

REPORT PREPARED FOR:



June 2025



GRIMBEEK PARK

RESIDENTIAL MARKET STUDY



LEADERS IN ECONOMIC & REAL ESTATE MARKET INSIGHT



Market Studies

Retail Studies | Centre
Repositioning |
Consumer Surveys



Special Projects

Mixed Use Developments |
Inclusionary Housing Projects |
Economic Impact Assessments



Africa

Real Estate Feasibility Studies
| Economic Assessments |
Socio-Economic Surveys |
Impact Assessments



Incorporating
GIS TECHNOLOGY
for Advanced
Geo-Spatial Analysis

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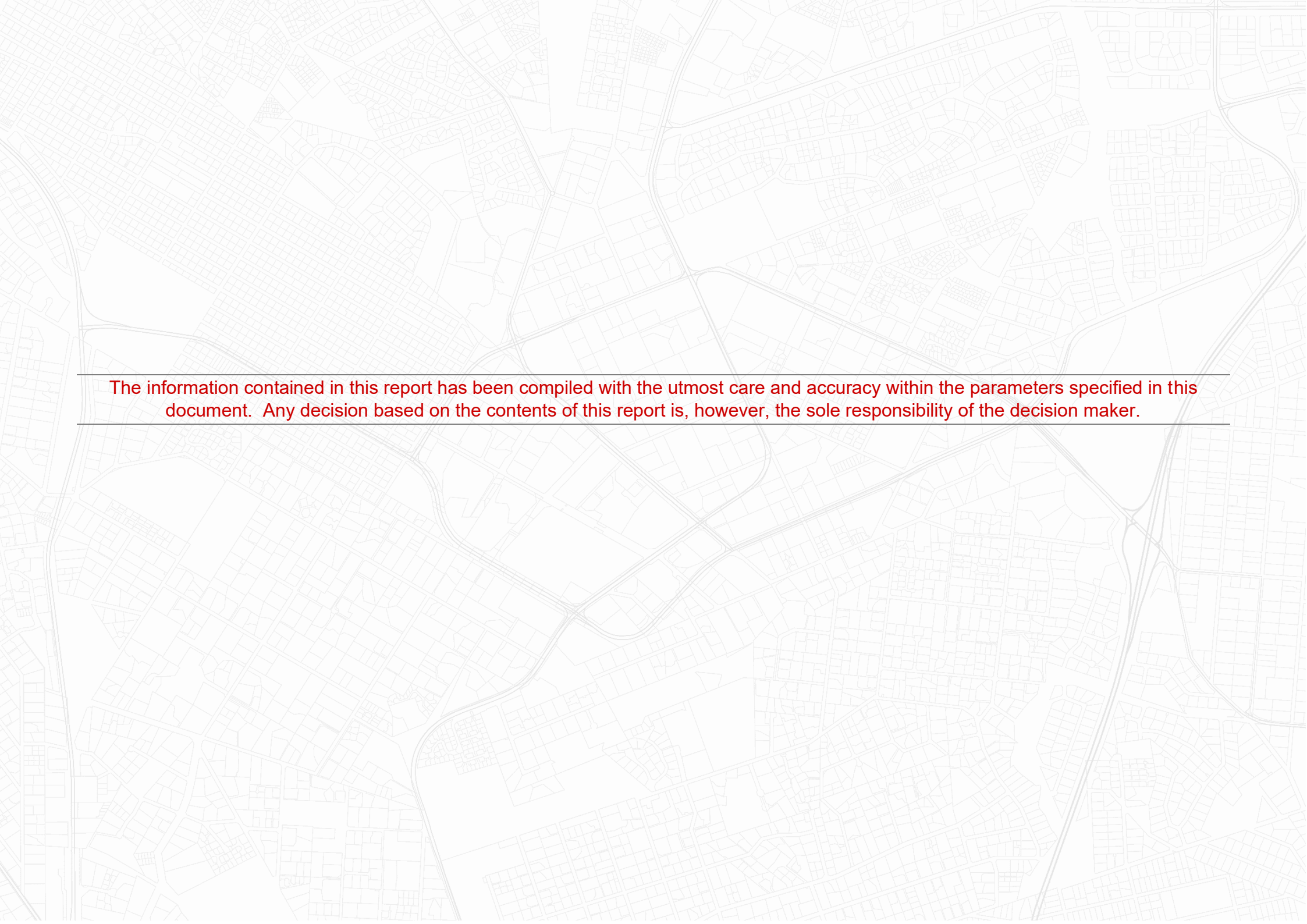
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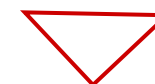
The information contained in this report has been compiled with the utmost care and accuracy within the parameters specified in this document. Any decision based on the contents of this report is, however, the sole responsibility of the decision maker.

SYNOPSIS

KEY INDICATORS					DEVELOPMENT OPTION AND AREA COMPATABILITY	
LOCATION PROFILE	Site Rating	Sub	Moderate	High	Exceptional	
ECONOMIC INDICATORS	Economic Character	Informal	Developing			
	Sector Orientation	Primary	Secondary			
	Economic Growth	Negative	Low	Moderate	High	
LABOUR PROFILE	Skills Profile	Low-Skilled	Semi-Skilled	Highly Skilled		
	Labour Absorption	Low	Moderate	High		
	Labour Character	Informal	Evolving	Formal		
SOCIO-ECONOMIC PROFILE	Education Level	None	Primary	Secondary	Tertiary	
	SEM Profile	Low	Moderate	High		
	Income Profile	Low	Moderate	High		
	Population Growth	Negative	Low	Moderate	High	
	Income Growth	Negative	Low	Moderate	High	
SUPPLY & MARKET GAP	Supply	Low	Moderate	High		
	Effective Market Gap	Low	Moderate	High		

DEVELOPMENT OPTION AND AREA COMPATABILITY

Indicators	
Location rating	High
Economic Base & Drivers	Positive and Compatible
Labour Profile	Formal and Semi-Skilled
Socio-Economic Profile (Demand base)	Middle to Higher Income
Market Gap	Yes
Market Potential	Moderate to High



Development Type	Effective Market Gap	Development Prospects
Freestanding erven & homes; and stack simplex and duplex units		Moderate to High

DEVELOPMENT POTENTIAL (10-YEAR)

Optimum Distribution Range Configuration

Type	Number of Units	Sale Price	Rental Units	Rental Range	Size (m ²)
1 bedroom, 1 bathroom	82	R910 000 - R1.3 million	17	R5 500 - R7 500	60 - 80
2 bedrooms, 1.5 bathroom	165	R1.3 million - R1.85 million	33	R7 500 - R12 000	85 - 110
2 bedrooms, 2 bathrooms	116	R1.9 million - R2.7 million	23	R12 000 - R15 000	110 - 130
3 bedrooms, 2 bathrooms	58	R2.8 million - R3.7 million	12	R15 000 - R20 000	130 - 150
4 bedrooms, 3 bathrooms	66	R3.8 million - R5.5 million	13	R20 000 - R30 000	160 - 300
4+ bedrooms, 3+ bathroom	33	R5.5 million+	7	R30 000+	300+
Total	520		105		

LOCATION ANALYSIS AND ASSESSMENT

The proposed development site is located on remaining extent of portion 46, portion 58 and portion 59 of the Farm Elandsheuwel 436 IQ and measures approximately 85.20 ha in size (see Figure 1.1).

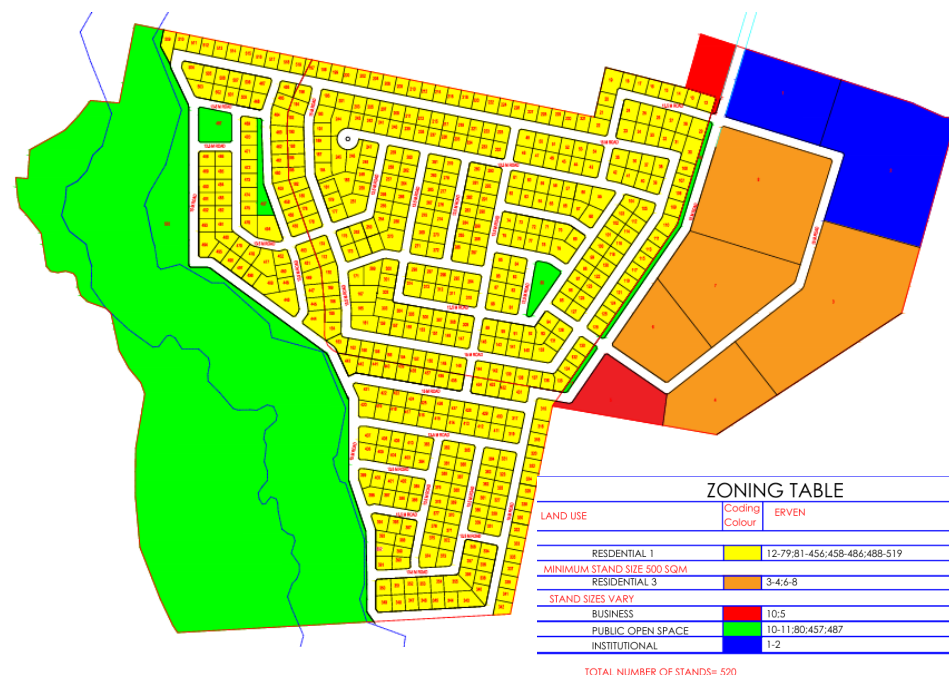
The site, located within the southern part of Grimbeek Park in Potchefstroom, is currently vacant and undeveloped.

The development concept incorporates a mix of land uses, including Residential 1, Residential 3, business, institutional and open space areas (see Figure 1.2 overleaf). It comprises a total of 520 residential stands, with a minimum stand size of 500 m² designated for Residential 1 use.

Proposed Development Site



Proposed Development Concept



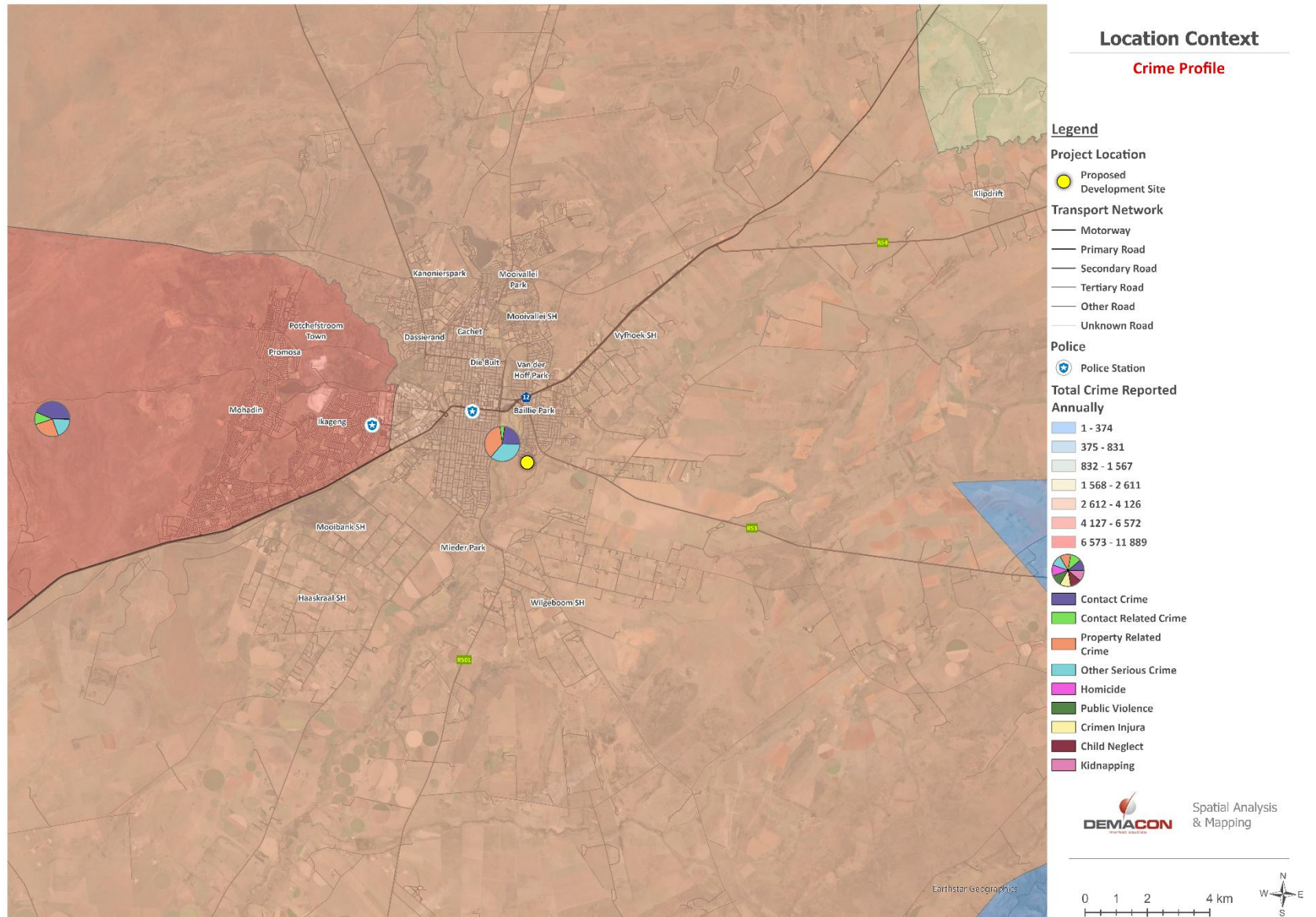
- JB Marks Local Municipality, established in 2016 through the merger of Tlokwe and Ventersdorp, is the largest municipality by land area and the second most populous in the Dr Kenneth Kaunda District.
- Potchefstroom serves as the main urban hub, bolstered by the presence of the North-West University, a well-developed industrial sector and key transport routes including the N12 and national railway.
- Residential densification in Potchefstroom has primarily taken place in the northern areas (Bult to Dassierand), Potchefstroom South and the eastern suburbs such as Grimbeek Park and Baillie Park. A 2020 projection indicated a housing backlog of 2 706 stands, with a forecasted demand of 7 719 additional stands – requiring approximately 450 hectares of land across subsidised, FLISP/GAP, social and bonded housing types. However, now in

2025, the actual demand has grown significantly beyond these earlier projections.

- The proposed residential development site is strategically located near a Class 3 road network, a planned Neighbourhood Node and a Main Activity Corridor. This positioning enhances access to transport, amenities and services and supports the municipality's broader vision of compact, integrated and sustainable urban development.
- The proposed development site achieved a high overall rating of 78.6%, indicating strong potential for a successful residential development. This high score is primarily due to the perceived quality of the residential environment, high SEM profile and the site's location within the current and future growth direction of the area. A rating above 70% is considered high, indicating that most of the important fundamentals for a successful residential development are in place.

CRIME STATISTICS

From the crime statistics map it is apparent that the development site is located within the Potchefstroom Police District. Within this Police District there are between 4 127 – 6 572 annual reported crime cases. This mostly includes other serious crimes (e.g., commercial crime and shoplifting) as well as property crimes (e.g., burglary and theft).



JB MARKS LOCAL ECONOMIC OVERVIEW

ECONOMIC GROWTH

0.7%

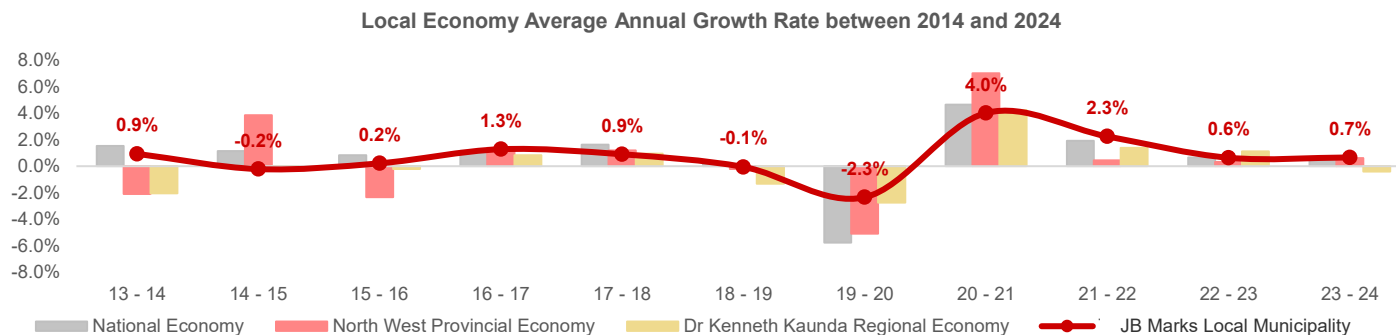
(2013 to 2023)

Average annual growth of the local economy over the previous **10 years**

1.0%

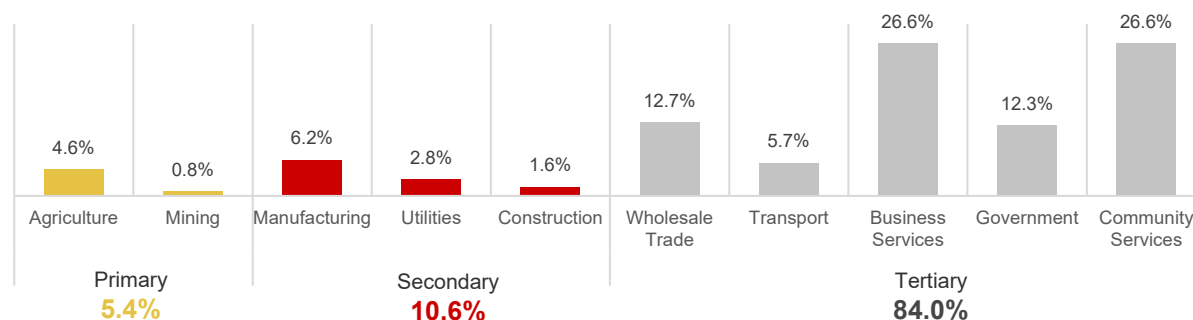
(2018 to 2023)

Average annual growth of the local economy over the previous **5 years**



ECONOMIC STRUCTURE

Proportional Contribution per Economic Sector - 2024



LABOUR FORCE PARTICIPATION

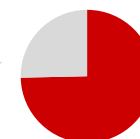
60.3% of the potential labour force participate in the local economy

25.3% Informal employment

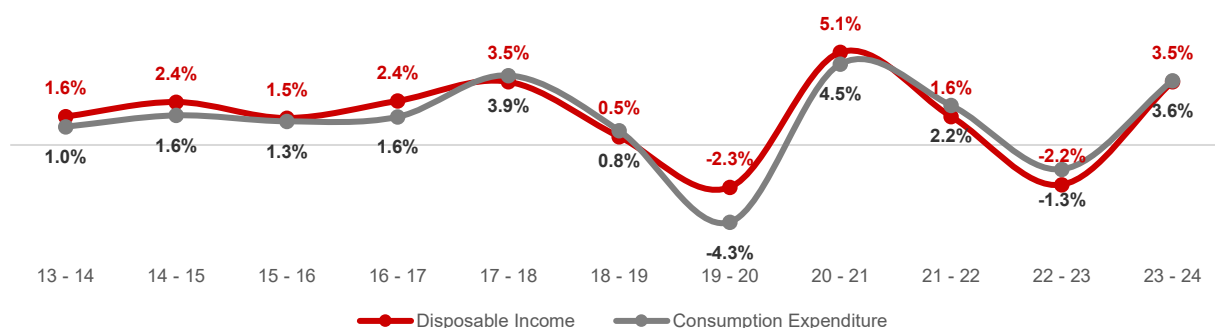
18 607 informal jobs exist in the local economy.

74.7% Formal employment

The **informal economy lost 6 271 jobs** since 2014 at an average rate of **627 jobs** lost per year.



DISPOSABLE INCOME & CONSUMPTION EXPENDITURE GROWTH



54 815 formal jobs exist in the local economy.

The formal economy gained **5 730** jobs since 2014 at an average rate of **573** jobs gained per annum

Skilled



Semi-Skilled



Low-Skilled

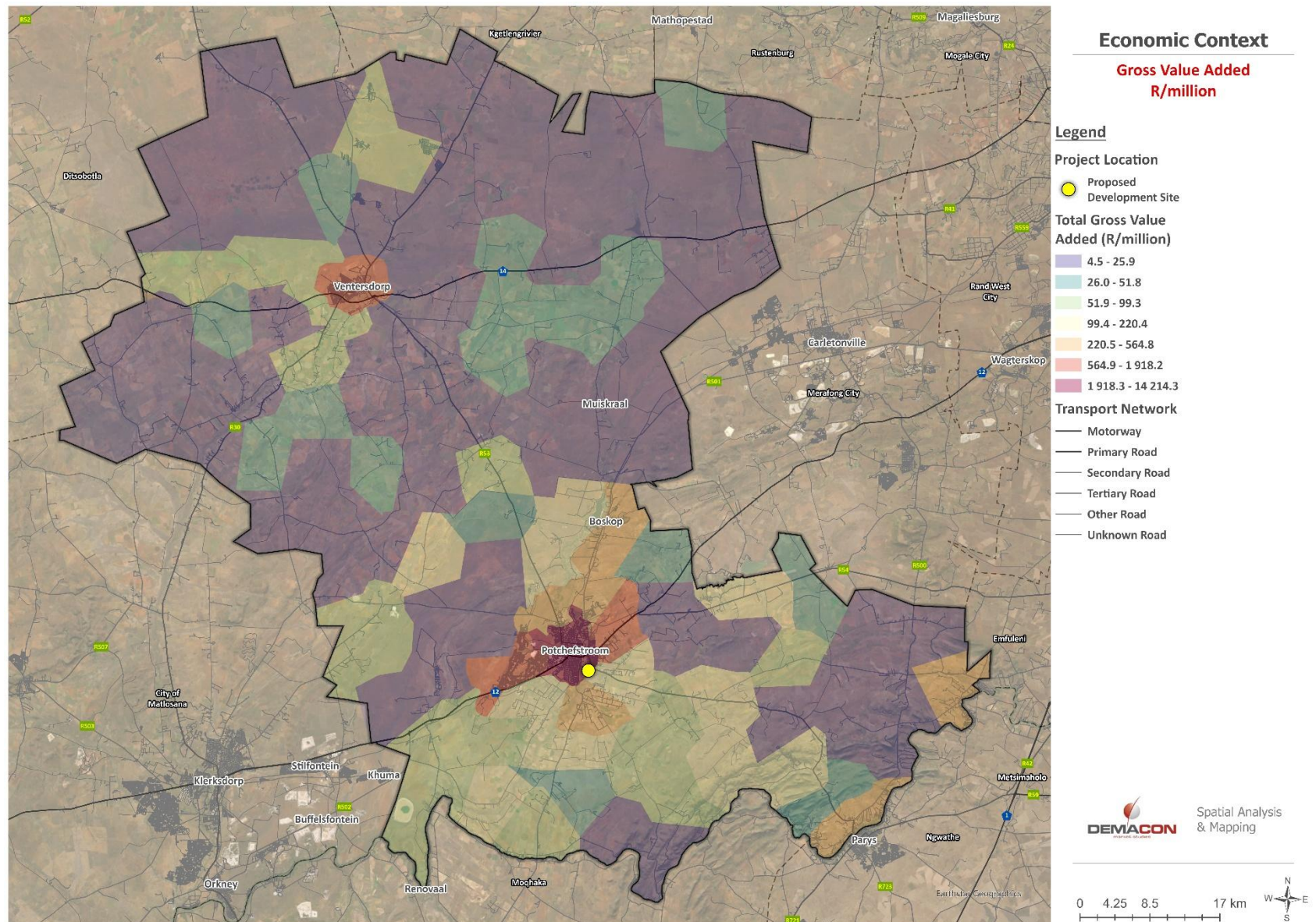


14 997 jobs

22 402 jobs

17 416 jobs

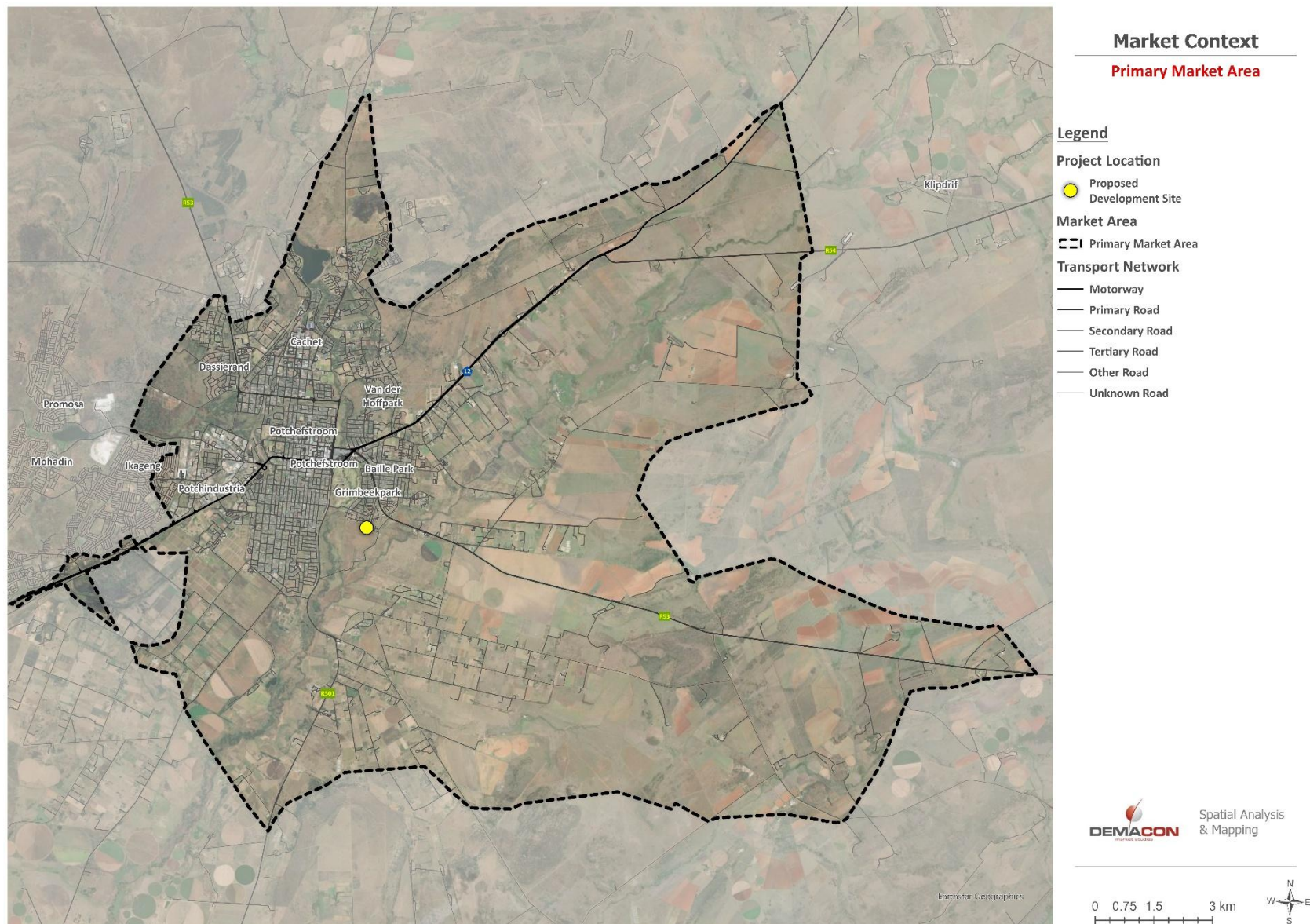
JB MARKS LOCAL ECONOMY TOTAL GVA PROFILE



PRIMARY MARKET AREA (an approximated 15-minute drive time isochrone)

To gain insight into the socio-economic character of potential market participants to the proposed development, a market area is delineated.

A market area assists with determining the main socio-economic market characteristics within the market area. Due to the size of the development a primary market area was delineated. The primary market area for the project is based on an approximated **15-minute** drive time isochrone.



SOCIO-ECONOMIC OVERVIEW – PRIMARY MARKET AREA

Population Size

45 580



PEOPLE IN THE
PRIMARY
MARKET AREA

18 273



HOUSEHOLDS

-0.38%

Population
Average Annual
Growth Rate

-0.06%

Household
Average Annual
Growth Rate

Tenure Status



21.9% of households **own** and have **paid** for the property where they reside

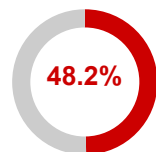
18.2% of households **own** but have not **finished paying** for the property where they reside

53.9% of households **rent** the property where they reside

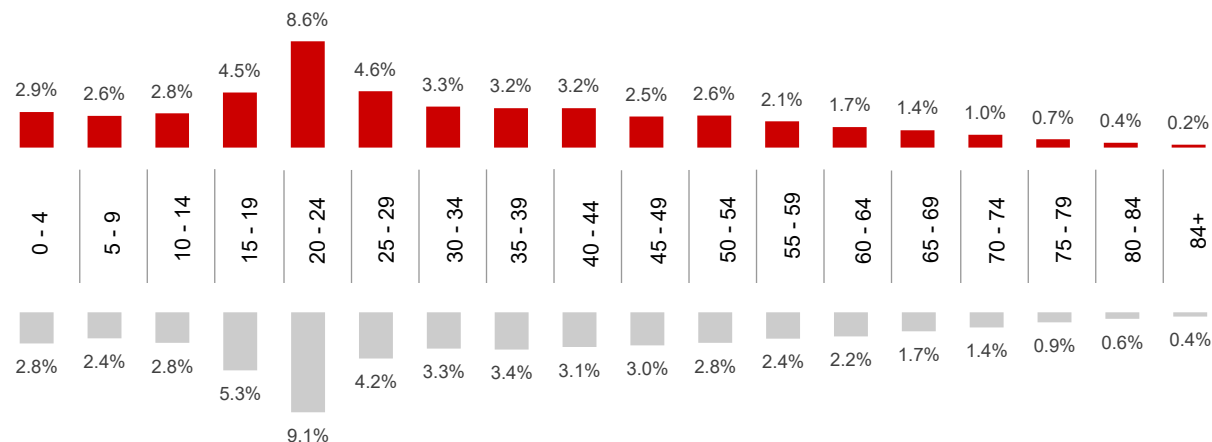
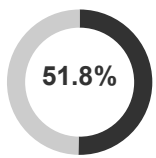
6.0% of households **occupy** the property where they reside **rent-free**

Age and Gender Profile

MALE

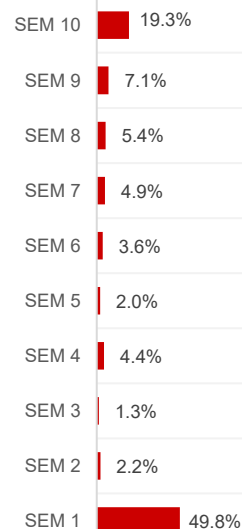


FEMALE

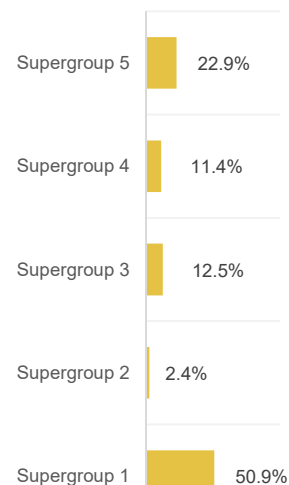


SEM Profile

SEM Distribution



SEM Supergroup Distribution



Household Income

Average annual household income
for all SEM Supergroups (2025)

R237 919

Average annual household
income for SEM 2+
Supergroups (2025)

R490 016

Average monthly household income
for all SEM Supergroups (2025)

R19 827

Average monthly household
income for SEM 2+
Supergroups (2025)

R40 835

LSM TO SEM

The discontinuation of the All Media Products Survey (by the South African Audience Research Foundation (SAARF)), on which the Living Standard Measure (LSM) classifications were based, gave way to a new measurement system called The Socio-Economic Measure model (SEM). The SEM model first released in 2018 is a more accurate reflection of South African society in terms of how people live and is not dependent solely on durables, as the historical LSMs have been. The new SEM offers marketers a statistical and technical solution that depicts how our citizens are living, not only what they have in their homes.

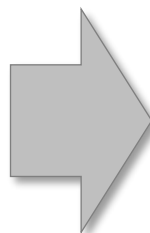
LSM

VS

SEM

LATEST VARIABLES:

- Hot running water
- Fridge/freezer
- Flush toilet in house/on plot
- VCR in household
- Vacuum cleaner/floor polisher
- Have a washing machine
- Have a computer at home
- Have an electric stove
- Have TV set(s)
- Have a tumble dryer
- Have a Telkom telephone
- Hi-Fi or music centre
- Built-in kitchen sink
- Home security service
- Have a deep freeze
- Water in home/on stand
- Have M-Net and/or DSTV
- Have a dishwasher
- Metropolitan dweller
- Have a sewing machine
- DVD player
- House/cluster/townhouse
- 1/more motor vehicles
- No domestic worker
- No cellphone in household
- 1 cellphone in household
- None or only one radio
- Living in a non-urban area



FINAL VARIABLES:

- Post office nearby
- Police office nearby
- Built-in kitchen sink
- Home security service
- Motor car
- Deep freezer which is free standing
- Microwave oven
- Floor polisher or vacuum cleaner
- Washing machine
- Floor material
- Water source
- Type of toilet
- Roof material
- Number of sleeping rooms

LIMITATIONS OF LSM

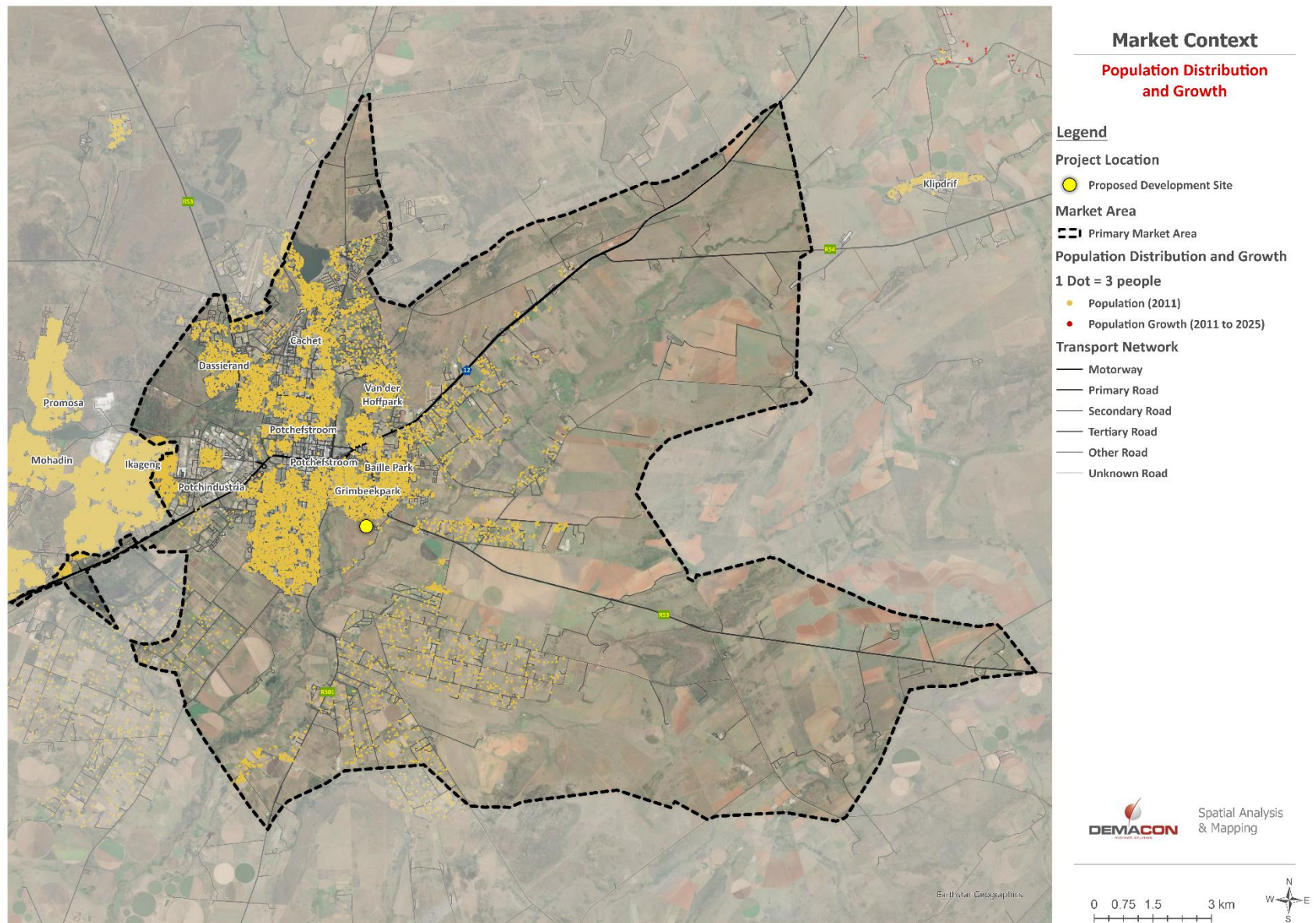
- ❌ LSM is not related to any specific brand or category
- ❌ LSM cannot accurately determine spending power
- ❌ Consumers have changed, LSM has not

ADVANTAGES OF SEM

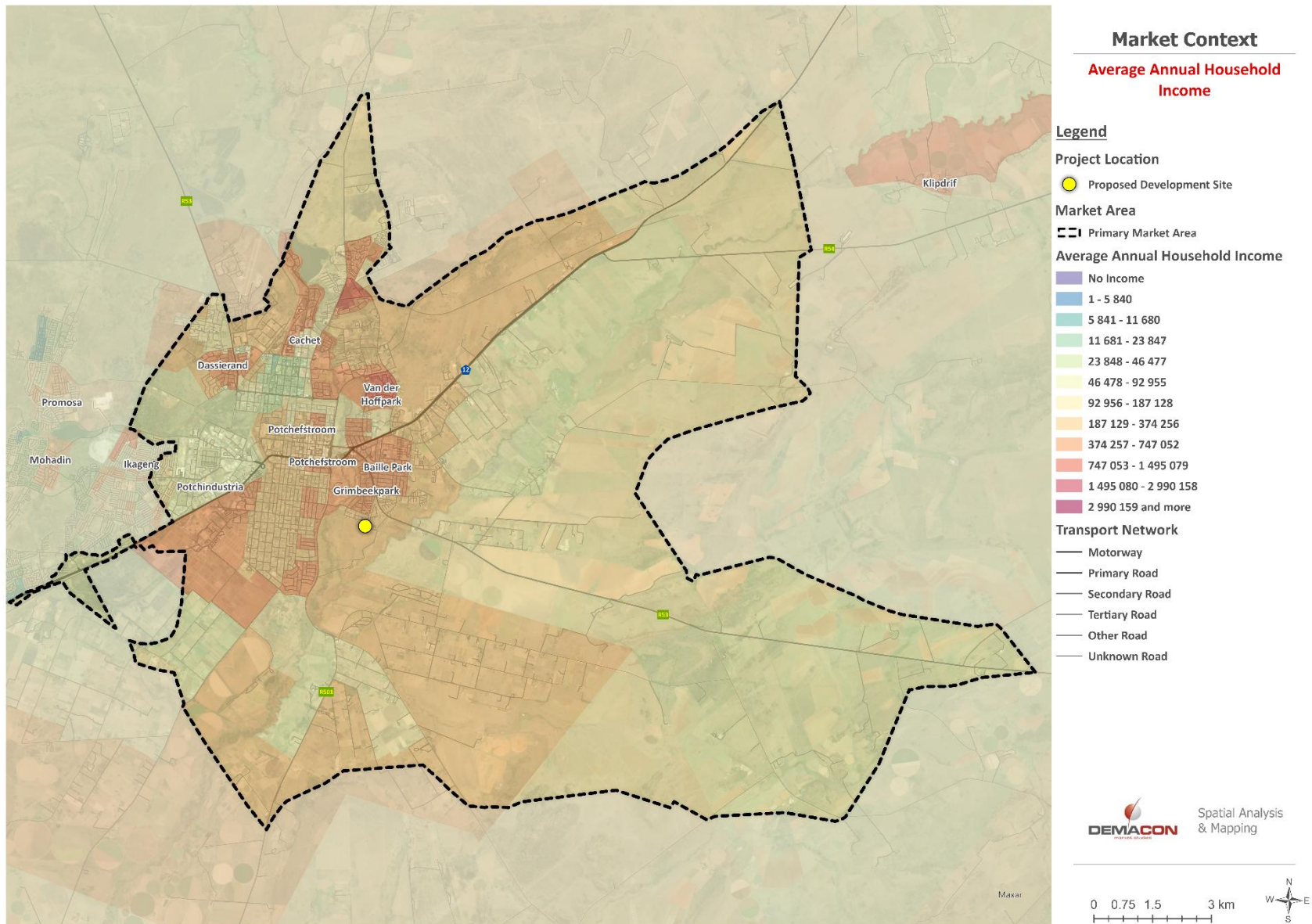
- ✅ Focus on structural items
- ✅ Low reliance on durables
- ✅ No reliance on technology items
- ✅ Short and easy to use

Note: Considering observations pertaining to residential growth and development, as well as aspects such as livestock ownership, shopping centre performance as well as quality and sizes of new homes / residential buildings (fuelled by community income and expenditure), it would appear that in spite of efforts, neither system (i.e. LSM or SEM) fully accounts for the levels of wealth prevalent in Tribal areas and township communities of SA.

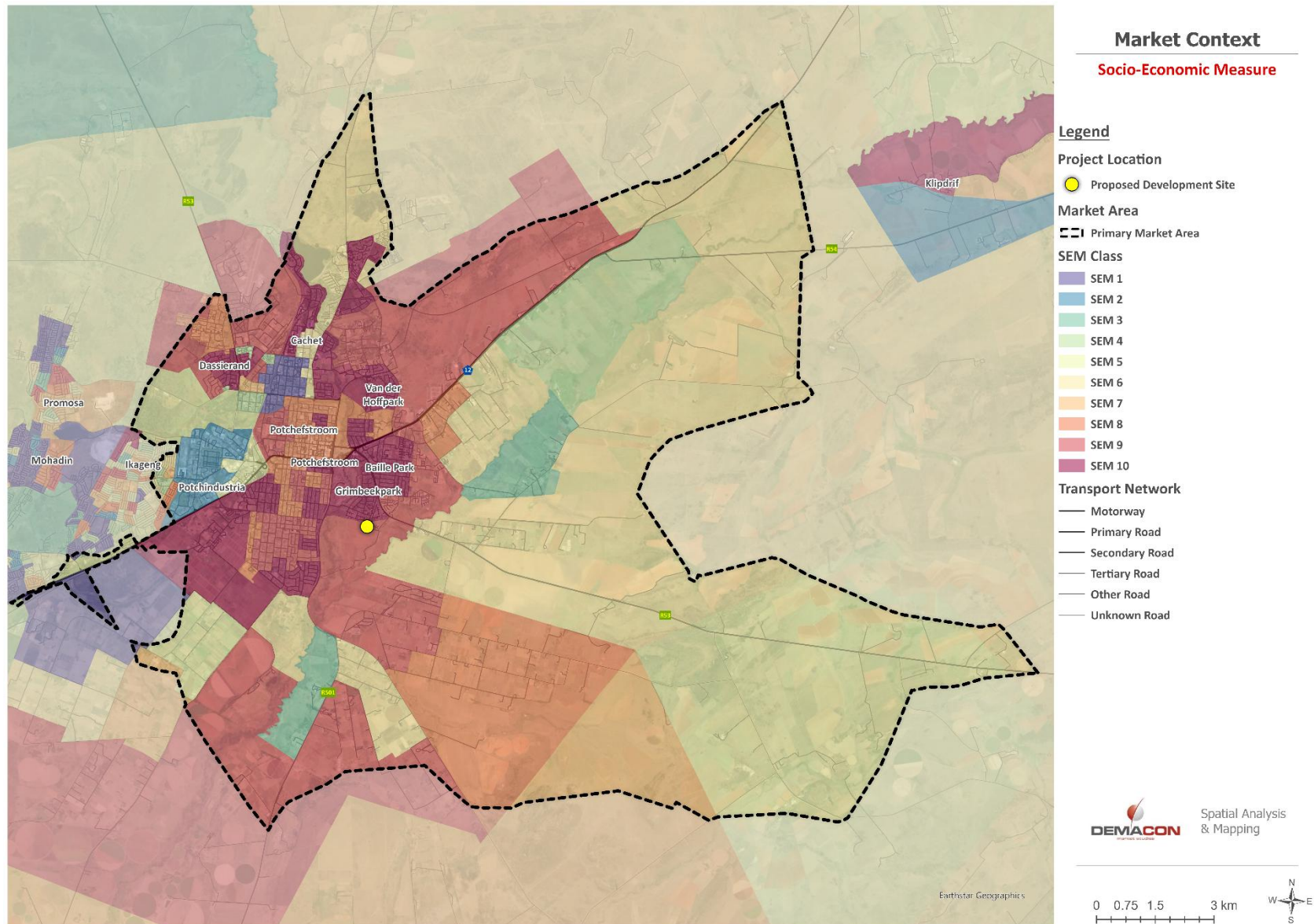
PRIMARY MARKET AREA POPULATION DISTRIBUTION AND GROWTH



PRIMARY MARKET AREA WEIGHTED AVERAGE ANNUAL HOUSEHOLD INCOME



PRIMARY MARKET AREA SEM PROFILE



RESIDENTIAL TRENDS IN THE ENTIRE POTCHEFSTROOM AND GRIMBEEK PARK

		Entire Potchefstroom *	Grimbeek Park
 Total Properties Sold (2024)	No of Properties	2 132	52
	Average Sales Price	R760 000	R1 400 000
 Sold Erven (2024)	No of Properties	959	46
	Average Sales Price	R1 200 000	R1 400 000
 Sectional Scheme Units Sold (2024)	No of Properties	1 003	6
	Average Sales Price	R579 000	R1 450 000
 Average Asking Price per Bed	0 bed (bachelor)	R435 000	-
	1 bed	R499 000	-
	2 beds	R730 000	R965 000
	3 beds	R1 590 000	R1 840 000
	4 beds	R2 150 000	R2 650 000
	5+ beds	R3 115 000	R3 952 500
	Other	R2 495 000	R650 000
 Recent Buyers	Age 18-35	23.6%	42.9%
	Age 36-49	31.4%	32.1%
	Age 50-64	30.3%	17.9%
	Age 65 or older	14.7%	7.1%

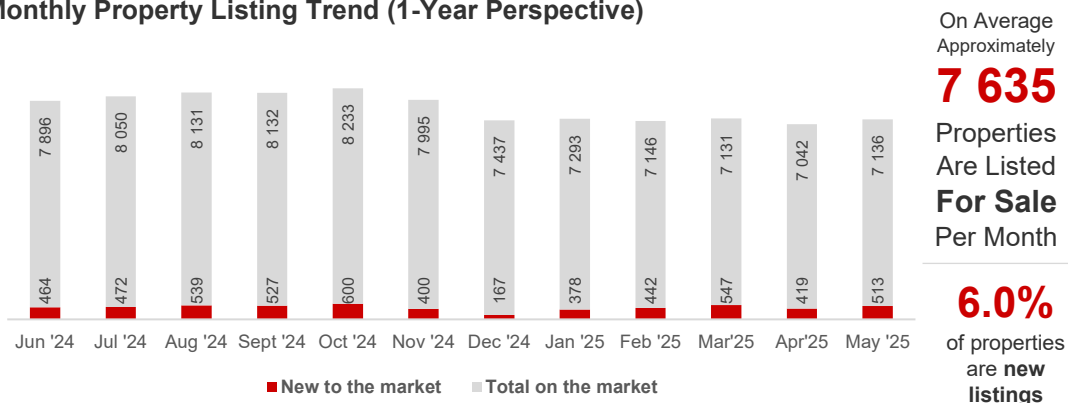
* The Entire Potchefstroom area includes Potchefstroom Rural as well as all suburbs of Potchefstroom, including Grimbeek Park, Bailie Park, Potchefstroom Central, Bult South, Bult North, Vyfhoek, Tuscany Ridge, etc.

Includes all stock – old and new

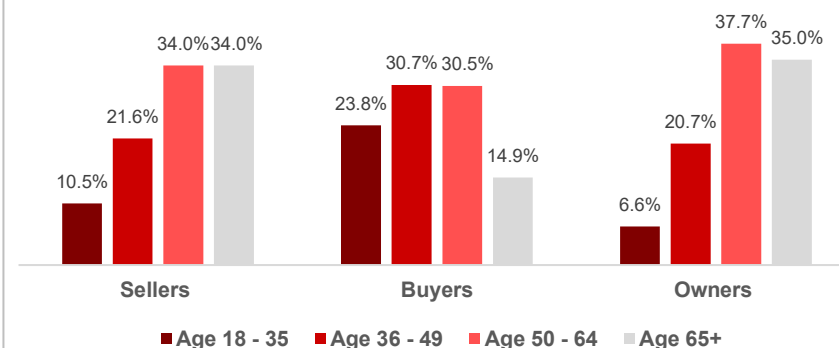
ENTIRE POTCHEFSTROOM RESIDENTIAL MARKET ACTIVITY

The following section provides an overview of property market activity, i.e. property transactions that have taken place in the entire Potchefstroom between 2016 and 2025. The data provides a comparison between average asking and sales prices of properties and seeks to highlight any property pricing growth trends present in Potchefstroom. It is important to note that the data offers comprehensive data across both residential and commercial property segments, including prices, volumes, types and buyer profiles, across various geographic levels, not limited to residential listings only.

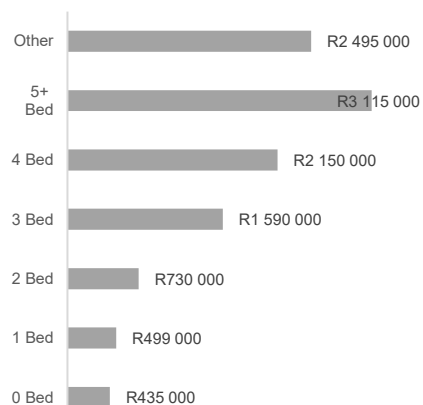
Monthly Property Listing Trend (1-Year Perspective)



Age Profile of Property Owners

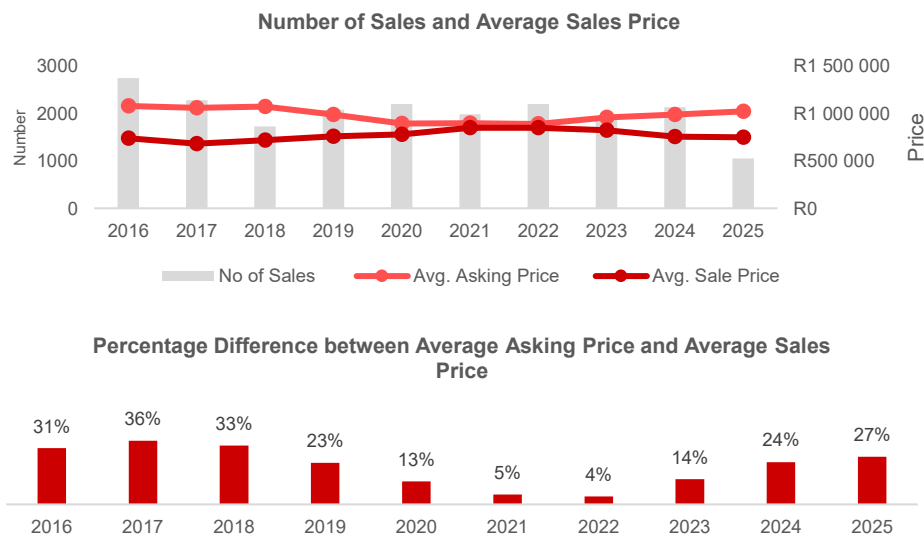


Average Asking Price



Other includes properties without bedrooms, such as Commercial and Vacant Land properties

Property Sales Trend (2016 to 2025) – Sales registered in the Deeds Office



An average of **2 138** properties are sold per year

Average sales price of **R773 556**

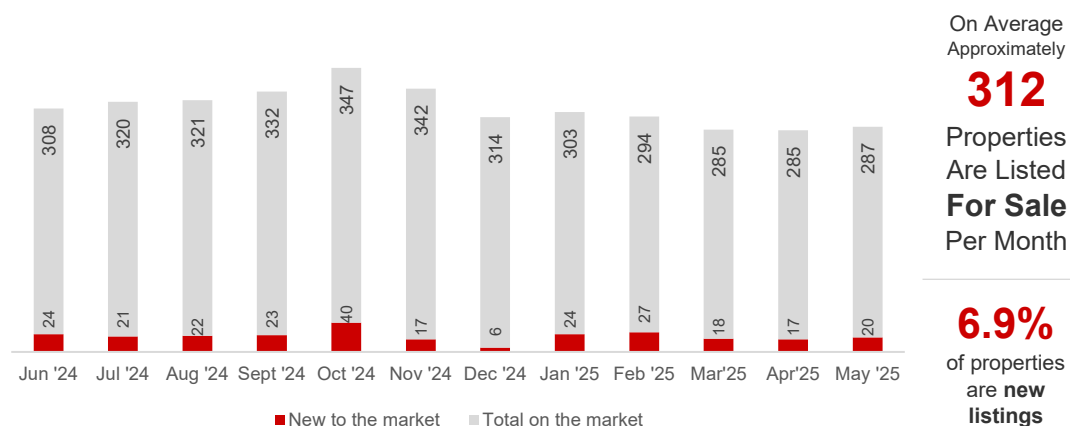
Average asking price was **R982 111**

The average asking price for properties is on average **21% higher** than the average sales price.

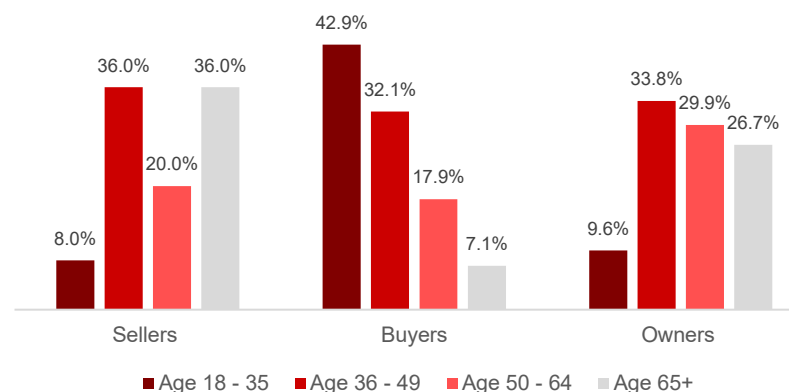
GRIMBEEK PARK RESIDENTIAL MARKET ACTIVITY

The following section provides an overview of property market activity, i.e. property transactions that have taken place in Grimbeek Park (in which the site is located) between 2016 and 2025. The data provides a comparison between average asking and sales prices of properties and seeks to highlight any property pricing growth trends present in Grimbeek Park. It is important to note that the data offers comprehensive data across both residential and commercial property segments, including prices, volumes, types and buyer profiles, across various geographic levels, not limited to residential listings only.

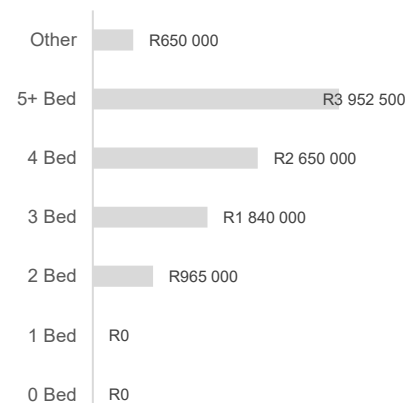
Monthly Property Listing Trend (1-Year Perspective)



Age Profile of Property Owners

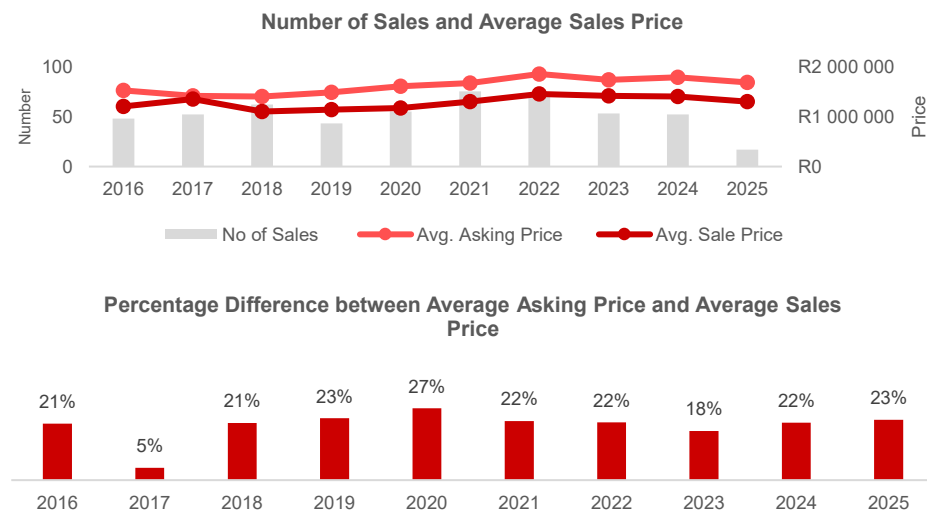


Average Asking Price



Other includes properties without bedrooms, such as Commercial and Vacant Land properties

Property Sales Trend (2016 to 2025) – Sales registered in the Deeds Office



An average of **57** properties were sold per year

Average sales price of **R1.2 million**

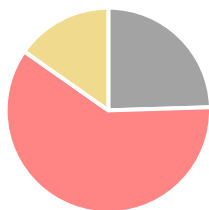
Average asking price was **R1.6 million**

The average asking price for properties is on average **20% higher** than the average sales price.

RESIDENTIAL SALES

The following provides a concise overview of property market activity of in the market area. The following suburbs are included in the analysis:

Baillie Park	Bult North	Bult South	Bult West	Dam	Dassie Rand	De Land Estate	Die Bult
Elandsheuwel AH	Grimbeek Party	Heilige Akker	Helderzicht Eco Estate	Kannoniers Park	Lifestyle Estate	Miederpark	Mooivallei Park
Oewersig	Portchefstroom Central	Potchefstroom Industrial	Potchefstroom North	Potchefstroom South	Turfvei	Tuscany Ridge	Van Der Hoff Park
Vyfhoek	Wasgoedspruit	Waterberry Estate	Wilgeboom AH				



		Average Asking Price	Most Prominent Configuration	Average Property/Unit Size (m ²)
60.2%	Of properties are apartments/flats	R633 759	1 or 2 Beds	55m² (Floor Size)
24.5%	Of properties are free-standing houses	R2 492 445	3 Beds	388m² (Floor Size) 1 727m² (Erf Size)
15.3%	Of properties are townhouses	R1 248 041	2 or 3 Beds	121m² (Floor Size) 316m² (Erf Size)

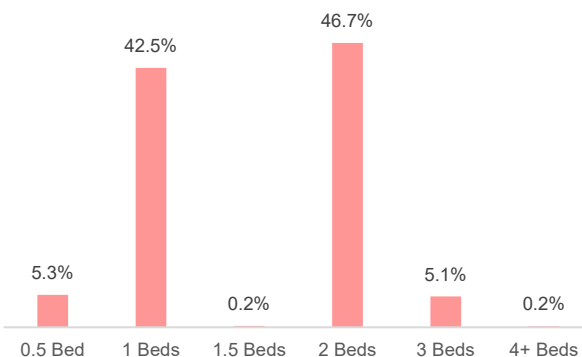
	Minimum Price	Maximum Price	Price Standard Deviation	Average Asking Price	Average Unit Size	Number of Properties	% Distribution
Apartments / Flats							
0.5 Bed	R250 000	R625 000	R100 761	R409 678	29	113	5.3%
1 Beds	R275 000	R1 577 000	R173 688	R515 223	40	907	42.5%
1.5 Beds	R395 000	R1 080 000	R273 643	R600 800	58	5	0.2%
2 Beds	R325 000	R2 270 000	R245 621	R716 938	66	995	46.7%
3 Beds	R345 000	R1 770 000	R244 223	R858 329	116	108	5.1%
4+ Beds	R1 165 000	R2 760 000	R747 143	R2 106 250	166	4	0.2%
Total/Averages	R250 000	R2 760 000	R387 801	R633 759	55	2132	100%
Houses							
1 Beds	R675 000	R1 060 000	R272 236	R867 500	54	2	0.2%
2 Beds	R575 000	R4 980 000	R700 749	R1 393 741	142	58	6.7%
3 Beds	R600 000	R6 800 000	R891 878	R2 043 866	264	392	45.1%
4 Beds	R870 000	R12 750 000	R1 517 059	R2 570 263	476	234	26.9%
5 Beds	R1 195 000	R11 900 000	R2 041 182	R3 397 686	538	86	9.9%
6+ Beds	R1 130 000	R12 850 000	R2 373 133	R4 005 412	831	97	11.2%
Total/Averages	R575 000	R12 850 000	R1 593 790	R2 492 445	388	869	100%

GRIMBEEK PARK RESIDENTIAL MARKET STUDY - June 2025

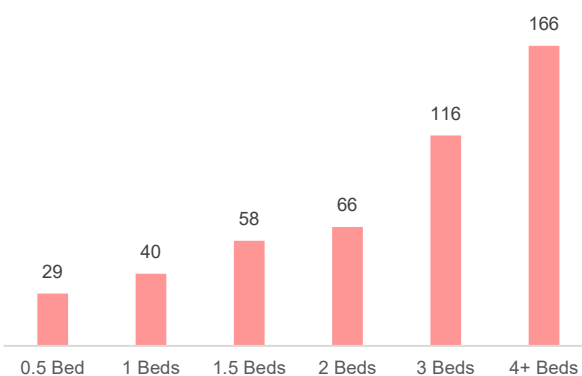
	Minimum Price	Maximum Price	Price Standard Deviation	Average Asking Price	Average Unit Size	Number of Properties	% Distribution
Townhouses							
1 Beds	R350 000	R1 300 000	R277 961	R694 750	48	12	2.2%
2 Beds	R495 000	R2 750 000	R395 351	R1 028 189	99	272	50.3%
3 Beds	R557 000	R3 250 000	R639 131	R1 473 281	154	249	46.0%
4+ Beds	R1 845 000	R5 200 000	R1 114 014	R2 542 375	233	8	1.5%
Total/Averages	R350 000	R5 200 000	R602 550	R1 248 041	121	541	100%

Apartments / Flats

Distribution of Beds

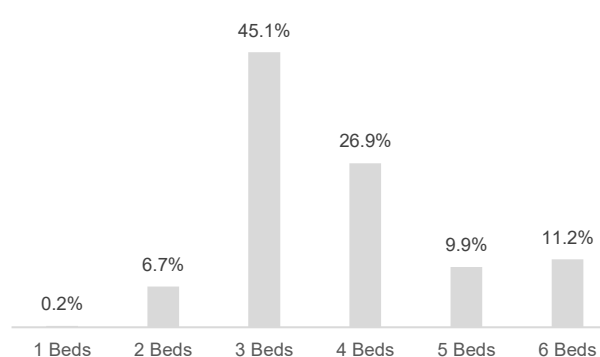


Average Unit Size (sqm)

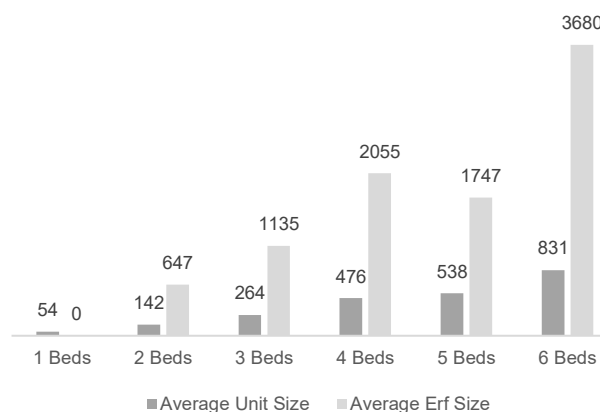


Houses

Distribution of Beds



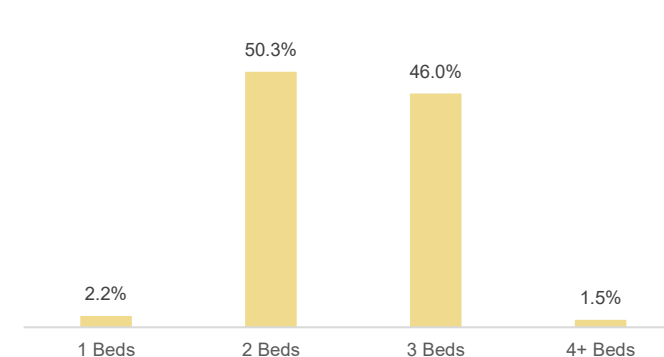
Average Size (sqm)



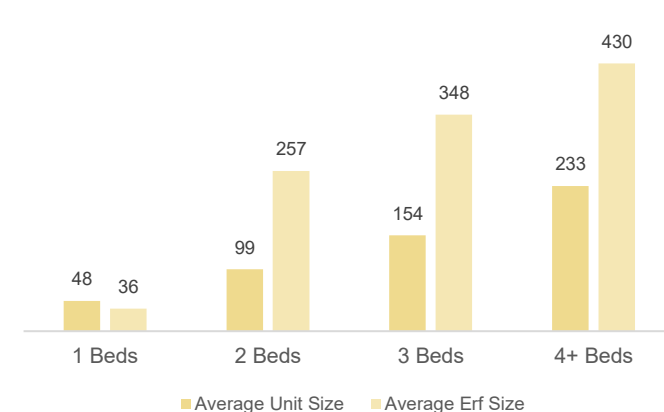
■ Average Unit Size ■ Average Erf Size

Townhouses

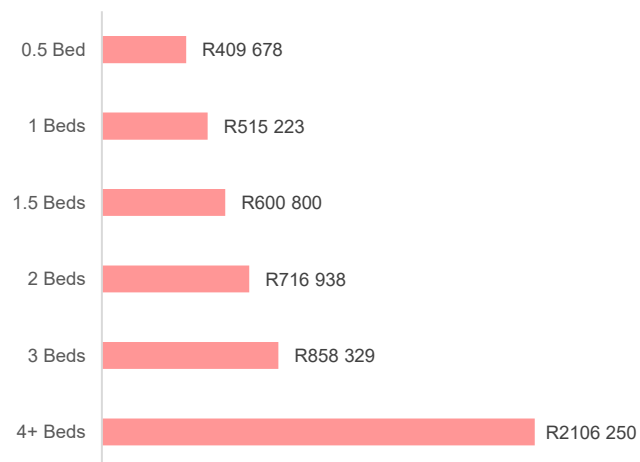
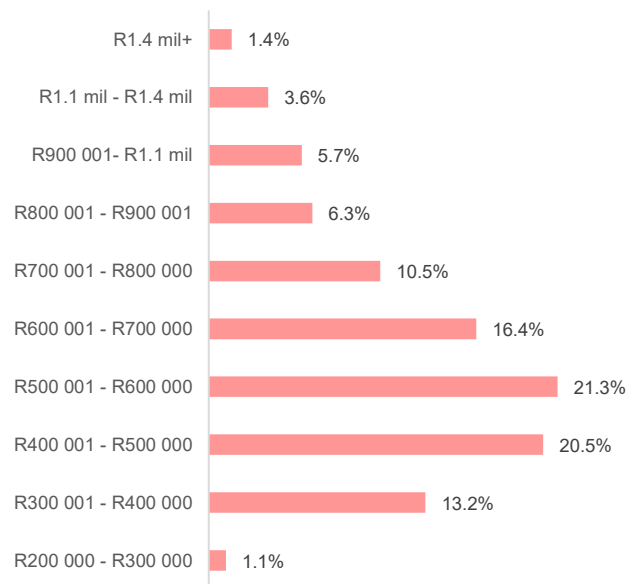
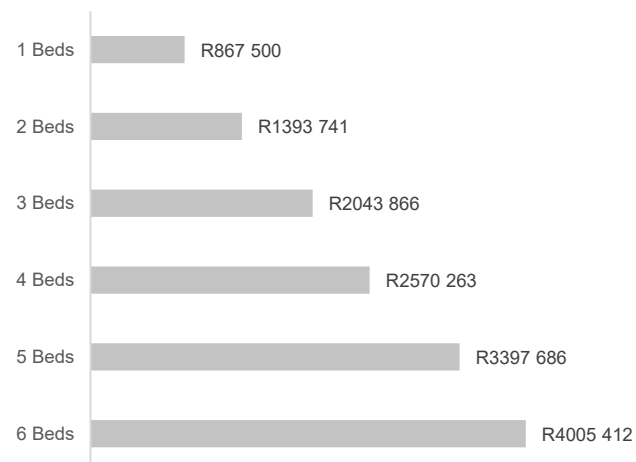
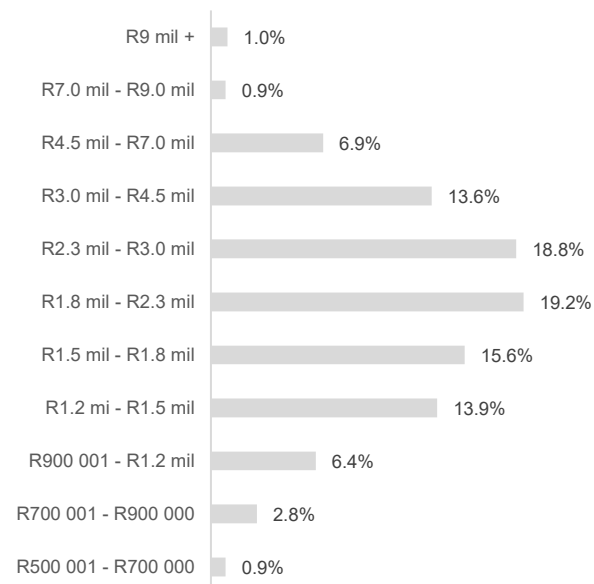
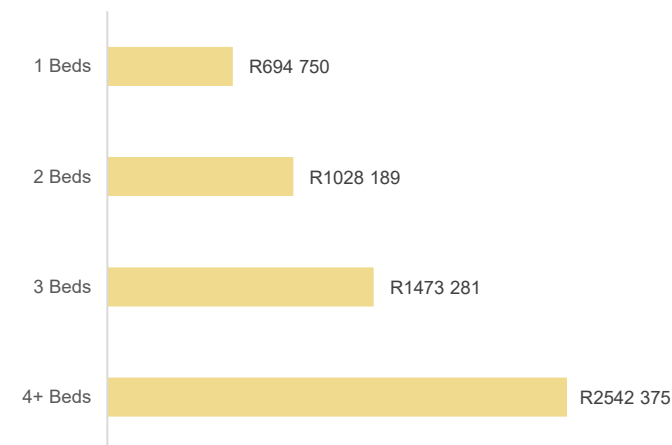
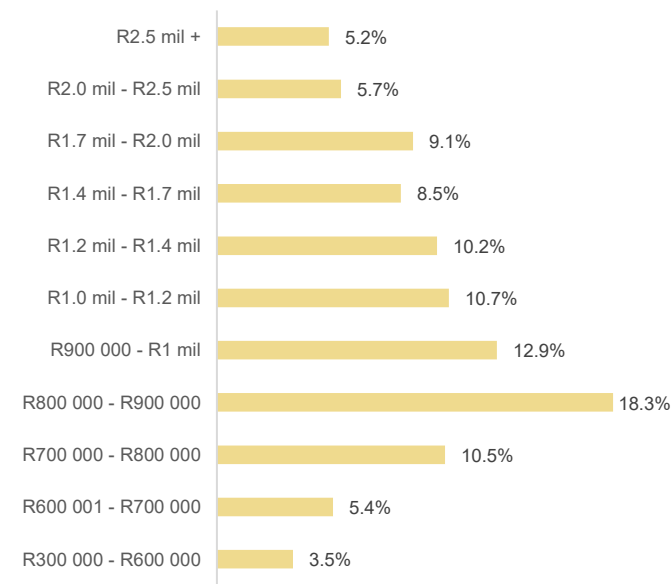
Distribution of Beds



Average Size (sqm)

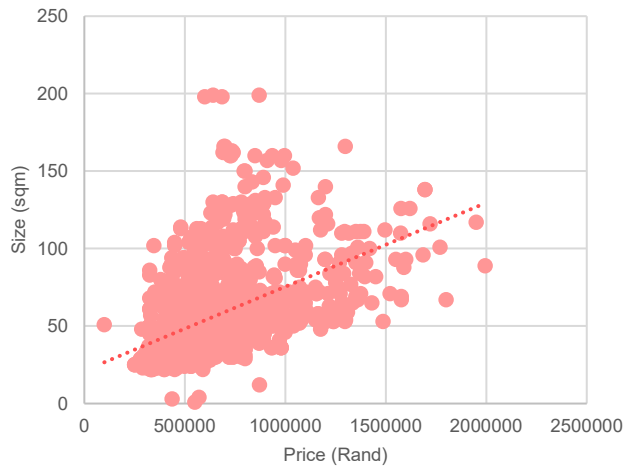


■ Average Unit Size ■ Average Erf Size

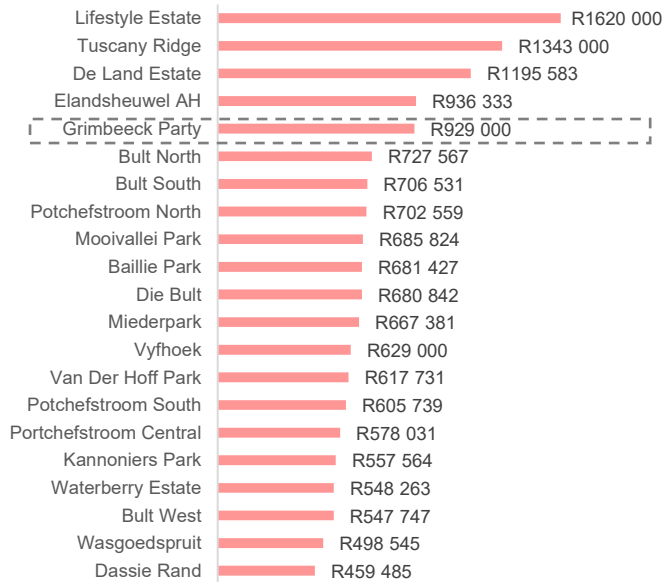
Apartments / Flats**Average Asking Price****Price Range Distribution****Houses****Average Asking Price****Price Range Distribution****Townhouses****Average Asking Price****Price Range Distribution**

Apartments / Flats

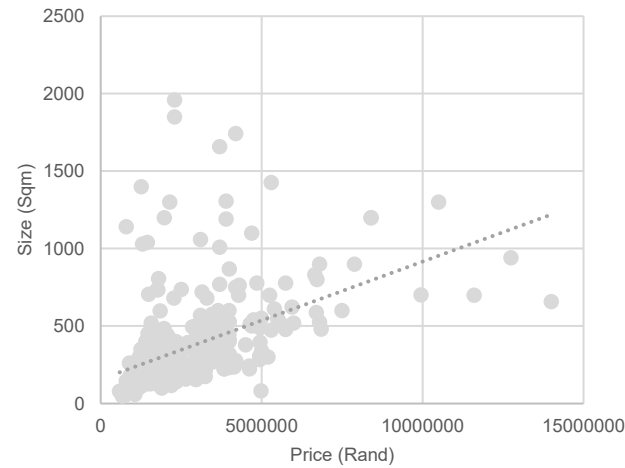
Price vs Floor size



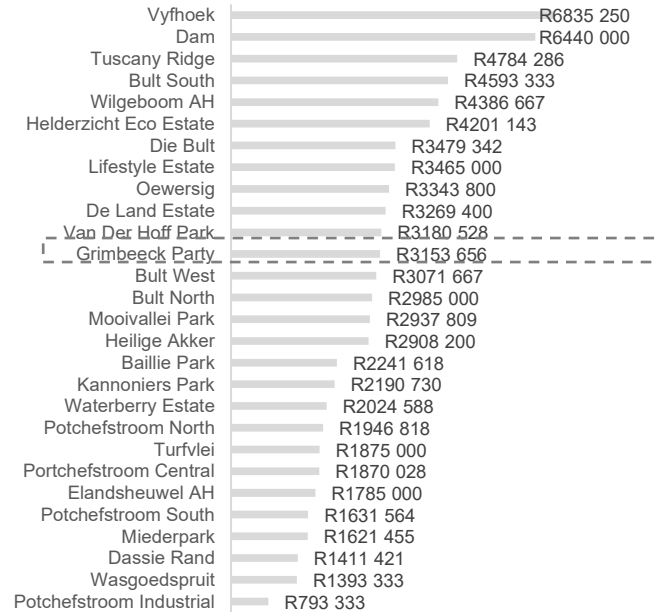
Average Price per Suburb

**Houses**

Price vs Floor size



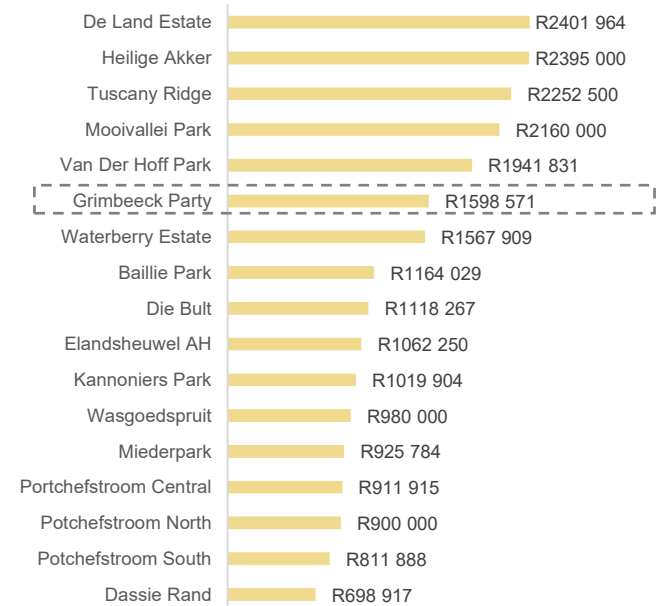
Average Price per Suburb

**Townhouses**

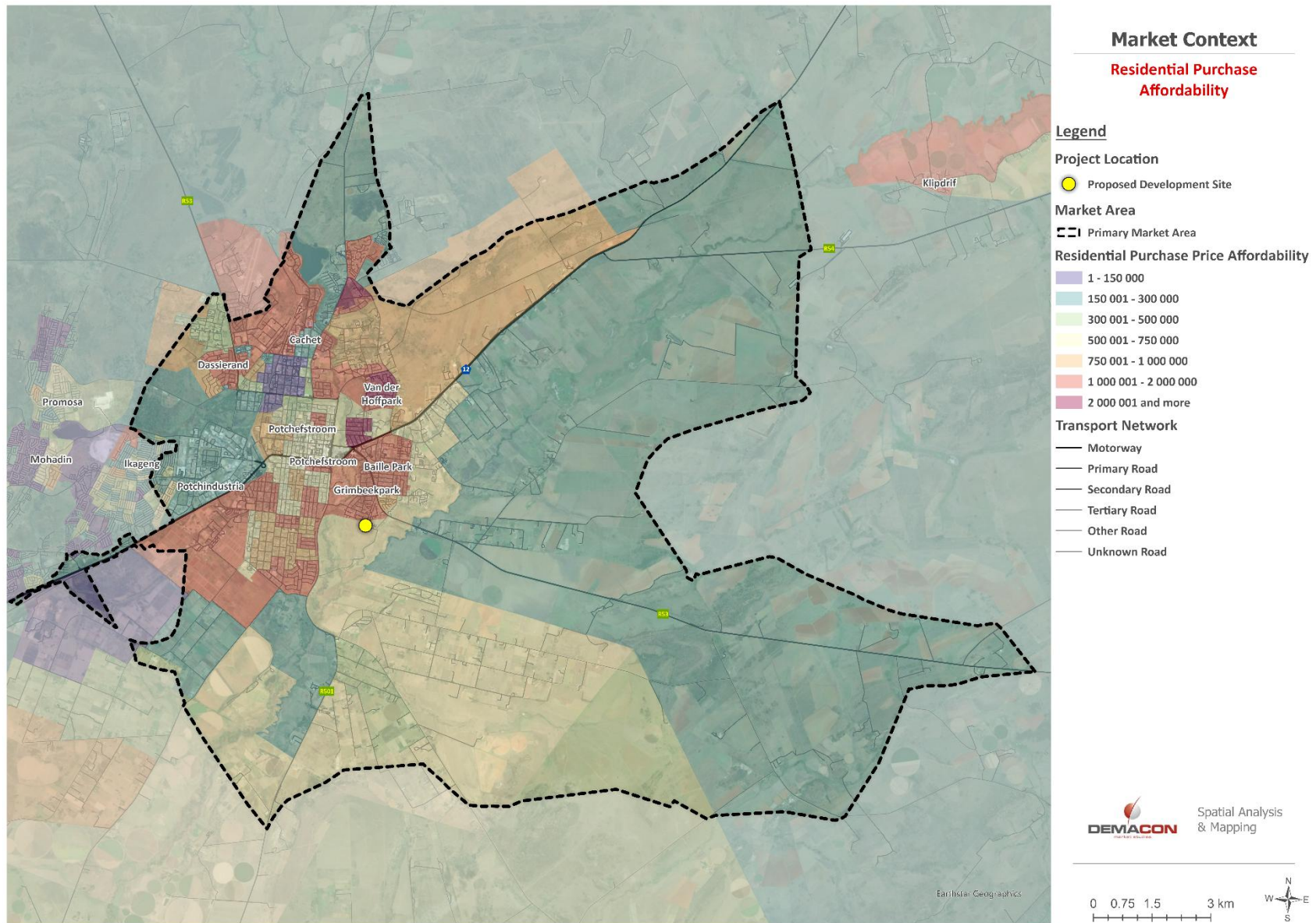
Price vs Floor size



Average Price per Suburb

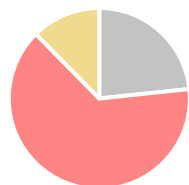


HOUSING AFFORDABILITY – SALES PRICES



RESIDENTIAL MONTHLY RENTALS

The following provides a concise overview of property market activity in the market area.

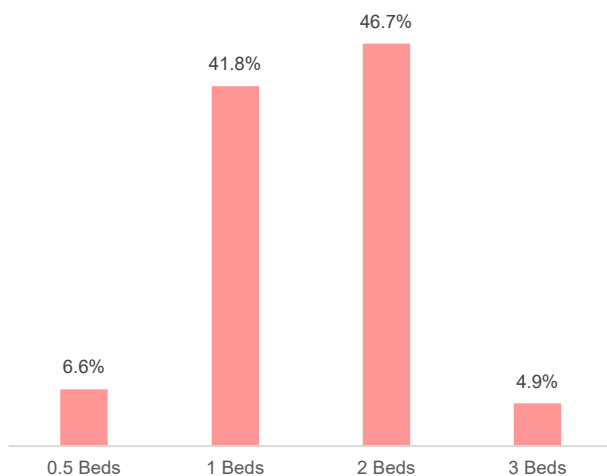


		Average Monthly Rental Price	Most Prominent Configuration	Average Property/Unit Size (m ²)
64.3%	Of properties are apartments/flats	R5 904	1 or 2 Beds	54m² (Floor Size)
23.3%	Of properties are free-standing houses	R11 053	3 Beds	298m² (Floor Size) 805m² (Erf Size)
12.4%	Of properties are townhouses	R11 014	2 or 3 Beds	131m² (Floor Size) 323m² (Erf Size)

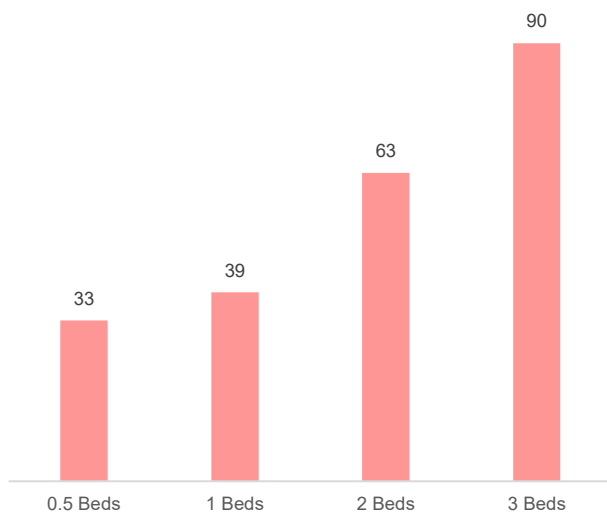
	Minimum Price	Maximum Price	Price Standard Deviation	Average Monthly Rental Price	Average Unit Size	Number of Properties	% Distribution
Apartments / Flats							
0.5 Beds	R3 300	R4 300	R352	R3 829	33	12	6.6%
1 Beds	R1 500	R8 980	R1 599	R5 008	39	76	41.8%
2 Beds	R2 650	R11 850	R1 685	R6 741	63	85	46.7%
3 Beds	R4 550	R13 200	R3 453	R8 398	90	9	4.9%
Total/Averages	R1 500	R13 200	R2 044	R5 904	54	182	100%
Houses							
1 Beds	R2 980	R5 250	R697	R4 158	-	18	26.9%
2 Beds	R6 780	R13 970	R2 848	R10 871	-	7	10.4%
3 Beds	R3 600	R34 500	R6 896	R14 786	330	33	49.3%
4 Beds	R4 400	R20 000	R4 868	R11 634	-	9	13.4%
Total/Averages	R2 980	R34 500	R6 798	R11 053	298	67	100%
Townhouses							
1 Beds	R4 000	R7 500	R1 774	R5 583	58	3	8.6%
2 Beds	R5 700	R14 310	R2 852	R9 870	124	17	48.6%
3 Beds	R3 800	R21 000	R4 503	R13 397	231	15	42.9%
Total/Averages	R3 800	R21 000	R4 257	R11 014	131	35	100%

Apartments / Flats

Distribution by Number of Bedrooms

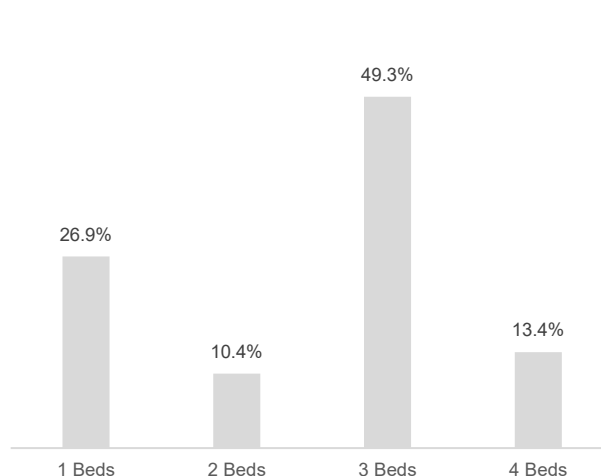


Average Unit Size (sqm)

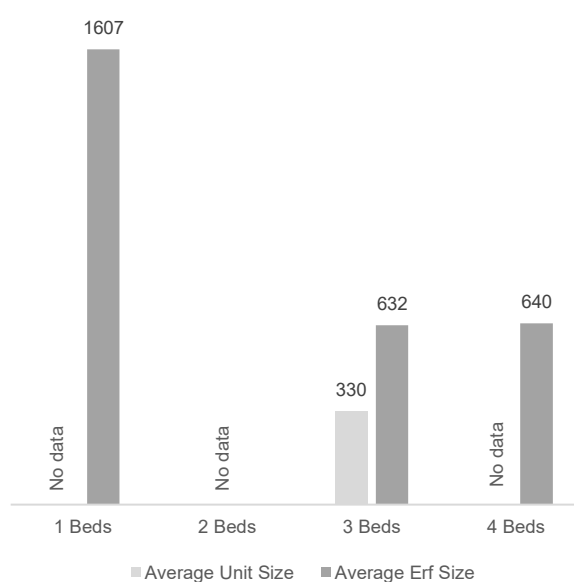


Houses

Distribution by Number of Bedrooms



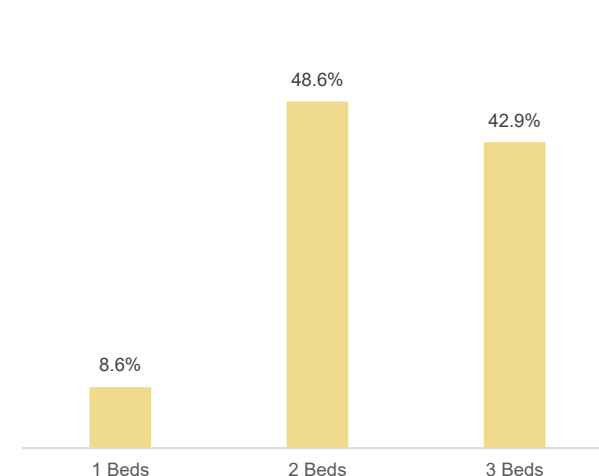
Average Size (sqm)



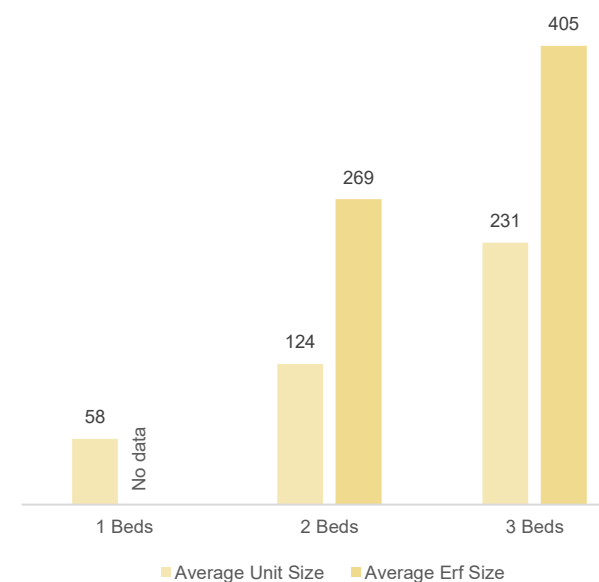
■ Average Unit Size ■ Average Erf Size

Townhouses

Distribution by Number of Bedrooms



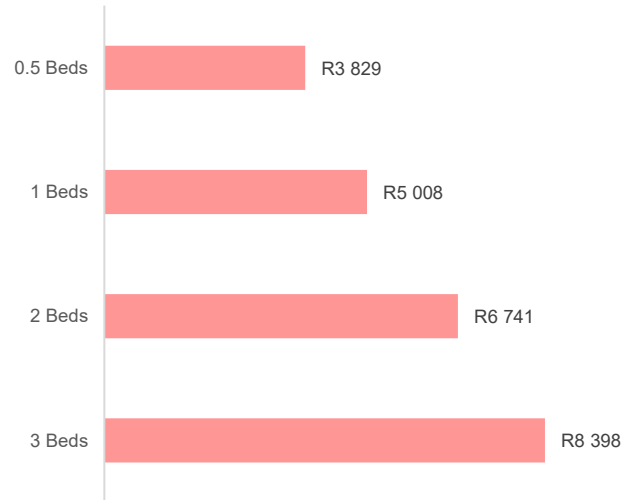
Average Size (sqm)



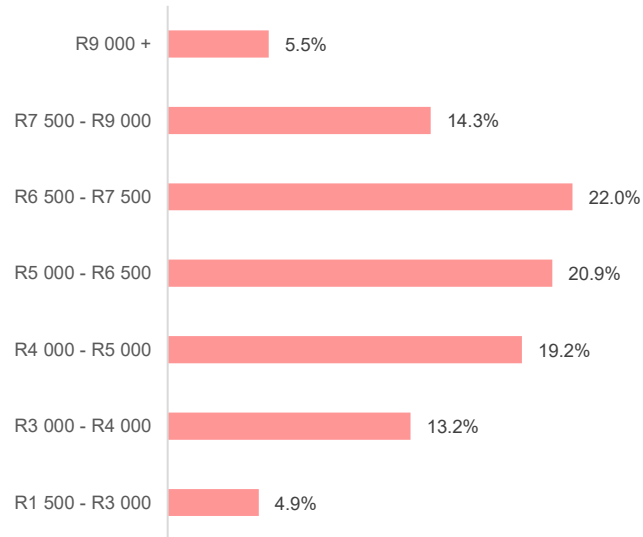
■ Average Unit Size ■ Average Erf Size

Apartments / Flats

Average Monthly Rental Price

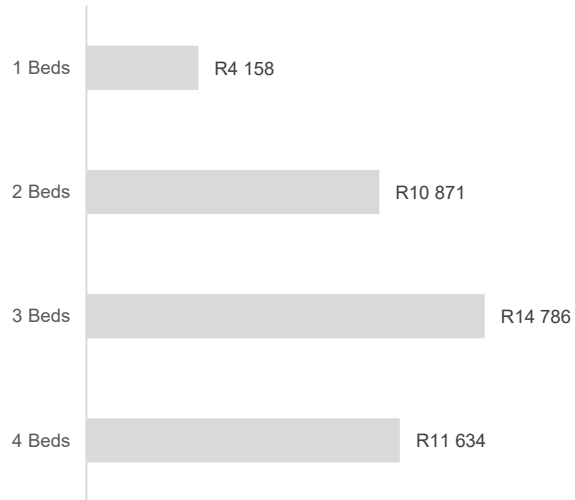


Monthly Rental Range Distribution

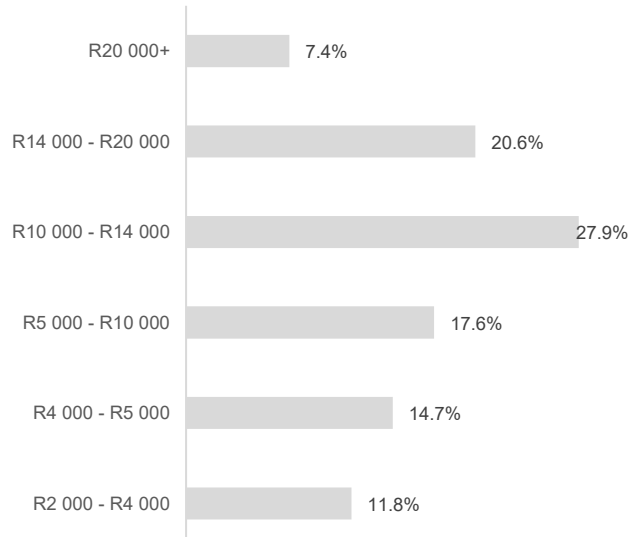


Houses

Average Monthly Rental Price

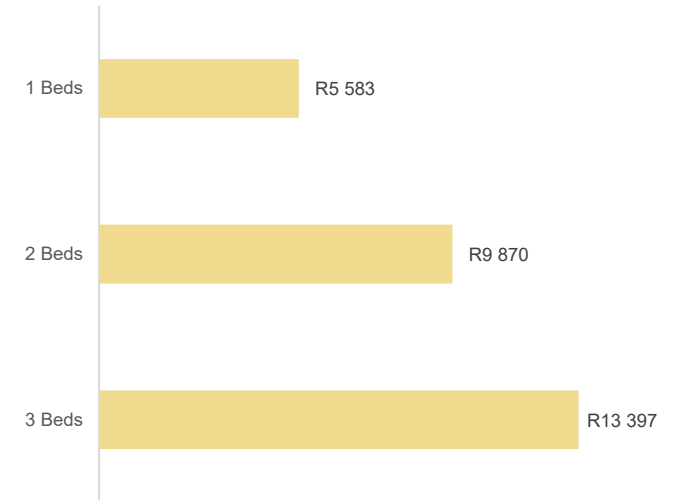


Monthly Rental Range Distribution

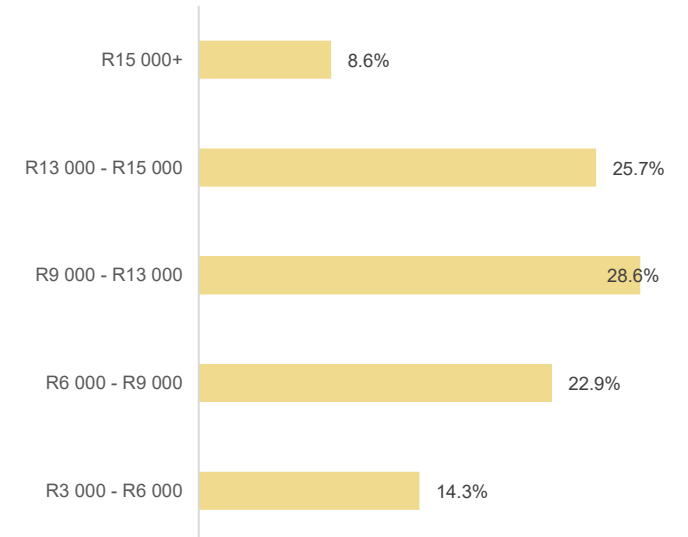


Townhouses

Average Monthly Rental Price

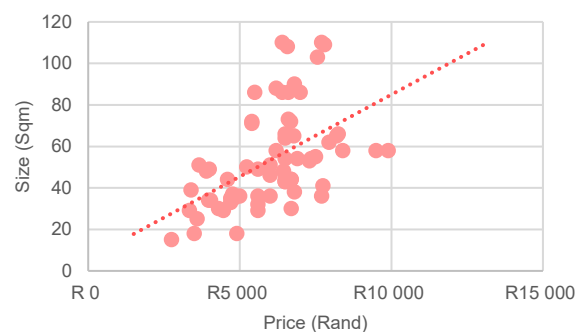


Monthly Rental Range Distribution

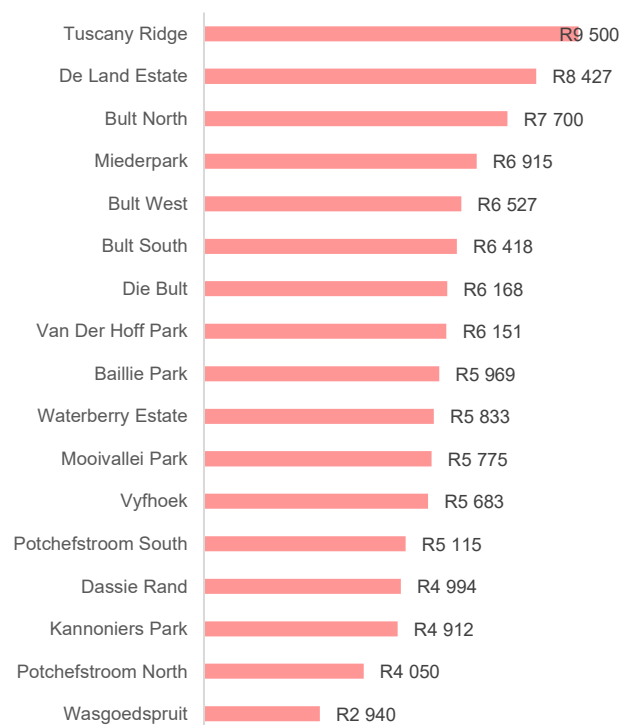


Apartments / Flats

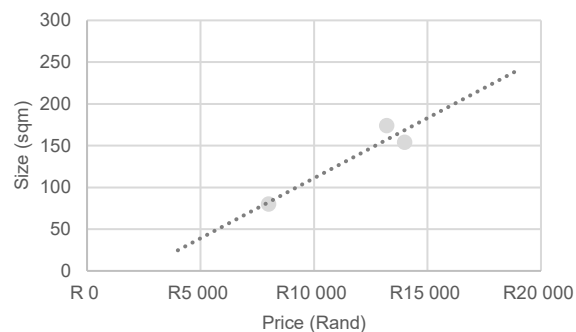
Monthly Rental Price vs Floor Size



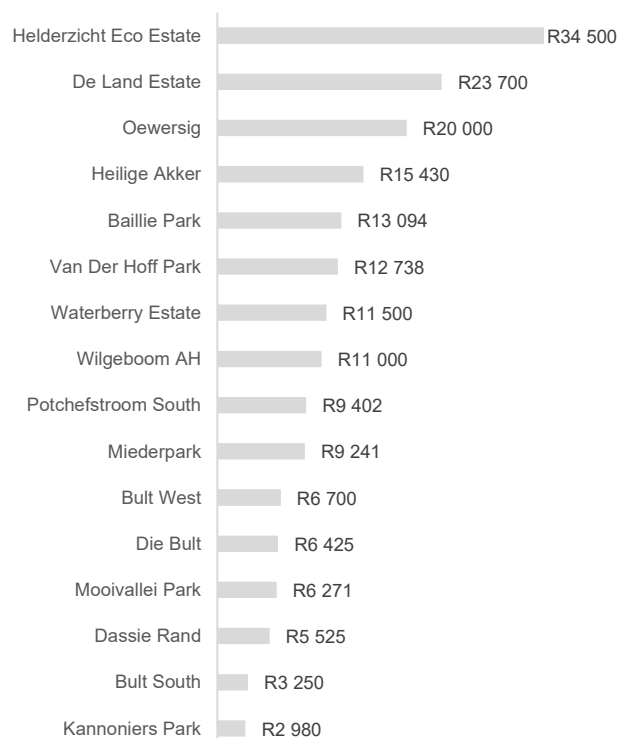
Average Monthly Rental Price per Suburb

**Houses**

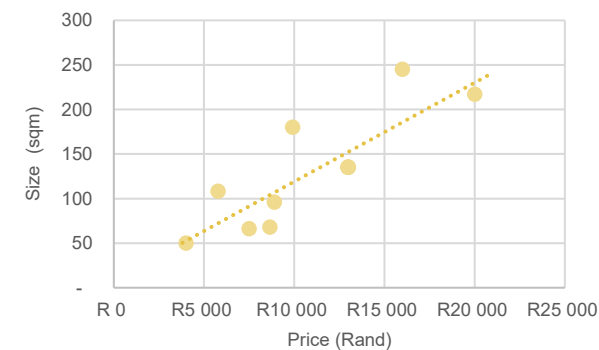
Monthly Rental Price vs Floor Size



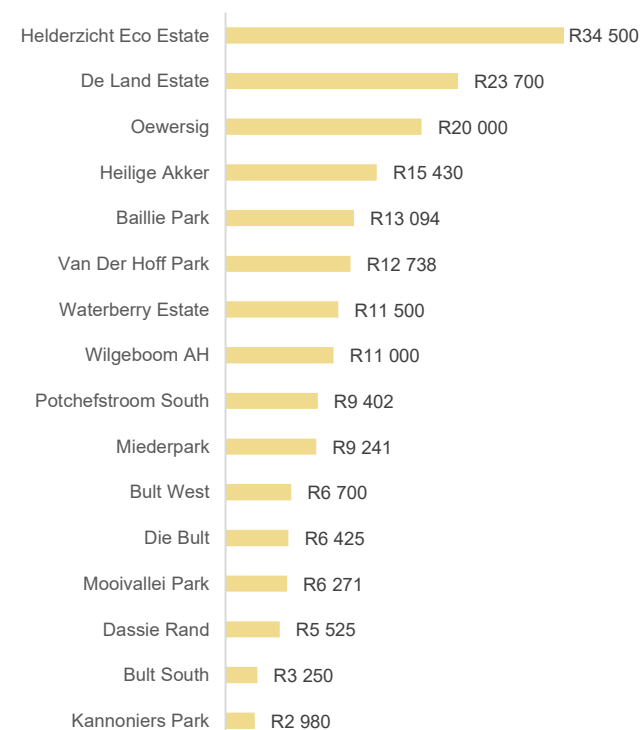
Average Monthly Rental Price per Suburb

**Townhouses**

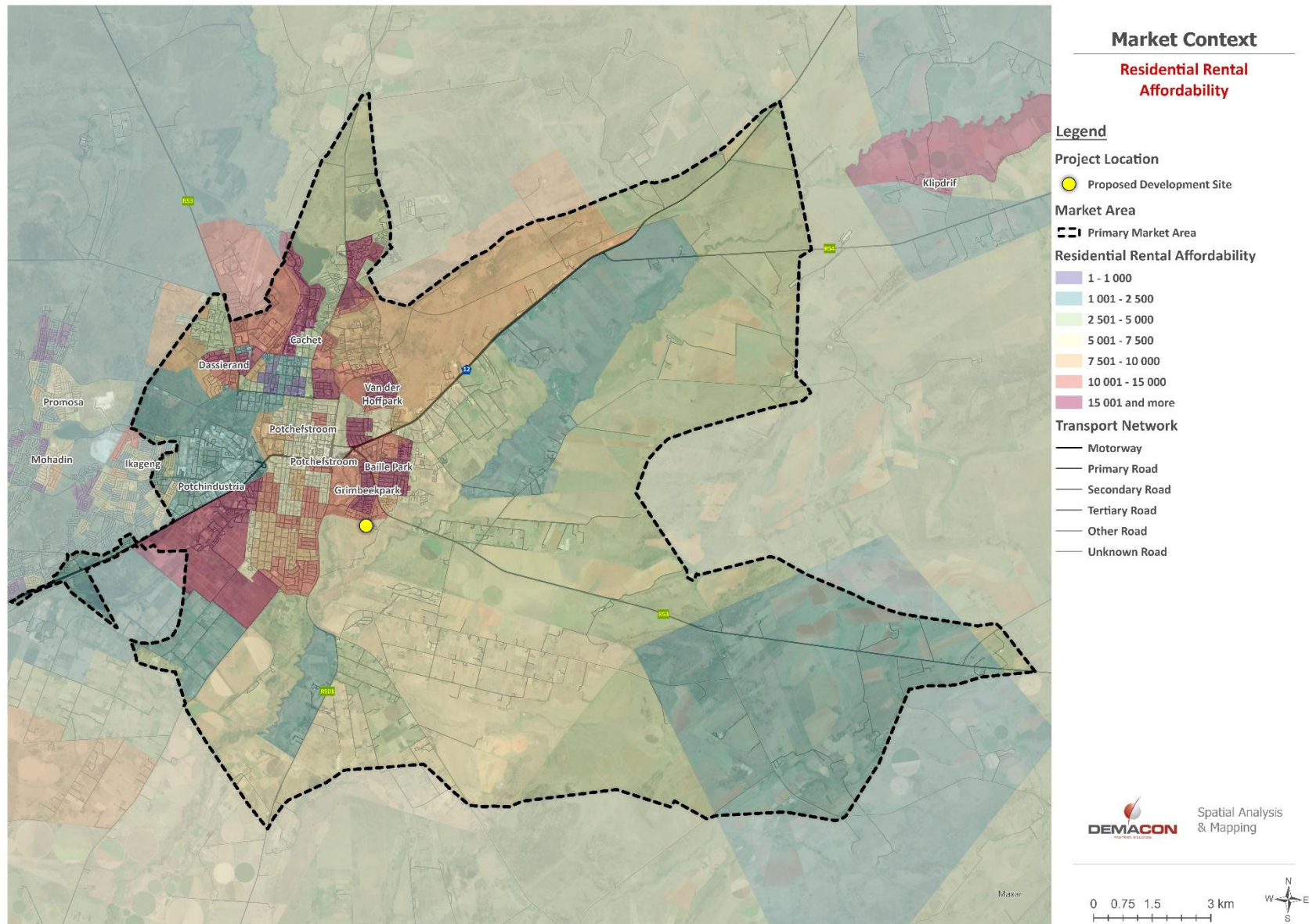
Monthly Rental Price vs Floor Size



Average Monthly Rental Price per Suburb



HOUSING AFFORDABILITY – MONTHLY RENTAL PRICE



RESIDENTIAL DEMAND MODELLING

FLISP & BONDED HOUSING DEMAND

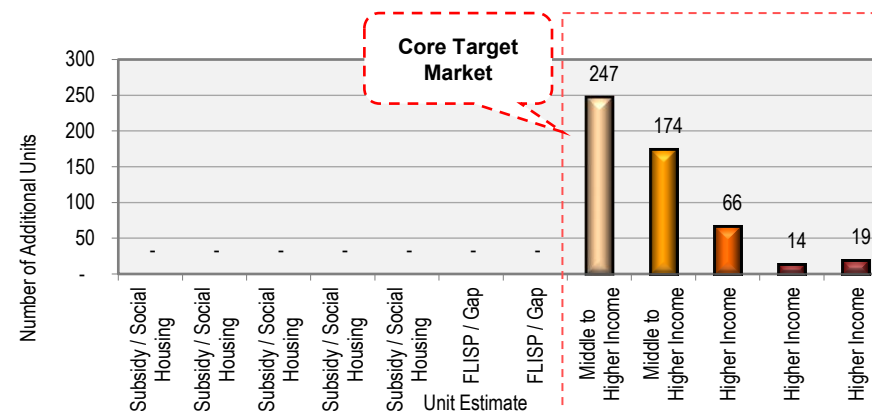
TOTAL MARKET

	Additional Households: Base Year +5 Years	6 458
	Annualised Market Growth (Full Housing Spectrum)	1 292
	FLISP & Bonded Housing Market Segment	51.8%
	FLISP & Bonded Housing Demand per Annum	669
	Annual Secondary Market Contribution (Units / Annum)	Min 95 Max 189
	Total Annual FLISP & Bonded Housing Market Take-Up	Min 763 Max 858

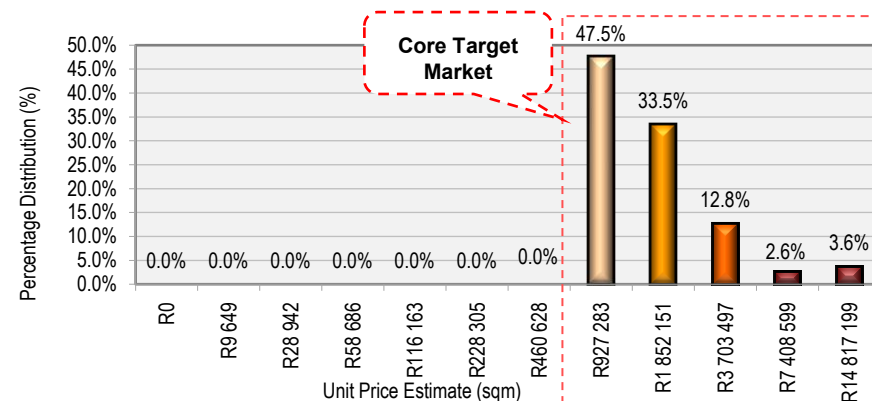
PROJECT SPECIFIC – FLISP & BONDED HOUSING UNITS

	Project FLISP & Bonded Units	520
	Forecast Market Share of Total Market Sales	Min 10% Max 15%
	Project Forecast Total Annual Take-Up Rate (Units / Annum)	Min 76 Max 129 Avg 4.0
	Years to 80% Take-Up (FLISP & Bonded Housing Units)	Max 6.8 Avg 5.4
	Optimum Point of Market Entry (OPME)	2026+

Project Optimum Unit Typology (Units)



Unit Price Estimate (Median Portfolio Values)

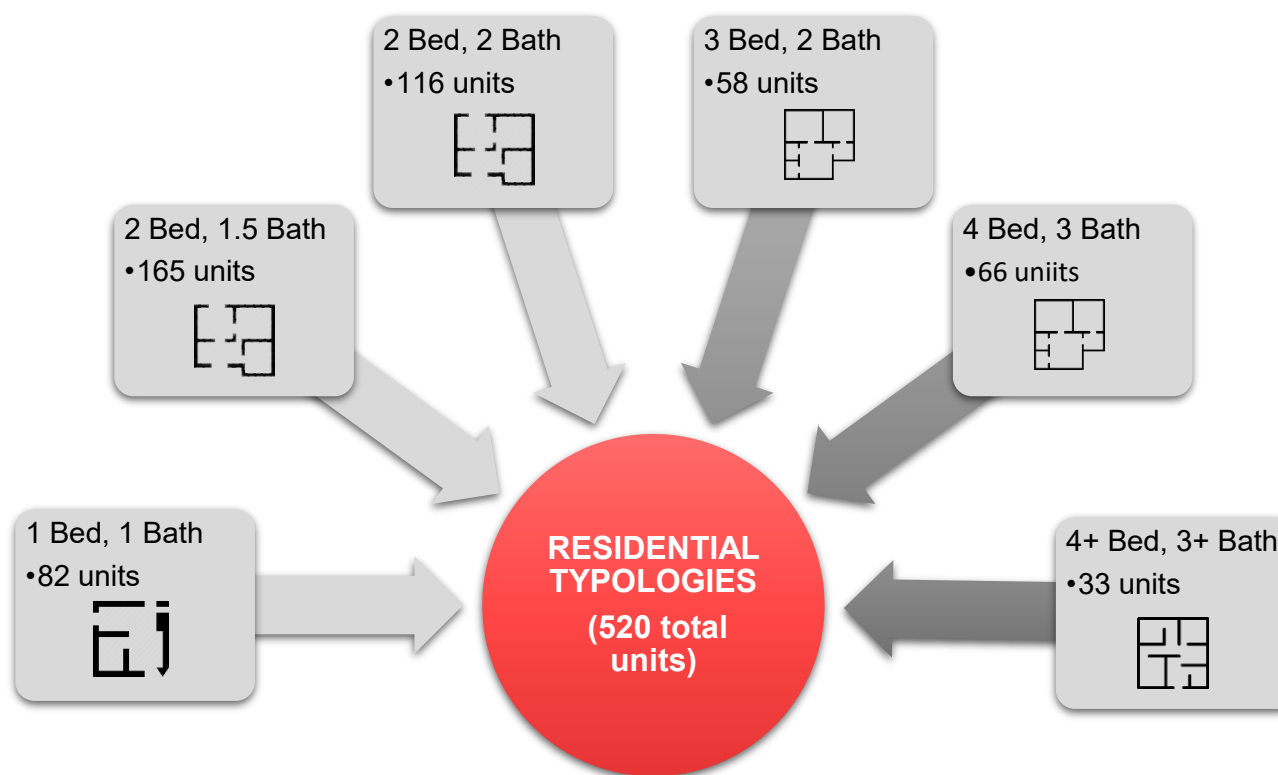


Findings:

- The table above shows two sections, 1) total market and 2) project specific. Between 2025 and 2030 an estimated **6 458 new households** will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately **1 292 units** (across the full housing spectrum, including informal and subsidy).
- Under present market conditions, the finance-linked and bonded segment (51.8%) will yield a take-up rate of 763 to 585 new units per annum for the market area.
- If 520 new bonded units were to be developed (as per the development proposal), it would be taken-up within approximately 4.0 to 6.8 years (average 5.4 years) at a rate of approximately 76 – 129 units per annum.
- It is recommended that approximately 10% of the bonded residential units be retained as rental stock, in order to cater to the middle- to high-income renters' market segment while also providing a stable and ongoing income stream from the development.
- Considering the preceding, 250 units could be developed as part of the first phase of the development.

OPTIMUM DISTRIBUTION RANGE CONFIGURATION

Given the current supply-side market profile, the following would be the ideal configurations for the proposed development.



Optimum Distribution Range Configuration (based on market demand profile)

Type	% Split		Number of Units	Sale Price	Rental Units	Rental Range	Size (m ²)	R/m ²
1 bedroom, 1 bathroom	47.5%	15.8%	82	R910 000 - R1.3 million	17	R5 500 - R7 500	60 - 80	R15 166 – R16 250
2 bedrooms, 1.5 bathroom		31.7%	165	R1.3 million - R1.85 million	33	R7 500 - R12 000	85 - 110	R15 294 – R16 818
2 bedrooms, 2 bathrooms	33.5%	22.3%	116	R1.9 million - R2.7 million	23	R12 000 - R15 000	110 - 130	R17 272 – R20 769
3 bedrooms, 2 bathrooms		11.2%	58	R2.8 million - R3.7 million	12	R15 000 - R20 000	130 - 150	R21 538 – R24 666
4 bedrooms, 3 bathrooms	12.8%	12.8%	66	R3.8 million - R5.5 million	13	R20 000 - R30 000	160 - 300	R23 750 – R18 333
4+ bedrooms, 3+ bathroom	6.3%	6.3%	33	R5.5 million+	7	R30 000+	300+	R18 333
Total		100.0%	520		105			

GRIMBEEK PARK LAND USE RECOMODATIONS

The following diagram indicates the land required for each land use over the medium term. This includes a configuration of freestanding erven & homes; and stack simplex and duplex units

Table:Grimbreek Park Forecast Space Demand

Land Use	Location Assessment	Proposed Size	Total Demand (ha)	Net demand (ha) (Including roads and surplus buffer)	Composition	Market Gap	OPME
 Residential – Bonded (Bonded erven)	78.6%	173 units	10.8	13.7	71.4%	Moderate to High	2026+
 Residential – Bonded (FLISP & Medium Density)		347 units	4.3	5.5	28.6%		
Total		520		19.2 ha	100%		

The Grimbreek Park forecast estimates a total residential land demand of ±19.2 hectares over the medium term, accommodating 520 units. Of this, 71.4% is allocated to bonded erven housing (173 units) and 28.6% to FLISP and medium-density housing (347 units). The area is highly suitable for bonded housing, with moderate to high market demand.

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INTRODUCTION AND BACKGROUND



1

1 INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

Chapter One of the report provides an introduction and concise roadmap of the requested Grimbeek Park Residential Market Study. To understand the scope, objectives and outline of this document, Chapter 1 seeks to introduce the project brief and its intended outcomes and the outline of the remainder of the document.

1.2 PROJECT BRIEF AND APPROACH

DEMACON Market Studies have been appointed by **Vhuluvhi Group** to perform market research to assess the development and growth potential pertaining to the proposed residential development, located in Grimbeek Park in the JB Marks Local Municipality within the Dr Kenneth Kaunda District Municipality – North West Province.

In the context of the above, a residential market study is therefore required to assess the viability and optimum composition of a potential residential development concept in terms of, *inter alia*:

- Demographic status quo and trends of the anticipated **target market**, including point of origin, affordability levels, etc.
- Local and sub-regional economic status quo and trends, including **main economic drivers and trends** in the region
- **Location analysis and property description**, including proximity to amenities
- **SDF / Urban Design Framework Alignment**
- Catalytic effect of **new and or comparable projects** in the market
- **Market activity and growth**, including residential activity, sales and pricing analysis, etc.
- **Main competitors / supply** in the market, i.e. comparable projects aimed at similar target market (existing and proposed)
- Forecast **take-up** rates
- **Extrapolated market profile**, i.e., future resident population
- Corresponding **product offer and type**
- **Timing / phased implementation** and optimum point of market entry
- **Residential demand thresholds and target markets**
- **Market potential assessment** (including 5- and 10-year growth forecast)

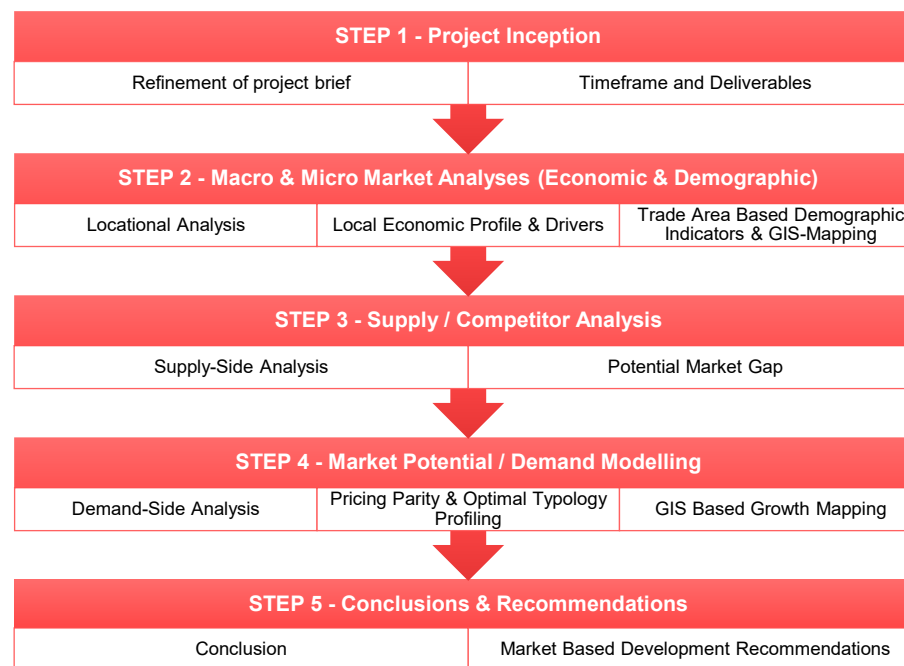
- **Recommendations**, including **optimum project mix** and detailed recommendations pertaining to **project marketability**, including:
 - project composition (optimum ratio of various unit typologies)
 - unit pricing / rental profiles
 - unit sizes, etc.

DEMACON's approach is purely market-based and we will apply our extensive involvement as well as recent research and market intelligence on the subject matter to complement the market study.

1.3 RESEARCH METHODOLOGY

Considering the key components of a residential market study, a research methodology is employed to guide the overall market analysis of the proposed development.

Diagram 1.1: Research Methodology

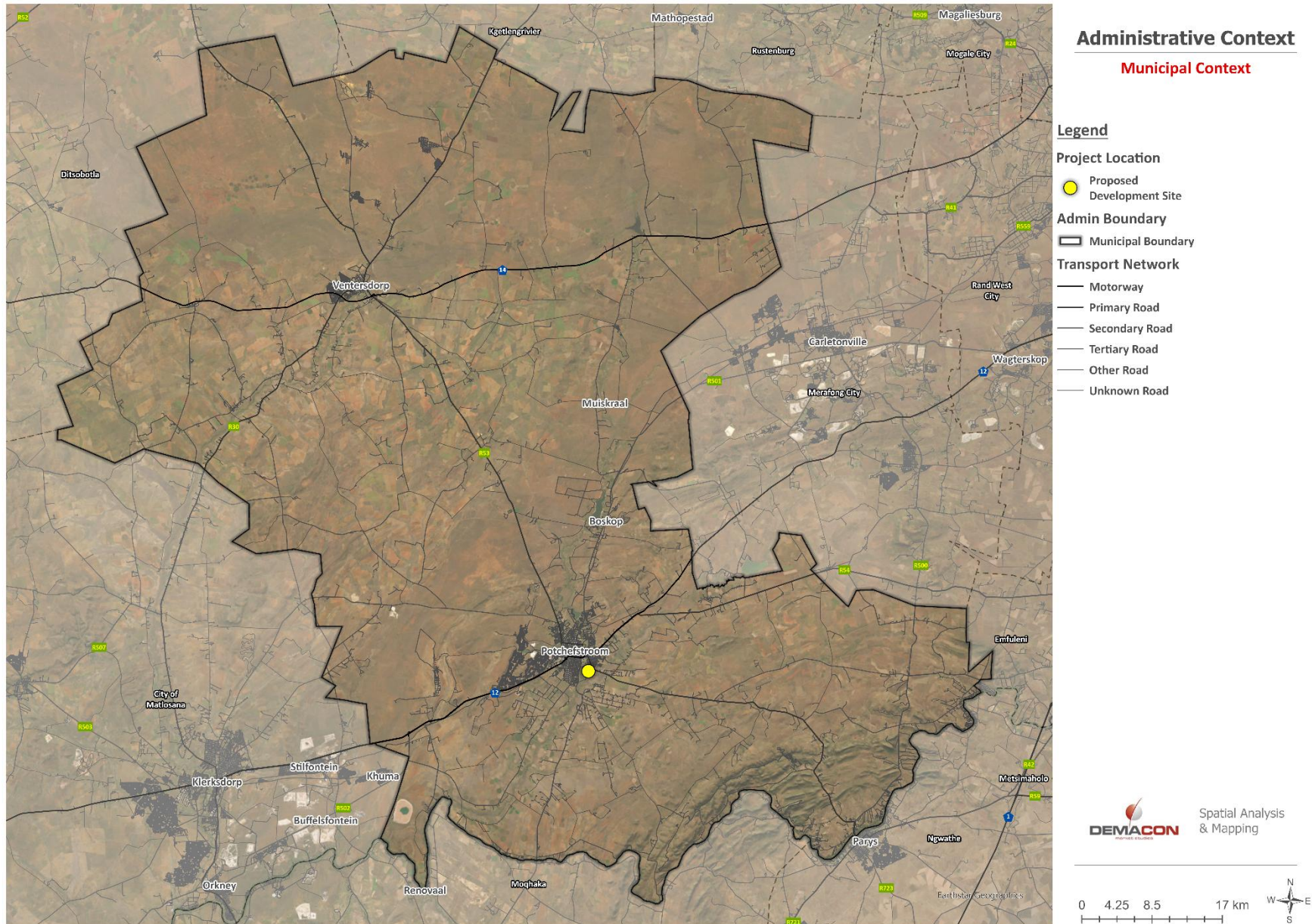


Map 1.1: The Dr Kenneth Kaunda District Municipality in the Context of the North West Province





Map 1.3: Proposed Development Site within the JB Marks Local Municipality Boundary



The proposed development site is located on remaining extent of portion 46, portion 58 and portion 59 of the Farm Elandsheuwel 436 IQ and measures approximately 85.20 ha in size (see Figure 1.1).

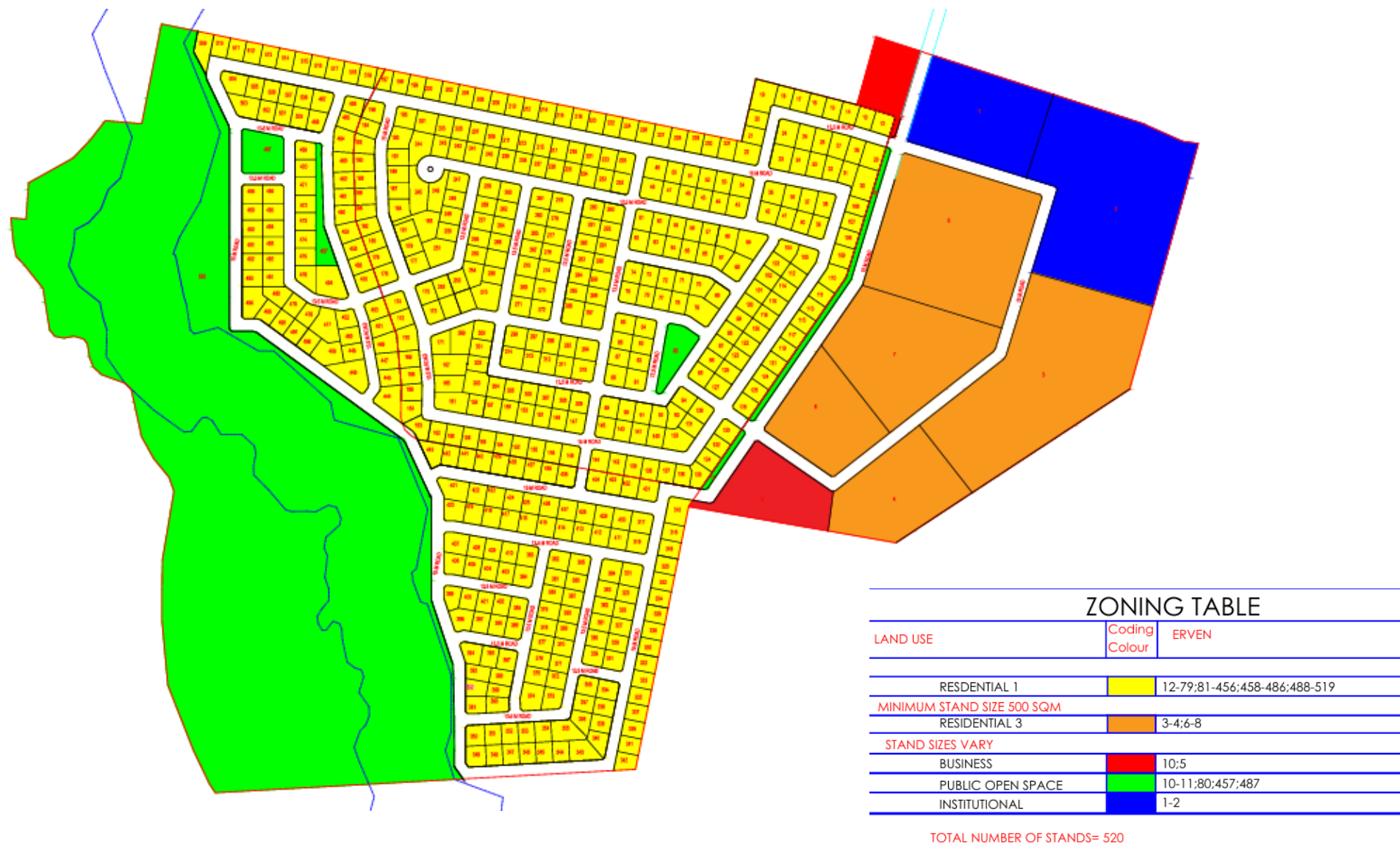
The site, located within the southern part of Grimbeek Park in Potchefstroom, is currently vacant and undeveloped.

The development concept incorporates a mix of land uses, including Residential 1, Residential 3, business, institutional and open space areas (see Figure 1.2 overleaf). It comprises a total of 520 residential stands, with a minimum stand size of 500 m² designated for Residential 1 use.

Figure 1.1: Proposed Development Site



Figure 1.2: Proposed Development Concept



1.5 REPORT OUTLINE

The remainder of the report is structured in terms of the following main headings.



**POLICY AND
STRATEGIC
PLANNING CONTEXT**

2

2 POLICY AND STRATEGIC PLANNING CONTEXT

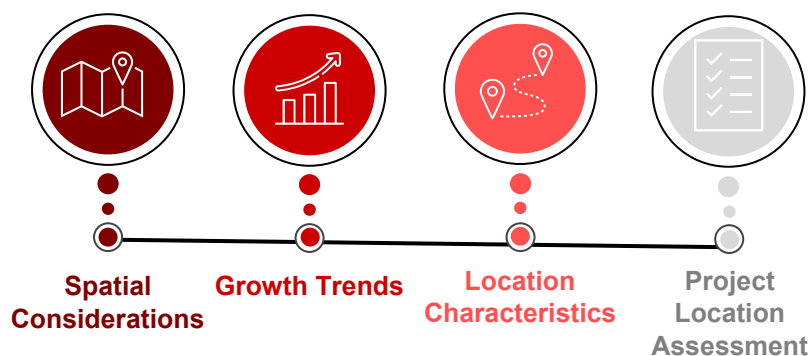
2.1 INTRODUCTION

Chapter Two focuses on the location aspects in the market with the objective of estimating the development potential within the designated area of activity. The chapter therefore investigates the general character, development frameworks and development trends evident in the greater activity area to gain insight into urban processes and to inform development decisions.

Market potential is influenced by; *inter alia*, the characteristics of the development site. Certain types of developments each have specific location requirements and should subsequently be assessed in terms of selected location criteria. To this effect, various site evaluation models are utilised.

The policy and strategic planning context chapter is outlined in terms of the following headings:

Section Outline



2.2 SPATIAL CONSIDERATIONS

The proposed development is located in Grimbeek Park, Potchefstroom within the JB Marks Municipality Municipality, forming part of the Dr Kenneth Kaunda District Municipality. Given the location of the development, the following planning frameworks have been considered in order to determine the general character of the area within which the development is located and to identify the strategic value of the property within the context of future development and municipal spatial development aspirations:

- JB Marks Spatial Development Framework 2020

2.2.1 JB MARKS SPATIAL DEVELOPMENT FRAMEWORK, FINAL DRAFT 2020

JB Marks municipal area comprises a total area of 6 398 km² and is located in the eastern part of Dr Kenneth Kaunda District Municipality which is situated in the south-eastern side of the North West Province. The local municipality was established after the August 2016 local elections by merging Tlokwe and Ventersdorp local municipalities. The municipality was renamed after JB Marks in 2017. The municipality consists of a vast rural / commercial farming area as well as the urban areas of Potchefstroom and Ventersdorp.

2.2.1.1 POTCHEFSTROOM URBAN AREAS

❖ DENSIFICATION

Most medium- to high-density residential development in Potchefstroom is occurring in the northern areas, particularly within the North-West University's market zone, stretching from the Bult area to Dassierand.

Additional medium- to high-density developments are emerging south of the CBD in Potchefstroom South. Meanwhile, the eastern residential suburbs – including **Grimbeek Park**, Van der Hoff Park and Baillie Park – continue to attract medium-density growth.

❖ RESIDENTIAL NEEDS

There is an estimated current backlog of 2 706 residential stands. The number of households is projected to increase from 45 575 to 50 588 by 2020, requiring a total of 7 719 additional stands over the next five years. However, given that it

is now 2025, the actual housing demand has likely exceeded these initial forecasts significantly.

Based on income categories, the estimated demand for stands is distributed across subsidised housing, FLISP/GAP housing, social housing and bonded

housing (see Table 2.1 overleaf). To accommodate this projected demand, **approximately 450 hectares of land** will be required for residential development over the five-year period.

Table 2.1: Potchefstroom Residential Needs

Income	Typical Housing Typology	Potchefstroom	Number of stands	Land
R0 -	Subsidized including CRU rental housing	41%	3 164	158 ha
R3500 -	FLISP / GAP /	34%	2 624	164 ha
R22 000	Bonded Housing (low end & High end)	25%	1 931	128 ha
TOTAL		100%	7 719	450 ha

The proposed new residential development will be sufficient to address the housing backlog as identified in the SDF, but does address accumulating housing backlogs (post 2020)

2.2.1.2 SPATIAL PROPOSALS: POTCHEFSTROOM URBAN AREA

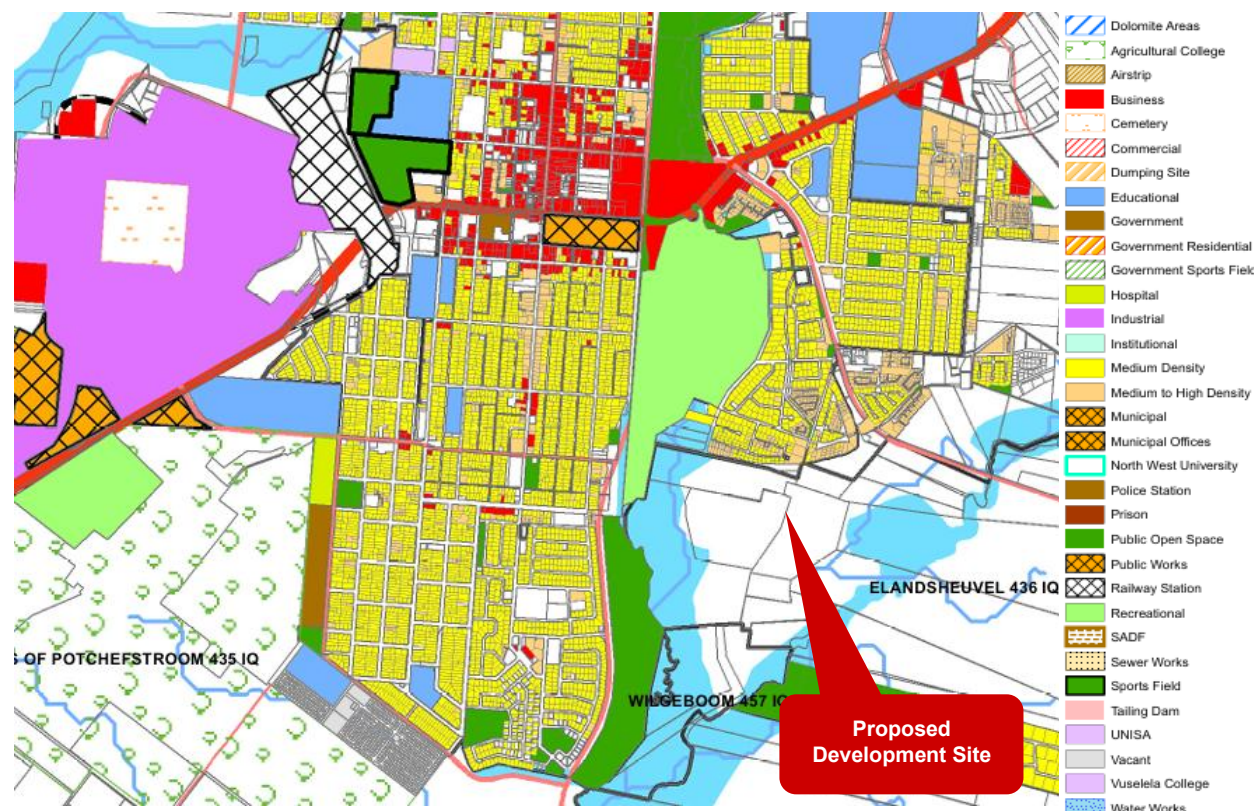
❖ ROAD NETWORK

The road network is classified in accordance with the National Classification Guidelines:

- Class 1: Principal Arterial – Includes the N12 and the proposed future by-pass
- Class 2: Major Arterial – Includes the R501 towards the Free State, the R53 linking the N12 to the Ventersdorp road, as well as other provincial link roads such as the R54 to Vereeniging, the R53 to Parys and the proposed eastern by-pass
- Class 3: Minor Arterial – Comprises the main roads linking various areas within the municipality
- Class 4: Main Collector Roads – Serve to collect and distribute local traffic to the arterial routes

The proposed development site would be located south of a Class 3 road network. Making the site accessible to various areas within the municipality.

Map 2.1: Potchefstroom Urban Land Uses



❖ FUTURE NODAL AND CORRIDOR DEVELOPMENT

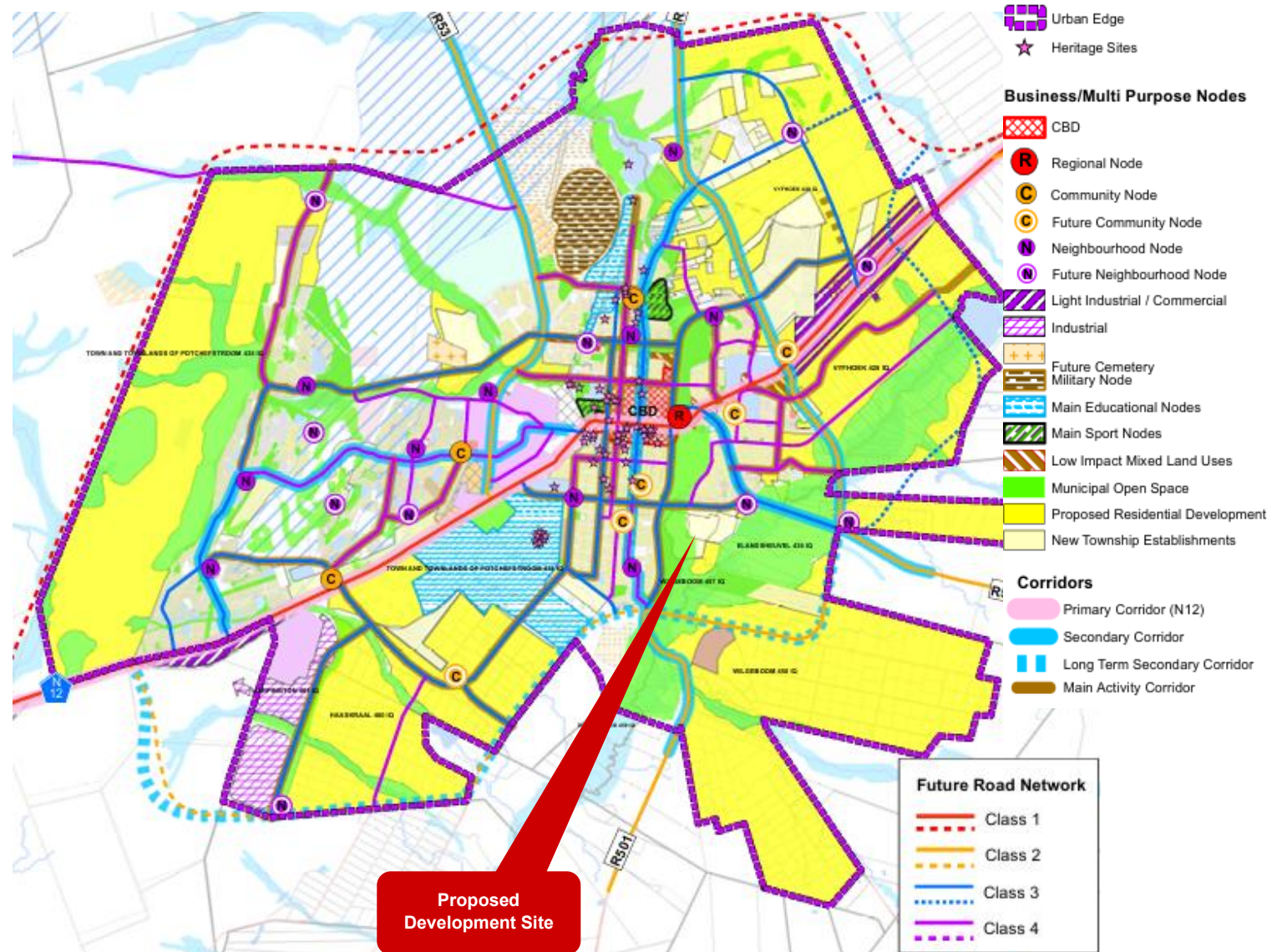
The proposed development site is located near a planned future Neighbourhood Node and along a Main Activity Corridor, both of which are important structuring elements in the municipal spatial framework.

A Neighbourhood Node is a compact, pedestrian-oriented, mixed-use area designed to meet the daily social and economic needs of surrounding residential communities. These nodes typically include small-scale retail, community services, public amenities and local institutions such as clinics or schools, making them convenient hubs for residents.

An Activity Corridor refers to a linear zone of intensified mixed-use development that follows a major transport route, such as a regional road or rail line. These corridors promote higher-density residential, commercial and public developments, improving access to employment opportunities and services while supporting efficient public transport systems.

Locating the proposed residential development near a Future Neighbourhood Node and Main Activity Corridor enhances accessibility to transport, services and daily amenities, making it attractive to residents.

Map 2.2: Potchefstroom: Spatial Development Proposal



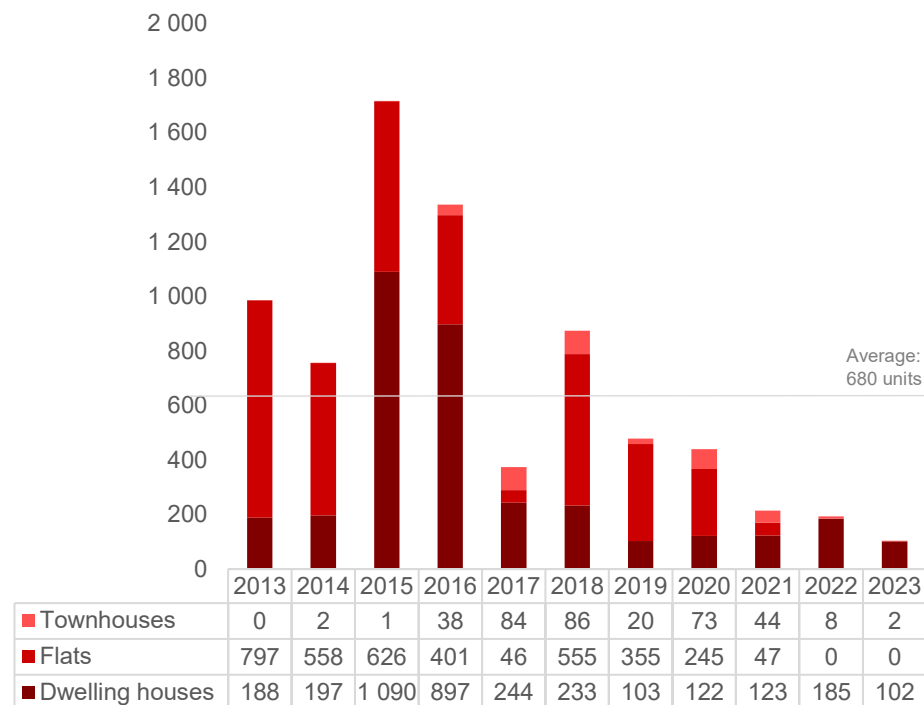
2.3 GROWTH TRENDS

The historical trends of the JB Marks Local Municipality show that the following buildings were completed between 2013 and 2023

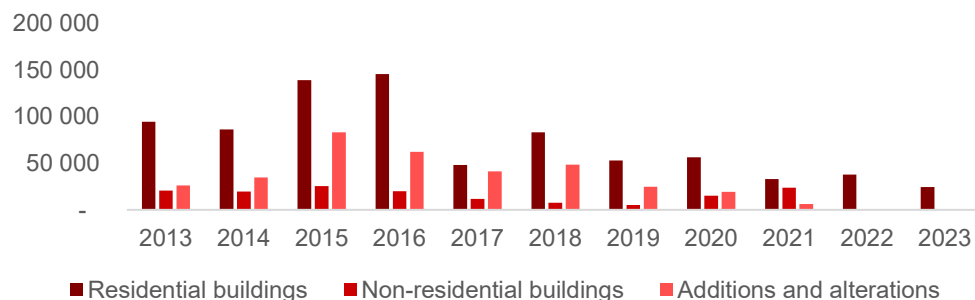
Even though StatsSA report low to negative population growth, new residential buildings completed average 680 units per annum over the long term.

				Total	Average
	Residential Buildings	 Dwelling-Houses		3 484 units	317 units
		 Flats		3 630 units	330 units
		 Townhouses		358 units	33 units
		 Other Residential (incl. Tourism Accommodation)		5 units	0 units
		 TOTAL residential units		7 447 units	680 units/a
	Non-Residential Buildings	 Office and Banking Space		5 581 m ²	507 m ²
		 Shopping Space		68 654 m ²	6 241 m ²
		 Industrial and warehousing space		60 827 m ²	5 530 m ²
		 Churches, sport and recreation clubs		9 112 m ²	828 m ²
		 Schools, nursery, creches and hospital		4 447 m ²	404 m ²
		 TOTAL Non-residential buildings		148 621 m²	13 511 m²

Dwelling Houses, Flats and Townhouses Completed (units)

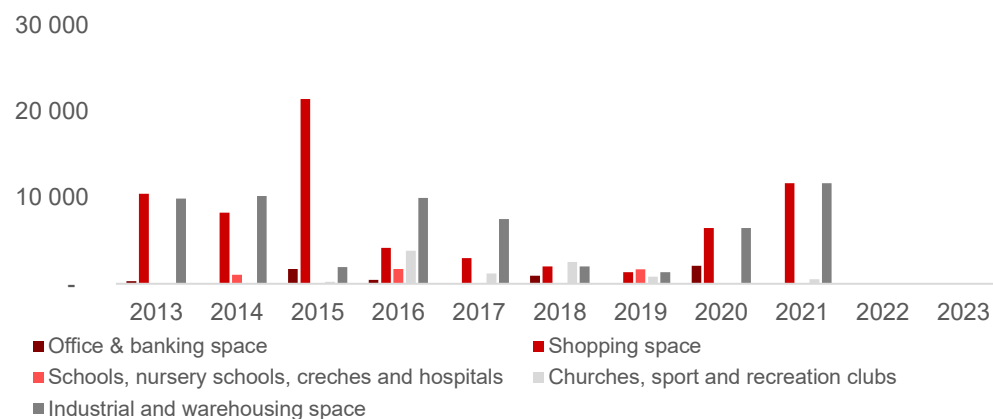


Buildings Reported as Completed (sqm)



Source: Demacon ex Stats SA, 2025

Non-residential buildings completed (sqm)



2.4 PROJECT LOCATION ASSESSMENT

Market potential is influenced not only by consumer income and expenditure, but in particular also by the characteristics of the site/location where future development activities are to take place. To this effect, the DEMACON Site Evaluation Model © is utilised.

This DEMACON model is pragmatic and is based on the assignment of values to various location factors. Firstly, the site is evaluated on a ten-point scale, with ten being the highest. Secondly, weights are attached to these factors, in order of importance (1 to 10, with 10 being the most important).

* Note: 80%+ indicates an exceptional site rating; a site rating of 70 – 80% is high and indicates that most important fundamentals for a successful development is in place; a rating of 60 – 70% indicates some critical factors may be lacking but could possibly be addressed; projects with a sub 60% rating are not recommended for consideration.

Table 2.2: Residential Location Assessment

Locational Factors	Grade 1-10	Weight 1-5	Score
Perceived Level of Safety and Security	7	5	35
Area Price Profile Compatibility	8	4	32
Address Value	8	4	32
SEM Profile	8	5	40
Perceived Quality of Residential Environment	8	4	32
Tempo of Residential Growth / Influx / Demand	8	5	40
Within direction of Current & Future Growth	8	5	40
Perceived investment value & Impact	8	4	32
Access to main roads	7	3	21
Proximity to workplace	8	3	24
Proximity to schools	8	4	32
Proximity to retail facilities	8	4	32
Proximity to social amenities	8	3	24
Proximity to public transport	8	3	24
Availability of Land / Developable / Redevelopable Real Estate	8	3	24
Total			464
Score			78.6%

Source: DEMACON, 2025

The proposed site scored high in most of the location factors, but mainly in respect of the perceived quality of the residential environment and the address value of the site. Further to this, perceived quality of the residential environment in the area is high, the SEM profile of the area is compatible with the proposed development and the proposed development site is located within the direction of current and future growth. These factors also attribute to increasing the site rating. The proposed development site scored a site rating of 78.6%. A rating above 70% is considered high, indicating that most of the important fundamentals for a successful residential development are in place.

2.5 SYNTHESIS

- JB Marks Local Municipality, established in 2016 through the merger of Tlokwe and Ventersdorp, is the largest municipality by land area and the second most populous in the Dr Kenneth Kaunda District.
- Potchefstroom serves as the main urban hub, bolstered by the presence of the North-West University, a well-developed industrial sector and key transport routes including the N12 and national railway.
- Residential densification in Potchefstroom has primarily taken place in the northern areas (Bult to Dassierand), Potchefstroom South and the eastern suburbs such as Grimbeek Park and Baillie Park. A 2020 projection indicated a housing backlog of 2 706 stands, with a forecasted demand of 7 719 additional stands – requiring approximately 450 hectares of land across subsidised, FLISP/GAP, social and bonded housing types. However, now in 2025, the actual demand has grown significantly beyond these earlier projections.
- The proposed residential development site is strategically located near a Class 3 road network, a planned Neighbourhood Node and a Main Activity Corridor. This positioning enhances access to transport, amenities and services and supports the municipality's broader vision of compact, integrated and sustainable urban development.
- The proposed development site achieved a high overall rating of 78.6%, indicating strong potential for a successful residential development. This high score is primarily due to the perceived quality of the residential environment, high SEM profile and the site's location within the current and future growth direction of the area. A rating above 70% is considered high, indicating that most of the important fundamentals for a successful residential development are in place.



ECONOMIC OVERVIEW



3

3 ECONOMIC OVERVIEW

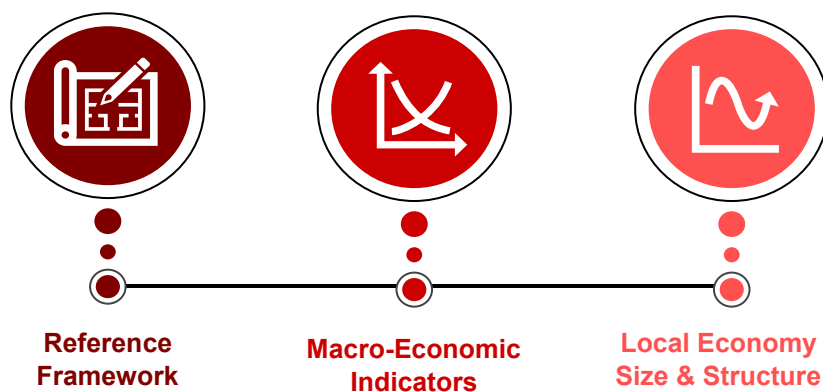
3.1 INTRODUCTION

An intricate, though well-defined relationship exists between the economy and urban real estate markets. The performance of specific economic sectors serves as a proxy for the performance of these real estate markets.

The purpose of Chapter Three is to outline the salient features of the study area economy in terms of selected time series economic indicators, most notably the economic profile and growth trends within the local economy.

As such, this chapter provides insight into the composition and stability of the local economy and hence, provides a more comprehensive assessment of medium- to long-term investment prospects than the conventional demographic analysis. The following sections provide a concise overview of the local economy in terms of:

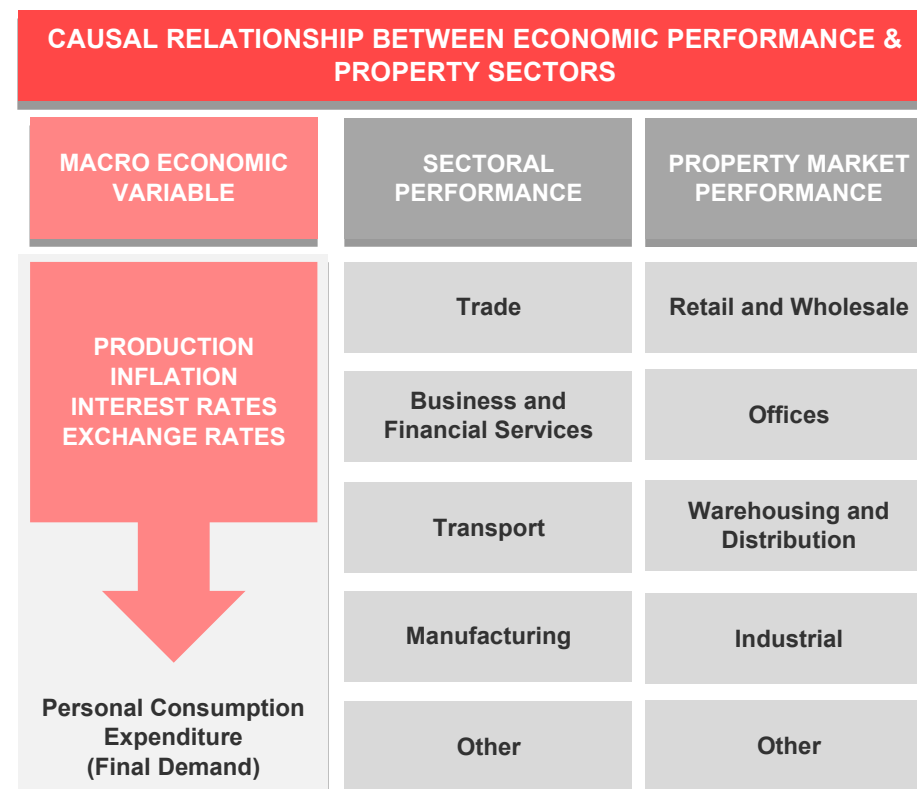
Section Outline



3.2 REFERENCE FRAMEWORK

The causal relationship between economic sector performance and property market performance is illustrated in Diagram 3.1.

Diagram 3.1: Causal Relationship between Economic Performance and Property Sectors



© 2025 H du Toit, MSc, PhD

The economic indicators of an area form the basis for the current demand for commercial product offerings and serve as drivers for future growth in demand. Subsequent paragraphs highlight the main indicators for the market area under investigation.

3.3 MACRO-ECONOMIC TRENDS AND PERFORMANCE

The following provides an overview of the current macro-economic trends and factors influencing national and local economic growth prospects, consumer demand growth and property market demand.

3.3.1 ECONOMIC OUTLOOK FOR SOUTH AFRICA (as of JUNE 2025)

Economic Growth	- In Q1:2025, real GDP grew 0.1% quarter-on-quarter, with weak mining and manufacturing offset by a 15.8% rise in agriculture. - On a year-on-year basis, Q1 GDP increased by 0.8%, slightly above forecasts (e.g., SARB, National Treasury, etc) of around 0.6% to 0.7%.		South Africa's economic growth outlook for 2025:		
			Baseline: 0.8%	Upside scenario: 1.3%	Downside scenario: 0.5%
Inflation Rate	The average inflation rate for the year 2024 was 5.2%, down from the average of 6.0% in 2023. Inflation in 2024 was the lowest since the pandemic year of 2020, when the average rate was 3.3%.	- The projection for 2025 is below the mid-point of the inflation target range (4.5%) and also lower than PwC's baseline forecast of 4.5% for the year. - SARB expects headline inflation to average 3.2% in 2025, indicating a downward revision from its previous estimate of 4.0%.		Consumer inflation was measured at 2.8% in April 2025, slightly down from 2.9% in March and 3.0% in February. The monthly inflation rate in April was 0.3%.	
Interest Rate	The South African Reserve Bank (SARB) cut its repo rate by 25 basis points (bps) on Thursday, 29 May 2025 for the fourth consecutive Monetary Policy Committee (MPC) meeting, bringing the benchmark rate to 7.25%.				

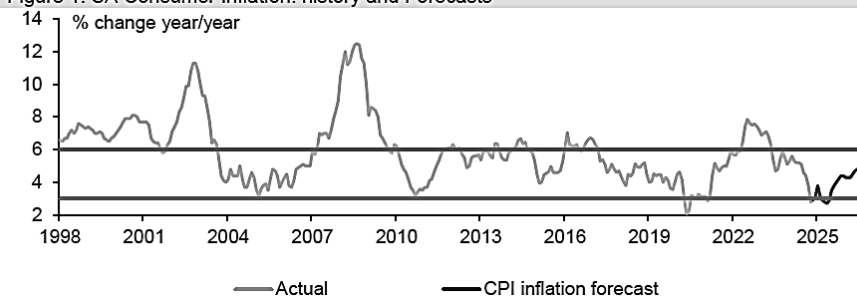
Key points

- At the start of 2025, there was growing optimism among economists about the consumer-driven South African economy. However, recent data has tempered expectations slightly. While analysts still anticipate lower inflation and declining interest rates, the outlook for economic growth remains cautious due to ongoing structural challenges. Despite this, conditions are still expected to improve modestly for consumers in terms of spending power, especially in the second half of the year.
- Consumer price inflation is now forecast to average around 3.2% in 2025 (SARB), below PwC's baseline estimate of 4.5%.
- Electricity prices are still expected to increase by between 10% and 20%, adding pressure to household budgets and operating costs for businesses.
- To achieve stronger economic growth in 2025, South Africa needs favourable monetary conditions to support household spending (which accounts for over 60% of GDP), public-private collaboration to accelerate key structural reforms, enhanced tax compliance to reduce the tax gap and improved logistics to support export activity.
- The South African economy is forecast to create approximately 115 000 jobs in 2025, based on long-term employment-to-growth trends, while the labour force is expected to expand by around 340 000, which may result in continued pressure on the unemployment rate.
- GDP growth is projected to range between 0.5% (downside scenario) and 1.3% (upside scenario) in 2025. Structural improvements and more accommodative monetary policy are essential to realising the higher end of this range.

Indicators

Inflation and Lending Rates				Exchange Rates		
Inflation Rates	CPI	2.8%	Apr 2025	ZAR/ USD	18.34	May 2025
	PPI	1.8%	Mar 2025	ZAR/ GBP	23.41	May 2025
Lending Rates	Repo Rate	7.25%	May 2025	ZAR/ EUR	19.89	May 2025
	Prime Rate	11.0%	May 2025	ZAR/ JPY	0.12	May 2025

Figure 1: SA Consumer Inflation: history and Forecasts



Source: DEMACON ex StatsSA, SARB & PWC, 2025

3.3.2 MACRO-ECONOMIC FORECASTS AND RELATED INDICATORS

Macro-Economic Forecasts (June 2025)

Baseline scenario	2023	2024E	2025F	2026F
ZAR/USD	18.45	18.50	19.10	19.60
Consumer price inflation (%)	5.9	5.0	4.8	4.7
Repo rate (end-of-period)	8.25	8.00	7.50	7.25
Real GDP growth (%)	0.7	0.7	1.0	1.4
Unemployment rate (%)	32.1	32.9	33.2	33.2
Probability weighted average	2023	2024E	2025F	2026F
ZAR/USD	18.45	18.49	19.09	19.59
Consumer price inflation (%)	5.9	5.0	4.7	4.6
Repo rate (end-of-period)	8.25	7.95	7.40	7.20
Real GDP growth (%)	0.7	0.7	1.1	1.4
Unemployment rate (%)	32.1	32.9	33.1	33.2

South Africa Credit Ratings

	Rating	Outlook	Dates
S & P	BB-/B	Stable	Nov 2024
Moody's	Ba2	Stable	Dec 2024
Fitch	BB-	Stable	Nov 2024

Credit Fundamentals

South Africa's 'BB-' IDR is constrained by:	 low real GDP growth,  a high level of inequality,  a high and rising government debt-to-GDP ratio and  a modest path of fiscal consolidation
Growth is hampered by:	 power shortages that are expected to continue in the near to medium term, although at a lower magnitude than in recent months and  by a struggling logistic sector.
The ratings are supported by:	 a favourable debt structure with long maturities and  mostly local-currency-denominated, strong institutions, as well as  a credible monetary policy framework.

Source: DEMACON ex PWC, FITCH, S&P, Moody's, 2025

Consumer Market Perspectives

"South Africa begins each year with uncertainty over its economic trajectory. However, at the start of 2025, there is much more to be positive about compared to 12 months ago. Economists expect lower inflation, a decline in interest rates and higher economic growth in 2025 to support better business and investment conditions this year compared to 2024. All of this points to better conditions for consumers as well in terms of their spending power." Lullu Krugel, PwC South Africa Chief Economist

Consumer Threats

- Pressure on the cost of living as salaries and wages continue to fall behind consumer price inflation.
- Seeking answers from the new government for economic and employment growth concerns.

Optimistic About

- South Africans are more optimistic about the outlook for household finances but not about buying durable goods right now.
- Trends supporting more optimistic household sentiment towards retail spending include: a decline in load-shedding, expectations of interest rate cuts, and hopes for improved buying power of salaries and wages.
- The majority of consumers expect to spend more on essentials like groceries, clothing and healthcare products in the next six months, while fewer expect to spend more on comfort and/or luxury goods like electronics and sports equipment.

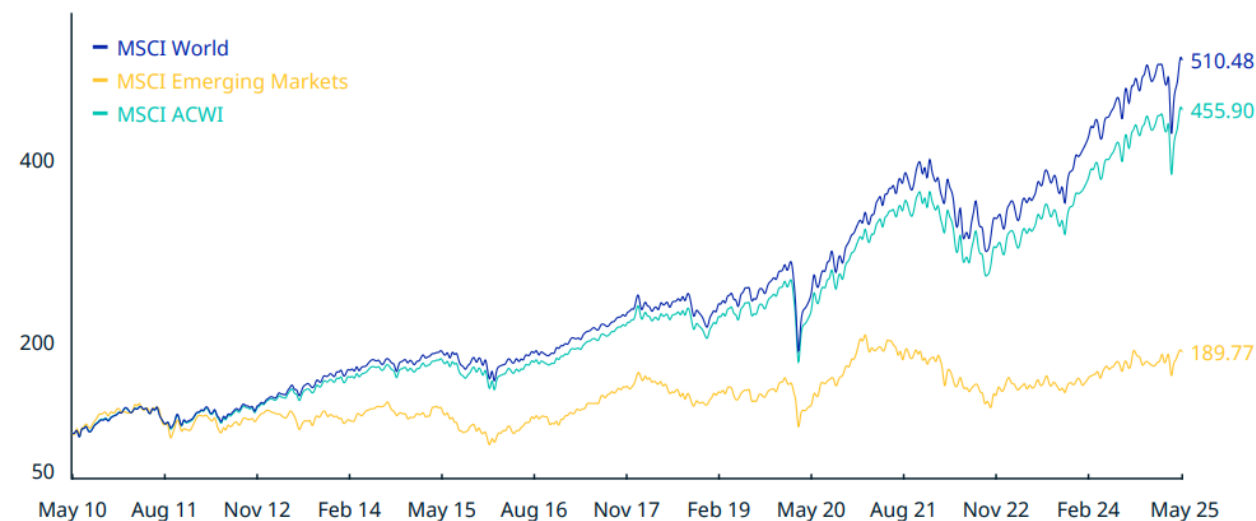
"The 2025 consumer outlook is notably better compared to the preceding year. Lower inflation, interest rate cuts and rising salaries await South Africans this year. This is good news for the overall economy as household spending accounts for more than 60% of the country's GDP. For consumer-facing companies, it signals some improvement in customer spending power alongside some positive trends in consumer confidence, after several years of more constrained household budget conditions." Nqaba Ndiweni, PwC South Africa Consumer and Industrial Products and Service Leader

Source: DEMACON ex Investec, SARB, Stats SA, 2025

3.3.3 SOUTH AFRICA PROPERTY MARKET OUTLOOK

The MSCI South Africa Index is designed to measure the performance of the large and mid-cap segments of the South African market. With 32 constituents, the index covers approximately 85% of the free float-adjusted market capitalisation in South Africa.

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (MAY 2010 – MAY 2025)



ANNUAL PERFORMANCE (%)

Year	MSCI World	MSCI Emerging Markets	MSCI ACWI
2024	19.19	8.05	18.02
2023	24.42	10.27	22.81
2022	-17.73	-19.74	-17.96
2021	22.35	-2.22	19.04
2020	16.50	18.69	16.82
2019	28.40	18.88	27.30
2018	-8.20	-14.24	-8.93
2017	23.07	37.75	24.62
2016	8.15	11.60	8.48
2015	-0.32	-14.60	-1.84
2014	5.50	-1.82	4.71
2013	27.37	-2.27	23.44
2012	16.54	18.63	16.80
2011	-5.02	-18.17	-6.86

INDEX PERFORMANCE – GROSS RETURNS (%) (MAY 30, 2025)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED			
					3 Yr	5 Yr	10 Yr	Since Dec 31, 1987
MSCI World	5.99	2.28	14.21	5.18	13.72	14.72	10.50	8.61
MSCI Emerging Markets	4.31	6.42	13.64	8.89	5.64	7.52	4.34	9.61
MSCI ACWI	5.81	2.68	14.16	5.54	12.83	13.89	9.80	8.42

FUNDAMENTALS (MAY 30, 2025)

Div Yld (%)	P/E	P/E Fwd	P/BV
1.78	22.46	19.14	3.49
2.65	14.42	12.15	1.81
1.86	21.25	18.08	3.19

Source: DEMACON ex MSCI, 2025

3.3.4 RETAIL MARKET OUTLOOK

OVERVIEW

- Despite ongoing macroeconomic challenges, including inflationary pressures and high interest rates, consumer demand in South Africa has shown resilience in early 2025.
- The formation of a Government of National Unity following the 2024 elections has contributed positively to consumer sentiment and retail sales recovery.
- The retail sector's performance in recent months was influenced by several factors:
 - Seasonal shifts, including the timing of Easter and school holidays, affected sales distribution across the first quarter of 2025
 - Warmer-than-average temperatures in the early months delayed spending on winter merchandise.
 - A late onset of colder weather in mid-2025 spurred pent-up demand, particularly for winter apparel and related products.
 - Consumer caution during the 2024 election period temporarily suppressed discretionary spending, but post-election sentiment has improved sales across retail categories.

OUTLOOK

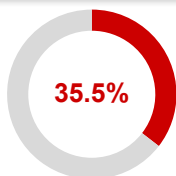
- The outlook for South Africa's retail sector is cautiously optimistic, supported by improving consumer confidence and an extended period of no load-shedding exceeding 100 days as of mid-2025.
- Medium-term challenges persist, including the lingering effects of elevated debt levels and cost-of-living pressures, which continue to constrain discretionary spending.
- Key factors expected to support a more positive consumer spending environment include:
 - Lower inflation rates stabilising food and fuel prices.
 - Ongoing interest rate cuts easing borrowing costs.
 - The implementation of the two-pot retirement savings system, which could enhance disposable income for many consumers.
 - However, meaningful improvements in real wage growth and consumer expenditure are anticipated to materialise more noticeably toward late 2025 and into 2026.

3.4 LOCAL ECONOMY SIZE AND STRUCTURE

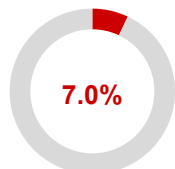
ECONOMY SIZE, 2024

JB Marks Local
Economy

R30.5 billion



contribution to
the Dr Kenneth
Kaunda District
Economy

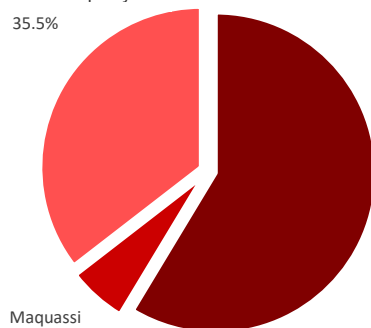


contribution to
the North
West
Provincial
Economy

SPATIAL CONTRIBUTION TO TOTAL ECONOMIC OUTPUT, 2023

JB Marks Local Municipality

35.5%



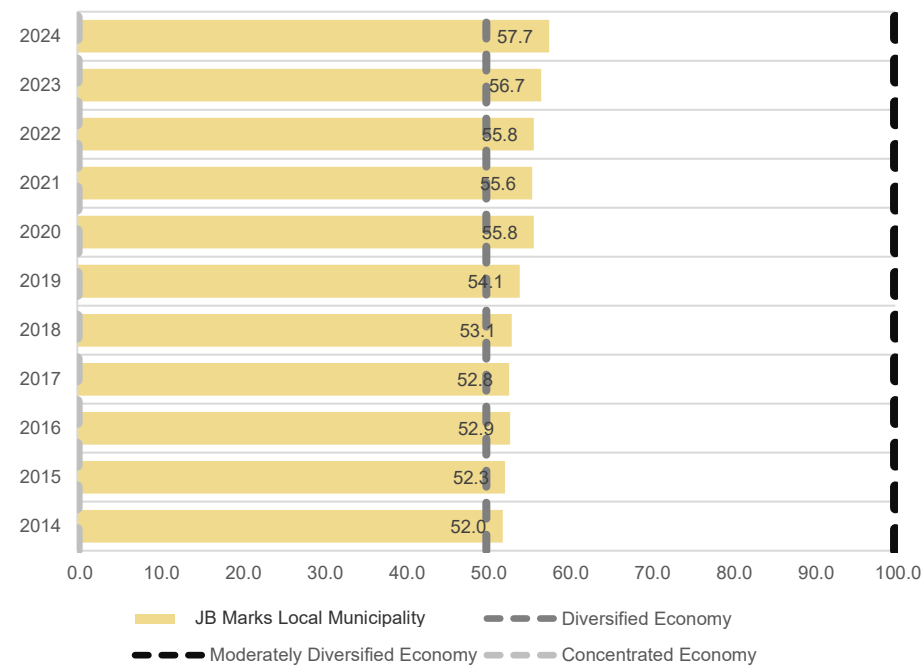
Maquassi
Hills
5.9%

City of
Matlosana
58.6%

The JB Marks Local Economy is the second largest contributor to the total Dr Kenneth Kaunda District Economy.

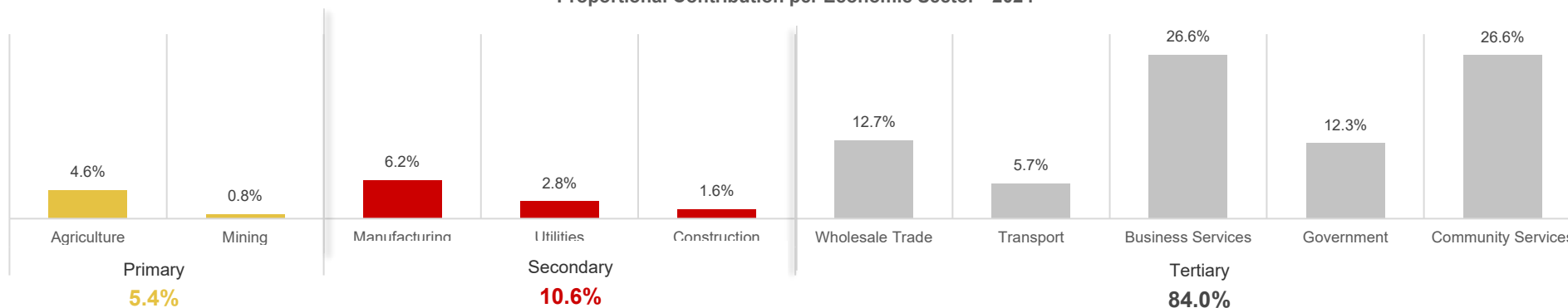
The local economy is characterised by **tertiary economy** activities with a strong reliance on the **community** and **business service sectors**

TRESS INDEX 2024 (10 INDUSTRIES)

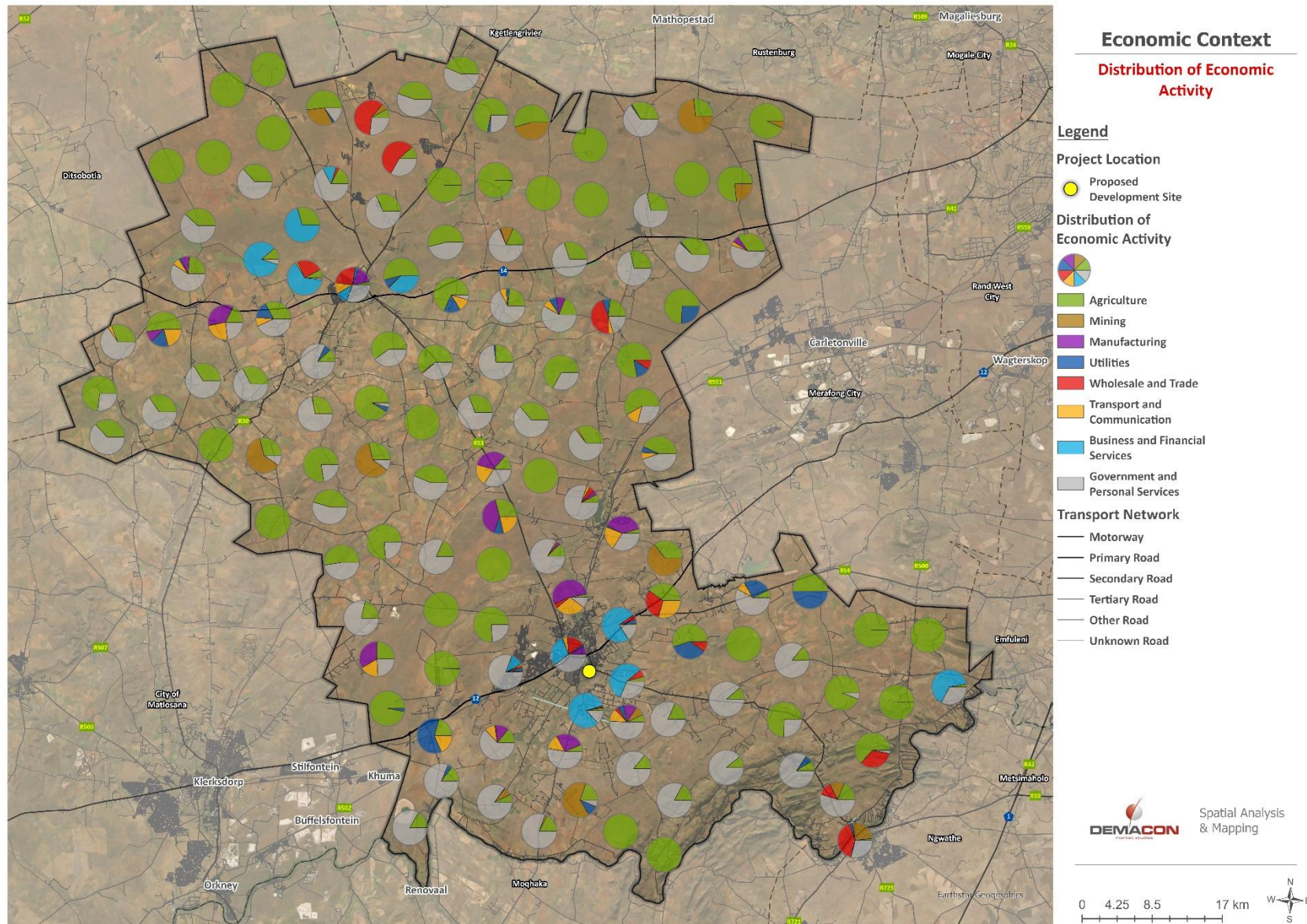


ECONOMY STRUCTURE, 2024

Proportional Contribution per Economic Sector - 2024



Map 3.1: Spatial Distribution of the Local Economy



3.4.1 ECONOMIC GROWTH AND HOUSEHOLD CONSUMPTION AND EXPENDITURE

ECONOMIC GROWTH ('14 – '24)

0.7%

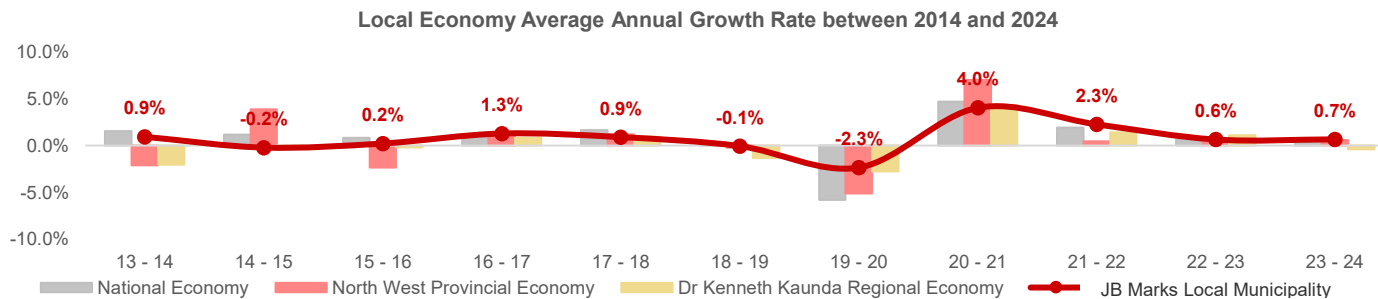
(2014 to 2024)

Average annual growth of the local economy over the previous **10 years**

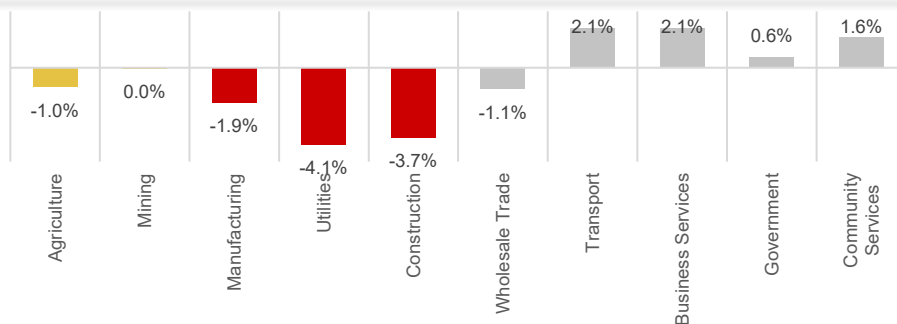
1.0%

(2019 to 2024)

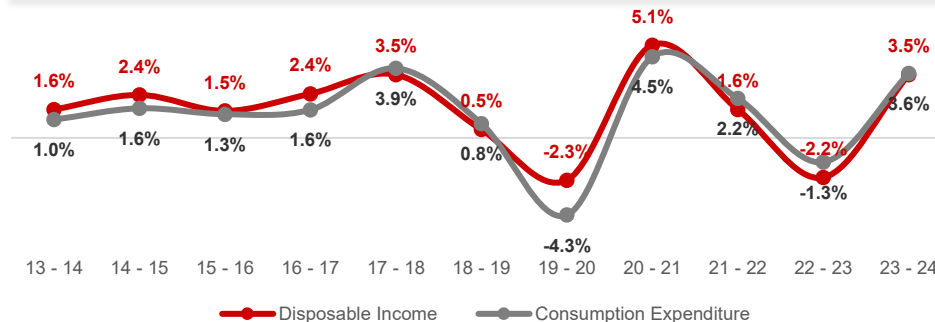
Average annual growth of the local economy over the previous **5 years**



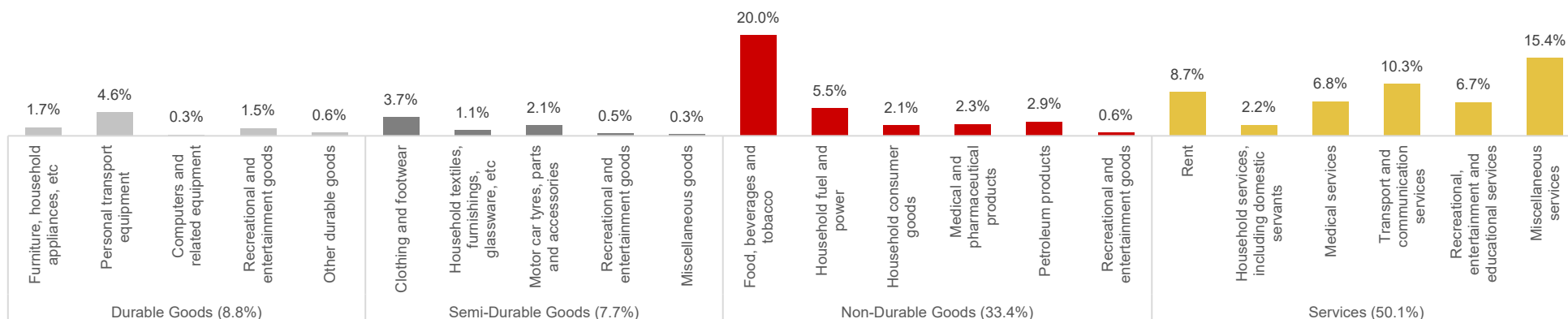
AVERAGE ANNUAL GROWTH PER ECONOMIC SECTOR ('14 – '24)



DISPOSABLE INCOME & CONSUMPTION EXPENDITURE ('14 – '24)

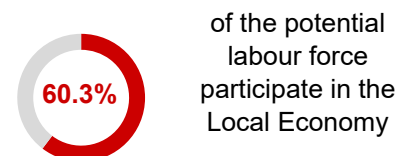


HOUSEHOLD EXPENDITURE PER CONSUMPTION ITEM, 2023

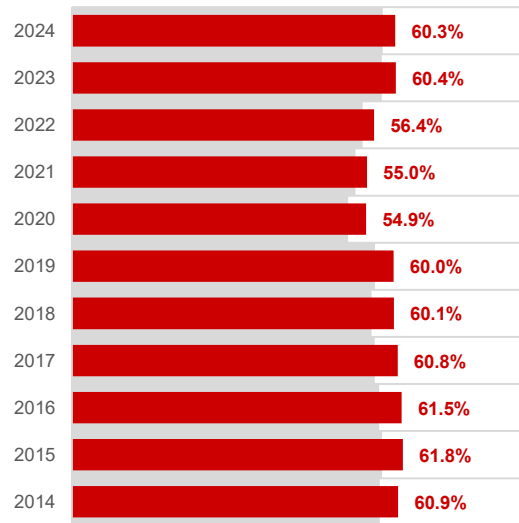


3.4.2 LABOUR FORCE PARTICIPATION

LABOUR FORCE PARTICIPATION, 2024



Compared to the provincial average, the local economy maintains, on average, a **higher** labour force participation rate



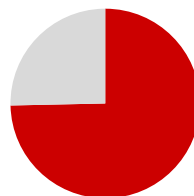
■ North West Provincial Economy

■ JB Marks Local Municipality

STRUCTURE OF EMPLOYMENT, 2024

73 422 total jobs exist in the Local Economy

74.7% Formal employment



54 815 formal jobs exist in the Local Economy.

The formal economy gained 5 730 jobs since 2014 at an average rate of 573 jobs per annum.

25.3% Informal employment.

18 607 informal jobs exist in the Local Economy. The informal economy lost 6 271 jobs since 2014 at an average rate of 627 jobs per annum.

SKILLS DISTRIBUTION, 2024

Skilled Jobs



14 997 jobs
2 009 jobs gained since 2014
201 jobs gained per annum

Semi-Skilled Jobs



22 402 jobs
2 116 jobs gained since 2014
212 jobs gained per annum

Low-Skilled



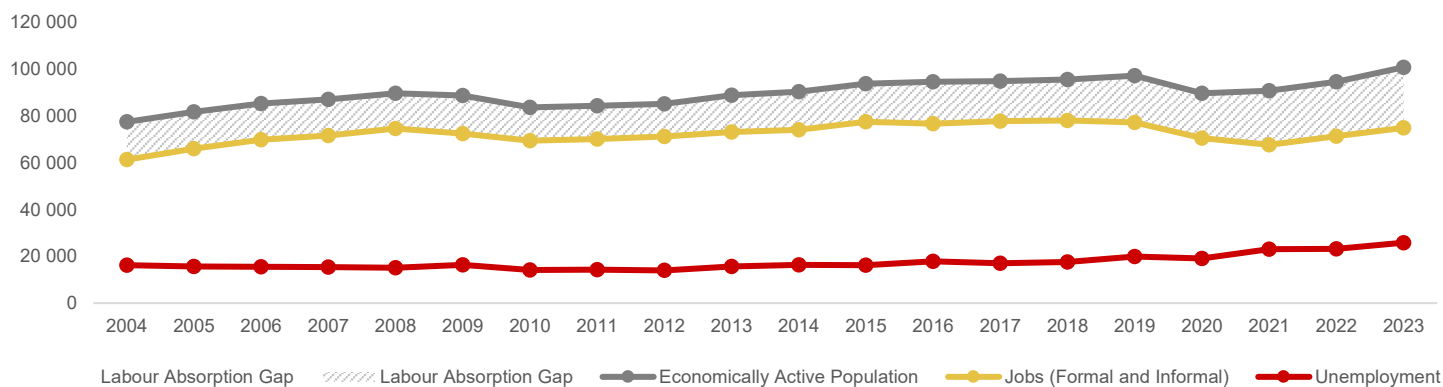
17 416 jobs
1 606 jobs gained since 2014
161 jobs gained per annum

EMPLOYMENT DEMAND AND LABOUR ABSORPTION GAP

11 173 People became economically active since 2014.

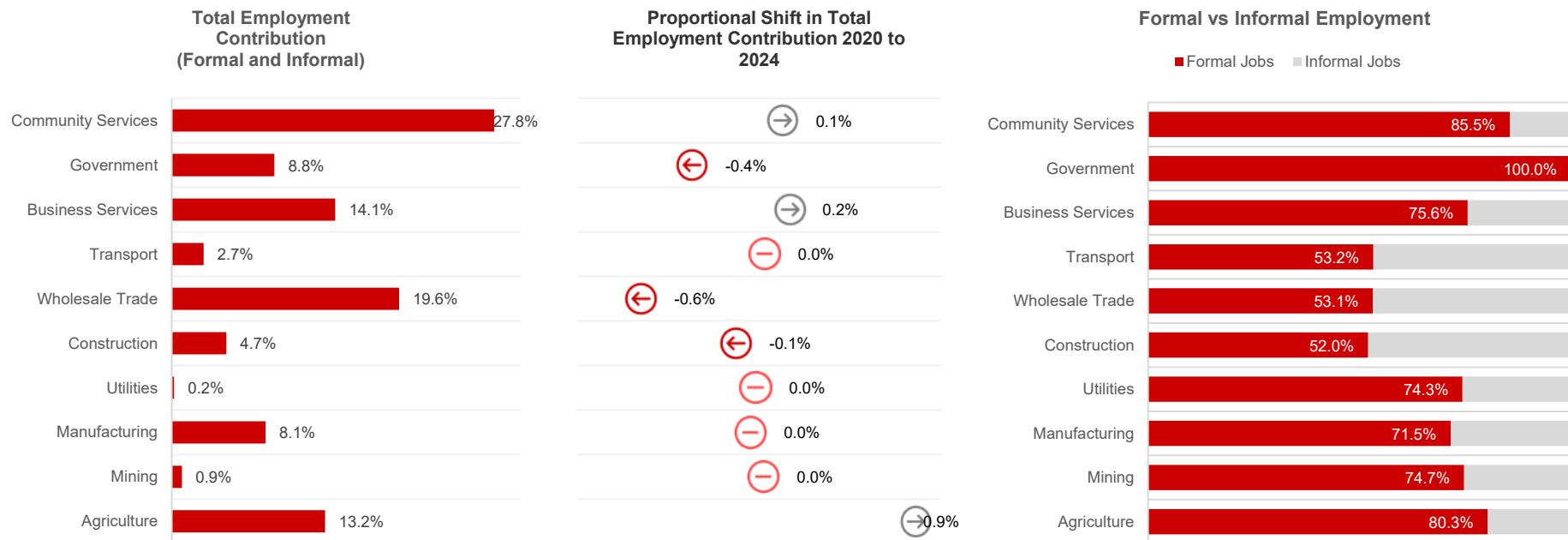
Employment decreased with **541** people since 2014.

11 714 People became unemployed since 2014.

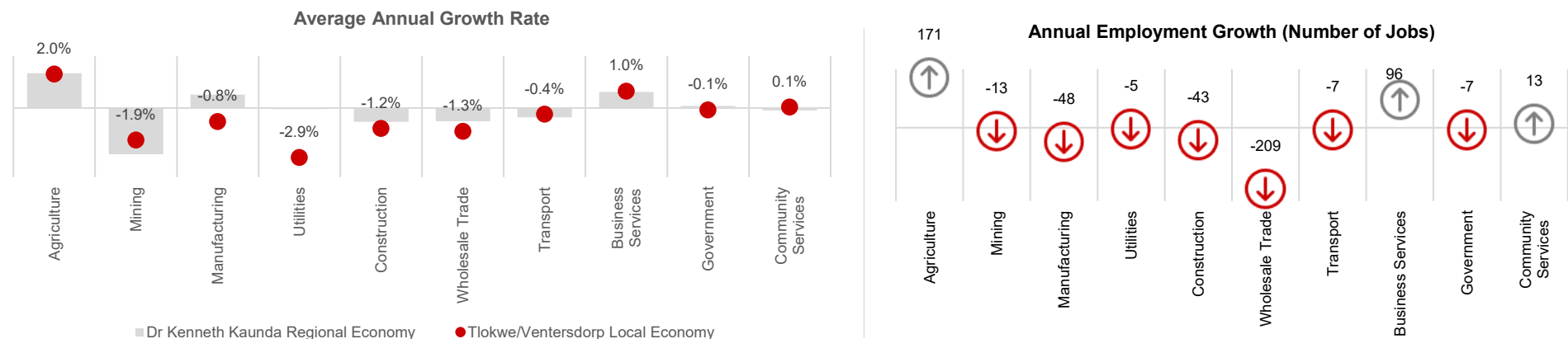


3.4.3 LABOUR FORCE BREAKDOWN

EMPLOYMENT CONTRIBUTION PER ECONOMIC SECTOR



EMPLOYMENT GROWTH PER SECTOR, 2014 – 2024



3.5 SYNTHESIS



ECONOMY SIZE AND DISTRIBUTION

- The size of the local economy in relation to other economic geographies indicates the relative importance of a local economy in the context of the broader economic environment within which it functions.
- The North West Province proportionally contributes 6.5% to the National Economy and the Dr Kenneth Kaunda District Economy proportionally contributes 19.8% to the total economy of the North West Province. JB Marks Local Economy, in turn, contributes 35.5% to Dr Kenneth Kaunda District Economy – underscoring the importance of the local economy within its broader economic environment.



ECONOMIC PROFILE

- To highlight the economic growth trends of the JB Marks Local Economy, reference is made to the growth and associated trends of sub-sectors that make up the economy. The reference focuses on the proportional contribution made by each economic sub-sector to the total JB Marks Local Economy.
- The historical trends for the local economy as well as contributions made by each economic sub-sector to the total GVA of the local economy show that in 2024, the primary economic sector proportionally contributed 5.4% to the total GVA of the JB Marks Local Economy, while the secondary sector proportionally contributed 10.6%. The tertiary sector contributed 84.0% to the total GVA of the JB Marks Local Economy. The JB Marks Local Economy is mainly reliant on the tertiary sector.
- The community services and business services sectors are the largest contributors to the local economy (26.6%).
- Proportionally, the wholesale sector (12.7%) is the third largest contributor to the local economy, followed by the government sector (12.3%).



ECONOMIC GROWTH

- The JB Marks Local Economy achieved an average **annual growth** rate of 0.7% during the *long-term cycle* between 2014 to 2024. Over the *short to medium-term cycle* (2019 to 2024), the Local Economy experienced an average annual growth rate of 1.0%.

- In comparison to the Dr Kenneth Kaunda District Economy, the district economy is experiencing annual economic growth more or less similar than that of the local economy whereby the district experienced growth of 0.3% over the *long-term* and 0.7% over the *short to medium-term*.



GROWTH IN FINAL CONSUMPTION EXPENDITURE & DISPOSABLE INCOME

- A positive correlation exists between final consumption expenditure and disposable income, which in turn reveals similar up-and downturns to the business cycle as a whole.
- The average annual growth rate of **final consumption expenditure** in the JB Marks Local Economy for the *long-term cycle* (2014 to 2024), is 1.4%. Over the short to *medium term* (2019 to 2024), the average annual growth rate was 1.6%.
- The average annual growth rate for **disposable income** over the *long-term cycle* (2014 to 2024) is 0.9%, while over the short to *medium term* (2019 to 2024) the average annual growth rate was 1.1%.
- The consumption expenditure of the households in the local economy is growing at a faster rate than the disposable income and therefore, households would have less money to spend on goods and services.



HOUSEHOLD EXPENDITURE PER CATEGORY

- The trade sector is largely driven by expenditure on goods and services (retail sales) by a wide variety of consumer elements such as households, businesses, government departments and exports. Retail sales can be classified by different types of goods and services.
- Goods, in this instance, can be considered in terms of durable, semi-durable and non-durable goods. Durable goods refer to items such as furniture, personal transport equipment and entertainment goods, while semi-durable goods refer to clothing, footwear and household textiles.
- Non-durable goods refer to food, medicine and petroleum products. These goods are consumed and used on a daily basis.
- A general urban South African trend indicates that the decrease in expenditure directed towards non-durable groceries is declining year-on-year with a rise in consumption expenditure on semi durables including clothes and footwear.
- These trends can be ascribed to the high rate of inflation on non-durables (especially meat) and unabated clothing and footwear deflation.

- Food, beverages and tobacco are the largest section of household expenditure categories, with a proportional contribution of 20.0% in 2024.
- The second largest proportional contributing section of expenditure is represented by the miscellaneous services (15.4%), followed by transport and communication services category (10.3%).



EMPLOYMENT AND LABOUR PARTICIPATION

- The average labour force participation rate for the JB Marks Local Economy amounts to 60.3%, which is higher than the national average of 58.8%.
- A total of 5 730 formal jobs have been gained since 2014 in JB Marks Local Economy, which translates to approximately 573 formal employment opportunities gained per year.
- A total of 6 271 informal jobs have been lost since 2014 in the JB Marks Local Economy, which translates to approximately 627 informal employment opportunities lost per year.
- The number of skilled employment opportunities increased by an average of 201 jobs per year since 2014, while semi-skilled employment gained 212 jobs per year. The low-skilled employment gained an average of 161 jobs per year. Therefore, most job opportunities available are semi-skilled jobs, while semi-skilled job opportunities are also growing at the fastest rate in the local economy.
- The economically active segment increased by 11 173 people between 2014 and 2024, whereas 11 714 additional people became unemployed from 2014 to 2024. By 2024, 101 512 people were economically active, while 28 089 people were unemployed (27.67% of the economically active population). Therefore, the local economy is characterised by low unemployment rates.

A residential development in the JB Marks Local Economy would be a strategic investment, supporting its growing tertiary sector and strengthening consumer-driven economic activity. With a rising economically active population, increasing formal employment and steady growth in household expenditure, there is clear demand for quality housing.



SOCIO-ECONOMIC ANALYSIS



4

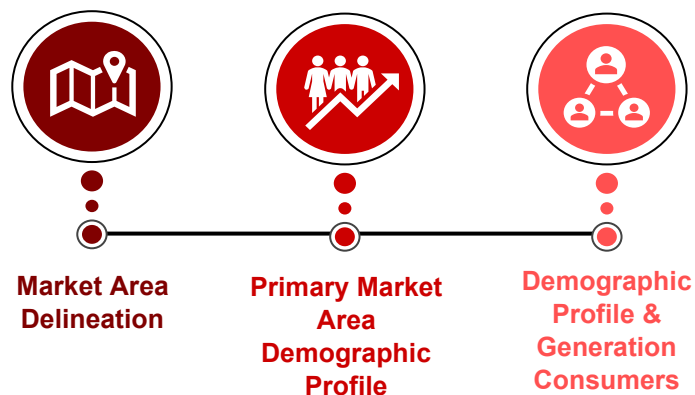
4 SOCIO-ECONOMIC ANALYSIS

4.1 INTRODUCTION

The following chapter seeks to provide information regarding the demographic and socio-economic characteristics of the resident market population influencing the proposed development location.

The consumer market profile is outlined in terms of the following headings:

Section Outline



4.2 MARKET AREA DELINEATION

To gain insight into the socio-economic character of potential market participants to the proposed development, a market area is delineated.

A market area assists with determining the main socio-economic market characteristics within the market area. Due to the size of the development a primary market area was delineated. The primary market area for the project is based on an approximate **15-minute drive time** isochrone.

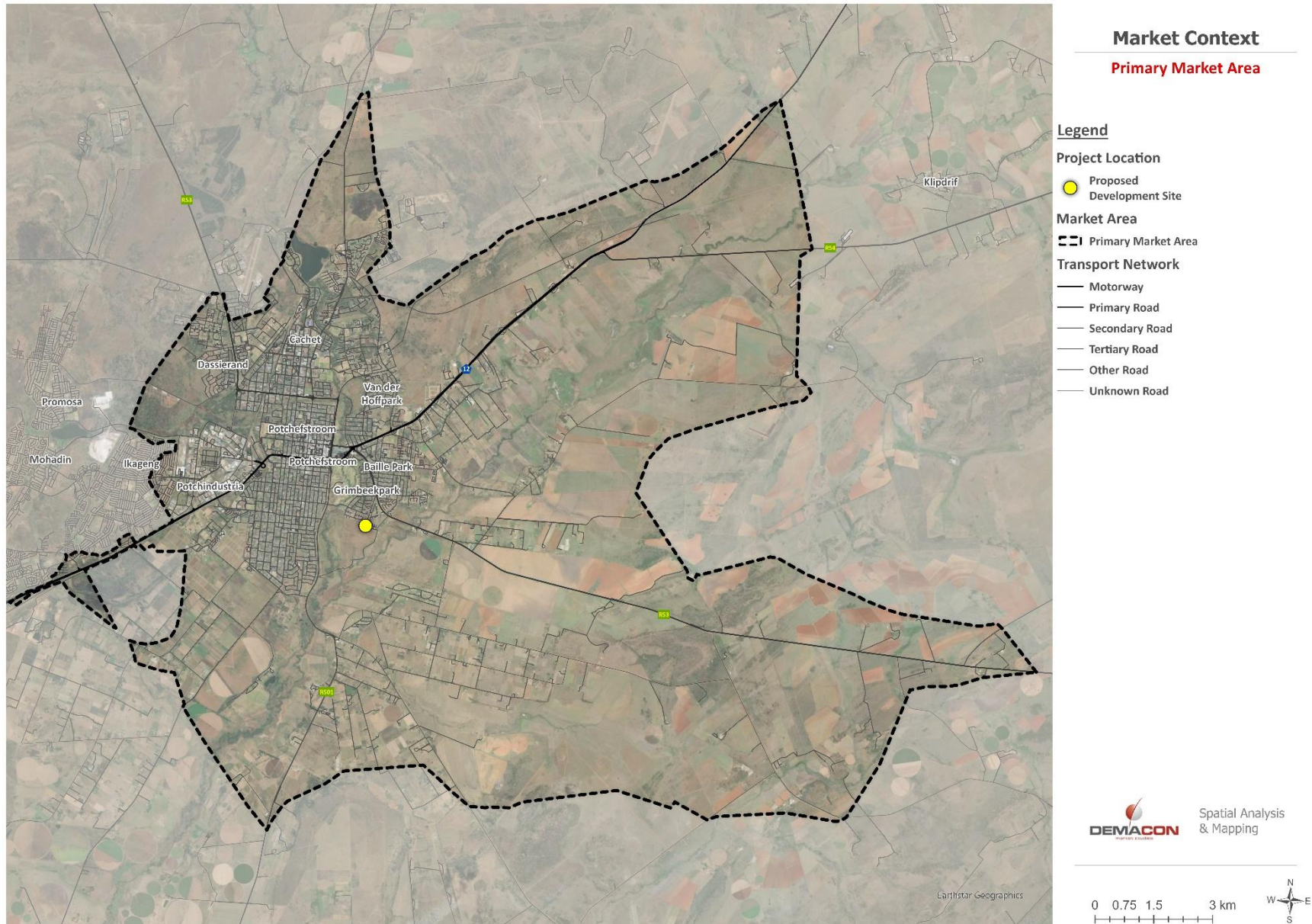
This chapter provides the key socio-economic indicators of the primary market, informed by general SACSC criteria, as well as the following:

- Consumer market behaviour and expenditure trends
- Regional and sub-regional levels of accessibility
- Geographic barriers
- General consumer mobility patterns and drive times.

4.3 PRIMARY MARKET AREA DEMOGRAPHIC PROFILE

The following section provides an analysis of the demographic profile of the primary market area of the proposed development. The demographic profile considers the primary market area and the demographic component that is resident to the market area.

Map 4.1: Primary Market Area (an approximated 15-minute drive time isochrone)



4.3.1 DEMOGRAPHIC SIZE AND COMPOSITION ¹

POPULATION SIZE



45 580
PEOPLE IN THE
PRIMARY
TRADE AREA

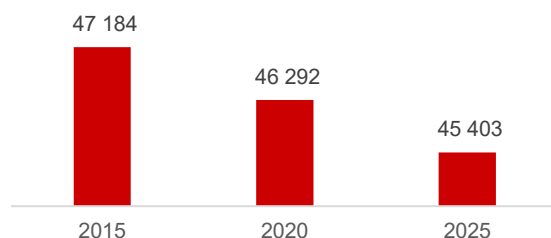
Population
Average Annual
Growth Rate
-0.38%



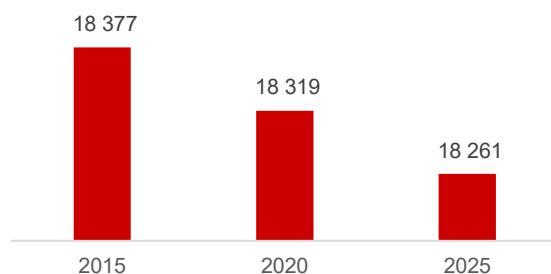
18 273
HOUSEHOLDS

Household
Average Annual
Growth Rate
-0.06%

POPULATION GROWTH

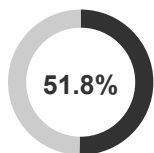
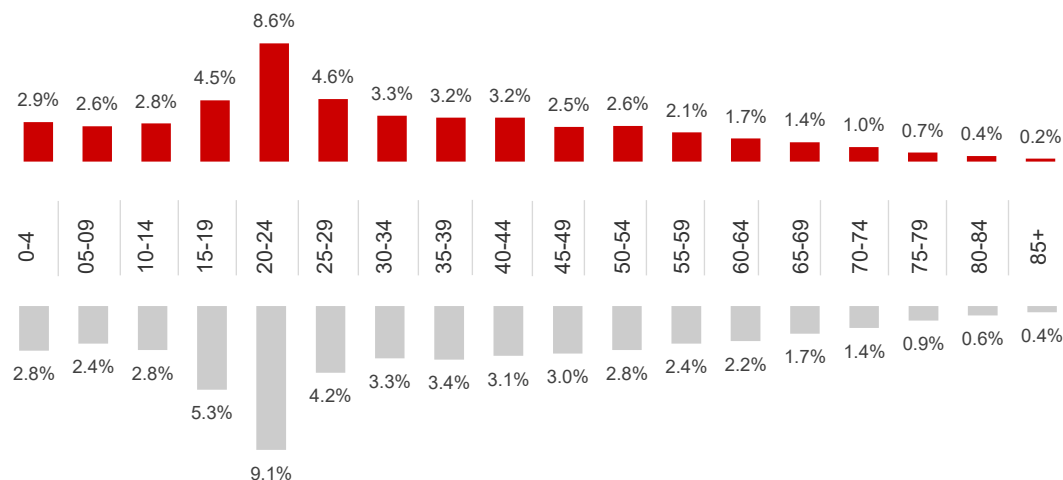
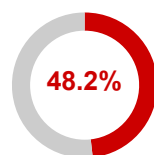


HOUSEHOLD GROWTH



AGE AND GENDER PROFILE

MALE



FEMALE

POPULATION GROUP

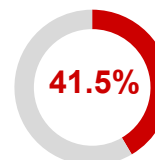


Black African	33.1%
Coloured	2.4%
Indian / Asian	1.1%
White	63.5%

MIGRATION PROFILE

Data indicates that 41.5% of people migrated to the primary market area since 2011.

40.2% of migrants are South African
1.3% of migrants are from other countries

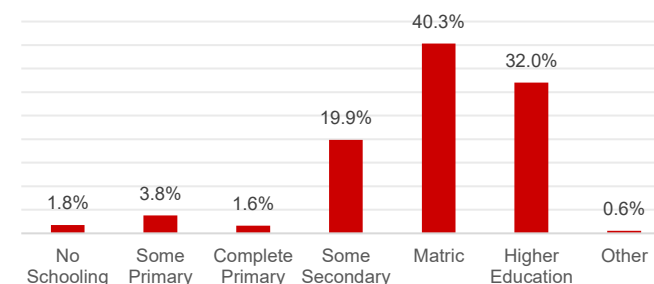


EDUCATION PROFILE

Education Institution Attendance by a Person Enrolled and Aged 20 and Older

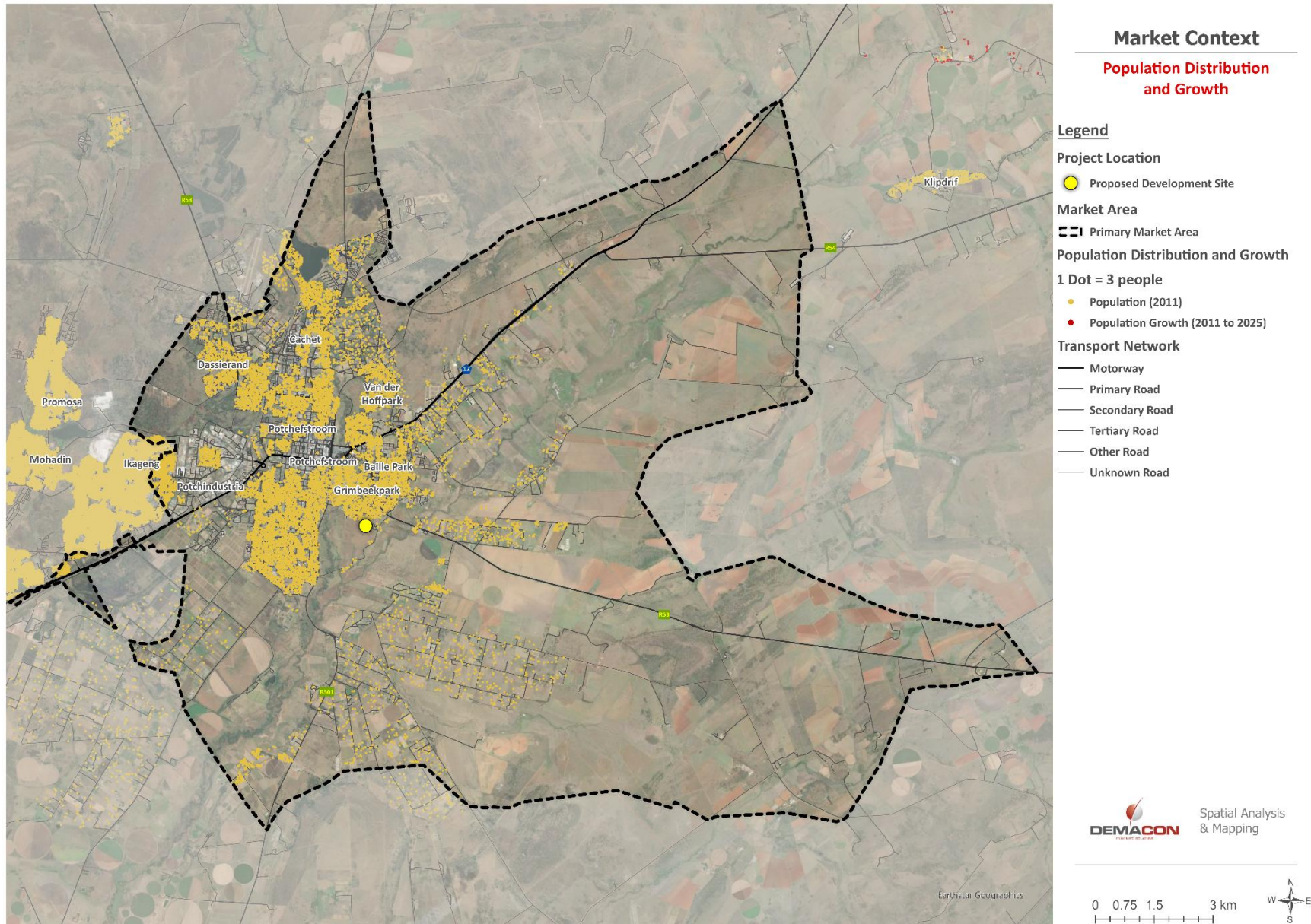
82.9% attend Universities	7.0% attend FET Colleges	3.5% attend Other Colleges
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Highest Level of Education Obtained – Working Age Population



¹ Even though StatsSA report low to negative population growth, new residential buildings completed average 680 units per annum over the long term.

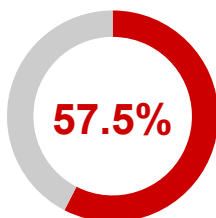
Map 4.2: Primary Market Area Population Distribution and Growth (an approximated 15-minute drive time isochrone)



4.3.2 LABOUR FORCE PROFILE

ECONOMICALLY ACTIVE SEGMENT

ECONOMICALLY
ACTIVE
Population

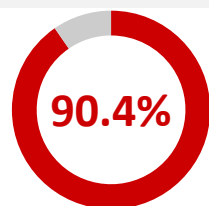


42.5% Not Economically Active

Economically active population refers to a person of working age 15 to 65 who are either employed or unemployed.

Not economically active population refers to a person of working age 15 to 65 who are unable to work, or are not looking for a job, i.e., students, homemakers, etc.

EMPLOYMENT PROFILE



Employed
Economically
Active

9.6% Unemployed Economically Active

Employed and unemployed persons are considered to be economically active and thus is a segment of the economically active percentage.

OCCUPATION PROFILE

Skilled
Occupations
27.8%



Semi-Skilled
Occupations
44.4%



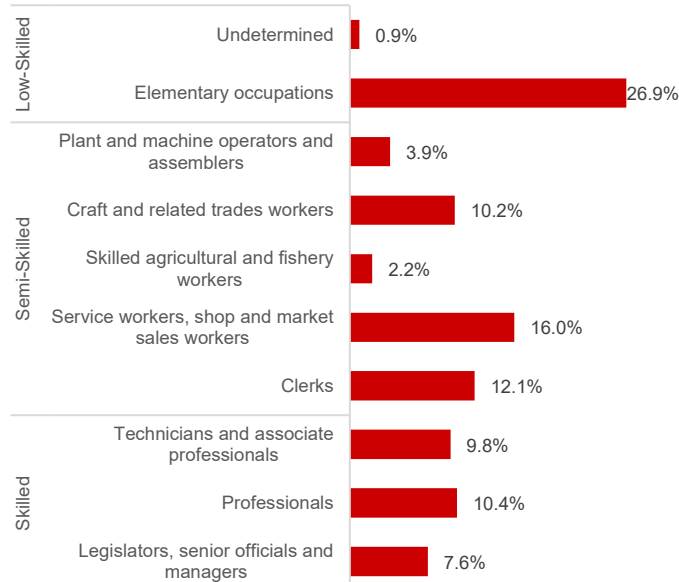
Low-Skilled
Occupations
26.9%



**Elementary
Occupations**
Are most popular
26.9%

**Service workers, shop,
and market sales
workers**
Are the second most
popular
16.0%

Clerks
Are the third most Popular
12.1%



EMPLOYMENT PER INDUSTRY



9.3%
Employed in the
Primary Sector

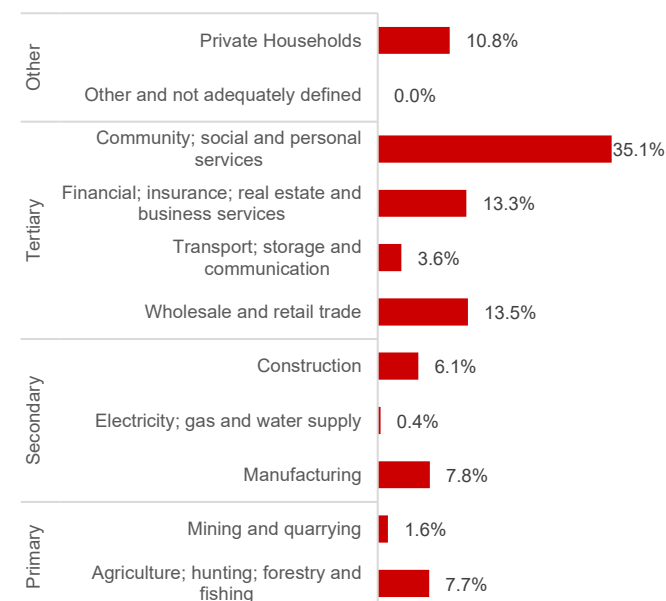
14.4%
Employed in the
Secondary Sector

65.6%
Employed in the
Tertiary Sector

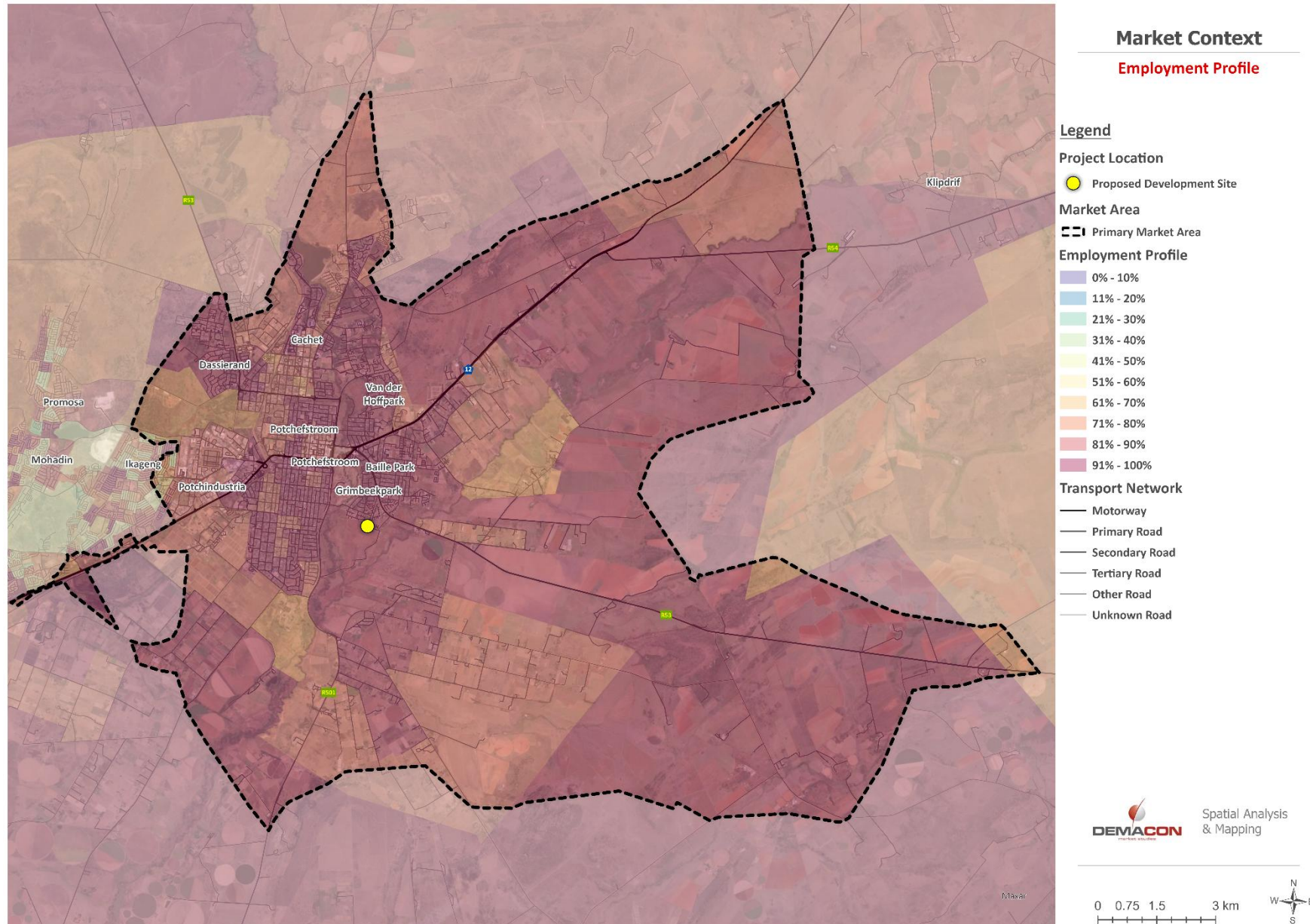
35.1% Community; social and personal services

13.5% Wholesale and retail trade

13.3% Financial, insurance, real estate and business services



Map 4.3: Primary Market Area Employment Profile (an approximated 15-minute drive time isochrone)



4.3.3 HOUSEHOLD PROFILE

DWELLING TYPOLOGY

Majority of Households Reside in a **Formal Dwelling** **98.0%**

1.7% of households reside in an **informal dwelling**

0.3% of households reside in a **traditional dwelling**

Caravan/tent	0.1%
Traditional	0.3%
Other	0.4%
Informal (Main)	0.8%
Semi-detached house	0.8%
Informal (Backyard)	0.9%
Cluster	1.1%
Flatlet	2.2%
House/flat/room in backyard	3.3%
Townhouse	3.6%
Flat / Apartment	23.2%
House	63.3%

TENURE STATUS



21.9% of households **own** and have **paid** for the property where they reside

18.2% of households **own** but have **not finished paying** for the property where they reside

6.0% of households **occupy** the property where they reside **rent free**

53.9% of households **rent** the property where they reside

SEM

SEM Distribution

SEM 10	19.3%
SEM 9	7.1%
SEM 8	5.4%
SEM 7	4.9%
SEM 6	3.6%
SEM 5	2.0%
SEM 4	4.4%
SEM 3	1.3%
SEM 2	2.2%
SEM 1	49.8%

SEM Supergroup Distribution

Supergroup 5	22.9%
Supergroup 4	11.4%
Supergroup 3	12.5%
Supergroup 2	2.4%
Supergroup 1	50.9%

HOUSEHOLD INCOME PROFILE

Average annual household income for all SEM Supergroups (2025)

R237 919

Average annual household income for SEM Supergroups 2+ (2025)

R490 016

Average monthly household income for all SEM Supergroups (2025)

R19 827

Average monthly household income for SEM Supergroups 2+ (2025)

R40 835

R3 104 578 and more	1.1%
R1 552 289 - R3 104 577	0.8%
R775 640 - R1 552 288	3.7%
R388 578 - R775 638	9.7%
R194 289 - R388 577	13.8%
R96 513 - R194 288	12.5%
R48 257 - R96 512	10.2%
R24 761 - R48 256	10.7%
R12 128 - R24 759	8.9%
R6 064 - R12 127	2.0%
R1 - R6 063	1.1%
No income	25.4%

±15.3% of market area households are **high-income** households

±36.5% of market area households are **middle-income** households

±48.1% of market area households are **low-income** households

4.3.4 LSM TO SEM

The discontinuation of the All Media Products Survey (by the South African Audience Research Foundation (SAARF)), on which the Living Standard Measure (LSM) classifications were based, gave way to a new measurement system called The Socio-Economic Measure model (SEM). The SEM model first released in 2018 is a more accurate reflection of South African society in terms of how people live and is not dependent solely on durables, as the historical LSMs have been. The new SEM offers marketers a statistical and technical solution that depicts how our citizens are living, not only what they have in their homes.

LSM

VS

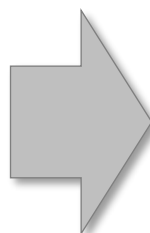
SEM

LATEST VARIABLES:

- Hot running water
- Fridge/freezer
- Flush toilet in house/on plot
- VCR in household
- Vacuum cleaner/floor polisher
- Have a washing machine
- Have a computer at home
- Have an electric stove
- Have TV set(s)
- Have a tumble dryer
- Have a Telkom telephone
- Hi-Fi or music centre
- Built-in kitchen sink
- Home security service
- Have a deep freeze
- Water in home/on stand
- Have M-Net and/or DSTV
- Have a dishwasher
- Metropolitan dweller
- Have a sewing machine
- DVD player
- House/cluster/townhouse
- 1/more motor vehicles
- No domestic worker
- No cellphone in household
- 1 cellphone in household
- None or only one radio
- Living in a non-urban area

FINAL VARIABLES:

- Post office nearby
- Police office nearby
- Built-in kitchen sink
- Home security service
- Motor car
- Deep freezer which is free standing
- Microwave oven
- Floor polisher or vacuum cleaner
- Washing machine
- Floor material
- Water source
- Type of toilet
- Roof material
- Number of sleeping rooms



LIMITATIONS OF LSM

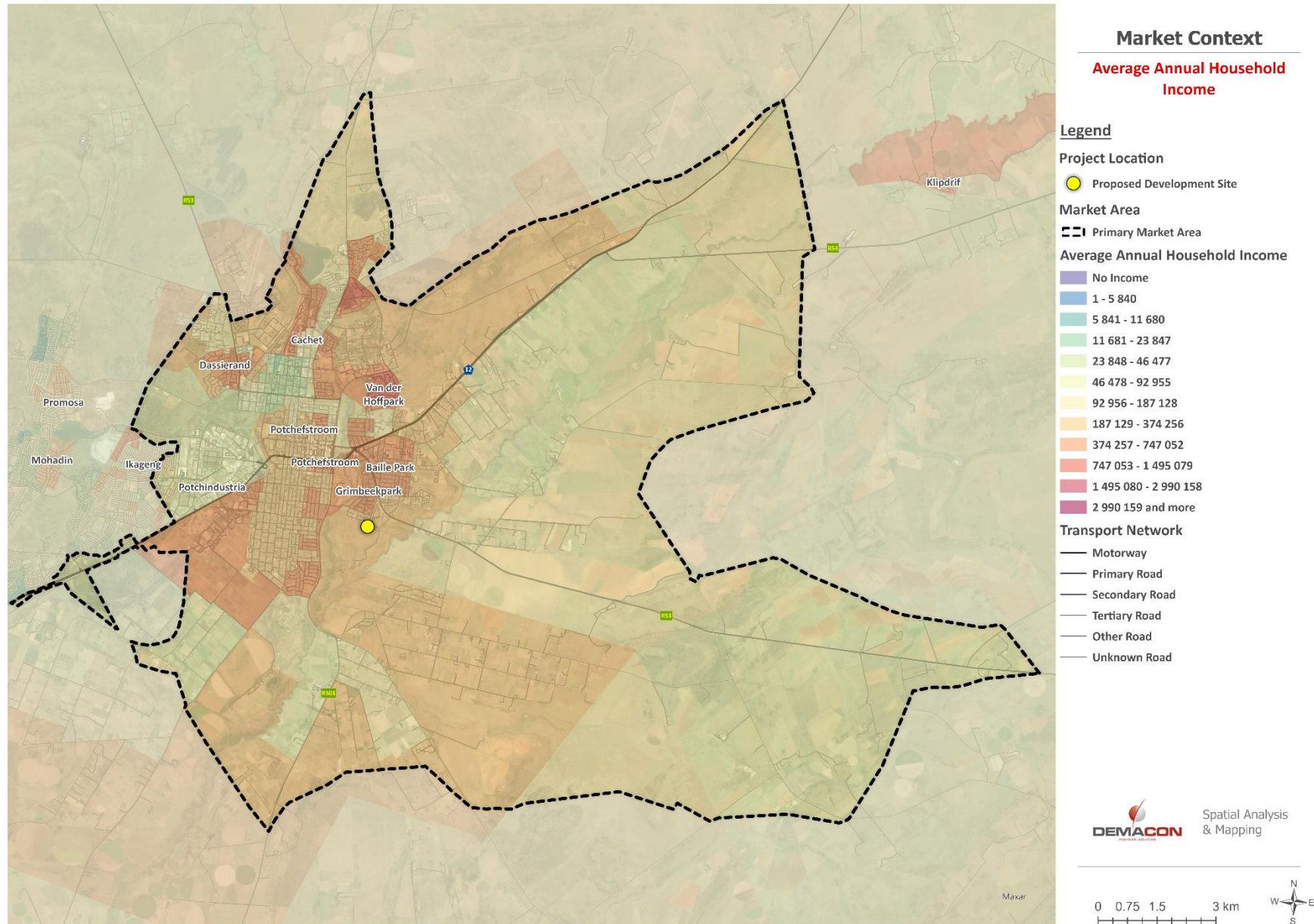
- 👎 LSM is not related to any specific brand or category
- 👎 LSM cannot accurately determine spending power
- 👎 Consumers have changed, LSM has not

ADVANTAGES OF SEM

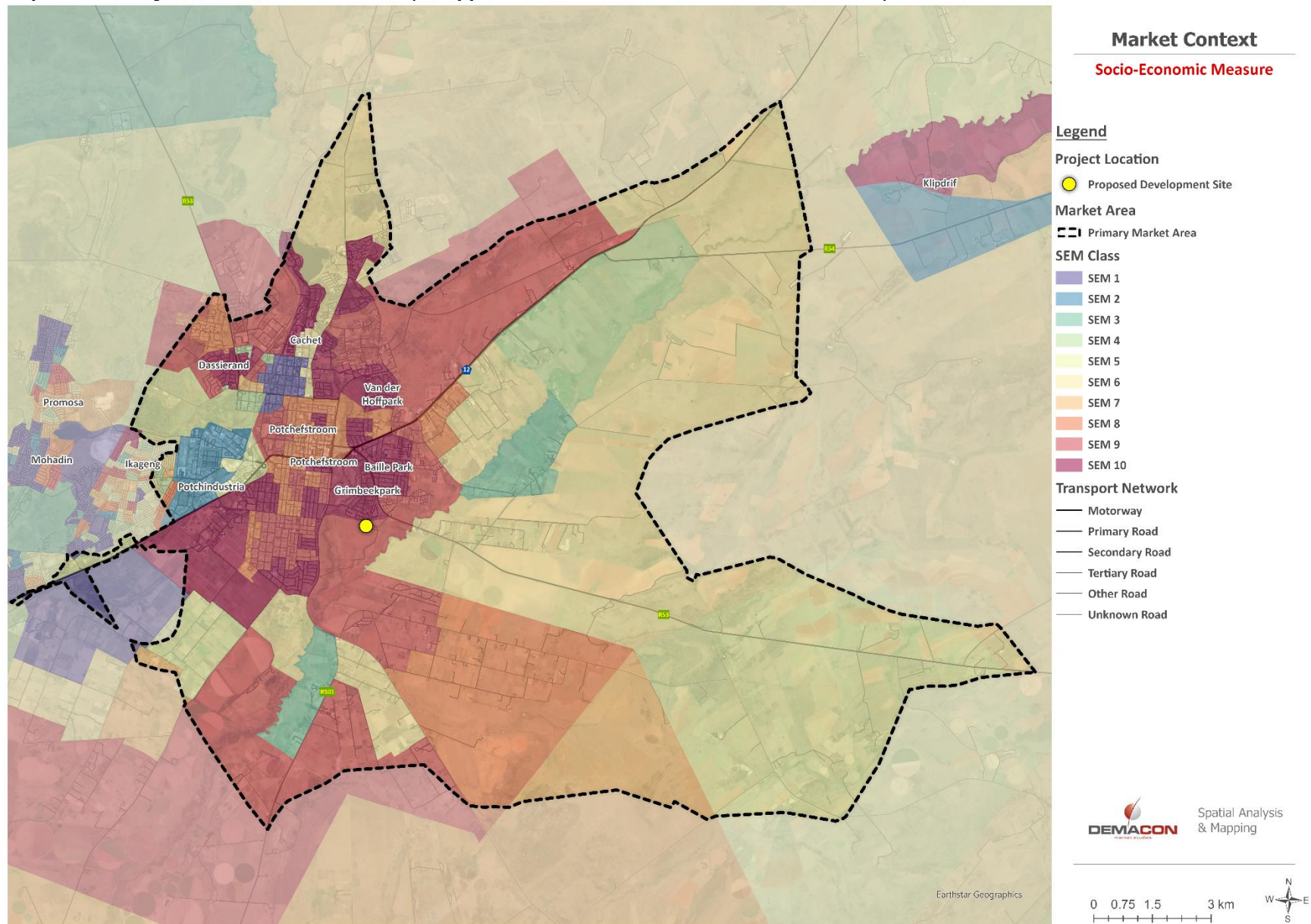
- 👍 Focus on structural items
- 👍 Low reliance on durables
- 👍 No reliance on technology items
- 👍 Short and easy to use

Note: Considering observations pertaining to residential growth and development, as well as aspects such as livestock ownership, shopping centre performance as well as quality and sizes of new homes / residential buildings (fuelled by community income and expenditure), it would appear that in spite of efforts, neither system (i.e. LSM or SEM) fully accounts for the levels of wealth prevalent in Tribal areas and township communities of SA.

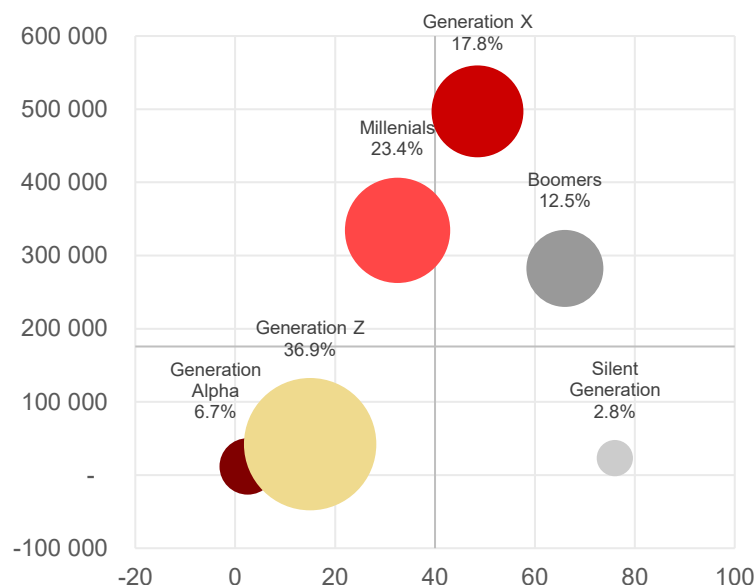
Map 4.4: Primary Market Area Weighted Average Annual Household Income (an approximated 15-minute drive time isochrone)



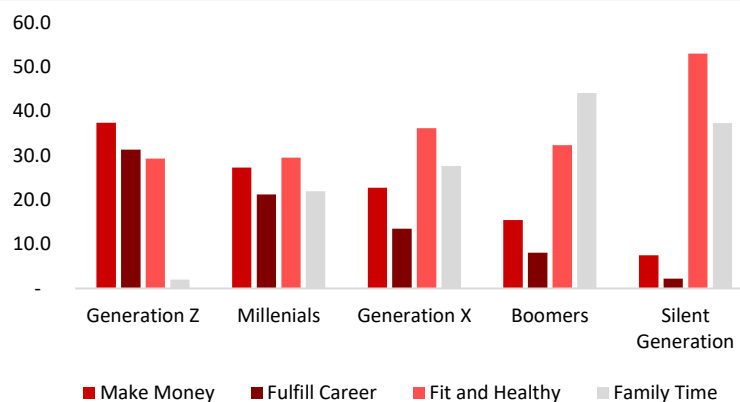
Map 4.5: Primary Market Area SEM Profile (an approximated 15-minute drive time isochrone)



4.4 DEMOGRAPHIC PROFILE AND GENERATION CONSUMERS



MAIN ASPIRATIONS OF CONSUMER SEGMENTS

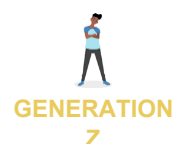


MARKET SEGMENTS DESCRIPTIONS



Aged 0 To 5

Generation Alpha is a growing and lucrative consumer market. They are expected to be the wealthiest, most highly-educated and technologically-connected group to date. Collectively, their spending power is huge. From a young age, Alphas would have been widely exposed to multiple digital platforms. Businesses will have to adapt to radically new ways of interacting and communicating with alphas, compared to their parents. Generation Alpha's consumer experience will have to be seamless and integrated, with personalised online experience. This will provide new opportunities for marketers.



Aged 6 To 24

The labels being attached to this generation include 'realistic', 'highly connected' and 'digital natives'. Generation Z's are seen to be wary with their money, having seen their parents lose jobs and their older siblings move back home because housing is so expensive. Via expert use of social media and the internet, they have already become demanding purchasers. They research diligently, are marketing savvy and are much less likely to make impulse purchases. They will find the best deals and will expect to test out products physically or virtually before they commit to buy. Generation Z will, apparently, want brands to show their long-term value.



Aged 25 To 40 Years

The majority of this generation has never known a world without mobile phones, laptops and cable television. This cohort is the one that tends to cop most criticism at the moment, with labels such as 'used to instant everything', 'believe they can separate effort from reward', 'do not live to work but work to live'. This segment is the most formally educated and most sophisticated of all the generations before it. Detailed research has shown that they are looking for brands that resonate with their peers. They are very image driven and so value, for example, electronic toys, piercings and tattoos. Other research shows that they pay less attention to quality than other generations.



Aged 41 To 56 Years

A bridging generation, which joined the workforce generally during periods of economic prosperity (the mid to late 1980s onwards). Generation X's are highly educated but more questioning of convention than the Baby Boomers. They are also generally more interested in balancing family, life and work, and much less inclined to sacrifice time, energy and relationships for career advancement like the Baby Boomers did.



Aged 57 & 75

Now aged between 57 and 75 years. Influenced in their upbringing by strong economic growth and generally full employment, they are generally considered to be adaptive and flexible. Baby Boomers are regarded as having defined themselves largely by their careers, with a high proportion considered to be workaholics. They are increasingly moving into the retirement phase of their life, but many plan to continue working.



Aged 76 & older

Shaped by major influences including the Great Depression and two world wars. Not surprisingly, this cohort values savings, morals and ethics, and tends to be very patriotic. Family togetherness and conformity are also very important attributes for them.

Table 4.1: Generational Characteristics

	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
Current Age	0-5 years	6-24 years	25-40 years	41-56 years	57-75 years	76+ years
Percentage of Target Market	6.7%	36.9%	23.4%	17.8%	12.5%	2.8%
Characteristics	• Raised in homes with smart speakers & devices • Technology is built into everyday items • Many attend schools virtually – gravitating towards online schooling	• Flexible work environments • Clear directions & transparency • Seek personal growth in reaching performance goals • Value offline relationships and person-to-person interaction • Prioritise authenticity, truth & connectivity in their relationships & expect it from society	• Seek meaningful work • Want to grow and use creative skills • Technology savvy • Yearn to grow professionally • Skills training, mentorship & feedback necessary to stay at company • Self-confident • Not afraid to challenge the status quo/ management	• Laid back • Low-key & independent • Entrepreneurial spirit • Value friendly, flexible workplaces & productivity over hours spent at work • Seeks out efficiency & innovation • Value autonomy to make own choices • Create relationships with mentors • Effectively manage work-life balance	• Hardworking • Ambitious • Seek luxury status symbols in their personal lives • Take risks to pursue goals • Dedicated to their jobs • Attribute self-worth to their occupations • Finding work-life balance is challenging	• Traditional values • Financial prudence • Interpersonal respect • Determination • Resilience • Work ethic • Analog sensibilities • Loyal • Financially conservative
Social Media Channel of Choice	• Instagram, TikTok	• TikTok, SnapChat, YouTube	• Instagram, Facebook, Pinterest	• Facebook, LinkedIn	• Facebook	
Most responsive to	• Video, Influencers	• Video, Influencers	• Reviews, Blogs	• Word-of-mouth, E-mail, Marketing	• Traditional Advertising	• Traditional Advertising
Device of Choice	• Smartphones/ tablets & voice-demand devices	• Smartphones	• Multi-Device	• Desktop and Laptop	• Prefer in-person interactions	• Prefer in-person interactions
Shaping Events	• Global pandemic, social justice movement, Brexit	• Smartphones, social media, seeing financial struggles of parents	• The Great Recession, Technological Explosion of the Internet, Social Media	• End of the Cold War, Rise of personal computing, feeling lost between the two huge generations	• Post-WWII, Cold War, Hippie Movement	• World War II

	 ALPHA GENERATION	 GENERATION Z	 MILLENNIALS	 GENERATION X	 BABY BOOMERS	 SILENT GENERATION
Finances	Digital natives that will expect fully integrated, personalised consumer experiences. It is expected that they will be one of the most educated and wealthy generations.	Like GenX (their parents) in financial attitudes but wanting to avoid debt after seeing Millennials' struggles	Massive student debts delay major life purchases	Carrying the highest debt load while still raising children and saving for retirement	Managing retirement with life expectancies on the rise	- Retired & financially vulnerable - Lack of financial stability - Think of finances in terms of the rest of their lives
Real Estate Behaviour	Not applicable under age	- Usually first-time home buyers or rent property. - Rented an apartment or house prior to buying a house, or lived rent-free with their parents/friends/relatives. - Has a large desire to own a home of their own due to a change in their family situation, i.e. marriage, birth. - Will opt for Townhouses. - Location is based on commute to job. - Will compromise on the condition of the property. - Look online for information about the home buying process.	- Largest share of home buyers, mostly being married couples. - Mostly move directly from a family member's home before buying property - Most likely to purchase property in urban areas, ensuring convenience to their jobs and ensuring commuting costs remain low. - Mostly buy on a loan. - Own more than one investment properties. - Will compromise for the size of the property.	- Purchases are based on buying larger and more expensive properties. - Mostly buying multi-generational homes as a large segment of this population have dependents. - Want to move close to schools. - Own more than one investment properties. - No compromises are made in buying a house. - Depend on real estate agents during the home buying process.	- Mostly buy due to a desire to own a home of their own, and to be closer to friends and family, and to live in a better area. - Mostly buy newly build homes. - Own properties for the longest period of time of up to 20 years. - Usually move to a smaller home. - More willing to buy apartments than other generations. - No compromises are made in buying a house - Most likely buy in secure estates.	- The smallest share of buyers. - They most likely purchase to be closer to friends and family. - Will opt for a smaller home, most likely in a senior-related housing or retirement house. - Mostly buy in smaller towns. - Least likely to compromise in their home search. - No compromises are made in buying a house

4.5 SYNTHESIS



POPULATION SIZE AND GROWTH

Approximately 45 580 people and 18 273 households reside in the delineated market area. The average household size is 2.49 people per household.

The average annual negative growth rate of the population is -0.38% per annum, while the average negative annual growth rate of households is -0.06% per annum. Even though StatsSA report low to negative population growth, new residential buildings completed average 680 units per annum over the long term.

Potchefstroom's population dynamics are strongly influenced by the North-West University (NWU), attracting a large but temporary student population. This transient in-migration does not contribute to long-term population growth in suburbs like Grimbek Park, which may also have fewer permanent residents due to ageing demographics or limited new household formation.



AGE AND GENDER PROFILE

The age and gender profile reveal that:

- There are typically more females than males in the primary market area.
- Children aged, 0 to 14, represents 16.2% of the market area population.
- Youth aged, 15 to 34, represents 42.8% of the market area population.
- Adults aged, 35 to 64, represents 32.2% of the market area population.
- Elderly aged, 65 and older, represents 8.8% of the market area population.

The population within the primary market area is mainly of working age (aged between 15 to 64 years). Approximately 75% of the population falls within the working age population. A significant proportion of the population (25%) is however represented by children and the elderly – indicating a fairly low dependency ratio.



RACIAL PROFILE

The population group profile of the delineated market area shows that the largest proportion of the population is White (63.5%), followed by the Black African (33.1%), Coloured (2.4%) and Indian/Asian (1.1%) population groups.



MIGRATION PROFILE

Since 2001, the delineated market area has experienced some in-migration into the area, albeit very limited in scale. Approximately 41.5% of the population moved to the market area in recent years. Approximately 40.2% of migrants to the market area are South African citizens, whilst the remaining 1.3% are international migrants.



EDUCATION PROFILE

Highest Level of Education Attained by Working Age Population (15 to 64)

Working age population residing in the market area are highly educated whereby 40.3% of the population have attained matric certification. The largest segment of the population has tertiary education (32.0%), while 19.9% attained some secondary education.

A proportion of the population (1.6%) have completed some primary education. Individuals with no education represent 1.8% of the population.

Attendance at an Education Institution (Persons Aged 20 and Older)

Persons in the market area that are aged 20 years and older and are currently enrolled at an educational institution are mostly enrolled at a university, representing 82.9% of individuals. Individuals are also enrolled at a FET College (7.0%) and other colleges (3.5%).



EMPLOYMENT PROFILE

Economically Active Population and Employment

Approximately 57.5% of the population of the delineated market area are economically active, meaning that almost half of the population in the delineated market area are of working age and are actively participating in the economy or seeking employment.

The remaining 42.5% represent the population that fall outside the scope of the economically active population. Not economically active population refers to a person of working age 15 to 65 who are unable to work, or are not looking for a job, i.e., students, homemakers, etc.

Of the economically active population, 90.4% are employed and 9.6% are unemployed. The delineated market area is characterised by a substantial employed market segment, reflecting low dependency ratios.

Employment per Industry

The primary economic sector represents 9.3% employed economically active individuals in the market area. and is dominated by the agriculture, hunting, forestry and fishing sector (7.7%).

The secondary economic sector proportionally represents the second largest number of employed persons (14.4%). The manufacturing sector is the most prominent sector representing 7.8%, followed by the construction sector (6.1%).

Approximately 65.6% of employed persons are employed in tertiary economic sectors of which dominated by the community, social and personal services sector (35.1%) followed by wholesale and retail trade (13.5%).

Employment per Occupation

In the market area, approximately 27.8% of the employed population are employed in skilled occupations of which professionals (10.4%) are the most prominent followed by technicians and associate professionals (9.8%).

Semi-skilled occupations proportionally represent 44.4% of employed persons. Service workers, shop and market sales workers are the most prominent (14.0%) followed by clerks (12.1%).

Low skilled occupations proportionally represent 26.9% of total employed persons. Elementary occupations are the most prominent (26.9%).



DWELLING TYPOLOGY

Households in the market area primarily reside in formal dwellings (98.0%). Approximately 1.7% of households reside in informal dwellings, while 0.3% reside in traditional dwellings. Of those residing in formal dwellings, approximately 63.3% reside in free-standing houses.



TENURE STATUS

Approximately 21.9% of households in the delineated market area own the dwelling/property in which they reside and have fully paid the bond registered to the property. Approximately 53.9% of households are renting the dwelling/property in which they reside, while 18.2% of households have not yet fully paid the bond registered on their property.

Approximately 6.0% of households occupy the dwelling in which they reside rent-free.



HOUSEHOLD INCOME PROFILE

Approximately ±48.1% of households can be classified as low-income households (monthly income less than R3 500 per month and eligible for government sponsored – subsidy - housing). Middle-income households represent ±36.5% of households (annual household income up to R264 000). High-income households (R264 000 and more) represent ±15.3% of households. The largest target market in the area is classified as low-income households.

The average annual household income for the resident population for 2025 amounts to R237 919 per annum, which amounts to R19 827 per month for all SEM supergroups. For SEM supergroups 2 and higher, the average income is R490 016 per annum, which amounts to R40 835 per month.



SEM PROFILE

The discontinuation of the All-Media Products Survey (by the South African Audience Research Foundation (SAARF)), on which the Living Standard Measure (LSM) classifications were based, gave way to a new measurement system called The Socio-Economic Measure model (SEM). The newly released SEM model is a more accurate reflection of South African society in terms of how people live and is not dependent solely on durables, as the historical LSMs have been. The new SEM offers marketers a statistical and technical solution that depicts how our citizens are living, not only what they have in their homes.

Approximately 50.9% of households form part of the SEM supergroup 1, while 49.1% of households are categorised as SEM supergroup 2+.



CONSUMER SURVEY ANALYSIS



5

5 CONSUMER SURVEY ANALYSIS

5.1 INTRODUCTION

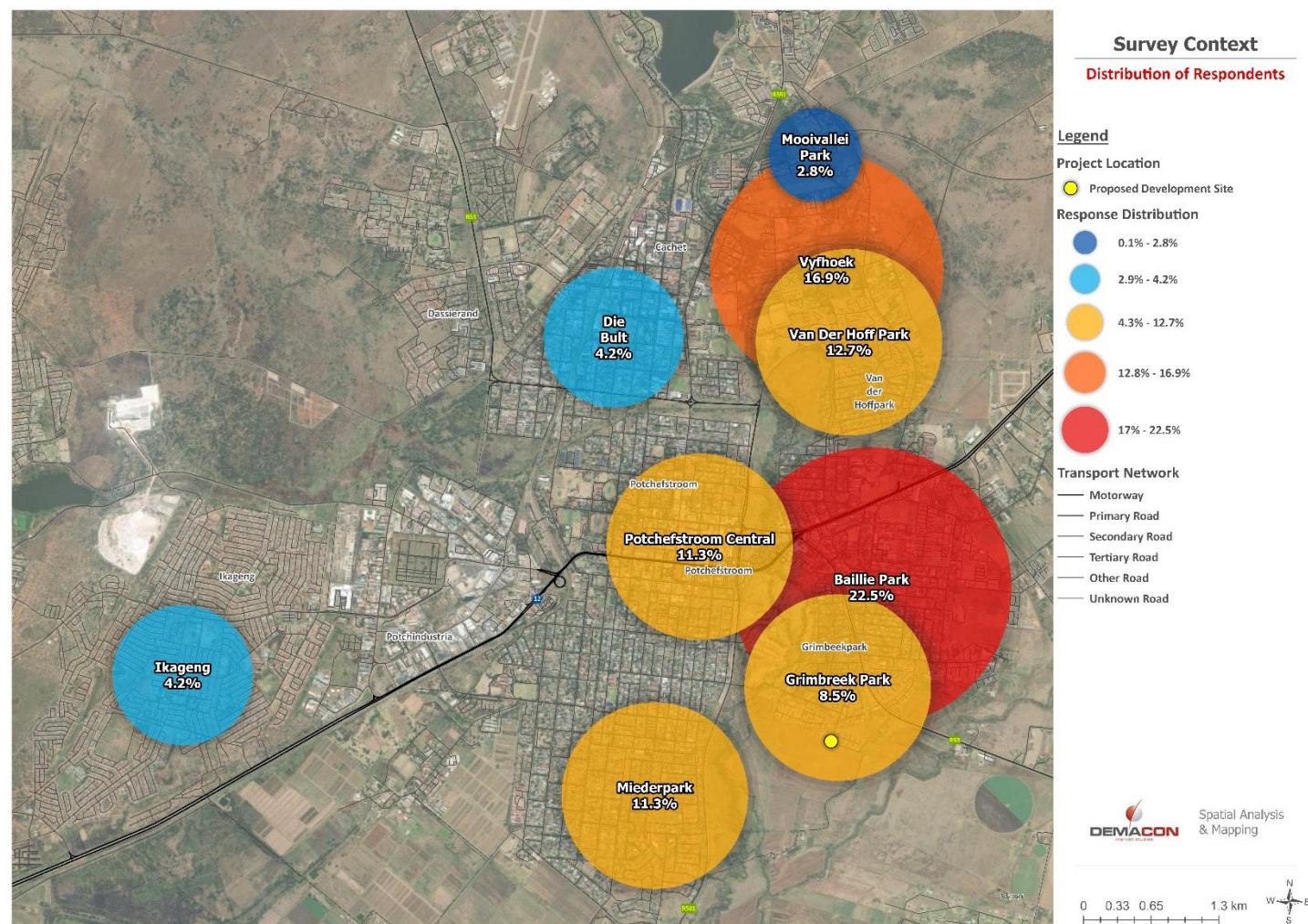
Subsequent paragraphs provide survey results to assess the potential for a residential development in the primary market area. A proportionate, stratified random sample was applied to conduct the perception survey in the surrounding area, which represents a large captive market for potential consumers. A proportionate stratified sample survey method was applied to test consumer preferences and perceptions with respect to the site development and the potential for a residential development.

5.2 DISTRIBUTION OF RESPONDENTS

Map 5.1 geographically illustrates the spatial distribution of survey respondents.

The map shows that the majority of respondents who participated in the survey was located within the Baillie Park, Vyfhoek and Van Der Hoff Park areas.

Map 5.1: Spatial distribution of respondents



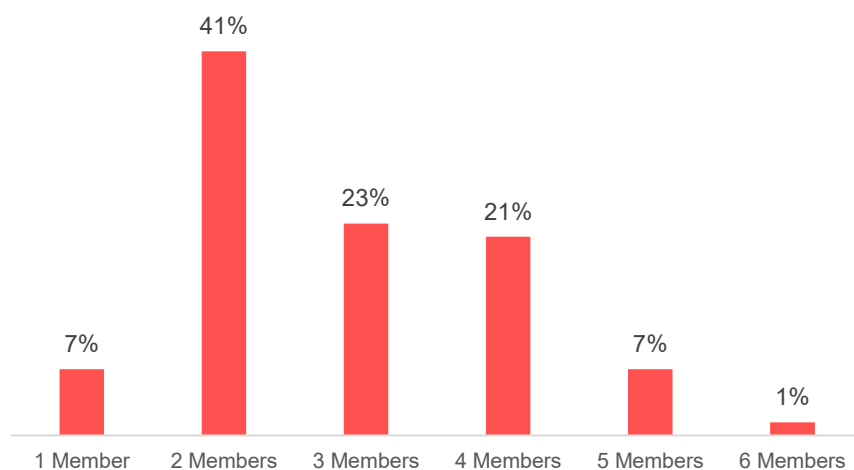
5.3 SOCIO-ECONOMIC PROFILE

Respondent households are primarily characterised as:



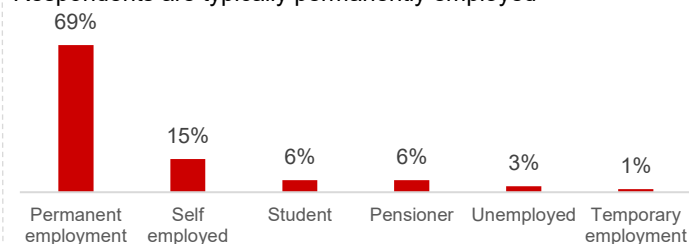
Parents with adult children	38%
Mature adults	32%
Parents with small children	14%

Number of Members in Respondents' Households



Employment Status

Respondents are typically permanently employed



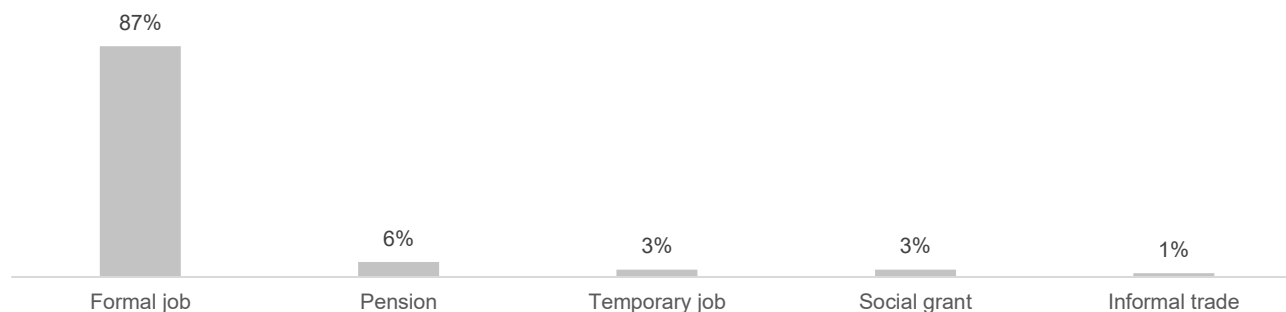
Data shows that **23%** of respondent households have **one** breadwinner, while **72%** of respondent households have **two** breadwinners. 1% of respondent households have 3 breadwinners.

A large segment of respondents (73%) did not want to disclose their monthly household income. The following indicate the average monthly household income profile (before deductions) of the respondents that was willing to disclose their household income:

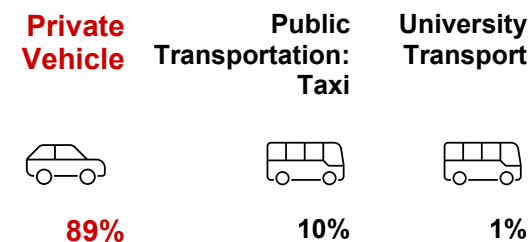
Respondents' Monthly Household Income



Main Source of Household Income

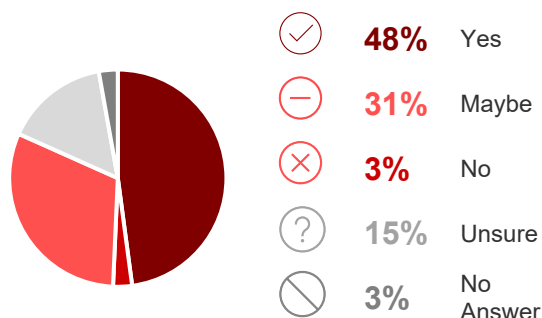


Mode of transportation:



5.4 RESIDENTIAL SUPPORT AND PREFERENCES

Perceived demand for a new residential development in Grimbeek Park:



Dwelling Unit Preference

76% of respondents indicated that a balanced mix of varying densities would be ideal in a development

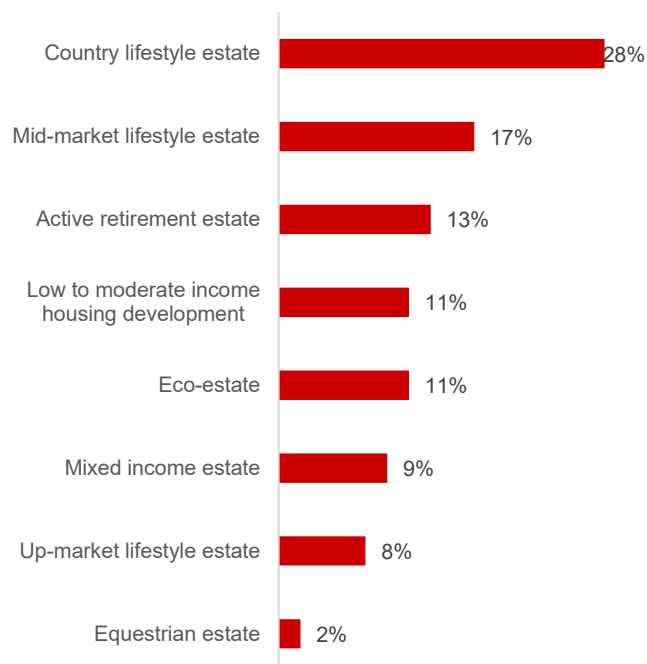
Critical Success Factors

Respondents noted that the most important critical success factors for a residential development include (in order of importance):

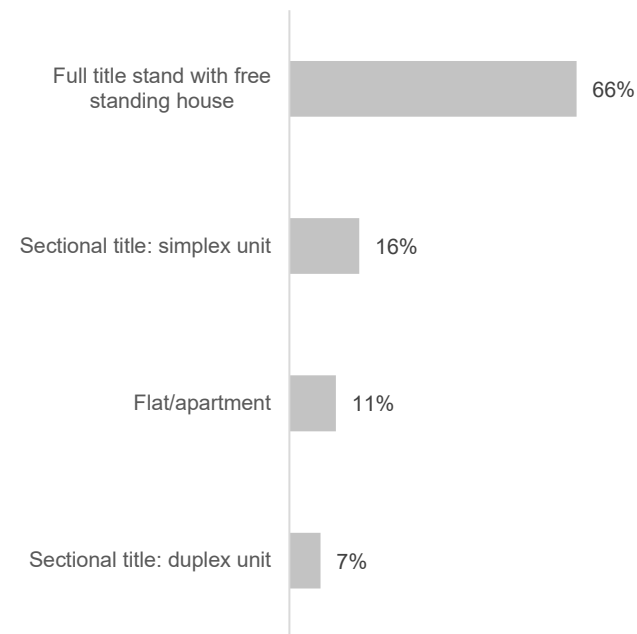


- Safety and Security
- Product quality
- Energy efficiency systems, i.e., solar heating, interior
- Secure on-site parking
- Access to high-speed internet services fibre
- Affordability
- Latest home security system technology
- Layout and design
- Access to wireless connectivity at nodes throughout the development
- Proximity to health care facilities

Ideal Type of Development

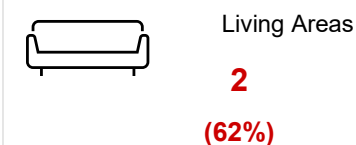
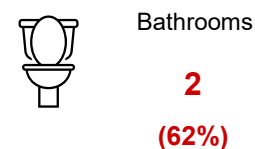
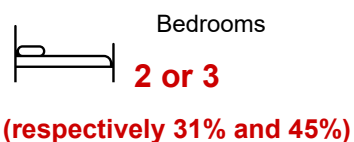


Ideal Type of Dwelling Units

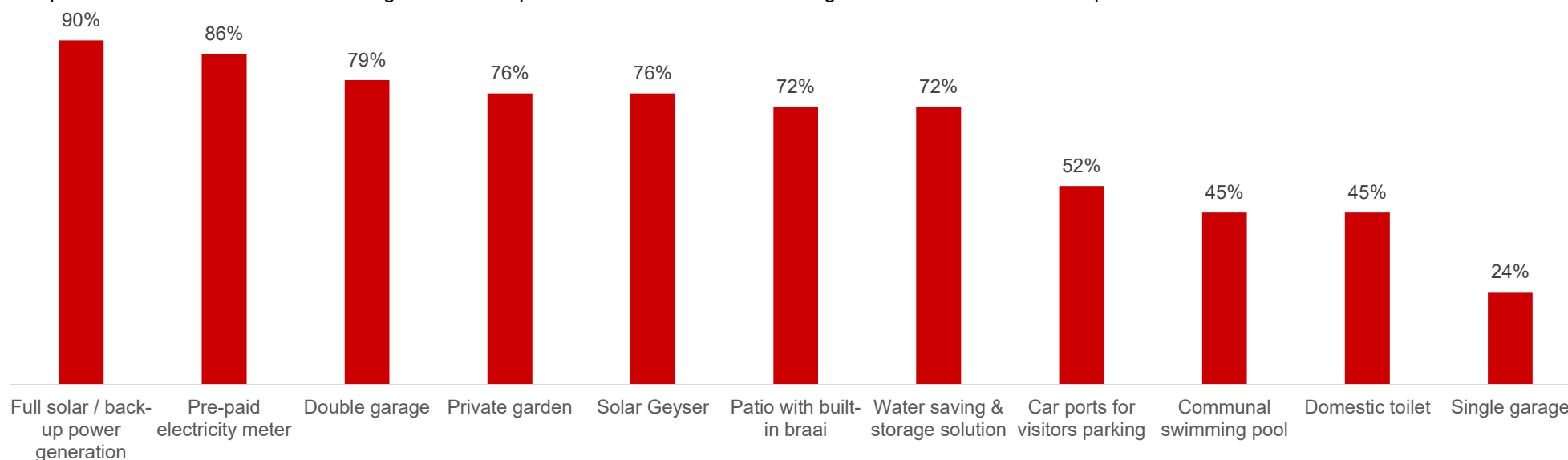


Residential Unit Composition

Respondent stated preferences include:

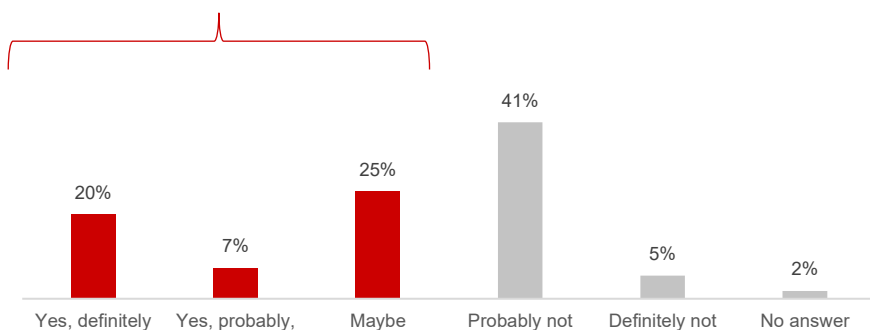


Respondents indicated that the following should form part of the residential unit offering in a new residential development:



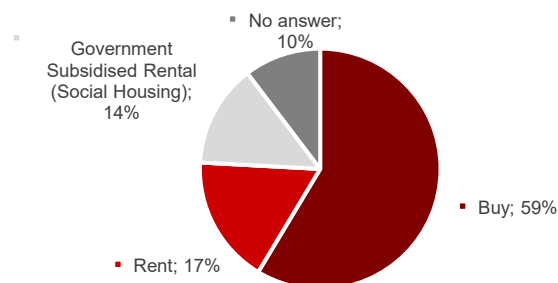
Residential Support

About **52%** of respondents noted that, should a development product in line with the consumer's preferences be developed, the respondent would consider moving to such a development.



Affordability Profile

59% of respondents indicated they will be able to **BUY** a property based on their income and affordability profile



17% of respondents identified they will be able to **RENT** a property based on their affordability profile

Predominately of respondents indicated that they would be able to buy, indicated that they would be able to afford a residential offering of R750 000 - R1.25 million

71% of respondents also indicated that the purchase of a property/house would be bank-financed.

88% of the respondents indicated they would purchase to occupy as primary resident

Respondents that indicated that they would be able to rent, indicated that they would be able to afford a monthly rental price of R9 000-R20000.

5.5 SYNTHESIS

The consumer survey identifies key characteristics and consumer preferences in the primary market area of the proposed development. The consumer survey seeks to highlight stated consumer preferences with regard to residential development and retail development and perceived need for ancillary uses.

Key outcomes from the survey include:

Socio-Economic Profile

- Households typically consist of 2 or 4 people.
- 73% of respondents did not want to disclose their household income, however, those that was willing to disclose their income indicated an average monthly income of between R4 000 – R8 000 and R32 000 – R64 000.
- The majority of respondents (87%) indicated that the source of income is mainly a formal job.
- Approximately 69% of respondents are permanently employed, with 72% of households having two breadwinners.

Residential Support and Preferences

- Approximately 48% of respondents believe that there is definitely a demand for residential development in the market area, while 31% believe that there is possibly a demand.
- Residential configuration preferences are toward full title free standing houses (66%) within a country lifestyle estate housing development (28%).
- Approximately 76% of respondents indicated that a balanced mix of varying densities would be ideal in a development.
- Preference is given towards 2/3-bedroom, 2-bathroom and 2 living room configurations.
- Dwellings should ideally include a full solar / back-up power generation and a prepaid electricity meter.
- The 5 top critical success factors noted by respondents for residential development include:
 - Safety and Security
 - Product quality
 - Energy efficiency systems, i.e., solar heating, interior
 - Secure on-site parking
 - Access to high-speed internet services fibre
- About 52% of respondents noted that, should a development product in line with the consumer's preferences be constructed, the respondent would consider moving to such a development.

- Approximately 59% of respondents identified that they will be able to buy a property based on their affordability profile. These respondents indicated that between R750 000 – R1.25 million would be a reasonable property market price in the area. 71% of respondents also indicated that the purchase would be a bank financed purchase.
- The main reason for buying a property would be to occupy as primary residence (88%).
- Approximately 17% of respondents identified they will be able to rent a property based on their affordability profile. These respondents indicated that they would be willing to pay between R9 000 and R20 000 per month for rent.

General Inputs from Respondents

Grimbeek Park is widely regarded by respondents as a quiet, well-established and popular neighbourhood in Potchefstroom. Residents appreciate the peaceful atmosphere and security, which makes the area attractive for both families and retirees. Many indicated a strong interest in an active retirement estate within the area, noting the current lack of suitable facilities for older adults who are still healthy and independent. Key features suggested for such a development include a medical centre, walking trails, a gym or squash court and a restaurant for daily meals.

Affordability emerged as a recurring concern. Several respondents stated that the area is generally too expensive for middle-income households, retirees and young buyers. Although some are happy where they are, others would consider moving if more affordable options were available. There is a clear demand for secure, affordable housing options – either as middle-income family homes or reasonably priced retirement units. Estate living is considered highly desirable, particularly when it includes access control and child-friendly spaces, due to growing concerns around safety and crime.

A few respondents noted the area's increasing density due to new developments, with concerns about overcrowding beginning to surface. At the same time, the rental market, particularly student accommodation, appears strong – one respondent even mentioned a waiting list for student tenants, pointing to further opportunities in the buy-to-let sector. Overall, there is strong support for the development of affordable, secure and well-located housing options that cater to both the ageing population and middle-income families in Grimbeek Park.



RESIDENTIAL MARKET ANALYSIS



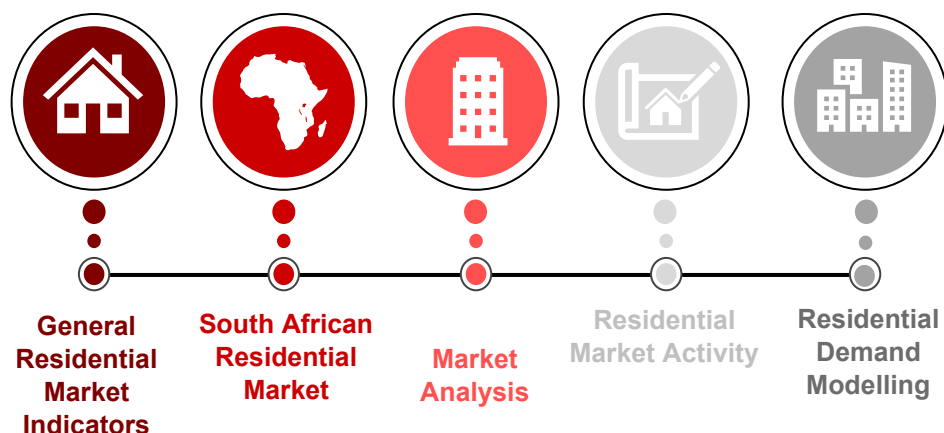
6

6 RESIDENTIAL DEVELOPMENT POTENTIAL

6.1 INTRODUCTION

This section of the report focuses on the residential market, with the objective of estimating the development potential within the designated area. In order to reach this objective, the supply and demand for residential facilities within the market area should be identified and assessed in terms of current trends. Subsequent paragraphs highlight the following main headings in order to determine the residential development potential:

Section Outline

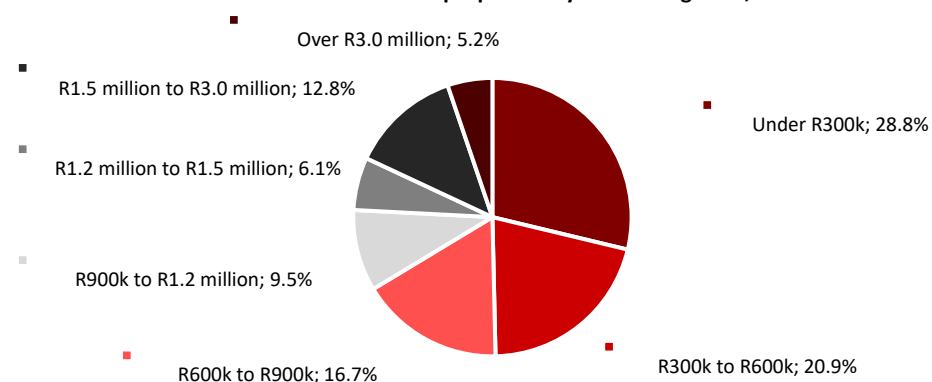


6.2 GENERAL RESIDENTIAL MARKET INDICATORS

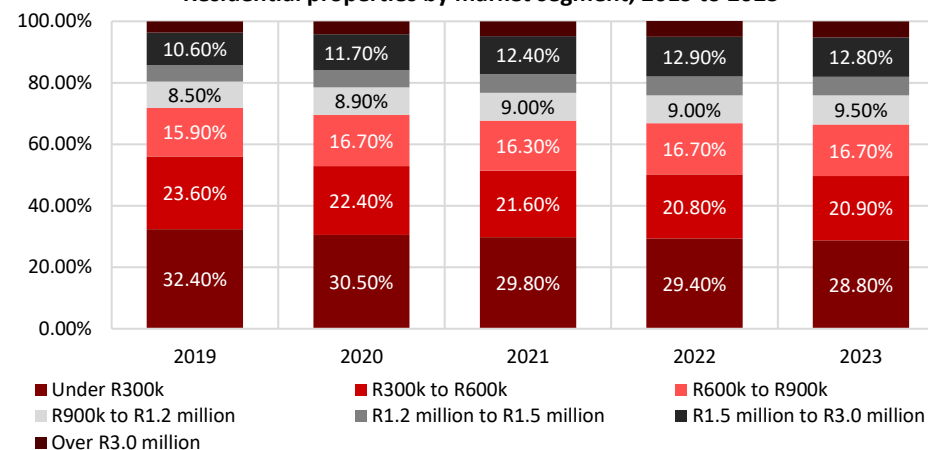
The following provides an overview of the main residential market indicators. The South African residential property market size can be described as:

- 6.91 million properties
- These properties are valued at approximately R6.789 trillion

Number of residential properties by market segment, 2023

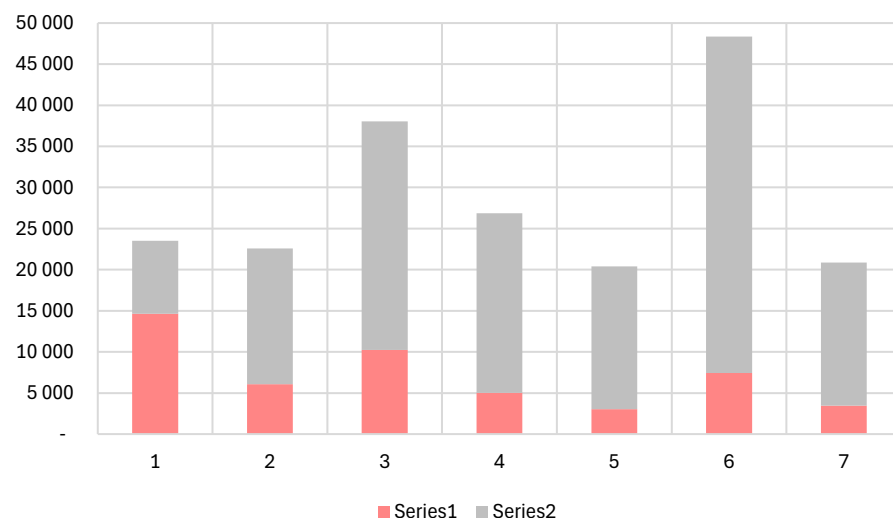


Residential properties by market segment, 2019 to 2023



Source: DEMACON ex CAHF, 2024

New Transactions and Resale Transactions by Price Segment

**Number of Transactions (2023)**

- New Transactions: 49 893
- Resale Transactions: 150 738

Type of Property:

- Freehold Property: 86.0%
- Sectional Title Property: 14.0%

Entry market—Under R300k**Affordable market**—R300k to R600k**Conventional market**—R600k to R900k**High-end market**—R900k to R1.2 million**Lower luxury market**—R1.2 million to R1.5 million**Mid luxury market**—R1.5 million to R3million**Top luxury market**—R3 million+**House Price Inflation**

- National year-on-year house price inflation currently stands at 3.1%, showing a slight decrease from the previous month.
- Provincially, annual property inflation has increased in KwaZulu-Natal, North-West, Mpumalanga and Northern Cape, while it decreased in the Eastern Cape, Free State and Limpopo compared to last month. Gauteng and Western Cape remain stable.

**Low Value segment: 10.8%****Mid Value segment: 4.2%****High Value and Luxury segments: 3.1% and 3.0%****House Price Growth**

- The latest FNB House Price Index (HPI) indicates that the mood in South Africa's residential property market remains cautious, although some improvement is underway.
- Recent interest rate cuts and easing financial pressure on households have not yet fully translated into stronger house price growth, suggesting a lag in market response.
- House prices are expected to average lower in 2025, with growth accelerating more noticeably in 2026 and beyond.
- The HPI averaged 0.7% month-on-month in May 2025, slightly below the 0.8% recorded in April and lower than the 1.0% growth in the same month last year.
- FNB projects house price growth to average around 0.7% in 2025, rising to approximately 1.8% in 2026 and approaching 3% growth by 2027.
- In real terms (adjusted for inflation), house prices are expected to remain under pressure, continuing a trend of slight declines in purchasing power.
- Supporting these trends, the FNB 1Q25 Estate Agents Survey reported increased market activity, particularly in Gauteng and Western Cape, alongside a decrease in average days on market.
- Positive drivers in the sector include improved consumer sentiment and expectations of further interest rate reductions. Lower borrowing costs are anticipated to boost demand especially in the lower-priced segments, where affordability constraints have been most acute.

Source: DEMACON ex FNB & Lightstone Property, 2025

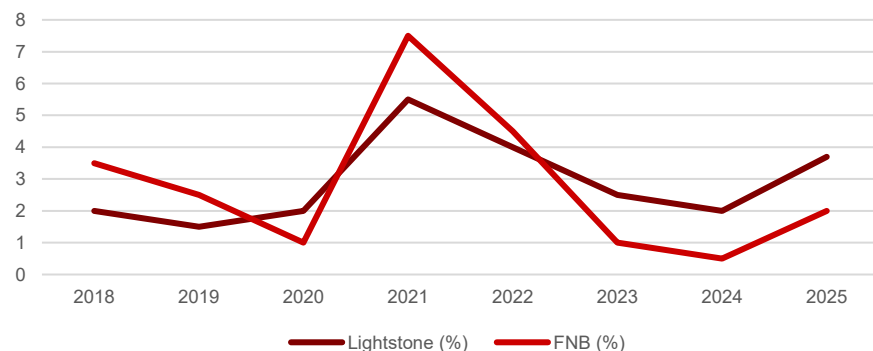
6.3 SOUTH AFRICAN RESIDENTIAL MARKET

After several years of weak performance, nominal house prices in South Africa are showing signs of a modest recovery. This upturn is supported by a combination of lower inflation, rising salaries and a slight decrease in interest rates compared to 2024. Additionally, the introduction of the two-pot retirement system has improved the purchasing power of certain households.

Despite these positive developments, expectations for house price growth should remain cautious, given that economic growth is projected to remain slow—between 1% and 1.5% in 2025.

Figure 6.1 illustrates changes in nominal house prices, using data from FNB and Lightstone. Both indices suggest that prices bottomed out in 2023/24 and have since begun to recover. FNB's index recorded a 1.8% increase during the first four months of 2025, following a 0.8% rise in 2024—the lowest in 15 years. By April 2025, monthly price growth averaged 2.2%. However, in real terms (adjusted for consumer inflation), house prices are still declining, although at a slower rate.

Figure 6.1: Change in nominal house prices in SA

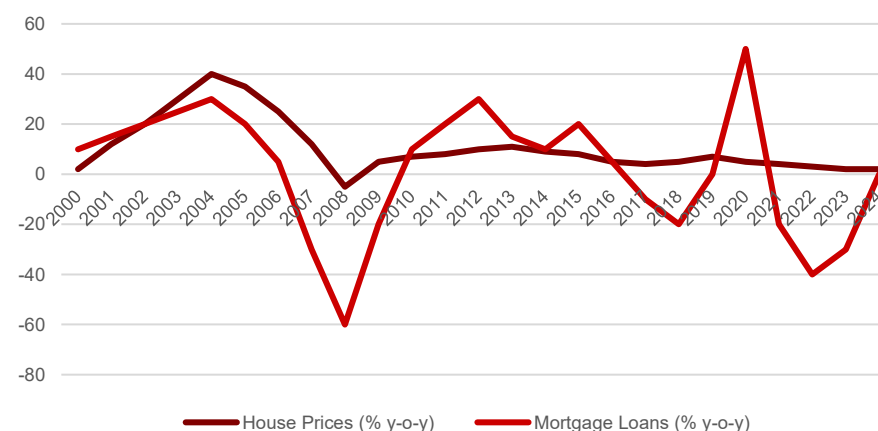


Lightstone's index reflects somewhat stronger nominal growth of 3% to 4% over the same period—slightly above the 3% average CPI inflation rate.

6.3.1 Drivers of changes in house prices

As illustrated in the chart, house prices show a moderate correlation with the value of residential mortgages granted, with an r^2 value of 0.4. This suggests that around 40% of house price movements can be explained by changes in mortgage lending, though other factors also play a role. While the causality varies over time, the turning points in both metrics often align.

Figure 6.2: Change in national house prices (FNM) vs Change in value of new mortgage loans



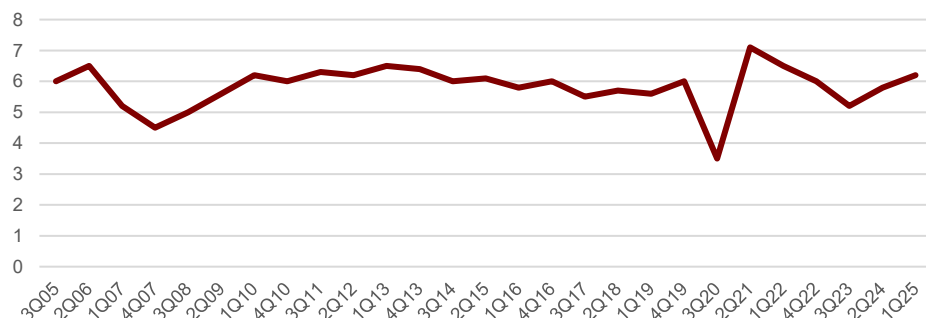
A likely sequence is as follows: changes in household income and interest rates influence house prices, which then impact market activity (churn) and ultimately affect the value of mortgage loans granted.

In the fourth quarter of 2024, the nominal value of residential mortgages granted increased by 16.2% year-on-year—the third consecutive quarterly rise. For the full year, mortgage lending grew by 7.1%, rebounding from a 20% decline in 2023, signalling a recovering market.

FNB's first-quarter 2025 residential survey provides further insight. Estate agents were asked to rate sales activity on a scale from 1 to 10. After hitting a low of 5.1 in Q2 2023, activity improved to 6.3 in Q1 2025—the highest in three years. However, this still falls short of the elevated activity seen during the COVID-19

pandemic, when a sharp drop in interest rates (as low as 7%) stimulated demand. In contrast, the prime rate stood at 11% in April 2025, limiting the potential for strong market recovery.

Figure 6.3: Estate agents rating of SA sales activity (1 to 10)



Another key indicator is the time properties remain on the market. There is a 30% inverse correlation between ‘time on the market’ and transaction activity—lower than expected, but still meaningful. It suggests that realistically priced homes tend to sell faster. Nationally, average time on the market increased to 12.1 weeks in Q1 2025, yet remains below the long-term average of 13 weeks, indicating seller expectations are relatively reasonable.

FNB also reports a decline in the proportion of distressed sales. In Q1 2025, 22% of homeowners sold due to financial pressure, down from 26% in Q4 2024. While this is still above the long-term average of 19% (since 2007), it points to some easing in household financial stress.

Economic growth forecasts for South Africa in 2025 have generally been revised downward due to growing concerns over global factors such as the trade war. For example, the Bureau for Economic Research (BER) projected in April 2025 a growth rate of 1.5%, down from its earlier estimate of 2% in January. Similarly, the latest IMF forecast predicts just 1% growth. Despite the downgrade, this still marks an improvement over the 0.6% growth recorded in 2024, indicating the potential for a gradual rise in housing demand.

There are some encouraging signs for the economy. These include a more stable electricity supply and interest rates that are lower than in 2024. The prime lending rate has held steady at 11% since January 2025, following the third rate cut in the current easing cycle that began in September 2024.

However, further rate cuts remain uncertain due to geopolitical instability—particularly policy actions by former U.S. President Trump—and speculation that the South African Reserve Bank (SARB) may lower its inflation target. Even if no additional rate cuts occur, average interest rates in 2025 are still expected to remain below the 11.6% average recorded in 2024 (see Annexure 7 for historical data).

In conclusion, with moderate GDP growth and slightly lower interest rates expected in 2025, the housing market is likely to continue its modest recovery.

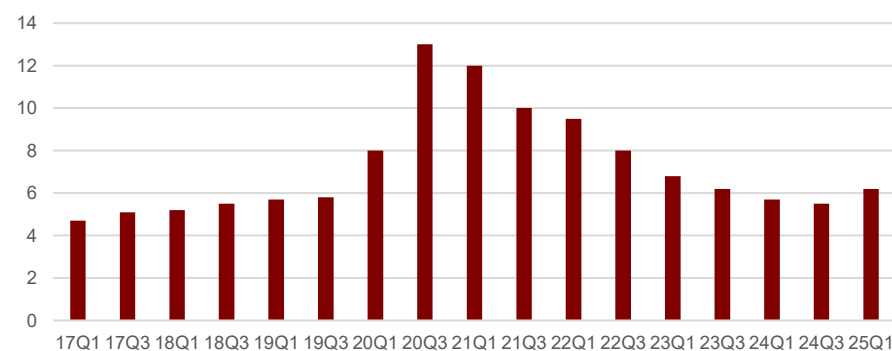
6.3.2 FLAT MARKET IN SOUTH AFRICA

National flat vacancy rates averaged 6.7% in the first quarter of 2025, up slightly from 6% in the fourth quarter of 2024, according to Rode’s residential survey data (see chart and Table 9.1). Despite this quarterly increase, the rate remains in line with the 2024 average and is significantly lower than the peak levels experienced during the COVID-19 pandemic.

The overall decline in vacancy rates over recent years has supported steady rental growth. Stats SA data shows rental inflation peaked at 4.1% in September 2024 but slowed to around 3.6% by March 2025. It is still too early to determine whether this deceleration represents a longer-term trend.

From a broader perspective, rental prices have consistently outpaced consumer inflation (CPI) since September 2024. This trend has been reinforced by the slowdown in CPI itself, which dropped to approximately 3%. As a result, rental growth continues to offer a real return above inflation—for now.

Figure 6.4: SA Flat Vacancy Rate (%)



6.4 RESIDENTIAL TRENDS IN ENTIRE POTCHEFSTROOM AND GRIMBEEK PARK

		Entire Potchefstroom *	Grimbeek Park
 Total Properties Sold (2024)	No of Properties	2 132	52
	Average Sales Price	R760 000	R1 400 000
 Sold Erven (2024)	No of Properties	959	46
	Average Sales Price	R1 200 000	R1 400 000
 Sectional Scheme Units Sold (2024)	No of Properties	1 003	6
	Average Sales Price	R579 000	R1 450 000
 Average Asking Price per Bed	0 bed (bachelor)	R435 000	-
	1 bed	R499 000	-
	2 beds	R730 000	R965 000
	3 beds	R1 590 000	R1 840 000
	4 beds	R2 150 000	R2 650 000
	5+ beds	R3 115 000	R3 952 500
	Other	R2 495 000	R650 000
 Recent Buyers	Age 18-35	23.6%	42.9%
	Age 36-49	31.4%	32.1%
	Age 50-64	30.3%	17.9%
	Age 65 or older	14.7%	7.1%

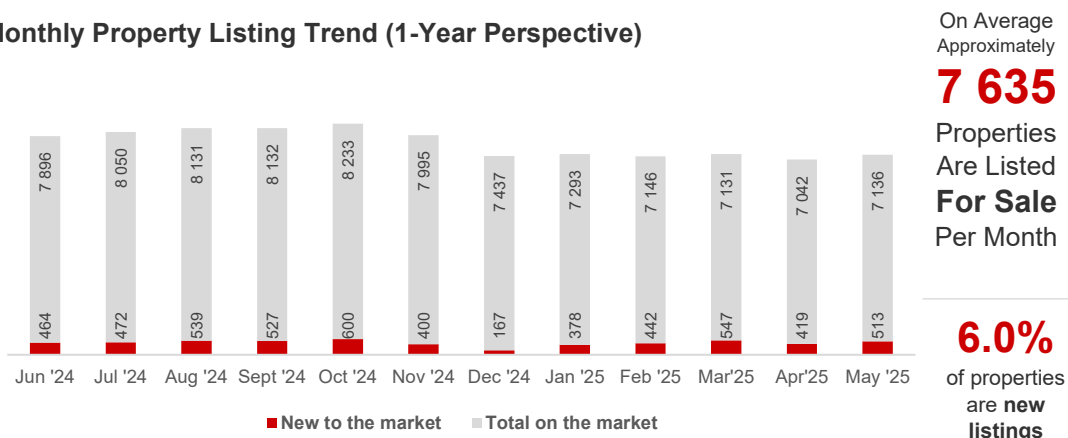
* The Entire Potchefstroom area includes Potchefstroom Rural as well as all suburbs of Potchefstroom, including Grimbeek Park, Bailie Park, Potchefstroom Central, Bult South, Bult North, Vyfhoek, Tuscany Ridge, etc.

Includes all stock – old and new

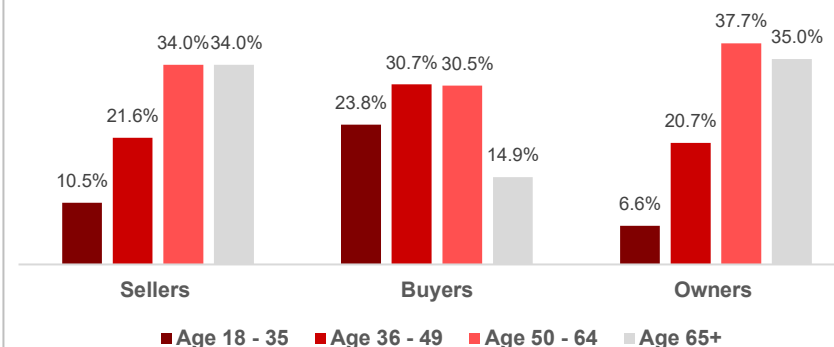
6.4.1 ENTIRE POTCHEFSTROOM RESIDENTIAL MARKET ACTIVITY

The following section provides an overview of property market activity, i.e. property transactions that have taken place in the entire Potchefstroom between 2016 and 2025. The data provides a comparison between average asking and sales prices of properties and seeks to highlight any property pricing growth trends present in Potchefstroom. It is important to note that the data offers comprehensive data across both residential and commercial property segments, including prices, volumes, types and buyer profiles, across various geographic levels, not limited to residential listings only.

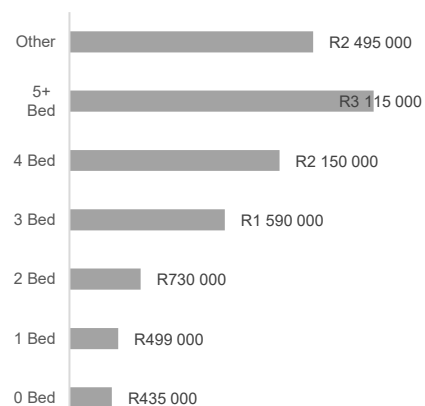
Monthly Property Listing Trend (1-Year Perspective)



Age Profile of Property Owners

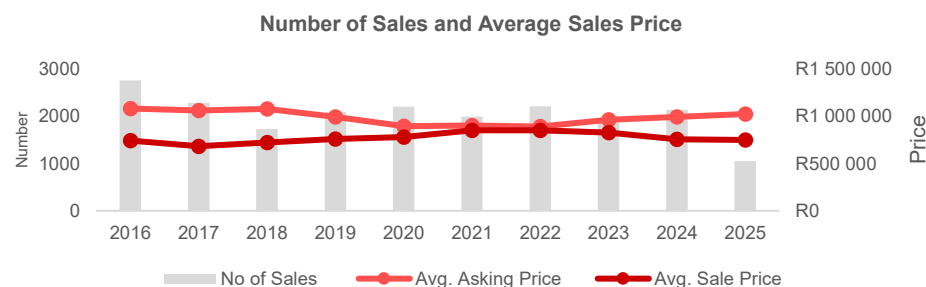


Average Asking Price

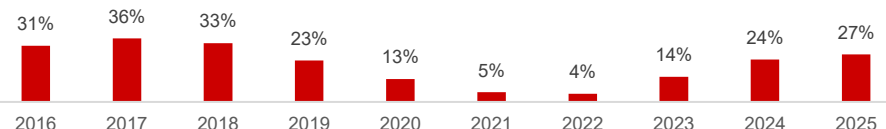


Other includes properties without bedrooms, such as Commercial and Vacant Land properties

Property Sales Trend (2016 to 2025) – Sales registered in the Deeds Office



Percentage Difference between Average Asking Price and Average Sales Price



An average of **2 138** properties are sold per year

Average sales price of **R773 556**

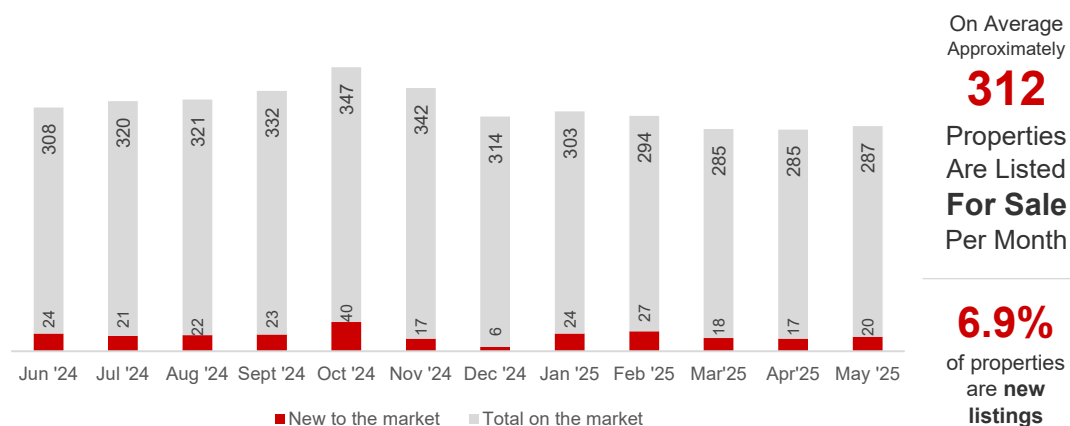
Average asking price was **R982 111**

The average asking price for properties is on average **21% higher** than the average sales price.

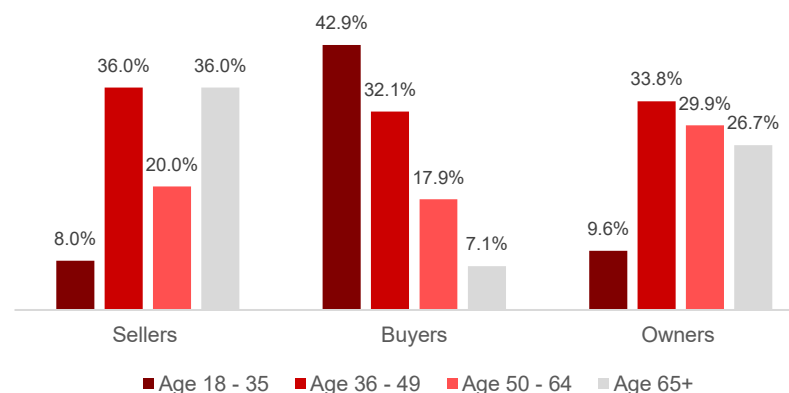
6.4.2 GRIMBEEK PARK RESIDENTIAL MARKET ACTIVITY

The following section provides an overview of property market activity, i.e. property transactions that have taken place in Grimbeek Park (in which the site is located) between 2016 and 2025. The data provides a comparison between average asking and sales prices of properties and seeks to highlight any property pricing growth trends present in Grimbeek Park. It is important to note that the data offers comprehensive data across both residential and commercial property segments, including prices, volumes, types and buyer profiles, across various geographic levels, not limited to residential listings only.

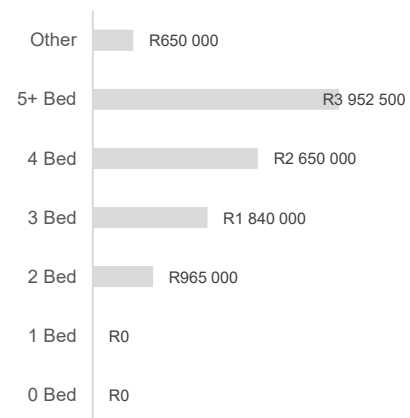
Monthly Property Listing Trend (1-Year Perspective)



Age Profile of Property Owners

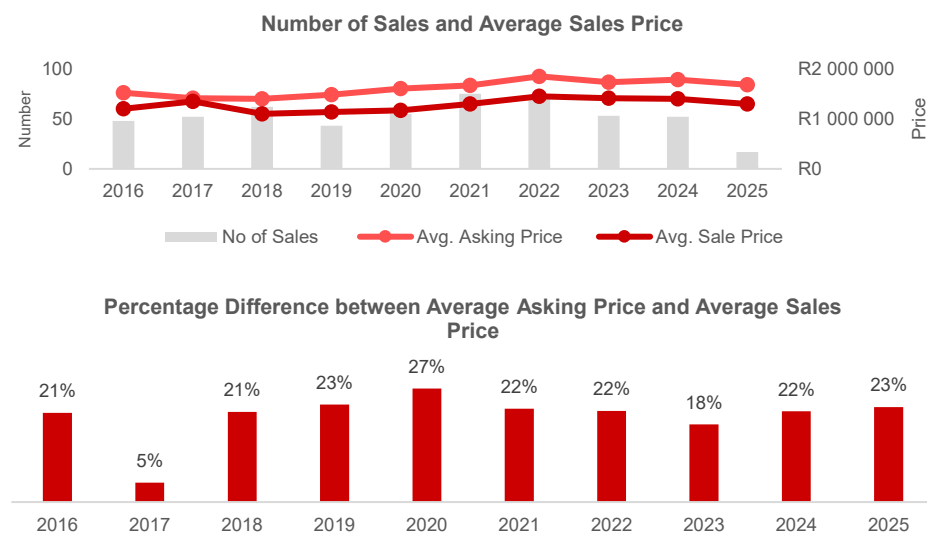


Average Asking Price



Other includes properties without bedrooms, such as Commercial and Vacant Land properties

Property Sales Trend (2016 to 2025) – Sales registered in the Deeds Office



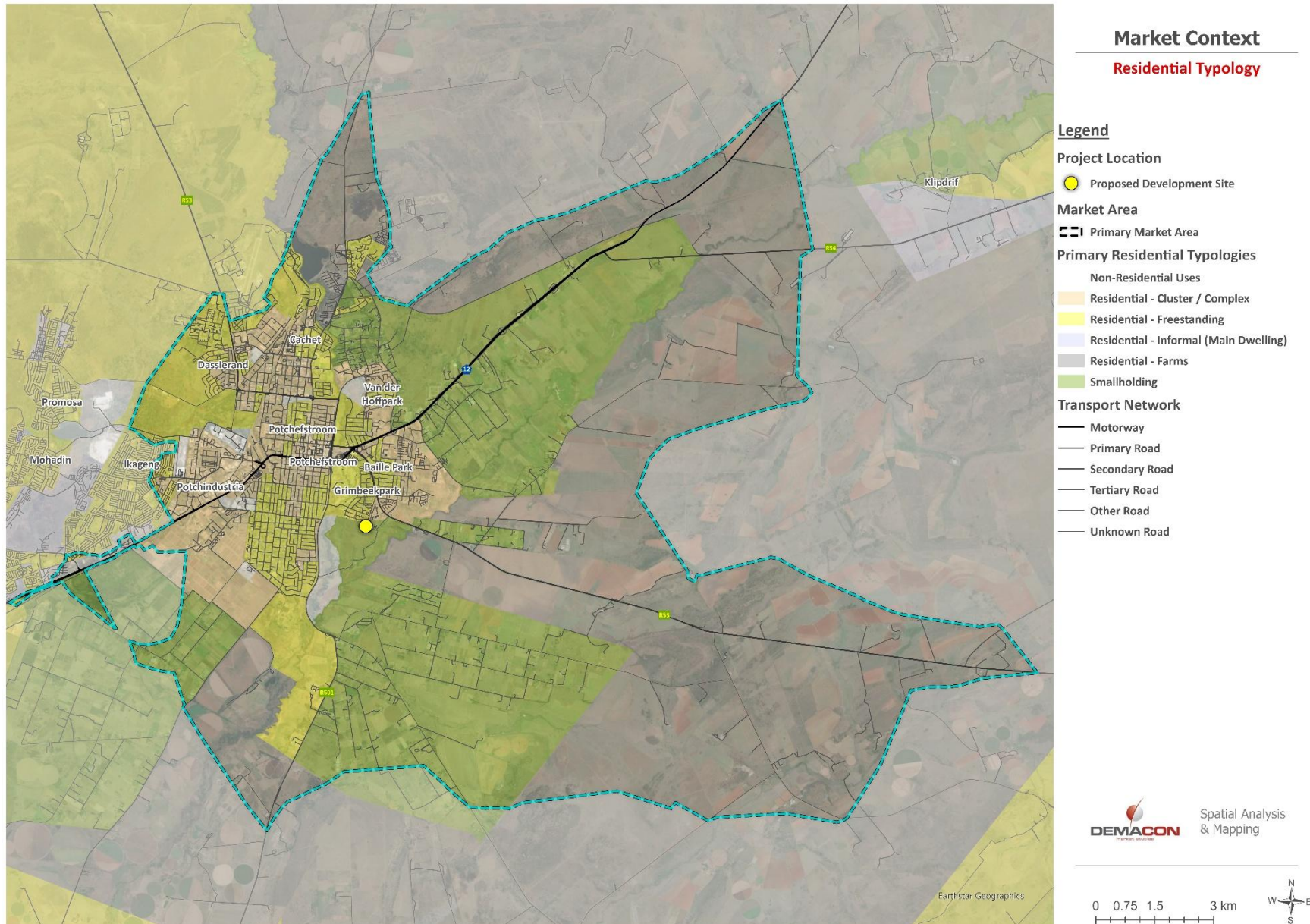
An average of **57** properties were sold per year

Average sales price of **R1.2 million**

Average asking price was **R1.6 million**

The average asking price for properties is on average **20% higher** than the average sales price.

Map 6.1: Residential Typology (Approximated 15-minute drive-time isochrone)

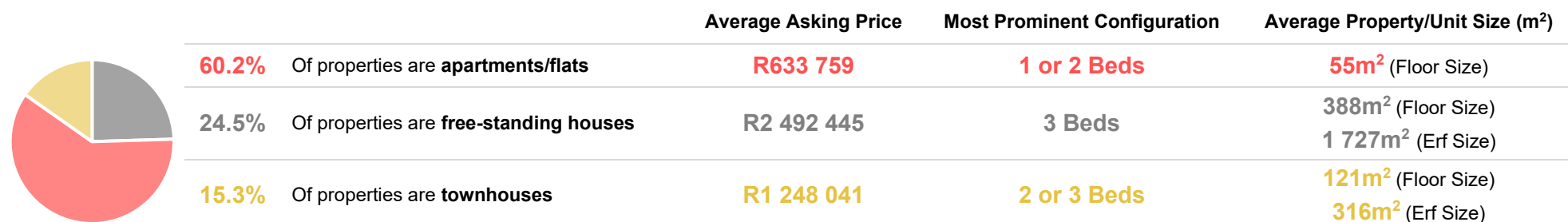


6.5 CURRENT LISTINGS

6.5.1 PROPERTIES LISTED FOR SALE IN MARKET AREA

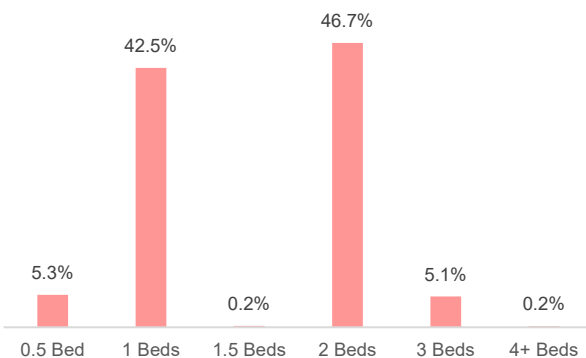
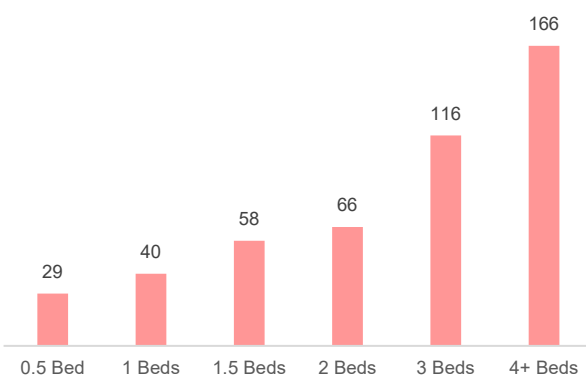
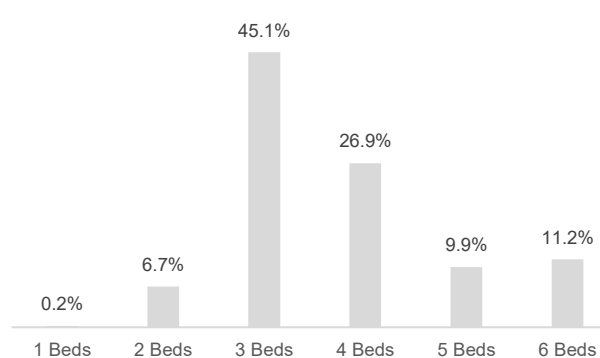
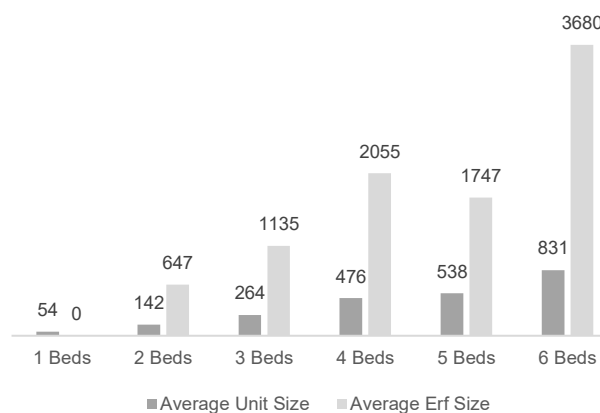
The following provides a concise overview of property market activity of in the market area. The following suburbs are included in the analysis:

Baillie Park	Bult North	Bult South	Bult West	Dam	Dassie Rand	De Land Estate	Die Bult
Elandsheuwel AH	Grimbeeck Party	Heilige Akker	Helderzicht Eco Estate	Kannoniers Park	Lifestyle Estate	Miederpark	Mooivallei Park
Oewersig	Portchefstroom Central	Potchefstroom Industrial	Potchefstroom North	Potchefstroom South	Turfvlei	Tuscany Ridge	Van Der Hoff Park
Vyfhoek	Wasgoedspruit	Waterberry Estate	Wilgeboom AH				

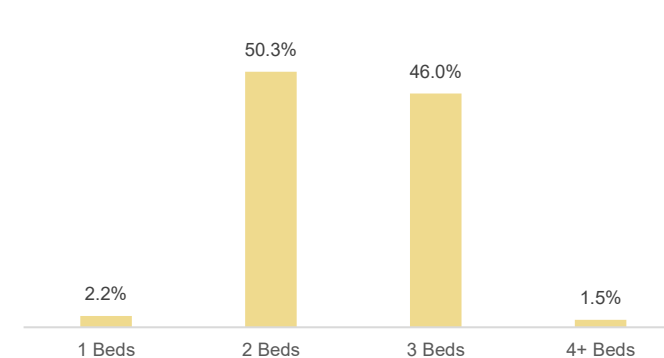
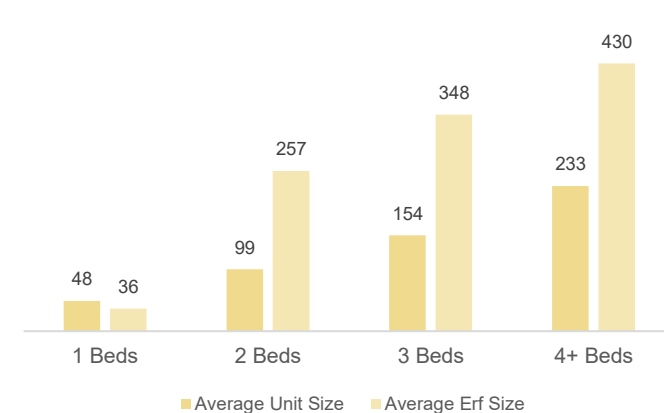


	Minimum Price	Maximum Price	Price Standard Deviation	Average Asking Price	Average Unit Size	Number of Properties	% Distribution
Apartments / Flats							
0.5 Bed	R250 000	R625 000	R100 761	R409 678	29	113	5.3%
1 Beds	R275 000	R1 577 000	R173 688	R515 223	40	907	42.5%
1.5 Beds	R395 000	R1 080 000	R273 643	R600 800	58	5	0.2%
2 Beds	R325 000	R2 270 000	R245 621	R716 938	66	995	46.7%
3 Beds	R345 000	R1 770 000	R244 223	R858 329	116	108	5.1%
4+ Beds	R1 165 000	R2 760 000	R747 143	R2 106 250	166	4	0.2%
Total/Averages	R250 000	R2 760 000	R387 801	R633 759	55	2132	100%
Houses							
1 Beds	R675 000	R1 060 000	R272 236	R867 500	54	2	0.2%
2 Beds	R575 000	R4 980 000	R700 749	R1 393 741	142	58	6.7%
3 Beds	R600 000	R6 800 000	R891 878	R2 043 866	264	392	45.1%
4 Beds	R870 000	R12 750 000	R1 517 059	R2 570 263	476	234	26.9%
5 Beds	R1 195 000	R11 900 000	R2 041 182	R3 397 686	538	86	9.9%
6+ Beds	R1 130 000	R12 850 000	R2 373 133	R4 005 412	831	97	11.2%
Total/Averages	R575 000	R12 850 000	R1 593 790	R2 492 445	388	869	100%

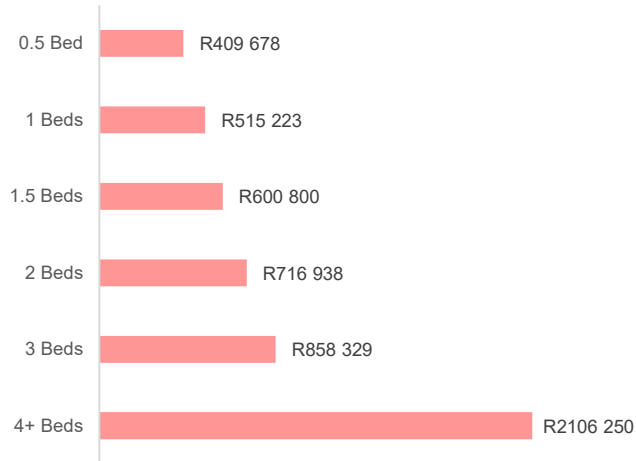
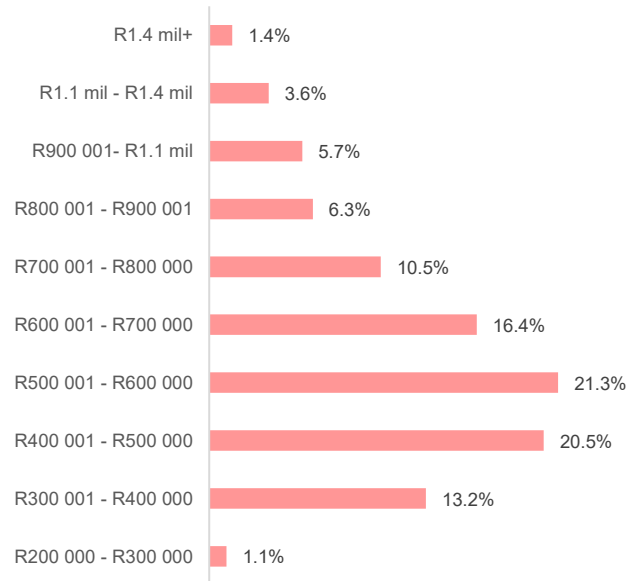
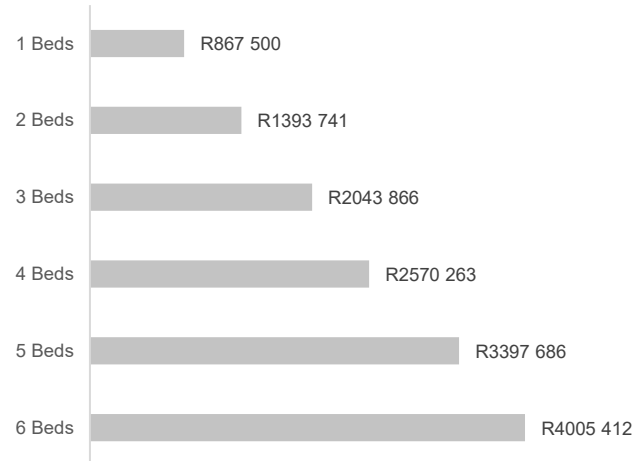
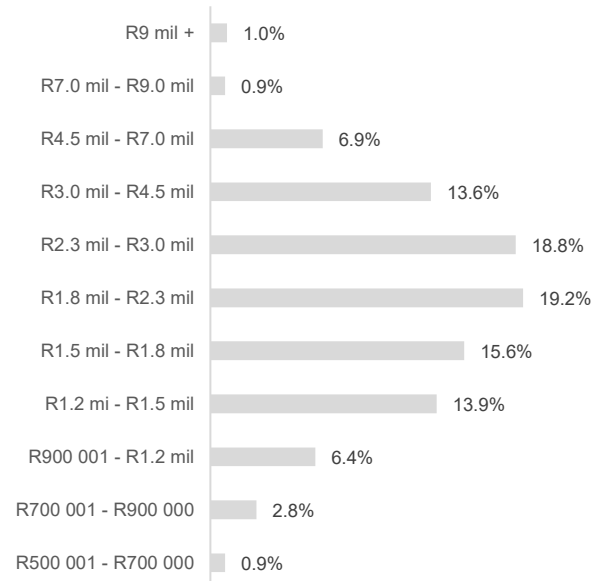
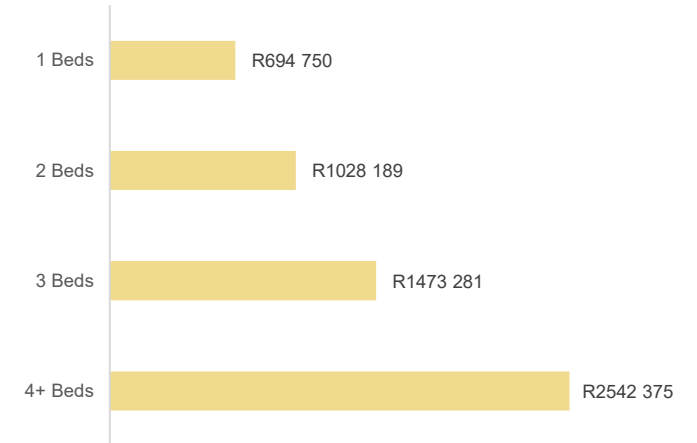
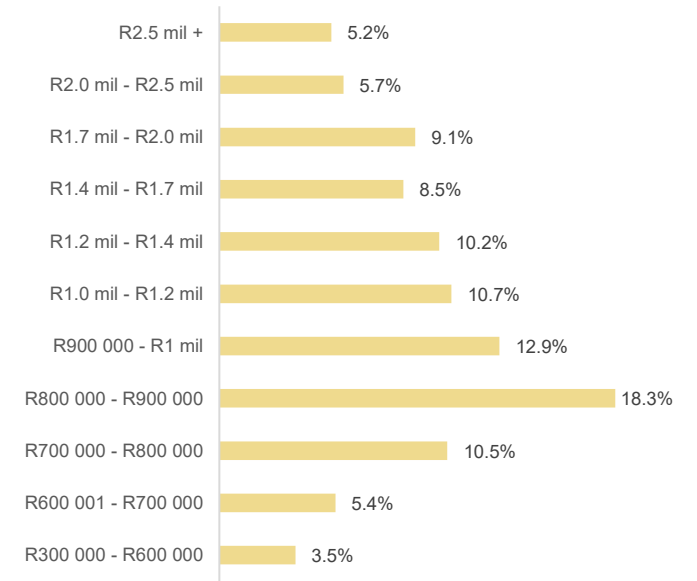
	Minimum Price	Maximum Price	Price Standard Deviation	Average Asking Price	Average Unit Size	Number of Properties	% Distribution
Townhouses							
1 Beds	R350 000	R1 300 000	R277 961	R694 750	48	12	2.2%
2 Beds	R495 000	R2 750 000	R395 351	R1 028 189	99	272	50.3%
3 Beds	R557 000	R3 250 000	R639 131	R1 473 281	154	249	46.0%
4+ Beds	R1 845 000	R5 200 000	R1 114 014	R2 542 375	233	8	1.5%
Total/Averages	R350 000	R5 200 000	R602 550	R1 248 041	121	541	100%

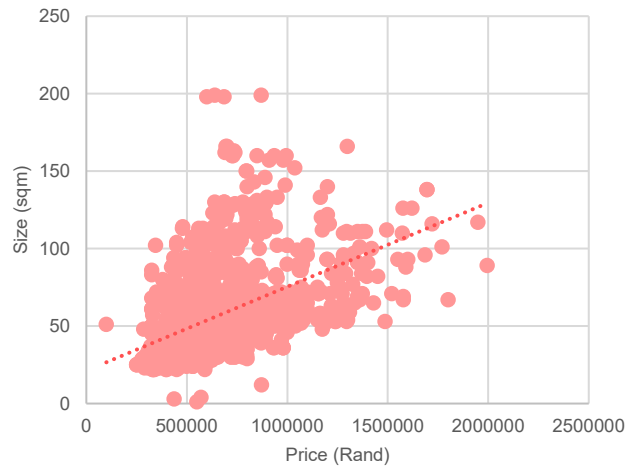
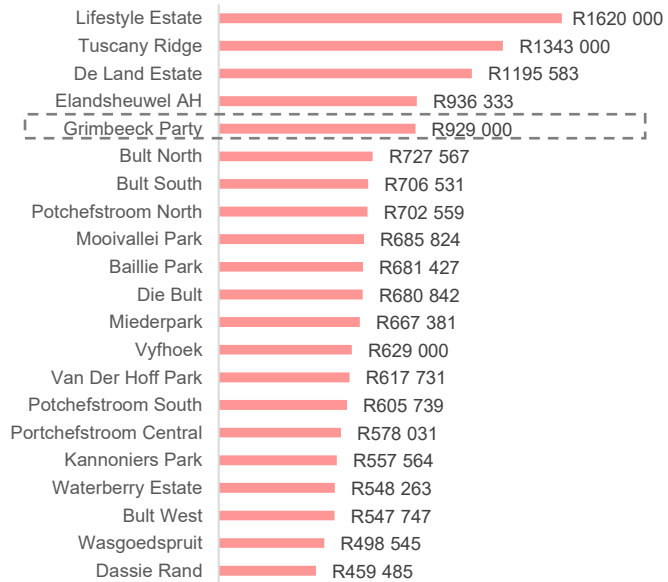
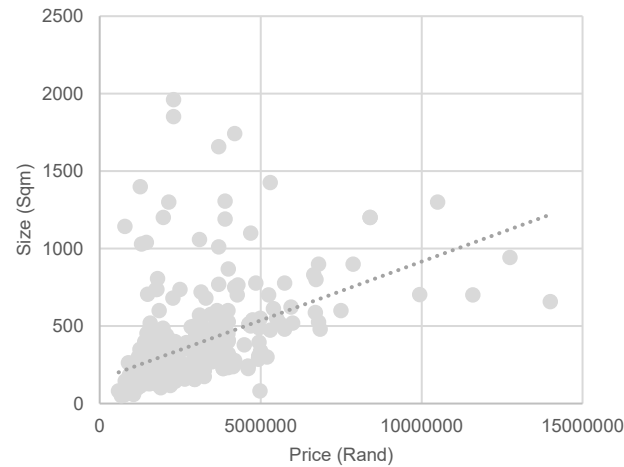
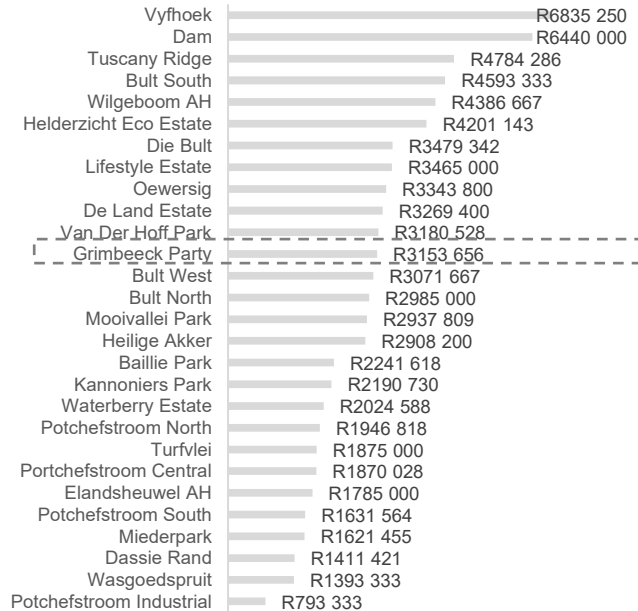
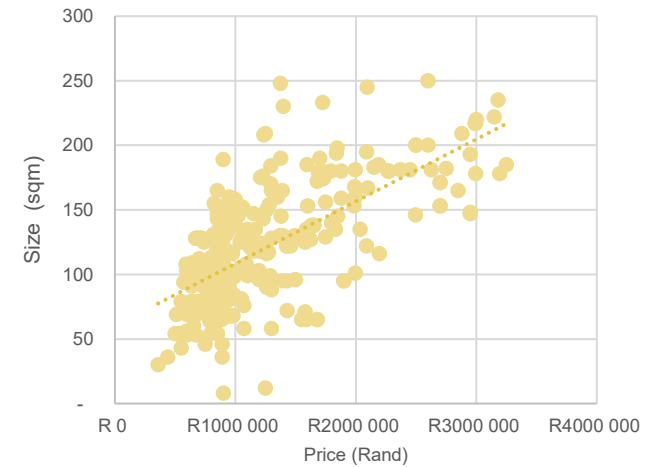
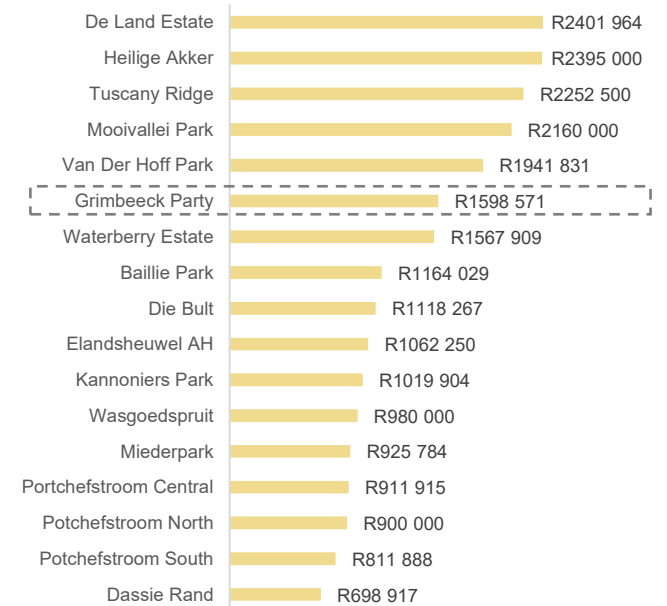
Apartments / Flats**Distribution of Beds****Average Unit Size (sqm)****Houses****Distribution of Beds****Average Size (sqm)**

■ Average Unit Size ■ Average Erf Size

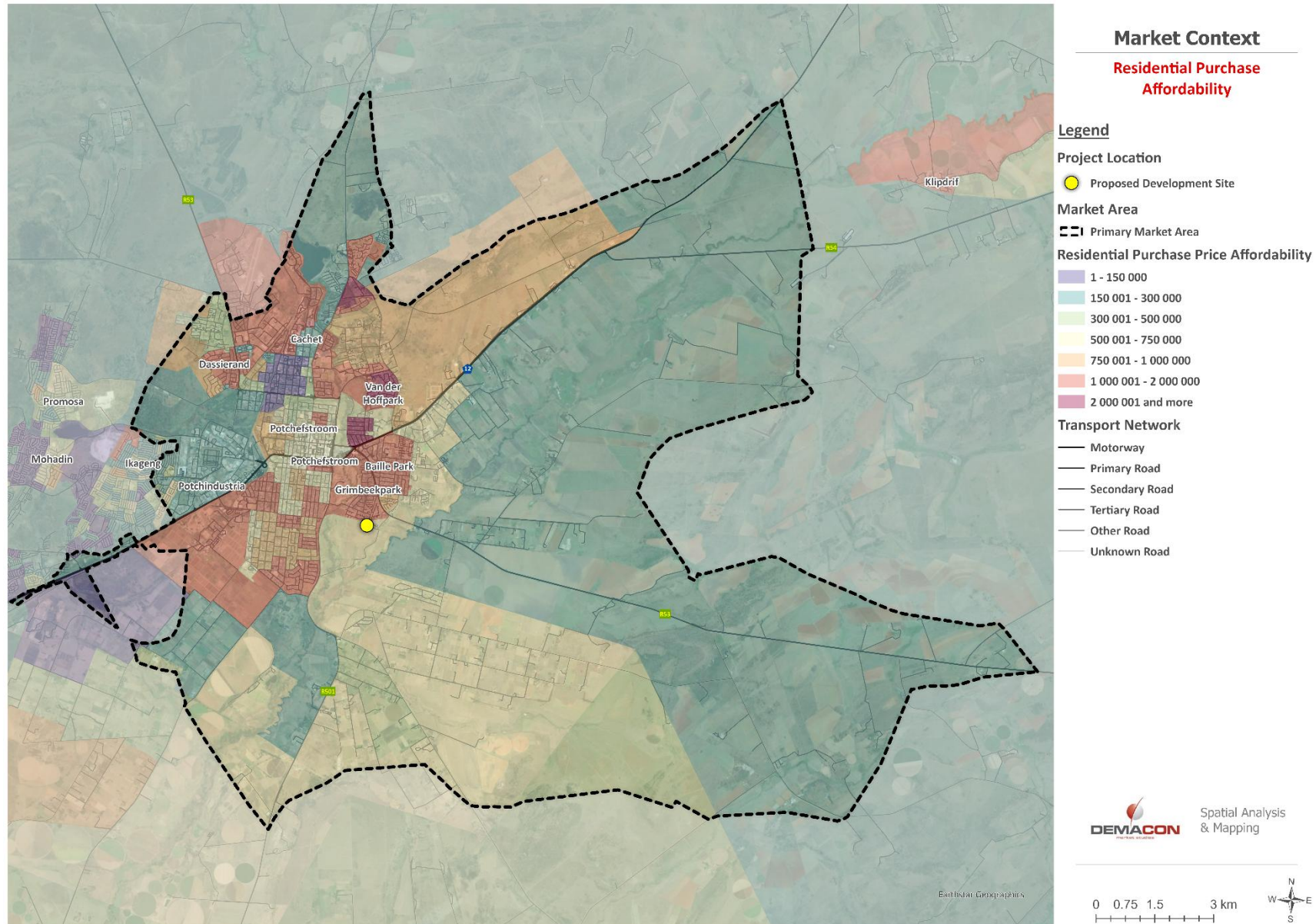
Townhouses**Distribution of Beds****Average Size (sqm)**

■ Average Unit Size ■ Average Erf Size

Apartments / Flats**Average Asking Price****Price Range Distribution****Houses****Average Asking Price****Price Range Distribution****Townhouses****Average Asking Price****Price Range Distribution**

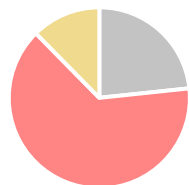
Apartments / Flats**Price vs Floor size****Average Price per Suburb****Houses****Price vs Floor size****Average Price per Suburb****Townhouses****Price vs Floor size****Average Price per Suburb**

Map 6.2: Housing Affordability – Sale Prices



6.5.2 PROPERTIES LISTED TO RENT ON A MONTHLY BASIS

The following provides a concise overview of property market activity in the market area.

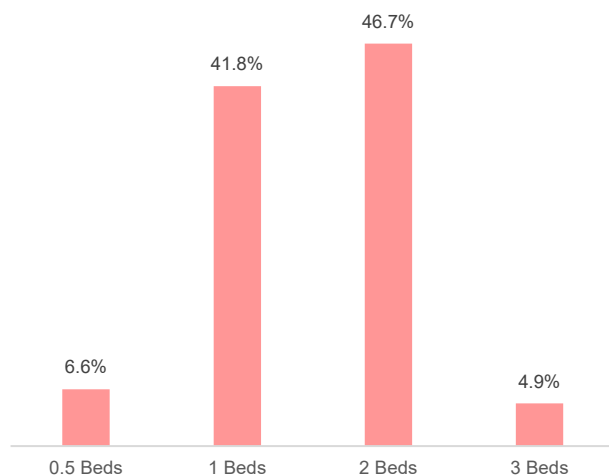


		Average Monthly Rental Price	Most Prominent Configuration	Average Property/Unit Size (m ²)
64.3%	Of properties are apartments/flats	R5 904	1 or 2 Beds	54m² (Floor Size)
23.3%	Of properties are free-standing houses	R11 053	3 Beds	298m² (Floor Size) 805m² (Erf Size)
12.4%	Of properties are townhouses	R11 014	2 or 3 Beds	131m² (Floor Size) 323m² (Erf Size)

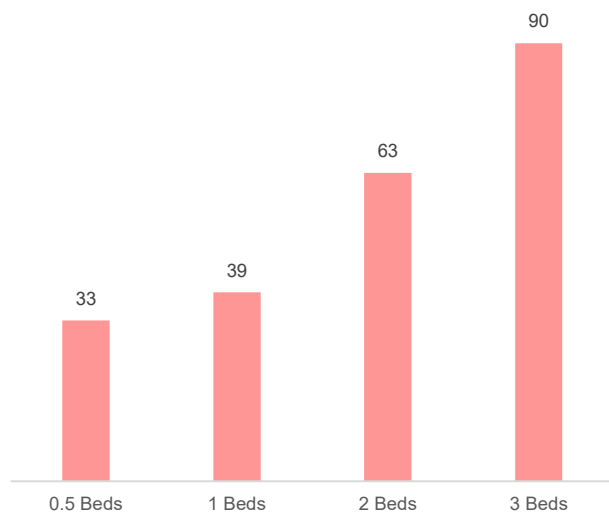
	Minimum Price	Maximum Price	Price Standard Deviation	Average Monthly Rental Price	Average Unit Size	Number of Properties	% Distribution
Apartments / Flats							
0.5 Beds	R3 300	R4 300	R352	R3 829	33	12	6.6%
1 Beds	R1 500	R8 980	R1 599	R5 008	39	76	41.8%
2 Beds	R2 650	R11 850	R1 685	R6 741	63	85	46.7%
3 Beds	R4 550	R13 200	R3 453	R8 398	90	9	4.9%
Total/Averages	R1 500	R13 200	R2 044	R5 904	54	182	100%
Houses							
1 Beds	R2 980	R5 250	R697	R4 158	-	18	26.9%
2 Beds	R6 780	R13 970	R2 848	R10 871	-	7	10.4%
3 Beds	R3 600	R34 500	R6 896	R14 786	330	33	49.3%
4 Beds	R4 400	R20 000	R4 868	R11 634	-	9	13.4%
Total/Averages	R2 980	R34 500	R6 798	R11 053	298	67	100%
Townhouses							
1 Beds	R4 000	R7 500	R1 774	R5 583	58	3	8.6%
2 Beds	R5 700	R14 310	R2 852	R9 870	124	17	48.6%
3 Beds	R3 800	R21 000	R4 503	R13 397	231	15	42.9%
Total/Averages	R3 800	R21 000	R4 257	R11 014	131	35	100%

Apartments / Flats

Distribution by Number of Bedrooms

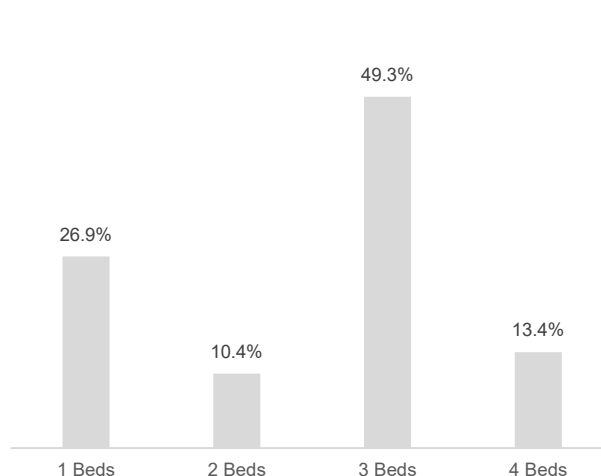


Average Unit Size (sqm)

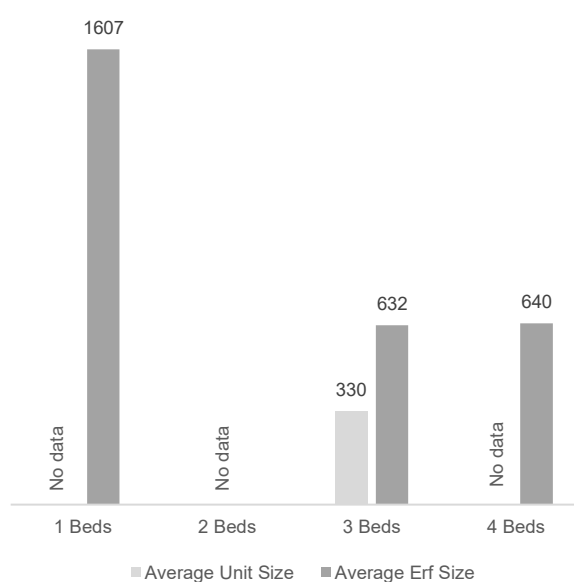


Houses

Distribution by Number of Bedrooms

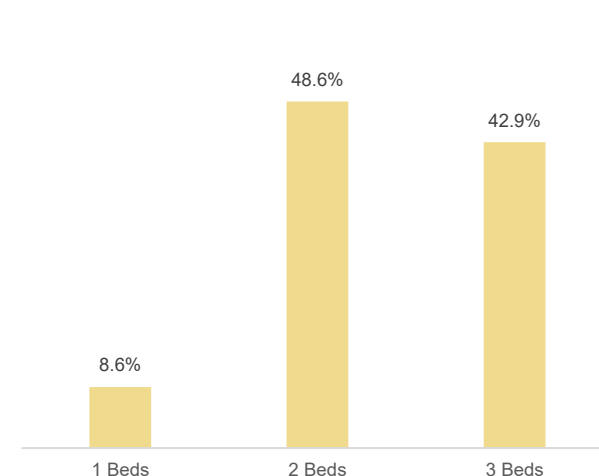


Average Size (sqm)

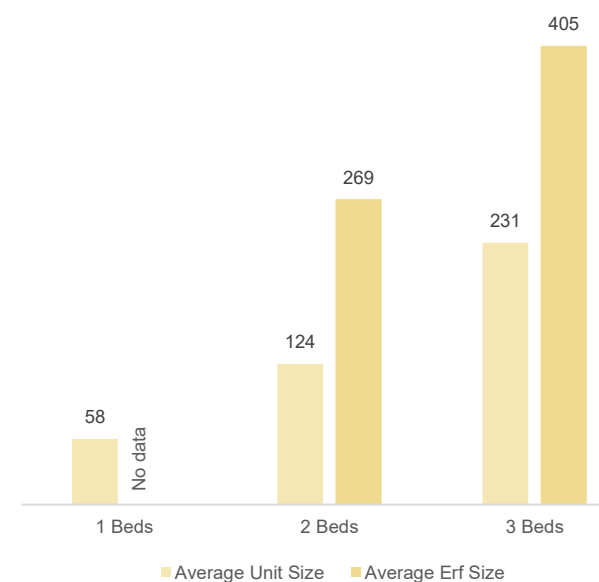


Townhouses

Distribution by Number of Bedrooms

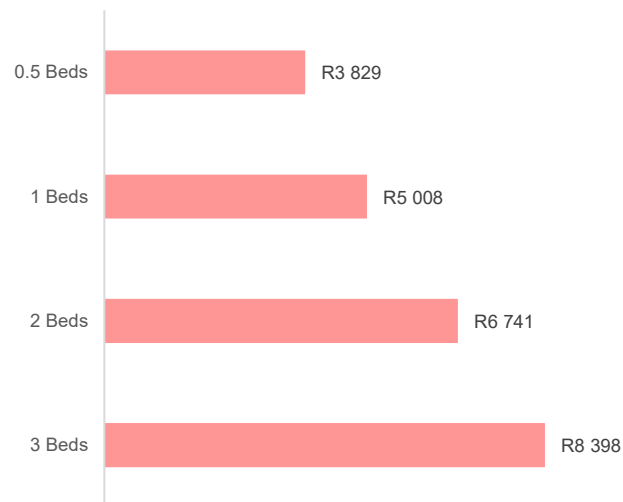


Average Size (sqm)

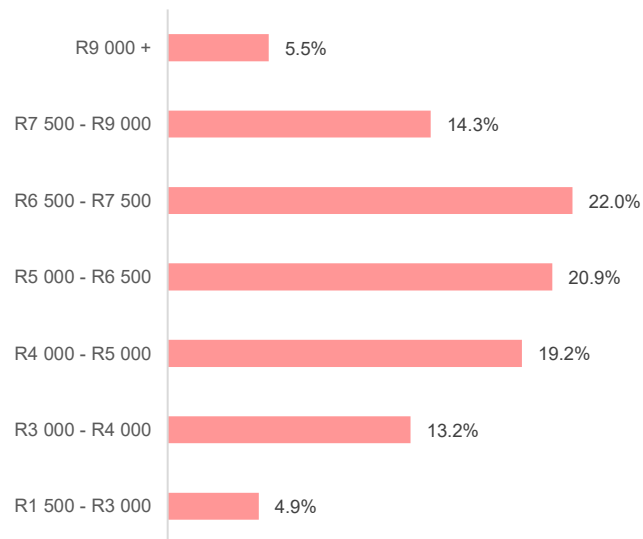


Apartments / Flats

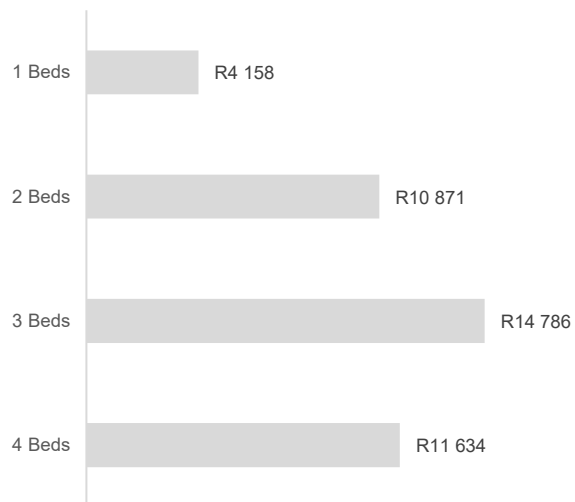
Average Monthly Rental Price



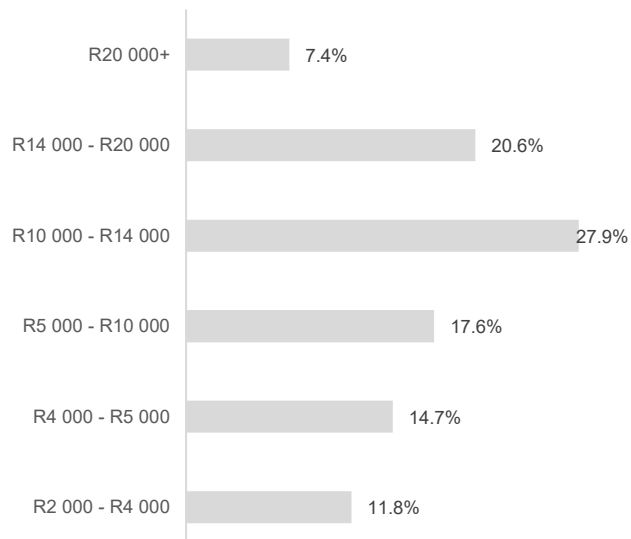
Monthly Rental Range Distribution

**Houses**

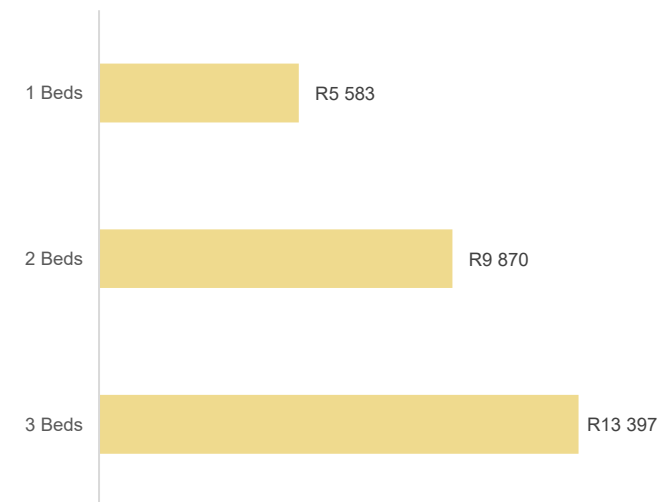
Average Monthly Rental Price



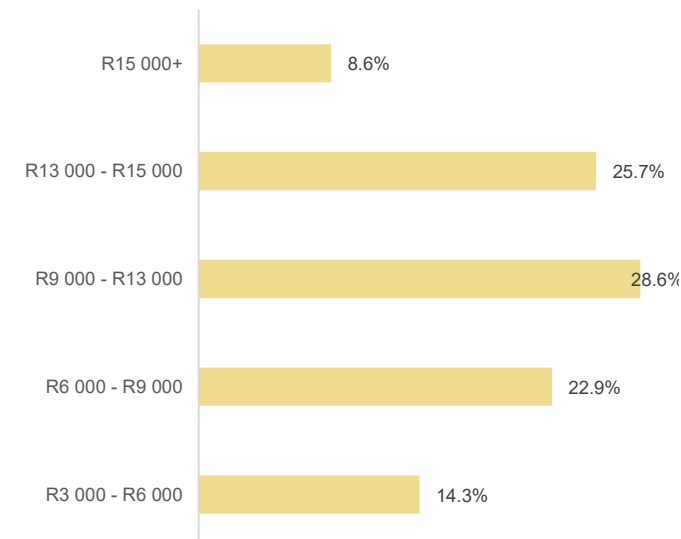
Monthly Rental Range Distribution

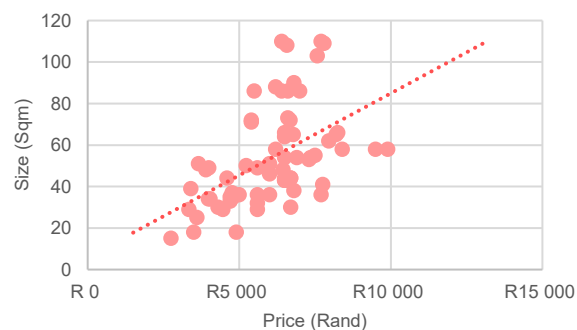
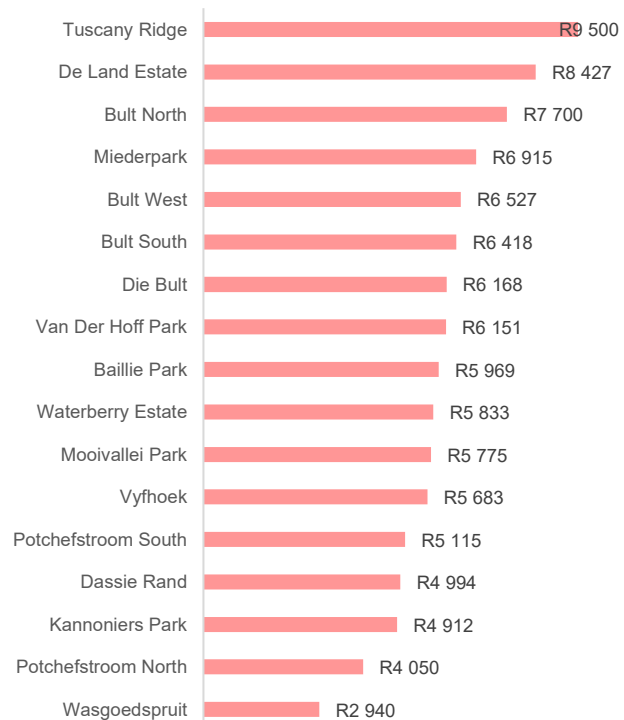
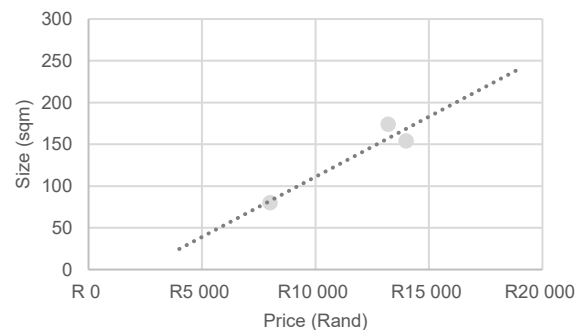
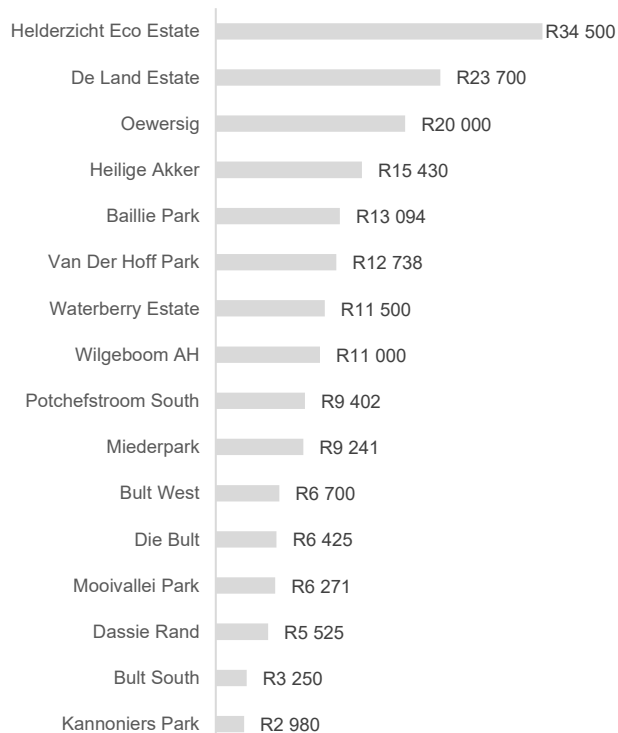
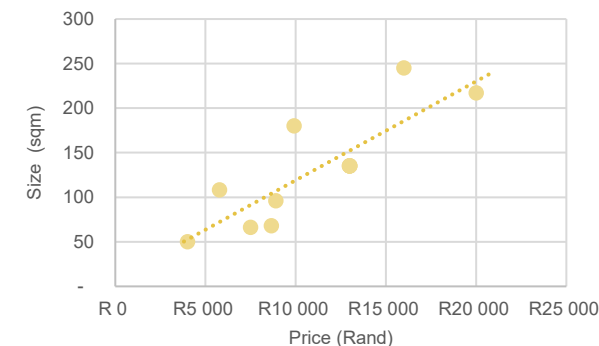
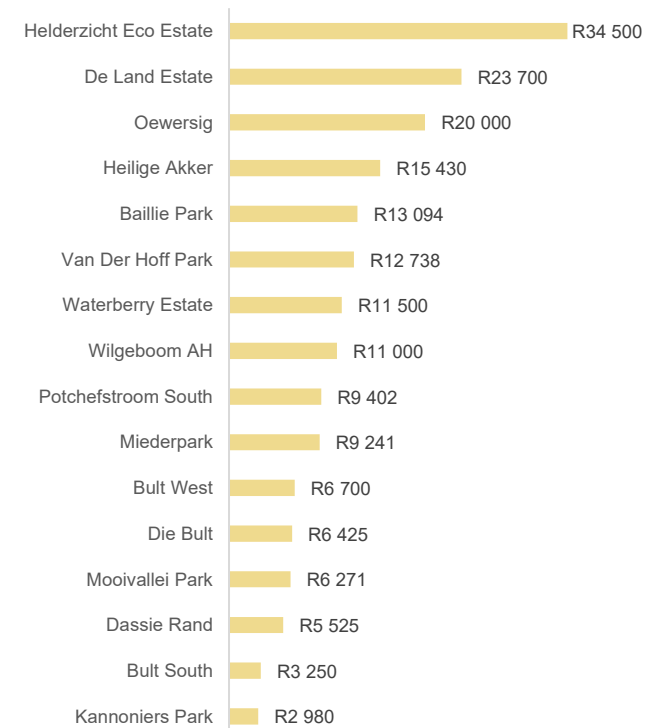
**Townhouses**

Average Monthly Rental Price

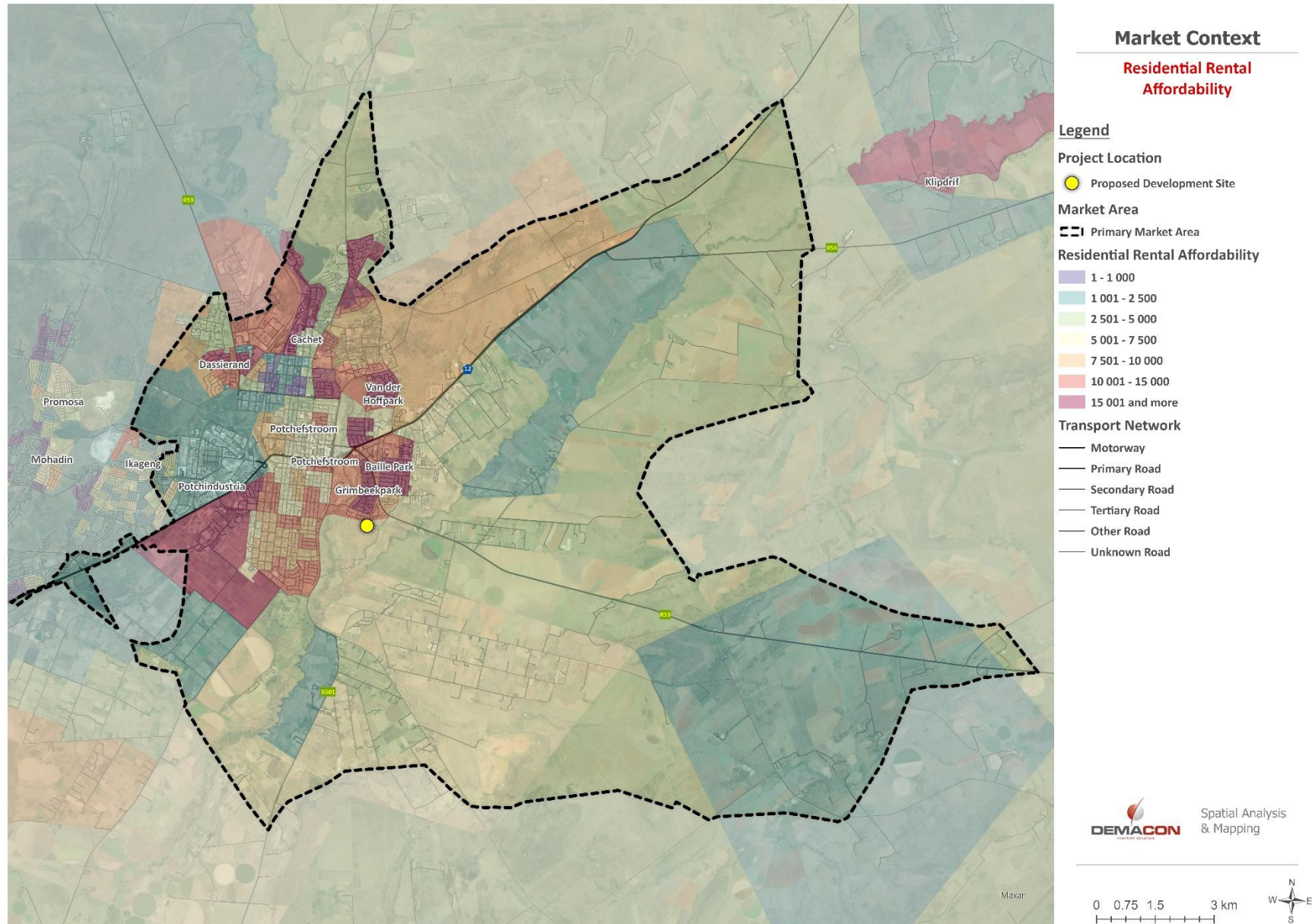


Monthly Rental Range Distribution



Apartments / Flats**Monthly Rental Price vs Floor Size****Average Monthly Rental Price per Suburb****Houses****Monthly Rental Price vs Floor Size****Average Monthly Rental Price per Suburb****Townhouses****Monthly Rental Price vs Floor Size****Average Monthly Rental Price per Suburb**

Map 6.3: Housing Affordability – Monthly Rental Prices



RESIDENTIAL TRENDS AND STATISTICS

- In the entire Potchefstroom area approximately 2 132 properties have been sold in 2024, of which 52 were in the Grimbreek Park area.
- In the entire Potchefstroom, the properties were sold for an average of R760 000, whereas the average price for properties in Grimbreek Park was R1.4 million.
- Approximately 1 003 sectional scheme units have been sold in 2024 in the entire Potchefstroom area, while approximately 6 sectional schemes units were sold in Grimbreek Park.
- When comparing the overall properties sold since 2016, a stable trend can be observed in terms of price increase for the entire Potchefstroom area, while the number of properties sold decreased. Similar trends are observed in Grimbreek park, where the number of properties sold decreased while the price increased consistently.
- Recent buyers in the entire Potchefstroom are mostly aged between 36 and 49 years. Approximately 30.7% of recent buyers are within this age group. People aged 50 – 64 are also buying properties, as 30.5% of the buyers in the entire Potchefstroom area fall in this population group.
- Grimbreek Park experiences similar trends, with 42.9% of recent buyers aged between 18 and 35 years and 32.1% of recent buyers aged 36 – 49 years.

PROPERTIES LISTED FOR SALE

- Sales and rental data from various areas were analysed, including Baillie Park, Bult North, Bult South, Bult West, Dam, Dassie Rand, De Land Estate, Die Bult, Elandsheuwel AH, Grimbreek Park, Heilige Akker, Helderzicht Eco Estate, Kannoniers Park, Lifestyle Estate, Miederpark, Mooivallei Park, Oewersig, Potchefstroom Central, Potchefstroom Industrial, Potchefstroom North, Potchefstroom South, Turfvlei, Tuscany Ridge, Van Der Hoff Park, Vyfhoek, Wasgoedspruit, Waterberry Estate and Wilgeboom AH.
- Regarding properties listed for sale in the selected areas surrounding the development site, 60.2% constitute apartments, 24.5% constitute free-standing houses and 15.3% constitute townhouses.
- Apartments mostly constitute 1- or 2-bedroom units with an average unit size of 55m² and an average asking price of R630 482. The largest segment of apartments is priced between R510 000– R710 000.
- Houses are mostly 3-bedroom units, with an average floor size of 381m² and average erf size of 1 727m². The average asking price for houses is R2.4 million, with the largest segment of houses priced between R2.0 million and R2.5 million.

- Townhouses are mostly 2- or 3-bedroom units, with an average floor size of 121m² and average erf size of 316m². The average asking price for townhouses is R1.2 million, with the largest segment of townhouses priced between R1.0 million – R1.5 million.

PROPERTIES LISTED TO RENT ON A MONTHLY BASIS

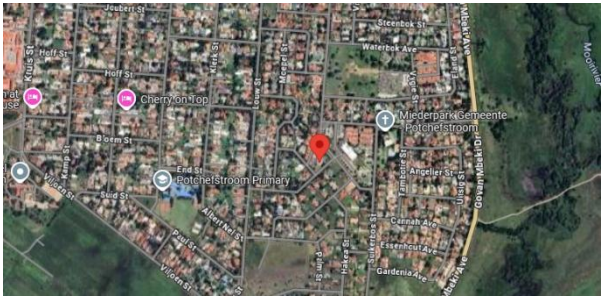
- Regarding properties listed to rent on a monthly basis in the selected areas, 64.3% constitute apartments, 23.3% constitute free-standing houses and 12.4% constitute townhouses.
- Apartments mostly constitute 1- or 2-bedroom units with an average unit size of 54m² and an average monthly rental price of R5 904. The largest segment of apartments is priced between R5 000 – R6 700 per month.
- Houses are mostly 3-bedroom units, with an average unit size of 298m² and an average erf size of 805m². The average rental price for houses is R11 053 per month with the largest segment priced between R10 000 – R14 000 per month.
- Townhouses are mostly 2- or 3-bedroom units, with an average unit size of 167m² and an average erf size of 323m². The average rental price for townhouses is R11 014 per month with the largest segment priced between R9 800 – R13 100 per month.

6.6 NEW DEVELOPMENTS IN AREA

Subsequent section provides selected residential developments in the immediate surrounding area.

UITSIG

Location: 3 Kameeldoring Street, Van Der Hoff Park, Potchefstroom



The Uitsig residential development will comprise of forty-three simplex homes, all with three spacious bedrooms, two bathrooms, generous living and dining room areas and modern open plan kitchens. The covered patio incorporates a braai area and the walled garden offers enough space for the kids and their fur-babies. Secure parking is in the form of a double automated garage with ample visitor parking bays on offer throughout the complex. The Uitsig security complex is adjacent to the recently launched Elemente full title development on the banks of the Potchefstroom Dam.

The following features are provided:

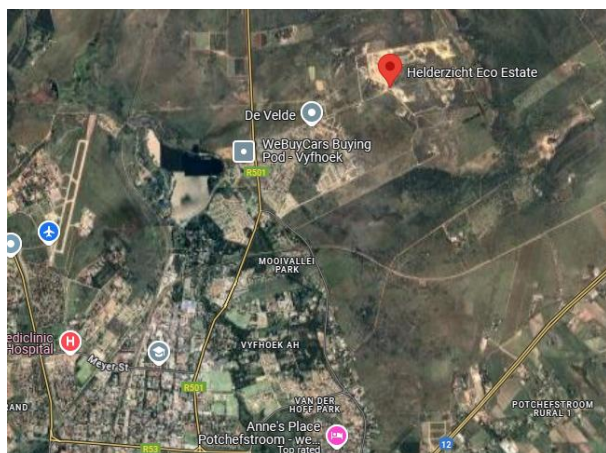
- Backup power & water solutions
- Pet friendly gardens
- Gas geyser & stove
- Patio with built in braai



Layout	Configuration	Price Range	Size
	3 Bed, 2 Bath	R1 995 000 – R2 275 000	160m ²
	3 Bed, 2.5 Bath	R2 100 000– R2 200 000	162m ²

HELDERZICHT ECO ESTATE

Location: Dagbreek Landgoed Vyfhoek, Potchefstroom



Located within a prestigious eco-estate, this prime stand offers an exceptional opportunity to build a luxury home surrounded by nature. The estate features tranquil water elements, landscaped green spaces and is designed to support sustainable living without compromising on modern comforts.

The following features are included:

- 24-hour security
- Controlled access
- Safe and private environment
- Pedestrian friendly walkways
- Future Restaurant
- Fibre Internet
- Pet Friendly
- Green Corridors
- Open spaces where nature is your neighbour

Units	Lot Size (m ²)	Asking Price
315	5 403	R766 500



6.7 RESIDENTIAL DEMAND MODELLING

6.7.1 INTRODUCTION

The residential market demand dynamics sub-section focusses on the residential market, with the objective of estimating the development potential within the market area. Demand modelling was completed for the **short to medium term** and is reflected in five-year intervals.

6.7.2 DEFINING MARKET DEMAND

Definition

The residential market refers to land uses associated with human habitation such as housing or dwelling units. Residential use can vary in typology, density, tenure, structure, layout and affordability. 'Residential' does not include hotels or guesthouses, which are defined as being 'short-stay' accommodation.

Defining demand

Residential demand depends on a variety of factors. In this context, residential demand can be conceptualised as follows:

$$D_{res.} = f \{P_o; P_{\%}; Q; P_r; P_{r\%}; ROI; I; T_x; Y; H_h; R; C_i; H_s; H_p\}$$

Where:

P_o	=	Population Size
$P_{\%}$	=	Population growth rate
Q	=	Existing quality of residential environment
P_r	=	House prices
$P_{r\%}$	=	Growth in house prices
ROI	=	Return on investment
I	=	Interest rates
T_x	=	Rates and Taxes
Y	=	Household income
H_h	=	Household size
R	=	Rent
C_i	=	Cap Rates
H_s	=	Housing shortage
H_p	=	Housing preferences

lessence, market demand for housing is a function of:

- ✓ Socio-economic characteristics – size, distribution, etc
- ✓ Socio-economic growth trends – distribution, rate of change, etc
- ✓ Household annual income profiles
- ✓ Current subsidised housing demand and backlogs
- ✓ Urban development trends
- ✓ Real estate market indicators – rental rates, supply, etc

In order to purposefully estimate demand for social housing, a multi-layer data analysis is undertaken – the purpose is to define the target market and its trends based on various data sources at designated points in time. This is done to understand the possible future direction of growth and market demand based on credible and substantiated historic data (such as Statistics South Africa) and considering any potential trends that influence beneficiaries of the social housing product (market rental trends, development influencers and economic climate).

Sustainable Long-Term Demand

The multi-layered approach allows for estimating medium- to long-term sustainable demand. Sustainable demand refers to demand that may exist within the market area that would enable social housing institutions and projects to become sustainable over a medium- to long-term period, i.e capacity of a market area and its associated economy to generate employment that in turn provides the target market with the capability to rent a social housing unit.

Economic factors influence the sustainability of semi-subsidised housing schemes, i.e. social housing. Social housing projects are dependent on a target market that has the ability to pay rental rates. Without income generated from rental rates, social housing projects would become financially unfeasible due to not having operational capital.

It is thus important to consider the effects that economic factors such as economy size and growth trends; and labour absorption trends have on the social housing target market within market area.

In the context of the preceding, the growth of the housing market demand is calibrated by considering, not only long-term demographic growth attributes, but also considering economic growth trends and labour absorption capabilities of the local economy. The calibration ensures that demand estimations generated for housing is sustained demand and not short-term high growth with medium- to long-term under performance.

Diagram 6.1: Sustainable Long-Term Demand Concept

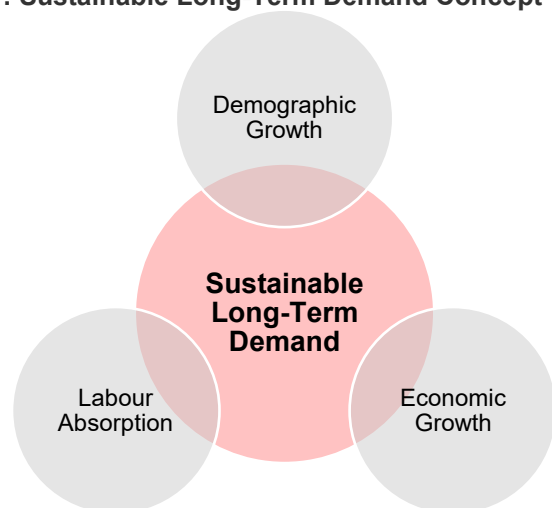
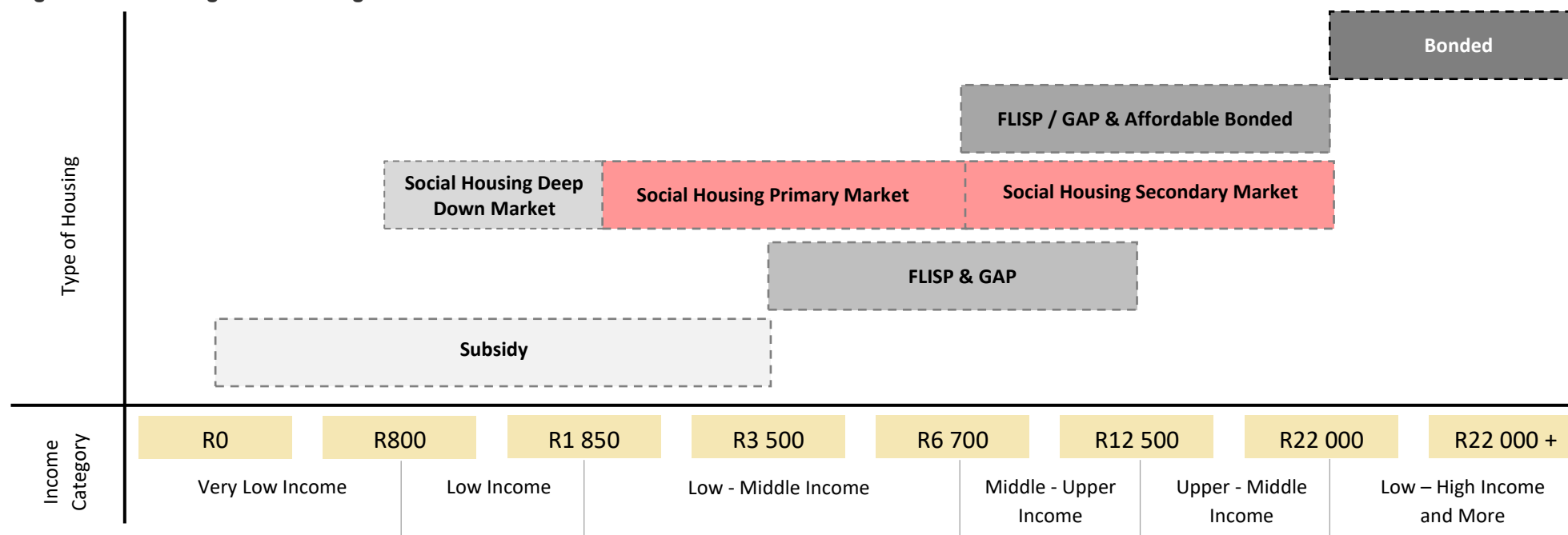


Diagram 6.2: Housing Income Categories



Source: DEMACON, 2025

6.7.3 INCOME AND HOUSING AFFORDABILITY

Table 6.1 indicates a range of income midpoints, midpoint house prices and classifications attainable by the source market area.

Table 6.1: Residential Affordability Profile

Income Midpoint 2025 (R)	House Price (Midpoint)	Generic Indicative Unit Size	(%)	Classification
R0	0	40m ² - 50m ²	48.2%	Subsidy / Social
R2 401	R2 909	40m ² - 50m ²		Subsidy / Social
R7 201	R8 727	40m ² - 50m ²		Subsidy / Social
R14 601	R17 695	40m ² - 50m ²		Subsidy / Social
R28 901	R35 025	50m ² - 60m ²		Subsidy / Social
R56 801	R68 838	60m ² - 70m ²	10.2%	FLISP / Gap
R114 601	R138 888	80m ² - 90m ²	12.5%	FLISP / Gap
R230 701	R279 594	120m ² - 140m ²	13.8%	Middle Income
R460 801	R558 460	140m ² - 400m ²	9.7%	Middle to Higher Income
R921 401	R1 116 676	420m ² - 750m ²	3.7%	Higher Income
R1 843 201	R2 233 837	780m ² - 1 000m ²	1.8%	Top-End
R3 686 401	R4 467 674	1 000m ² +		Top-End

Source: DEMACON Demand Modelling, 2025

- The core target market of the bonded segment is households earning on average between **R230 701 – R3 686 401** annually.
- This segment can afford houses between **R279 594 and R4 467 674**

The following figures indicates the target market housing profile based on the affordability analysis within the delineated source market.

Figure 6.5: Primary Market Area Bonded Housing Affordability Profile

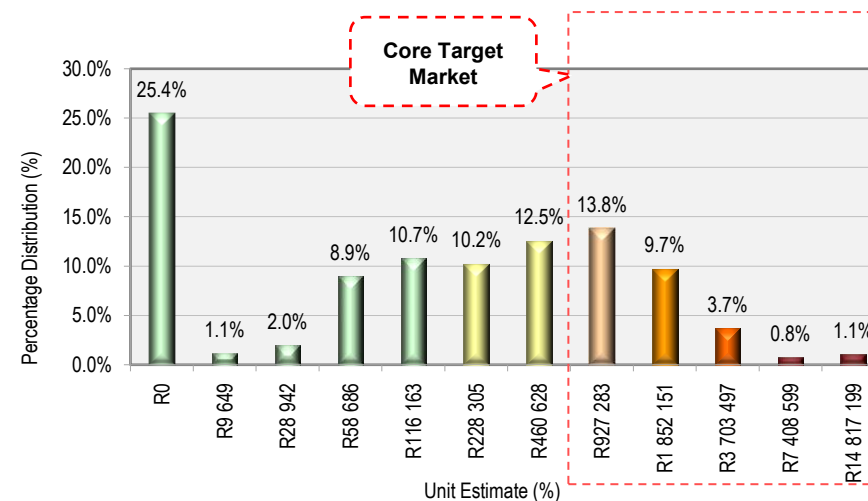
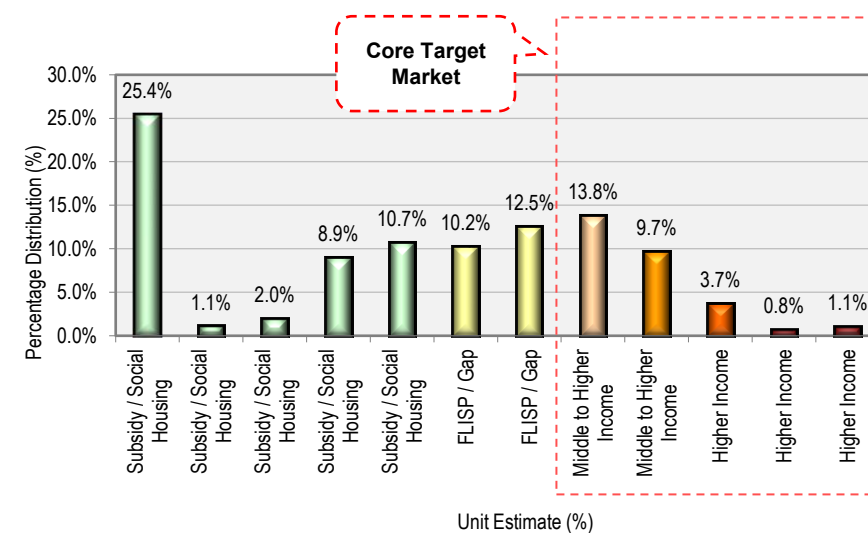


Figure 6.6: Market Optimum Unit Typology (Percentages)



6.7.4 FLISP & BONDED HOUSING DEMAND

TOTAL MARKET			
	Additional Households: Base Year +5 Years		6 458
	Annualised Market Growth (Full Housing Spectrum)		1 292
	FLISP & Bonded Housing Market Segment		51.8%
	FLISP & Bonded Housing Demand per Annum		669
	Annual Secondary Market Contribution (Units / Annum)	Min	95
		Max	189
	Total Annual FLISP & Bonded Housing Market Take-Up	Min	763
		Max	858
PROJECT SPECIFIC – FLISP & BONDED HOUSING UNITS			
	Project FLISP & Bonded Units		520
	Forecast Market Share of Total Market Sales	Min	10%
		Max	15%
	Project Forecast Total Annual Take-Up Rate (Units / Annum)	Min	76
		Max	129
	Years to 80% Take-Up (FLISP & Bonded Housing Units)	Min	4.0
		Max	6.8
		Avg	5.4
	Optimum Point of Market Entry (OPME)		2026+

Figure 6.7: Project Optimum Unit Typology (Units)

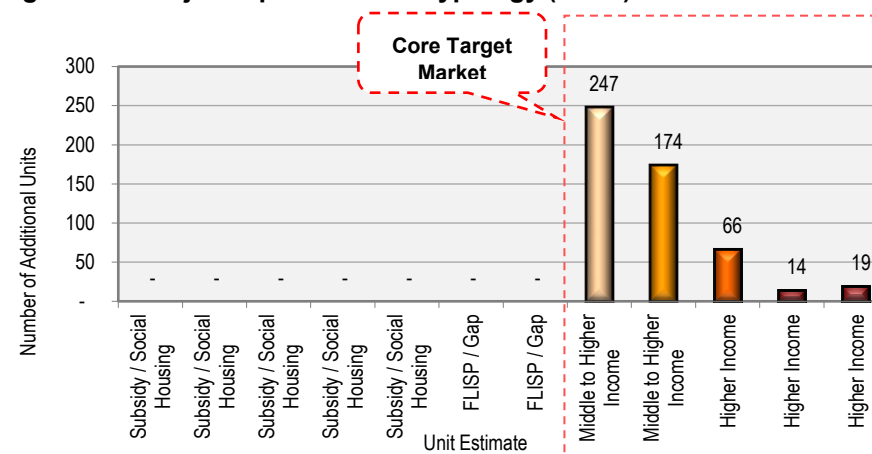
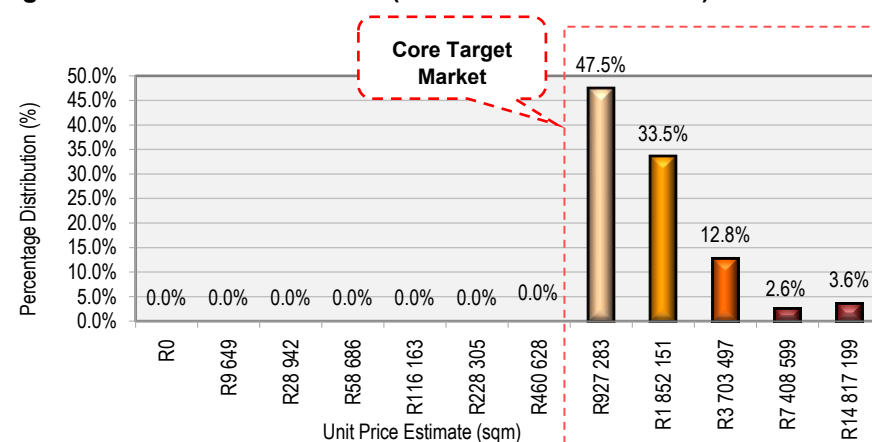


Figure 6.8: Unit Price Estimate (Median Portfolio Values)



Findings:

- The table above shows two sections, 1) total market and 2) project specific. Between 2025 and 2030 an estimated **6 458 new households** will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately **1 292 units** (across the full housing spectrum, including informal and subsidy).
- Under present market conditions, the finance-linked and bonded segment (51.8%) will yield a take-up rate of 763 to 585 new units per annum for the market area.
- If 520 new bonded units were to be developed (as per the development proposal), it would be taken-up within approximately 4.0 to 6.8 years (average 5.4 years) at a rate of approximately 76 – 129 units per annum.
- It is recommended that approximately 10% of the bonded residential units be retained as rental stock, in order to cater to the middle- to high-income renters' market segment while also providing a stable and ongoing income stream from the development.
- Considering the preceding, 250 units could be developed as part of the first phase of the development.

Figure 6.9: Project Potential Rental Stock per Product Type (Units)

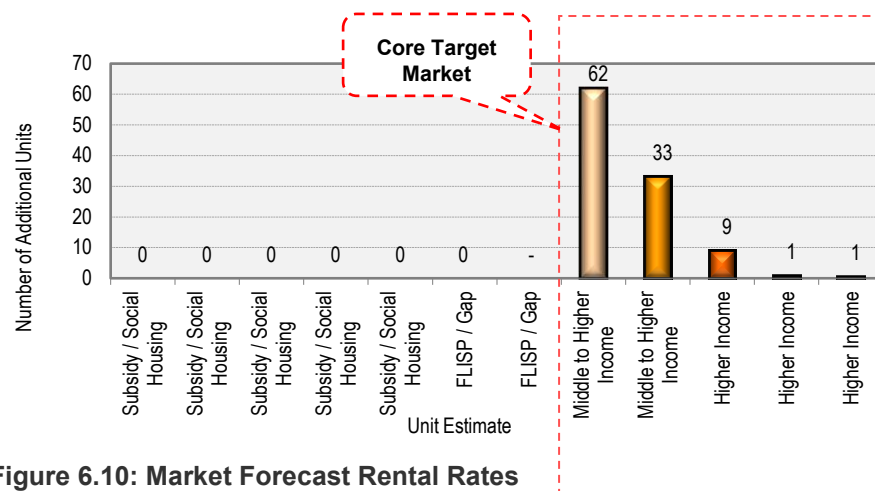
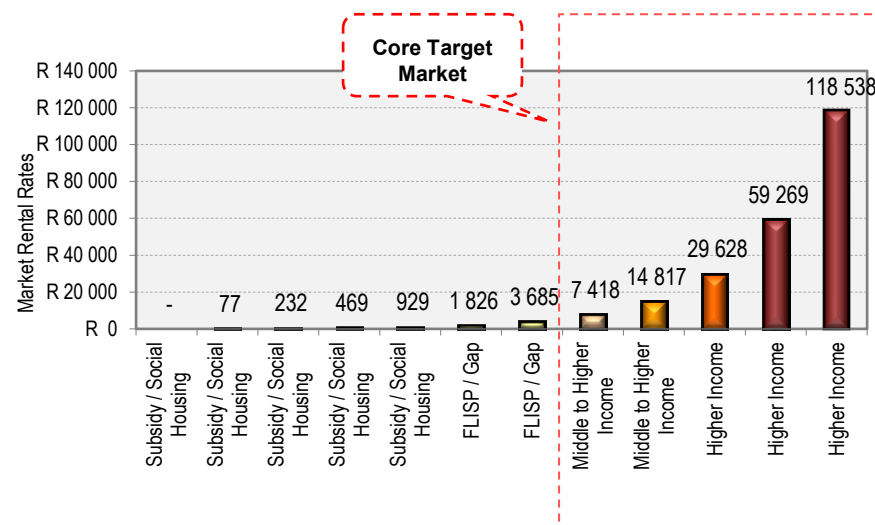


Figure 6.10: Market Forecast Rental Rates



6.8 SYNTHESIS

This chapter provided an overview of the residential market trends underlining the source market area. The following summarise the findings of the residential supply and demand in terms of the housing affordability and the net demand modelling.

6.8.1 RESIDENTIAL SUPPLY

- In the market area, there are approximately 3 545 properties for sale and approximately 283 units to rent on a monthly basis and
- Unit sizes for properties for **sale** are on average 55m² for apartments, 381m² for houses and 121m² for townhouses.
- The average asking price per bedroom for **apartments** can be summarised as follows:
 - 0.5 Bedroom apartments – R410 000
 - 1 Bedroom apartments – R515 000
 - 1.5 Bedroom apartments – R600 000
 - 2 Bedroom apartments – R715 000
 - 3 Bedroom apartments – R850 000
 - 4+ Bedroom apartments – R2.1 million
- The average asking price per bedroom for **houses** can be summarised as follows:
 - 1 Bedroom houses – R860 000
 - 2 Bedroom houses – R1.3 million
 - 3 Bedroom houses – R2.0 million
 - 4 Bedroom houses – R2.5 million
 - 5 Bedroom houses – R3.3 million
 - 6+ Bedroom houses – R4.0 million
- The average asking price per bedroom for **townhouses** can be summarised as follows:
 - 1 Bedroom townhouses – R690 000
 - 2 Bedroom townhouses – R1.0 million
 - 3 Bedroom townhouses – R1.4 million
 - 4+ Bedroom townhouses – R2.5 million
- The apartments for sale in the market area are mostly 1- or 2-bedroom units, constituting respectively 60.2% of the apartments in the market area.
- The houses for sale in the market area are mostly 3-bedroom units, constituting 24.5% of the houses in the market area.
- The townhouses for sale in the market area are mostly 2- or 3-bedroom units, both constituting respectively 15.3% the townhouses in the market area.
- Unit sizes for properties to rent on a **monthly** basis are on average 54m² for apartments, 298m² for houses and 167m² for townhouses.
- The average monthly rental price per bedroom for **apartments** can be summarised as follows:

- 0.5 Bedroom apartments – R3 800
- 1 Bedroom apartments – R5 000
- 2 Bedroom apartments – R6 700
- 3 Bedroom apartments – R8 300
- The average monthly rental price per bedroom for **houses** can be summarised as follows:
 - 1 Bedroom houses – R4 100
 - 2 Bedroom houses – R10 800
 - 3 Bedroom houses – R14 700
 - 4 Bedroom houses – R11 600
- The average monthly rental price per bedroom for **townhouses** can be summarised as follows:
 - 1 Bedroom townhouses – R5 500
 - 2 Bedroom townhouses – R9 800
 - 3 Bedroom townhouses – R13 000
- The apartments to rent on a monthly basis in the market area are mostly 1- or 2-bedroom units, constituting 64.3% of the apartments in the market area.
- The houses to rent on a monthly basis in the market area are mostly 3-bedroom units, constituting 23.3% of the houses in the market area.
- The townhouses to rent on a monthly basis in the market area are mostly 2- or 3-bedroom units, constituting 12.4% of the townhouses in the market area.

6.8.2 GAP ANALYSIS

Development Type	Effective Market Gap	Development Prospects
Freestanding erven & homes and stack simplex and duplex units		Moderate to High

6.8.3 MODELLING

- The table above shows two sections, 1) total market and 2) project specific. Between 2025 and 2030 an estimated **6 458 new households** will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately **1 292 units** (across the full housing spectrum, including informal and subsidy).
- Under present market conditions, the finance-linked and bonded segment (51.8%) will yield a take-up rate of 763 to 585 new units per annum for the market area.
- If 520 new bonded units were to be developed (as per the development proposal), it would be taken-up within approximately 4.0 to 6.8 years (average 5.4 years) at a rate of approximately 76 – 129 units per annum.
- It is recommended that approximately 10% of the bonded residential units be retained as rental stock, in order to cater to the middle- to high-income renters' market segment while also providing a stable and ongoing income stream from the development.
- Considering the preceding, 250 units could be developed as part of the first phase of the development.

Table 6.2: Optimum Distribution Range Configuration (based on market demand profile)

Type	% Split		Number of Units	Sale Price	Rental Units	Rental Range	Size (m ²)	R/m ²
1 Bedroom, 1 bathroom	47.5%	15.8%	82	R910 000 - R1.3 million	17	R5 500 - R7 500	60 - 80	R15 166 – R16 250
2 bedrooms, 1.5 bathroom		31.7%	165	R1.3 million - R1.85 million	33	R7 500 - R12 000	85 - 110	R15 294 – R16 818
2 bedrooms, 2 bathrooms	33.5%	22.3%	116	R1.9 million - R2.7 million	23	R12 000 - R15 000	110 - 130	R17 272 – R20 769
3 bedrooms, 2 bathrooms		11.2%	58	R2.8 million - R3.7 million	12	R15 000 - R20 000	130 - 150	R21 538 – R24 666
4 bedrooms, 3 bathrooms	12.8%	12.8%	66	R3.8 million - R5.5 million	13	R20 000 - R30 000	160 - 300	R23 750 – R18 333
4+ bedrooms, 3+ bathroom	6.3%	6.3%	33	R5.5 million+	7	R30 000+	300+	R18 333
Total		100.0%	520		105			



CONCLUSIONS AND RECOMMENDATIONS



6

7 CONCLUSIONS AND RECOMMENDATIONS

7.1 DEMOGRAPHIC OVERVIEW



PRIMARY MARKET SUMMARY (delineated by an approximated 15-minute drive time isochrone)

- Approximately **45 580 people / 18 273 households** reside in the primary market area.
- The average annual negative growth rate of **population** is **-0.38%** per annum, while the average annual growth rate of **households** is **-0.06%** per annum.
- The profile shows a proportionally large contribution from the 15 to 34 (42.8%) and 35 to 64 (32.2%) age categories.
- The racial profile of the primary market area shows that the largest proportion of the population are White (63.5%), followed by the Black African (33.1%) racial group.
- Of the working age population (aged 15 to 64), approximately 32.0% have tertiary education. A portion of the population attained some secondary education (19.3%), while 40.3% have obtained a matric certificate. The population in the market area is highly educated.
- Approximately 57.5% of the population of the primary market area are economically active. Of the economically active population, **90.4%** are **employed** and **9.6%** are **unemployed**. The primary market area is characterised by low unemployment levels, reflecting low dependency ratios.
- The primary dwelling type for households in the primary market area are **formal dwellings (98.0%)**. The largest segment of formal dwellings are free standing houses on single erven (63.3%).
- Of households in the primary market area, 21.9% own the dwelling/property in which they reside and have fully paid the bond registered to the property with a further 18.2% of households in the process of paying off their bond.
- A large segment of households (53.9%) rent their current dwelling, whilst 6.0% occupy their current dwelling rent-free.
- The weighted average annual household income for the resident population for 2025 amounts to **R237 919 per annum**, which amounts to **R19 827 per month** for all SEM groups.
- For SEM groups 2 and higher, the average income is **R490 016 per annum**, which amounts to **R40 835 per month**.
- Approximately **50.9%** of the primary market area's households are classified within the **SEM Supergroup 1**, being half of the population.

7.2 RESIDENTIAL SUPPLY SUMMARY

7.2.1 RESIDENTIAL TRENDS AND STATISTICS

- In the entire Potchefstroom area approximately 2 132 properties have been sold in 2024, of which 52 were in the Grimbeek Park area.
- In the entire Potchefstroom, the properties were sold for an average of R760 000, whereas the average price for properties in Grimbeek Park was R1.4 million.
- Approximately 1 003 sectional scheme units have been sold in 2024 in the entire Potchefstroom area, while approximately 6 sectional schemes units were sold in Grimbeek Park.
- When comparing the overall properties sold since 2016, a stable trend can be observed in terms of price increase for the entire Potchefstroom area, while the number of properties sold decreased. Similar trends are observed in Grimbeek park, where the number of properties sold decreased while the price increased consistently.
- Recent buyers in the entire Potchefstroom are mostly aged between 36 and 49 years. Approximately 30.7% of recent buyers are within this age group. People aged 50 – 64 are also buying properties, as 30.5% of the buyers in the entire Potchefstroom area fall in this population group.
- Grimbeek Park experiences similar trends, with 42.9% of recent buyers aged between 18 and 35 years and 32.1% of recent buyers aged 36 – 49 years.

7.2.2 PROPERTIES LISTED FOR SALE

- Sales and rental data from various areas were analysed, including Baillie Park, Bult North, Bult South, Bult West, Dam, Dassie Rand, De Land Estate, Die Bult, Elandsheuwel AH, Grimbeek Park, Heilige Akker, Helderzicht Eco Estate, Kannoniers Park, Lifestyle Estate, Miederpark, Mooivallei Park, Oewersig, Potchefstroom Central, Potchefstroom Industrial, Potchefstroom North, Potchefstroom South, Turfvlei, Tuscany Ridge, Van Der Hoff Park, Vyfhoek, Wasgoedspruit, Waterberry Estate and Wilgeboom AH.
- Regarding properties listed for sale in the selected areas surrounding the development site, 60.2% constitute apartments, 24.5% constitute free-standing houses and 15.3% constitute townhouses.
- Apartments mostly constitute 1- or 2-bedroom units with an average unit size of 55m² and an average asking price of R630 482. The largest segment of apartments is priced between R510 000– R710 000.

- Houses are mostly 3-bedroom units, with an average floor size of 381m² and average erf size of 1 727m². The average asking price for houses is R2.4 million, with the largest segment of houses priced between R2.0 million and R2.5 million.

7.2.3 PROPERTIES LISTED TO RENT ON A MONTHLY BASIS

- Regarding properties listed to rent on a monthly basis in the selected areas, 64.3% constitute apartments, 23.3% constitute free-standing houses and 12.4% constitute townhouses.
- Apartments mostly constitute 1- or 2-bedroom units with an average unit size of 54m² and an average monthly rental price of R5 904. The largest segment of apartments is priced between R5 000 – R6 700 per month.
- Houses are mostly 3-bedroom units, with an average unit size of 298m² and an average erf size of 805m². The average rental price for houses is R11 053 per month with the largest segment priced between R10 000 – R14 000 per month.
- Townhouses are mostly 2- or 3-bedroom units, with an average unit size of 167m² and an average erf size of 323m². The average rental price for townhouses is R11 014 per month with the largest segment priced between R9 800 – R13 100 per month.

7.3 RESIDENTIAL DEMAND SUMMARY

This section provided an overview of the residential market trends underlining the source market area. The following summarise the findings of the residential supply and demand in terms of the housing affordability and the net demand modelling.

- Between 2025 and 2030 an estimated **829 new households** will seek accommodation in the target geographic market area, resulting in an annual growth in demand of approximately **166 units** (across the full housing spectrum, including informal and subsidy).
- Under present market conditions, the finance-linked and bonded segment (37.1%) will yield a take-up rate of 178 to 295 new units per annum for the market area.
- If 60 new bonded units were to be developed (as per the development proposal), it would be taken-up within approximately 1.4 to 3.4 years (average 2.4 years) at a rate of approximately 18 – 44 units per annum.
- It is recommended that approximately 10% of the bonded residential units be retained as rental stock, in order to cater to the middle- to high-

income renters' market segment while also providing a stable and ongoing income stream from the development.

- Considering the preceding, all bonded units could be developed as part of the first phase of the development.

7.4 GAP ANALYSIS

Development Type	Effective Market Gap	Development Prospects
Freestanding erven & homes; and stack simplex and duplex units		Moderate to High

7.5 OPTIMUM DISTRIBUTION RANGE CONFIGURATION

Given the current supply-side market profile, the following would be the ideal configurations for the proposed development.

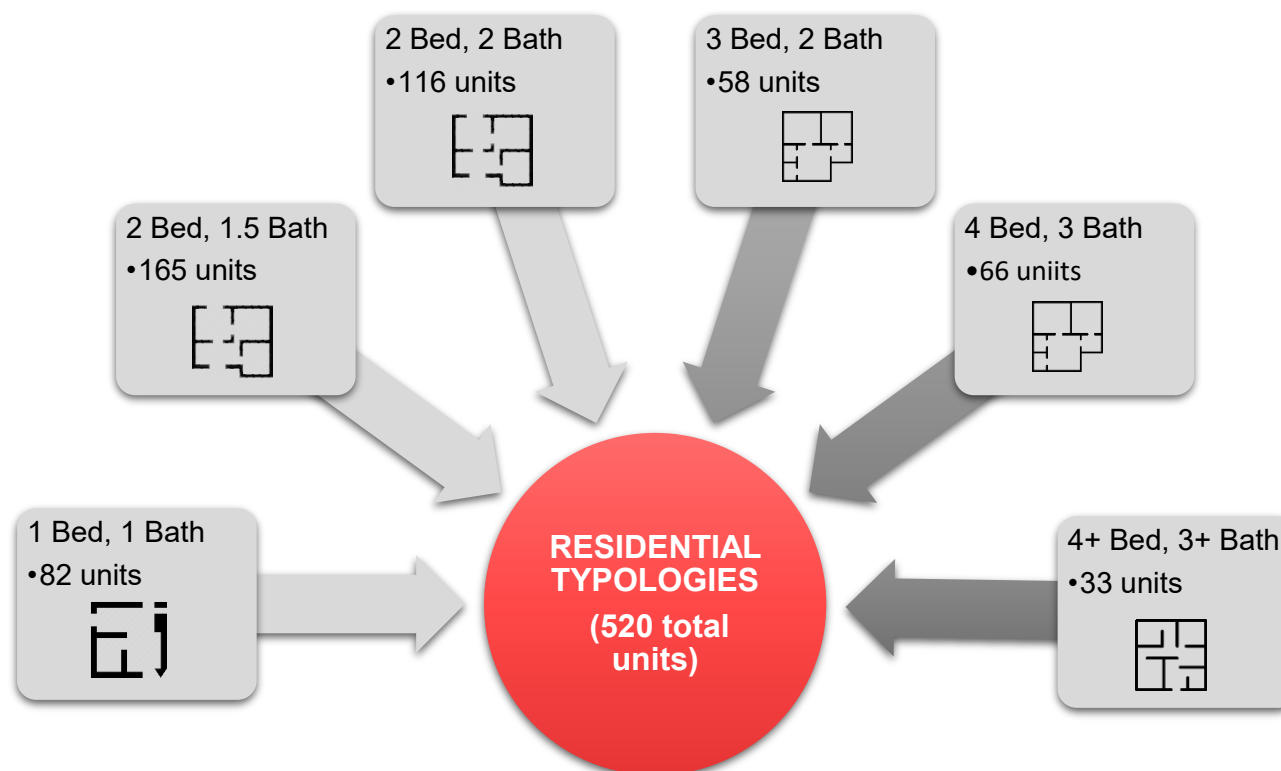


Table 7.1: Optimum Distribution Range Configuration (based on market demand profile)

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3 bedrooms, 2 bathrooms		11.2%	58	R2.8 million - R3.7 million	12	R15 000 - R20 000	130 - 150	R21 538 – R24 666
4 bedrooms, 3 bathrooms	12.8%	12.8%	66	R3.8 million - R5.5 million	13	R20 000 - R30 000	160 - 300	R23 750 – R18 333
4+ bedrooms, 3+ bathroom	6.3%	6.3%	33	R5.5 million+	7	R30 000+	300+	R18 333
Total		100.0%	520		105			

The following diagram indicates the land required for each land use over the medium term. This includes a configuration of freestanding erven & homes; and stack simplex and duplex units

Table 7.2:Grimbreek Park Forecast Space Demand

Land Use	Location Assessment	Proposed Size	Total Demand (ha)	Net demand (ha) (Including roads and surplus buffer)	Composition	Market Gap	OPME
 Residential – Bonded (Bonded erven)	78.6%	173 units	10.8	13.7	71.4%	Moderate to High	2026+
 Residential – Bonded (FLISP & Medium Density)		347 units	4.3	5.5	28.6%		
Total		520		19.2 ha	100%		

The Grimbreek Park forecast estimates a total residential land demand of ±19.2 hectares over the medium term, accommodating 520 units. Of this, 71.4% is allocated to bonded erven housing (173 units) and 28.6% to FLISP and medium-density housing (347 units). The area is highly suitable for bonded housing, with moderate to high market demand.

