



## Lightstone explores the top stats for 2019

Amidst a tough socio-economic environment and bold question marks being raised around political and public enterprise situations, this year has seen so many encouraging results and positive starting blocks for 2020 for South Africa. In an epic lead up to their victory, the Springboks have taken the Rugby World Cup win for the 3<sup>rd</sup> time; the journey with the Ndlovu Youth Choir who sang us to success on the America's Got Talent stage; and the #ImStaying social movement that continues to attract feel good stories every day.

We looked back at the year and explored how South Africa performed in the Property spaces during 2019.



South Africa is home to 9876 suburbs with Hospitaalpark in Limpopo, Havenside in Kwa-Zulu Natal and Hartzenbergfontein AH in Gauteng taking the top 3 spots based on growth inflation over the last year.

Last year, 315 899 properties were sold in South Africa amounting to R243 billion. To date, 261,097 properties have sold totalling an amount of R210 billion. The town of Noordhoek, in the Western Cape, achieved the average highest transaction prices across the year at R4,5 million. The most expensive residential property sold in 2019 was for an amount of R45.7 million and the most expensive commercial property sold for R365.5 million.

## **1. Sectional title buying performance amongst age brackets**

Sectional Title sales of properties aged 30 to 39 years have outperformed other age bands of properties in average property growth per year at 4.7%.

In the last 5 years alone, the 30-39 age band of sectional title properties that sold stood at an average of 29% compared to 22% for the 20-29-year-old sectional units.

## **2. The highest valued suburbs in Cape Town and Johannesburg**

In Johannesburg the suburbs of Sandhurst, Westcliff and Blair Atholl have the highest average value, and in Cape Town; we saw Llandudno, De Bosch and Constantia emerging as the suburbs with the highest average value. In an anticipated finding, Umhlanga in Kwazulu-Natal also features amongst the top ten suburbs with the highest average value.

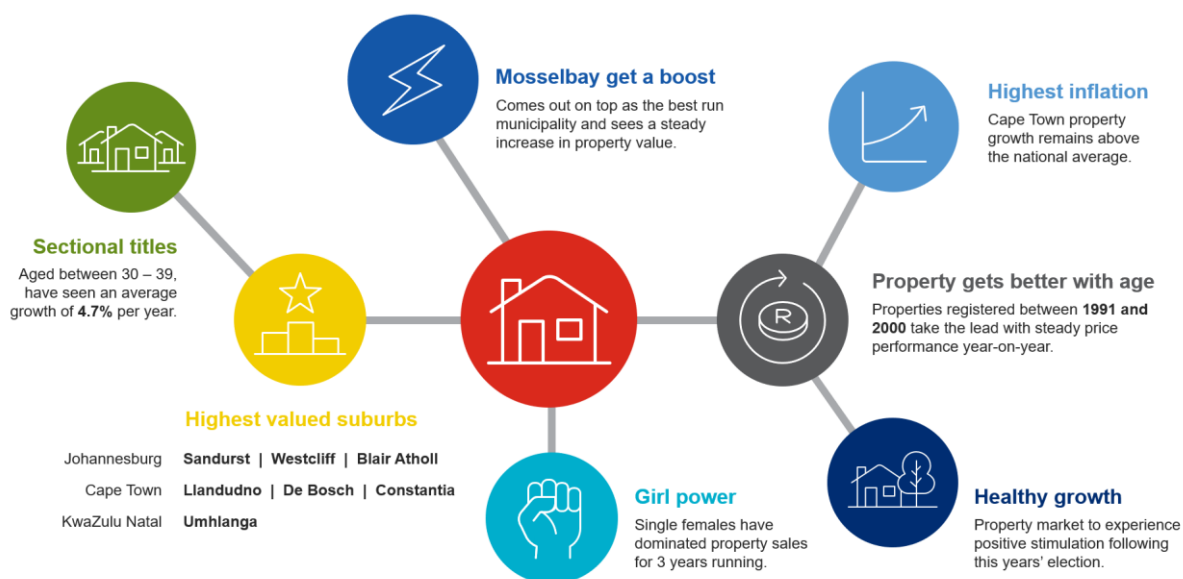
## **3. Mosselbay – the best run municipality gets a property boost**

Following on the recent release from [Good Governance Africa](#)(GCA) that highlights Mossel Bay in the Western Cape as the [best run municipality](#) in South Africa, provide insight on some of the unique selling points in the coastal town.

The town is made up of 24 8133 properties (freehold, sectional title and estates) with 15 390 transactions have taken place over the last five years. The value of properties in the area has enjoyed a steady increase with freehold properties making up the largest percentage of the property market with 65,9%; followed by estates with 18,92% and sectional title units with 15,1%.

## **4. Cape Town property growth remains above national average - until now.**

Cape Town has traditionally been highlighted as consistently showing growth above the national average. But in October 2019 Limpopo took over in terms of inflationary growth. Limpopo boasted a 5.9% annual growth with an increase in high-end properties – most of which have become second homes to affluent Gauteng residents. The increase in mining activity in the province has also had a positive effect on property developments in the area. Inland municipalities of Ekurhuleni, City of Tshwane and City of Johannesburg continue at a stable rate of between 1% and 4% whereas coastal municipalities generally perform above this range. The low and mid value wealth segment continues to challenge the trend by showing an annual growth of more than 4% whilst other wealth segments perform below this.



## 5. Property also gets better with age

We looked at how properties perform based on the generation buying them and found some interesting results for properties within the 20-30-year-old age bracket that didn't necessarily meet associated perceptions. Of the Freehold and Sectional Title property sales, we see the 'Generation Z' (properties registered between 1991 and 2000) category leading in the number of property sales, with a steady price performance increase, year on year.

## 6. Growth performance forecasted for the emerging market


Based on our annual property forecast, we determined that should the property market follow a *mid-road* scenario of a positive economic turnaround post this year's elections and certainty on economic policy and property ownership, the property market was likely to experience positive stimulation. When analysing different scenarios as modelled by our analysts, we forecast that the year would end in a similar position as 2018 at approximately 3%. Inflationary figures are currently tracking at 2.9% as at the end of November and look set to stay within this range come year end.

## 7. Girl power

Looking specifically at property, single females dominated property sales in both 2017 2018 and 2019, compared to single men and even married couples. The average price of homes purchased by single females is around R800,000. Car purchases in the last year have also been divided equally between women and men, and female Porsche owners have risen from 6 to 9% in the last year.

So, as we bid farewell to a year that has presented some local challenges, we look forward into the next year, optimistic that our proudly South African accolades on the sports, talent and patriotic front, extend to our property and economic sectors too.



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