PayProp

RENTAL INDEX

QUARTERLY SOUTH AFRICAN RESIDENTIAL RENTAL MARKET DATA

Q1 2021

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Rental growth – first uptick in over a year

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INTRODUCTION

One year in

More than a year since the world went into lockdown, the effects of COVID-19 can still be seen and felt in the rental market.

In this issue, we don't just look at the ongoing impact of COVID-19 on rental prices and arrears since the beginning of 2020 – we also look at how rental growth has behaved over the long term.

In addition, we identify and analyse different tenant risk levels. In a market where everyone is struggling to find good tenants, it pays to know what to look for!

And lastly, we talked to a longstanding client about their business challenges. Read what they have to say on page 21.

Enjoy this issue! As always, feel free to let me know your thoughts. ■

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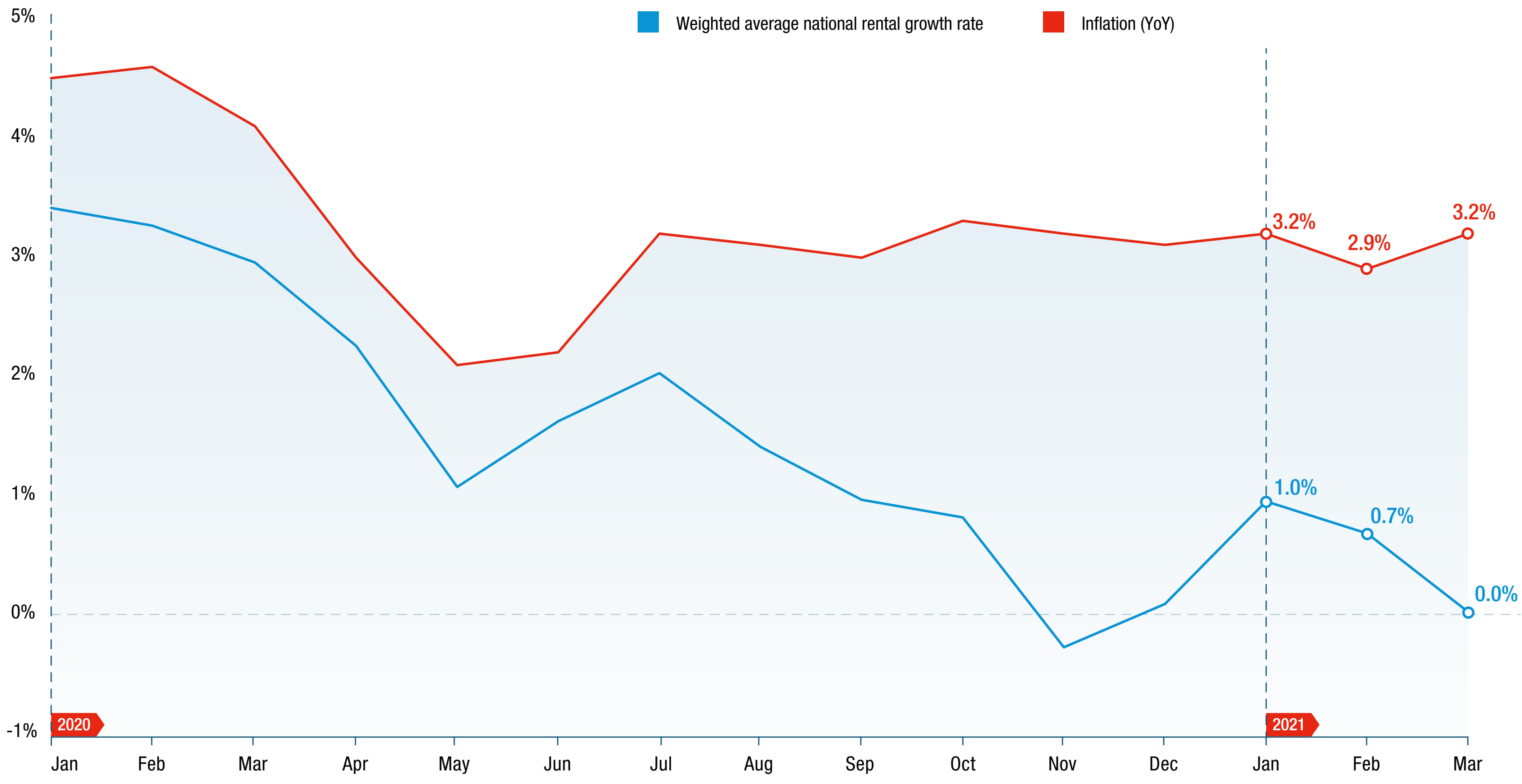
NATIONAL RENTAL GROWTH

Rent prices under pressure from tenant troubles and market exodus

While the monthly rental growth rate (measured year on year) continued to track below inflation for the first quarter, it measured slightly higher than in Q4 2020. Figures of 1% and 0.7% were recorded in January and February, with no year-on-year (YoY) growth for March 2021. ■

Since January 2020, the repo rate has been lowered by 3 percentage points to its lowest level in decades, prompting many tenants to buy their first homes.

This exodus of more creditworthy tenants from the rental market, coupled with the ongoing financial constraints experienced by others, continued to put downward pressure on rental prices into the first quarter of 2021.



Weighted average national rental growth rate (YoY) vs. inflation
Source: PayProp

NATIONAL RENTAL GROWTH

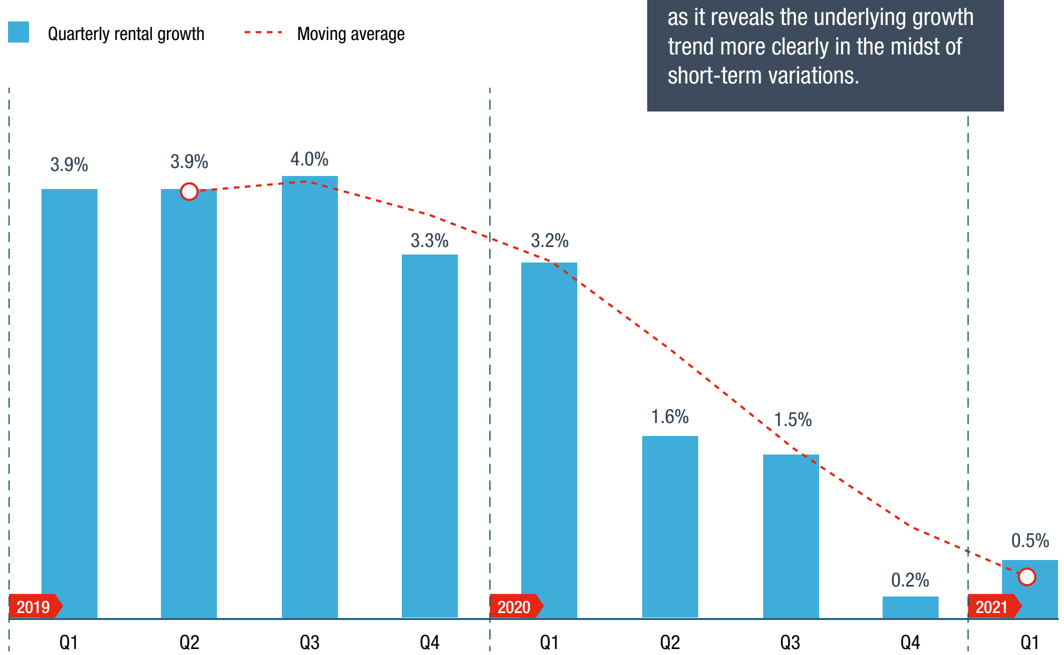
Quarterly update

After five consecutive quarters of slowing increases, it's encouraging to note an uptick of quarterly rental growth to 0.5% in Q1 (measured year on year).

However, this is still far removed from the rental growth rate seen in the corresponding quarter of 2020 (3.2%). The growth between Q1 2020 and Q1 2021 amounted to just R33 over the year, from R7 786 to R7 819. ■

MOVING AVERAGE TRENDLINE

We use a moving average trendline as it reveals the underlying growth trend more clearly in the midst of short-term variations.



Quarterly rental growth (measured YoY) with a moving trendline
Source: PayProp

NATIONAL RENTAL GROWTH

Cyclical quarterly movements

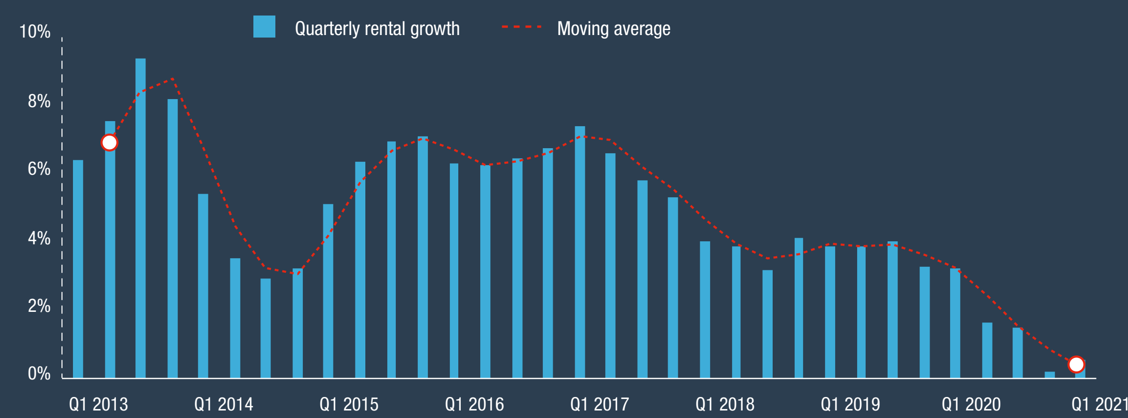
Many economic variables are cyclical, and judging from the past 8 years we can see this is true for YoY quarterly rental growth as well.

Since 2018, rent levels have been increasing at a much lower pace than in previous years – and it seems unlikely that we'll see year-on-year growth rates approaching 10% like we did in 2013 anytime soon. To be fair, a protracted global pandemic is by no means a regular occurrence.

That said, rental growth has been under pressure even before COVID-19, as a result of both slow economic growth putting pressure on tenants' financials and an uptick in residential developments in many urban areas, increasing rental accommodation supply.

The rental market has certainly changed – more businesses are moving online, offering tenants flexibility in where and how they work, and hence potentially stifling rental market activity.

All things considered, we might not see a repeat of past patterns in the years to come. ■



Quarterly rental growth (measured YoY): 2013 to present
Source: PayProp

RENT ARREARS

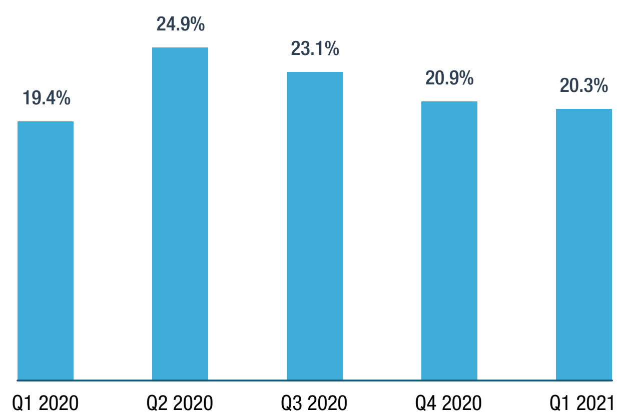
Continued recovery

In this section we examine how 12 months of lockdown affected arrears in the country. Many tenants suffered job losses or pay cuts and are still recovering financially.

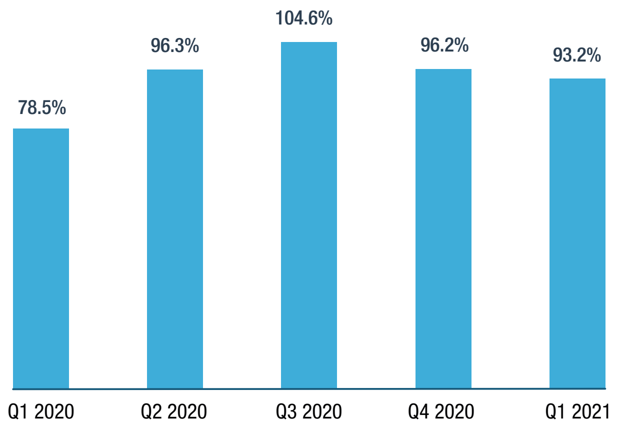
We consider two arrears metrics:

1) The **percentage of tenants in arrears** expresses the number of tenants in arrears as a percentage of the total number of tenants on the PayProp system.

2) The **average arrears percentage** expresses the average arrears value as a percentage of the average rent – an average arrears percentage of 80% therefore means that on average, a tenant in arrears owes 80% of one month's rent.



Percentage of tenants in arrears: 2020 to present
Source: PayProp



Average arrears percentage: 2020 to present
Source: PayProp

From our arrears analysis over the last year, we know some tenants stopped paying their rent in full when lockdown was first announced at the end of Q1 2020. Reasons included that they weren't earning any income, were forced to take a reduction in salary, or were uncertain about their future cash flow. The percentage of tenants in arrears increased from 19.4% in Q1 to 24.9% in Q2 – an increase of close to 30%.

In June 2020, most industries reopened and tenants returned to work, leading to a steady improvement in the percentage of tenants in arrears each quarter since then. Encouragingly, only 20.3% of tenants were in arrears by Q1 2021 – not quite one percent more than before lockdown.

The average arrears percentage followed a slightly different pattern, likewise increasing between Q1 2020 and Q2 2020, but only peaking in Q3.

Spare a thought: For a tenant to lower their arrears percentage, they must pay their full rent each month, plus some money towards their outstanding balance – and in the current economic climate, this is not easy to do.

So while the average arrears amount relative to rent has improved to 93.2% from its peak of 104.6%, we are not at all surprised that this is still much higher than the 78.5% measured before lockdown. We expect this metric to improve further, albeit slowly.

PROVINCIAL STATISTICS

Rent, growth, and damage deposits

In our provincial analysis, we examine the various regions' rental growth over the quarter (measured year on year over the corresponding quarter the previous year) in alphabetical order.

National statistics

Rent and rental growth

We've already seen that average rent increased by 0.5% in the first quarter, from R7 786 in Q1 2020 to R7 819 in Q1 2021.

Both the average national rent and damage deposit ratio are weighted in accordance with each province's contribution to GDP.

Damage deposit ratio

The average damage deposit ratio across the country was 1.26 – slightly higher than the 1.24 recorded the year before. In rand terms it translates to an average damage deposit of R9 835.

The damage deposit ratio expresses the size of the average damage deposit held relative to the average rent. A damage deposit ratio of 1.26 means the average damage deposit held is 1.26 times the value of the average monthly rent.

Average rent	Growth
R7 819	0.5%
Q1 2020 I R7 786	Q1 2020 I 3.2%

Damage deposit ratio	Average damage deposit value
1.26	R9 835
Q1 2020 I 1.24%	Q1 2020 I R9 622

Eastern Cape

Rent and rental growth

The Eastern Cape had the second lowest rent in the country at R6 202 – up 3.2% year on year over the same quarter last year. This was the second highest rent increase after the North West.

Damage deposit ratio

The Eastern Cape had the second highest damage deposit ratio, at 1.31 times the average rent in the province. In rand terms, however, the damage deposit value of R8 131 was the third lowest in the country. This speaks to low average rents in this economically challenged province, counterbalanced by high damage deposit security.

Average rent	Growth
R6 202	3.2%
Q1 2020 I R6 012	Q1 2020 I 5.6%

Damage deposit ratio	Average damage deposit value
1.31	R8 131
Q1 2020 I 1.30	Q1 2020 I R7 786

Free State

Rent and rental growth

Back in Q1 2020, the Free State had the highest rental growth in the country at 5.9%. A year later, average rent decreased by 0.7% year on year (R46) – the third lowest rate of quarterly growth after KwaZulu-Natal (-0.8%) and Limpopo (-1.3%). Average rent of R6 368 was the third lowest out of all the provinces.

Damage deposit ratio

The province had a lower-than-average damage deposit ratio of 1.2, up from 1.16 in Q1 2020. At R7 626, it was in fact the second lowest damage deposit value after the North West.

Average rent	Growth
R6 368	-0.7%
Q1 2020 I R6 414	Q1 2020 I 5.9%

Damage deposit ratio	Average damage deposit value
1.20	R7 626
Q1 2020 I 1.16%	Q1 2020 I R7 429

Gauteng

Rent and rental growth

In Q1 2021, the average rent in Gauteng was R8 390 – perennially the second highest after the Western Cape. This was 0.7% higher than in Q1 2020, a rate of growth that exceeded the national average of 0.5%.

Damage deposit ratio

Gauteng's damage deposit ratio came in below the national average at 1.21. At R10 157 the province's damage deposit value was the second highest in the country after the Western Cape – and R322 higher than the national average of R9 835.

Average rent	Growth
R8 390	0.7%
Q1 2020 I R8 328	Q1 2020 I 4.1%

Damage deposit ratio	Average damage deposit value
1.21	R10 157
Q1 2020 I 1.18	Q1 2020 I R9 863

KwaZulu-Natal

Average rent	Growth
R8 177	-0.8%
Q1 2020 I R8 241	Q1 2020 I 3.3%

Damage deposit ratio	Average damage deposit value
1.21	R9 925
Q1 2020 I 1.16	Q1 2020 I R9 589

Rent and rental growth

KwaZulu-Natal's average rent was R8 177 in the first quarter – 0.8% lower than Q1 2020, but higher than the national average of R7 819. Only Limpopo had worse rental growth for the quarter.

Damage deposit ratio

The damage deposit ratio of 1.21 was lower than the national average of 1.26 but higher than the year before, when it was 1.16. In rand terms, the average damage deposit value of R9 925 was R90 higher than the national figure.

Limpopo

Rent and rental growth

Rent in Limpopo continued to decrease and averaged R6 871 in Q1 2021 – 1.3% (or R92) lower than the year before. While the province returned the worst performance out of all the provinces, it was better than a year earlier when rent decreased by 2.2%. Limpopo has now experienced negative year-on-year rental growth for 14 quarters in a row.

Damage deposit ratio

The province did have the third highest damage deposit ratio at 1.29 times the value of one month's rent. However, at R8 867 the average damage deposit value was below the national average of R9 835.

Average rent	Growth
R6 871	-1.3%
Q1 2020 I R6 963	Q1 2020 I -2.2%

Damage deposit ratio	Average damage deposit value
1.29	R8 867
Q1 2020 I 1.28	Q1 2020 I R8 918

Mpumalanga

Average rent	Growth
R7 471	0.4%
Q1 2020 I R7 439	Q1 2020 I 1.9%

Damage deposit ratio	Average damage deposit value
1.09	R8 160
Q1 2020 I 1.09	Q1 2020 I R8 138

Rent and rental growth

Mpumalanga's average rent was R7 471, up 0.4% from the year before and R348 lower than the national average of R7 819.

Damage deposit ratio

The damage deposit ratio in Mpumalanga remained the same as the year before, and at 1.09 it was the second lowest out of all the provinces. The province's average damage deposit value of R8 160 was R1 675 lower than the national figure of R9 835.

North West

Rent and rental growth

Average rent in the North West remained the lowest out of all the provinces at R5 414 during the first quarter. However, this represented an increase of 3.7% over the year before – the highest rental growth recorded in the country.

Damage deposit ratio

The North West damage deposit ratio of 1.01 was likewise the lowest out of all the provinces. The average damage deposit value of R5 487 was also the lowest, more than R4 000 less than the national average.

Average rent	Growth
R5 414	3.7%
Q1 2020 I R5 222	Q1 2020 I 3.8%

Damage deposit ratio	Average damage deposit value
1.01	R5 487
Q1 2020 I 1.03	Q1 2020 I R5 358

Western Cape

Rent and rental growth

The Western Cape experienced negative year-on-year rental growth for the fourth quarter in a row. Average rent for the quarter was R9 142, a decrease of 0.3% or R29 from the year before. Even so, the province remains the most expensive part of the country in which to rent.

Damage deposit ratio

The Western Cape also had the highest damage deposit ratio at 1.63 times the average rent. In rand terms, this is an average damage deposit of R14 940 – more than R5 000 higher than the national average. ■

Average rent	Growth
R9 142	-0.3%
Q1 2020 I R9 171	Q1 2020 I 1.6%

Damage deposit ratio	Average damage deposit value
1.63	R14 940
Q1 2020 I 1.62	Q1 2020 I R14 839

Northern Cape

Average rent	Growth
R8 327	2.8%
Q1 2020 I R8 101	Q1 2020 I 3.6%

Damage deposit ratio	Average damage deposit value
1.13	R9 432
Q1 2020 I 1.14	Q1 2020 I R9 249

Rent and rental growth

The Northern Cape had the third highest average rent in the country after Gauteng and the Western Cape, at R8 327. This was 2.8% higher than in Q1 2020 – the third highest increase out of all the provinces.

Damage deposit ratio

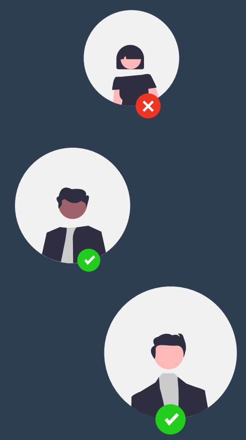
At 1.13 times the average monthly rent, the province's damage deposit ratio was the third lowest in the country. This equated to R9 432 – R403 lower than the national average of R9 835.

CREDIT METRICS

Know your tenant risk

In PayProp's second State of the Rental Industry report, out now, more than half of the participants said finding good tenants was their biggest challenge in the current market. Knowing what to look out for when vetting tenants can go a long way in helping agents provide a good service to landlords.

In this section, we analyse the credit metrics of each risk profile to see where they differ.



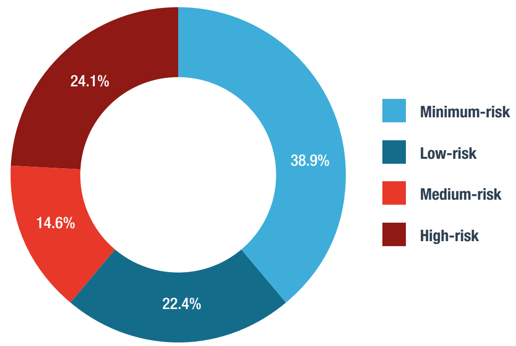
CREDIT METRICS

We analysed credit checks done through PayProp in Q1 2021. Note that credit checks are mostly done on prospective tenants and not necessarily on tenants who are already renting. The credit metrics show the average of each metric for all applicants across our four risk categories.

Credit metric	Minimum-risk	Low-risk	Medium-risk	High-risk
% of tenants	38.9%	22.4%	14.6%	24.1%
Net monthly income	R41 956	R34 034	R30 720	R26 424
CPA accounts	8.73	8.68	7.20	6.37
NLR accounts	0.48	1.57	2.28	4.09
Major delinquency	0.8%	14.5%	25.8%	41.2%
Debt-to-income ratio	35.3%	39.1%	45.2%	47.4%
Credit score	690	644	619	592

Minimum-risk tenants represented almost 40% of the credit checks done through PayProp in Q1 2021 – slightly higher even than in Q1 2020. More than 60% of tenants fall into the minimum- and low-risk categories, while almost a quarter were labeled as high-risk.

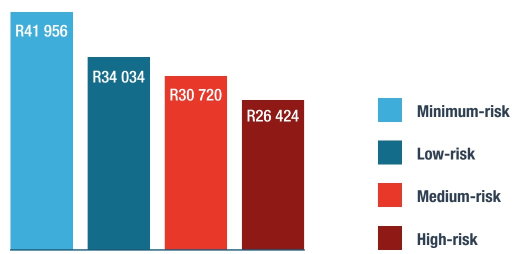
While this seems counterintuitive, it could be that high-risk tenants fall out of the vetting process even before a credit check is done.



Percentage tenants per risk category
Source: PayProp

Income

Minimum-risk tenants tend to have higher incomes than those in other categories, and by quite a margin. In Q1, minimum-risk tenants had an average net income of close to R42 000 – almost R8 000 higher than low-risk tenants, and more than R15 000 more than high-risk tenants.



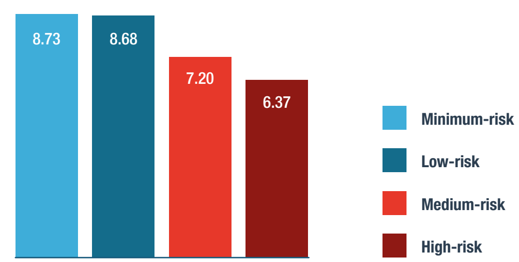
Average net monthly income per risk category
Source: PayProp

CPA and NLR accounts

Tenants across all risk categories have between 9 and 11 accounts. However, the difference lies in the types of accounts they have, and how many.

Minimum-risk tenants tend to have more 'good debt' accounts and almost no 'bad debt' accounts, with high-risk tenants have fewer 'good debt' accounts and more 'bad debt' accounts.

A higher number of bad debt accounts can be indicative of a prospective tenant having needed additional funds to make it through the month or not qualifying for credit from other providers.



Number of CPA accounts per risk category
Source: PayProp

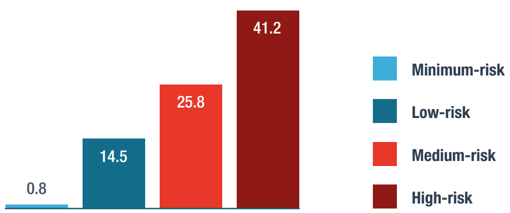
CPA (Credit Provider Association) accounts include insurance, cellphone contracts, retail stores and vehicle finance. These are the types of accounts you can reasonably expect someone to have, and are seen as 'good debt'.

NLR (National Loan Register) accounts, on the other hand, are something you don't want to see on a credit check. These include short-term loans from micro-lenders, usually with very high interest rates, and are seen as 'bad debt'.

Major delinquencies

Unsurprisingly, high-risk tenants had more major delinquencies against them than other groups, at 41% compared to 25% of medium-risk tenants. Less than 1% of minimum-risk tenants had a major delinquency against their name.

> A 'major delinquency' can include various types of negative entries on an applicant's credit record, such as judgements, notices, adverse accounts, high levels of indebtedness, etc.



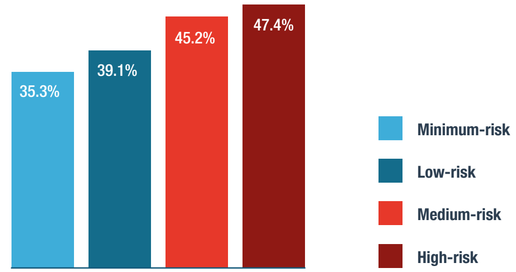
Major delinquencies per risk category
Source: PayProp

Debt

Riskier tenants tend to have a higher debt-to-income ratio than lower-risk ones, meaning they spend a higher percentage of their monthly income on debt repayments each month.

Note that the type of credit and timely payments affect a tenant's credit rating as well.

High-risk tenants may have a higher debt-to-income ratio (on average 47% in Q1), but they spend smaller amounts on their debt repayments. The average high-risk tenant spent just over R12 500 a month on debt and other financial obligations, compared to minimum-risk tenants, who spent almost R15 000 a month (or 35% of their income).

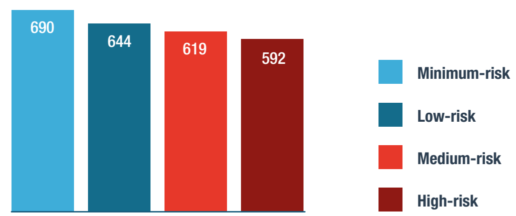


Average debt-to-income per risk category
Source: PayProp

Credit score

Since tenants are placed into risk categories based on their credit score, minimum-risk tenants have higher average credit scores than higher-risk ones.

The difference between the two is almost 100 points (690 vs 592).



Average credit score per risk category
Source: PayProp

When vetting tenants, it is vital to not only consider the credit score or risk category, but other factors as well. We recommend taking a look at bank statements and salary slips where possible and contacting references before making a final decision. ■

CLIENT SPOTLIGHT

RE/MAX LIVING

How PayProp simplified property management for RE/MAX Living

Cape Town

240+ Properties managed

2004 Joined PayProp

An interview with

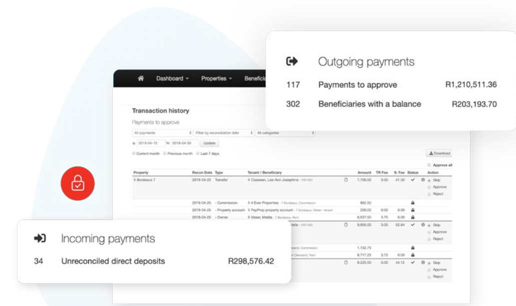
Susan Watts
Managing Partner – RE/MAX Living

For branches of international brands like RE/MAX, client expectation is high – matching and surpassing it is key to maintaining a well-deserved reputation for excellence.

That is why Susan Watts – Managing Partner at RE/MAX Living in Cape Town – expected nothing less than perfection when she set out to grow the property management side of the business.

Growing rentals

"We started out primarily in property sales," says Susan. "And while we did have a few agents that were managing rentals for buyers, there was so much admin involved that it wasn't worth growing. We also had to make sure that we met client expectations, but to offer property management to all our clients would have meant hiring additional employees."



BANK-INTEGRATED
Your client account balances are live and 100% accurate.

PROFESSIONAL SUPPORT AND TRAINING

Our friendly South African-based team of platform experts are ready to help you and your agency thrive.

Once Susan discovered PayProp, it quickly became clear that expanding property management while maintaining a high level of service was not only possible, but could also make a big difference to her company's bottom line.

"After speaking to PayProp we knew we had found a system that encompassed everything that we needed and that could scale with us as we grew the rental side of the business."

"We knew across the area we covered there were some good rental prospects, but it was key to make sure that we manage them correctly," she says.

New system, no problem

Getting to grips with a new system can be a challenge for teams and clients alike, but Susan found that PayProp's winning combination of tried and tested technology, plus a world-class support team made all those fears disappear.

"I thought PayProp was going to be difficult to set up and learn and that there was going to be a huge change," Susan adds.

"I was prepared to deal with a lot of technical issues, but we didn't find any because the back office support PayProp offers is so fantastic that any issues were ironed out easily. It was such a pleasant surprise and it really put me at ease that the extra admin I was expecting just didn't happen."

"That level of support has continued to this day. PayProp really do treat my business as if they have a personal stake in it. You don't call a call centre and struggle for days or weeks to get through to somebody, it is simply the case that you can pick up the phone, someone will answer, and they'll talk you through your problem and actually know what they're talking about. This service-orientated approach is hugely refreshing in the world of PropTech."

Accurate insight

Once PayProp was fully implemented across all branches, Susan found it much easier to manage her business thanks to the insight PayProp offers — all of which is at her fingertips 24/7. Checking on any of the branches is easy, as PayProp is available on any device with a Web browser.

"Using the phone in my pocket I can log in to PayProp and run checks on each of my agents. You can generate a graph and see how their business has been growing. It's easy to quickly spot if the business is not growing and then you can have any necessary conversations with that branch. Everything is in one place and easy to find – I absolutely love that because it makes my job so much easier."

PayProp also assists with security and gives RE/MAX Living a complete overview of the rental payment process, so any errors can be quickly corrected. "PayProp has given us peace of mind. With the audit log it's easy to make sure someone hasn't accidentally ticked the wrong box," explains Susan. "We also get alerts, for instance, if a beneficiary's details change – which is a big security risk if those changes include incorrect bank details. As a typical business owner, you would not know if those changed, but PayProp had thought about that, which makes it far safer for us to transact than a normal rental agency."

Great service = growth

One key driver for investing in PayProp was to take admin away from the agents that were already managing rental portfolios, so they could do what they do best.

"It's simple really, the less admin you have as an agent, the more business you are actually able to do. And PayProp takes care of a lot of that admin. It streamlines and simplifies it, which allows the agent to go out, network and negotiate, which is what they do best."

"We've seen the impact of that change. Clients have come back to our agents asking them not only to manage their properties, but also their dad's, their uncle's, their friend's properties as well. As a result, their portfolio has grown to such an extent that they've actually had to hire an administrator to manage the day-to-day and run their PayProp account for them. And that's where the success story is for our business."

Vision for the future

As her business continues to grow, it is important to Susan that the companies she partners with have the same thirst for expansion and international horizons as RE/MAX Living.

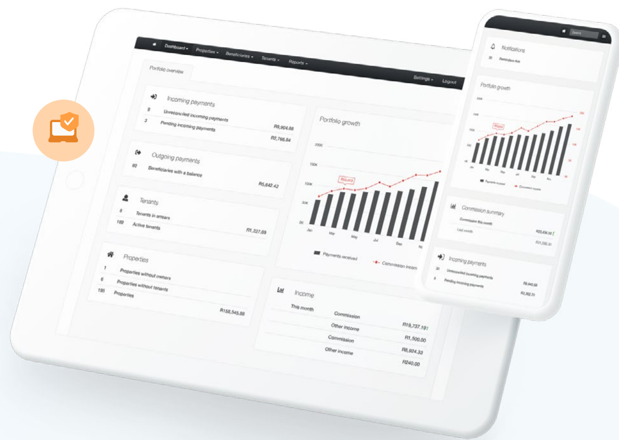
"RE/MAX is an international company, so seeing PayProp growing with such leaps and bounds in the international arena is wonderful to watch. It is vitally important for us to partner with friends that are recognised internationally because of the number of international clients we work with, so PayProp's global growth is a fantastic opportunity for us as well."

Susan's advice to any RE/MAX agencies around the world considering PayProp is simple, just do it.

"To me, PayProp is a time-saving genius."

BANK-GRADE SECURITY

We take your security seriously. All your data is encrypted and backed up in multiple different locations.



POPIA COMPLIANCE

POPIA and the continuous improvement of PayProp's security and privacy

The Protection of Personal Information Act (POPI Act or POPIA) commenced on 1 July 2020, and the grace period to comply with its provisions is due to end on 30 June 2021.

That leaves just over a month to comply with this Act's crucial provisions. At the same time, working with compliant service providers will provide peace of mind in the run-up to 1 July.

Does POPIA apply to the estate agency world?

Besides being "accountable institutions" in terms of the Financial Intelligence Centre Act (FICA), estate agents process the personal information of buyers, sellers and renters, binding them to the provisions of POPIA as "responsible parties" in terms of that Act.

PayProp is also an accountable institution, meaning POPIA applies to us as well. Accordingly, we have taken the necessary steps to strengthen our existing processes and procedures and adopted certain new ones as required by POPIA.

Let's look at these in turn.

PayProp's existing safeguards

At PayProp, security and access controls have always been a focus. For example, a username and password are required to access PayProp, password complexity is enforced, and accounts are locked after too many unsuccessful login attempts. All communication and sensitive information is encrypted, and all customer data is fully backed up at least once a day.

We continually monitor the system and have developed an effective change management process over the years to test and implement any necessary improvements. Annual penetration testing is performed, and steps taken to remediate any weaknesses. We constantly analyse industry and security trends, leading to ongoing platform development and improvements.

Working to ensure POPIA compliance

PayProp is currently working with a reputable law firm to ensure our compliance with the new law.

> We highly recommend that other organisations also put measures in place to ensure their ongoing compliance with POPIA – using a compliant service provider like PayProp does not exempt you from this responsibility.

To view PayProp's privacy policy – which governs the collection and processing of personal information and outlines the steps we take to ensure we comply with POPIA – visit our website.

BUSINESS ESSENTIALS

The importance of trust fund segregation

Estate agents and property managers needn't be reminded of the legal requirement for keeping trust funds separate from business funds.

This ensures that third-party funds are only used for the intended purposes, imposing a strict duty on property professionals to keep trust funds ringfenced and safe.

Level up

But merely complying with Section 32 of the Estate Agency Affairs Act is not necessarily enough to have truly segregated trust funds that keep tenants, landlords and agents safe. Agents need to level up when it comes to more detailed segregation of funds if they want to position themselves as trusted custodians of tenant and landlord funds.

Under the Act, all agents are required to have a separate trust account into which tenant funds are paid. Additionally, they must keep an accounting record, which may include a system of reconciliation to match the rent payments received to tenants on the incoming side as well as landlords and other beneficiaries on the outgoing side.

What additional segregation is important for trusted client fund custodians, and why?

To understand why, imagine a trust account without next-level fund separation as a bucket full of water. It is separate from your business account, but all tenant funds flow into the bucket intermingled, and each month funds are scooped out and distributed. Landlords may (or may not) get paid, but you no longer know which money belongs to which property – it's all water. You could be paying property A's expenses with property B's money without even knowing it.

Damage deposit funds, which belong to the tenant, might conceivably (and wrongly) be used to fund repairs and maintenance, which is for the landlord's account. Allowing this to happen, even by accident, can ruin an agent's relationship with the tenant and landlord – especially when the deposit money is needed at the end of the lease term to pay for damage to the property or to refund the tenant.

PayProp has been offering trust fund separation for over 16 years. All accounting, banking and property management tasks related to trust funds are automated, leaving no room for human error, while a proper audit trail remains available for every user and every action they take. ■

Estate agents and property managers needn't be reminded of the legal requirement for keeping trust funds separate from business funds.

IN CLOSING

Has the industry turned the corner?

It has been more than a year since the global pandemic hit South Africa, and many industries were affected – so, too, the residential rental market. But in this first quarter, there were some positives:

- Rental growth experienced the first uptick in almost two years.
- The percentage of tenants in arrears continued to shrink, and was less than a percentage point higher in the first quarter than it was before lockdown.
- Arrears relative to rent also continued to improve, albeit slowly.
- Six provinces (two thirds) saw an increase in their damage deposit ratio.

In coming months, it will be important for all rental agents to be able to distinguish a low-risk tenant from a high-risk one. And to position themselves as trusted custodians of trust monies, they would do well to level up with proper trust fund separation.

Until next time!

Rental growth experienced the first uptick in almost two years.

Q1 2021

PayProp Rental Index

The PayProp Rental Index is a quarterly guide outlining trends in the South African residential rental market and is compiled from transactional data collected by PayProp, the largest processor of residential rental transactions in South Africa.

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The PayProp Rental Index is available on the PayProp website at **www.payprop.co.za.**

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SUSAN WATTS

Managing Partner – RE/MAX Living

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