



Where are first-time home owners buying?

Buying your first home is always exciting. Finding the perfect area, choosing the property that's just right for you, budgeting, planning what goes where, and seeing your future in your new space are energising processes the first time you go through them – despite all the admin! On average more than 90 000 South Africans buy their first homes each year, experiencing this once-in-a-lifetime thrill that they'll never forget.

In 2016, around 72 771 property buyers entered the property market for the first time, the year before saw 105 712 buying their first property. Quite a drop, which also reflects the poor performance of the property market last year. Most of the purchases consisted of people between the ages of 26 and 40, there were however, 913 people that bought houses over the age of 70, and 624 under the age of 20.

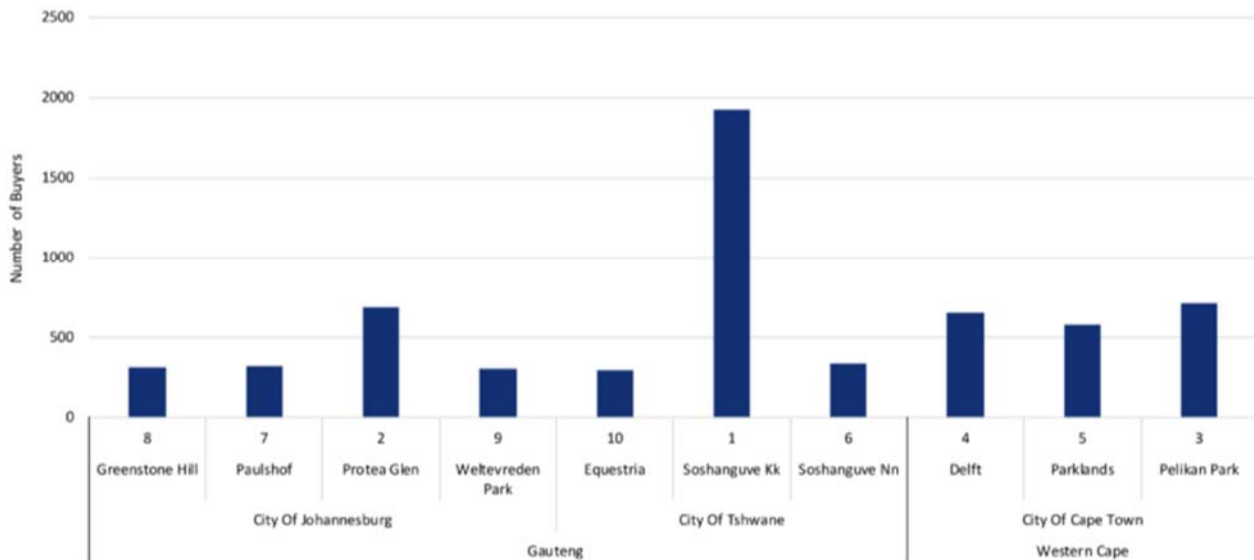
Our property trends analysis also looks at where first-time property buyers are investing in their first homes. More than anything else, affordability and ease of access to work, shops, schools and services are the primary drivers behind where new market entrants decide to buy.

A close investigation of first-time home buyer trends over the past two years shows that the suburbs most in demand for this market are in Gauteng and the Western Cape, close to the respective economic hubs of Tshwane, Johannesburg and Cape Town.

Before we dive into the data, it's interesting to note that the suburbs chosen by first-time home owners are not the same as those that second-time (and subsequent) buyers decide on. In our research, we have found that first-time owners have a unique set of criteria that drive their decision-making process. They are also demographically different from people buying second or subsequent homes. The factors that distinguish first-time home buyers from the others are their age, career stage and needs. First-time buyers tend to be younger, are in the beginning stages but have settled down in their chosen career, and have a stronger need for a lock-up and go style home.

What's interesting, but not surprising, is that many of the suburbs where first-time owners buy are not only mid-value, but split between mid- and high-value.

Average Number of First-Time Buyers in the Top 10 Suburbs

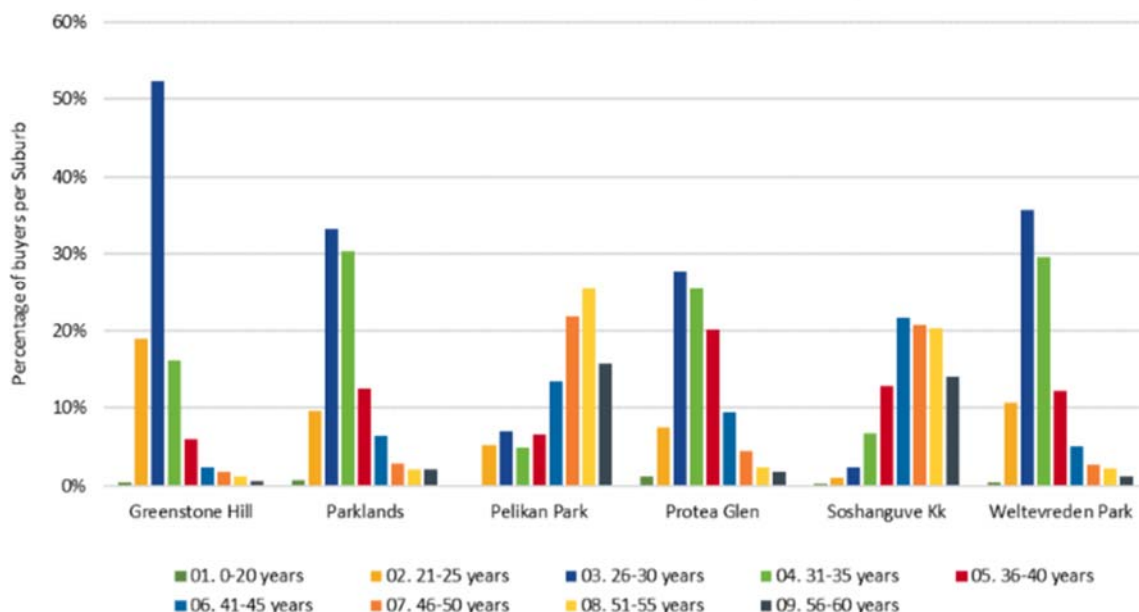


The top 10 suburbs where first time buyers are purchasing homes fall within Gauteng and Western Cape. Five of these suburbs in Gauteng offer a selection of low- to mid-value properties and are mostly newly built suburbs. These are Protea Glen, Soshanguve KK, Soshanguve NN, Delft and Pelikan Park. Three of the top 10 suburbs, Equestria, Greenstone Hill and Paulshof consist primarily of high-value sectional schemes and estates type of properties.

The remaining two suburb, Parklands and Weltevreden Park are older and have been established for more than 15 years, offering mostly freehold type properties.

On a national level, most first-time buyers are aged between 25 and 35, which is somewhat younger than the average buyer. A graph of six of the top 10 suburbs below shows that the age distribution in suburbs preferred by first time buyers varies significantly from suburb to suburb.

Age Distribution of First-time Residential Property Buyers per Suburb



Suburbs with a lower average value such as Soshanguve and Pelikan Park have a significantly higher proportion of first-time home buyers aged between 40 to 60 years. In Weltevreden Park, Protea Glen and Parklands, the age of first-time buyers mostly ranges between ages 26 to 35.

Data used in this report is for the period from the start of 2012 to the end of October 2016.

If you're in the Western Cape, join us at the Property Buyers Show.

