

Sandton continues transition from office space to housing

Sandton, historically known as Africa's richest square mile, is transitioning from bustling business district to luxury residential space as developers continue to buy the oversupply of office space.



Source: Supplied.

“There is appetite from developers for redevelopment of office space in Sandton from commercial to either residential or mixed use,” said Jayson-Lee Collins, sales manager and commercial property broker at Broll Auctions and Sales.

As hybrid work models flourish, the auction house has sold numerous commercial properties in the Sandown area, with the two most recent sales being the former Primedia offices at 5 Gwen Lane, at R7,000 per m², and 88 Grayston at R5,000 per m².

According to Lightstone, Sandton's sectional scheme registrations declined from 317 in 2021 to 76 thus far in 2023, while freehold schemes declined from 54 to 25 in the same period.

“The decrease in registrations is directly proportional to buyer's appetite. Due to the constant interest-rate hikes and oversupply of commercial office space in the Sandown area, buyers need to reimagine old spaces with new ideas,” Collins said.

Broll Auctions and Sales has two unique investments going to market in the next two months, a prime four-star green-rated

commercial building, with one of the best addresses in Sandton; and 51 executive apartments at the Villa Via complex which will be sold as freehold.

“The sizeable apartments, which are two-bed, two bath, are ideally suited for a hospitality group, retirement village and or investors looking to hold strong income and asset value,” Collins said.

“These properties are surrounded by some of South Africa’s top blue-chip companies, and amenities in the immediate vicinity include The Marc, Sandton City Shopping Centre, the Sandton Gautrain Station and various hotels,” said Norman Raad, chief executive officer of Broll Auction and Sales.

“Prices have dropped due to an abundance of available stock, but Sandton remains one of Johannesburg’s strongest commercial hubs. Buyers have been less active due to unrealistic pricing by sellers coupled with interest-rate hikes, but when the prices are right, sales are happening.”

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