

# Record median prices in the Helderberg underpinned by upcountry and foreign buyers

A marked increase in upcountry and foreign buyers has boosted both the sales and rental markets in Somerset West, Strand and Gordon's Bay during the past three years with ongoing development to meet the growing demand.



Source: Supplied. Fairhaven Country Estate.

“There has been a notable spike in interest from upcountry buyers, especially from Gauteng and KZN, and there is now a constant demand for correctly priced properties in all price segments of the market,” says Andre Coetzee, owner/principal of Lew Geffen Sotheby’s International Realty in Helderberg, Roodepoort, Krugersdorp and Lanseria.

“This increase in market-activity, since lockdown ended, is clearly evidenced by Lightstone data which reveals that during the past years the median house price in all three areas reached a record high.

“In Strand, the median house price jumped from R1.27m in 2022 to R1.59m in 2023, in Gordon’s Bay a high of R1.89m was reached in 2022, dipping only slightly to R1.88m last year and in Somerset West, a previous high of R3.3m in 2022 was pipped at the beginning of this year when it rose to R3.96m.

“The sectional-title market has also fared well with the median price in Somerset West and Strand reaching a median high this year of R3.1m and R1.45 respectively while in Gordon’s Bay, a record median price of R762,500 was set in 2023.”

Coetzee adds that many of these buyers prefer to rent before committing to purchase and, as a result, the agency is now receiving multiple applications per listing and is starting to see stock shortages, especially in the R20,000 to R35,000 market.

According to Cindy Lee van der Sandt, area rental agent for the group, demand has soared for numerous reasons, including ongoing semigration and the fact that many would-be buyers have turned to rentals due to the high lending rate and the tough economy.

“Clients relocating from upcountry are beginning to express their concern about the shortage of available stock at affordable prices as many are former homeowners from Gauteng who have not managed to sell their houses at the prices they anticipated so have opted to rent here instead.

## Demand trends in Somerset West

“Properties in the R20,000 to R35,000 per month price band are most in demand, but there is also plenty of activity in the R40,000 to R60,000 price range where clients are looking for a minimum of a four-bedroom house with a study area.”

She adds that there is also exceptionally high demand for apartments or townhouses in the R10,000 to R15,000 per month range.

Somerset West has always been very popular among foreign buyers and Coetzee says that after a slight decline during Covid, the market has recovered well, and the swallows have returned.



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“The majority buy properties here to escape the European winter and they tend to stay in South Africa for between three and six months a year. There is a large and growing German-, Swiss- and Dutch community in Somerset West and their preferred properties are in gated estates in the R4m to R12m price band.

“Not only do they appreciate the great value for money from a price point, but the relatively lower cost of living plus the lifestyle factor makes this area very appealing to foreign buyers, despite the country’s issues and eco-political climate.”

## Development trends in Somerset West

There are many new residential developments in the area due to the high demand for more affordable accommodation and that trend is ongoing.

“Most are secure estates or complexes that offer 24-hour security along with great lifestyle offerings such as gyms, swimming pools and so on, and some estates offer a wide variety of property options ranging from one-bedroom apartments to expansive freestanding houses,” says Chantal Botes, award-winning agent with more than 23 years of real-estate experience in the Helderberg area.

According to Detlef Struck, the group’s commercial specialist in the area, stock shortages are also starting to be seen in the commercial sector.

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“Despite the fact that rental rates are quite high in most areas, there is currently very little available in retail as well as in small and large office space, and warehousing up to 300m<sup>2</sup> is also scarce, although medium-sized office space is not hard to find.

He adds that what has become non-negotiable in this sector is good security and a back-up power system, with most tenants now insisting on these features.

Development has also been ongoing in this sector and current or recently completed projects include a new shopping centre, a medical suite building, a combined office and retail complex in Paardevlei and a new warehouse development in Firgrove.

Coetzee offers a final word of caution: “Although the Helderberg market has notably strengthened, sellers need to remember that buyers are well-informed and will not overpay for a property.

“They also have many tools at their disposal to compare properties, and value-for-money tops most buyers' lists. Even in a high-demand market, overpriced properties tend to sit nowadays.”

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