



07 June 2010 15:15

Hotspot of the month: Grahamstown

Located in the heart of the Eastern Cape and steeped in history, Grahamstown is noted as a town of academic excellence with a lifestyle to match. It is also a property investment goldmine

Tali Barnett

The name Grahamstown has become synonymous with the South African arts, playing host to the world-renowned annual Grahamstown Arts Festival. It is also home to the prestigious Rhodes University, admired for its historical premises, small classes and academic excellence. But the town itself offers more than just arts and education. Grahamstown belongs to an impressively beautiful region of South Africa known as “Frontier Country”, where an enviable lifestyle, excellent schooling and abundant outdoor activities are easily accessible.

For those looking into the property market, Grahamstown also offers unique investment attributes. “The Grahamstown market has remained very buoyant during this recession- I had my best year last year,” says Joy Miles of Lew Geffen Sotheby’s. “It’s just remarkable. There are people relocating to Grahamstown for various reasons, mainly because of schools.”

Educational excellence

Miles explains that cash buyers coming from Dubai and the UK are investing in Grahamstown properties while their children are attending the schools. “You’re going to get a return on your investment at any point, because if you leave here in five years time, you’re going to sell to a wealthy family who’ve discovered the value of private schooling.”

Tim Fenner is one such buyer. An accountant who invests in small businesses, he chose to move to Grahamstown from the UK seven years ago for the schooling. “I brought my family over from the UK to be educated. I’ve got four kids, from the age of six to sixteen. They were in a private school in the UK and I was simply not getting value for money, and was worried about the standards of education and discipline.”

Investigating private schooling options from Britain, Fenner looked at Europe and Australia. “In the end we chose South Africa, and then within that we chose Grahamstown. They’ve all come here and had a very good education. And the school fees are a quarter of the price that I was paying in the UK” he adds.

Miles agrees with Fenner’s sentiments, saying that people look at government schooling versus private school offerings and inevitably choose Grahamstown for this type education. “As a parent you want to give your child the best and I think the all-round schooling that you get at Kingswood or St Andrews is of the highest standard.”

A lucrative investment

Rhodes University is the pinnacle of Grahamstown's academic offerings, yet it also provides excellent property investment opportunities and stability.

Richard Rubin, chief executive officer of Aengus Property Holdings says "the student market is the best place to be as there is guaranteed rental income for ten months, and when students like the places they rent, they usually renew for the following year. This is a good part of the market and investor returns are far better than the residential property market."

Miles agrees that "there are fantastic letting opportunities - the best in the country as far as I'm concerned. Because of the expansion of the university there's always a shortfall of student accommodation, so you will always have rental opportunities."

She says a huge property trend is "second-home" buyers. These are parents based in Johannesburg, Mexico and the Cayman Islands for example, who buy a lock-up-and-go place in Grahamstown in order to visit their children. "Or when it's the Derby Day rugby, they stay in this accommodation for seven days. They come down four or five times a year, sometimes more frequently," says Miles. These second homes are a lucrative property investment as buyers are usually from abroad and happy to spend.

The average house in Grahamstown is around R900 000. "You can find a luxurious house in the R1.5 million to R3 million bracket," says Miles, naming Sunnyside as a cosmopolitan area that is buoyant, affordable and "full of academics". Oatlands and Westhill are luxurious and leafy suburbs, she adds.

Investment stability

Fenner agrees that Grahamstown has investment stability. "Because the city is heavily dependent on education both through Rhodes and the private schools, it seems to be outside of normal market influences. Although there may have been a housing slump in other parts of the country or other parts of the world, it seems to have passed us by here, because the demand for the schools and the university is greater than ever."

Dr Sue Southwood, who has spent fifteen years between Europe and Grahamstown, says that "you can get so much for your money, not just in terms of property itself but also in terms of what can be done with the property. Labour does not cost an arm and leg as it does in Europe" she says. Renovation and decoration is something one can manage more easily, and there are a range of wonderful buildings with great potential to be beautiful family homes.

An enviable lifestyle

Fenner says that, unlike in Britain, his kids can now walk to school – "we could never do that in the UK." There is a lot of emphasis on sport and outdoor life, which the family feels that they could not do in the UK because of the climate. "In all respects, it's a much healthier lifestyle, and the cost of living here is much lower than the UK."

And as an added bonus says Fenner, "the great climate means that I can enjoy a game of golf 365 days a year, whereas in the UK I put my golf clubs away for six months of the year!"

There are a wide range of excellent facilities in the town, including a library, swimming pool, gym, cinema, theatre, and restaurants; and a continuous stream of activities taking place, in and around the university in particular.

Southwood agrees: "Grahamstown is a very special place. It offers so much to so many, whether young or old. So many people come to Grahamstown on a short term basis and many years later are still here. It is a very difficult place to leave."

Get away to Grahamstown

A cultural capital:

Grahamstown is best known as the venue of the annual National Arts Festival. Held in June each year, it celebrates the best in South African and imported talent and regularly attracts more than 50 000 festival-goers who come to enjoy more than 500 shows – everything from opera to jazz and comedy to drama – as well as an endless array of other creative disciplines.

Altogether, six national events are celebrated in Grahamstown each year. It is also known the “City of Saints” as it has more than forty places of worship.

Historical heartland:

Grahamstown was formerly the Cape’s second city, and is the meeting point of many cultures in South Africa’s history, such as the Khoi, Xhosa, Boer and British.

The town has a number of unusual museums, including the National English Literary Museum, the Observatory Museum and the International Library of African Music, and many well-preserved buildings with outstanding architectural features.

Outdoor activities:

The Eastern Cape, a malaria-free region, is one of the most diverse ecological areas in South Africa, demonstrated in the unspoilt and spectacular scenery.

The region is fast gaining local and international popularity for excellent game-viewing with a variety of private reserves which include the Big Five.

The area also offers skydiving, hunting, game viewing, fly-fishing, hang-gliding, abseiling, river rafting and mountaineering.

Comments:

Tuesday 22 June 2010 10:33 **Brian**

I am an Old Andean living in the UK. During my school days I lived in Cape Town but having been back there a few times in the last 10 years, much as I like Cape Town, I prefer the more relaxed atmosphere in Grahamstown and the better lifestyle so much so that I have invested in a property there with the aim to retire there. The Grahamstonians are a wonderful, friendly people and long may that last. I look forward to returning there very soon.