

Home sales soar in Joburg's northern suburbs as semigrating buyers add to local demand

Home sales in the northern suburbs of Johannesburg have bounded ahead in the past few months as affluent buyers moving from other parts of the country have added to local demand. This is according to Rory O'Hagan, principal of Chas Everitt International in Sandton & Hyde Park.



Source: Michael Turner © [123RF.com](https://www.123RF.com)

The group recorded registered home sales in the area worth R946m in the 12 months to the end of August this year, compared to R777m worth in the previous 12 months and R352m worth in the 12 months before that.

“What is more,” O'Hagan says, “these results do not reflect rising prices as much as rising numbers of sales. Our actual unit sales across the northern suburbs have almost quadrupled in the past three years, while prices in most areas have only risen by between 4% and 6% a year.

“In addition, the sales surge has happened despite large-scale disenchantment with the city council and the management of Johannesburg, which was especially evident after the first year of Covid-19, when many of the city's affluent business and homeowners realised how easily they could work remotely and started removing themselves en masse to upmarket rural enclaves and luxury lifestyle estates in the Western Cape, Eastern Cape and KZN.”



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Gap filled relatively quickly

However, says O'Hagan, the gap that they left in the market was filled relatively quickly by buyers who had found

themselves stuck in apartments and smaller homes during the early lockdowns and were determined to move to more upmarket suburban homes with gardens and more space for their families to work and study and entertain at home if necessary.

“These moves were largely facilitated, of course, by the slow rate of home price growth, low inflation and historically low interest rates – which also made it possible for many thousands of first-time buyers to purchase the apartments and townhouses that were being vacated by the upgraders.”

Reverse semigration trend

But in the past few months, he says, there has been quite a different market dynamic in play in the northern suburbs, and that is the return – or reverse semigration – of significant numbers of high-end buyers from the Western Cape in particular, and from KZN.

“This trend first became evident to us at the start of this year in the rapidly rising demand for luxury apartments in Hyde Park and Sandhurst, close to all the banks, blue-chip company headquarters, designer stores and exclusive entertainment venues in Sandton,” says O’Hagan.

“And now we are seeing many families return permanently to Gauteng, and especially to the top lifestyle estates in Midrand and the Fourways/ Lanseria area, as well as some newly developed luxury cluster homes in legacy suburbs like Melrose, Athol, Inanda, Houghton and Hyde Park.

“One reason we often hear is that air travel has become more expensive and more difficult of late, so a weekly commute to a Johannesburg office is now much less feasible, and another is a desire for more ‘real’ interaction with colleagues, friends and family.”



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Increase in immigration inquiries

Meanwhile, O’Hagan says, while emigration sales are still few and far between, there has been a massive increase in inquiries from would-be immigrants to South Africa since the initiation of the African Continent Free Trade Agreement (AfCFTA) last year, and in response to the war in Ukraine.

“There is no doubt that Johannesburg is the financial heart of Africa and the gateway, as AfCFTA gains momentum, to a massive and largely untapped market for all kinds of consumer products and services. And now affluent investors from all

corners of the world, including other parts of Africa, want to be here and be part of this story as it unfolds.

“In addition, many people from Europe and the UK who have visited South Africa before are now contacting us to help them move here permanently, primarily to escape the effects of the war in Ukraine, including rocketing inflation and the looming energy crisis, but also to enjoy better weather, a more outdoorsy lifestyle and new business opportunities.

“We thus have no doubt that sales in the northern suburbs of Johannesburg will continue to escalate, and to underline this, we are about to open a new office in Hyde Square that will not only showcase some of the finest real estate in South Africa but also be a flagship for our national and international brand.”

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