

Lightstone provides provincial snapshot of SA housing market

A lack of service delivery and economic stagnation is driving people to three provincial economic hubs - Gauteng, KwaZulu-Natal and the Western Cape, according to Lightstone's analysis of provincial data. And those on the move are mostly in the primary economically active age bands.



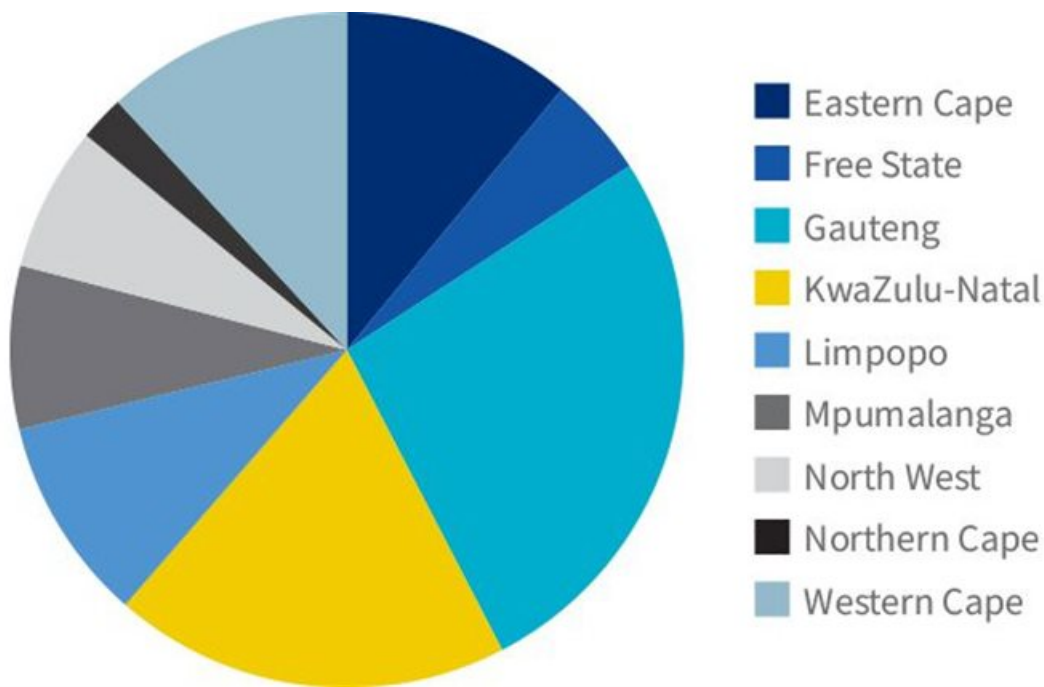
Source: Gallo/Getty

“Lightstone's analysis provides a snapshot of SA's property market which highlights widely different ratios of formal to informal housing from one province to another, where age and wealth bands live, and the volume and value of properties transacted,” says Hayley Ivins-Downes, head of digital at Lightstone Property.

Where do South Africans live?

Just more than 16 million (27%) of South Africa's 60.5 million people live in its engine room, Gauteng, while 11.5 million (19%) live in KZN and 7.2 million people (12%) live in the Western Cape.

Northern Cape is least populated with 1.3 million (2%) people, followed by Free State at 2.9 million (5%) and North West with 4.1 million (7%), Mpumalanga with 4.7 million (8%), Limpopo with 5.9 million (10%) and Eastern Cape with 6.6 million (11%).



Population growth and the search for work

Three provinces have recorded population increases in the years 2011-2022 above the national average of 17%, while one province – Mpumalanga – was in step with the national average.

Gauteng (31%), Western Cape (24%) and North West (20%) have grown above 17%, suggesting inward movement of people from other provinces for a variety of reasons – in some cases, lifestyle changes as people search for greater safety and security or better service delivery, but in most cases the imbalance suggests people moving to provinces where there is a greater perceived prospect of work.

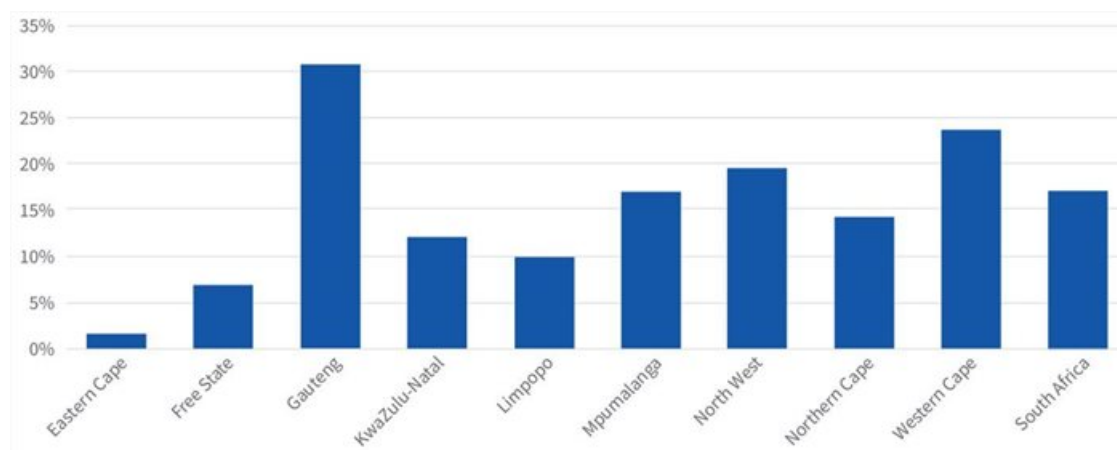
“The movement of job seekers to Gauteng and Western Cape is well documented – Gauteng is the country’s economic and political hub while Western Cape has a growing reputation as the country’s best-run province and is increasingly attractive to semigrants and those who can work remotely,” continues Ivins-Downes.

The Eastern Cape (2%) has shown the least population growth, followed by Free State (7%), Limpopo (10%), KZN (12%) and Northern Cape (14%). Poor economic prospects have affected these provinces, and the steady flow of people to Gauteng, the Western Cape and North West is evidence of this.

Province	Population 2011	Population 2022	Growth	HH_2022
Eastern Cape	6 555 052	6 666 133	2 %	1 711 998
Free State	2 736 812	2 929 242	7 %	881 582
Gauteng	12 285 708	16 076 213	31 %	5 138 295
KwaZulu-Natal	10 285 840	11 536 824	12 %	2 853 865
Limpopo	5 400 003	5 939 522	10 %	1 559 259
Mpumalanga	4 040 953	4 730 915	17 %	1 256 466
North West	3 506 030	4 195 735	20 %	1 270 271
Northern Cape	1 144 777	1 309 106	14 %	344 421
Western Cape	5 814 923	7 201 897	24 %	2 021 479
South Africa	51 770 098	60 585 587	17 %	17 037 636

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Population growth 2011–2022



Western Cape has highest percentage of formal households, Limpopo the least

The data (see table below) assessed by Lightstone highlights vast differences between provinces when it comes to formal and informal households.

Of South Africa's just more than 17 million households, almost 7 million (41%) reside in properties registered at the Deeds Office while the remaining 10 million (59%) live either with other families or in informal properties (not registered at Deeds Office).

The Western Cape has the highest percentage of households (61%) living in formally registered properties and, in terms of numbers, the third-least number of households in informal properties.

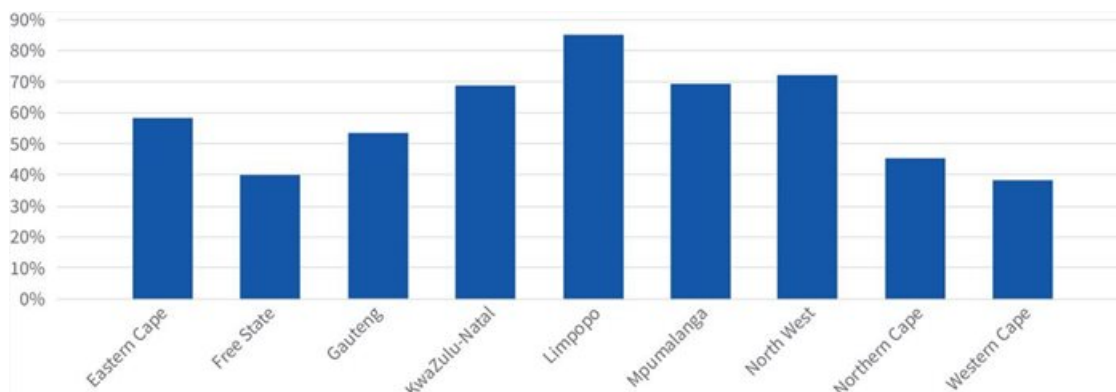
On the other hand, Limpopo has by far the lowest percentage (15%) of households living in formally registered properties, which means a staggering 85% of households (the third-largest provincial number at 1.3 million) live in informal accommodation. Its population is growing at only 3%, likely due to significant migration of those seeking work opportunities elsewhere.

North West (28%) and Mpumalanga (31%) are next lowest in terms of formal households, while Free State (60%) is just behind the Western Cape, and ahead of Northern Cape at 55%.

Province	Formal households in homes / properties registered at the Deeds Office	Informal households (not housed formally eg rondavels, shacks, garden cottages, etc)	Households (a grouping of people who live and eat together)	Formal: Informal households % (of total provincial households)	Formal properties per province as % of SA	Population per province	Provincial population as % of SA
Eastern Cape	716 386	995 612	1 711 998	42 % : 58 %	10 %	6 666 133	11 %
Free State	526 579	355 003	881 582	60 % : 40 %	8 %	2 929 242	5 %
Gauteng	2 395 677	2 742 618	5 138 295	47 % : 53 %	35 %	16 076 213	27 %
KwaZulu-Natal	887 306	1 966 559	2 853 865	31 % : 69 %	13 %	11 536 824	19 %
Limpopo	231 651	1 327 608	1 559 259	15 % : 85 %	3 %	5 939 522	10 %
Mpumalanga	385 674	870 792	1 256 466	31 % : 69 %	6 %	4 730 915	8 %
North West	350 470	919 801	1 270 271	28 % : 72 %	5 %	4 195 735	7 %
Northern Cape	187 845	156 576	344 421	55 % : 45 %	3 %	1 309 106	2 %
Western Cape	1 242 610	778 869	2 021 479	61 % : 39 %	18 %	7 201 897	12 %
South Africa	6 924 198	10 113 438	17 037 636	41 % : 59 %	100 %	60 585 587	100 %

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Percentage of informal households



Middle age spread

Young people (under 18 years of age) are the largest age band in all provinces, followed by those 18 to 30 – except in Gauteng, where the 30 to 40 age group are second. In fact, young people make up just 28% in Gauteng, the province whose population is growing most strongly in percentage terms ahead of the national average. The young, plus under 30 age band (20%) in Gauteng account for 48%, while the over 60s for only 7.5% - which means the most economically productive 30-60 age group accounts for 44.5% of people in the province.

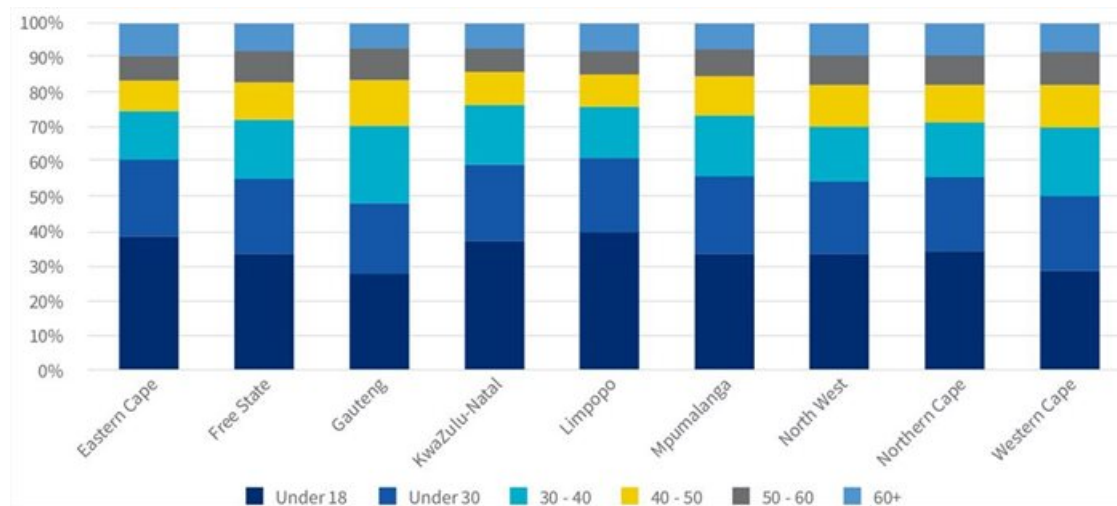
This is significantly different in Limpopo, where young people account for 39% of the population, and this rises to 61% if under 30s are added. Over 60s make up around 8.5%, which leaves just more than 30% in the most economically productive 30-60 age group – nearly 15% less than in Gauteng.

According to Ivins-Downes, using Gauteng and Limpopo as proxies for the nine provinces, it suggests the economically stronger provinces have greater numbers in the middle ages, while the economically weaker provinces have proportionately more younger and older people – and less of those in the most productive economic years.

Province	Young	Under30	30 - 40	40 - 50	50 - 60	60 plus	Total
Eastern Cape	2 574 583	1 427 820	955 344	583 159	475 729	649 498	6 666 133
Free State	985 200	626 162	496 629	319 305	246 447	255 500	2 929 242
Gauteng	4 495 010	3 257 564	3 444 884	2 195 750	1 470 013	1 212 993	16 076 213
KwaZulu-Natal	4 264 912	2 545 830	1 977 238	1 132 958	764 431	851 455	11 536 824
Limpopo	2 336 936	1 286 224	871 110	553 049	399 329	492 873	5 939 522
Mpumalanga	1 594 347	1 052 420	826 768	520 490	376 375	360 515	4 730 915
North West	1 409 641	864 728	674 412	488 795	373 158	385 001	4 195 735
Northern Cape	448 286	279 142	199 764	143 705	115 133	123 077	1 309 106
Western Cape	2 063 439	1 571 697	1 431 054	850 955	677 751	607 001	7 201 897
South Africa	20 172 354	12 911 586	10 877 204	6 788 166	4 898 365	4 937 912	60 585 587

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Age distribution by province

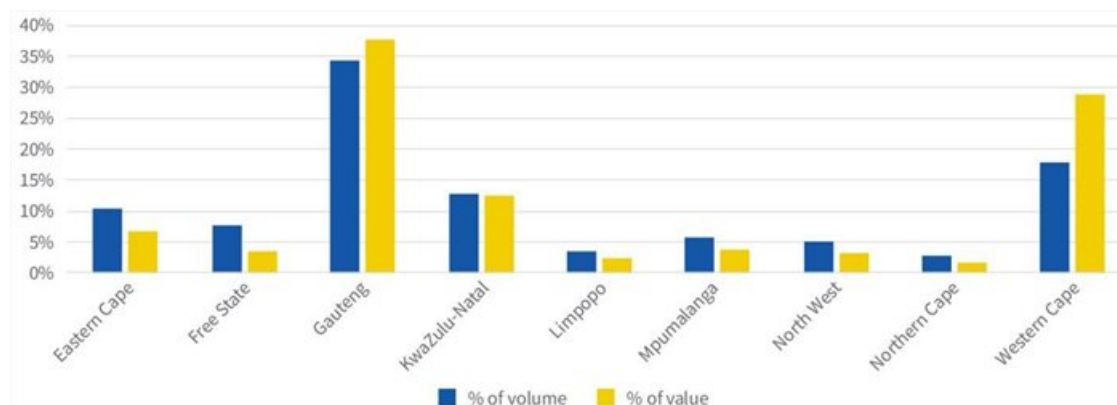


Gauteng and Western Cape lead volume and value

Gauteng and the Western Cape, the country's economic powerhouses, dominate volumes and value in the property market, with 65% of the property stock, and 79% of the stock value (as opposed to 58% of the population).

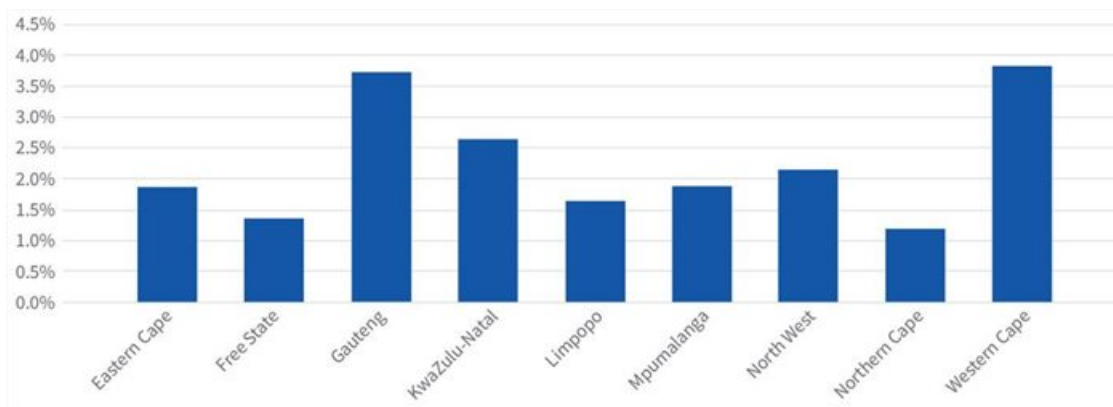
The Western Cape accounts for 18% of the volume but 29% of the value, a significantly higher differential than Gauteng, the only other province where value exceeds volume (38% value, 35% volume). KwaZulu-Natal follows with 13% in both volume and value. At the low end, the Northern Cape accounts for 3% of volumes, and just 1% of value – but it is SA's least populated province with 1.3 million people, yet fared only marginally behind Limpopo, which has 5.9 million people.

Volume vs values of property stock



Gauteng and the Western Cape led the way in terms of churn (graph below) with Western Cape leading on 3.9% and Gauteng marginally behind on 3.7%, while the Northern Cape (1.2%) and Free State (1.4%) were the least active.

Proportion of properties transacting in 2022



Western Cape has highest percent of luxury value band properties

Luxury properties account for 16.5% (203,824) of the Western Cape's stock, slightly ahead of Gauteng's 11.3% (269 453). Luxury properties account for just 0.5% of the total in Northern Cape and 0.9% in Limpopo.

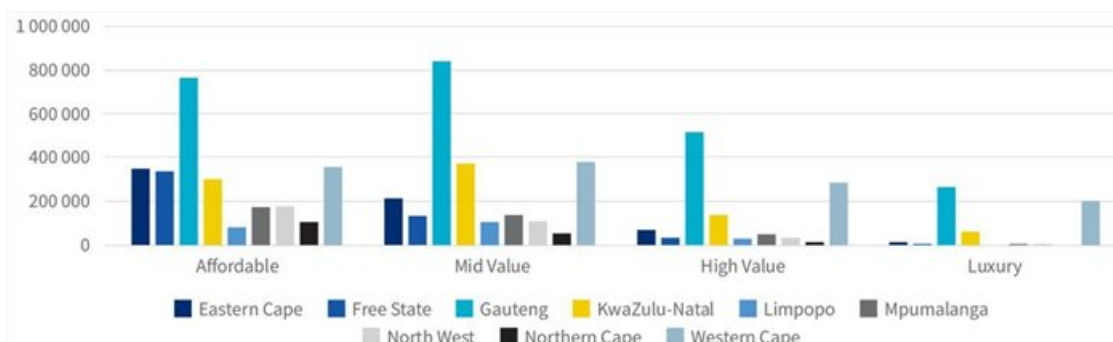
In terms of affordable housing, Eastern Cape has 54% of its housing stock in this category. The percentages for the other provinces are Free State 65%, Gauteng 32%, KwaZulu-Natal 34%, Limpopo 38%, Mpumalanga 46%, North West 53%, Northern Cape 59% and Western Cape 27%.

Volume vs values of property

Province	Affordable	Mid value	High value	Luxury		% of volume	% of value	Txn
Eastern Cape	352 805	213 272	70 548	16 718	653 343	10 %	7 %	12 246
Free State	338 222	136 874	38 522	6 395	520 013	8 %	3 %	7 190
Gauteng	762 517	840 213	516 829	269 453	2 389 012	35 %	38 %	89 311
KwaZulu-Natal	302 929	373 362	140 511	65 816	882 618	13 %	13 %	23 470
Limpopo	87 541	104 665	33 582	1 937	227 725	3 %	2 %	3 756
Mpumalanga	174 528	140 354	56 266	9 533	380 681	6 %	4 %	7 256
North West	181 966	114 663	36 851	7 695	341 175	5 %	3 %	7 361
Northern Cape	109 281	58 198	16 970	946	185 395	3 %	1 %	2 248
Western Cape	355 814	379 314	288 845	203 824	1 227 797	18 %	29 %	47 280
South Africa	2 665 603	2 360 915	1 198 924	582 317	6 807 759			

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Properties by value band per province



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