

Increasing demand for industrial space

The newly established Rawson Property Group Greater Cape Town commercial franchise, Rawson Cape Metropole, is finding that, despite what some economic analysts have said about the South African manufacturing sector being slow to cash in on the very favourable global exchange rates now prevailing, there is considerable confidence in the manufacturing and distribution sectors and a steady demand for industrial rented and sales space.



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The demand for small units in the 150m² to 500m² bracket is particularly strong but it is also found right up to 1,500m².

These comments on the current situation were made recently by Gary Vos, co-franchisee, with Mike Abrahamse, of Rawson Commercial Cape Metropole.

Vos added that Montague Gardens, Killarney Gardens and Paarden Eiland have proved particularly adept at providing this type of smaller unit and they are particularly popular if the unit is in an enclosed security complex to which the access is controlled.

Vos has recently sold an 841m² warehouse with offices in Killarney Gardens for R4 million and a 2,500m² complex of eight mini factories in Killarney Gardens for R11,4 million.

"Properties like these," said Vos, "are ideal for investors because they give a return of 8% to 10% from day one and they also escalate at roughly the same rate, i.e. 8% to 10% per annum. It goes without saying that this is, in general, a better return than can be achieved on residential units and this is one of the reasons why investors are moving to industrial property, while those who are already in it are increasingly reluctant to sell."

The franchise, he added, has a number of qualified investors waiting in the wings.

In view of this demand, said Vos, the franchise will more than likely double its turnover in the year ahead and is now taking

on three new brokers to specialise in certain of the precincts where they have already proved to be successful.

"I think we have initiated the new commercial operation at exactly the right time," said Vos, "in my view the call for commercial space in the greater Cape Town area will only get stronger from here on."

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