



Waterfall Estates by Century Property Developments

Midrand flexes its muscles

● *Value for money and a low interest rate are spurring on investors and first-time homebuyers to invest in Midrand, Gauteng's new boom town halfway between Johannesburg and Tshwane*



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WORDS: HELÈNE MEISSENHEIMER - PHOTOS: SUPPLIED

Over the past couple of years Midrand has become a sought-after area for investment in Gauteng. Centrally located with easy access to main roads, highways and the Midrand Gautrain station, its proximity adds to the appeal. It is 20 minutes from Sandton and an hour from Tshwane.

Moreover, entertainment and medical facilities, excellent schools, shopping centres and places of worship are all within close range.

It seems residential property sales have received a boost owing to the Covid-19 pandemic. The work-from-home experience for many families, often with children who need space to play and study, made parents realise they require more spacious accommodation.

"Insufficient room to accommodate everyone's needs when the whole family is at home most of the time has been a common frustration during the lockdown, already prompting many relocations to bigger homes," says Glas Everett, international property group CEO Berry Everitt.

The current low interest rate, along with banks

being keen to approve home loan applications and a zero transfer rate on property of up to R1m, is further encouragement for investors and first-time homebuyers. And Midrand with its expanding range of affordable residential developments is one of the areas where people have found more spacious homes at the most affordable rates.

"Recently the area has experienced a property boom and it seems even stronger now, given the Covid-19 pandemic," confirms Century Property Developments head of sales, marketing and operations Jessica Hofmeyr.

Developers report that freestanding homes and sectional title properties are particularly popular with buyers eager to find reasonably priced homes with space to work remotely. Similarly, rentals offering free Wi-Fi – vital for work and home-schooling – are also in demand.

Investors can expect a solid return on investment in Midrand. According to data from Lightstone Property, sectional title prices in Erand Gardens, Noordwyk and Vorna Valley have shown consistent growth despite slow price growth nationally.

Security estates
Working from home was already a growing trend before the Covid-19 crisis. Even though lockdown restrictions have eased, it is expected that many people will continue working remotely and require a dedicated home space to do so.

As a consequence developments with affordable freestanding homes are popular. Anticipating an increased demand in this category, Craft Homes did a virtual launch of its new security estate The Woods in May when the country was in hard lockdown. These duplex homes sold out in four days.

says Craft Homes marketing manager Jessica Cabanita. "We did our research and knew freestanding houses would do well," she says.

"Most of our buyers are young families looking to upgrade from an apartment."

Prices at The Woods vary from R1.2m for a two-bedroom apartment to R2.1m for a three- or four-bedroom home. There is a waiting list should any of the two- and three-bedroom properties become available.

The Woods is next to the Kyalami Corner shopping

centre, with easy access to the N1 and good schools in the vicinity. The estate offers an 860m green belt where residents can walk their dogs, jog or cycle in safety.

Midrand is also popular among retirees who'd like to downsize to a smaller home in a safe environment close to shopping centres and medical care. Urban Ridge South Retirement Estate, for example, is located in Halfway Gardens, close to the N1 and on the Gautrain route. Lightstone lists it among the top three most popular retirement estates in the country, with 232 transactions since 2018.

Sectional title

Sectional title properties, especially those below R1m, are in demand from first-time buyers and buy-to-let investors.

Research by Lightstone shows sectional title unit sales in Gauteng have risen from 53.6% of total home sales in the province in 2010 to 59.1% in 2019.

In 2019, properties priced below R800,000 accounted for 50.0% of total sectional title unit sales, whereas properties priced between R800,000 and R1.5m accounted for 36.1% of sales.

In Erand Gardens and Noordwyk, prices start from R420,000 for a bachelor apartment, R500,000 for a one-bedroom, R590,000 for a two-bedroom and from R850,000 to R1.5m for a three-bedroom unit. In Vorna Valley, which is more established, prices start from R680,000 and can vary up to R850,000 for a two-bedroom apartment.

According to Pam Golding Properties area specialists Fushai Runyowa and Reggie Toole, there is increased demand particularly in Vorna Valley for two-bedroom, one-bathroom apartments. There is also a shortage in stock of two-bedroom garden units as most young families prefer these so that children can play outside. Rentals range from about R6,700 a month.

Nearly Steyn City has had an uptick in sectional title sales too. According to sales manager Lambert Bezuidenhout the apartments are especially appealing to buyers who want access to top facilities, the convenience of a lock-up and go lifestyle and additional space to accommodate a work-from-home setup.

"Factors contributing to the shift of sectional title sales into higher price bands include rising house prices and building costs, strong demand from first-time buyers entering the market and the growing lifestyle shift towards downsizing," says Pam Golding Properties senior market and research analyst Sandra Gordon.

"This means homeowners across price bands embrace the benefits of a lock-up and go, live-work-play lifestyle."

Mixed use

Being forced to spend more time at home than usual caused people to reflect on their environment choices. Lifestyle estates offer residences on spacious, well-kept grounds, often with schools and a variety of recreational facilities on site.

Hofmeyr believes this is the reason for the increase in sales in areas like Waterfall Estates, where the development is centred around lifestyle facilities.

"The pandemic seems to have shifted people's perceptions, turning one's home environment into a bigger priority than driving the latest model car, for instance," she says.

Steyn City's new residential development The Village is another offering for families in Midrand looking for alternative lifestyle options. It is located within walking distance of the estate's schools and close to recreational facilities including an indoor aquatic centre, an equestrian centre and the Dine Dig park. Stand prices range from R1m to R1.8m.

Even though the country's rental market is under pressure, Midrand estates remain sought after for rental accommodation. Hofmeyr reports a sharp increase in demand at Century Property Developments, whereas Bezuidenhout says although Steyn City apartment rentals have dropped slightly to accommodate tenant expectations, they are still attracting high prices and good returns for larger homes, which are achieving more than R100,000 in monthly rentals.

Despite the muted growth in house prices in most parts of the country recently residential developments in Midrand show a healthy increase in value. For example, two-bedroom apartments that sold for R950,000 in the award-winning Waterfall Ridge development two years ago are now selling for R1.1m. According to Cabanita, most of the 294 apartments here have sold out and Phase 3 of the development is being registered.

"The future of property investment in Midrand is definitely looking bright," she says.

With the interest rate currently at 7%, the lowest it has been in decades, and the Reserve Bank expected to keep it low for a while to help rebuild the struggling economy, this is a good time for property investors and first-time homebuyers to buy property in what is fast becoming Gauteng's new boom town.



The Woods, a development by Craft Homes



An apartment at 104 on Creek, Steyn City