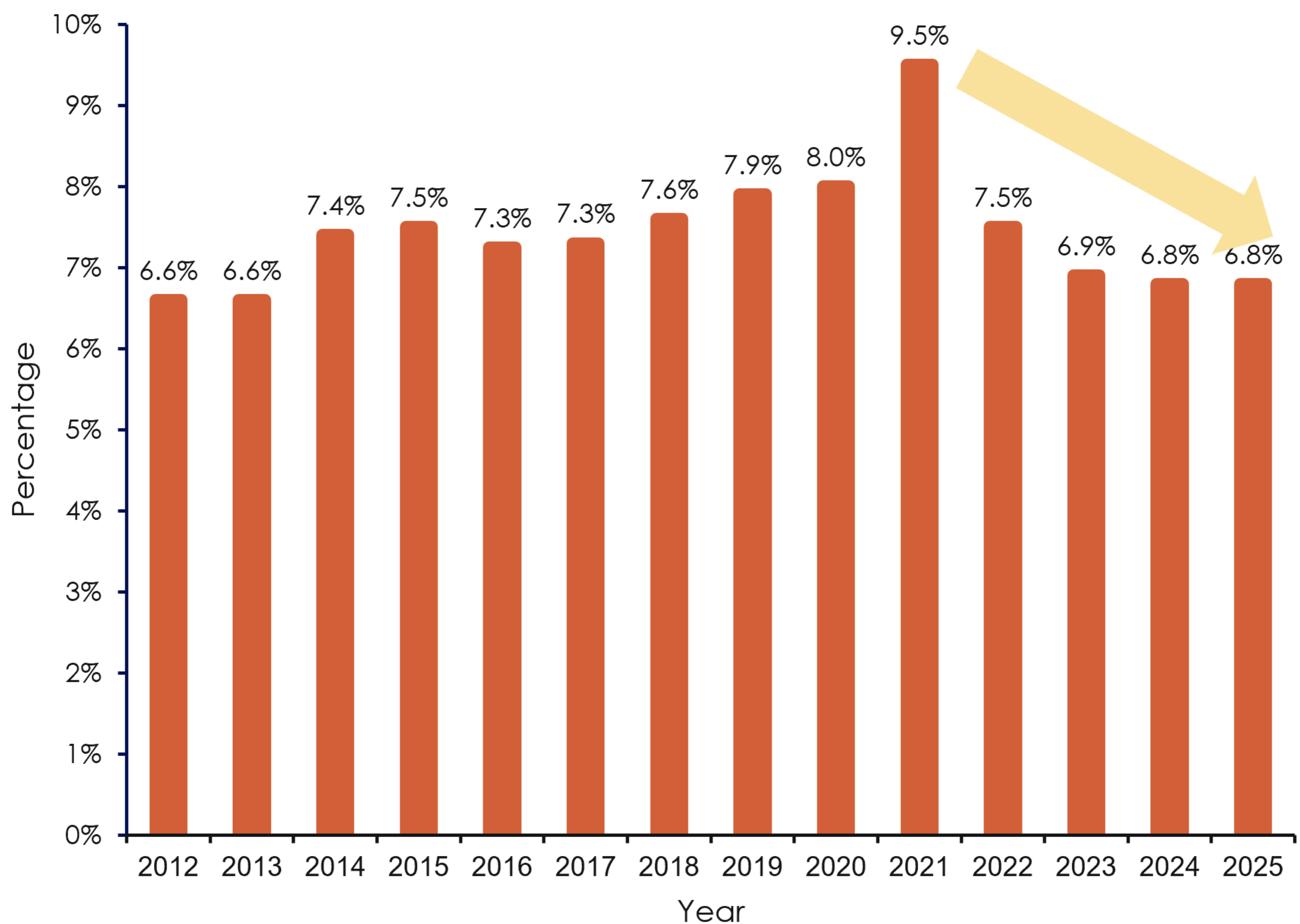




Retail property rebound: Why it's time to reconsider the sector

South Africa's retail sector is showing renewed strength, with rental affordability at healthy levels and malls trading profitably. This environment supports earnings growth for retail-focused property funds, making it a compelling time to revisit exposure to this segment. The **Curate Momentum Flexible Property Fund**, managed by **Sesfikile Capital**, is exposed to the retail sector through strategic overweight positions and owns shares in a range of listed property companies, both in South Africa and around the world.

Gross rent to sales ratio



Source: Sesfikile, The South African Property Owners Association, 30 June 2025

Summary of chart

South Africa's retail sector is showing renewed strength, with rental affordability firmly in check. The latest data shows the rent-to-sales ratio, which is the percentage of a retailer's sales revenue that goes toward paying rent, is sitting at just 6.8%. This is a healthy level that reflects retailers' ability to comfortably manage rental commitments. This level is considered sound both by historical and global standards. For landlords, the low occupancy cost ratio (rent plus other costs relating to occupancy) points to headroom for rental growth, as tenants are trading profitably and absorbing space at sustainable costs.

How does this link to the positioning of the fund?

The fund is exposed to the retail sector through strategic overweight positions in Fortress Real Estate and Vukile Property Fund. These companies have assets primarily in townships and non-urban markets, which benefit from growth in social grants, family allowances and the robust informal sector.

Why is this relevant?

- This positive trend underpins confidence in sustainable rental growth, as strong consumer spending and resilient trading densities give retailers the capacity to absorb measured increases
- For landlords and investors, it signals a supportive environment for earnings growth and a retail property market positioned for continued recovery
- South Africa's malls are not just busy again – they are profitable, and that's translating directly into stronger fundamentals for the sector

Curate Momentum Flexible Property Fund

Managed by **Sesfikile Capital**, FSP 39946



SESIKILE CAPITAL
Property Investments

Overview of the Curate Momentum Flexible Property Fund

This fund owns shares in a range of listed property companies, both in South Africa and around the world. It is designed to give investors high levels of income as well as growth on their capital over time.

Click [here](#) to watch the video and learn how Sesfikile Capital manages the fund by identifying South African and global listed property shares and explore what makes their approach unique.

For more information, visit our website [here](#).

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