

Not just a tourist destination - sun starts to rise on Mpumalanga's housing market

Offering more than just a nature's paradise, Mpumalanga is fast becoming South Africa's property investment hotspot, with house-price inflation rising by 17.3% in the past year - the highest increase in the country.



Source: [Fxabay](#)

“This massive price spike surpasses that of the Western Cape, which according to StatsSA’s property index was at 5.7%. This puts house prices in what is considered one of the country’s top tourist destinations well above the national house-price inflation of 3.6%, for March 2023,” says Carl Coetzee, chief executive officer of BetterBond.

The province, known as the “place where the sun rises” in Nguni languages, offers a variety of property options which makes it appealing for first-time buyers, professionals, young buyers returning to their hometown and retirees wanting to be close to the bushveld.

According to *Property24*, the average sales price of a property in Mpumalanga is R900,000, comfortably within government’s transfer-duty threshold of R1.1m. This means that buyers within this price range do not have to include transfer-duty costs in their calculations when applying for a bond.

Sectional-title property prices are steadily rising, shifting from R695,000 in 2022 to R710,000 in 2023. These prices are still comparable to neighbouring Gauteng, where the average sectional-title property sales price for 2023, according to *Property24*, is R839,000.

Appeals to first-time buyers

Property24 reports that 38.7% of buyers in the province in the past 12 months were between the ages of 39 and 49, as the region becomes increasingly popular with families. “We are also seeing young people return to the province after studying elsewhere, which is reflected in *Property24*’s data that 26.4% of buyers are between the ages of 18 to 35.”

Semigration trends

A Lightstone report released in 2022 revealed that almost as many people are semigrating to Mpumalanga, as those who are leaving. Five percent of people leaving their hometown or province in 2022 chose Mpumalanga as their new residence,

notes Coetzee. “This is largely because the province has so much to offer in terms of natural beauty, quality of life and economic opportunities. Just under three-and-a-half hours' drive from Johannesburg, it offers the perfect option for professionals who work in Gauteng during the week.”

Buy-to-let investment

Many first-time buyers start their property journey by renting property in the province. As PayProp's Rental Index for Q2, 2023, shows, Mpumalanga is South Africa's “most average” province, with monthly rentals averaging at R8,281. However, rental prices are increasing steadily, as demand for accommodation in this province intensifies, and PayProp reports a solid rental growth of 5.2% in the past quarter of this year.

This means that rental prices in Mpumalanga are on track to overtake the national rental average of R8,375. The growing demand for rental properties makes Mpumalanga an attractive investment option for buyers considering buy-to-let properties as a source of income.

Magic of Mbombela

Mbombela, formerly known as Nelspruit, is showing a considerable uptick in market activity. As the gateway to the Kruger National Park, the city is also ready as a top tourist destination. But it is also gaining appeal as an ideal place to live because of its temperate climate, economic opportunities and amenities which include world-class malls and entertainment areas. “It's no surprise that the bulk of buyers in Mbombela in the past year - 42% - were aged 36 to 49. Many of these buyers would have families looking to settle in a vibrant town with a strong sense of community,” says Coetzee.

Despite its many attractions, house prices in the city are accessible at an average of just over R1,090m, and R745,000 for sectional-title properties, according to *Property24*. Well-priced for first-time buyers, this explains why 26% of buyers in the city in the past year were younger than 35.

No longer just a lively tourist destination or geographical diverse attraction en route to the Kruger National Park, Mpumalanga is carving a niche for itself in South Africa's property market by offering accessible residential property and excellent value-for-money investment opportunities, concludes Coetzee.