

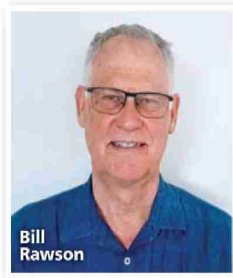


FOR THE INVESTOR

The latest Lightstone market commentary suggests that property investments are still a sound option, even in the face of the impact of COVID-19. **GARETH GRIFFITHS** finds out more

The current drop in property prices can be viewed as an opportunity for buyers who are looking to enter the market, trade up or buy second homes.

Respected property doyen, Bill Rawson, chairman of the Rawson Property Group is upbeat about investment in South African property, but cautions that you should not expect quick returns, even under normal economic circumstances. "Property is always a long-term investment and is the most stable. I always say to people, look at it over 10 years.



Bill Rawson

"We and the rest of the market have experienced an exciting time in the residential property market over the past three months due to lower interest rates. We've experienced the greatest volume of sales ever in our history over this period. Rentals are happening every month, despite a tough year in which the return for buy-to-rent is depressed," he advises.

Current growth has been in residential property and opportunities exist for investors in that space to

buy properties that have been operating as AirBnB or similar, where the tourism decline has forced liquidations. For example, there are great opportunities to purchase apartments in the city bowl and Blaauwberg areas of Cape Town.

The commercial property market has been struggling with some landlords having to liquidate their buildings, so while urging caution, Rawson advises that there are "some excellent opportunities around in that space".

"But as we all know, the residential market is the most stable. The banks understand it, how to finance it and it is easy to rent out. Landlords can manage their properties much easier than with commercial properties," he concludes. ■