

# Joburg property trends this year

Catherine Black • Jan 19, 2016



**Want to know what's in store for Joburg property this year? The experts weigh in.**

“Against the backdrop of a shortage of stock in 2015 and a dismal performance for the rand, there is light at the end of the tunnel for the Joburg property market,” says Lew Geffen, chairman, Lew Geffen Sotheby's International Realty. Charles Vining, managing director, Seeff, agrees, adding that this year will see continued demand for property, particularly near the CBD nodes of Sandton, Rosebank and Joburg central.

“Urbanisation is intensifying,” he says, “and sectional title properties sell particularly well.” Following on from the trend this year, Vining expects to see continued high demand for houses up to R3,5m this year, as well as healthy demand for properties between R5m and R8m. He says houses in this upper range are generally found in suburbs near schools and main arterial routes, in security estates like Fourways Gardens and Dainfern, and in suburbs with good stock of cluster homes, like Houghton, Atholl and Bryanston.

Herschel Jawitz, CEO, Jawitz Properties, noted that last year saw the Joburg residential market tightening from a price growth and volume of sales point of view, and he expects this year to be similar. “While there are still more buyers in the market than sellers, the number of buyers has slowed, and in 2016 we'll see the start of a shift from what has been a very good seller's market to a more balanced market between buyers and sellers,” he says.

Jawitz says that the lower-to-middle price segments of between R750,000 and R3m will remain the “sweet spot” of the Gauteng market, which is driven by first time buyers and young professionals. He adds that despite a weak economy and a rising interest rate, homeowners should expect to see house prices increase between 6% and 9% – largely due to the rapid growth of the South African population and consequent housing demand, together with an ongoing shortage of new housing.

Andrew Golding, CEO, Pam Golding Property group, agrees, saying that against a background of a muted economy, Joburg continues to develop at a rapid pace. “With transport costs and traffic congestion on the increase, residents are looking to live close to economic nodes and transport corridors that allow easy access to the workplace and educational institutions,” he says.

Golding says this trend is resulting in rapid residential densification within growth nodes such as Rosebank, Midrand and Fourways, as well as central Joburg and Braamfontein – two areas that are seeing massive redevelopment growth of Sandton looks set to continue this year.