

Cape Town Property Focus Turns To Northern Suburbs

The focus of the property market is increasingly shifting to the Northern Suburbs of Cape Town, including the Central Business District of Bellville, which is once again becoming a haven for commercial property.

According to Eduard Hanekom of RE/MAX De Kloof, prospective buyers of residential property are choosing the Northern Suburbs, mainly due to the factor of affordability, but also because these areas are being uplifted by a spate of developments.

Graham Alexander, Broker/Owner of RE/MAX Commercial City agrees that affordability makes Bellville and surrounds the current haven for buyers. Alexander sites the example of the well-known Omnia Building on Voortrekker Road in Bellville, which was owned by Sanlam, but had largely been under-utilised due to lack of demand for office space in the 1990s.

RE/MAX Commercial City recently sold the building at R2m more than the original asking price of R11m. Four bidders were involved and in the end it was sold to a South African entrepreneur.

"We eventually sold the building to an ex-Zimbabwean who established a highly successful call centre servicing the medical fraternity in the United Kingdom," according to Alexander.

He added that the UK business brought their entire operation to the Bellville and created 100 jobs for locals. "There are many opportunities to find value in Bellville. Another example was when we discovered that the land next to the Omnia Building was vacant and we saw an opportunity to develop land rezoned from commercial to residential use. We developed a block of 60 apartments called Parc du Cap that were sold out over one weekend. Again, affordability played a big role, but it is important to note that the flats are very upmarket and quality fitted," adds Alexander.

Jonathan Smiedt, Chief Executive of ClareMart Auctioneers, says the Petrusa Park office park in Bellville, proved that there is "immense interest" from buyers. "We have seen immense interest from potential buyers who want to acquire small units for office use," Smiedt was quoted as saying.

He adds that the proximity to retailers and restaurants adds to the pull of Bellville. Alexander adds that Bellville's ability to draw quality developments waned in the late 1980s and 1990s with the development of the Tygervalley Centre and supplemental developments.

"Tygervalley became the flavour of the month, but this started changing with a heightened demand for the conversion of office blocks to flats. A lot of the tenants buying these flats are still dependant on public transport and therefore the proximity of the railway line makes Bellville such a good prospect for thousands of first time buyers," he adds.

Hanekom says these first time buyers are not overly concerned with location, with many properties being sold along Voortrekker Road, which was a no-go area on the early 1990s.

"Once again, affordability is the key. Fortunately, with all these new developments, the entire area around them are now being uplifted. You can already see the difference in Bellville, for instance. The area is already looking much better than a few years ago. We expect the trend to continue," concludes Hanekom.