

SA rentals offer terrific value to foreigners

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Upmarket rentals are proving a hit with foreign business executives, diplomats and professionals who are on assignment to this country.

While we may be feeling the pinch, thanks in part to the depreciation in our currency, others are reaping the rewards and are taking full advantage of the current situation when renting property.

Most of us will gasp at the rents being asked for property at some of the country's more exclusive addresses. A home in Clifton is currently available to rent for R95 000 per month and a four bedroom home in Bishop's Court in Cape Town is available for R46 000 a month. This is certainly not cheap even when converting into dollars - at the current rate of exchange (R15.20 to the dollar) this translates to around US\$14 000 and US\$5 000 respectively. However, these are basically rock bottom prices when you consider that a two bedroom, 1.5 bathroom apartment in Chelsea in Manhattan, New York rents out at US\$5 000 per month. The prices start becoming a bit crazier when you want something a little bigger and fancier. A three bedroom apartment on the 62nd floor of the Trump Tower offers fabulous views of Central Park. Dubbed a 'white gloved' luxury condominium, the apartment does include a 24-hour concierge, a doorman and an elevator attendant. Unfortunately, this will set you back a cool US\$50 000 (R760 000) per month.

The picture gets more surreal in London in the UK where a penthouse apartment in Mayfair (with views over Hyde Park) is available for £260 000 (well over R5-million) per month.

The drop in the value of the rand has made it almost ridiculously inexpensive for those earning euros, pounds or dollars to rent property here, while also enjoying a relatively high standard of living

says Andrew Schaefer, MD of the property management company Trafalgar.

This, he says, has led to South Africa becoming an increasingly sought-after posting for expats from all over the world, and the rising demand for the top-end rental properties they prefer is creating some excellent investment opportunities.

Before you all rush out and decide to try and rent out your homes for astronomical sums, it's worth remembering that tenants are drawn to particular areas which include, according to Schaefer, the Sandton CBD and surrounds, Pretoria East and areas to the north of Durban around the King Shaka tradeport.

So what else do international tenants look for in a property? Security is probably the most important aspect and as a result apartments and homes in upmarket secure estates are a popular choice.

High-end tenants are also understandably rather picky and generally demand more than your average tenant. "Corporate and diplomatic tenants are extremely particular and require high levels of service. In addition, landlords will need experienced help to be legally compliant when letting to foreigners," says Schaefer.