

Robberg Beachfront Property Market Overview June 2015 (single residential):

Since 2000 property markets around the world including South Africa and Plettenberg bay have experienced some of the most interesting times in property for many decades. We experienced exponential growth that saw properties growing at double digit growth figures yearly and in some places properties doubled in value over a 12 – 24 month period. Then along came the financial meltdown in 2008 and property prices plummeted by as much as 40% in a short period of time. This left many people exposed to negative equity and almost all banks had huge exposure to the downside. Then along came the National Credit Act which sought to regulate how banks lend to clients to stop over-lending. Since then there has been a limited recovery in certain sectors. In Plettenberg Bay, there is still an oversupply of vacant land, so this sector is still struggling. The lower and middle housing brackets appear to following general national trends, but the top end of the market appears to be doing spectacularly well. This has all made for a very interesting period in property ownership.

This report deals only with properties on Robberg Beach on the front in Plett which are some of the most sought after properties in South Africa. There is a limited supply and high demand, which naturally leads to higher values. Not enough properties transfer in this area to make statistics entirely reliable (± 3 per year on average), but general trends are evident. At a quick glance, it appears that values have roughly doubled between 2000 and 2008 only to lose or stagnate in value until 2012 after which there has been a substantial upturn.

As an example, on the front of Beachy Head Drive in 2013 four sales registered for an average of R17,95million (from to) and in 2014 four sales for an average of R26,25million. This is a 46% increase in one year!

In 2015 the three sales that have registered so far give an idea of the full spectrum of the property market in this area. There was a sale for R11million of an older home on Jack Case Street in The Sanctuary area, an auction of a large portion of special residential land further up the beach for R17,625million (auctions are generally below market value), and R35,8million for a large home on a double plot in Robberg Beach End.

Majority of the buyers are South African and from the Gauteng region.

R43million in 2013 was the highest Robberg Beachfront price to date and was achieved by Hein Pretorius, principal of Sotheby's International Realty. This was for a very upmarket home on a property zoned as special residential with land that is much bigger than the average single residential property; the zoning and building regulations are also different. The highest price for a single residential zoned property was shared by two properties on Beachy Head Drive in 2014 which each sold for R27million.

Current beachfront asking prices range from R9,8million for a vacant plot (closest to the Beacon Island Hotel) on Beachy Head Drive, to R29million for the house next door, and R44million for an upmarket home in Whale Rock Beach.

It is common practice for older homes to be demolished when sold and replaced with new bigger houses. Over the past few years approximately 10 new or substantially renovated homes have been built.

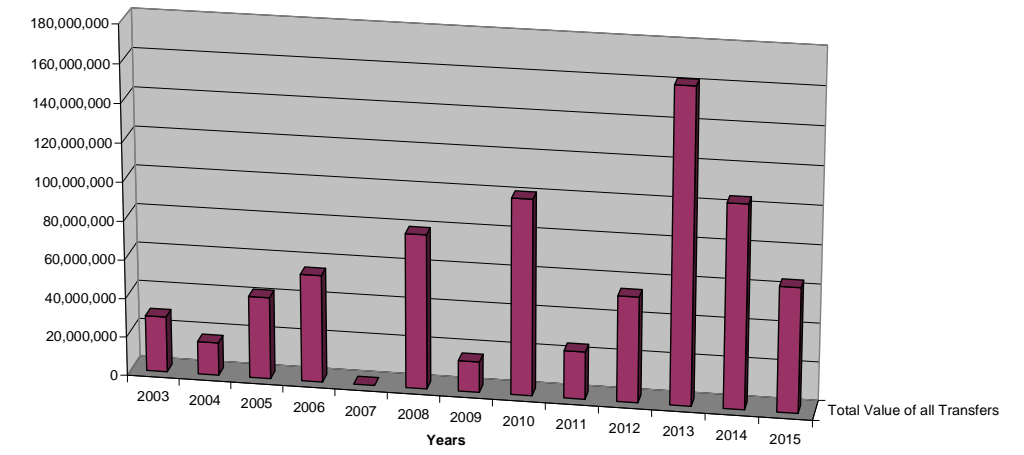
The figures above were taken from deeds information from South African Property Transfer Guide (SAPTG) on the 25th of June 2015. Sales below R1million are not included in the graphs, and duplications and known non-market sales have been removed (e.g. family transactions). A number of sales are still in the registration process, so the picture is likely to change somewhat for the final year.

This report was compiled by Steven Neufeld, Manager Principal of Lew Geffen Sotheby's International Realty Plettenberg Bay and Professional Associated Valuer and Appraiser for South African Property Valuations™.

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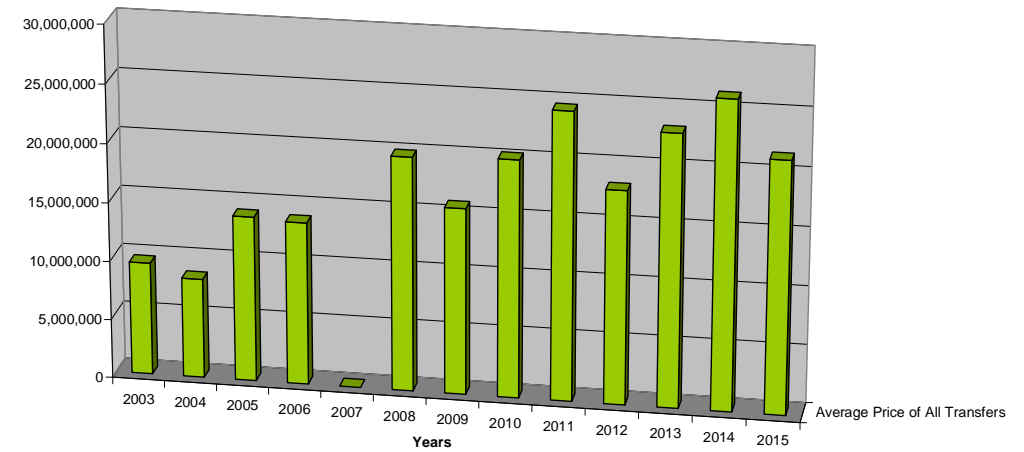
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TOTAL VALUE OF REGISTERED SINGLE RESIDENTIAL TRANSFERS ON ROBBERG BEACHFRONT
(as at 25 June 2015)



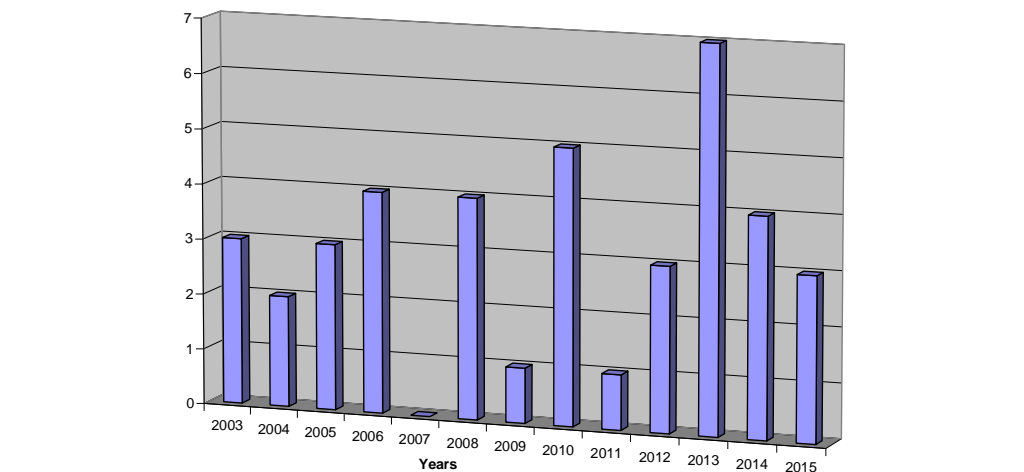
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------------------|------------|------------|------------|------------|------|------------|------------|-------------|------------|------------|-------------|-------------|------------|
| Total Value of all Transfers | 28,700,000 | 16,900,000 | 42,150,000 | 55,300,000 | 0 | 79,600,000 | 15,850,000 | 101,000,000 | 24,510,000 | 54,500,000 | 162,300,000 | 105,000,000 | 64,425,000 |

Average Property Prices on Robberg Beachfront (single residential)
(as at 25 June 2015)



| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------------|-----------|-----------|------------|------------|------|------------|------------|------------|------------|------------|------------|------------|------------|
| Average Price of All Transfers | 9,566,667 | 8,450,000 | 14,050,000 | 13,825,000 | 0 | 19,900,000 | 15,850,000 | 20,200,000 | 24,510,000 | 18,166,667 | 23,185,714 | 26,250,000 | 21,475,000 |

Number of Property Sales Registered on Robberg Beachfront (single residential)
(as at 25 June 2015)



| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Number of Property Sales | 3 | 2 | 3 | 4 | 0 | 4 | 1 | 5 | 1 | 3 | 7 | 4 | 3 |