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To: The Northwold Residents
Association

Subject: THE EFFECT OF THE BOOMS ON PROPERTY VALUES

I have been an estate agent now for 16 years and more so in Northwold for the last 10, having sold properties in almost every street and complexes our suburb has to offer. My message to you today is to inform you of the influence of the actual value the security booms have on property prices.

When I list a new property in the hood, the first question I get from a prospective client is, 'is it in the boom'? YIP THAT IS THE UTTER TRUTH! Although booms are not always a deterrent to crime coupled with the expense to the residents, the perceptions of buyers is one of safety when making a choice of where they want to live. And for this they are prepared to pay a premium.

If we were not to have the booms, Northwold would become just an ordinary suburb, competing with every other un-boomed area around for property value. There are currently a lot of homes on the market and buyers are spoilt for choice. The booms are also the one main factor for holding values steady during these tough times for everyone. Buyers definitely want to invest in stable areas.

Should we lose our booms, I estimate that homes in the R2million + Range would suffer a 20-25% decline in value over the next 12 months & lower value properties would see a decline of 10-20%.

My reason for sharing this information today is that the committee is seeing an influx of residents cancelling their contribution to the NRA. It is also now the new financial year and an increase contribution is on the cards. Is this fair on the residents who do pay? After all, we are all benefiting from the booms. We all sleep well at night. We understand that everyone has their own financial obligations to meet, but surely your family's safety outweighs a few sacrifices you could cut back on. A contribution from every household would probably be able to bring the cost down to R400/household, maybe slightly less.

Many new residents have moved into our secure suburb for the very reason of safety and it would be a sad day if the decision is made to remove all the booms due to financial struggles the NRA is facing. Crime would literally increase in a matter of no time at all.

This is no way a lecture from my side but more so a plea to those who are not paying toward the NRA to perhaps re-consider and please make contact with one of our committee members.

Kind Regards

Mark Ledger