



Northern suburbs take the lead in the investment property arena

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sc@caxton.co.za

NORTHERN suburbs such as Hyde Park and Killarney have been named as some of the most expensive rental suburbs in the country.

This according to information released by credit bureau and property research group, Tenant Profile Network, which lists 11 of South Africa's 15 most expensive rental suburbs as being in Johannesburg.

Lew Geffen, Sotheby's International Realty chairperson, explained that this made the city an excellent location for those seeking to invest in property. He added that these suburbs remained sought-after suburbs to rent, with the likes of Dainfern, Rosebank, Sandton, Atholl, Parkwood and Inanda, joining the list as expensive rental properties.

"The current trend bodes well for buyers looking to invest in the rental market, however, to successfully capitalise on your investment, both short and long term, it's essential to do your homework," he said.

"To minimise risk and capitalise on investment, it is prudent for investors to research the general demographic of the areas they are considering and decide which segment of the market they'll be servicing."

He elaborated on this, saying families often needed to be close to good schools, sports facilities and shopping amenities, hence they chose appropriate suburbs;

while corporate or diplomatic tenants favoured upmarket suburbs with easy access to freeways leading to the airport.

Also weighing in on the matter was Sherry Moldenhauer, an area rental specialist for Lew Geffen Sotheby's International Realty, who mentioned that properties with the least maintenance remained the better option for buyers if the purchase in these suburbs is solely for investment.

"Older properties require a larger maintenance fund that eats into the income derived from the rental, so low maintenance options like lock-up-and-go properties are a better choice."

She added that the advantage of buying a sectional title home for an investment property was that there would be a body corporate with trustees who would assume responsibility for the maintenance of the common property, significantly diminishing the owner's involvement.

"[Despite this] landlords need to be realistic when renting out their homes as they cannot always expect the rental to cover the bond and the levies... so it is always advisable to thoroughly research sale and rental prices in your chosen suburb before investing," she concluded.



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