

# **Sandton residential property market remains robust**

The flight of many businesses from the Joburg central business district, including the Johannesburg Stock Exchange, in the 1990s resulted in Sandton becoming the new financial district of South Africa. From then on, the area boomed and has continued to do so even against the backdrop of a sluggish economy.

Sandton is home to hundreds of commercial and professional businesses and shoppers take advantage of some of the largest and most opulent shopping and entertainment centres in Africa. Growth has been driven by the rapid development of businesses, office blocks, premier hotels and upmarket apartment complexes in the area.

According to Pam Golding Properties (PGP) Hyde Park joint area manager, Jonathan Davies, development in the area is ongoing, with office and retail property worth billions of rands continuously being built and road and transport networks upgraded. The Sandton Gautrain station is a destination station for the Sandton city centre and is used by commuters and local and international visitors from the OR Tambo International Airport.

"Given all the growth that continues to take place in the area it is hardly surprising that residential properties in the Sandton area remain very much in demand," observed Davies. "Indeed, PGP has seen a great deal of activity in this market during the first half of 2013."

## **A preference for living closer to places of work**

Davies pointed out that the residents of Joburg are showing a preference for living closer to their places of work so that they do not have to travel for long periods every day. They are opting rather for convenience, which means looking for homes situated closer to transport routes or to the Sandton business district. In some instances people have retained their properties in far-off suburbs and taken second, smaller homes or apartments near to, or even within, the Sandton city centre, which they use during the week. This has only added to the demand for homes in the area.

Within the Sandton CBD itself the continued demand for accommodation has created a situation where densification is becoming increasingly evident. This has resulted in the development of large high-rise executive apartments, rather than the traditional townhouse complexes. The Michelangelo and Sandhurst Towers are examples of such developments.

"A Sandton address remains a prestigious one and properties here are considered an excellent investment," added Davies. "Indeed, the greater Sandton area is home to some of the wealthiest individuals in South Africa and well known for its many designer-built luxury homes with their magnificently tended gardens. These upmarket properties can fetch up to R20 million or more."

## **Family homes, townhouse simplexes and apartments**

Davies hastened to add that while Sandton is known as a wealthy area, it also offers the prospective buyer a number of options, including family homes, townhouse simplexes and apartments. Indeed, one of the strengths of the area, which includes Morningside, Sandown, Bryanston, Rivonia, Riverclub and a number of other suburbs, is that one can find a home that will suit many needs and budgets. Family homes can range in price from R2 million to R20 million, while townhouses can fetch anything between R800 000 and R5 million. Executive apartments in the CBD of Sandton have been listed for as much as R60 million.

Pam Golding Properties Hyde Park joint area manager, Rupert Finnemore said that the rental market in the Sandton area is very buoyant. This is also largely based on the demand to live in close proximity to the Sandton city centre, which is home to numerous businesses and outstanding shopping and other facilities. Many of the country's finest schools are situated in the area, which only adds to its attraction. According to Finnemore, rentals are not only popular with local executives, but also with overseas business people who work in the area and who appreciate its centrality.

"As a result of the great demand for accommodation in or near to Sandton, rental properties in the area have performed well over the last number of years," noted Finnemore. "This has, in turn, attracted a number of property investors who buy to let."

Finnemore said that while the movement of businesses out of the Joburg city centre in the 1990s contributed to the development of Sandton, this process has now been slowed and the Joburg CBD is now enjoying a revival. Massive property developments, such as the Maboneng Precinct, are contributing to this impressive inner-city revitalisation.

"With the Joburg city centre largely being high rise and Sandton offering a wide array of properties ranging from free-standing Bryanston homes to high-rise Michelangelo apartments, these are two very different property markets," noted Finnemore. "Nevertheless it is going to be very interesting to track and compare the growth trajectories of these areas over the coming years, and we expect both of them to do very well."

"As far as Sandton itself is concerned, it offers a great diversity of properties and rich opportunities. For these reasons the area is still very much on the rise and we expect it to remain so into the foreseeable future," concluded Finnemore.

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