

WORK BEGINS ON SANDTON'S R650M FLAGSHIP KATHERINE & WEST 'AAA' GRADE SECTIONAL TITLE OFFICES.

Earthworks are under way on the new R650m 'AAA' grade, 'Katherine & West' office development by Barrow Properties, within meters of the Sandton Gautrain station and next to the Radisson Hotel.

Nearly half the Sectional Title offices in the development have already sold to a mix of professional firms and private investors, many of whom are repeat investors in previous Barrow Properties' Sectional Title office developments.



CONSTRUCTION OF KATHERINE & WEST HAS BEGUN

“Our ‘AAA’ grade Sectional Title developments have consistently shown excellent returns and this is undoubtedly a contributing factor in the early success Katherine & West is enjoying” says company spokesperson, Jake Hoddinott.

For example a recent Barrow Properties' signature development experienced capital appreciation of over 50 percent and an overall rental increase of over 40 percent over a four year period between 2007 and 2011. Investors taking on a 70% gearing level generated an Internal Rate of Return (IRR) of 30% over this period. This highlights the resilience of quality office space in challenging economic conditions.

“Given the position, accessibility, prestige and quality of Katherine & West, similar, if not greater returns for investors are achievable. We anticipate an initial rental yield of 9 percent with considerable upside potential.

“Moreover, office space in Katherine & West is an excellent investment opportunity for private investors looking to diversify existing property portfolios to gain exposure to the commercial property sector as well as generating a strong annuity income stream.

“There is little in the way of ‘AAA’ grade office space available for small and medium size businesses in the Sandton CBD right now, with quality space in the area being mainly institutionally owned and single tenanted by major corporates such as Old Mutual and Alexander Forbes, who are developing new head offices adjacent to Katherine & West.

“Given the site’s proximity to many of South Africa’s top corporate headquarters, the JSE and various professional and financial service providers, there has been notable interest from companies seeking to occupy their own office space.

“Owner occupiers benefit from investing rental cash flows into an appreciating asset which can be sold at a later stage and the property can be used as security by finance providers, thus providing owner-occupier businesses with access to greater levels of debt financing.”

The twenty five remaining sections in Katherine & West currently being marketed, range from 240m² to 1,000m² priced at R23,900 per m², plus basement parking, storerooms and balconies, with an entry level price of approximately R7.5m and the flexibility to match tenants’ particular needs.

Early buyers have a greater spectrum of available units and the benefit of current pricing. In addition the developer provides for a generous ‘fit out’ allowance of R1400/m² for tenants or owner occupiers.

Investors have the option of acquiring entire floors of just over 2,000m² apiece, by linking adjacent units or linking units over different floors via an internal staircase.

There will be six levels of basement parking, providing a parking ratio of four bays per 100m² of office space. The project involves some 19,000m² of office space within a fully secured, access controlled site with ‘good address’ appeal, and exceptional exposure.

Buyers can also utilise the ‘Deposit Advantage’ arrangement offered by the Lombard Insurance Group. This secures a unit’s deposit without the investor having to forsake the opportunity cost of the deposit amount.

Adds Hoddinott: “Tenants and owner occupiers will enjoy an exclusive identity with all the entertainment and business amenities of Sandton City, the proverbial ‘CBD of Africa,’ and the Gautrain terminus which provides 15 minute access to OR Tambo International, all within minutes’ walking distance.

“Moreover, the building, designed by TSPS Architects, will be energy efficient, providing substantial energy cost saving benefits to occupiers and Barrow Properties has placed a strong emphasis on high quality administration upon completion, reinforced by the company’s policy of retaining vested interests in each of its developments and serving on the respective management committees.”

Hoddinott cites further attributes for the development that include state-of-the-art security, a European styled sidewalk café on the ground floor and full utility back up via generators and water tanks. “Katherine & West is set to become the number one office location in South Africa” he says.

FOR FURTHER INFORMATION CONTACT

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