

Rosebank's allure grings development

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Johannesburg's Rosebank is stealing some shine from Sandton as a work, live, shop and play destination, with various property groups continuing to pump millions into new developments.



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Residential developers have now also entered the fray for the first time in more than a decade, with a number of high-rise apartment buildings in the pipeline.

In the next three to five years up to 100,000m² of office space is expected to be rolled out across Rosebank. This should lead to demand for more than 1,000 apartments, according to developer Renprop and JSE-listed property fund Redefine Properties.

Apartment living offerings

Unlisted Renprop and listed Redefine Properties are both launching apartment living offerings in Rosebank this year. The developers believe that the new offices, the public transport option of the Gautrain and improved shopping centres will attract people to the suburb.

Renprop's second apartment development in Rosebank, named The Tyrwhitt, will launch next month. This follows The Vantage, a 10-storey apartment block situated on the corner of Bath and Tyrwhitt Avenues, which launched a year ago at R29,000/m² units within The Vantage that have come back onto the market are now selling for more than R35,000/m²

Renprop MD Chris Renecke says demand for The Vantage offers solid proof there is "an exceptionally strong need for residential accommodation in Rosebank".

Comparing Sandton demand with Rosebank's, Renecke says Sandton appeals more to an international market, whereas

demand for apartments in Rosebank comes predominantly from executives who commute to Johannesburg for work purposes from other parts of the country.

Various aspects are making Rosebank a more liveable suburb.

"Rosebank has excellent access to public transport, notably to the Gautrain which is located less than 500m from The Tyrwhitt, and a range of amenities including the newly upgraded and extended Mall of Rosebank," Renecke says.

Rosebank has been declared one of the 35 priority areas in greater Johannesburg for improving service delivery and infrastructure, he says.

Redefine is one of many listed groups that has begun to develop or buy residential property following recent demand for residential options across Johannesburg. It will launch the Park Central apartment complex, on the corner of Baker Street and Keyes Avenue in Rosebank, this weekend.

Park Central includes 30 sky gardens, a pool, clubhouse and entertainment areas, a coffee shop, bar and restaurant, along with creche and gym.

Home-seekers will have a choice of 400 units with options ranging from one bedroom, two bedrooms or the more luxurious choice of penthouse apartments. The homes are priced from R1.75m for an entry-level apartment to R16m for a luxury penthouse.

Listed property

Residential property makes up only 2% of the South African listed property sector's assets, whereas it makes up about 14% of the developed markets' listed property sectors and 15% of emerging markets' listed property sectors.

However, this could grow to 3% by the end of the year, says Stanlib's head of listed property funds, Keillen Ndlovu.

Further growth will be possible if listed property groups are more aggressive about what they buy, regardless of pricing. "There is so much residential stock out there that can come to the listed-property sector but listed-property companies are selective and prefer better quality and better located residential properties," Ndlovu says.

"Pricing is key too, as some of the residential is trading at lower yields that may not be viable for some listed-property companies."

Arrowhead Properties has firstmover status in the push into residential property by listed-property companies, having been buying stock in Johannesburg for a number of years. It has not bought residential properties in Rosebank but it does own an office property there.

Arrowhead chief operating officer Mark Kaplan says Rosebank is witnessing a rejuvenation and the office building was acquired bearing in mind that the suburb would grow as a mixed-use destination.

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Source: Business Day

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