

South African property Trendy townships Apartheid eyesores are suddenly in vogue

Aug 22nd 2015 | SOWETO }

WITH its barrel-vaulted ceilings, garage for five cars and swimming pool hidden from the street by lush gardens, the sprawling home is what you might expect to see in Johannesburg's wealthy (and formerly whites-only) northern suburbs. But this is Soweto, the famous black township that was the centre of the anti-apartheid struggle in the 1970s and 1980s. The house's recent listing for sale at a cool 3m rand (\$233,000) has drawn attention to a new trend: the hotting up of the property market in South Africa's former townships.

Under apartheid blacks were forced to live in grey "matchbox" homes in segregated areas far from city centres, with dire public services and woeful transport links to where the jobs were. Yet there is now a growing desire for homes in precisely these areas—not least because they are relatively cheap—and young black professionals who fled them a few years ago are now flocking back.

The Soweto mansion, which is being sold by the widow of a prominent local doctor, is listed in the property pages next to equally pricey homes in the northern suburbs. But Soweto offers a cachet that just can't be found in Johannesburg's leafy north. Buy a home on Vilakazi Street, for instance, and you will share an address once used by two Nobel peace laureates: Desmond Tutu and the late Nelson Mandela.

Other black townships, once known euphemistically as "locations", are also exciting buyers and estate agents. Property prices in former black townships around South Africa's six biggest cities rose by 17% over the past year, more than double the 7% increase of the market as a whole (see chart). Admittedly they are coming off a low base. Houses in townships sell for a shade under 340,000 rand, about a third of the average for all homes in big cities. Most are snapped up by young couples trying to get a foot on the property ladder.

There is more to the boom than just price, however. Townships are becoming far more congenial places to live. Soweto has seen a boom in new shopping centres and boasts trendy gyms with classes allowing one to "bump", "grind" and "get killer abs" in places where the main form of exercise was once running away from sjambok-wielding policemen. The Soweto Theatre, a colourful collection of cubes that looks as if it were designed by Frank Gehry (or a child with a box of Lego), draws some of South Africa's biggest music and comedy acts. Its stadiums, which were revamped for the 2010 FIFA World Cup, are magnets for fans from the suburbs. "Soweto is so amazing," says Trish Luthuli, of Pam Golding Properties, an estate agent. "It has that community feel."

Yet there is also a downside. The commute to the city centres, where most of the jobs still are, remains terrible—a legacy of poor transit infrastructure and apartheid policies that often designed townships with a single road in or out to make it easier to contain protests. Crime is also a problem, though it is elsewhere too.

Unlike in the suburbs "where you have all these high walls, people here know their neighbours," gushes Ms Luthuli. Yet some locals fret that the friendly atmosphere may cool as newcomers snap up homes in old quarters. "Younger people tend to keep to themselves more," gripes Matseleng Mogodi, an estate agent who specialises in Soweto homes. "It's not as social as it used to be," she says. There goes the neighbourhood.