

Property performance by age

A century-old point of discourse in this industry is freehold vs sectional title vs estates. What are the differences between the three?

Freehold

A freehold or full title property can be defined as any estate which is "free from hold" of any entity besides the owner. The owner of such an estate

has full ownership of the property, including the building and the land it is built on. These kinds of properties include free-standing houses, cluster houses, residential property used for business purposes and smallholdings.

The owner is responsible for all the bills and maintenance of the property, including taxes, insurance, upkeep, security, electricity and water bills.

The sale of a freehold property does not require consent from the state and hence requires less paperwork, making it more expensive than leasehold property.

Sectional title

A sectional title scheme is made up of individually owned sections and common property. Sectional title dwellings

include detached houses, townhouses, flats or apartments. The owner of a sectional title property enjoys exclusive ownership of the unit or section that they have purchased, as well as an undivided share of the common property.

The common property includes but is not limited to the security systems, the driveway and parking bays, the clubhouse, gardens, pool, braai facilities and the external (outer) walls and roofs of the buildings which house the sections, and is maintained by the body corporate.

Monthly levy contributes to the maintenance fund of the scheme and is compulsory as stated by South African law in the Sectional Titles Schemes Management Act 95 of 1986.

The profits from its produce and rents are sufficient to support the household in the house at its centre, formerly known as the manor house.

perform differently.

Sectional title sales of properties aged 30 to 39 years have outperformed other age bands of properties in terms of average property growth per year, at 4.7 per cent.

This is followed by units aged 20 to 29 years showing an average growth of 4.2 per cent per year, over the last 10 years.

The owner is responsible for all the bills and maintenance.

When you buy into an estate, the future value of your property will be affected by how well the whole development is managed. Buying into an estate is more complicated than buying a stand-alone home because the future value of your property will depend not only on its individual location and condition, but on how well the development as a whole is managed by the homeowners' association (HOA).

In the last five years alone, the 30 to 39 age band of sectional title properties that sold realised an average of 29 per cent compared to 22 per cent for the 20 to 29-year-old sectional units. In the freehold market, Generation Z of the property market cannibalise market share from the 10- to 19-year-old properties with an average growth of 5.4 per cent over the last 10 years.

Estate sales for the 5 to 9-year-old properties were at their highest from 2012 to 2015, but have subsequently been overtaken by sales in the 10- to 19-year-age band, with married couples dominating the sales in this segment of the market.

Estate

Historically, an estate comprises of houses, outbuildings, supporting farmland and woods that surround the gardens and grounds of a very large property.

What are the performance indicators?

Recent property market insights provided by Lightstone Property (Pty) Ltd show that sectional titles, freeholds and estates

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<p>MARLANDS R420 000 Apartment with carport massive lounge/dining with balcony modern fitted kitchen ample built-ins DENISE 082 403 2777</p>	<p>MOPANI COURT R360 000 Extra spacious 1.5 bedroom apartment With lounge/dining, fitted kitchen, and sparkling bathroom STEPHAN 082 885 2489</p>	<p>PET FRIENDLY UNIT IN THE MUSICALS, WITFIELD R730 000 Unit in the popular Boomed area Large private garden, 2 Bedrooms, 1 Bathroom and a Guest Loo. Lounge/Dining beautiful Kitchen to a private Courtyard and a Lock-up Garage. Lots of Built-in Cupboards in this Unit. Levies R1 700 WERNER 071 369 4961 ARMAND 084 757 9689</p>
<p>SUNNYRIDGE R1 245 000 NEG Upmarket home with flatlet Gourmet kitchen great outdoor entertainment area STEPHAN 082 885 2489</p>	<p>PRIMROSE R1.4 MILL 3 bed 2 bath home with 2 bed 2 bath cottage and sparkling pool WERNER 071 369 4961</p>	