

# Johannesburg tops global rankings as most affordable city for property ownership since 2018

In a remarkable twist of fate, Johannesburg, emerged as the global leader in making property ownership more attainable for its local residents since 2018, according to a comprehensive [study](#) conducted by UK-based Online Mortgage Advisor.



Source: [Pexels](#)

This groundbreaking research delved into the intricate interplay between ever-fluctuating house prices and the average salaries of full-time employees across 219 global cities. The findings were nothing short of astonishing.

The analysis was two-fold. First, it sought to determine which cities witnessed the most significant increase in property affordability for their citizens. To measure this, researchers compared the amount of square meters of property an average full-time employee could afford in 2018 with what they could afford in 2022. Astonishingly, Johannesburg emerged as the undisputed champion in this category.

But the study didn't stop there. It also investigated the alarming issue of local workers being priced out of their rental markets. To gauge this, they examined how much property prices had outpaced local wages during the same period. The metric for this analysis compared each city's average monthly net salary to the average rental cost of a one-bedroom apartment in the city centre.

In this aspect, Cape Town led the way by becoming the most affordable city for renters, as workers spent a remarkable

14.85% less of their salary on rent compared to 2018. Johannesburg, while excelling in property affordability, also demonstrated a 6.7% decrease in rental costs relative to income, signifying that rent had become cheaper in relative terms for its residents. On the opposite end of the spectrum, Port Elizabeth proved to be the unfortunate outlier, with workers there now shelling out a staggering 22.6% more of their income on rent during the same period.



## Rental arrears rising, reveals PayProp in latest Rental Index

14 Sep 2023



---

The methodology behind this groundbreaking study was meticulous, with data gathered from Numbeo for each city in the analysis. For property affordability, researchers compared the average price per square metre of a flat in the city centre to the average annual take-home wage in both 2018 and 2022. Meanwhile, for rental affordability, they scrutinised the average monthly take-home pay in each city against the average cost of renting a one-square-metre flat in the city centre to calculate the ratio change between 2018 and 2022.

This extensive research took into consideration crucial metrics, such as the price of a one-bedroom flat in a city centre, the average monthly take-home wage (post-tax deductions), the price per square metre for purchasing property in a city centre, and the cost of renting a one-bedroom flat in a city centre. It encompassed 219 cities worldwide for property purchasing power and 422 cities for rental data.

The results not only provide valuable insights into the dynamic relationship between property prices and wages but also shine a light on how certain cities, like Johannesburg and Cape Town, are actively working to make homeownership and rental housing more accessible to their citizens. In a world where housing affordability is a critical issue, these cities serve as beacons of hope for those seeking a place to call home without breaking the bank.

For more, visit: <https://www.bizcommunity.com>