



Property Gossip

P.O. Box 3222, Swakopmund. NAMIBIA. Tel: + 264 64 404400; Fax: + 264 64 403049; info@henric-estates.com

Inside this issue:

Buying a BUY-TO-LET property	1
Residential land for sale	1
Best time to invest	2
Build? Or Buy?	2
Great Deals of the Day	2

On 1 March 2010 Henric Estates celebrated 16 years of real estate business in Swakopmund. During this period we've had lots of fun..



....and



sold a lot of weird stuff, nice stuff, stunning stuff.
What can we do for you?

Buying a BUY-TO-LET property

If you are not an experienced landlord, i.e. someone who owns property for the purpose of renting it out, you may have wondered about the many buy-to-let adverts you see from time to time. How do you know whether you are buying the right property?

The soul of a good buy-to-let property lies in its desirability for prospective tenants.

Location: When two similar properties are available, tenants with children will favour the one that is close to the right school and away from busy streets. Others may prefer to be close to the CBD.

General condition: Everybody prefers clean, well-maintained properties and tenants are no different. By providing a fresh,

well cleaned property where gates and windows open easily, wood surfaces are treated and the roof is not leaking, you will attract a higher rent from the market.

Size of the property: Every size property does eventually find a tenant but if the demographics indicate that more young families are moving into the area perhaps because of new and growing industries, three bedroom houses may have more prospective tenants than studio apartments.

How long is the lease. Nobody likes to move house frequently and tenants will also favour a house that is less desirable if they can secure a longer lease. If you

plan to sell your house in the near future you may find it hard to attract a quality tenant. You will probably have to offer the tenant a great deal just to keep the

Existing lease pays

NS11,000 pm



Ref: H0629
Full title 4 bedr house and double garage: N\$ 1,550,000

property occupied. Having the right property will get you the best return. Allow your agent to explain the numbers in detail.

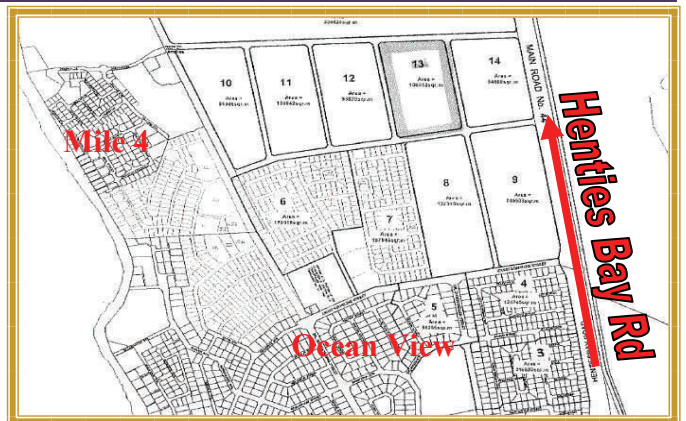
RESIDENTIAL LAND FOR SALE

Since 2008 the Municipality of Swakopmund has made several blocks of land available for development by private entrepreneurs.

Most of these blocks lie north of Swakopmund in the area boxed in by Ocean View, Mile 4 and the Henties Bay road.

The developers are now in different stages of the slow process of planning, subdivision, providing of services, etc.

Marketing has now started on some of these blocks but subject to the subdivision being finalized. Prices seem to start



at around N\$380,000 and land can be secured by paying a 10% deposit. Expect, however, to wait several months for

transfer. Still, an excellent investment opportunity for the beginner. Ask your agent for details.

The best time to invest.



We are often asked when would be the best time to invest in property. Market trends in the past have definitely shown that during some periods more profits are to be made when buying and selling. Unfortunately there have also been times when losses were incurred, hence the question "When is the best time to invest?" The key word however should be "invest" and not "when". True investors always look at the medium to long term whereas speculative buyers look to make a quick buck by selling (flipping) a property soon after buying it. For the latter group of buyers, timing can be critical as their profits/losses are determined by short term fluctuations in the market. Investors on the other hand are in the market for longer

periods and as long term movement is generally upwards, these buyers make their money through long term appreciation and short term cash returns, such as rent. Longer term property investment in Namibia is drawing more and more attention from foreign buyers. The absence of capital gains tax makes property investment a very attractive proposition. In the event of a sale, the initial investment as well as any gains can also be taken out of the country again, subject to the investor keeping proper record of the transaction. For speculative buyers, buying at any point can be risky as a sudden downturn

in the market and lack of a cash buffer may force these buyers to sell at a loss. This type of buying has a bit of a gambling aspect to it and finding the right time to buy is mostly guessing and hoping. Although property has helped many people to become financially secure, property should not be seen as a get rich quick scheme. For serious investors though, the right time to invest is always NOW, as long as you have a little extra cash available and are not totally reliant on tenants to cover your investment commitments. Quite often the best buys are priced slightly higher than the expected market price as better quality properties tend to appreciate more than "average" properties. Be wary of bargains as these properties are often sold at lower than market prices for valid reasons.



**N\$ 735,000 (Brand new)
2 Bedroom flat with garage**

Build? or Buy?

Both options present pros's and cons to the prospective house owner and the final choice will be determined by a combination of issues. Consider the following few pointers and questions.

1. It is often cheaper to buy an older house as the house was probably built when both land and building costs were much lower.
2. Buying land incurs less transfer costs than a finished house as these costs are determined by the value of the transaction. You don't pay transfer fees on what you're still going to build.
3. Buying land and building from your own house plan gives you the opportunity

to incorporate dreams and space into design and rooms that are tailor made.

4. By buying a finished house you may end up paying for rooms, space and design that is not quite to your liking. However, it is also quite possible that you can get more square meters for your dollar.
5. Do you have the creativity to plan a house and see to the construction work?
6. Are you close enough and do you have enough time to frequently visit the building site to make sure construction goes according to plan.

7. Building obviously takes much longer than outright buying. How urgently do you need accommodation or is this a second property?

Building is not for everyone and if the idea scares you, it is best that you buy a finished house first and perhaps do a few renovations. This way you will pick up valuable experience that can be utilised later in a full blown house-build exercise.



Great deals of the day

- **N\$ 320,000** : Erf in Ext 9
- **N\$ 640,000** : Erf at Waterfront
- **N\$ 550,000**: Erf at Mile 4, with permission to build two units
- **N\$ 3,3m**: Beach front erf
- **N\$ 650,000**: Beauty Salon with established clients
- **N\$ 4,7m**: Industrial building with tenants - 6% ROI
- **N\$ 500,000** 6ha Omaruru plot

N\$ 1,720,000 CC

 Duet, brand new with 3 bedrooms, 3

 bathrooms and a beautiful dark wood

 kitchen with built-in stove. Spacious

 lounge/dining area. Situated in quiet

 cul-de-sac not far from the beach.

 Two units available, each with double

 garage . Really beautiful...come look!

IMMEDIATE OCCUPANCY



Ref H0678