

Poor governance feeding semigration relocation trend around Southern and Western Cape towns

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SAFR (Pty) Ltd have collected intel on definite trends using their national reach and relationships with the property industry and our own brands which are strategically based across South Africa. Our partner network and our moving brands of moving companies have adjusted their service and furniture removal routes to accommodate a semigration movement that is trending towards fairly specific areas.



The trend towards The Western Cape has been in play for quite a while and is the largest recipient of families of the semigration movement. Cape based <u>moving company</u>, Cape Removals have carry the bulk of the intel when compared to the removal trends from other provinces that include Gauteng, Tshwane, KwaZulu-Natal and Mpumalanga where our other brands and partners are represented.

Our SA Furniture Removal network includes moving companies like <u>SA Removal Company</u>, <u>JHB Moving Company</u>, <u>DBN Removals Company</u> and partner Biggles who also have a Johannesburg and Cape Town moving company presence.

Observations on relocation trends are based on our own activity in South Africa. We also research commentary from other authorities in the property industry to cross check our own trends.

Middle-class homeowners are leaving Gauteng in increasing numbers with the Western Cape as their preferred semigration destination. This was among the main findings of an assessment of semigration trends presented by Lightstone's head of digital, Hayley Ivins-Downes, to the virtual <u>Real Estate Industry Summit</u> (REIS) last year.

Cape Removals are finding 60% of the semigration movement are relocating to Durbanville and surrounding <u>Northern Suburbs</u> and our <u>South Peninsula</u> suburbs. There is a relatively healthy movement to <u>Somerset West</u> and down our <u>Cape West Coast</u> areas like Langebaan and St Helena Bay.

Southern Cape & Western Cape semigration trends and statistics

Gauteng remains the business hub of South Africa and although inward flow to the metropolis is still substantial, the volumes of outward-bound migrants continue to grow.

Semigration is becoming a significant influencer in the property sales of popular provinces like Gauteng and Pretoria and then investing immediately in another province. This trend is creating specific hotspots around South African and has become an indicative measure on the quality of the overall efficiency of the municipality's that govern and manage these hotspots. Big drivers of migration trends are better run municipalities, reduced crime levels, a slower-paced lifestyle and quality education availability.

The Western Cape remains the country's leading semigration destination according to Cape Removals local consultant who handles local <u>Western Cape moving company</u> activity saying that over 40% of migrants are finding their way to the Cape Province.

Our <u>Garden Route moving company</u> teams are kept busy in areas like Mossel Bay, George, Knysna and Plettenberg Bay, all of which fall into the province of the Western Cape, are the top destinations of these middle-class movers. Buyers in the 49-64 age group drive the market, the largest segment by a far, which is an interesting statistic. The obvious is those approaching retirement age, settling into their retirement haven as their working days approach an end.



The statistic's attention-grabber is the early part of the age group, possibly the 49–55-year-old. These professionals are likely to be in their employment prime with a family bringing security, quality of life and education to the fore.

The Southern Cape offers a great mix of these demands. Mossel Bay attracted 203 migrant families, 45% of whom opted for an estate lifestyle. Other Southern Cape towns, Great Brak, George, Knysna and Plettenberg Bay together with Mossel Bay account for 40% of the 2021 transplants.

The second highest age group saw 32% of the two thousand four hundred 36- to 48-year-old semigrants moving to the Western Cape. The reasons therefore remain the same and the accessibility to educational institutions high on their list of requirements.

Migrant housing requirements are varied, and ex-Gauteng movers tend to vacate larger homes and properties. This opinion is supported by the fact that 46% of the Western Cape new 2021 New homes are high on their shopping list, probably because design needs can be met as opposed to renovating existing properties.

The infrastructure of these areas is developed and fully functional. Serviced by the George Airport, travel within the borders of South Africa is readily available, with international flights a short skip to Johannesburg or Cape Town. Schools,

Universities and Technikons are readily available in both directions, be it Port Elizabeth or Cape Town.

A trend towards estate living is also on the rise and picturesque <u>Mossel Bay</u> and environs such as Hartenbos, offers an abundance of beautiful double-storied homes in estates and complexes with an affordable price tag hanging on the fence.



South Africa's formal property stock volumes comprises 6.8 million pieces of real estate, with a combined value of R6.1tn.

Gauteng accounts for 35% with a value 38% of that market.

Demand for properties in the Western Cape is evident in that it accounts for 18% of the stock but 29% of the value.

KwaZulu-Natal is next on the table with 13% for both stock and value.

Supporting the observation relevant to the Western Cape, 46% of 2021 property buyers who opted for a size downgrade and value increase were in the province.

The data shows that most people moving from Gauteng are in the 49-64 age group, and most of that group are moving to the Western Cape. The 36-49 age group makes up the second-largest category and again the Western Cape is their preferred destination.

Notably, 46% of buyers moving to the Western Cape are more likely to move to a new property of greater value and smaller size, while 34% will downgrade size and value and 20% will upgrade the size and downgrade value.

SA Furniture Removals will continue to develop their services and routes to support their trends and have specifically designed the underlying furniture removal routes to accommodate clients whom require <u>small load movers</u> locally and <u>long</u> distance removals in South Africa.

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