

## Flooding Hits Garden Route Prices

Recent flooding in the southern Cape and along the popular Garden Route will have a serious short term impact upon the prices of affected properties, but is unlikely to result in a decline in general property values in the area.

This is the view of Hein Pretorius, Principal Consultant for Lew Geffen Sotheby's International Realty Plettenberg Bay, who says that, although this flood was the highest in recorded history, the lifestyle on offer along the Garden Route is likely to keep people coming back over the longer term.

"Riverfront properties, which have always commanded a premium, will clearly be most affected. With the frequency and magnitude of flooding apparently on the increase, it is quite possible that the minimum floodline height will be increased. Anyone planning on building close to existing floodlines should bear this in mind," he said.

"While there is unlikely to be a crash in prices, the real tragedy of course is that many people have lost their possessions and no longer feel secure in homes that they assumed were safe."

Pretorius says that the flooding is already influencing tourism, with some holidaymakers canceling their trips to the area. He says that this may also impact upon property prices.

"A decrease in rentals generally translates into a downward pressure on property prices. However, after the last flood things got back to normal very quickly, so my advice to holidaymakers would be not to cancel their holidays, but rather to contact their accommodation provider. The water has already subsided and it is back to business as usual for the most part."

On the other side of the equation Pretorius says that properties well above the floodlines may experience an increase in demand, with migration to the coastal areas in South Africa continually on the increase. He notes however that buyers will be more selective with regards to location.

"In Plett, for example, beachfront properties have not been affected and will continue to fetch traditionally high prices. They are well above floodlines. Properties near to the Robberg and Central beaches may see an increase in demand, because Lookout beach is completely washed away," he concludes.