

## PROPERTY

# What the experts want

**Investors in Cape properties** are spoilt for choice, with a wide range of juicy developments being launched over December.

The *FM* selected four and asked seasoned property investors to rate them. We then asked them whether they could recommend an even better investment.

The first phase of 163 apartments at Mandela Rhodes Place in central Cape Town is complete. It was developed by Ireland-listed company Howard Holdings

and many buyers are Irish investors. You can buy a 63 m<sup>2</sup>, one-bed unit for R1,87m — about R30 000/m<sup>2</sup>. It could be rented now at about R5 000/month, according to Pam Golding Properties' Laurie Wener.

Last week, Boschendal Estate on the border of Paarl and Stellenbosch launched 18 "founders" estates of 20 ha or more. All but six have been sold, at prices ranging between R14m and R28m.

Cape developers Rabie launched Man-

hattan, a new residential project at Century City, with one-bed units starting at around R1m. They will be complete at the end of 2007 and would probably start letting at about R3 500/month.

Mvelaphanda Properties last week launched Eden on the Bay, a beachfront mix of apartments, sectional title offices and retail units starting at around R1m and about R20 000/m<sup>2</sup>. They will be ready for occupation at the end of 2008.

Ian Fife

	<b>Neville Schaefer, CEO Trafalgar, the national residential property manager:</b>	<b>Marc Walner, executive director Madison, SA's biggest listed property fund manager</b>	<b>Allan Groll, former director of listed fund Spearhead and Cape-based developer.</b>	<b>Mike Aitken, executive director of property fund managers Corovest</b>	<b>Rodney Wainstein, executive director Zenprop one of SA's most successful property developers.</b>
<b>Mandela Rhodes Place</b>	"Cape Town inner city has now proven its popularity. Despite its being full priced with low initial returns, I think the income growth over 10 or 15 years will be excellent."	"Fully priced but excellent inner city position for long-term income growth."	"Fully priced but will give long-term growth."	"A bit pricey but good income growth."	"I've always favoured urban nodes and I think the best returns will come from it."
<b>Boschendal</b>	"I know there's no income on these but the property is so exceptional and the capital growth will be so great, it's worth sacrificing income."	"International demand and limited supply will ensure there is enormous capital growth. I'd be quite happy to do without the income for that."	"The limited number and international interest mean big capital growth."	"If I had R20m to spare, this is where it would go; into quality and scarcity value."	"It's too different from the investments I'm used to."
<b>Century City</b>	"There is some oversupply of accommodation there, but its location and facilities mean that it will give very good long-term income growth."	"Income will start slowly."	"You need a developer who will stay and manage the project after it's complete. That's what will happen here and the location and facilities also ensure good growth."	"A good mix of uses."	"It's another good nodal development with commercial and retail as well as residential projects."
<b>Eden on the Bay</b>	"It's prime beachfront, but a little off-centre and will probably not have the rental growth of the others."	"Beachfront means great capital growth, though rental growth is unlikely to be as strong as in the inner city."	"Also a good investment."	"Next door Bloubergstrand has shown huge growth and a beachfront property at Big Bay should do the same."	"Well located."
<b>A better development:</b>	"Johannesburg inner city gives the best returns and tenant demand will provide huge growth in income over the next decade or so."	"Any opportunities coming on at a discount. Listed property is excellent but you can't get the 90% gearing you get on residential property."	"Listed property fund ApexHi B will give you an initial yield of 9% and about 15%/year growth."	"I wouldn't swap my Camps Bay holiday home for any of them. Its location and facilities are unbeatable."	"A regional shopping centre if you have R1bn or more to spend."