

Major semigration shift hitting South Africa



Although the Western Cape is often seen as the new semigration hotspot, it is starting to lose its shine as Gauteng benefits from an end to work-from-home.

Due to its better governance, growing job opportunities and beautiful scenery, the Western Cape has seen an influx of South Africans in recent years.

This was due to the explosion of work-from-home jobs during the Covid-19 pandemic, where workers had greater flexibility in where they could live to do their jobs.

The popularity of the Western Cape can be seen in the latest Wise Move Report, which noted that the province was the largest winner in inter-provincial migration.

32.4% of all inter-provincial moves headed to the Western Cape, while it only contributed 15.1% to the nation's total out-migration to a different province.

Gauteng is still the largest province for inter-provincial migration, accounting for 60.3% of all intra-provincial moves. However, this is a net negative, with more people leaving the province.

"This high turnover reflects the province's dense population, dynamic job market, and fast-paced urban development," said the report.

As expected, there is a constant flow of people between Gauteng and the Western Cape, with people moving from Johannesburg and Pretoria to the Western Cape accounting for 48% of all inter-provincial moves.

“This trend highlights the magnetic pull of the Western Cape’s coastal lifestyle, economic opportunities, and quality of life.”

Although Wise Move’s report didn’t look at tenants specifically, recent semigration patterns have been reflected in PayProp’s rental market statistics.

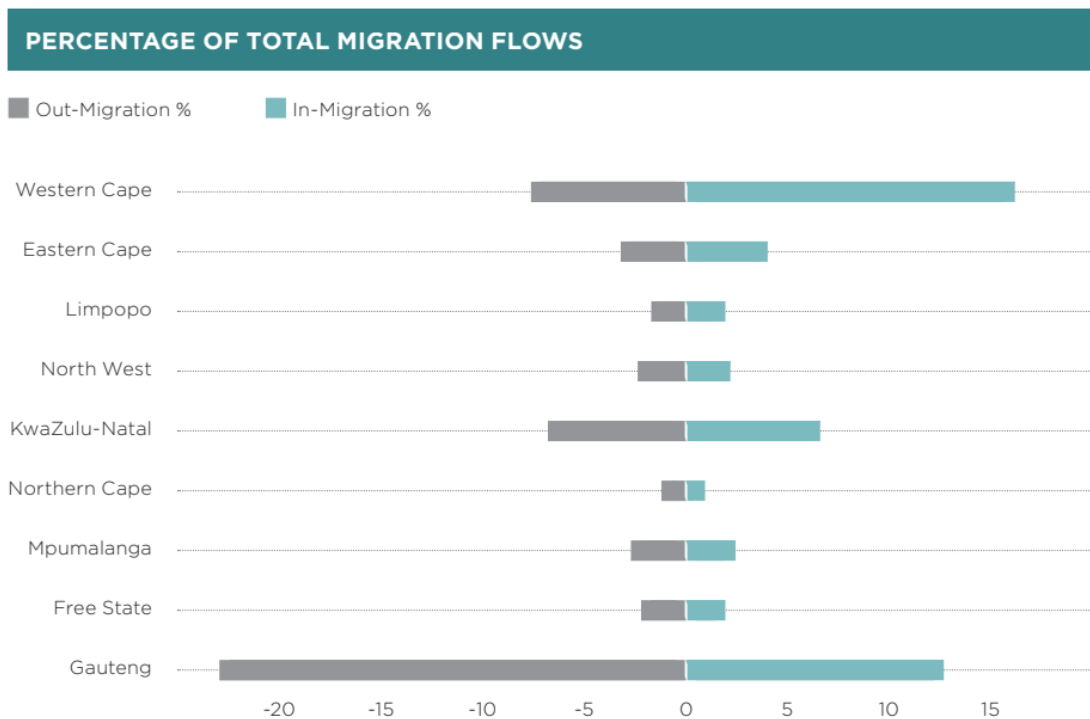
The Western Cape had the fastest rental growth in South Africa in the first two quarters of 2024 and experienced double-digit rental growth in Q4 despite already having the highest rents in the country.

Gauteng experienced below-average growth in every quarter of 2024. However, Payprop noted that internal migration statistics do not account for this change in rental rates.

For instance, Limpopo’s incoming and outgoing migration balanced each other out over the same period, but rental growth in the province boomed in 2024.

“Whatever additional factors affect local supply, demand and pricing, it remains to be seen if the same migration trends will continue in 2025,” it said.

“Meanwhile, rental growth in the **Western Cape slowed from 10.1% in Q4 2024 to 9.6% in Q1 2025**, and preliminary PayProp Rental Index figures for Q2 show it has fallen further.”



Source: Wise Move

Reverse semigration

While the Western Cape is starting to lose its shine in South Africa, Gauteng could begin to see growth as more are drawn to the area.

Keke Khojane, GCS Head of Office for Galetti Corporate Real Estate, said that employment remains the key driver of the relocation to Gauteng.

The latest Quarterly Labour Force Survey from Stats SA showed that Gauteng had the most significant increase in employment, adding 95,000 jobs.

Although the Western Cape has the lowest official unemployment rate at 21.1%, it saw the largest job loss at 117,000.

Khojane said that return-to-office mandates and hybrid models are leading to a recovery in office and commercial markets in Gauteng.

“Prominent employers such as Vodacom, Nedbank and Arena Holdings have already formalised the five-day return-to-office after revising their remote working policies,” she said.

Although work-from-home is unlikely to disappear entirely, the trend has gradually diminished as remote work positions start drying up, which should see Gauteng remain the primary destination for workers.