

Menlyn undergoing dramatic facelift

Menlyn, a traditionally residential suburb to the east of Pretoria, is undergoing a dramatic facelift that began in the post-apartheid years and has been expedited by the city council's newly approved Spatial Development Framework (SDF).

The new development plan will fast track the evolution of the area from a predominantly single-storey residential suburb to a vibrant checkerboard of multi-storey apartment blocks and upmarket offices. Within easy access of popular leisure-time haunts, such as the Menlyn Park Shopping Centre, Menlyn Square with its vibrant nightlife and host of eateries, and Loftus Versfeld Rugby Stadium as well as the N1, Menlyn is proving a hit among the young and upwardly mobile.

Further underpinning the revitalisation of the Menlyn node is the new R2.6 billion Bus Rapid Transit (BRT) system, phase 1 of which is due to commence operating in April 2014. This quick and cost-effective transport link between Menlyn and the bustling suburbs of Sunnyside, Akasia and Hatfield, is likely further to boost Menlyn's appeal as an ideal live, work and play destination.

High-rise construction

A key element of the SDF is that it promotes vertical residential redevelopment and densification in the area, hence the wave of high-rise construction in both the residential and commercial sectors. Single-storey houses are not nearly as financially viable as multi-storey buildings; hence the trend for developers and investors to buy the old houses for their land value and then knock them down to make way for high-rise apartment and office buildings.

Young career-minded people who are moving into the area in a steady stream to take up jobs in the new office blocks are also the most active element of the current buyer pool. They're predominantly interested in affordable, lock-up-and-go living within easy access of their workplaces, hence the present undersupply of residential sectional title.

This bodes well for developers wanting to capitalise on the need for apartment living in all price brackets, though vacant land is almost as rare as hens' teeth. Accordingly, there's strong interest in a 5600m² plot in Matroosberg Road that already has the rights in place for a 61-apartment block. On the market for R7 million, the property is ideally located for those working in Menlyn as well as people requiring easy access to other work centres.

The new 13 000m² Podium Office Block was fully rented out within two weeks of launching. Employees will need somewhere to live, with the focus on affordability and commuting convenience. This site, with its quick access to the recently upgraded Garstfontein/N1 interchange, is therefore an excellent investment opportunity.

A 20-storey landmark building

Those with serious spending power can look forward to the construction of Menlyn Towers, a Michaelangelo Hotel lookalike, on the corner of Garstfontein and Matroosberg Roads in the future. The 26 000m² site is earmarked for the development of a 20-storey landmark building that will comprise a hotel (for which there is already a lease in place) as well as a limited number of upmarket residential apartments and A-grade offices.

I expect take-up of the apartments, which will range in size from 200 to 400m², to be predominantly by professionals, many of whom are likely to live and work there during the week and then jet off to their family homes on the weekends.

Aside from the trend towards sectional title living, there is rising buying interest in sectional title office space. We're seeing increasing demand from people working from home wanting to relocate to more professional work premises. They can buy as little as 100m² of space for between R15 000 and R18 000 per m², compared with serviced grade A office space, which rents for up to R190m² per month. Take for example an office of 200m², which would command a monthly rental of around R34 000. The same space, if purchased, would incur monthly bond repayments of around R27 000, so it really makes financial sense.

This trend has, in turn, triggered the growth of medical suites, the result of related professionals buying offices next to each other. Doctors are buying alongside dentists; attorneys are buying next to insurance brokers and architects. It's an affordable, practical win-win situation for everyone.

For more, visit: <https://www.bizcommunity.com>