



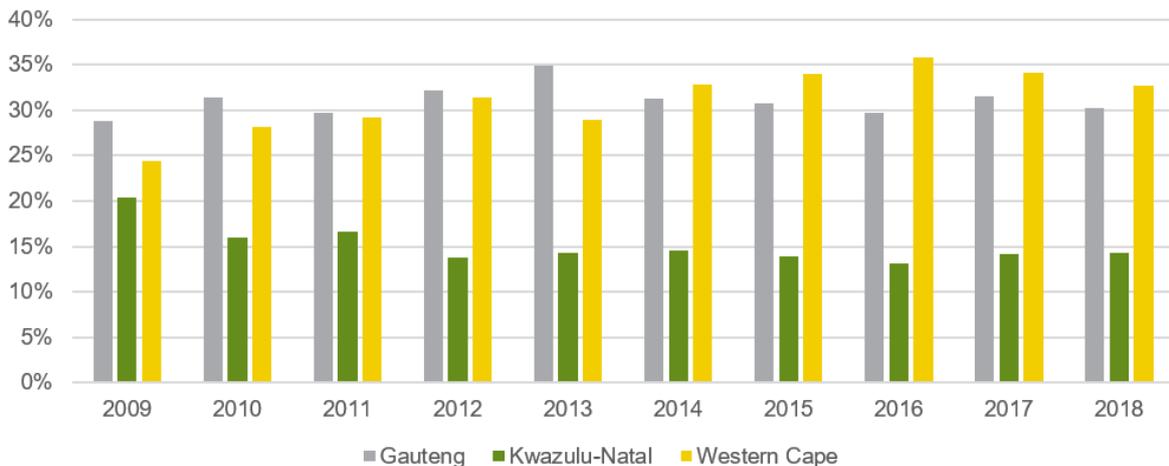
Property Newsletter

The age of property buyers in South Africa

In a recent review of property buyers' demographics we reveal that nationally buyers aged 65 and over differ vastly in buying patterns. The three major provinces, Western Cape, Gauteng and Kwazulu Natal are seeing different trends for these buyers.

In a comparison of the three provinces, a clear trend emerges where the Western Cape is growing to the detriment of Kwazulu Natal over the period of 2009 to 2018. "It's no surprise that the Western Cape is a strong favourite for this age bracket, but it is interesting to note that the preference for properties in Kwazulu Natal has declined," says Esteani Marx, Head of Real Estate at Lightstone. The demand for properties in Gauteng has remained steady over the same period.

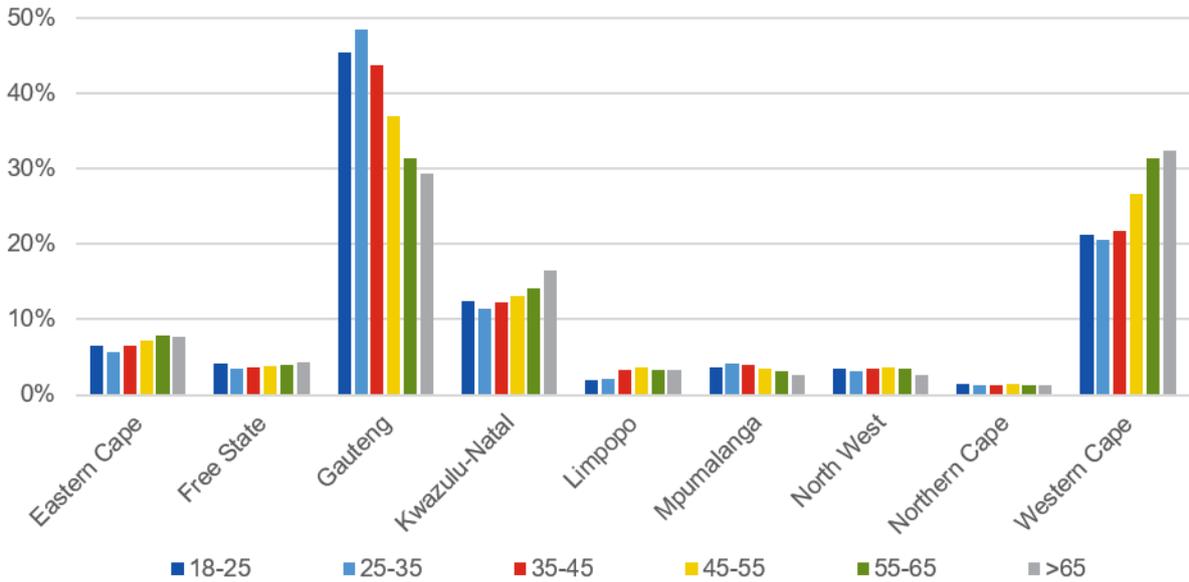
Percentage of buyers older then 65



View of property buying trends over the last ten years

In a national view of buying trends, Gauteng is most popular for property buyers aged between 25-35 with the most property being purchased by this age group. According to Marx this leads to the belief that this portion of the population chooses to settle in Gauteng where there are more career prospects and therefore more opportunity to purchase properties where they work. As the research indicates, buyers over age 65 are acquiring more property in Western Cape than in any other province.

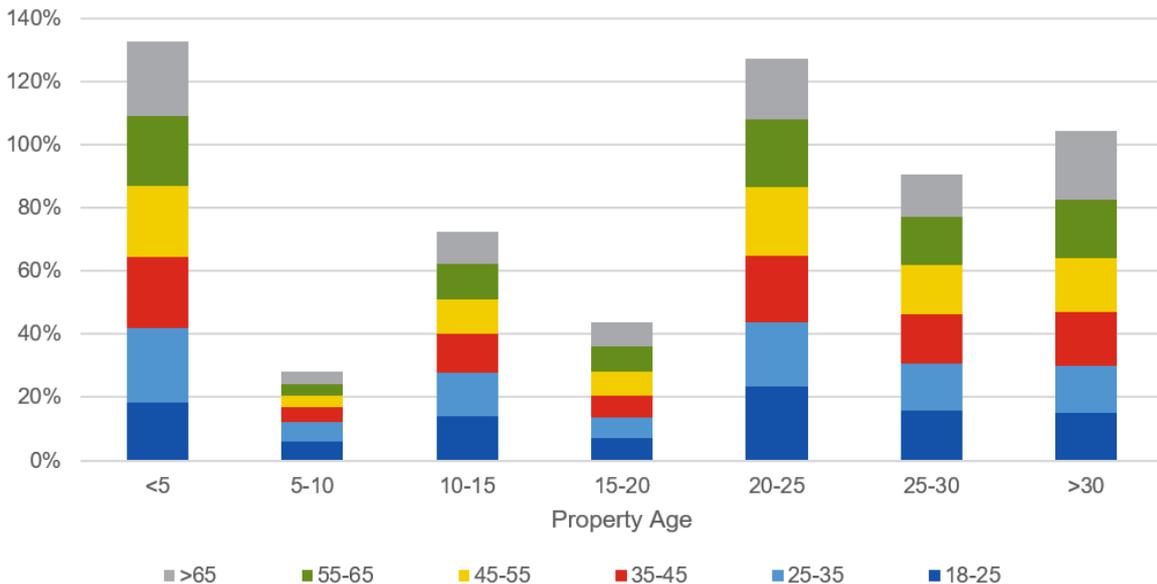
Age of buyers according to province



The purchasing behaviour of age brackets across South Africa

Another interesting finding in the data is that properties aged five years and less together with properties older than 20 years are attracting more buyers. “In most cases the older properties have been renovated and modernised, yet still have the allure of a contemporary setting,” explains Marx.

Age of buyers according to property age (National)

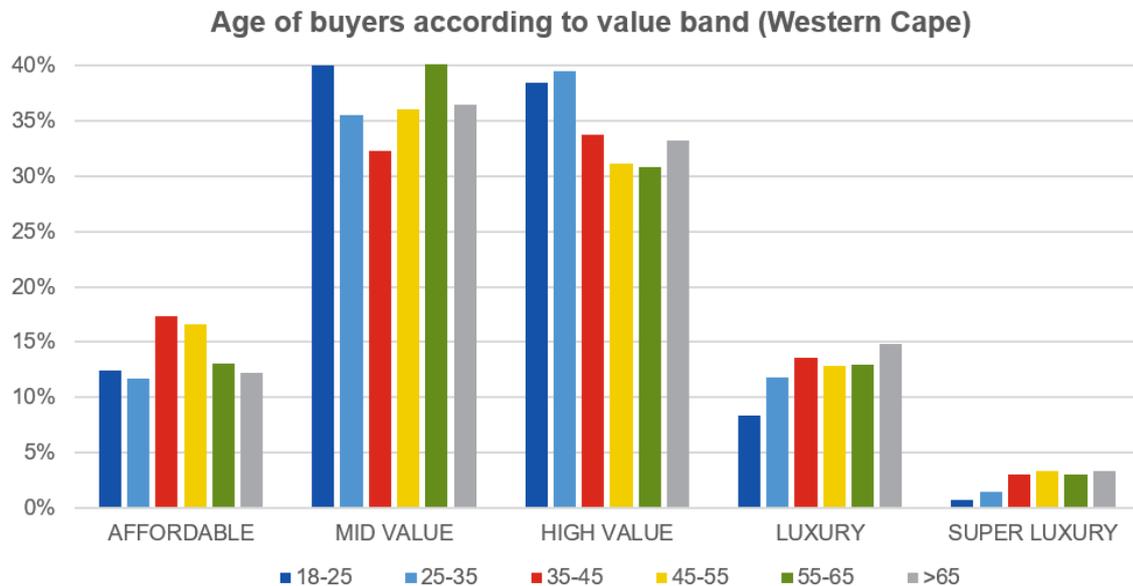


National view of buyers according to a property's age.

In the last year property buyers over age 65 have purchased mostly in Gauteng and Western Cape with freehold properties remaining the most sought-after option, possibly because of the freedom accompanied with this option.

Western Cape

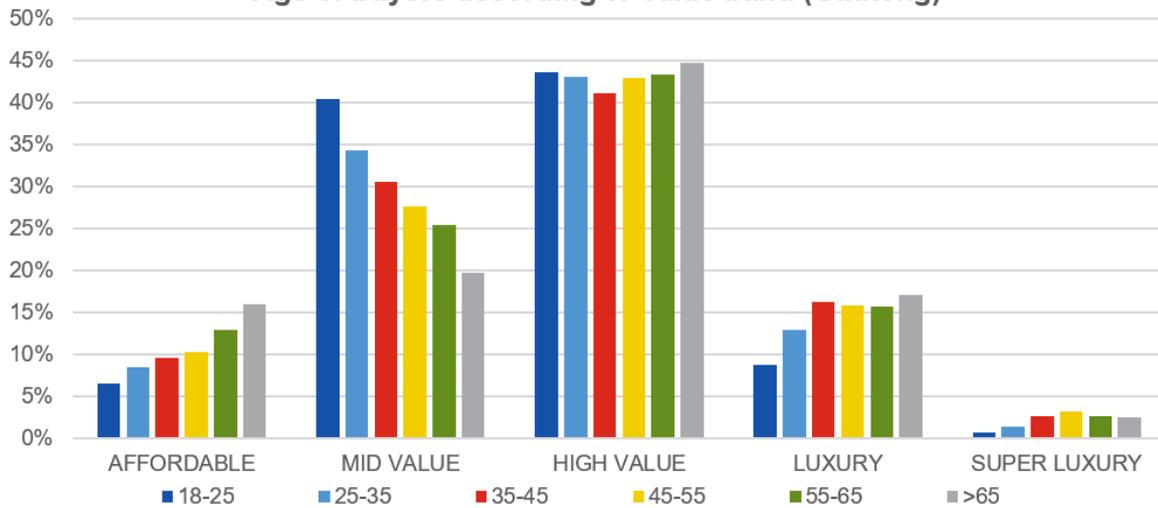
As Lightstone previously reported, estate living has a high growth rate and in this province properties within estates are mostly being bought by the age bracket of 65 and over; even outperforming sectional title properties. According to Marx people will continue to look for the comfort and security provided by estates and clusters. Over the last year, Helderberg Village in Somerset West accounted for the greatest number of transactions totaling 92 at an average value of R7 475 000. 63% of these buyers are over age 65. In Eastford Downs, Knysna 88% of buyers were over age 65 and purchased property at an average value of R3 750 000. In an interesting finding, buyers purchasing property in Oudtshoorn accrued to 79% where the average property value is R1 300 000.



Gauteng

As mentioned earlier, estate living in the Western Cape is most popular with the over 65 age bracket, however in Gauteng this market is dominated by buyers aged between 35 and 45. “Suburbs like Centurion have seen a big spike in estate developments and as the data reveals we can assume that these property options are popular for families with children.” Dunblane in Kempton Park has had the most transactions over the last year amounting to 175 with 45% of these transactions by 65 and older age bracket. Kopanong in Thembisa saw 54 transactions at an average value of R335 000 - with 74% of these in the 65 and older age bracket.

Age of buyers according to value band (Gauteng)

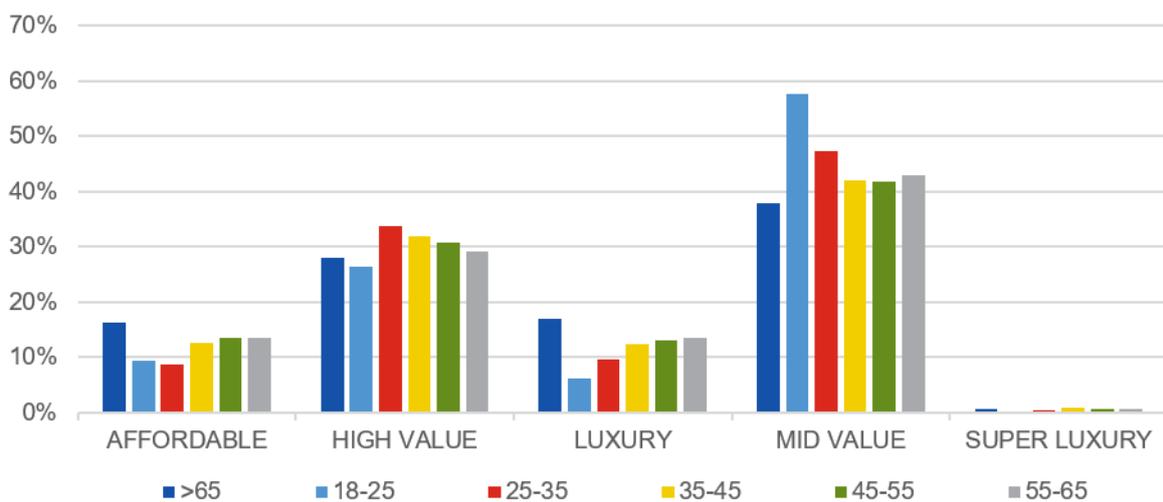


Value band of buyers in Gauteng indicates that high value properties and mid value properties are most popular for 65 and over age bracket.

Kwazulu Natal

Buyers in the age bracket of 65 years and older are purchasing more properties closer to coastal regions whereas property buyers of a lower age choose non-coastal properties. “It is known that properties closer to the coast are more sought after and with higher demand comes a higher price bracket, whereas as the opposite is true for inland areas where properties are more affordable for first-time homeowners,” explains Marx. Sectional title is the most popular option for the 65 years age group and like Gauteng the mid to high value property band is where most of the properties are acquired.

Age of buyers according to value band (Kwazulu-Natal)



Value band of buyers in Kwa Zulu Natal indicates that high value properties and mid value properties are most popular for 65 and over age bracket.

Marx concludes that purchasing property at 65 is vastly different to when you are 35 and variables like maintenance, distance to amenities and personal needs are considered. What can be summarised from the research however is that buyers are opting more for sectional title

and that the Western Cape continues to be an appealing option for the older generation to migrate to.



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