

DEVELOPMENT FEATURE

Live, work and play in your immediate surroundings

Umhlanga's Worx Zone hotel guarantees rental returns for the first three years. Michelle Swart finds out more

KWAZULU-Natal's Umhlanga Town Centre, the brainchild of Tongaat Hulett Developments, has become a model for the future urban developments in SA, not only due to its revolutionary urban design and functionality, but to the form and beauty that the area has managed to create and maintain.

The Town Centre enjoys easy access onto a network of major roads, including the N2, while the King Shaka International Airport is also only 10 minutes North of Umhlanga.

The Umhlanga Town Centre boasts the state-of-the-art Umhlanga Hospital and Medical Centre, one of a host of the finest residential properties and private schools. Furthermore, Old Mutual's extraordinary R1,6bn Gateway Theatre of Shopping is only a few minutes away. The pristine beaches of Umhlanga Rocks are a short drive down the road.

It is within this desirable locale that The Worx Zone, a mixed-use commercial development, is positioned. This R80m commercial property project being jointly developed by Growthpoint Properties and Key Developments in the Parkside precinct of the burgeoning Umhlanga New Town Centre includes an office component that consists of 62 "business modules". These modules offer small businessmen and entrepreneurs the opportunity to own 25m² of office space with access to a 650m² business centre.

The Worx Zone has now added a sectional title hotel component to its offering that will guarantee rental



returns over the first three years. The four-star Life Hotel consists of 30 well appointed 50m² apartments incorporating two hotel units to rent.

Mark Taylor, CEO of marketing agents the eLan Property Group, said: "The added value of having two rooms to rent within one apartment increases the potential for an exceptional long-term annuity income." Due to its location in the Umhlanga New Town Centre, the hotel is perfectly placed to attract business and leisure travellers alike. As a result, occupancies are expected to be consistently high adding to the rental returns potential.

The hotel's investment model is based on the Riverside Hotel which was developed by eLan in Durban North 11 years ago. Taylor said: "The Riverside Hotel rooms are currently bringing in a 34% return for their owners. The Worx Zone Life Hotel already guarantees an 8% return for the first three years."

The combination of the office and hotel components creates a "stay, work, play" environment where users of the facility can network, do business and socialise in their immediate surroundings.

About 48% of the development was sold at the launch, valued at approximately R47m.

Knowledge Factory's SAPTG statistics for sectional title properties in Umhlanga shows that a whopping 190 transfers were undertaken in the 2009-10 period, for an average price of R2,7m. In the 2008-09 period, 206 transfers were concluded for an average price of just over R2,5m. While the five-year growth trend shows an appreciation of 6,14%.

Price: Hotel apartments about R1,3m
Office modules about R499 000
All prices exclude VAT
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