

Forget the coast, Pam Golding predicts inland residential development sector on the up

Peet Strauss of Pam Golding Properties' Johannesburg Developments believes that the trend to invest in residential development in the coastal regions has started shifting.



Melrose Arch precinct

According to Strauss, Pam Golding has predicted “something of a slowing down in this trend and a return of residential property investors to Gauteng, as it is recognised that the province is still the economic capital of South Africa and it remains the place to do business”. Strauss adds that “properties in the region have tended to remain more realistically priced thereby offering better returns on investment.”

“There is, furthermore, rapid growth across a number of centres within the province, and considerable investments are being made by the private sector in numerous retail, commercial and residential initiatives across the province and local governments are supporting these developments with infrastructure projects.”

Strauss says that the result of this is clearly evident in growing centres like Sandton, Rosebank, Midrand, Fourways, Menlyn in Pretoria as well as a number of others, including a renewed energy in the Johannesburg city centre. “It speaks to the great confidence of a wide spectrum of investors in many areas of the economy but also follows a natural migration occurring across Africa towards urbanisation.”

“Over the last three or four years, there has been considerable take up of more affordable homes in the R450,000 to R1.3m range. These buyers are reaching a more mature stage in which they are starting to look to buy up, which bodes well for the more upmarket range of development properties.”

Residential development opportunities inland

Strauss says that a number of attractive new residential developments across greater Johannesburg are set to come on stream over the next 18 months to 20 months. “A large number of opportunities are opening up within the development field and any aspiring residential property investor should look to secure their off-plan purchases, effectively fixing the purchase price but only taking ownership later.”

“As delivery in the residential sector slowed across the region in recent years, it enabled demand to catch up. As a consequence of this and coupled with a new crop of investor purchases, we foresee exciting prospects for young up-and-coming developers going forward,” adds Strauss.

“There is renewed interest in the market and a range of residential developments have been, or are in the process of being, constructed. These have included smaller- to medium-scale developments, as well as a number of large multi-million rand residential projects.”

“We believe it is an excellent time to invest. We are seeing some a number of well-placed and well-priced apartments becoming available off-plan, for which no transfer fees are required, and which represent a sound long-term investment with solid rental returns.”

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