

First-time buyers and their journey after they sell their first properties

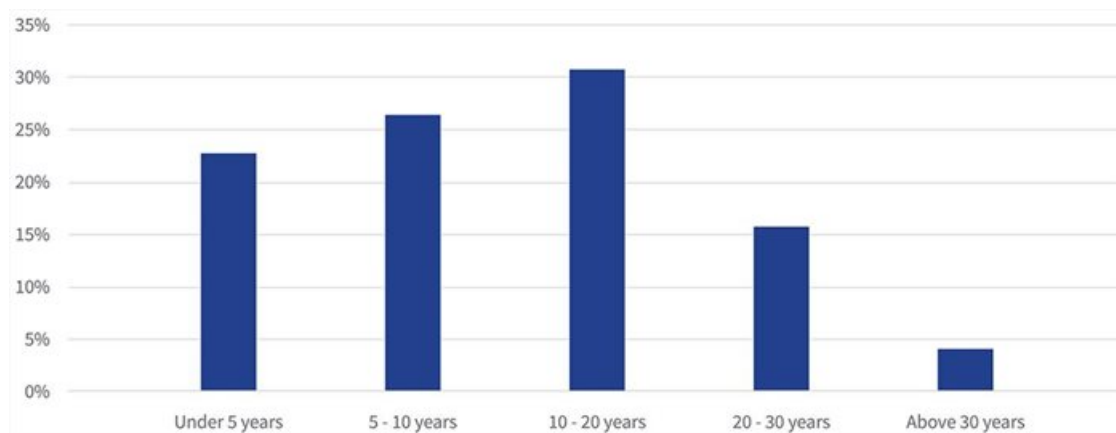
First-time buyer (FTB) data in the property market usually focuses on what they bought and where, how old they were and what they spent. Lightstone, however, has tracked the journey of FTBs after they sold their first properties in 2022.



Hayley Ivins-Downes, head of digital at Lightstone Property

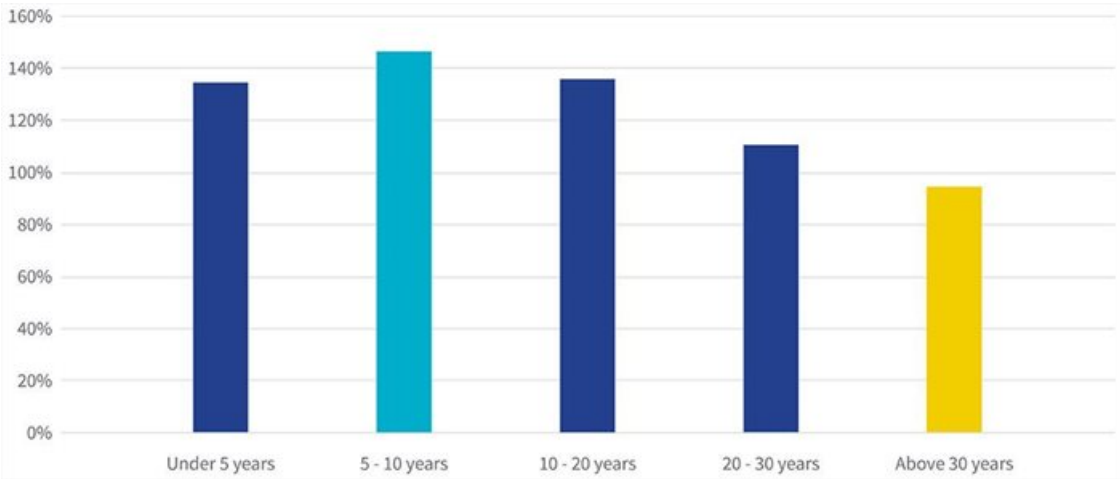
Around 30,000 FTBs sold up in 2022 to buy their second home – and almost 50% of them had been in their first property for less than 10 years, while just over 30% had been in their first homes for between 10-20 years, 15% between 20-30 years and 5% for more than 30 years.

Tenure of FTBs in their first property



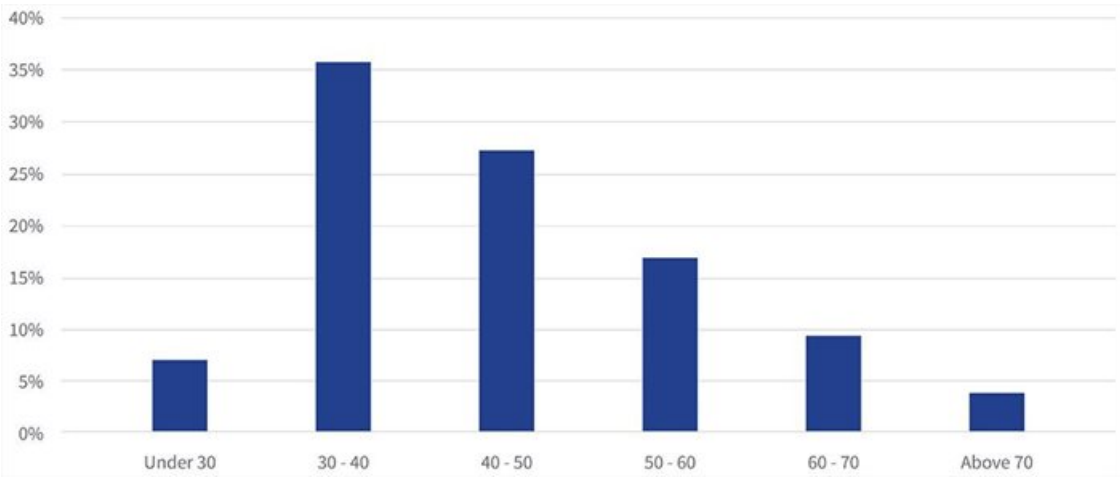
Hayley Ivins-Downes, head of digital at Lightstone Property, says, “Data, at current values, shows that those who had been in their first homes for between 5-10 years sold, tend to upscale from an average price of R1.4m to an average of R2.1m. At the other end of the scale, those who had been in their first home for more than 30 years downscaled, buying their next home, on average, for less (R1.7m) than they sold for (R1.8m).”

Change in value per tenure bracket



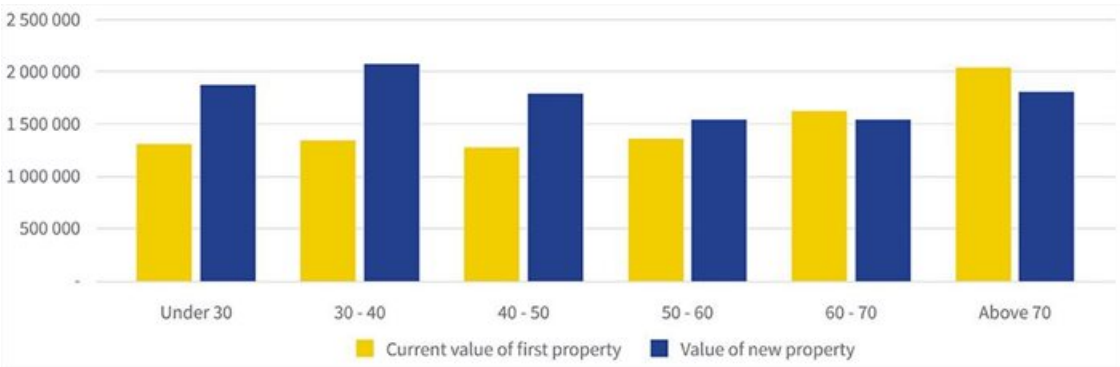
Of the FTBs who sold in 2022, the largest group were aged between 30-40, followed by the 40-50 and 50-60-year-old age groups.

Age when selling that first property



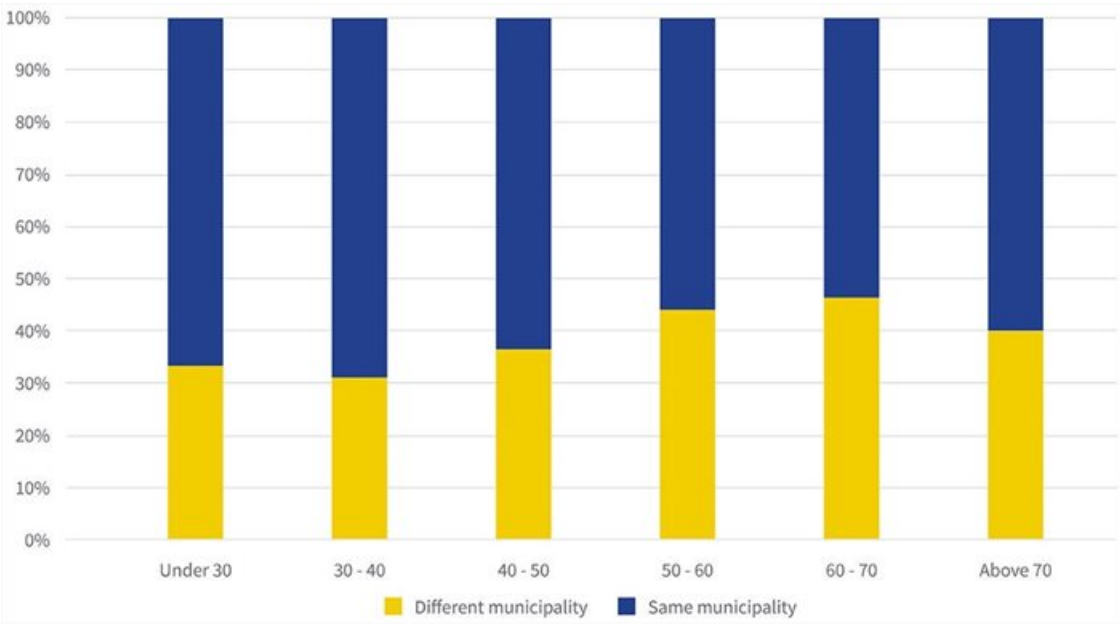
On average, those under 60 who sold their first homes spent more buying their second home, with the biggest gap being 30-40 year olds who sold for R1.35m and bought for R2.1m. Those over 60 bought for less as they downscaled.

Change in value per age bracket



“Interestingly,” said Ivins-Downes, “it is the older age groups which move to different municipalities more, presumably as they move to a place of retirement. The 60-70-year-olds were most likely to move to a new municipality, followed by the 50-60s and then the over 70s. The least likely to move municipalities were the 30-40-year-olds.”

Moving to a new municipality



If we consider who buys for less than they sell (i.e., they downscale), it is least likely in the 30-40-year band and then increases with age, peaking at around retirement age and beyond.

“The under-30 age band is something of an anomaly with relatively more downscaling, which may be the result of some families overcommitting in their first purchase and growing expenditures,” Ivins-Downes concludes.

Downscale or upscale

