

Record Price Growth for Golf Estate

Despite the recent down-turn in the property market, an exclusive Stellenbosch golf estate is achieving record prices, with values expected to increase further in 2008.

The 300 hectare De Zalze Winelands Estate, neighbour of the Spier Estate, was launched in late 2002. Approximately 400 individual homes, designed and built to owners' specifications, form small residential villages built amongst the working vineyards and golfing greens of the estate.

"Ground prices at De Zalze have increased by an average of 350% over the past five years. Recently, we saw a 900m² stand which was originally sold for R1 million, achieve a selling price of R4.5 million," says Chris Cilliers, Golf Estate Specialist of Lew Geffen Sotheby's International Realty, Winelands.

Cilliers says that prices have increased sharply over the past two years as a result of the increased scarcity of undeveloped stands.

"With the deadline for building on the stands three years from the date of first transfer, the majority of the stands have now been developed. As a result, sales volumes have decreased from 100 transfers in 2006 to 50 transfers in 2007.

"Even though we are seeing reduced sales volumes, sales prices on these open stands are increasing dramatically as demand drastically outweighs supply," says Cilliers.

The De Zalze market now consists primarily of developed homes. "These properties are popular amongst retired and semi-retired couples and young families seeking secure, up-market estate-style living. We also have a substantial number of investors who are letting their properties in anticipation of further price appreciation towards the end of 2008, when building activities on the estate are substantially reduced," says Cilliers.