

## Plett Sales Down, Average Prices Up

Recently-released figures for property sales in Plettenberg Bay during 2007 reflect a year-on-year increase of more than 20% in average prices against the background of a significant decrease in the number of properties sold and the total value of properties sold during the year.

Steve Neufeld of Lew Geffen Sotheby's International Realty Plettenberg Bay notes that, in terms of figures available as at 5 March 2008, the number of property sales decreased by a staggering 38%. As a consequence, the total value of sales in Plettenberg Bay in 2007 declined to R602m from R778m in the previous year.

"There are still a lot of sales from 2007 that are in the registration process, so the figures will not be as dramatic once these are registered, but all indications are that 2007 will be substantially down on 2006, which in turn was down on the previous four years. The decline can be attributed to decreasing affordability and uncertainty in the marketplace and economy in general," he says.

Despite the decline in total sales, the average price for freehold property (including vacant plots and houses) increased to R1,99m and R1,38m for sectional title units.

"The entry levels remain the same as last year at R1,4m for houses; the mid-market at R5m; the high-end at R20m. The highest price achieved in 2007 was R25m for a vacant 7,000sq m beachfront property on Robberg Beach," Neufeld said.

He says that the indications suggest that 2008 is going to be a tough year, with political and economic uncertainty and decreasing affordability amongst the main concerns. He advises sellers not to be reactionary in their decision-making and to expect the market cycle to turn in due course.

"If you can afford not to sell your properties, don't. However, should you be in a position where you need to sell, make sure your property is correctly priced, because agents are currently overwhelmed with over-priced properties that they have no hope of selling, and there is no point in it sitting on the market for years.

If you need a valuation, ask a reputable agent or three for their opinions. In general, Plettenberg Bay's property prices have never gone down, and the market is still one of the top performers in South Africa," he concludes.