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From the President's Desk



This is probably the most challenging president's letter I have ever written as we sit in our extended lockdown. It has been hard to watch the world suffering in the way that it has been, from both the Covid-19 virus and the effect of the preventative measures on everyone's businesses.

The positives that this period has shown – and there are some – is that technology has shown to provide us with impressive resilience. It has been incredible to see the ability of technology to meet and surpass our needs.

I am encouraged by the ability to host online meetings using either MS Teams, Skype or Zoom. This has shown me that the cost and time of travel can be saved into the future non-lockdown environment, resulting in a great saving for all of us.

How does this affect the institute? Well it could mean that we would all interact on online forums and save ourselves the costs of accommodation, venue hire and travel. Would we lose the network opportunities? I don't think so, because everyone is still able to see one another and talk in groups or alternatively talk to people individually in separate meetings.

We are having to look at ways to run our national AGM and this will probably have to be online. Even if/when lockdown is lifted, we do not feel that it is in the best interest of our members to organise a larger gathering in the foreseeable future. The benefit of this is that more people will be able to participate in the AGM as they are able to log on, watch and have their say from wherever they are. Please let us know how you feel about this.

I hope that you all stay well and healthy.

Stay safe

Tracey Myers
SAIV President

From the GM's Office



Never in a million years did I imagine that I would be working from home due to a lockdown, with more than half of the world under some sort of restriction on movement.

The past few weeks have been challenging and scary. I recall the confusion on my children's faces when I told them we can't go ride our bicycles outside because of the lockdown and having to explain the coronavirus to a four- and five-year old while dousing them in sanitiser (just kidding). But whenever coronavirus comes up, the follow-up question is almost always: "Mommy, when will coronavirus end so that we can go back to school?", and I simply just don't have an answer.

Challenging and uncertain as these times are, and with a recession looming, we have to keep pushing on. There is no doubt it will affect us all.

A number of our events and seminars which were planned over the next few months had to be cancelled, but we are trying to continue with providing you with information and opportunities to obtain CETs. We recently shared some enlightening recordings which you can purchase for a small fee of R100, with one made available for free to members. These recordings are accessible from our online store available [here](#). We are also investigating online platforms through which to host the National AGM.

In this issue of the SA Valuer, we profile a few exceptional mentees currently on the mentorship programme. It is to be noted that without the mentorship programme, some of these students would never have had the opportunity to pursue a career in property valuation. Due to the high demand for the programme, we opened applications for a second enrolment, and within three weeks we received over 70 application forms. We've been successful in reaching out to students in remote areas through video conferencing. We've had some very generous members who have made a donation towards the

programme; thank you all for your contributions. If you wish to make a donation, big or small, please do contact me.

Our financial year drew to a close in February and we had to terminate several valuers' memberships due to non-payment and being unable to reach them. Please contact me directly should you wish to be reinstated as a member.

As the world continues to battle with this pandemic, I wish you and your loved ones good health. Let's all save the world by staying safely at home!

Keep well

Lerato

The Effect of COVID-19 on Valuations



I have been involved in many discussions over the past few weeks on the effect of COVID-19 on the values of the properties.

The initial discussions were around the rental holiday that would be applied or would be amortised into the tenure of the lease. However, since then tenants are requesting to only pay 20% of their rentals and in some instances the tenants are refusing to pay the rental and the operational costs as well.

This has a legal implication in that using “force majeure” is against the content of the lease agreement. Negotiating with the landlord for help is one thing but refusing to pay is completely another. SAPOA has taken extensive legal advice in this matter and has advised tenants that they are in breach of the lease agreement and this will result in legal disputes after the lockdown.

Tenants have also been using the opportunity to renegotiate the lease to lower levels, in other words, rental reversion. The tenants' reasoning is that they have not had use of the premises and therefore should not be relied upon to pay, even if a lease is in place. This might cause a natural market adjustment to lower rentals and does happen from time to time especially in an economic downturn.

In my opinion, the effect on values is not showing yet, to me it's more of a liquidity issue. In other words, it's more around whether the client has the liquidity to see this through. We have seen that Edcon says that they cannot afford rental and to pay their suppliers, they only have enough money for salaries for one month. Thereafter, they will be forced into liquidation, the question for us valuers is how that affects our values. I did look at a centre where Edcon were in place and the calculations done on the centre showed that Edcon had already reduced their rental substantially and therefore the net effect on the cashflow was 1% even though the gross lettable area is around 10% of the building. Therefore, the discussion became more around could Edgars weather the storm and the landlord, than about the values changing substantially.

However, when we add in other non-essential merchants, we are then looking at a bigger problem. Yes, I am expecting the smaller guys to take a big hit and possibly liquidation and closing of stores but saying that, most of those guys were already in trouble due to the economy and the effect of COVID-19 had not kicked in yet. Therefore, it is logical that with a combination of both, the smaller companies will not survive. This will influence the cashflow as the vacancies will climb and, as valuers, we will need to take this into consideration. However, we need to be careful of being too conservative and automatically using a higher perpetual vacancy rate.

The one benefit of the lockdown for retail is that it has forced so many people to use online purchasing. Will this change the retail environment? Much like the start of Kindle, the reading device, whilst lots of

people bought the electronic version, most people still prefer the feel of a book in their hands. The same will apply for retail, on-line sales will increase but the provider will still provide physical stores. The knock-on effect of the on-line sales is an increase in logistic warehousing as the goods returned from on-line sales will need to be contained in a separate area for repairs or returns to the manufacturer, this will require additional warehouse space to be made available. This is one lesson we have learnt from Amazon, and as on-line demand increases the industrial space will improve too.

Technology has also shown us that we can essentially continue to operate and, with the advent of Zoom and Microsoft Teams, meetings are still being held. I have been involved in meetings with more than 70 people. This is the positive effect of technology, and can be used going forward for seminars, workshops and webinars and therefore saving costs of venue hiring and further saving valuable time on travelling and cost of accommodation. This will also influence offices as many would have found in lockdown that they can operate from home and this could cause the smaller companies to start doing that and thereby releasing themselves from the cost of rent. Again, in my opinion this would probably only show in lower grade smaller offices.

We as valuers also need to stand strong around our values and our research, don't be overly cautious nor aggressive, stick to the property fundamentals.

We have not lived through this before and therefore there is no precedent being set here. My crystal ball is a little hazy, but I do believe this will settle again and it will become one of our war stories.

Tracey Myers
SAIV President

Featuring some of our SAIV Mentorship Programme Mentees



The SAIV Mentorship Programme is targeted at 3rd year students studying towards a Property Valuation or related course at an Institution accredited by SACPV, as well as Candidate Valuers who may have completed their studies and require Mentorship together with experiential learning. We highlight some of the mentees who are currently taking part in the mentorship programme.



ELTON MAHLANGU

NORTHERN BRANCH MENTORSHIP PROGRAMME

I am a 22-year-old Candidate Valuer from Bronkhorstspuit, east of Pretoria, although I currently reside in Kempton Park. I recently graduated from the University of the Witwatersrand and hold an honours-equivalent degree in Bachelor of Science in Property Studies. My love for real estate, particularly topics relating to sustainability, efficiency and finance drew me to the real estate programme offered at Wits. I am currently working for a joint venture (JV) between Opti Property Consultants and Black Dot Property Consultants as a Candidate Valuer. The JV operates from Glen Marais in Kempton Park.

What drives you?

The source of my motivation and drive is my urge to be the best, that is, do everything to the best of my abilities. I am a fan of sharing knowledge. A good day for me is one where I get to learn something totally new, or otherwise teach a colleague something that makes their work life a bit more efficient. It gives me peace that whatever information I share is the best and accurate. I also believe this quality is important given the nature of the work I do.

Why did you sign up for the mentorship programme?

I signed up for the SAIV mentorship programme with the intention to fast-track my learning and gathering of knowledge on valuation subjects. Valuation is a highly specialised field. As such, the programmes offered by tertiary institutions, although well-structured, are not sufficient to qualify one as a professional. Mentorship provides a stepping-stone towards my skills development that will empower me to be competent and proficient in conducting valuation assignments.

What has it meant for you?

More than anything, the mentorship programme has been my gateway to entering the field of valuation. The disconnect between the professional environment and learning institutions means that students are not exposed to working professionals and, as such, aren't able to source mentorship. The mentorship programme fills that gap. It was because of the mentorship programme that I was able to register as a Candidate Valuer.

Secondly, the mentorship programme has provided me access to valuation professionals who hold a range of skills, expertise and experience, and are always willing to assist with whatever challenges I come across in the completion of my assignments.

In addition to the mentorship programme itself, it was through SAIV's careers portal that I found employment. I would encourage anyone with an interest in valuations to take part in the mentorship programme, particularly students, recent graduates and young professionals.

Lastly, this is my thanks to the SAIV team for the amazing work they do in assisting young professionals like me.



ZIZIPHO SOBEKWA

SOUTHERN BRANCH MENTORSHIP PROGRAMME

My name is Zizipho Sobekwa, I am 25 years old and I am originally from Butterworth, Eastern Cape. I matriculated in 2013 and then relocated to Cape Town to start my career in Real Estate at the Cape Peninsula University of Technology. After three years of studying at CPUT I obtained my National Diploma in Real Estate then worked for Public Works Extended Programme which was an internship in being an Estate Agent.

I continued furthering my studies at CPUT in 2019 and I got a Btech in Project Management. I am currently working as a Personal Financial Advisor at Old Mutual and I am fully accredited to assist people in reaching their financial goals.

I have always admired buildings as a whole, be it their design or the process in which they are constructed. Growing up I always wondered how people came up with property values and started researching. Before I had all the answers, I realised that property valuations is a central function that underpins all property transactions and ownership and it is still not fully understood for the competitive advantage it offers.

I then became inspired to study the qualification to close the gap by providing information to as many people as possible, in my best ability to help them understand what the worth of their properties is and what it implies in current markets.

What drives you?

I am highly motivated by professional growth, and working with people I share a common goal with. I also find developing industry knowledge and up-skilling hugely valuable.

Why did you sign up for the mentorship programme?

The shortage of mentors is the greatest problem confronting this industry. I signed up for this programme because I saw an opportunity to develop myself and gain all available knowledge to expand the industry by supporting other aspiring property valuers in future programmes/classes and generations.

What has it meant for you?

The guidance from experts and people who are actively involved in the industry means I have had an opportunity to learn skills and qualities that I can put into practice in my career. Benefiting from knowledgeable mentors and networking with qualified property valuers is a beneficial opportunity which would have been impossible to get had it not been for the SAIV.

This programme has allowed me to further improve my expertise and abilities to build my portfolio of professional experience.



SLINDILE MPONTSHANE

NORTHERN BRANCH MENTORSHIP PROGRAMME

I am 36 years old and hold a Master's degree in Land and Property Development Management (specialising in Property Valuation) from the University of the Free State, and a Bachelor's Degree in Town and Regional Planning (equivalent to Honour's degree) from the University of Pretoria.

When I initially obtained my Bachelor's degree, a career in the built environment was not common, especially amongst women. My life was mostly orientated around the township (where I resided) and a suburban town where I attended school. Being exposed in both the township and suburban environment for most of my school life, I was always observant and intrigued about how spatially different both areas were. When I came across an article about career choices and after discussing this with my school teacher and mentor, who identified my strength and passion for geographical spaces, I knew that I wanted to pursue a career in the built environment.

After five years of experience in town and regional planning, I decided to further my career by doing a Master's Degree. Throughout my career, I had crossed paths with very few Property Valuers as my clients,

and even fewer women. I realised the gap and need for younger people and women to participate in the field. I also noted the overlapping nature and how complementary the two fields are, and the rare advantage of being qualified in both and 'marrying' the two professions. I currently work for Ekurhuleni Metropolitan Municipality as a Senior Town and Regional Planner. I have been working for the Council for nine years.

What drives you?

I am driven by growth and excellence, both personally and professionally. Working in a multi-faceted environment both in the private and public sector has taught me patience with self, endurance with life, the virtue of hard-work and mostly to contribute positively. Growing up in a society where career and educational opportunities were limited, especially among young women, it is incumbent on us to make use of every opportunity presented in the new dispensation. The support structures of my family, partner and close friends have always been my greatest cheerleader.

Why did you sign up for the mentorship programme?

Acquiring experiential training as a registered Candidate Valuer and a Property Valuation graduate has proven to be difficult over the years. Furthermore, it is a challenge for professionals with prior working experience to convert to be Professional Valuers since many intern opportunities are more aligned to recent graduates. I signed up for the mentorship programme because it provided a structured opportunity to be adequately trained in preparation for the board exams, and thus to be registered as a Professional Valuer.

What has it meant for you?

Through the mentorship programme, I have been able to expand my professional network with my peers, and with other Property Valuers in different sectors. It has also broadened my understanding of the field through the attendance of SAIV annual seminars. My plan is to write my board exams and become a Professional Valuer, while immensely contributing to the valuation field with the multi-disciplinary professional background I already have.

SAIV Branch Executives 2020



The South African Institute of Valuers branches held their Annual General Meetings (AGMs) in March 2020 where a new leadership was elected. In this article we showcase the leadership.

	CHAIRPERSON	VICE CHAIRPERSON	BRANCH EXECUTIVES
CENTRAL BRANCH	 Kobus Nel	 Joy Boraine	Steyn Malan Pierre de Klerk Thys Beukes
EASTERN CAPE BRANCH	 Allan Moyce	 William Tau	Yolandi Grey-Browne Jason Stow
KWA-ZULU NATAL BRANCH	 Patrick O'Connell	 Graham Allan	Deeran Govender Dianne de Wet Trevor Richardson Professor Simphiwe Hlongwa (Student Representative)
NORTHERN BRANCH	 Tracey Myers	 Malusi Mthuli	Stanton Alberts Pelo Khasu Motlatso Maloka Mokebe Ramatlotlo Chelsea Brown (Student Representative)
SOUTHERN BRANCH	 Natalie Ginsberg	 Renée Snyman	Paul Bowen-Davies Cherry Douglas Nomahlubi Hewu Robyn Jackson Franci Malan Monique Vernoooy

MEET YOUR NEW BRANCH EXECUTIVES TAKING OFFICE FOR THE FIRST TIME:

CENTRAL BRANCH

Kobus Nel:

I matriculated from Northern Cape High School (Kimberley) in 2000. I went to study at the University of the Free State in 2001 and graduated with a B.Com degree in 2003.

In 2004 I travelled to the UK for some much needed work and life experience. On my return in 2007, I enrolled for the National Diploma in Property Valuations and started work at our family business, Nel Valuations under the mentorship of my dad, Johan Nel.

I obtained my National Diploma (Valuations) in 2011 and registered as a Professional Valuer in 2018 with the SACPVP.

In September 2015, I started working at Sol Plaatje Municipality as Manager: Property Taxation and Miscellaneous Billing. I was also appointed as the Municipal Valuer for the General Valuation Roll of Sol Plaatje Municipality in 2019.

I am a passionate family man with a love for sports, nature and people. I married my wife, Jolize, in 2011 and my biggest love and achievement to date is fathering two beautiful children Leja (5) and Jovan (6 months).

Joy Borraine:

I went to work in Johannesburg in 2001 as an Admin Assistant at ABSA Real Estate and Asset Management (REAM), studying towards my Marketing Management Diploma. I was working in the Valuations Department and in 2003 I switched my Marketing Diploma to the Real Estate: Valuations Diploma. I started doing valuations in 2004 under the mentorship of Frans Coetzee, Barry Richardson, the late John Nell, the late Jeff Moimoi and Ursula Jacobs. I stayed with ABSA until they privatised and formed Spectrum Valuation Services in 2008. During this time, I spent my first two years training as a Commercial Property Valuer, specialising in hotels, guesthouses, shopping centres, golf courses/estates and quarries. Thereafter, the next two years were spent training under the guidance of the late Gert Botha, specialising in agricultural valuations.

Between mid-2009 and mid-2010, I worked at Valuation Alliance, under the supervision of Jan Oberholzer and was exposed to valuations of high-value commercial properties and a multitude of movable property valuations.

I completed my National Diploma in Valuations in 2010 through UNISA and obtained my Professional Associate Valuer credentials the SACPVP.

I resumed working as a valuer at Spectrum Valuation Services until 2012 when I relocated back to Kimberley in the Northern Cape.

I was contracted to DDP Valuers as a Commercial Valuer and worked privately for estate agents and attorneys until 2014 when I started working with Pierre De Klerk at Valudata. De Klerk provided extensive valuation knowledge during the following two years including municipal valuations, expropriation valuations and furthering my knowledge of agricultural valuations. I completed my Professional Valuer Examination with the SACPVP.

In November 2016 I started working at Sol Plaatje Municipality as a Senior Valuer, where we compiled a successful General Valuation in 2019, and where I am still currently employed.

I have four children ages 7 to 16, have been married twice and divorced twice.

EASTERN CAPE BRANCH

William Tau:

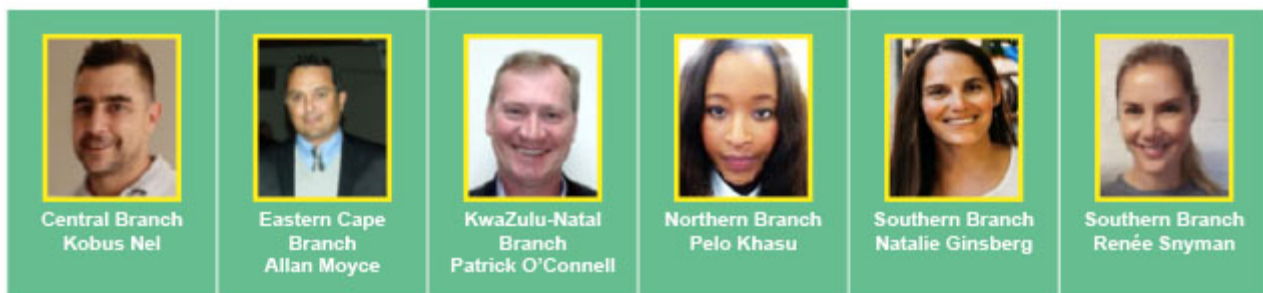
Prior to my retirement in 2018, I was employed as Director heading the Property Valuation Services Directorate in the Department of Local Government and Traditional Affairs in Bhisho, responsible for property valuation matters in the Province of the Eastern Cape. I am knowledgeable of the MPRA and its Amendment Act, with an in-depth knowledge of property legislation, especially property laws that deal with rating, expropriation etc. I have dealt with every Section of the MPRA for the past 19 years, and have been advising the various Chairpersons of Valuation Appeal Boards and Municipalities on the application of various Sections of the Act with the support of the Legal Advisory Services. I completed my studies and in 1999 and graduated with a Diploma in Real Estate.

SOUTHERN BRANCH

Natalie Ginsberg:

I am a registered Professional Valuer with a BSc and Bsc Honours in Property Studies (UCT). I am a member of the South African Institute of Property Valuers and an Associate Member of the Royal Institute of Chartered Surveyors. I started working as a Candidate Valuer in 2008 and qualified as a Professional Associated Valuer, and then a Professional Valuer soon after. I have experience in running a valuation department and managing a team of valuers. I started my own business, Natalie Ginsberg Property Valuations, in 2012 and am now also a director of Margin Property Valuation Services (Pty) Ltd.

SAIV NATIONAL EXECUTIVES 2020



Covid-19 and the Valuation Profession

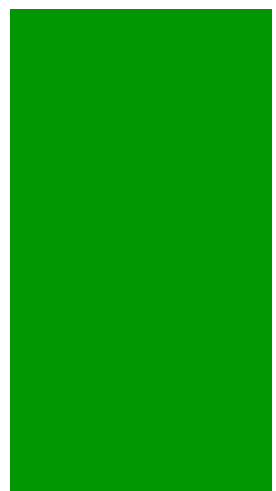


We are living through one of the most challenging and uncertain times in recent history. As the global Covid-19 pandemic advances, governments, scientists, healthcare professionals, businesses and the public at large are having to respond in real time to new and often untested information and advice. The challenges ahead apply to every aspect of society.

Economies are also facing enormous upheaval. Stock markets are being tested with huge daily volatility and businesses of all sizes have been affected in myriad ways.

For valuers, the uncertainty which permeates all markets will inevitably lead to challenges, not just in terms of carrying out valuations and determining value, but also in the reporting of those values in a way that is both helpful and informative to users. The latest edition of IVS draws reference to this under sections 101 - 105 'General Standards'. At the same time, we should not lose sight of the important role that professional valuers can, and will, play in restoring confidence to turbulent markets through the provision of well-evidenced and transparent valuations.

Discover more in the latest issue published by the [International Valuation Standards Council](#).



Community Schemes and the Coronavirus



In his address to the South African people on Sunday, the 15th of March, President Cyril Ramaphosa stressed the fact that the world is facing a medical emergency far graver than what we have experienced in over a century, and declared a National State of Emergency. The current set of circumstances around the world have conspired to springboard us all into action. The onslaught, which is the 7th type of Coronavirus, has changed the way we think, engage and conduct our daily lives.

Minimising the risk of the spread of the virus is critical in order to avert a complete crisis at National healthcare level. Immediate actions to be taken talk to limiting contact among groups of people. Social and community gatherings are prevalent in South Africa and nowhere more so than in our very own fifty-six thousand Sectional Title Schemes, and five hundred and thirty thousand individual homes within Homeowners' Associations. Living in close proximity to each other is not ideal at the moment. Plans need to be put in place quickly by Trustees and Directors to ensure that the measures implemented in terms of the National State of Emergency are complied with. Failure to do so would constitute a breach of fiduciary duty. In larger schemes it is conceivable that one hundred or more people could attend an Annual or Special General meeting—"wishful thinking", I hear Managing Agents murmur. Large gatherings, specifically with over one hundred people have now been prohibited. In all fairness though, with the rate of the spread of the virus, do we really want to have meetings at all. In addition, with an increasing number of people going into isolation, meetings may become impossible.

Fortunately, the Sectional Titles Schemes Management Act 8 of 2011 does make provision for the situation where Special or Annual General meetings can be avoided. Management Rule 17(9) states that the Body Corporate does not have to hold a special general meeting to consider a resolution, if all members waive the right to the meeting and consent to the resolution in writing. Management rule 17(2) states that the Body Corporate is not obliged to hold an Annual General meeting, if, before or within one month of the end of financial year, all members in writing waive the right to the meeting and consent in writing to all the motions. Attendance at these meetings does not have to be in person. Management Rule 17(10) states that a Body Corporate may make arrangements for attendance at an Annual or Special general meeting by telephone or any other method as long as all members have access, all members can participate and all members are clearly identifiable. In Management rule 11(5), a similar provision is made in respect of Trustees' meetings. Residents in Community Schemes shoulder a great deal of responsibility to curb the spread of infection within their walls. There is no doubt that this virus can be thwarted. A robust committee of Trustees or Directors who are proactive and committed to this cause, working within the parameters of the law, together with owners and occupants, can make it happen.

Marina Conostas
Director BBM Law

Articles of Interest



Impact of Coronavirus on property market

On Sunday 22 March, President Cyril Ramaphosa addressed the nation about coronavirus, declaring the outbreak of Covid-19 a national disaster in terms of the Disaster Management Act. He assured us that all necessary measures and systems will be mobilised to contain the spread of the virus and to limit the effect it will have on the economy. The question around the pandemic's impact on the property market is an important one, as the real estate market is keenly affected by the overall health of the economy, consumer confidence, and levels of employment in particular, which means that major disruptions in other sectors will have at least some impact on the property market.

[Read More](#)

SA Property - FNB Estate Agents Barometer: "Foreign effect" on domestic market

The "foreign effect" on the domestic market increased over the past two years, contributing to excess supply predominantly in the upper-ends of the property market. In this report, we assess sources of inbound foreigner demand and estimate their net effect on domestic volumes, using the latest estate agents survey results.

[Read More](#)

South Africa - Hiding your light under a Bushel

From a news flow and publicity point of view, an extraordinary thing happened in December 2019. The last cabinet meeting of the year was on Friday 13 December. That was also the week of stage 6 load shedding and when the president said there will be no load shedding before 13 January 2020. The normal post-cabinet news conference, where (some) details are given of what cabinet discussed, took place on Tuesday 17 December.

[Read More](#)

South Africa - Land Expropriation without compensation

Currently, expropriation is allowed and is governed by both the Constitution and the Expropriation Act. Section 25(2) of the Constitution (the property clause) is quite clear: expropriation is allowed subject to compensation, which must be just and equitable. Expropriation decisions are taken by the Executive (government) and the courts can review those decisions and make a binding order. Considerable jurisprudence has been developed on how expropriation should be done and compensation calculated.

[Read More](#)

Revision of Deeds Office Schedule of Fees

The Department of Rural Development and Land Reform (the Deeds Office) has Gazetted an amendment to the Deeds Registries Act (47/1937) giving effect to a revision of the Schedule of Fees of Office as prescribed by regulation 84. This revision resulted in a price increase for Transfers, Property, Person, Document, Document Copy and DOTS searches and will come into effect from 25 March 2020 on Lexis WinDeed. Other property searches such as WinDeed Property Report, WinDeed Database Property/Document and Automated Document Tracking will also be affected. [View Price List](#)