

Soaring Cape Property Prices

Anyone sceptical about Cape Town residential property's ability to continue to increase in value well ahead of the inflation rate should take a look at the sales figure for February.

According to Bill Rawson, chairperson of Rawson Properties, the latest Residential Property Price Ranger figures show that February turn-over and average sales values were the highest ever.

"They beat the figures of March 2006 which were inflated by many buyers delaying transfer to get the benefit of transfer duty reductions," he said.

Double national average

February sales are up year-on-year by 19.6 percent, giving a total sales figure for the greater Cape Town area of around R1944-billion.

Equally impressive is the fact that the average sales price in the greater Cape Town area is now R1.58-million, which is almost double the national average, now hovering around the R820 000-mark.

These figures are likely to be further improved in March which is on-track for being an all-time record month for Cape residential property.

Valuations 'accurate'

Rawson added that although the city council is bound to be flooded with objections to their latest valuations, he still believes that most valuations have been fairly accurate — and the increased values are being confirmed by the latest improved sales figures.

In the last month it has again been the less affluent areas that have witnessed the greatest sales activity. The exception is Constantiaberg in which some 50 percent more sales were achieved year-on-year.

February sales in Oostenberg and the South-East suburbs, particularly Mitchell's Plain, Parow and Goodwood, were 40 percent to 50 percent up on those of January. Many of the West Coast villages, particularly Melkbosstrand, Yzerfontein and Langebaan are proving "surprisingly popular". Boland sales have also been good, with values here rising 67 percent year-on-year.

"The picture that emerges is one of continuing demand — and I, for one, do not see this easing off because it now seems that we can in 2008 look forward to lower interest rates and a massive ongoing state investment in the infrastructure, both of which will help to raise average earnings."