

Property owners will feel the increases

THE recent interest hike and looming property rates increases have caused worry lines for many residents concerned with making payments on their properties in the city.

The interest hike of 50 basis points on April 10 and also increased property rates planned for July in the Nelson Mandela Bay municipal area are making more than one resident feel anxious about their bank balance.

According to Liesel Greyvenstein of Greyvensteins Nortier there is speculation that the new valuations on the property will be reviewed on a percentage, which is still to be advised.

"We were informed that as a result of the low rand value the increase will be nominal and adjusted in future according to the country's economic strength. The public might not feel the increase at present as the adjustment will not be justified due to the low rand value," Greyvenstein said.

The suggested increase by the Metro is 8.5%, although this figure must still be approved by Council in May, according to the Spokesperson for the Metro, Lourens Schoeman.

The new property tax will be effective from July 1 and rebates on the different categories of properties, e.g. retirement homes, and

categories of persons, e.g. retired persons, will also be determined in the final decision made by Council.

"There are two things in life that are certainties – death and taxes," said Jaco Rademeyer from Jaco Rademeyer Estates. "Hikes in interest rates and taxes affect everyone in terms of expendable income and this will be felt in the property market as much as in most other spheres. Homeowners who can no longer afford to pay their bonds will have to put their houses on the market, which will further strengthen the current buyers' market."

Rademeyer said property, however, remains one of the best investments that a person can make and residents should try to adapt their lifestyle to compensate for hikes in interest rates and property taxes.

"The industrial and commercial market has become more cautious as people are forced to do their homework more thoroughly, but there is still interest from buyers and tenants," says Warren Jack from Warren Jack Property Group.

He suggested that residents do their homework thoroughly, stay positive "and remember that any type of property investment is a long-term investment".

