property market report

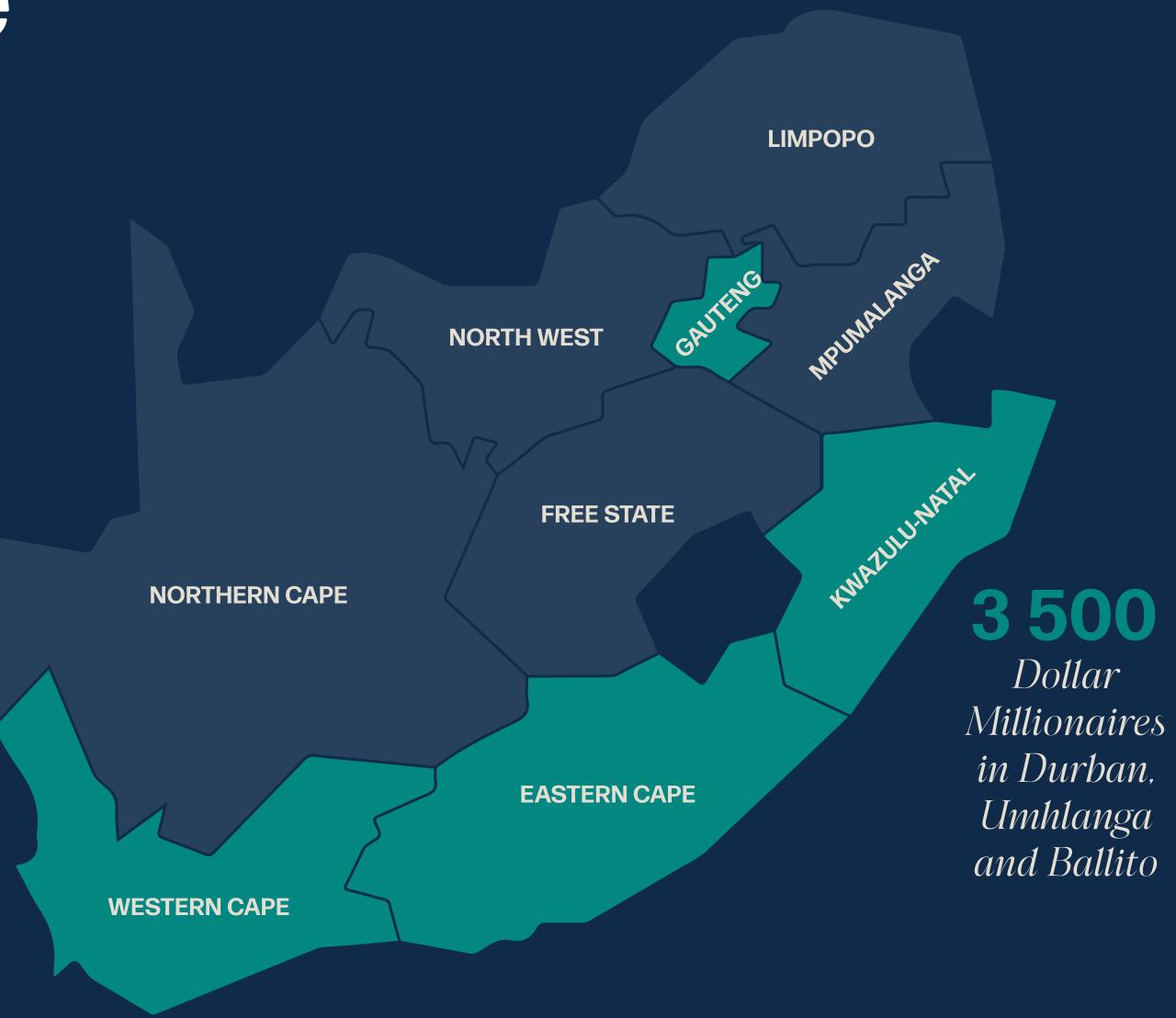


SEPTEMBER 2024

Dollar Millionaire semigration in SA

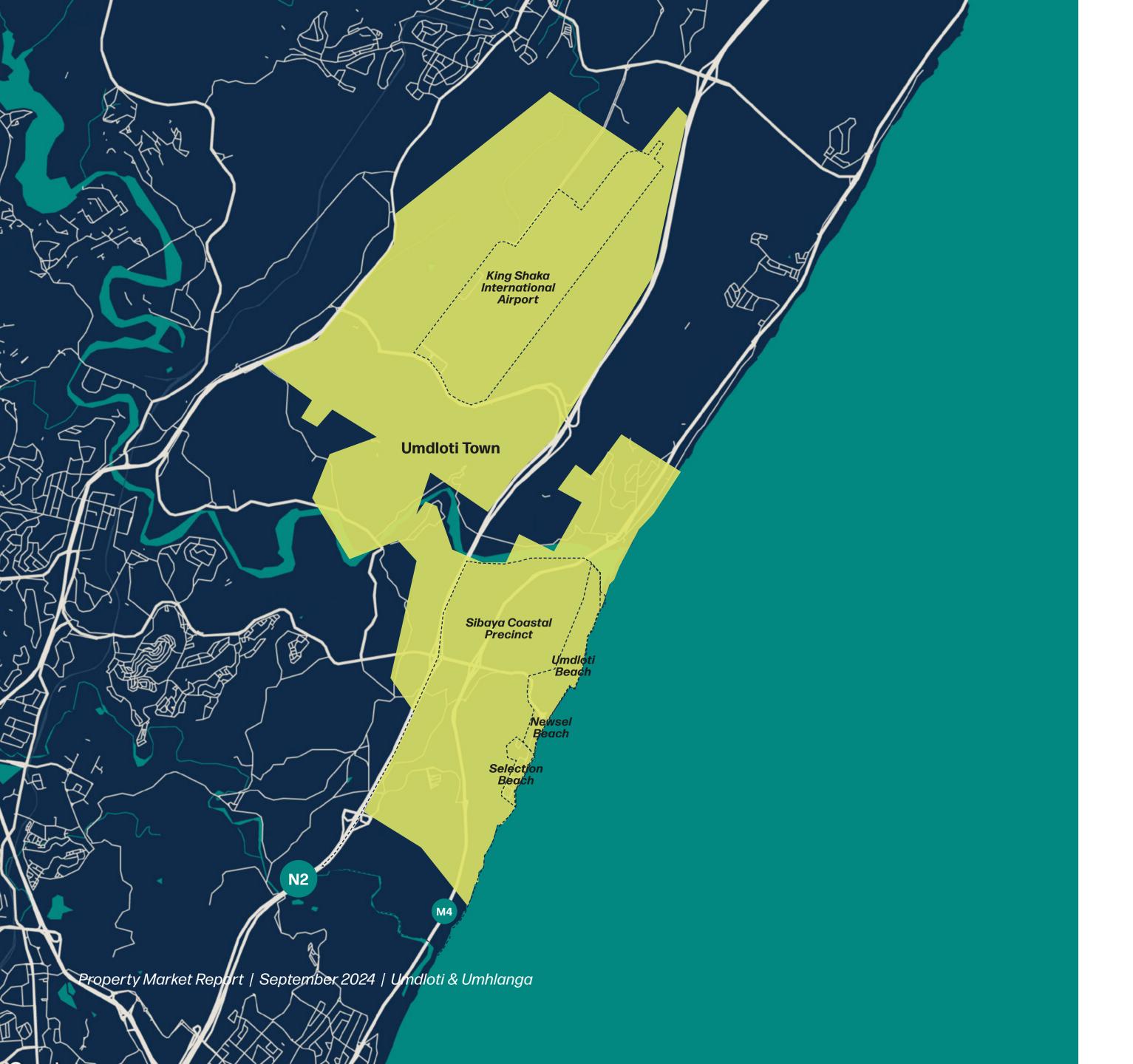
SA is home to the **highest Dollar Millionaires (37 400) in Africa,** with many choosing to reside within the country's most exclusive estates.

- Johannesburg (JHB): 12 300 Dollar Millionaires
 (Highest amount in a city in Africa)
- Cape Town (CPT): 7 400 Dollar Millionaires
- Cape Winelands: 3 600 Dollar Millionaires
- Durban, Umhlanga and Ballito: 3 500 Dollar Millionaires
- The Garden Route: 3 200 Dollar Millionaires
- Pretoria: 2 100 Dollar Millionaires



Source: Knight Frank report





Umdloti is a small coastal town, offering residential options along the beach, natural beauty and a close-knit community.

An analysis of the Umdloti Town was done based on the **Sibaya Coastal Precinct** falling within this area. Other suburbs that are within Umdloti includes King Shaka International Airport, La Mercy, Mount Moreland, **Newsel Beach, Selection Beach, Umdloti, and Umdloti Beach**.

This town has experienced a **101% increase in its adult population,** from 3 500 in 2011 to 7 035 in June 2024.

Umdloti Smart Village initiative - Non-profit organisation

- Manages urban development, security measures, maintenance of area and provides community support
- Works with private and public sectors



MONTHLY HOUSEHOLD INCOME:

Characterised by an LSM of 9 Low

- Average household income ranges from R36 000 to R48 000
- 34% are categorised as middle-income
- 33% of households estimated to fall into the high-income bracket
- 16% of households fall within the wealthy segment

TOTAL MARKET STOCK:

The total market stock comprises 4 506 units

- 418 sectional title units in estates (9%)
- 2 612 sectional title units (59%)
- 921 freeholds (20%)
- 555 freeholds (12%)

RECENT BUYER DEMOGRAPHICS:

From July 2023 to June 2024:

10%

were aged 18-35

38%

were aged 50-64

36%

were aged 36-49

16%

were aged 65 and above





The Sibaya Coastal Precinct was established in 2016, with the launch of OceanDune and Pebble Beach. This suburb has easy access to the N2 and M4 highways. With 60% of the precinct to remain undeveloped green corridors, there is **1000Ha of residential and commercial spaces** running between the natural landscape.

Managed by the Sibaya Precinct Master Management Association (SPMMA) - Non-profit company

- Governed by its Memorandum of Incorporation (MOI) and managed by a board of non-executive, non-remunerated directors nominated by the Sibaya Sub-associations
- Collaborates with the public and private sectors to maintain the precinct

FACTORS UNDERPINNING SIBAYA'S PROPERTY MARKET



Placed among the

TOP SUBURBS

for homes valued over R1M by Lightstone.

The top 5 list included: Bryanston (GP), Sea Point (WC), Midstream Estate (GP), Sibaya Coastal Precinct (KZN), Sunningdale (WC). Research indicates that High Net Worth Individuals are choosing

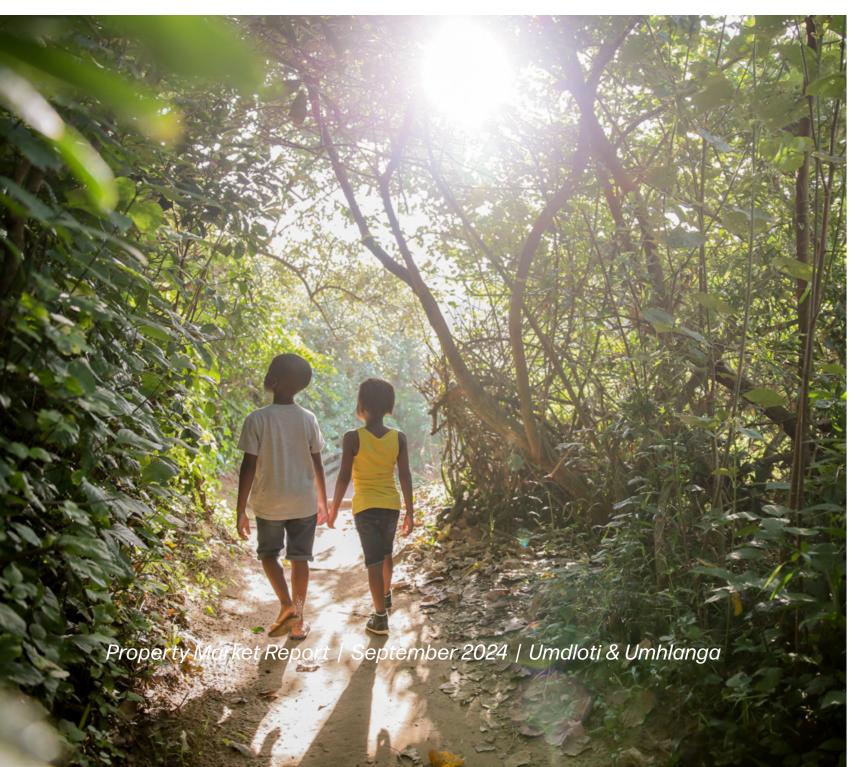


destinations over long-standing established suburbs.

The value of South Africa's residential property market stood at just over R6.8 trillion as of February 2024. Of that, secure estates contribute 18.1% to the

OVERALL VALUE.

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Umhlanga is made up of the following suburbs:

Hawaan Forest Estate, Herrwood Park, Izinga, La Lucia, La Lucia Ridge, Prestondale, Somerset Park, Sunningdale, *Umhlanga Ridge New Town Centre, Umhlanga Ridgeside, Umhlanga Rocks. We have provided an analysis of the key suburbs that have experienced growth in new developments over the last few years.

Umhlanga has experienced a total adult population increase of 57% from 18 663 (2011) to 29 571 (June 2024).

Managed by the Umhlanga Urban Improvement Precinct (UIP)

- Established by Umhlanga Rocks property owners
- Established private sector and municipal partnerships while delivering privately funded security, cleaning, maintenance, greening and marketing services
- Funded by the monthly Special Ratings Area (SRA) levy paid by all property owners

MONTHLY HOUSEHOLD INCOME:

Characterised by an LSM of 10 High

- Average household income ranging from R124 000 to R156 000
- 47% of households are classified as wealthy
- 27% as super wealthy
- 26% as high income

TOTAL MARKET STOCK:

The total market stock comprises 16 078 units

- 1056 sectional title units in estates (7%)
- 10 636 sectional title units (66%)
- 3 612 freeholds (15%)
- 774 freeholds in estates (12%)

RECENT BUYER DEMOGRAPHICS:

From July 2023 to June 2024:

22%

were aged 18-35 40%

were aged 36-49

29%

were aged 50-64

9%

were aged 65 and above











Umhlanga Rocks

- Known for its beautiful beaches, luxurious hotels, numerous restaurants, cafes, and retail offerings (The Pearls & Oceans Malls)
- Home to landmarks like Umhlanga Lighthouse and Pier
- Residential developments including the Pearls of Umhlanga, with price p/m² reaching up to R71 351p/m² (as at June 2024)

Umhlanga Ridgeside

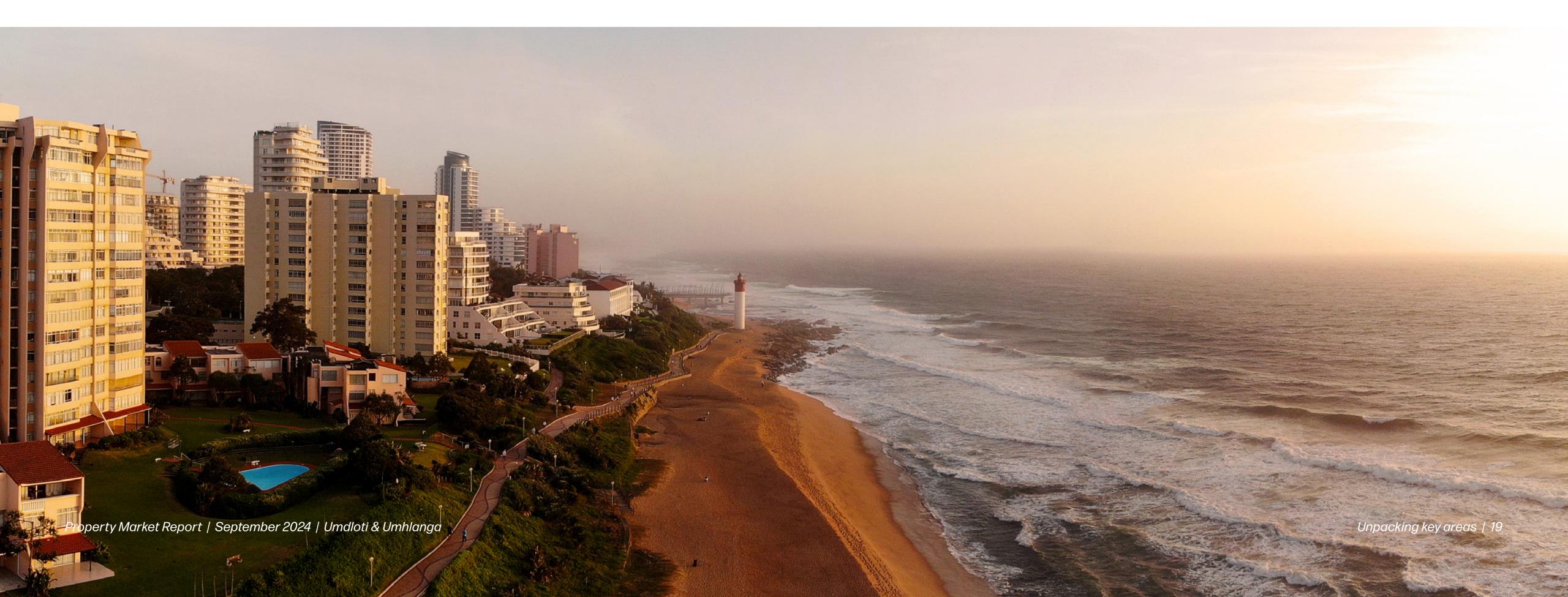
- Offers a mix of commercial and residential spaces with a contemporary urban lifestyle
- Home to several office buildings and regional corporate headquarters including
 ABSA, RMB Private Bank, Investec and KPMG, to name a few
- Modern high-rise buildings and extensive infrastructure including Umhlanga
 Arch with price p/m² reaching R46 825p/m² as at June 2024

*Umhlanga Ridge Town Centre (URTC)

- Identified as modern, sustainable design with pedestrian-friendly streets and green spaces
- Various apartments cater to different budgets and lifestyles, as well as a variety of businesses, including retail, offices, and service industries
 - Home to landmark Gateway Theatre of Shopping that is undergoing a multi-million-rand upgrade
 - Since 2001, Gateway has grown from 118 000m² to 176 000m², from 117 tenants to 380 retailers

unpacking these key areas

Upon providing context into Umdloti and Umhlanga towns, we will be zoning specifically into the key suburbs within these greater coastal areas. These include Sibaya Coastal Precinct, Umhlanga Ridge Town Centre, Umhlanga Rocks and Umhlanga Ridgeside.



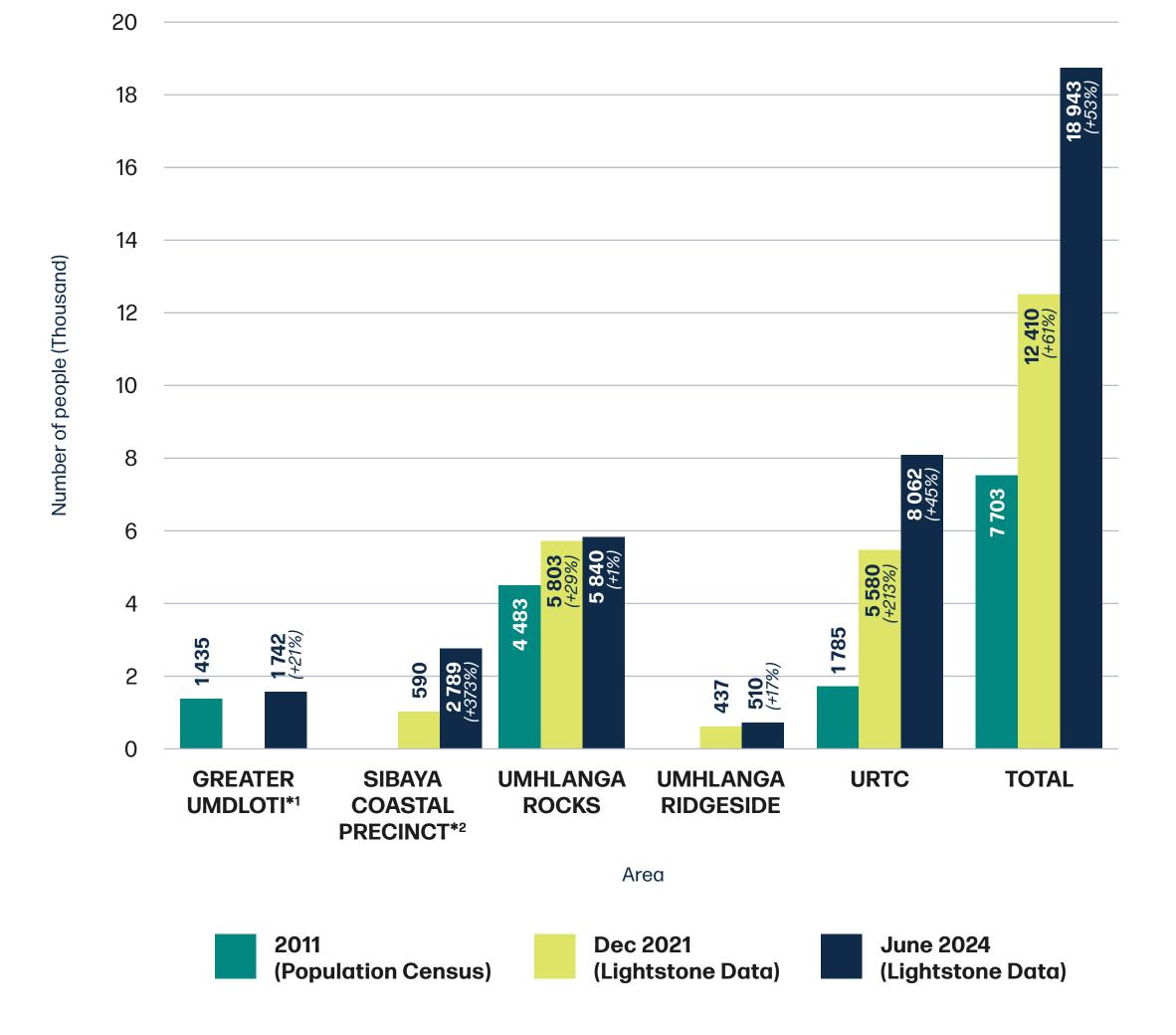
adult population growth

Breakdown:

- Since Dec 2021, Sibaya Coastal Precinct has seen an increase of 71* adults per month, which equates to 28** families
- Umhlanga Rocks: 9* adults per month, which equates to 4** families
- URTC: 42* adults per month, which equates to 17** families



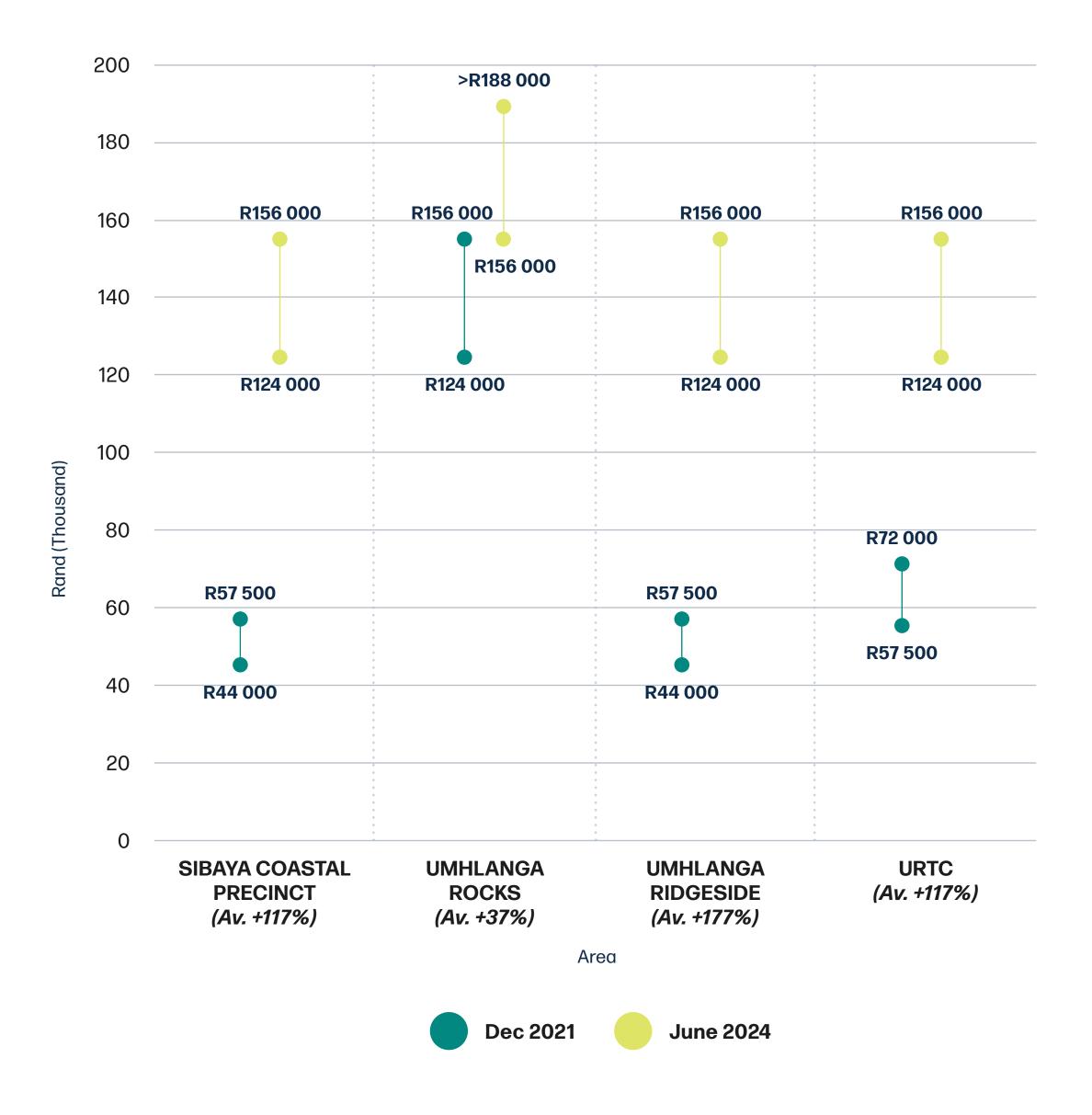
*Total increase divided by 150 months **Based on a ratio of 2.5



- 1. Greater Umdloti includes Newsel Beach, Selection Beach and Umdloti Beach
- 2. Sibaya Coastal Precinct includes Hillhead, which is the suburb that comprises OceanDune and Pebble Beach sales

average monthly household income

The increase in average household income indicates consistent improvement in living standards and wealthy individuals moving into these areas. Since Dec 2021, household income within Sibaya Coastal Precinct and Umhlanga Ridgeside have both increased by an average of 177% each, with URTC achieving an average increase of 117%. Umhlanga Rocks has seen lower growth of 37%, this is based off the fact that Umhlanga Rocks is already an established suburb.



recent buyer activity

Greater Umdloti
Predominance of 36 – 49
(37%) and 50 - 64 years (38%),
comprising mature families,
empty nesters and active retires.

Sibaya Coastal Precinct
Predominance of 36 - 49 years
(40%), comprising young and
mature families.

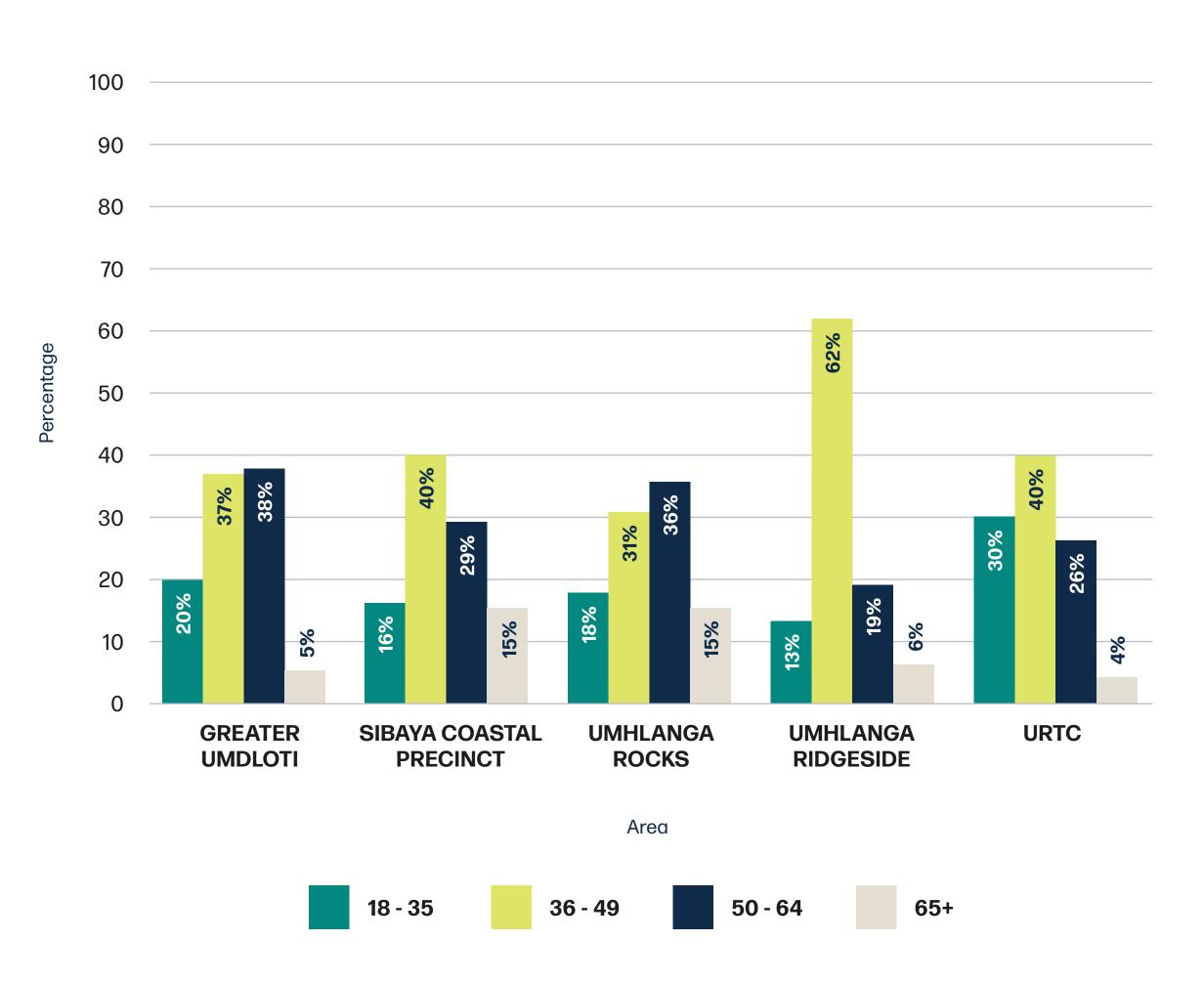
Umhlanga Rocks
Predominance of 50 - 64 years
(36%), comprising empty nesters
and active retirees. Closely
followed by 36 - 49 years (31%),
showing that the area also attracts
families and mature professionals.

Umhlanga Ridgeside
Predominance of 36 - 49 years
(62%), comprising young and
experienced professionals.

URTC

Predominance of 36 - 49 years (40%) and those below 35 years (30%), indicating an increase of starter couples, families and professionals.

JULY 2023 - JUNE 2024



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location of buyers

Sibaya Coastal Precinct

- People *showing interest in moving to Sibaya
 Coastal Precinct are from GP (26%), Umdloti (16%),
 Greater Durban (15%), Umhlanga (12%), Ballito
 and Salt Rock (9%)
- Those **moving into the area include KZN (62%),
 and GP (34%).

Umhlanga Rocks

- People *showing interest in moving to Umhlanga
 Rocks include GP (27%), Umhlanga (25%), Mt.
 Edgecombe, Phoenix and Verulam (20%), Greater
 Durban (15%) and Inner West from Westville,
 Pinetown and Queensburgh (8%)
- Those **moving into the area include KZN (47%),
 GP (35%), and is followed by rest of SA (10%).

URTC

- Those *showing interest in moving to URTC and Ridgeside include Mt. Edgecombe, Phoenix and Verulam (33%), Greater Durban (19%), Inner West from Westville, Pinetown and Queensburgh (15%), and Umhlanga (11%)
- Those **moving into the area include KZN (70%),
 GP (12%), and the rest of SA (6%).

^{**} These stats are based on recent sales transactions.



^{*} These stats are based on recent Market Research surveys conducted by Rainmaker Marketing.

sales performance

SECTIONAL TITLE AND FREEHOLD PROPERTIES

GREATER UMDLOTI

Sectional Title (ST)

Over the period July 2023

- June 2024, the average
price of a ST unit was

R2.538N

(R21 451p/m²).

Predominant prices for ST sales are between R1.5M - R3M (70% of sales).

SIBAYA COASTAL PRECINCT

Sectional Title (ST)

Over the period July
2023 – June 2024, the
average price of a ST in
an estate was

R3.317 (R22 451p/m²) - exceeding

those out of an estate by 19%.

Predominant prices for all ST sales (in and out estate) are between

R3M – R5M (70% of sales).

Freehold Homes (FH)

Over the period July 2023 – June 2024, the average price of a FH home in an estate was

R9.181M

Predominant prices were between

R6M - R13M

(100% of sales).



sales performance

SECTIONAL TITLE AND FREEHOLD PROPERTIES

UMHLANGA ROCKS

Sectional Title (ST)

Over the period July 2023

- June 2024, the average
price of a ST was

R4.216N

(R40 823p/m²).

Predominant prices for ST are between

R3M - R6M

(54% of sales).

Freehold Homes (FH)

Over the period July 2023

- June 2024, the average
price of a FH was

R5.869M

Predominant prices were between

R3M - R7M

(88% of sales).

UMHLANGA RIDGESIDE

Sectional Title (ST)

Over the period July 2023 – June 2024, the average price of a ST unit (in estate and out estate) was

R2.929M

(R39 742p/m²).

Predominant price for ST unit (in estate and out estate) were between

R1.8M - R3.5M (62% of sales).

URTC

Sectional Title (ST)

Over the period July 2023

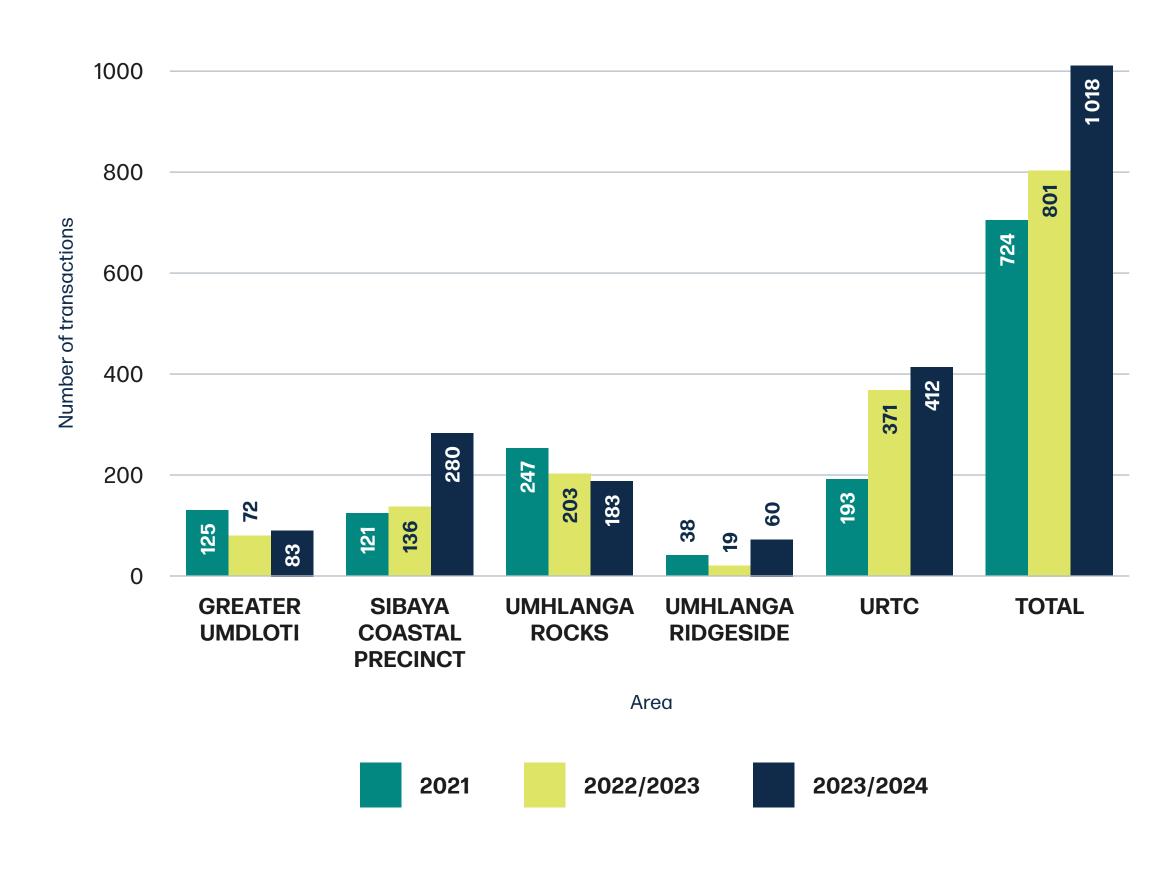
- June 2024, the average
price of ST unit was

R1.309M (R22 547p/m²). Predominant prices
were between
R800 000 - R1.5M
(62% of sales).

year-on-year sales performance

Sibaya Coastal Precinct and URTC have both achieved a consistent increase in total volume of sales over the 3-year period, between January 2021 – June 2024.

TOTAL VOLUME OF ALL PROPERTY TRANSACTIONS (INCL. SECTIONAL TITLE, FREEHOLD HOMES & VACANT LAND)



property transactions

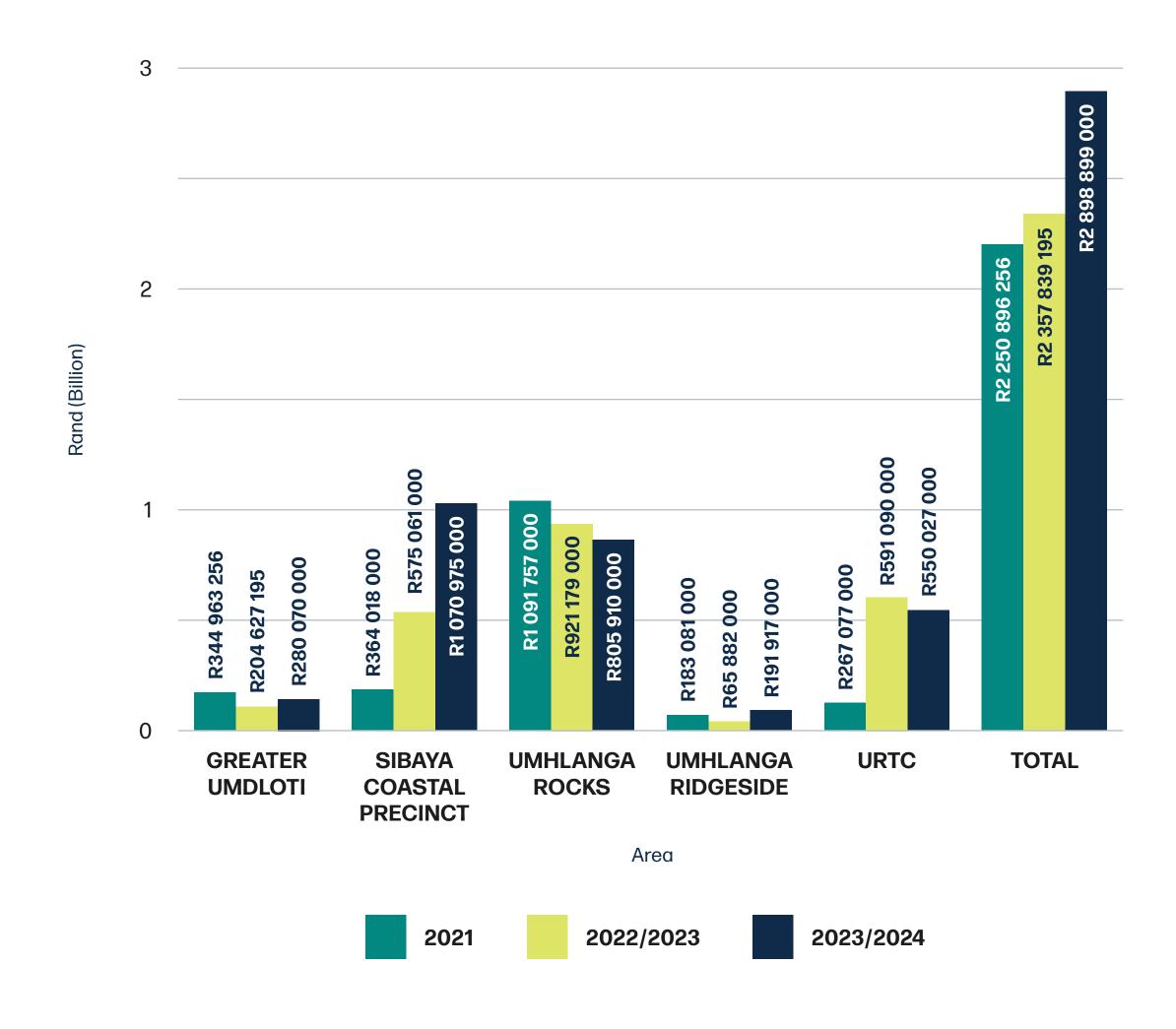
The Sibaya Coastal Precinct has achieved a consistent increase in total volume and value of sales over the 3-year period. For the period July 2023 – June 2024, the Sibaya Coastal Precinct has achieved the highest total sales value of R1.071Bn.

Sibaya alone has generated

52%%%

of total new build sales and job creation in the greater area.

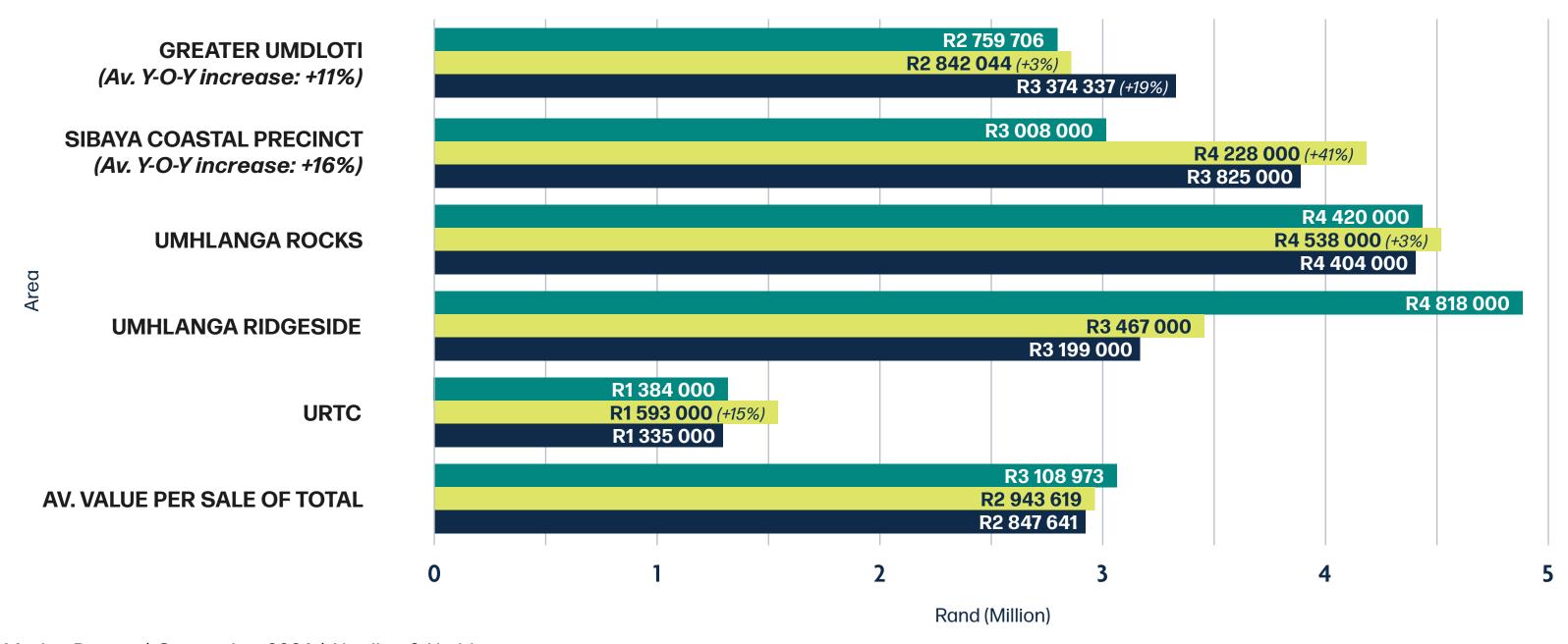
TOTAL VALUE OF ALL PROPERTY TRANSACTIONS (INCL. SECTIONAL TITLE, FREEHOLD HOMES & VACANT LAND)

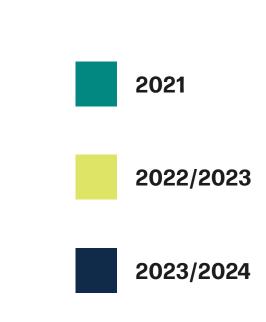


average value per sale

Across the selected areas there was a nominal decline of **8.4%** in the average value of sale over a two year period. The highest percentage increase was **Greater Umdloti at +22%** over the two year period.



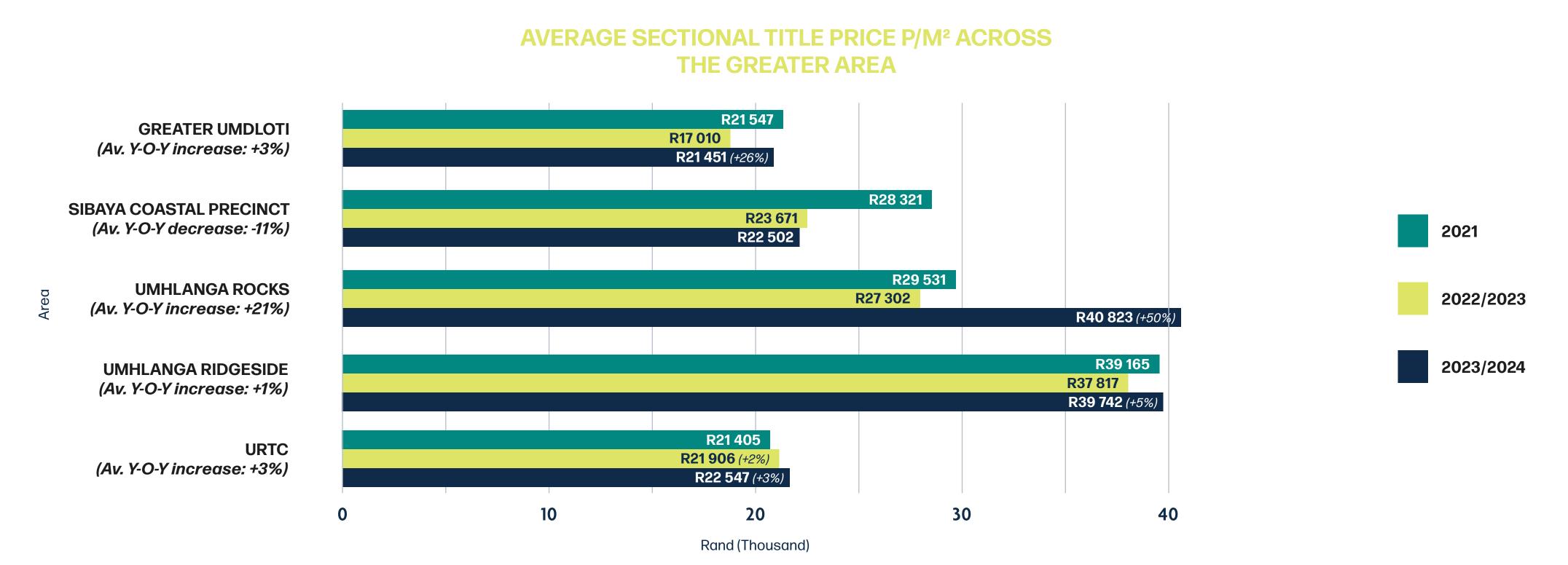




sectional title

price per square meter

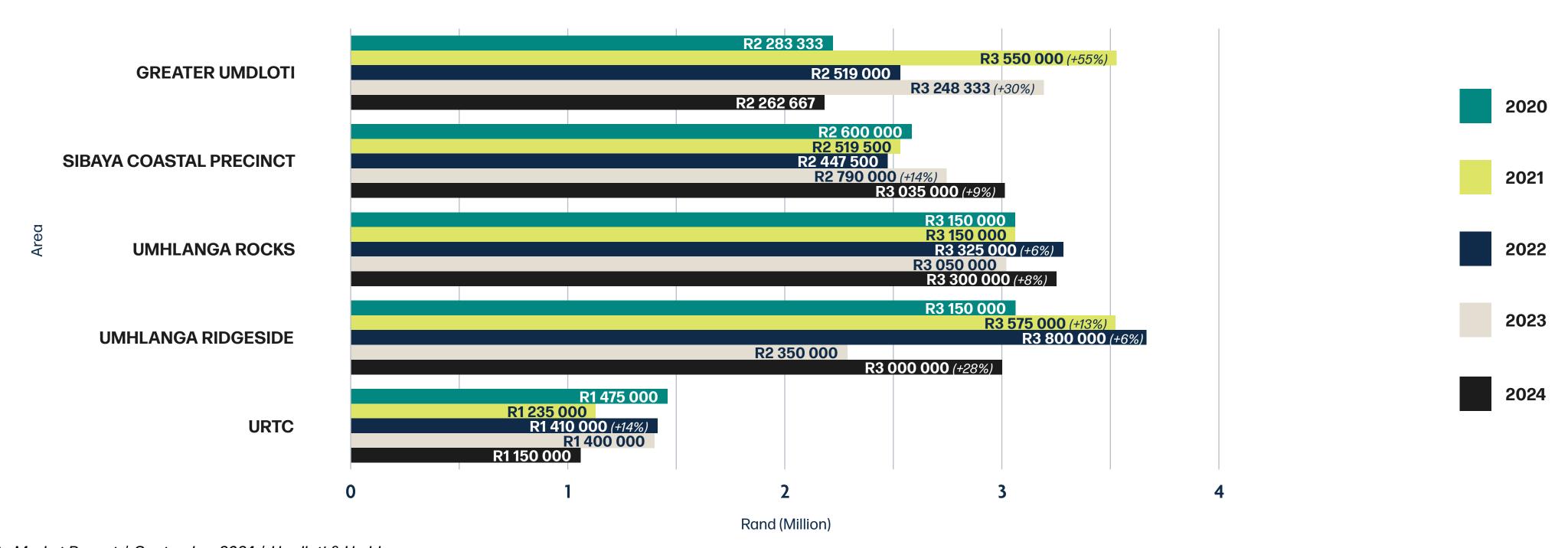
This analysis illustrates the sectional title price per square metre across the greater area. Majority of the suburbs have experienced y-o-y growth, with Umhlanga Rocks peaking at +50%.



sectional title capital appreciation

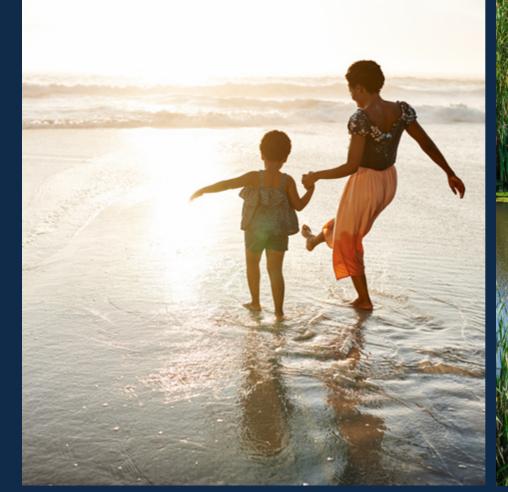
SINCE 2020:

- Greater Umdloti achieved a capital appreciation of +26% (7% p/a)
- As a newly developed suburb, the Sibaya Coastal Precinct achieved a capital appreciation of +17% (4% p/a)
- Umhlanga Rocks achieved a capital appreciation of +9% (2.25% p/a)
- As a newly developed suburb, Umhlanga Ridgeside achieved a capital appreciation of +6% (1.5% p/a)



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key highlights from the report







KSIA:

Between 2021/2022 and 2023/2024 in international travel was bolstered with a

356% increase

international arrivals from 60 273 – 274 882



BUILDING PLANS ACTIVITY:

Building plans passed increased by

20%%%

from 12 months prior



POPULATION GROWTH:

Sibaya Coastal
Precinct:
71 Adults P/M



URTC:

42 Adults P/M

SALES PERFORMANCE:

Sibaya

- Predominant prices for all ST sales between R3M - R5M
- Average price of a ST in an estate exceeded those out of an estate by 19%

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Umhlanga Ridgeside

Predominant prices
 for all ST sales are
 between R1,8M-R3,5M
 (62% of sales)

URTC

Predominant prices
 for all ST sales are
 between R800k R1,5m (62% of sales)

PROPERTY TRANSACTIONS:

Sibaya achieved the highest total sales value of

R1.071Bn

closely followed by Umhlanga Rocks with

R806M

(July 2023 - June 2024)

thank you

The statistics used were largly sourced from Lightstone data, with the interpretation and analysis carried out by the market research division of Rainmaker Marketing.