

MONTHLY NEWSLETTER FEBRUARY 2010

1) NEWS FROM DURR GROUP

Wendy Clark is the new group Chairperson



Durr Estates is proud to announce that Wendy Clark has been elected Chairperson of the group. Wendy has dedicated most of her working life to the Durr Estates brand and has a successful branch that services the West Coast area. Departing Chairman Barry van Breda will remain a Director of the Board. Wendy is ideally suited to the position and is the latest move in the groups' strategy to position the business as a dominant player in the Western Cape property industry.

Julian and Paul Reynolds are ecstatic that Wendy has agreed to fulfill the chairperson's role, she adds tremendous value to the business and is a vital component of the management team.

New licensee in Durbanville

The latest addition to the Durr team is Karen Zaيمان, who will be joining the Durbanville branch as a new licensee. Karen is a qualified Professional Attorney and Conveyancer with a proven track record in different aspects of property development including transfers and bond registrations. Karen will be of great value to Durr, as she brings with her knowledge and expertise, and will be able to provide buyers and sellers with valuable information as a result of her legal background.

Karen has extensive experience in translating business requirements into successful business outcomes, business start-up and mediation. It is with great pleasure that we welcome Karen to the team, and we are confident that she will be an asset to the group.

Tarryn Laden employed as Marketing and Public Relations consultant

Another recent addition to the Durr Estates team is Tarryn Laden. Tarryn, a recent graduate, joined the Durr Estates team in February 2010. She obtained her Bachelor of Social Science degree in Psychology and Sociology from the University of Cape Town in 2008, and in 2009 completed her Postgraduate Diploma in Marketing Management. She will be involved in the Advertising, Marketing, Public Relations, Corporate Communications as well as Sales Administration for the Durr group, operating from Durr Head Office.



Corli Calitz joins the Durr team as licensee for Strand/ Gordon's Bay and Somerset West

Durr Estates is proud to present their new Principal for the Strand, Gordon's Bay and Somerset West. Corli Calitz of Calitz Estates is now trading as Durr Estates. Corli has selected Durr Estates as a partner, in order to capitalize on the strength and growth of the group. Corli, who operates with a dynamic team, has offices in Somerset West and the Strand, ensuring that all clients receive the best possible service. We are delighted to welcome Corli to the Durr Estates team, and have no doubt that she will be invaluable to the group.

2) STATUS OF COMPETITION

Durr Holdings has recently implemented a competition to award the best performing agents in the group, which commenced on 1 February 2010. There will be a quarterly as well as an annual prize. The competition serves as an incentive to motivate agents to sell as many properties as possible.

In terms of the quarterly awards, Durr Estates holds a Chairperson's lunch every three months, where the top agents will celebrate their achievements and receive prizes.

With regard to the annual awards, there are two annual prizes. One award is for the highest gross commission earned, where the winner will receive a R30 000 travel voucher. The other award is for the highest volume of sales, where the winner will receive a R20 000 travel voucher. All agents are eligible, including principals.

In terms of the progress of the competition, these are the front runners thus far:

Highest Value Agents

1) Kay Eaton (Port Elizabeth)

Total value of sales = R2 735 000

Gross commission earned = R115 803



2) Lorna Cayton (Somerset West)

Total value of sales = R1 485 000

Gross commission earned = R86 952

3) Marlize Volschenk (Paarl)

Total value of sales = R 1 050 000

Gross commission earned = R59 850

4) Lieze De Witt (Paarl)

Total value of sales = R865 000

Gross commission earned = R54 236

5) Gawie Hough (Jeffreys Bay)

Total value of sales = R675 000

Gross commission earned = R45 000

Please note that only registered sales will count for the competition and branches are encouraged to send notification when sales are registered.

Most Units Sold:

Res Donovan – Onrus – 2 units

Hillmar Ross – Onrus – 2 units

Kay Eaton – Port Elizabeth – 2 units

Lorna Cayton – Somerset West – 2 units

No one has qualified yet for the quarterly prize, but there are still two months remaining.

3) BEST BRANCH

Best branch: Port Elizabeth

Port Elizabeth has earned the most commission in February. Congratulations to them.



4) GENERAL NEWS FROM PREVIOUS MONTH

Average house prices still high – The price of an average house at present is R764 912. Put in perspective, a buyer who applies for a 10% home loan will have a monthly installment of R7 636 to pay. A 10,5 % interest rate will be charged over a 20-year period in this case. The buyer needs to ensure that this installment amount of R7 636 does not surpass 30% of the household's monthly income. It is a well-known fact that in order to be able to afford a house in South Africa which on average, costs R764 912, the household needs to be earning an income of at least R25 455 every month.

Listed property growth to slow- It is expected that a hike in municipal and electricity tariffs are some of the risks that will slow down earnings growth in the listed property division this year.

Market looking optimistic for owners with houses for sale

Indications show a slight strengthening in demand on a quarter-to-quarter basis, leading to a continued residential market upswing. Investors with a [house for sale](#) will be pleased to know that financial stress-related selling has lowered substantially – dampening supply. Traditional affordability – the difference between income levels and house price levels – are improving, potentially increasing demand.

Relatively low interest rate levels, a more relaxed lending position by banks and positive consumer sentiment will all help owners with a [house for sale](#) in the near future.

Some interesting market facts to know about when selling your property

The economy is projected to improve further during the course of 2010 and record real GDP growth of about 2.5 percent this year. Inflation is forecast to be under upward pressure, but interest rates are expected to remain unchanged for most of the year before being hiked late this year in an attempt to keep inflation under control.

The positive effect of the lower interest rates is set to weaken towards the end of 2010. Predictions are that house prices will rise by between 6 and 7% in real terms in 2010, while in real terms, a minor increase might be possible on the back of current projections for nominal house price growth and consumer price inflation.



2) SUMMARY OF PROPERTY MARKET

Lower interest rates and 100% bonds boost property prices

The lowering of [interest rates](#) has had a delayed effect on property prices. The increase in property prices of late can be attributed to the low interest rates consumers are presently experiencing. This lower interest rate is expected to raise the values of property throughout 2010.

The prediction is that residential property prices are going to increase by 6%. It is expected that the SARB will keep interest rates unchanged for most of the year, and then to increase them slightly by the end of 2010 to help maintain inflation. For February, they forecast an inflation rate of 5.5% for 2010. According to Tito Mboweni's interest rate announcement, he expects inflation to fall in the treasury's 3% to 6% target range in the second quarter of 2010.

Home-ownership, in recent times, has become more affordable due to low interest rates. Potential buyers are advised to get into the market as soon as possible as prices are on their way up. By doing so, the investment will grow quickly.

CONCLUDING NOTE

The group is expanding rapidly and we are privileged to have recruited fantastic new operators. The prospects for the group and the property market are excellent.

We look forward to a successful year.

Julian Reynolds