

Joburg's business hub drives demand for residential property

Sandton's ever-increasing number of commercial buyers and tenants alike is a major factor driving demand for residential property in the area.



Development slowed after the 2010 Soccer World Cup building frenzy development, but since 2012, there has been a spike in the number of commercial property developments following an increased demand for centrally-located office space in Sandton, creating an opportunity for developers.

"Recent reports from within the property industry have shown a significant increase in blue chip companies basing themselves in Sandton due to its close proximity to the Gautrain station, making commuting easier and more cost-effective. New corporate spaces drive a secondary demand for residential accommodation and rentals," said Clifford Kupritz Director of Construct Capital, property development and financial managers of the Epic Luxury Apartments in Atholl, "and our clients have taken this opportunity to bring to market residential units ideal for both primary home users as well great investment stock."

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"The increase in commercial development in the area is bringing many more corporate users into the area that require accommodation within quick walking or travelling distance to work. This is the market that we are capitalising on," Kupritz said. "This demand will most likely be further exacerbated in the future by the increasing travelling times into the node, which will bring residents that would otherwise stay outside the Sandton CBD and commute into the suburb daily, to choose to stay within it."

The first two phases of Epic Luxury Apartments sold incredibly quickly, with only two unsold units left in phase three. Phase one was completed and occupied on 1 August 2014. Phase two and three are scheduled for completion in December.

"Development of the next project adjacent to the Epic has just begun with completion scheduled for July 2015, consisting of 48 two-bedroom apartments which are not being sold, but rather held for luxury corporate rentals," said Jarod Kolman of Limestone Property, the project's developer.

"We began the development after identifying a node where higher density would be supported by council. We started buying a number of properties on Patricia Road, and when surrounding properties came onto the market we consistently bought these for redevelopment and expansion of the project," Kolman said.

Designed by architects Messaris Wapenaar Partnership, Kolman believes Epic's 102m² two-bedroom apartments, which are selling for R2.35-million inclusive of VAT, offer excellent value for money. "Friends or business colleagues who share an apartment no longer need to feel like one person has the main bedroom, as each two-bedroom, two-bathroom unit has a unique layout with both bedrooms the same size with full en suite bathrooms." This design is also ideal for corporate tenants, as sharing the apartment for cost cutting reasons is now feasible.

Due to demand, Epic Luxury Apartments situated at 128 Patricia Road, consisting of 20 of the two-bedroom units catering to corporate clients, opens on 1 October. The units are serviced daily and are fully equipped with DSTV and 50GB of WiFi. These apartments can be booked from as short as two weeks from R1,150 per night.

Once completed, Epic Luxury Apartments will have a total of 92 units, including four penthouses.

With the continuous development of the Sandton CBD and the new headquarters of some of South Africa's best known companies such as Discovery and Edward Nathan Sonnenburg, the demand for quality affordable stock at realistic prices within close proximity of the CBD is growing. There will be approximately 30,000 new commuters over and above the existing 100,000 into Sandton City daily, which will increase the strain on the current infrastructure and further exacerbate the loathsome travel times, and drive demand for residential stock within the node.

"With only about 500 units currently under construction at the moment, there certainly is an undersupply," says Kolman. "There will be many new projects launched over the next few months at various price points and we will continue to bring new developments to the market at affordable prices where the rental yields are still at acceptable levels."

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