



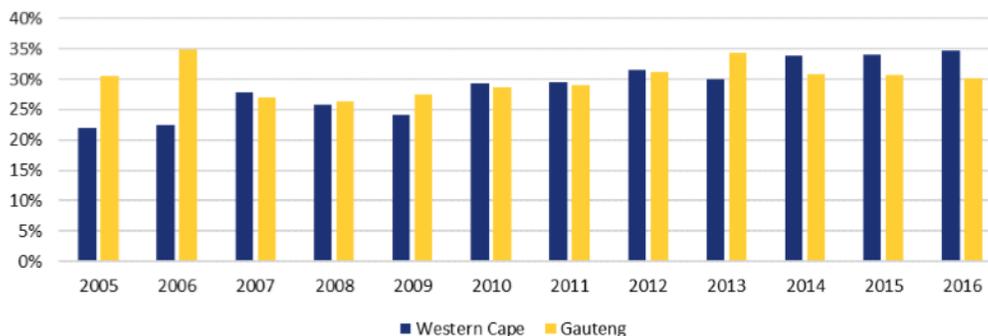
Gauteng might be the province of gold, but the Western Cape is turning silver

If you are planning on retiring to the Cape one day, you're definitely not alone. More and more of South African's over the age of 65 are snapping up luxury and super-luxury properties in the Western Cape. During 2016 more than 70% of property sales in some suburbs were made to people older than 65. That's a lot of silver surfers!

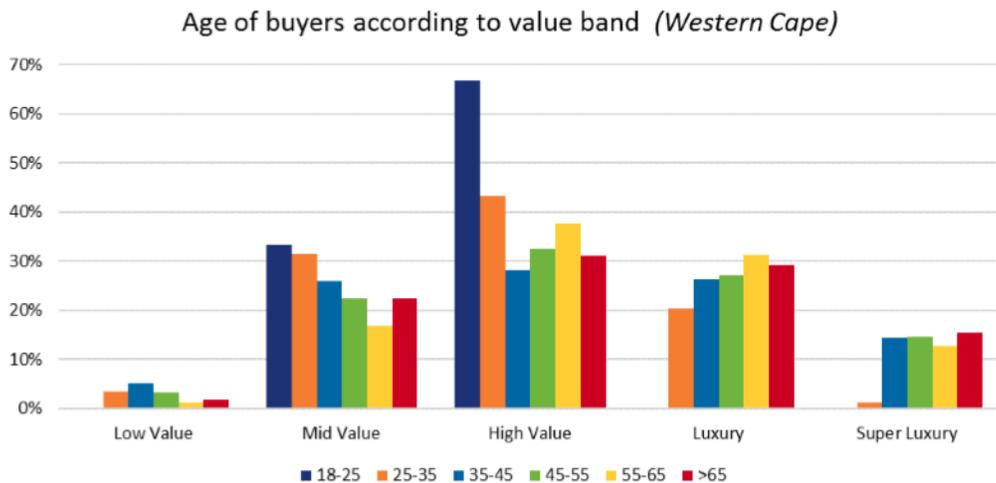
Suburb	Town	Municipality	Buyers over 65	Median Property Value
Eastford Downs	Knysna	Knysna	73%	R 1 150 000
Helderberg Village	Somerset West	City of Cape Town	70%	R 3 450 000
Klipfontein	Malmesbury	Swartland	64%	R 1 475 000
Bergsig	Montagu	Langeberg	52%	R 1 300 000
The Heads	Knysna	Knysna	50%	R 3 675 000

The figures displayed above confirm a trend that Lightstone has been tracking over the past 12 years, indicating that there is an increase in senior citizens investing in property in the Western Cape. In 2005 when we started tracking the numbers, 22% of residential properties that transacted in the province were purchased by buyers over the age of 65. This has increased to 35% in 2016.

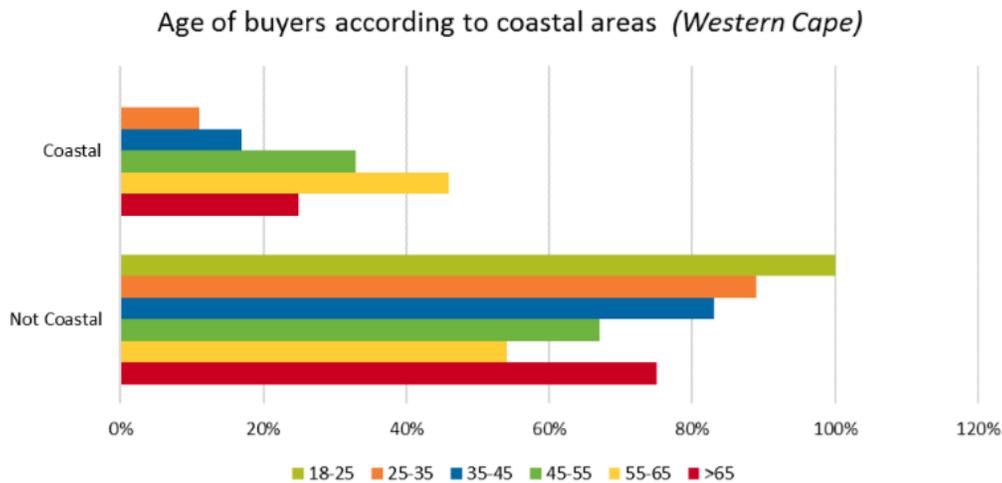
Percentage of buyers older than 65



Lightstone's age analysis data reveals a few more interesting stats in the Western Cape. From a property valuation perspective, we noted that sales to the province's 18- to 25-year-olds took place purely in the mid-value and high-value segments. The combined price range for these two segments is R250 000 to R1.5 million. Interestingly, sales in the super-luxury segment were proportionally fairly evenly distributed across the age bands for people aged 35 and older. The proportion of super-luxury homes purchased by buyers aged between 35 and 45 was pretty much the same as the proportion in the higher age bands, namely 45-55, 55-65 and 65+.

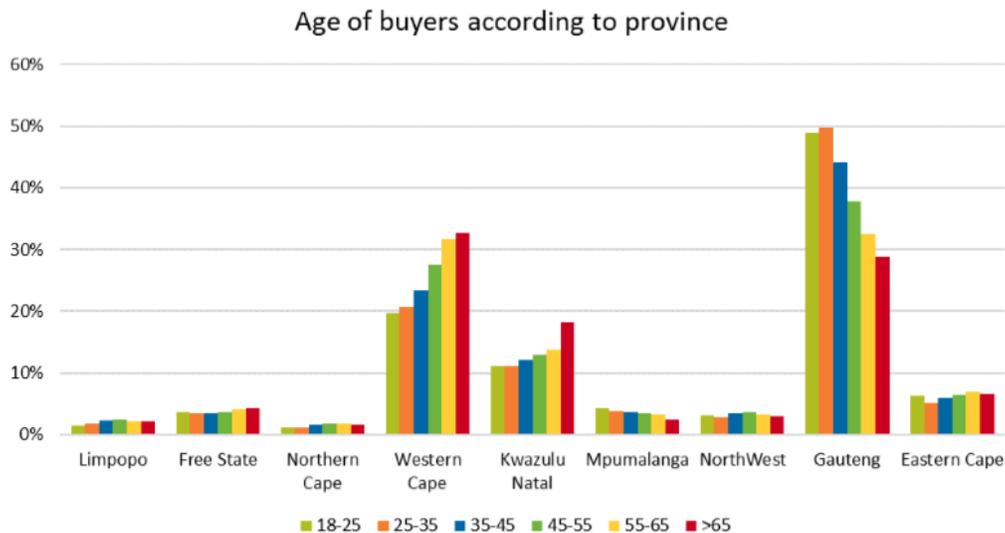


Where the differentiator came in was when we looked at coastal versus non-coastal properties. The proportion of properties close to the coast purchased in 2016 increase through the age bands right up to the 55-65 age bracket, then drop off significantly.



There is a high probability that folk in the Western Cape are more likely to buy property on the coast while they are working, but as soon as they reach retirement move their focus back inland, most likely to an estate or sectional scheme where there is less maintenance needed.

At the other end of the scale, we saw a disproportionately large chunk of 18 to 25-year old's buying property in Gauteng during 2016.



Let's unpack these stats a little. The way we see it, the money is in Gauteng, as it's where the most job opportunities are. A young person starting a career in Gauteng is more likely to earn a salary that affords the chance to get started on the property ladder. The size of the Gauteng market means buyers have more choice. It's still possible to get a decent starter home in a major Gauteng Metro for under a Million Rand. This results in more and more youngsters buying in areas like Delmore Park in Boksburg, Protea Gardens in Soweto and Durley in Bronkhorstspuit.

Of course these are just a few of the possible scenarios that we could investigate using age analysis of property buyers. The information required by our clients varies significantly across different industries. Identifying demographic patterns by studying trends in the housing market has countless applications beyond the property sector.