



PE PROPERTY BUZZ

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Hi from Ian



I had the privilege of listening to the brilliant **John Loos, property strategist for FNB Home Loans** ... again a couple of days ago when he came to PE to share the findings of **FNB's latest Residential Property Barometer** with the property sector. I was heartened to hear him say that overall, **things are improving** (even though the whole world is still in a risky period). FNB's numbers show that primary residential demand currently accounts for 87% of buying activity (as opposed to people buying to let, holiday home buyers etc). He also told us that 76% of sellers had had to drop their asking prices in Q1 2010, and that the average drop was 11%. Categorising sellers, he said 20% were downscaling due to financial pressures; 19% due to life stage; 12% each for those upgrading or moving for safety and security reasons; 16% as a result of divorce and other changes in family structure; 8% to be closer to work and / or schools; and 7% each emigrating and relocating within SA. Further, he noted that the **average time** a property was spending **on the market was 12,4 weeks**, although supply was still stronger than demand.

In a nutshell, the market is looking a lot healthier with buyer numbers increasing slowly but surely, partly as a result of favourable interest rate and also because home loans are a little easier to secure. But **price remains the key driver of the market** and I can't stress enough how important it is to price realistically if you're serious about selling.

Still on the subject of selling, we attended a talk by Du Toit Strombeck Attorneys on latent and patent defects. A few points to note: While sellers are legally compelled to advise of latent defects, it's the **responsibility of the buyer to check the property properly for patent defects** ie those that can be seen. These may include cracks, missing tiles, sagging gutters and the like—anything visible when walking around the property. Prudent buyers therefore need to lift rugs, turn on lights and taps, flush toilets and keep their eyes peeled for signs of recent repairs. As for the "voetstoets" cause, it's there to protect sellers within reason but it does not excuse them from fraudulently concealing defects such as roof leaks. They have a duty to disclose such defects as well as any knowledge they have of say a development which will block their property's sea view. In closing, the law allows a buyer **3 years** from date of purchase to issue a summons with regard to any latent defect.

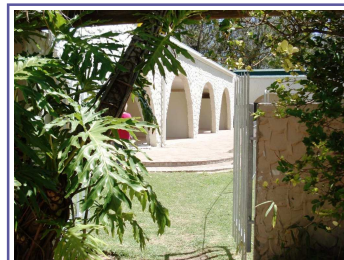
If you have any queries or are looking for sound real estate advice, please give me a call on **083 650 2913**.

Until next month... ciao ciao!

Issue 5, May 2010

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Chelsea Retreat in Greenbushes

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Impact of the World Cup on the SA economy



By Cees Bruggemans, Chief Economist FNB

The winning of the World Cup Soccer bid way back in 2004 created a challenge to prepare the country for hosting such an august event in 2010.

Along the way, South Africa incurred costs but also created opportunities for itself. Without the stimulus of the forthcoming event, such costs would probably not have been incurred nor the opportunities eventually harvested.

Existing sport stadia had to be upgraded or new ones built to the most exacting standards. In the process, architectural and engineering challenges were created to showcase the country and its abilities to the greatest possible extent and advantage.

Simultaneously there had to be a general infrastructure upgrading. The many soccer stadia around the country could not be seen to be functioning in isolation.

[Read more ...](#)



King's Mall and King's Court sell at Eastern Cape's biggest auction



Realestateweb.co.za 14 May 2010

The Eastern Cape saw its biggest-ever auctions recently when Kings Mall in East London and Kings Court (both its retail and residential components) went under the hammer. The shopping centres sold for R62 million and R69 million respectively.

(Photo courtesy <http://portelizabethtimes.blogspot.com/2009/03/kings-court-port-elizabeth.html>)

[Read more...](#)

More great listings...

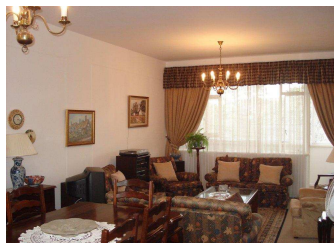


New release:
Miramar
R1,595m

One of the most stunning homes on the market right now, it comprises gorgeous kitchen, 2 lounges, 3 bedrooms (en suite), study, covered entertainment area, double garage, servant's quarters, manicured garden. Excellent security. Close to Priory and other schools.

A superb buy!

Phone Ian Olivier on 083 650 2913 for more info



New release:
Chartwell, Park Drive
R695 000

This immaculate unit is priced to sell. Situated on the 2nd floor of popular Chartwell, it offers a large lounge / dining area with enclosed porch, pretty kitchen, bathroom and sep toilet, 2 good size bedrooms and garage. Not a thing to do except move in and live the good life. Perfect for retirees or those wanting a lock-up-and-go lifestyle.

Phone Ian Olivier on 083 650 2913 for more info



Kabega (opp Metlife Plaza)
Early R600s

Pretty townhouse comprising 2 bedrooms, one bathroom, remote tandem garage with entry into house, and lovely garden.

Phone Jenny Butlion on 082 659 9700 for more info

Thought...

"To laugh often and much; to win the respect of intelligent people and the affection of children; to earn the appreciation of honest critics and endure the betrayal of false friends; to appreciate beauty, to find the best in others; to leave the world a little better; whether by a healthy child, a garden patch or a redeemed social condition; to know even one life has breathed easier because you have lived. **This** is the meaning of success."



— Ralph Waldo Emerson

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Airports, roads, hotels were to be calling cards for the hundreds of thousands of soccer fans expected to flock to the country for a month of soccer in 2010, while billions worldwide would watch on television, for the first time getting a glimpse about South Africa that might form the basis for future visits to the country, the region, even the continent.

The construction industry was the main beneficiary of the stadia expenditure, the airports, the road up-gradings, the Gautrain, and the new hotels being built, spread over a number of years between 2005 and 2010 and easily approaching R100bn overall.

But the growth impulse went much wider than this, for the government effectively challenged the public sector in a much wider context to start upgrading and expanding its infrastructure, covering harbours, export railway lines, national and municipal roads, power stations, telecommunication facilities and much more.

Much of this additional spending was not directly linked to the world cup, but its onset was linked to a change in perceptions as to what the country needed to be better prepared to face the future.

Thus in the long preparation phase eventually culminating in the World Cup kick-off in June 2010, much spending was incurred and benefit gained from so much effort, and work created.

The next stage is the actual holding of the world cup, a month long extravaganza where many national soccer teams will be competing for the ultimate honour, in many cases in front of audiences holding many of their home fans who have specially travelled here, and certainly in front of their home television audiences.

All these participating audiences and their South African hosts will be spending billions on air travel, hotel nights, rental cars and many forms of entertainment.

It is estimated that during 2010, world cup related expenditures could add as much as 0.2% to 0.4% (R5bn to R10bn) to the country's GDP (both as production and as income).

Throughout the buildup period, thousands of construction jobs were created, while the new facilities need to be manned, creating different job opportunities, many permanent.

The third stage will be the post-world cup phase stretching indefinitely into the future.

Depending on the impressions South Africa has created, directly to foreign soccer fans, and indirectly to the billions of watching television fans, it can expect a long dividend of many additional visitors to this country over many years, as repeat visits or to try it out for themselves, as tourists, for business or as students.

To put a value tag on all these various benefits flowing from hosting the world cup is virtually impossible.

But that the world cup will put South Africa, and Africa, on the map is for sure, with many having benefited from having presented, hosted or participated in this huge world class event.

Source: <https://www.fnb.co.za/economic-comment/fnb-economic-comment.html>

