

Developers pouring in to Mthatha add to Transkei transformation

Established in 1883, Mthatha, the capital of the former Transkei, is a hive of bustling activity and recognised as the leading city of the area. Situated on the N2, almost midway between Durban and East London, this colourful and lively city is the gateway to the area and the world-famous Wild Coast, with regular flights to and from Johannesburg.



Mthatha Town Hall

The Walter Sisulu University for Technology and Science attracts many up and coming young students in a region that was home to many leading South African statesmen such as Nelson Mandela and Walter Sisulu and is renowned for the Nelson Mandela Museum, a domed building which was the seat of the former Transkei's Parliament. The town still has some beautiful colonial buildings, such as the sandstone town hall with its prominent clock tower.

Wayne Rubidge, Pam Golding Properties area principal in the Mthatha area and North Eastern Cape says, "With a population of around 500,000 people, Mthatha is undergoing a construction boom visible everywhere you go, from the upgrading of airports to the building of roads, bridges and at least three new shopping malls. There's excitement in town, with the new and biggest shopping mall Mthatha has ever seen currently underway.

"90% of construction work on the BT Ngebs Mall is completed, with the mall scheduled to open its doors in April 2015. Comprising 58,808sqm, the mall will have 1,975 parking bays and will service about 390,000 households. It will be the largest shopping centre in the Mthatha region, which has a retail undersupply of 477,341sqm.

"In 2013 the government earmarked R5 billion to rehabilitate the city's infrastructure over a 20-year period. Projects include a runway, completed four months ago at the Mthatha airport, and a new terminal building currently underway. A two-lane bridge opened in November 2014 to ease traffic congestion around the city and streets are being upgraded with robots. Also included in these projects is the newly opened 60 bed Mthatha Hospital."

Rental prices escalate

Zuki Khumalo, Pam Golding Properties resident agent says Mthatha has a variety of large suburbs, with the more affluent being Hillcrest, Southernwood and Northcrest, where properties sell for anything between R1 million and R2 million, with vacant stands selling between R200,000 and R250,000. In more affordable areas like Ncamedlana and Mbuqu, residential properties sell for between R400,000 and R650,000.

"Currently, Mthatha is landlocked in terms of housing developments because of the peri-urban areas also termed 'rurban' areas along the urban fringe. These transitional areas, between rural and urban, are the constraints for new developments as the city has been boxed in by the peri-urban settlements. The city's economy is substantial as there are at least 15 towns whose economy is linked to that of Mthatha. The city supplies goods and services to towns such as Flagstaff, Mvezo and Libode, where facilities that Mthatha offers are not available, making Mthatha the key economic hub in the region.

She adds there are a couple of new full title developments underway. One developer who has made his presence known in the city has completed 49 housing units which were quickly sold out in a development called 'The Palms' in the suburb of Ncambedlana.

"For investors there is a great deal of opportunity in Mthatha and surrounds because within the current property market, not many in the lower LSM groups can afford to buy, making small apartments the ideal investment to cater for this market. The rental demand is also substantial in this sector, with entry-level rentals houses with two or three bedrooms achieving rentals in excess of R4500 per month. Across the Mthatha property market, there is a huge demand for rental properties. This has resulted in the escalation of rental prices with houses that would normally be rented out for R8000, fetching R17,000 per month," concludes Khumalo.

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