

Sectional title becoming most popular choice for Sandton home buyers

According to recent data from Lightstone Property, sectional title properties are becoming the segment of choice for home buyers in Sandton.



Sandton City and surrounds. Image: [Sandton Central](#)

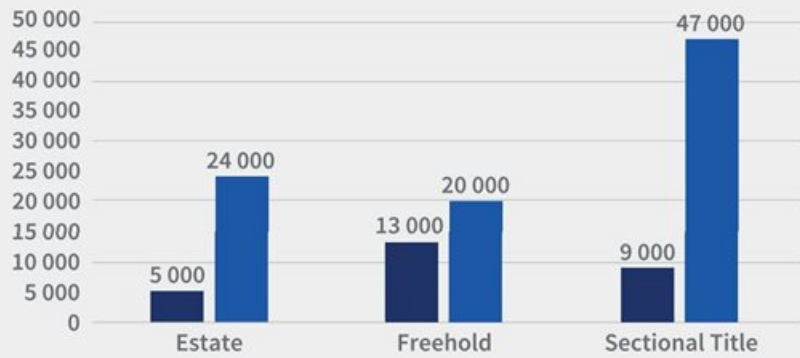
Estate and sectional title stocks in Sandton have soared since 1994, during which time sectional title accounted for 41% of newly developed properties and the majority were released in Paulshof. In 2020, sectional title accounted for 78% of property under development and these properties made up more than half of all properties in many suburbs, including Morningside, Lone Hill, Sunninghill, Paulshof, Douglasdale, Sandown, Buccleuch and Edenberg.

In contrast, there had been marginal growth in freehold property numbers, suggesting that homeowners are opting for safety over space, says Hayley Ivins-Downes, head of digital at Lightstone Property: “Younger home buyers, usually under 35 years, opt to buy sectional title because of improved safety, affordability and the convenience of a lock-up-and-go residence.”

Stock in Sandton over the last 27 years

Lightstone’s data reveals that total residential stock in Sandton in 1994 stood at 27,000 units and this rose to 91,000 units by 2021 – an increase of 330%. Estate stock jumped from 5,000 to 24,000 (480%), and freehold from 13,000 to 20,000 (54%) as opposed to sectional title properties which rose from 9,000 to 47,000 (520%).

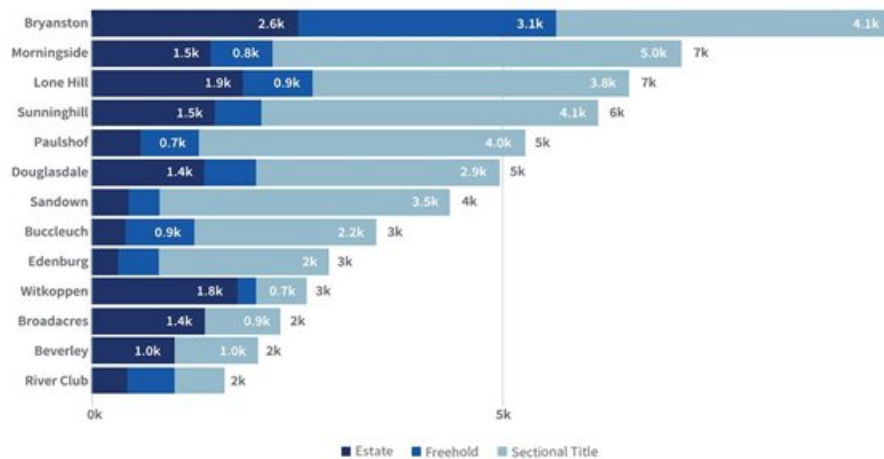
Stock in Sandton 1994 - 2021



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The graph illustrates the extent to which the mix of residential development in Sandton is now dominated by sectional title property. From 1995 to 2010, there was a strong emphasis on estates, which has slowed from its peak of 52% of all releases in 2000 when Dainfern Estate came onto the market, to 18% in 2020.

Mix of properties in key suburbs

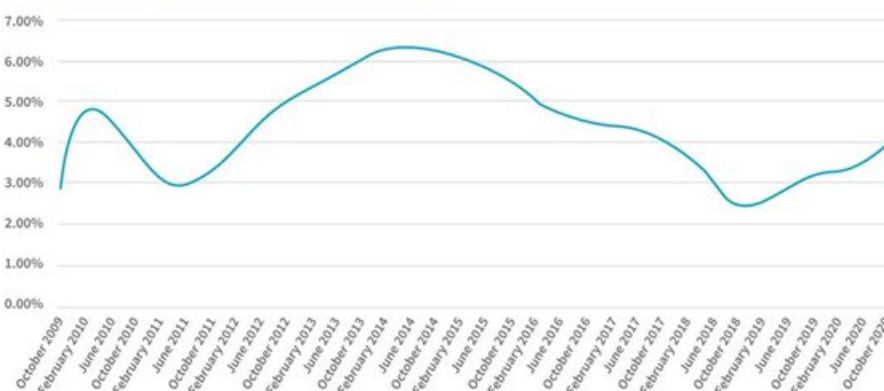


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National house price inflation

Ivins-Downes says, "House price inflation in Sandton has fluctuated between 2.5% and 6.3% over the past 21 years. Inflation peaked in 2014, then drifted down to around 2.5% in early 2019 before edging back to 4% by the end of 2020 – despite the Covid-19 lockdowns and reduced economic activity in the country."

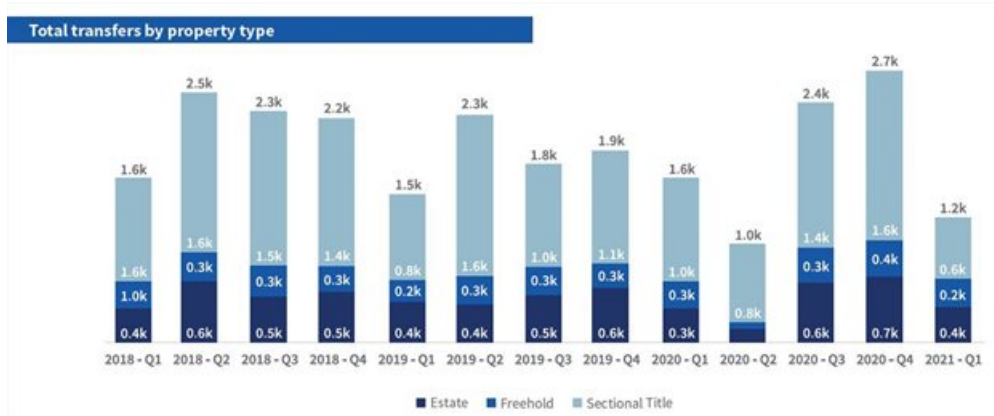
National house price inflation



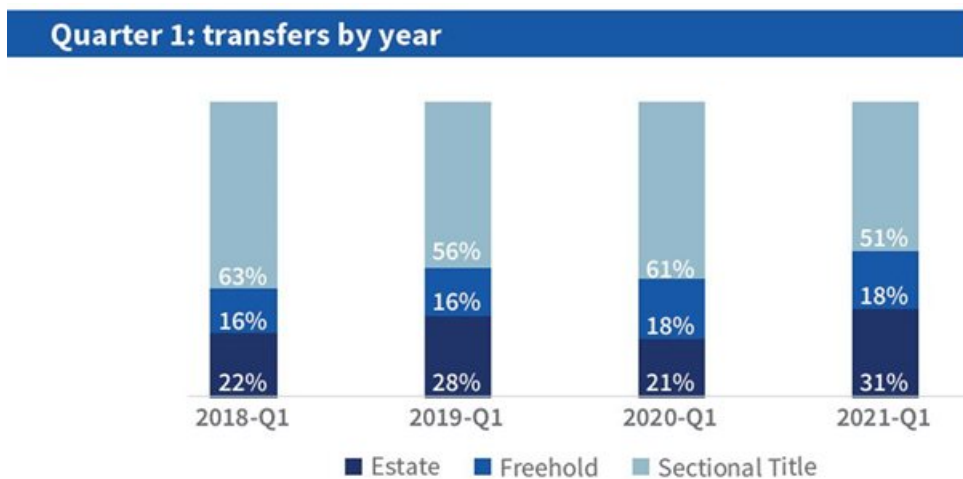
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Total transfers by property type

Transfers in Sandton have declined slightly since 2016 when there was a large release of sectional title stock (Petervale City), and estate properties at Steyn City. Despite the generally negative impact of Covid-19, 2020 finished off slightly higher than 2019.

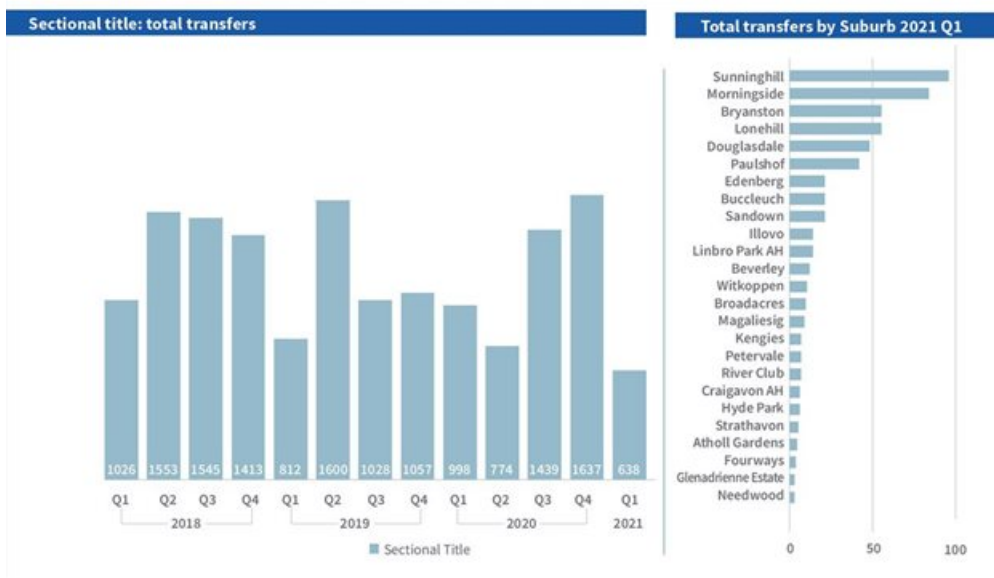


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Not surprisingly, sectional title transfers dominated all transactions, but in Q1 2021 the number is down on the comparable period in 2020, while estate transfers are up. Freehold transfers were static.



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Sectional title volumes were down in Q1 2021, in fact the lowest recorded quarter since Q1 in 2018. Sectional title is most popular in Sunninghill, Morningside and Bryanston.

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