



The Exchange Lofts, Braamfontein

WISE MONEY

Johannesburg suburbs you should invest in now

Stagnation? What stagnation? These areas are on an upward trajectory that looks set to last well into the next decade

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Johannesburg is a spread-out city. Within its expansive boundaries are new suburbs, older suburbs enjoying regeneration, or suburbs that just won't quit topping the return-on-investment charts. In each of these niches are opportunities ripe for the picking. The trick is to know what trends to follow.

Listed are some Johannesburg suburbs with fantastic investment potential: they have grown quickly and look like they will continue to prosper, delivering significant returns well into the next decade.

1. Rosebank

When Rosebank was included in the Gautrain route in 2011, infrastructure upgrades and considerable

private and public-sector investment transformed the area. Renprop MD Chris Renecke predicts continued strong demand for residential apartments in the Rosebank precinct for the next five years, despite the depressed economy. He says Rosebank's commercial zone has expanded by 173,167m², of which 56,505m² has been completed in the past 12 months while 116,662m² is under construction.

This excludes the Standard Bank building, which measures about 67,500m². Further planned phases of Galleria would add at least another 40,000m² to the precinct's commercial space.

Renecke says this level of commercial development means a continued influx of people in the foreseeable

future. He pegs this at about 11,500 more people working in the Rosebank precinct by the end of 2019.

"This will continue to spur the demand for upmarket executive accommodation as more and more people rely on public transport such as the Gautrain," Renecke says. People will want to live closer to their place of work for time-saving, economic and environmental reasons.

In anticipation of long-term continued demand for executive apartments in Rosebank, Renprop has launched three blocks in the area over the past four years. These include The Vantage, The Tyrwhitt and The Median. Between them they will bring more than 500 residential units to market by 2018.

Redefine Properties has made significant investments in Rosebank, including the 150-unit Park Central residential development, which is under construction.

2. Modderfontein

Principal of Seeff Edenvale and Bedfordview David Ingle says Modderfontein, around the planned Gautrain station, is set to become one of the hottest investment properties in Gauteng over the next decade. "This area will present opportunities in the residential space with cluster homes, sectional title apartments and high-rise apartments eventually on offer as well." In addition, commercial, retail and office development possibilities will open. With its unrivalled



Modderfontein Reserve wildlife park, Modderfontein

“The evolution of the Fourways area over the past 10 years has been nothing short of staggering”

Rupert Finnemore,
Gauteng regional head,
Pam Golding Properties



Steyn City, Fourways

Fourways area over the past 10 years has been nothing short of staggering,” says Pam Golding Properties Gauteng regional head Rupert Finnemore.

“Given the plans property development giants such as the Accelerate Property Fund have for the region, there is now little doubt that we are seeing the area evolve into a mini-city in the mould of the Sandton city centre,” says Finnemore.

The group plans to spend about R30m on the refurbishment of the existing Fourways Mall, he says, and a further R270m on the road infrastructure around the mall. “Such a commitment is an indication of just how much confidence developers have in the region.”

He says the development of massive luxury estates such as Steyn City represent a considerable investment in the local economy. “In addition, a Gautrain station has been planned for Fourways, which, based on the experience of Sandton and Rosebank, is only likely to further stimulate the area.”

One such investment opportunity in Fourways is Summercon's Cedar Lofts, on Willow Road, just off Witkoppen Road, on four hectares of natural wetland. The development has 425 studio, one- and two-bedroom apartments and penthouses.

Homes come standard with free appliances, fibre-to-home internet, quality eco-friendly fittings and 24-hour access-controlled security.

4. Braamfontein
Lightstone says the average price for a sectional title unit in

location in the heart of Gauteng. Ingle believes Modderfontein will be one of the top five investment destinations in the province. Buyers looking for their first property should explore Lakeside, a new area under development north of Greenstone and south of Linbro Park, or Thorn Hill Estate.

Balwin Properties has developed Westlake Eco-Estate, close to major highways for an easy commute in and out, providing modern urban living in a natural environment with abundant greenery. The WiFi-ready apartments include eco-friendly appliances and prepaid gas, electricity and water meters. As this is a new development, there

are no transfer costs for the first-time buyer.

3. Fourways

Fourways is now labelled as the fastest-developing commercial and residential hub in northern Sandton. The current median prices, according to a recent Lightstone Property report, are R2.3m for freehold properties and R1.57m for sectional title. Average selling prices in the three months to October 2017 were R2.5m in estates, R2.184m for freehold properties and R1.515m for sectional title units.

Median prices for this year compared with those of five years ago show a value growth in the region of 35% for freehold property. “The evolution of the



Cedar Lofts, Fourways

Braamfontein in 2007 was R365,000 compared with R480,000 today.

Although the price escalation is only 23%, gentrification of the area is an ongoing success. Braamfontein is fast becoming a hotspot where penthouses of up to R4m are selling to creatives and young professionals.

"There's no denying that Braamfontein is on the up," says The Exchange Development owner David Nijland.

"It has never lost its foothold as a commercial suburb, but in recent years it has become the vibrant heart of Johannesburg."

He says it has unique selling points: it offers all the lifestyle benefits of the inner-city revival, and its central position near main travel routes, including the M1 highway, makes it an easy departure point for any destination in the city.

The nearby Gautrain station ferries residents to Rosebank and Sandton quickly and conveniently.

Seeff licensee in the Johannesburg CBD Byron Cornish says the massive drive for tech companies and innovation hubs to move to the CBD (and especially Braamfontein) is accompanied by the aesthetic improvement of the area and a stronger emphasis on security.

While Braamfontein is still mostly a student area because of its proximity to Wits, UJ and other educational institutions, there is greater demand

from young professionals who want to live closer to where they work.

5. Melrose

One of Johannesburg's "best kept secrets" is the exclusive residential suburb of Melrose, midway between SA's financial capital of Sandton and rapidly growing Rosebank.

"The suburb remains idyllic and free from the hustle and bustle of the city," says Pam Golding Properties Hyde Park office manager Richard Smith.

"Melrose is minutes from Sandton and Rosebank, as well as the mixed-use Melrose Arch development, with excellent facilities on offer at these centres." The suburb has therefore remained popular and residential properties of all kinds are in demand, says Smith.

Pam Golding Properties Gold Club agent Kimberly Dods says the latest area report research released by Lightstone Property indicates that 56% of homeowners in Melrose have retained ownership of their properties for eight years or more. "Both traditional freehold homes and sectional title properties come to market relatively infrequently in this small suburb and well-priced properties tend to be snapped up."

While Melrose typically has large private homes, the Melrose Arch development has a number of apartment purchases available.

The Amdec Group is developing One on Whiteley, targeted at



Melrose Arch Precinct, Melrose

"There's no denying that Braamfontein is on the up"

David Nijland, owner, The Exchange Development

working professionals, first-time buyers, corporate long-stay tenants and property investors. The developer promises investors at One on Whiteley excellent rental yields and capital growth.

6. Bryanston

Bryanston remains an aspirational area and Finnermore says many dream of owning a home in the suburb. "Properties continue to hold their values well and represent a solid investment."

Though it is considered to be an upmarket suburb, Bryanston offers a wide range of property options – freehold, cluster homes and more affordable sectional titles. "It's a

mature and sophisticated market with homes offered from between R1.5m for a sectional title home through to R40m or more," Finnermore says.

Bryanston is centrally situated between Fourways and Sandton and is an easy commute to work for many executives in surrounding areas.

Finnermore says there has been "astounding development of the area in recent years including residential, commercial and retail spaces" and he says this indicates the "high levels of confidence that developers of all kinds have in the region" with various amenities including offices, quality retail and

entertainment outlets, schools and hospitals close at hand.

One such development is Morgan Place, by Zotos. Sandton City is just up the road. It is minutes from the N1 and N3, making for an easy commute into the city. It is also close to a selection of schools, convenient shopping centres, and entertainment and leisure facilities.

Another investment opportunity is Plantation Place, in the heart of Bryanston, on the corner of Plantation and Mandeville roads.

A duplex home can be found for less than R1.9m, positioned within minutes of schools, shops and business centres.



Park Central, Rosebank, under construction



The Tyrnwhitt, Rosebank, to be completed during 2018