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### **Investment Boost for Johannesburg City Centre**

Investors have again demonstrated their confidence in the Johannesburg CBD as an attractive growth opportunity, buying R35m of affordable apartments in Aengus Lifestyle Properties' newly converted Tribeca Lofts development on the corner of Jeppe and Eloff Streets within days of launch.

Demand for the Tribeca Lofts mirrors the response to the release of Aengus' first residential development, Lofts @ 66, which sold out in three days. Tribeca offers 140 New York-styled studio loft apartments with a number of lifestyle features, including fingerprint access control, 24-hour security and underground parking.

"The overwhelmingly positive response highlights the pent-up demand for quality, affordable housing coupled with a demand for property investments that provide superior returns," said Aengus managing director, Richard Rubin. "The return on a R250 000 property in our development is between 7 and 11%, depending on the rental achieved after levies. Compare this with the 3 or 4 % return in an area like Sandton and the investor's demand that we have seen is quite logical."

"This opportunity has attracted a range of investors to Tribeca, from individuals buying their first home and people buying clusters of apartments for rental through to companies purchasing units to bolster their housing schemes."

"The beauty of the Tribeca development is that it provides investors with a package of benefits that aren't usually associated with apartment blocks," Gavin Meskin, partner and Operations Director of Aengus Lifestyle Properties added. "The building is managed by Aengus Property Management (APM) and is fully let with high calibre tenants and a long waiting list. Collections are at 100%, and the good news for investors is that APM will continue its involvement in Tribeca."

APM has been managing inner-city apartment blocks for a number of years and has established a reputation for its innovative approach to property management that appeals to residents and owners alike. In addition to its policy of a 40% expense ratio of income to expenses, Aengus also retains control of the body corporate, an aspect that Rubin believes is crucial to the ongoing success of the developments. "It is vital that the bodies corporate maintain consistently high levels of involvement and momentum – and that's where we play an important role. Far too often bodies corporate under-budget, hence the failure rate. Because we run our rental blocks with no expense spared, the same budgetary guidelines apply to our sectional title developments" Meskin said.

"As is the case with all our properties, Tribeca poses no development risk for investors and, unlike many suburban developments, there are no uncertainties with regard to the provision of services. The building has been totally renovated to the highest quality specifications and the necessary infrastructure is fully operational."

Rubin believes the emerging middle class is only in its infancy, and yet there is already an insatiable demand for quality, affordable housing. "Young professionals, earning between

R10 000 and R15 000 a month want a place they can call home, that offers them an attractive lifestyle but that also promises them capital appreciation. Market response indicates that developments such as Lofts @ 66 and Tribeca are meeting those requirements, but it is only the tip of the iceberg," he said.