

PERSONALISED LEGAL ASSISTANCE

Professional legal and property consulting

SONNENBERG & ASSOCIATES PROPERTY AND LEGAL ADVICE NEWSLETTER #124

1. Legal Quotes

"Good men must not obey the laws too much." [Ralph Waldo Emerson]

"What power has law where only money rules?" [Gaius Petronius, 66AD]

"No laws, however stringent, can make the idle industrious, the thriftless provident, or the drunken sober." [Samuel Smiles]

2. Legal short

The Ten Commandments display was recently removed from the Cape Town Parliament building. The media reported there was a good reason for the move: You can't post Thou Shalt Not Steal, Thou Shalt Not Commit Adultery, and Thou Shall Not Lie in a building full of lawyers and politicians without creating a hostile work environment.

3. Inspiring quotes

"Creditors have better memories than debtors." [Benjamin Franklin]

"The problem with the world is that the intelligent people are full of doubts while the stupid ones are full of confidence." [Charles Bukowski]

"Rock bottom has built more heroes than privilege." [unknown]

4. It now costs more to build than buy

The latest figures from ABSA and FNB indicate that **building a residential house from scratch currently costs you 30% more – or an average of R629 500 in rand terms – than buying an existing one**. This **cost gap**, largely due to soaring building and vacant land costs as well as the house price growth which is barely keeping up with inflation, is the **largest recorded since 2003**.

The **average nominal price** (before inflation is stripped out) of a **new house increased to R2.02 million** while an **existing home of the same size increased to R1.39 million**, according to the banks' figures for the third quarter of 2016. Financial data showed the replacement cost gap (i.e. the cost to rebuild a house from scratch) of a home in the fourth quarter of 2016 increasing to **30.4%**, when compared to buying an existing property.

Other factors leading to the above were **increased building costs** (up by 6.4% year-on-year to an average of R6 539 per square metre for new houses constructed between January and November 2016, compared with R6 148 per square metre during the same period in 2015) and **falling house prices** (national house prices, in nominal terms, in 2016 rose by 5%, which is slower than the 7.2% and 6.5% for 2014 and 2015 respectively).

House prices are expected to increase by no more than 5% to 6% during 2017 as a result of the poor state of the economy.

I am available on 083 2515451 or fritz@sonnenberg.co.za.

Refer your transfers to me and get professional personalised service.

Sonnenberg Property Services (Pty) Ltd is a licensed estate agency.

All newsletters can be obtained on our website: www.sonnenberg.co.za.



FRITZ SONNENBERG | Legal Consultant

Mobile: 083 251 5451 | Email: Fritz@sonnenberg.co.za | Skype: [fritzsonnenberg](https://www.skype.com/people/fritzsonnenberg)



SONNENBERG
PROPERTY & LEGAL ADVICE

 [Visit my page](#)

[Download Vcard](#)

[View Disclaimer](#)