



JOIN

ALLEGIANCE PROPERTIES SOMA IN CREATING A NEW REALITY IN SOUTH AFRICAN REALTY.

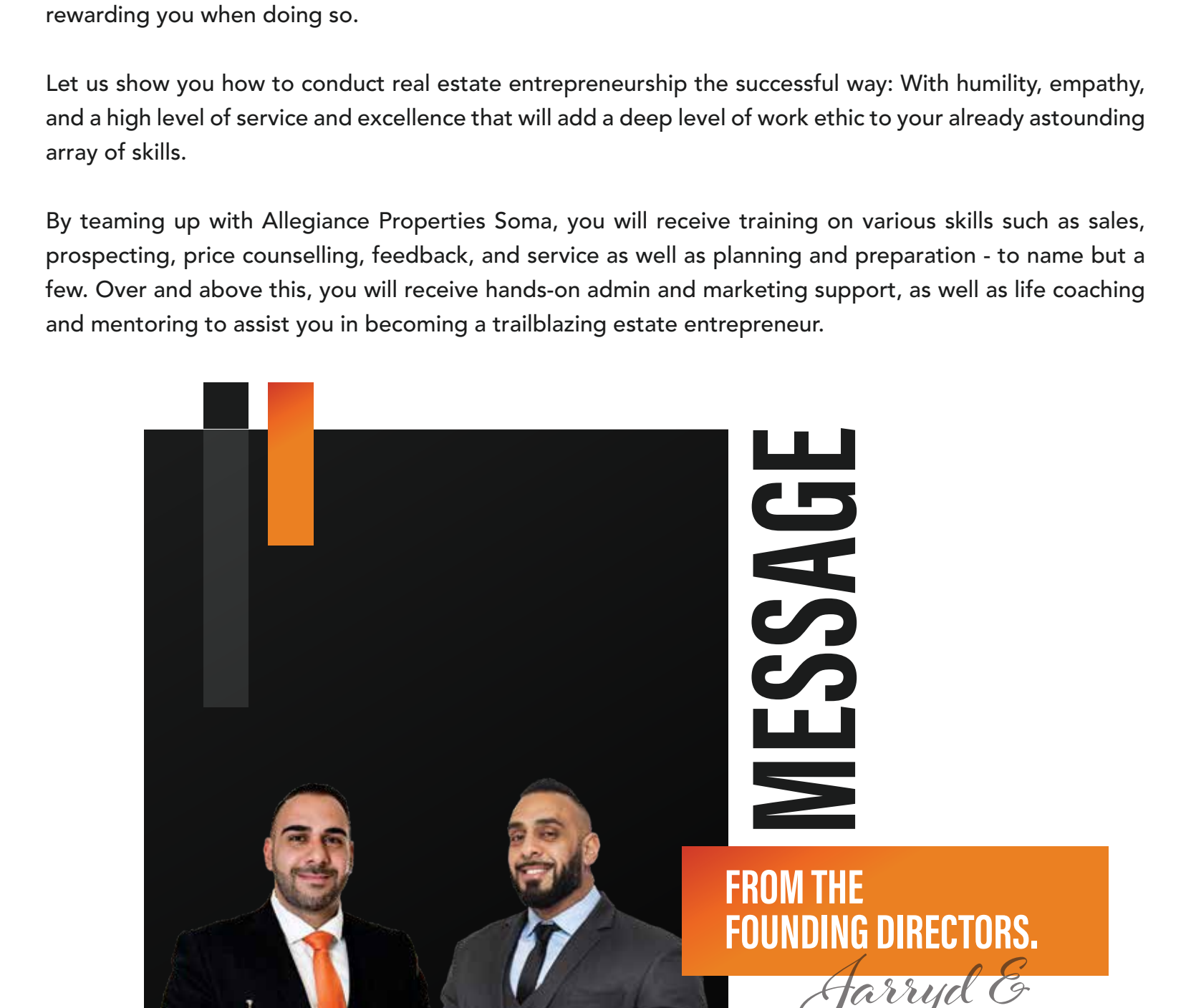
At Allegiance Properties Soma, we understand that one of our most valuable resource is our people, which is why we fully back our brokers. Our recruitment and franchise processes are not aimed at average and ordinary agents. It's aimed at committed, passionate, and hard-working estate agents seeking success, recognition, and high earnings.

The Allegiance Properties Soma team believes in building a lifestyle and standard of living that goes beyond our collective expectations. Not only do we partner with individuals - and mould them into successful real estate entrepreneurs - but we also develop them into the future leaders of our business through a range of inspirational and training mentorship programmes.

Just like a house isn't a home without people, no-one in the Allegiance Properties Soma organisation is merely a number. We want to get to know you, identify what motivates you, and what your dreams, goals, and aspirations are so that we can provide inspiring incentives and training to meet your aspirations. At Allegiance Properties Soma you will always be respected, wanted, appreciated, and never overlooked. We will have certain levels of expectations and standards. However, we will guide you to reach them while rewarding you when doing so.

Let us show you how to conduct real estate entrepreneurship the successful way: With humility, empathy, and a high level of service and excellence that will add a deep level of work ethic to your already astounding array of skills.

By teaming up with Allegiance Properties Soma, you will receive training on various skills such as sales, prospecting, price counselling, feedback, and service as well as planning and preparation - to name but a few. Over and above this, you will receive hands-on admin and marketing support, as well as life coaching and mentoring to assist you in becoming a trailblazing estate entrepreneur.



BREAK

THROUGH BARRIERS; BEND YOUR BOUNDARIES.



MESSAGE

**FROM THE
FOUNDING DIRECTORS.**

Jarryd & Gareth Soma

We would like to extend a massive thank you to our colleagues, associates, and brokerage team of Allegiance Properties | Soma for playing a massive part in contributing to the organisation's most progressive and successful year to date. We are looking forward to routing the momentum we built in 2020 into the new year.



HOUSEHOLD

**MORTGAGE ADVANCES TO BECOME THE RELATIVE
"OUTPERFORMER" IN THE NEW TERM?**

Boosted property sales - initially thought to be pent-up demand - has continued for the past four months. But the sentiment is divided on whether it will continue into 2021. FNB data shows "Household Mortgage Advances show early signs of acceleration as Residential Property Market heats up." Since early-2014, the more commercial property-driven Corporate Mortgage Advances growth rate has significantly outpaced the strongly residential driven Household Mortgage Advances category for most of the time.

"momentarily improved mortgage affordability and incentivised renters to buy property". Industry-wide data shows burgeoning home buying activity, with the volume of mortgage applications reaching multi-year highs.

Year-to-date, applications volumes are approximately 9% above the same period in 2019. However, approvals lag as lenders apply caution amid an uncertain economic outlook, only outpacing 2019 levels by approximately 1.5% year-to-date.

However, the strong recent divergence in strength between the now relatively strong Residential Property Market and the weaker Commercial Property market may see Household Mortgage Advances become the relative "outperformer" in the near term. Property prices have remained resilient - as the aggressive reduction in interest rates (and mortgage rates), good pricing, and lower transfer duties have

"In our view, activity is shored up by lower interest rates, attractive market pricing, lower transfer duties and the changing housing needs due to the pandemic. Furthermore, liquidity in the market has remained relatively intact," says Gareth Soma of Allegiance Properties Soma.



**IS THE
MOMENTUM SUSTAINABLE?**

"The improved affordability (lower acquisition and repayment costs) and increased demand has, inadvertently, offered sellers a bit more room to negotiate."

The FNB Estate Agents Survey shows that the average discount from the listing price has pulled back somewhat, from 13% in 1Q20 to 11% in 3Q20. As a result, price reductions have not been as large as initially feared, underpinning resistance in house prices. Notwithstanding, income pressures pose a significant downside risk in the coming quarters.

"For instance, if job losses spread to more white-collar occupations, we should expect further weaknesses in house price growth into 2021. Allegiance Properties Soma, however, believes it "will carry on well into 2021".

"The market remains driven by the low to mid-price segments to about R1.5 million and up to R3 million in some areas - largely buyers who need home loans. These are predominantly buyers with fixed incomes who are not particularly affected by the COVID pay cuts which we have seen in industries such as tourism and more informal sectors."



**MORE
INTEREST RATE CUTS ON THE CARDS?**

Further to that, inflation continues dipping, being down to 3% for September and now at the bottom of the Reserve Bank's target range. This makes a strong case for a possible further interest rate cut of 25bps this month to stimulate the economy given that most sectors, unlike the residential property market, remain muted.

Inflation is at the lowest level since 2004/5 and less than half of what it was following the 2008 Global Financial Crisis when it spiked to over 10.99% before going down to 7.12% in 2009.

"At the very least, the low interest rate should remain until late into 2021," he adds.

"We have a well-balanced market. Usually, we would expect that this level of activity would result in stock shortages, but the market is still adequately stocked. That means that prices are not running away, and buyers are still able to take advantage of the favourable interest rate and bank lending conditions."



FESTIVE SEASON? NO - SECURITY SEASON.

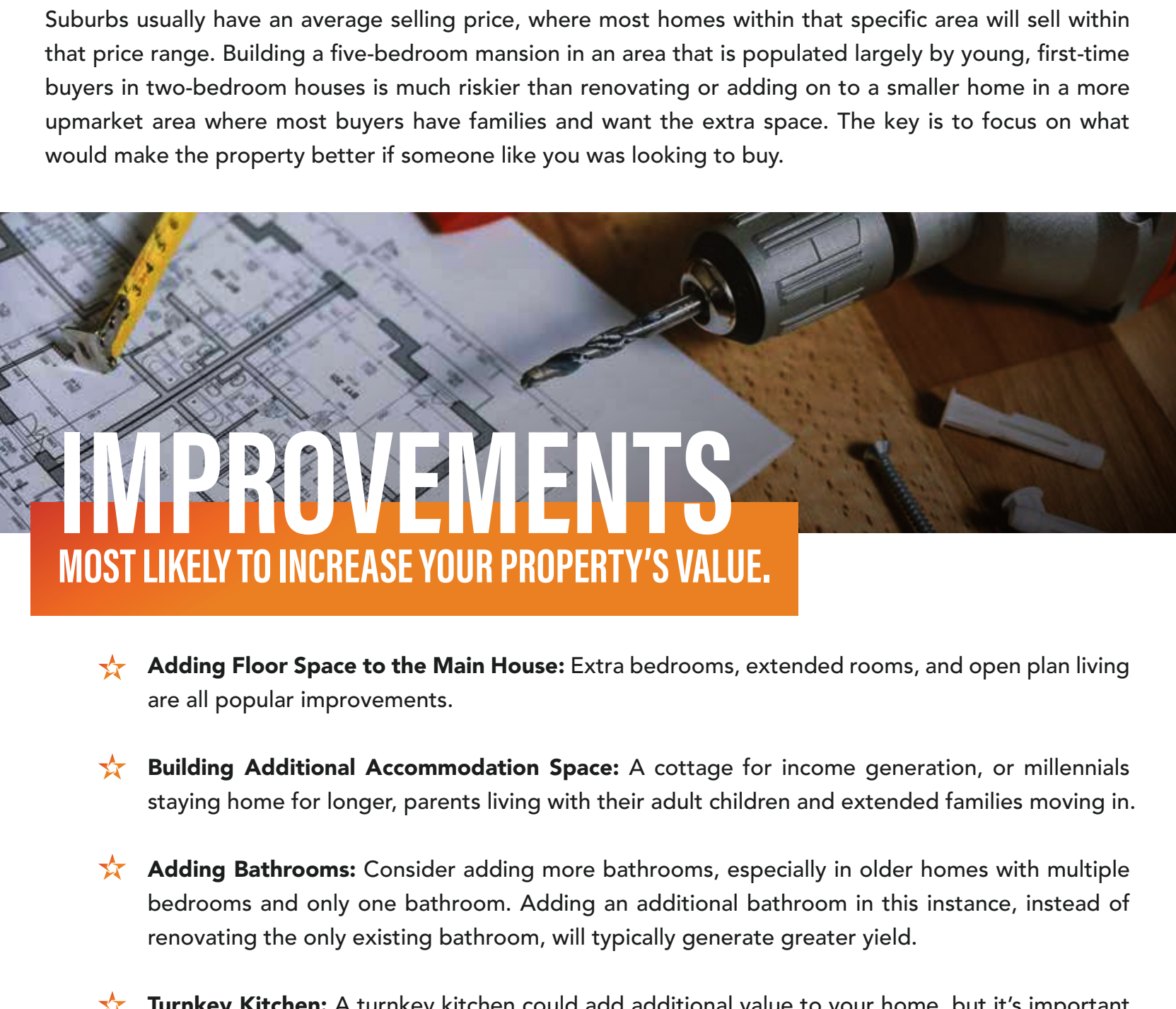
The festive season – the time to enjoy a well-deserved holiday and cherish special family moments but for burglars 'tis the season' to make money!

With most homes being unoccupied and vulnerable, Allegiance Properties Soma offers you our top tips on safeguarding your home (and possessions) this December.

Safety

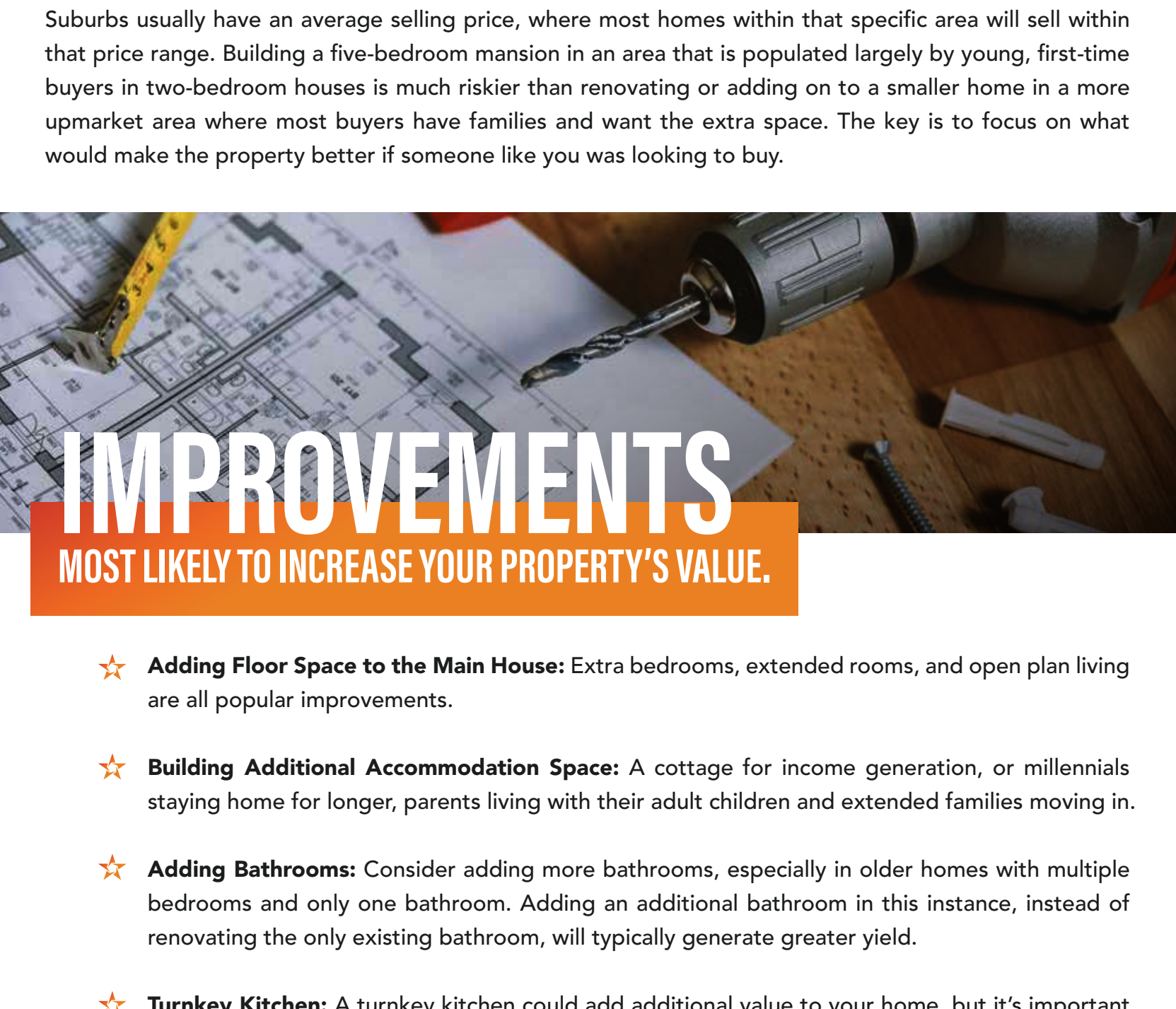
CHECKLIST BEFORE LEAVING YOUR HOME:

- ★ Test all the zones of your alarm system to ensure that they are working correctly.
- ★ Inspect the perimeter of your home to ensure that there aren't any holes in fences or walls and that any gates are secure. In addition to this, check that the electric fence is in good working order. Cut back any plants or trees that may interfere with the fence's efficient functioning while you are away.
- ★ Make sure that CCTV cameras are working and are positioned in such a way that they give a clear view of what is happening both inside and outside your property.
- ★ Put outside and inside lights on a timer to give the impression that someone is home.
- ★ Ask your neighbours to keep an eye on things. Think about offering to let them use your driveway if they are expecting guests over the festive period. The activity will make the home appear occupied. Consider leaving a set of keys with someone you trust in case something goes wrong inside your house.
- ★ Double-check that all windows, doors, and security gates are locked before you leave. It is also highly recommended that you inspect all the burglar guards and repair or replace where necessary.
- ★ Make sure any outbuildings, including storerooms, are well secured.
- ★ Check your insurance policies before you leave. Make sure that items such as electronic goods are sufficiently insured to cover the replacement value if something goes wrong. Although thieves tend to be pretty determined, there is no reason to make their lives easier, so lock any valuables away. It is advisable to take additional care, even if you are not going away during this time.



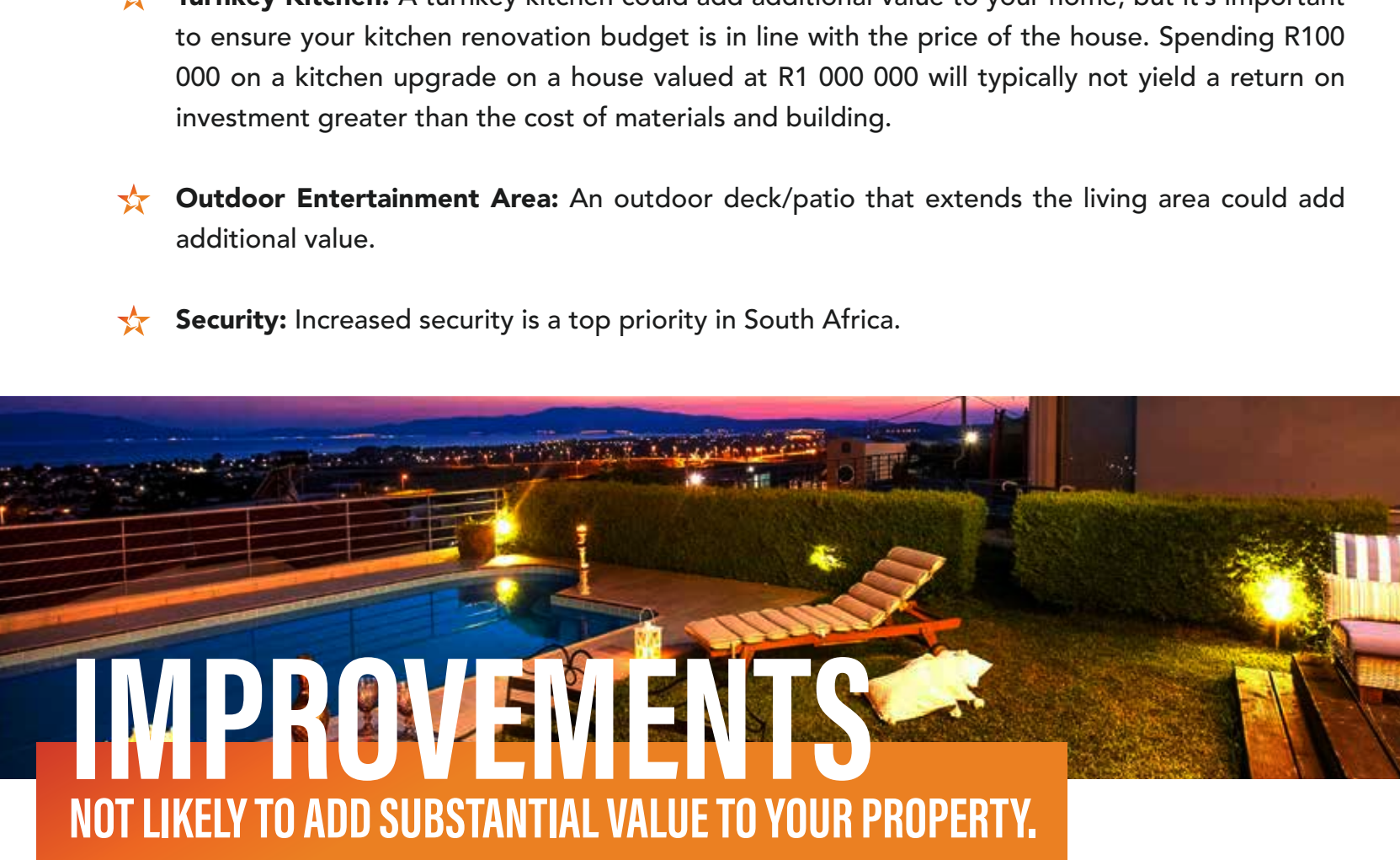
HOW TO ADD VALUE TO YOUR HOME.

Do you know which home improvement will increase the likelihood of a quick and profitable sale of your property? If you want to work your way up the property ladder to your dream home, you need to know how to maximise the value of where you live now.



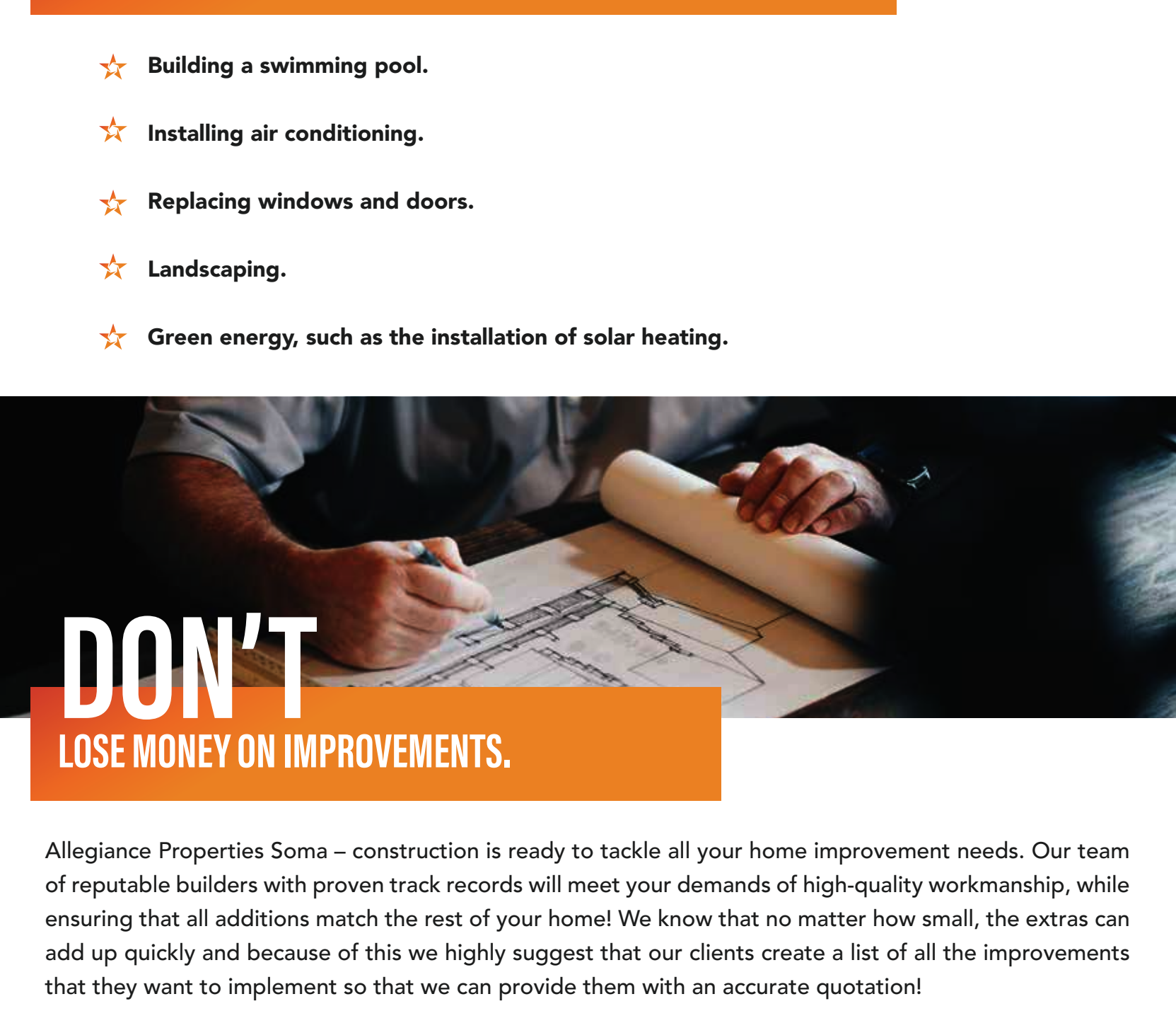
**DON'T
OVER-CAPITALISE.**

Suburbs usually have an average selling price, where most homes within that specific area will sell within that price range. Building a five-bedroom mansion in an area that is populated largely by young, first-time buyers in two-bedroom houses is much riskier than renovating or adding on to a smaller home in a more upmarket area where most buyers have families and want the extra space. The key is to focus on what would make the property better if someone like you was looking to buy.



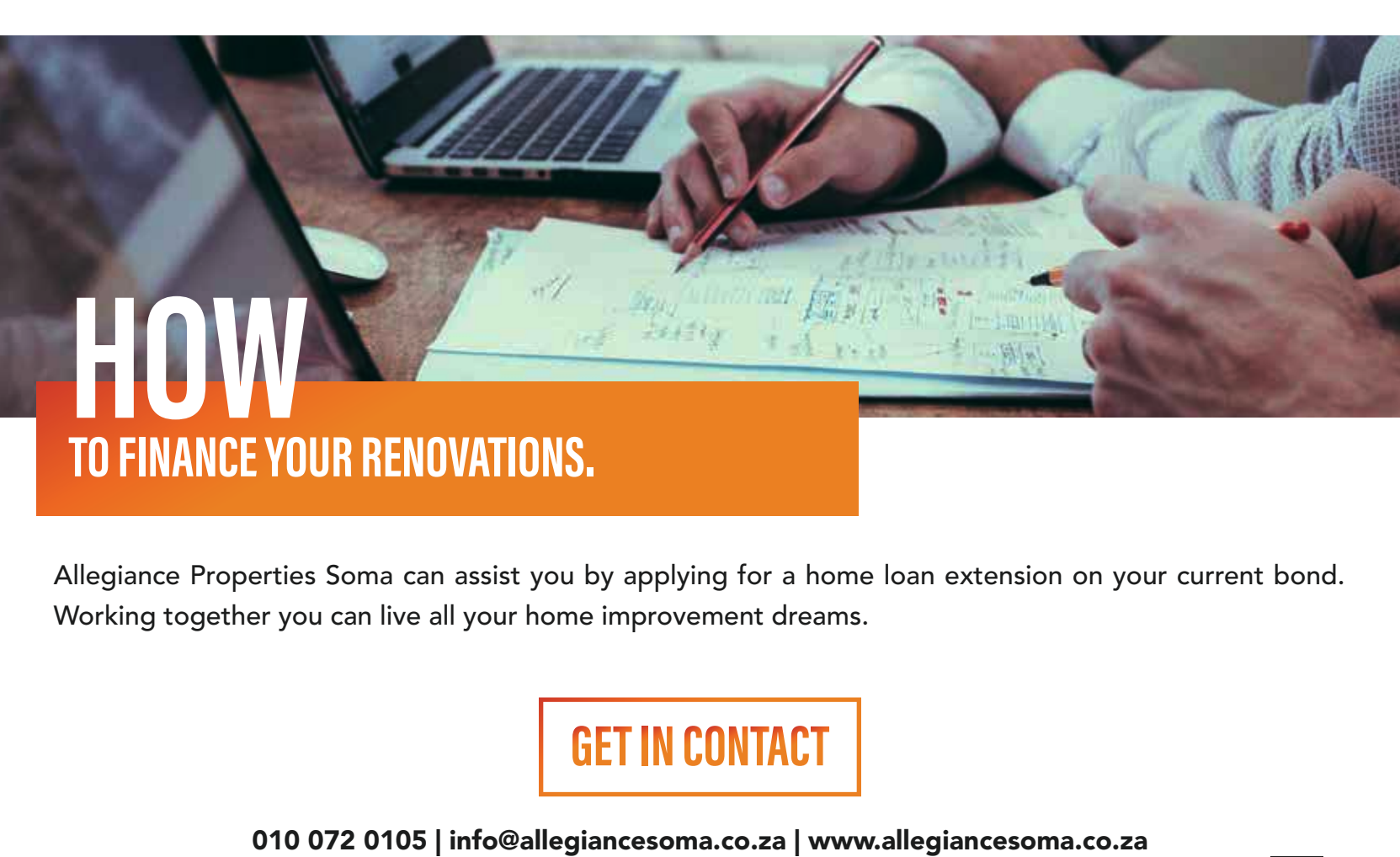
IMPROVEMENTS MOST LIKELY TO INCREASE YOUR PROPERTY'S VALUE.

- ★ **Adding Floor Space to the Main House:** Extra bedrooms, extended rooms, and open plan living are all popular improvements.
- ★ **Building Additional Accommodation Space:** A cottage for income generation, or millennials staying home for longer, parents living with their adult children and extended families moving in.
- ★ **Adding Bathrooms:** Consider adding more bathrooms, especially in older homes with multiple bedrooms and only one bathroom. Adding an additional bathroom in this instance, instead of renovating the only existing bathroom, will typically generate greater yield.
- ★ **Turnkey Kitchen:** A turnkey kitchen could add additional value to your home, but it's important to ensure your kitchen renovation budget is in line with the price of the house. Spending R100 000 on a kitchen upgrade on a house valued at R1 000 000 will typically not yield a return on investment greater than the cost of materials and building.
- ★ **Outdoor Entertainment Area:** An outdoor deck/patio that extends the living area could add additional value.
- ★ **Security:** Increased security is a top priority in South Africa.



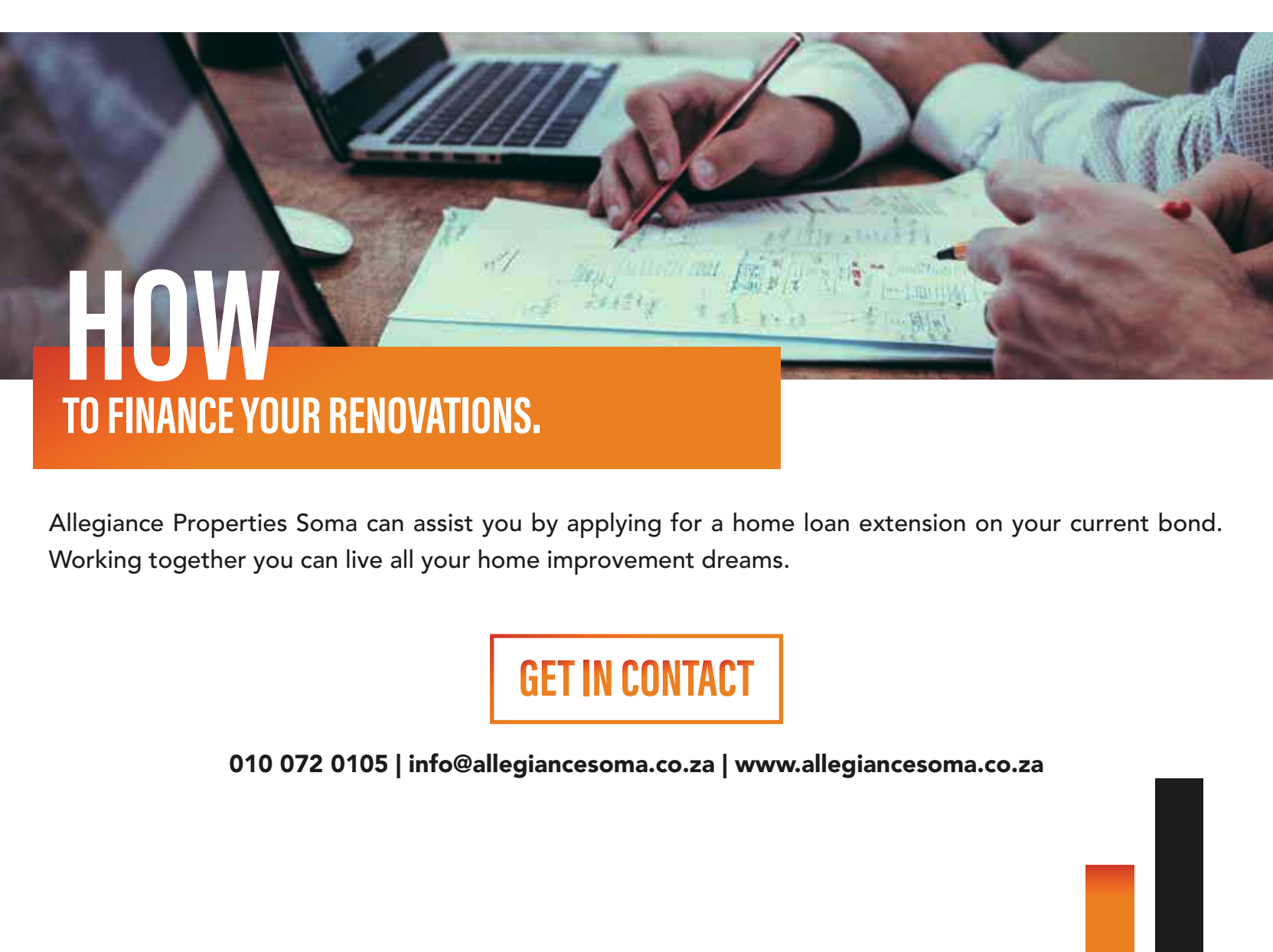
IMPROVEMENTS NOT LIKELY TO ADD SUBSTANTIAL VALUE TO YOUR PROPERTY.

- ★ **Building a swimming pool.**
- ★ **Installing air conditioning.**
- ★ **Replacing windows and doors.**
- ★ **Landscaping.**
- ★ **Green energy, such as the installation of solar heating.**



**DON'T
LOSE MONEY ON IMPROVEMENTS.**

Allegiance Properties Soma – construction is ready to tackle all your home improvement needs. Our team of reputable builders with proven track records will meet your demands of high-quality workmanship, while ensuring that all additions match the rest of your home! We know that no matter how small, the extras can add up quickly and because of this we highly suggest that our clients create a list of all the improvements that they want to implement so that we can provide them with an accurate quotation!



GET IN CONTACT

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