

RDP house on sale for R1.7m

A former RDP house, upgraded to a double-storey and expanded to 15 rentable rooms in Dunoon, Cape Town, has been listed for sale on a popular property website with an asking price of over R1.7m.



This house in overcrowded Dunoon is on sale for R1,728,000. Photo supplied

Some rooms have cracks and peeling paint and it is squeezed onto a 147m² site, but the house was listed on 14 December for R 1,728,000. It has six bathrooms, eight rooms upstairs, and seven at ground level. The property includes a shop with a trader who pays R6,000 per month. Potential monthly income through rent is estimated at R35,000. On the sales price, monthly mortgage repayments would be R16,963 (at a rate of 10.25% over 20 years, with no deposit).

Converting RDP houses into many roomed dwellings for rent has become a hot business in Dunoon, an area characterised by overcrowding and poor socio-economic conditions. Raw sewage flows in some streets and between houses. Blockages and waste overflows are part of daily life in Dunoon.

According to the real estate website, properties sold in Dunoon include one for R180,000 in December, and last month a home fetched R280,000.

GroundUp found no approved building plans for the conversion of the house for sale, but it does have electrical and plumbing certification.

Risky purchase

Gregory Brooks of Brooks & Michaels Property Consultants said it would be a risky purchase for this reason. "What makes me nervous is the website has recorded 23 property sales in the area and the average price is R279,000. [This building] has the highest price that I can see and that is far above the average price."

He said any offer should be subject to the approved plans.

City mayco member for spatial planning and environment Marian Nieuwoudt said, "Since February 2018, a process of law enforcement started [looking at the Dunoon home conversions]. Although the initial results are not satisfactory, the city will pursue regulating all buildings in future."

Nieuwoudt said the formal trading of properties requires that a building occupation certificate be supplied by the seller of the property. The city administration has not received a request for the issuing of an occupation certificate in respect of the property in question," she said.

Article originally published on GroundUp.

For more, visit: https://www.bizcommunity.com