

Traffic, transport costs reshaping property markets

The desire to avoid traffic jams is informing many current property purchasing decisions in Johannesburg and Cape Town, says Gerhard Kotzé, MD of the RealNet estate agency group.



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“We can clearly see three different preferences emerging among different groups of homebuyers,” he says.

Young buyers

“The first of these is the growing demand among young buyers for apartments and townhouses in areas close to their workplaces - whether these are in the city centre or decentralised commercial hubs - and preferably also very close to a variety of shops, restaurants and entertainment and sports venues.

“This preference is being underpinned by the high cost of private transport, with fuel prices now being 20% higher than they were a year ago and the fuel levy and Road Accident Fund levy being increased every year. Add this to the ever-increasing costs of maintaining and insuring a vehicle and many young people would far rather put that money towards rent or even a home loan in a convenient location.”

Distance from schools

The second group of buyers doing their best to avoid traffic congestion, he says, are those with families who also want to live close to their children’s schools. “Just as they don’t want to sit in traffic, most parents also don’t want their children to have to spend hours each day travelling by bus or taxi to school in a distant suburb, and with both parents in many families working, the logistics of getting children to and from school themselves has become an increasingly serious consideration in their choice of home.

“This is driving particularly strong demand for homes in older, central suburbs that are well supplied with schools within walking or minimal driving distance of home – and are still not too far from the office, or better still, are on a bus or train route that enables a non-car commute to work.

“Among the more affluent, it is also fuelling demand for homes in estate developments which incorporate their own schools and other amenities that eliminate or significantly reduce the need to travel. These gated communities are particularly popular with buyers who are able to work from home most of the time.”

Public transport nodes

The third group, Kotzé says, are “lifestyle” buyers for whom the new public transport systems such as the Gautrain or the MyCiti network has created the opportunity to work in the city centre but live at the beach, for example, or in a more affordable suburb where they can perhaps buy a house rather than an apartment.

“And the expansion of these networks is likely to exacerbate this trend and increase property values in all the areas within easy reach of the stations or bus stops – as has happened around all the [new Crossrail stops in London](#), for example.

“Traffic avoidance will no doubt also influence developers’ and builders’ decisions about the location of new housing projects, and so have a significant effect on the future shape of these two metros, and most likely Ethekewini as well,” concludes Kotzé.

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