addressed, but resolving them becomes considerably more difficult when owners fail to exercise proper oversight from the outset.

The first general meeting is therefore not just a legal requirement. It is an opportunity to establish accountability, transparency and the foundations of a well-managed property investment.

For sectional title owners, the message is simple: arrive informed, ask the difficult questions and take the election of trustees seriously. The decisions you make at the beginning can influence the financial health of your scheme for years to come.

About the author

Zerlinda van der Merwe is Co-Founder and Director of TVDM Consultants, a specialist consultancy assisting bodies corporate, trustees, managing agents and property professionals with sectional title governance, compliance and management matters.

Through practical guidance and specialist expertise, TVDM Consultants helps sectional title communities navigate their responsibilities, resolve governance challenges and establish sound management practices.

Contact TVDM Consultants

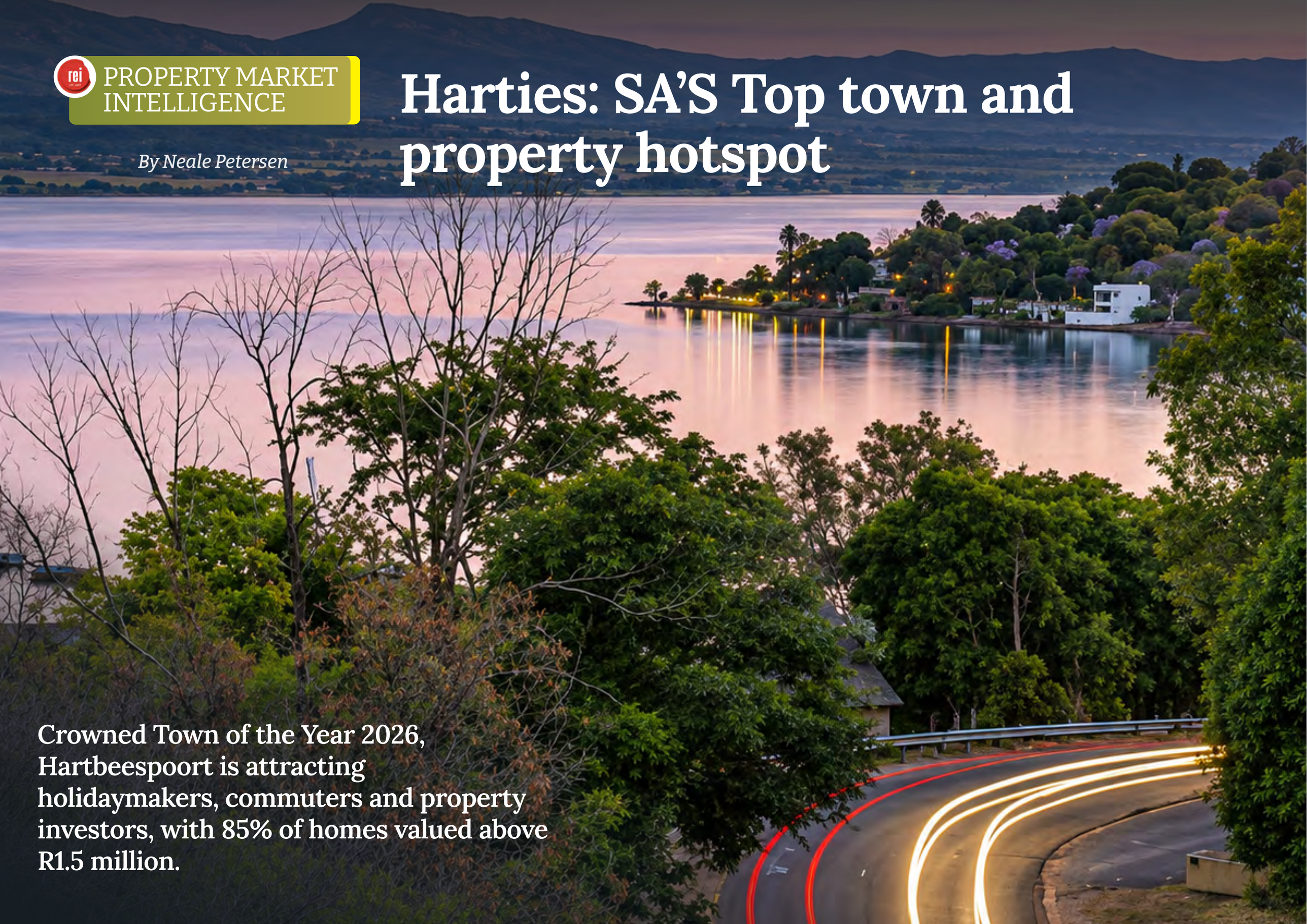
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PROPERTY MARKET INTELLIGENCE

Harties: SA'S Top town and property hotspot

By Neale Petersen



Crowned Town of the Year 2026, Hartbeespoort is attracting holidaymakers, commuters and property investors, with 85% of homes valued above R1.5 million.

From Gauteng getaway to award-winning property destination

Once regarded primarily as a weekend escape for Gauteng residents, Hartbeespoort has evolved into one of the North West Province's most desirable lifestyle, retirement and residential property destinations.

Now the picturesque town, affectionately known as "Harties", has another reason to celebrate after winning kykNET's Kwêla Dorp van die Jaar (Town of the Year) 2026 competition.

Nestled between the Magaliesberg Mountains and the shores of Hartbeespoort Dam, the town combines natural beauty, secure estate living and convenient access to Gauteng's major economic centres.

The victory marks the second consecutive year that a North West town has claimed the prestigious title, following Bloemhof's win in 2025.

For property investors, however, the real story extends beyond the award. New research from Lightstone Property reveals a market characterised by substantial residential values, established lifestyle estates, significant second-home ownership and strong tourism activity.

Town of the Year: A R2 million boost for Harties

Hartbeespoort triumphed over eight other finalists from across South Africa and Namibia, including Gansbaai, Secunda, Howick, Hopetown, Kei Mouth, Bethlehem, Mokopane and Gobabis.

The competition celebrates small-town charm, community resilience, hospitality and civic pride in towns with fewer than 500,000 residents.

The town secured R1 million in investment from Lottoland and R1 million in advertising airtime from kykNET, providing a valuable opportunity to strengthen its tourism profile and local economy.

The Proudly Harties Organisation credited the victory to residents, businesses and supporters who rallied behind the town. Beyond the prestige, the award provides another platform to promote Hartbeespoort as a destination for tourism, investment and permanent residence.

Property market: 85% of homes valued above R1,5 million

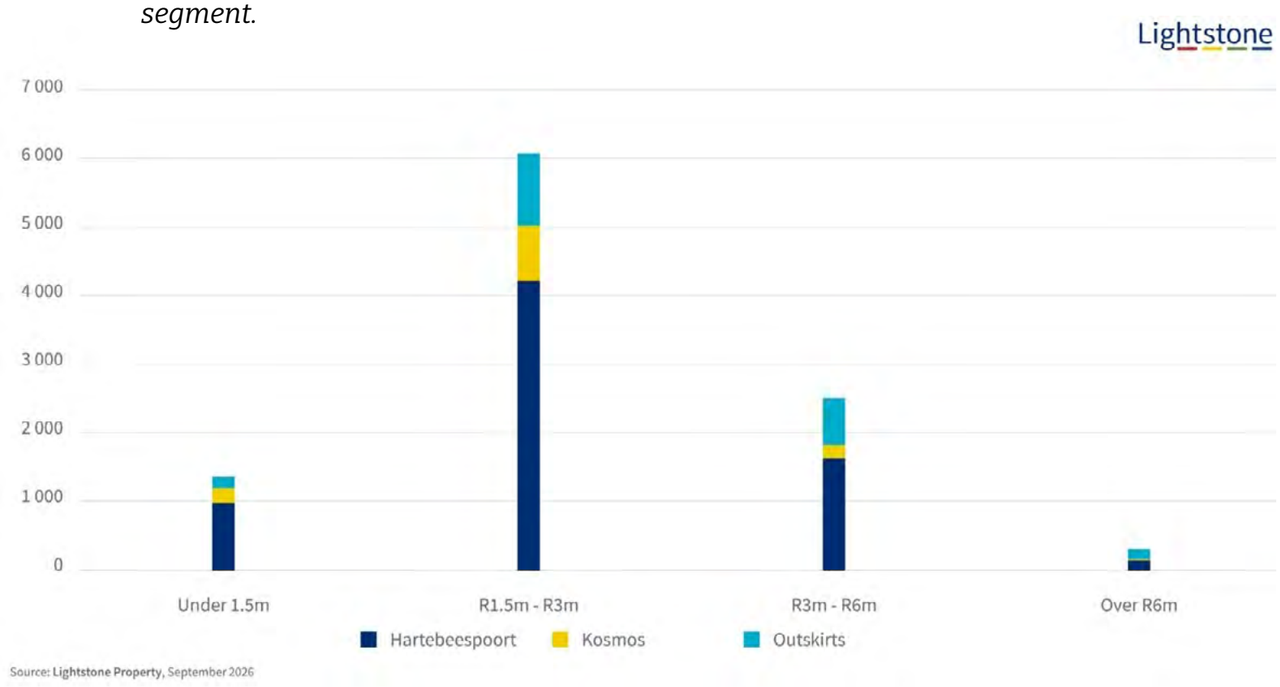
Lightstone's analysis reveals a residential market firmly positioned towards the middle- and upper-income segments.

An estimated 85% of homes in Hartbeespoort and neighbouring areas are valued at R1.5 million or more, while approximately one-quarter exceed R3 million. A smaller premium segment commands values above R6 million.

These figures highlight Hartbeespoort's established position as a lifestyle-driven residential market rather than simply a holiday destination

HOUSING STOCK IN THE HARTBEESPOORT AREA

Caption: Lightstone's housing stock analysis reveals a market dominated by properties valued above R1.5 million, including a substantial premium residential segment.



ESTATE LIVING DRIVES RESIDENTIAL GROWTH

Hartbeespoort's transformation has been supported by sustained residential development, particularly within secure lifestyle and eco-estates.

According to Esteani Marx, Business Development Executive at Lightstone Property, just over half of the area's property stock was registered between 2000 and 2025.

Much of this newer development is concentrated in established estates, including:

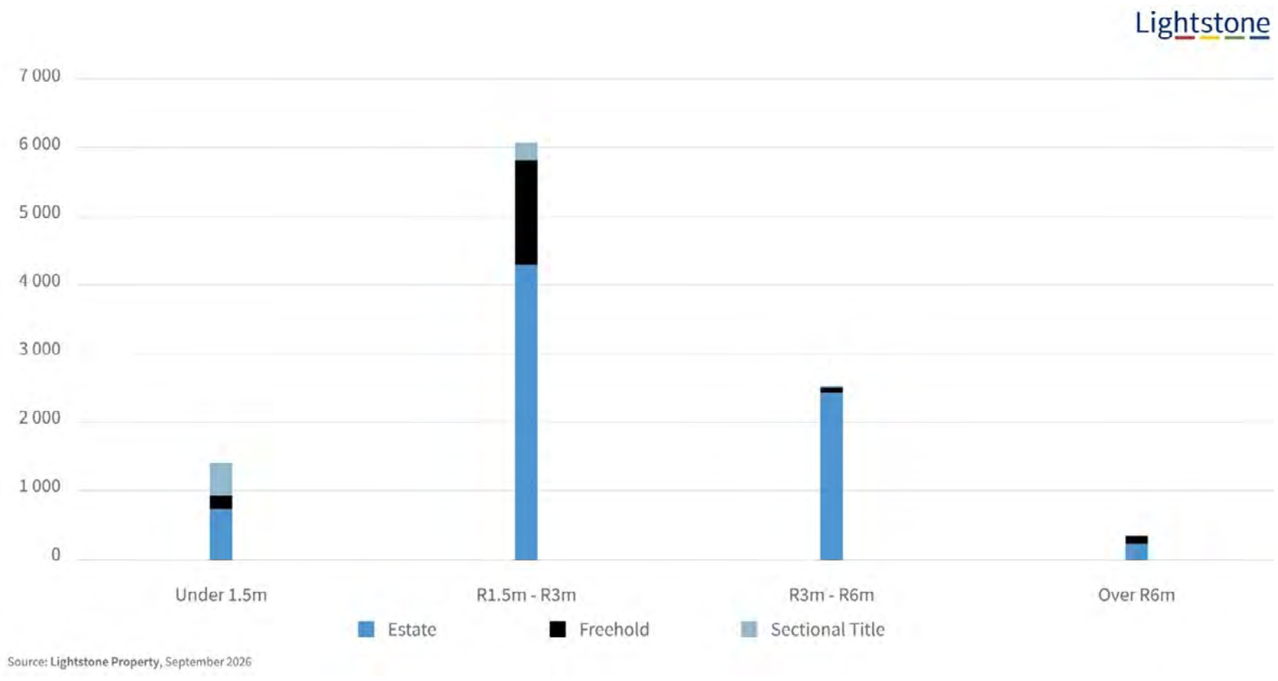
- **Pecanwood Estate:** Golf estate living with waterfront appeal.
- **The Islands Estate:** Waterfront homes and canal-side living.
- **Xanadu Eco Estate:** Nature-focused residential living.
- **Leloko Lifestyle Estate:** Secure estate living within a natural environment.

These developments attract permanent residents, weekend homeowners, retirees and buyers seeking a lifestyle alternative to Gauteng's urban centres.

Marx explains that the estates provide opportunities for both primary and secondary residences, combining secure environments with waterfront or mountainside settings and access to recreational facilities.

HOUSING STOCK BY PROPERTY TYPE

Caption: Hartbeespoort's residential property mix reflects the growth of secure estate developments alongside established housing and lifestyle properties.



WHO IS BUYING? THE 40-PLUS MARKET LEADS

Hartbeespoort's homeowner profile reveals a strong concentration of mature, established buyers.

According to Lightstone, property ownership peaks among people aged 40 - 45, who account for approximately 16% of properties owned.
The R1.5 million to R3 million segment dominates ownership across most age categories, followed by properties valued between R3 million and R6 million.

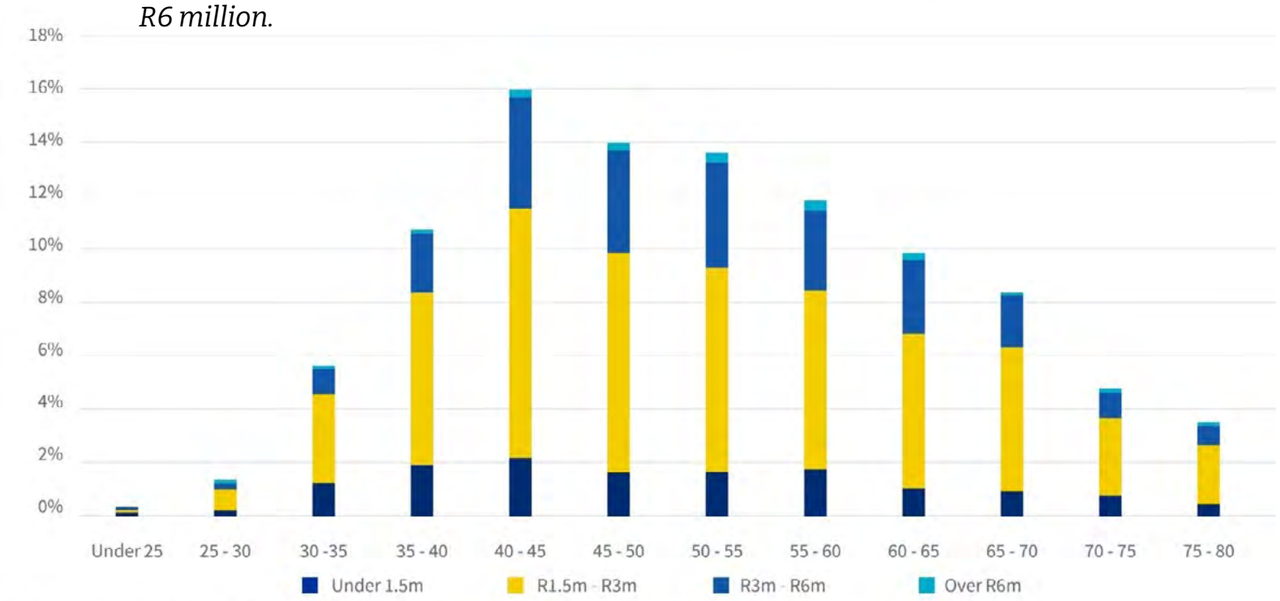
Older homeowners also represent a substantial share of the market:

- 38% of homeowners are older than 55.
- The 55 - 65 age group holds the largest number of properties valued above R6 million.
- Mature homeowners remain important participants in the area's premium property market.

These trends reinforce Hartbeespoort's appeal to established professionals, lifestyle buyers and people approaching retirement.

HOMEOWNER AGE PROFILE AND PROPERTY VALUE BANDS

Caption: Property ownership peaks among buyers aged 40–45, while homeowners aged 55–65 account for the largest number of properties valued above R6 million.



Source: **Lightstone Property**, September 2026

TOURISM: FOUR VISITOR CARS FOR EVERY RESIDENT CAR

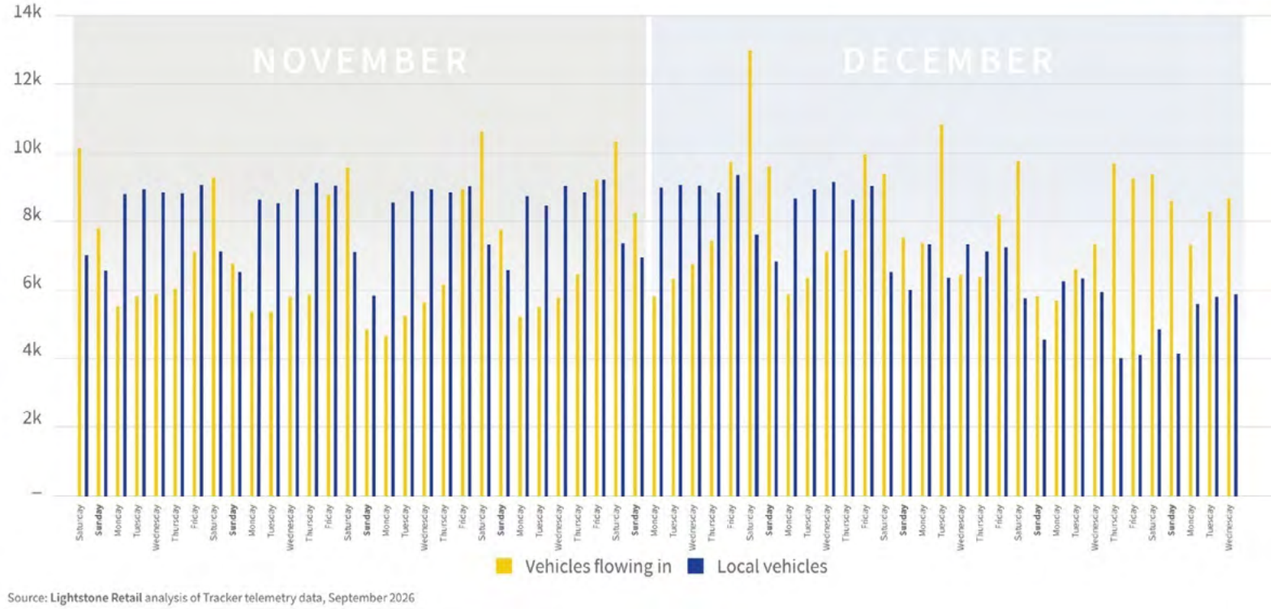
Hartbeespoort's popularity extends well beyond its permanent residential population. Its proximity to Pretoria, Johannesburg, Centurion and Midrand makes it an accessible destination for weekend breaks, day trips and extended holidays.Major attractions include Hartbeespoort Dam, the Magaliesberg Mountains, the Hartbeespoort Aerial Cableway, wildlife attractions and an established hospitality and restaurant sector.

Lightstone's analysis of Tracker vehicle telemetry data for November and December 2025 highlights the scale of visitor activity.

Weekend inflows were consistently visible throughout November, followed by a significant increase during the second half of December. Across the analysed period, Lightstone estimates approximately four visiting vehicles for every resident vehicle.

VEHICLE INFLOW INTO HARTBEESPOORT

Caption: Tracker telemetry data shows strong weekend visitor activity during November 2025 and a pronounced increase over the December holiday period.



Source: **Lightstone Retail** analysis of Tracker telemetry data, September 2026

GAUTENG GENERATES 85% OF VISITOR TRAFFIC

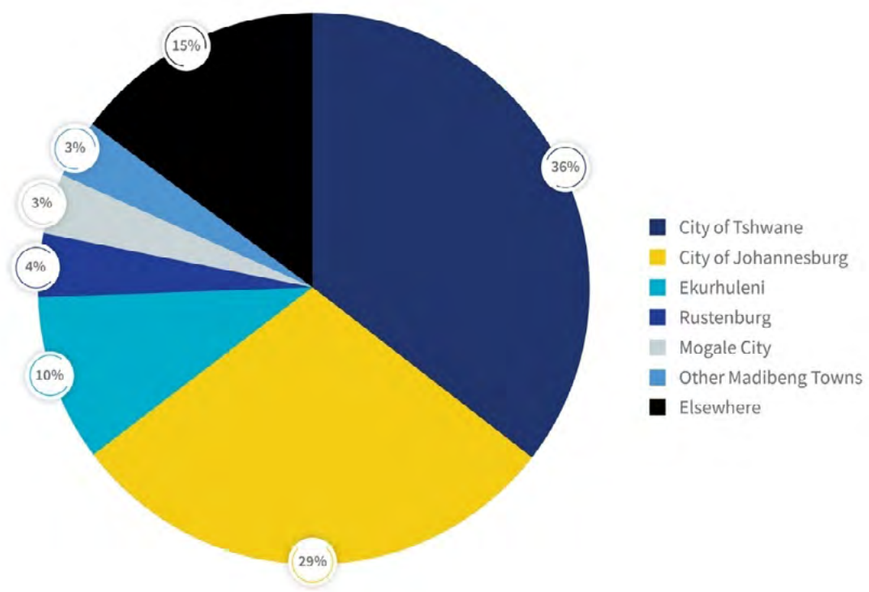
Hartbeespoort's proximity to South Africa's largest economic hub remains one of its strongest competitive advantages.

Lightstone estimates that approximately 85% of visiting vehicles originate from Gauteng and areas adjacent to Hartbeespoort, with Tshwane and Johannesburg collectively accounting for 65%.

This established visitor base supports the town's hospitality, retail and leisure economy and creates potential demand for holiday accommodation.

WHERE HARTBEESPOORT VISITORS COME FROM]

Caption: Gauteng and neighbouring areas account for approximately 85% of visitors, with Tshwane and Johannesburg providing the largest combined share.



Source: **Lightstone Property**, September 2026

SECOND-HOME OWNERSHIP: A MARKET WITH INVESTMENT APPEAL

One of Lightstone's most revealing findings concerns the ownership profile of Hartbeespoort properties. Of approximately 7,600 individual property owners, half also own property elsewhere.

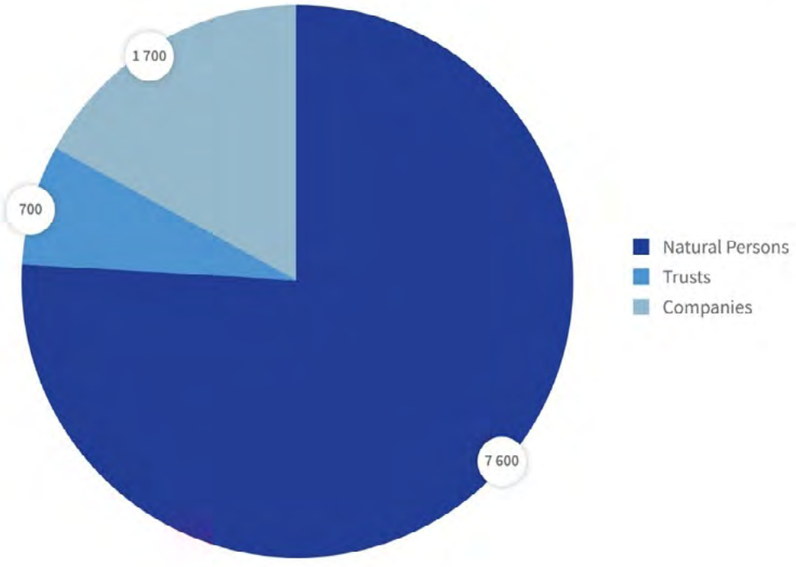
The majority of these additional property holdings are located in Madibeng, Tshwane and Johannesburg.

This suggests a substantial market for secondary residences, holiday homes and lifestyle properties. It also reinforces Hartbeespoort's close economic relationship with Gauteng, where many owners maintain residential or investment interests.

WHO OWNS HARTBEESPOORT'S PROPERTY STOCK

Caption: Lightstone's ownership analysis provides insight into the individuals and entities holding residential property in Hartbeespoort.

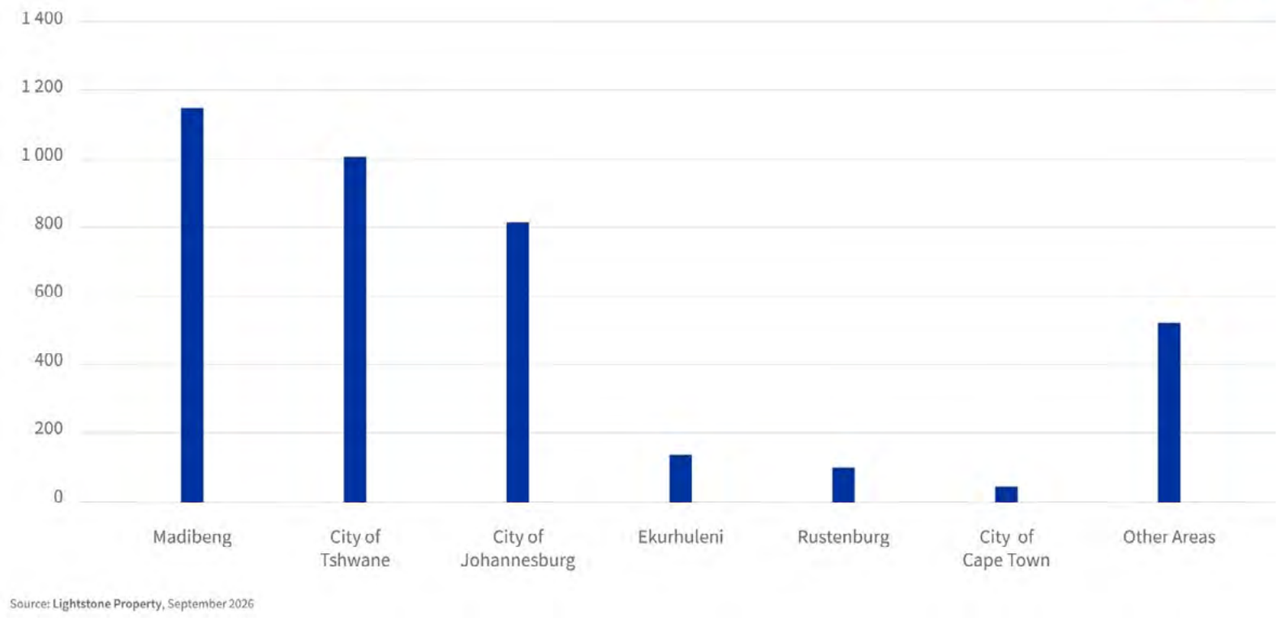
Lightstone



Source: **Lightstone Property**, September 2026

50% OF INDIVIDUAL OWNERS HOLD ADDITIONAL PROPERTY

Caption: Half of Hartbeespoort's approximately 7,600 individual property owners also own property elsewhere, predominantly in Madibeng, Tshwane and Johannesburg.

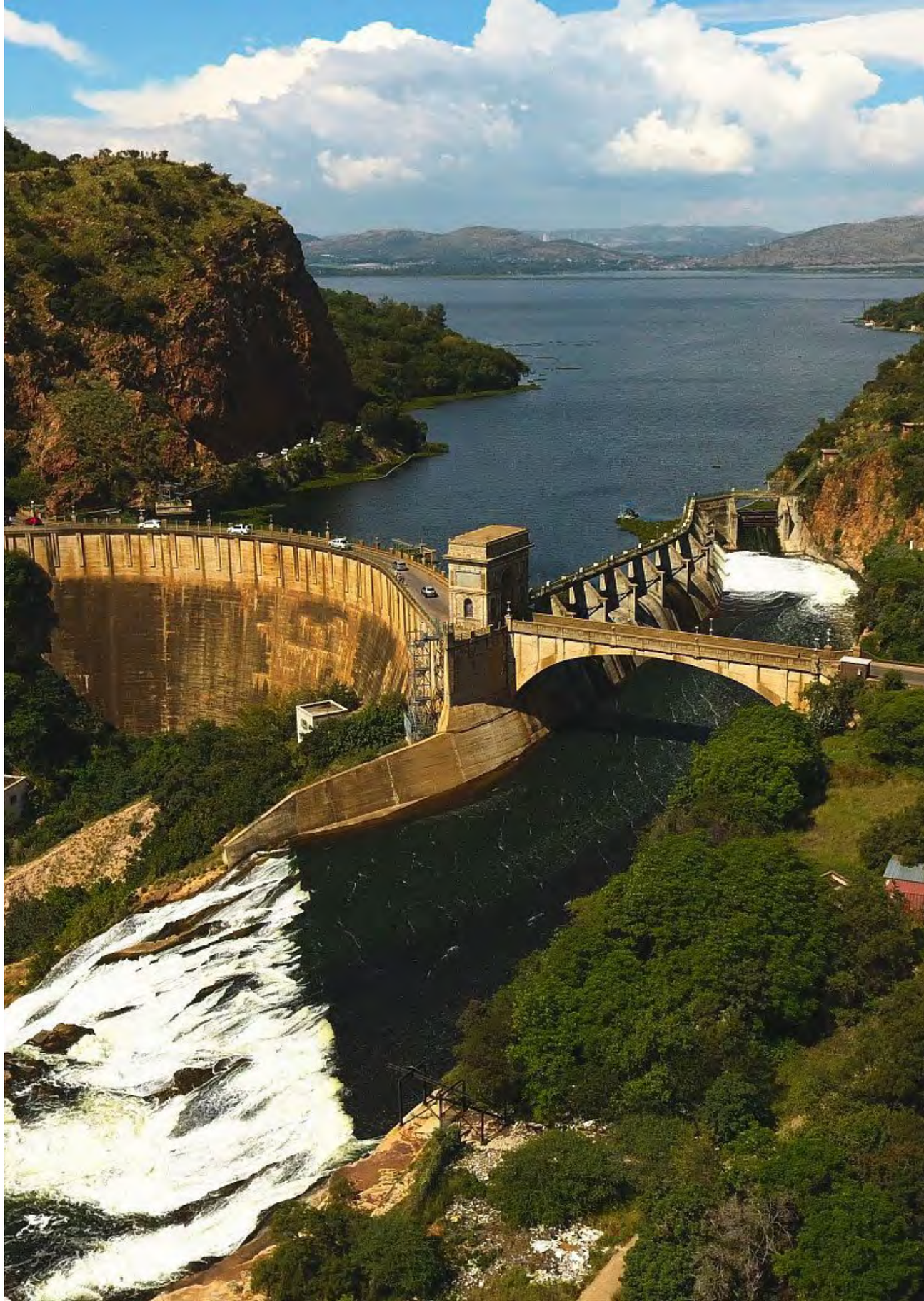


Source: **Lightstone Property**, September 2026

THE INVESTMENT OUTLOOK: MORE THAN A WEEKEND GETAWAY

Hartbeespoort's investment appeal rests on several established advantages: its natural setting, proximity to Gauteng, secure residential estates, mature homeowner base and substantial visitor economy.

For investors, opportunities may exist in permanent residential accommodation, holiday properties, retirement-oriented housing and short-term rentals, subject to local demand, property pricing and operating costs.



For investors, opportunities may exist in permanent residential accommodation, holiday properties, retirement-oriented housing and short-term rentals, subject to local demand, property pricing and operating costs.

However, strong tourism activity does not automatically translate into attractive rental yields. Investors should assess seasonal occupancy, estate regulations, maintenance costs, levies and achievable rental income before committing capital.

The Town of the Year accolade adds another dimension to Hartbeespoort's growing profile. What began as Gauteng's favourite weekend escape has become an established lifestyle property market with a powerful tourism identity and a growing residential footprint.

For Harties, the award celebrates more than small-town charm. It recognises a destination whose appeal now extends from holidaymakers to homeowners, retirees and property investors.

About Lightstone

Lightstone provides comprehensive data, analytics and systems across the automotive, property and business sectors. Through proprietary datasets, advanced modelling and digital platforms, Lightstone enables more informed decision-making across multiple industries.

Website: www.lightstone.co.za
Source: Property market insights and analysis by Lightstone and REI

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INVESTOR INTELLIGENCE

What is a good return on your property investment?

By Renier Kriek



Part 4 of 6

Do the Maths. Build the Wealth

A R6.25m block of flats, a 20% return target and one crucial question: does the investment really stack up? Renier Kriek shows investors how to do the maths.

A business partner and I are presently buying a small block of flats in the City of Cape Town. The purchase price is approximately R6.25 million.

We have not yet taken transfer. If something happens between now and registration, I may find myself explaining to the editor why my practical example concerns a transaction that never happened. That would perhaps improve the educational value of the exercise, although it would do rather less for my mood (or my wine collection).

I have nonetheless spent considerable time working out whether we ought to buy the block. By now, I know enough about the rental income, running costs and physical properties to have an opinion on whether they are attractive assets.

But I am still left with a more personal question: what return must the capital we are committing earn, and are these particular flats likely to deliver it?

STEP 1: Understand what you are comparing

Capital budgeting: Where should your money go?
Every investor faces a fundamental decision: where should limited capital be deployed?

Should you buy another rental property, reduce an existing mortgage, invest in shares or keep cash available for future opportunities? This is called capital budgeting.

The term sounds as though it belongs in a boardroom, but anybody making choices between investments is already doing some version of it. Money is finite. There is always something else it could do.

The practical starting point:

- Identify the amount of capital available.
- Compare alternative uses for that money.
- Consider the risks and potential returns of each option.
- Establish how long your capital may be committed.
- Decide what minimum return would justify the investment.

The objective is not simply to find an investment that makes money. It is to find one that makes the best use of your capital, considering the alternatives and risks.

CAPITAL BUDGETING. Breakaway box

The process of deciding how to allocate limited capital between competing investment opportunities. Every rand invested in one asset is a rand unavailable for another.

STEP 2: Calculate the Property's Operating Return

A 9.55% yield is only the beginning
Our proposed acquisition consists of nine flats. The rental income is presently modelled at R63,300 per month, or R759,600 annually.

After allowances for vacancies, rates, insurance, management and maintenance, we expect first-year net operating income of approximately R596,400. Readers of Part 3 will recognise the capitalisation rate, or cap rate.

Dividing that operating income by the proposed purchase price of R6.248 million produces an operating yield of approximately 9.55%. It is an appealing number.

But that 9.55% does not tell us what our equity capital will earn, or whether we should make this investment rather than another.

The distinction is important: the property earns an operating return, while the investor earns a return on the actual equity committed after financing, costs and taxes.

STEP 3: Set your minimum required return

Why I use a 20% hurdle rate
For this transaction, I have chosen a required equity return of 20% per year. That is my hurdle rate. The investment must clear that hurdle before I consider it worth the capital, effort and risk involved.

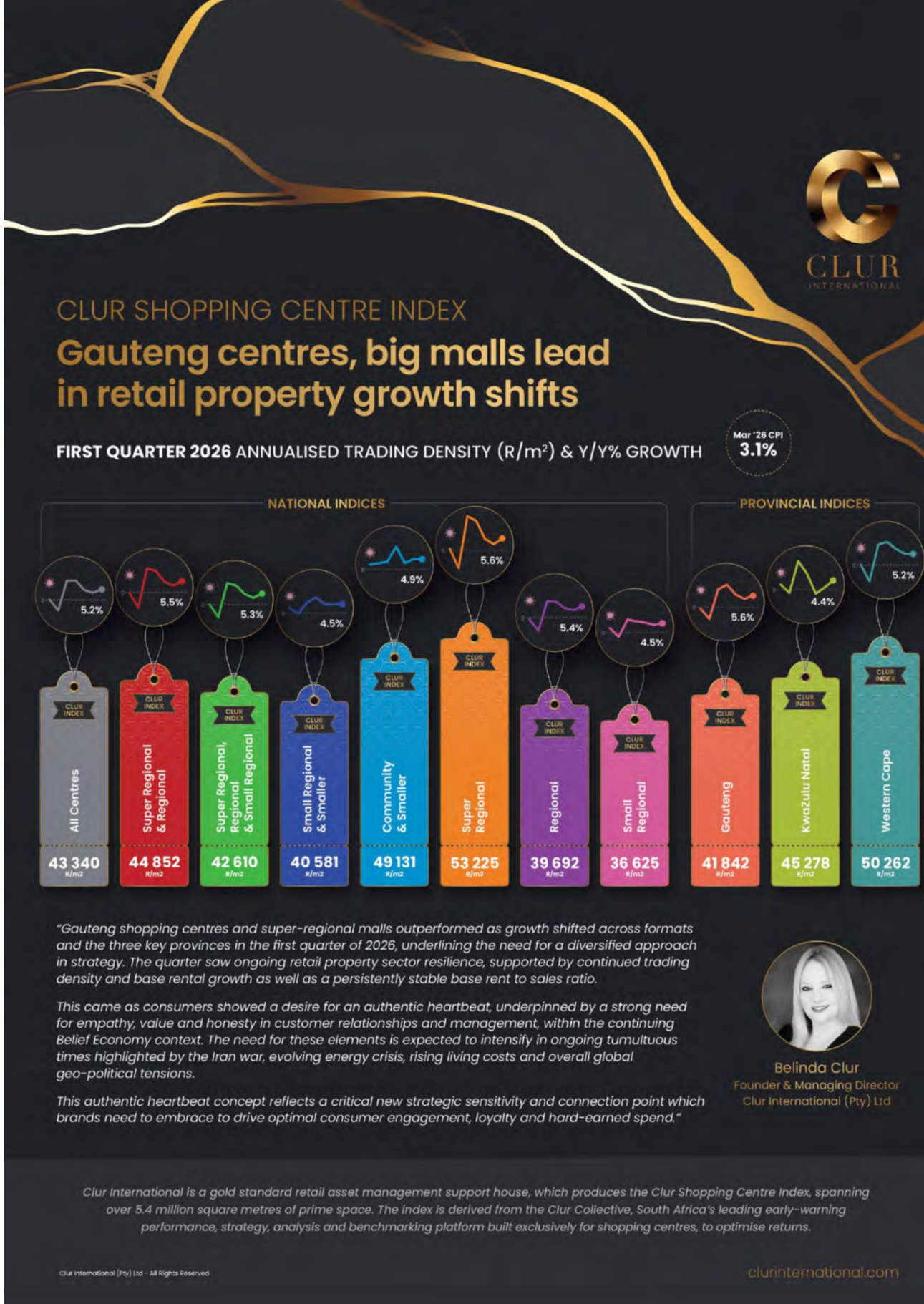
Twenty per cent is not a law of nature, nor a rate I would apply indiscriminately to a government bond, an established commercial building and a speculative renovation.

It reflects the alternatives available and the risks we are assuming in this particular transaction. Another investor could quite reasonably choose differently.

How to establish your own hurdle rate:

1. **Consider what alternative investments could earn.**
2. **Assess the property's risks, including vacancies, maintenance and financing.**
3. **Account for the time your money will remain invested.**
4. **Consider whether the expected return compensates you adequately.**
5. **Set your minimum acceptable return before calculating whether the deal qualifies.**

That final step is particularly important. A spreadsheet has a remarkable talent for discovering that a deal you already like meets whatever standard you subsequently decide to apply to it.



HURDLE RATE Breakaway box

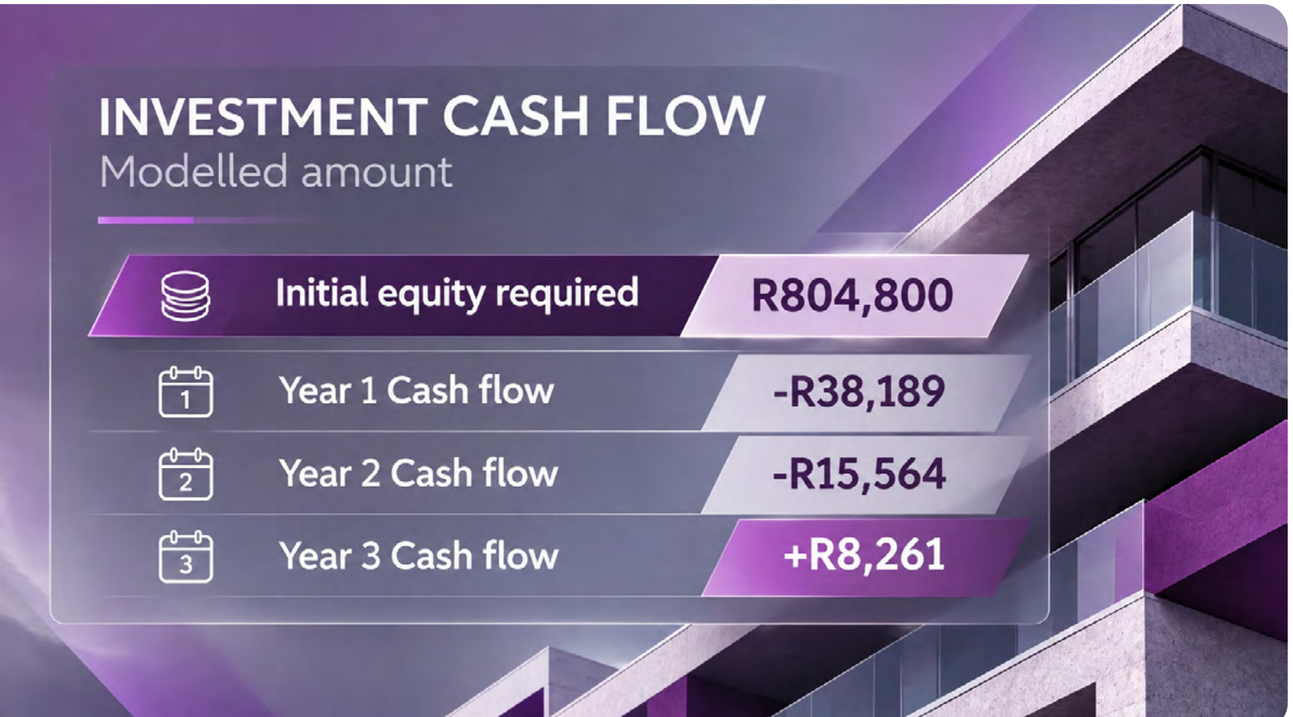
The minimum annualised return an investor requires before committing capital. It reflects opportunity costs, investment risk and the returns available from competing opportunities.

STEP 4: Work out how much cash you really need

A R6.25 million property does not mean R6.25 million in equity
We have secured bank finance for 90% of the R6.248 million purchase price after approaching several banks. That leaves R624,800 to fund ourselves.

Add approximately R180,000 in quoted transaction and bond-registration costs, and our initial equity contribution comes to R804,800. That is the equity required for the transaction as a whole, not my individual contribution.

But the initial equity is only part of the cash-flow story. Our model predicts that the properties will consume cash during the first two years.



These annual cash flows are calculated after operating expenses, mortgage payments and income tax. There is even income tax payable in the first year despite the negative cash flow

As we discussed in Part 3, mortgage principal repayments increase equity but are not deductible expenses. The taxman is not terribly interested in the discomfort this may cause the investor.

Practical investor checklist:

- **Can you afford the initial equity contribution?**
- **Have you included transaction and financing costs?**
- **Can you fund negative cash flow during the early years?**
- **Do you have reserves for unexpected maintenance?**
- **Could you continue paying the bond if rental income falls?**

An investment requiring additional cash contributions can still be a good investment. But it must be one you can afford to hold. Nobody accepts an NPV calculation in lieu of a debit-order payment.

Cash flow can kill you before the balance sheet has a chance to bless you.

STEP 5: Understand the Value of Future Money

Why R1 million in ten years is not R1 million today
Even if I knew precisely how much rent we would collect over the coming decade, R100,000 received next month would not be worth the same as R100,000 received ten years from now.

The earlier amount can be invested, used to settle debt or employed elsewhere. It also arrives with less time for something to go wrong.

In finance, we express a future amount in today's money by calculating its present value. The rate used to do so is the discount rate. For this investment, I use the same 20% required return on equity.

At that rate, R1 million received ten years from now is worth approximately R161,500 today.

The difference can seem brutal until one remembers that an investment compounding at 20% would multiply roughly sixfold over ten years. Waiting is expensive when the required return is high.

DISCOUNTED CASH FLOW (DCF) Breakaway box

A financial model that estimates an investment's future cash inflows and outflows, converts them into today's monetary value using a discount rate and adds them together to assess investment value.

How discounted cash flow works
A discounted cash flow model, or DCF, applies this principle to every expected contribution and receipt.

The process:

1. **Estimate rental income and operating expenses for each year.**
2. **Deduct financing payments and applicable taxes.**
3. **Include additional capital contributions where required.**
4. **Estimate the net proceeds from selling the property at the end of the forecast.**
5. **Discount every future cash flow into today's money.**
6. **Add the discounted cash flows and subtract the initial equity investment.**

The result is the net present value, or NPV.

NET PRESENT VALUE (NPV)

The sum of an investment's discounted future cash flows, less its initial investment.

- **Positive NPV: Forecast returns exceed the required return.**
- **Zero NPV: Forecast returns equal the required return.**
- **Negative NPV: Forecast returns fall below the required return.**

All three outcomes depend on the accuracy of the assumptions.

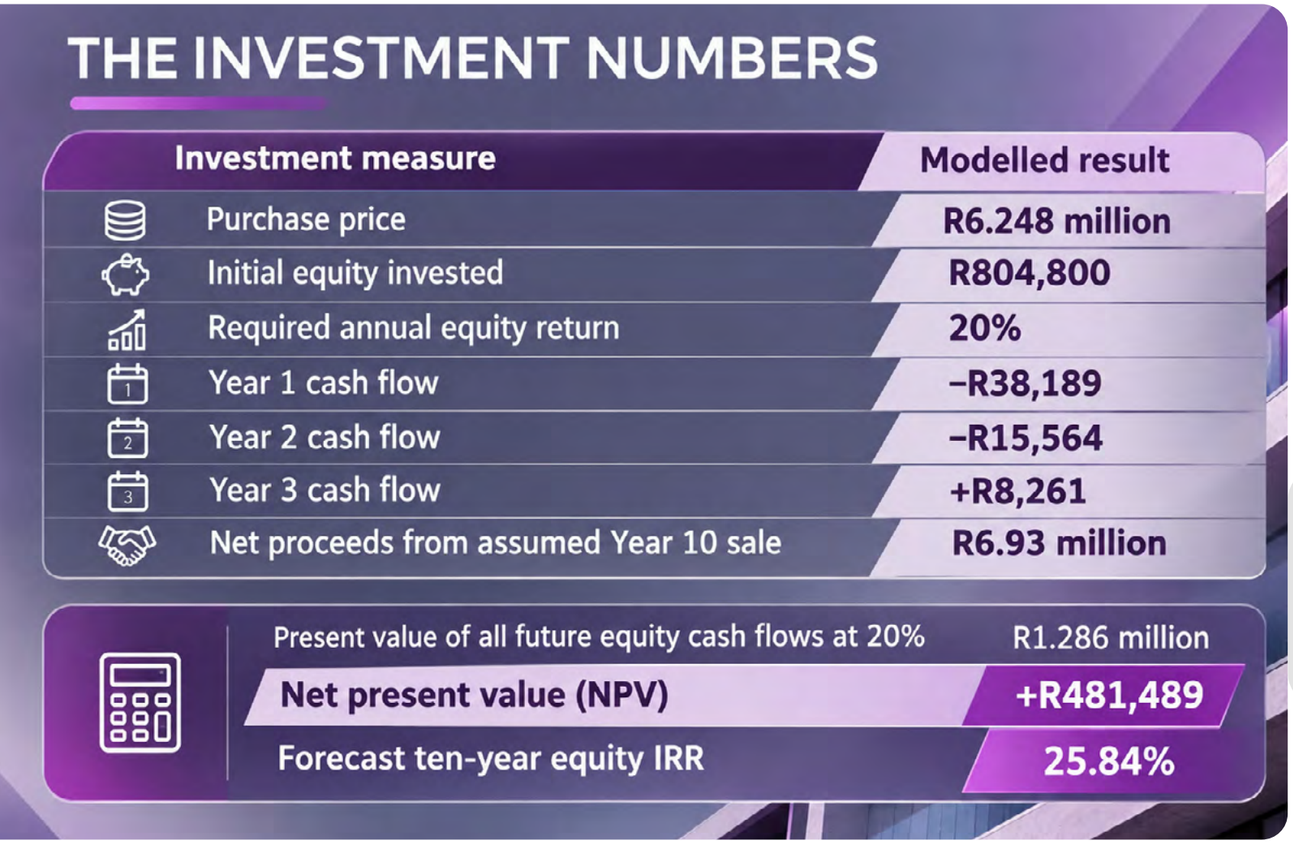
STEP 6: Put the Nine Flats to the Test

What the investment model reveals
My financial model runs for ten years. It assumes annual rental escalation of 6%, a 4% vacancy and bad-debt allowance, and mortgage finance at 9% over twenty years. The mortgage interest rate is held constant for modelling purposes.

Operating costs have their own escalation assumptions. Income tax, selling costs, capital gains tax and the outstanding mortgage at exit are also included.

The assumed sale at the end of year ten is a modelling exercise, not a commitment to sell. To estimate what a purchaser might pay, I take projected year-eleven operating income and capitalise it at 8%. That produces an estimated gross sale value of approximately R13.09 million.

After selling costs, modelled capital gains tax and repayment of the mortgage, approximately R6.93 million would flow back to equity. There is a lot of future tense in that calculation, and rightly so.



The calculation includes all ten years of projected cash flows. The R6.93 million exit receipt is separate from the final year's rental cash flow. Figures are model outputs for the entire transaction, not guaranteed returns.

The calculation produces a positive NPV of approximately R481,500. In other words, the projected equity cash flows are worth about R481,500 more than their initial cost when assessed against the required 20% return.

I prefer that formulation to saying the property is worth R481,500 more. A property valuation and an investment's NPV are different things, particularly when the investor uses substantial debt.

STEP 7: Understand Your Internal Rate of Return

Does the investment clear the hurdle?
There is another useful number: internal rate of return, or IRR. IRR is the discount rate at which the NPV of the forecast cash flows becomes exactly zero.

In this case, the forecast IRR is 25.84%. That exceeds our required return of 20%. On the modelled assumptions, the investment therefore clears the hurdle.

INTERNAL RATE OF RETURN (IRR). Breakaway box

The annualised discount rate at which an investment's projected net present value equals zero.

Compare it with your hurdle rate:

- IRR above hurdle: the model indicates the investment meets the return requirement.
- IRR equal to hurdle: the model indicates the investment meets the requirement exactly.
- IRR below hurdle: the model indicates the investment does not meet the required return.

NPV and IRR are telling the same story in different languages. They are not two independent witnesses corroborating the investment.

Both take instructions from the same assumptions, which is worth remembering when the answer is unusually pleasing.

STEP 8: Challenge the assumptions before you invest

What the spreadsheet cannot know
The obvious temptation is to stop here. A 25.84% forecast return looks handsome, and a positive NPV gives it an air of mathematical respectability.

Unfortunately, the largest part of the forecast return is waiting at the far end of the ten-year period. At the 20% discount rate, the assumed R6.93 million exit receipt is worth approximately R1.12 million today.

That represents most of the R1.286 million present value of the future cash flows. The model therefore depends heavily on the price someone will be willing and able to pay for these flats in ten years.

The projected year-eleven income and 8% capitalisation rate are assumptions about a market that does not yet exist.

That does not mean the exit value should be excluded. A ten-year property model that ignores the remaining asset value would be incomplete. It does mean we should understand how heavily the forecast relies on that value.

What happens if rental growth disappoints?

Reduce the annual rental escalation assumption from 6% to 3%, leaving the other assumptions unchanged. The outcome changes substantially.

Financial measure	Original forecast	Lower rental growth
Annual rental escalation	6%	3%
Forecast equity IRR	25.84%	17.34%
NPV at 20% hurdle	+R481,489	Approx -R173,000
Investment conclusion	Clears hurdle	Fails hurdle

The mathematics has not changed. What has changed is the assumption about future rental growth. That is enough to turn the financial answer from yes, let's buy it into not at this price, on these assumptions.

Part 6 will examine how to test assumptions systematically. For now, I would merely observe that a spreadsheet is very precise about the consequences of being wrong, provided one remembers to ask it the question.

Your pre-investment reality check
Before accepting an attractive projected return:

- Test lower rental growth and higher vacancies.
- Consider changes to interest rates and operating expenses.
- Assess the condition of the building and potential major repairs.
- Check the financing terms and availability of funds.
- Review legal, conveyancing and compliance matters.
- Examine how sensitive the exit value is to the assumed cap rate.
- Ensure you have sufficient liquidity for an unfriendly year.

Our model includes routine maintenance but does not provide for a separate recurring capital-expenditure reserve. That is worth remembering. A block of nine flats has not undertaken to refrain from requiring major expenditure merely because the spreadsheet contains a zero in the relevant cell.

A DCF is an excellent tool for pricing a decision. It is no substitute for knowing what one is buying.

THE BOTTOM LINE: What Is a Good Return?

At the modelled purchase price and a required 20% equity return, the proposed acquisition produces a positive NPV and an IRR above our hurdle. For the time being, those numbers justify continuing towards transfer, subject to the commercial and legal work that remains.

I will only know much later whether the investment itself was a success. For now, transfer is still pending, and I'm holding thumbs!
There is also a useful distinction between NPV and IRR when comparing opportunities. IRR measures an annualised rate. NPV measures the value created in rand above a specified required return. A small investment can produce an impressive percentage return while adding relatively little wealth.

A larger investment with a lower IRR may create more value. If your capital is limited, both the rate and the amount matter, as does when the money is required.

No use earning a 55% IRR if it only adds R10 to your wealth. There is no universal answer to what constitutes a good return. The investor, the alternatives, the risk and the financing all matter.

A hurdle rate makes those considerations explicit. A DCF allows future money to be compared in today's terms. NPV and IRR help establish whether the projected investment passes the test.

But one conspicuous feature remains. We are proposing to buy approximately R6.25 million of property with about R805,000 of initial equity because the bank is providing most of the purchase price. That financing is a large part of why the projected equity return is so striking.

It is also a large part of what could go wrong.

COMING NEXT | PART 5 OF 6

The Power and Danger of Property Leverage
Can borrowing money make you a better property investor, or expose you to greater financial risk?

In Part 5, Renier Kriek examines how bank finance affects equity returns, cash flow and investment risk, and why leverage can magnify both gains and losses.

Put your next property investment to the test
Before committing to your next property purchase, calculate the operating yield, establish your required return and test the cash flows against realistic financing, vacancy and exit assumptions.

Read the complete Do the Maths. Build the Wealth. series

- **Part 1 here**
- **Part 2 here**
- **Part 3 here**

Follow Part 5 in the next edition of Real Estate Investor Magazine.



INVESTOR INSIGHTS

AI can’t take my title deeds

By Anton Steyl



With R2.6 billion in property assets, Investicore CEO Anton Steyl shares his rules for building wealth, protecting capital and navigating property investment in the AI era.

Anton Steyl answers his phone while strolling through the gardens of one of his investment properties in Gauteng. The conversation moves effortlessly from commercial real estate and investor psychology to South Africa's economic potential, artificial intelligence and what wealth really means.

As CEO of Investicore South Africa, with a property portfolio valued at R2.6 billion, Steyl shares the investment principles that have guided the business through the 2008 global financial crisis, the COVID-19 lockdowns and one of the sharpest interest rate cycles in a generation.

What separates successful property investors from unsuccessful ones? The number one mistake in property investing is overpaying, often because people make emotional decisions. The quality of the building matters, and so does its location, but as Dawie Swart, founder of Investicore, always says: "We buy buildings, not tenants."

That means always having a Plan B if the existing tenant, no matter how impressive, decides to leave. Take the Western Cape, where property values have climbed sharply in recent years. Yes, South African property has performed well in the last few years, but the rising interest rate is a reminder that this is the time for a conservative approach.

Another principle is that people appreciate well-maintained properties. If a building has been freshly painted, the parking bays are clearly marked and there's nothing for a tenant to do but move in, you're far more likely to attract a quality occupier.

Can you share some real-life examples?

One recent example is Oakhaven, an industrial property in Brakpan. We completed our due diligence and arranged financing, but then a franchisee occupying 30% of the property vacated, despite having two years remaining on its lease.

It was unexpected, but we responded by investigating the situation, meeting with a new franchisee and placing them in the property, and refurbishing it. By the time we took transfer, we had a new lease in place with an excellent company. The property was ultimately worth considerably more than we had paid for it.

Another example is Panamo in Kempton Park. The property was 50% vacant, making it difficult to sell to an investment buyer. The owners, two brothers living in the UK, wanted to dispose of the asset. We worked with brokers to secure tenants before taking ownership. By the time we took control, the property was fully let to two tenants.

Both examples demonstrate that good property investing is about identifying opportunities, managing risks and creating value.



What investment rules do you never break?

Protect capital first, then grow it.

Buy well-located industrial, office, retail and medical properties at sensible prices, reduce debt over time and manage every building personally.

I also believe in fair, straightforward contracts without hidden clauses. Business is built on relationships. Quick wins achieved through questionable practices can come at the expense of your reputation.

What makes your investment model different?

Our interests are aligned with those of our investors because we invest in the same properties. We only receive dividends once our investors have recovered all their invested capital. Once that happens, both parties receive dividends according to their respective shareholdings. This keeps us focused on returning investors' capital and making decisions as though we were investing our own family's money.

We also ring-fence every property in a separate company. Yes, it creates additional administration, but if Property A experiences a vacancy or financial difficulty, the intention is to prevent that risk from affecting the other properties.

We believe in operating lean businesses. The more people and service providers involved in an investment, the higher the costs, which ultimately reduce investor returns. Our model also keeps us accountable. If an investment performs well, everyone benefits. If it doesn't, we don't benefit.

Our investors can sleep well knowing that our priority is getting their capital back.

What opportunities excite you most about South Africa?

South Africa has enormous untapped economic potential. Our GDP per capita is approximately $6,000 annually, compared with around $80,000 in the United States. That difference illustrates how much room South Africa has to improve productivity, business efficiency and wealth creation.

I believe South Africa could significantly increase its economic output if government reduced harmful policies and created more space for entrepreneurs and businesses to succeed. The opportunities for investment, employment and economic upliftment are substantial.

Where does artificial intelligence fit into property investment?

AI is making knowledge, expertise and sophisticated tools more accessible to everyone. It can help investors analyse opportunities, improve business efficiency and make better-informed decisions.

But successful property investment still requires the fundamentals:

the right property, a sensible purchase price, agreement between buyer and seller, sufficient capital, bank financing and practical expertise.

I believe physical property, particularly industrial and retail assets, remains well positioned.

AI isn't taking away my title deeds, but it is helping me run my business more efficiently.

Which property trends are you watching?

The office market is particularly interesting as it continues recovering from the disruption caused by COVID-19. Industrial and retail property are also performing well and remain attractive investment sectors.

Another fascinating development is the relationship between Gauteng and the Western Cape. The Cape's increasingly premium property prices are encouraging some businesses to reconsider Gauteng, where commercial premises are generally more affordable.

This could create opportunities for investors who understand the underlying economics of both markets.

What does real wealth look like to you?

Real wealth is boring.
Buy well, pay down debt, look after your tenants and repeat the process for 20 years. The excitement should be in the results, not the process.

About the author

Anton Steyl is CEO of Investicore South Africa, a private commercial property investment company with a portfolio valued at approximately R2.6 billion.

Investicore is a private property investment company and does not advertise, solicit or offer investments to the public. Investicore is not a bank and is not affiliated with Investec.

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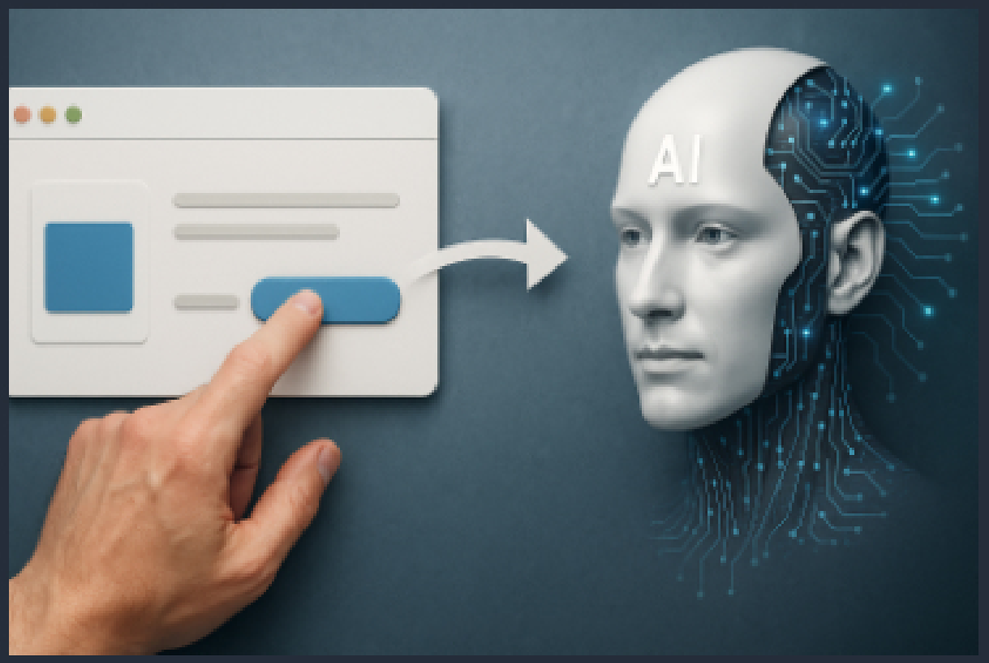
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TECHNOLOGY & AI

Preferental's AI Vetting: Catch fraud fast, place better tenants

By Neale Petersen

Fraud is exploding in rental applications (industry estimates up to 40% contain falsified info).

Preferental turns vetting from guesswork into a repeatable, AI-driven process that flags fakes, verifies income, and protects landlords, before a key is handed over.



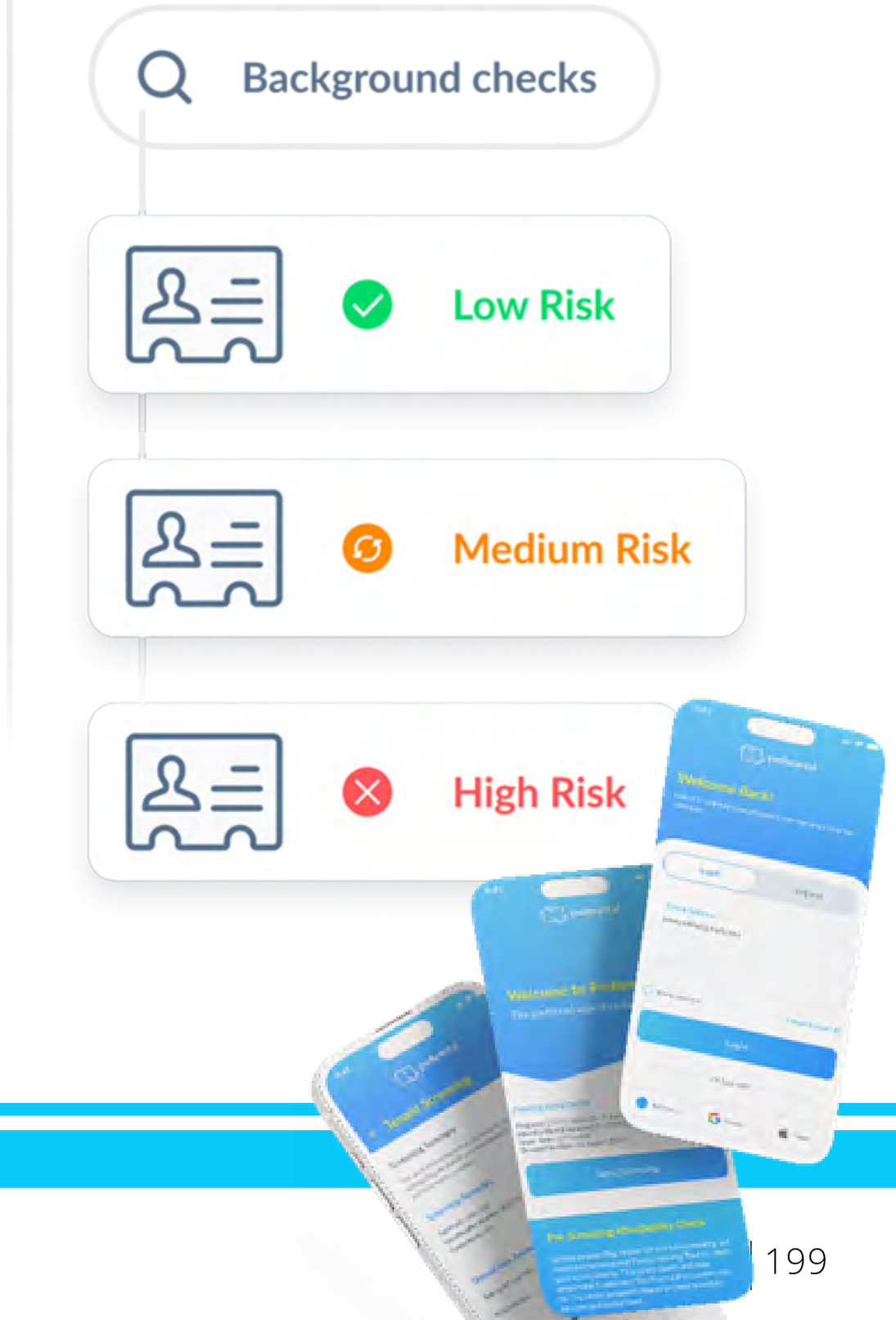
Why Preferental is different (and better)

- **Real-time verifications:** Instant checks with Home Affairs (ID), SARS (income/employer), and credit bureaus TPN & Experian for judgments, arrears and payment history.
- **Bank-statement forensics:** AI detects edits, mismatched figures, and tampering tools used on PDFs, the stuff humans miss.
- **Income vs deposit reality check:** Matches declared payslip income to actual bank deposits, down to the cent.
- **Clear risk scoring:** Low/Medium/High risk output with reasons, agents decide in minutes, not days.
- **Bulletproof compliance:** All documents stored and downloadable for FICA and audit trails.

Deposit+ = Deals that still pencil

- **Tenants:** Spread the deposit over 10 months, no upfront shock.
- **Landlords:** Receive the full deposit on day one plus cover for death, disability, retrenchment during the lease.
- **Impact:** Improves affordability without lowering standards; fewer fall-throughs, faster occupancy.





Best-practice playbook (Agents & Landlords)

- **Always run the full AI vet**, even when the tenant "looks good on paper."
- **Charge a modest app fee to ensure commitment** and reduce time-wasters.
- **Interrogate flags** (tampering, mismatched income) before approval.
- **Prioritise low-risk** applicants to cut viewing time and vacancies.
- **Pair with Deposit+** to widen the pool without raising risk.

Why this changes the game

- **Standardised, not person-dependent:** The same checks, every time, no gaps when your senior admin is away.
- **Fraud-first mindset:** Preferental spots sophisticated edits and income inflation that slip past manual reviews.
- **Faster cycle, stronger outcomes:** Quicker yes/no decisions, fewer arrears, better tenant fit, and cleaner insurance/compliance.

"We've built an AI screening platform that does the heavy lifting, cutting fraud, speeding decisions, and giving landlords confidence in who they place."

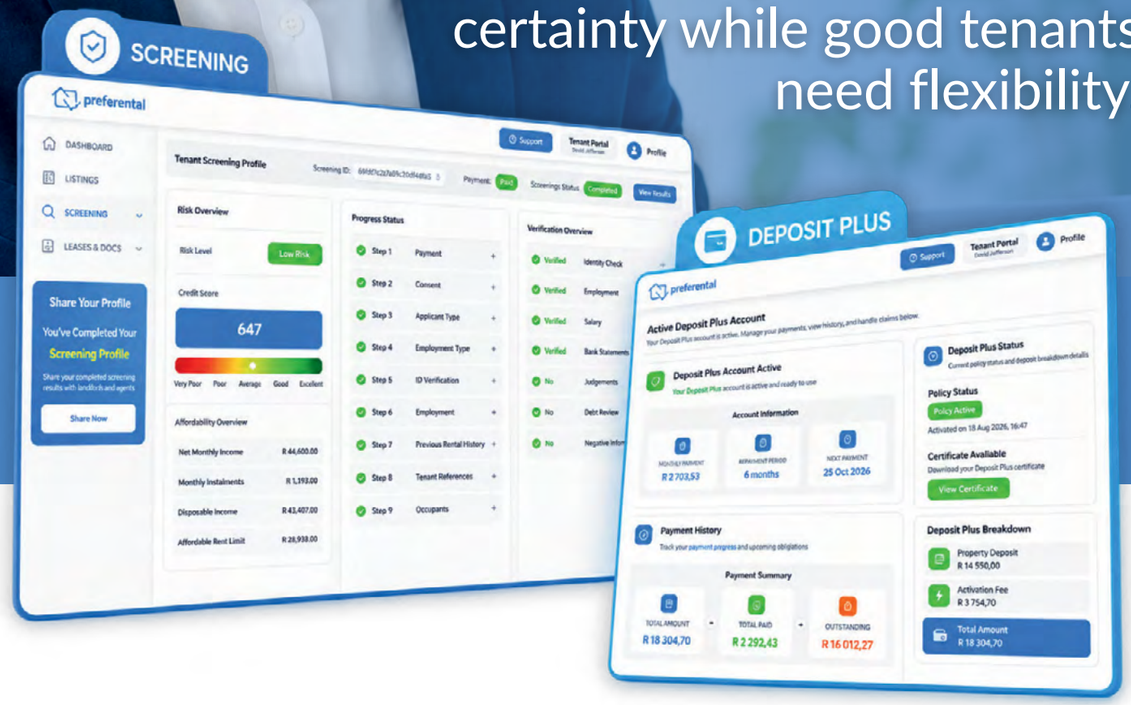
Ross Fitzcharles, CEO, Preferental.

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MOVE.

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DEPOSIT PLUS
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The PDP attracts professionals shaping the future of the real estate and property development sectors. Whether from the private or public sector, participants bring diverse experience and perspectives that enrich the learning experience.

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EVENTS

GREEN REVOLUTION: SA'S BUILDINGS TRANSFORM TOMORROW



More than 800 industry leaders gathered in Cape Town as GBCSA celebrated 291 green building certifications, groundbreaking innovation and South Africa's sustainability champions

27 - 29 October 2026 | Century City Conference Centre, Cape Town

The Green Revolution gathers momentum

South Africa's green building revolution is gathering pace, with developers, property owners, investors and sustainability professionals demonstrating that the future of property is increasingly being shaped by environmental performance, resource efficiency and long-term resilience.

More than 800 delegates gathered at the Century City Conference Centre in Cape Town for the 2026 Green Building Convention, hosted by the Green Building Council South Africa (GBCSA) from 27–29 October.

Under the theme The Green Revolution, the three-day convention brought together industry leaders, innovators and sustainability champions to exchange ideas, share expertise and accelerate the transformation of Africa's built environment.

The message was clear: sustainable development is no longer simply about environmental responsibility. It is increasingly central to how buildings are designed, financed, operated and positioned for the future.



From next-generation certification tools to net-zero buildings and resource-efficient residential developments, the convention showcased the progress being made across the property industry. But perhaps its most powerful message was the importance of collaboration.



Transforming the built environment requires developers, investors, financiers, architects, engineers, government and communities to work together to turn sustainability ambitions into measurable results.

Inspiring the next generation of green leaders

Among the convention's keynote speakers was internationally recognised climate activist Elizabeth Wathuti, whose message resonated strongly with delegates.

Wathuti emphasised the importance of instilling a sustainability mindset in children from an early age, reinforcing that meaningful environmental change begins with education, awareness and individual responsibility.

Her message highlighted a broader challenge for the property industry: sustainable buildings are only part of the solution. Lasting transformation also requires people and communities to embrace more sustainable ways of living.

291 certifications signal growing market momentum

One of the convention's most significant announcements was the scale of green building certification achieved over the past year.

According to Dash Coville, GBCSA Head of Technical, the council awarded 291 certifications across its Green Star, Net Zero and EDGE certification systems during the assessment period from 1 July 2025 to 30 June 2026.

GREEN BUILDING BY THE NUMBERS

- **291 certifications awarded across Green Star, Net Zero and EDGE.**
- **Approximately 100 applicant organisations participated in certification projects.**
- **24 green building consultancies contributed specialist expertise.**
- **85 assessment roles supported the certification process.**





These achievements demonstrate the growing commitment of South Africa's built environment to measurable sustainability performance. The convention also highlighted the introduction of Green Star New Build Version 2, the next-generation certification tool designed to advance sustainability standards.

Early pilot projects included Club Med Beach & Safari Resort, Cape Town EDITION Hotel & Apartments, InterContinental Table Bay, 10 Parks Boulevard and 55 Eastwood.

Balwin Properties was acknowledged for supporting the tool's development, with its de Aanzicht Lifestyle Centre expected to pursue Version 2 certification.

GBCSA 2026 LEADERSHIP AWARDS: THE WINNERS

The convention culminated in the prestigious GBCSA Leadership Awards, celebrated at the Rooted Here-themed gala dinner. Recognising outstanding projects, property owners and sustainability professionals, the awards celebrated the people and organisations driving measurable change across the built environment.



TOP GREEN BUILDING PROJECTS

Highest Rated Project - Existing Operations

WINNER: No. 6 Silo Radisson RED Hotel

Owner: V&A Waterfront Holdings
Accredited professional: Mellissa Titus, Sow & Reap Consulting
Runner-up: The Ridge, V&A Waterfront



Highest Rated Project - New Development

WINNER: CPT14 AWS Central

Owner: Amazon Development Centre (South Africa)
Accredited professional: Makhosazana Mthethwa, Solid Green
Joint runners-up: Bank of Botswana and CPT15 CS West



Best Quality Submission - Existing Operations

WINNER: The MARC
Owner: Eris Property Group
Accredited professional: Danika Taylor, Solid Green Consulting
Runners-up: The Ridge and Newlands on Main – L & M House



Best Quality Submission - New Developments

JOINT WINNERS: CPT14 AWS Central and CPT15 CS West
Owner: Amazon Development Centre (South Africa)
Accredited professional: Makhosazana Mthethwa, Solid Green



NET ZERO AND RESOURCE EFFICIENCY CHAMPIONS

Net Zero Champion

WINNER: Meadowbrook Estate, Serra Services
Owner: Growthpoint Properties
Accredited professional: Hlologelo Manthose, WSP
Achievement: Net Zero Carbon, Level 2 – Building and Occupant Emissions (Measured)
Runner-up: dsm-firmenich South Africa – Net Zero Water



EDGE Residential Leader

JOINT WINNERS:
Respublica Student Living
Balwin Properties
Divercity Urban Property Group



EDGE Commercial Leader

WINNER: Attacq Limited
Recognised for leadership in promoting resource efficiency across commercial property.

GREEN STAR INDUSTRY LEADERS
Green Star Leader - New Developments

WINNER: Bank of Botswana
Runners-up: Amazon Development Centre (South Africa) and Zenprop Property Holdings

Green Star Leader – Existing Operations

WINNER: V&A Waterfront Holdings
Runner-up: Absa Group Limited

THE PEOPLE BEHIND THE GREEN REVOLUTION
EDGE Auditor Excellence

Winner: Yvonne Pelser – Inside Out Consulting
Runner-up: Cornelia Mey – Cornelia Mey Consulting

Rising Green Star

Winner: Dr Linus Naik – Green Gap Consulting
Runner-up: Sinethemba Ndlovu – Zutari

Established Green Star

Winner: André Harms – Ecolution Consulting
Runner-up: Mike Aldous – MPAMOT







SPECIAL RECOGNITION: REDEFINE PROPERTIES

Redefine Properties received the Special Recognition Award for achieving the largest volume of Green Star-certified floor area during the assessment period.The award highlighted the company's commitment to implementing sustainability initiatives at portfolio scale, demonstrating how established property owners can drive transformation across substantial real estate holdings.

THE INVESTMENT CASE: GREEN IS BECOMING MAINSTREAM

For property investors and developers, the convention reinforced an important industry shift.

Green building certification is increasingly relevant to asset resilience, operating efficiency, tenant expectations and long-term investment decisions.The growing participation of major property groups, including Growthpoint, Attacq, Redefine, Balwin Properties and the V&A Waterfront, illustrates how sustainability is becoming embedded in mainstream property strategies.

Certification alone does not guarantee superior investment returns. However, measurable improvements in energy consumption, water efficiency, operational performance and environmental risk management can strengthen the long-term investment proposition.

THE NEXT CHAPTER: TRANSFORMING TOMORROW

The 2026 Green Building Convention demonstrated that South Africa's sustainable property sector has both the expertise and commitment to accelerate change.

But the challenge now is to extend that progress beyond flagship developments and major commercial portfolios into the broader built environment.

As GBCSA CEO Georgina Smit emphasised, the council remains committed to expanding its reach and supporting more buildings across South Africa on their sustainability journeys.

The message emerging from Cape Town was unmistakable: the green revolution is not a distant ambition. It is already reshaping the property industry.

And the next phase will be defined not simply by how many green buildings are certified, but by how widely their benefits can be delivered.

ABOUT GBCSA
Green Building Council South Africa
Website: www.gbcsa.org.za
Green Star | EDGE | Net Zero Certification





NEWSTAND ARCHIVES



NOV 26



OCT 26



SEPT 26



AUG 26



JULY 26



JUNE 26



MAY 26



APRIL 26



MARCH 26

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iPROTECT

We are the leader
in tax optimisation and legal structures

WHO WE ARE

iProtect has been serving clients for more than 20 years. Our experienced team of attorneys are ready to offer you expert advice and support. We are at the forefront of our industry and we look forward to tailoring your bespoke solution.

WHAT WE DO

We specialise in corporate, commercial and personal tax structuring. Our expert attorneys develop solutions to efficiently manage your financial affairs and minimise you and your family's tax liability. That may sound intimidating, but we take care of the complexities on your behalf.

Our Services

Asset Protection
Our iProtect solution transfers assets into the right structures, avoiding transfer duty and taxes, ensuring financial protection

Tax Structuring
Death and taxes are certain, but their impact can be minimized. We help high earners save up to 20% in taxes.

Estate Planning
iProtect structures ensure you own nothing, achieving a 0% executor's fee and avoiding significant taxes and duties upon death.

B-BBEE Structuring
iProtect's innovative BEE solutions ensure compliance without triggering taxes, empowering participants and adding value, eliminating the BEE love/hate dilemma.

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