



OPPORTUNITY
PRIVATE CAPITAL

INVESTOR QUARTERLY REPORT – July 2018

Welcome from a cold and rainy Cape Town to your Soho quarterly update. Please find your current Lender Statement attached.

The complex is rapidly taking shape in transforming the vista in Parklands North. The tall modern homes of Soho are beginning to define the landscape of the northern section of the suburb. There really is nothing that resembles it in the area. Most of the owners in phase 2 have now taken transfer which means the Eastern half of the complex is virtually complete. Congratulations to our investors who have exited the project due to phase 1 and 2 completion.

The Cape Town property market has seen a considerable slowdown during the 2nd quarter of this year. Not necessarily with property prices getting lowered, but certainly with the take-up rate by Buyers. The real estate sector, like the stock market, is often driven by perception rather than underlying intrinsic factors, thus the Cape Town drought fears and squabbles within the DA-lead local government undoubtedly exerted an adverse effect on people's perception of Cape Town as 'the place to be'. Local Agents reported a significant drop in the number of Gauteng and other 'up-country' residents expressing interest in Cape Town property. While the aforementioned influence the perception of potential buyers, the VAT increase, multiple hikes in the petrol price and poor economic climate have a direct effect on the spending capability of the public and ultimately result in less homes being bought. It is in this particular landscape that Soho's unique product still attracts buyers and ultimately the sales have been steady.

From a construction perspective, despite the obvious delays due to the needed rain, the pace and momentum is still good. All the Phase 3 Duplexes are at roof height and construction is underway on the Triplex units in the final phase. The final phase comprises the remaining 2 and 3 Bedroom triple storey units. The 3 bedroom units in particular are among the most well-priced in the area on a like for like basis at R 1,895,000. This includes Transfer Duty and Attorney transfer fees so these 5 homes should sell reasonably quickly.

The projected completion of the project remains scheduled for December 2018. Further clarity hereon will be provided around early October in the next quarterly update.

Please find your latest quarterly statement attached. In the interim, should you require further information please do not hesitate to contact us.

All the best.