

These are the 2 major trends affecting the property market in 2018

Across the country, security and property size are the two dominant trends evident in the property market in 2018, according to Fine & Country Sub-Saharan Africa.



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Linda Erasmus, CEO of Fine & Country Sub-Saharan Africa, says that while each suburb will have its own unique market trends, the macro property environment reflects the general wants and needs of property buyers and sellers, all of which are influenced by the social, political and economic climate in the country.

In the Gauteng area of Kempton Park, Christelle Rentsch, licensee of Fine & Country Kempton Park says that there is a huge demand for smaller rental units in the greater Kempton Park area and this is a market to watch. “In line with the increased demand for smaller properties, a number of old houses on large stands have also made way for apartment blocks in and around the CBD.”

Rentsch says large business parks have also mushroomed along major highways in the area, bringing in higher demand for residential accommodation as well. There are also plans for a large mall close to Glen Erasmia and Serengeti which will certainly impact the demand for housing in those areas. “My advice to buyers looking to purchase residential property in the Kempton Park area in the near future is to always follow the retail development. “Trust the business men. If they are prepared to invest in an area, I believe it to be a sure bet. Areas I would recommend based on this strategy are Glen Marais and Pomona where the most development – both commercial and residential - has recently taken place.”

Increasing pressure in 2018

In Johannesburg’s northern suburbs, agents at Fine & Country Sandton, covering areas from Hyde Park to Bryanston agree that the property market has come under increasing pressure in 2018 following a slowing market in recent years, resulting in slower sales with only those properties in sought-after neighbourhoods that are priced correctly continuing to sell well.

Properties in these areas can take anywhere from six weeks to a number of years to sell, depending on the asking price and the value for money they offer.

Jeanine Fincher, Fine & Country Sandton's sales agent for Hyde Park, Sandhurst, Illovo and surrounds says that homes priced between R7m and R13m have seen the most movement this year. "A noticeable trend in my area of operation has been how sales prices have dropped substantially in comparison with asking prices, indicative of the current economic climate," she says.

Marianne du Plessis who operates in the Bryanston area says that homes within complexes or estates are the most sought-after among buyers in her area for security reasons. "Freestanding homes within a boomed enclosure are also popular for those buyers wanting more space and value for money than estate living provides, without compromising on security," she says.

Good security a drawcard

A major trend du Plessis has noticed in her market this year is that more homes are offering various 'green energy' installations which buyers appreciate as added value to the home. "Good security solutions continue to be a top requirement for buyers as is buying a home near work and their children's schools," she says.

Isobel McKenna, fellow sales agent in Bryanston, Bryanston East and West concurs that there is a growing demand for secure estates, as the general perception is that crime is on the rise. "Freestanding homes sell best in boomed areas where there is good security with 24/7 guarding and street cameras. Buyers looking in Bryanston are well aware of the difference between good and lax boomed security," she notes.

McKenna says that aside from security property trends in Bryanston during 2018 have also centred on creating smaller sized homes compared to the big mansions on acreages for which Bryanston is renowned. "Developers are responding to a growing demand for sectional title and cluster estates with properties priced between R3.5m and R5.5m. Added to this, owners of larger Bryanston properties are subdividing and either trying to develop small cluster estates on their own or sell the subdivided portions to small developers."

Erich Erasmus, who also operates in Bryanston and surrounds says he has experienced a low demand for freestanding houses, with most buyers looking at clusters and townhouses priced between R950,000 and R3m. "Security is a big issue for buyers, and off-plan homes have also been popular this year due to the transfer duty savings they afford buyers," he says.

Sectional title schemes popular

Shirley Shmueli who operates in Morningside and Sandown says that apartments and sectional title complexes are most popular among her buyers as they are more affordable and than estate homes. Property within the R3m to R4m price band has seen the most movement in her areas of operation, with security featuring strongly among buyers as being of major importance – more so than ever before.

Cedric McFarlane sales agent for Hurlingham, Riepen Park, Craighall, Parkmore and Benmore notes that the lower priced

properties and apartments are experiencing the most movement as there are more buyers in the lower price brackets of R2m and less. Recently due to possible government action around land appropriation, more people are considering selling their homes while buyers are holding back, according to McFarlane.

In the south of the country along the Cape Atlantic Seaboard, Christopher Hajec, licensee of the Atlantic Seaboard office says that the Cape Town property market, and the Atlantic Seaboard in particular with its high ratio of luxury property, has certainly been experiencing pressure from issues in the economy, political tensions and environmental sources which have manifested in a slowdown in the rate of year-on-year appreciation.

“This stems from the slowdown in demand, particularly in the higher end and luxury market as consumer confidence has been relatively negative and people have become more conservative about how and where they spend their money. As a result, properties are staying on the market longer and owners have to take stock of their asking prices and make some concessions,” he says.

Slowdown in tourism

Hajec points out that in his areas of operation along the Atlantic Seaboard and City Bowl, the rental market has also taken strain due to a slowdown in tourism brought about by the drought issues, an oversupply of AirBnB investment units and a general economic flat line. “For the first time in recent memory, landlords are having to negotiate on rentals and are unsure as to whether they maintain their rentals in the short term arena or revert to longer term rentals which produce less revenue but provide more certainty.”

Hajec says that sectional title property in the more affordable price bands has remained particularly popular in the Cape Town market and properties under R6.5m in the City Bowl remain consistent and have essentially held their rate of year-on-year appreciation in value.

“The emergence of the affordable sectional title ‘micro unit’ in the CBD and Sea Point as an alternative to larger, more expensive residential redevelopment products has been received as an exceptionally popular purchase and opportunity to get a foot in the door affordably at starting prices of R1.2m. Buyers of these micro units tend to be investors who, despite the uncertainty surrounding the AirBnB phenomenon, still see these properties as a way to utilise short term letting to achieve a much higher return on investment than would be the case on longer term tenancies.”

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