

RENTAL INDEX

QUARTERLY SOUTH
AFRICAN RESIDENTIAL
RENTAL MARKET DATA
Q2 2023



HOW HIGH CAN RENTS GO?

Rental growth accelerates for seventh straight quarter

All provinces post
positive growth

Arrears up – but tenants
less squeezed than expected

Guest article: Partnering with
landlords to survive and thrive

INTRODUCTION

Still getting *stronger*



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There's ample good news for the residential rental sector in the second quarter of this year.

Statistics from PayProp for Q2 show an industry that just keeps getting stronger.

National rental growth picked up for the seventh successive quarter, with all provinces recording positive growth. This, coupled with lower inflation and stabilising interest rates, brought relief for tenants and businesses alike.

In this issue, we delve into national and provincial rent, rental growth and arrears, and look at changes in credit risk profiles over the past year. In a guest column, renowned housing market analyst Miguel Martins advises agents on how to better partner with their landlords, and PayProp CEO Michelle Dickens marks Women's Month by honouring the pioneers who fought for equality for all.

I hope you enjoy this issue of the Rental Index. As always, feel free to share your thoughts with me. ■

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NATIONAL RENTAL GROWTH

Rent and inflation

South Africa's recent trend of positive rental growth continued for a seventh successive quarter in Q2 2023, during which this figure reached 4.4% year on year in both April and May, followed by 4.2% in June.

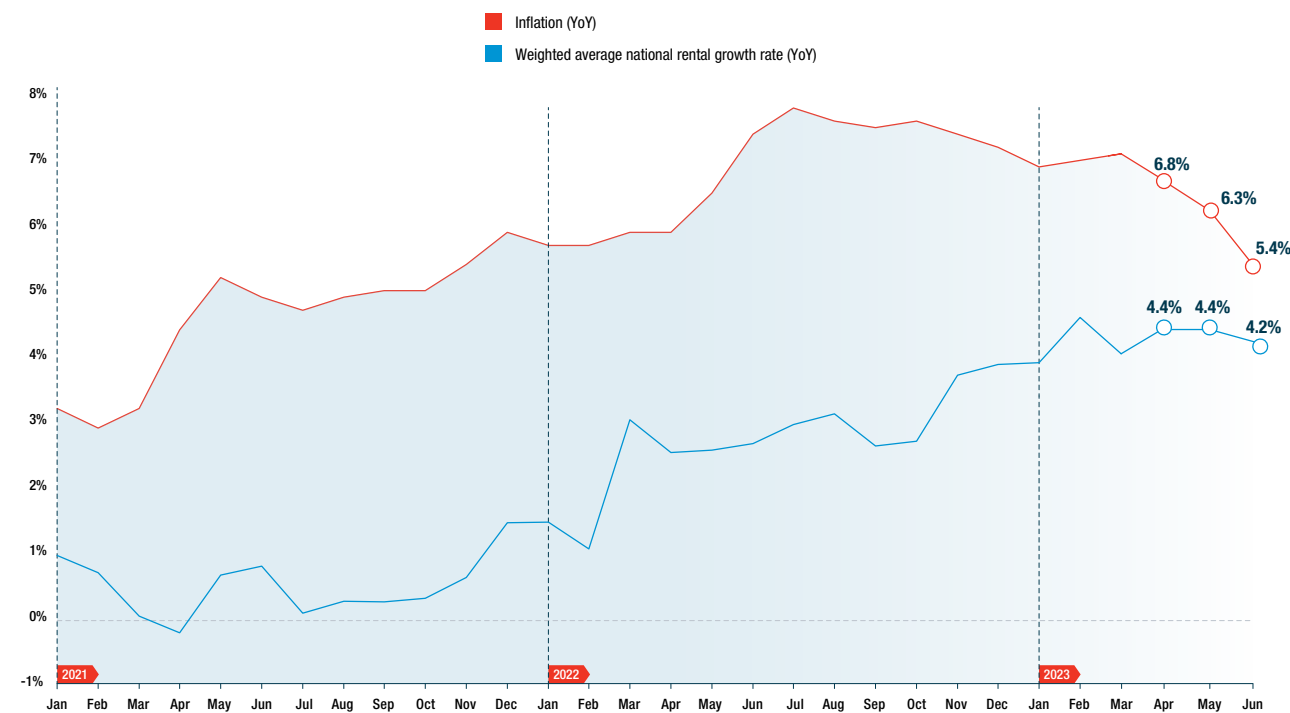
And while that is still slightly below the 4.5% of this February, rental growth tells only half of the story for the quarter.

In long-awaited news for the residential rental sector and the economy as a whole, inflation is finally falling. The Consumer Price Index slid to 5.4% in June after finishing the last quarter at 7.1% – putting it within the South African Reserve Bank's target range of 3% - 6% for the first time since April 2022.

That still leaves interest rates at their highest level in over a decade, but it's the first sign that SARB may be easing up on the brakes.

However, the Bank's Monetary Policy Committee still doesn't expect inflation to remain inside the target range sustainably until 2025, and stresses that the economic outlook is still uncertain. It could be a while before commercial banks lower their rates significantly. ■

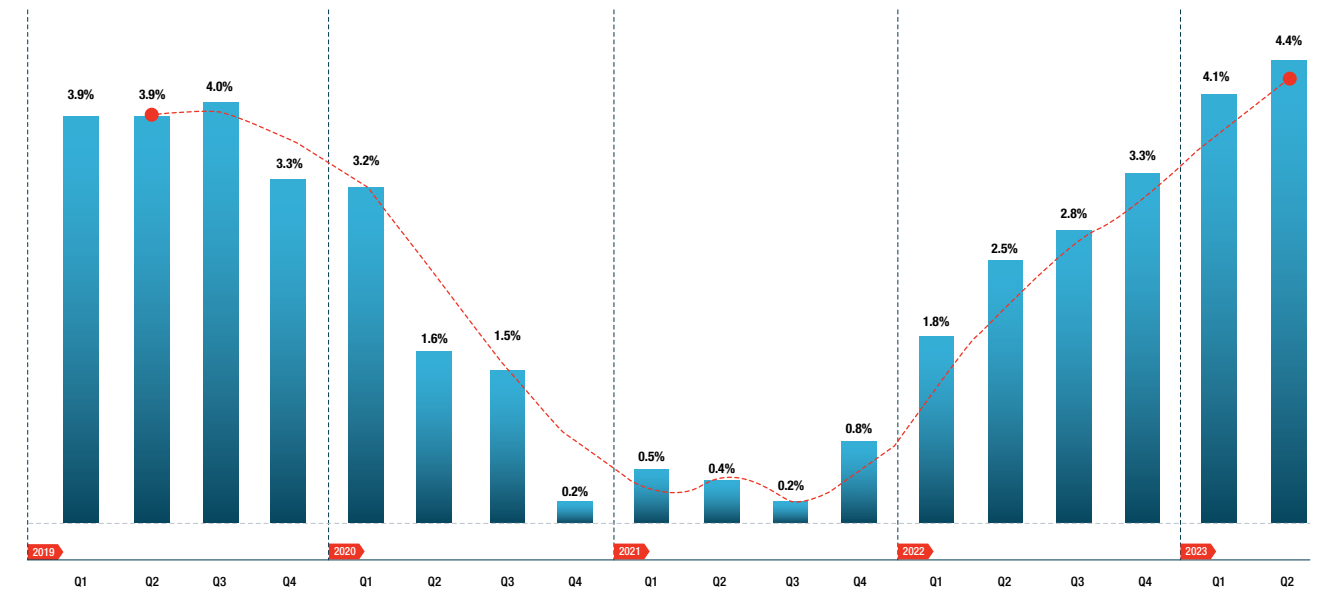
With inflation falling faster than expected, SARB chose to leave interest rates at 8.25% at its July meeting – its first such decision after 10 consecutive rate rises.



Weighted average national rental growth rate (YoY) vs. inflation, Jan 2021 – Jun 2023
Source: PayProp

NATIONAL RENTAL GROWTH

Quarterly trends



Quarterly rental growth rate (YoY) with a moving average trendline: Q1 2019 – Q2 2023
Source: PayProp

Quarterly rental growth continued to accelerate year on year in the second quarter of 2023, reaching

↑ 4.4%

This is the fastest we've seen since the 5.3% measured in Q4 2017, and it is still trending upwards. In pure pricing terms, the national average rent for this quarter was R8 375, up 4.4% from R8 032 in Q2 2022.

Quarter-on-quarter growth was just R22 in Rand terms, but as the trend line above shows, it's too early to say if rental growth is peaking. In fact, falling inflation will ease the pressure on consumers, potentially making it easier to achieve higher rent increases.



Updating our weightings

You may have noticed that our national rental growth figures for 2022 and 2023 have been marginally revised from those we shared in the previous PayProp Rental Index.

Previously, we weighted our national statistical calculations using each province's contribution to national GDP. However, to align our data with Stats SA, we are now using the published weightings that Stats SA uses to calculate the Consumer Price Index.

To enable a like-for-like comparison of the current rental landscape with historic figures, we have applied the new weightings to our historic data from 2022 as well. ■

To see how our historic national rent and rental growth statistics have changed, see the table to the right. ➔

Quarterly figures:

Average rent	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
National rent (old weights)	7 958	7 971	8 023	8 175	8 294	8 323
National rent (new weights)	8 022	8 023	8 083	8 237	8 353	8 375
Difference (Rand)	64 ●	60 ●	60 ●	62 ●	59 ●	52 ●



Rental growth	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
National rental growth (old)	1.8%	2.6%	2.9%	3.4%	4.2%	4.5%
National rental growth (new)	1.8%	2.5%	2.8%	3.3%	4.1%	4.4%
Difference (%)	0.09% ●	0.11% ●	0.13% ●	0.10% ●	0.11% ●	0.15% ●



Monthly rent and rental growth with historic and new Stats SA weightings:

Bigger difference Smaller difference

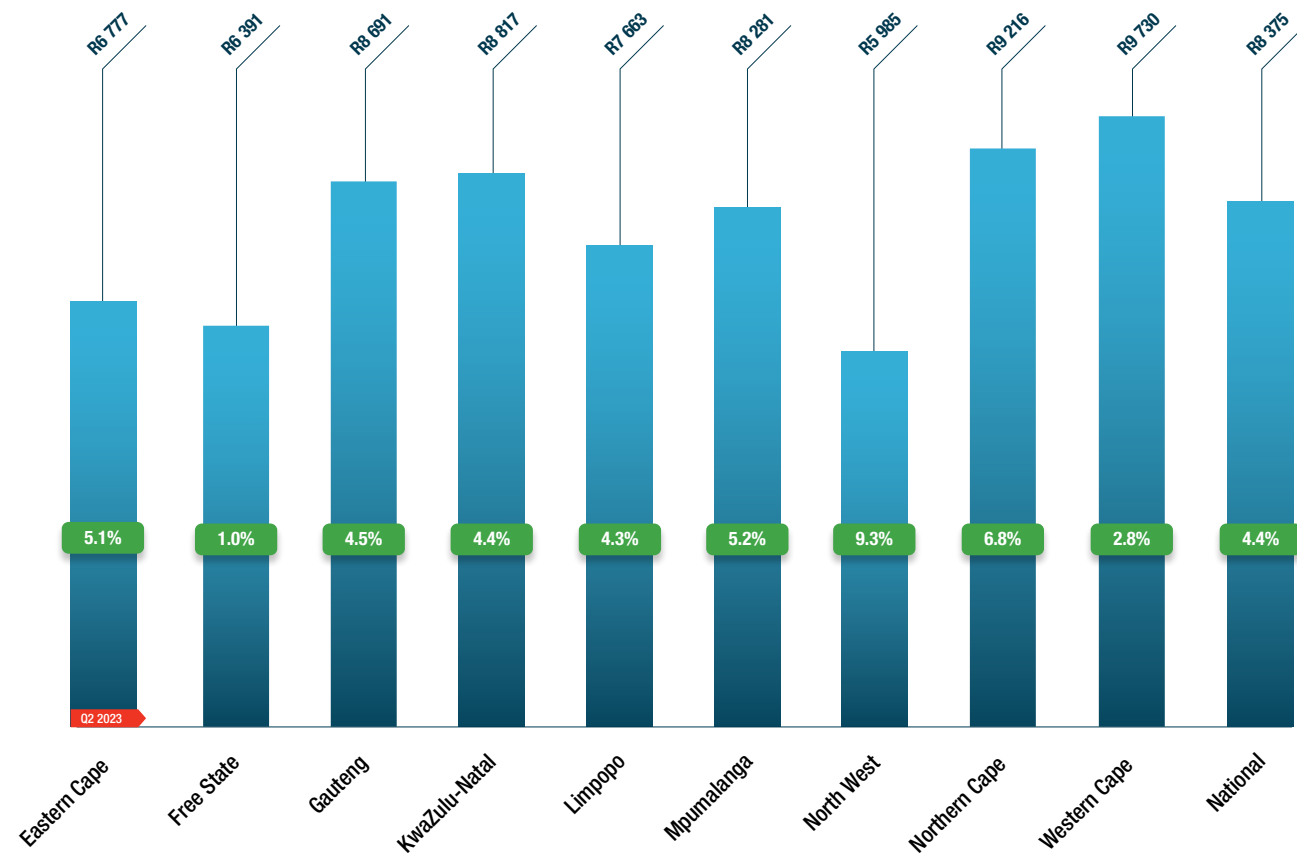
	Monthly rent			Monthly rental growth		
	National rent Old weights	Difference	National rent New weights	National rent Old weights	Difference	National rent New weights
2022						
JAN 22	R7 961	R62	R8 023	1.5%	0.13%	1.3%
FEB 22	R7 904	R65	R7 968	1.1%	0.10%	0.9%
MAR 22	R8 012	R66	R8 077	3.0%	0.02%	3.0%
APR 22	R7 949	R61	R8 010	2.5%	0.10%	2.4%
MAY 22	R7 973	R59	R8 032	2.6%	0.15%	2.4%
JUN 22	R7 992	R61	R8 053	2.7%	0.07%	2.6%
JUL 22	R8 026	R58	R8 083	3.0%	0.18%	2.8%
AUG 22	R8 028	R62	R8 089	3.1%	0.06%	3.1%
SEP 22	R8 015	R60	R8 075	2.6%	0.15%	2.5%
OCT 22	R8 089	R64	R8 153	2.7%	0.14%	2.6%
NOV 22	R8 159	R66	R8 226	3.7%	0.07%	3.6%
DEC 22	R8 285	R55	R8 340	3.9%	0.12%	3.8%
2023						
JAN 23	R8 274	R59	R8 333	3.9%	0.10%	3.8%
FEB 23	R8 268	R60	R8 328	4.6%	0.10%	4.5%
MAR 23	R8 324	R58	R8 399	4.0%	0.14%	3.9%
APR 23	R8 305	R52	R8 357	4.6%	0.16%	4.4%
MAY 23	R8 332	R51	R8 384	4.6%	0.14%	4.6%
JUN 23	R8 331	R52	R8 383	4.4%	0.16%	4.2%

PROVINCIAL RENT AND RENTAL GROWTH

Growth returns in all provinces

Rental growth performed well at the national level in Q2, but was that the case with individual provinces too?

As it happens, a majority fell within a percentage point of the **4.4% national average**, but there were also some outliers on both ends of the spectrum.



■ Average rent Q2 2023 ■ YoY rental growth

■ National and provincial rent and rental growth (YoY): Q2 2023
Source: PayProp

Eastern Cape

The Eastern Cape experienced strong year-on-year rental growth of

↑ **5.1%**

taking the **average rent** to R6 777 in Q2. That was an improvement on the 4.5% measured last quarter, which was also above the national average. Despite this, the Eastern Cape still has the third lowest average rent in the country – R1 498 below the national average.

Free State

Free State rental growth was the lowest in the country at just

↑ **1.0%**

This however marks a return to growth after three negative quarters. The **average Free State rent** climbed to R6 391, the second-lowest in South Africa, but local landlords will be glad that things are moving in the right direction.

Gauteng

Gauteng's year-on-year rental growth of

↑ **4.5%**

took the **average rent** in the province to R8 691 in Q2. That's a strong increase from Q1, when Gauteng posted the second-slowest rental growth in the country at 3.1%.

KwaZulu-Natal

KwaZulu-Natal recorded

↑ **4.4%**

growth in the quarter, putting it right on the national average. However, this is a slowdown compared to Q1's 5.0%. KZN remains South Africa's third most expensive province for renters with an **average monthly rent of R8 817**, but as we'll see, the gap from second to third place is widening.

Limpopo

Last quarter, Limpopo notched up the country's second-highest rental growth at 6.5%.

This quarter, the growth rate slowed to

↑ **4.3%**

just a hair below the national average.

Mpumalanga

In rental pricing terms, Mpumalanga is South Africa's most average province, with tenants paying an average of R8 281 there. But with solid rental growth of

↑ **5.2%**

this quarter, the province seems to be on track to overtake the national figure of R8 375 – especially as it follows 5.1% growth last quarter.

North West

The North West posted the country's highest rental growth this quarter at

↑ 9.3%

That's an increase of R507 in cash terms, and a huge swing compared to last quarter's below-average growth of 3.9%. The province's average rent of R5 985 means it still has the cheapest rental properties in South Africa.

Western Cape

The Western Cape is still South Africa's most expensive province for renters, but for how long (see Northern Cape)? Average rents reached R9 730 in Q2 from R9 462 a year earlier, but year-on-year growth was just

↑ 2.8%

– the second-lowest in the country and well below the 5.0% set last quarter.

Northern Cape

From the cheapest province for renters to one of the most expensive: The Northern Cape's

↑ 6.8%

growth in Q2 wasn't quite as blistering as the 10.2% pace it set in Q1, but it was still enough to give the province the biggest average rental increase in cash terms. Average rents rose by R590 year on year, from R8 626 to R9 216. ■

The Western Cape is still South Africa's most expensive province for renters.



Fast, seamless rental payments for property practitioners.



With PayProp, rental payments are automated from invoicing to reconciliation and banking.

Set your payment processes to autopilot and free up more time to sign new landlords.

Experience the power of PayProp today.

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[Book a demo](#)

ARREARS UPDATE

Provincial and national arrears

The national percentage of tenants in arrears ticked up slightly this quarter, from 18.0% to 18.4%. That's still within the normal range seen before and after the COVID-19 pandemic, but it could be a cause for concern if it continues to rise.

Unlike last quarter, when the increase was driven by just a couple of provinces, the share of tenants in arrears rose in all but two this quarter – albeit by less than 1% in most cases. The Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga and the Western Cape all experienced small increases.

The remaining provinces all bucked the trend. In the Free State, the percentage of tenants in arrears fell from 26.7% to 25.2%. That's still the highest in the country, but only by 0.2%. Meanwhile, in the Northern Cape, it dropped from 20.1% to 19.3%.

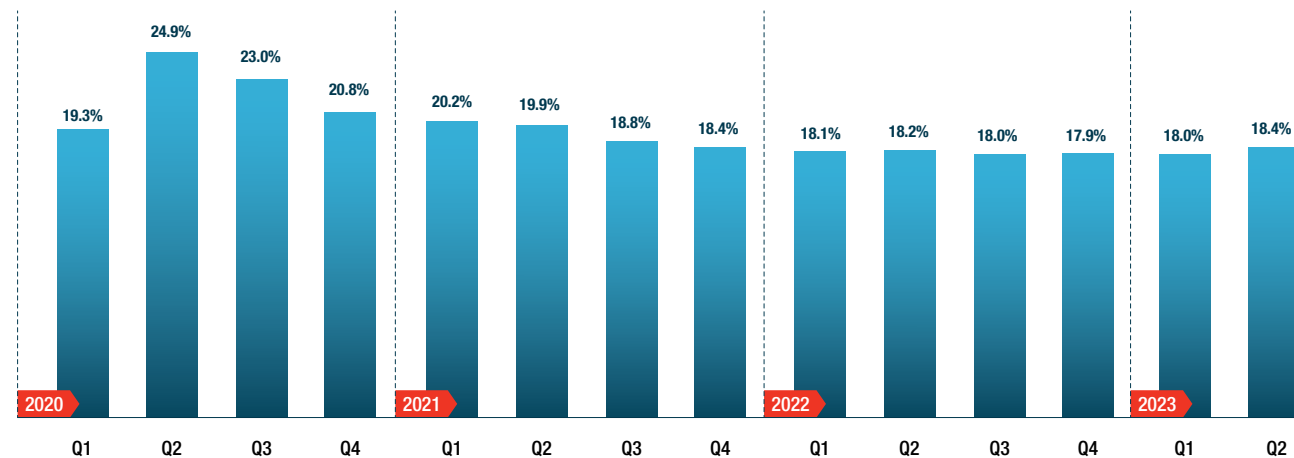
On the other hand, the percentage of tenants in arrears in the North West rose from 22.8% to 25.0%, this quarter's biggest increase.

DATA METHODOLOGY

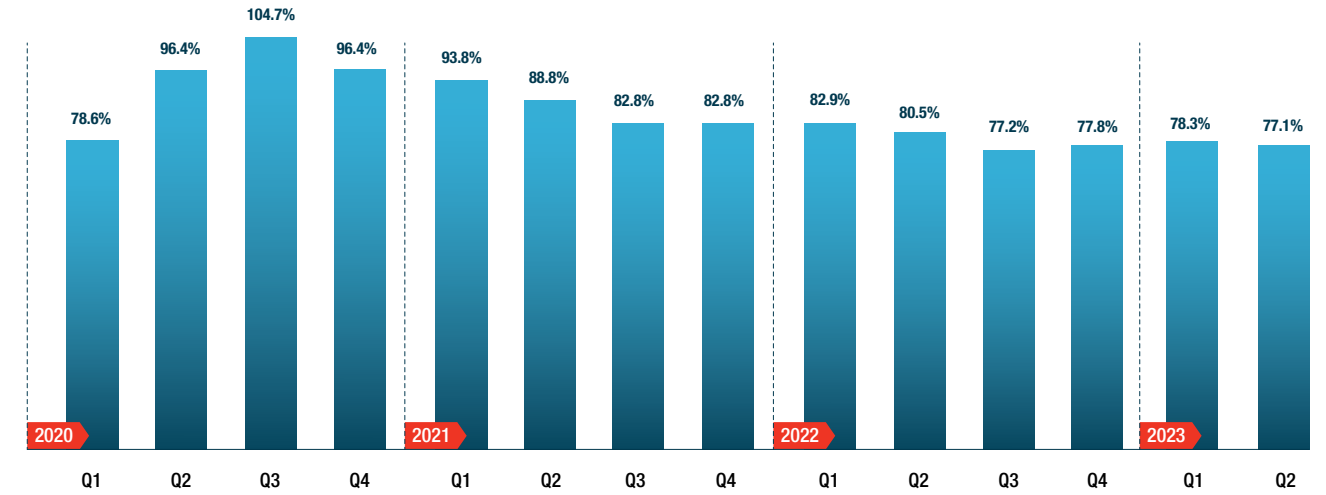


We consider two arrears metrics:

1. The percentage of tenants in arrears, which records the **number of tenants in arrears** as a percentage of the total number of tenants.
2. The average arrears percentage, which expresses the average **amount in arrears** as a percentage of the average rent overall – an average arrears percentage of 80% therefore means that on average, a tenant in arrears owes 80% of one month's rent in a particular province.



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



Average arrears percentage: 2020 to present
Source: PayProp

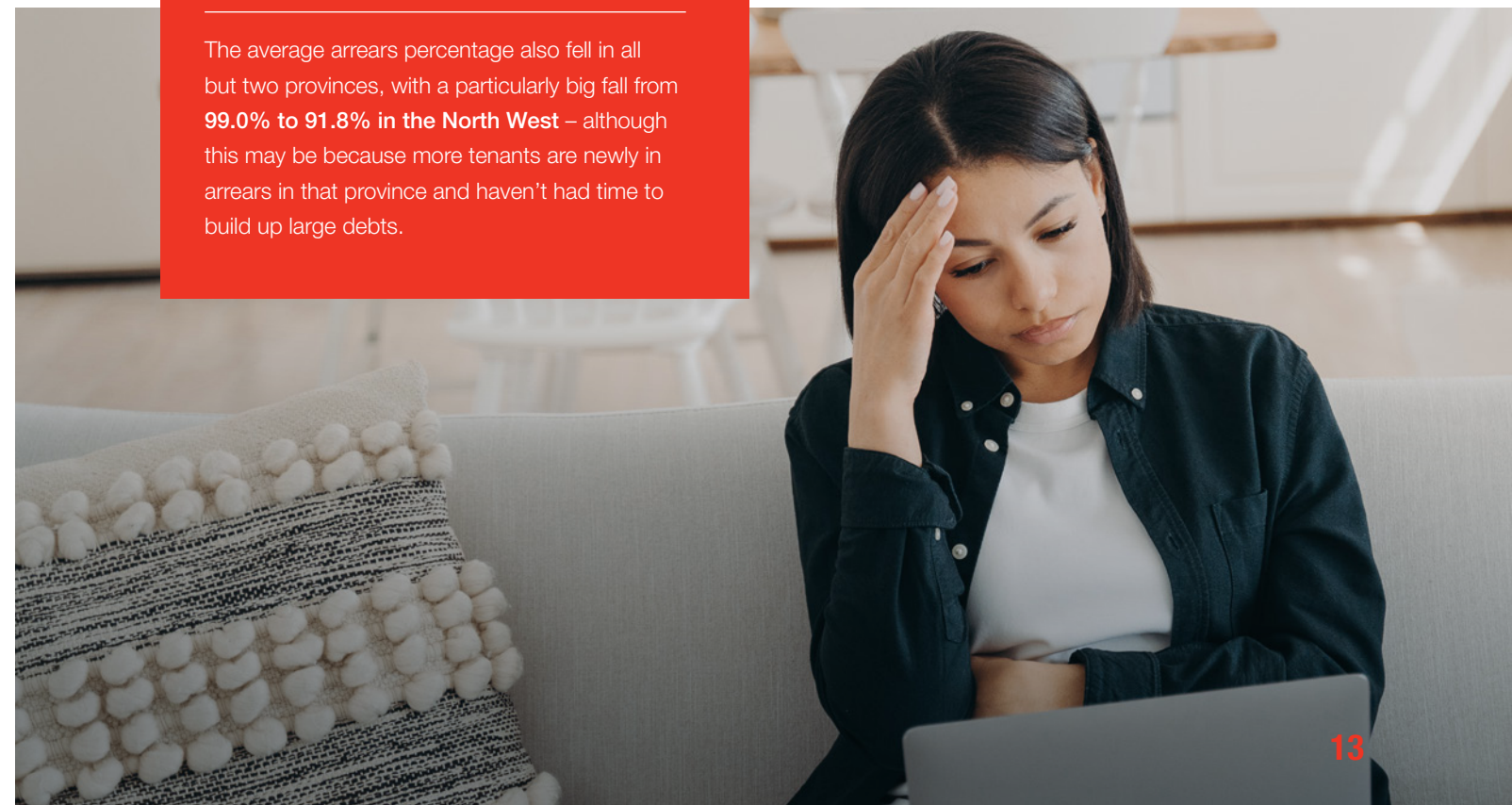
While the average percentage of tenants in arrears rose, the average arrears as a percentage of rent fell by 1.2% quarter on quarter to

77.1%
in Q2

The average arrears percentage also fell in all but two provinces, with a particularly big fall from 99.0% to 91.8% in the North West – although this may be because more tenants are newly in arrears in that province and haven't had time to build up large debts.

The average arrears percentage fell sharply in the Eastern Cape (77.2% to 72.2%) and Mpumalanga (73.7% to 68.1%) as well. (Both these provinces also recorded above-average rises in the percentage of tenants in arrears.)

Two provinces did not see their arrears percentages fall this quarter. In the Free State, this figure rose from 97.6% to 105.2%, putting it above one month's rent and making it the highest in South Africa by some distance. And in the Western Cape, it remained flat at 65.0% – still the lowest in the country.



FEATURE ARTICLE

Partnering with your landlords to *survive and thrive* in challenging times



By Miguel Martins

Miguel is an independent property analyst, investor and entrepreneur. He spent 25 years in banking, with seven years heading up the Investor and Private Wealth Home Loans portfolio at Absa Home Loans. Miguel regularly presents to the property industry on the various issues affecting it.

Most property investors have just one or two investment properties, and look to this investment strategy to help them achieve their long-term financial goals and ambitions, such as university education for their kids, leaving corporate jobs behind, financing the start of a business, or supporting their retirement income.

Many of these small investors spotted the opportunity to buy their first property during the low-interest rate period of 2020 and 2021. But as of June 2023, the South African Reserve Bank's prime rate had increased by 4.75% since the lows of 2020/21, impacting their ability to service mortgages. A home loan of R1 000 000 for an average 2-bedroom investment property would have cost R7 753 per month in repayments in 2020/21, when the prime rate was 7.0%. Now it would cost R10 837 per month. That is an increase of R3 084 per month, and while rental growth is recovering well, it hasn't kept up.

If that landlord was making a healthy R1 000 per month in rental profit two years ago, they may now be incurring a R2 000 monthly loss at today's interest rates, which the landlord is having to fund themselves!

Current market conditions of high interest rates and high levels of inflation as well as other property-related costs are putting investors' dreams at risk – and many of them are now giving up their investment ambitions.

In PayProp's recent State of the Rental Industry Survey (SOTRIS), 47.7% of rental agents said their landlords are considering selling their investment properties. This is a direct threat to agents' revenues, but also possibly an unnecessary short-term reaction on the part of landlords.

As a professional rental agent and property industry expert, you can help your clients understand and contextualise what is happening in the market, and guide them through this turbulent time – protecting their financial futures and yours. Here are three ways to partner with your landlords and encourage them to stay the course:



01. Become your landlord's expert advisor

Property investors don't always see the bigger picture – in [the latest SOTRIS](#), only 40.4% of rental agents thought their landlords have a good understanding of the rental market. You can become their industry expert by understanding market forces, talking to industry colleagues and experts, and sourcing credible industry data and analysis from trustworthy sources. PayProp's quarterly Rental Index is a great source for data-driven insights, as are the reports put out by some of the banks, e.g. Absa's Homeowner Sentiment Index.

Forward these reports to your landlords with a personal note on how you see prevailing trends affecting your local rental market. Also consider offering workshops or educational seminars for your clients, to help them understand the market better.

02. Entrench your relationship by going the extra mile

Be proactive in recognising the financial stress your landlords are under, and considering what support you can provide. This can be in the form of ensuring property running costs are minimised, reviewing suppliers to ensure your landlord is getting the best deal at a fair price, etc. Your landlord will appreciate the sincere efforts, even if limited savings are achieved.

The usual foundations of great rental agency service also still apply. Maintain open and transparent communication with landlords throughout the rental process. Regularly update them on market conditions, tenant feedback, and any necessary adjustments to the rental strategy. And then there's financial custodianship. Give them accurate records of income and expenses, provide detailed financial statements, and facilitate timely, reliable rent collection and disbursements.

03. Guide your landlord through the economic cycle

Interest rates are driven by inflation rates, both of which are highly cyclical. The high interest rates of 2002/3 remained at 17.0% for 7 months, and in 2008 they reached 15.5% for 5 months, but in both cases they dropped back to normal levels within 6 to 12 months.

Given previous experience, where the pain of higher interest rates will be felt for about 12 months, and using the example above of a R2 000 pm rental loss, the investor would need to cover R24 000 to get through this challenging time.

But that is just half of the 5% commission they would pay on the sale of a R1m property. So it may make better financial sense to cover the shortfall and hold onto the asset!

Of course this is situation-dependent, but the key lesson is to help your landlord look beyond a single cycle and avoid making short-term decisions a few months before the market recovers.

Cometh the hour, cometh the opportunity

Somewhat counter-intuitively perhaps, challenging times present the opportunity to further grow your portfolio.

As you apply the above strategies, you have the opportunity to position yourself on various social media and other platforms to share your learnings and insights into the current market, while also earning great reviews from your landlords. This will drive enquiries to you. Landlords know other landlords, so encourage your clients to share their experiences and create prospecting opportunities. ■



Partnering with your landlord is not just a good business strategy, but can also be personally fulfilling as you see the outcomes of your work, enabling them to reach their goals.



Faster, safer landlord payments.

Agents that process rental payments with PayProp secure their landlords' money and their own peace of mind.



★ Here's how landlords benefit:

1. Same-day rental payments

PayProp is integrated with the South African banking system, allowing agents to automate rent collection, reconciliation and outgoing payments in real time. This means landlords can receive their rent on the same day it is paid.

2. Everyone gets what they're owed

PayProp's first priority is to make sure that agents get rental payments to their clients on time and in full.

- PayProp flags late or partial payments in real time so agents can know straight away if landlords are owed money – and who owes it to them.
- Recover tenant arrears with automated payment reminders sent via text message and e-mail.

3. Rock-solid payment security

The PayProp trust account environment offers iron-clad security to mitigate fraud and human error.

Landlords' money and personal data are closely protected with bank-grade encryption, firewall protection, access control, transaction visibility and oversight.

PayProp can be set up so that no one user can complete any transaction in its entirety, so client funds cannot be diverted into unauthorised accounts.

On top of that, there will always be an indelible, unalterable audit trail of every transaction.

4. Every cent accounted for

The PayProp trust account environment is segregated at four levels, so that every cent is accounted for and tracked to its proper destination.

- No two properties' funds are ever mixed.
- Each landlord's money is held separate from their tenants' monies.
- Client money can further be separated into landlord income and a dedicated "maintenance float" retained for maintenance or repairs.
- Agency accounts are held separate from trust accounts.

5. Reporting done right

Landlords' end-of-the-month statements are automatically generated from live bank data, giving them reports they can trust, in just a couple of clicks.

The PayProp Owner app also provides investors with a full and accurate view of their portfolios.

6. A platform rental agents can rely on

Since 2004, PayProp has helped thousands of residential rental agencies to grow their businesses and give their landlords the best possible service.

Combining banking, accounting, communication and portfolio management in one bank-integrated platform, PayProp has automated millions of rental payment transactions and administrative tasks, processing more than R98 billion in total, and giving rental agents the freedom to focus on their clients.

CREDIT METRICS

Changes in risk

The percentage of tenants per risk bracket has not changed much since this time last year. At the low-risk end of the scale, the share of minimum-risk tenants ticked up slightly from 36.0% to 36.2%. This is still the largest bracket.

Unfortunately, that's the only positive news for this quarter – although the changes are small enough that they shouldn't be cause for much concern yet. The share of medium-risk tenants climbed from 15.3% to 15.4%, while the high-risk bracket grew from 27.0% to 27.3%.

	Q2 2022	Q2 2023
High risk	27.0%	27.3% ↑
Medium risk	15.3%	15.4% ↑
Low risk	21.6%	21.1% ↓
Minimum risk	36.0%	36.2% ↑

↑ Higher than Q2 2022 ↓ Lower than Q2 2022

Percentage of tenants per risk bracket, Q2 2022 vs Q2 2023
Source: PayProp

CREDIT METRICS

For our calculations, we consider **net monthly income**, i.e. the monthly salary of the tenant after tax as reported by rental agents. This is calculated on a national aggregate basis, without provincial weighting.

The analysis takes into account credit checks done via PayProp during each quarter and represents a sample of rental applicants who are not necessarily existing tenants or successful applicants. However, we refer to all applicants as 'tenants' throughout the analysis, and we assume that this sample is reflective of the tenant pool.

All credit checks are provided by Experian, PayProp's credit bureau service provider.

The percentage of low-risk tenants was this quarter's biggest change falling from 21.6% to 21.1%.

21.1%

Income and risk

A tenant's income is not one of the factors taken into account when determining credit score, but there is still a clear correlation between an applicant's credit score and the income they receive. People with lower incomes are more likely to exhibit higher-risk financial behaviour (e.g. missing payments and having bad debt).

But the good news for tenants is that incomes are rising across all risk brackets – and those in the higher risk brackets are doing best. **High-risk tenants' incomes rose by 9.3% year on year, while medium-risk tenants' income growth reached an impressive 12.7%.**

It also demonstrates that the rental increases measured over the last seven quarters are sustainable and have not placed undue financial pressure on renters. Rental market analysts have previously questioned whether tenants' squeezed incomes could limit rent increases this year, but in all risk brackets except low risk, applicants' incomes have risen considerably faster than rents – and even beaten inflation.

It's important to point out that most of these checks will have been carried out on new applicants, not on existing tenants, although agents may carry out credit checks on initial application as well as renewals. It's possible that tenants on lower incomes are simply staying put for now. But the income statistics demonstrate that rental agents can still find tenants capable of paying increasing rents.

High-risk tenants

↑ **9.3%**

YoY income growth

Medium-risk tenants

↑ **12.7%**

YoY income growth

	Q2 2022	Q2 2023	Income growth
High risk	27 991	30 605	9.3%
Medium risk	29 759	33 542	12.7%
Low risk	35 321	36 684	3.9%
Minimum risk	43 241	46 284	7.0%

Income growth across risk brackets, Q2 2022 vs Q2 2023
Source: PayProp

How they spend it

High-risk tenants

High-risk tenants' **debt-to-income ratio improved from 53.4% to 51.4%**, while their spending on rent also **dipped from 31.9% to 31.7%** – despite interest rate hikes, accelerating rental growth and the rising cost of living. That leaves them with **16.8% of their income as disposable** – the lowest of any risk bracket, but still a significant improvement, especially coupled with their large rise in income as detailed above.

	Q2 2022	Q2 2023
Debt-to-income	53.4%	51.4% ↓
Rent-to-income	31.9%	31.7% ↓
Disposable income	14.7%	16.8% ↑

Tenant spending: High-risk tenants
Source: PayProp

↑ Higher than Q2 2022 ↓ Lower than Q2 2022

Medium-risk tenants

By contrast, medium-risk tenants' finances have all been going in the opposite direction. On average, they now spend **51.3% of their income on debt, up from 48.1% in Q2 2022, and 31.4% on rent, up from 31.3%**. That leaves them with **17.4% of their income to spend**. Notably, this spending pattern is now almost the same as that of high-risk tenants.

	Q2 2022	Q2 2023
Debt-to-income	48.1%	51.3% ↑
Rent-to-income	31.3%	31.4% ↑
Disposable income	20.6%	17.4% ↓

Tenant spending: Medium-risk tenants
Source: PayProp

↑ Higher than Q2 2022 ↓ Lower than Q2 2022

Low-risk tenants

Low-risk tenants saw their **debt-to-income ratio improve from 44.6% to 41.4%**, but that was partly offset by a **0.7% rise in their spending on rent**. Even so, that still adds up to a noticeable increase in their **disposable income: from 26.0% to 28.5%**, despite the relatively slow growth in their incomes.

	Q2 2022	Q2 2023
Debt-to-income	44.6%	41.4% ↓
Rent-to-income	29.4%	30.1% ↑
Disposable income	26.0%	28.5% ↑

Tenant spending: Low-risk tenants
Source: PayProp

↑ Higher than Q2 2022 ↓ Lower than Q2 2022

Minimum-risk tenants

The opposite pattern holds for minimum-risk tenants, whose **debt-to-income ratio worsened from 32.7% to 34.8%**. However, the amount they spend on rent **dropped slightly, from 27.8% to 27.6%**. That led to a **decline in their disposable income to 37.6%**, but this is still the highest of any risk bracket by some distance – both in percentage and cash terms. ■

	Q2 2022	Q2 2023
Debt-to-income	32.7%	34.8% ↑
Rent-to-income	27.8%	27.6% ↓
Disposable income	39.5%	37.6% ↓

Tenant spending: Minimum-risk tenants
Source: PayProp

↑ Higher than Q2 2022 ↓ Lower than Q2 2022

Tenant spending statistics have been a mixed bag this quarter, with the riskiest tenants seeing the biggest improvement in their spending patterns.



FEATURE ARTICLE

Women are no-one's property



By Michelle Dickens
CEO, PayProp South Africa



Unbelievably, many South African women were denied the right to own property as enshrined in our constitution until as recently as 2021.

As a country with a seemingly never-ending need for champions and heroes, SA has no shortage of names for us to celebrate this month.

Every August I am reminded of what Women's Month represents. On 9 August 1956, four powerhouse women led more than twenty thousand others, representing all backgrounds, to gather as one voice. Their burning desire was to raise the bar, challenge their government, and rock the foundations upon which South Africa was built. [Lillian Ngoyi](#), [Helen Joseph](#), [Rahima Moosa](#) and [Sophia Williams-De Bruyn](#) are names carved into the rock of South African history.

The courage it must have taken to gather in such extraordinary numbers is inconceivable. It was illegal to meet in groups of more than two or three, but in order to rise up against the impending pass laws, they had to deliver a resounding message that the powerful could no longer ignore.

It was truly a landmark moment in our fight for equality in South Africa.



Building on their legacy

It's one issue to address the right to freedom of movement, but we must ask now what we can achieve with our freedom of movement and our right to own land and property.

Without the right to own land and property, a woman's economic and physical security and future will always belong to those who do own the land and the property. These rights, to own land and property, are now enshrined in our Constitution. But unbelievably, many South African women were denied this right until as recently as 2021.

In that year, [Agnes Sithole](#) took her fight to uphold her constitutional rights and protect her right to her matrimonial home all the way to the Constitutional Court. Because of her victory, "sections of the Matrimonial Property Act were declared unconstitutional to the extent that they maintain and perpetuate the discrimination by sections of the Black Administration Act." This paved the way for hundreds of thousands of women to feel secure in their own homes for the first time.

Our turn

How much pressure did these women; these giants of history, take upon themselves to bring about change and progress? They, and those who marched with them, took on the burden of changing the Constitution, perhaps without even knowing that that is where their courage would lead. No small feat!

But how many of us now shy away from building anything? Women's Month is surely worthy of ringing out a call for all of us to lay new foundations; to push forward a cause; to rise up, empowered by the heroic legacy of those giants who effected change in an already established regime. They laid a deep foundation, demolished patriarchal and outdated concepts, and in doing so moved an entire country forward toward equality for women.

Women continue to make history and shake foundations, and that's especially true in our sector of real estate. By the end of July 2022, women owned 57% of the total volume of properties in the market, which equated to 54% of the total value of residential properties registered at the Deeds Office. We celebrate that 66% of realtors, 61% of broker licensees and 68% of sales agent licensees are also women (as reported by Lightstone).

As women, we are fully aware that we did not arrive here on our own. Today at PayProp, we salute our pioneers and champions for their sacrifices, their struggle, their vision and their victories. ■

Our voices ring out with resounding conviction that we, as women, are no-one's property, and that we will honour those who went before us, advancing the horizons of freedom and building our hopes and dreams on the ever-expanding landscape of innovation, progress, and equality.

IN CLOSING

A positive quarter

It's great to be able to share good news with you after all the residential rental sector struggles of the past few years.

Rental growth hit its highest level since 2017, and while there were some big differences between the provinces, all posted **positive growth for Q2**. With inflation falling steadily and interest rates potentially at their peak, we can hopefully look forward to real (inflation-beating) rental growth in due course.

But there are also some less positive trends that bear watching. The percentage of tenants in arrears rose in almost all provinces, while an increase in tenants' credit risk could make further arrears growth more likely.

Rental agents will need to remain vigilant and use the arrears recovery options available to them – such as PayProp's automated text message and e-mail payment reminders. ■

Q2 2023

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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