

## **South Africa Property: 2008 Year in Review**

Personalities, trends, opinions that captured attention in one of the toughest trading years many have experienced.

The year got off to a gloomy start, thanks to power cuts and politics. In January, Samuel Seeff, chairman of Seeff Properties, was quick to caution buyers and sellers that the market was unlikely to improve anytime soon. Read the full article on making and losing money in 2008. Meanwhile Gari Dombo, managing director of Alexander Forbes Insurance, urged home owners to review their insurance policies as most insurers do not cover power surges.

In February, emigration talk picked up dramatically. With an abundance of sellers, it was clear that property prices were under pressure. That month, international expert Richard Daskam wrote an article on how to survive the declining property prices. In his article, property tips for declining market, he tells estate agents how to make a killing in the sellers' or buyers' markets - pricing, of course, always a key consideration.

In March, Nedbank won the R20m fight with wine-farmers. The High Court, however, ordered Nedbank to pay R94 000 plus interest at a rate of 15,5% of the farmers' legal costs.

In April, when Zimbabwe's economic and political crisis had reached new levels, some felt that inevitable change in Zimbabwe would be good for property. Berry Everitt, director of Chas Everitt International Property Group, outlined some of his company's plans for the region.

As emigration talk continued to pick up, Fanus Jonck, a top tax consultant, shared useful information with departing sellers. In a Realestateweb guest article in May, Jonck warned that estate agents could be held liable for certain payments.

At a time when property owners and investors were hoping property prices would pick up at the very least to help bricks-and-mortar keep pace with inflation, a scary market assessment, meant for estate agents' eyes only, surfaced in the media.

The internal property company memo shocker early in June suggested that the market would come down 40% from the highs of 2007. Lew Geffen, head of Lew Geffen Sotheby's International Realty, subsequently axed public relations consultant Maurice Levin in connection with the controversy.

In July, just as estate agents were getting to grips with wheeling and dealing in a difficult property market, the Estate Agency Affairs Board announced the details of the new education dispensation meant to rid the industry of unscrupulous agents. The new requirements will make it harder for new entrants to access the industry, though existing agents also have work to do in terms of the new requirements.

In August, just when we thought Transnet had sold a vast part of the sea to foreigners near the V&A Waterfront, the then head of Transnet Maria Ramos rubbished media reports about the matter. That Sunday Times report was one of a number to spark an inquiry by that media company into newsroom practices.

In September, affordable housing property developer Calgro M3 listed a R300m bond on the JSE to raise capital for its projects. It was the first corporate bond to be listed at the JSE's Yield-X. In the same month, in commemoration of Heritage Month, the Gauteng Department of Housing launched a project to replace shacks with permanent backrooms in the township of Zola in Soweto.

This initiative is financed by taxpayers' money and the department of housing in Gauteng said this would unlock property value for township residents.

In October, property developer Mel Cunningham was arrested by the National Prosecuting Authority on alleged fraud charges in the Fidentia saga. Cunningham was in the news in May for misleading advertising in the marketing of the new development – Embassy Residence in Pretoria. The marketing of the development said it was in Waterkloof when in fact it is in Nieu Muckleneuck, residents in Waterkloof did not take this one lying down.

In November, Century 21's Dr Duncan Gray died following a short illness. He was in his late 40s.

Also that month, the FNB Barometer – which aims to gauge confidence in the residential property market – reported an increase in the number of buyers from the suburbs back to the townships. While the suburban property market was experiencing a slow down, the township property market is resilient with a lot of first time buyers and cash buyers from the suburbs, read more: “We’re moving back to the townships”.

In December Growthpoint, South Africa’s largest public property company, finally made it to the ranks of the country’s largest 40 companies in terms of market capitalisation on the Johannesburg Stock Exchange. That means Growthpoint becomes a whole lot more attractive for shareholders. Growthpoint (JSE:GRT) has had this achievement on its list of goals for many years.