



Lightstone's Property Partnership

#15YearsTogether

Lightstone
We simplify the complex

2024



In the last 15 years...

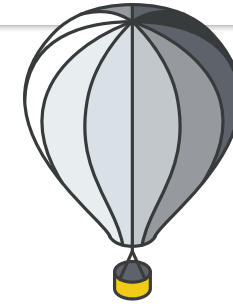
We have grown
and shown ourselves to be
bigger
better
and stronger
with every new tool developed
service offered
report created, and
client supported
from the ground up.

Thank you for helping us build a legacy
we can all be proud of.

#15YearsStrong

For more information

Visit: www.lightstone.co.za Call: 010 822 8687 Email: support@lightstone.co.za



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Resilient South African property market weathers tough 15 years

Market innovation and flexibility
mirror Lightstone's data and product
development

Information and data and the insights they lead to have become essential to strategy and planning in the 21st century, and nowhere is this more evident than in South Africa's increasingly sophisticated residential property market.

Lightstone Property's entry in 2009 into the real estate sector followed South Africa's 2000-2006 housing boom (when house prices rose by an average of 20% each year), but more critically we opened our doors as global financial markets crashed. Crisis, though, brings opportunity and despite both domestic and global political and economic headwinds which have characterised much of Lightstone's 15 years partnering with the real estate sector, the residential property industry has been both resilient and innovative as it responds to evolving homeowner needs.

Urbanisation, population growth and South Africa's growing middle class helped the market in the 2010s, and demand for housing grew in major cities such as Johannesburg, Cape Town and Durban, particularly in well-established suburbs with good amenities and infrastructure.

But progress was uneven. Disparities widened between urban and rural areas with affordability, inadequate housing supply and exaggerated socioeconomic disparities driven by rising unemployment and income inequality.

More recently, political uncertainty, fluctuating exchange rates, the fallout from Covid, loadshedding and other infrastructural challenges have shaped the direction of the residential property market – and a growing demand for Lightstone's reports and products.

For all the challenges, the residential market has become increasingly sophisticated in its need for data and products which help Estate Agents get ahead of buyer demands and seller needs, which have become evident in trends over the past 15 years.

- Volumes have fallen, while nominal values have increased,
- ...but when adjusted for inflation, Lightstone's current value tells us returns on investment have been disappointing.
- New buyers have not entered the market as would be expected.
- Younger buyers have not come into the market as would be expected.
- Lifestyle changes have driven demand for Estates and Sectional Title properties.
- Professional mobility and lifestyle changes have fueled semigration, with Western Cape the preferred choice.

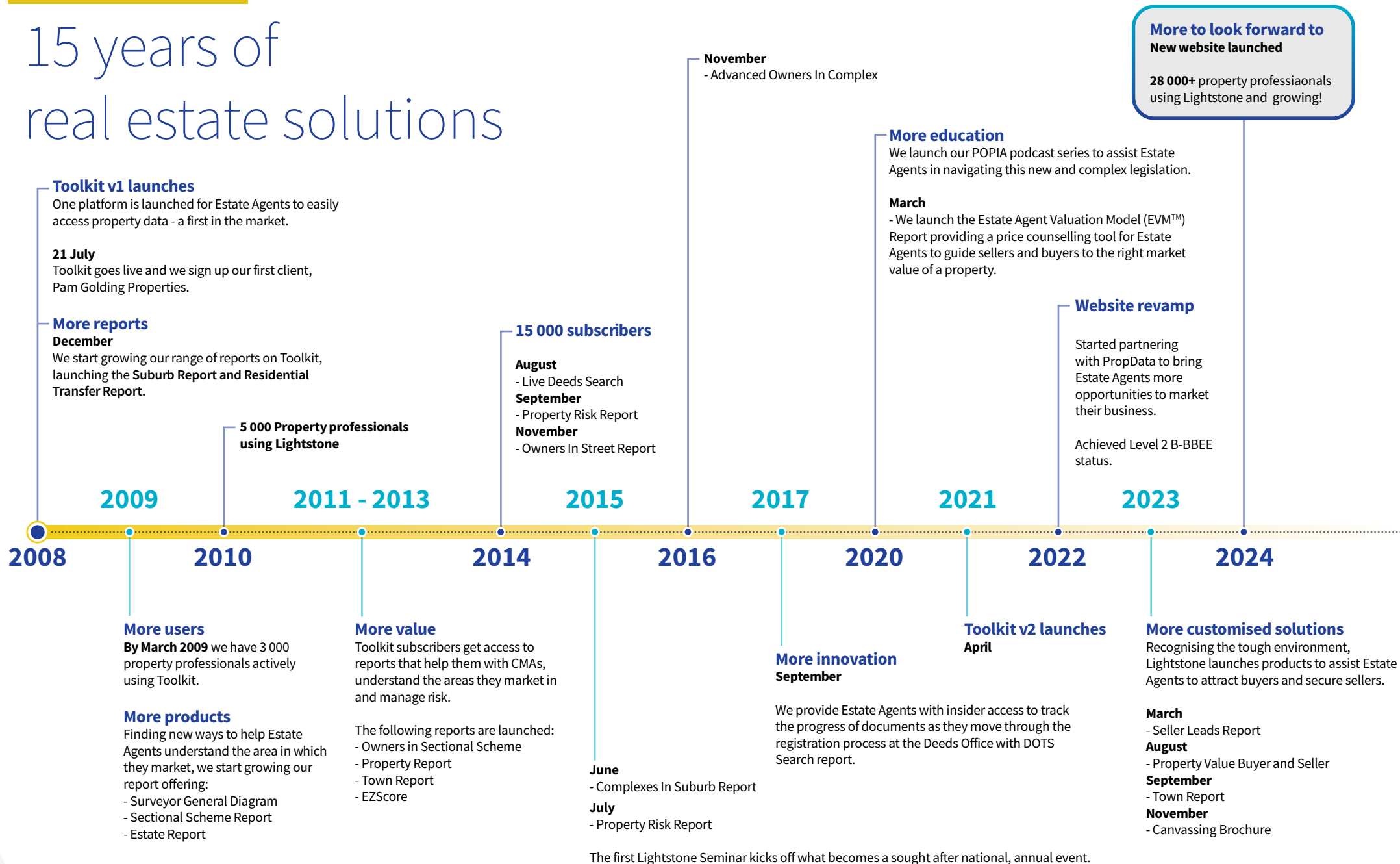
The first four trends are perhaps indicative of a struggling market which has mirrored the tough macro conditions of the period, while the last two are creative responses to cost-of-living pressure, "crime and grime" and the increasing numbers of people who are able to work remotely, a feature which accelerated during and after Covid.

Despite, or perhaps because of, the tough conditions, the demand for data and insights has fueled Lightstone's product range which has dealt with every conceivable aspect of the market.

In this report, we look at the numbers behind the trends and opportunities that have emerged over our time in the industry, but let's start with a brief look at some of the products and services we've introduced to help Estate Agents and other property professionals make sense of a dynamic industry.



15 years of real estate solutions



Volumes flat, purchase price marginally up at current values

The volume of properties transferred in 2009 (309 899) is not far from the 280 941 transfers in 2023, which reinforces how the property market's performance mirrors the country's difficulties.

The 15-year high was recorded in 2022 (348 488) as the market recovered strongly from the period's low in 2020 when Covid dampened property sales, along with economic activity across the globe.

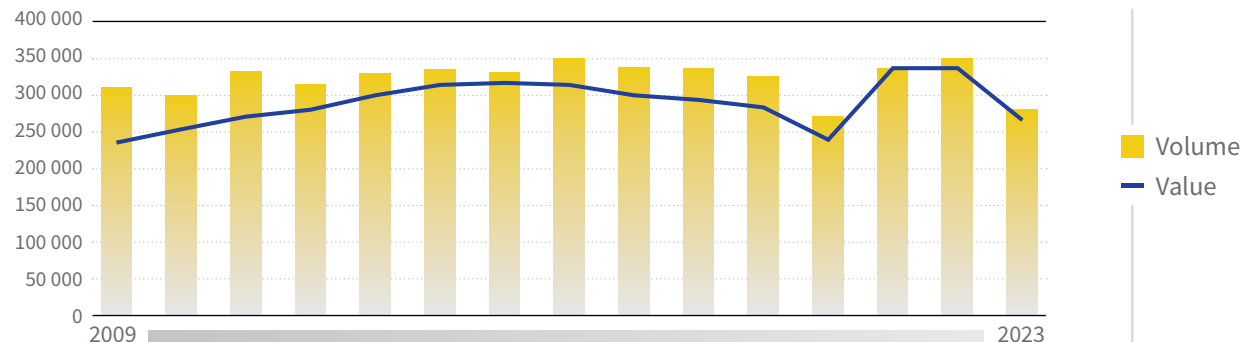
Volume of sales at current Lightstone values – total value of sales and average value of sales

Year	Volume	Total nominal value	Total current value	Average current value
2009	309 899	R112 740 693 110	R358 982 555 000	R1 158 385
2010	299 381	R141 142 632 537	R382 338 169 000	R1 277 095
2011	332 365	R152 939 025 073	R409 291 560 000	R1 231 452
2012	314 453	R163 012 449 614	R419 715 284 000	R1 334 747
2013	329 772	R189 045 660 163	R453 270 500 000	R1 374 496
2014	335 049	R214 295 320 865	R471 122 583 000	R1 406 130
2015	331 322	R236 889 454 783	R473 387 860 000	R1 428 784
2016	347 407	R241 586 200 856	R471 830 918 000	R1 358 150
2017	338 305	R242 034 279 779	R452 272 410 000	R1 336 877
2018	336 966	R244 367 655 360	R441 269 732 000	R1 309 537
2019	325 845	R244 636 437 202	R431 409 681 000	R1 323 972
2020	271 045	R226 381 816 018	R367 270 371 000	R1 355 016
2021	341 241	R335 965 883 582	R506 008 555 000	R1 482 848
2022	348 488	R345 807 104 956	R505 613 274 000	R1 450 877
2023	280 941	R292 254 133 175	R417 734 473 000	R1 486 911
2024 (to June)	114 006	R121 729 250 465	R163 104 057 000	R1 430 662

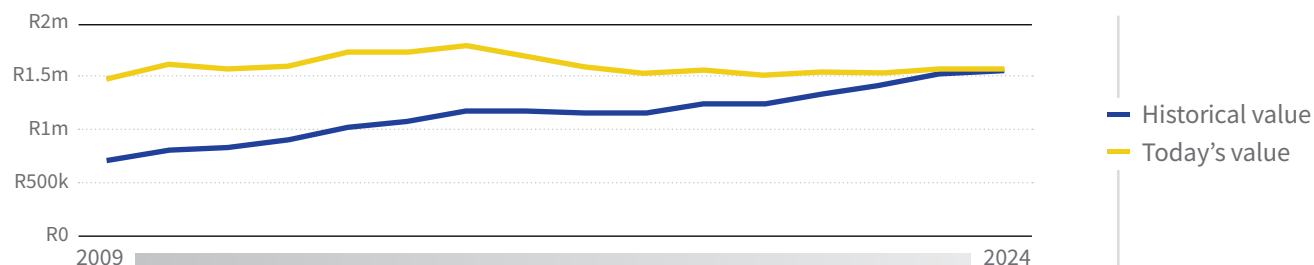
The average value of a property at current values has risen by 28% over 15 years, from R1 158 385 in 2009 to R1 486 911 in 2023 – but has fallen slightly in 2024 (to R1 430 662) to date but may well improve as South Africa settles into its GNU reality. Investment confidence and a growing economy are important enablers for the residential property market, and there are increasing expectations that South Africa could have turned an important corner with President Ramaphosa at the helm of a Government of National Unity.



Transfers and values since 2009 at current Lightstone values



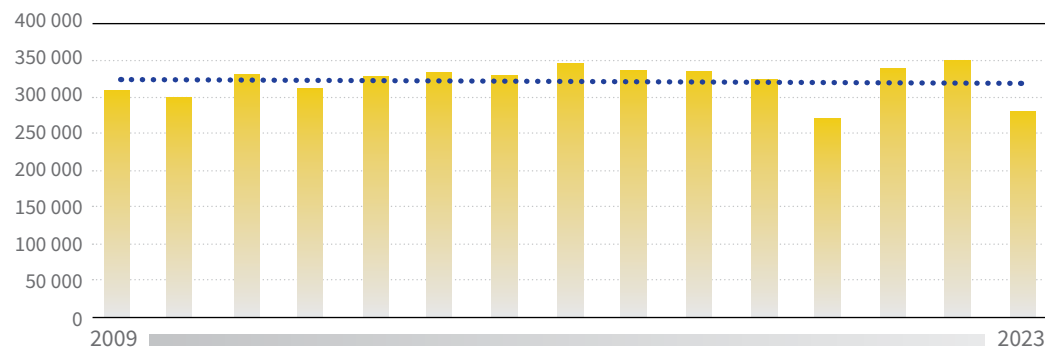
Average purchase price value then and now



The graph above shows that a house which sold for around R720 000 in 2009 would need just under R1.5m to purchase in today's money.

The graph below shows how even the property market has been over the 15 years, correcting almost immediately after 2020's "Black Swan" event caused a significant drop in sales.

Volume of sales 2009-2023



But while volumes have drifted between 310 000 and 350 000 (other than 2020), the total purchase price has risen from R113 billion in nominal terms or R359 billion, adjusted to current Lightstone values, in 2009 to a high of R346 billion in 2022 (R506 billion adjusted to current Lightstone values in 2021 and 2022) before falling to R292 billion in 2023 (R418 billion adjusted to current Lightstone values in 2023).

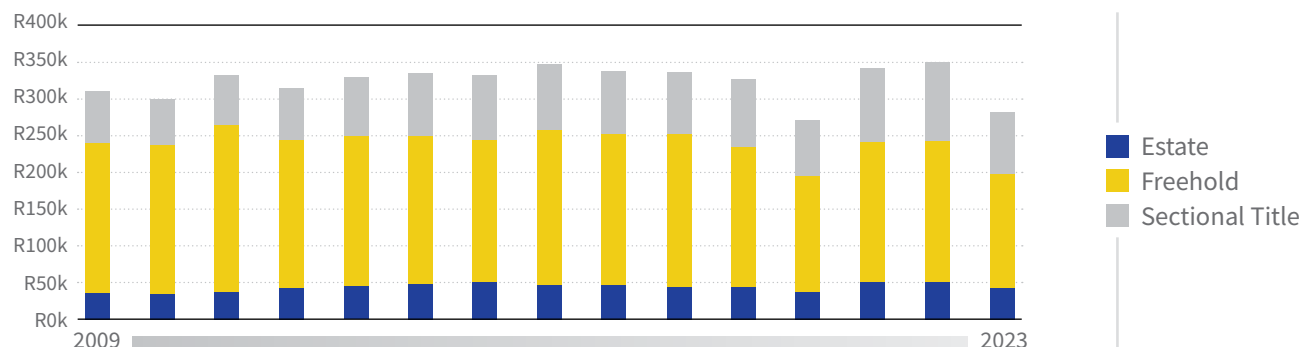


South Africa's property type preferences

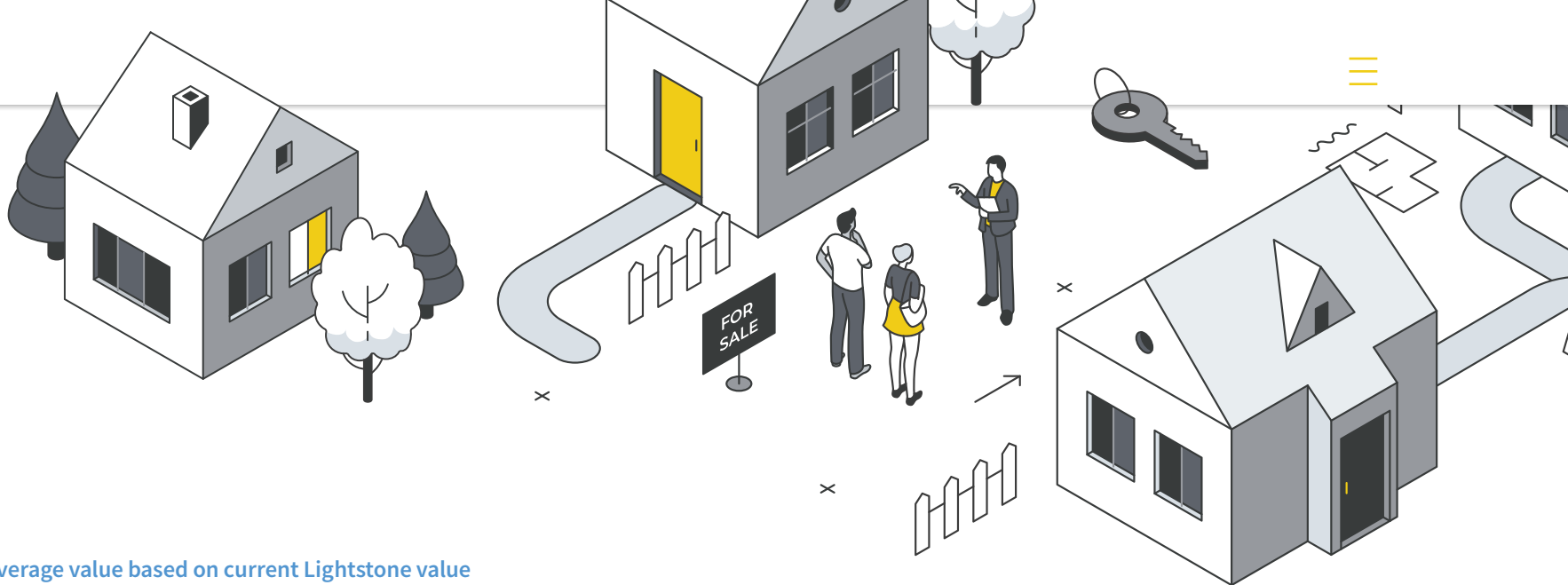
Lightstone's reports over the years have tracked the changing preferences of homeowners, and one of the most discernible trends has been a gradual move away from Freehold property, with wealthier bands demonstrating a preference for Estate living while Sectional Title has grown in the more affordable bands.

While both Estates and Sectional Title meet evolving lifestyle needs – from affordability to security – Freehold properties remain the dominant category, accounting for 56% of sales in 2023. However, that is significantly down from 66% in 2009. Sectional Title is next at 29% (2009: 23%) while Estates have grown to 15% share in 2023 compared to 11% in 2009.

Volume of sales 2009-2023
Estate / Freehold / Sectional Title



Volume of sales	Estate	Freehold	Sectional Title	Grand total
2009	34 831	205 348	69 720	309 899
2010	33 713	202 424	63 244	299 381
2011	37 850	226 849	67 666	332 365
2012	42 127	202 261	70 065	314 453
2013	44 898	205 610	79 264	329 772
2014	47 578	203 188	84 283	335 049
2015	50 356	193 877	87 089	331 322
2016	46 530	210 303	90 574	347 407
2017	46 168	206 250	85 997	338 305
2018	43 704	208 695	84 567	336 966
2019	43 104	192 346	90 395	325 845
2020	37 385	156 397	77 263	271 045
2021	51 841	188 956	100 444	341 241
2022	51 831	190 235	106 422	348 488
2023	42 101	156 499	82 341	280 941
2024 (to June)	16 604	60 437	36 965	114 006



Average value based on current Lightstone value

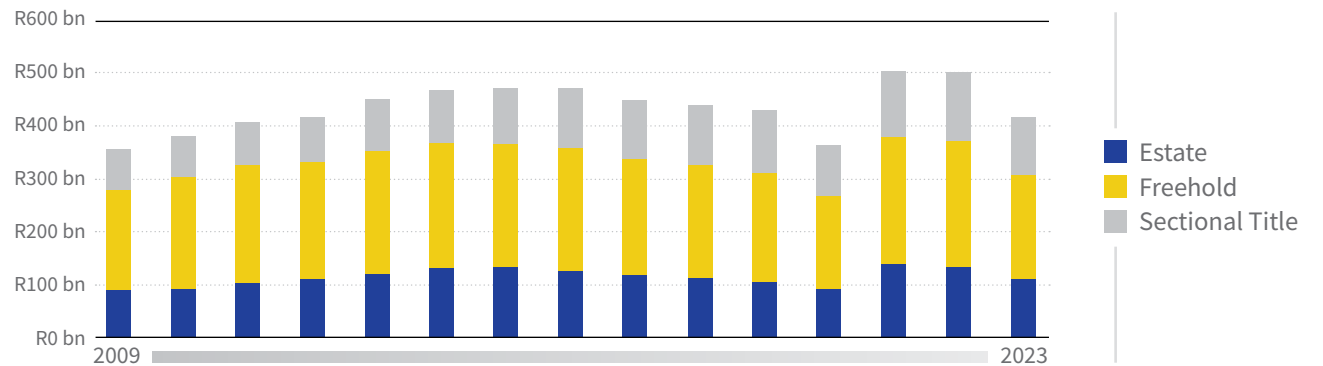
Year	Estate	Freehold	Sectional Title	Grand total
2009	R2 631 212	R919 822	R1 125 232	R1 158 386
2010	R2 794 558	R1 045 718	R1 208 760	R1 277 096
2011	R2 741 370	R994 619	R1 180 835	R1 231 452
2012	R2 649 255	R1 108 058	R1 198 789	R1 334 747
2013	R2 706 593	R1 146 297	R1 211 895	R1 374 497
2014	R2 801 168	R1 166 076	R1 197 347	R1 406 130
2015	R2 686 164	R1 202 811	R1 204 814	R1 428 785
2016	R2 779 638	R1 093 522	R1 242 338	R1 358 150
2017	R2 626 030	R1 063 714	R1 299 880	R1 336 878
2018	R2 623 465	R1 027 520	R1 326 469	R1 309 538
2019	R2 498 371	R1 066 414	R1 312 013	R1 323 972
2020	R2 488 878	R1 124 269	R1 273 459	R1 355 016
2021	R2 694 634	R1 281 864	R1 235 516	R1 482 848
2022	R2 622 589	R1 258 178	R1 224 675	R1 450 877
2023	R2 676 900	R1 257 217	R1 315 033	R1 486 912
(as of June 2024)	R2 625 578	R1 303 357	R1 102 068	R1 430 662



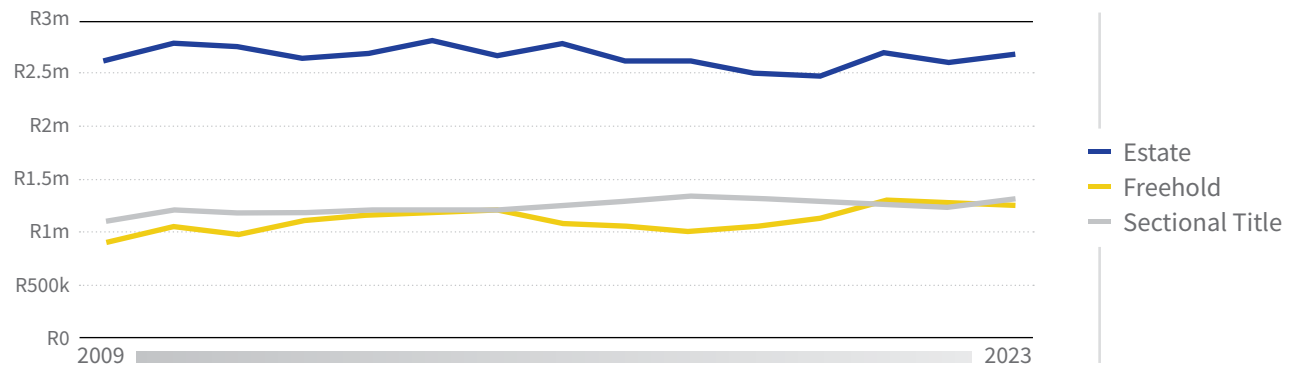
Just as preferences are shifting, the graphs below (Sales at current value 2009-2023 and Average current Lightstone value of sales 2009-2023) demonstrates the average value of homes in Estates, adjusted to current Lightstone values, was well above the average for Sectional Title and Freehold.

This suggests Estates, with their focus on community lifestyle and tight security, have appealed in increasing numbers to buyers in the higher property bands.

Sales at current value 2009-2023



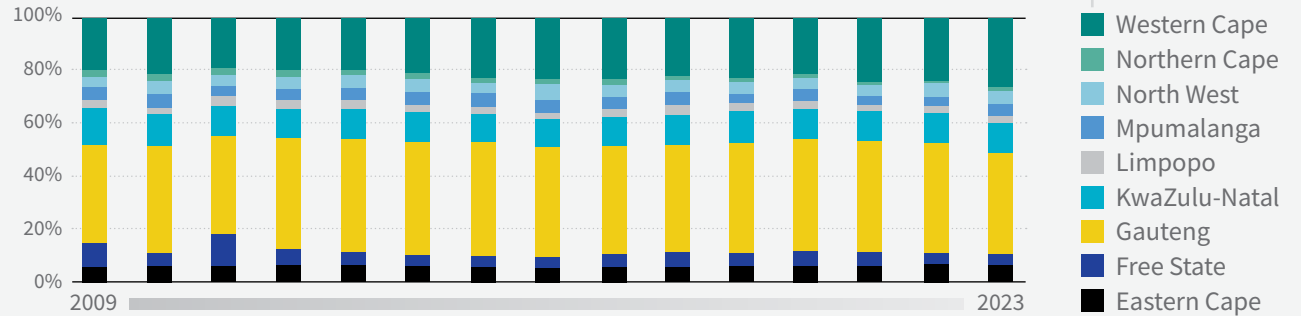
Average current Lightstone value of sales 2009-2023



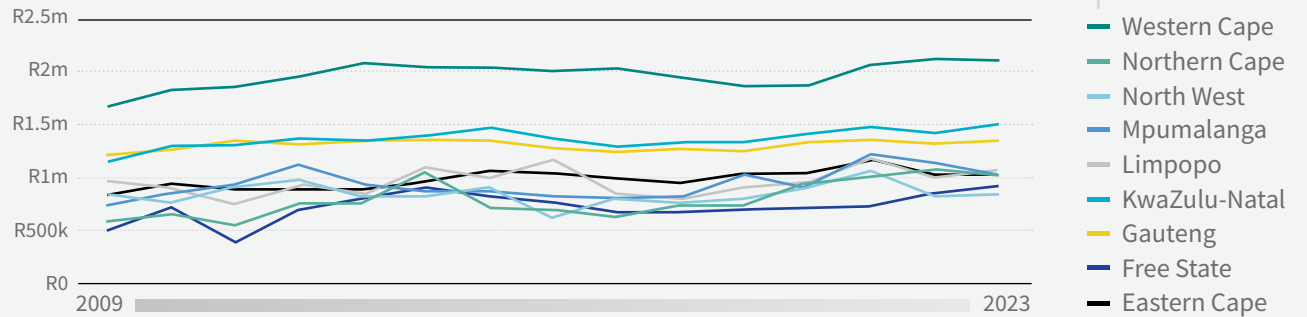
Western Cape tops the provincial list for value, Gauteng for volume

The Western Cape comes out top in terms of value at current Lightstone levels, but Gauteng remains the centre of most activity, although sales in the Western Cape have risen from 19% of the total in 2009 to 26% in 2023.

% Volume of sales by province 2009-2023



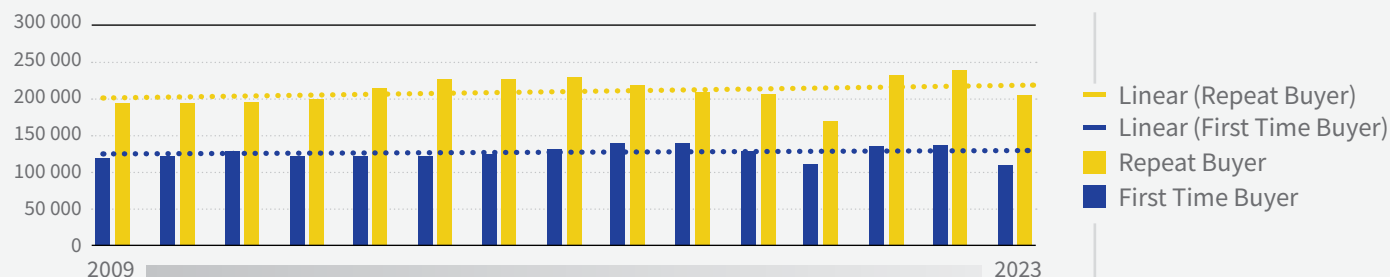
Provincial average values based on Lightstone's current value



Where have first-time buyers gone?

The flat market is evident too when looking at First Time Buyers (FTBs) and Repeat Buyers (RBs) over the 15 years. There were less FTBs in 2023 than there were in 2009, disappointing given the anticipated growth in the post-apartheid era and the country's growing population. The best years for FTBs were 2017 and 2018, with the worst year being the 110 799 FTBs in 2023, less even than the 112 083 in 2020.

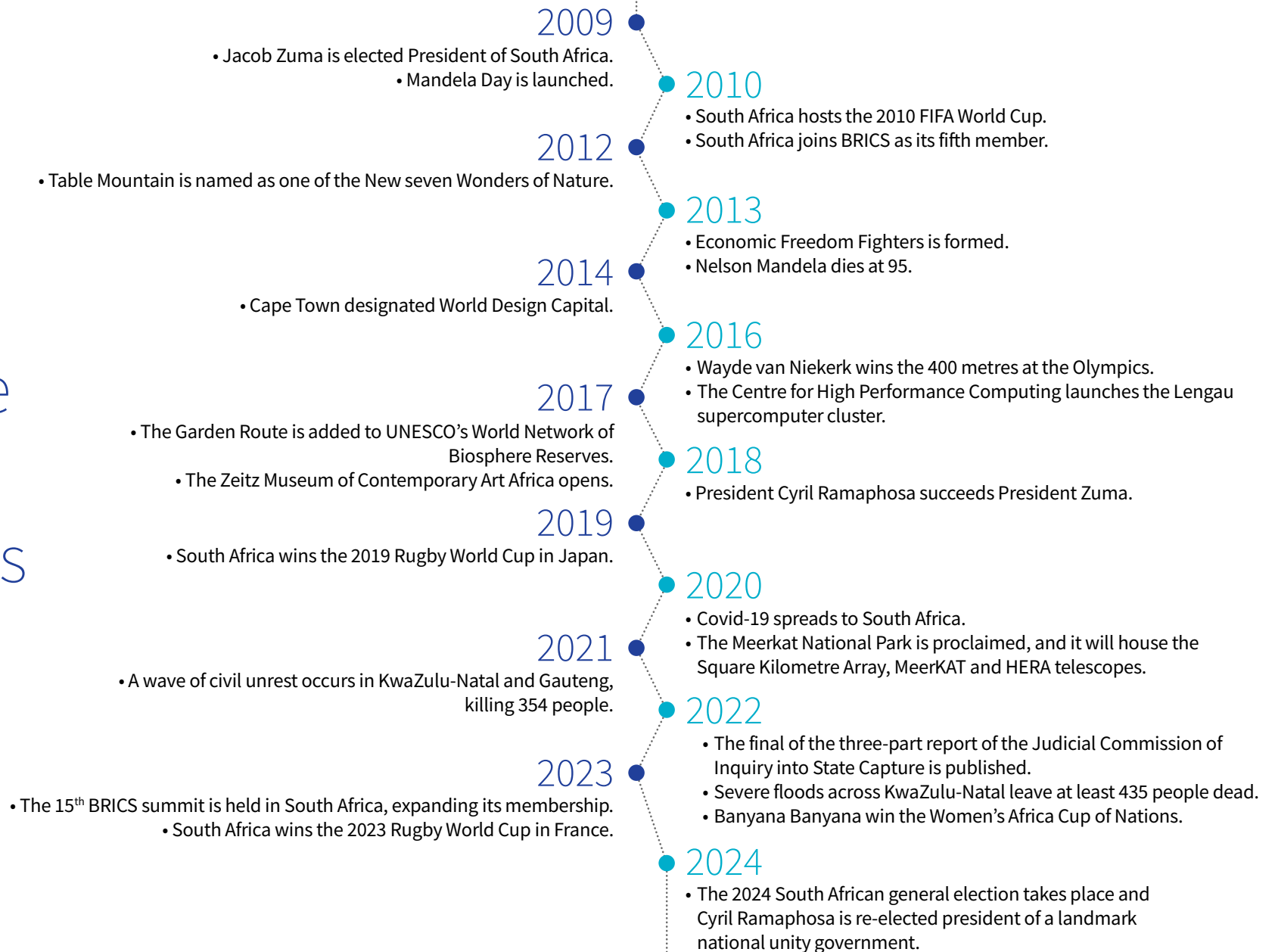
Volume of First Time Buyers vs Repeat Buyers



Repeat Buyers increased from 193 176 in 2009 to a high of 239 108 in 2022 (other than the Covid-induced low of 170 851 in 2020), but the number fell to 204 864 in 2023, 11k up on 2009 but still lagging hopes if not expectations.

Registration Year	First Time Buyer	Repeat Buyer
2009	120 724	193 176
2010	121 884	193 198
2011	128 835	196 604
2012	122 515	199 954
2013	121 720	214 707
2014	122 229	227 260
2015	125 680	226 772
2016	131 701	228 694
2017	139 342	218 597
2018	139 306	210 104
2019	129 388	205 923
2020	112 083	170 851
2021	136 116	231 170
2022	136 953	239 108
2023	110 799	204 864
2024	24 278	44 082

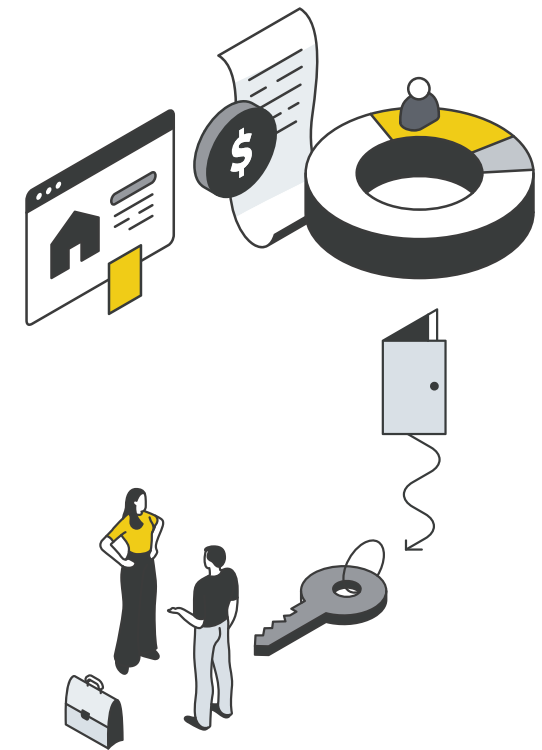
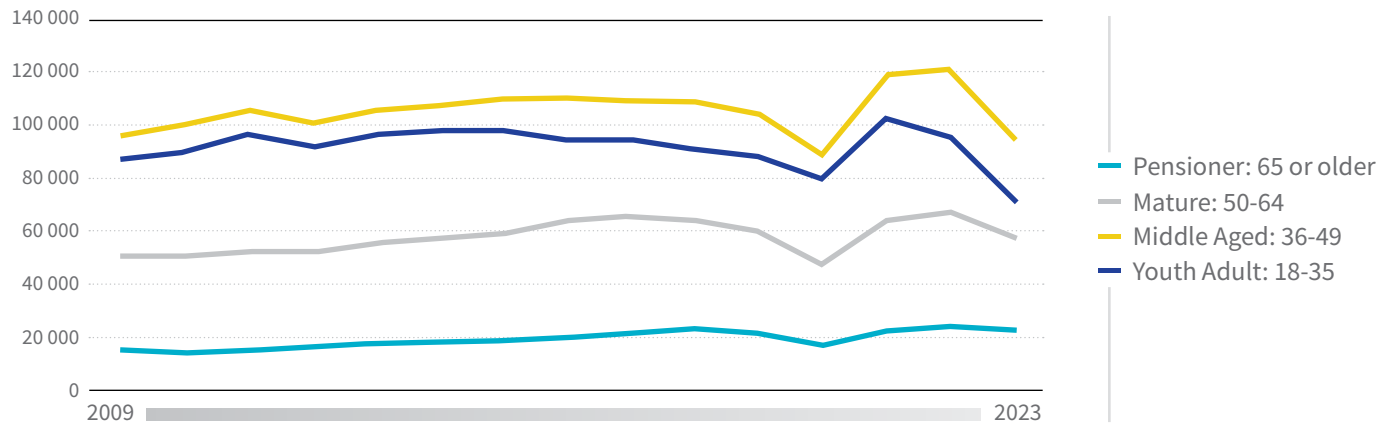
Key events which have influenced Lightstone's world



The young aren't buying while the elderly are

Buyers under 49 fell away fairly significantly in 2023 from 2022, with a slight drop off in buyers between 50-64 and marginal change in those 65 or older. The declines follow a jump post-Covid, but in fact are mirroring declines for all age groups which began in 2017.

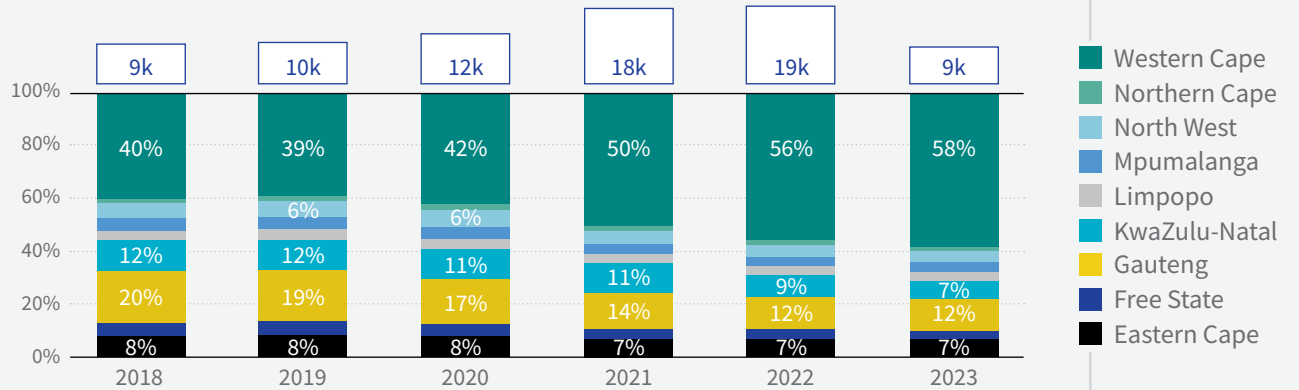
Age of buyers / volume / year



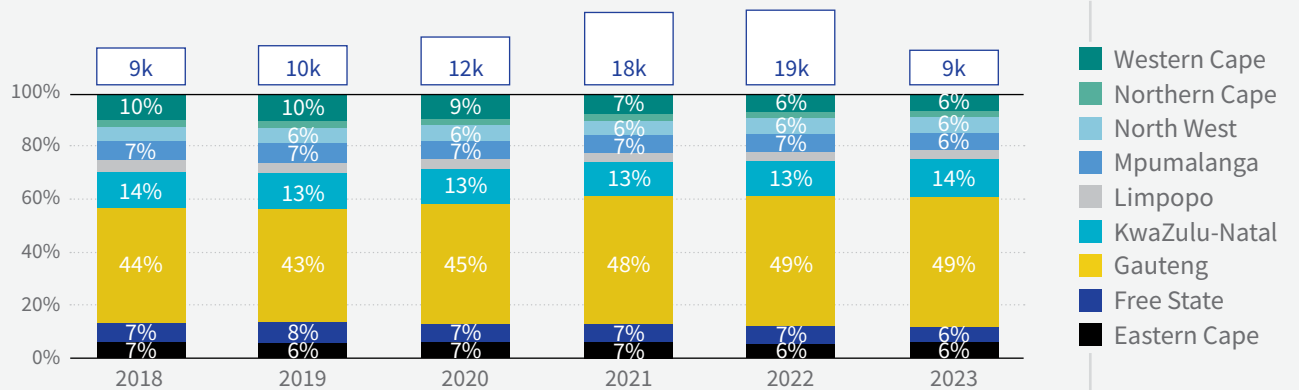
Western Cape tops semigration choice

South Africans have been on the move, relocating in increased numbers both during Covid in 2020 and the two years that followed, with the Western Cape and Limpopo the provinces of choice – although as the second graph shows, outflows from Limpopo matched inflows. Most of those moving to the Western Cape appear to be coming from Gauteng and KwaZulu-Natal.

Semigration Trend
Province moving to



Semigration Trend
Province moving from



Our reports make sense of data

Lightstone's Property Toolkit has become one of the most popular sources of information for Estate Agents and others who want to keep their finger on the residential market pulse. It's a centralised hub for property reports and a wide range of residential property information and data, and reports are tailored to meet specific needs.

Pam Golding Properties was one of the first to sign up for the early version of the Property Toolkit, and over 15 years that number has grown to just under 30 000! Toolkit V1 went live in 2008, and the modernised Toolkit V2 debuted in 2021. The number of reports has grown exponentially, too, meeting ever growing needs for tailored, focused information. Some of the more popular reports include:

Report name	Benefits and features
Suburb Report	Provides information on the number of Freehold and Sectional Title properties, sales and lending activity, and a list of amenities (like schools, police stations and shopping centres) within, or close to, a suburb. It also includes demographic information like the average age of homeowners in the area.
Residential Transfers Report	Assists property buyers or sellers with transfer information for a specific geographic location to use in their analysis in determining fair market value for a property. Includes detailed and up to date records of property transfers and bond registrations for a street, suburb or area.
Surveyor General Diagram	Data is pulled directly from the Surveyor General Office and gives the footprint of a property boundary, allowing insight into servitudes that are linked to a property. It also assists in validating the size of a property.
Sectional Scheme Report	Provides a comprehensive view of the location and age of a complex and includes the number of units according to the property type, the 10 most recent sales in a complex and can rank the complex against others in the area. It also provides the demographic profile of the owners, property sales and lending activity. Useful for property buyers wanting to get an overview of a sectional scheme that they are wanting to invest in.
Estate Report	Provides a map of the area, the boundaries of the Estate, the number of Freehold and Sectional title properties, the size of properties, all transactions that have taken place in the Estate and a list of all the current owners in the Estate. Useful for potential buyers and investors wanting to get an overview of an Estate that they are wanting to invest in and for property professionals, body corporates and homeowner associations who want a list of all the owners and transactions that have taken place in the Estate.

Report name	Benefits and features
Owners In Sectional Scheme Report	Gives a map view of the location of the Sectional Scheme, age of the Scheme and includes the number of units, when they were purchased and registered, the purchase price, a summary of the size of each of the properties and a list of all the current owners in the Estate. Useful for property buyers and investors who want to get an overview of a Sectional Scheme that they are wanting to invest in and for property professionals, body corporates and homeowner associations who want a list of all the owners and transactions that have taken place in the Sectional Scheme.
Property Report	Includes legal descriptions, ownership history, size, location, 20 most recent sales, amenities as well as a history of transfers in the area. The 20 most recent sales offer users the ability to select comparable properties that have sold in the surrounding area and use these values as a guide in determining fair market value for their property. Essential for Estate Agents, banking and finance professionals, property buyers and sellers or anyone wanting to better understand the value and history of a particular property.
Town Report	Shows the number of Freehold and Sectional Title properties of the town you are looking at, the sales and lending activity within the town, sales in execution summary, a list of amenities in the town and a comprehensive overview of the actual boundaries of suburbs that make up a town – as well as a map of the area. Useful for property buyers wanting to get an overview of a town that they are wanting to purchase a property in.
EZScore	Makes it possible to rate an individual's credit risk by getting a summary view of their credit risk rating. The data provided is obtained from and maintained by a third-party data supplier and accessing the report does not impact the person's credit score. Useful for Estate Agents wanting to determine whether a potential buyer is likely to qualify for bank finance and for landlords and Letting Agents needing to evaluate the credit risk of potential tenants.
Live Deeds Search (Property) Live Deeds Search (Person)	Drawn directly from the Deeds Office of South Africa reflecting the updated information as they record it on their database. Searches can be conducted using either owner details or property details. Title deed documents and Trust information can also be retrieved.
Owners In Street Report	Shows who owns which property in a street within a selected suburb as well as the last five transactions that occurred in the street. Sectional schemes and walled Estates are automatically excluded.
Complexes In Suburb Report	Provides up-to-date lists of all Sectional Schemes and Estates in a suburb.
Property Risk Report	Helps buyers understand the various risks a particular property is exposed to. This report unearths information on the size, value, credit risk, suburb demographics, owners and bond details, and provides relevant information on the surrounding areas closest to the property. The risk report further delves into the various crime, weather and land characteristics within the area.
Advanced Owners in Complex	Provides details on who owns which units or properties in a Sectional Scheme and includes maps, Sectional Scheme details, sale and transfer information and sizes of each unit. Useful for body corporate and homeowner associations that need access to owners and property information within their Sectional Scheme.
My Area Report	Provides a comprehensive overview of the boundaries of a predefined area, market stock (Freehold and Sectional Title) within the area, sales and lending activity. It also includes demographic information like average age of homeowners and period of ownership – assisting Estate Agents in fully understanding the areas they market in.

Report name	Benefits and features
Distressed Property Report	Provides an expected price based on different sales channels such as a normal sale, a distressed sale through an auction as well as an assisted sale. It also provides information on distressed sales for the last 24 months within the adjacent suburbs, as well as a view of possible areas to buy or rent in as opposed to the subject property.
DOTS Searches	The Deeds Office Tracking System (DOTS) is used by the Deeds Office to track the progress of documents through the registration process. This report provides insider access to track the progress of documents as it moves through the registration process at the Deeds Office. A search can be conducted using a document barcode, person or company details, or through property details.
EVM™ Report	The Estate Agent Valuation Model (EVM™) provides a price counselling tool for Estate Agents to help guide sellers and buyers to the right market value of a property.
Town Report	Shows the number of Freehold and Sectional Title properties of a town, the sales and lending activity, sales in execution summary, a list of amenities and a comprehensive overview of the actual boundaries of suburbs that make up a town – as well as a map of the area. Useful for property buyers wanting to get an overview of a town that they are wanting to purchase a property in.
Property Value Seller Report	Designed to give property sellers information to make better selling decisions. Savvy Estate Agents use this report to price counsel potential sellers, get insights on market activity informed by recent sales in the area and estimates on the current property value. The same AI-powered data used to determine the value of the property in this report is also used by most leading banks to make lending decisions.
Property Value Buyer Report	Useful for Estate Agents to advise buyers and property investors on the potential future growth of the property and to assist your buyers in calculating if they can afford the property. Provides insights on potential return on investment informed by historical growth, suburb investment desirability, costs involved in purchasing the property and ongoing expected monthly costs. Along with intel on recent sales in in the area and property value estimates – these same estimates are also used by most leading banks to make lending decisions.
Seller Leads Report	Helps identify homeowners in the area Estate Agents operate and market in who may be looking to sell their property. The report lists properties in the area where owners may be likely to sell, including the owner's age, period of ownership, type of property and the average property value, size and age as well as an area risk score. Useful for Estate Agents wanting to target potential sellers in their area and Estate Agents with qualified buyers looking to buy in their area.

We've also added value in other ways, with tools to make Estate Agent's lives easier. They include the Mandatory Disclosure Form, KYC (Know Your Customer) - Identity Verification and the Canvassing Brochure.

Transforming the future of real estate with Lightstone

In Lightstone's first 15 years, as the leading independent provider of property data and insights, we've built comprehensive and detailed data on South Africa's property market, and we've launched products which help harness the power of the data to meet an evolving market's needs. So, what does tomorrow hold?

Artificial Intelligence (AI) will likely be more impactful than the invention of the internet over 40 years ago. Just like the internet, AI will be used for both good and evil, for creating more productive people or potentially distracting people from their purpose. We can help shape that future for the better.

Lightstone will continue to deploy AI that empowers the humans it was built for in the first place. Our mission is clear. We will build and deploy AI that provides superhuman capabilities to our clients without being overwhelming or disruptive. We'll continue to invest in systems and data science skills that create superhuman efficiency and intelligence for our clients, assisting them in solving real-world problems and unlocking new opportunities.

In the real estate industry, you might have already come across some of these innovations without realising it. Lightstone's AIVM, which most major banks use to assess whether the offer to purchase price is in line with an independent market value, innovatively deploys the same machine learning

algorithms used to predict rider demand in ride-hailing apps or teach cars to drive themselves, to predict the value of the vast majority of the 7.1 million residential homes in South Africa.

The same intelligence sits behind the Property Value Buyer and Property Value Seller reports, which are intelligently used by top-class Estate Agents for price counselling to ensure deals are more likely to be approved by the bank if financing is needed.

Users of the latest version of Toolkit would've also come across new products like the Seller Leads Report, which combines real-time activity data on our systems with a range of ancillary industry data sources to predict which homes in an area are more likely to come on the market soon. This is effectively used to secure mandates by Estate Agents with access to these unique insights. Users of Prop Data would have also noticed a new capability to create or enhance listing descriptions using generative AI when listing new properties.

As we move forward, we see a future full of possibility, where AI and other technologies like augmented reality will continue transforming our industry. Our commitment to responsible innovation ensures that our technologies empower individuals and businesses, fostering growth and creating new opportunities. We won't always get it right the first time, but together with our clients and partners, we will shape a brighter, more efficient, and sustainable future, harnessing the power of AI and other emerging technologies to unlock the full potential of human creativity and intelligence. Our commitment to excellence will drive us to set new standards in the industry, ensuring that our clients stay ahead of the competition in an ever-evolving market.

Lightstone is leading PropTech into the future.

Paul-Roux De Kock
Chief Analytics Officer



Building on the past 15 years

Both Lightstone and the real estate industry have evolved over the past 15 years, adapting to new realities by offering increasingly sophisticated products and solutions. We have been relentless in our pursuit to deliver data and insights in ways that enhance the real estate industry, and provide more value for Property Practitioners to offer buyers and sellers of homes.

We look forward to Lightstone's continued partnership with Property Practitioners building on the achievements of the past 15 years. We understand the importance of great service, and we are currently assessing all our products to ensure they remain relevant and make it easier for Property Practitioners to grow and manage their real estate businesses. We look forward to launching new products in the near future to bring sharper focus to Listings, Mandates and Prospecting, all essential day to day tools for Property Practitioners.

Lightstone has been harnessing AI capabilities within our Automated Valuation Models for some years and through this capability we have improved and enhanced our models, ensuring that we continue to provide the most accurate, reliable and comprehensive property data solutions in the market.

While information is in a sense widely available to all, mining it to extract its value and using it to build products that add value is less ubiquitous. It is in this space that Lightstone will continue making a difference in the future.

Thank you for all your support over the 15 years of our service to you, and we look forward to many more together.

Hayley Ivins-Downes
Managing Executive Real Estate



Our commitment to innovation and excellence

As a long-standing trusted partner to the real estate industry, Lightstone will continue to enhance our offerings through innovative technology and comprehensive data solutions. We aim to harness the power of artificial intelligence and machine learning to provide unparalleled insights, enabling our clients to make data-driven decisions with confidence.

By continuously enhancing our data accuracy and expanding our analytical capabilities, we will offer predictive analytics, real-time property data, and personalised solutions tailored to the unique needs of each client.

Our commitment to excellence and innovation will drive us to set new standards in the industry, ensuring that our clients stay ahead of the competition in an ever-evolving market.

Sara Winstone
Managing Director



Thank you for #15YearsStrong

Lightstone Real Estate has proudly valued its partnership with Property Practitioner clients for the past 15 years. We remain committed to empowering and informing this critical sector, ensuring the significant value Property Practitioners contribute to the economy and industry is recognised. We extend our heartfelt gratitude for your support over these 15 years and eagerly anticipate many more successful years together.

Esteani Marx
Head of Real Estate

