

**WRITTEN BY: Bartlett Communications**

Hi there,

Below, property professionals from Gauteng and the Western Cape take a closer look at this market driver, how Covid has influenced the growing trend, what is motivating emigrants, semigrants and foreign investors and how it's impacting the country's largest markets.

**Caption: ON THE MOVE: The resurgence of semigration, emigration and even foreign buyer interest since the easing of lockdown and travel restrictions continues to drive and shape the local market**

### **Migration trends continue to shift the residential market**

Local and international migration have undoubtedly been driving forces in the South African property market during the past decade and their recent resurgence after travel and lockdown restrictions were eased have come as no surprise.

"Locally, there has been considerable focus on the new wave of semigration to the coast," says Grahame Diedericks, Manager Principal of Lew Geffen Sotheby's International Realty in Midrand, "but we are also seeing inland migration to Jozi, especially among local corporates and aspirant professionals who follow the money and opportunity trail.

"This has boosted not only the sales markets in certain areas and sectors, but also the rental market as many of these young professionals are considering emigration at a later stage and are therefore opting to rent rather than buy for the time being."

FNB's latest Property Barometer has revealed that, on average, 8% of people are selling their homes with plans to leave the country, which is up a percentage point compared to the Q2 2020 report.

This figure increases to 11% in the R3.6 million+ price band and to 14% in the R2.6m to R3.6m house price band nationally.

"In Midrand and surrounding areas, around 10% of all our sales are due to emigration with the majority of these properties being investment units and high-end primary homes," says Diedericks.

He adds that, due to the current value of the Rand against major currencies, sellers who are emigrating try to hold out for a premium price which often results in their homes remaining on the market for extended periods.

"In some cases, due to the time constraints involved in emigration, sellers take the rental option rather than selling at a reduced price."

Foreign investment is also on the up again but, whereas the majority of buyers prior to the pandemic were from Europe and the UK, they are now being matched by US investors who now also account for the majority of tourism in South Africa.

Prior to the pandemic, European and UK visitors accounted for around 60% of foreign tourists entering South Africa annually, whilst tourists from North America (the US and Canada combined), accounted for just 17%.

However, in 2021 South Africa welcomed more tourists from the United States than from anywhere else and this increase has been mirrored in the number of enquiries received by estate agents from interested US investors.

Diedericks says that in Johannesburg, there has been a slight uptick in international buyer interest but that more activity is being seen in the corporate rental market.

“There has been an increase in foreigners doing business in Jozi and, in some cases, companies and individuals are opting to invest in a property instead of renting but this trend is also very dependent on the state of the nation and whether the foreign buyers' investments are secure in SA.”

In the Western Cape, agents are reporting much keener foreign investor interest, with areas like Constantia and the Garden Route being especially popular.

Joanna Thomas, Area Specialist in Constantia for the group said: “In our area, Covid has actually improved the market in our area, with renewed upcountry and international interest.

“Many people are now able to work from anywhere in the world and South Africa is attracting considerable interest for its lifestyle and the good value to be had here.

“We've been receiving many overseas enquiries, including from ex-pats, and often the interested parties will ask family members, friends, to view and even carry out facetime or video tours etc.”

George and Wilderness Principal, Tim Kirby, also reports hugely increased activity during the past year, both in the estate sector and single residential sales in traditional non-gated suburbs, with Gauteng buyers making up almost 70% of recent buyers.

He adds that there has also been an increase in enquiries from ex-pats looking to return to South Africa, and to the Garden Route in particular, as they are now able to work remotely.

Diedericks concludes: “This is where an established agency with a broad local reach and international affiliation is invaluable.

“It affords clients access to a vast network that offers them considerable advantages, from established relationships with a worldwide community of professionals to a wide-ranging marketing reach. In other words, a turnkey solution.

“From selling a home to sell in South Africa to buying a new property in the country to which they are moving or investing in property along with residency to establish their plan B, dealing with on agency is the best way to conclude international transactions as seamlessly as possible.”

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