

2025 Rental Proposal – Unilofts Bloemfontein:

30 August 2024

Dear Unilofts Bloemfontein Owner.

We hereby wish to present you with our 2025 Rental Proposal based on our recent market research and the experience gained from previous years.

Kindly note that as owner you may prescribe the monthly rental and Value-Added Services you wish for us to market for your unit. **Should you thus wish not to accept this proposal for 2025 kindly send your alternative proposal or instructions via email to finance@legprop.co.za on or before 30 September 2024.** Should you agree with the proposal you need not do anything. Kindly do note that if we do not receive any alternative proposals or instructions on or before 30 September 2024 it will be deemed that you agree with the below proposal and your unit will be marketed accordingly.

1. Background:

Unilofts was constructed and zoned as student accommodation, hence only registered students may live at Unilofts. The demand for student accommodation is closely linked to the Academic Year of the University of the Free State (UFS). The UFS has various faculties each with their own starting and end dates. As such it may occur that an owner's unit is vacant during some months of the year but be assured of our best efforts to fill your units as soon as possible and for as long as possible. We do however propose that no lease agreements be entered into for longer than 12 months as this reduces the possibility of squatting and tenants staying at Unilofts who are no longer studying, which will be in contravention of the municipal zoning.

During the past couple of years, the Student Accommodation market in the Universitas area of Bloemfontein (where Unilofts is situated), has grown with various competitors who now also offer Student Accommodation. As the supply of accommodation increased and the demand remained relatively unchanged, the competitors introduced various additional services to attract students to their accommodation. These include free data, free electricity, and free unit cleaning offered to students/tenants. For Unilofts to remain competitive in the market, Unilofts also had to offer these free services to their tenants at the cost for the owner. We believe that should an owner not offer these services it will severely impact on the demand for that owner's unit.

2. Proposed monthly rental for 2025:

Given our current market research we wish to propose a monthly rental of R5,000.00 per room, R10,000.00 in total for a unit (before any deductions). This is based on what other immediate competition offer in the area as well as what other Unilofts owners are offering. Furthermore, we believe that the proposed rental optimizes the balance between maximizing the owner's return on investment and securing sufficient interest to fill an owner's unit.

3. Value-Added Services to remain unchanged:

As mentioned above, we strongly recommend owners offer the Value-Added Services to tenants to remain competitive in the market. We hereby propose no change in the Value-Added Services for 2025. The Value-Added Services for 2025 will be as follows:

3.1. Data offering per student/tenant:

During 2024 a tenant received a monthly uncapped data voucher at a cost of R250.00 for each month of their lease agreement, thus R500.00 per unit per month for two tenants. We propose this to remain unchanged for 2025.

3.2. Unit cleaning cost:

During 2024 the tenants received one monthly unit cleaning at a cost of R195.00 per unit to the owner. The R195.00 cleaning fee is per unit, regardless if there is one or two tenants in the unit. We propose this to remain unchanged for 2025.

3.3. Electricity offering per student/tenant:

During 2024 a tenant received R100.00 free electricity for each month of their lease agreement, thus R200.00 per month per unit for two tenants. We propose this to remain unchanged for 2025.

4. Summary of proposals:

The following as a summary of our proposals for 2025:

- a. No lease agreements are entered into for longer than 12 months.
- b. The monthly rental before deductions be R5,000.00 per room, R10,000.00 in total for a unit.
- c. Data offering remains unchanged as a monthly uncapped data voucher at a cost of R250.00 per tenant, thus R500.00 per unit for two tenants, for each month of their lease agreement
- d. Cleaning offering remains unchanged but due to the unavoidable increase in the cost of providing this service, the monthly cost will increase to R195.00 per unit per month.
- e. Electricity offering remains unchanged as R100.00 electricity per tenant per month, R200.00 in total if there are two tenants in the unit.

The following table represents the 2025 proposal if a unit is occupied by two tenants. Kindly note the table **excludes** the body corporate levy:

	Room A	Room B	Total
Monthly Rent	5 000.00	5 000.00	10 000.00
Collection Commission	(460.00)	(460.00)	(920.00)
Data cost	(250.00)	(250.00)	(500.00)
Electricity cost	(100.00)	(100.00)	(200.00)
Cleaning cost			(195.00)
Net monthly rental excluding body corporate levy			8 185.00

If you have any questions regarding the proposed rental, please email your questions to finance@legprop.co.za for attention Mr. Daniel Vos.

Kind Regards,

Legprop (Pty) Ltd