

# Cape Town, a cut above the rest

 By [Grant Holton](#)

11 Jan 2017

South Africa's private property market has maintained a precarious balancing act throughout 2016. Based on what we've seen this past year amidst the trying economic and political times, these are trends we can expect to see proliferated over the course of 2017.



© Maksym Poriechkin – [123RF.com](#)

## Cape Town in comparison

Cape Town, and the Western Cape at large, is South Africa's most expensive property market with the average house transaction price well over R1.2m. This has been a growing trend over the course of 2016 and will only continue to escalate well into 2017.

The reason for this is based largely on people's perception of what the area offers in terms of lifestyle, service delivery and overall quality of life. Buyers could stand to acquire a larger property elsewhere in the country for the same price and still choose an area that meets their requirements.

## New buyers and family income

When looking to break into the property market for the first time, you'll have to decide between what you would like to have and what you have to have. It comes down to the necessities before the niceties. Also, do not assume that a weaker economy will give you access to "better" properties.

Buying for the first time will require some savvy no matter what the rand is doing. As a general rule, your instalment should not be more than 30% of your regular family income, before any tax or deductions. In 2017, aim to have your instalment at no more than 25% of your regular income.

## Millennials are making a move

Fiber has become a key element when buyers, particularly millennials and entrepreneurs, approach a property. From a less technological perspective, but equally importantly, natural resources are becoming game changers in terms of how people source property. For example, a borehole is far more attractive to buyers than a swimming pool, [according to Dawid](#)

[Malan](#), head of Strategic Stakeholder Engagement for Absa Home Loans.

## Seasonal property preparation

Holiday homes and investment properties are becoming increasingly popular in and around Cape Town. And no one likes to arrive at a holiday property and find that there is no hot water, clean linen or functional air conditioning units – regardless of the season.

It's not often mentioned, and it's often assumed that this information is common knowledge, but maintaining your holiday home or investment home adds real and sustainable value to the property. More than that, by constantly taking care of the assets, appliances and amenities on the site, you're taking care of your bank account too.

These trends go to show how people are ready to prioritise quality of life and location above all else, and this comes at a fair price in most instances. South Africa's property market will have to grow as people's lifestyle-oriented needs grow.

## ABOUT GRANT HOLTON

Grant Holton, a founding director of HQM Properties, currently heads up the management team in his position of CEO. Holton is passionate about service delivery and is primarily involved in company strategy, sales and marketing.

■ #BizTrends2017: Cape Town, a cut above the rest - 11 Jan 2017

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>