

Steady house prices for Western Cape amid slowing national growth

According to the latest Pam Golding Residential Property Index (December 2016), house price growth in the Western Cape stabilised at just below the 10% mark by the end of 2016, considerably stronger than the national average of 3.9% for December.



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The PGP National House Price Index indicates that inflation dipped to below 4% during the final months of last year - the lowest since the last quarter of 2012. But the Western Cape remains strong; with an average house price inflation of 9.69% for the full year of 2016. Pam Golding Properties National general manager and Cape regional head, Richard Day said the Western Cape remains a popular investment option for buyers semigrating from Gauteng and other parts of the country. The lower price band of less than R1m is the top performing sector in the Western Cape, with an average house price inflation of 11.87%. Inflation in the Western Cape's upper price band of more than R2m was 6.06% for the full year (2016), comfortably above the national average of 4.88% across all price bands.

Top performing major metro housing market

“A significant proportion of buyers relocating to the Western Cape are choosing to settle in the greater Cape Town area, the top performing major metro housing market in South Africa,” said Day. Lightstone data shows that while the national average growth for the metro housing market was 4.9%, Cape Town averaged 11.52% for January to September 2016 (latest available data). The figures show that buyers are looking to invest or settle in Cape Town, which last year was named one of the top three destinations in the world by Lonely Planet. The metro, and indeed the Western Cape, also have proven track records for service delivery and this adds to the region's popularity with families wanting to relocate.

Pam Golding Properties Atlantic Seaboard area manager, Basil Moraitis said the demand for properties in suburbs in this area remains robust. “Buyers want the trendy, cosmopolitan lifestyle that Cape Town offers. We have the mountain and pristine beaches, and Atlantic Seaboard properties are also well located near to attractions such as the V&A Waterfront and the vibrant De Waterkant and city centre.” The area's geographical constraints, with the mountain and the sea impeding urban expansion, means that there is significant competition for available stock. This contributes to house price inflation, as investors and repeat buyers seek property in the area because of its unique lifestyle offering.

Relaxed, coastal lifestyle

Cape Town also offers a more relaxed, coastal lifestyle with a choice of some of the best schools. Lindsay Beck, Pam Golding Properties area manager for the Southern Suburbs, says buyers moving from other provinces want the assurance of a safe environment, and many opt for secure estates in prime areas. “They also look for 'country living' within a few minutes drive of the city and other attractions. Suburbs such as Constantia and Bishopscourt, with their larger properties nestled within green belts, vineyards and stud farms, tick these boxes.”

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