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# Neighbourhood

PROPERTY & LIFESTYLE

## Solid investment

We look at why sectional title is still the best buy in 2020  
and where the most popular areas are, page 2



# Sectional title is still a secure investment

Capitalising on a recent market upturn, sectional title is still the best buy in 2020

WORDS: KIM MAXWELL • PHOTOS: SUPPLIED



Bonsai Estate, Durbanville, Cape Town

**F**ew would have predicted that home prices would show an upturn during South Africa's sluggish 2020 economy. But there's finally some good news for property – and we'll take it.

In a recent FNB Property Barometer, analyst Siphamandla Mkhwanazi notes a bounce-back in property sales, reflecting an unexpected rapid recovery in market activity since lockdown restrictions eased.

Although sustained market stability isn't assured, the report says annual house price growth rebounded to 1.4% year on year in July. April and May's lower house price indices were based on significantly lower volumes of mortgage transactions, which have since normalised.

#### BOUNCING BACK

"Our initial expectations were for the pandemic to have a more chilling and lingering impact on activity," says Mkhwanazi. "In contrast, the volume of new mortgage applications has rebounded beyond pre-lockdown levels and across the price spectrum."

Tricolt CEO Tim Kloock agrees, saying people are re-evaluating

where they live and spending more time at home. "So they're either looking at how to upgrade now that they have a home office or seeing property as a strong investment for rentals. So we have both investors and residents buying in our developments during 2020."

There's been a rise in interest in Tricolt's Brookfield at Royal sectional title apartments in Sandringham, Joburg, resulting in presales of 188 apartments over recent months.

The properties range from R990,000 for a one-bedroom

to R4m for a premium three-bedroom unit. "Brookfield offers something for many different types of buyers," Kloock says. "It's an exciting node for people. It's about the lifestyle that Royal offers as an apartment development on a golf course. It's not only about golf at Brookfield –

there are also 15km of running and 40km of cycling tracks, plus gyms and a family centre."

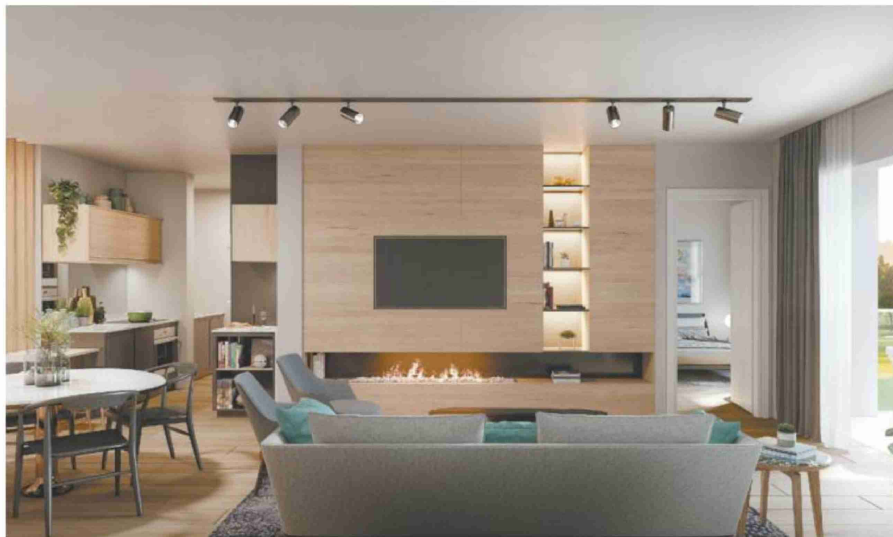
#### GOOD BUY

Sectional title properties are a particularly good buy in 2020: they're often cheaper than full-title homes and the right location still



Steenberg, Cape Town





Brookfield at Royal, Sandringham, Johannesburg



### People can enjoy a better quality of life in second-tier cities without sacrificing job opportunities

CLIFFORD OOSTHUIZEN, MD, WESTBROOK PROPERTY DEVELOPMENTS

secures a promising investment. For many buyers, sectional title living offers heightened security, remote working access, affordability, and a more communal way of life without the maintenance hassles.

These homes frequently appeal to security-conscious South Africans because complexes or estates tend to invest in solid security infrastructure. This is particularly relevant for women buyers, who

now make up more than half of all buyer and seller enquiries.

Leadhome CEO Marcell du Toit says a steady rise in women's buying power is reshaping the local property market. Leadhome data shows that 58% of its recent buyer enquiries and 55% of seller enquiries are from women. Women account for 45% of all Leadhome property registrations, whereas only 7% are now joint registrations.

"Safety and security remain among the primary reasons why people buy sectional title properties. State-of-the-art security gives them peace of mind and a more relaxed lifestyle," says Central Developments Property Group spokesperson Alda Erasmus.

"The lower interest rates have played a significant role in the unexpected high sales volumes we've seen over the past four

months. People who couldn't afford to buy a property before can now do so and are making use of this opportunity."

Central Developments is constructing its third sectional title development in the greater Amberfield City area of Centurion. Units at The Madison are priced between R885,000 and R2,135m, making them popular with first-time buyers, young professionals and new families. Amberfield College private school lies at the heart of the greater development, so walking to school and to Forest Hill Mall is an option. Strong rental demand also appeals to investors.

Pam Golding Properties senior market and research analyst Sandra Gordon says Lightstone Property research shows that sectional title properties dominate Gauteng housing stock. In 2019, properties priced between R800,000 and R1.5m accounted for 36.1% of sales. She says sectional title properties priced below R1m in various suburbs in Midrand are in "huge demand" among buy-to-let investors, first-time buyers, young professionals, and young families seeking value.

#### LENDING RATE DROP

Ooba CEO Rhys Dyer says, from a home loan perspective, acquiring property is appealing at this time.

Thanks to accessible pricing and a development site that has 28 existing trees, prelaunch contracts and expressions of interest with a combined sales value in excess of R25m have been signed for Multi Spectrum Property (MSP) Developments' new signature development Bonsai Estate in popular Langeberg Ridge in Durbanville.

Bonsai Estate appeals to buyers for contemporary semirural family living. Several landscaped parks and recreational spaces are part of the mix - a children's play area designed in collaboration with manufacturer Wooden Elements is planned.

Adding to the attraction in a challenged economy, MSP Developments released a limited R100,000 offer of rental assistance for 30 of the 120 luxury apartments. Priced at R1,399,900, these two-bedroom, one-bathroom units include balconies, outdoor braais and two parking bays each. "Purchasers of 30 selected apartments at Bonsai Estate will receive a massive R100,000 early-bird buyer saving if they seal the deal by 31 October 2020," says MSP Developments CEO Riaan Roos.

#### SECOND-TIER CITIES

FNB data shows a subtrend of homeowners reassessing their housing needs and preferences as a result of life in lockdown, with some relocating to less crowded second-tier cities. More and more of these cities offer urban convenience and quality of life with a lower price tag.

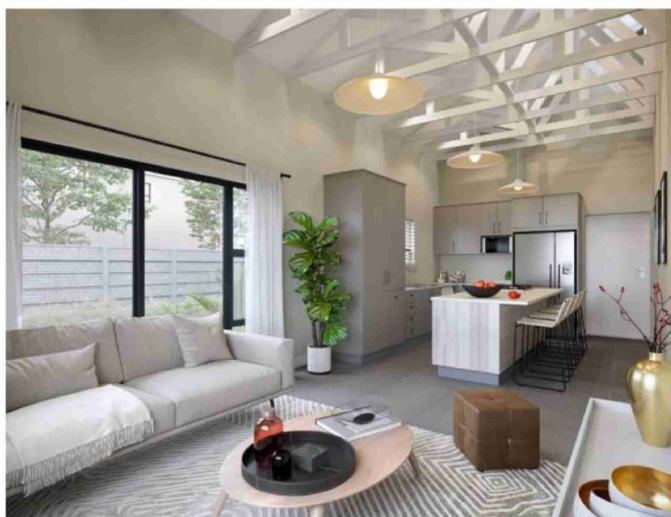
Port Elizabeth is a second-tier hub with a safe, convenient lifestyle in an affordable coastal location. The Westbrook, a 128ha residential estate development, is one of the latest options here.

Westbrook Property Developments MD Clifford Oosthuizen says the 2020 shift to remote working has given South Africans another reason to consider an inter-city move. "People can enjoy a better quality of life without sacrificing job opportunities. If you can live anywhere, it makes more sense to live somewhere less expensive," he says.

This September, the Amdec Group launched Westbrook's newest residential village, River Dale, where spacious three- and four-bedroom simplex and duplex sectional title homes go on offer. The three-bed simplex at River Dale have two bathrooms, a double garage and a built-in braai each and start from R1,3m. Four-bedroom duplexes in the village will have two bathrooms, a study, a double garage and a braai, starting from R1,5m. The professionally managed coastal estate is popular with families and those keen to downsize.

Security estates have long been a feature of Gauteng life, but historically they haven't been easy to find in the Western Cape. Dogon Properties head of developments Paul Upton says homeowners in Cape Town are increasingly asking for security estate living. If budgets are forthcoming, Dogon will be launching an uber-luxury sectional title option in Steenberg Green next to Tokai forest.

Starting from R16,5m, the exclusive 2ha boutique estate will feature only 10 architect-designed homes once completed. Each home will have a large private garden, sweeping mountain views and access to landscaped communal gardens. The estate's location is beneath the Steenberg Mountains.



The Westbrook, Port Elizabeth