



San Sereno by Auria Senior Living

CURATED LIVING

Estate living: how to decide which property best suits your needs. What are the unique features offered by estate portfolios?

South Africa is an estate-living paradise, driven by security needs, and the need for a robust community and “village” lifestyle where most amenities are readily available. Hayden Giger, growth head at FNB Private Bank Lending, says that those looking to live in estates have an overwhelming choice, but must focus on the fundamentals. “Location is very important and, along with security, will often be the main deciding factor.”

He adds that the proximity of offices, shops, schools and medical facilities are imperative when choosing which estate to live on.

“Amenities and facilities are a big drawcard. There are estates which offer everything from golf courses to running trails, schools, gyms, and tennis courts. Estates are a very popular choice currently and the draw towards them doesn’t seem to be slowing down,” says Giger.

Retirement estates and villages are also popular choices for older people. Gidon Novick, founder of Lucid Ventures (a venture capital retirement living fund), says that with South Africa’s growing elderly population, well-designed retirement living facilities will increase significantly in value over time. The fund has acquired land in Houghton and Rosebank, Johannesburg to build retirement living estates.

“The combination of valuable real estate, growing demand and good retirement living facilities allows us to confidently target double-figure returns for investors. We are equally confident that the fund will continue to deliver very competitive returns for many years to come,” says Novick.

Modern seniors - as Barry Kaganson, CEO of Auria Senior Living, describes South Africa’s elderly - are not in a state of decline, nor even planning to stop working. “Many continue to work, or if

they do not, they travel and take up sports and hobbies that keep them active and busy. These people are not on the brink of a decline into ‘old age’, but many would like a lock-up-and-go, hassle-free lifestyle which has resulted in the advent of senior living communities, or continuing care retirement communities,” says Kaganson.

Kaganson explains that it is not necessarily considered an investment when buying a retirement property in an estate but that when someone purchases a “life right”, they have the right of exclusive use of a property for the remainder of their or their spouse’s or partner’s life.

A life right scheme differs from a sectional title or full title property in that ownership of the property is held by the life rights scheme owner or operator. “Unlike full title or sectional title schemes, any capital appreciation in the property accrues to the scheme owner, and not the occupant.

“As a result, the scheme owner is always incentivised to maintain and operate the scheme optimally and to the highest standard to ensure overall property capital appreciation. Different investment types come with different responsibilities, so it’s important to make oneself aware of the differences in these models in order to make a more informed decision,” says Kaganson. ■

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