

Cape Town's city centre finds its beat amongst first-time buyers

 By [Tracy Kitching](#)

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What's happening in Cape Town's CBD? Well, locals, as well as foreigners, have gained huge confidence in central city living in Cape Town.

Cape Town CBD is having a fresh burst of growth when it comes to property sales with these locals and foreigners investing in central city property.

The market has shifted from an oversupply of properties across the Atlantic Seaboard in the few years prior to 2013 to an acute shortage in 2014. This is also true for the City Bowl and CBD, and prices are therefore being pushed up as supply battles to meet demand.

An attractive investment

The weakened rand has fuelled international purchases by as much as 50% over the last year for properties under R10-million. There has also been a lot of positive media around Cape Town being nominated World Design Capital 2014. Cape Town achieved top spot on the New York Times list of 52 Places to Go in 2014 and was voted one of the world's Top 10 Cities in 2013 by Travel & Leisure.



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Cape Town has steadily proven itself as a tourist destination, a place where foreigners want to live during the holidays, due to the weather, natural beauty, top class restaurants, public transport routes and a variety of theatre and nightlife.

This dynamic city is positioned between the Table Bay Harbour and the slopes of Table Mountain. Beautifully preserved historic buildings create the setting for cosmopolitan restaurants, revamped apartments and bustling retail spaces.

The city houses the municipal and provincial government administration buildings as well as the Houses of Parliament. Cultural and historic museums dot the city.

Business is striving in the CBD

Growth of business has led to the construction of new office buildings across the city centre, the largest of which is the Portside building with an investment of R1.6-billion.

Currently 88.7% of A-Grade office space in the CBD is occupied.

The CTICC is also set to double in size by 2015 to accommodate the increasing number of events. There were no less than 537 events last year.

And people now want in

A vibrant nightlife and accessible transport links are giving confidence to locals, too, who are finding the city to be clean, safe and bursting with multicultural spaces. The city is now a popular place to live.

This demand for residential property is spurring on developers who are converting older office blocks and underutilised

buildings into apartment blocks.

Do you ever wonder: Who exactly is buying property in the center of Cape Town? Or just how many people are and what type of person is opting to live permanently in the city?

The following figures are from research conducted by the CCID and released in their report: *State of the Cape Central City Report for 2013*.

Where do residents come from? 17% come from international destinations; 36% are Cape Town locals; 12% from elsewhere in the Western Cape; and 35% from other parts of South Africa.

What's interesting is that the majority of these locals are now young first-time buyers rather than the investors of previous years who bought to let. And what's more, the latest South African Census shows that the number of permanent residents grew from just 1,500 in 2010 to 5,286 last year.

It seems as if locals are also attracted by the fact that the price per square metre in the city is considerably lower (around half) than the price of the nearby V&A Waterfront and Mouille Point, where apartments can set you back R50,000/m². Rising fuel costs are also a good reason to stay in the city rather than commute to work, especially for buyers in their 20s and 30s who enjoy its vibrancy.

What this means is that new developments of sectional title apartments are going to be the order of the day for quite some time as we get set for a residential explosion over the next couple of years.

ABOUT TRACY KITCHING

Specialising in property sales on Cape Town's Atlantic Seaboard and in the City Bowl. Contact me for a free valuation or advice on your property investment.

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