

# Port Elizabeth revamp adds value to commercial property

The revamp of Parliament Street and upgrade of Govan Mbeki Avenue for the World Cup has benefited the central area of Port Elizabeth, reports Sonja de Necker, Eastern Cape regional manager for JHI, which has offices in the region.

"These improvements will have long-term positive spin-offs for the city, including the commercial property market. In terms of the city's central office market, buildings that need significant overhaul and improvement are experiencing vacancies, as they are not easy to let. Rental rates, which have been under considerable pressure during 2009, are showing some signs of stirring during the first quarter of 2010. Currently the going rate in the Newton Park area ranges from approximately R60 per square metre for B grade offices, increasing to the upper R70 per square metre for A grade office accommodation," says de Necker.

"We note a growing demand for customised space in freestanding buildings as well as office space in decentralised areas. Suburbs currently high in demand include Newton Park and Walmer, where new office developments ranging from 5000-8000 square metres are being built to satisfy this demand. An interesting property trend which is emerging in Walmer is the conversion of residential properties into businesses comprising offices and industrial warehousing components."

## Retail

Commenting on the retail market in general, she says that although 2009 was a very tough year for retail, rental rates in Port Elizabeth are stable with rural malls performing well even during the tough times.

"It appears that PE is nearing saturation point as several new decentralised developments have come on line in the last two years. However, as the city expands, new convenience centres have become one of the by-products in almost every suburb. As a result, there are a considerable number of retailers, including nationals, spread over a large geographical area within the suburbs. The areas of Greenacres and Newton Park remain in high demand among retailers and last year Dis-Chem launched its second branch in Cape Road in a freestanding building."

## Industrial revival for harbours

From an industrial perspective, the suburbs of North End and Deal Party are high in demand with quality space hard to come by, as established businesses tend not to relinquish accommodation. "While Greenbushes, which is not as central to the harbour as North End, is experiencing a bigger availability of space, I believe this area is set for an industrial revival in the next two years," she adds.

JHI also anticipates a strong demand for warehousing space for large containers needing to be offloaded at the harbour prior to being collected for transport by road. Currently there is no space available close to the old or new harbour. In

addition, once the new Coega harbour is in full swing, the demand for industrial space in the nearby IDZ area is expected to take off.

For more, visit: <https://www.bizcommunity.com>