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Plett the destination of choice for SA’s super-rich

PLETTENBERG Bay is still a firm favourite with South Africa’s super-rich and continues to top the list when it comes to buying a second home, with around 260 multimillionaires now owning an additional property in this popular Western Cape seaside town.

This is according to data from research firm New World Wealth which further revealed that Plettenberg Bay is also home to more than 120 trophy homes valued at R20 million or more, which is third only to Johannesburg and Cape Town.

Hein Pretorius of Lew Geffen Sotheby’s International Realty in Plettenberg Bay, says the demographic of investors has also remained consistent over the years, with the market still being dominated by Gautengers.

“Local buyers purchase the second highest number of properties in Plett, with Cape Town investors a close third. However, there are also many property owners from other areas in SA and a few from overseas.”

Unlike most areas in SA where the lower to mid-market

segments are the most active by far, in Plettenberg Bay there is now a surplus of entry level plots whereas agents are experiencing stock shortages at the top end of the market where the demand for luxury homes is beginning to outstrip supply.

Steve Neufeld, manager principal for Lew Geffen Sotheby’s International Realty in Plettenberg Bay says: “Homes priced below R 1.5m are selling quickly, but the top end of the market is faring particularly well, with most transactions being cash deals.”

On sought-after Beachy Head Drive, a phenomenal return on investment of 46 percent was realised in just one year. In 2013, four properties changed hands at an average sale price of R17.9m whereas the median price for the four recorded sales this year was R26.25m.

Definitely only for the super-wealthy, a 1 000m² vacant plot on this affluent strip will set you back around R28m while a modern 400m² four-bedroom penthouse can be bought for R10m and a house on the beach

for between R25m and R44m.

However, there are also very accessible entry level prices in other part of the town for investors looking to get a foot in the market, with plot prices starting at around R150 000, apartments at R550 000 and a cosy older house can still be found for about R1m.

Lew Geffen, chairman of Lew Geffen Sotheby’s International Realty says: “Although the Garden Route was one of the hardest hit areas during the credit crisis of 2008, Plettenberg Bay remained an enduringly popular holiday destination attracting visitors of all demographics, from matric graduates and young families to South Africa’s most wealthy, thereby retaining its solid long-term investment potential.

Local agent John McDermott, says that part of Plettenberg Bay’s continued appeal is that it’s a well-established town and caters to all needs, from city dwellers seeking tranquillity and families wanting a relaxed holiday to thrill-seeking adrenalin junkies.



MILLIONAIRES’ PLAYGROUND: This five-bedroom house on Beachy Head Drive in Plettenberg Bay is on the market for R29.5 million.