



From the President's Desk



Welcome to the second half of the year - I can't believe that we are already in September and that by the time this SA Valuer is circulated we will already be in Spring.

The Institute has had a very busy year which is hard work on all the volunteers but great for the profession as a whole.

We have turned 110 years old and Lerato discovered in the archives that the first meeting of the SAIV was held on the 19th August 1909. In this edition we have included an article on all the presidents that have guided the Institute over the last 110 years. I would like to thank all the past Presidents, Life members, Fellows and Members on your excellent guidance, support and enthusiasm that has allowed this magnificent Institution to be the body that is sought out for advice, training and professionalism.

In May at the National AGM I was looking at the chain and reading the names of the Presidents and realizing that the Institute has remained steadfast through some really hard times and we have always prevailed. I also reflected on the current hard times we, as individuals and a country, are going through and I thought back to how the Presidents managed during the war times and wondered how tough it must have been for them too.

We have now launched our mentorship programme in the KZN, Southern and Northern branches and we were astounded at the number of applications that came forward from students needing experience in valuations so that they can complete the SACPVP matrix to become qualified valuers. It was also

interesting to note how many of these students are unemployed or not employed in a valuation position. Hopefully once we have provided these students with sufficient experience to sit the board exam, they will be able to pursue a career in valuation and create opportunities for others to enter the field. I was very impressed with the enthusiasm that the students did show when engaging with them.

As we enter into our Heritage month perhaps, we all need to reflect on how far we have come, celebrate our successes and learn from our challenges.

Keep safe and well

Tracey Myers
SAIV President

From the GM's Office



A new season is upon us – already!

Time does certainly fly when you're having fun.

It's been a busy few months for SAIV. Since our last issue, we hosted a very well attended National Seminar at the Lord Charles Hotel in Somerset West following a series of Natex meetings full of robust debate and discussions. You can rest assured that your needs as a Valuer and Member were at the forefront of these discussions.

You will have seen correspondence regarding the roll out of the Mentorship Programme nationally following the success of the KZN Branch. Enrolment for the programme closed on 30th June 2019 and as at the date of distribution of this issue, the Southern Branch has held their introductory session, which took place on 26 July 2019 at The River Club in Observatory, Cape Town. This was attended by over 20 Valuation students.

The Northern Branch followed suit and hosted their first workshop on 3rd August 2019 at FNB offices in Johannesburg where one student was able to connect to the workshop from Nelspruit via video conferencing which was organised by the Branch. Through technology, we are able to reach even those outside of main centres.

These were both very successful introductory workshops. The Eastern Cape and Central Branch workshops will also be held soon. It is to be noted that without this opportunity many of the students may have been potentially lost to other professions due to not having mentors. The Mentorship Programme is truly something that SAIV should be proud of.

I have also received a number of enquiries from Members wishing to join the programme as Mentors and share their expertise. The Mentorship programme in its current format, has received approval from SACPV with only the Branch Executives acting as Mentors. Only members who are part of the respective Branch Executive teams can take part in this programme as mentors. However, that by no means implies that as a member you cannot continue to mentor other students in your personal capacity.

We have been very fortunate to receive donations from members in the form of funding and equipment. Quite recently a member very generously donated measuring wheels for the Northern Branch students to use. Should you wish to also make a contribution, please do get in touch with me.



Southern Branch Mentorship Programme students – 26 July 2019



Northern Branch Mentorship Programme Students – 3 August 2019

As always, there are exciting events coming up in the next few weeks that you should be aware of.

Northern Branch	4 & 5 October 2019	Country Seminar – <i>Roodevalley Faircity Hotel</i>
Central Branch	17 & 18 October 2019	Agri Seminar – <i>A Lodge at Bloem</i>
Southern Branch	25 October 2019	Morning Seminar – <i>The River Club</i>

The Branches are working hard to provide you with quality events that have become synonymous with SAIV.

Till next time,

Lerato



Northern Branch Country Seminar
4 - 5 October 2019
Faircity Roodevallei, Pretoria

CBE Bulletin



Throughout history, there are women who changed the world in many ways. Fighting for justice, fighting for freedom and taking time to care for those in need are just some of the many examples. Women who each in their own way have made a difference, and with whom the world is a better place. This mind space shrouds August in South Africa, so much so that the commemoration of Women's Day on one day has escalated to August being Women's Month.

It is no wonder then that the same spirit prevails in this issue - from broad strokes delving into the origins of Women's Day to celebrating our very own Council Member, Noluthando Molao. And just some inside information...the commemoration does not stop here. Creamer Media interviewed our very own CEO, Priscilla Mdlalose earlier this month for their Women's Day feature...so watch this space in the next issue..

[Access the Bulletin](#)

Insightful discussions at the SAIV National Seminar



It was a day of learning and insightful discussions at the 2019 SAIV National Seminar held at NH The Lord Charles Hotel in Somerset West, Cape Town on Friday 17th May. Featuring an impressive lineup of industry experts, the seminar lived up to expectations with every speaker presenting their topic and participating in a question and answer session, giving them the opportunity to interact directly with delegates.

Speakers at the seminar included GlassHouse founder Richard Glass and development manager at Atterbury, Gerrit van den Berg teaming up to present a discussion on the 'Richmond Park Development', one of the biggest new commercial developments in Cape Town. Richard said there are bad stories about people getting their land and selling it off, while their aim is to have people create a legacy and generational wealth. "How do we ensure that we don't have this continuous poverty cycle and how do we create long-term annuity income through land that has been returned," asked Richard. Gerrit used a case study of Richmond Park to demonstrate how 401 families formed a property association and successfully launched a land claim.

Discussing the topic 'The Role of Valuers Assessing the Social Value of Property' was Jonty Cogger, an attorney at Ndifuna Ukwazi, a non-profit activist organisation and Law Centre. In his address, Jonty mentioned that property is not just rights but it's also social responsibilities and a social obligation. Discussing 'Market Trends and Challenges' before the break was Jacques van Embden, managing director of Blok, an urban property development company. Jacques stated that he believes we are in the long tail of a long real estate cycle. "Essentially we have been on a positive property growth cycle for quite some time and we are not sure of what the future holds. What's quite interesting is a lot of the demand fundamentals within the residential sector are quite strong," said Jacques.

The second session was kicked off by environmental scientist and founder of Victoria Read Environmental Consulting, Victoria Read who gave an insightful presentation on 'The Impact of Impacts; Environmental Legislation Unpacked', which proved to be a very popular topic judging by the interactions in the question and answer session. In her presentation, Victoria said "essentially what they want to do with the environmental impact assessment is to create a balance between socio-economics and ecological integrity and in South Africa it's an incredibly difficult task because we have a high demand for the social economics."

Following up with another popular discussion was Nedbank economist, Busisiwe Radebe who gave an insightful presentation on the 'South African Economic Overview' which was also followed by a lively question and answer session. In her presentation, Busisiwe mentioned that

our unemployment rate is currently sitting at 27,6% and if people do not have jobs, they do not get a salary and they actually do not have money to spend on the economy. "If we look back at what happened in 2008 and 2009, we know who took us out of that technical recession and that big depression that we actually had, it was a government worker with a salary of R10,000 a month, so it was consumers that took us out of that depression," stated Busisiwe. Wrapping up before lunch, delegates were introduced to a discussion on 'Risk Management: A Way of Business', presented by Emil Bihl, risk director at EMI. Emil stated that companies need to be more focused on their cyber exposures because 33% of businesses in South Africa have already been hit by cyber-attacks. "This is a risk that business owners cannot ignore," he said.

Kicking off the final session just after lunch was Lightstone analytics director, Paul-Roux de Kock discussing analytics in the property sector. Paul said he hopes the micro-economic trends he showed delegates would serve as a lift to enable them to scan and see what's out there in the horizon. "Currently there are 8 million registered properties if we do not look at informal housing and of that 83% are residential properties," stated Paul. He was followed by Spear REIT CEO, Quintin Rossie discussing 'Retail Property Valuations in South Africa and the Impact of Online Shopping', an interesting topic touching on the rise of e-commerce and its implications on the property sector. Quintin mentioned that retail estate was an asset under pressure. "Over the last decade, retail developers have been adding 5.9% of retail space annually to the South African market while our per-capita GDP has only been growing on average by 1.5%," said Quintin.

South African Council for the Property Valuers Profession (SACPVP) registrar, Matsobane Seota was also available to provide delegates with an update on the profession before the final speaker, BP's Russel Glass discussed 'Valuation of Filling Stations: Regulatory Accounts System methodology'. In his presentation, Matsobane said continued education and training is something that has to be done and he was glad that the SAIV was taking a lead role in ensuring this happens.

The seminar was preceded by NATEX Meetings from 14th to 16th, an Annual General Meeting and gala dinner on the 16th. The guest speaker at the gala dinner was experienced valuer, Saul du Toit who delivered a very informative talk on land expropriation without compensation.





Register

Central Branch

Agri Seminar

17-18 October 2019

A Lodge in Bloem, Bloemfontein

Southern Branch hosts a successful Winter Warmer Seminar



After a few days of persistent rain like Cape Town hasn't experienced for a long time, the clouds cleared to make way for a beautiful Friday morning at The River Club in Observatory for a seminar with fellow valuers.

The Southern Branch of the South African Institute of Valuers (SAIV) put together a great morning with three knowledgeable speakers sharing their experience on varied topics related to the valuation of fixed property.

Our own John van der Spuy, a Fellow of the SAIV (www.saiv.org.za), was the MC for the morning and did the honours, imparting some levity to the occasion.

John first introduced Phil Bartram from MSCI (www.msci.com), which conducts property research on a global scale, drawn from some 32 countries. The company is listed on the New York Stock Exchange and made a significant contribution to the South African property investment market by purchasing IPD six years ago. This has allowed MSCI to offer investment analytics to their clients, a valuable tool to various property professionals as their analytics are based on *actual* data, not opinions. Thus they calculate the total return a property investment produces as the sum of capital growth and income streams.

Phil highlighted that the South African market currently experiences high volatility in capital growth (88%) and only 12% volatility in income stream. While we all perceive that only South Africa experiences challenges in income returns, it was interesting to hear that income returns are at an all-time low across all countries surveyed where investors are paying more for every Rand they're earning off property investments. On a global scale, industrial property assets (2018) offer the highest returns (13.4%) with retail experiencing the lowest (3.6%). In MSCI's sample of approximately 70 transactions, South Africa came out 'tops' for having the smallest difference between assessed property values and actual transaction values, compared to most other markets. This is certainly encouraging news from a property valuation point of view.

South African property investors have experienced substantial increases in Municipal rates, electricity and water charges but are good at recovering these from tenants, which provides for an interesting statistic of 60% of total rental being the base (contracted rental) rental and 40% reflecting recoveries.

Phil's talk was informative and factual.

John then introduced the well-known economist, Prof Brian Kantor, whose talk was themed “Economic Freedom – or why the SA economy is stagnating.” Brian firstly suggested that ‘head office’ costs account for the big gap between net asset value and market value where fund managers’ salaries are calculated, based on capital growth and not earnings growth. He also noted that the SARB’s efforts to keep interest rates low, including the most recent decrease, hasn’t historically resulted in an increase in property investor sentiment. He suggested that the excessive difference between inflation (4.5%) and bond yields (8.5%) fuels investor thinking that inflation will surely rise, which makes them hesitate when considering property assets as a secure investment. Brian went on to highlight how the Dollar/Euro relationship affects what happens in the South African economy and how we react to a weaker Rand but the crux of his message was that there is insufficient freedom to contract in South Africa, where the aim should be to operate in a fully “free market” economic environment. He suggested that there is too much “Government” interference in our economy with failed SOEs such as Eskom, SAA and SABC becoming a massive debt burden to middle and lower income earners who end up paying for these failings, given that the higher income earners are ‘over taxed’.

This situation results in capital flight as these higher earners have the means to invest elsewhere if the South African tax burden becomes too heavy. Brian concluded his informative talk by pointing out that capitalism has resulted in a fivefold increase in global per capita income since 1950 but South Africa’s per capita income is stagnating. He attributes this situation to Government overspending and overtaxing.

The final speaker was well known Cape Town property practitioner, Rael Levitt, who has returned to the South African property market, not as an auctioneer but as the brains behind the newly formed Inospace (www.inospace.com).

Inospace is making waves in the Cape Town and Johannesburg property market by investing in ‘economically obsolete’ industrial properties of 10 000m² or bigger. These are around the CBD periphery and he is reimagining these spaces by incorporating warehousing, storage, offices and communal ablution facilities. They are finding a high demand for such spaces owing to the competitive rentals these spaces can offer compared to more traditional office nodes. Also, these spaces emphasise the importance of the tenant experience by offering month-to-month leases (flexibility), the sharing of bulk expenses such as security and insurance, a communal boardroom, networking events and an on-site manager to attend to all tenant’s queries. With the emphasis being on enhancing the tenant experience by incorporating value-add services into these new “business parks” (as Rael refers to them) the fairly recent food truck trend has assisted in providing awesome food options that can change regularly with food trucks from the Mobeats (www.mobeats.co.za) stable occupying common areas within these business parks. The through rentals in these industrial buildings have increased from approximately R40/m² to R90/m² with mainly aesthetic improvements and the creation of smaller spaces being the largest spend in unlocking this higher rental. This is an interesting and innovative business and we look forward to seeing what happens in this space.

The River Club was a great venue for the seminar, serving a fabulous breakfast and great coffee; the perfect spot to mingle with our local valuation colleagues. The informative speakers were a bonus!

Written by Nina Vass




Register

Southern Branch Country Seminar
25 October 2019
The River Club, Observatory, Cape Town

the
River
club

SAIV 110 Years



110 years ago, in 1909 the South African Institute of Valuers came into existence. It has grown over the years to become an exceptional institution driving the interests of the Property Valuation profession under the leadership extraordinary men and women. They have each made significant contributions to the institute and profession in their own right; and although some are no longer with us their legacy remains.

The history of the SAIV and the development of the valuation profession since 1952 is recorded by JH Hermann in the book titled *"The South African Institute of Valuers, The First Eighty Years 1909 – 1989"*. He served as a President from 1966 – 1968 and 1973 – 1974.

A chapter from the book looks at the Founders of the Institute and is available [here](#)

SURNAME & INITIALS	PERIOD START	PERIOD END
SYFRET, ER (1st Chairman)	1909	
REID, AH (1st President)	1909	1922
SILBERBAUER, CC	1922	1944
CURRIE, RR	1944	1945
VOYSEY, AE	1945	1946
SPENCER-KERNICK, R	1946	1948
EMANUEL, A	1948	1949
BRINK, DG	1949	1952
THERON, PW	1952	1953
VOYSEY, AE	1953	1954
BRINK, DG	1954	1961
AUCAMP, AL	1961	1962
THERON, PW	1962	1963
ROOD, TB	1963	1964
LEVENE, B	1964	1965
MEIKLE, KA	1965	1966
HERMANN, JH	1966	1968

ADKINS, GS	1968	1969
McGIBBON, GW	1969	1970
HARRISON, EF	1970	1971
REDHILL, CI	1971	1973
HERMANN, JH	1973	1974
ADKINS, GS	1974	1975
HELLER, LJ	1975	1976
REDHILL, CI	1976	1977
SMAL, JGC	1977	1979
HYATT, AM	1979	1980
ADKINS, GS	1980	1982
MARTEN, RS	1982	1983
HENWOOD, JQ	1983	1985
VAN HEERDEN, WV	1985	1987
JORDAAN, LJ	1987	1989
POYNTON, DT	1989	1991
WYBENGA, TE	1991	1993
DE KLERK, N	1993	1995
WALDECK, JW	1995	1997
HABLUTZEL, CH	1997	1998
MARGOLIUS, JL	1998	2000
DE SYLVA , PGR	2000	2002
NEL, GA	2002	2004
DU TOIT, JF	2004	2006
ESPACH, BJ	2006	2008
VALLUN, MN	2008	2010
CARSON, MJ	2010	2012
RICHARDSON, TB	2012	2014
BAKKER, MA	2014	2016
O'CONNELL, PL	2016	2018
MYERS, TL	2018	



South African Council for the
Property Valuers Profession

Reminder!

Submit your CET points to the SACPVP

Click here to visit SACPVP website

Encouraging neighbourliness in Community Schemes is a trend we need to embrace



It is entirely possible that one day, in the not-too-distant future, we shall, as protagonists on the stage of the Sectional Title or Homeowner's Association production, be able to live in close proximity to each other without having to resort to continuous dispute resolution forums. As the position reflects now, we are quite a considerable distance from this scenario. In the first quarter of 2019, the Community Schemes Ombud service saw a total of one thousand, five hundred and eighty three disputes being lodged. Out of that total, one thousand three hundred and eighty five applications came from Sectional Title schemes and one hundred and seventy one from Home Owners' associations. Tensions exist in modern cities between individual rights and collective responsibilities. Consequently there is always going to be a tenuous relationship between owners and most particularly between owners and management bodies, such as Trustees or Directors.

Behavioural issues rate as the second most common complaint from the Ombud statistics we have available. Peppered throughout the lodged disputes, (if one has the time to go through them), are cases ranging from incessant noise nuisance, illegal parking and uncontrollable pets to unlawful smoking of cannabis on common property and annoying smoke filled braais on balconies. But dear readers, I ask myself - are many of the issues in our schemes not self-imposed by the lack of common sense and inability to communicate? I mean, is it really necessary to impose a ban on food deliveries into a complex? Yes, I kid you not - the Trustees in an upmarket scheme in the leafy suburb of Hurlingham have unilaterally banned the entry of any food delivery vehicles, including Uber cars into the complex. Hungry residents are forced to get into their own vehicles, as the scheme is spread out over a few kilometres and conglomerate at the gate to undertake the clandestine exchange of food and cash. And what about the Trustees at a scheme who insist on taking photographs on their phones of residents committing flagrant breaches of rules and uploading them onto the scheme's WhatsApp group with a commentary of the crime, not to mention the Trustees who place lists of defaulting owners, in arrears with their levies, on the clubhouse notice board?

I am mindful that there are reasons for the Trustees taking draconian measures - security, adherence to body corporate rules etc. However, thought must be given to the manner in which to discourage behaviours. The above examples only serve to create resentment. Without proper consultation, the perception is that owners are living in a police state. The vagaries of the mood of the management structure cannot be allowed to go unchecked. Attracting law suits and defamation claims should be off the agenda. A new approach is necessary. Take for example the course of action taken by the Vancouver Metropolitan City Council in response to a report that

there was a declining level of participation in community life, particularly in high-rise apartments. Their social planning team got cracking on the following initiatives: The “Hey neighbour” project, “Building resilient neighbourhoods” initiative and most interestingly, a trial of social concierges in each building.

Trustees and Directors must look to encourage positive social interaction, provide assistance to vulnerable groups and communicate in a clever manner, even taking action on environmental issues affecting the building. This takes a concerted effort from the management body, but studies such as the Vancouver example suggest an increasing recognition of the important institutional role that owners can play in broader society and a marked decline in disputes.

Marina Constras

Marina Constras | Director
Biccari Bollo Mariano Inc.



Employment Opportunities

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Interesting Articles



Cape Town, let me in: Time to build houses on golf courses and other open spaces

How can large tracts of land such as golf courses be more important than providing homes for people living under very poor conditions? The leases continue to be renewed while membership at golf clubs and bowling greens continues to decline.

[Read More](#)

Are appraisers accurately valuing retail assets?

In recent months, media commentary has fixated on the shuttering of shops, while retail-focused real estate investment trusts (REITs) are priced at substantial discounts to the value of their assets. Our data on transacted assets however, suggests that appraisers haven't been over-optimistic on the retail sector; and, if anything, they appear to have appraised retail assets more accurately than other property sectors.

[Read More](#)

Notification - Public Notice: Outdoor Advertising (City of Joburg)

Property and media owners have been requested to declare fully to the City of Joburg, any forms of advertising signs or advertisements erected in view of the public. Access the public notice from the City's Department of Development Planning.

[Read More](#)

International Valuation Standards (IVS) Council

The International Valuation Standards Council have shared with the latest edition of the International Valuation Standards (IVS). The latest edition updates IVS 2017 and will become effective from 31 January 2020. Early adoption is being encouraged by the IVSC.

Full PDF copy of the latest IVS (effective 31 January 2020) [IVS Complete \(black line\)](#)

'Red-line' version of the latest IVS showing the changes made since IVS 2017 [IVS Complete \(red line\)](#)

Here's what the rate cut could mean for the property market

The announcement of a rate cut by the SA Reserve Bank's Monetary Policy Committee has been met with enthusiasm by property industry leaders, who have said it will encourage hesitant buyers and "be well received by every sector of the economy".

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eProperty News issue 184

eProperty News is a leading online commercial property marketplace serving the Southern African Investment, Office, Retail and Industrial property and allied sectors.

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Has SA's rental property market reached a turning point?

After an extended period of slow growth for the South African rental market, landlords may well be feeling pessimistic about the future of their investments. Contrary to predictions, however, 2019 is turning out to be a relatively positive year for rental properties, with PayProp's Rental Index for Q1 2019 showing Q4 2018 as a clear turning point for the better.

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