

5 February 2007

Aengus to sell its first luxury inner-city lofts

Aengus Lifestyle Properties is offering investors and existing residents a unique opportunity to own quality living space in the inner-city by making up to 700 luxury lifestyle apartments available for purchase this year.

Aengus is positioning the new and existing Johannesburg and Durban apartments for sale to first time home buyers and investors looking to earn rental income from their properties. Aengus, a pioneer in inner-city rejuvenation, has developed the inner-city apartments in the last four years as part of a major drive to bring affordable, high-quality city living to its tenants.

Aengus will sell the units from R200 000 upwards, and will give existing tenants who have taken advantage of the opportunity to live close to their places of work, first option to buy the units.

Aengus MD Richard Rubin said the units would be available at an affordable housing rate, as sectional title or as rent-to-own.

Rubin said Aengus was exceptionally well-positioned to sell the units, and the timing of the sales could not be better. "We have had 100% occupancy for the past four years, and that's good news for investors. We don't have any arrears, and we don't have any vacancies," Rubin said.

He said the units are already built, eliminating the development risk that investors or owner-occupiers faced if they bought units off-plan. "We are finally offering people the opportunity to buy new, affordable and secure lofts in the city. Aengus buildings are well-known for being well-managed, and offering a complete city-living experience with retail in many of the buildings, excellent security and exceptional finishes," Rubin said.

Rubin said the results of a survey the company had conducted amongst tenants at its flagship Lofts @ 66 development had indicated that there would be strong demand for the units. "Almost 75% of respondents said that they would buy a property in the inner city," Rubin said.

He said Aengus could also expect to receive strong prices for the units it was selling – 40% of respondents said they would pay between R200 000 and R350 000 for an inner-city apartment, while 22% said they would pay between R350k and R500k. Five percent of respondents said they would pay more than R500 000 for an inner city apartment.

Investors and owner-occupiers will also benefit from the Urban Development Zone tax incentive which government introduced three years ago. "Government offers a 20% tax deduction from all income earned in the first five years once a building has been refurbished," Rubin said.

A building refurbished for R10 million would benefit from a R2 million reduction income generated from renting or trading in the building. Rubin said the investor market would see knock-on benefits from the UDZ tax incentive.

New developments also benefit from the incentive. Government permits a 20% deduction in the first year that the building starts earning income, with a further 5% deduction for the following 16 years.

Aengus Lifestyle Properties is a joint venture between Aengus Property Holdings and JSE-listed ApexHi Properties.