



OWN **Tomorrow**

*Tomorrow belongs to those who prepare for it **today***

Introducing our Speakers



JOHN LOOS

The Property Market Cycle



MIKE STOPFORTH

Inside the Mind of Today's Consumer



RIVAJ PARBHU

The Future Signed and Sealed
with E-Signatures



The Property Market Cycle

JOHN LOOS

Well known in our industry for his in-depth market analysis and opinions.

The long descent out of the Death Zone

South African residential property prospects

John Loos

September 2013



SUMMIT
8,850 M/
29,035 FT

SOUTH SUMMIT
8,748 M/
28,700 FT

LHOTSE
8,501 M/27,891 FT

CAMP IV
7,900 M/25,919 FT



THE DEATH ZONE

EVEREST

CAMP II
6,500 M/
21,325 FT

25,919 FT
(LHOTSE FACE)

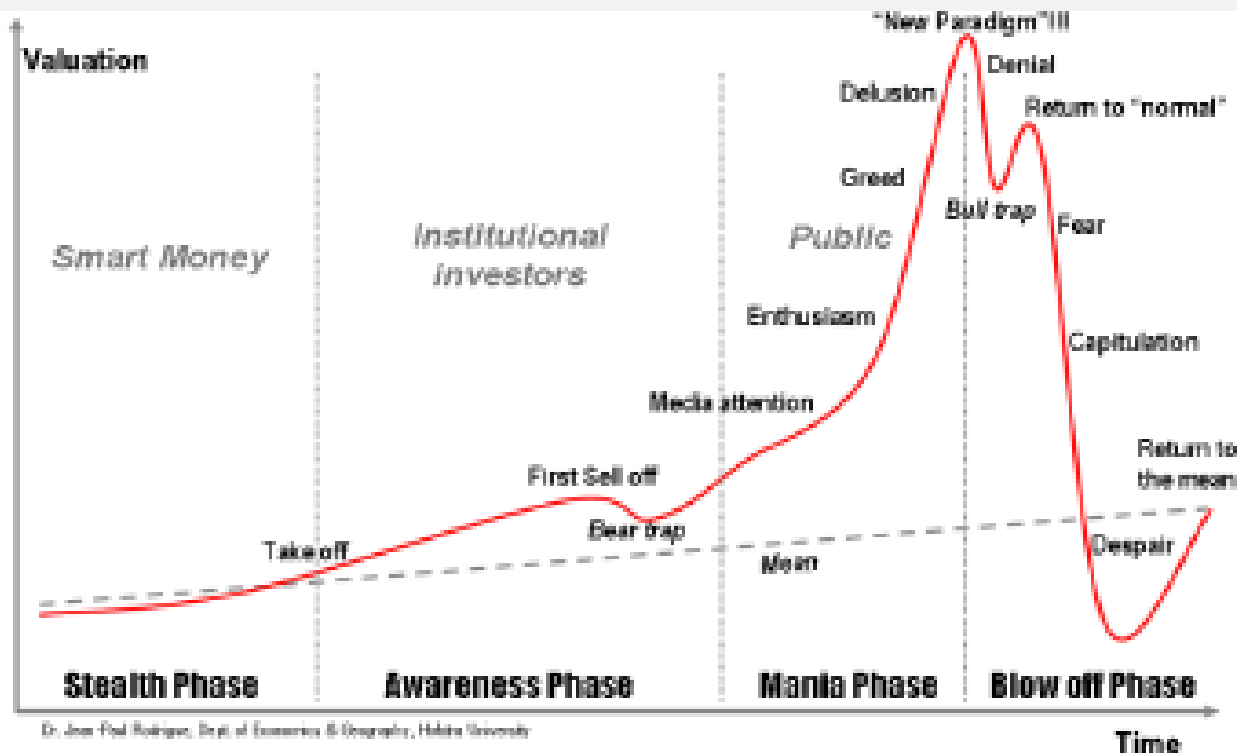
CAMP I
6,100 M/20,013 FT

MEDIUM RISK ZONE

BASECAMP
5,300 M/17,400 FT

"SAFETY"

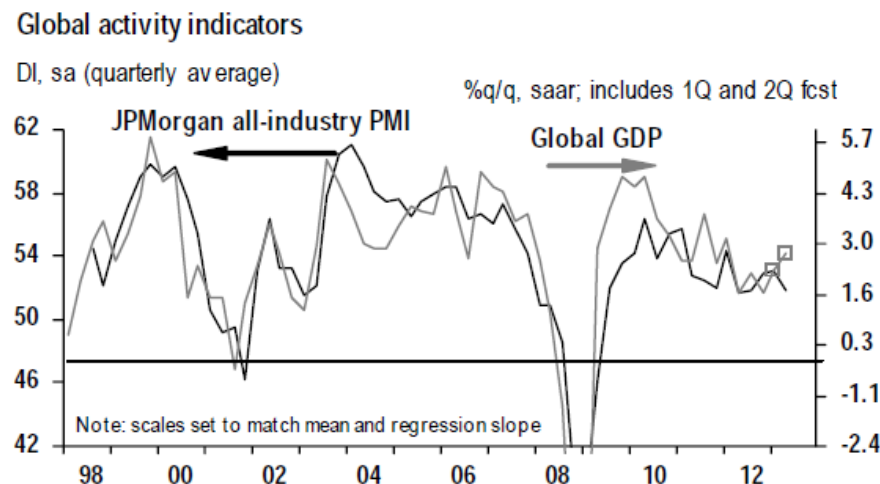
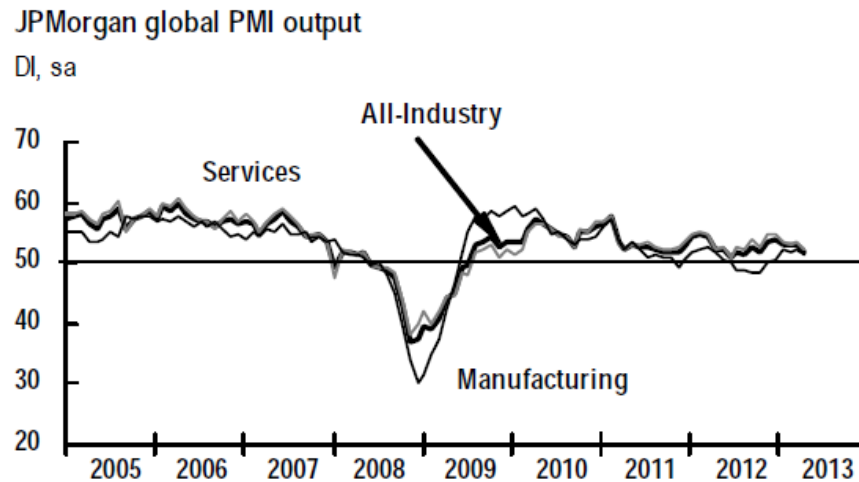
The main phases of a bubble



Main Stages in a Bubble according to Jean Paul Rodriguez

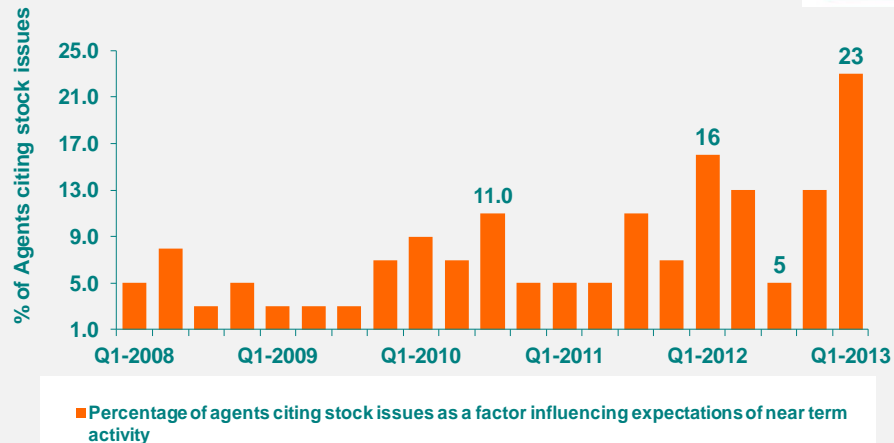
source: http://people.hofstra.edu/jean-paul_rodrigue/jpr_blogs.html

Where are we in the bubble? Relief recovery tapering off

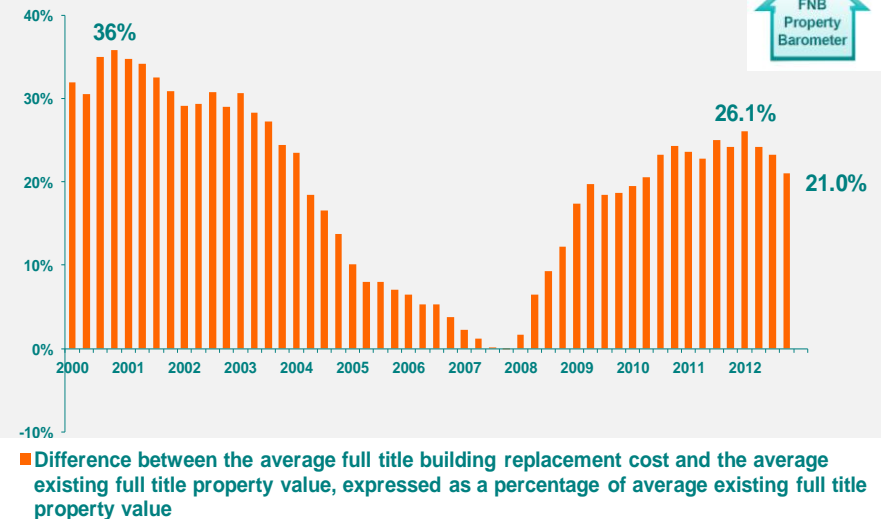


Market has been good of late, but....

Agent Stock Constraints

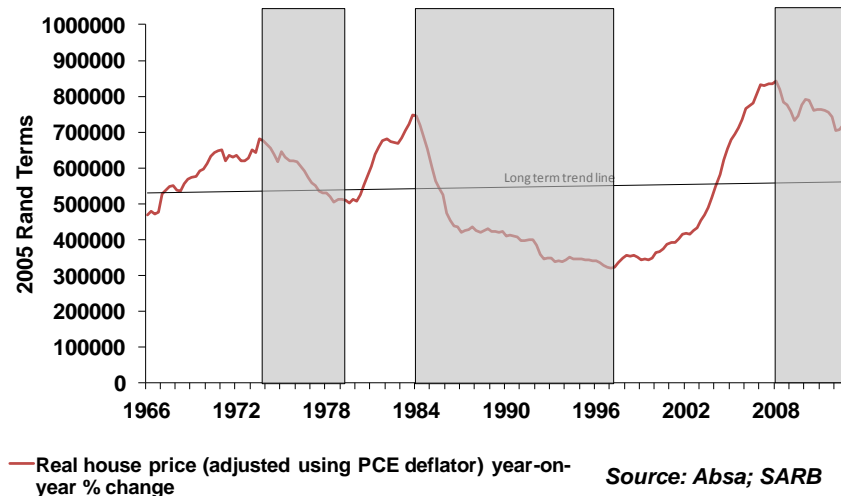


Full Title Property Replacement Cost Gap

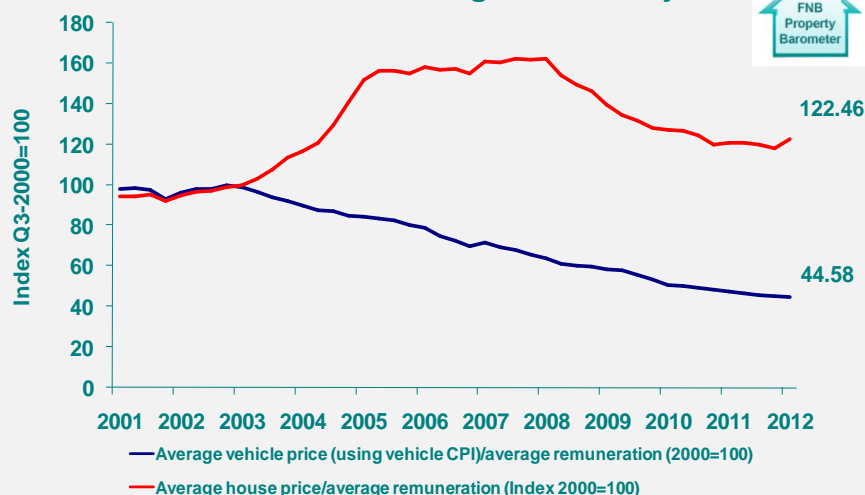


Real prices are still very high

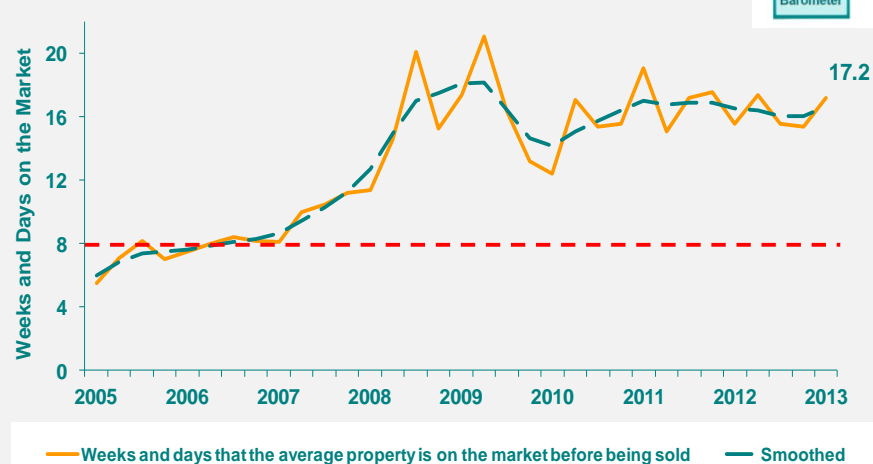
Real House Prices - 1966-2011



Vehicle vs Housing Affordability

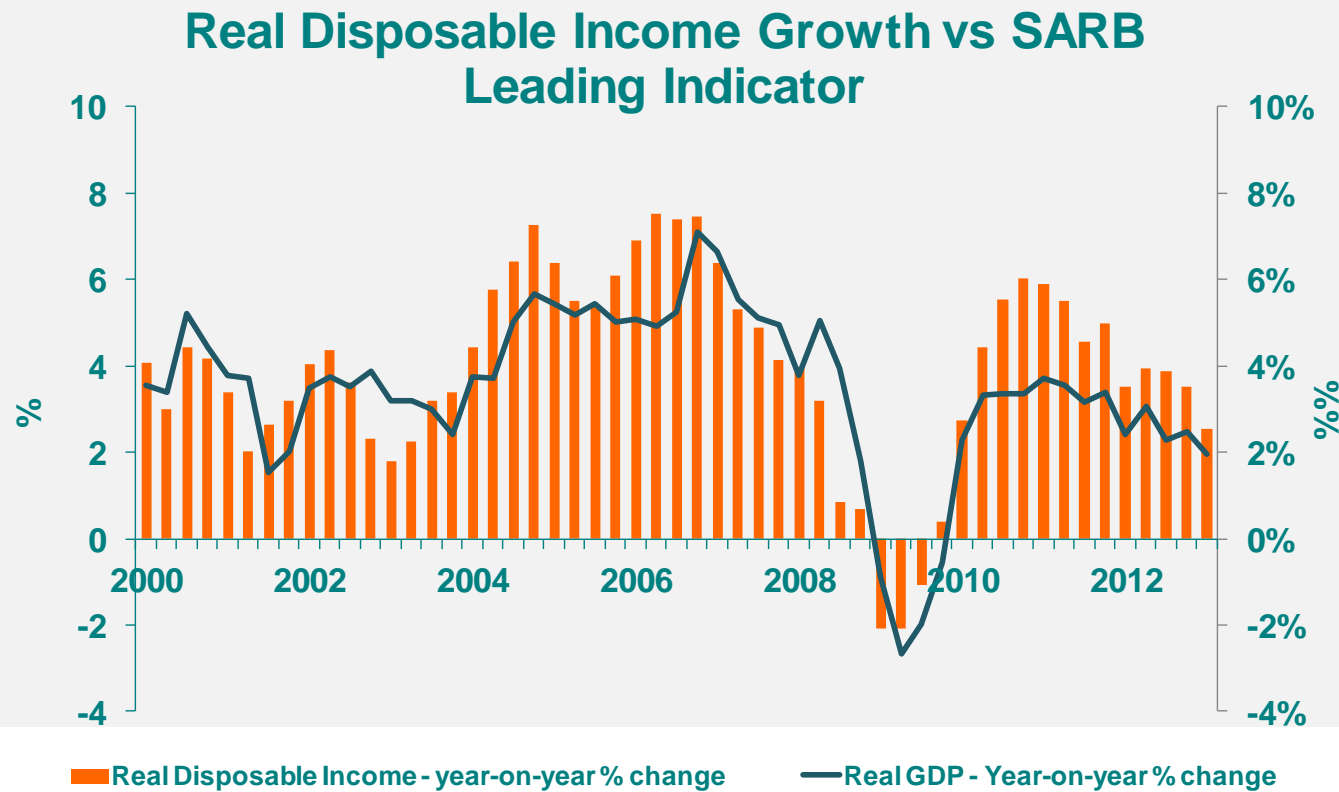


Average time that a property is on the market



The end of the Relief Recovery

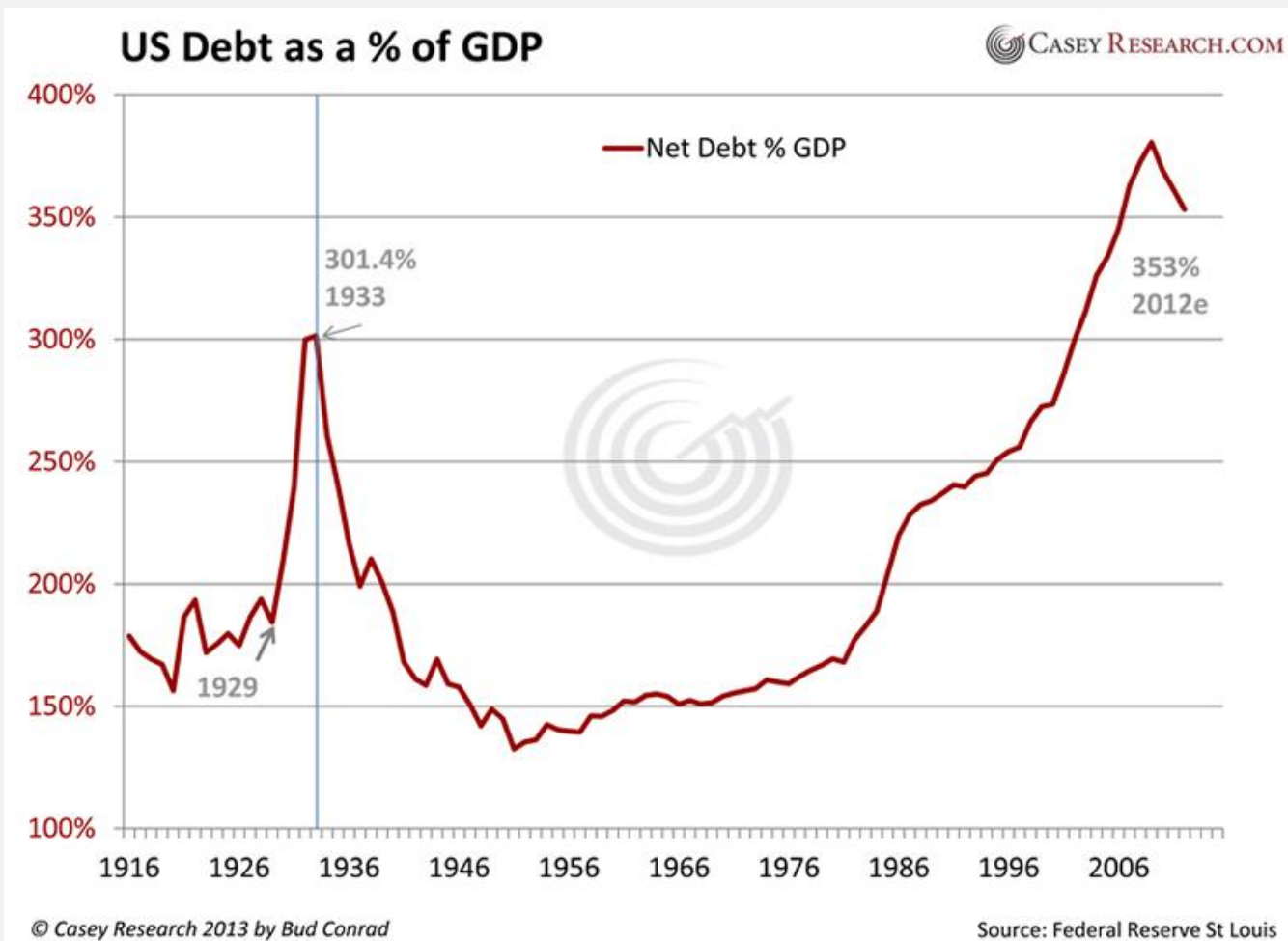
Real household disposable income growth vs Economic growth



Data sources: SARB

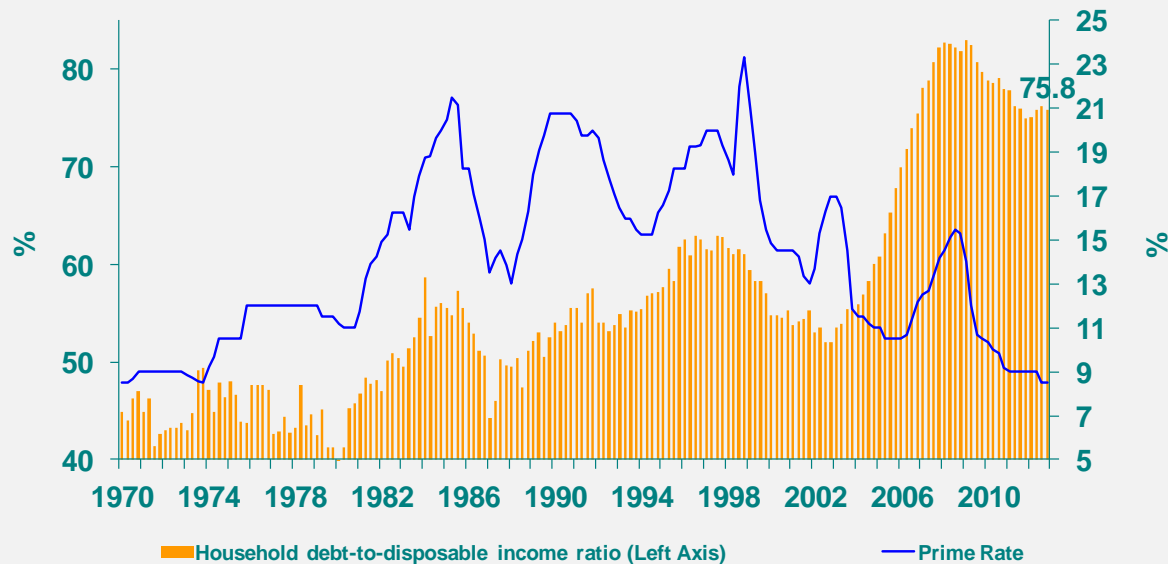
*In the Longer Term, we remain
in a high risk period*

US debt burden remains extreme



Debt-to-disposable-income ratio

Household Debt to Disposable Income Ratio vs Interest Rates



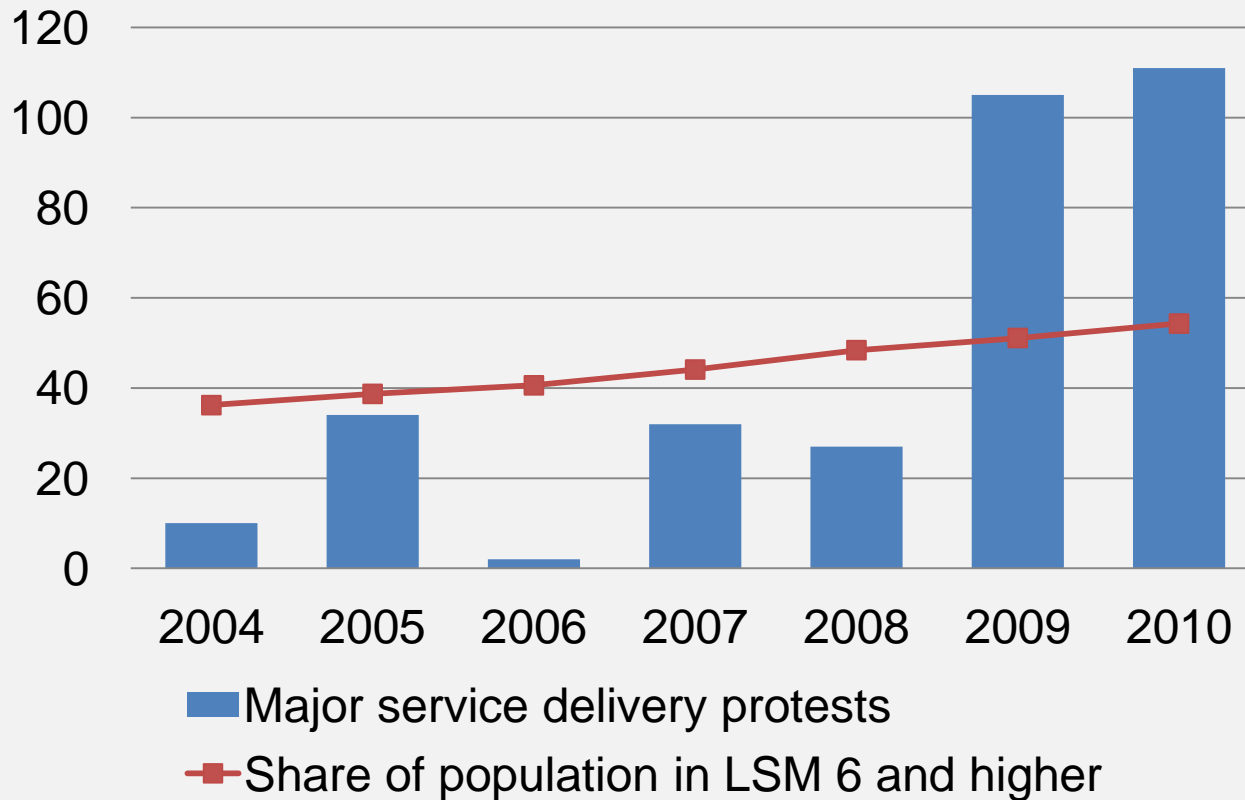
Data sources: SARB

Note : The debt-to-disposable-income ratio represents the total value of household debt outstanding, expressed as a percentage of total household disposable income.

***Government and private sector
becoming a victim of delivery, unable
to keep up the pace of life quality
improvements for the household
sector***

POLITICAL DRIVERS

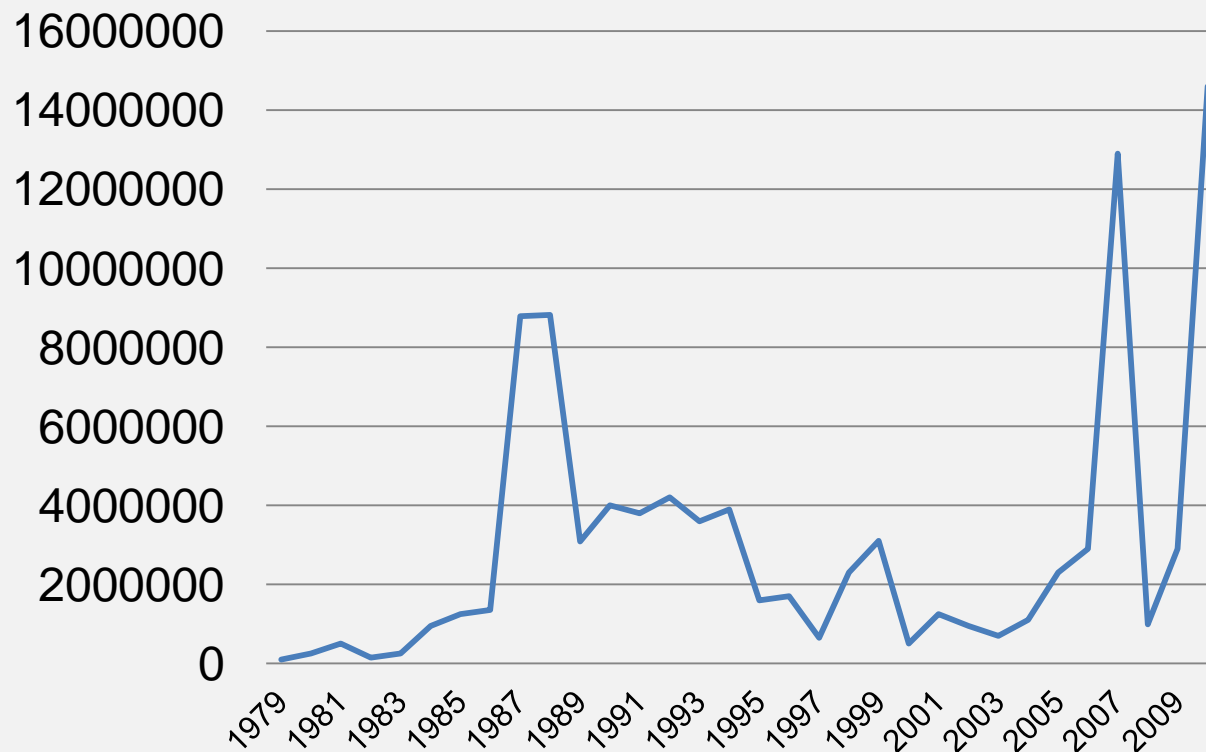
Major service delivery protests (2004-2010)



Source: Institute for Race Relations

ECONOMIC DRIVERS

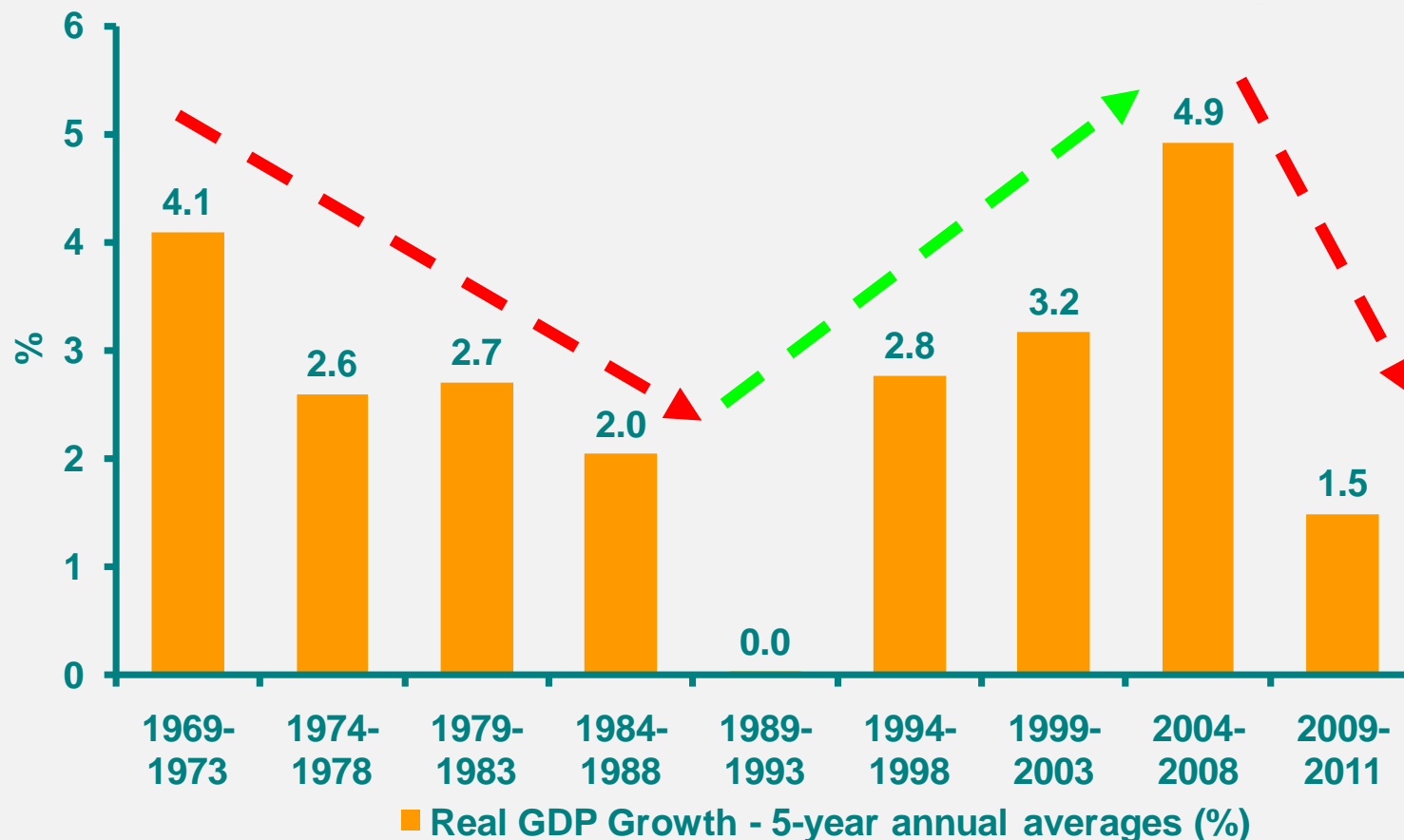
Mandays lost in strike action (1979-2010)



Source: Institute for Race Relations

SA long-term economic growth rate trends

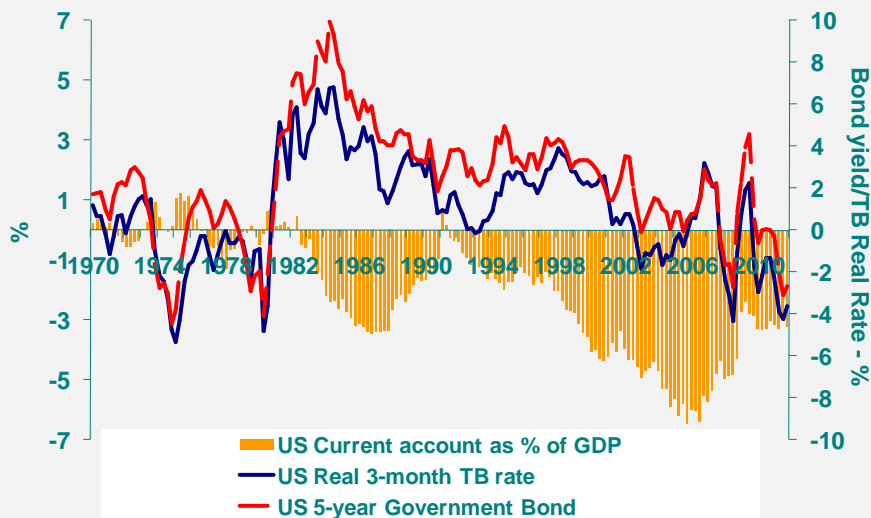
Real GDP Growth: 5-year annual averages



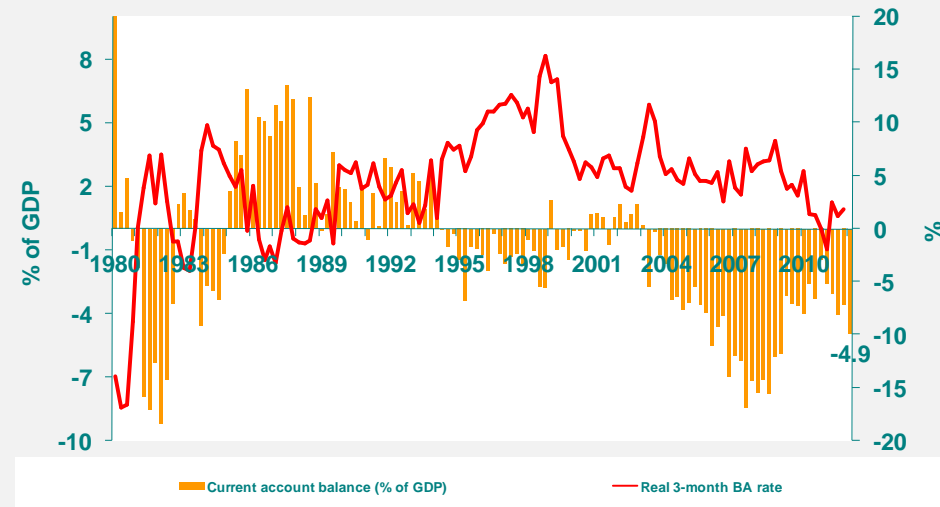
The Response and Impact

And interest rate policy looks increasingly US-like, ignoring huge deficits

US Current Account vs US Interest Rates

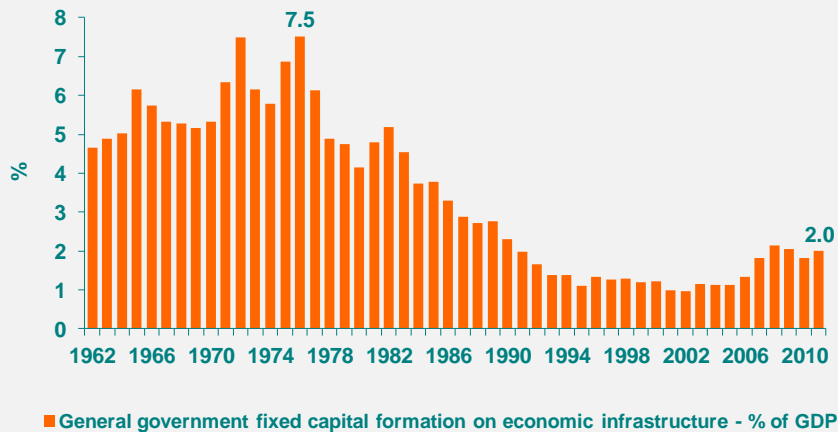


Current Account as Percentage of GDP

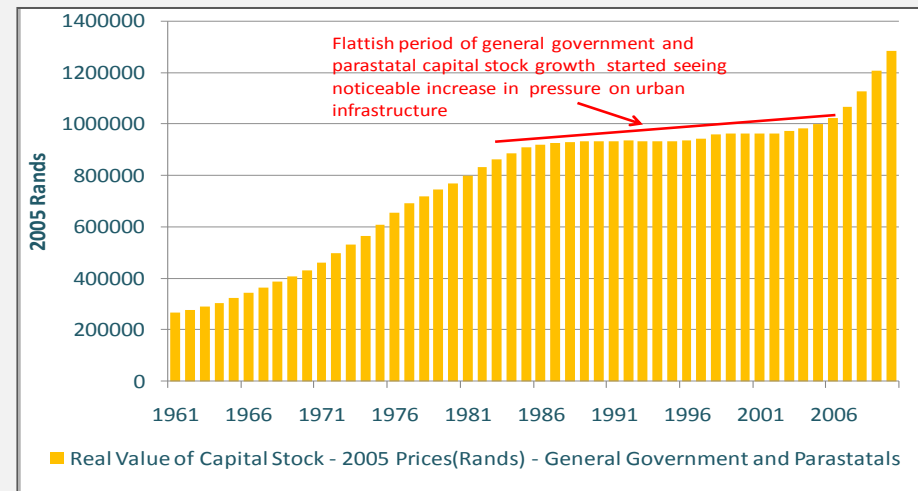


Long-term fiscal weakness continues to constrain economic fixed investment, although improvement has started

General Government Economic Infrastructure investment

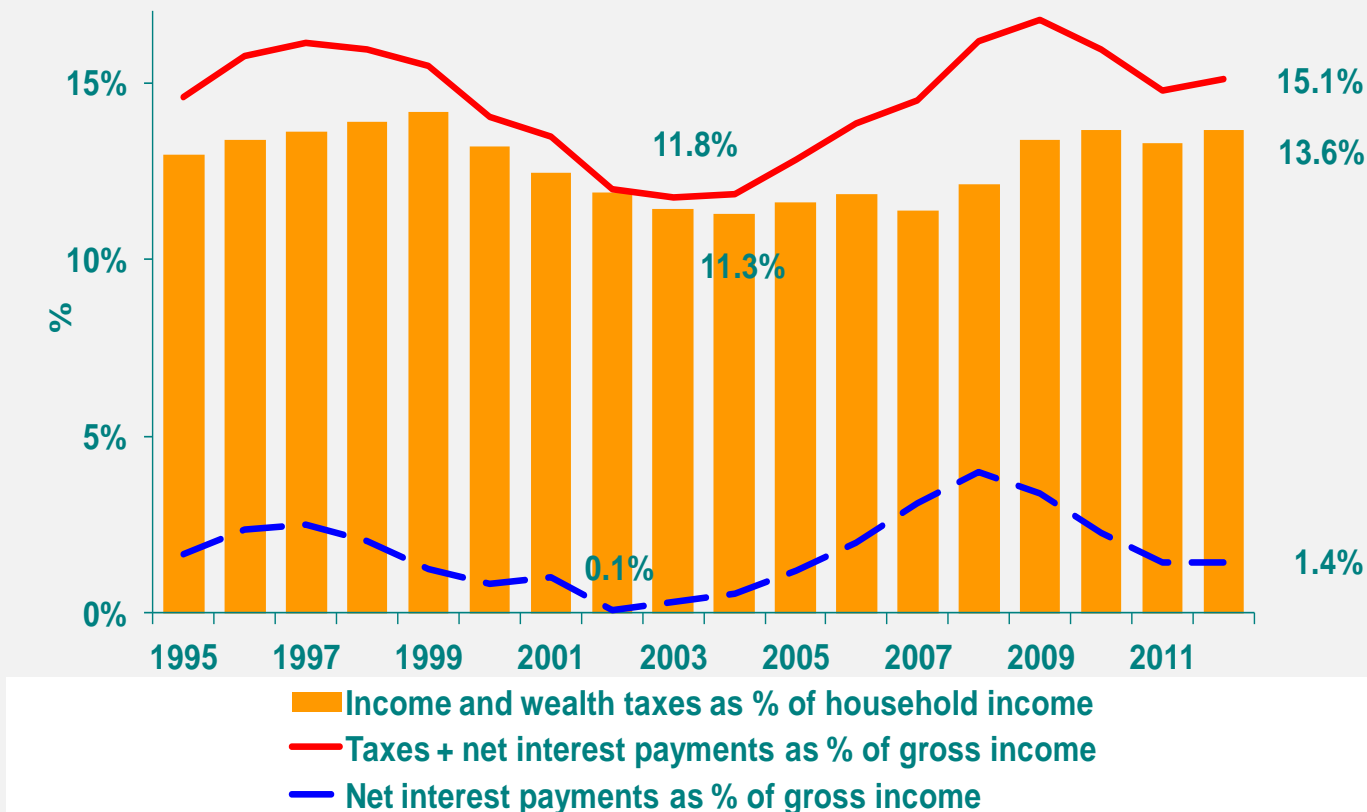


Real Value of Capital Stock of General Government and Parastatals



Personal tax burden – set to rise once more

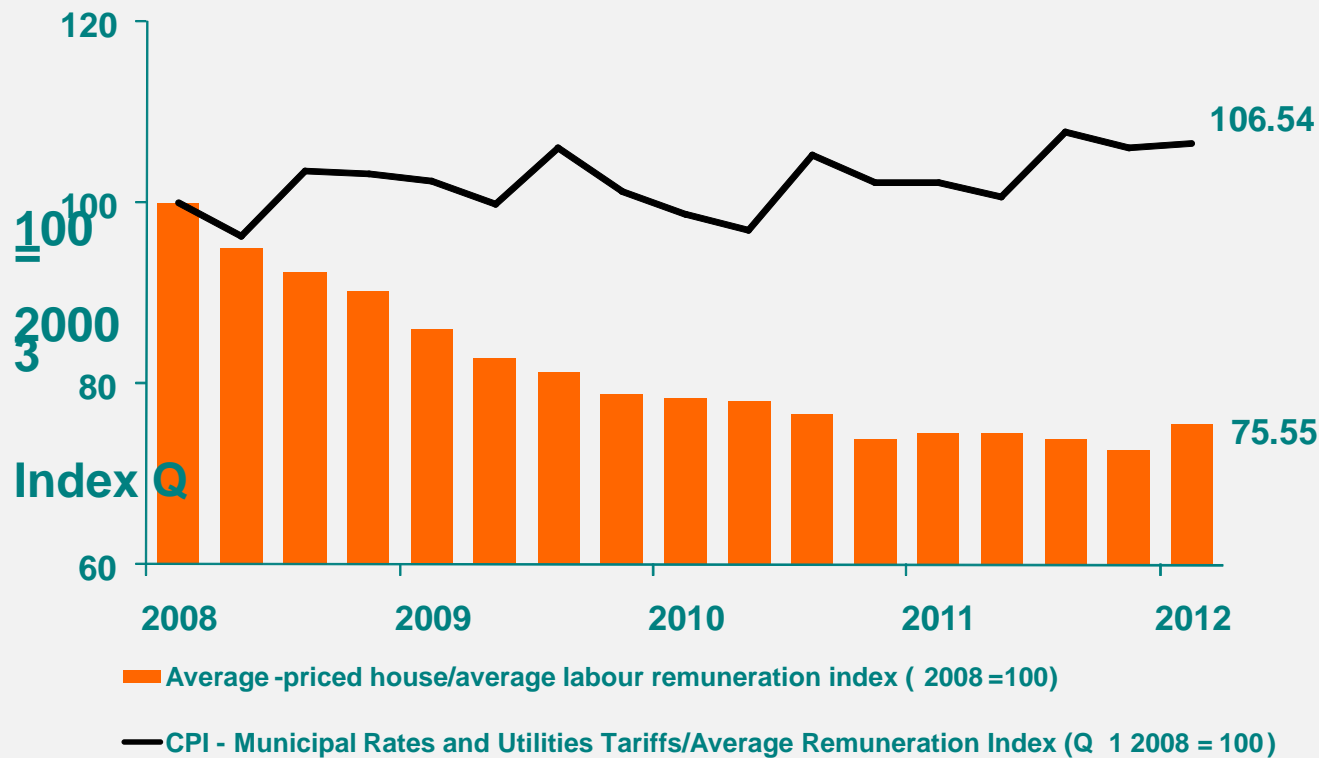
Direct household impact of tax and monetary policy measures



Data sources: SARB

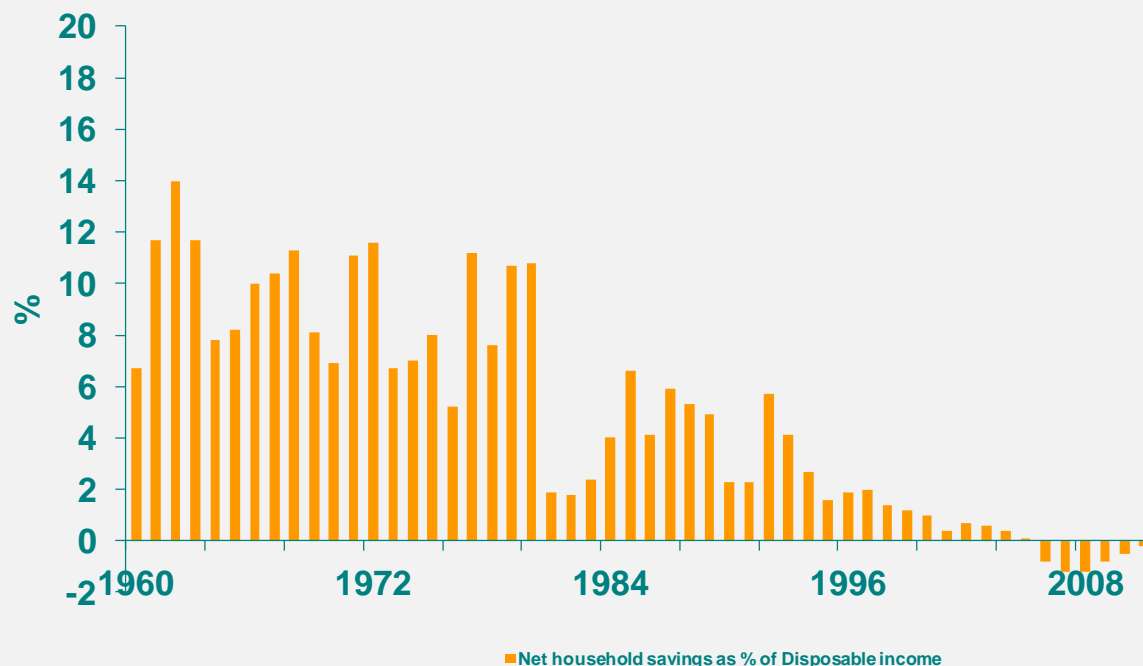
Fiscal constraints – a negative for housing affordability

Affordability of homes vs Municipal rates and tariffs



Household net saving cut to the bone

SA household net savings rate



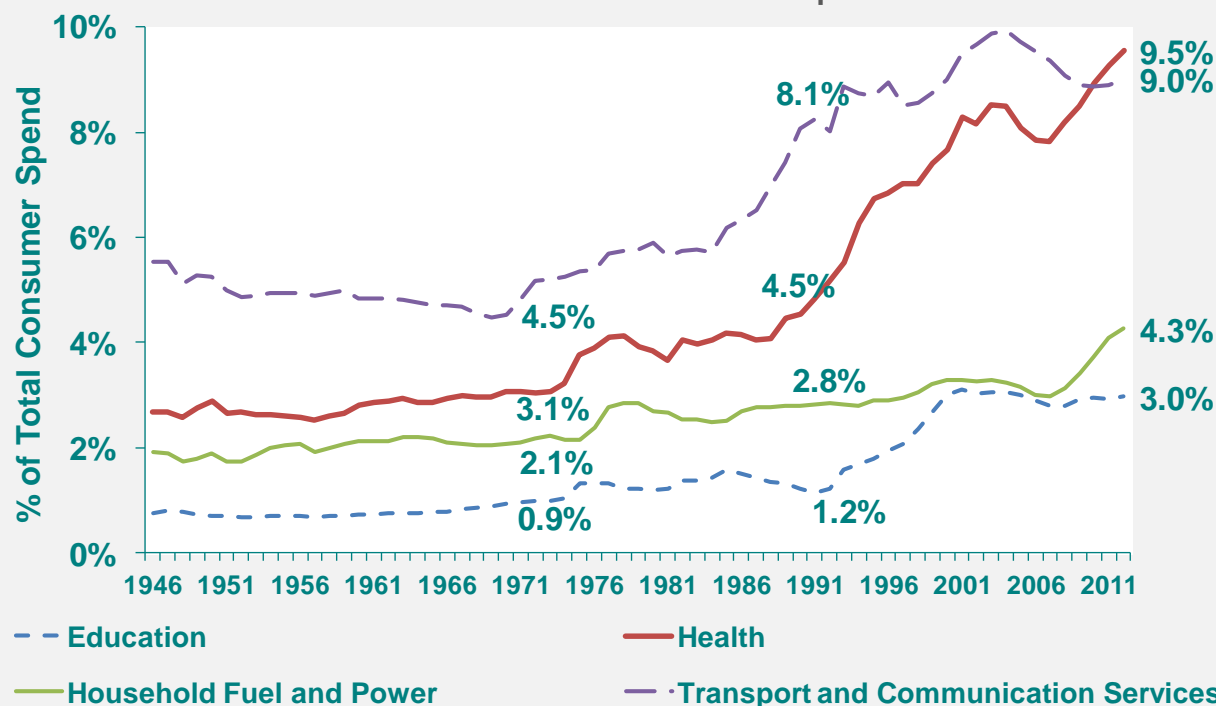
- Household sector net savings rate remains woeful, having recorded a 0% of disposable income rate for the 2nd consecutive quarter as at Q3 2012.

Data sources: FNB; SARB

Note: Household sector net savings rate refers to gross saving adjusted for depreciation on fixed assets owned by the household sector, expressed as a percentage of disposable income.

Consumer pressures aren't just about government

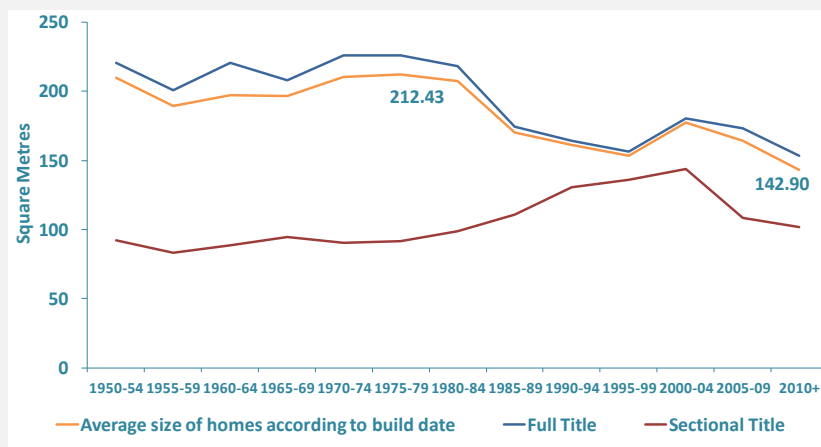
Selected consumption categories' share of total household consumption



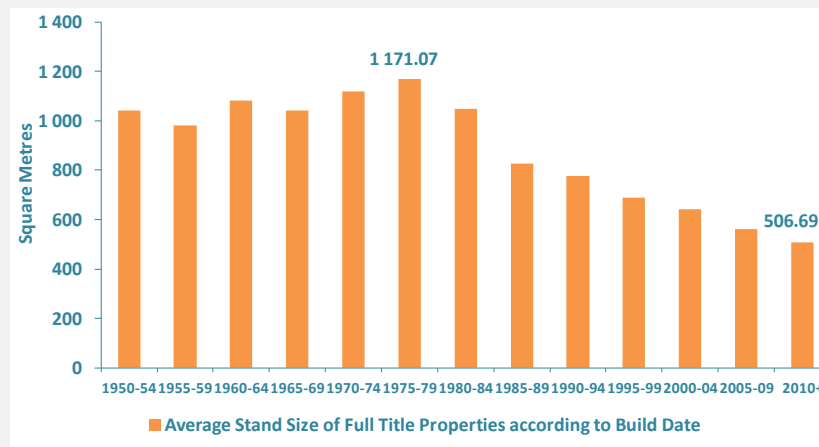
- Cumulatively, these four categories of Transport and Communication Services, Health, Education, and Household Fuel and Power, share of total household consumption has risen from 10.6% in 1970 to 16.6% in 1990, and further to 25.8% by 2011.
- Thus, more than doubling their share in 42 years.

Disorderly urban densification the result

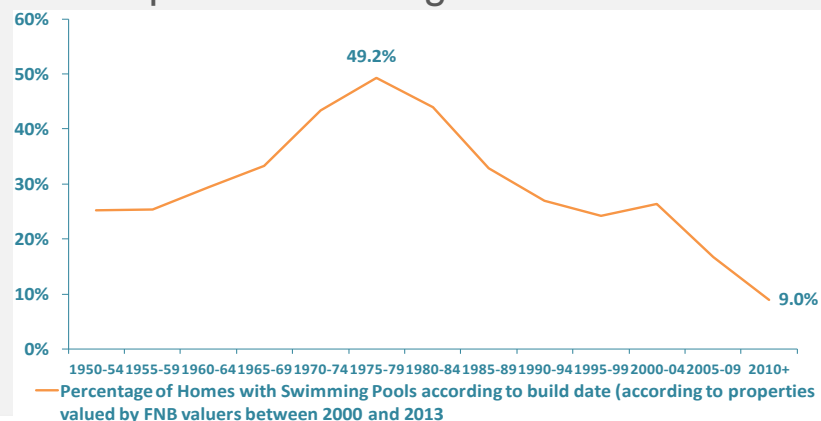
Average size of homes according to build date (square metres)



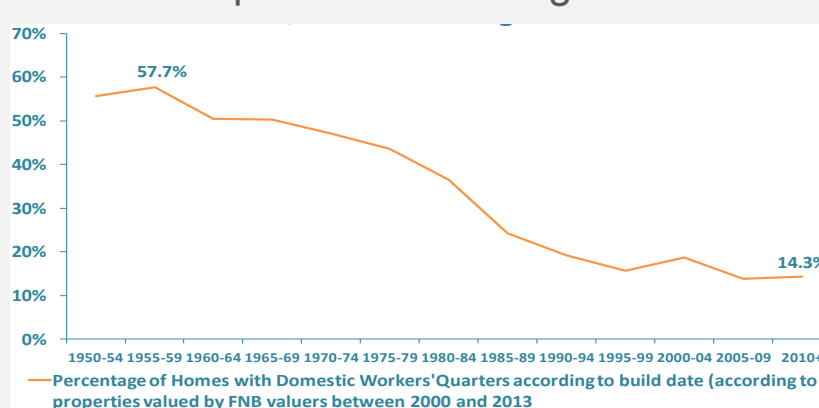
Average size full title stands according to build date (square metres)



Percentage of homes with swimming pools according to build date



Percentage of homes with domestic workers' quarters according to build date



So what does the future SA consumer look like?

- Low savings
- Heavily taxed
- Densifying
- Overweight and unhealthy
- Having to spend heavily on services where government continues to struggle to deliver
- Ageing

*So, **yes**, real price levels will
need to decline further*

Questions and Answers



Inside the Mind of Today's Consumer

MIKE STOPFORTH

The founder and CEO of Cerebra, an integrated strategic communication agency that builds, engages and activates communities around brands.

Northcotehouse.com.au



Northcotehouse.com.au

- Sold on auction \$135 000 above reserve
- 33% above the average in the area

AUTHENTICITY

“Ask the one who has lived here for years to impart his knowledge...”

Genuine love for the home

Extensive local knowledge



You Don't Know Jack

An introduction to Information Age
Customers and what they mean for
your business

By Mike Stopforth

Meet JACK



JACK is a “Journalist”

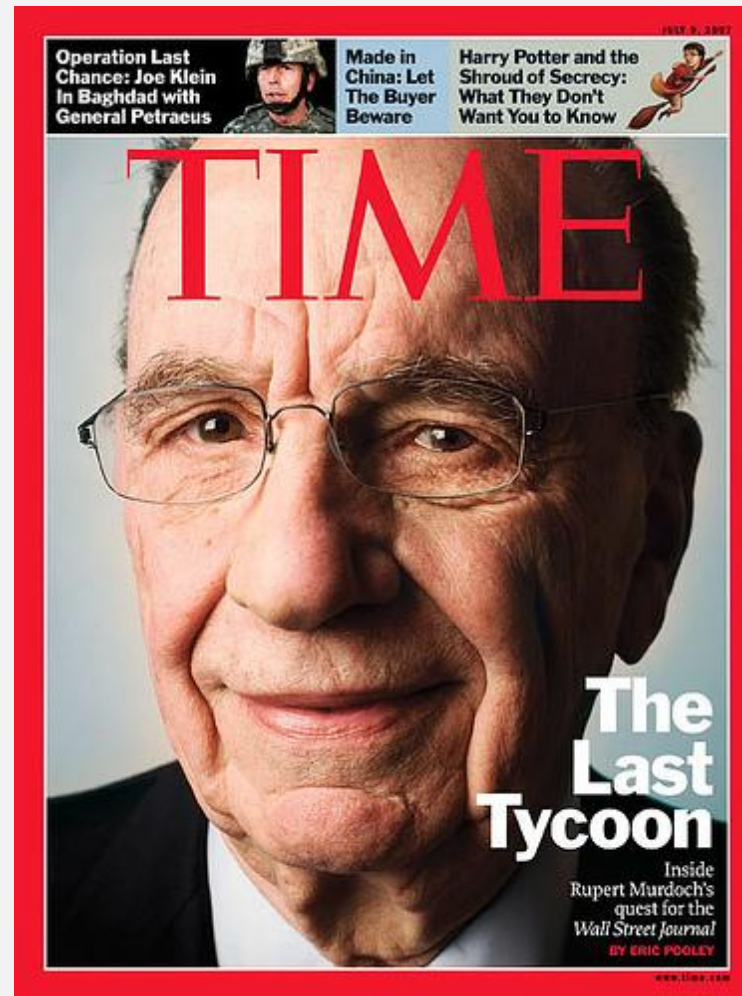
When ordinary people start to PUBLISH,
extraordinary things start to happen

JACK is a “Journalist”

“To find something comparable, you have to go back 500 years to the printing press, the birth of mass media – which, incidentally, is what really destroyed the old world of kings and aristocracies.

Technology is shifting power away from the editors, the publishers, the establishment, the media elite. Now it’s the people who are taking control.”

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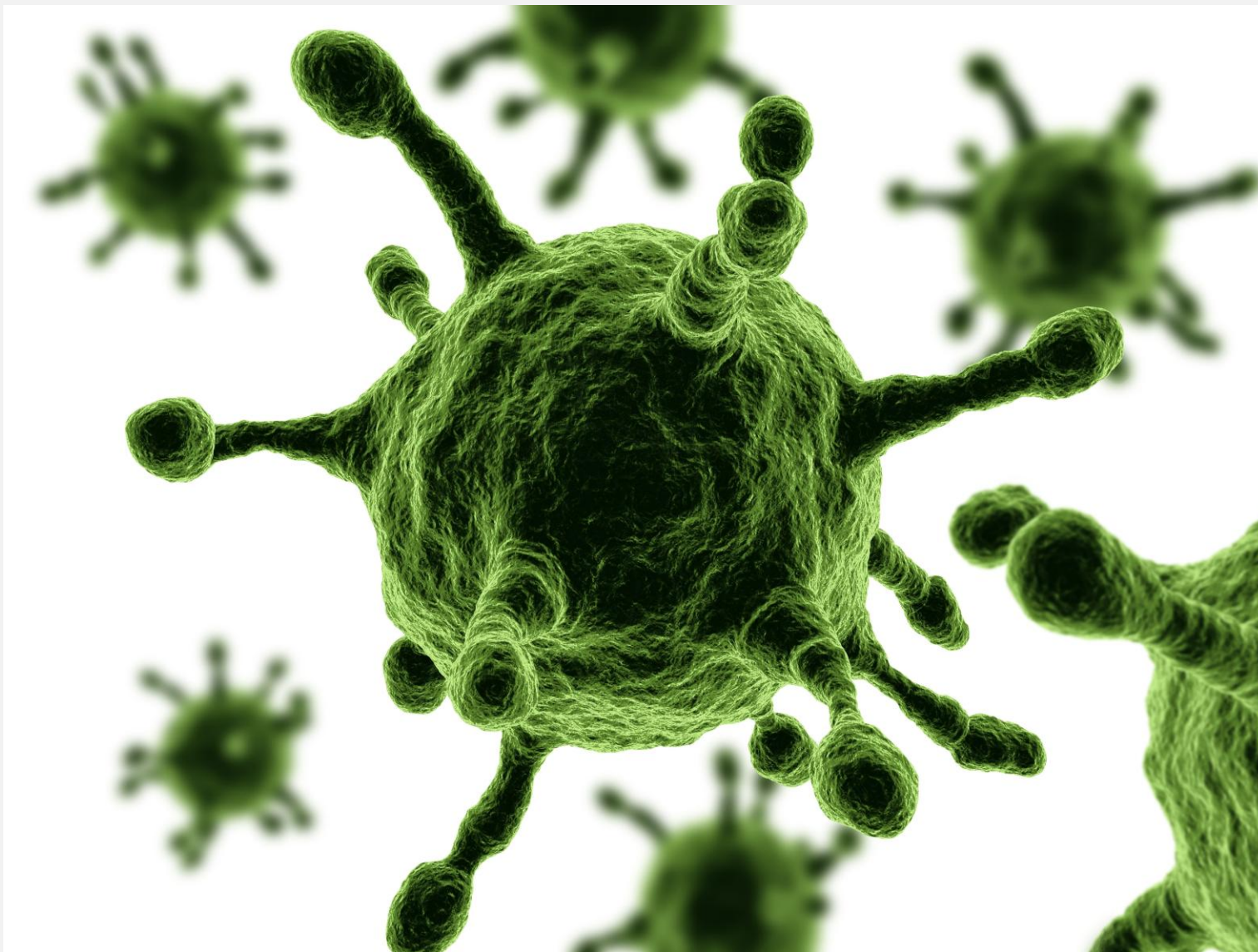
Technology is shifting power away from the editors, the publishers, the establishment, the media elite. Now it’s the people who are taking control.”



YouTube by the numbers

- More than 1 billion unique users each month
- 6 billions hours of video watched each month
- 100 hours of video uploaded every minute

www.youtube.com/yt/press/statistics.html



“Viral” is not a technology,
viral is a BEHAVIOUR

JACK is a “Journalist”

It is the principles and values of social engagement
and collaboration, NOT the platforms,
that are changing JACK

JACK is a “Journalist”

What values are you promising then?

- You promise intimacy
- You promise immediacy
- You promise empathy
- You promise humanity
- You promise personality



JACK is a “Journalist”

Extraordinary power, almost zero guidelines



JACK is Active (not Passive)

JACK is actively building his “brand”

JACK is Active (Not Passive)

Followed by 45 000 people on Twitter

Over 310 000 likes on Facebook

140 000 000 views on YouTube!

Humansdorp

jaapvlooi@gmail.com



JACK is Connected

“A powerful global conversation has begun. Through the Internet, people are discovering and inventing new ways to share relevant knowledge with blinding speed.

As a direct result **markets are getting smarter** – and getting smarter **faster than most companies.**”

JACK is Connected

“... employees are getting hyperlinked even as markets are. Companies need to listen carefully to both.

Mostly, they need to get out of the way so **intranetworked employees** can converse directly with **internetworked markets**.”

- www.cluetrain.com

Your Brand

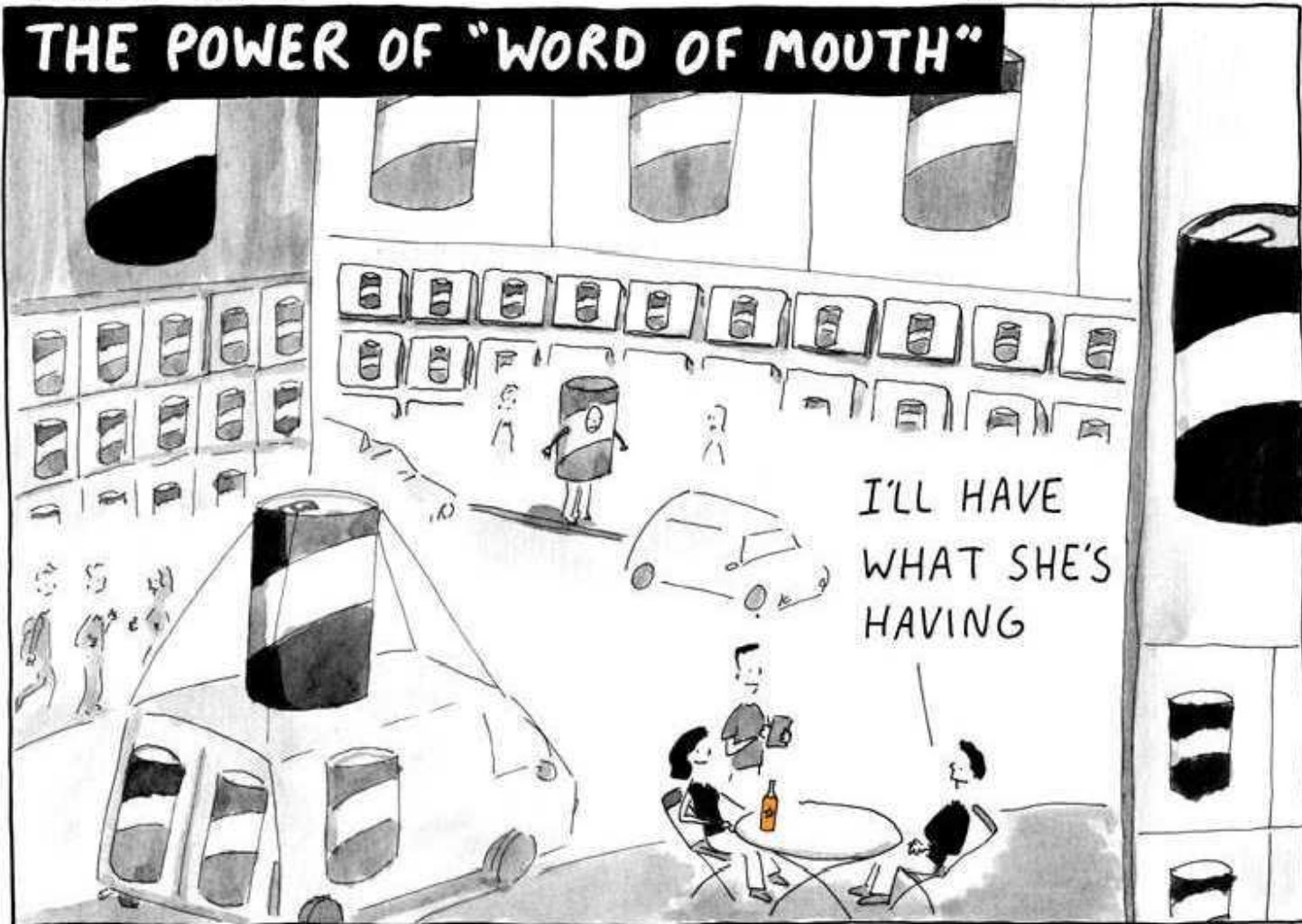
is what people tell their friends it is

What happens when your customer is a journalist,
is actively building his or her brand
and is more connected than ever before?

BRAND CAMP

by Tom Fishburne

THE POWER OF "WORD OF MOUTH"



© 2005

SKYDECKCARTOONS.COM

JACK is Knowledgeable



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Find results on Ask.com.

[Eland's Valley](#)

www.elandsvalley.co.za/ ▾

Private Bird and Game Sanctuary
Dullstroom, South Africa





Nick Jackson @nickjackson

9m

@mikestopforth Shout-out to one of my fav movies, American Beauty, and "lagoon-like" pool.

[View conversation](#)



Kerry Haggard @KerryHaggard

9m

@mikestopforth "old world charm", "traditional home". My dad used to say estate agents are so crooked they can't lie straight in bed...

[View conversation](#)



Priya Unger @rogue

10m

@mikestopforth "charming cottage" = old and creaky!

[View conversation](#)



Roger Hislop @d0dja

10m

@mikestopforth "vibey area" (noisy and dangerous at night) / "generous size rooms" (very very marginally bigger than not very big)

[View conversation](#)



Antoinette Muller @mspr1nt

11m

@mikestopforth Quaint with old world charm.

[View conversation](#)



Kevin Welman @kevin_welman

11m

@mikestopforth Hollywood Garages (just a door, no walls)

[View conversation](#)



buddhalicious @imtithaald

12m

@mikestopforth fixer-upper in need of some TLC

[View conversation](#)



Tamryn Grobler @tamryntam

4m

@mikestopforth I'm too sexy for my walls! I actually saw that one today!

[View conversation](#)



Nicolas Callegari @ncallegari

5m

@mikestopforth "Well appointed", "Lock-up-and-go", "Buyer's Delight", "Sought-After", "Bring life and laughter", "Tastefully renovated"

[View conversation](#)



James BP @jambarpou

6m

@mikestopforth "Charming & cosy" "In need of a little TLC" "No need to spend a cent" "Not to be missed"

[View conversation](#)



Wendy Tayler @WendyTayler

7m

@mikestopforth 'cozy' (cramped), 'needs TLC' (needs a sledgehammer/prepare for debt), 'quaint' (built the same year your gran was born).

[View conversation](#)



Brenche Loubser @_GoldenArm

8m

@mikestopforth "...in a popular, sought after area"

[View conversation](#)



Fred Felton @fredfelton

8m

@mikestopforth Sea Views (From 50kms away) :)

[View conversation](#)



Nicolene de Beer @ndebeer105

9m

@mikestopforth 2 houses for the price of 1

[View conversation](#)

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THE HOME FRONT

The Real Estate Euphemism Pocket Translator

By LUKE MULLINS

September 9, 2008 | [RSS Feed](#) | [Print](#)

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Hunting for real estate can take prospective buyers through a jungle of confusing jargon and misleading euphemisms. But the National Association of Exclusive Buyer Agents has released a report that attempts to decode the lingo and help buyers read between the lines.

From [the National Association of Exclusive Buyer Agents](#):

This was a very informal survey of our Exclusive Buyer Agent members from around the country. Members were asked to

THE HOME FRONT

Associate Editor **Luke Mullins** tracks the treacherous housing market and explains how to unload a five-bedroom McMansion or even find that dream home.



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What you can do about JACK

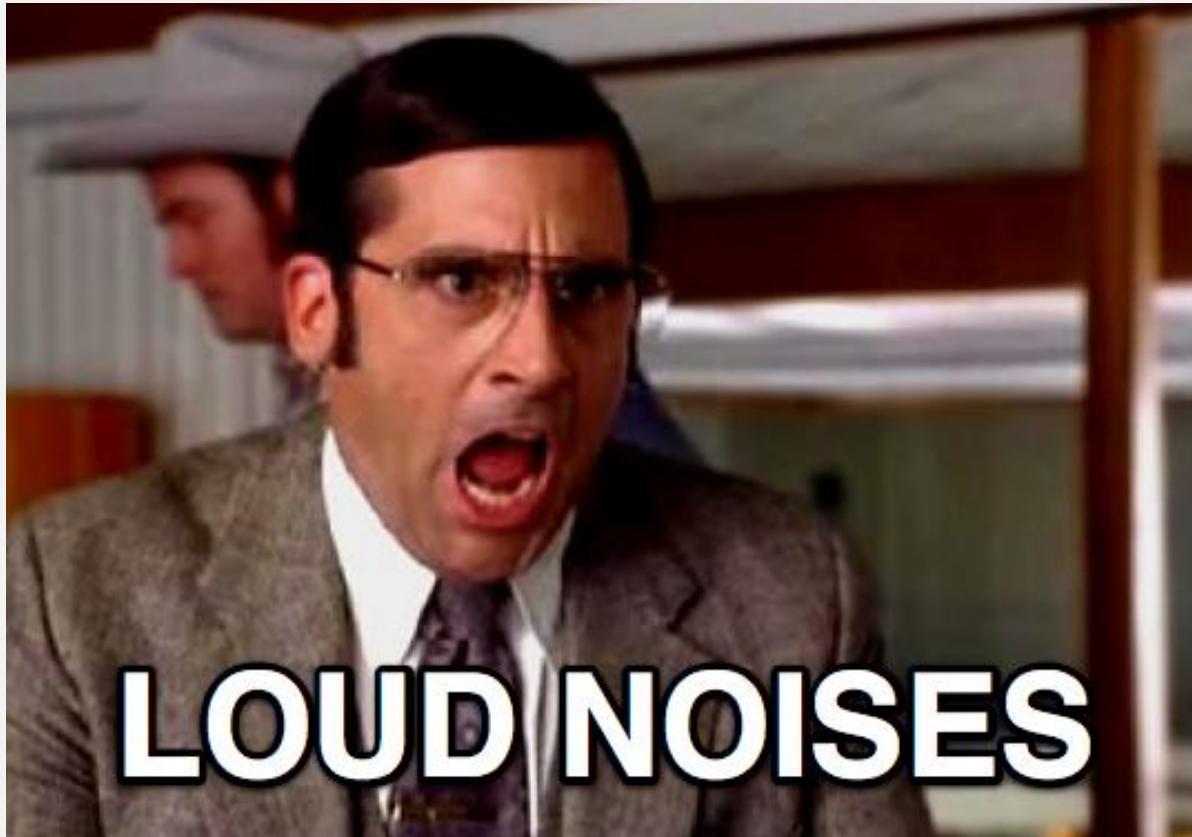
“Personality” might be the only differentiator you have left!

You cannot bank on NECESSITY and GEOGRAPHY





Broadcasting → Conversation



Campaigns → Communities



Customers → Partners

The screenshot shows the Dell IdeaStorm website interface. At the top, there's a navigation bar with the Dell logo, links for Shop, Support, and Community, and a search bar. Below this is a large blue banner with the text "IdeaStorm can help take your idea and turn it into reality." and a "SUBMIT YOUR IDEA" button. A statistics bar below the banner states: "OVER 17,401 IDEAS SUBMITTED. 737,583+ VOTES. 96,168+ COMMENTS. 501+ IDEAS IMPLEMENTED." The main navigation bar includes links for IDEAS, STORM SESSIONS (in progress), and SUBMIT YOUR IDEA. On the right, there are links for Member Login and Join IdeasStorm.

Featured

1 / 2 / **3** / 4 / 5

Optiplex AIO

Posted by: principia

I would like to see a Dell Optiplex business class All-In-One. It would reduce our support costs as ...

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Contributor	Points	Ideas	Votes	Last Activity
phubert	15624	359	5501	Feb 3, 2012
winoffice	8014	108	1175	May 23, 2012
yesmathew	7937	12		

The Anatomy of a Complaint



Thanks JACK



Questions and Answers

@mikestopforth

www.mikestopforth.com

Lucky Draw!





The Future Signed and Sealed with E-Signatures

RIVAJ PARBHU

*Working on a number of key projects including
the first implementation of electronic signatures
in the conveyancing industry.*

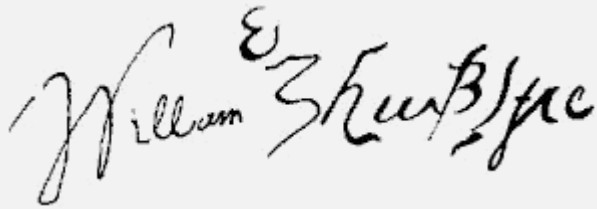
My aim for today...

- Cover the basic concepts around digital signatures
- Place digital signatures into a South African context
- Cover the potential applications within our industry
- Promote and facilitate an ongoing discussion

Signatures – why do we sign anyway?

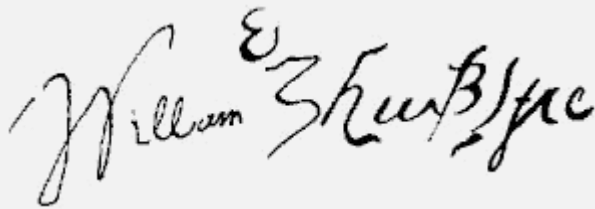
- Identity/provenance

I sign this document to show it is authentic

A handwritten signature in black ink, reading "William E. Schubert". The signature is written in a cursive style with a large, stylized "W" and "S".

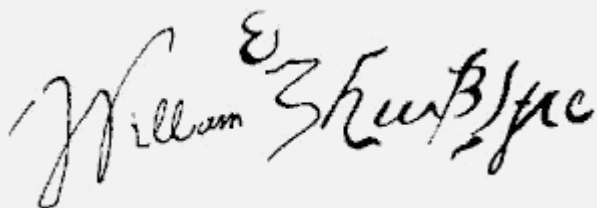
Signatures – why do we sign anyway?

- Identity/provenance
I sign this document to show it is authentic
- Intent
I sign this document to record that the contents reflect my intent

William ShakespeareJohn Hancock

Signatures – why do we sign anyway?

- Identity/provenance
I sign this document to show it is authentic
- Intent
I sign this document to record that the contents reflect my intent
- Authenticity
I have signed this document

A handwritten signature in black ink that reads "William Shakespeare". The script is cursive and somewhat stylized, with a large 'S' at the end.A large, bold, handwritten signature in black ink that reads "John Hancock". The signature is highly stylized with a large, sweeping 'J' and a decorative flourish at the end.

Signatures – why do we sign anyway?

The image shows two handwritten signatures. The top one is 'William Shakespeare' in a cursive script. The bottom one is 'John Hancock' in a more formal, stylized cursive script.

- Identity/provenance
I sign this document to show it is authentic
- Intent
I sign this document to record that the contents reflect my intent
- Authenticity
I have signed this document
- Non repudiation
It looks like my signature but it wasn't me!

Signatures – why do we sign anyway?

William Shakespeare

John Hancock



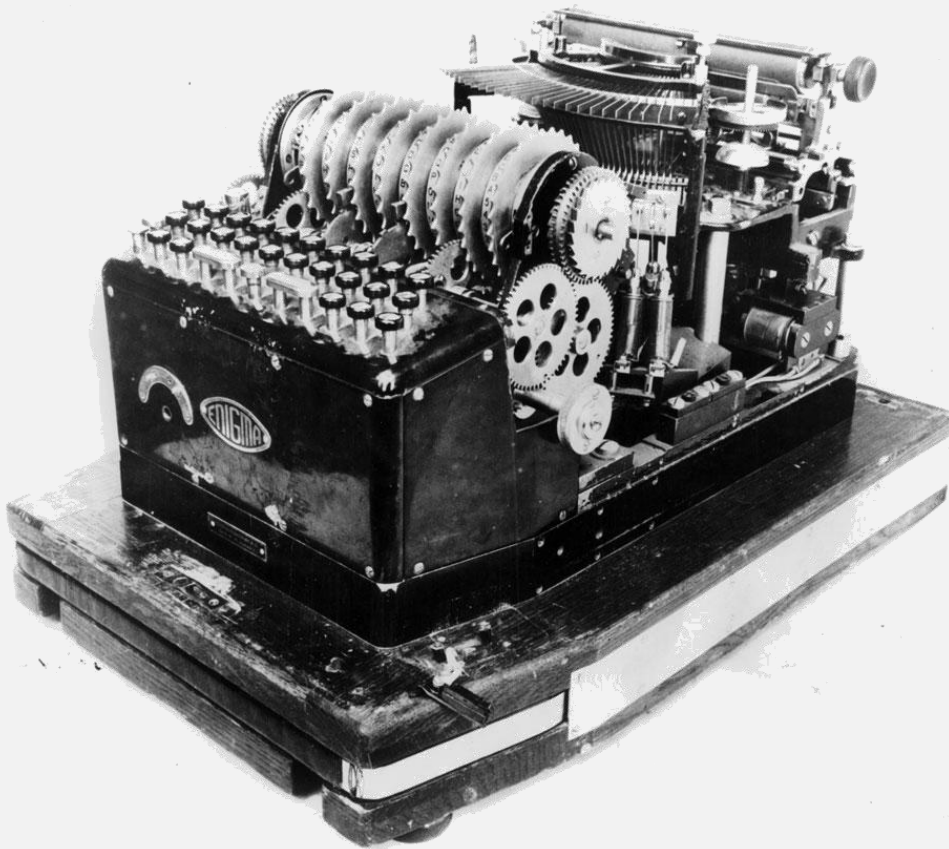
- **Identity/provenance**
I sign this document to show it is authentic
- **Intent**
I sign this document to record that the contents reflect my intent
- **Authenticity**
I have signed this document
- **Non repudiation**
It looks like my signature but it wasn't me!
- **Integrity**
I signed the document but someone changed it!

Encryption



- Between 1940 and 1942, German U-Boats presented the most significant threat to a blockaded Britain.
- The key to stopping these attacks was avoidance and knowing, in advance, where they would be.

Encryption



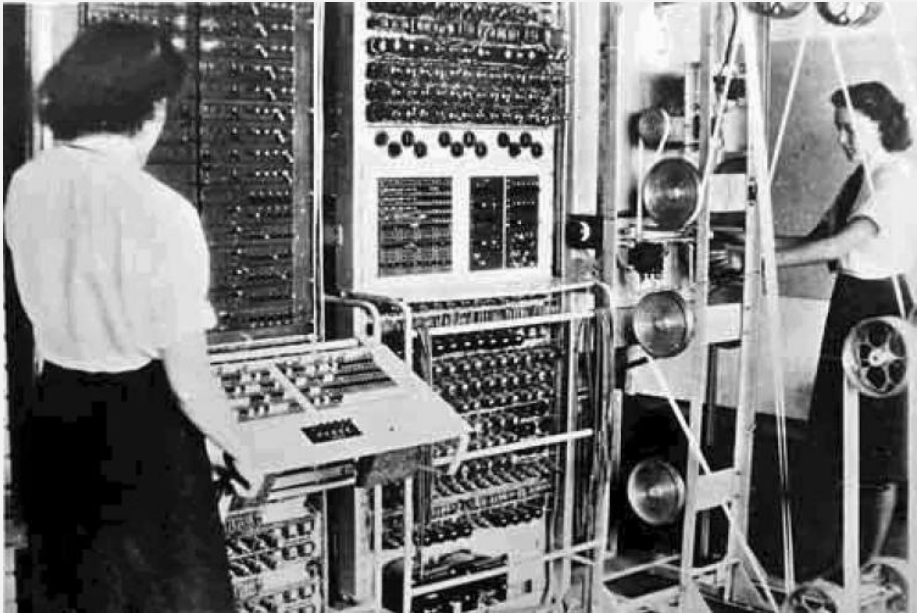
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- German Enigma Machine offered 158,962,555,217,826,360,000 combinations

Encryption



- Between 1940 and 1942, German U-Boats presented the most significant threat to a blockaded Britain.
- The key to stopping these attacks was avoidance and knowing, in advance, where they would be.
- German Enigma Machine offered 158,962,555,217,826,360,000 combinations.
- Alan Turing (1912-1954) OBE, FRS.

Encryption

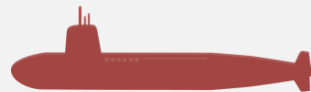
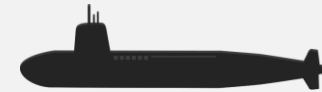


- Between 1940 and 1942, German U-Boats presented the most significant threat to a blockaded Britain.
- The key to stopping these attacks was avoidance and knowing, in advance, where they would be.
- German Enigma Machine offered 158,962,555,217,826,360,000 combinations.
- Alan Turing (1912-1954) OBE, FRS.
- Colossus: The worlds first programmable computer.

Encryption Methods – Private Key / Symmetric



Message = ACHTUNG

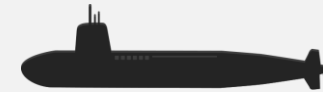


Encryption Methods – Private Key / Symmetric

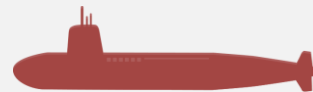


Message = ACHTUNG

Private Key = Move 1



Move 1 = Private Key



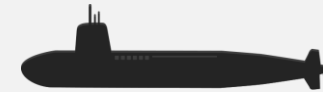
Encryption Methods – Private Key / Symmetric



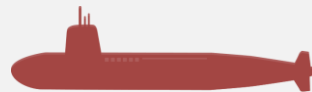
Message = ACHTUNG

Private Key = Move 1

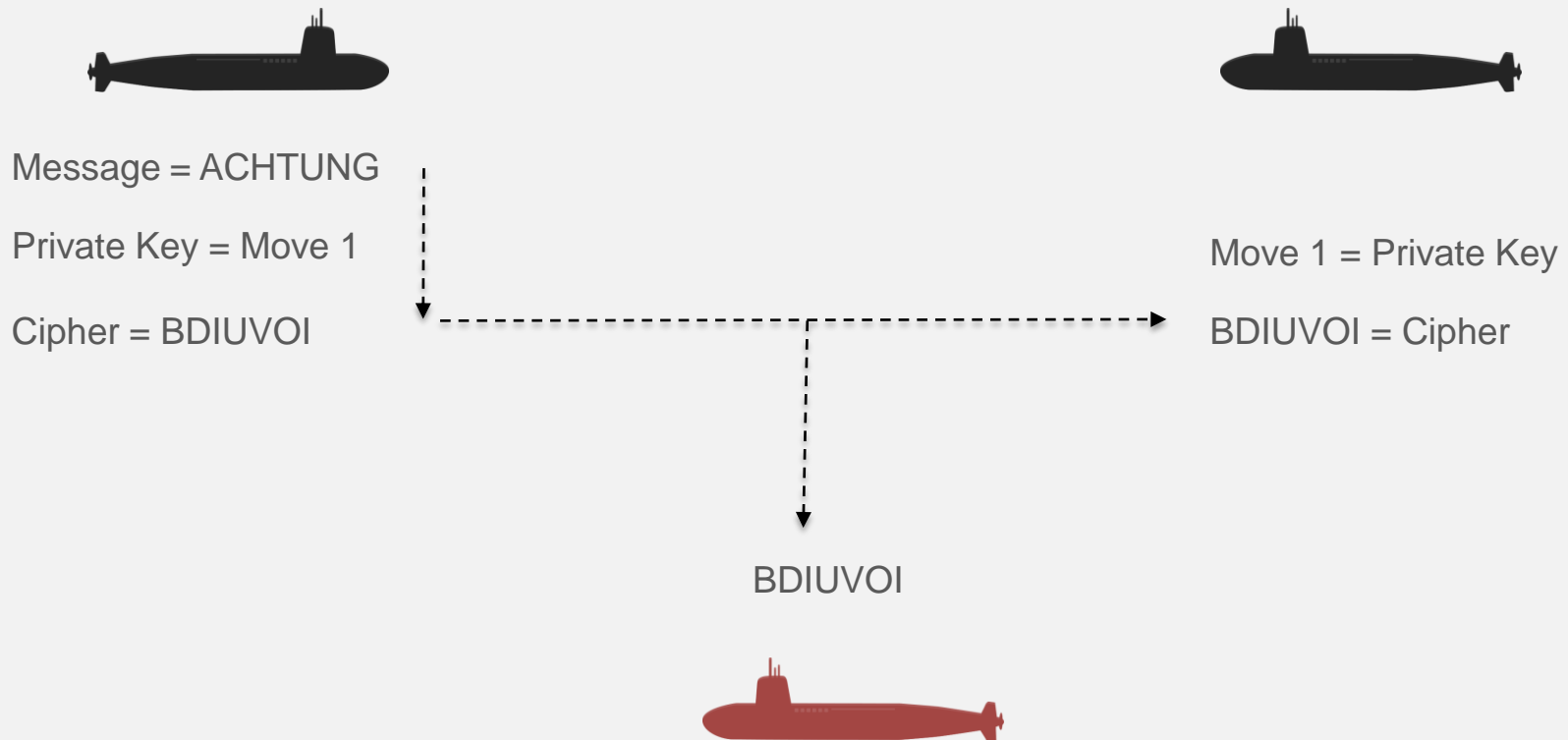
Cipher = BDIUVOI



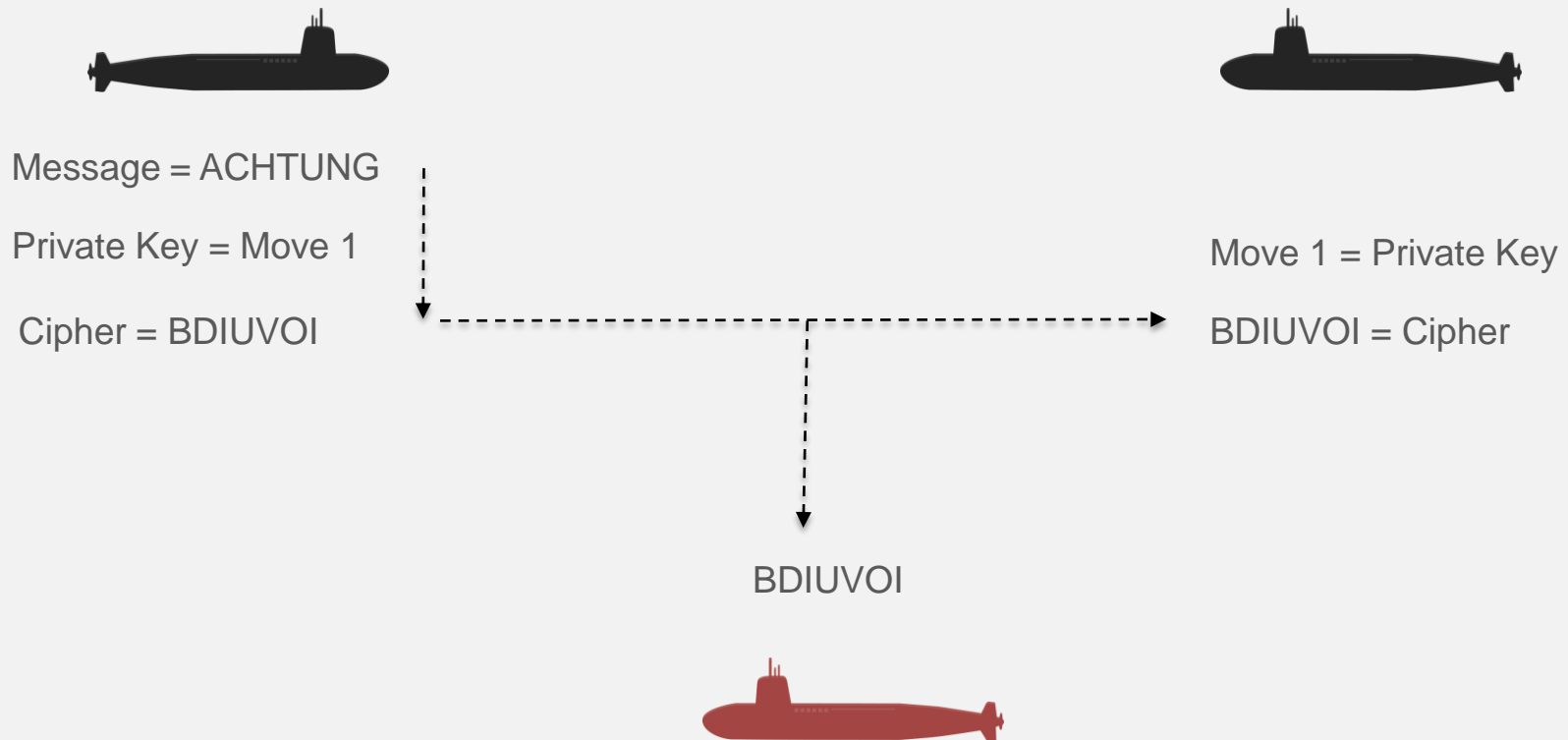
Move 1 = Private Key



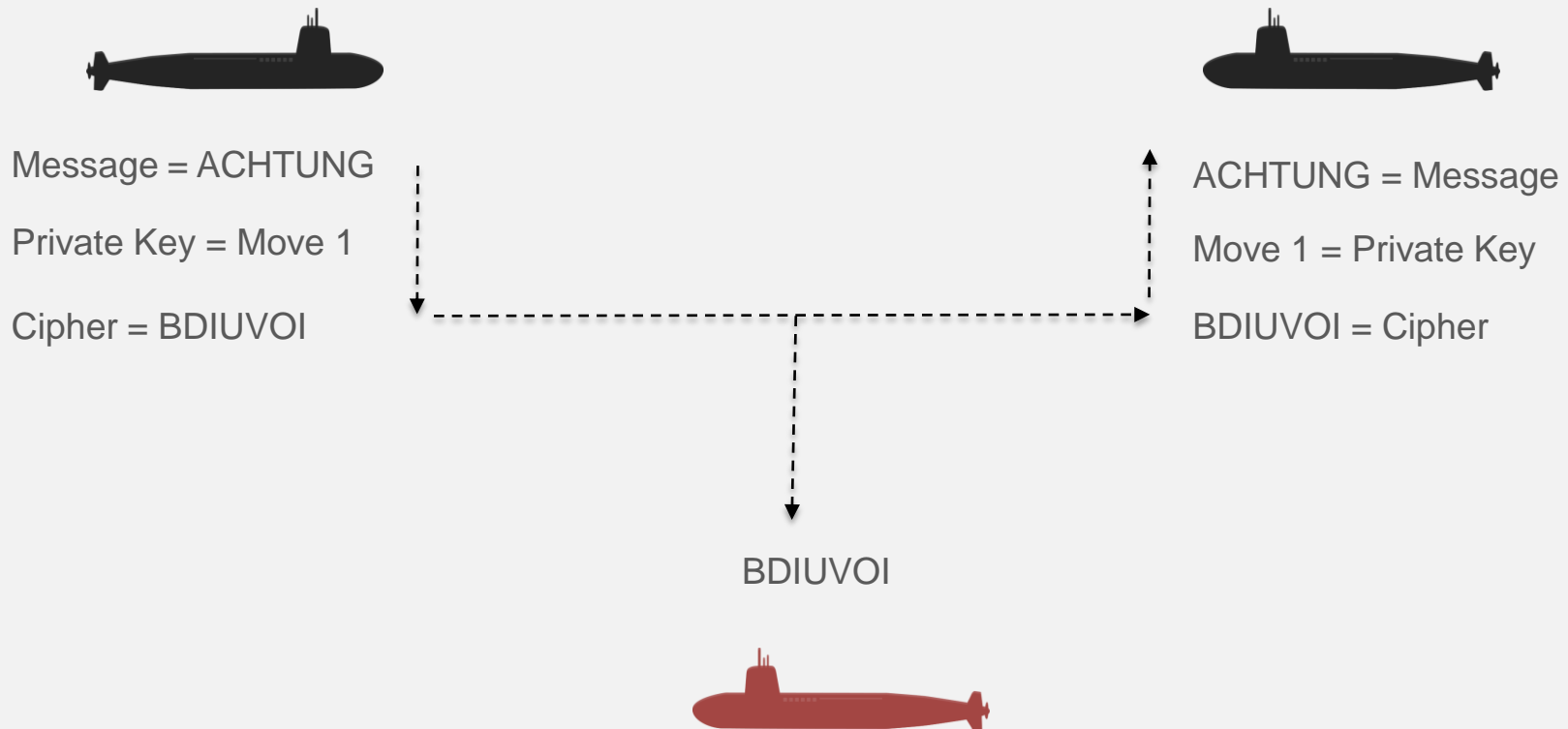
Encryption Methods – Private Key / Symmetric



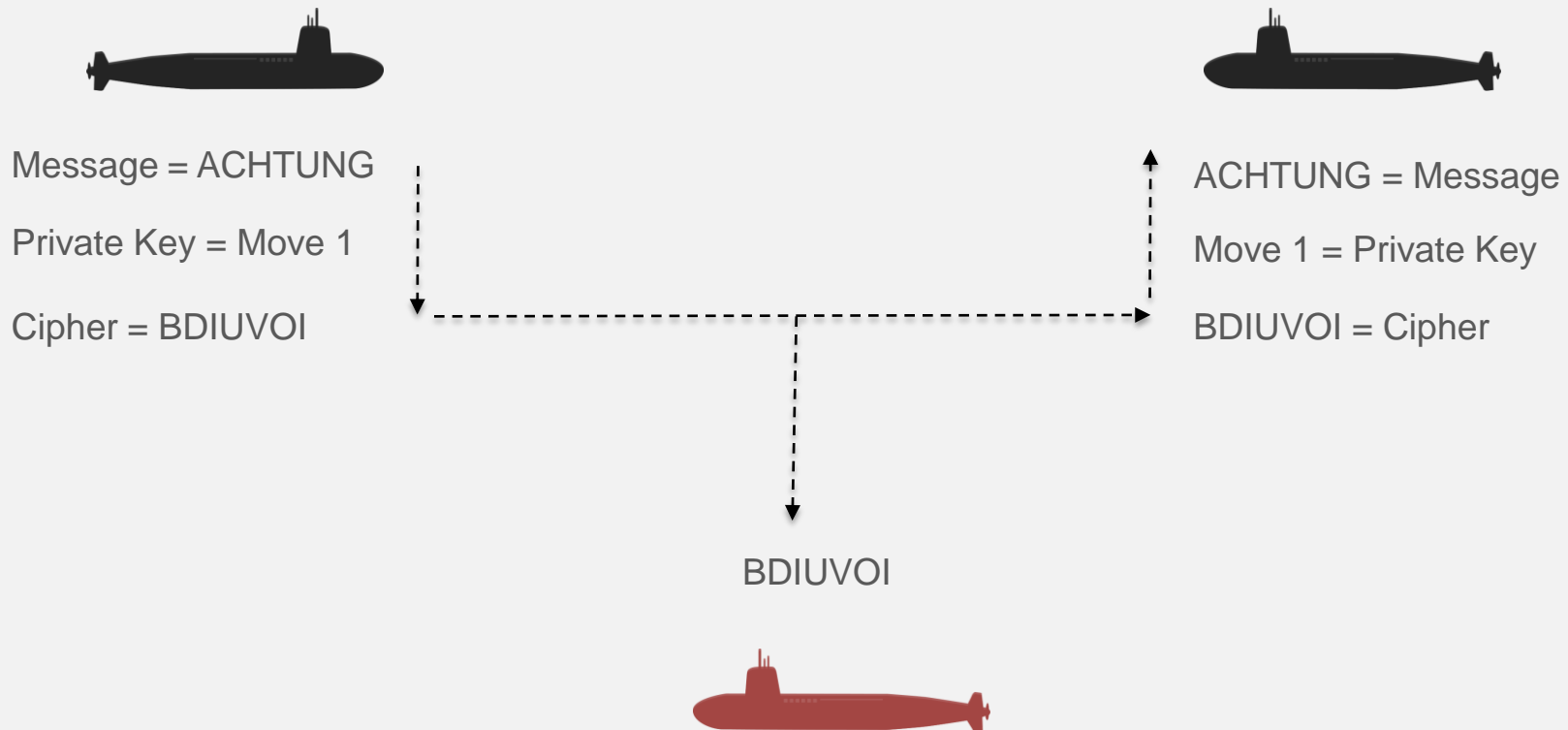
Encryption Methods – Private Key / Symmetric



Encryption Methods – Private Key / Symmetric



Encryption Methods – Private Key / Symmetric

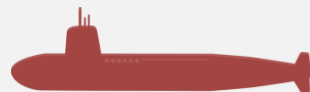


The major disadvantage was that both parties had to find some way of agreeing to private key. If they could not meet to agree, this encryption method was impossible.

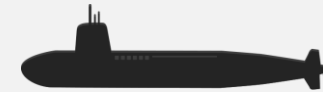
Encryption Methods – Public Key / Asymmetric



My Public Key = A1



Encryption Methods – Public Key / Asymmetric



My Public Key = A1 -----> A1 = His Public Key

A1



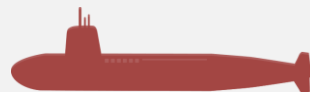
Encryption Methods – Public Key / Asymmetric



My Public Key = A1 -----> A1 = His Public Key

His Public Key = B1 -----< B1 = My Public Key

A1, B1



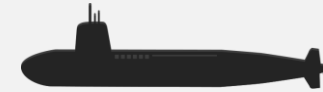
Encryption Methods – Public Key / Asymmetric



My Public Key = A1

His Public Key = B1

My Private Key = A2



A1 = His Public Key

B1 = My Public Key

B2 = His Private Key

A1, B2



Encryption Methods – Public Key / Asymmetric



My Public Key = A1

His Public Key = B1

My Private Key = A2



A1 = His Public Key

B1 = My Public Key

B2 = His Private Key

Discrete Logarithms with Prime Numbers

$$3^{4+16n} \equiv 3^4 \quad (3^{16})^n \equiv 13 \quad 1^n \equiv 13 \pmod{17}.$$



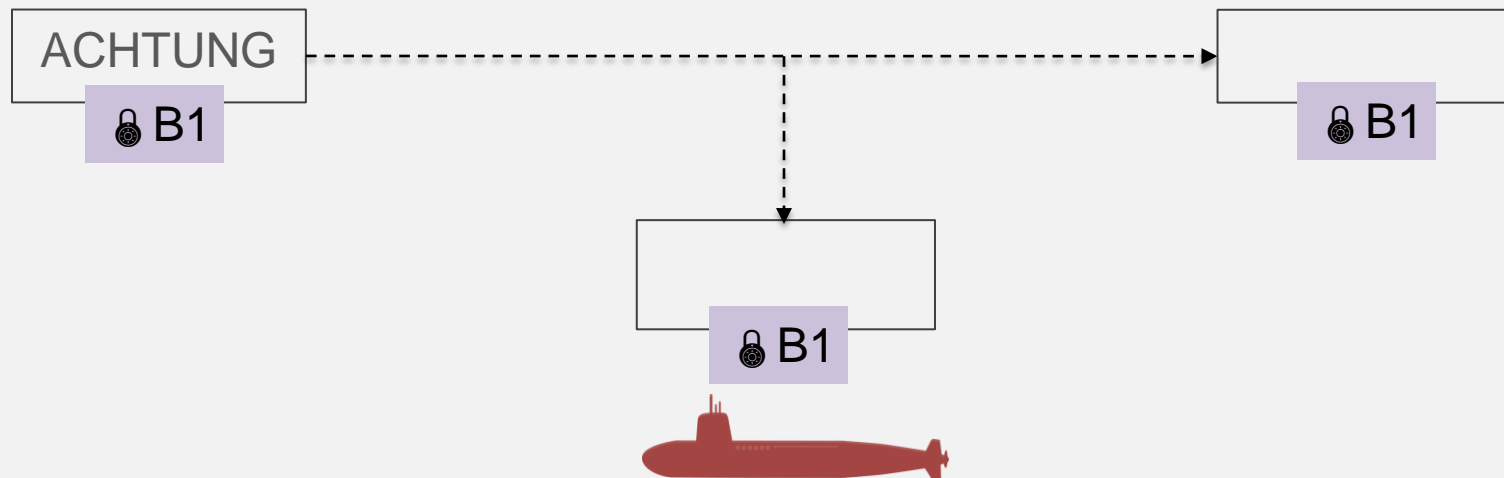
Encryption Methods – Public Key / Asymmetric



My Public Key = A1
His Public Key = B1
My Private Key = A2



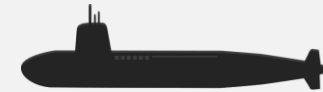
A1 = His Public Key
B1 = My Public Key
B2 = His Private Key



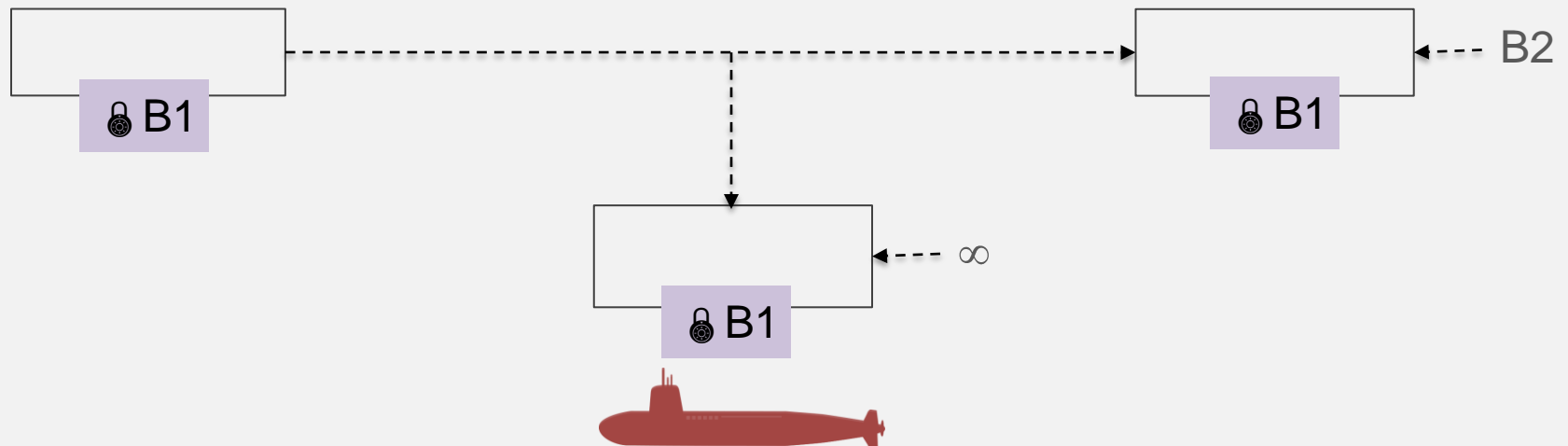
Encryption Methods – Public Key / Asymmetric



My Public Key = A1
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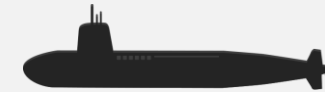
A1 = His Public Key
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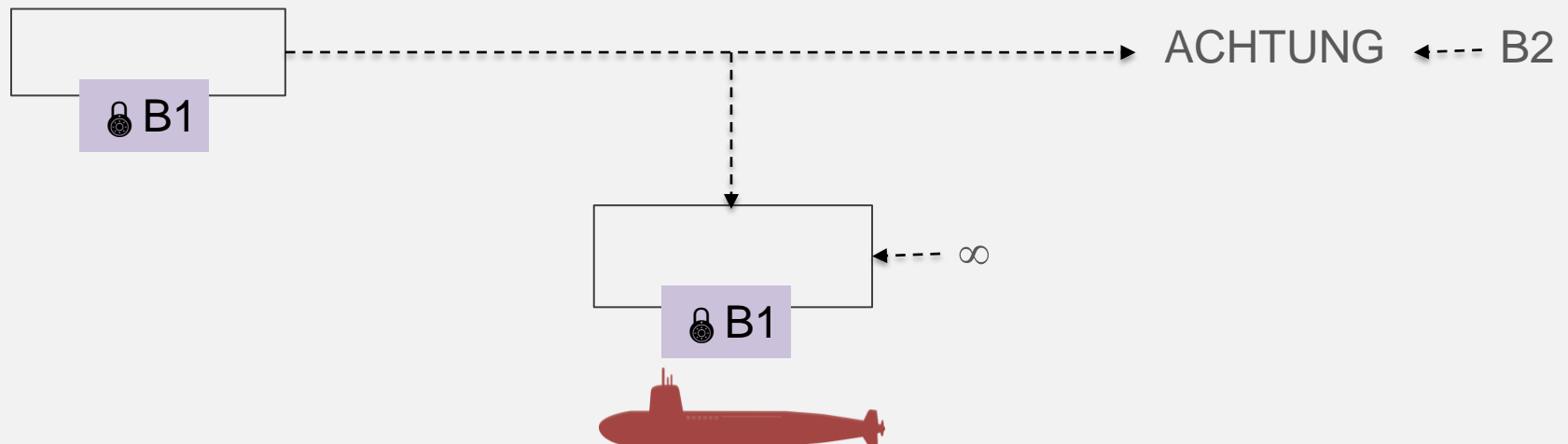
Encryption Methods – Public Key / Asymmetric



My Public Key = A1
His Public Key = B1
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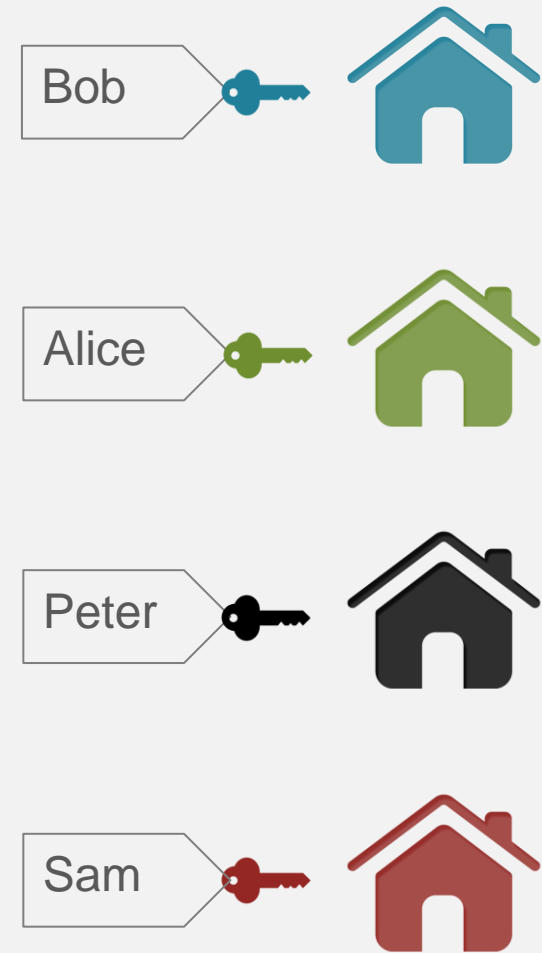
A1 = His Public Key
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Digital Signatures – An Application of Public Key Theory



Digital Signatures – An Application of Public Key Theory



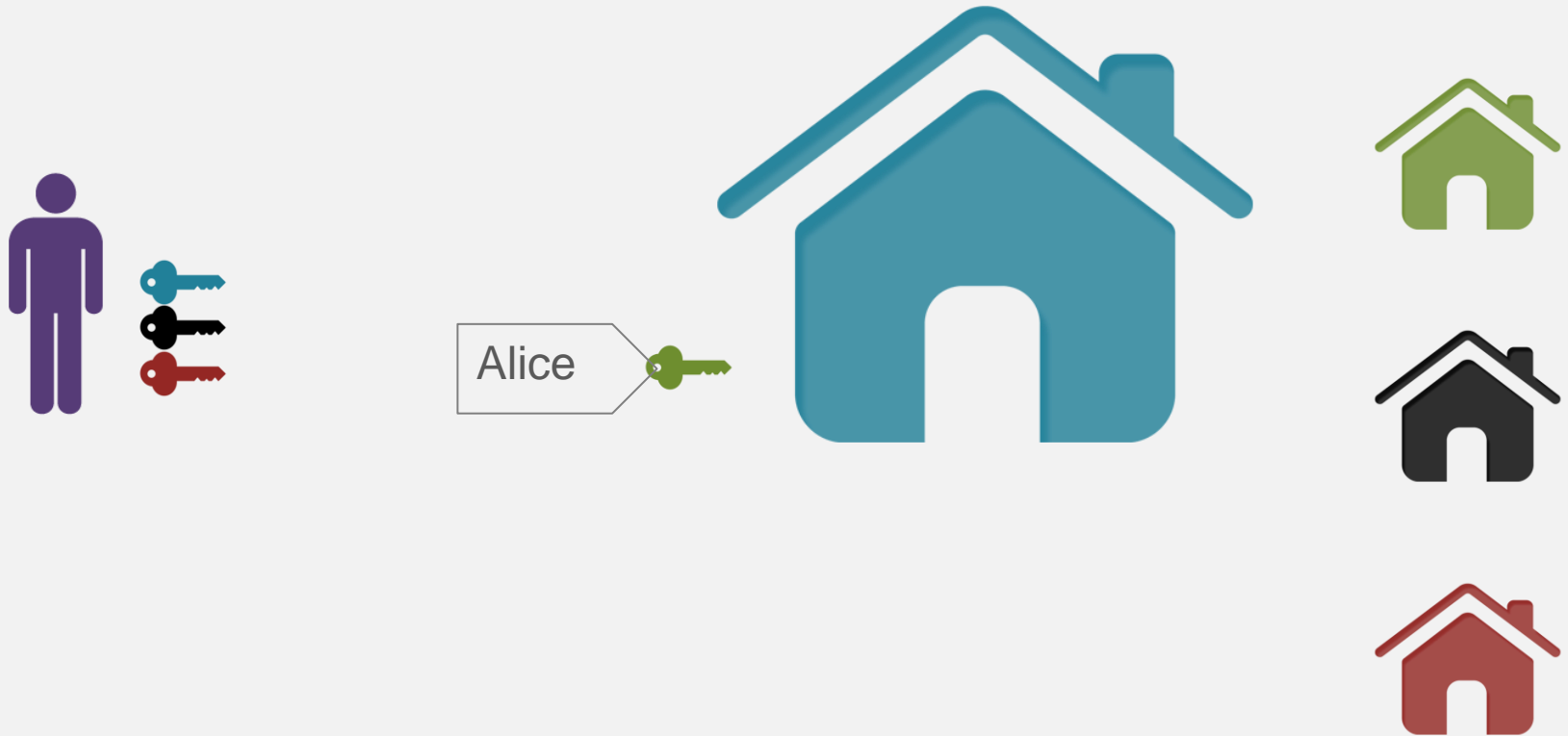
Digital Signatures – An Application of Public Key Theory



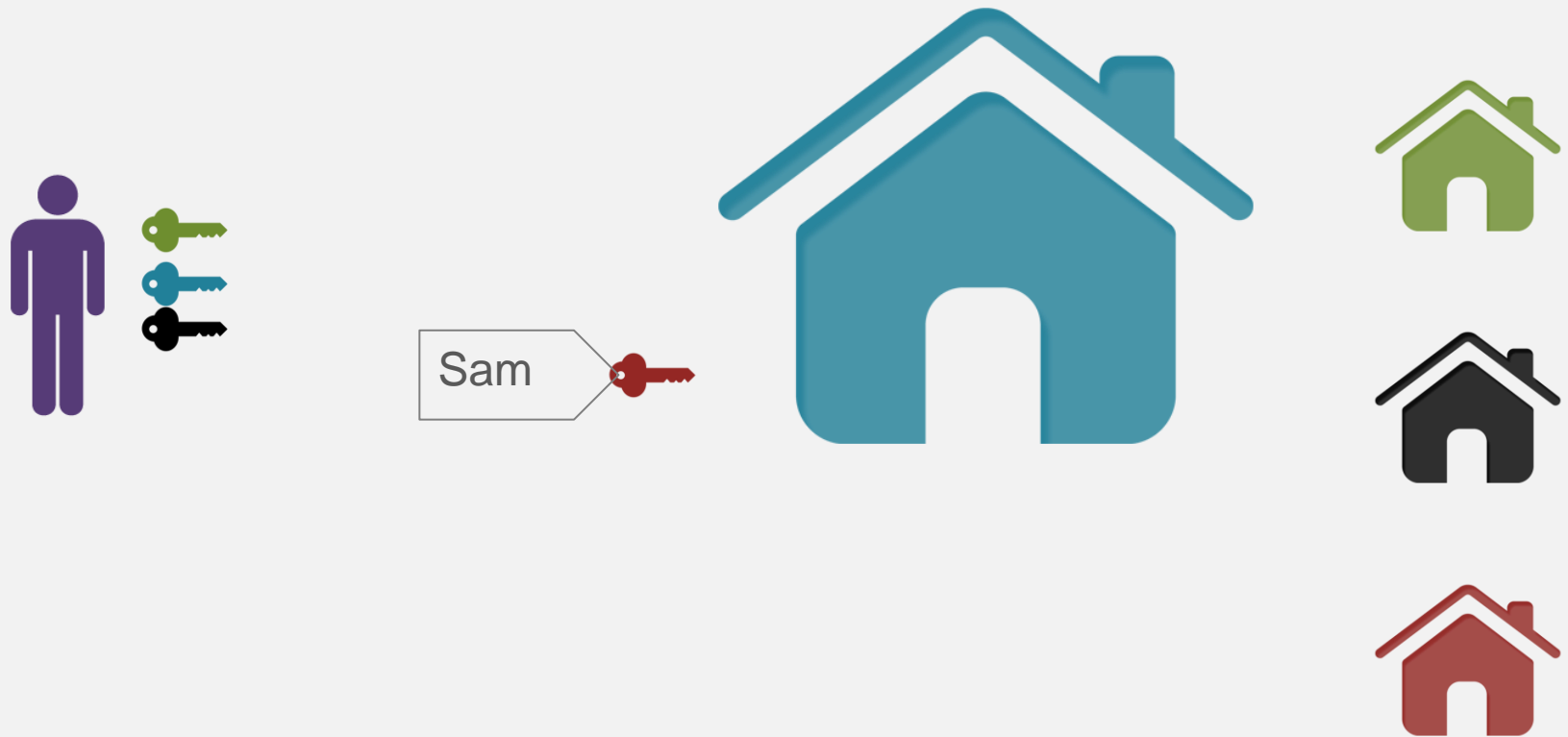
Digital Signatures – An Application of Public Key Theory



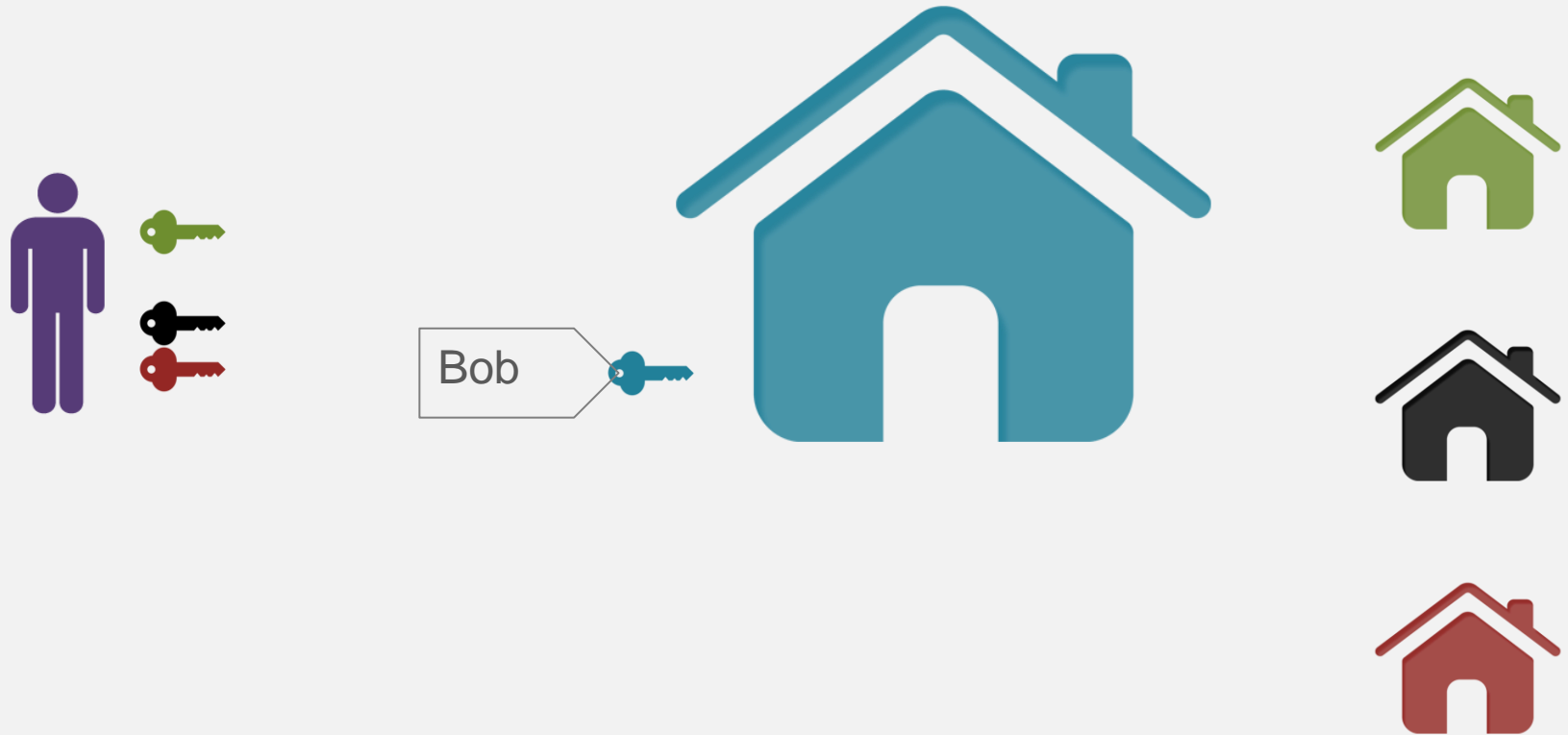
Digital Signatures – An Application of Public Key Theory



Digital Signatures – An Application of Public Key Theory



Digital Signatures – An Application of Public Key Theory



Digital Signatures – An Application of Public Key Theory

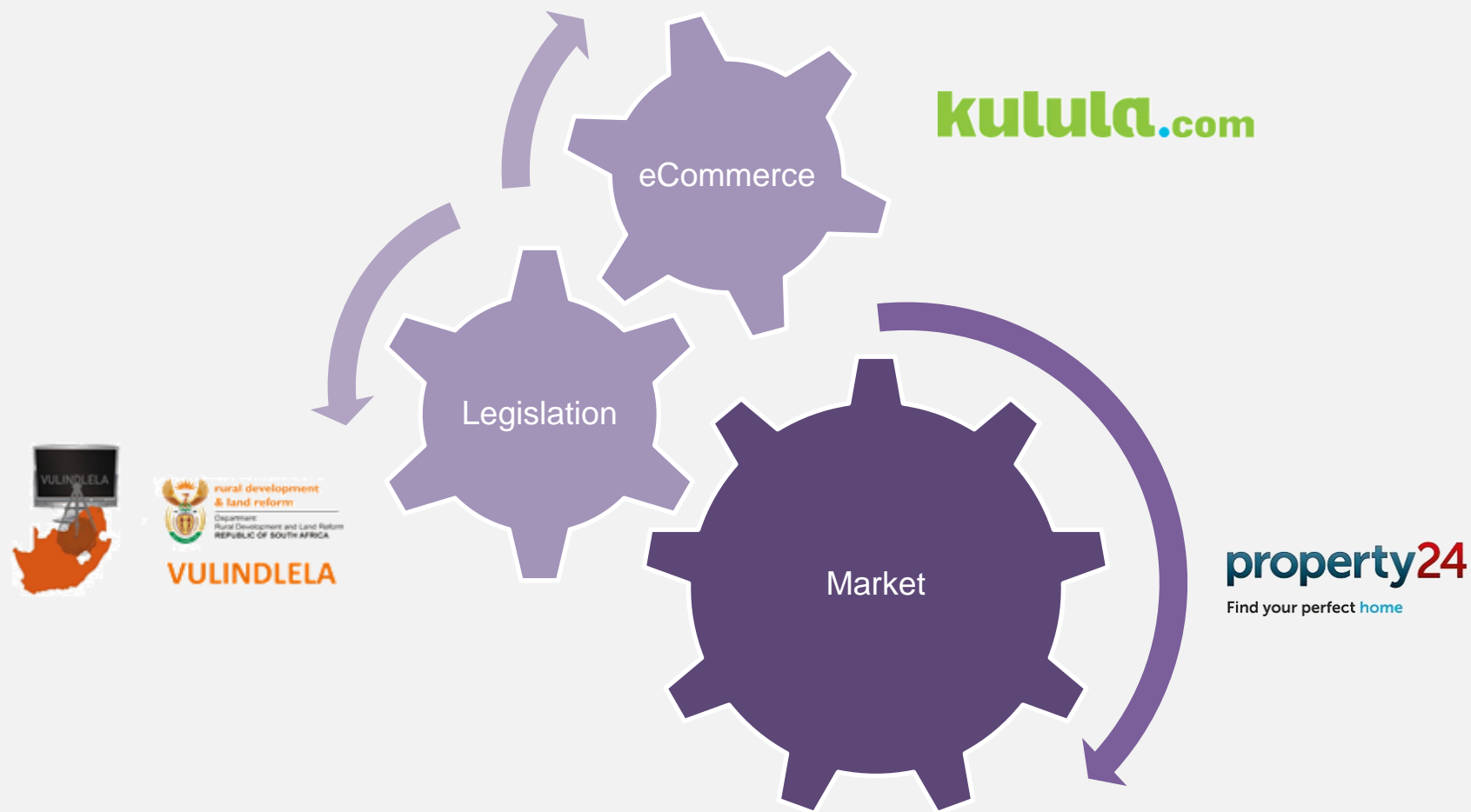
👤 Attorney Alice



👤 Attorney Bob



Digital Signature Drivers



Digital Signatures – South African Context

ECT Act
2002

Electronic Signatures

- Can be used when a signature is required by the parties to an electronic transaction which does not specify the type of electronic signature to be used

Digital Signatures – South African Context

ECT Act 2002

Electronic Signatures

- Can be used when a signature is required by the parties to an electronic transaction which does not specify the type of electronic signature to be used

Advanced Electronic Signatures

- An advanced electronic signature is required where:

Digital Signatures – South African Context

ECT Act 2002

Electronic Signatures

- Can be used when a signature is required by the parties to an electronic transaction which does not specify the type of electronic signature to be used

Advanced Electronic Signatures

- An advanced electronic signature is required where:
 - **An agreement for the sale of immovable property**
 - A long-term agreement for immovable property, such as a lease, which is in excess of 20 years
 - A bill of exchange, such as a cheque
 - Wills or codicils

Digital Signatures – South African Context

ECT Act 2002

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Potential Applications in our Industry

- Electronic Guarantees
- Bank Documents
- Client Signatures / eDRS
- 1
- 2
- 3
- 4
- 5

Questions and Answers

Thank you