

Cape Town leads with 9 out of 10 of SA's most expensive suburbs

An analysis of the average selling prices this year across the country by the Seeff Property Group reveals that nine of the most expensive suburbs are in Cape Town. Only Sandhurst from the Sandton/Joburg area makes it into the top 10.



Source: Supplied. R40m luxury penthouse, Bantry Bay.

These top 10 suburbs now all command an average price of well above R10m, and in the top suburbs the average is now just about R20m (Clifton and Bantry Bay).

Notably, where there were three Sandton/Joburg suburbs in the top 10 list five years ago, this year, there is only Sandhurst, although it boasts a notable uptick in the median price.

Notable too, is that Higgovale in the Cape Town City Bowl is now also in the top 10 list. It once again stands as testimony to the allure of Cape Town, but more than that, the absolute confidence in the Cape Town property market, says Samuel Seeff, chairman of the group.

Cape Town is not just the best city in the world as voted for the eighth year running by the Telegraph Travel Awards this year, but the best place to invest your property money according to Seeff. Wealthy Joburg buyers along with international buyers are all investing in Cape Town, and their confidence has been rewarded, says Seeff.

Despite a challenging year, Cape Town is set to end on another exceptional year for the property market with an average transaction price of R2.1m according to Lightstone data.

Comparatively, Johannesburg only reached around R1.6m, Pretoria around R1.5m and Durban R1.3m. Sandton averaged around R2.3m compared to the Atlantic Seaboard which stands on around R8.2m based on Propstats sales data.

Market trends and success stories

The average transaction price for Cape Town doubled over the last 10 years and is up by about 35% from the 2019 pre-pandemic year. Cape Town also once again achieved the highest average prices in the country this year.

Ross Levin, licensee for Seeff Atlantic Seaboard says it is no surprise that seven of the top 10 suburbs are located in the premier Atlantic Seaboard and City Bowl belt where buyers have spent on average more over the last three years.

He says further that despite the market challenges, the market here has traded slightly up on the 2022- year, which was already a very successful year. The market has been made up of a greater quantity of deals, albeit at lower price bands. That said, the market at the upper end still traded up compared to the 2019 pre-pandemic period.

The Southern Suburbs areas have also achieved an excellent year under the circumstances with close to R5.5bn in sales this year. Hout Bay has also enjoyed another exceptional year with sales of over R1bn and the great Blouberg over R2bn.



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Luxury buyers continued to flock to Constantia Upper and Bishopscourt, says Francois Venter, lead agent for Seeff Constantia. There have already been 10 high-value sales above R20m in Constantia and eight in Bishopscourt, in both instances, the highest on record. Luxury rentals have achieved rates of up to R120,000 per month in Constantia according to Jacqui Bush and Sonya Garisch from Seeff.

According to the *CCID State of Cape Town* report released earlier this year, there has been an increase in new businesses opening and the city awaits the opening of Amazon in the new year. Development is ongoing and everywhere you look, the city is at work getting things done.

Several pillars support the Cape Town property market, says Seeff. Aside from own-use residential sales, it has a buoyant rental market for both residential and short-term rentals which makes Airbnb investments a lucrative option, especially with tourism growing. On top of that, the market is further boosted by an influx of semigration and international buyers and tenants.

Seeff says buyers across the price spectrum continue seeing Cape Town as a safe store of wealth. We have seen that wealthy buyers from upcountry as well as international buyers are prepared to put significant funds into the property market. In fact many Europeans have preferred to invest here over the last two years as they are not as bothered about local challenges as we are.