

# Reasons to stay in the local housing market

By  Adrian Goslett

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Recent reports reveal that emigration sales are on the rise, climbing from 7.3% of property sales in 2017 to 15.7% of sales in Q3 2019. While some may well be choosing to leave, those who choose to invest in the local property market can be glad they chose to stay instead.



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The South African housing market still offers great value to homeowners. No market is perfect. While there are certain perks to investing outside of the local housing market – lower interest rates for one – no market is without its own downsides – cost per square metre being one of them.

According to research from New World Wealth, the top 20 cities/towns ranked by US\$ per square metre (June 2018) all fall outside of South Africa, with Monaco claiming the top spot at \$49,000 and New York and London following close behind at \$34,000 and \$33,000 respectively. Prime spots along the Cape's most desirable Atlantic Seaboard stand at around a meagre \$5,000 by comparison.

## SA growth in line with global trends

Beyond value for money, the South African housing market is also growing at a rate that is in line with global trends. In fact, South Africa is even outperforming the growth rates of certain markets. Per the Standard Bank House Price Index (HPI), South African house price growth rose to 4.0% y/y in October, from 3.7% y/y in September. From a global perspective, the report states that this puts us closer to the average global house price growth for 2Q19 of 4.3% y/y.

However, UK house prices grew by just 1.3% in the year to September 2019, [unchanged from August 2019](#). Similarly, US house prices rose in the third quarter of 2019, up 1.1% according to the Federal Housing Finance Agency (FHFA) House Price Index (HPI). FHFA's seasonally adjusted monthly index for September was up 0.6% from August.

All these figures aside, South Africans who choose to invest in the local property market can sleep peacefully knowing that they are doing their bit to restore confidence within the local economy. Homeownership is a sector of the economy that fuels so many other inter-related industries, such as home décor stores, local cleaning and garden services, childcare, and so much more. For those who would like to do their bit to help the local economy, the best thing they could do is invest in the local property market.

## ABOUT ADRIAN GOSLETT

Adrian Goslett is CEO and regional director of RE/MAX Southern Africa. He joined RE/MAX Southern Africa in 2005 as a franchise development consultant, supporting various regions and offices. Throughout his career at RE/MAX he has held various positions. In 2010, after successfully leading 160 offices and over 1500 agents in six countries through the worst years real estate has ever seen in South Africa in 30 years, Goslett was appointed as CEO of RE/MAX Southern Africa.

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