

Perfect time for foreigners to invest in SA properties

The South African currency's recent poor performance against both the pound and the dollar has underlined the exceptional purchasing opportunities currently available to foreign investors in the local real estate market.



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So says Berry Everitt, MD of the Chas Everitt International property group, who notes that for those buying property in strong currencies, home prices in South Africa have effectively been discounted by between 35% and 50% since 2011.

"At that time, according to www.XE.com, the dollar was worth around R8.00, compared to almost R14.00 currently, while the pound was worth around R12.50, compared to around R21.00 currently."

Practical implications

What this means in bricks-and-mortar terms, is that a R10m luxury property in South Africa that would have cost a foreign investor \$1,25m five years ago will today only cost some \$723,000 - or around 42% less.

"For those buying in pounds, today's price for the R10m property would be some £475,000 compared to around £800,000 five years ago - which equates to a saving of almost 41%.

"And even though the euro has also taken quite a beating over the past five years, investors keen to buy in this currency

now will need around 35% less than they did five years ago - that is €646,000 to acquire the R10m property now compared to €1m in 2011."

In short, Everitt says, there has seldom been a better time for foreign purchasers to buy holiday homes or investment properties in South Africa.

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