

# These are Cape Town's best selling neighbourhoods

According to the latest FNB Property Barometer data, the Western Cape remains the best performing property market in SA, but is now also showing slowing.



Tony Ketcher, Seeff's regional general manager for the Southern Region says that while not impervious to the economic pressures, the market continues to hold up well. Overall, property transactions worth some R11.232bn have been recorded for the year to July, slightly down on last year's value of R11.5bn.

Notably though, the overall pace of sales is faster, with property spending just eight weeks on average on the market compared to last year's 10 weeks (based on Propstats data of participating agency sales).

The average transaction value recorded by Lightstone for full title is around R2.5m and for sectional title around R2.3m, but Ketcher says there are still many affordable areas where you can buy for well below this.

## Time on the market

A recent FNB report noted that the national average for how long it takes to sell a property now stands at over 15 weeks (105 days) on the market, two weeks longer than last year and three weeks longer than the benchmark average of around 12 weeks according to Ketcher.

Because there are always area differences, he says that it is important for sellers to know how long it takes to sell and what the average difference between the asking and selling prices are, as this points to the general price trends in the area.

The time on the market is influenced by the property value and quantum of stock and Ketcher says many Cape suburbs are faring notably better, with properties still selling within one to four weeks in many areas.

Sectional title property remains the fastest selling category at about four to seven weeks on average, while full title takes about eight weeks on average, but obviously longer in the R5m-R10m-plus price bands.

## **City Bowl is best performer**

Overall, the City Bowl is the fastest selling neighbourhood, taking just 36 days (vs 44 in 2016), thus selling almost three times as fast as the national average. The average price stands at R3.9m, 15% higher than last year, but prices are coming under pressure as the average difference between the asking and selling prices (price gap) has increased from 5.3% to 7.8%.

In second spot is Blouberg where it takes about 49 days to sell, twice as fast as the national average. The average price stands at R2m, 11% higher than last year and the price gap is only slightly bigger at 4.7% (vs 4.4%). Seeff licensee, Clinton Martle, says the affordability for such a sought-after coastal location and influx of buyers from across the city and country remains a good story for the area.

Next, is the Southern Suburbs where, despite the challenging economic climate, properties are selling twice as fast as last year, spending just 50 days on the market. The average selling price is also slightly up to R3.5m (vs R3.4m) and the price gap only marginally bigger at 6.6% (vs 6.2%). James Lewis, Seeff's licensee for the area, notes that the Constantiaberg area is also still selling well. Here, properties are spending 51 days on the market and selling for an average price of R4.5m (vs R4.4m) and a price gap of 7.1% (vs 7.5%).

Despite its status as the most expensive area in the city and country, the Atlantic Seaboard property market continues to hold out well according to Billy Rautenbach, Seeff's sales director for the area. Given the higher overall prices, it is expected that the area would rank a little lower down and therefore sits in about fifth place with the average time on the market up slightly to 68 days, while the average selling price is up by more than R1m to R9m.

The False Bay area now takes about 77 days on average to sell. On the upside, the average selling price is up by a whopping 27% and now stands at R2.8m. Gary Grobbelaar, CEO for Seeff in the area, says that greater awareness of the area along with relative affordability compared to other coastal areas bode well for sellers, but it is best to work with an area expert to get the best results. More often than not, he says, our sole mandates achieve better results for clients.

Most of the city's northern suburbs continue to report good demand for well-priced properties. Affordability and a convenient location is a big driver for areas such as Bothasig, Edgemoor, Monte Vista and Panorama. Seeff's licensee for the area, Johan Jacobs says there are still good opportunities for sellers in the area. The median transaction price in each of these suburbs is for example up year-on-year, he says. Panorama now stands at R2.4m (vs R2.3), Monte Vista at R2.1m (vs R1.8m), Edgemoor at R1.9m (vs R1.7m) and Bothasig at R1.4m (vs R1.3m).

Ketcher says that location, convenience and value is important. Security is another factor, especially for semigrating buyers from areas such as Johannesburg. Although buyers are still prepared to pay a premium of 20%-40% for Cape property, they are beginning to walk away from anything that looks overpriced.