

Housing density soars in Midrand

Lightstone analyses densities

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MIDRAND, at the current rate of densification, might be one of the most densely populated areas in South Africa within the next 30 years, according to property services group Lightstone.

It expects Midrand to change dramatically over the next 30 years despite the proportion of sectional title properties to freehold properties being only 26 percent now.

Lightstone said property statistics showed that the number of properties in Midrand had doubled since 2000 and there had been about a 550 percent increase in the total number of sectional title properties in the same period.

It said some areas of South Africa's metropolitan areas were rapidly densifying but traditional city centres, such as in Johannesburg, Pretoria and Durban, were not always the most densely populated or fastest densifying areas in these municipalities.

This was revealed through an analysis by Lightstone of

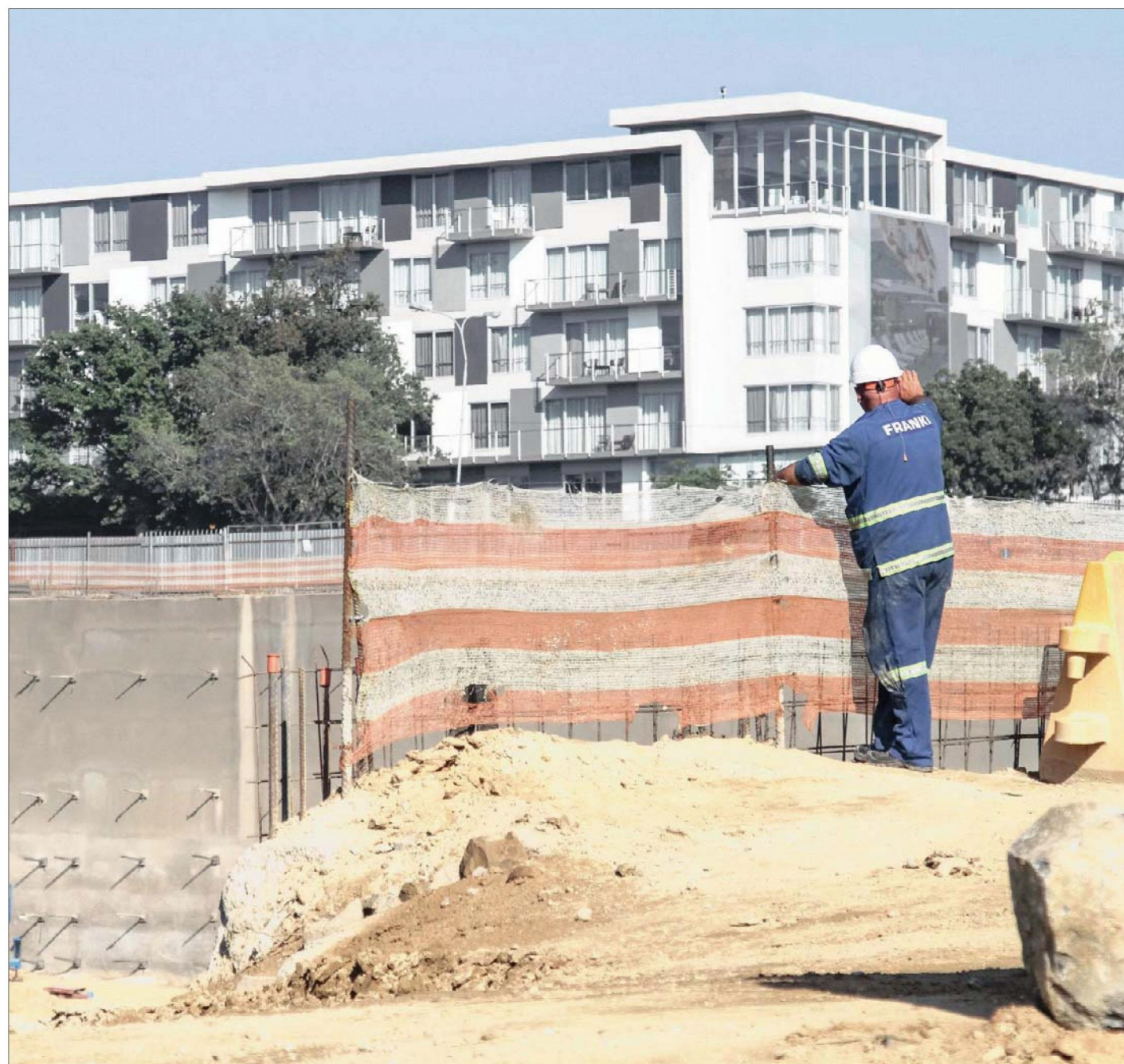
the proportion of sectional title properties to freehold properties at four different points in time: at the inception of the last property boom in 2000; in 2006 after the property boom; in 2010 after the property market crash; and the latest statistics available for this year and last.

Lightstone said apart from Ethekeini, the most growth in sectional title properties seemed to be occurring next to the city centres.

It said the proportion of sectional title properties had remained roughly the same in Pretoria but Akasia, a suburb to the north, was expected to be a more densely populated area than the Pretoria city centre in 30 years.

Lightstone added that Sandton had always been a good investment for commercial property and its proportion of sectional title properties had increased from 40 percent to 50 percent in the past 15 years and might increase to almost 65 percent in the next 30 years.

It said that while it was not yet obvious how South Africa would deal with the growing



Property services group Lightstone says the proportion of sectional title to freehold property is increasing in many areas PHOTO: BLOOMBERG

need for formal housing, one thing that was evident was that most metropolitan areas in South Africa would not necessarily have to take the skyscraper route in developing densely populated suburbs.

The relative availability of land, inner city regeneration initiatives and better building

and transport technology provided the country with options to drastically reshape what the South African cities of the future would look like, it said.

Urbanisation

Lightstone said as global populations increased, cities across

the world were becoming more densely populated and there were now more than 500 cities with more than 1 million inhabitants compared with less than 100 cities in 1950.

It said densification seemed to be a phenomenon present only in the inner city and suburbs and it was not present in

areas traditionally referred to as townships.

Lightstone speculated that the reason for this was the relatively low value of land in township areas compared with the suburbs and inner city, adding that high land prices encouraged developments that optimised land use.