

The next second home hotspots for the super-rich

South Africa Spotlight

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Based on our research, we expect the following four towns to be the next hotspots for wealthy South Africans.

Zinkwazi

Zinkwazi, sometimes pronounced Nkwazi, is a small beach town on the north coast of KwaZulu-Natal. It has benefited from the construction of King Shaka International Airport in nearby La Mercy. Zinkwazi is emerging as a second home hotspot for Johannesburg millionaires.

Greyton

Greyton is a small town in the Overberg area of the Western Cape. The layout of the village was designed and set out by J Rietz, a senior surveyor at the time, and remains essentially the same with only a few changes and additions through the years. Greyton is emerging as a second home hotspot for Cape Town millionaires.

Tulbagh

Located next to Ceres, Tulbagh is one of the most picturesque valleys in the Western Cape. The basin is fringed on three sides by mountains, and is drained by the Klein Berg River and its tributaries. Tulbagh is emerging as a second home hotspot for Cape Town millionaires.

Keurbooms

Located on the south coast of South Africa, Keurbooms is becoming more and more popular among wealthy second home owners from SA and abroad. The town offers residents more privacy than nearby Plettenberg Bay.

Current hotspots for the super-rich

Currently, the top second home hotspot for super-rich in South Africa is Plettenberg Bay ("Plett") with just over 260 multi-millionaires with second homes there. Plett also boasts over 120 homes valued at R20 million or more, the highest of any town in SA with the exception of Johannesburg and Cape Town (source: New World Wealth).

Other major second homes hotspots for super-rich in SA include: Umhlanga, La Lucia, Knysna, Stellenbosch, Franschoek, Hermanus, Zimbali (Ballito), Fancourt (George), Pezula (Knysna) and Wilderness.

Most of the homeowners in Plettenberg Bay are from Johannesburg and Cape Town. Top spots for the super-rich within Plett include: Beachyhead Drive, Solar Beach, Whalerock Ridge Estate and certain parts of old Plett (such as the bottom of Salmack Rd).

South Africa: Second home hotspots for the super-rich (towns), 2014

Town/Suburb	Area	No. of multi-millionaires with second homes
Plettenberg Bay	Garden Route	260
Umhlanga & La Lucia	Natal	250
Knysna*	Garden Route	230
Stellenbosch	Western Cape	170
Franschoek	Western Cape	70
Wilderness	Garden Route	60
Hermanus	Garden Route	30

Note: Rounded to nearest 10. Includes both local and foreign buyers. Excludes major cities such as Cape Town.

**Knysna includes Pezula and Simola.*

Source: NW-Wealth.com

South Africa: Second home hotspots for the super-rich (estates), 2014

Estates	Area	No. of multi-millionaires with second homes
Fancourt	Garden Route	80
Zimbali	Natal	70
Pezula (golf & pvt)	Garden Route	60
Pearl Valley	Western Cape	30
Steenberg	Western Cape	30
Arabella	Garden Route	20
Erinvale	Western Cape	20
Pinnacle Point	Garden Route	20
De Zalze	Western Cape	10
Simola	Garden Route	10
Whalerock Ridge	Garden Route	10
Val die Vie	Western Cape	10
Mount Edgecombe	Natal	10
Simbithi	Western Cape	5 to 10
Atlantic Beach	Western Cape	5 to 10
Stonehurst Mountain Estate	Western Cape	5 to 10
Thesen Island	Garden Route	5 to 10

Note: Rounded to nearest 10. Includes both local and foreign buyers.

Source: NW-Wealth.com

Future trends for second homes in SA

According to Lisa Bathurst, Director of Cape Town based property company Hurst & Wills: “Second homes are becoming increasingly popular, both amongst local and foreign buyers. Many South Africans have always had ‘family homes’ in holiday resorts and estates that are used by multiple family members or for Christmas getaways. However, the trend now is to have multiple homes covering an array of lifestyle preferences. For example, those living in Cape Town, often opt for a wilderness bush retreat or second home in the Winelands, to escape the wet Cape Town winter. Also road and air travel is more viable than ever making more use of second homes and therefore justifying their cost.”

“For many, the investment potential is a major draw. With holiday home rentals becoming more popular and an annual increase of overseas visitors, many of these second homes can provide a tidy income, when not being used by their owners. Alternatively, I've seen many clients opting to rent out their main residence over peak holiday season, and that is made much more viable when they have their ‘second’ home to go to.”

Notes & definitions:

- “Multi-millionaires” or the “super-rich” refer to individuals with net assets of US\$10 million (R120 million) or more.
- “Net assets” or “wealth” is defined as the net value of assets (assets less liabilities). It includes financial holdings, business interests and tangible assets. The only major asset we exclude from our valuation is primary residences.

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New World Wealth is based in Johannesburg, South Africa.

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