

Legacy to develop Leonardo in Sandton

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The growing number of workers moving to new corporate offices in Sandton has created an opportunity for property companies to develop housing for the upper end of the market, and the Leonardo luxury apartment building is the latest offering.

Developed by Legacy Hotels & Resorts Group and Nedbank, the Leonardo would be a "R2bn vote of confidence in Sandton's future as the business centre of SA", Legacy CEO Bart Dorrestein said yesterday. "We have had a very good reaction from the market, with a number of people showing interest.

"Without giving away exact numbers yet, I can say the response has been as good as we had with Michelangelo Towers in the beginning," he said.

The Leonardo will compete with developments such as Renprop's 101 On The Park in Katherine Street; Sandton Skye in Stan Road, developed by Lynn Estates; and Katherine & West, a Barrow Properties development.

The Leonardo will be a 150m high-rise building with luxury apartments, penthouse suites and office space. Building is expected to start early this year and take 30 months to complete.

At 75 Maude Street, it will be within walking distance of the JSE, the Sandton Convention Centre, Nelson Mandela Square and the Gautrain station. It will also be near Netcare's head office, the office being developed for corporate law firm Webber Wentzel, and a new office being built to house 5,000 employees of Discovery.

Legacy's hotels and residential buildings in Sandton face competition from Carlson Rezidor Hotel Group's Radisson Blu hotels and The Maslow Hotel.

Focus on residential property

Property analysts expect residential property to be a popular focus this year, with listed property groups entering this market too.

"I think residential property is where many property groups will focus their new projects this year," Meago Asset Management executive director Jay Padayachi said.

"There is talk of a residential-specific real estate investment trust listing this year too."

Only 2% of investment-grade residential property in SA is listed, versus 14% and 15% in developed and other developing markets.

However, more investment grade stock is becoming available.

The competition to buy or develop residential properties will be rampant in 2015, Mark Kaplan, chief operations officer at Arrowhead Properties, predicts.

Arrowhead was the early mover among listed property companies buying residential assets last year.



An artist's impression of the Leonardo apartment block being built in Sandton, where an influx of workers is spurring residential development.

"Residential is the next big growth area for the South African property industry," Kaplan said.

Analysts expect many residential developments in business hubs such as Sandton and Rosebank in Johannesburg, and Claremont in Cape Town.

Source: Business Day

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