

Cape Town's Southern Suburbs defies market slowdown

Cape Town's Southern Suburbs, known for its enduring appeal to both local and international buyers, is one of South Africa's strongest real-estate markets, witnessing exponential increases in house prices over the past few years.



Source: Supplied.

This is according to Alexa Horne, managing director of Dogon Group Properties, who says that property prices in the Southern Suburbs have remained resilient despite a recent slowdown in the market.

“While overall property transactions have seen a 40% decrease compared to the same period last year, Southern Suburbs real estate, especially in areas like Newlands, Rondebosch, and Constantia, has consistently displayed remarkable resilience, with the demand for new, secure developments and estate living remaining robust, particularly among those relocating from other regions of the country.”

For example, the period from January to September of 2022 witnessed three sales exceeding R35m in the Southern Suburbs. During the course of this year, there have been five such sales, with Dogon Group recently concluding a sale for R37m. International buyers, including those from the UAE, the UK and Europe, are actively exercising their purchasing power in this area.

And it is not just property sales, rising interest rates and the ongoing trend of semigration have also led to unprecedented demand for rental properties in the Southern Suburbs, says Odette Maartens, head of rentals for Dogon Group, who

advises that Cape Town, and in particular the Southern Suburbs, have become increasingly popular as a rental destination over the last few years.

“The Southern Suburbs offers large family homes and close proximity to some of the best schools in the country. A large population from Gauteng and KZN are moving down to Cape Town looking to rent in the Southern Suburbs, and we also see many Internationals wanting to relocate their families to this area.”

According to Horne, several factors have contributed to the recent downturn in the general property market:

“Rising interest rates, economic instability, and an unusually cold winter in Cape Town have collectively dampened sales activity. However, the luxury property market in the Southern Suburbs, and in general, remains largely unaffected by interest-rate hikes and rising living costs.”

“Ultra-wealthy buyers (those seeking properties exceeding R20m and even R30m) continue to show confidence in the market, and property remains one of the best long-term investments – with an increasing number of individuals turning to it as a means of safeguarding their wealth against currency depreciation and market volatility.”

Exquisite properties redefining opulence

Some examples of high-end properties currently on the market in the Southern Suburbs which are garnering much interest include a stunning five-bedroom home in Constantia Upper for R26,500,000.

Among the many luxurious features on offer, this environmentally friendly home is equipped with 20 solar panels, a separate solar geyser, a state-of-the-art inverter and battery system, and a borehole with advanced filtration. In Exeter Avenue in Bishopscourt – one of the most prestigious addresses in Cape Town - is a seven-bedroom home which is on the market for R70m.



Developments in the VAT and residential property realm - part 2

Ursula Diale-Ali and Jana Krause 11 Oct 2023



The price tag dictates the level of luxury to be found at this sumptuous property, with a grand entrance boasting a koi pond as just one example of what is on offer within the main residence.

A separate flatlet, garaging for six cars, staff accommodation, massive landscaped gardens, and multiple sustainable solutions such as an inverter system, solar panels, and borehole water with filtration are just a few features of this property.

New developments within the Southern Suburbs are seeing high interest and an example of what is currently available includes a four-bedroom home in Bishopscourt which is on the market for R36m. Designed by renowned architect Gerd Weideman, this modern luxury home, Villa Camphor, is part of a small and exclusive development of no more than three luxury dwellings.

Looking ahead, Horne says that the outlook in this sector of the market remains promising. “As we approach the upcoming summer season, we anticipate increased activity, especially in the high-value property segment.

“The enduring appeal of Cape Town's Southern Suburbs continues to attract a diverse range of buyers, ensuring the region's status as a coveted real-estate destination.”

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