

Traffic a Key Factor in New Developments

It will become increasingly important to invest in property close to work, business nodes and key transport routes

As congestion on South African roads increases , residential property areas situated on major transport corridors and near businesses are going to become sought after “hot spots”, says John Loos, property strategist at First National Bank.

Loos says this situation is going to happen increasingly rapidly over the next five to 10 years.

“It is realistic to expect that by early next decade we could have a million new vehicles coming on to the roads each year. At the moment, it is nearing 700000.”

He says it will be increasingly important for investors and home buyers to invest in property close to key places of employment and business nodes, as well as key transport routes. Such properties are “probably first prize” for residential property performance as they will be highly sought after.

Three “corridors” that are going to be property hot spots in the coming years as traffic congestion worsens include the Gautrain–M1 corridor, which runs from Pretoria to Braamfontein in Gauteng, the southern suburbs corridor in Cape Town, and the Umhlanga–La Lucia Ridge corridor in KwaZulu–Natal.

Loos says the Gautrain–M1 corridor will transform suburbs such as Hatfield, Centurion, Midrand, Sandton, Marlboro, Rosebank and Braamfontein into residential and commercial hot spots in the next five to 10 years.

Along the southern suburbs corridor in Cape Town, which is served by a main road, highway and a metro rail route, areas such as Claremont, the central business district and Newlands will become increasingly sought after as office nodes. This trend could support residential performance in suburbs nearby as well as in some previously neglected areas en route between Cape Town and Claremont.

In Durban, Loos is expecting Umhlanga–La Lucia Ridge and surroundings (fast becoming the “Sandton” of Durban), areas around the new La Mercy airport and Dube Tradeport, and coastal residential towns such as Ballito, to become property hot spots. These areas are served by the N2 and a coastal highway.

Property economist Francois Viruly, of Viruly Consulting, agrees traffic congestion will increasingly become a factor in the positioning of new developments.

But Viruly says what makes an optimal location is not the same for the office and residential property sectors.

“Although I agree the major routes will become attractive from an office perspective, I am less certain these nodes will be attractive from a residential perspective. From a residential perspective, one tries to stay away from noisy areas.”