

BARROW PROPERTIES POSITIONS ITSELF STRATEGICALLY FOR 2009

Barrow Properties is gearing up to weather the tougher economic times but remains “quietly confident” about its prospects for 2009.

So says Paul Barrow, director of this niche player which has made its mark in the commercial office sector in recent years by focusing selectively on quality up-market developments for sale or lease.

“The market in general is admittedly less buoyant than in recent times when rentals were escalating strongly and I would expect to see some adjustments as tenants seek to come to terms with the new business realities” adds Barrow.

“As for Barrow Properties itself, we continue to work closely with existing and prospective tenants, our letting and sale portfolios are in good shape and we are in fact considering limited land acquisitions that will stand us in good stead when the market turns.

“We are also bringing new developments onto the market selectively including the last of Barrow’s thirteen office blocks at the Greenstone Hill Office Park in Modderfontein which will be ready for occupation by April and our energy efficient Bryanston 88 Georgian Crescent development on a prime site overlooking the William Nicol offramp to the N1 ring road.

“Our view is that the property sector has been through economic troughs before and the good news is that the market is not over-developed this time around. “

Barrow’s view squares with a recent report by the CB Richard Ellis Group, Inc. (CBRE) Research’s semi-annual Global Market View/Office Occupancy Costs survey, which indicates that the real estate market globally today is in a stronger position to weather the current difficulties than in the past.

Locally, vacancy rates for ‘A’ and ‘B’ grade office space are relatively low and new developments coming on stream are not likely to lead to a massive amount of unfilled space

Adds Barrow: “Our market right now reflects good fundamentals – limited supply of quality office space and steady, even somewhat increased demand from the likes of law firms, financial institutions and other sectors.

“We are also fortunate in having been insulated to large degree from the global credit crunch by a mix of good luck and gifted insight and importantly our banking system is intact, all of which bodes well for commercial property in the medium term.

“Moreover, it’s becoming increasingly difficult to acquire zoned land or for that matter to obtain re-zonings and in due course this will mean developed space will be in greater demand going forward.

“Accordingly we would be happy to entertain approaches from counterparties in new developments while we are also looking for fresh opportunities for our own account.”

FOR FURTHER INFORMATION CONTACT

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