



SimonsTownRealty.Info
Property Wise

SimonsTownRealty.Info Free Membership Newsletter Feb 07

About this newsletter:

This newsletter is for invited members of SimonsTownRealty.Info. The newsletter is put together to inform [selected residential property owners](#). The intention is that you should be able to tell at anytime what the value of your investment are and have intelligent Simon's Town property values and trends available when you need to make life changing property investment decisions.

If you not a member I suggest you ask your friend who is a member and who gave you this © 2007 [SimonsTownRealty.Info](#) newsletter, to contact me to get invited. The newsletter is free and for invited members only.

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Introduction

Interesting property trends emerge with regards to [high mortgage advances](#) and the potential interest rate hikes as well as the effect of increased inflation on properties in Simon's Town.

According the figures released by Absa mortgage advances increased by 30.1% year-on-year in January 2007. It seems as though the month-on-month trend is slowing down as a result of the higher interest rates. Unfortunately January inflation increased to 5.3% after being stable at 5% from October to December 2006. The Reserve Bank will increase interest rates again if the crude oil prices increase, when food becomes more expensive due to the current drought and when lending levels doesn't slow down.

According to [Property Price Ranger](#), Cape Town property prices rose in 2007 but the property took longer to sell. The average time to sell was 86 days in February compared to 71 days in January and 61 days a year ago. In up market areas the time to sell was even higher at 176 days.



What makes Simon's Town's property market different?

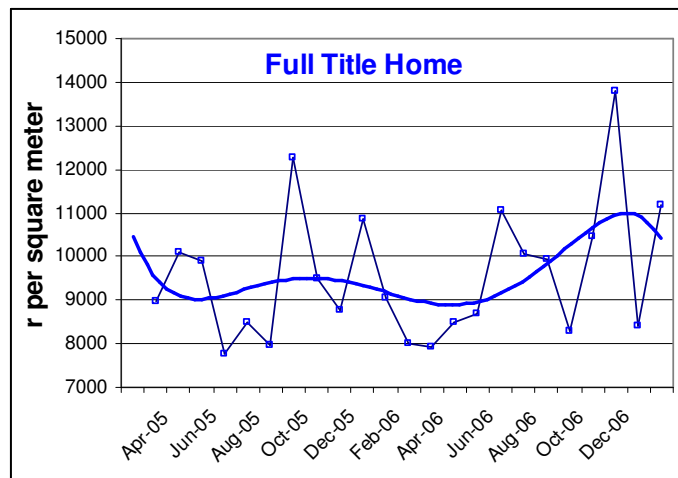
The difference in Simon's Town is foreign buying power. But before we get too excited; the foreign buyers represent approximately 8% of the total buyers in Cape Town compared to 1% for the rest of South Africa. According to Media24.com the number of foreign buyers in the Western Cape increased by 30% on a month-to-month basis. The following trends will show how Simon's Town performs.

What is the selling value per square meter?

Deciding what your property is worth depends on a few statistics. And many estate agents will give you the selling value per square meter of the land on which your property is build.

Unfortunately value per square meter of the land is pretty useless in most cases. The import statistics is to know how much buyers are paying per square meter for the brick and mortar, in your town, your suburb and your street.

The graphs I am showing here are for Simon's Town full and section title from 2005 to February 2007.



Full title homes were selling at R9000 per square meter with a sharp upward trend from June 2006 to about R11 000 and February 2007 R10 804.

You can use these figures to estimate your home's value today. Please note: It may be a bit more or a bit less. We can provide you with guidance for your street and suburb.

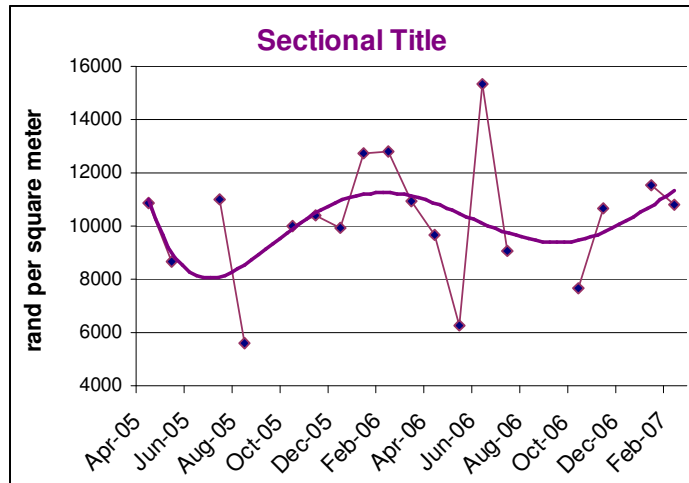
The April 2007 Newsletter will discuss the latest building costs per square meter.



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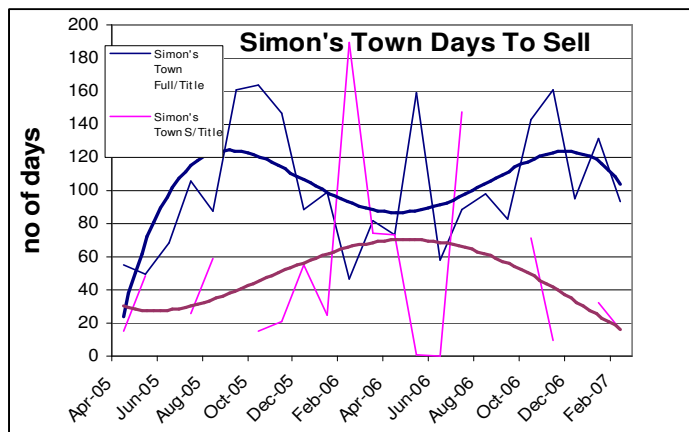
Sectional title homes in Simon's Town are selling for approximately R10 000 per square meter. Again there is quite a bit of fluctuation depending on where the property is located. The June 2006 figure of R15 359 is one small property at 39 square meters that sold for R599 000. This is an example where buyers can use these figures to decide if they are paying fair value.



Did you know: These figures are a lot less than the R80 000 people are paying in Chelsea London or even the V&A Waterfront where two flats are currently on the market for R30 000 per square meter

How Long Does It Take To Sell Properties?

The average time for full title properties used to be 100 days. Although the trend is upwards February 2007 was on an average of 93 days. This is in contrast to the 183 list days for homes sold in the greater False Bay area. (See graph below). The sectional title homes generally sell quicker and fluctuate more because there are fewer on the market.



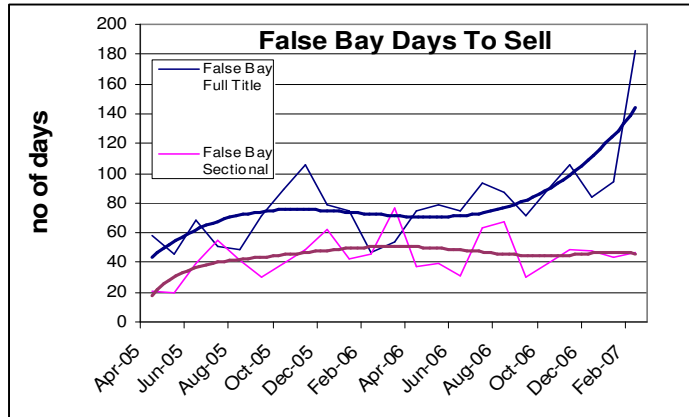


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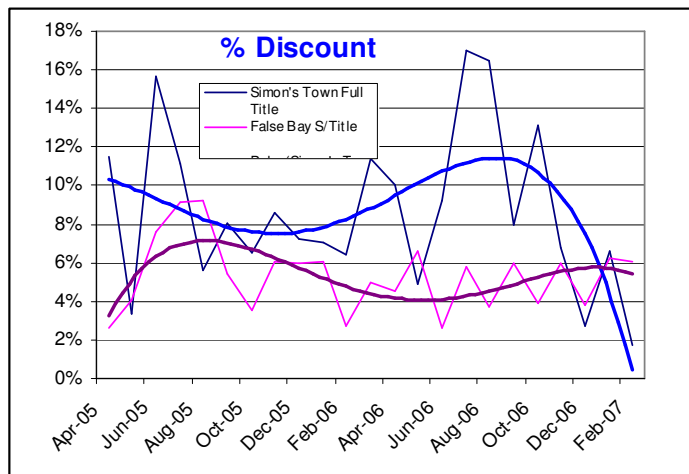
I recommend you use the False Bay time-to-sell statistics of 44 days if you want to know how long it will take to sell your Simon's Town sectional title.

Important point: You can sell your home as quickly or as slowly as you want. It all depends if you price it to sell.



How Much Discount Does Simon's Towner's Have To Give Before They Sell Their Homes?

You'll notice a change. From 10% to less than 2%. When it comes to full title homes it seems as though you and your selling friends decided not to discount your homes. Do you think this is good news? If homes sold within 30 days yes but the average time to sell was nearly four months.



What is the problem?

Homes are not priced to sell.

Sectional title: Owners are allowing 6% fat to discount. Again, my advice is to price your property for what it should sell for; reducing the time to sell and maybe getting more for your property.

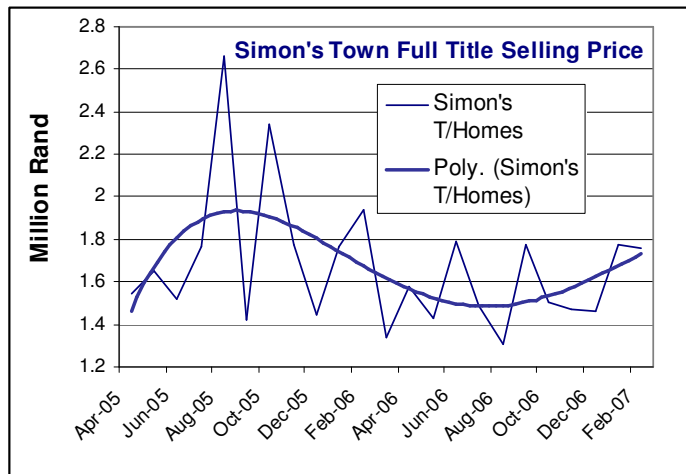


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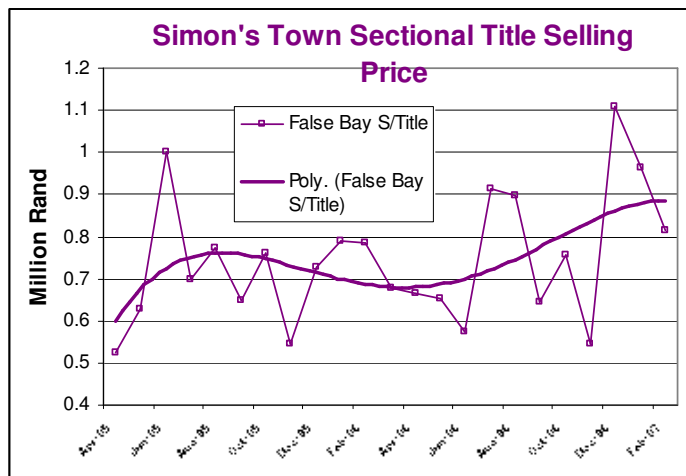
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What is the Average Selling Price for Homes in Simon's Town?

Full title properties sell on average for about R1.674 with February at R1.759 - 5.7% higher than average. It is interesting to note that higher average prices were recorded during August 2005 (very expensive property at Runciman 37) and October 2005 (relatively expensive Dorries 99)



Simon's Town sectional titles were selling at R700 000 but increased from June 2006 to nearly R900 000. This is an inflation of 28.5%.



The sectional title trends in Simon's Town and False Bay are similar. For example, the selling prices are similar at R766 000 and R740 000 for Simon's Town and greater False Bay respectively.

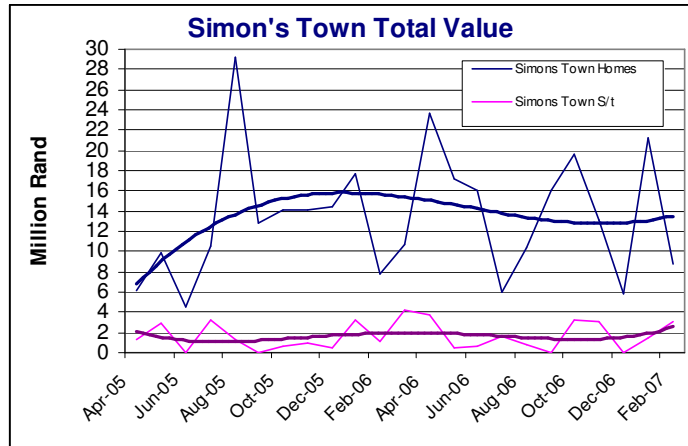


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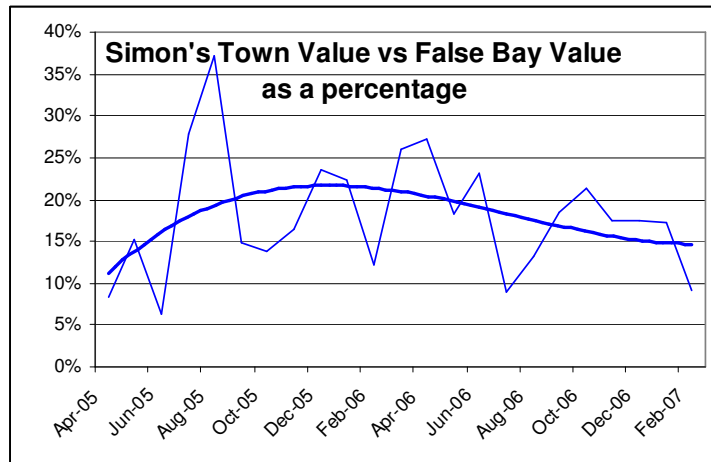
What was the Total Value of Properties Sold?

R12 million were sold during February 2007. This figure is 44% higher than February 2005. But when you compare it to the greater False Bay sales for February 2007, Simon's Town only recorded 9% of the sales for this area where on average Simon's Town normally represents 18% of the False Bay sales. Based on this you'll agree that February was dismal.



When you have a look at the Simon's Town sales value as a percentage of the False Bay value you'll notice that we use to trend above 20% of the total sales but this trend is downwards. At the moment we only represent an average of 15% or less.

This is good news: In general False Bay has potential to expand in new developments. But Simon's Town is and will become a scares resource.





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What did you learn from the SimonsTownRealty.Info News letter?

Simon's Town is becoming an island. In other words Simon's Town is becoming a scares resource. What does it mean? Simon's Town is running out of land to develop new and cheap residential properties.

At the moment it's important that you invest in property because you'll be in charge. If you want a flexible or relatively liquid property then buy sectional title. Many investor gurus will tell us not to invest in property because it's an illiquid (cannot be converted in to cash quickly) investment. Most of the time these gurus are short term freaks.

If you want to buy a property in Simon's Town sectional title is the way to go. If you can afford a full title home get one today, it's a buyers market and Simon's Town properties are getting scares.

If you have a home on the market make sure you know what to sell it for and know what you'll lose should you price it wrongly or when you are in the market with a negotional price.

Did you know?

Castle Rock is selling on average for R3.7 million, then follows Admiralskloof, Simonskloof and Cairnside homes between R3 million and R2.5 million.

February and June/July seems to be a slow time for selling homes. Is it due to a lack of buyers, the weather or is it estate agent holidays?



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SimonsTownRealty.Info newsletter was created for invited residential owners in Simon's Town. If you want to be invited and receive the regular newsletter please ask an invited member to invite you. **It is his privilege.**

If you are an invited member then you have the right to **invite ten friends**. All you have to do is to phone me or send me an email and we can discuss the most appropriate invitation.

If you don't have a friend who are an invited member and you know that SimonsTownRealty.Info newsletter will make your life easier then get on the phone now. Although we want to limit the membership we may have space for people like you.

SimonsTownRealty.Info provides you not only with a free and valuable property newsletter we also advise you for free when you want to purchase or sell a property.

**SimonsTownRealty.Info is an alternative way to
buy and sell Simon's Town properties.**

**“We rather turn you down today then let you
down later”**

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Additional Reading:

- 1) Will your Simon's Town property become the wall flower?
- 2) When you sell your Simon's Town property do “too many cooks spoil the broth?”
- 3) SimonsTownRealty.Info Real Estate Agent's 17 Point Marketing.
- 4) You decided to sell your property: What now?
- 5) What are the benefits when you price your property to sell?
- 6) Why do sellers overprice their property?



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- 7) How do you qualify an estate agent before you appoint one?
 - 8) How/Why should a qualified estate agent give feedback to the seller?
 - 9) Double commission and court cases! What sellers can do to prevent it?
 - 10) SimonsTownRealty.Info Blog news
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