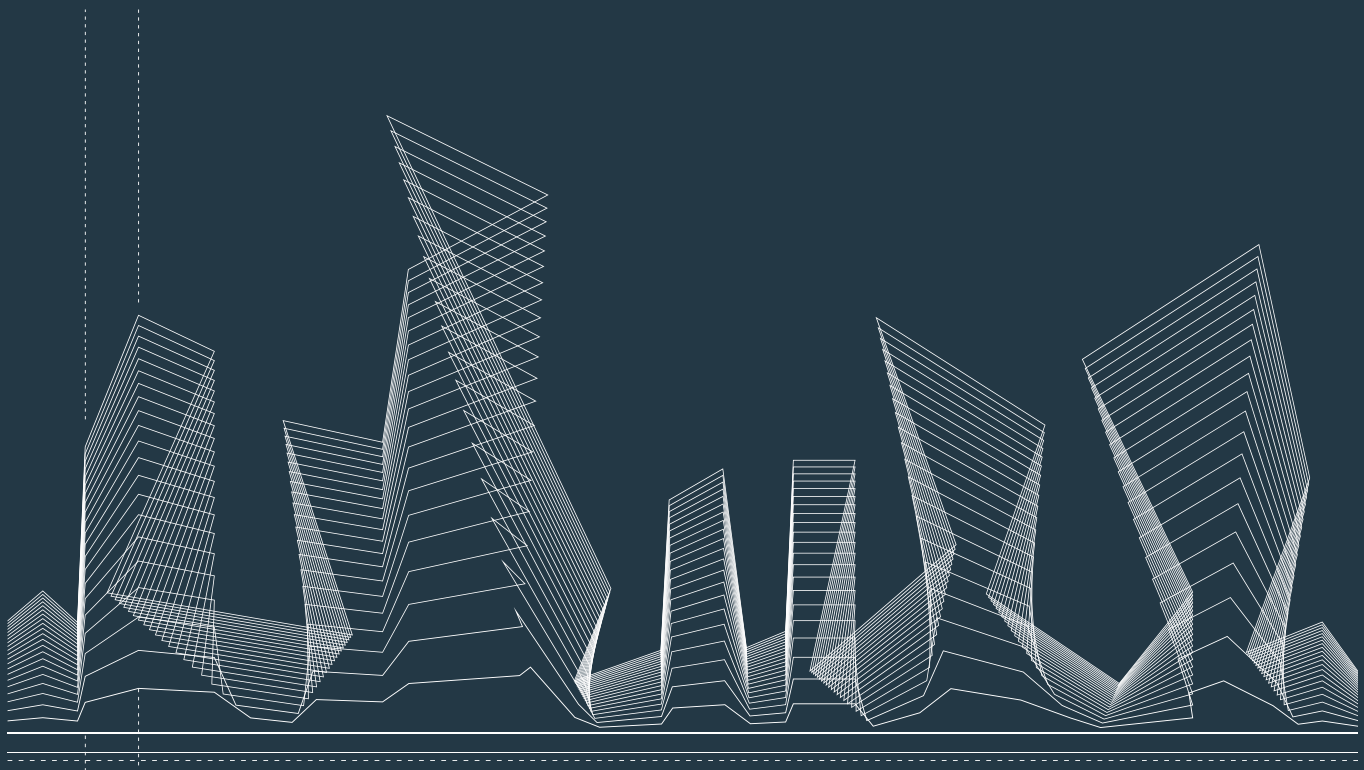
Galetti

Real Estate Services for Business Rescue & Liquidations

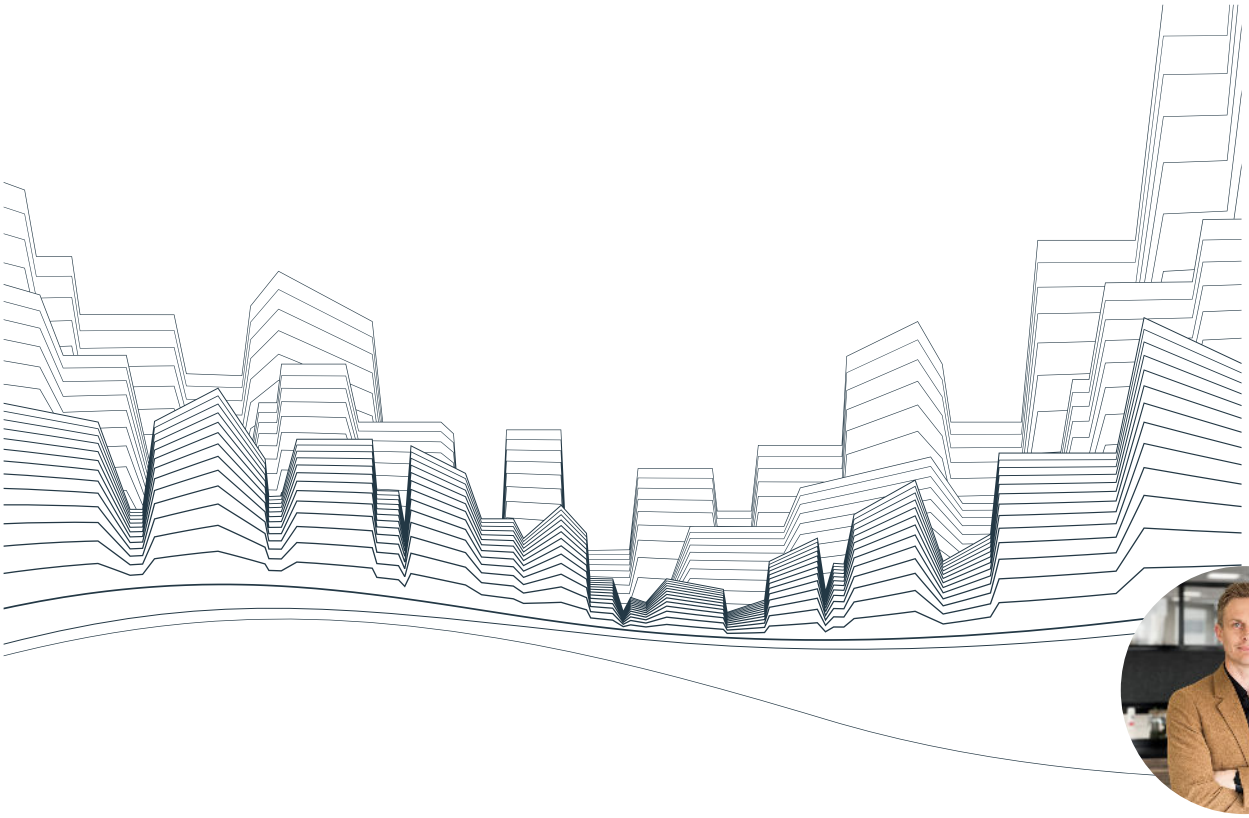
Constantly Solutioning.



Galetti

Are you facing challenges with missing property info, outdated data, tough leases, and limited industry connections? No in-house property focus or tech tools further complicates asset management and sales.

We offer real-time market data, expert financial modeling, proven exit strategies, and strong industry connections. Our dealmakers, proprietary tech, and property asset management services ensure smooth transactions and optimal outcomes.





Guy Dowding | Director
+27 82 335 1749
guy.dowding@galetti.co.za

Galetti

Your Challenges



MISSING PROPERTY INFORMATION

Obtaining rates and taxes from municipalities, sorting out arrears, and securing lease agreements can be challenging.



LACK OF ACCURATE MARKET DATA

Maximising value for your client is hindered without access to current and reliable market information.



ONEROUS LEASE AGREEMENTS

Managing high rental costs, additional expenses, and long-term commitments often puts a significant strain on tenants' finances.



NO RELATIONSHIP WITH LANDLORDS

Without strong relationships with major landlords, negotiations and property management become significantly more difficult.



SALES STRATEGY CHALLENGES

Determining the most effective strategy to dispose of assets, particularly damaged or unfinished properties, is a major challenge. Auctioning is not always the only viable option, and finding qualified cash buyers can be difficult.

Our Solutions



LIVE MARKET INTEL

We have built proprietary technology which tracks over 27,000 properties across the country with live and updated market intel.



TRIED AND TESTED EXIT STRUCTURES

Our exit strategies for leases offer options to terminate leases before expiration, ensuring a smooth transition while minimizing financial and operational impact.



FINANCIAL MODELLING EXPERTISE

Our experienced team provides financial modeling projections that help navigate leases and property valuations effectively.



MEANINGFUL INDUSTRY RELATIONSHIPS

Our dealmakers leverage strong relationships with investors and landlords to negotiate optimal lease terms and secure cash buyers.



DEALMAKING TRACK RECORD

We have a proven track record of successful deal-making across diverse property types and high-value transactions concluding R2,7Bn in transactional value in our last FY.

Galetti

What to expect?

Step 1 | Portfolio Audit

We investigate your property paying attention to each property's use, space efficiency, lease expiry dates (if applicable), rental, and associated costs compared to market and onerous clauses in each agreement.

Step 2 | Strategy

We create playbooks to help you optimize your business footprint. This includes a thorough analysis of staying versus relocating, as well as understanding your future needs to identify suitable options for you to consider.

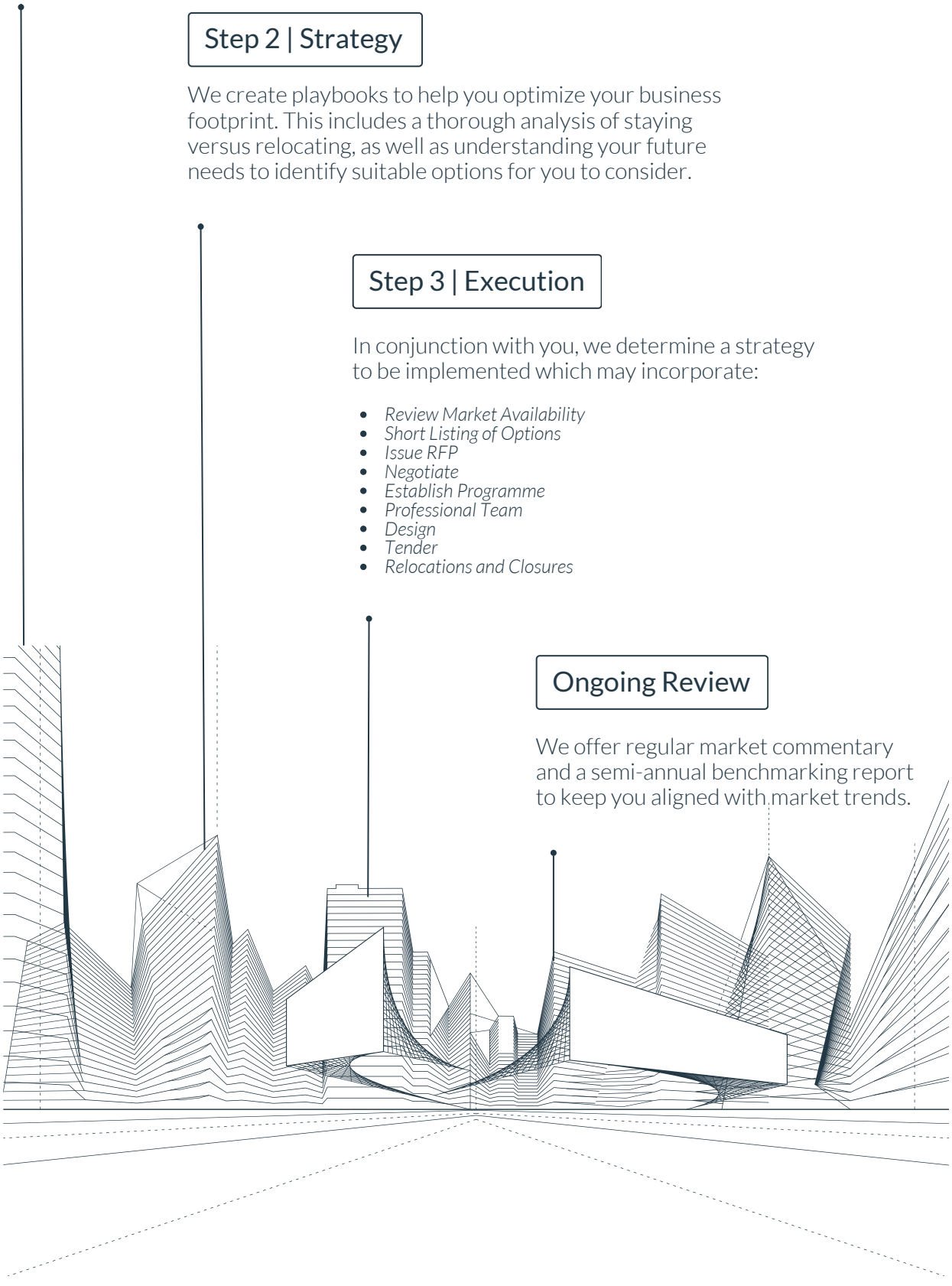
Step 3 | Execution

In conjunction with you, we determine a strategy to be implemented which may incorporate:

- *Review Market Availability*
- *Short Listing of Options*
- *Issue RFP*
- *Negotiate*
- *Establish Programme*
- *Professional Team*
- *Design*
- *Tender*
- *Relocations and Closures*

Ongoing Review

We offer regular market commentary and a semi-annual benchmarking report to keep you aligned with market trends.



Key Case Studies



EARLY RENEWAL

AFGRI | CENTURION
R35 Million profit delivered
in the first 3 years.

AUCTION

SASOL | RUIMSIG
Successfully sourced a buyer
for the property on a 8% yield.





BUSINESS RESCUE AUCTION

MAD2 STREET | NEWCASTLE
Retail Site sold for R2 Million

SALE

CITY LOGISTICS | RIVERHORSE
Concluded the sale of a 42 000 m² logistics facility for ZAR 447M.





RENEWAL

DOW CHEMICALS | MIDRAND
Restructured lease and halved Dow
Chemicals space to 1 312 sqm.

LIQUIDATION SALE

THE LOCAL @ KYALAMI SHOPPING CENTRE
ZAR 100 Million rand





SALE RELOCATION RESTRUCTURE

CWT | CITY DEEP
The total value of the sale was in
excess of ZAR 220 M.

SURRENDER

ACCESS BANK| CENTURION
We negotiated an early termination of lease agreement for the clkient improving their position by R110m in Net present value



Galetti

Galetti

Case Study Unpacked

PHEMBANI GROUP

Early Lease Renewal & Optimisation of Space

	Original Lease Terms	New Lease Terms
Commencement Date	01/10/2019	01/12/2023
Expiry Date	31/03/2025	30/11/2028
GLA	3 459,19 sqm	1 765,43 sqm
Annual Rental	R 15 480 713,04	R 3 650 768,34
Savings Achieved	N/A	R 15 134 295,53
Gross Rental per sqm	R 359,30	R 177,20



The Problem

Phembani Group has occupied their current offices since January 2015, initially leasing 5,488 sqm for a 10-year term.

In June 2019, Galetti offered assistance to renegotiate their lease, but Phembani opted for an independent approach, signing a new lease for 5.5 years starting in October 2019, reducing their space to 3,459 sqm over two floors. With an annual escalation of 8.5%, their rental costs soon surpassed the Sandton area's average market rates.

When approached by Galetti again in 2023, Phembani still had two years remaining on their existing lease.



High rental expense + High electricity costs + Reduced size requirement

Our Approach

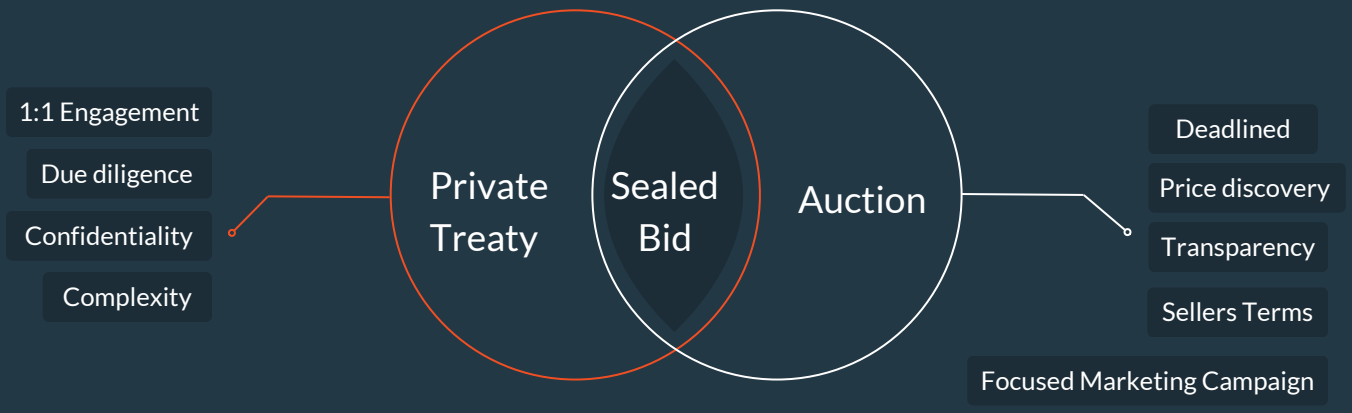
- Lease abstract, market analysis and benchmarking
- Cash flow projections for different lease terms with our recommendations
- Initiated LL negotiations to surrender one floor and enter a new lease agreement
- Advocated for a separate meter for the floor utilised by Phembani
- Finalised the lease agreement

The Solution

Galetti exceeded the client's expectations by securing a new 5-year lease starting in December 2023, reducing their space by half and allowing for the surrender of the unused floor after six months. They also ensured accurate electricity usage measurement and saved the client R15M, a 61% reduction excluding electricity costs. Additionally, the new lease terms reduced the bank guarantee deposit by R3.8M. The entire transaction was completed in nine months.

Galetti

Selling your property



Private Treaty

Private treaty offers a tailored approach leveraging market relationships and marketing reach. It allows individual engagement with potential buyers for complex transactions. We target buyers based on local expertise and extensively market properties through social media and databases.

Sealed Bid

A sales mechanism for iconic "headline properties" that generate significant attention. We create an ideal environment for price discovery and efficiently dispose of assets according to the seller's terms on a confidential and deadlined basis

Auction

Auctions offer a compelling alternative to traditional real estate sales, featuring set dates and competitive bidding that boost buyer interest and sales prices. The transparent and efficient process, combined with targeted marketing and online bidding, attracts a broad audience of potential buyers.

Galetti

Proposed Fee Structure

Phase 1

Review of portfolio & provide a high-level report – portfolio benchmarking + commentary on lease term, rates, location, landlord exposure/ profile and possible exit opportunities (if required)

R3000 per property (excl VAT)

Initial offer to build track record with clients – first 10 properties at zero charge per client/ corporate.

Phase 2

Galetti analysis and recommendations included in plan for approval by creditors – We assist with any reports/ visuals required to motivate business cases.

Phase 3

Galetti appointed to carry out projects – fees structured as follows:

Lease Renewal or Early Renewal

25% of savings created. Savings will be measured off agreed baseline on appointment of individual project. Usually in a re-gear the savings are quantified by any improvement made on rental up to the initial lease expiry point. If a lease renewal, we normally request a baseline proposal from landlord and any improvement from this point is deemed a saving.

Lease Disposal

25% of savings achieved. Savings calculated as the remaining lease obligation less negotiated final lease settlement.

Galetti

Why Galetti?

About us

Galetti Corporate Real Estate is a leading team of real estate professionals focused on delivering exceptional commercial real estate solutions. With a strong culture driving us, we attract and collaborate with the best in the industry. Our creative dealmakers build steadfast relationships with clients, simplifying complex data to empower informed decisions. Since our beginning in 2006, we've facilitated significant transactions worth billions of Rands, serving as a trusted partner to occupiers, owners, and larger institutions. Through our core solutions, including Leasing, Sales & Advisory we provide tailored, commercially-driven solutions. With a commitment to innovation and a strategic rebranding in 2018, we are positioned for future success in the dynamic commercial real estate market.

Vision

To be the undisputed leader in commercial real estate, setting new standards of excellence through our innovative solutions, unrivalled expertise, and unwavering commitment to client success.

Mission

We are committed to be constantly solutioning, finding the best ideas at the right time to create success for ourselves and our clients together.

Locations



We collaborate closely with our African and Global teams, serving all international clients seeking real estate solutions within South Africa. Galetti Corporate Real Estate maintains a robust presence across Johannesburg, Pretoria, Durban and Cape Town.

Galetti

Sale of Destiny Africa land starts

Alida de Beer

The tender process for the sale of the land that was previously earmarked for the Destiny Africa megadevelopment started in August. Potential buyers have time to submit final offers until the end of September.

The land, 437 hectares in size, is located along the N2 across from the Garden Route Mall. Galetti Corporate Real Estate Western Cape corporate services director Wesley Cowan said he is positive that the land can be sold. The agency was appointed by the liquidator of the previous owner, Monteriva, to launch the sale.

He said George is known as the business centre of the Garden Route and is a sought-after conference and holiday destination. Other plus points are the city's infrastructure and airport. "It has tremendous potential for large-scale development."

He said the previous proposals for high-density development with skyscrapers had required huge quantities of bulk services and resultant massive services contributions by the developers. This was what caused the development to not come to fruition. "A different approach could see a succe[illegible] develop-ment on this extremely valu[illegible] piece of property."

A new owner would have to reappl[illegible] for rights and rezoning, but he said t[illegible] municipality is supportive of rezoni[illegible] agricultural. It could be rezoned for [illegible] purposes, from residential to comm[illegible] and could therefore be appropriated [illegible] industrial, office, retail, or hospitality [illegible] According to Cowan one of the mos[illegible] significant trends currently witnesse[illegible] the South African property market i[illegible] semigration from the major cities to [illegible] Garden Route where the level of act[illegible] the top end of the market is exceptic[illegible] high. "There is very little vacant land [illegible] remaining, especially of this size, an[illegible] soon we are going to be experiencing [illegible] shortage in the area," he said.

There is also a growing need to cat[illegible] the business and residential needs of [illegible] residents. "This land has the space, l[illegible] and qualities for the right investor to [illegible] capitalise on this demand."



The tender

In a digital world, in-person property *auctions* play an important role

The Covid-19 pandemic disrupted the commercial real estate industry in a variety of ways, leaving many buildings empty, affec[illegible] demand in some sectors, creating an uptick in 'virtual showings' and, crucially — putting a temporary stop to in-person auction[illegible] This was a blow to the industry that had shown exponential growth before the pandemic — having grown by 40% in 2019 alone

WORDS: ELIMLAD IMAGES: SONIA DUPRAZ[illegible]

From 2020 to 2022, auctioneers pivoted to online auctions, underpinned by game-changing mobile apps to facilitate the bidding process. However, now that the threat of infection has eased, in-person auctions are back and better than ever.

"Online auctions continue to play an important role in the recovery and efficacy of commercial property, and are particularly useful in reaching a broad pool of international buyers," says Guy Downing, joint MD of Galetti Corporate Real Estate's Auction Division. "However, nothing beats the energy and excitement of an in-person auction environment which often results in the optimal outcome for both the buyer and seller.

"The renewed popularity of these types of auctions is a strong indicator of the sector's recovery post-Covid-19."

This trend has led to Galetti announcing its inaugural live auction event to be held at Summer Place, Johannesburg on November 30 2022. "We are bringing more than 30 properties to market in excess of R500m to market."

Auction outperforms seller expectations

"We're looking to ease the barriers to entry that prevent many would-be auction bidders from participating in this process. We are simplifying our registration process and extending time frames for buyers and sellers alike," says Ricardo da Silva, joint MD of Galetti Corporate Real Estate's Auction Division.

"Outdated requirements to participate in an auction exclude a lot of the market. We're hoping to disrupt this and make auctions more accessible and easier to participate in," they say.

"Once these barriers are removed, the true potential of the auction process is realised, and sellers reap the benefits of this method of selling — with auctions often exceeding their original expectations. "We believe that often an auction is the way for a property to see its true value, potentially selling for 10%-20% more than what the traditional market would pay," says the Silva.

At an auction, the highest offer is accepted, not the first offer, which is a major differentiator between auction and private treaty. "Live auctions create a deadline for buyers to transact on the property which benefits the sellers."

Auction as an experience

"No one could have predicted for the affect that Covid-19 would have on the commercial property industry and auctions in particular," says John Jack, CEO of Galetti Corporate Real Estate. "However, the silver lining of in-person auctions being put on hold was that it gave the sector time to go back to the drawing board and reposition the auction process in a way that gives participants the best possible experience."

Auctions aren't positioned as bank liquidation events instead they are positioned as the best way to extract value for prime assets and distressed assets. "We've had a number of properties sold on auction in SA we privately elected for sale by the seller, who chooses to sell property using this method because of the benefits it offers," says Jack.

"In-person auctions create a fun and competitive atmosphere where sellers benefit from extensive marketing and a wide pool of interested buyers and buyers benefit from the possibility of a deal and quick transaction process. These events are also great for networking among industry professionals and property investors."

Speaking to Galetti's forthcoming auction, Jack explains that it will be a hybrid experience, with interested parties being able to attend in person given the option to bid online to ensure that no one misses out on this exciting opportunity.



Guy Downing, joint MD of Galetti Corporate Real Estate's Auction Division

Ricardo da Silva, joint MD of Galetti Corporate Real Estate's Auction Division

John Jack, CEO of Galetti Corporate Real Estate

Tips for getting the most out of your in-person auction experience

Attending an in-person auction will, after the pandemic's hiatus, feel completely new, da Silva says. Here are the key tips to help you seal the deal when purchasing an auction:

1. Go in with a game plan: "Going to an in-person auction requires time and effort on your part. Be sure to have a clear idea of what you are looking for and what you are willing to spend. Have a realistic, but worst-case figure in mind, and the cash to back it up."
2. Get involved: Auctions are dynamic and are a great place to network and establish yourself as a serious player. "Off the bat, don't be afraid to put in the first offer. Be gutsy and set the tone for the day," says Jack.
3. Do your due diligence ahead of time. "Properties on auction are advertised a few weeks before the auction takes place, and during this time buyers are expected to familiarise themselves with the property on offer, by acquainting themselves with our comprehensive property brochure, and ensuring that all their FICA is in order."
4. Check the conditions of sale. "Make sure that you understand [illegible] the conditions under which the property is sold, which are non-suspensive, as well as any other relevant inclusion and exclusions."
5. Get pre-qualified. "This involves doing a credit check and placing a report [illegible] the auction company in the pre-[illegible]





Iconic Cape Town high-rise to be sold as mixed-use development

34-storey "Absa Building" in Cape Town's central business [illegible] coming to market as a mixed-use development known as [illegible] Place.

BIG NEED FOR CONVENIENT LIVING

Co-living and co-working is a fast-growing trend. **TIISETSO TLELIMA** profiles South Africa's new mixed-use developments

Mixed-use developments blend residential, commercial, retail and hospitality, providing residents with a convenient urban living experience. With a growing number of people wanting to live and work within close proximity where they can enjoy quality of life without long commutes and security concerns, mixed-use developments provide the solution.



The Foreshore Place

HARBOUR ARCH

Located on Cape Town's Foreshore, Harbour Arch is a R16-billion mixed-use precinct that will comprise six towers, with the first due to open in May 2023. The vibrant pedestrian-friendly development will house restaurants, cocktail bars, shops, hotels, banking facilities, medical services, and health clubs.

The 23-floor Harbour Arch Tower 1 has 560 residential apartments, including 82 rental units, 158 studio apartments, 203 one-bedroom apartments, 58 two-bedroom apartments, and 59 three-bedroom apartments. It features retail space on the ground level reserved for exclusive motor dealerships and coffee shops and additional retail space on the eighth floor, which will include restaurants with indoor and outdoor seating.

"Mixed-use developments are urban villages – a place where you can live, work, and play – and an attractive solution to the housing shortage," says Nicholas Stopforth, managing director of Arabec Properties. "Convenience and quality of life are the top two factors developers must consider when designing one – they need to strike a balance between urban convenience and [illegible] of nature." The large-scale [illegible] across 200 000m², is due [illegible] ed in 2030.

THE FORESHORE PLACE

The Foreshore Place, a 34-storey iconic landmark in Cape Town's financial district, has been around since the 1900s. Situated on the corner of Adderley Street, Riebeek Street and St George's Mall, it is the fourth tallest building in Cape Town and was previously known as the ABSA building. In the last four years, it has been refurbished to include retail, residential units, a hotel, offices, and co-working spaces. It has 190 residential units mixed between studio, one-bedroom, and two-bedroom apartments with Scandanavian-inspired interiors. One of the few glass buildings in the city, The Foreshore Place is aesthetically pleasing with black and gold detail.

"Its location is one of the drawcards offering

Galetti Corporate Real Estate acquires New Vantage Properties

Galetti Corporate Real Estate announced its acquisition of New Vantage Properties, a Level 2 black owned SA real estate services business focused on investment, development, sales and leasing as well as parastatal representation

"The New Vantage team brings us a deep skill set as well as a client pool not within our current scope," says Galetti CEO John Jack. "The experienced team will join both the Corporate Services and Leasing Service lines, bolstering both divisions."

"We noticed that we were unable to reach the client base that they were continuously transacting in and made the approach to acquire the business earlier in the year. Through a series of negotiations, we have been able to reach terms with New Vantage and can't wait to bring them on board," he says.



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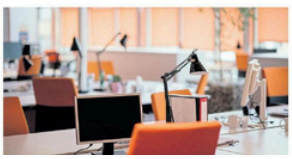
Space-as-a-service offering on the rise across SA

Some owners are repositioning their properties to offer various amenities like cafes and gyms to attract tenants

Denise Mhlanga

A shift in the way tenants view office spaces, and the Covid-19 pandemic, has accelerated the trend towards "space-as-a-service".

Tenants want more than just four walls and are attracted to buildings offering amenities such as cafes, gyms and outside pause areas that enhance their experience



said CEO Rael Levitt.

Levitt said the growth of space-as-a-service showed that many companies and businesses were rethinking their needs.

As a result, there is increasing willingness from occupiers to pay for access to convenience facilities with added amenities over ownership.

He said lease flexibility was important for tenants, particularly SMEs and entrepreneurs.

COMMERCIAL PROPERTY SECTO[illegible] 2022: WHERE HAS THE GROWTH COME FROM?

Against all odds, the commercial property sector has fought back and is showing positive signs of growth and recovery for 2022. The sector's rebound is clearly illustrated in GrowthPoint's latest financial results, with the company reporting a 8,5% decrease in group vacancies.

Why logistics and why the Western Cape?

Rode's Report on the South African Property Market for Q3 2022 detailed a nominal rental growth of 5,3% for spaces of 500 m² (compared to Q3 2021). The report further stat[illegible] the market was boosted by low vacancies and demand [illegible] logistics warehousing.

"2020 was a defining year for industrial property an[illegible] trend continues. Today, we are going as far as to use i[illegible] contacts to secure stock before they are listed," says [illegible]

While there is significant growth and uptake across [illegible] country, the Western Cape province has outperformed [illegible] rest. "With barely any industrial sites on offer, clients [illegible] clamouring for space. This creates a unique opportuni[illegible] investors and landlords."

Rode's Report seconds this, noting that 'Cape Towr[illegible] is looking as fresh as a daisy'. "Nominal rentals for pri[illegible] space of 500 m² is up by 6,7% from Q3 2021."

In the office sector, Cowan comments that various [illegible] companies are relocating their head office to the West[illegible] Cape in a sustained semigration movement.

Cowan says that 2022 will forever be defined by sor[illegible] of the largest logistics property deals that the industr[illegible] has experienced in recent history. "In Gauteng, promi[illegible] brands such as Isuzu, Media24 and Crusader Logistics [illegible] expanded and found new premises in 2022. In the We[illegible] Cape, Truworths, The Foschini Group and Media24 Lo[illegible] were some of the frontrunners in securing new premis[illegible]

Galetti appoints high-profile joint MDs to head auction division

Galetti Corporate Real Estate welcomes Guy Dowding and Ricardo Da Silva to the helm of their fast-growing Auction division. They are taking up the reins as the joint MDs of the auction division and have big plans for what's to come

With more than a decade of experience in the management of several high-profile auctioneering companies, Dowding brings a wealth of expertise to his new role at Galetti. A masterful [illegible] which often results in an optimal outcome for both buyer and seller."

A background in advertising and communications, coupled with years of experience in real estate auction sales and management, makes Da Silva an asset to Galetti's team. Noting that "an auction is [illegible] prevent many would-be auction bidders from participating in the auction process.

As Da Silva and Dowding say: "We are simplifying our registration process and extending time frames for buyers and sellers alike. Outdated requirements [illegible] t, is and esible ', at in at burg.

Trouble for landlords in South Africa

CEO of Galetti Corporate Real Estate says further rate hikes will hurt the commerical property sector

BusinessTech

le the sector continues to fight against uncontrollable [illegible] lds such as inflation and interest

[illegible] f Galetti Corporate [illegible] the industry has [illegible] the short-term. "The [illegible] ast few years and we are

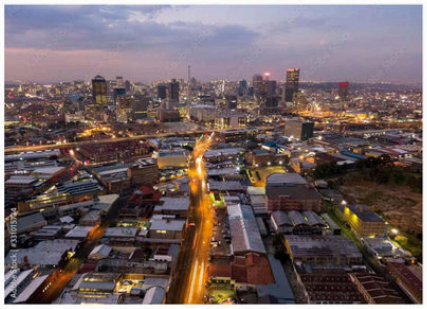
[illegible] sector cannot be [illegible] is a firm frontrunner [illegible] on of the sector's growth [illegible] property sector for [illegible] ustrial areas is leading



Interest rate hikes, load shedding putting landlords under pressure

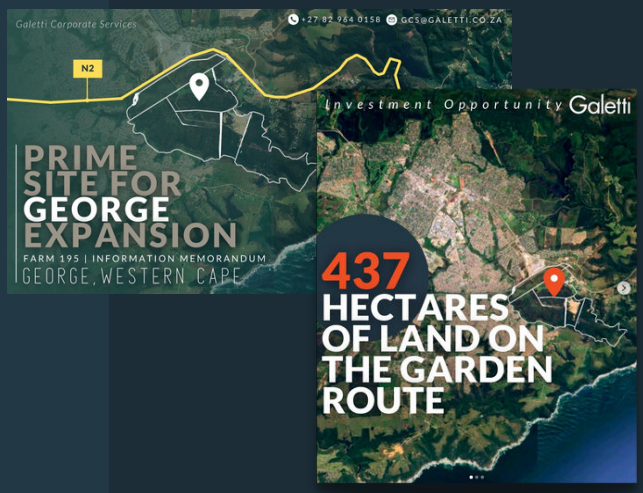
And tomorrow's increase of a possible 0. 5% will make things even harder.

Trends driving the South Africa's commercial property sector's resurgence



Presentation

With 50-80% of the human brain dedicated to visual processing, we understand the importance of packaging a property well. Our in-house photographer will use still and drone footage to create a visual tour and representation of the property. Micro and macro data and market-related analysis and knowledge will allow us to determine the value of the space as well as the value it can bring to any business. Using both a well-designed presentation and specific market and area data, we're able to provide valuable insight into the investment we're asking our possible buyers to make.

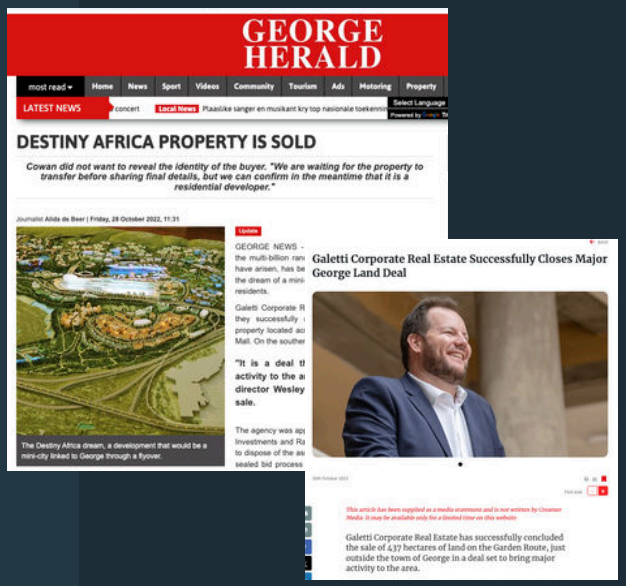


Public Relations

As a company, raising awareness and managing the reputation of our brand is vital to the success of our business. It goes without saying that awareness of your property and the Media Mill brand through this channel is as important. We've dedicated time to establishing relationships with media contacts across different industries and disciplines to ensure we have access to coverage in Business Day, Moneyweb, SAFM, SABC, Newzroom, eNCA etc.. Using these contacts, we ensure your property will be taken to market in the most professional way.

Monthly Impressions

1 000 000+



Digital Presence

With over 28 million people utilizing the internet in some format, 15 million making use of Social Media (with a guaranteed 27% penetration rate) and over 90% of buyers carrying out property searches online, web presence is paramount.These are the top digital touch points that we would use to access your target.

WEBSITE

Our website allows buyers to search thousands of properties across the country. Searches can be made by a number of criteria (price, features and type). This means increased visibility and a wider pool of potential buyers. We have heavily invested in SEO buying to ensure we increase the quality and quantity of traffic to our website, this has contributed to our 800-1000 daily visitors to our site. This ensures our brand and our listed properties have the best visibility to online users.

Active Website Users

32 000+

SOCIAL MEDIA

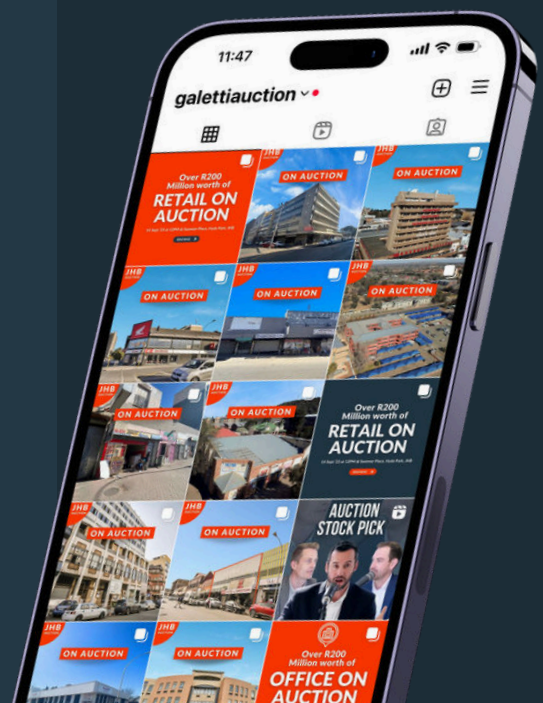
Social media is considered one of the most profitable digital marketing platforms that can be used to increase a business, brand or property's visibility. We have over 65,000 loyal followers and growing across Facebook, LinkedIn, Twitter, Instagram, Youtube and even TikTok. Using media buying we are able to target a specific portion of our Data Management System's database to ensure we tailor our marketing message to a specific group of people.

Monthly Social Reach

500 000+

We have sold multiple properties directly through social media leads, it's been an amazing tool for us!

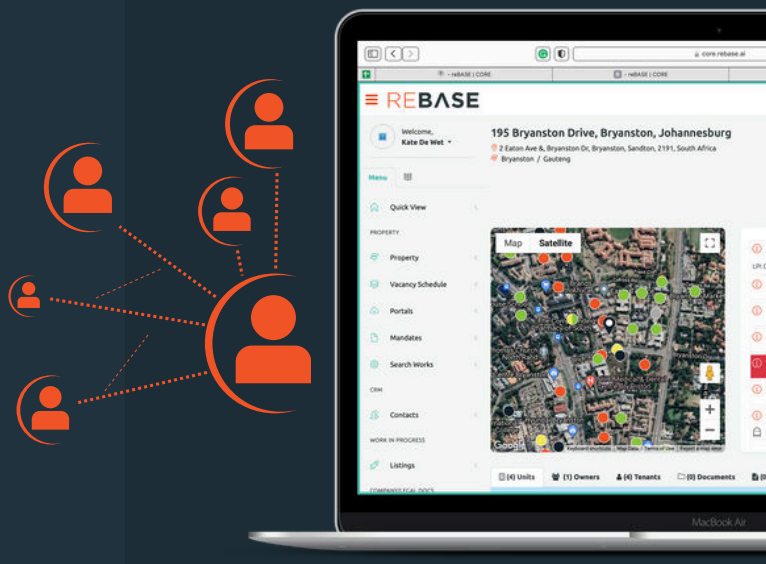
Kate de Wet
Galetti Head of Marketing



Database

Built over the last 14 years, our database of more than 40 000 people (tenants, landlords, funds and investors) is one of our most valuable assets. Four out of ten properties that are sold or leased by us are to people who already have a relationship with us.

We prioritize PropTech for the future of corporate real estate, heavily investing in our own Data Management Solution. It enhances business development, property management, and client service by providing a consolidated view of entity information for our consultants.



Full Market Coverage

Our agents work together seamlessly ensuring that our clients receive a joined up approach no matter where they are buying or selling.

A Message from the CEO

Property is often one of the biggest line items in the expense column and more often that not a challenge for you to deal with.

Non-uniform, long term in nature and very little market transparency make it a closed loop market to try and transact in. You need access to replacement tenants, structures in place to negotiate exits and live data to benchmark your position.

We have focussed our offering to support you in trying to reduce overheads or exit onerous lease agreements swiftly and efficiently. Our scale and market intel help us to create leverage in any negotiation, having built strong relationships in the industry over the last 18 years our track records speaks for itself.

Annually we transact on circa R3Bn in ransactional value, predominantly in the commercial real estate field. Offices, Industrial, Retail, energy and even hospitality fall under our ambit.

We look forward to working with you to build a robust plan to execute on for your clients.

We know you'll be pleased with what we bring to the table and, more importantly, our results

John Jack

