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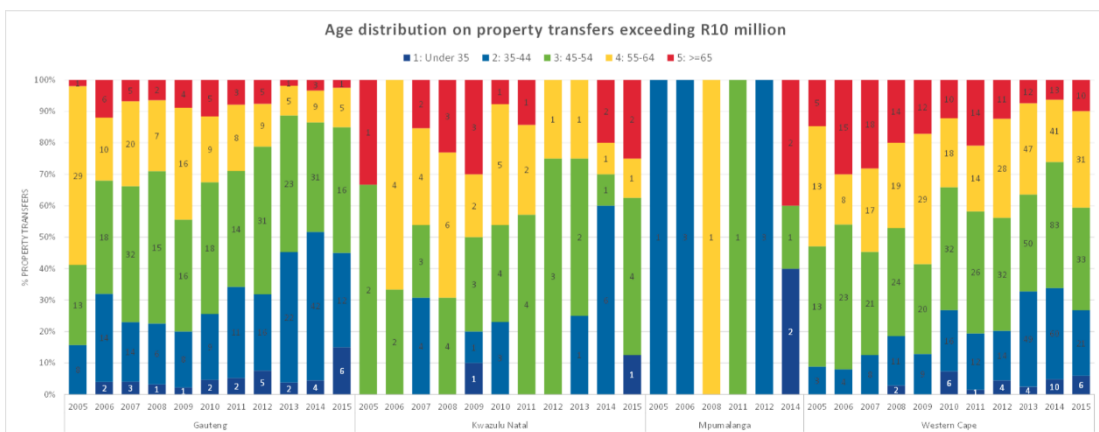
Unearthing buyer trends within the super luxury property market

If you've been following property media reports lately, you will have noticed that the spotlight has been put on the super luxury property market – which has experienced interesting growth over the past few years.

In this newsletter, we delve into buyer trends for properties exceeding R10 million in value, and go a little further to explore these super luxury property preferences within the various age bands.

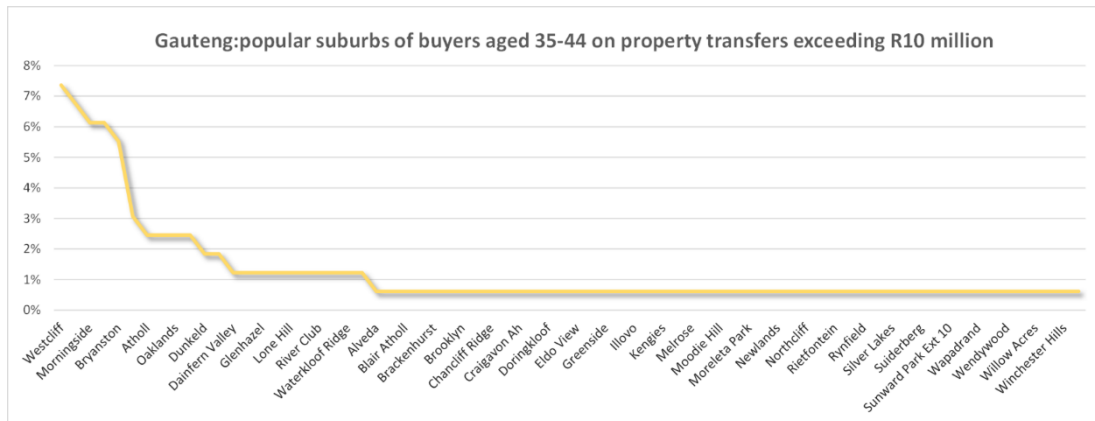
When looking at super luxury property sales over a ten year period (2005-2015) the Western Cape has seen the highest number of sales, with Gauteng in second place, followed by KwaZulu Natal and then Mpumalanga.

Nationally, properties exceeding R10 million in value are predominantly purchased by those within the 45-54 year old age band, possibly owing to the fact that they are a lot more established and financially able to afford properties of that value. Those within the 35-44 year old age band are the second largest group purchasing super luxury properties. An interesting thing we noticed from our data is that the number of buyers under 35 years of age who are purchasing properties over R10 million has slowly increased over the years.



The Western Cape is the province that has seen the steadiest growth in terms of sales of super luxury properties, whereas Gauteng super luxury property sales seem to be a bit more “stagnant.”

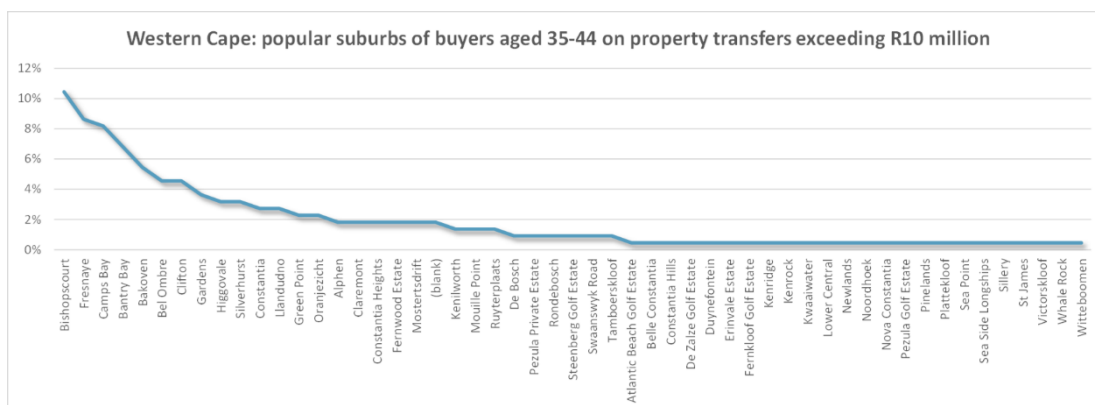
Looking back at the data we released in May 2015 where we analysed South Africa's growing metros, metro towns, particularly within the Johannesburg metro, are densifying. Developers in the Gauteng region are having to be more economical in creating more living places with less space available to them. This has resulted in a boom in sectional title properties being built next to the city centres, of which the majority are under R10 million in value. Where the Johannesburg metro has a higher number of sectional title properties (within a more affordable price bracket), the Western Cape generally has more freehold properties of a higher value – which is a big factor contributing to their dominance in the super luxury property sales market. Coastal properties are a massive drawcard and contribute to these higher values.



In the Western Cape, the most popular suburb for buyers between the 35-44 band is Bishopscourt (which accounts for 10% of all sales of properties exceeding R10 million in value), followed by Fresnaye (9%), Camps Bay (8%) and Bantry Bay (7%).

In Gauteng, buyers within that same age band are snapping up properties in Westcliff, followed by Morningside, Bryanston and Atholl.

In both provinces, the majority of sales are freehold properties, followed by estates, with sectional title bottom of the ranks.



And while 2014 saw a peak in the number of properties exceeding R10 million in value being sold, followed by a slow decline in 2015, there will always be a demand for properties of this nature – which could provide us with even more interesting trends and buyer behaviour in the months to come.

Watch this space...