Inside South Africa's Real Estate Market:
Risk, growth and performance

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Hello!

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REAL ESTATE SOFTWARE

tpn from MRI Software

Property sector risks:
What we can and should control

What the data is telling us

Tenant insights and profile

Sample of active tenants – Related to a specific property or premises.

Residential Tenant Insights

Passport
13,6%

RSA ID
86,4%

	Gender split	Average term
Female	44.0%	26 Months
Male	43,7%	27 Months
Unknown	12,3%	30 Months

Residential Tenant Risk Profile

Active tenants in occupation – Application score

Female	
Low Risk	61,4%
Average Risk	14,2%
High Risk	12,3%
Very High Risk	12,1%

Male	
Low Risk	60,9%
Average Risk	14,7%
High Risk	11,9%
Very High Risk	12,5%

Unknown	
Low Risk	21,4%
Average Risk	69,0%
High Risk	6,6%
Very High Risk	3,0%

Residential Tenant Profile

Active Tenants – Monitoring score

	Application Risk	Current Risk
Low Risk	58,4%	63,5%
Average Risk	18,3%	5,6%
High Risk	11,7%	⚠ 17,3%
Very High Risk	11,7%	⚠ 13,6%

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Commercial Tenant Insights

Average Term
51 Months

- Longest lease terms: KwaZulu-Natal
- Shortest lease terms: Northern Cape & Limpopo
- Average lease term: Gauteng – 46 months
- Average lease term: Western Cape – 47 months

AR Deregistration 9,6%

Business Rescue 0,2%

Liquidation 0,7%

Good Standing by Sector

Commercial 72,3%	Retail 77,7%
Industrial 78%	Storage 82,6%

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Commercial Tenant Profile

Active Tenants – Monitoring score

	Application Risk	Current Risk
Low Risk	35,5%	54,2%
Average Risk	35,1%	5,9%
High Risk	11,9%	⚠ 15,3%
Very High Risk	17,5%	⚠ 24,6%

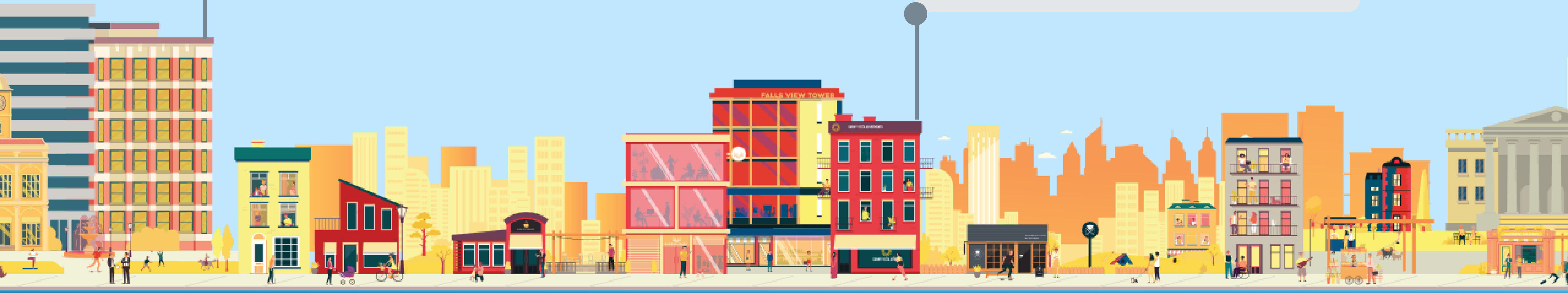
Rental and opportunity growth

Insights and behaviours of tenants

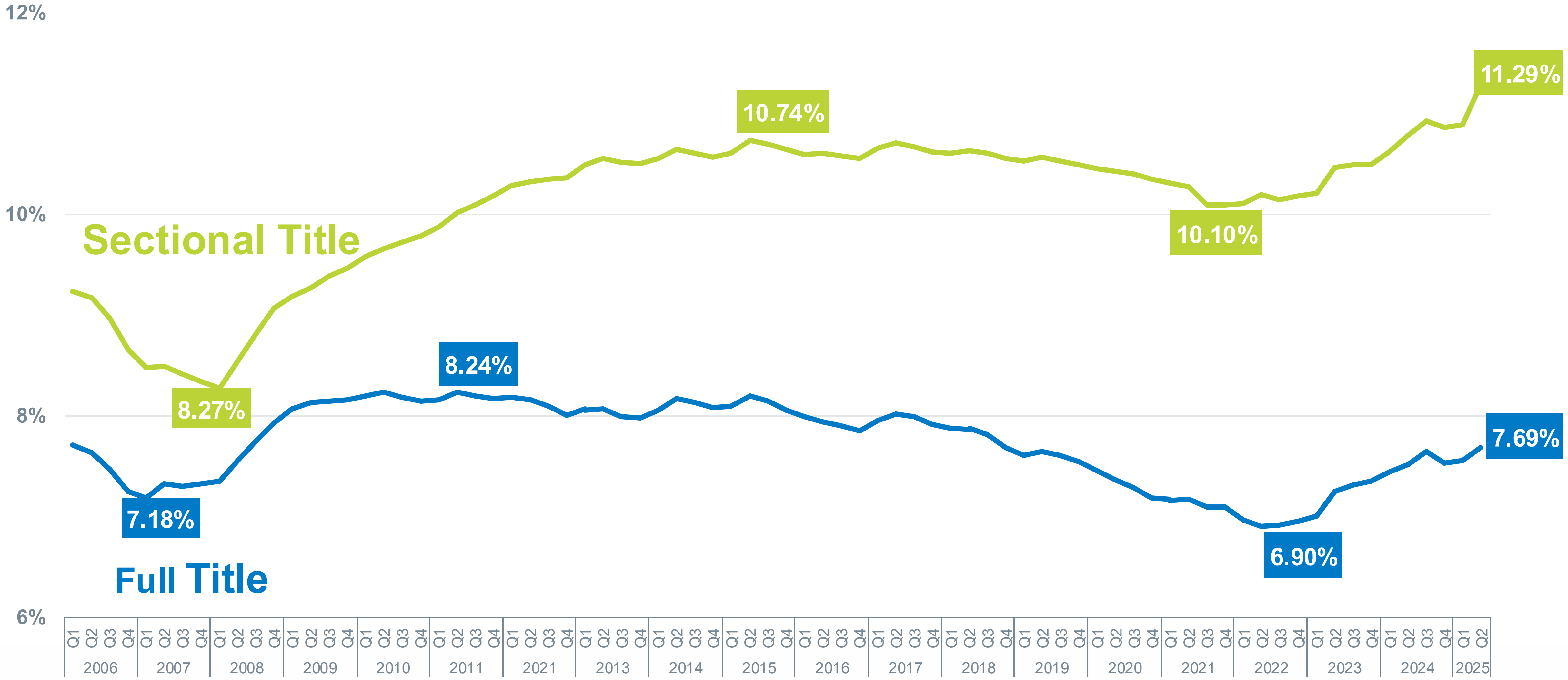
TPN Rental Payment Profiles – Related to consumer and premises

Commercial Tenants

Residential Tenants



TPN National Gross Yield – Residential Property



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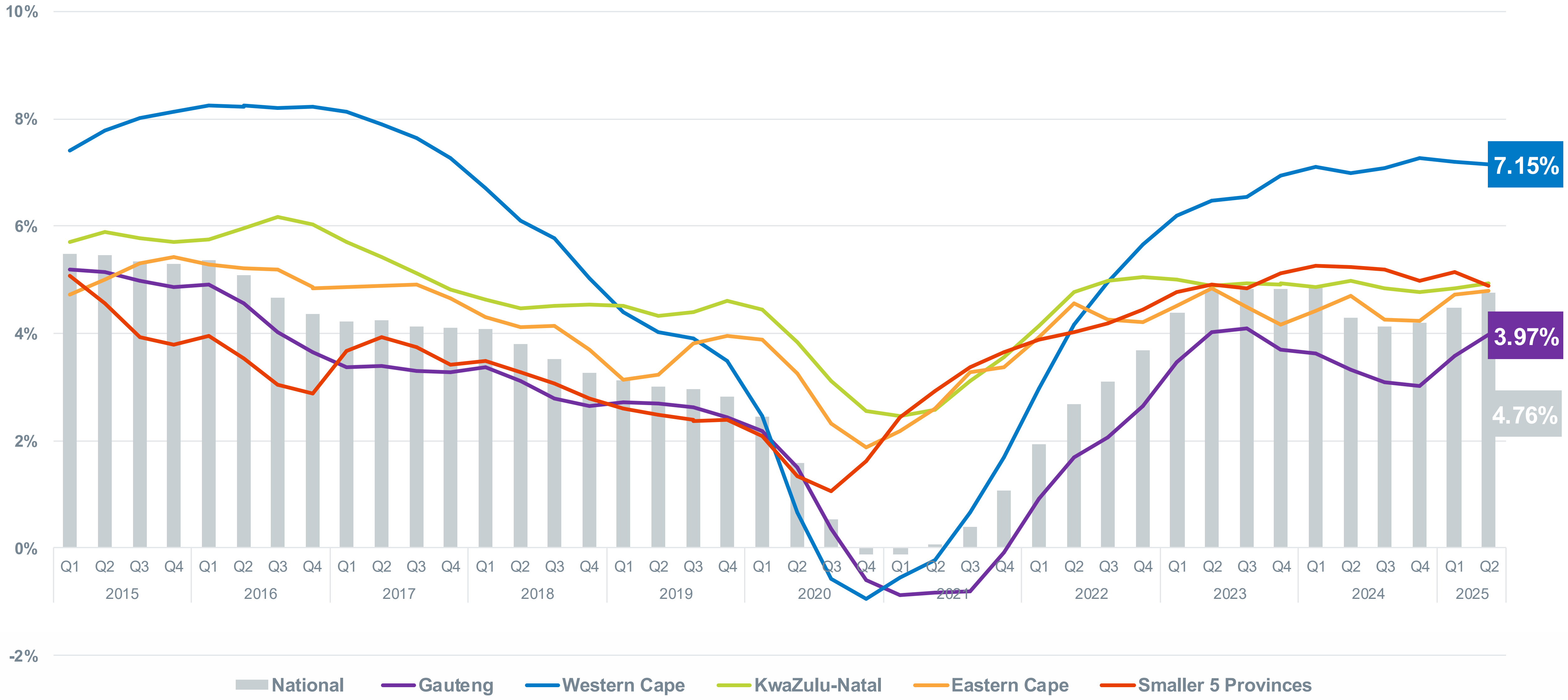
TPN Residential Rental Escalation by Province



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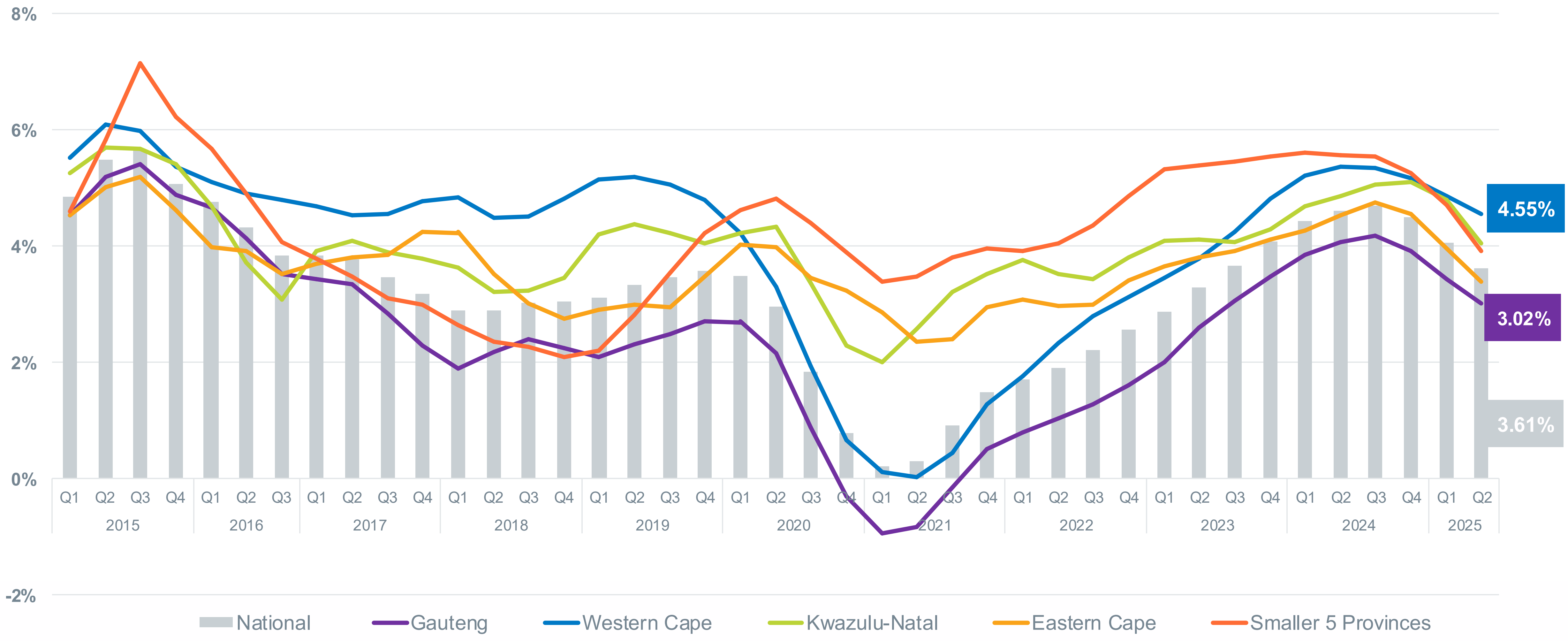
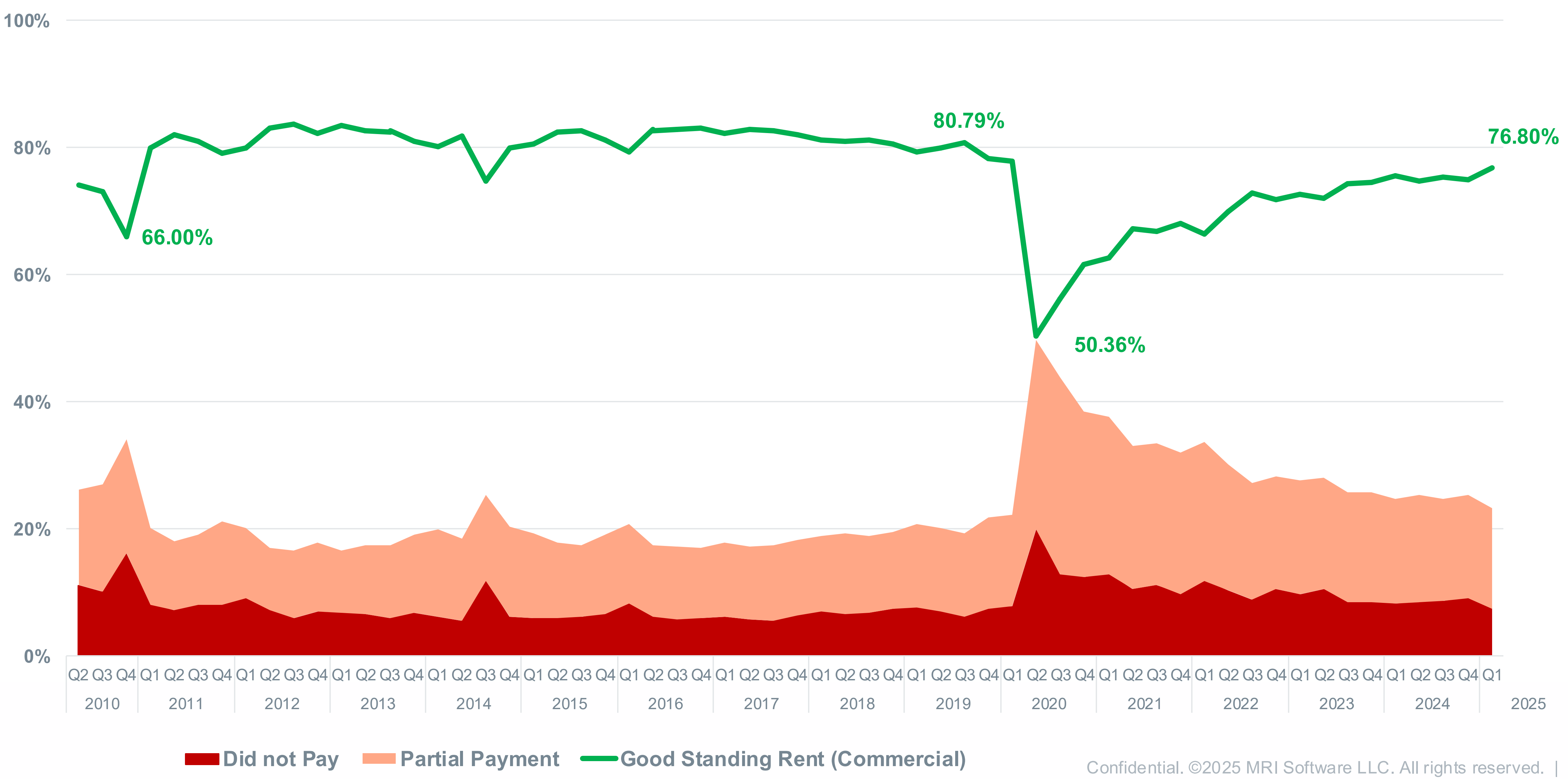
TPN Commercial Rental Escalation by Province



TPN Commercial Tenant Payment Behaviour



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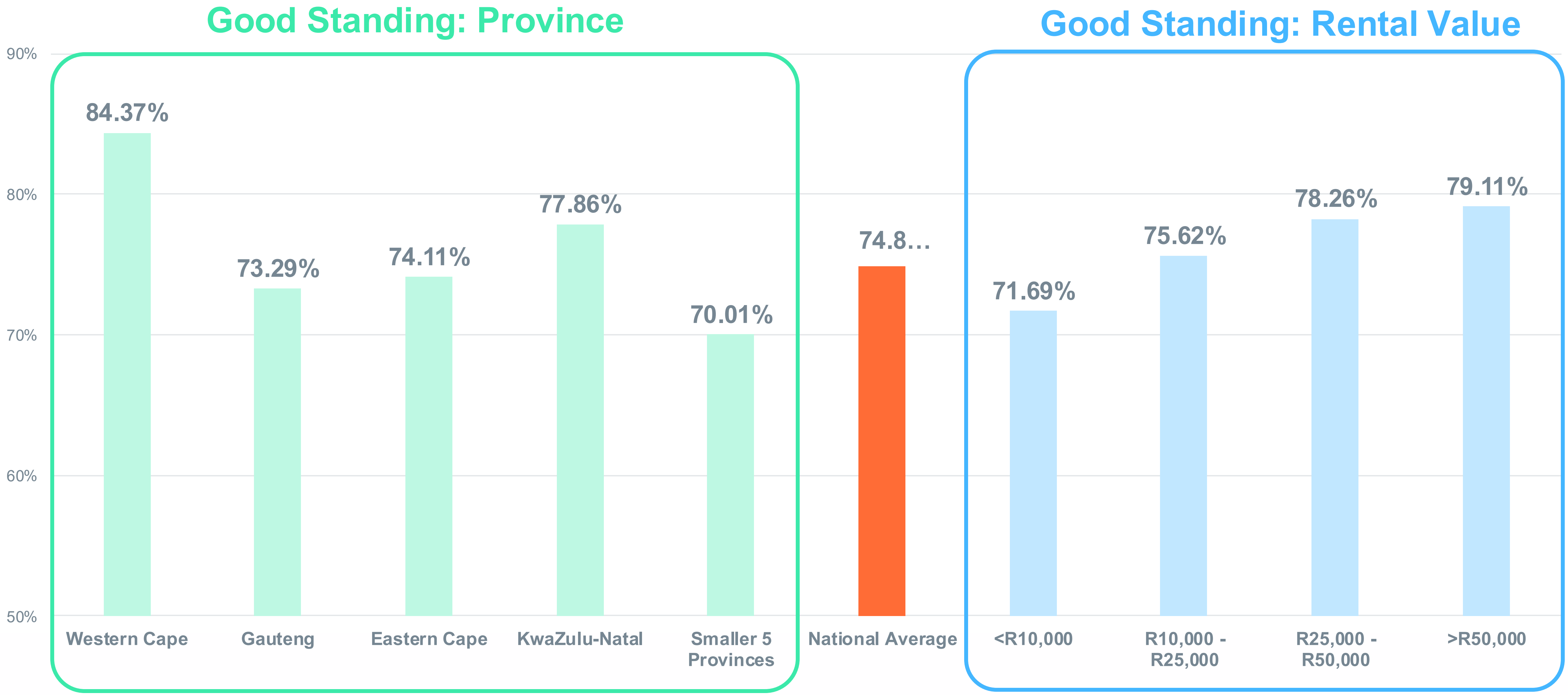
TPN Commercial Tenant Good Standing: 2025 Q2



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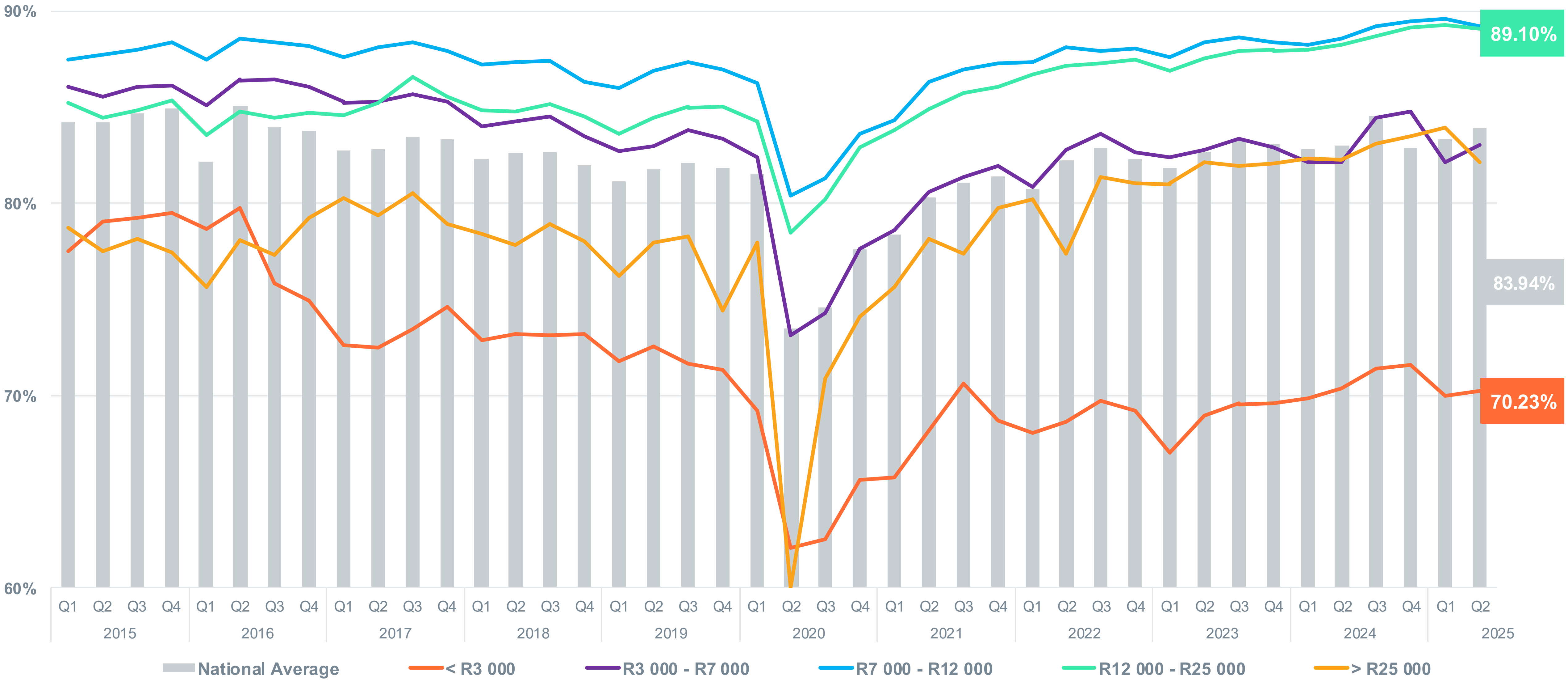
TPN Residential Good Standing by Value Band



What the future may hold

- **The shortage of available accommodation will lead to an increase in prices**
- High construction cost, **low skills development rate** – significant private developments will be restricted.
- **Infrastructure** developments will **consume** most resources.
- Decreasing **interest rates** won’t predictably stimulate the property market.
- **Regulations** will be reactive to compensate for economic reform and growth failures – Collective responsibility decisions.
- Government will turn to **the private sector for help (Directly or indirectly**).
- Tenant risk will influence **portfolio valuations**.

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Open AI is learning from anonymised data that is available; the credibility and the accuracy of the information are probably reflective of bias and self-interest.

The devil is in the details.

The detail is regulated effectively.

THANK YOU

Waldo Marcus – MRI Real Estate Software

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