

4 provinces in SA where the average house price is below R1m

According to Carl Coetzee, CEO of BetterBond, property prices may be increasing across the country as buyers continue to take advantage of the lowest interest rates in decades, but there are still areas where the average purchase price is less than R1m.



Carl Coetzee, CEO of BetterBond

“Affordability and access to amenities and economic opportunities are key considerations, especially for first-home buyers. With the current shift to remote working, it is now possible for buyers to consider living further from city centres where property is more expensive,” says Carl Coetzee, CEO of BetterBond.

“Almost 40% of BetterBond’s formal grants for the 12 months ending in August 2021 were for bonds of between R500,000 and R1m,” says Coetzee. “Homes of up to R1m fall below the threshold for transfer duties, making them more accessible because of lower costs. This, coupled with record-low interest rates, which have held steady at 7% for more than a year, means that more aspirant buyers have been able to apply for a bond so that they can invest in property,” adds Coetzee.

North West and Free State

According to BetterBond’s data, the average purchase prices of homes in Klerksdorp and Potchefstroom in the North West was around R860,000, making these regions particularly appealing to first-home buyers. “Klerksdorp is considered the economic hub of the North West, while Potchefstroom is known as the academic city for its selection of excellent schools and leading tertiary institutions.

Also in the North West is the mining town of Rustenburg where the average purchase price for first-home buyers is below R900,000. With abundant natural beauty, as well as commercial activity driven by platinum mining, Rustenburg is considered to be among the country’s fastest-growing cities, and an ideal place to invest in property, says Coetzee. In the neighbouring Free State, first-time buyers are spending an average of R960,000 on a home.



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Mpumalanga

Similarly, in Emalahleni (Witbank) in Mpumalanga, the average purchase price for first-home buyers is R887,000. “Located just 100km from Gauteng, Emalahleni is the hub of SA’s coal mining industry. Large-scale local and international investment has resulted in considerable development in the area, and the population has doubled in the past 10 years,” says Coetzee. It has plenty to offer; from employment opportunities to a selection of lifestyle options that will suit families and young professionals.

Eastern Cape

Although house prices in the Eastern Cape have increased by a significant 8.3% for the period ending June 2021, according to Lightstone data, it is still comparatively affordable. The coastal towns of the Eastern Cape, especially Jeffrey's Bay, St Francis, Kenton and Port Alfred, appeal to those who are wanting to relocate and work from home. Families with young children are also drawn to the good schools in the region, says Coetzee.

Massive investment in infrastructure creates jobs and stimulates investor confidence. Projects such as Coega and the Port Elizabeth Waterfront project provide economic opportunities, which has a knock-on effect on the demand for property, explains Coetzee. "With more people working remotely, buyers are able to consider towns and areas outside of the main urban hubs where property may be more affordable. This, coupled with the lowest interest rate in decades, means that first-time buyers especially are able to gain a foothold on the property ladder," says Coetzee. "The North West, Eastern Cape, Free State and Mpumalanga offer plenty of opportunities for aspirant buyers."

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