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Amid political uncertainty, Moody's downgrade, talk of dramatically increasing Eskom tariffs, the mining tragedy and ongoing volatility and concerns regarding the manufacturing sector in general to name but a few, South Africa's image overseas has been negatively impacted and investment into the country affected, not to mention the crisis in the Eurozone.

Within the prevailing sluggish economy, and with sentiment being a key driver of the property market, all these factors ultimately impact on activity in the marketplace. And while interest rates are at historic lows, consumers are burdened with a host of rising costs, including rates, electricity, fuel and food among others. A tribute to the resilience of our property market is that activity – certainly from a Pam Golding Properties perspective – is steady, with some areas seemingly recession-proof, such as Stellenbosch, Clifton, Camps Bay and Fourways. We are even seeing stock shortages in increasing numbers of areas around the country.

While somewhat subdued, the residential property market seems to have settled into a 'new normal'. Below I highlight some components of this new normal as well as a surprising number of positives that currently make up our market.

It's certainly true to state that only those properties which are correctly and realistically pegged at market related prices are selling, and serious sellers are realising that this status quo is likely to continue for the foreseeable future. Buyers on the other hand are acclimatising to the fact that they need to have a good credit rating and sufficient funds for a deposit (around 10-20 percent) in order to obtain finance, and of course cover transfer costs. Generally in South Africa, levels of household indebtedness appear to remain high. While bank lending criteria have eased somewhat, the fact is those seeking mortgage finance will continue to have to meet fairly strict bank lending requirements in the future. Buyers who do not have access to funds for finance are compelled to rent homes, which in turn has boosted rental demand in some areas. This in turn has encouraged those investment buyers with financial resources to purchase property for rental returns.

Sound buying opportunities are available in various regions around the country, and for investors taking a medium to long term view of the market this remains a good time to acquire property. Gated estates remain in demand as home buyers, taking note of the high cost of living, look to purchase properties that cost less to maintain and have good security, and in many instances this comprises sectional title homes (in the East Rand PGP is experiencing a high demand for sectional title). Developers continue to gradually re-enter the market and PGP is successfully concluding sales in a wide range of developments in various regions – even selling off-plan in some instances.

The demand for coastal property, which by its nature includes leisure property, generally remains fairly flat, however, there are some areas where such properties continue to sell well, such as Cape Town's

Atlantic Seaboard and the KwaZulu-Natal north coast. Having said that, the limited availability of prime beachfront property enhances its value in countries around the globe and this is clearly evident here in South Africa. Coastal property remains a highly sought-after commodity worldwide and luxury homes in prime locations with unimpeded views are those which can achieve a significant increase in value. Sales and activity in the generally second home holiday coastal towns remain fairly muted.

First time buyers are entering the market in greater numbers, and younger buyers who understand the investment potential of owning their own homes. It is increasingly evident that the new younger generation is demonstrating an increasingly prevalent responsible attitude in saving for their future, and that of their families, through making sound property purchases.

And while vibrant urban growth nodes remain popular, some buyers are seeking a quieter lifestyle away from busy city life and are heading for more countrified destinations, perhaps also seeking a home to retire to in the future.

We also note that the importance of greening homes plays an increasingly significant role in the residential real estate sector, becoming more important in the minds of consumers, while the technological advances continue to make this more cost effective.

From a Pam Golding Properties (PGP) perspective nationally we continue to see the highest sales in the R800 000 to R3 million bracket, with sales remaining steady in the R6 million to R12 million bracket. PGP continues to achieve success in the high end, luxury homes market, with top prices recently achieved including a number of homes in the R20 million to R35 million price range on Cape Town's Atlantic Seaboard and southern suburbs and in Johannesburg's northern suburbs.

As far as property values are concerned, house prices, according to almost all indices, are at best flat with a similar outlook going forward.

As far as the volume of residential transactions in South Africa is concerned, deeds office transfer information supplied courtesy of Property24 , seems to corroborate the view that as much 30-40 percent of all transfers are taking place in the affordable, BNG (Breaking New Ground) and social housing space, leaving about 60 percent or roughly 10 000-12 000 properties being sold across the country monthly or 120 000-140 000 annually in the non-affordable, BNG and social housing space ie the more traditional residential real estate agent industry.

The relevance of this goes to recent statements made that the residential real estate industry controls or has a direct influence on trillions of rands worth of property each year. This is regrettably incorrect.

At an average sale price of R800 000 and with roughly 120 000 transactions taking place (excluding affordable, BNG and social housing) – this represents a total sales value of R96 billion annually and if one rounds this up to R100 billion, then the total value of fees/commission generated by estate agents is about R5 billion per annum.

Coincidentally, comparing this to recently released US data shows just how small our market is by comparison: total existing residential sales are likely to be around 4.75 million properties this year while new sales will be around 400 000 annually ($1 trillion). So, even taking the affordable, BNG and social housing space into account we may get to 200 000 transactions compared to 5 million in the US ie around four percent of the US market.

Foreign Buyers:

Turning to the question of foreign buyers and the ever present issues of foreign direct investment, the demand for homes from foreign buyers remains very low compared to pre-2007 levels, but for some time we have seen rising interest from those in other African countries, and there are signs of a slight uptick in demand from traditional foreign markets of the UK and Europe. As examples, on the Atlantic Seaboard we recently sold two homes, each for R30 million, to European buyers, however in the main overseas buyers tend to purchase homes mainly in the price range from R1.5 million – R6 million bracket. Furthermore, only 14 percent of the international buyers were above R6 million. From a PGP perspective the top countries were: United Kingdom, Germany, Switzerland, United Arab Emirates, France, USA, Iran, Zimbabwe, Belgium and Uganda.

A further interesting fact is drawn by the lifestyle. Foreigners also look to acquire guesthouses, with some 70 percent of Pam Golding Lodges & Guesthouses sales being concluded to overseas buyers wanting to relocate here.

Later this month (28, 29 November 2012), through our involvement with the Southern African Luxury Association, PGP showcases some of South Africa's most luxurious properties at the forthcoming China Luxury Summit in Shanghai to test a sense that the Chinese market is one that continues to gain prominence for us.

Cape Town metropolitan area:

In the Western Cape, in the Cape Town metropolitan area specifically, while volumes (unit sales) remain low compared to 2007, there are sales and performances which continue to buck the national trends. For example, the PGP Atlantic Seaboard had its best month ever in the mid-winter month of August 2012, writing sales to the value of over R170 million with R145 million already actually confirmed. There have been two sales at the R30 million mark, both to European buyers, plus one at R17.5 million and three at R12 million over the past two months. There is muted activity however in the traditionally high priced Bishopscourt market, but our agents are selling briskly in the R5 million to R9 million family home market in Upper Claremont, Kenilworth and Trovato Estate. To a large extent the market across the Cape Town's Southern Suburbs is characterised by a shortage of stock in the affordable market (below R4.5 million) and particularly family homes, a reasonable buyer pool and pockets of good show house activity.

Our Cape South Peninsula region from Muizenberg round the coast to Kommetjie and Noordhoek has had one of the best years ever due to, we believe, offering seaside living at a fraction of Atlantic Seaboard prices.

The suburb of Newlands too has barely noticed the recessionary conditions and the sectional title market in the City Bowl, Central City and Atlantic Seaboard has experienced increasing activity with brisk trade particularly under R3 million by full and part-time residents and long term investors re-entering the market. At The Odyssey in Green Point we've also recently sold five new development units off-plan – an achievement almost unheard of in recent times.

With a rapidly developing infrastructure, the West Coast areas up to Langebaan and beyond currently have a wide variety of opportunities from vacant land to golf estates and freestanding houses – many still offering excellent value as holiday, retirement and permanent family residences. Most notable was a cash sale in Yzerfontein for R7.2 million, a R5 million sale in Paternoster and in Langebaan for R4.4 million. We have also doubled the number of units sold to date compared with 2011. Also intriguing is the fact that our Velddrif agents have sold seven properties in the small village of Aurora, which is becoming the 'Greyton' of the West Coast and every listing there receives immediate response on the internet. Furthermore, the controversial "Shark Bay" development has after almost a 14 year legal battle received the green light to develop 69 erven on the urban edge, which has been extended to include this development. These properties will mostly have beautiful lagoon views with very specific building specifications.

As far as the ever increasingly important rental market is concerned, busy commercial activity in the Cape Town metropolitan area is helping to drive a steady demand for residential rental properties in the city, and here too PGP has had a busy mid-winter season from May to August 2012, with over 470 residential leases concluded or renewed during this period. Activity is brisk and the demand has been spread across numerous areas and rental categories, with the most sought-after areas including the Atlantic Seaboard, Southern Suburbs and City Bowl. Clients renewing their residential lease agreements are generally encountering rental escalations of five to seven percent in the current market. We continue to experience stock shortages in the lower to middle / middle upper price ranges. Finally, there have been particularly high levels of activity at the top end of the rentals market during this period. Notable deals concluded by PGP included:

- R80 000 per month for an apartment at the Water Club in Granger Bay.
- R75 000, R52 500, R52 000 per month and R45 000 per month respectively, for homes in Fresnaye and Bantry Bay.
- R70 000 and R64 800 for homes in Southern Suburbs.
- R55 000 per month for a penthouse apartment at the V&A Waterfront.
- R55 000 for a house in Sea Point.
- R50 000 per month for a house in Llandudno.

Boland & Overberg and Cape Town's Northern Suburbs:

Moving away from the city centre and surrounds and looking at Cape Town's Northern Suburbs and further along the coast to the Overberg region and inland to the Boland – home to the renowned Cape Winelands, these areas remain popular with home buyers drawn by the beauty of the area and its good infrastructure - with some of the best schools in the country. This is coupled with a secure lifestyle, variety of outdoor leisure activities and good selection of holiday homes, including country cottages or coastal homes.

While some 80 percent of PGP's residential sales in these areas are in the price bracket between R500 000 and R2 million (in line with national trends), we have noted a 30 percent increase in sales in the R3 million to R4 million price range over the same period (January-September) last year (2011). The Northern Suburbs are experiencing high levels of activity in its lower price ranges at present with homes priced between R750 000 and R2 million in particular demand. Interestingly, we are still receiving numerous enquiries from Gauteng buyers who comprise about 20 percent of our total sales in the above areas, and that we are also experiencing a noticeable surge in buyers from KwaZulu-Natal.

There are seemingly more sellers in the age group over 50 – downscaling as adult children leave home and buying smaller, more secure properties mainly in the price bracket between R1.5 million and R2 million. This perhaps seems an indication of a trend that people are scaling down sooner than what they use to.   Retirement homes are extremely popular in these areas, such as the new frail care and assisted living facility soon to be launched in Greyton - with 20 sectional title units, priced from R599 000.

Similar to the rest of the country, the demand for properties in the R850 000 – R2 million price bracket is the highest and the stock shortages in this bracket are evident across the region. We are also seeing a strong demand for homes between R2 million and R2.5 million and currently a shortage of homes in this price range in Welgemoed and Durbanville.

There is also a consistent demand for agricultural property and it's interesting to see that the purchasers are mostly local farmers, for example a 380ha wheat farm outside Durbanville was recently sold by PGP for R8.1 million.

Moving further afield in Somerset West, where we are experiencing a shortage of stock across all price ranges, PGP has seen a rise in sales the higher price range - above R3 million, and have concluded three sales above R6 million. This is a clear indication that prices are starting to become more realistic.

Notable areas include Stellenbosch, with a surge in sectional title sales in Stellenbosch at this time of the year as parents seek accommodation for their student children. At Andringa Walk in the heart of Stellenbosch, with units priced from R1.4 million to R3.35 million, PGP has concluded sales to the value of over R75 million. Well known cricketer Dale Steyn recently acquired a property here as well.

Franschhoek remains popular and enquiries are mostly for properties below the R3 million price bracket or lifestyle farms like the Two Rivers development along the Berg River where we only have two portions left to sell at R7.9 million and R8.5 million for 33ha portions.

In the beautiful historic town of Wellington we are about to launch a new plot and plan development, Stadsig, with prices starting at R745 000 for a completed two bedroom home. Following the successful Diemersfontein Village Development, where we've already sold 41 units in both the first and second phase, only 11 opportunities remain in phase two.

The upgrade of the N7 between Malmesbury and Cape Town over the next 18 months is making access to the Swartland towns much easier and faster and we are already seeing the impact on the market. The quaint town of Koringberg, 40 km further along the N7 from Malmesbury and close to the Misverstand dam, is showing renewed interest as a weekend getaway. Here you can acquire a plot for R200 000 or houses from R800 000. Our Riebeek West office has had one of its best months ever with sales over R11 million for the month of September.

Towns along the coast from Gordon's Bay to Stanford have shown increased activity over the last year, even throughout the traditionally slower winter months - in particular, the popular seaside town of Hermanus, where between April and June 2012 PGP concluded sales of over R60 million. Notable sales were a R15 million spectacular five bedroom home on the seafront in Voelklip, four properties between R13.2 and R6.5 million and a R4.85 million cliff-side property in Sandbaai. They were all bought for second home and retirement purposes. The neighbouring town of Onrus has done just as well with sales over the last seven months totalling close to R40 million.

Finally as far the Boland and Overberg region is concerned, more buyers are discovering the hidden gems of the Overberg towns including Caledon, Villiersdorop, Greyton, Swellendam and Riviersonderend - areas that offer very affordable property prices and a good, healthier quality of life. New developments such as the mall being built in Caledon are increasing the scope of employment, while the traditional major employer in the region, the farming sector, is doing well after an excellent harvest in 2011. Entry level homes start as low as R400 000 in towns like Riviersonderend.

Gauteng:

In Gauteng, it's encouraging to see the residential property sector in the Johannesburg city centre continuing to experience a strong revival, reflecting increased investor confidence as the urban renewal effort takes effect and occupancy rates increase.

Coupled with this the new Gautrain Park Station and Metrobus depot at Ghandi Square ensures the CBD is on all the important commuter routes. Apartments offer value for money priced from R250 000 and up to R550 000 in Marshalltown and parts of Braamfontein, with two bedroom apartments selling for as much as R1.7 million in Marshalltown and penthouses up to R3 million.

The Johannesburg inner CBD has attracted more attention recently with the renovation of older type buildings and their conversion into upmarket apartments. Some of the old Hollard Insurance buildings have been converted into modern 'New York' styled apartments and are particularly attractive to those working in the city centre. Although still in its infancy, this revival should support some good future growth as it progresses. These apartments also offer good rental returns and are appealing to investors as long as reasonably priced.

More traditionally, PGP remains extremely active in Johannesburg's Northern Suburbs, with a strong demand in the price band from R1 million to R5 million. During the past 12 months (to September 2012), PGP's Hyde Park developments team based at Melrose Arch achieved R350 million in sales, and has taken on new development stock of close to R1 billion. Developments such as The Houghton have shown sustainability and are gaining momentum on the back of completed units now successfully transferred. With the development climate changing dramatically over the past three years, with a lot less built and delivered and also fewer town planning applications for new developments, we have however recently seen a marked increase in activity and among developments the phrase 'develop to hold' is become increasingly used. This means that the developer will develop and sell as much as he requires and then keep units to rent out for a period till they feel the market improves. Some may keep as much as 30-50 percent of the units to be sold in two to three years' time, after completion.

While most of the existing developments we are looking at are aimed at the higher income levels where obtaining finance is not an issue, in the near future we will need to look at a different kind of development along the north/south and east/west development corridors, as defined in the densification strategy in the city council's spatial development plan. These corridors will most certainly provide opportunities for development projects initially as well as a supply stream of resale stock in future.

In Fourways the past year has been characterised by a general shortage of stock in all areas, which has had a positive impact on price due to supply/demand factors, and which is also seeing properties stay on the market for less time, even selling in three weeks in some suburbs. The entry level market of R3million / R4 million in secure estates are the big sellers, and we note some large secure estate developments that are coming to the market. Rentals in the area are extremely busy in the R5 000-R10 000 per month price range in the sectional title and cluster market, and from R25 000 to R30 000 in the secure estate market. As a result, the area is a haven for investors seeking to generate rental income, with gross returns of six to eight percent achievable.

In Northcliff and the West Rand suburbs, activity has increased and PGP reports properties mainly from R1.2 million to just below R2 million are selling, with closed estates and secure areas still king. In the south of Johannesburg in the Glenvista area, PGP has seen a great deal of movement in Brackendowns and Brackenhurst in the R900 000 to R1.2 million price range.

Last year PGP doubled its size in the Pretoria region, and now covers Pretoria East, Moot, North and Montana, as well as Bronkhorstspruit, Cullinan, Rayton and Centurion. Good news for the metropolitan area is that the City of Tshwane recently announced it will raise R10 billion over the next five years to fund infrastructure, which is likely to stimulate the local economy and the residential property market.

Some areas are showing signs of recovery and even performing strongly. While properties in the price category from R1 million to R2 million are in the highest demand, we have seen increased activity in the top end of the market. In areas such as Waterkloof, Waterkloof Ridge and Brooklyn, which are among the most exclusive residential suburbs in Pretoria, a shortage of stock in certain price bands, ie between R2.8 million and R4.5 million, exists. In February, Lightstone named Woodhill the top golf estate in terms of value for 2011. One of the most upmarket golf estates in Pretoria, annual capital growth was an extraordinary 34 percent – mainly for properties in the R2.4 million to R3.4 million bracket. Other security and golf estates throughout the Pretoria East and Centurion are in high demand and remain a sound investment for the future.

Moving away from Gauteng central, probably the most significant change of pace in the market generally has manifested itself in recent months in South Africa's inland or central areas. In these areas, including parts of Gauteng, Mpumalanga, North West, and Limpopo, PGP has achieved an increase in units and turnover.

Specifically and interestingly across these Central, Eastern Cape, Garden Route, Karoo and Kalahari regions there has been an incremental increase, over the previous year, in sales achieved in the R10 million to R20 million price bracket ie from two to four percent of total sales in these regions. This is reflected in nodes in the Eastern Cape where PGP has sold more high priced properties in East London, Port Alfred and Kenton on Sea than in the previous year, albeit in some cases off a low base. The leisure market in country towns and coastal holiday towns continues to offer good value for investment for holiday homes but there seems to have been a shift to sourcing properties which are suitable as holiday lets ie to generate rental income, as well as for personal 'R&R' time. Dullstroom, close to Gauteng, has seen a resurgence of interest after three quiet years with recent sales by PGP including a 536ha trout and game farm which sold for R7.6 million and a 14.67 hectare holiday farm including an exclusive home which was sold for R7.2 million to the same purchaser.

And then in KwaZulu-Natal, in the gated communities of Mount Edgecombe, Ballito and Umhlanga, PGP has seen an increase in top-end trade.

Specifically, areas stimulated by growth points are around Umhlanga in KwaZulu-Natal, Ellisras in North West - as a result of the new power station, East London and surrounding areas, and the Karoo as the SKA (Square Kilometre Array) programme becomes reality.

Africa:

Even further afield and north of our borders, PGP has offices in Zambia, Botswana, Kenya, Namibia, Swaziland and Zimbabwe. Our newest entrant in Namibia has recently opened offices in Windhoek and a presence in Swakopmund is underway. We have every confidence that they will soon be taking market share as they imprint the PGP brand during 2013 in the central region of the country. Although a small market, house price growth and activity levels have been impressive.

Kenya, where we launched an office at the start of this year, holds great prospect as a result of the growth potential. The Nairobi skyline is silhouetted with new buildings, technology is hi-tech and there is a positive atmosphere. Our office is busy with a number of residential projects in the greater Nairobi area, and is reviewing possibilities on the coast in the Mombasa area.

PGP will continue to be looking further afield to find real estate partners in East and West Africa, including possibilities in Tanzania and Angola, as we remain bullish and optimistic about the Africa region and specifically our opportunity to be the preferred property services company of choice throughout the continent over the medium-term.

Bank Assisted Sales

Two further trends are perhaps worth highlighting. Firstly, as far as bank assisted sales are concerned, distressed sales and bank repossessed properties continue to be a desirable option for most savvy first time home owners and investors across the country. Discounted prices on these properties, together with benefits such as 100 percent bonds being made available and low attorney costs are some of the main attributes. From August 2012 and since joining ABSA's Help U sell programme, there has been a 35 percent increase in the number of sole mandates being awarded to PGP in this sector of the market, resulting in a 24 percent increase in PGP's distressed property sales for the same period.

Gauteng continues to have a bigger share of the distressed sales market with properties averaging sales prices of R450 000 to R900 000 in East Rand and the Vaal area. Recent distressed sales mandate for properties in Johannesburg's Northern Suburbs such as Park Town and Bryanston is an indication that distressed sales not only impact the middle market.

Affordable Housing:

The second trend perhaps worth mentioning is that while various PGP offices in different regions have been involved piecemeal in selling affordable housing units over the years, the group is making a concerted foray into this market with units being marketed in the Fountainhead development in Blue Downs, Cape Town, in the R300 000-R450 000 price range. This is an integrated development scheme comprising 600 BNG (Breaking New Ground) units and 600 bonded units. PGP is marketing the bonded units while 600 future owners are on a government waiting list regarding the BNG units. Of interest is that PGP's Athlone and Elsies River offices are currently marketing two new affordable housing developments at Aurora Village in Belhar and Vanguard Residential Village in Heideveld, at prices ranging from R399 990.

Pam Golding Property Management Services:

Pam Golding Property Management Services has continued its record breaking growth year-on-year with total gross value of properties under property management administration now exceeding R12 billion. New contracts for 2012 include Diemersfontein Wine and Country Estate outside Wellington, Mandela Rhodes Place in Cape Town CBD, Oxford Circle in Rondebosch (Cape Town) and a small commercial development, Tokai Village next to the redeveloped Blue Route Mall in Cape Town's Southern Suburbs. Pipeline deals include sectionalised prestige hotel developments in Green Point, Cape Town and Wilderness on the Garden Route.

International Sales:

One of PGP's most important initiatives in recent years has been its foray into the Indian Ocean islands of Mauritius and the Seychelles. Our International and Projects Division continues to achieve considerable success in the sale of prime located residential property in these two locations.

Rapid progress at the luxury 56 hectare resort of Eden Island in Seychelles has seen a total of 400 units sold at a combined value of $340 million, or the equivalent of approximately R2.9 billion. These comprise 258 apartments, 89 maisons and 53 villas, and reaffirm the success and popularity of this development despite the global economic turmoil experienced. Over the past 12 months alone PGP has sold 46 units at a total value of USD47 million. There are now approximately 200 units remaining available for purchase. Units are sold with freehold title ownership and now you can even buy a villa with your own mooring right in front of your garden. There are already about 120 boats moored at Eden Island, including super yachts which range from 60-120 metres. Ranging in size from 250 to over 609 square metres on plots up to 820 square metres, these new Basin 5 Villas are priced from $2.6 million to $4.5 million. While the South African market is still responsible for about 30 percent of our sales on Eden Island, this figure is down from 40 percent in previous years. We are seeing increased sales from Eastern Europe and Russia. The shopping centre on Eden Island is scheduled for completion and opening by late this year (2012).

In Mauritius, to date PGP has sold 302 units at a total value of approximately USD230 million at a number of residential developments. Over the past 12 months (to October 2012) PGP has sold 32 units in Mauritius at a total value of the equivalent of R180 million. Homes in Mauritius continues to hold high appeal for the South African market due to its proximity and familiarity among local buyers, as well as its well-run economy, attractive tax rates, very low crime rate, international or cosmopolitan appeal and quality lifestyle. It is very easy to do business in Mauritius, a country that attracts 'high end' money, offering sound property development opportunities and Mauritian residency. We are, as you are aware, about to embark on a series of 'open days' in major centres in South Africa to meet and discuss investment opportunities in Mauritius.

Finally from an International perspective, our involvement in prime central London property sales continues and remains interesting for South African investors. The London market still confounds the critics with its impressive growth both in terms of capital values and rental yields. Underpinning this of course is demand outstripping supply generally, but in addition, since 2000 an extra 400 000 jobs have been created in London across a broad range of sectors, and this places unprecedented demand on the capital's limited housing stock.

According to the UK Land Registry, over the past year the annual change in property prices is 5.5 percent. While rental yields of 6 percent are typically achieved in greater London, we have however seen rental growth in excess of 7 percent in selected SW (South West) London units.

Safe haven investment flows are still playing out in favour of the London market, with the key driver, the Eurozone crisis, unlikely to become a neutral influence for some time. There is a wider trend which has had an even larger impact on the London market. Global wealth creation, especially in Asia, but also in Russia, the Middle East and Africa, has created a huge fund of money which needs to be invested. While the Olympics were an undoubted success for London, they had the effect of keeping some prospective buyers away from the market during late July and August. Currently PGP is marketing opportunities to acquire prime located property in London from GBP 300 000 / GBP 400 000 upwards.

Hotel market in South Africa upbeat:

Our Pam Golding Hospitality division has have had another busy year. This division has engaged in almost 20 different hotel projects in the past year and has recently been appointed by the government of St Helena Island to undertake an in-depth review of the Island's tourism and hospitality potential and is being retained to provide ongoing consulting services. While the current year has entrenched the expertise of Pam Golding Tourism & Hospitality Consulting, the coming year promises substantial dividends with already 10 confirmed and tendered hotel projects to be engaged over the next six months in a variety of countries including South Africa, Zimbabwe, Botswana, Kenya and Tanzania.

Regarding Pam Golding Lodges & Guesthouses, for the period October 2011 to September 2012, we have concluded steady sales at approximately one transaction per month at an average selling price of R8.3 million.