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GAUTENG PROPERTY

## Africrest Properties on track to reach rental goal

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Africrest Properties is on track to be one of Gauteng's 10 largest residential middle-income landlords within five years.

Its target is to amass a portfolio of more than R1bn in rental apartments and to reach a position where it can sell stock to listed companies such as Indluplace Properties and Transcend.

There is a large housing shortage in the province, made worse by the fact that about 10,000 people move to Johannesburg monthly, according to mayor Herman Mashaba.

This has prompted developers to create residential properties and densify suburbs.

Africrest will consist of two parts: Africrest Residential and Africrest Commercial. Founder Justin Blend said he wanted each to make up 50% of the total group in a few years.

Africrest Residential, which was started about three years ago, mainly converts old offices into residential space or develops new residential stock. It also buys existing stock, few of which are available. Some funds were still in the early phases of building portfolios, Blend said.

It owns about 300 apartments, to which it will add about 900 in the next eight months.

"Africrest's aim is to provide affordable housing close to where their target market works to reduce commuting time and cost. The apartment rentals range from R4,000 to R8,000 per month," Blend said.

This range is considered to be a sweet spot for residential investors as it appeals to middle-class entry-level workers and to people who do not want to make large capital commitments to property.

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