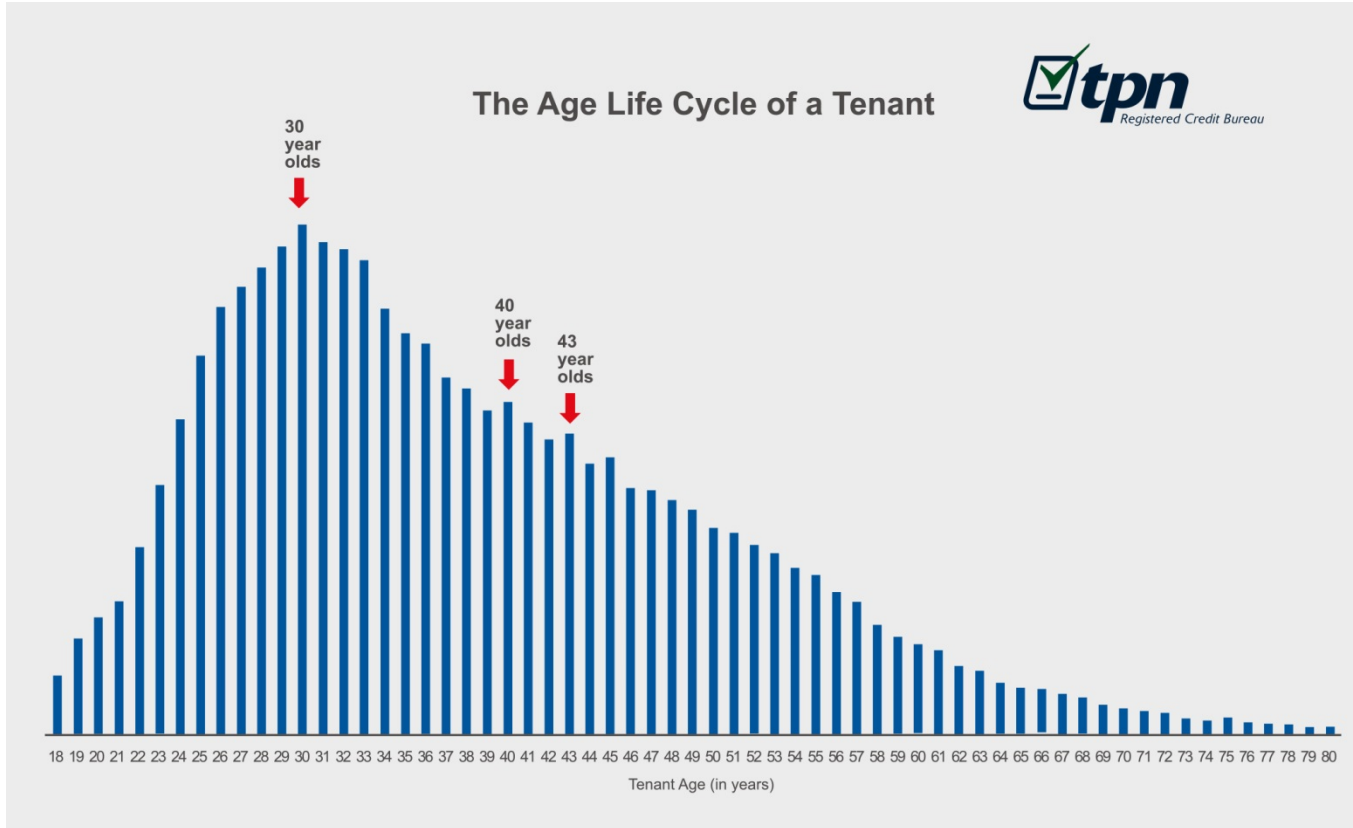


South African Property Rental Market



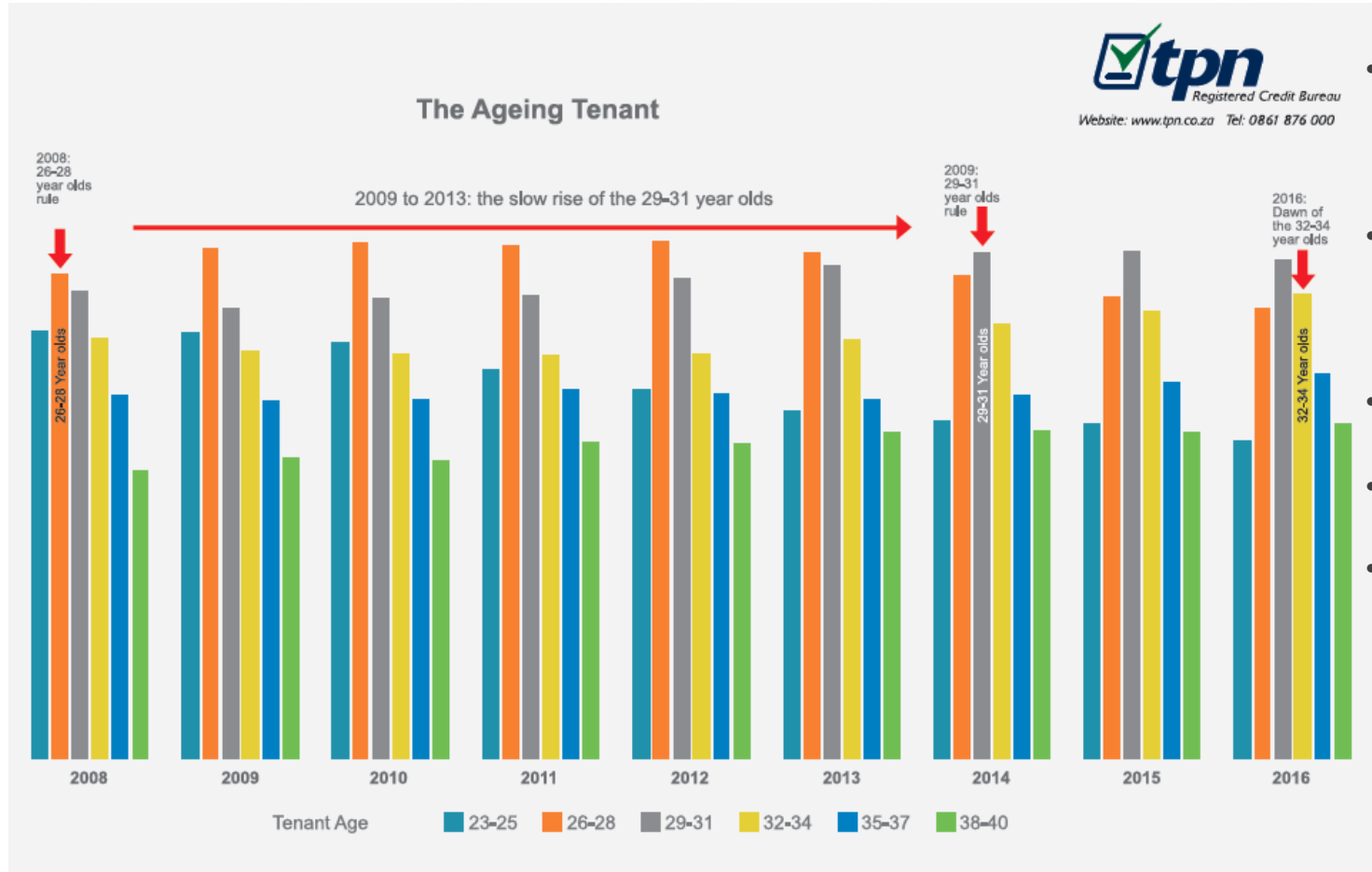
November 2016

The Age Life Cycle of a Tenant



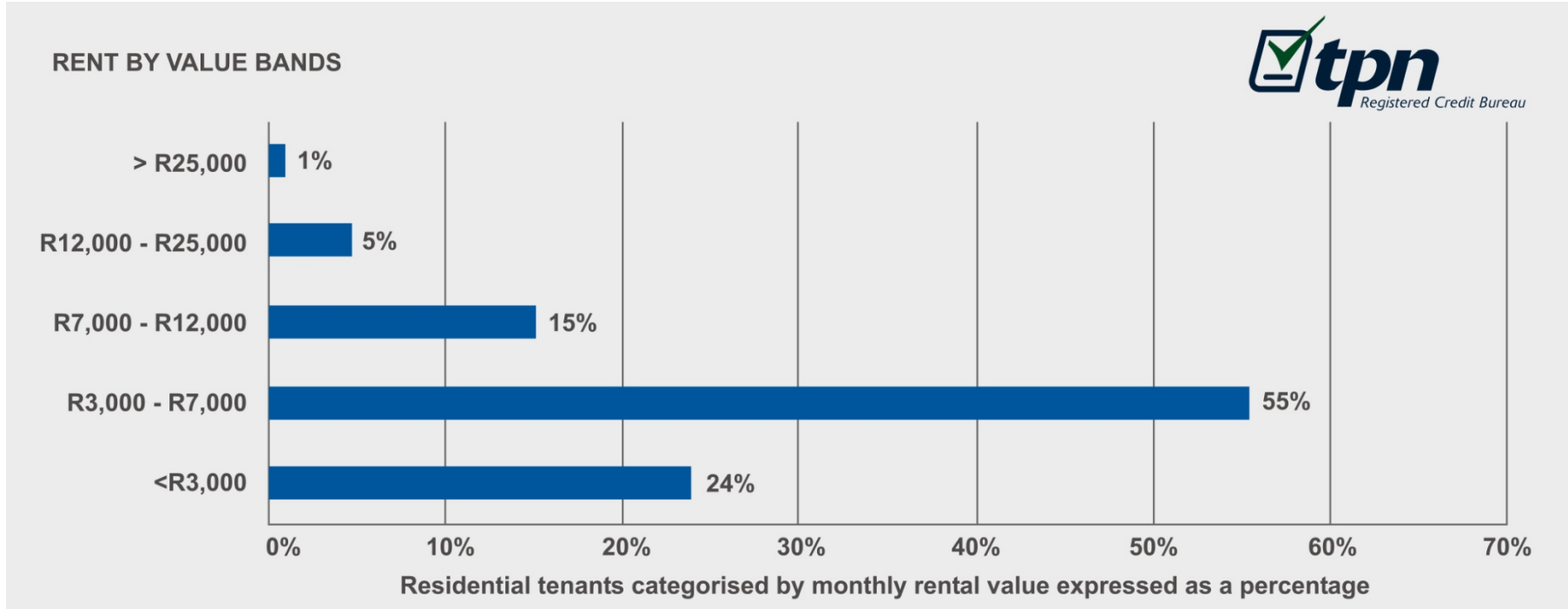
- Tenants start moving out of rentals at the age of 30
- Most females divorce at the age of 39 – TPN data spikes at 40 (source: Stats SA 2013)
- Most males divorce at the age of 43 – TPN data spikes at 43 (source: Stats SA 2013)

The Aging Tenant



- Millennial Tenants are long term tenants
- As millennials age their housing needs change
- Singletons: 1 bed
- Couples: 2 bed
- New Family: 2 or 3 bed, 2 bath

Rent by Value Bands



79% of tenants rent for less than R7,000 per month

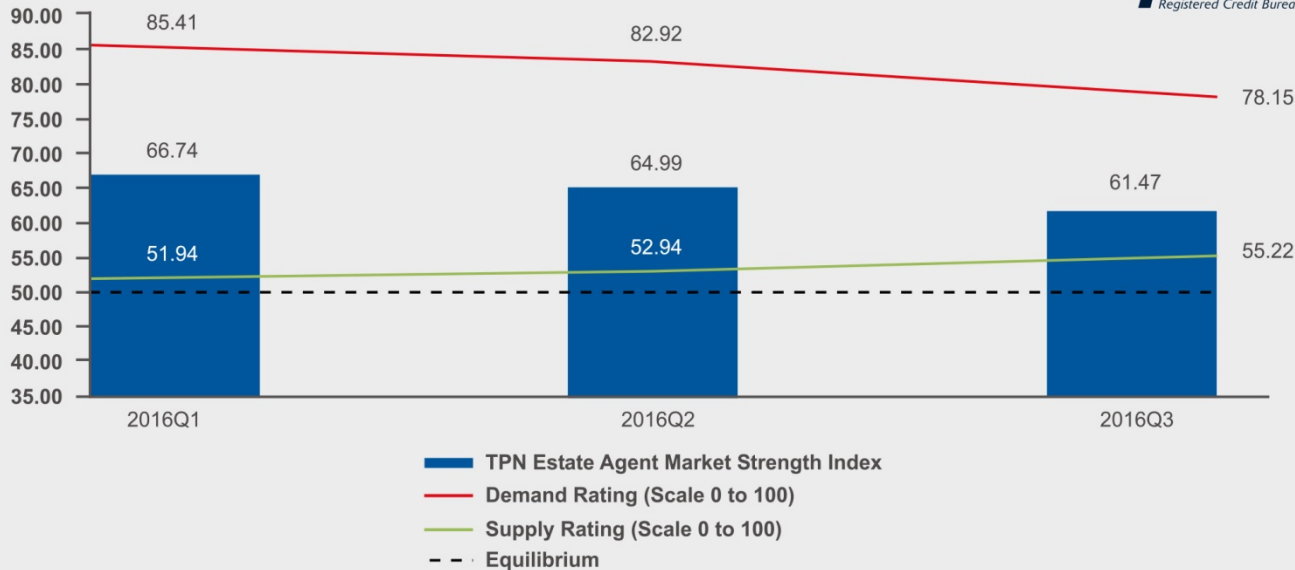
Rental Vacancies

	Quarter 1	2016 Quarter 2	Quarter 3
National	6.75%	4.70%	5.07%
< R3000	7.74%	4.63%	4.75%
R3000 - R7000	7.16%	3.62%	4.31%
R7000 - R12000	4.28%	5.27%	5.55%
R12000 - R25000	7.07%	14.11%	11.98%

Rental Market Strength Index - National



TPN ESTATE AGENT RENTAL MARKET STRENGTH INDEX

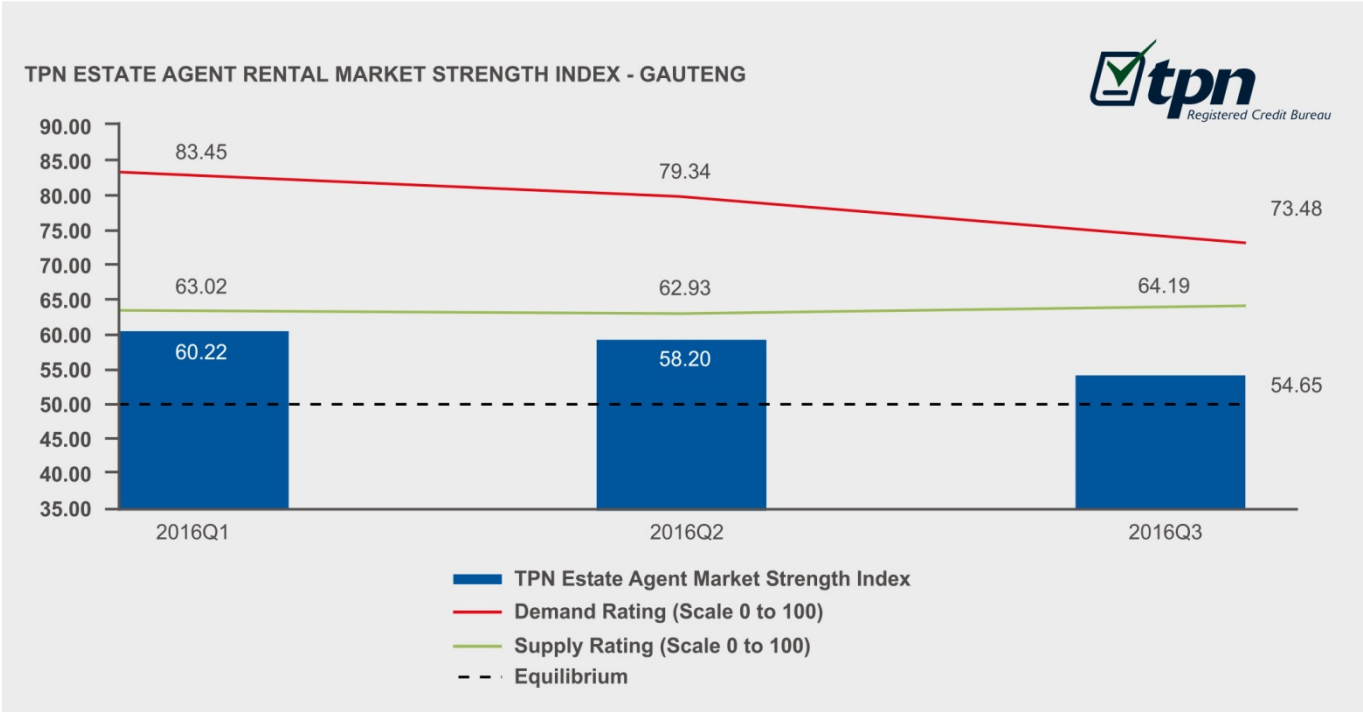


Estate Agents and landlords are surveyed and asked to rate the supply and demand in their area: Strong (100), Average (50), Weak (0). The data is aggregated and expressed as a scale 0-100.

Supply & Demand equilibrium would be 50

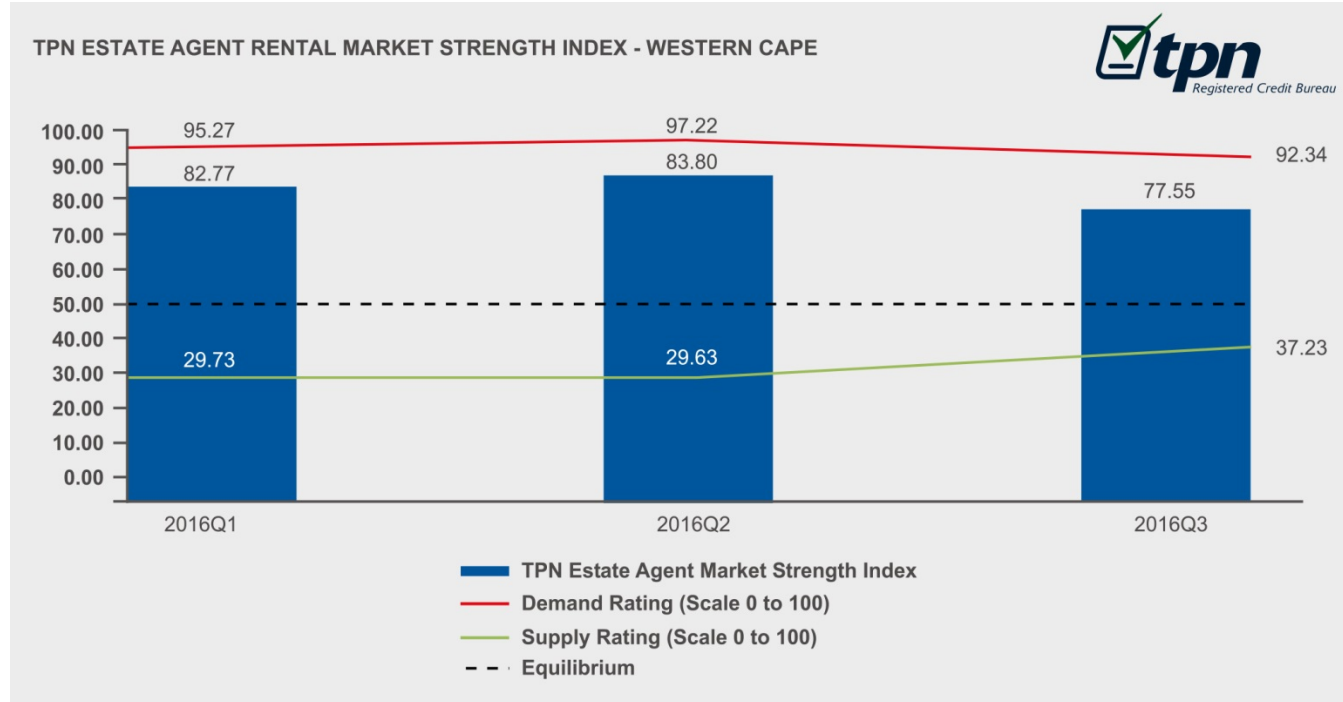
Currently Demand for rentals outstrips Supply

Rental Market Strength Index - Gauteng



Provincially - demand for rent in the Gauteng is the closest to equilibrium

Rental Market Strength Index - Western Cape



Provincially - demand for rent in the Western Cape is the most severely constrained by a lack of supply

Rental Escalations



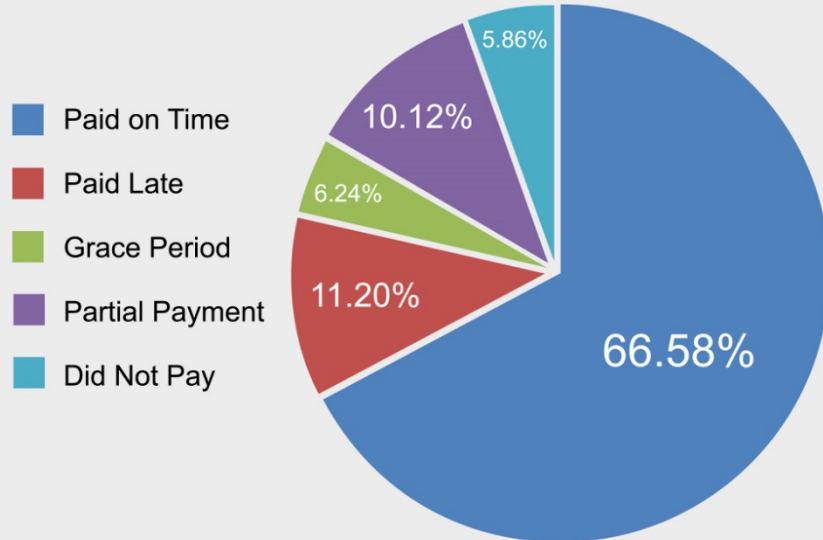
Western Cape: 13.15%

Gauteng: 4.03%

Kwazulu Natal: 4.14%

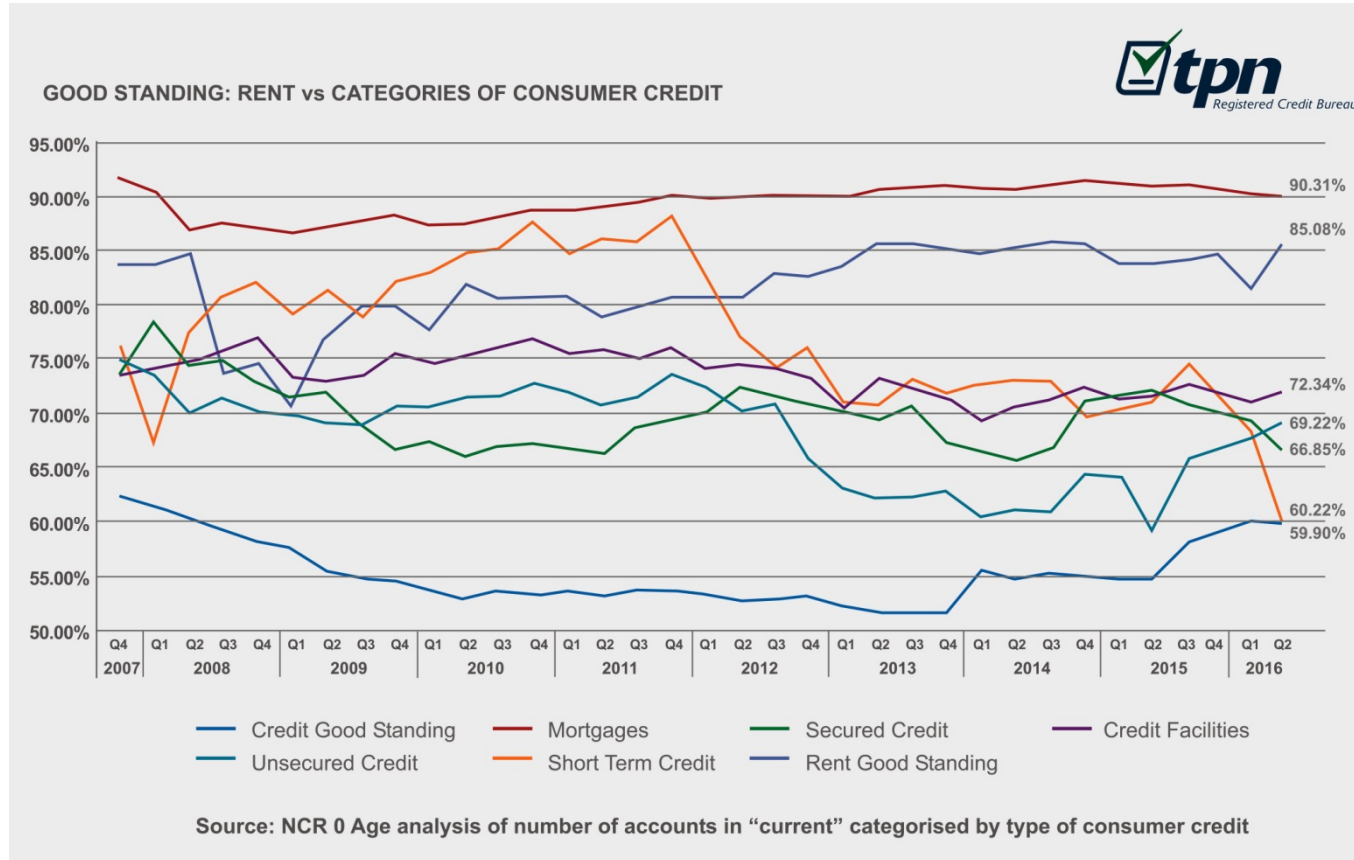
Rental Payment Behaviour 2016 Q3

Rental payment behaviour of residential tenants



85.08% of Tenant are
in Good Standing

Rental vs Credit Good Standing 2016 Q2



Rental Payment Behaviour 2016 Q3- Provincial



GOOD STANDING: RENT BY PROVINCE



	Paid on Time	Grace Period	Paid Late	Partial Payment	Did not Pay	Good Standing	National Average
Eastern Cape	71.87%	4.31%	10.32%	9.16%	4.34%	86.50%	85.08%
Free State	62.37%	4.93%	12.61%	11.36%	8.73%	79.91%	85.08%
Gauteng	63.57%	7.48%	12.09%	10.94%	5.92%	83.14%	85.08%
Kwazulu Natal	64.05%	5.88%	12.57%	9.55%	7.94%	82.50%	85.08%
Limpopo	65.00%	6.65%	13.05%	9.95%	5.34%	84.70%	85.08%
Mpumalanga	64.16%	7.59%	13.04%	10.07%	5.14%	84.79%	85.08%
Northern Cape	68.85%	4.99%	12.59%	9.78%	3.79%	86.43%	85.08%
North West	69.55%	4.06%	10.68%	9.82%	5.89%	84.29%	85.08%
Western Cape	78.24%	3.71%	7.69%	7.41%	2.96%	89.64%	85.08%

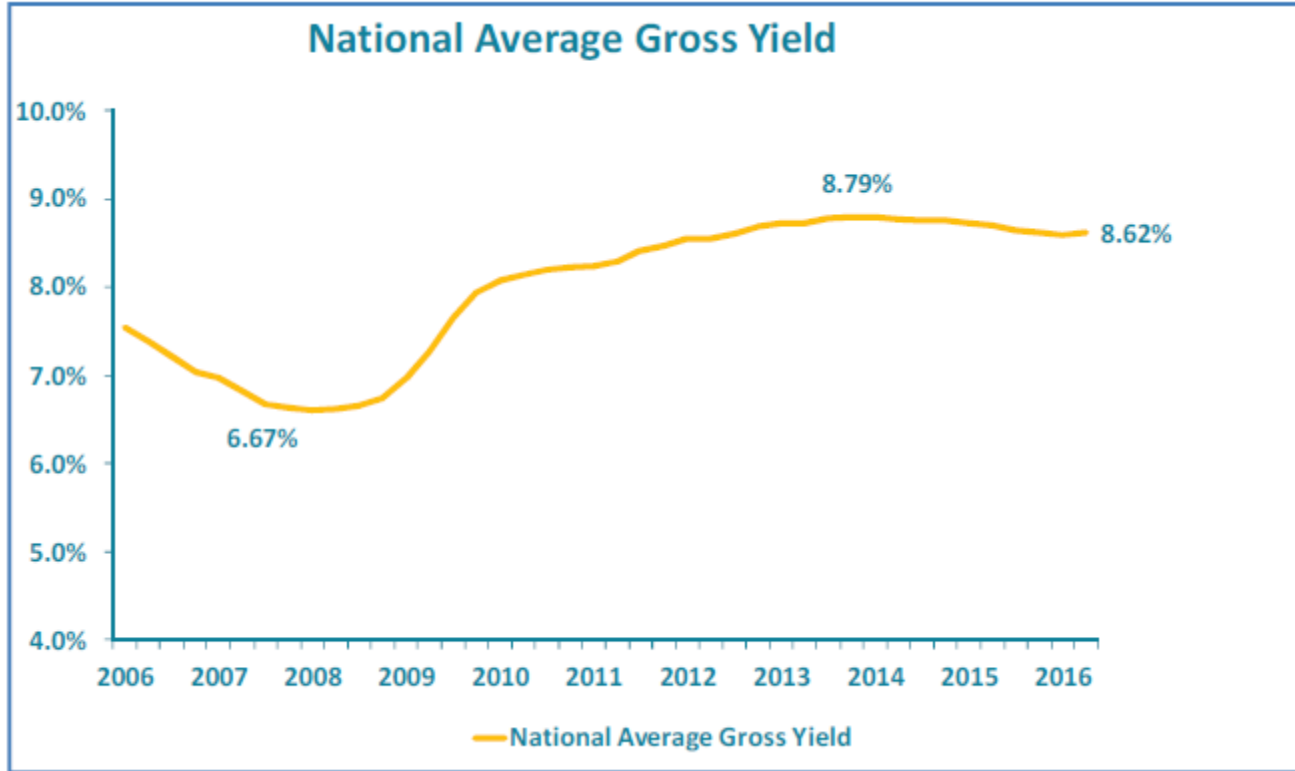
Rental Payment Behaviour 2016 Q3- Value



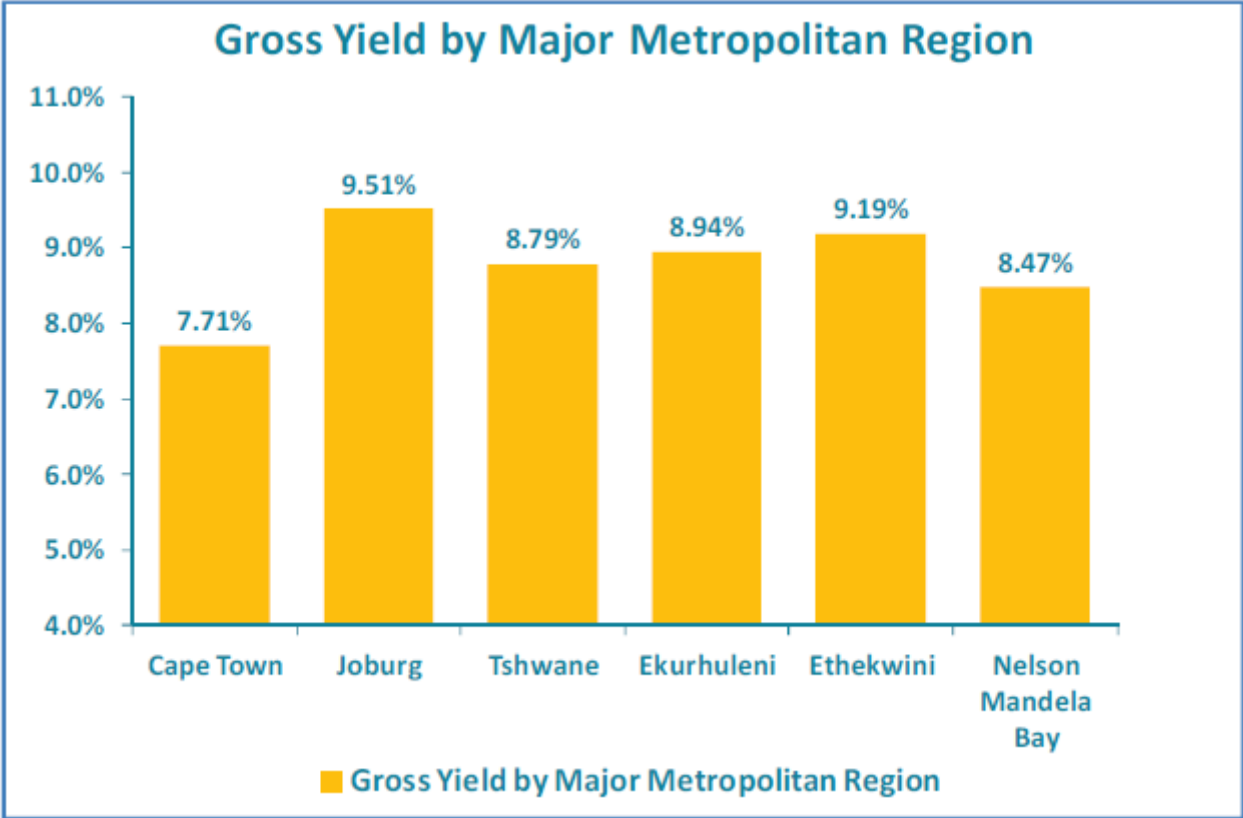
GOOD STANDING: RENT BY VALUE BANDS

	Paid on Time	Grace Period	Paid Late	Partial Payment	Did not Pay	Good Standing	National Average
< R3,000	57.70%	6.50%	11.67%	12.60%	11.52%	75.87%	84.01%
R3,000 - R7,000	68.77%	6.42%	11.28%	9.61%	3.92%	86.47%	84.01%
R7,000 - R12,000	73.52%	5.11%	9.74%	7.77%	3.86%	88.37%	84.01%
R12,000 - R25,000	66.73%	5.93%	11.78%	10.08%	5.48%	84.44%	84.01%
> R25,000	53.27%	8.83%	15.21%	14.67%	8.02%	77.31%	84.01%

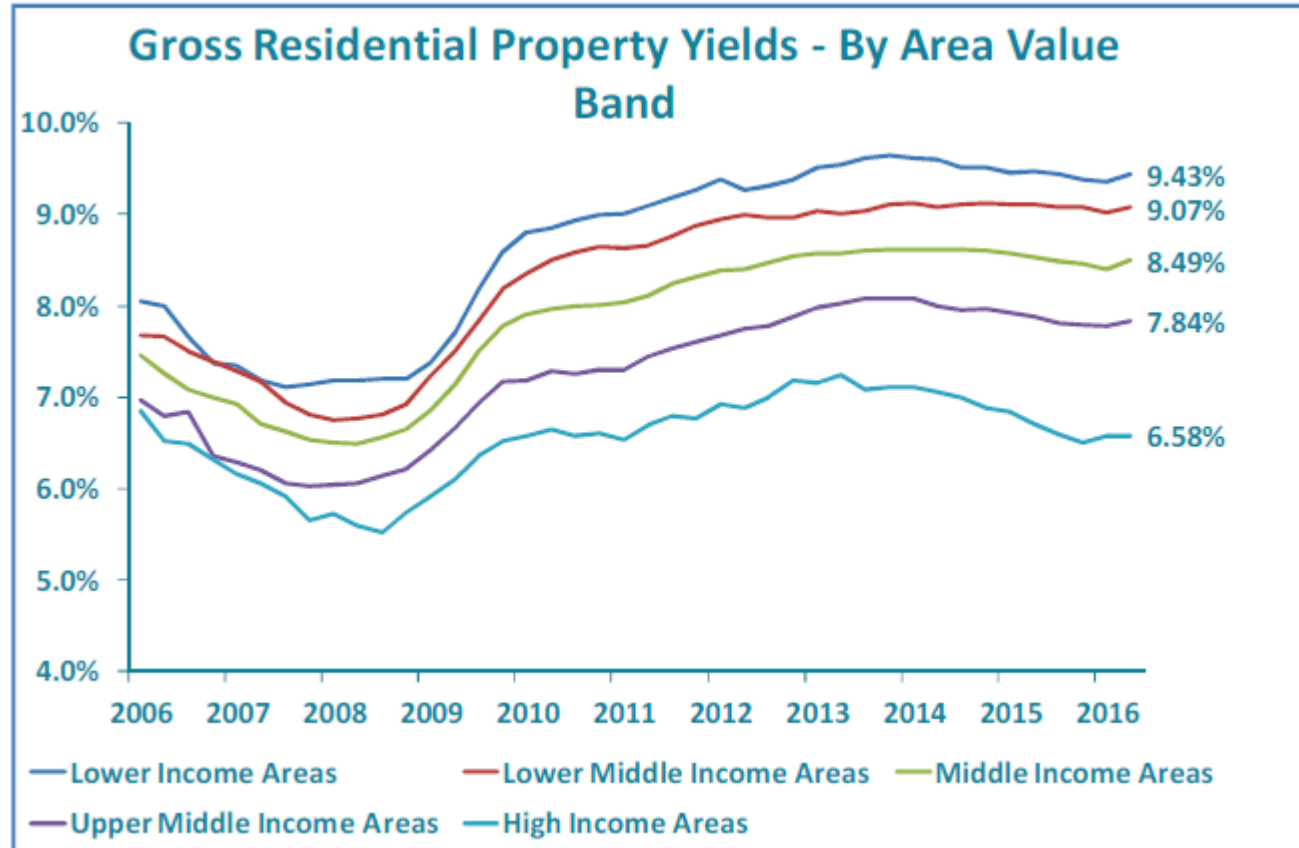
TPN-FNB Yields



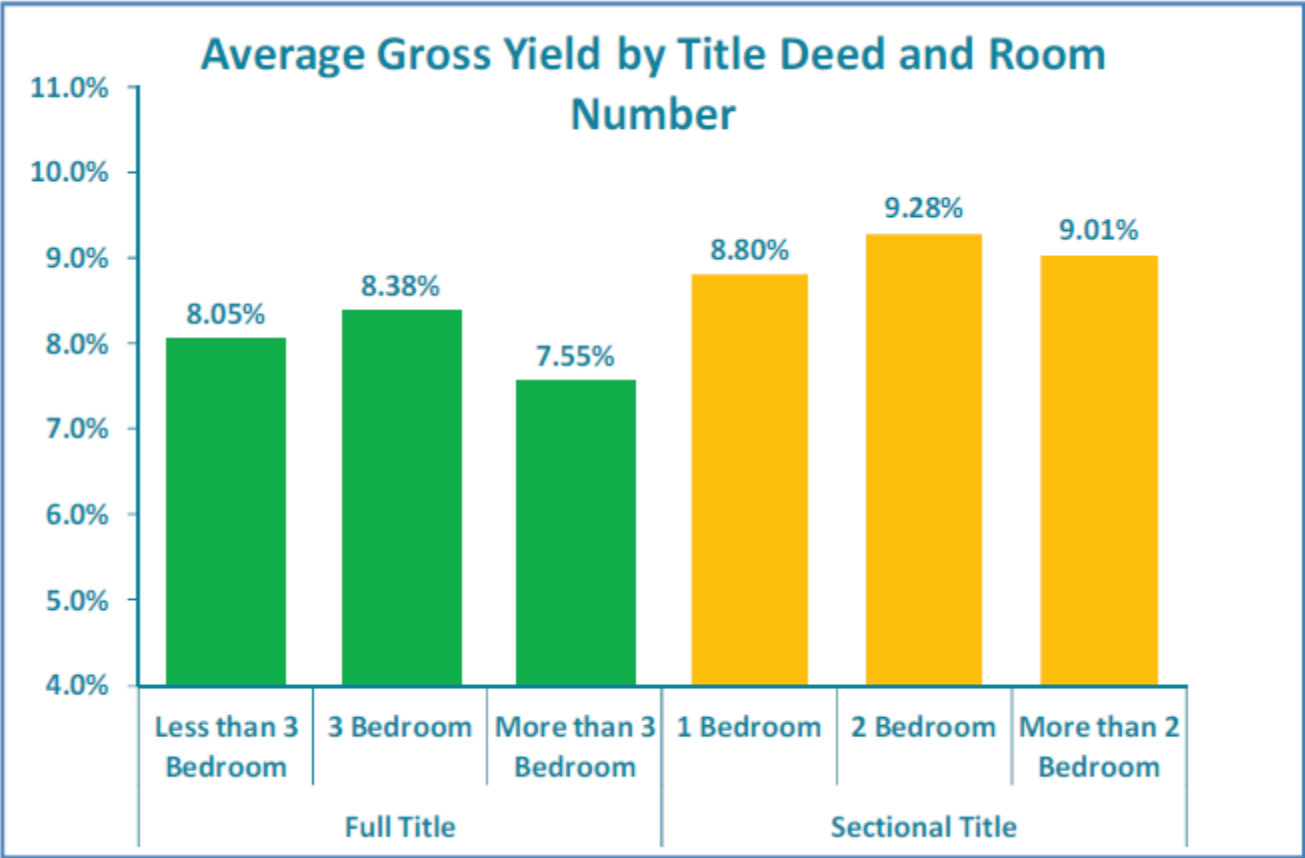
TPN-FNB Yields



TPN-FNB Yields



TPN-FNB Yields



Q&A