

Elaleni

COASTAL FOREST ESTATE | HOMEOWNERS ASSOCIATION

Chairman's Report – Elaleni Coastal Forest Estate HOA AGM

14th October 2020

Dear Homeowner,

On behalf of myself and the Trustees of Elaleni Coastal Forrest Estate, it is with an immense amount of pride and gratitude that I present to you the Chairman's report.

As I sat down to pen my opening, I could not help but reflect on our earlier days, the acquisition of this land and the natural wonder that lay before us. The sheer magnificence of it was both humbling and inspiring and I knew that we had been bestowed something truly special to nurture and care for.

The 50 hectares of both pristine coastal forest and bushveld, was regarded as some of the most exquisite on the KZN North Coast and considering that we purchased it for residential development, would require a team of the best professionals to execute our vision. These professionals were not only recognized nationally, but internationally for excellence in their relevant fields for both architecture, landscaping, legal, sales and marketing, and engineering and building, to name a few.

To Tina Halstead of Cox Yeats, I must personally thank you for walking this road with us, your advice and guidance has been instrumental as we navigated our way through the various aspects of our development planning, zoning etc.

My personal dream for Elaleni was to be part of a community which had the potential to be a team for life. One where friendships and business could integrate, where my wife and kids would be free to interact with other like-minded people. I dreamt of an environment where I could walk to and from work, journeying past friends, their homes, possibly even popping in along the way to say hi.

I longed for an opportunity to take community living to the next level, where the full circle of life was catered for. A place for healthy engagements for our children, our parents, the workplace, as well as fellowship around social eating spaces, all integrated within nature.

In simple terms, Elaleni would become our families "happy place" and to its name, a place of peace."

To the extended team of professionals who I have worked with so tirelessly to bring this dream to life, I thank you! Our shared vision for what the future looks like is not only bright, but remains acutely personal to each of us.

For the 115 residents who now call Elaleni their home, there is a firm sense of responsibility not only to preserve the integrity of its origin, but to develop and bolster the structures and systems that will allow it to flourish for generations to come.

This task is by no means over and requires refining and agility as we go. Off the back of a challenging year due to Covid-19, the very essence of collaborative teamwork is what we require most. Although

our vision and aspirations can at times seem insurmountable, we have a group of leaders that have put up their hands to support this vision to help us move in a direction of shared excellence.

It is my sincere hope that our committees and extended sub committees that will form over time take hold of this responsibly and revel in the challenge.

Our longstanding relationship with both IPSS Security and Conrite Walls (PTY) LTD, remains one that is built on trust, integrity and most importantly, the highest standard of service delivery.

To Frank Libidi and Brennon Knot of IPSS Security and Mike Speirs of Conrite Walls, their staff and teams, we are truly appreciative of your continued focus and support for our estate security.

Conrite Walls (PTY) LTD were appointed to undertake the manufacture, supply, and installation of the highest standard of security and electric fencing for Elaleni Coastal Forest Estate. Their contract also including the provision of CCTV and Access Control for the contractor's gate, as well as our main residential entrance.

Further to this, Conrite Walls were given the opportunity to install CCTV cameras throughout the fence line perimeter, thus creating a fully integrated security system for the estate. This Service Level Agreement for the estate's access control and electric fence system (JVA Perimeter Patrol System) is one of the most advance in this specialist field.

Our current service level agreement with IPSS Security is a turnkey solution providing on-site guarding, gate control, armed reaction services to include 24/7 off site monitoring and tracking via CCTV and Thermal Camera Images which are communicated from the estate to the IPSS control room.

One of the major strengths of IPSS security is that they are an exclusively local security company and boast the largest fleet of vehicles in our area. Any activation is backed up by multiple armed vehicles within minutes, with their specialist tactical response team also proving to be a game changer for security in our greater Sheffield area.

Elaleni currently has a guard compliment of two day guards and 5 nightshift guards, with 1 placed at the main gate carrying out access control and 1 at the construction gate managing access control and supervision.

During night shift, we currently have 1 guard at the main gate doing access control, with 4 patrolling guards. These patrolling guards patrol for 30 min and rest for 30 min and are using a live monitoring system that assesses if they miss points and or, do not start a patrol.

If in the event that a guard is unreachable and or does not respond on the device via the 24 hr control room, a vehicle is dispatched in response. Each device has a panic button built in and reports are sent to the control room daily for inspection.

Armed response officer check all construction houses at the close of business daily to make sure all workers are off site, as well as patrol the estate through the night.

I would like to extend my sincere appreciation and gratitude to all our homeowners, our estate management, building contractors and sub-contractors for their incredible patience this year.

No one could have ever anticipated that in March, all systems as we know it, would literally be shut down. For those who had either begun their build and or, were anticipating starting this year, it would have proved a massive challenge.

This was understandably a dynamic that we were all faced with and to the best of our abilities, was a matter of damage control and negating as much of the risks and the exposure encountered in our relevant fields and scope of work.

To Ian and Clyde, Dave Wilson, William Nicol, Ingo and Sarah Jane, our development partners and all NGG staff and professionals, both architects, engineers, landscaping and building contractors, I must thank you for your patience and getting us all back on track as quickly as possible.

With that said, I feel it is fitting that we recognize some of our achievements this year and the combined success that we are witnessing based on our overall delivery.

We are proud to announce that Elaleni recently received two accolades in the way of The African Property Awards for best commercial offices for 'The Gates', and our Forest View Apartments within the Multi-residential category.

This is a massive feather in the cap for Elaleni, Bloc Architects, and the relevant developers and construction teams that executed this vision.

We have received recognition from CEO's of some of the leading development companies in this country, for our outstanding delivery and overall aesthetics of the estate. Some saying, "One of the most beautiful estates in the country".

Specific reference must be made to Lucas Uys and his team for their mastery in the field of landscape architecture, gardens and specifically the inclusion of the Bonsai collection at our entrance, which sets a breath-taking tone for those that enter this estate.

What is now evident, is that our own distinct Elaleni language is beginning to whisper through both trees and hallways and it is humbling to see every owner embrace this ethos, our cultural and architectural guideline to express such.

With 21 homes now complete and a further 10 under construction, each home has become somewhat of an artwork with an intrinsic value that places it out of the norm of how we traditionally value real estate.

There is a definite differentiator in the design and quality of our homes and with a further 14 homes currently in consideration via our architects review committee, we are excited to see what reveals itself to come. Long may this energy, excitement and passion continue as we redefine this space and push the boundaries of design within nature.

To all our homeowners who have journeyed the process and are either living here already or soon to, we wish you many years of happiness and peace.

The 45 Forest View Apartments have become a sanctuary for so many on Elaleni and with its incredible forest and sea views, who could have imagined a year ago that a 2-bedroom, 2-bathroom apartment could trade north of R 3,4 million. We estimate that in time, these luxury apartments could in fact be the first to exceed the R4m range.

To Mike and William Nicol, Bloc Architects and full team from Nicol Projects, your partnership with us continues to be one of immense respect and appreciation. These Forest View Apartments have transformed apartment living and you have delivered a build that harmoniously contrasts the landscapes with finesse with style. We look forward to the next chapter in your evolution as you bring The Woods to Life on Elaleni Lifestyle Estate.

As this project heads toward the finish line, a massive congrats must go to the entire LUSH team and your execution of this 90- unit sectional title development.

LUSH has become so intrinsically part of the Elaleni brand, and for many, offered the opportunity to live the Elaleni lifestyle, which has become so sort after.

With its state-of-the-art integration, luxury finishes and comfort, LUSH has delivered on its mandate to bring multi- unit apartments to the market, that nestle harmoniously within our beautiful surrounds.

A development project of this magnitude requires direction and teamwork on so many levels, but I felt it important to acknowledge a particular individual for “his one of a kind” leadership throughout its lifecycle. Mr Ivan Morris, we are all incredibly grateful for the role you have played and your commitment and steady hand through these challenging times has been a light for many. Thank you!

Elaleni Coastal Forest Estate has proven to be somewhat of an enigma within the North Coast luxury real estate space, commanding some of the highest sale rates per square meter when compared to its contemporaries both on land, sectional title apartments, as well as freehold homes.

By comparison, the average value of land transferred in 2019 read as follows:

Brettenwood – R 1,6m

Dunkirk – R 1,8m

Simbithi – R 2m

Elaleni Coastal Forest Estate – R 2,2m

For those who purchased early in Elaleni’s life cycle, both on sectional title and freehold land, would have seen good returns on their investment by way of capital growth and we continue to attract a certain type of investor looking for the “ X factor ” differentiator to put their money behind.

In 2017/2018 land was selling for between R1400 to R1600 per sqm and R22k per sqm for sectional title. Fast track 2 years and we are now achieving record sale numbers of between R1500 to R2800 per sqm for land and between R22k to R27k per sqm for our sectional title in both LUSH and Forest View.

The future success of any luxury gated estate depends on a few key elements, one of them being a passionate on-site sales and marketing team.

To Devon De Lange, Scott Skewis, Greg and Jackie Simmonds, Kate Sparks and Barry Lewin, I must commend you on the commitment, passion, and drive you all share within your relevant field of development sales and marketing.

So much of the success that we experience is by way of the love you have for Elaleni as a brand, it’s people, and the various lifestyle products that you market and sell.

Another factor that has played heavily into our recent success is the overnight community that has formed with the handovers of both the Forest View and LUSH Apartments and Villas. Both homeowners and tenants are now enjoying the fruit of their patient wait and are living the dream of what was either sold to them off plan or leased on a long-term basis.

Our onsite sales teams role doesn't stop at the point of sale, and your involvement in the day to day hand over processes for both homeowner and tenants has been critical to a smooth transition for all our investors.

Your overall ambassadorship for our community is truly one of a kind and we thank you!

Speaking of rentals, our long term lease uptake over the last 2 months has been short of remarkable, and off the back of a rather challenging year due to Covid-19, we continue to see lease agreements crossing our desks daily.

The consideration around short-term leasing is one that is still being acutely refined, but is sure to add further value to the Elaleni brand as travel restrictions ease and the short term market picks up.

We are incredibly grateful for this surge in activity and look forward to the journey ahead.

What motivates us now most, is the prospect of our new projects and the intrinsic value that they will add to an already impressive estate and lifestyle offering. These are not merely ideas and dreams, but game changer steps towards our overall vision and goals.

Our Leisure centre, which we anticipate starting in the first quarter of next year, is a much awaited offering that is set to transform our life here on the estate and bring an immense amount of joy and satisfaction to all our residents and families. Being family focused, it will include our leisure and social club, swimming pools, tennis courts, with various eating and relaxation spaces.

We were also proud to announce last year the acquisition of a property on salt rock beach which would make way for our very own Elaleni Beach Club. We aim to take full occupation of the property early next year for ad hoc use and will begin the renovation towards a newly appointed space for all our enjoyment.

The magnificent Elaleni Gardens, opposite our main entrance is literally taking shape as we speak, and by December we will have completed 18 of our total 35 sectional times homes. These 2 and 3 bedroom semi-detached and freestanding houses are a game changer for our estate and any investor that has the privilege of purchasing there is set to live an entirely unique lifestyle.

These Julia Rutherford designer homes will be integrated into a park like wonderland, including bonsai gardens and gentle sloping grassland knolls. The combination of both contemporary and eclectic style will separate these homes from anything currently within the market place.

Elaleni Lifestyle Estate is the embodiment of the next evolution in modern sustainable estate living.

A residential estate like no other, offering a truly unique way of life genuinely driven by the concept of 'living off the earth'.

Here you can own a piece of the Elaleni Lifestyle with your own bespoke freestanding home where you can live the way you want to whether that means growing fruit and coffee, cultivating vegetables, raising lay hens or having a gaggle of geese in your yard.

As part of the Lifestyle Estate, you will be making a commitment to living partially off-grid, in an estate deliberately designed around edible landscapes, delivered with the finesse that has become synonyms to our brand.

Our Elaleni Coastal Forest Estate Home Owners Association is a Not For Profit Company with objectives as set out in the estates MOI and is operated by our board and management.

As is with any new estate, the balancing act of this function requires constant consideration and can be intensive by nature. The day to day management thereof requires quick prioritization, which can present challenges to any planning schedule.

Our management is dedicated to this function and remains clear on an overall ideal and that is to promote harmonious relations on the estate.

Further to this, our ongoing service level agreement with Property Management Ignite is key to managing financial compliance and the complex administration of an HOA.

To Bloc Architects, Julia Rutherford and Lisa Rorich Architect who preside on the Architectural Design Review Committee for approval of Building Plans, we thank you for your astute work over the course of the last three years. So much of the incredible tone and magic that its happening is credit to you.

For all our understanding, the HOA responsibilities are as follows:

- Management of finances and collection of levies to execute the objectives of estate.
- Manage roads, private spaces, green belt areas, conservation areas and servitudes.
- Protect the natural environment, vegetation, flora and fauna on the estate
- Regulate pets
- Provide and maintain security
- Manage and enforce the Building design code through its design review panel
- Manage and control contractors
- Manage the estate environmental management plan
- Manage the aesthetic appearance of the estate through landscaping, buildings, and improvements.
- Manage and provide bulk services and infrastructure

There are various Committees that contribute to the running of the estate and I would like to thank those volunteers who have given up their time to get involved. As our estate begins to grow, it is clear that new portfolio's will come into play and we are grateful to all you step forward to assist us in these key management areas via the sub-committees.

Our current committees consist of the following:

- Chairman and Security - Wesley Bench-Capon,
- Civils and Services – William Nico
- Building Control - Dave Wilson
- Finance - Ingo Roelf
- Environmental, Parks and Gardens - Sarah-Jane Bench- Capon

As we are all aware, 2020 and the dynamic of Covid-19, placed an immense amount of strain on our financial structures and plans for the year.

It really tested the robustness of our structures and I am grateful to all the directors, HOA and management for their roles in negating the full impact of this pandemic.

For the purposes of better understanding, and the road forward, I have included the attached financial reports which provides a more detailed analysis of where we have come from and where we are heading.

The Q and A section of my report also handles many of the understandable questions put forward by our homeowners and deals with the solutions and measures we have put in place.

Over the past 2 and a half years, since the first transfers at Elaleni, the HOA has been communicating with homeowners through and via our email newsletters. These newsletters have provided key updates, news, or relevant stories pertaining to the estate. Our official Blog on the Elaleni website is also now a further active platform for updates and feeds that have been a massive help to all.

Due to the unique nature of 2020, there were various Covid -19 protocols that needed communicating to our homeowners. For this purpose, the Elaleni HOA hired the services of a communications manager to work half day.

Barry Lewin, who is no stranger to the estate was appointed for this vital interim role and since his appointment, has implemented an independent Elaleni HOA website which serves as an information hub for everything happening on the estate.

We encourage all our residents to keep as active in this two-way process as your feedback, comments and suggestions can only assist in aligning our values, systems, and processes as we work our way forward.

In addition to this, we are also now able to receive communications through the My Estates Life App news section informing residents of day to day operational matters.

We also felt it necessary to set up a dedicated Elaleni HOA email addresses to answer any questions or handle certain requests for further information.

As mentioned above, Covid-19 presented many a challenge by way of how we communicate, but in certain respects helped us transition towards technology platforms like Zoom, which has in some ways stimulated communication.

For these purposes we have developed a communications rollout plan which will include regular webinars run via Zoom in order for our homeowners to communicate more efficiently with our HOA, the development directors and sub committees.

One of the most memorable events last year, was the opening of The Gates, our commercial offices, and the new home of our HOA. On a cool July evening, our car park was transformed into a winter wonderland to celebrate this landmark building and entrance which has since won an African Property Award in the category for best offices. It was great to share this opening of the building with both homeowners, professional and owners of the bespoke business that have chosen Elaleni as their address.

Our Elaleni HOA Golf Days have been well attended and supported since their inception, with our first being more of an informal one in the early part of 2019 and then our official Golf day held on the 15 Oct 2019.

It was a day when all the big guns came out and some old rivalries were settled, with our winning 4 ball on the day made up of Ronnie Rowley, Greg Simmonds, Michael Spiers and Roy Greenwood.

This is sure to carry on as an annual event for many years to come and each year will take on its own unique flavour and theme.

It seems Elaleni is made up of its fair share of the sporty and active and is inspiring many to either get out the running or riding gear to join in on the fun.

Our fun runs and walks have become a regular occurrence on a Saturday morning, where it serves as a place for people to also mingle and meet new friends. It is also an opportunity to raise some funds for a few of our local beneficiaries, the likes of Summer Hill and The Lettie Love Fund.

Our Elaleni MTB groups also kicked off in September of this year on outrides and will become a regular organised event moving forward.

For the birders and nature lovers amongst us, Elaleni has geo-mapped the estate on the Bird Lasser app where we coordinate a bi annual bird tour for our homeowners and guests, kindly guided by our very loved and appreciated bird expert, Ian Gordon.

Our Forest Clubhouse, renowned for its idyllic location and exquisite beauty, had the privilege of having somewhat of its own roof wetting late last year, by way of a 40th birthday. For those who had the joy of experiencing this night out in the forest, it will be remembered for many years to come.

To stimulate both mind, body and soul, you can now join our very own resident and Yoga Instructor Lauren Pinnoy at the Clubhouse for Yoga and forest walks

The Hide Coffee Shop has always been a hive of activity. The idea behind it, was to provide a meeting place for our community to do business, socialise and interact.

We have taken this a step further of late, opening each Saturday morning for coffee between 08:00 and 11:00. From time to time, we welcome an array of local artisans who supply their goods into this space, all prepared and grown locally, from breads, to wraps, juices and smoothies.

We even have our very own handpicked seasonal fresh produce feeding into this space compliments of our Elaleni Lifestyle Estate!

The Lettie Love Fund - Most cancer patients out there either don't get to their treatments or get there in a compromised and undignified manner. By the provision of a personalized 'lift club' travelling daily into the townships and areas where these people are, we hope that we can get more people to treatment and we can eliminate one of the major headaches these folk have – access to transport and mobility.

Our support for this fund is ongoing and it is with sincere thanks to a number of our community members for their support and backing towards our fund-raising initiatives.

Summer Hill - Our Summerhill Kids partnership kicked off as an informal relationship in 2019 with the fun runs/walks whereby we were able to donate towards this awesome local cause. This has been expanded in 2020 with a more official partnership supplying fresh produce to the home, as well as our event proceeds going to their charity.

As we head towards December and our most favoured time of the year, the energy within the camp is by no means on the go slow. In fact, the tails are up, and our strategy is clear, and that is to close out the year stronger than ever!

I believe this will lay the foundation for the next chapter in redefining the way we do life not only here on Elaleni Coastal Forest Estate, but within our community at large.

To all our homeowners, professionals and the extended Elaleni family, I wish you an amazing close out to what was a defining year.

I honestly believe that we will be forever stronger for it!

With thanks,

Wesley Bench- Capon

Chairman of the Homeowners' Association