

Residential developments sector in Johannesburg on the rise



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Investors set to return to Gauteng

It has been observed over the last 12-18 months or so that investors have been moving their attention to coastal regions such as the Atlantic Seaboard and the KwaZulu-Natal coastal regions, says Peet Strauss of Pam Golding Properties' Johannesburg Developments.

"We, however, foresee 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," adds Strauss. "In addition, 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."

According to Strauss, the result of this is clearly evident in booming centres such as [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 R1.3 million 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."

Good opportunities

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 purchasers, 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 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 transfers fees are required, and which represent a sound long-term investment with solid rental returns."

According to Strauss, the Pam Golding Properties' Johannesburg Developments Division is reaching new levels of maturity and is partnering a number development projects across the region. One such venture is the residential component of Melrose Arch, where Pam Golding Properties has been active for some 13 years. One on Whiteley is another premier development at Melrose Arch where units are at present on sale off-plan and construction recently commenced.

There are a number of other larger projects in which Pam Golding Properties Developments is currently involved in including Park Central in Rosebank. This iconic development is set to raise the level of residential offering in Rosebank.

"Some developers are offering once-in-a-lifetime special deals in order to attract younger, less established buyers, who may struggle to afford a once-off deposit. At Park Central, for example, buyers are offered a special deal in which they are enabled to pay off the 10% deposit over 12-month period. Units at Park Central are priced from R1.8 million."

There are a number of other schemes earmarked for Wierda Valley, Morningside, Bryanston, Houghton and Rosebank to name just a few. These include excellent buy-to-live as well as investment opportunities and include small- to medium-sized projects as well.

Complete development service – not just a sales team

"The Pam Golding Properties team has vast experience in providing consulting services to institutional-type developers on high-end iconic buildings to smaller developers who are looking to start out, from the concept stage of development all the way through to sales and marketing, including the

appointment of project-specific sales executives," Strauss notes.

Victoria Russell, Pam Golding Properties development division projects coordinator, adds that while the team is primarily focused on property sales and marketing, it has increasingly seen the need to become involved at an earlier stage within the property development process. This means that the team will provide guidance and insights long before the formal sales and marketing process begins.

"Rather than attempting to market a product after the fact, we are able to provide our guidance on client demand information during the product development process. Indeed, through our own highly experienced in-house team and a number of trusted strategic alliances, we are able to offer advice on all of the factors involved in the development," notes Russell.

"From inception to final sale, the projects division is available to be engaged as a member of the professional team to research, advice and impart proprietary information, to ensure that a residential development is destined for success."

"We are actively seeking development land and opportunities, so no matter whether you just want to sell your land, become involved as a joint venture or develop the land yourself, the Pam Golding Properties Developments team can provide advice and share its considerable expertise with you."

Russell says that through its skilled and experienced management team, the division builds up and acquires expertise and forges relationships in all key areas of successful property development including: conceptualising a scheme, market research, revenue assessment to assist feasibility and viability studies, all aspects of marketing and sales, legal documentation and end-user finance.

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