



# Property Gossip

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

## Inside this issue:

Cheaper Houses Make More Money	1
Swakopmund Property Market	1
Need to rent? Tips for Tenants	2
Mile 4	2
Great Deals of the Day	2

## Agents Having Fun



Rudi



Jackie



Retha



Rudi & Johan. Helping clients can also be fun.

## Cheaper Houses Make More Money.

Real estate investing has in recent years become very popular. The boom years allowed many property buyers to make a quick buck by quickly flipping (buying & selling) property but true real estate investors have two objectives, firstly, to earn a good monthly return and secondly, to have the possibility of making profit on the resale of the property.

Although the economic law of supply and demand suggests that the higher the demand the higher the price, this is not the final word on renting out property. Smaller towns, including Swakopmund, in general have less employment possibilities and as a result, salaries tend to be lower as well (supply and demand again). This creates a

situation where rent amounts are limited by a "ceiling" created by the lower salaries. Higher earning individuals are few and they often already own their own homes.

This follows that a property worth N\$900,000 may rent for N\$4,000 per month whereas a property worth N\$1,800,000 may rent for say N\$ 6,000 p.m. Enough reason for an investor to rather consider buying two properties of N\$900,000 each than buying one for N\$1,800,000

Making a capital profit is also more likely on cheaper properties as you can easily add considerable value by making minor improvements. Re-selling will then

be in a price category where more buyers are shopping and more properties are getting sold.

An added advantage is that all your money is not tied



Ref: H0604  
3 Bedr house with 2 bedr flat and 4 garages: N\$ 1,39m

up in only one property. Should the need for cash arise, sell just one of the properties while keeping one foot in the property market.

## SWAKOPMUND PROPERTY MARKET

### Swakopmund's real estate market is unreal.

I have been involved with real estate for the last 15 years and still enjoy reading and learning about real estate in other parts of the world.

Time and time again I'm struck by how Swakopmund's property market seems to differ from real estate in other areas. When interest rates go up and up, well-respected writers tell us about how property sales will drop dramatically. In Swakop, however, buyers ignore interest rates and still buy properties at the drop of a hat.

In recent months much has been said and written (and proved) about the global credit crunch and how the world recession has hit the real estate market. Estate agencies in South Africa are closing down at a rapid rate as banks decline

9 out of 10 home loan applications. Not here in Swakop though. Every time you drive through town you will see new estate agent signboards and all seem to make a living.

"SOLD" signboards still pop up around every corner. Swakopmund appears to be in an "immune" market with it's own rules and trends. Investors here seem satisfied as property values show a steady increase over time.

N\$ 850,000 (Ref F1270)



NEAT 2 BEDR TOWNHOUSE

## Need to rent? Tips for Tenants.

Renting a residential property can be quite tricky so we'll try to give you a few pointers.

Firstly it is important to realize that your success in finding a good property will depend largely on how successful you sell yourself as the right tenant to the rental agent.

Rental agents operate under pressure from the landlords whom they represent, to find the right tenant. Most rental agents are flooded with rental applications on a continuous basis and you don't want your application to get lost in the bundle. So, you need to make sure that your application stands out from the crowd and stays on top of the pile.

Your thorough preparation will no doubt help you in your quest. Bring your sup-

porting paperwork with you when you meet the rental agent. This would include an identity document, proof of income (to show what you can afford), details of previous accommodation i.e. letter of reference from previous rental agent or owner, reference letter from employer, proof of contract work, etc.

Understand that you will be expected to pay a security deposit, usually equal to one month's rent, as well as the first month's rent in advance. Deposits to connect water and electricity will further stretch your rental budget.

Once you've found the right property, don't sign the first document that is

presented to you. Make absolutely sure that you understand the terms of the lease. How long is the lease period? What is the notice period? Is the property also for sale? How much is the rent? Is water and electricity included? When and by how much will the rent escalate?

When eventually you do move in, make a detailed list of problems and defects in the house and make sure the agent gets a copy. These items will not necessarily be repaired by the agent/owner but at least you will be protected against claims for damages when you move out again.

Upon termination of your lease, make sure you leave the premises spotless (remember you want a good referral letter again) and arrange for water, electricity and telephone disconnections.



**House & Flat**

**N\$ 1,020,000 (Ref H0617)  
4 Bedroom house on large erf**

**Henric Estates has a full-time rental specialist - Gail. She can be reached at 064 404400 (w) or via e-mail at [gail@henric-estates.com](mailto:gail@henric-estates.com)**

## Mile 4 - What / Where / When ??

Many Namibians still have good memories of camping holidays at the old Mile 4 campsites on the outskirts north of Swakopmund. But how many of you realize that the major part of Mile 4 has been developed as a residential neighbourhood during the past few years?

After a slow start ten years ago, this residential development has seen a boom phase during recent years and empty building plots are fast becoming a scarce commodity. Several of the larger plots also accommodate two units each to create a safe environment of twin duplexes and simplexes.

Mile 4's popularity can largely be contributed to the fact that building plots are considerably smaller than in other areas of Swakopmund. This lead to lower prices, lower municipal rates and taxes and of course lower expenses for developing and maintaining gardens.

Although this area can no longer be seen as only a holiday neighbourhood, many of the now permanent residents claim that Mile 4 still has a very relaxed holiday feel to it. The fact that each and every plot is within easy walking distance of a beautiful stretch of prime Atlantic beach probably has

a lot to do with it. When next you're in Swakop again, ask your agent to show you the new *Mile 4*.



**N\$ 1,4m (Ref H0386)**

**Double storey, 4 bedr, 3 bathr, double garage**

## Great deals of the day

**N\$ 320,000** : Erf in Mile 4

**N\$ 530,000** : Erf in Ocean View

**N\$ 850,000** : Erf in Kramersdorf

**N\$ 530,000** : Erf in Ext 12

**N\$ 1,050,000**: 3 Bedr duplex, close to the ocean and in secure complex.

**N\$ 232,725** : Industrial workshop or storage place, 87m<sup>2</sup>

**N\$ 480,000**: New industrial units of 150m<sup>2</sup> each

**N\$ 845,000 Snap this one up!**  
Due to contract cancellation this property is back on the market at a much reduced price. Brand new with 3 bedr, 2 bathr, open lounge/dining, built-in braai, modern kitchen, separate scullery and double garage **IMMEDIATE OCCUPANCY**



**Ref H0599**