



BEDFORDVIEW REMAINS POPULAR FOR BUYERS

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Jawitz Properties reports that demand for residential property in Bedfordview continues to grow. Sales figures reveal that prices have increased by approximately 19% since the same time last year. This has been fuelled primarily by the burgeoning sectional title market that caters for all tastes.

Townhouse and cluster developments offer a range of property choices from R400 000 (in Bedford Gardens) to luxury properties of up to R30-million. Newly launched high-rise, lock-up-and-go apartments that are selling off-plan, are in much demand. Security remains a serious concern amongst buyers who insist on guards at complex entrances and who prefer to buy in boom-off suburbs.

In the older, more established parts of Bedfordview, there's good value to be found, particularly in areas where houses are situated on large properties. Owners and speculators are renovating and building granny flats or cottages to make the most of good returns further down the line. In addition some owners are opting to subdivide properties on an acre or more. Last year the same type of houses fetched an average of R3-million as opposed to current prices of R3.5- million showing an approximate 19% increase year on year" says Diane Cross, Jawitz Properties' Bedfordview manager.

Prospects in the rental sector remain buoyant, due largely to sentiment among cautious home-seekers who choose to rent rather than buy, given the uncertainty in the interest rate and the adoption of the new Credit Bill. At present there is no shortage of qualified tenants looking to rent investors' properties. As property continues to rise, the deferential between mortgage payments on an average two bedroom, two bathroom unit, and renting the same unit is approximately 50%. Therefore for those who are trying to save to get into the market, renting for a period becomes a viable option from a cash equity point of view.

Properties bought for R400 000 a year ago on a buy-to-let basis have recently changed hands at R472 000 amounting to a monthly bond repayment of R5500. On the other hand, the average monthly rental on a similar unit, in a brand new apartment complex is R4500. "Investors, who are prepared to subsidise the mortgage on rented properties, are wasting no time in cashing in on the trend of buying now and selling a couple of years down the line," she says.

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*Issued by: Lesley-Ann van Niftrik,
Image Communications,
(011) 880-1340. Cell. 083 378 2902 :
e-mail: imagecom@telkomsa.net*

*On behalf of: Diane Cross Branch Manager
Jawitz Properties Bedfordview,
Tel. 011 622 1820,*