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Farmland Price Trends in South Africa, 1994-2003

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Farmland Price Trends in South Africa, 1994-2003

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1 Introduction

The purpose of this document is to provide DLA staff with information about market activity in the land market. By 'market activity,' we mean most of all average prices, numbers of transactions, and amount of land transacted. The document reports summary statistics related to recent sales, based on data recorded by the Deeds Offices around the country.¹ *It must be stressed from the outset that, for purposes of evaluating or assessing the value of a particular property, the figures in this document are not a substitute for on-site investigation, consultation with knowledgeable local sources, or a professional valuation.*

The document covers the period 1994 to 2003, but it must be noted that the data for the first and last years are incomplete. This owes to the fact that the land market trends have here been organised according to the year in which the purchase agreement was struck between the seller and the buyer, which is not necessarily the same as the year in which the transaction was registered with Deeds. Many of the transactions that were agreed upon in 2003, were not yet registered as of January 2004, which is the last month for which data on registered transactions were available for this analysis. (See Appendix for details.)

It must also be noted that 'farmland' is here taken to mean land historically designated as such in the cadastre and in the deeds registry. This is not to say that all such land is in fact farmland: some of it is rural but not actively farmed,² and a small amount is in fact urban.³ However, generally we will speak of 'farmland' and 'rural property' interchangeably, and assume that anomalies such as urban 'farms' are minimal. Also, smallholdings were not included. Smallholdings account for a large number of what might be called rural transactions, but collectively they make up a very small area and in general are not actual farms, nor are they typically suitable for land reform purposes.

Following this Introduction, the document has three main sections. First, in Section 2, we present a national overview of farmland price trends, with particular emphasis on showing how trends in the price of farmland has compared to consumer prices generally. Then, in Section 3, we present a brief comparison of provincial prices and other land market trends, noting significant differences between provinces in terms of land price inflation as well as in market activity. Section 4 presents the details per province. Finally, the Appendix consists of technical notes which explain how the data were manipulated and cleaned in order to arrive at the summary statistics presented in the document.

The authors gratefully acknowledge the support of the Directorate: Public Land Support Services.

¹ Transactions that are clearly not market transactions (e.g. estate transfers and expropriations) are therefore excluded.

² A 1999 DLA report estimated that, by area, approximately 11% of South Africa's rural land in former 'white' South Africa is taken up by non-farming land uses, and that this 11% comprises almost half of the rural area by value. (DLA, 'Background Paper on the Rural Property Tax Issue'.)

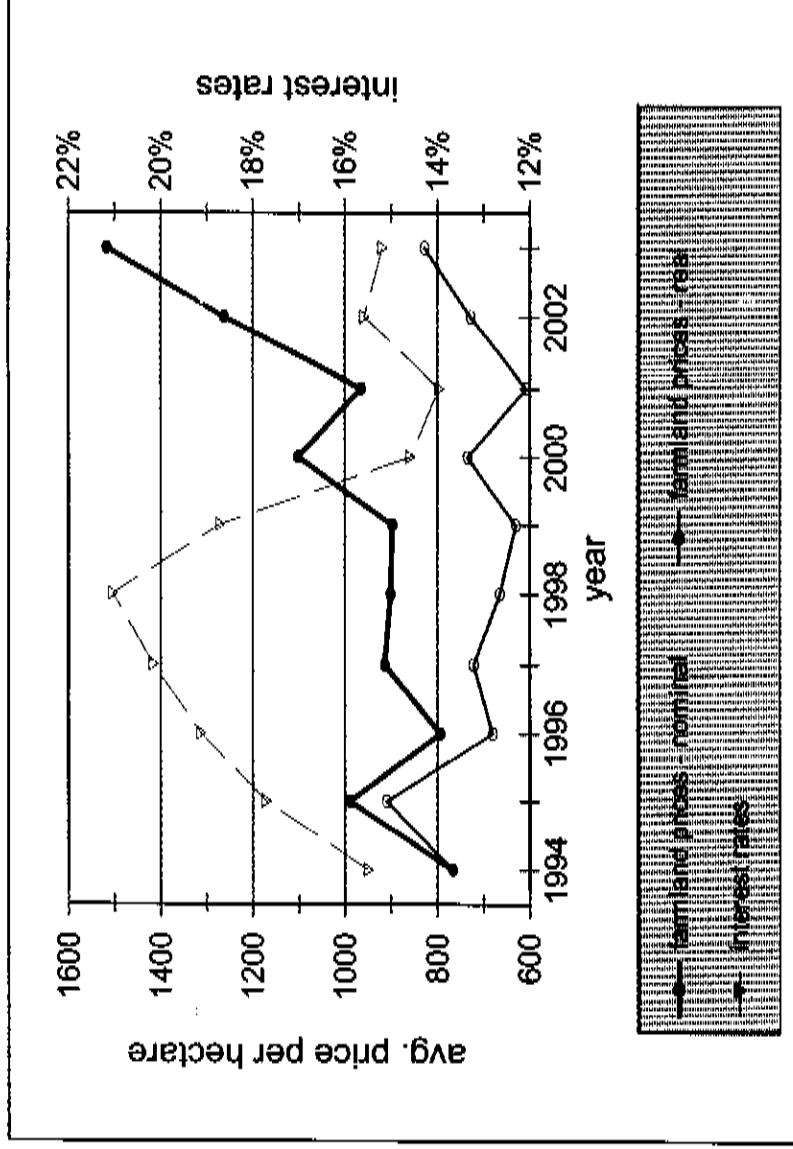
³ An example is the site of Miningtek, a division of CSIR, in Auckland Park, Johannesburg.

2 National Overview

Figure 1 below summarises the story of farmland prices in South Africa over the past 10 years: As shown by the thick, solid line, between 1994 and 1999 land prices were more or less stagnant, but since 1999 there has been a steep rise in the average price per hectare, to the extent that land prices have doubled since their 1994 average. While there are likely many factors that account for this recent increase, a key influence is certainly the interest rate, represented below by the prime rate, designated by the broken line. The upsurge in land prices roughly coincides with the downturn in interest rates.⁴ Put simply, the lower cost of borrowing fuels land acquisition, putting upward pressure on land prices.

However, the extent of the upward trend in land prices should not be exaggerated. The inflation-adjusted land price trend is shown by the fainter solid line. According to this trend, average land prices in 2003 have only recently recovered to their 1994 level, that is to say, taking into account the changing buying power of the Rand. From 1999 to 2003, there has indeed been a real increase in land prices, but it is not dramatically greater than that of consumer prices in general.⁵

Figure 1: National trends in nominal and real farmland prices



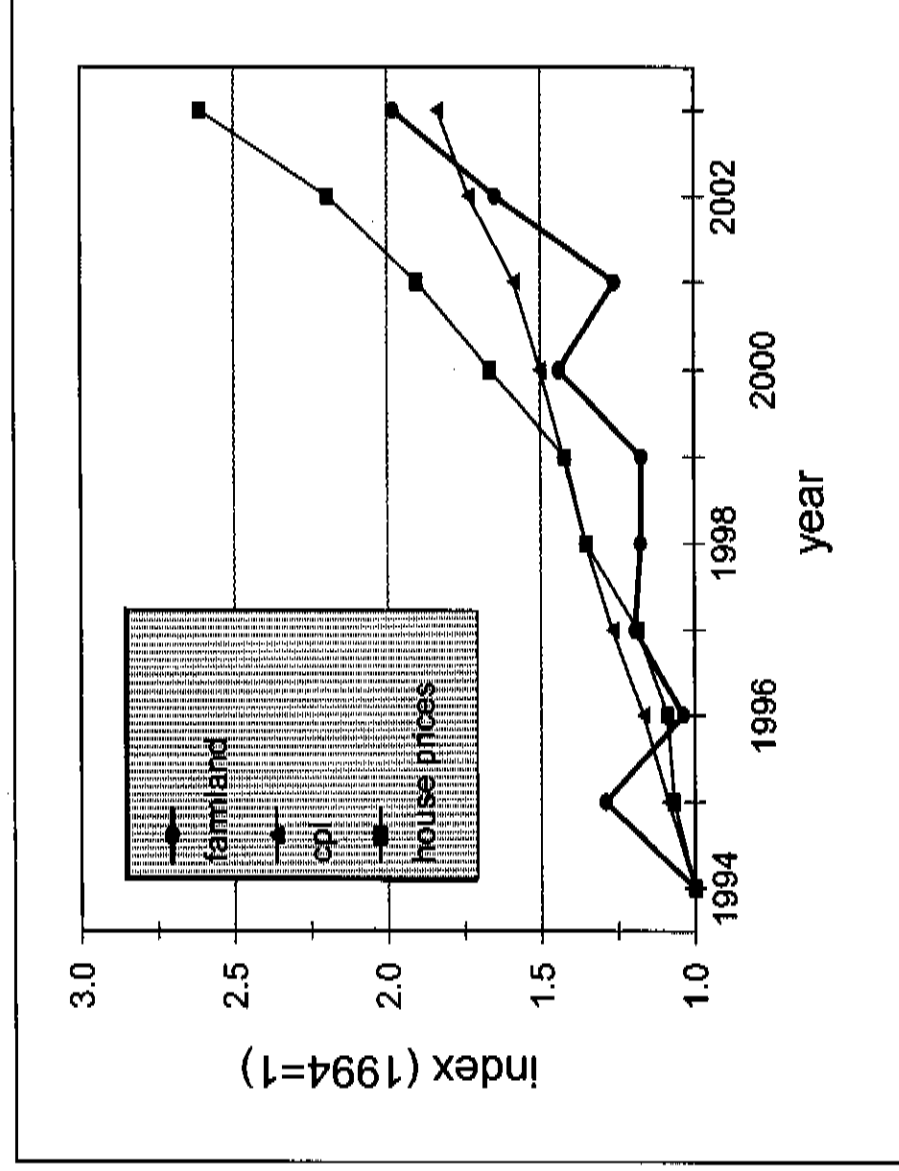
⁴ Arguably, it is not the interest rate as such so much as the real interest rate; however, the real interest followed very much the same pattern for 1994-2003.

⁵ As implied, the consumer price index (CPI) was used here to adjust for inflation. This is arbitrary – other measures of inflation could have been used instead. The CPIX – which is similar to the CPI but which excludes interest paid on mortgages – is sometimes preferred, however Stats SA does not report the CPIX for years prior to 1997. In general the CPIX has risen faster than the CPI, thus if it had been used, the inflation-adjusted trend for 1999-2003 would have appeared even flatter.

Figure 2 shows the same trend of (nominal) farmland prices, but converted to an index where 1994 = 1, and in conjunction with indices for the CPI and for house prices.⁶ Relative to the trend in the CPI, farmland prices increased more slowly up to 1999, and more quickly thereafter. Overall, the trend is not very different, except that if the trajectory that seems evident from the last three points were to carry on, then clearly farmland prices would quickly surpass the long-term trend in inflation.⁷

More interesting is the trend in rural property prices relative to that of house prices. Overall, one could say that the trend in rural property prices is very similar to that of house prices, supporting the interpretation that trends in rural property prices are driven primarily by the same factors that influence the property market generally, not least interest rates.

Figure 2: National trends in nominal and real rural property prices



It is well known that that property size matters greatly for per hectare prices, with smaller properties tending to have higher per hectare prices than large properties.⁸ This is shown in Table 1, as is the average annual (nominal) price trends between 1999 and 2003.

⁶ The house price index was calculated based on data drawn from ABSA publications, i.e. Quarterly Housing Review (1997) and 'Residential Property Market' (2002 and 2004). ABSA's data are derived from its own mortgage lending activities.

⁷ However, this is unlikely, given the slowing of property price growth generally evident since 2004.

⁸ There are a number of reasons typically given why smaller properties tend to have higher market values per hectare: the value of developments, e.g. houses, contributes more to the overall value of the property, and thus the price per hectare, the smaller the property; smaller rural properties tend to be closer to large towns or cities, which gives them a marketing advantage, or makes some of them desirable as homes; smaller properties further from towns and cities are often second homes or held for recreational purposes, meaning that their market value is not related to their agricultural potential; and because there is a larger market for smaller properties, their price tends to be bid up.

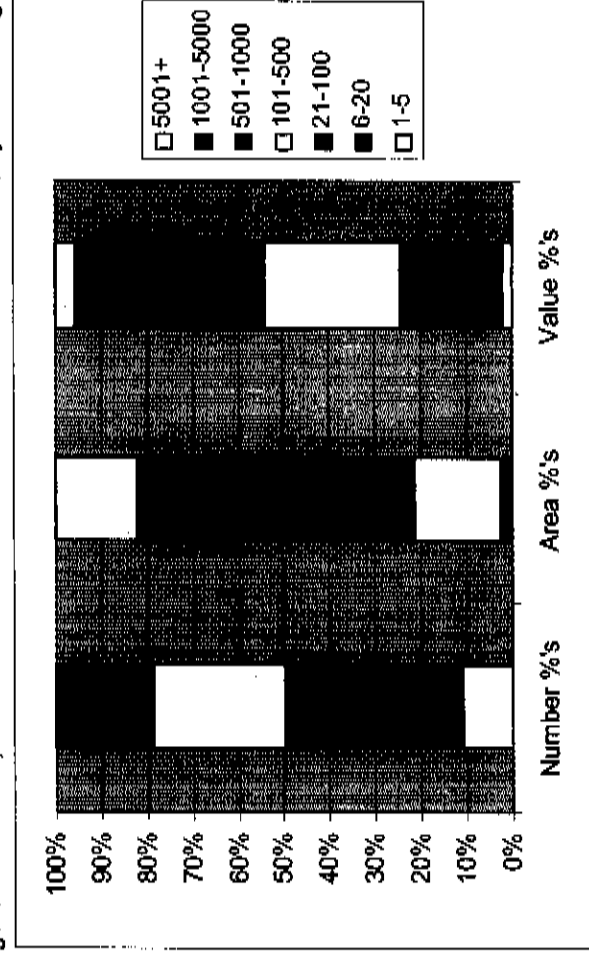
Table 1: Average price per hectare by size category and by year, current Rand

Size category (hectares)	1994	1995	1996	1997	1998	1999..	2000	2001	2002	2003	Avg. annual increase, 1999-2003
1-5	20 455	24 953	27 324	28 836	27 448	29 071	32 740	37 124	40 941	45 596	11.9%
6-20	13 562	15 212	16 331	17 901	17 766	17 292	19 045	20 283	22 443	27 437	12.2%
21-100	4 727	5 743	5 911	6 764	5 781	6 328	6 533	7 338	7 917	9 492	10.7%
101-500	1 167	1 368	1 457	1 555	1 566	1 686	1 734	1 716	2 004	2 180	6.6%
501-1000	663	710	821	875	838	946	982	1 042	1 207	1 474	11.7%
1001-5000	300	360	411	402	448	498	488	524	709	823	13.4%
5001+	471	1 103	121	386	260	151	900	166	302	466	32.5%
All	766	989	793	914	901	898	1 103	965	1 262	1 517	14.0%

The difference in price increases between size categories is perhaps surprising, from a low of 6.6% per year for farms in the 101-500 hectare range, to 32.5% per year for farms in excess of 5000 hectares.⁹ Fortunately from the perspective of land reform, as will be shown below the 101-500 hectare range accounted for almost 30% of all of the rural land transacted between 1999 and 2003.

Figure 3 shows in three different ways the proportion of transactions that took place in 2002 accounted for by properties of different sizes. The figure provides an important perspective on the challenge of meeting the target of redistributing and restoring 30% target of the land. Put simply, a high proportion of rural properties that change hands are small, such that collectively they account for a small share of the total land area transacted. In other words, achieving the 30% target means almost necessarily engaging in a huge number of distinct transactions, unless there is a specific attempt to target large properties (which is unlikely and generally not feasible). So while almost 80% of rural properties that change hands were 500 hectares or smaller, these properties constituted only about 22% of all transacted land by area. Moreover, properties that might be especially suitable for single-family LRAD projects are those less than 100 hectares in size. It is clear from the figure that these properties account for about half of all transactions, while comprising less than 4% of all hectares changing hands.

Figure 3: Number, area and value shares of transactions in 2002, by size category



⁹ The volatility of land prices for the largest size category owes in part to the fact that there are relatively few transactions in this size category.

3 Provincial Comparisons

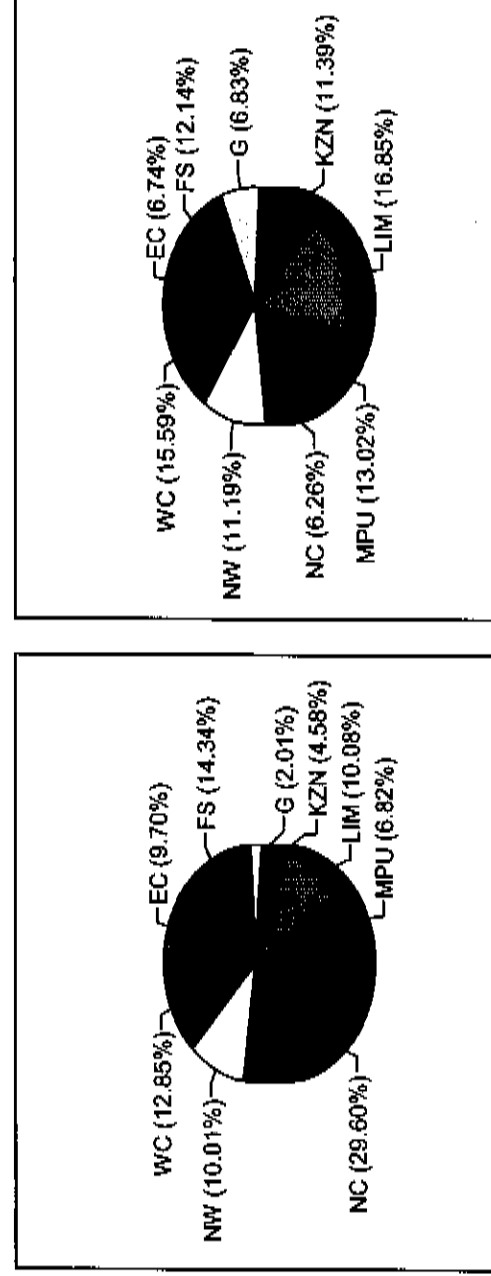
Not surprisingly, farm prices differ widely between provinces, as do farm price trends over time. Table 2 shows the average price per hectare for each province for 1994 to 2003. Relative to the national average annual price increase for 1999 to 2003 of 14.0%, Eastern Cape and North West saw above-average price increases, whereas the other seven provinces were below average. The real outliers are Gauteng and KwaZulu-Natal, which, perhaps surprisingly, experienced average annual price increases well below the average.¹⁰

Table 2: Average price per hectare by province and by year, current Rand

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Avg. annual increase, 1999-2003
RSA	766	989	793	914	901	898	1 103	965	1 262	1 517	14.0%
Eastern Cape	520	641	637	736	591	590	636	719	936	1 100	16.9%
Free State	615	688	759	737	790	856	883	864	1 063	1 388	12.8%
Gauteng	2 668	2 581	4 711	3 555	3 963	3 492	1 833	3 795	5 342	4 532	6.7%
KwaZulu-Natal	1 624	3 031	1 687	2 034	2 274	2 107	2 200	2 399	2 660	2 473	4.1%
Limpopo	916	962	1 111	1 240	1 368	1 524	3 425	1 658	2 038	2 329	13.0%
Mpumalanga	1 256	2 270	1 179	2 004	1 932	1 705	1 689	1 848	2 039	2 784	12.7%
Northern Cape	151	159	163	198	210	208	215	227	298	335	11.2%
North West	779	879	915	953	1 068	1 076	1 227	1 264	1 403	1 925	15.7%
Western Cape	912	1 134	1 045	1 262	953	1 339	1 164	1 215	1 348	1 964	10.0%

Figure 4 below shows the provincial breakdown as to where farmland tends to be transacted in the market. Not surprisingly the Northern Cape accounts for a very large share of transacted farmland (about 30%), and Gauteng for a very small share (about 2%). What might be more surprising is the very small shares attributable to KwaZulu-Natal and Mpumalanga (5% and 7%, respectively).

Figure 4: Provincial shares of farmland transactions, by area and value, 1995-2002



Also not very surprising is the fact that, while the Northern Cape accounts for almost a third of land transactions by area, it makes up on a small percentage of transactions by value (about 6%). One possible implication is that hectareage transferred is a potentially misleading measure of land reform

¹⁰ As one would expect given the volatility of land prices, these measures of average annual price growth are very sensitive to the choice of beginning and ending years.

performance, given that land reform could involve transfers of large amounts of relatively low value land. In fact based on data provided by M&E, as of 2002 Northern Cape accounted for 40% of all hectares transferred under the land reform programme.

Also illuminating is the amount of transacted farmland as a share of total commercial farmland. This is presented below in Table 3, for South Africa as a whole as well as by province, first for the period 1995 to 2002, and then separately for the two four-year sub-periods of 1995 to 1998 and 1999 to 2002.^{11,12}

Table 3: Average share of commercial farmland transacted annually

	1995-2002	1995-1998	1999-2002
RSA	5.5%	5.1%	5.9%
Eastern Cape	4.3%	3.5%	5.0%
Free State	5.8%	5.4%	6.1%
Gauteng	13.6%	10.8%	16.4%
KwaZulu-Natal	5.1%	5.8%	4.5%
Limpopo	8.6%	8.5%	8.7%
Mpumalanga	6.7%	6.9%	6.4%
Northern Cape	4.5%	4.1%	4.9%
North West	7.4%	6.5%	8.2%
Western Cape	5.7%	5.2%	6.3%

Over the whole period, an average of 5.5% of commercial farmland was transacted annually, which is about 4.6 million hectares. Although there are provincial differences, the smallest share, for Eastern Cape, stands at 4.3%. There is some evidence of a shift over the period towards a greater share of farmland being transacted per year, as evidenced by the increase from 5.1% for 1995-1998, to 5.9% for 1999-2002. This is not surprising in light of the rising real price of farmland, which one would expect to be associated with an increase in market activity.

¹¹ The years 1994 and 2003 were not included in this table or in the previous pie-chart, because the data for those years are incomplete.

¹² Figures for total commercial farmland were taken from the 1993 Agricultural Census. The preliminary results for the 2002 Agricultural Census do not report hectares, however it is not expected that these figures will have changed much.

4 Land reform transactions in relation to the rural land market

Although it is beyond the scope of this brief exercise to provide a detailed analysis of the relationship between the land market and land reform, we offer two aggregate pictures that give some clues as to how land reform projects compare to other market transactions.¹³

First, Figure 5 shows the nominal price trend for the land market (this is the same series as in Figure 1), together with average per-hectare prices for willing-buyer / willing-seller land reform projects. This comparison must be treated with caution, first and foremost because the geographic distribution of land reform projects is not necessarily the same as that of normal market transactions. Nonetheless, it is evident that: i) prices of land reform projects appear to follow an upward trend; and ii) price-per hectare for land reform projects is by no means generally greater than that for the market at large. (Similar graphs will be reported for each province in the following section.)

Figure 5: Nominal price trends of rural property with average prices for willing-buyer / willing seller land reform projects

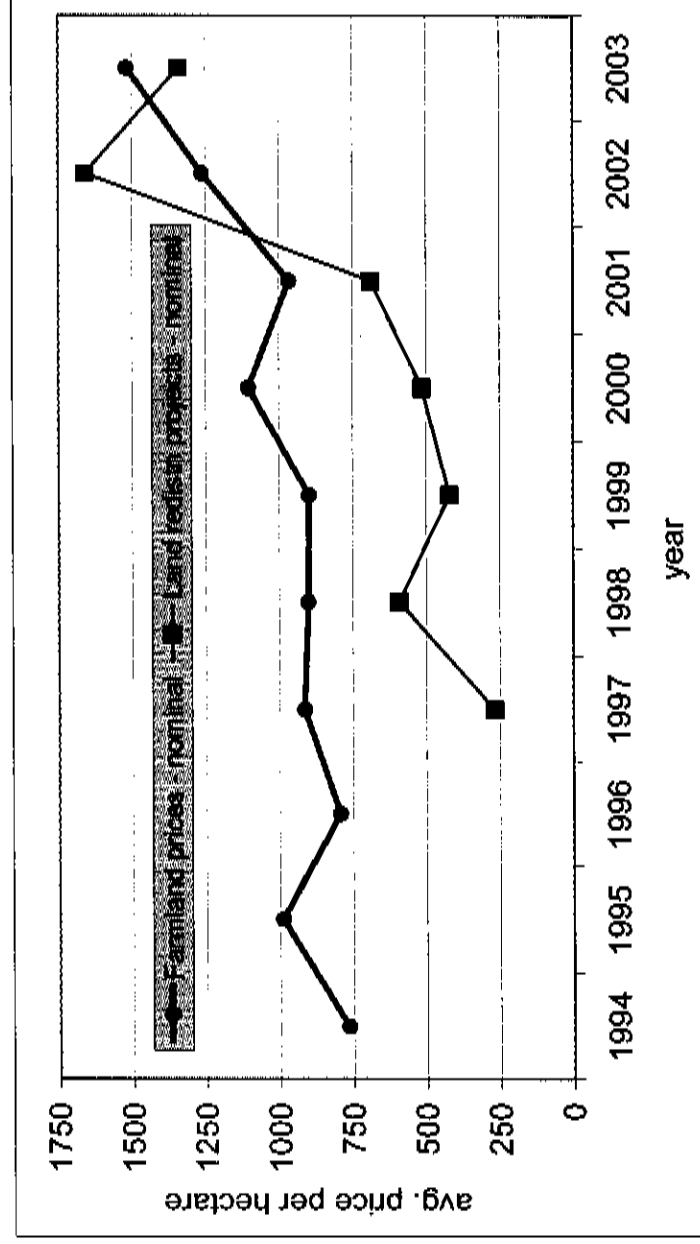


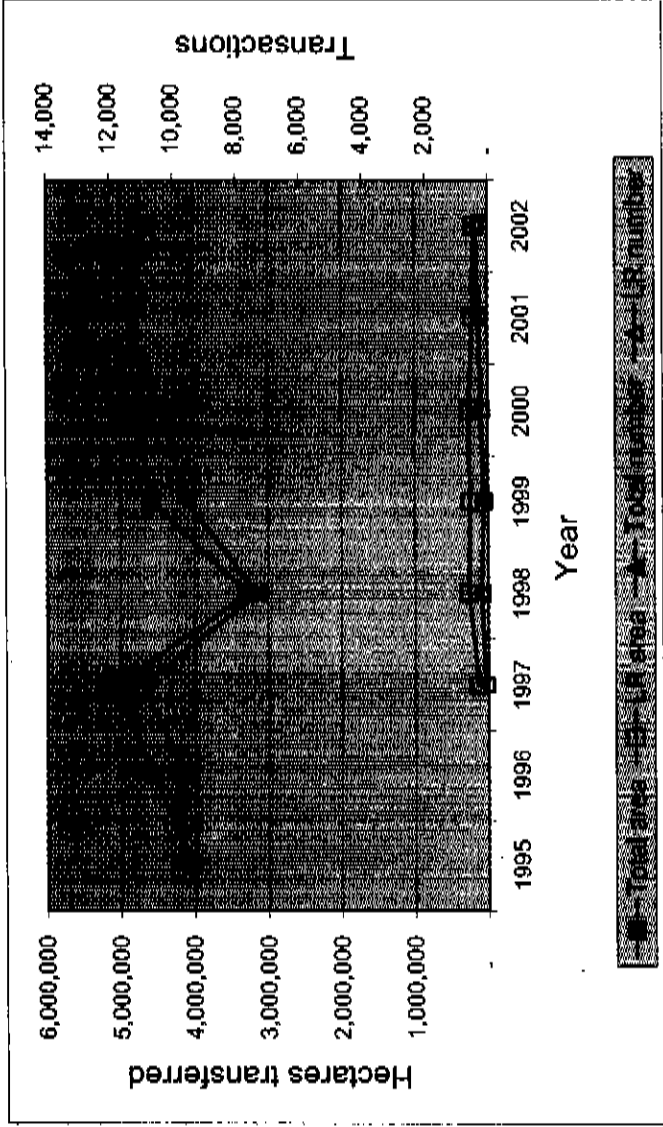
Figure 6 shows how land reform projects compare to normal market activity in terms of the number of hectares and number of transactions.¹⁴ The left-hand axis measures the total hectares transacted, whether through the market generally or through land reform (in this case not limited to willing-buyer / willing-seller transactions); the right-hand axis measures the number of transactions, again through the market generally and through land reform. The two series relating to the rural market assume very nearly the same form, simply because the average size of transacted properties does not vary much over time. The sizeable dip in 1998 coincides exactly with the fact that 1998 was the year in which interest rates peaked, bolstering the argument made above that price trends are largely reflective of interest rate movements.

¹³ The land reform data used here and in the following sections are a combination of data maintained by the Directorate: Monitoring and Evaluation, and data that had been compiled by Ailber and Mokoena in 1999-2000 when they were preparing their initial land price analysis on behalf of DLA.

¹⁴ This graph omits 1994 and 2003 because of the incompleteness of the data for these years. This is not a problem to the same extent for the preceding graph, because the data that are available for those years can be considered sufficient to estimate their average prices.

However, what is most significant about this graph is the huge gap that exists between the number and hectareage of rural property transactions in the market, on the one hand, and the number and hectareage of transactions through land reform, on the other.

Figure 6: Hectares transacted and numbers of transactions, land market and land reform



5 Provincial Tables

5.1 Guide to the figures and tables

There are two figures and four tables reported for each province.¹⁵ The two figures and the first three tables report information at the provincial level, while the fourth table reports information specific to registration divisions. Where a registration division crosses provincial boundaries (e.g. 'HS' contains parts of Mpumalanga, KwaZulu-Natal, and Free State), the data for that registration division refer only to transactions that took place within the specified province.

The following paragraphs serve as a guide to the interpretation of the figures and tables:

Figure A: Average land prices in the market and for land reform projects, 1994 to 2003

This figure shows nominal and inflation-adjusted trends in the price per hectare, where the inflation-adjusted series is 'in 1994 Rand,' i.e. using 1994 as the base/reference year. In addition, the figure has a series showing average price per hectare (in nominal terms) for all land reform projects classified in the M&E data set as willing-buyer / willing-seller, and for which the price and hectareage were not missing and non-zero.¹⁶

Table B: Average land price trends by size category, 1994 to 2003, current Rand

This table reports average per hectare prices in 'current Rand,' that is, not adjusted for inflation. Figures are reported by size category and in aggregate ('All'). It must be stressed that the figures for 2003 are preliminary, in that not all transactions agreed to in that year were recorded at the time the data were acquired from Deeds.

Table C: Average land price trends by size category, 1994 to 2003, 2003 Rand

This table reports average per hectare prices 'in 2003 Rand,' that is, adjusted for inflation using the CPI with 2003 as the base/reference year. Figures are reported by size category and in aggregate ('All'). It must be stressed that the figures for 2003 are preliminary, in that not all transactions agreed to in that year were recorded at the time the data were acquired from Deeds.

Figure D: Transactions in the market and through land reform, 1995 to 2002

This figure shows the trends in numbers of properties transacted in the land market, the area of land transacted through the market, and the same for properties acquired through land reform (all those for which the price and hectareage were not missing and non-zero). The left-hand axis measures the total hectares transacted, whether through the market generally or through land reform (in this case not limited to willing-buyer / willing-seller transactions); and the right-hand axis measures the number of transactions, again through the market generally and through land reform.

¹⁵ The exception is KwaZulu-Natal, for which the fourth table is omitted due to problems in matching transactions to the appropriate magisterial districts. See following footnote.

¹⁶ It must be noted that this data set is incomplete, resulting in the fact that in some years there were no data with which to calculate the average price per hectare, resulting in a broken line (see e.g. Figures A-1 and A-4 for Eastern Cape and KwaZulu-Natal, respectively).

Table E: Land sales by total area and total value, with value shares, by size category

This table takes pooled transactions data from 1994 through 2003, and reports the total number of transactions, total area, total value, average price per hectare, and two 'share' variables. The first 'share' variable, '% of Total Area' indicates what share of the total rural property hectares transacted over the period, are accounted for by transactions in a particular size category. Similarly, '% of Total Value' indicates what share of the total value of transactions is accounted for by a particular size category. For most provinces, transactions involving properties that are less than 100 hectares in size, account for less than 5% of the total area transacted, although they account for around 20% of the money spent on land transactions. Different provinces have different patterns as to what property sizes account for what share of transacted land.

Table F: Transactions and average prices by registration division/magisterial district, 1994-2003

This table indicates transactions data by registration division or magisterial district (depending on which is more suitable).¹⁷ The data are *not* adjusted for inflation. It must be stressed that the figures for 2003 are preliminary, in that not all transactions agreed to in that year were recorded at the time the data were acquired from Deeds. Note that where there were zero transactions, an average price could not be calculated, which is why the cell reflect 'NA' for 'not applicable.'

¹⁷ For the former Cape provinces (i.e. Eastern Cape, Northern Cape, and Western Cape), as well as the Free State, the boundaries of the registration divisions are very nearly the same as those of the magisterial districts, and they share the same names. Thus the data for Table D are disaggregated by registration division, which is well reflected in the Deeds Office records. For the former Transvaal provinces, however, there is a big difference, in that the registration divisions are 1°-square areas, which in practice DLA staff find too large to be useful as reference areas for land prices. For KZN, the situation is still different, and highly problematic; presently KZN also makes use of the 1°-square type registration divisions, but in the past the province had its own, rather limited system. Because the 1°-square type registration divisions are not considered appropriate for reporting disaggregated statistics, for these areas it is preferred to disaggregate by magisterial district. However, as explained in the Appendix, the Deeds Office data do not reflect the magisterial districts in which transactions take place. Thus the magisterial district has to be identified per transaction by matching the property identification information to the cadastral data from the Surveyor General's Office. This was done with the assistance of the Directorate: Public Land Support Services. The quality of the match varies from province to province. For Mpumalanga, 2.9% of the transactions could not be matched, and thus are not reflected in Table D for Mpumalanga; for North West, the figure is 5.4%; for Limpopo, 6.1%; and Gauteng, 13.1%. For KZN, the number of transactions that could not be matched to a magisterial district was disastrously large at over 50%, thus no disaggregated Table D is reported for KZN.

5.2 Eastern Cape

in real terms, land prices in Eastern Cape sunk after 1997 and have only recently regained their 1994-1997 levels. However, in nominal terms, prices rose quite dramatically in the two periods following 2001, although there is also some evidence of a lull in market activity that will likely mean that the growth in land prices will slow.

It is difficult to discern a clear trend in land prices associated with land reform projects, though it would appear that there was a dramatic increase from 2001 on, possibly relating to the impetus to push LRAD projects through. Land reform projects account for a small fraction of property transactions, however there has been visible growth since 2001.

Figure A-1: Average land prices in the market and for land reform projects, 1994 to 2003 – E. Cape

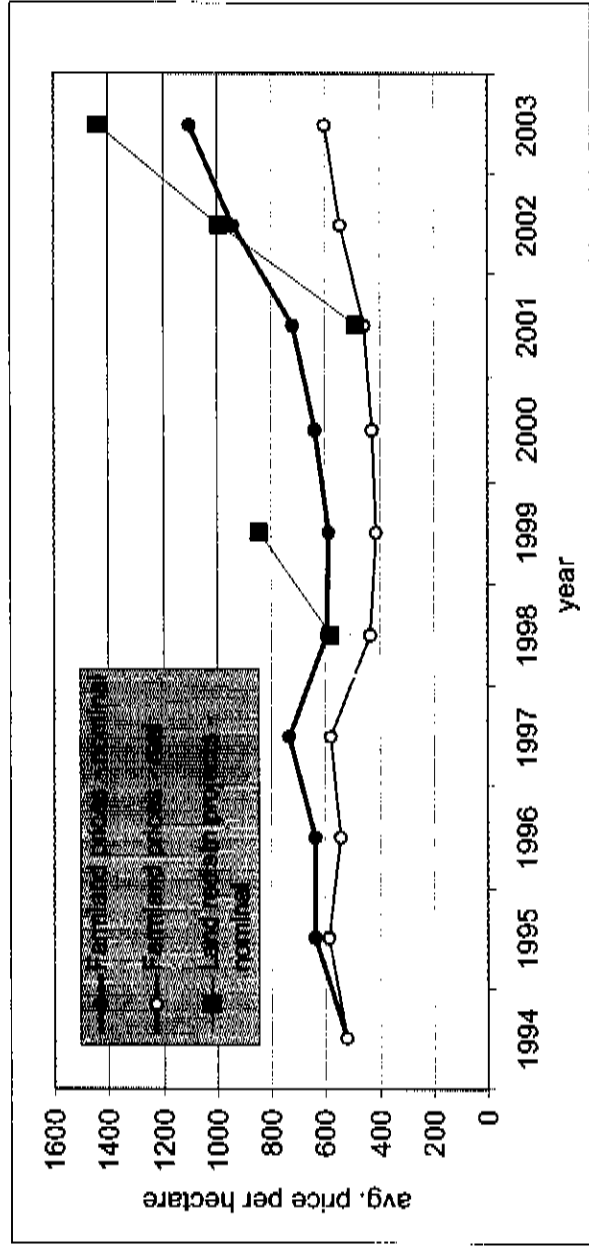


Table B-1: Average land price trends by size category, 1994 to 2003, current Rand – Eastern Cape

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	22 725	28 036	27 726	32 507	21 246	30 452	33 496	29 686	38 450	54 071
6-20	11 779	13 929	16 614	17 080	16 132	15 270	19 023	19 835	20 779	26 983
21-100	4 207	5 015	4 729	5 800	5 015	5 457	6 318	7 149	7 647	6 885
101-500	1 029	941	1 076	1 113	927	1 076	1 112	1 117	1 376	1 533
501-1000	409	532	592	556	649	534	533	637	786	935
1001-5000	242	320	341	400	406	400	408	431	663	701
5001+	222	111	96	109	196	220	347	136	195	720
All	520	641	637	736	591	590	636	719	936	1 100

Table C-1: Average land price trends by size category, 1994 to 2003, 2003 Rand – Eastern Cape

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	41 663	47 282	43 569	47 027	28 760	39 180	40 999	34 292	40 682	54 071
6-20	21 595	23 491	26 108	24 709	21 837	19 647	23 227	22 913	21 985	26 983
21-100	7 713	8 458	7 431	8 391	6 789	7 021	7 714	8 258	8 091	6 885
101-500	1 887	1 587	1 691	1 610	1 255	1 384	1 358	1 290	1 456	1 533
501-1000	750	897	930	804	879	687	651	736	832	935
1001-5000	444	540	536	579	550	515	498	498	701	701
5001+	407	187	151	158	265	283	424	157	206	720
All	953	1 081	1 001	1 065	800	759	777	831	990	1 100

Figure D-1: Transactions in the market and through land reform, 1995 to 2002 – Eastern Cape

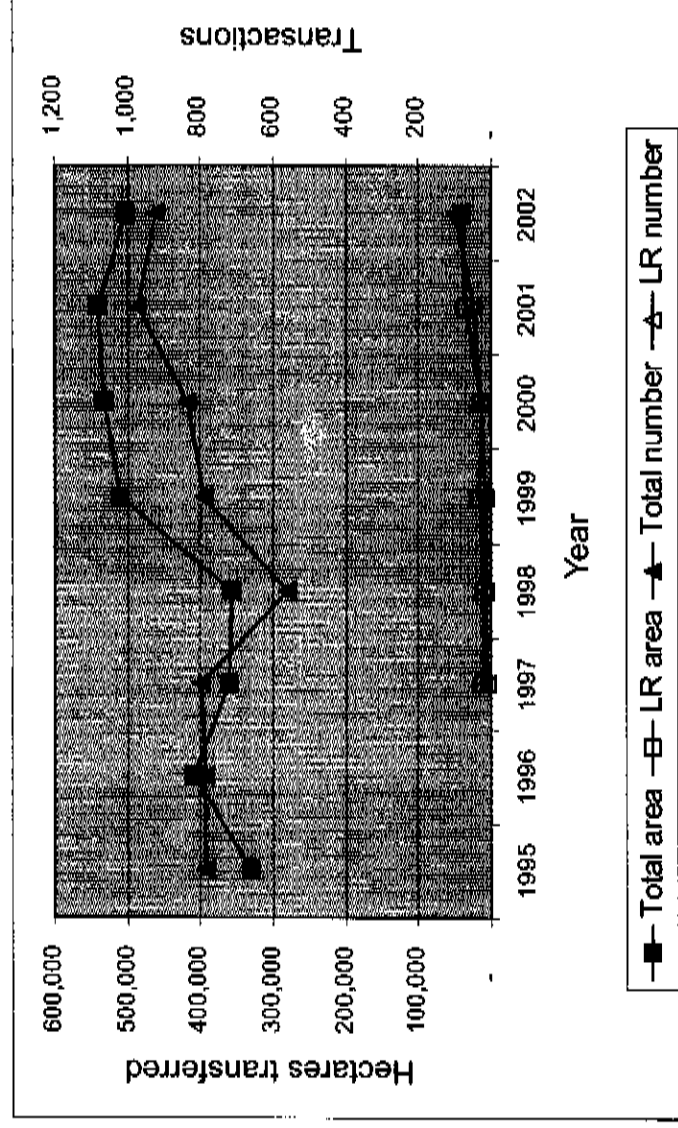


Table E-1: Land sales by total area and total value, with value shares, by size category – Eastern Cape

Size category	Total area	Total value (2003 Rand)	Avg. price per hectare (2003 Rand)	Area share	Value share
1-5	1 360	57 277 934	42 108	0.0%	1.6%
6-20	11 570	270 680 646	23 396	0.3%	7.4%
21-100	67 937	525 881 274	7 741	1.7%	14.4%
101-500	554 318	819 920 982	1 479	13.9%	22.5%
501-1000	862 148	688 665 237	799	21.6%	18.9%
1001-5000	2 104 319	1 169 788 595	556	52.8%	32.1%
5001+	381 834	111 650 537	292	9.6%	3.1%
All	3 983 485	3 643 865 206	915	100.0%	100.0%

Table F-1: Transactions and average prices by registration division, 1994-2003 – Eastern Cape

ABERDEEN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	4	14	5	5	16	7	8	11	2		
Total area (hectares)	1 264	1 209	24 898	11 772	27 097	40 430	13 495	20 008	33 924	6 592		
Avg. price per hectare	119	1 104	208	384	181	229	235	180	198	739		
ALBANY RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	8	21	39	26	49	53	42	51	43	31		
Total area (hectares)	2 152	7 764	30 095	11 692	25 019	33 844	40 084	21 690	22 511	11 911		
Avg. price per hectare	1 015	921	550	827	944	725	805	892	1 499	1 621		
ALBERT RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	6	13	25	11	19	31	26	29	28	12		
Total area (hectares)	4 825	15 433	19 626	7 195	26 651	34 389	24 276	29 817	22 863	10 893		
Avg. price per hectare	270	232	618	563	409	419	431	470	711	839		
ALEXANDRIA RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	8	25	28	30	14	41	24	44	33	16		
Total area (hectares)	2 398	4 181	7 284	10 159	7 705	14 109	11 847	19 325	10 278	5 751		
Avg. price per hectare	1 389	1 093	1 377	1 454	777	1 167	1 168	1 389	2 487	2 384		
ALI WAL NORTH RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	19	12	17	23	8	19	30	40	38	7		
Total area (hectares)	9 740	6 032	7 802	12 839	2 609	8 166	18 284	22 054	27 632	4 763		
Avg. price per hectare	441	527	495	361	383	447	378	483	572	643		
BARKLY EAST RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	19	19	17	22	18	9	15	20	14	8		
Total area (hectares)	13 075	11 743	14 428	11 750	16 736	7 174	9 512	18 381	9 926	5 751		
Avg. price per hectare	396	572	436	407	369	294	361	607	526	535		
BATHURST RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	14	16	20	18	19	29	22	25	26	24		
Total area (hectares)	2 218	1 750	3 322	2 589	5 319	11 189	5 736	7 497	11 927	2 964		
Avg. price per hectare	1 244	2 224	1 236	1 632	1 505	1 012	1 854	1 449	1 784	3 504		
BEDFORD RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	4	16	13	18	8	8	10	21	12	6		
Total area (hectares)	3 760	18 627	13 240	9 427	12 982	5 714	9 457	14 982	12 297	4 668		
Avg. price per hectare	726	373	562	948	372	824	659	748	1 435	1 122		
CACADU RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	0	0	0	0	0	0	0	0	0		
Total area (hectares)	1 081	0	0	0	0	0	0	0	0	0		
Avg. price per hectare	176	NA	NA	NA	NA	NA	NA	NA	NA	NA		

CATHCART RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	13	8	6	16	14	12	16	19	~6		
Total area (hectares)	2 608	8 819	3 755	2 501	13 192	12 358	7 749	8 066	20 370	5 935		
Avg. price per hectare	266	501	716	495	489	532	469	577	634	1 026		
CENTANI RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	1	0	0	0	0	0	1	0	0		
Total area (hectares)	0	4	0	0	0	0	0	4	0	0		
Avg. price per hectare	NA	2 335	NA	NA	NA	NA	NA	4 670	NA	NA		
CRADOCK RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	11	29	18	11	37	26	25	16	11		
Total area (hectares)	10 387	7 500	29 631	13 667	14 932	34 370	25 295	18 776	23 838	11 853		
Avg. price per hectare	366	650	578	611	400	507	526	551	655	963		
EAST LONDON RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	40	91	72	81	63	73	85	85	92	82		
Total area (hectares)	2 541	4 590	4 372	5 410	5 286	4 553	4 370	4 231	6 259	7 254		
Avg. price per hectare	2 390	3 660	3 314	3 415	2 677	4 066	4 356	4 724	4 029	3 170		
ELLIOT RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	16	31	29	17	14	9	12	17	41	23		
Total area (hectares)	10 288	9 960	8 620	4 362	3 401	3 606	4 024	7 929	12 136	10 240		
Avg. price per hectare	557	521	754	591	856	425	359	717	575	543		
ENGOBO RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	0	0	0	0	0	1	1	0		
Total area (hectares)	0	0	0	0	0	0	0	132	426	0		
Avg. price per hectare	NA	NA	NA	NA	NA	NA	NA	589	198	NA		
FORT BEAUFORT RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	15	16	13	4	10	11	12	9	2		
Total area (hectares)	2 416	11 055	8 752	9 266	2 645	4 777	6 883	8 058	4 310	509		
Avg. price per hectare	783	542	693	547	391	1 140	642	902	1 185	736		
GRAAFF REINET RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	9	13	15	10	15	14	17	14	8	9		
Total area (hectares)	17 130	27 512	22 348	16 673	20 365	30 987	32 930	26 991	7 404	28 011		
Avg. price per hectare	336	407	471	736	589	374	407	371	945	408		
HUMANSDORP RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	24	58	74	80	46	60	72	70	70	47		
Total area (hectares)	4 677	9 851	14 290	15 552	15 051	18 957	13 402	13 998	17 207	7 764		
Avg. price per hectare	1 712	2 097	1 772	2 022	1 081	1 341	1 972	2 364	1 747	2 542		

JANSENVILLE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	4	12	7	14	11	5	16	15	12	5		
Total area (hectares)	2 120	16 661	7 704	10 734	6 209	4 681	21 692	25 128	14 230	9 017		
Avg. price per hectare	893	167	155	355	571	563	380	589	685	616		
KING WILLIAMS TOWN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	2	3	4	5	10	6	5	9	5	8		
Total area (hectares)	1 265	2 361	1 603	1 177	3 368	1 593	1 104	3 093	873	3 717		
Avg. price per hectare	727	567	691	885	885	942	617	1 233	637	1 080		
KOMGA RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	14	17	15	15	26	16	19	39	19		
Total area (hectares)	1 155	7 355	4 903	5 702	3 261	9 488	4 786	5 657	18 338	6 521		
Avg. price per hectare	999	567	764	645	1 489	770	908	1 121	875	1 431		
MACLEAR RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	6	18	10	20	9	15	11	15	21	6		
Total area (hectares)	1 864	5 406	5 175	8 395	2 916	12 105	2 408	6 574	10 940	2 803		
Avg. price per hectare	470	817	1 046	1 032	767	142	528	529	468	479		
MARAISBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	4	5	8	6	13	10	14	14	1		
Total area (hectares)	1 415	2 371	2 037	4 892	6 064	11 994	9 081	24 439	14 863	2 361		
Avg. price per hectare	678	343	734	521	393	239	350	335	575	275		
MIDDELBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	11	28	19	16	22	27	14	20	9		
Total area (hectares)	6 219	10 955	37 938	15 944	32 047	63 601	56 364	11 949	30 902	10 718		
Avg. price per hectare	184	275	587	399	440	282	232	699	521	540		
MOLTENO RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	10	4	16	5	12	11	12	10	5		
Total area (hectares)	638	9 137	3 991	7 463	2 981	9 550	7 632	15 396	10 157	2 556		
Avg. price per hectare	1 003	462	666	772	248	334	389	395	543	1 433		
PEARSTON RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	13	8	11	2	1	12	4	4	3		
Total area (hectares)	2 211	28 013	5 689	8 261	2 944	940	17 961	9 164	7 502	5 311		
Avg. price per hectare	181	268	212	706	256	1 101	423	245	402	830		
PEDDIE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	0	0	1	1	2	3	1	0		
Total area (hectares)	0	0	0	0	669	518	1 606	1 215	676	0		
Avg. price per hectare	NA	NA	NA	NA	896	174	201	1 207	51	NA		

PORT ELIZABETH RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	33	24	31	9	26	26	39	24	22		
Total area (hectares)	188	503	326	385	238	335	346	993	510	240		
Avg. price per hectare	10 769	9 374	11 819	9 844	8 426	17 924	17 191	8 832	13 913	25 068		
QUEENSTOWN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	16	19	19	15	26	32	28	28	11		
Total area (hectares)	1 010	5 758	3 678	6 375	5 783	13 996	14 578	11 000	15 257	5 775		
Avg. price per hectare	1 367	684	1 512	817	601	613	736	810	848	1 067		
SOMERSET EAST RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	18	31	26	30	19	34	49	29	34	29		
Total area (hectares)	22 513	24 332	25 119	33 393	21 467	33 143	45 242	22 314	36 527	41 954		
Avg. price per hectare	295	491	458	477	573	643	703	698	1 063	1 146		
STEYNSBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	3	9	9	4	8	10	19	6	3		
Total area (hectares)	887	1 992	9 848	8 200	4 447	9 347	7 730	26 773	6 133	4 199		
Avg. price per hectare	283	492	315	308	545	270	329	256	516	577		
STEYTLERVILLE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	7	6	2	8	7	14	8	10	3		
Total area (hectares)	6 760	3 520	8 439	1 589	9 118	3 644	24 247	9 537	9 847	4 154		
Avg. price per hectare	119	345	261	308	285	491	413	428	477	530		
STOCKENSTROM RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	2	0	1	2	3	3	6	12	8	1		
Total area (hectares)	832	0	10	58	210	1 069	1 850	3 515	1 929	285		
Avg. price per hectare	196	NA	25 702	13 491	2 064	350	549	542	658	490		
STUTTERHEIM RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	8	19	16	17	8	17	8	15	35	16		
Total area (hectares)	1 745	5 584	1 421	6 625	3 807	5 134	3 043	10 881	15 016	4 604		
Avg. price per hectare	729	958	1 038	555	625	589	547	557	583	1 056		
TARKA RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	7	14	14	7	6	7	17	9	10	7		
Total area (hectares)	5 552	10 159	7 593	4 791	7 114	7 804	21 166	13 209	10 560	6 387		
Avg. price per hectare	223	330	678	445	535	522	344	296	703	946		
TSOLO RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	0	0	0	0	0	26	1	0		
Total area (hectares)	0	0	0	0	0	0	0	6 525	86	0		
Avg. price per hectare	NA	NA	NA	NA	NA	NA	NA	150	1 404	NA		

UITENHAGE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	42	183	117	143	72	99	120	144	135	72		
Total area (hectares)	5 866	19 054	16 400	22 297	8 852	19 008	30 818	21 462	16 547	12 456		
Avg. price per hectare	1 368	1 884	1 635	1 868	1 652	1 552	1 470	2 470	3 395	2 314		
UMZIMKULU RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	0	1	0	0	0	1	1	1		
Total area (hectares)	0	0	0	7	0	0	0	3	108	46		
Avg. price per hectare	NA	NA	NA	1 028	NA	NA	NA	29 310	1 295	2 802		
VICTORIA EAST RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	7	6	1	3	4	3	4	9	10		
Total area (hectares)	2	16	11	3	6	457	10	14	280	37		
Avg. price per hectare	48 452	36 523	37 710	24 315	43 765	1 424	37 113	29 383	3 306	30 190		
WILLOWMORE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	6	10	19	17	15	13	10	21	12	8		
Total area (hectares)	13 510	18 894	38 773	57 163	31 648	25 514	19 931	44 915	18 677	16 617		
Avg. price per hectare	144	174	177	151	258	301	304	291	461	396		
WODEHOUSE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	20	30	26	15	23	16	31	20	8		
Total area (hectares)	5 956	11 080	15 904	11 562	5 225	11 441	13 432	23 184	17 933	6 320		
Avg. price per hectare	482	441	399	525	372	360	414	454	505	681		

5.3 Free State

Land prices in the Free State have been relatively steady, although since 2001 there has been higher growth in nominal land prices than was the case in the previous seven years. Only since 2002 have real prices increased over their 1994-1995 levels. Market activity picked up dramatically since interest rates peaked in 1998, but might be showing signs of slowing again from 2001. (It is difficult to say without data for 2003 and 2004.) The Free State land market is dominated by properties in the 101-500 hectare range, which account for much of the price increase since 2001.

The average price per hectare of land reform projects tends to be lower than average prices generally. Even though land reform delivery has been especially strong in the Free State, it nonetheless accounts for a small share of transactions and transacted area, such that it is unlikely that land reform is exerting a significant upward pressure on land prices even here.

Figure A-2: Average land prices in the market and for land reform projects, 1994 to 2003 – Free State

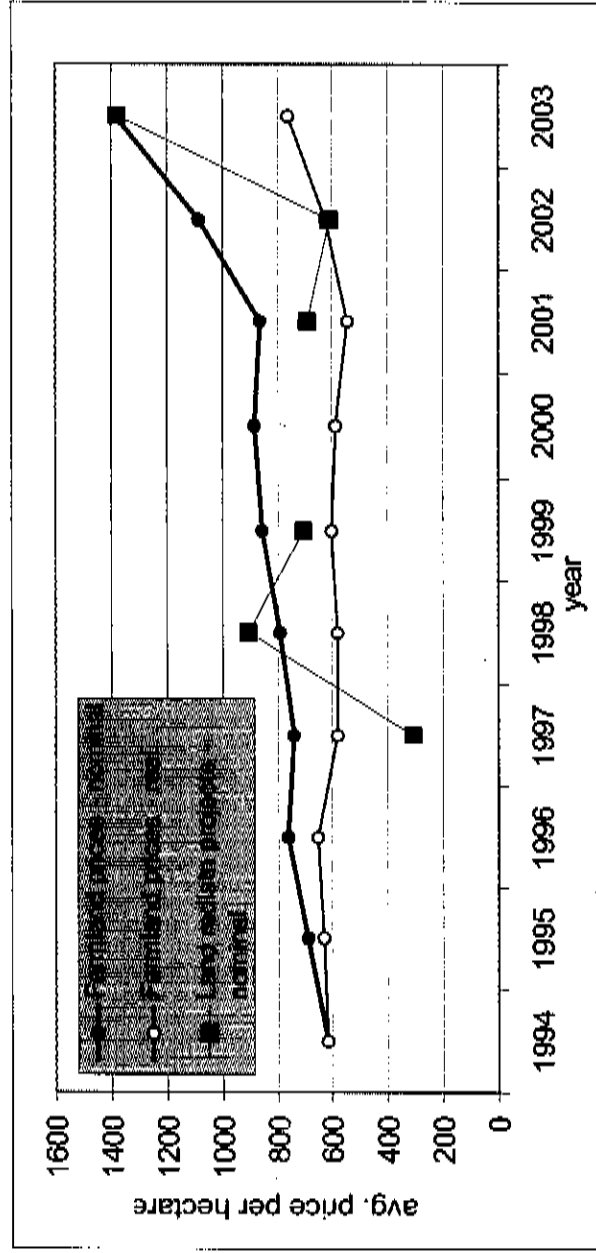


Table B-2: Average land price trends by size category, 1994 to 2003, current Rand – Free State

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	13 652	23 984	28 498	29 570	26 764	26 023	21 938	31 121	40 976	47 321
6-20	8 834	11 888	12 795	17 070	15 099	14 985	13 660	14 567	16 637	29 962
21-100	2 184	2 524	2 509	3 037	2 699	3 097	2 700	3 304	3 473	3 555
101-500	807	890	927	1 023	1 086	1 076	1 096	1 066	1 224	1 573
501-1000	542	615	681	644	612	760	718	807	1 000	1 238
1001-5000	360	399	453	448	426	456	524	551	725	964
5001+	183	0	0	73	350	0	0	200	503	47
All	615	688	759	737	790	856	883	864	1 083	1 388

Table C-2: Average land price trends by size category, 1994 to 2003, 2003 Rand – Free State

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	25 029	40 448	44 783	42 778	36 229	33 482	26 786	35 950	43 355	47 321
6-20	16 196	20 049	20 106	24 695	20 439	19 280	16 679	16 827	17 603	29 962
21-100	4 004	4 257	3 943	4 394	3 654	3 985	3 297	3 817	3 675	3 555
101-500	1 480	1 501	1 457	1 480	1 470	1 394	1 338	1 231	1 295	1 573
501-1000	994	1 037	1 070	932	828	978	877	932	1 058	1 238
1001-5000	660	673	712	648	577	587	640	636	767	964
5001+	336	0	0	106	474	0	0	231	532	47
All	1 128	1 160	1 193	1 066	1 069	1 101	1 078	998	1 146	1 388

Figure D-2: Transactions in the market and through land reform, 1995 to 2002 – Free State

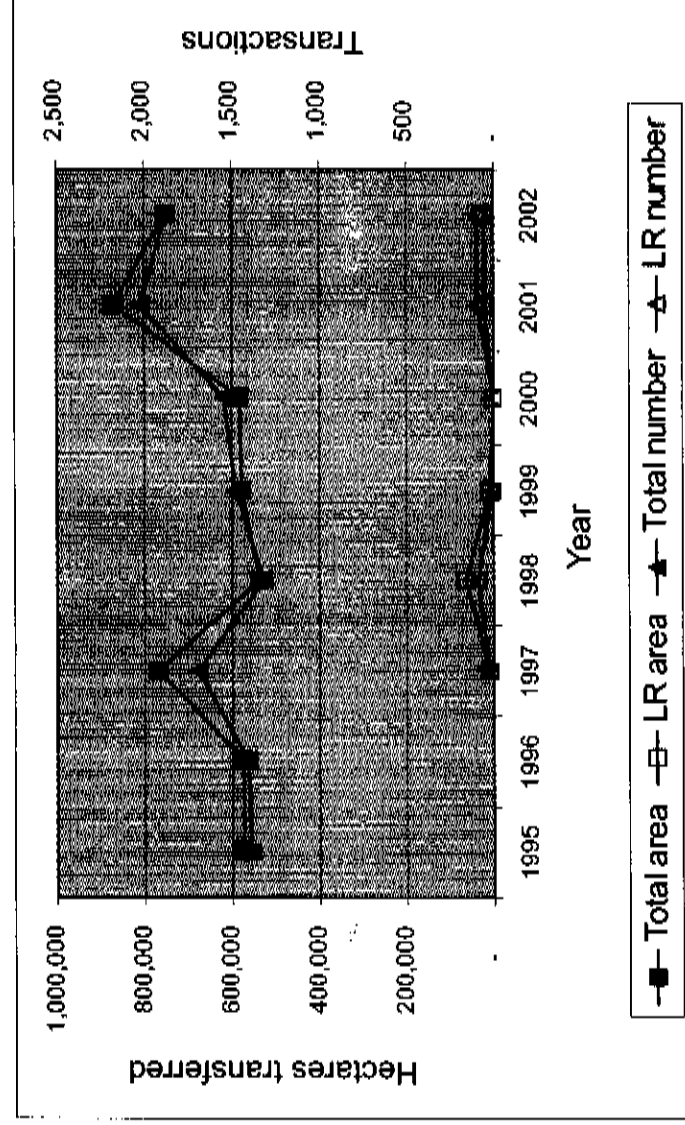


Table E-2: Land sales by total area and total value, with value shares, by size category – Free State

Size category	Total area	Total value (2003 Rand)	Avg. price per hectare (2003 Rand)	Area share	Value share
1-5	2 267	85 585 517	37 751	0.0%	1.3%
6-20	6 363	127 682 468	20 066	0.1%	1.9%
21-100	106 236	407 312 131	3 834	1.8%	6.1%
101-500	2 056 621	2 885 106 810	1 403	34.7%	43.5%
501-1000	1 983 899	1 963 806 883	990	33.5%	29.6%
1001-5000	1 699 055	1 145 890 782	674	28.7%	17.3%
5001+	72 845	17 297 233	237	1.2%	0.3%
All	5 927 290	6 632 681 825	1 119	100.0%	100.0%

Table F-2: Transactions and average prices by registration division, 1994-2003 – Free State

BETHLEHEM RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	23	60	49	74	54	54	69	82	72	52		
Total area (hectares)	5 719	22 737	12 061	40 036	17 909	16 268	23 033	24 374	20 916	15 047		
Avg. price per hectare	1 229	1 202	1 217	495	1 266	1 129	1 235	1 051	1 358	1 768		
BETHULIE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	6	4	7	11	7	5	7	2	8	3		
Total area (hectares)	4 034	5 850	6 543	13 756	10 660	4 447	8 365	1 616	6 517	1 745		
Avg. price per hectare	201	276	240	241	301	616	246	389	535	1 009		
BLOEMFONTEIN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	64	160	121	178	105	144	135	186	211	118		
Total area (hectares)	19 272	40 267	27 384	41 361	30 690	30 416	27 713	49 189	51 167	21 131		
Avg. price per hectare	721	876	861	1 012	907	1 086	1 180	1 032	1 365	2 222		
BOSHOF RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	41	81	88	84	84	78	77	103	135	70		
Total area (hectares)	29 832	51 659	55 323	58 324	41 111	43 814	39 986	72 139	86 258	46 621		
Avg. price per hectare	415	470	510	493	685	660	648	626	1 014	1 206		
BOTHAVILLE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	14	27	54	34	29	47	33	44	24	21		
Total area (hectares)	8 739	10 396	20 294	7 992	10 068	14 844	13 456	15 153	6 740	6 323		
Avg. price per hectare	641	1 195	1 406	2 149	1 541	1 518	1 361	1 743	2 024	3 030		
BRANDFORT RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	12	32	57	51	48	40	43	69	67	32		
Total area (hectares)	3 201	9 928	19 894	21 786	20 048	16 394	16 164	30 177	31 119	12 658		
Avg. price per hectare	706	577	597	702	817	700	829	787	977	1 375		
BULTFONTEIN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	11	34	45	55	37	32	34	41	33	22		
Total area (hectares)	2 492	12 274	20 241	24 054	16 779	11 468	18 323	16 615	10 161	7 991		
Avg. price per hectare	1 380	711	799	955	1 038	1 373	854	968	1 547	1 558		
CLOCOLAN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	11	9	20	22	10	19	13	18	21	7		
Total area (hectares)	3 417	1 936	8 641	5 536	3 708	9 267	2 986	5 759	5 571	1 865		
Avg. price per hectare	392	871	1 277	1 142	1 168	902	1 384	1 252	1 258	1 491		
DEWETSDORP RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	23	11	22	27	19	19	23	18	14		
Total area (hectares)	771	15 298	4 948	16 432	16 226	12 832	6 881	14 360	9 795	6 577		
Avg. price per hectare	322	422	473	596	537	411	518	798	794	1 144		

EDENBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	11	7	12	7	11	25	31	20	9		
Total area (hectares)	1 557	7 998	5 926	7 662	9 641	8 078	20 885	33 614	13 648	6 708		
Avg. price per hectare	286	411	565	352	342	517	411	395	976	797		
FAURESMTIH RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	17	49	53	56	52	46	65	66	63	27		
Total area (hectares)	13 173	45 833	48 154	64 038	40 862	39 932	43 975	53 049	58 179	25 071		
Avg. price per hectare	283	343	353	351	409	464	548	525	603	698		
FICKSBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	16	14	24	36	25	25	18	21	30	16		
Total area (hectares)	6 995	3 992	8 738	14 786	7 815	6 120	4 398	8 823	9 040	4 986		
Avg. price per hectare	610	716	740	961	1 318	1 263	985	1 205	1 375	1 796		
FOURIESBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	15	27	17	14	20	34	21	22	29		
Total area (hectares)	1 609	4 800	8 053	6 841	3 702	7 049	11 830	7 270	7 533	13 934		
Avg. price per hectare	687	781	952	946	956	833	868	798	1 124	1 286		
FRANKFORT RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	32	44	44	53	54	54	39	68	79	44		
Total area (hectares)	10 065	12 892	12 424	21 419	13 523	14 182	9 341	18 081	20 520	14 007		
Avg. price per hectare	827	879	919	763	1 149	1 083	1 208	1 268	1 276	1 678		
HARRISMITH RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	20	43	46	109	46	75	72	86	85	67		
Total area (hectares)	9 027	18 438	23 881	49 624	18 534	28 189	26 565	41 163	32 450	29 261		
Avg. price per hectare	619	957	968	714	907	953	947	664	851	1 143		
HEILBRON RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	27	79	76	98	89	94	123	158	86	70		
Total area (hectares)	7 257	23 186	18 208	25 506	13 551	21 619	18 435	31 520	18 623	11 815		
Avg. price per hectare	901	745	1 075	957	909	1 003	1 017	1 015	1 298	1 787		
HOOPSTAD RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	22	25	28	47	21	31	40	63	24	21		
Total area (hectares)	10 255	10 284	13 111	26 992	7 563	12 449	16 878	29 018	9 811	13 284		
Avg. price per hectare	771	1 184	918	1 071	1 340	1 362	1 556	1 252	2 090	1 702		
JACOBSDAL RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	24	16	19	23	17	22	24	21	5		
Total area (hectares)	1 545	14 563	8 313	15 108	17 491	14 955	18 887	20 425	13 425	2 505		
Avg. price per hectare	785	547	702	639	558	487	479	621	878	1 043		

KOPPIES RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	6	26	17	15	21	18	23	27	32	11		
Total area (hectares)	1 881	10 248	6 802	6 128	5 812	4 633	6 837	8 509	10 889	2 951		
Avg. price per hectare	1 023	1 018	969	888	1 155	1 489	1 053	1 445	1 293	1 667		
KROONSTAD RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	20	61	44	54	45	64	42	86	90	56		
Total area (hectares)	10 307	28 919	16 732	19 603	13 697	23 857	18 520	29 633	26 006	23 142		
Avg. price per hectare	713	668	837	946	1 039	1 077	1 115	1 093	1 484	1 478		
LADYBRAND RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	6	20	29	34	25	26	30	47	38	19		
Total area (hectares)	3 050	6 520	12 130	13 574	11 756	9 316	10 793	15 534	13 649	6 494		
Avg. price per hectare	521	648	614	816	515	684	715	846	1 164	1 352		
LINDLEY RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	18	53	36	67	20	44	34	51	73	25		
Total area (hectares)	6 665	15 910	10 388	21 731	4 994	10 614	9 050	13 594	25 994	14 749		
Avg. price per hectare	807	744	959	890	1 175	875	1 039	857	1 066	743		
MARQUARD RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	13	22	17	20	8	21	27	22	17	26		
Total area (hectares)	5 099	7 479	5 032	4 584	1 760	5 834	9 766	8 498	5 238	5 909		
Avg. price per hectare	577	684	850	1 020	1 169	806	833	898	1 132	1 252		
ODENDAALSRUS RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	2	8	16	8	23	13	9	11	13	15		
Total area (hectares)	962	3 137	9 472	3 029	6 876	3 740	2 555	3 535	3 015	6 069		
Avg. price per hectare	1 253	1 423	839	1 483	1 138	1 161	1 135	1 372	1 433	1 589		
PARYS RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	11	24	34	37	42	35	34	29	32	18		
Total area (hectares)	3 035	3 572	9 833	7 991	6 380	5 117	4 040	5 535	5 532	2 460		
Avg. price per hectare	946	1 743	1 047	1 568	2 016	1 417	1 864	1 798	1 739	3 109		
PHILLIPPOLIS RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	10	12	7	4	14	12	15	22	3		
Total area (hectares)	9 689	10 741	20 241	14 517	5 459	24 337	17 507	23 075	31 323	3 244		
Avg. price per hectare	205	280	189	167	280	420	450	434	565	589		
REDDERSBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	2	9	10	16	14	9	15	19	20	12		
Total area (hectares)	1 681	5 912	4 891	9 904	10 700	5 925	10 864	10 805	8 333	6 088		
Avg. price per hectare	137	314	315	343	447	415	551	674	893	886		

REITZ RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	29	51	44	57	25	36	46	83	59	44		
Total area (hectares)	7 685	12 243	8 823	17 481	5 918	10 097	11 661	21 790	14 925	10 446		
Avg. price per hectare	936	1 082	1 076	936	1 308	1 073	1 298	1 008	1 240	1 373		
ROUXVILLE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	10	14	26	14	22	11	18	15	15		
Total area (hectares)	5 367	4 497	6 708	16 250	10 320	13 965	4 228	11 918	5 336	10 424		
Avg. price per hectare	342	324	459	420	497	398	667	864	672	757		
SENEKAL RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	22	47	49	44	51	34	64	74	80	56		
Total area (hectares)	5 090	13 297	17 423	16 823	18 221	9 831	20 886	27 200	28 291	16 826		
Avg. price per hectare	610	652	734	593	774	739	841	779	1 065	1 175		
SMITHFIELD RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	7	20	19	25	16	20	20	24	9	12		
Total area (hectares)	5 908	17 082	13 987	24 758	12 250	16 608	14 555	15 881	6 725	11 655		
Avg. price per hectare	219	293	369	326	408	364	581	626	721	905		
THABANICHU RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	2	8	5	9	44	21	14	21	24	3		
Total area (hectares)	636	2 648	1 621	4 833	24 726	7 247	3 310	8 159	8 109	984		
Avg. price per hectare	312	512	769	828	442	804	1 158	629	763	2 019		
THEUNISEN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	26	22	32	46	24	48	42	59	36	27		
Total area (hectares)	6 703	6 898	7 037	13 550	6 215	11 864	11 362	23 545	12 613	7 921		
Avg. price per hectare	779	924	960	1 176	908	1 660	1 374	1 497	1 436	1 960		
TROMPSBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	5	3	9	7	5	3	17	8	2		
Total area (hectares)	5 179	3 138	3 554	10 259	9 845	9 297	2 899	21 438	8 675	1 929		
Avg. price per hectare	224	435	361	245	251	342	331	262	759	449		
VENTERSBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	15	28	31	24	19	29	33	41	34	28		
Total area (hectares)	3 996	12 914	9 034	8 009	6 254	7 856	7 278	15 003	9 851	10 605		
Avg. price per hectare	730	552	917	817	1 310	1 067	1 252	1 203	1 288	1 624		
VILJOENSKROON RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	7	44	36	33	36	38	32	47	27	33		
Total area (hectares)	1 973	6 555	11 673	14 506	7 520	8 859	7 720	17 047	8 240	4 108		
Avg. price per hectare	1 059	1 059	1 493	1 650	1 440	1 526	1 087	1 311	2 388	3 308		

VREDE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	22	63	45	51	34	46	47	54	98	50		
Total area (hectares)	10 811	28 688	19 658	25 711	14 955	25 243	23 310	33 985	49 273	27 987		
Avg. price per hectare	689	728	872	864	716	918	1 015	781	951	1 223		
VREDEFORT RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	8	33	35	28	20	21	22	34	21	26		
Total area (hectares)	969	9 920	11 240	5 375	6 363	6 635	4 943	6 390	4 785	4 872		
Avg. price per hectare	1 302	1 012	846	1 621	1 445	1 287	1 383	1 285	1 798	2 010		
WELKOM RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	7	2	3	10	5	10	9	7	11	10		
Total area (hectares)	1 960	587	605	5 281	1 091	1 575	2 083	2 106	2 684	1 629		
Avg. price per hectare	936	741	686	792	1 007	920	1 104	878	1 168	1 941		
WEPENER RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	18	11	14	14	14	18	26	19	10		
Total area (hectares)	284	13 502	5 941	7 125	7 621	9 904	9 180	17 701	12 786	7 204		
Avg. price per hectare	422	333	404	599	524	382	554	774	846	978		
WESSELSBRON RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	9	20	33	28	22	20	33	34	15	13		
Total area (hectares)	2 461	7 276	13 408	7 597	6 912	6 234	12 097	12 640	5 355	4 637		
Avg. price per hectare	1 215	1 434	1 204	1 162	1 200	1 968	1 168	1 367	1 554	1 836		
WINBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	11	21	37	29	41	33	39	51	45	21		
Total area (hectares)	4 670	10 947	13 372	11 173	22 318	16 620	19 642	34 872	23 355	9 368		
Avg. price per hectare	526	556	601	593	566	759	860	708	1 063	1 860		
ZASTRON RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	22	21	24	16	22	22	18	15	14		
Total area (hectares)	5 265	16 813	9 911	15 083	10 374	10 683	8 263	9 792	7 339	3 847		
Avg. price per hectare	291	389	420	474	382	433	395	435	601	997		

5.4 Gauteng

Farmland prices in Gauteng tend to fluctuate more from year to year than is the case elsewhere. This is not, as one might suppose, because there are relatively few rural property transactions in Gauteng (compare Figure D-3 for Gauteng below, with Figure D-2 for Free State, above). Perhaps the reason is that, even more than in other parts of the country, rural properties in Gauteng are influenced by non-farming land demand and property trends, including speculative pressures. It is well known that the market for smallholdings is quite fickle, owing not least to changes in perceived security. The fact that 33.6% of the value of rural property transferred in Gauteng falls in the 6-20 hectare range, versus a figure of 1.9% for the Free State, is a good indication of what makes Gauteng rather different from other provinces. Another peculiar feature of Gauteng is the extremely high price per hectare of properties in the larger size categories – although the general pattern still obtains whereby smaller properties have a higher price per hectare than larger properties, the difference is not as great in Gauteng as it is elsewhere.

Per hectare prices of Gauteng's land reform projects are on a par with provincial prices generally, though not surprisingly are highly variable. The number of land reform transactions is unusually low relative to the total number of rural transactions, but this is also not surprising given that Gauteng's rural property market is very active relative to its small area, primarily on account of the fact that a high (but unknown) proportion .

Figure A-3: Average land prices in the market and for land reform projects, 1994 to 2003 – Gauteng

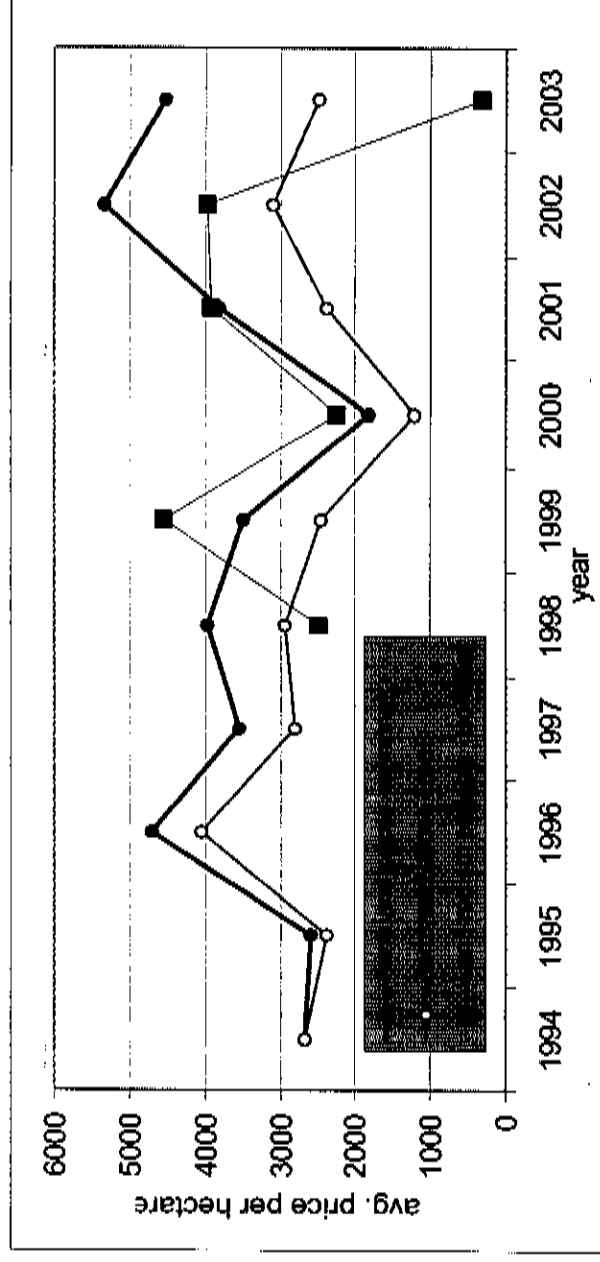


Table B-3: Average land price trends by size category, 1994 to 2003, current Rand – Gauteng

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	22 668	27 173	26 862	31 020	31 145	30 720	37 744	43 470	47 439	47 115
6-20	15 438	16 069	17 459	20 302	18 560	18 804	20 997	22 492	25 529	31 572
21-100	4 910	5 207	5 319	6 619	7 075	6 454	6 992	7 558	8 272	10 218
101-500	2 648	2 685	3 063	2 564	3 182	3 243	3 293	3 156	4 450	3 891
501-1000	2 666	1 351	2 146	1 253	1 735	1 998	1 991	1 824	2 799	6 158
1001-5000	1 064	1 954	438	984	2 179	1 341	380	2 819	1 260	337
5001+	326	51	0	31	100	19	28	27	202	64
All	2 668	2 581	4 711	3 555	3 963	3 492	1 833	3 795	5 342	4 532

Table C-3: Average land price trends by size category, 1994 to 2003, 2003 Rand – Gauteng

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	41 558	45 826	42 212	44 876	42 160	39 525	46 085	50 215	50 193	47 115
6-20	28 303	27 100	27 436	29 371	25 124	24 194	25 637	25 982	27 011	31 572
21-100	9 002	8 781	8 358	9 576	9 577	8 304	8 537	8 731	8 752	10 218
101-500	4 855	4 545	4 813	3 709	4 307	4 173	4 021	3 646	4 708	3 891
501-1000	4 888	2 278	3 372	1 813	2 349	2 571	2 431	2 107	2 962	6 158
1001-5000	1 951	3 295	688	1 424	2 950	1 725	464	3 256	1 333	337
5001+	598	86	0	45	135	24	34	31	214	64
All	4 891	4 353	7 403	5 143	5 365	4 493	2 238	4 384	5 652	4 532

Figure D-3: Transactions in the market and through land reform, 1995 to 2002 – Gauteng

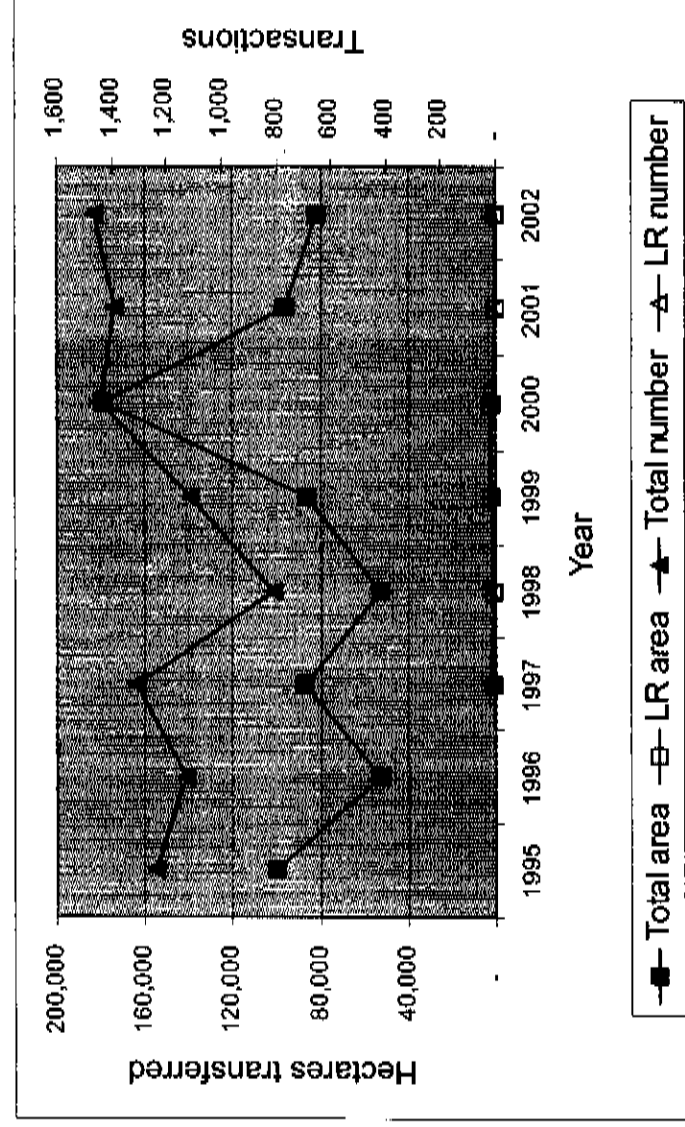


Table E-3: Land sales by total area and total value, with value shares, by size category – Gauteng

Size category	Total area	Total value (2003 Rand)	Avg. price per hectare (2003 Rand)	Area share	Value share
1-5	7 177	329 191 222	45 867	0.8%	8.8%
6-20	46 402	1 259 376 104	27 141	5.5%	33.6%
21-100	104 702	937 653 826	8 955	12.4%	25.0%
101-500	187 832	795 106 222	4 233	22.2%	21.2%
501-1000	79 622	221 010 039	2 776	9.4%	5.9%
1001-5000	97 990	176 654 784	1 803	11.6%	4.7%
5001+	323 212	28 661 579	89	38.2%	0.8%
All	846 936	3 747 653 775	4 425	100.0%	100.0%

Table F-3: Transactions and average prices by magisterial district, 1994-2003 – Gauteng

ALBERTON												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	1	0	1	0	0	0	1	0	0		
Total area (hectares)	64	236	0	20	0	0	0	42	0	0		
Avg. price per hectare	11 168	17 056	NA	13 616	NA	NA	NA	9 911	NA	NA		
BOKSBURG												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	2	2	2	1	3	1	5	4	0		
Total area (hectares)	0	20	33	12	1	1 505	5	7 550	150	0		
Avg. price per hectare	NA	53 314	18 112	16 564	849	5 856	4 420	105	24 706	NA		
BRAKPAN												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	4	2	2	2	4	4	4	3	0		
Total area (hectares)	5	89	326	121	26	381	620	1 307	169	0		
Avg. price per hectare	1 000	7 078	4 567	19 556	4 168	4 960	10 996	7 213	6 819	NA		
BRONKHORSTSPRUIT												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	39	129	113	128	97	128	114	126	135	71		
Total area (hectares)	3 323	5 277	5 860	7 676	6 146	6 796	6 724	6 623	6 126	3 212		
Avg. price per hectare	2 286	4 286	3 973	3 326	2 893	3 850	4 163	4 363	6 319	7 076		
CULLINAN												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	60	145	148	141	79	106	120	160	153	108		
Total area (hectares)	2 412	10 838	10 092	5 791	4 384	5 863	3 329	5 688	5 026	2 773		
Avg. price per hectare	2 658	2 680	3 044	4 709	3 273	4 130	8 478	5 986	10 697	11 125		
GERMISTON												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	0	2	0	1	0	2	0	0		
Total area (hectares)	0	0	0	60	0	3	0	14	0	0		
Avg. price per hectare	NA	NA	NA	1 094	NA	34	NA	23 568	NA	NA		
HEIDELBERG												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	14	19	17	11	24	20	27	20	15		
Total area (hectares)	323	1 945	1 823	3 850	1 631	8 199	24 522	3 349	4 036	1 540		
Avg. price per hectare	1 897	2 163	2 512	1 301	2 527	2 002	227	2 327	2 578	4 959		
JOHANNESBURG												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	9	14	25	10	12	9	6	6	5		
Total area (hectares)	32	82	278	1 015	163	247	139	69	60	60		
Avg. price per hectare	12 993	12 155	13 177	4 333	9 919	13 655	16 312	16 601	44 572	32 197		
KEMPTON PARK												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	15	2	10	1	8	14	4	11	5		
Total area (hectares)	84	266	421	366	21	341	1 044	1 350	427	652		
Avg. price per hectare	9 763	13 168	5 596	9 138	14 010	12 737	5 040	5 847	19 507	6 973		

KRUGERSDORP												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	58	110	162	145	90	112	121	116	161	121		
Total area (hectares)	2 233	7 254	4 952	5 991	3 789	3 858	3 304	4 912	4 262	2 667		
Avg. price per hectare	5 532	4 058	6 624	6 062	4 955	8 236	8 739	8 433	10 476	15 995		
NIGEL												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	22	17	19	13	19	20	18	21	10		
Total area (hectares)	934	3 296	3 079	6 071	1 796	5 132	9 417	2 931	4 871	2 045		
Avg. price per hectare	1 218	1 362	1 564	1 568	1 659	2 744	860	2 171	1 934	2 282		
OBERHOLZER												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	5	4	9	4	8	5	6	2	1		
Total area (hectares)		8 097	157	2 966	236	13 142	792	2 456	286	10		
Avg. price per hectare		224	3 874	3 043	1 836	1 638	1 875	1 902	1 442	12 662		
PRETORIA												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	61	141	102	161	121	148	241	210	183	103		
Total area (hectares)	16 737	27 480	2 028	3 198	12 894	14 428	67 139	33 601	20 899	26 678		
Avg. price per hectare	926	1 027	10 645	13 211	2 346	2 575	753	1 575	2 673	1 288		
RANDBURG												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	4	5	5	3	2	7	15	11	11	7		
Total area (hectares)	21	165	29	7	12	31	236	223	263	50		
Avg. price per hectare	6 493	8 190	40 382	41 606	14 958	33 129	8 266	30 525	32 437	45 289		
RANDFONTEIN												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	16	34	26	26	24	25	18	24	23	22		
Total area (hectares)	2 915	2 363	1 342	3 373	2 117	1 871	1 418	4 410	3 182	1 486		
Avg. price per hectare	4 574	2 366	2 577	1 966	3 935	2 835	3 688	2 517	5 584	9 868		
ROODEPOORT												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	2	3	15	30	3	2	0	4	3	2		
Total area (hectares)	337	28	610	390	381	14	0	38	7 329	28		
Avg. price per hectare	230	6 516	10 809	28 636	2 424	39 354	NA	19 520	156	12 859		
SOSHANGUVE												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	0	0	0	0	0	1	0	0	1		
Total area (hectares)	307	0	0	0	0	0	1	0	0	4		
Avg. price per hectare	1 000	NA	NA	NA	NA	NA	26 667	NA	NA	11 584		
SPRINGS												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	2	2	0	1	1	3	1	12	1	0		
Total area (hectares)	18	193	0	189	82	182	3	891	9	0		
Avg. price per hectare	4 613	2 078	NA	1 873	8 427	1 666	56 163	9 514	83 531	NA		

VAN DER BIJLPARK												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	27	41	44	43	23	39	76	45	37	22		
Total area (hectares)	2 029	2 945	3 971	2 608	1 917	3 600	7 521	4 770	3 128	1 290		
Avg. price per hectare	2 324	4 379	1 930	4 271	2 750	2 995	4 063	2 108	2 419	5 710		
VEREENIGING												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	46	136	93	87	43	101	101	113	149	142		
Total area (hectares)	5 058	4 128	2 719	2 843	5 268	4 534	3 985	3 209	6 321	2 965		
Avg. price per hectare	1 537	4 288	6 208	5 123	2 166	4 098	4 283	7 897	4 878	8 043		
WESTONARIA												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	7	9	12	5	4	5	10	6	5	4		
Total area (hectares)	259	726	1 181	714	74	452	902	255	256	199		
Avg. price per hectare	3 547	11 038	2 746	1 222	11 148	1 519	2 456	22 860	1 170	3 634		
WONDERBOOM												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	100	245	223	269	179	232	343	336	324	234		
Total area (hectares)	1 671	14 752	3 172	4 309	4 723	2 979	4 047	5 404	3 699	17 907		
Avg. price per hectare	8 115	2 660	11 494	10 126	10 883	9 914	12 798	11 186	20 100	3 108		

5.5 KwaZulu-Natal

With the exception of a blip in 1995, rural property prices in KwaZulu-Natal have been very stable. Real property prices have in fact shown a slight decline since 1997. This is despite a significant increase in rural property activity since 1998, a conjuncture that is difficult to explain. Even so, rural property prices in KwaZulu-Natal are generally the second highest in the country, with Gauteng being the highest. (In 2003, Western Cape overtook KwaZulu-Natal, but whether this was sustained past 2003 is not known.) Part of this seems to owe to the fact that, like Gauteng, prices of larger properties are relatively high. This in turn is probably related to relatively large amounts of high-value farmland, not least under sugar cane. The blip in 1995 could be due to a few extraordinarily expensive transactions, or it might be erroneous data that our data cleaning procedures failed to eliminate.

The paucity of M&E data for KwaZulu-Natal makes interpretation of the land reform price series rather tenuous.¹⁸ Information about the number and area of land reform transactions is better, however, and one can see from Figure D-4 that these represent a very small share of the total rural property market activity.

Figure A-4: Average land prices in the market and for land reform projects, 1994 to 2003 – KwaZulu-Natal

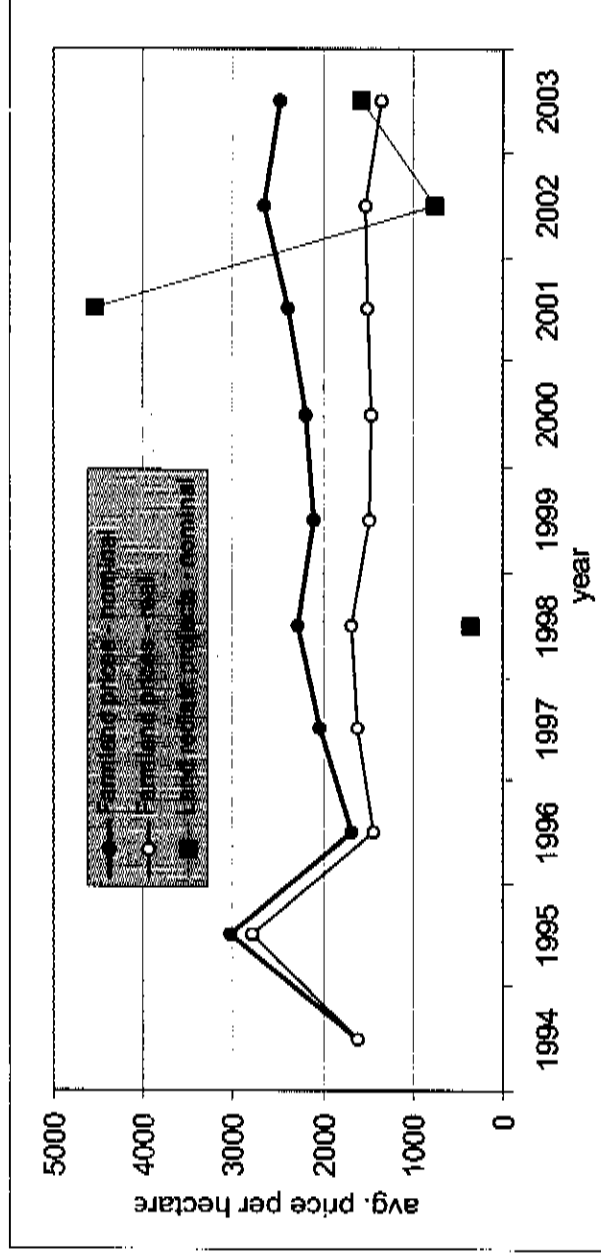


Table B-4: Average land price trends by size category, 1994 to 2003, current Rand – KwaZulu-Natal

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	23 534	20 571	29 006	25 516	26 571	29 594	30 798	35 061	36 064	39 631
6-20	14 776	19 637	16 924	19 687	20 487	15 961	20 928	20 360	21 628	27 530
21-100	6 885	8 763	9 194	8 810	8 621	7 875	9 823	9 660	11 285	14 287
101-500	1 627	2 521	2 723	2 787	3 077	2 895	3 072	3 014	3 354	3 805
501-1000	810	929	1 170	1 166	1 134	971	1 134	1 004	1 469	1 491
1001-5000	531	845	1 140	857	1 179	1 352	1 075	1 369	1 550	1 805
5001+	1 965	6 160	96	989	50	0	51	0	151	23
All	1 624	3 031	1 687	2 034	2 274	2 107	2 200	2 399	2 660	2 473

¹⁸ There are no data for 1999 and 2000, and for the remaining years there is a total of only 33 data points. The reason is that of the more than 130 willing-buyer / willing-seller projects identified in the M&E data, about 100 had no record of the land price.

Table C-4: Average land price trends by size category, 1994 to 2003, 2003 Rand – KwaZulu-Natal.

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	43 146	34 692	45 581	36 914	35 968	38 076	37 604	40 501	38 158	39 631
6-20	27 089	33 117	26 595	28 481	27 732	20 536	25 553	23 519	22 884	27 530
21-100	12 623	14 778	14 448	12 745	11 670	10 132	11 994	11 159	11 940	14 287
101-500	2 983	4 252	4 279	4 032	4 165	3 725	3 751	3 482	3 549	3 805
501-1000	1 485	1 567	1 839	1 687	1 535	1 249	1 385	1 160	1 554	1 491
1001-5000	974	1 425	1 791	1 240	1 596	1 740	1 313	1 581	1 640	1 805
5001+	3 603	10 389	151	1 445	68	0	62	0	160	23
All	2 977	5 112	2 651	2 943	3 078	2 711	2 686	2 771	2 814	2 473

Figure D-4: Transactions in the market and through land reform, 1995 to 2002 – KwaZulu-Natal

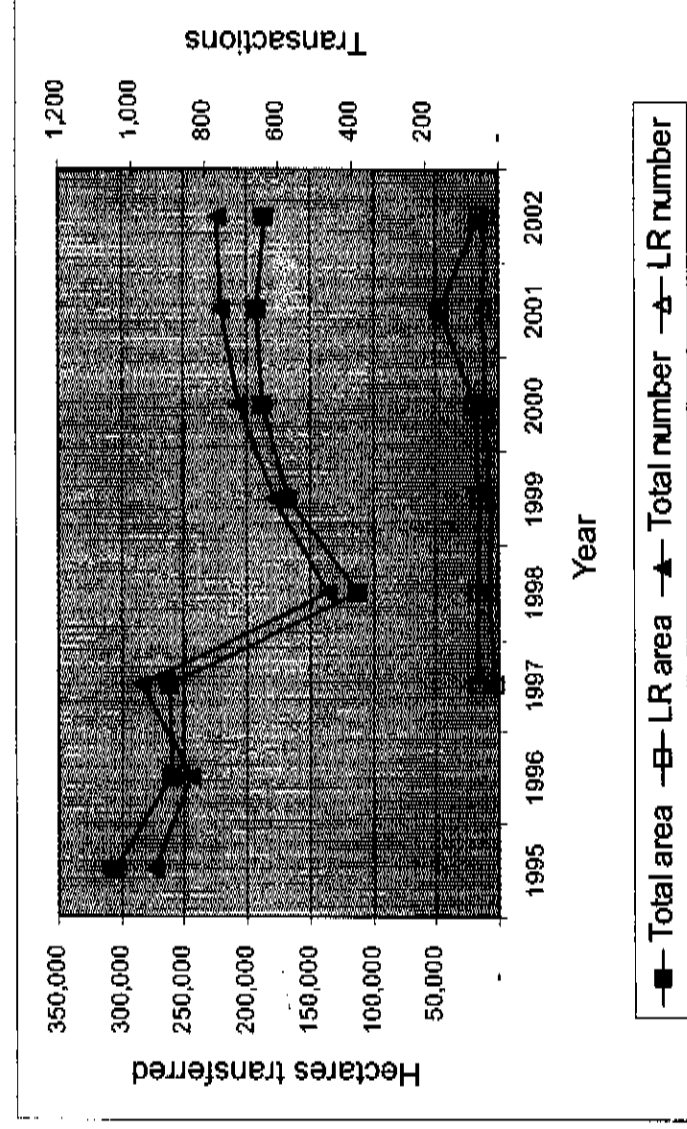


Table E-4: Land sales by total area and total value, with value shares, by size category – KwaZulu-Natal

Size category	Total area	Total value (2003 Rand)	Avg. price per hectare (2003 Rand)	Area share	Value share
1-5	2 328	90 765 947	38 984	0.1%	1.5%
6-20	11 764	309 522 062	26 311	0.6%	5.1%
21-100	83 054	1 052 764 529	12 676	4.3%	17.4%
101-500	533 842	2 055 413 937	3 850	27.9%	34.0%
501-1000	491 859	743 731 530	1 512	25.7%	12.3%
1001-5000	546 868	824 359 486	1 507	28.5%	13.6%
5001+	246 086	973 267 993	3 955	12.8%	16.1%
All	1 915 801	6 049 825 483	3 158	100.0%	100.0%

5.6 Limpopo

With the exception of a blip in 2000, rural property prices in Limpopo Province have been very stable. Real property prices have grown slowly and steadily for almost ten years. The intensity of land market activity increased as interest rates declined, but there appears to be a slowing of market activity since 2001. The blip in 2000 could be due to a few extraordinarily expensive transactions, or it might be erroneous data that our data cleaning procedures failed to eliminate.

Average per hectare prices of willing-buyer / willing-seller products show no discernible trend, probably owing to the modest number of such transactions recorded, possibly combined with the fact that land quality and thus property values vary across the province rather extremely. As with most other provinces, the number and area of land reform transactions are very small relative to transactions in the market at large.

Figure A-5: Average land prices in the market and for land reform projects, 1994 to 2003 – Limpopo

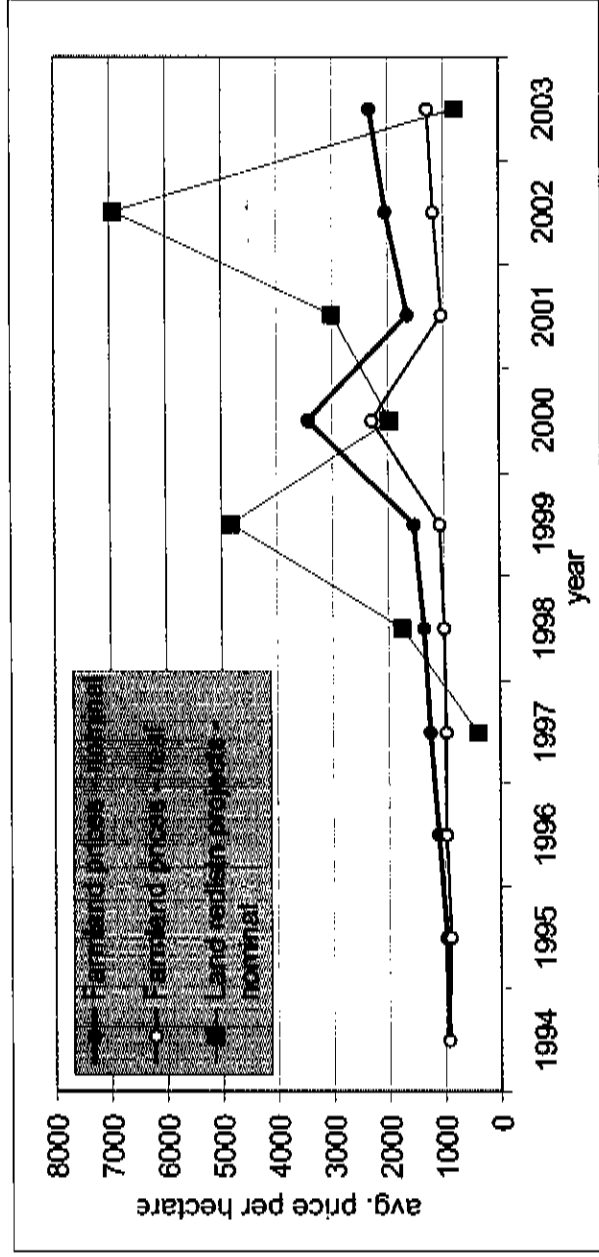


Table B-5: Average land price trends by size category, 1994 to 2003, current Rand – Limpopo

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	19 602	21 410	21 335	27 219	22 611	24 601	34 060	43 562	39 806	40 255
6-20	13 372	12 658	15 125	13 093	15 476	15 377	15 924	15 274	16 335	18 577
21-100	4 351	4 956	4 891	5 457	5 209	5 926	5 970	6 496	7 329	8 181
101-500	1 170	1 271	1 415	1 533	1 860	2 020	1 890	2 118	2 606	2 684
501-1000	713	761	947	1 280	1 137	1 282	1 564	1 473	1 790	2 290
1001-5000	524	545	740	773	888	1 048	1 192	1 079	1 409	1 640
5001+	0	400	367	1 293	0	44	17 238	445	1 425	185
All	916	962	1 111	1 240	1 368	1 524	3 425	1 658	2 038	2 329

Table C-5: Average land price trends by size category, 1994 to 2003, 2003 Rand – Limpopo

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	19 602	21 410	21 335	27 219	22 611	24 601	34 060	43 562	39 806	40 255
6-20	13 372	12 658	15 125	13 093	15 476	15 377	15 924	15 274	16 335	18 577
21-100	4 351	4 956	4 891	5 457	5 209	5 926	5 970	6 498	7 329	8 181
101-500	1 170	1 271	1 415	1 533	1 860	2 020	1 890	2 118	2 606	2 684
501-1000	713	761	947	1 280	1 137	1 282	1 564	1 473	1 790	2 290
1001-5000	524	545	740	773	888	1 048	1 192	1 079	1 409	1 640
5001+	0	400	367	1 293	0	44	17 238	445	1 425	185
All	916	962	1 111	1 240	1 368	1 524	3 425	1 658	2 038	2 329

Figure D-5: Transactions in the market and through land reform, 1995 to 2002 – Limpopo

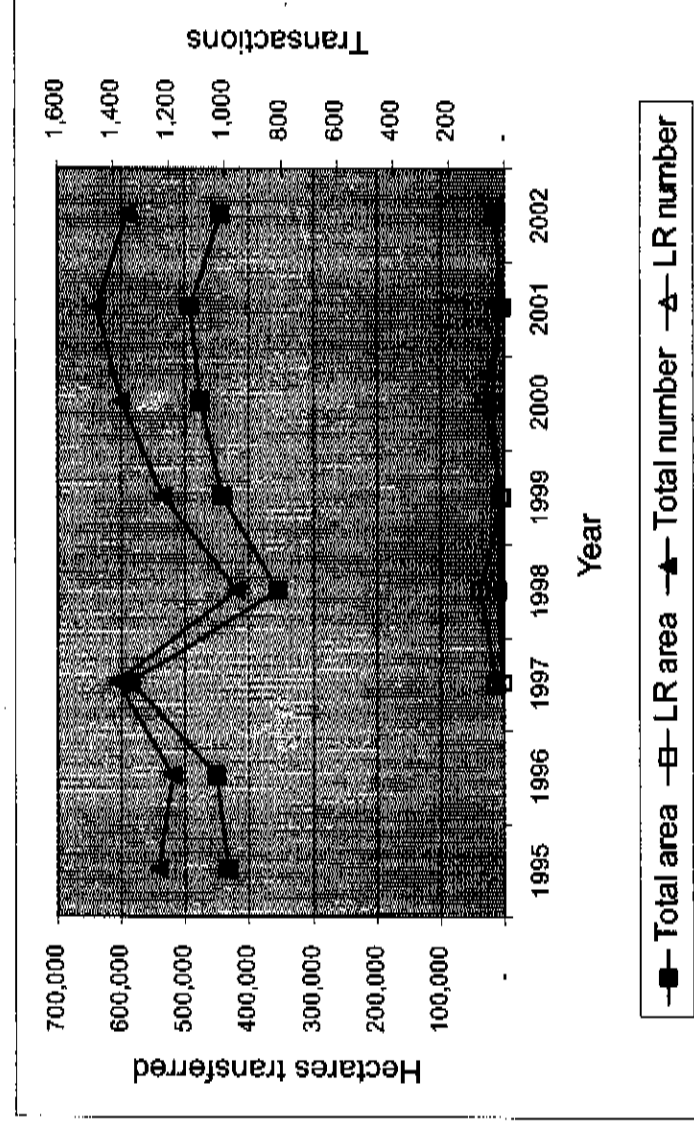


Table E-5: Land sales by total area and total value, with value shares, by size category – Limpopo

Size category	Total area	Total value (2003 Rand)	Avg. price per hectare (2003 Rand)	Area share	Value share
1-5	1 391	55 191 573	39 662	0.0%	0.6%
6-20	22 072	436 523 269	19 777	0.5%	4.9%
21-100	133 593	1 030 508 647	7 714	3.2%	11.6%
101-500	789 113	1 899 654 297	2 407	19.2%	21.4%
501-1000	1 023 707	1 716 470 737	1 677	24.8%	19.4%
1001-5000	1 994 040	2 506 871 437	1 257	48.4%	28.3%
5001+	155 840	1 224 686 988	7 859	3.8%	13.8%
All	4 119 755	8 869 906 949	2 153	100.0%	100.0%

Table F-5: Transactions and average prices by magisterial district, 1994-2003 – Limpopo

BOCHUM												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	1	0	0	0	0	0	0	0		
Total area (hectares)	0	0	86	0	0	0	0	0	0	0		
Avg. price per hectare	NA	NA	584	NA	NA	NA	NA	NA	NA	NA		
ELLISRAS												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	21	67	66	67	64	90	77	88	72	56		
Total area (hectares)	10 391	44 899	33 947	43 526	30 814	51 273	61 612	58 937	36 832	37 553		
Avg. price per hectare	599	579	871	1 101	909	1 077	14 834	1 089	1 674	2 159		
LETABA												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	49	88	98	136	74	91	80	102	78	44		
Total area (hectares)	3 985	4 534	11 384	20 983	6 938	8 143	5 494	6 899	4 630	1 813		
Avg. price per hectare	2 807	4 910	3 010	3 392	4 728	5 212	5 537	6 219	7 130	8 494		
MESSINA												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	19	43	47	57	33	44	55	46	33	25		
Total area (hectares)	10 177	30 299	29 967	54 068	21 512	42 839	29 777	31 915	14 173	14 977		
Avg. price per hectare	697	580	695	593	869	1 214	1 280	1 141	1 261	1 533		
MHALA												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	0	0	0	0	0	0	1	0		
Total area (hectares)	0	0	0	0	0	0	0	0	50	1		
Avg. price per hectare	NA	NA	NA	NA	NA	NA	NA	NA	20 193	NA		
MOKERONG												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	0	0	1	0	0	0	0	0	0		
Total area (hectares)	9	0	0	9	0	0	0	0	0	0		
Avg. price per hectare	7 005	NA	NA	32 690	NA	NA	NA	NA	NA	NA		
NEBO												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	1	0	0	0	0	0	0	0	0		
Total area (hectares)	0	7	0	0	0	0	0	0	0	0		
Avg. price per hectare	NA	21 739	NA	NA	NA	NA	NA	NA	NA	NA		
PHALABORWA												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	31	67	69	79	49	73	90	92	84	40		
Total area (hectares)	14 217	15 096	28 537	40 692	20 127	13 052	14 585	9 696	23 458	9 635		
Avg. price per hectare	1 154	2 373	1 818	2 154	2 057	2 899	3 731	5 202	2 672	3 810		
PIETERSBURG												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	73	178	158	173	119	145	197	176	203	107		
Total area (hectares)	6 175	29 568	34 057	46 622	25 436	25 923	36 664	35 580	35 644	12 757		
Avg. price per hectare	2 244	1 476	1 535	1 277	1 457	1 547	1 806	2 049	2 131	2 854		

POTGIETERSRUS	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of sales	59	199	188	214	162	178	177	240	182	143
Total area (hectares)	46 224	90 822	96 422	107 489	69 002	78 988	89 549	107 194	87 597	47 565
Avg. price per hectare	672	721	864	1 112	1 109	1 289	1 301	1 219	1 705	2 102
SEKGOSESE										
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of sales	0	0	0	0	0	0	0	1	1	0
Total area (hectares)	0	0	0	0	0	0	0	431	5	0
Avg. price per hectare	NA	NA	NA	NA	NA	NA	NA	1 277	17 003	NA
SEKHUKHULELAND										
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of sales	0	0	0	0	0	0	3	2	0	0
Total area (hectares)	0	0	0	0	0	0	4 761	4 758	0	0
Avg. price per hectare	NA	NA	NA	NA	NA	NA	92	63	NA	NA
SESHOGO										
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of sales	0	1	0	0	0	0	0	0	0	0
Total area (hectares)	0	64	0	0	0	0	0	0	0	0
Avg. price per hectare	NA	281	NA	NA	NA	NA	NA	NA	NA	NA
SOUTPANSBERG										
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of sales	61	121	92	140	87	123	117	85	107	64
Total area (hectares)	18 052	60 442	41 437	102 549	45 911	48 432	56 153	39 763	66 829	31 695
Avg. price per hectare	1 008	902	879	845	1 141	1 374	1 475	1 320	1 436	1 840
THABAMOPO										
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of sales	0	2	1	0	0	0	0	2	0	0
Total area (hectares)	0	2 851	35	0	0	0	0	21	0	0
Avg. price per hectare	NA	800	997	NA	NA	NA	NA	25 971	NA	NA
THABAZIMBI										
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of sales	38	91	130	109	83	89	111	174	160	97
Total area (hectares)	27 573	47 196	81 534	51 973	40 372	58 752	62 801	87 635	60 462	45 470
Avg. price per hectare	574	715	823	1 005	1 143	1 225	1 363	1 619	1 922	1 975
VUWANI										
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of sales	0	0	0	0	0	0	0	0	1	0
Total area (hectares)	0	0	0	0	0	0	0	0	152	0
Avg. price per hectare	NA	NA	NA	NA	NA	NA	NA	NA	657	NA
WARMBAD										
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of sales	70	192	172	205	118	165	176	179	170	138
Total area (hectares)	17 778	29 027	27 963	32 261	31 168	28 303	27 201	27 096	26 324	14 641
Avg. price per hectare	1 025	1 384	1 770	1 871	1 805	2 301	2 621	2 638	3 369	4 509

WATERBERG		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Year		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of sales		49	134	110	148	117	141	147	169	156	111
Total area (hectares)		13 956	50 729	42 246	53 127	41 252	51 068	44 041	50 368	49 852	35 013
Avg. price per hectare		1 055	900	1 029	1 306	1 566	1 595	1 836	1 674	2 347	2 206

5.7 Mpumalanga

The price of land fluctuated between period 1994 and 1997, but thereafter stabilised. Since 1997, real prices gradually declined for a few years and then gradually rose until reaching their 1997 level in 2003. However, in terms of nominal prices the price increase between 2002 and 2003 was very steep. In terms of area and value, the rural property market in Mpumalanga is dominated by transactions of properties in the 101-500 hectare range, however, there is also significant market activity in properties in the larger size categories.

The observant reader will note an unusually high price per hectare for properties traded in 2003 in the 5001+ size category. This in fact relates to a single large property in Nelspruit magisterial district, that was traded twice in that same year, first acquired by government from a private concern, and then sold (at the same price) to what appears to be a land reform trust. This illustrates one of the hazards of the land price database – should this in fact be regarded as two transactions, or rather only one – but also probably explains the dramatic upwards jump in average price per hectare for land reform projects between 2002 and 2003.

Figure A-6: Average land prices in the market and for land reform projects, 1994 to 2003 – Mpumalanga

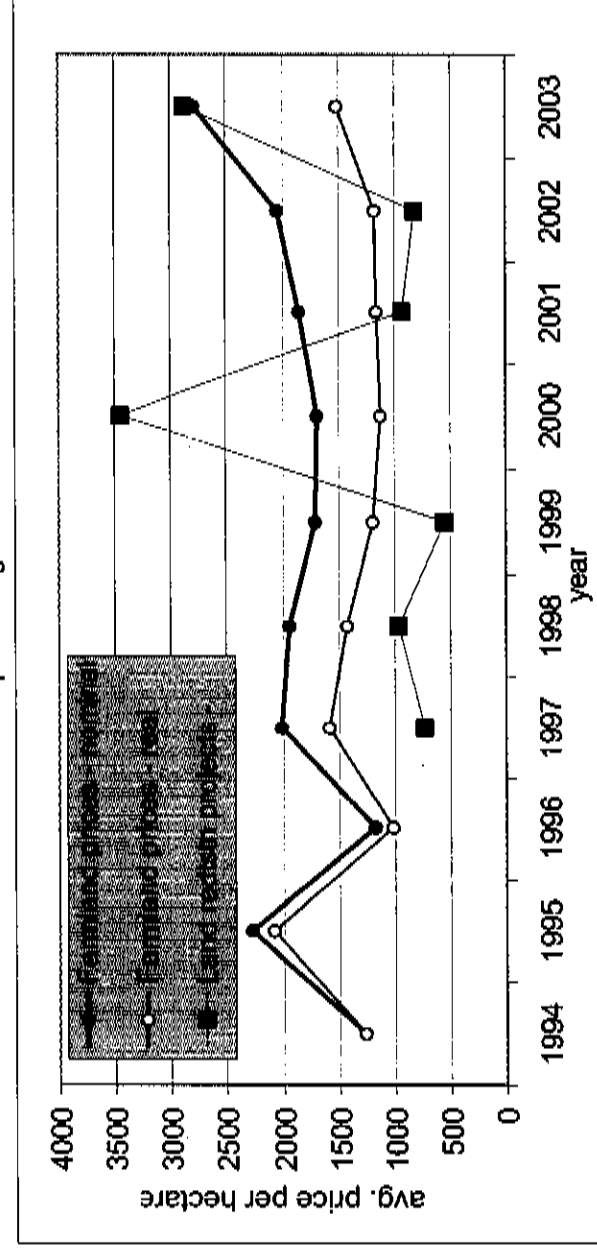


Table B-6: Average land price trends by size category, 1994 to 2003, current Rand – Mpumalanga

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	16 585	21 396	23 374	26 237	22 403	25 606	30 292	31 667	34 323	41 802
6-20	12 151	16 283	16 538	15 910	16 032	16 190	18 078	18 997	21 982	22 567
21-100	3 542	4 548	4 459	5 844	5 000	6 176	5 936	6 046	6 574	7 531
101-500	1 049	1 176	1 287	1 476	1 454	1 536	1 550	1 624	1 915	1 995
501-1000	820	895	987	1 056	1 027	1 031	1 301	1 191	1 389	1 561
1001-5000	570	1 088	1 205	810	892	1 256	921	1 596	1 679	1 624
5001+	1 850	6 345	295	11 252	12 153	0	676	0	2 201	10 777
All	1 256	2 270	1 179	2 004	1 932	1 705	1 689	1 848	2 039	2 784

Table C-6: Average land price trends by size category, 1994 to 2003, 2003 Rand – Mpumalanga

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	30 406	36 084	36 731	37 957	30 326	32 945	36 987	36 580	36 316	41 802
6-20	22 277	27 461	25 988	23 017	21 702	20 830	22 073	21 945	23 258	22 567
21-100	6 494	7 670	7 007	8 454	6 768	7 946	7 248	6 984	6 966	7 531
101-500	1 923	1 983	2 022	2 135	1 968	1 976	1 893	1 876	2 026	1 995
501-1000	1 503	1 509	1 551	1 528	1 390	1 327	1 589	1 376	1 470	1 561
1001-5000	1 045	1 835	1 894	1 172	1 207	1 616	1 125	1 846	1 776	1 624
5001+	3 392	10 701	464	16 278	16 451	0	825	0	2 329	10 777
All	2 303	3 828	1 853	2 899	2 615	2 194	2 062	2 135	2 157	2 784

Figure D-6: Transactions in the market and through land reform, 1995 to 2002 – Mpumalanga

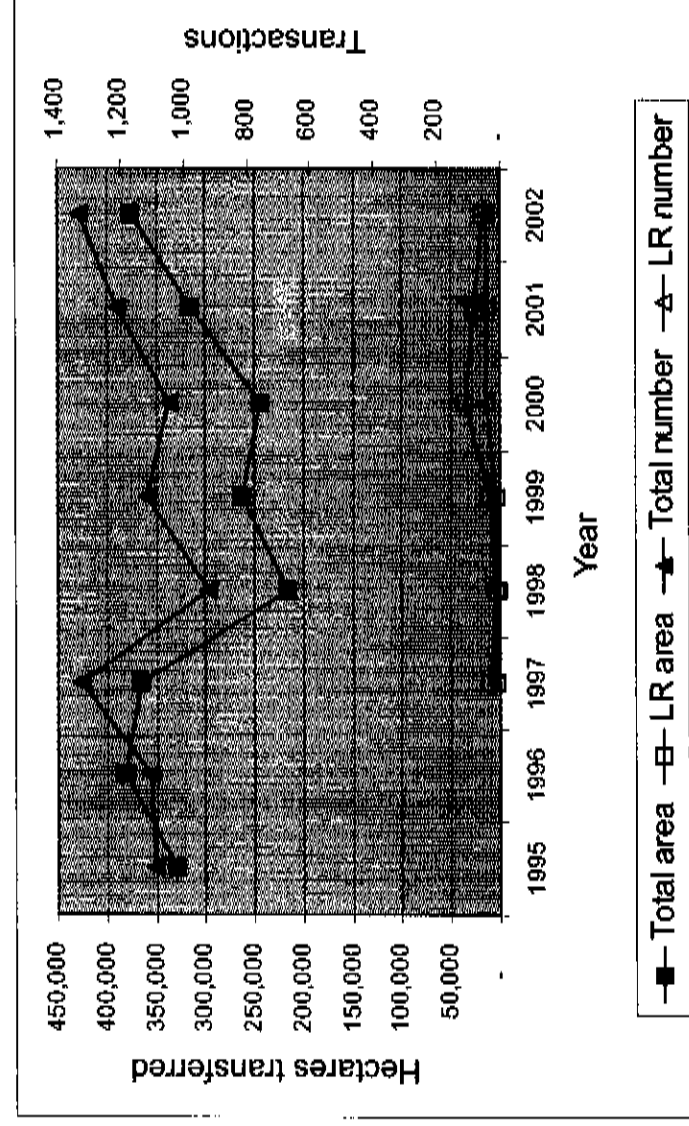


Table E-6: Land sales by total area and total value, with value shares, by size category – Mpumalanga

Size category	Total area	Total value (2003 Rand)	Avg. price per hectare (2003 Rand)	Area share	Value share
1-5	2 058	74 002 283	35 966	0.1%	1.1%
6-20	14 829	344 093 836	23 204	0.5%	4.9%
21-100	145 189	1 067 233 067	7 351	5.2%	15.3%
101-500	1 026 370	2 040 913 084	1 988	36.4%	29.2%
501-1000	678 265	1 000 365 249	1 475	24.1%	14.3%
1001-5000	709 566	1 114 477 580	1 571	25.2%	15.9%
5001+	241 165	1 352 271 753	5 607	8.6%	19.3%
All	2 817 442	6 993 356 851	2 482	100.0%	100.0%

Table F-6: Transactions and average prices by magisterial district, 1994-2003 – Mpumalanga

AMERSFOORT												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	9	22	23	19	23	20	20	30	42	21		
Total area (hectares)	2 799	6 047	7 975	11 184	8 075	8 910	6 264	12 514	18 617	6 494		
Avg. price per hectare	429	732	1 013	851	848	609	845	629	814	970		
BALFOUR												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	21	45	62	76	23	44	43	49	39	19		
Total area (hectares)	6 806	8 275	17 281	20 124	4 539	14 806	12 077	10 482	13 921	6 762		
Avg. price per hectare	1 034	1 104	1 208	1 244	1 362	1 365	1 318	1 636	1 687	2 305		
BARBERTON												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	30	42	51	49	51	44	47	46	65	17		
Total area (hectares)	3 535	15 419	33 498	11 208	10 825	10 117	13 933	6 259	15 923	2 803		
Avg. price per hectare	2 592	1 074	968	1 889	3 387	3 142	2 499	3 902	5 001	3 809		
BELFAST												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	19	62	45	71	32	60	43	35	44	37		
Total area (hectares)	4 206	74 963	13 379	21 972	10 790	15 976	8 349	8 558	23 435	6 859		
Avg. price per hectare	901	5 213	908	1 142	1 743	1 415	2 552	1 576	1 023	3 227		
BETHAL												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	16	39	40	37	29	28	34	32	47	33		
Total area (hectares)	2 113	10 410	8 639	8 703	5 389	6 553	8 934	9 074	13 015	8 720		
Avg. price per hectare	1 013	1 068	1 064	1 063	1 623	1 095	1 346	879	1 205	1 978		
CAROLINA												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	26	45	54	55	39	51	47	59	49	36		
Total area (hectares)	9 091	19 061	24 393	33 011	8 934	16 537	17 394	18 173	17 600	18 213		
Avg. price per hectare	934	746	984	6 288	1 246	1 101	821	1 239	1 564	2 458		
DELMAS												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	6	28	30	35	28	36	36	25	33	18		
Total area (hectares)	1 267	4 956	3 769	7 292	6 977	8 023	5 886	4 800	6 558	6 793		
Avg. price per hectare	1 127	2 048	2 915	2 794	2 048	2 879	3 415	3 896	3 227	1 216		
ERMELO												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	41	98	105	96	52	78	63	110	120	60		
Total area (hectares)	39 375	41 414	43 618	42 054	21 751	33 094	21 731	40 449	46 492	21 514		
Avg. price per hectare	1 377	1 022	1 035	1 027	901	998	1 084	1 012	1 151	1 103		
GROBLERSDAL												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	54	105	119	155	117	79	94	86	98	40		
Total area (hectares)	7 352	23 572	19 670	26 503	16 761	8 231	17 193	12 742	14 477	9 057		
Avg. price per hectare	1 571	1 362	2 026	2 261	2 399	4 258	2 509	3 593	3 816	3 324		

HIGHVELD RIDGE												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	24	24	34	27	18	27	33	28	34	11		
Total area (hectares)	7 815	7 503	10 196	8 246	4 843	8 717	8 435	7 572	8 371	2 544		
Avg. price per hectare	929	975	1 965	968	1 343	1 029	1 010	1 252	2 278	3 156		
KRIEL												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	5	4	8	7	6	10	8	11	1		
Total area (hectares)	4 682	1 843	845	2 578	941	1 818	2 348	2 290	5 386	499		
Avg. price per hectare	2 321	1 972	1 178	1 160	2 805	1 834	2 083	3 731	2 523	2 805		
KWAMHLANGA												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	1	1	2	1	3	2	2	4	0		
Total area (hectares)	31	20	16	205	20	921	91	750	517	0		
Avg. price per hectare	5 145	3 924	10 291	1 766	6 867	2 932	1 229	1 536	3 614	NA		
LYDENBURG												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	59	70	81	76	51	84	71	104	111	44		
Total area (hectares)	17 153	24 953	45 161	29 328	13 745	20 665	21 648	33 394	40 418	7 938		
Avg. price per hectare	883	1 601	1 063	2 080	1 015	1 420	1 271	1 723	1 942	2 901		
MIDDELBURG MP												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	54	130	107	149	95	130	99	149	131	80		
Total area (hectares)	9 792	21 968	16 819	30 436	30 030	27 772	26 040	42 369	33 703	15 716		
Avg. price per hectare	1 161	1 606	1 629	2 092	3 776	2 030	1 447	1 792	2 903	2 842		
MKOBOLA												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	0	0	0	0	0	0	1	0		
Total area (hectares)	0	0	0	0	0	0	0	0	659	0		
Avg. price per hectare	NA	NA	NA	NA	NA	NA	NA	NA	834	NA		
MOUTSE												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	5	0	1	1	0	1	3	0	0		
Total area (hectares)	0	53	0	9	17	0	17	21	0	0		
Avg. price per hectare	NA	3 850	NA	1 861	4 418	NA	4 418	2 101	NA	NA		
NELSPRUIT												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	39	68	100	105	72	119	118	108	99	59		
Total area (hectares)	3 288	6 545	6 260	6 801	3 521	7 833	7 750	8 560	4 986	11 865		
Avg. price per hectare	2 806	3 596	4 390	4 412	5 893	3 803	4 625	4 836	6 873	11 036		
NSIKAZI												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	0	0	0	0	0	0	1	0		
Total area (hectares)	0	0	0	0	0	0	0	0	5	0		
Avg. price per hectare	NA	NA	NA	NA	NA	NA	NA	NA	1 489	NA		

PELGRIMSRUS												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	8	19	9	6	5	13	9	10	13	9		
Total area (hectares)	1 863	6 319	5 534	3 145	212	2 170	2 168	6 255	1 870	288		
Avg. price per hectare	2 132	2 440	1 511	2 154	3 291	3 372	2 164	7 396	3 157	17 859		
PIET RETIEF												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	13	28	42	35	37	30	31	38	36	17		
Total area (hectares)	3 812	12 469	73 731	14 895	15 992	9 069	12 388	22 423	19 874	6 851		
Avg. price per hectare	1 052	1 305	428	1 036	941	966	1 142	1 232	1 309	1 322		
STANDERTON												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	34	54	59	94	54	73	58	68	105	52		
Total area (hectares)	7 275	15 524	17 068	36 164	18 332	22 735	13 961	23 911	39 103	20 741		
Avg. price per hectare	1 080	1 272	818	1 177	1 246	1 250	1 192	1 057	1 280	1 544		
VOLKSRUST												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	24	24	24	21	23	16	29	43	23		
Total area (hectares)	3 560	6 584	8 903	9 730	3 941	9 429	3 815	8 098	14 913	7 795		
Avg. price per hectare	821	606	997	1 007	995	903	889	779	1 144	1 463		
WAKKERSTROOM												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	17	6	22	10	14	10	26	14	14		
Total area (hectares)	4 528	8 227	2 887	17 724	5 394	3 044	12 579	17 088	6 665	8 756		
Avg. price per hectare	590	1 079	1 378	615	905	965	651	1 547	677	525		
WATERVAL-BOVEN												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	7	10	11	18	8	13	7	14	18	3		
Total area (hectares)	1 597	3 171	4 522	5 224	1 321	2 164	830	3 035	4 459	348		
Avg. price per hectare	754	837	871	1 308	1 790	1 581	2 363	1 040	1 341	2 614		
WITBANK												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	31	74	54	81	77	73	90	64	79	49		
Total area (hectares)	4 408	3 507	8 992	7 766	12 227	15 657	10 026	7 629	11 686	4 757		
Avg. price per hectare	953	2 767	1 904	2 656	1 426	2 167	2 433	2 471	2 801	4 291		
WITRIVIER												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	19	55	31	46	36	30	39	51	56	31		
Total area (hectares)	710	2 146	1 747	1 592	1 363	847	1 368	2 287	5 635	887		
Avg. price per hectare	7 637	9 290	7 760	12 738	8 401	14 651	15 406	9 677	8 494	18 892		

5.8 Northern Cape

In nominal terms, land prices in Northern Cape more than doubled between 1994 and 2003, rising from R151/ha to R335/ha. In real terms land prices also increased, but only by 21%. While land prices in Northern Cape are of course low by national standards, fluctuations such as these can be very problematic, given the small margins enjoyed by red meat producers and the fact that vast amounts of land are regarded as necessary to support a commercial farm. As can be seen from Table E-7, the Northern Cape rural land market is dominated by properties 1001 hectares and larger. Rural property market activity experienced a substantial decline between 2001 and 2002, though newer data would be required to determine whether this drop was sustained.

Average per hectare prices for land reform projects appears to have risen steadily between 2000 and 2002, but in 2003 was extremely high by past standards. Closer inspection of the data reveals that of the 10 willing-buyer / willing-seller projects in that year, all but one had per hectare prices in excess of R1000/ha, and four had per hectare prices over R10 000/ha. However, most of these projects were relatively small – one was 200 hectares in size, but the next largest was only 34 hectares. This suggests that, in contrast to the norm in most years, these were largely small projects in high value areas, perhaps along the Orange River.

Figure A-7: Average land prices in the market and for land reform projects, 1994 to 2003 – N. Cape

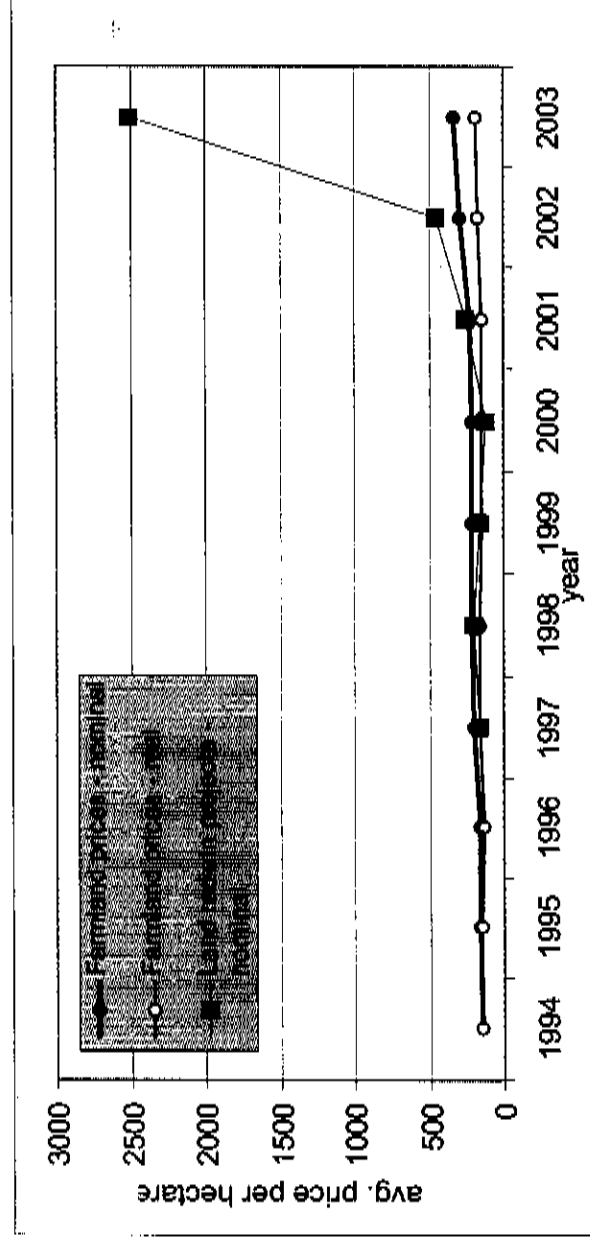


Table B-7: Average land price trends by size category, 1994 to 2003, current Rand – Northern Cape

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	13 419	25 953	27 068	29 640	12 696	27 069	12 286	23 379	28 672	36 056
6-20	12 514	13 391	11 388	16 998	20 032	21 477	14 680	17 718	16 647	30 416
21-100	7 796	4 746	5 815	6 272	6 835	6 921	5 825	6 162	9 070	7 909
101-500	1 319	1 246	1 768	1 554	1 131	1 269	1 807	1 841	1 677	1 976
501-1000	309	333	370	490	415	496	449	454	489	777
1001-5000	125	139	163	196	223	212	220	252	294	346
5001+	80	85	100	113	95	140	126	147	198	215
All	151	159	163	198	210	208	215	227	298	335

Table C-7: Average land price trends by size category, 1994 to 2003, 2003 Rand – Northern Cape

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	24 602	43 769	42 535	42 880	17 186	34 827	15 001	27 006	30 337	36 056
6-20	22 942	22 583	17 895	24 591	27 116	27 633	17 924	20 467	17 614	30 416
21-100	14 293	8 004	9 138	9 074	9 252	8 905	7 112	7 118	9 597	7 909
101-500	2 418	2 101	2 778	2 248	1 531	1 633	2 206	2 127	1 774	1 976
501-1000	567	562	581	709	562	638	548	524	517	777
1001-5000	229	234	256	284	302	273	269	291	311	346
5001+	147	143	157	163	129	180	154	170	209	215
All	277	268	256	286	284	268	263	262	315	335

Figure D-7: Transactions in the market and through land reform, 1995 to 2002 – Northern Cape

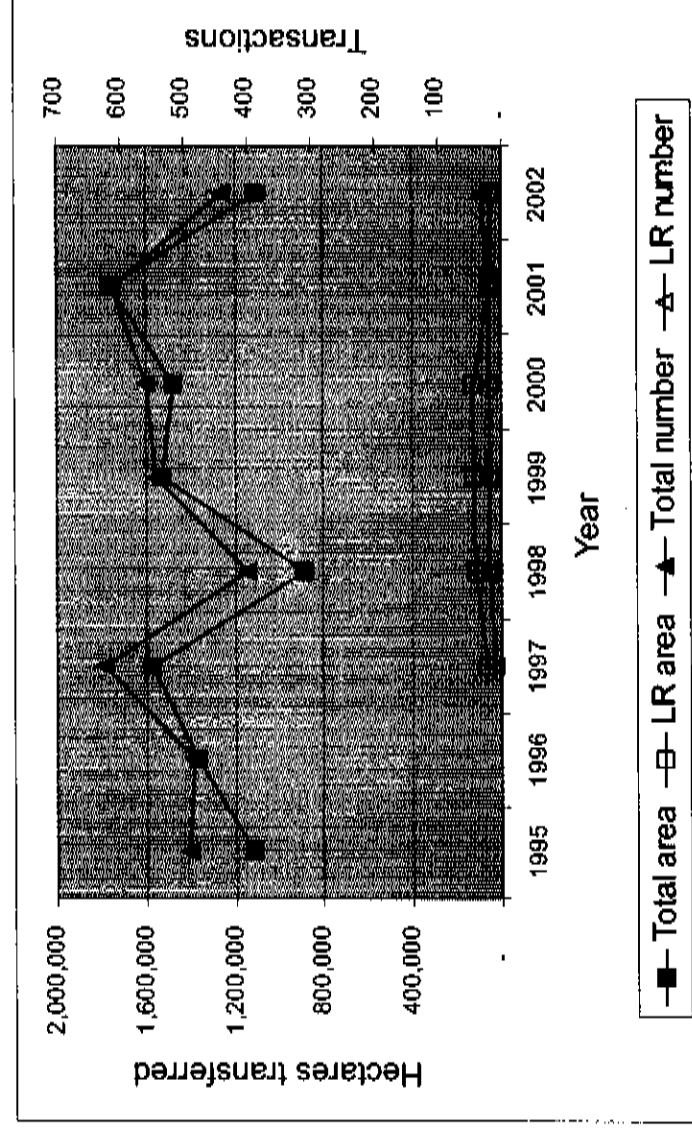


Table E-7: Land sales by total area and total value, with value shares, by size category – Northern Cape

Size category	Total area	Total value (2003 Rand)	Avg. price per hectare (2003 Rand)	Area share	Value share
1-5	291	9 361 099	32 166	0.0%	0.3%
6-20	3 270	74 486 350	22 775	0.0%	2.3%
21-100	18 911	164 329 718	8 690	0.2%	5.0%
101-500	135 444	280 413 618	2 070	1.1%	8.5%
501-1000	377 063	223 097 376	592	3.2%	6.8%
1001-5000	5 740 728	1 606 384 872	280	48.2%	48.7%
5001+	5 624 069	940 359 730	167	47.3%	28.5%
All	11 899 777	3 298 432 764	277	100.0%	100.0%

Table F-7: Transactions and average prices by registration division, 1994-2003 – Northern Cape

BARKLY WES RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	4	15	19	27	17	26	35	34	17	22		
Total area (hectares)	6 501	16 879	53 759	43 431	18 013	39 838	48 883	39 265	18 422	31 443		
Avg. price per hectare	205	199	305	306	323	428	523	453	524	639		
BRITSTOWN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	6	8	12	10	6	10	11	8	12	2		
Total area (hectares)	9 690	29 170	39 096	18 162	21 847	23 599	30 828	22 327	30 316	2 686		
Avg. price per hectare	121	141	163	335	199	156	220	366	377	379		
CALVINIA RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	8	39	36	32	22	36	49	36	32	25		
Total area (hectares)	11 523	62 856	86 779	126 377	66 241	105 750	114 079	101 435	77 484	50 750		
Avg. price per hectare	90	124	140	110	156	138	151	145	152	219		
CARNARVON RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	7	10	14	10	8	19	18	19	3		
Total area (hectares)	33 064	28 676	27 672	50 641	26 404	30 252	62 378	85 988	96 427	7 155		
Avg. price per hectare	65	83	112	122	179	129	102	157	174	329		
COLESBERG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	13	4	23	13	14	16	21	10	5		
Total area (hectares)	5 450	18 243	2 524	36 779	26 376	21 625	34 551	37 017	19 509	7 862		
Avg. price per hectare	417	319	1 261	335	372	280	300	345	486	684		
FRASERBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	9	24	18	26	15	37	28	32	12	13		
Total area (hectares)	35 929	79 930	75 582	103 351	49 232	155 594	127 470	132 919	68 126	59 335		
Avg. price per hectare	105	99	99	101	169	132	137	158	180	294		
GORDONIA RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	19	65	66	69	58	76	50	69	45	36		
Total area (hectares)	62 141	230 670	296 985	271 957	223 841	-341 475	167 326	231 085	124 689	162 780		
Avg. price per hectare	122	126	103	159	164	189	192	221	245	272		
HANOVER RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	5	8	6	1	6	4	10	4	3		
Total area (hectares)	5 360	15 523	14 514	9 982	5 597	21 030	12 971	39 757	7 487	6 178		
Avg. price per hectare	386	182	206	381	92	350	251	345	262	152		
HAY RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	9	34	38	49	20	51	37	51	43	14		
Total area (hectares)	17 284	58 457	70 236	97 988	23 644	111 654	56 458	119 106	97 686	26 233		
Avg. price per hectare	156	177	197	255	276	238	351	344	449	544		

HERBERT RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	10	16	44	26	23	24	28	28	4		
Total area (hectares)	16 627	6 508	23 285	74 431	26 823	26 519	30 438	46 014	39 243	7 174		
Avg. price per hectare	245	457	347	310	475	707	448	486	611	605		
HOPETOWN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	19	27	32	19	19	29	21	14	8		
Total area (hectares)	1 402	28 921	27 099	59 359	22 083	23 725	68 604	43 160	16 603	23 418		
Avg. price per hectare	1 997	356	344	303	436	317	263	377	581	408		
KENHARDT RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	23	56	52	65	36	63	60	64	49	29		
Total area (hectares)	50 897	108 210	156 629	163 533	56 716	194 181	198 009	288 473	138 556	136 441		
Avg. price per hectare	147	181	126	166	240	186	146	132	175	160		
KIMBERLEY RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	24	17	32	23	32	26	29	20	24		
Total area (hectares)	669	8 199	4 701	12 691	17 937	17 311	13 890	18 232	3 301	5 423		
Avg. price per hectare	2 531	907	1 225	832	448	698	1 050	623	3 687	2 284		
KURUMAN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	26	74	84	83	53	55	46	63	35	35		
Total area (hectares)	44 207	151 987	228 057	213 665	92 830	84 499	111 832	122 784	71 365	49 874		
Avg. price per hectare	151	204	198	204	234	326	282	318	435	606		
NAMAQUALAND RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	34	21	27	33	29	46	59	36	12		
Total area (hectares)	2 001	99 254	102 641	95 997	72 794	143 297	142 149	166 126	82 203	20 888		
Avg. price per hectare	170	71	80	80	166	110	138	114	188	262		
PHILIPSTOWN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	9	10	11	10	11	11	16	15	5		
Total area (hectares)	5 839	16 523	9 430	14 709	13 745	14 693	35 230	27 812	39 278	13 570		
Avg. price per hectare	364	249	343	477	328	410	218	442	452	541		
PRIESKA RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	7	23	14	19	12	16	19	15	19	10		
Total area (hectares)	16 632	55 635	35 887	68 709	44 083	62 719	53 254	73 959	44 918	30 877		
Avg. price per hectare	113	166	227	158	136	171	274	193	247	248		
RICHMOND RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	8	6	11	8	8	7	10	13	6	3		
Total area (hectares)	25 809	36 352	40 247	24 610	26 140	29 976	40 704	56 905	30 332	12 869		
Avg. price per hectare	130	98	177	157	152	199	161	314	294	379		

SUTHERLAND RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	13	12	6	16	8	11	23	18	15	10		
Total area (hectares)	36 821	24 818	24 419	35 144	24 139	28 966	67 915	75 949	48 730	24 980		
Avg. price per hectare	112	121	122	140	128	158	197	140	233	283		
VAALLUS ESTATE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	2	7	1	0	1	2	0	1		
Total area (hectares)	0	0	221	1 418	94	0	87	90	0	51		
Avg. price per hectare	NA	NA	4 335	3 143	5 966	NA	5 731	4 839	NA	5 837		
VICTORIA WEST RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	5	9	11	14	5	14	14	5	11	3		
Total area (hectares)	24 304	40 009	44 621	44 272	23 272	49 157	53 100	27 135	52 326	12 254		
Avg. price per hectare	126	85	136	172	77	146	157	132	318	316		

5.9 North West

Until 2003, real land prices in Northwest were very steady. Between 2002 and 2003, however, there was a significant upward leap. Moreover, this increase appears to have taken place across the spectrum of property prices. Whether this was reversed, sustained, or accelerated is impossible to know without new data. However, the flattening out of the trend on number and area of transactions would lead one to suspect that further real price increases would probably be muted.

The average per hectare price of land reform projects appears to fluctuate quite dramatically, but in general are not greater than average prices in the province.

Figure A-8: Average land prices in the market and for land reform projects, 1994 to 2003 – North West

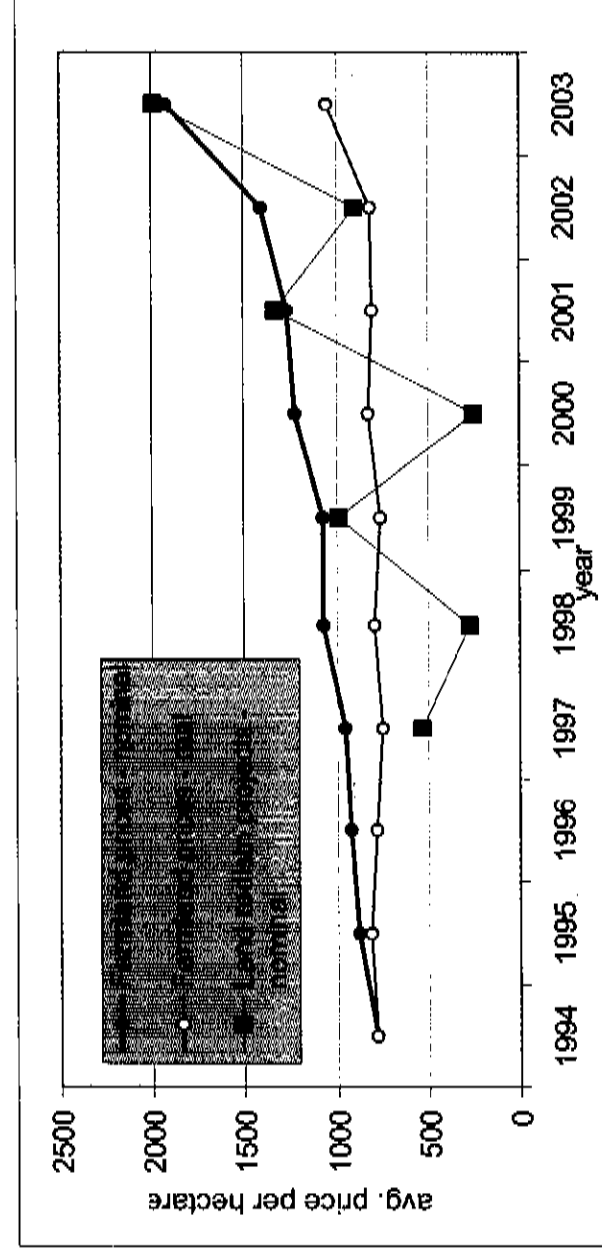


Table B-8: Average land price trends by size category, 1994 to 2003, current Rand – North West

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	20 394	23 506	25 337	26 444	25 011	29 289	28 766	33 666	36 775	40 435
6-20	11 625	12 174	12 728	13 673	15 104	14 575	15 384	18 212	20 190	24 594
21-100	2 798	3 469	3 660	3 532	3 714	3 814	4 808	4 730	5 646	6 803
101-500	893	936	1 039	1 125	1 225	1 261	1 321	1 368	1 685	1 849
501-1000	538	603	651	773	875	895	987	1 056	1 167	1 384
1001-5000	275	346	401	433	369	464	539	629	867	1 034
5001+	0	157	202	133	197	369	534	751	240	784
All	779	879	915	953	1 068	1 076	1 227	1 264	1 403	1 925

Table C-8: Average land price trends by size category, 1994 to 2003, 2003 Rand – North West

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	37 389	39 642	39 815	38 256	33 856	37 684	35 123	38 889	38 910	40 435
6-20	21 313	20 531	20 001	19 780	20 446	18 752	18 784	21 038	21 362	24 594
21-100	5 130	5 850	5 751	5 110	5 027	4 907	5 871	5 464	5 974	6 803
101-500	1 637	1 579	1 633	1 628	1 658	1 622	1 613	1 580	1 783	1 849
501-1000	986	1 017	1 023	1 118	1 184	1 152	1 205	1 220	1 235	1 384
1001-5000	504	584	630	626	500	597	658	727	917	1 034
5001+	0	265	317	192	267	475	652	868	254	784
All	1 428	1 482	1 438	1 379	1 446	1 384	1 498	1 460	1 484	1 925

Figure D-8: Transactions in the market and through land reform, 1995 to 2002 – North West

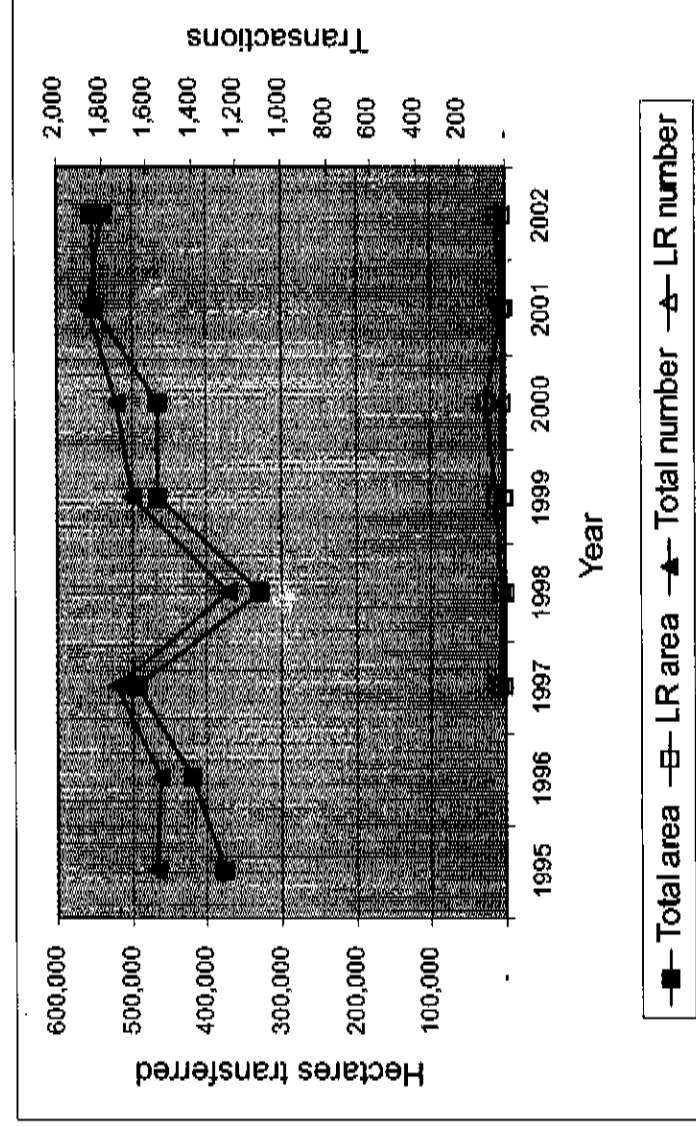


Table E-8: Land sales by total area and total value, with value shares, by size category – North West

Size category	Total area	Total value (2003 Rand)	Avg. price per hectare (2003 Rand)	Area share	Value share
1-5	3 804	144 549 498	38 004	0.1%	2.4%
6-20	34 110	699 497 367	20 507	0.8%	11.7%
21-100	170 394	949 144 820	5 570	4.2%	15.9%
101-500	1 211 625	1 999 441 803	1 650	29.9%	33.5%
501-1000	929 535	1 073 366 283	1 155	22.9%	18.0%
1001-5000	1 454 431	998 016 089	686	35.9%	16.7%
5001+	247 244	106 592 116	431	6.1%	1.8%
All	4 051 144	5 970 607 977	1 474	100.0%	100.0%

Table F-8: Transactions and average prices by magisterial district, 1994-2003 – North West

BAFOKENG																				
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003										
Number of sales	0	0	1	0	0	0	1	2	1	0										
Total area (hectares)	0	0	61	0	0	0	73	146	21	0										
Avg. price per hectare	NA	NA	9 349	NA	NA	NA	309	506	21 843	NA										
BLOEMHOF																				
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003										
Number of sales	9	31	31	36	27	28	21	19	28	7										
Total area (hectares)	2 584	7 125	11 362	16 381	5 356	14 609	8 675	7 187	11 973	2 134										
Avg. price per hectare	494	612	609	551	980	640	1 206	1 049	1 110	1 183										
BRITS																				
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003										
Number of sales	125	350	323	350	239	337	373	336	396	231										
Total area (hectares)	4 897	15 932	11 154	16 053	8 277	9 923	9 694	11 747	19 343	7 201										
Avg. price per hectare	3 963	4 068	5 298	4 222	5 669	6 952	8 455	6 968	5 295	11 100										
CHRISTIANA																				
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003										
Number of sales	14	19	16	23	19	20	25	13	18	19										
Total area (hectares)	10 096	8 775	6 687	10 567	9 398	10 984	10 417	10 268	6 974	11 040										
Avg. price per hectare	300	467	677	701	825	762	1 097	779	1 350	1 551										
COLIGNY																				
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003										
Number of sales	8	18	18	19	16	18	35	20	31	9										
Total area (hectares)	2 379	3 928	5 789	5 767	3 615	4 989	14 645	5 408	9 652	2 677										
Avg. price per hectare	910	1 020	1 141	1 230	1 456	1 420	1 570	1 656	1 773	2 244										
DELAREYVILLE																				
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003										
Number of sales	22	36	55	74	41	43	41	50	47	13										
Total area (hectares)	4 461	9 997	14 701	19 641	10 459	10 508	11 510	14 543	14 908	3 112										
Avg. price per hectare	916	882	1 063	1 218	1 725	1 436	1 347	1 486	1 516	1 955										
KLERKSDORP																				
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003										
Number of sales	33	73	108	84	60	80	92	102	86	61										
Total area (hectares)	7 300	13 663	22 599	14 403	9 665	10 005	17 937	18 239	13 701	10 069										
Avg. price per hectare	1 190	1 088	1 134	1 433	1 478	1 532	1 727	1 461	2 065	2 192										
KOSTER																				
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003										
Number of sales	37	70	69	62	65	82	76	75	84	48										
Total area (hectares)	10 792	18 870	15 900	14 354	13 584	14 541	11 424	15 932	16 260	10 452										
Avg. price per hectare	767	739	1 079	1 054	1 022	1 348	1 547	1 401	1 837	1 868										
KUDUMANE																				
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003										
Number of sales	0	0	0	1	0	0	0	0	0	2										
Total area (hectares)	0	0	0	856	0	0	0	0	0	1 713										
Avg. price per hectare	NA	NA	NA	146	NA	NA	NA	NA	NA	1 175										

LICHTENBURG												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	36	73	83	87	68	101	94	100	100	28		
Total area (hectares)	8 171	19 336	20 879	25 343	13 826	28 515	22 862	32 547	26 917	7 415		
Avg. price per hectare	1 084	1 127	1 251	1 202	1 542	1 380	1 557	1 725	2 020	2 331		
MADIKWE												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	0	0	1	2	1	0	0	3	0		
Total area (hectares)	1 710	0	0	495	1 961	981	0	0	1 471	0		
Avg. price per hectare	219	NA	NA	1 717	495	699	NA	NA	850	NA		
MANKWE												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	0	0	0	0	0	1	0	4	0		
Total area (hectares)	631	0	0	0	0	0	3 034	0	130	0		
Avg. price per hectare	250	NA	NA	NA	NA	NA	1 000	NA	4 317	NA		
MARICO												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	53	101	73	93	71	109	81	94	103	45		
Total area (hectares)	17 792	30 112	18 626	35 351	21 963	47 771	23 787	42 379	42 931	8 608		
Avg. price per hectare	512	575	554	621	913	789	852	701	1 089	2 050		
MOLOPO												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	1	2	4	7	10	9	6	3	6	3		
Total area (hectares)	185	432	99	1 367	1 588	1 862	840	379	3 967	154		
Avg. price per hectare	1 782	544	4 776	1 010	1 987	910	1 237	1 951	641	4 055		
MORETELE 1												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	1	0	0	1	1	1	9	0		
Total area (hectares)	0	0	17	0	0	9	10	12	676	0		
Avg. price per hectare	NA	NA	1 880	NA	NA	9 303	384	5 199	2 373	NA		
ODI												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	0	0	0	1	1	2	4	0	1	1		
Total area (hectares)	0	0	0	9	10	20	35	0	13	9		
Avg. price per hectare	NA	NA	NA	5 642	3 125	761	1 530	NA	13 176	4 670		
POTCHEFSTROOM												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	67	192	140	168	108	156	164	173	164	119		
Total area (hectares)	5 129	20 886	17 093	21 190	13 439	21 277	21 218	21 424	16 897	8 442		
Avg. price per hectare	1 746	1 801	1 649	1 704	1 971	1 927	1 863	2 282	2 942	3 712		
RUSTENBURG												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	43	154	119	188	97	135	199	266	158	94		
Total area (hectares)	5 981	11 094	8 066	14 514	5 594	9 373	31 940	35 663	7 944	3 755		
Avg. price per hectare	1 041	2 275	2 581	2 488	3 904	3 183	1 688	2 059	5 751	8 027		

SCHWEIZER-RENEKE												
Year	1994	1996	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	23	46	61	63	39	134	57	59	52	32		
Total area (hectares)	8 003	13 609	17 624	22 379	12 453	41 956	17 979	19 244	16 586	7 962		
Avg. price per hectare	768	714	777	1 039	1 261	1 058	1 013	1 106	1 694	1 739		
SWARTRUGENS												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	24	39	45	52	44	46	61	71	65	49		
Total area (hectares)	6 772	7 007	12 055	11 505	11 753	6 949	13 436	17 608	11 078	7 418		
Avg. price per hectare	867	834	743	997	756	1 335	1 224	1 491	1 694	2 353		
VENTERSDORP												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	27	56	88	78	79	56	76	91	90	27		
Total area (hectares)	6 526	11 482	22 704	26 549	20 014	17 826	24 750	22 052	34 672	9 390		
Avg. price per hectare	854	1 039	1 087	1 015	1 159	1 032	1 348	1 399	1 316	1 872		
VRYPBURG												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	25	155	168	144	167	168	216	227	107		
Total area (hectares)	13 499	20 443	153 056	176 076	140 340	172 823	169 357	215 662	253 991	107 070		
Avg. price per hectare	313	421	491	454	478	512	556	757	776	1 063		
WOLMARANSSTAD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	26	70	70	105	54	81	74	103	68	47		
Total area (hectares)	8 037	25 675	18 284	27 894	11 895	19 454	21 208	30 573	18 321	10 419		
Avg. price per hectare	798	761	909	878	1 229	1 421	1 417	1 223	1 799	1 595		

5.10 Western Cape

Because of the height of the blip in 2000 in the trend for average price per hectare for land reform projects, the vertical scale is such that one cannot get a very good sense of the movements of land prices generally. In fact, the real and nominal per hectare price for rural property in the Western Cape is highly volatile, possibly owing to the fact that Western Cape combines such intriguing contrasts: on the one hand, Western Cape attracts wealthy foreigners who wish to buy properties in the Cape, without regard to the agricultural value of the land; on the other hand, much of the high value agricultural land in the Western Cape is planted to commodities that have taken serious price hits in international markets. Overall, the real price declined by 23% between 1994 and 1998, and rose again by 52% between 1998 and 2003.

Unlike the case in other provinces, the price per hectare for redistributed is often higher than the provincial norm. In 2000, this was dramatically so. The explanation likely has to do with the prevalence of equity schemes in the Western Cape, in which case the 'land cost' recorded by M&E is not technically speaking just the cost of the land, but of a share of the enterprise. Still, in 2000, some of these values were enormous, for example one project of 50 hectares with a price of R120 000/ha, and another consisting of one hectare with a price of R165 000/ha.

Figure A-9: Average land prices in the market and for land reform projects, 1994 to 2003 – W. Cape

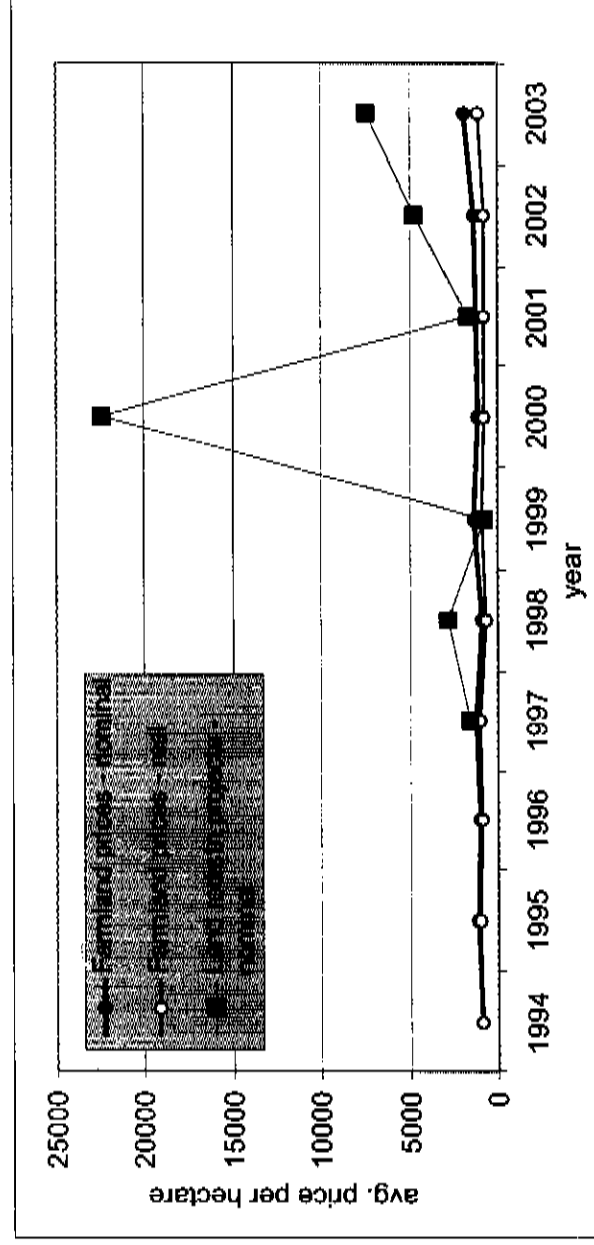


Table B-9: Average land price trends by size category, 1994 to 2003, current Rand – Western Cape

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	20 538	27 875	31 422	30 129	35 038	33 404	39 181	35 924	39 892	51 548
6-20	15 389	19 933	20 877	24 873	26 339	24 209	27 666	30 285	32 785	36 291
21-100	8 962	11 487	12 997	14 675	12 185	12 815	12 261	15 791	16 082	20 772
101-500	2 484	2 392	2 565	3 136	3 311	3 216	3 323	3 165	3 940	4 187
501-1000	1 283	955	1 085	1 120	1 188	1 473	1 353	1 754	1 600	2 134
1001-5000	288	304	339	278	355	415	383	336	473	560
5001+	98	89	94	97	120	175	130	158	321	376
All	912	1 134	1 045	1 262	953	1 339	1 164	1 215	1 348	1 964

Table C-9: Average land price trends by size category, 1994 to 2003, 2003 Rand – Western Cape

Size category	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1-5	37 653	47 010	49 377	43 587	47 429	42 978	47 840	41 498	42 208	51 548
6-20	28 213	33 616	32 807	35 983	35 654	31 148	33 780	34 984	34 688	36 291
21-100	16 430	19 372	20 424	21 230	16 494	16 488	14 971	18 241	17 016	20 772
101-500	4 554	4 034	4 031	4 537	4 482	4 138	4 057	3 656	4 169	4 187
501-1000	2 352	1 611	1 705	1 620	1 608	1 895	1 652	2 026	1 693	2 134
1001-5000	528	513	533	402	481	534	468	388	500	560
5001+	180	150	148	140	162	225	159	183	340	376
All	1 672	1 912	1 642	1 826	1 290	1 723	1 421	1 404	1 426	1 964

Figure D-9: Transactions in the market and through land reform, 1995 to 2002 – Western Cape

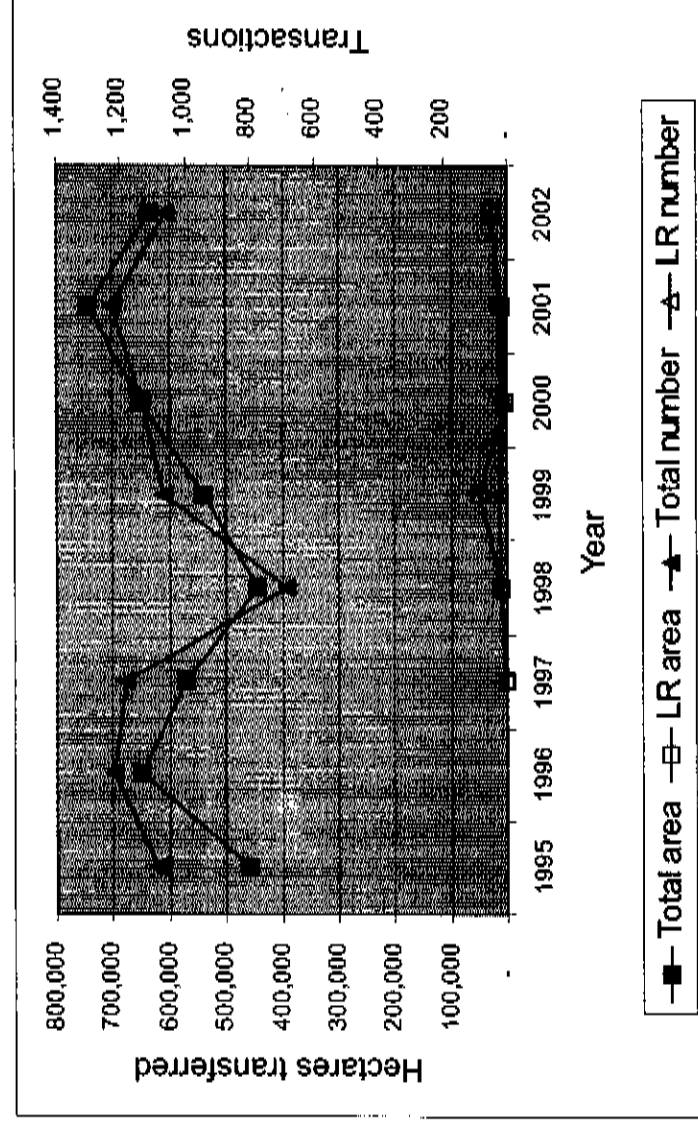


Table E-9: Land sales by total area and total value, with value shares, by size category – Western Cape

Size category	Total area	Total value (2003 Rand)	Avg. price per hectare (2003 Rand)	Area share	Value share
1-5	2 468	111 643 088	45 237	0.0%	1.3%
6-20	18 317	621 913 198	33 953	0.4%	7.5%
21-100	121 928	2 236 528 155	18 343	2.3%	26.9%
101-500	656 380	2 705 384 953	4 122	12.6%	32.5%
501-1000	664 070	1 189 290 319	1 791	12.7%	14.3%
1001-5000	2 494 599	1 196 893 510	480	47.9%	14.4%
5001+	1 251 847	257 634 237	206	24.0%	3.1%
All	5 209 609	8 319 287 461	1 597	100.0%	100.0%

Table F-9: Transactions and average prices by registration division, 1994-2003 – Western Cape

BEAUFORT WEST RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	22	27	29	27	25	18	29	27	19		
Total area (hectares)	24 713	85 215	112 013	67 629	99 888	58 647	48 196	133 461	104 824	72 908		
Avg. price per hectare	127	179	178	225	240	266	227	182	319	355		
BREDASDORP RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	12	37	64	21	12	36	28	22	28	19		
Total area (hectares)	4 908	18 984	35 906	6 901	3 677	16 396	14 858	8 559	15 270	4 539		
Avg. price per hectare	1 456	1 356	1 137	1 465	3 561	1 768	1 512	2 395	2 236	4 004		
CALEDON RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	22	52	87	93	38	69	74	67	88	35		
Total area (hectares)	1 718	7 479	16 096	17 376	24 476	14 366	13 118	12 783	12 271	6 164		
Avg. price per hectare	7 791	4 581	2 895	3 147	887	3 166	4 336	4 782	6 158	6 133		
CALITZDORP RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	21	13	11	7	8	7	15	15	8		
Total area (hectares)	2 994	10 411	8 644	6 393	3 323	8 734	504	14 760	11 034	3 526		
Avg. price per hectare	1 194	747	510	842	551	540	2 501	552	464	1 172		
CAPE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	14	30	30	46	16	40	32	30	33	18		
Total area (hectares)	1 931	1 309	3 771	3 181	330	2 189	2 587	1 981	1 312	1 232		
Avg. price per hectare	2 164	10 652	3 342	6 960	20 506	8 814	6 366	5 944	18 713	13 122		
CERES RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	27	36	33	24	34	46	49	35	18		
Total area (hectares)	12 372	25 466	50 218	36 248	28 125	46 744	66 963	87 610	53 064	7 211		
Avg. price per hectare	894	534	628	800	749	816	363	569	368	1 914		
CLANWILLIAM RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	37	37	36	19	34	46	35	39	18		
Total area (hectares)	8 547	13 406	34 285	22 989	13 159	18 795	40 251	28 953	32 817	9 473		
Avg. price per hectare	1 626	1 747	650	884	967	1 164	842	953	540	1 847		
GEORGE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	30	89	54	72	38	63	61	57	85	78		
Total area (hectares)	2 018	15 249	8 215	4 969	1 229	7 803	10 356	7 541	7 093	5 884		
Avg. price per hectare	5 368	2 199	2 560	4 861	10 469	3 458	2 721	3 437	6 766	7 107		
KNYSNA RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	23	69	68	71	32	55	51	56	87	68		
Total area (hectares)	979	2 446	1 394	21 399	6 200	4 828	2 165	3 055	2 980	1 523		
Avg. price per hectare	5 968	9 979	13 506	1 312	2 675	6 318	13 935	10 942	17 411	27 957		

LADISMITH RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	12	27	23	33	28	49	40	35	28	35		
Total area (hectares)	9 663	6 162	13 111	6 646	9 853	26 157	18 587	20 206	26 231	28 922		
Avg. price per hectare	260	960	586	1 166	913	770	793	591	669	568		
LAINGSBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	8	9	22	23	9	4	25	10	17	11		
Total area (hectares)	18 280	29 262	52 427	31 805	49 789	9 410	96 236	35 831	49 118	19 031		
Avg. price per hectare	204	112	137	329	135	124	180	178	273	295		
MALMESBURY RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	28	105	131	106	65	56	103	115	82	60		
Total area (hectares)	4 381	22 927	37 906	29 062	12 543	16 476	30 960	43 450	17 063	13 184		
Avg. price per hectare	1 841	2 072	1 965	2 718	3 582	2 570	2 767	2 229	4 474	4 474		
MONTAGU RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	12	16	23	24	21	30	27	18	28	9		
Total area (hectares)	1 817	9 612	18 278	5 768	15 027	12 836	32 023	13 755	29 940	2 124		
Avg. price per hectare	1 846	461	446	2 270	837	1 393	553	1 050	737	2 519		
MOSSEL BAY RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	35	41	55	53	32	65	64	81	48	40		
Total area (hectares)	7 485	5 240	7 561	7 214	5 330	11 769	8 065	8 414	5 934	3 884		
Avg. price per hectare	941	1 895	1 979	2 087	2 388	2 017	3 241	3 153	3 370	6 083		
MURRAYSBURG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	3	8	13	17	4	6	7	10	4	3		
Total area (hectares)	6 084	16 109	26 791	62 873	9 639	34 355	17 539	36 089	10 426	20 296		
Avg. price per hectare	179	185	275	151	388	155	277	170	426	468		
OUDTSHOORN RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	18	27	35	24	18	39	40	42	39	13		
Total area (hectares)	7 091	8 055	17 180	9 226	3 736	9 534	23 555	15 657	18 343	6 786		
Avg. price per hectare	1 314	1 576	960	1 115	2 041	1 869	1 132	1 503	1 713	1 018		
PAARL RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	27	47	57	54	36	45	41	44	25	22		
Total area (hectares)	2 553	3 590	4 904	4 306	3 039	4 375	4 099	2 151	1 201	1 972		
Avg. price per hectare	6 484	8 104	12 258	13 303	8 811	10 489	12 191	22 641	21 188	19 539		
PIKETBERG RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	12	51	34	48	22	36	48	66	43	25		
Total area (hectares)	2 312	20 809	18 461	16 181	13 538	19 829	21 627	34 217	16 919	11 706		
Avg. price per hectare	1 098	1 013	1 263	2 249	1 048	1 572	1 914	1 438	1 977	2 482		

PRINCE ALBERT RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	10	8	9	19	9	8	15	18	19	15		
Total area (hectares)	37 077	19 695	15 304	58 150	34 345	14 959	32 827	46 017	44 638	18 514		
Avg. price per hectare	114	258	305	183	170	218	232	186	375	655		
RIVERSDALE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	26	72	66	48	42	70	80	68	51	47		
Total area (hectares)	4 857	17 013	19 748	13 020	7 600	23 995	23 828	17 389	24 675	8 214		
Avg. price per hectare	1 355	1 407	1 307	1 718	2 211	1 381	1 604	1 874	1 167	3 574		
ROBERTSON RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	8	31	29	23	7	29	24	52	36	12		
Total area (hectares)	1 524	6 786	10 975	5 810	1 688	6 129	7 548	15 709	12 018	3 368		
Avg. price per hectare	6 087	2 292	1 962	4 058	2 486	3 601	3 245	3 229	2 904	4 092		
STELLENBOSCH RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	7	23	27	30	11	14	14	27	20	5		
Total area (hectares)	542	1 200	1 151	1 061	602	771	553	1 798	12 679	3 024		
Avg. price per hectare	9 929	19 292	20 124	23 681	29 521	19 174	17 905	19 272	2 068	4 911		
SWELLENBOSCH RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	15	42	87	68	25	54	46	66	53	33		
Total area (hectares)	7 413	16 270	41 457	37 276	8 310	37 872	19 468	39 059	49 811	20 252		
Avg. price per hectare	1 409	1 583	1 188	1 225	1 616	1 107	1 627	1 513	1 056	2 303		
TULBAGH RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	6	32	30	24	21	28	24	24	28	18		
Total area (hectares)	766	5 632	4 592	1 428	2 274	4 849	5 397	3 580	9 913	1 788		
Avg. price per hectare	3 438	3 062	3 502	11 848	5 793	4 878	4 196	5 110	3 981	9 057		
UNIONDALE RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	20	55	33	48	23	44	46	69	41	23		
Total area (hectares)	10 150	19 190	12 319	16 508	16 993	33 705	26 790	29 583	10 281	2 875		
Avg. price per hectare	117	452	732	1 204	340	588	623	799	2 091	2 907		
VANRHYNSDORP RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	23	38	58	48	47	37	44	43	33	19		
Total area (hectares)	26 448	50 720	56 723	47 176	46 317	65 050	53 246	49 886	28 922	20 110		
Avg. price per hectare	424	289	550	588	664	256	276	511	847	914		
WORCESTER RD												
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Number of sales	27	58	65	73	53	92	84	82	47	21		
Total area (hectares)	3 175	14 609	18 183	28 958	21 448	29 260	30 862	32 008	25 442	11 518		
Avg. price per hectare	4 449	3 356	2 770	2 531	2 056	3 774	2 704	3 247	2 208	3 224		

Appendix – Technical Notes

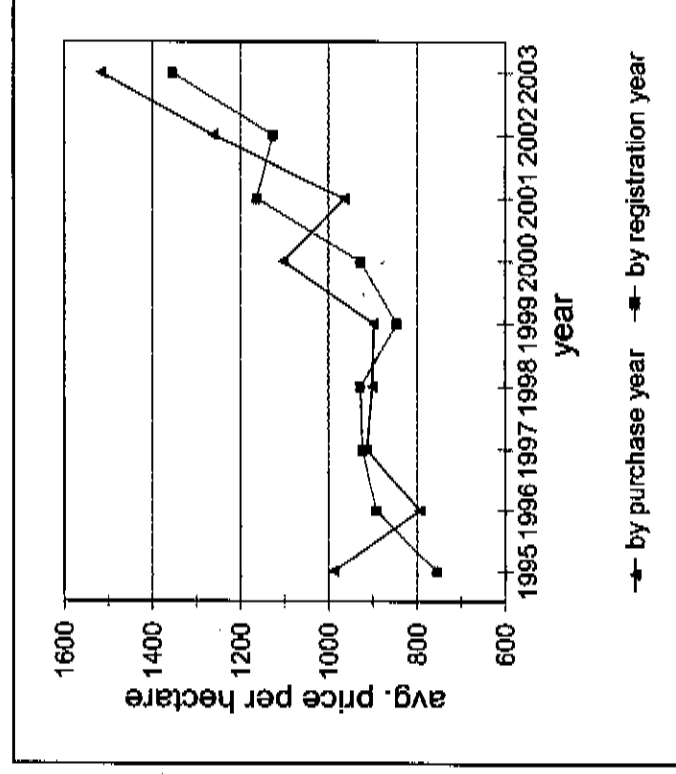
The purpose of these technical notes is to explain the main procedures that were used in order to transform the raw data acquired from the Deeds Office into usable data that served as the basis of the tables presented above.

The Deeds Office data set

All of the transactions-related information reported in the tables, is derived from data acquired from the Registrar of Deeds. These data are collated from the different Deeds Offices around the country, and include the basic information that is captured in the course of registering a deed of sale. Before the Deeds Office data can be used to calculate average price per hectare prices, etc., the data set must be re-organized and cleaned. The following pages explain conceptually the steps that were taken and why, whereas a separate document lays out the exact procedures for doing so in Microsoft Access ('A Guide to Processing the Deeds Office Data in MS Access').

Purchase date versus registration date

Property transactions are entered into the Deeds Office database when a property is registered in the name of its new owner. However, presumably it is not the date of registration that is of interest to us, but the *purchase date*, that is, the point in time when a seller and a buyer come to an agreement as to price. This is the time at which their decision actually affects the land market. The problem is that, although the Deeds Office does record the purchase date for each transaction that is registered, it is often the case that the registration date is some time after the actual purchase date, from a couple of months to several years. The extent of this difference is illustrated in the following graph, which shows the trend in average price per hectare both ways, i.e. on the one hand calculated according to 'purchase year,' and on the other hand according to 'registration year.'



The consequence of this lag is that our information about the final year covered, 2003, is incomplete (and to a lesser extent even for preceding years), because not all transactions that were agreed to in this year had been reported as the end of January 2004, which is the latest data to which we had access for assembling this document. But the implications of this fact differ

according to what kind of statistic we wish to report. For example, we estimate that our data for 2003 is approximately 64% complete.¹⁹ This is a large enough percentage that, in terms of aggregate prices, we can comfortably treat the statistic for 2003 as an estimate, i.e. in the sense that the data we do have is a sample from which we can make inferences about the population. But we are careful *not* to use the partial data for 2003 to extrapolate as to the total amount of market activity for 2003, e.g. numbers of transactions and total hectareage, because we have only a weak statistical basis for such an extrapolation.

'Rural properties' versus 'farms'

The statistics reported here are for 'farms,' which is to say property that historically designated as such in the cadastre and in the deeds registry. This is not to say that all such land is in fact farmland: some of it is rural but not actively farmed, and a small amount is in fact urban. However, generally we will speak of 'farmland' and 'rural property' interchangeably, and assume that anomalies such as urban 'farms' are minimal. Also, smallholdings were not included. Smallholdings account for a large number of what might be called rural transactions, but collectively they make up a very small area and in general are not actual farms, and are not suitable for land reform purposes.

There is no way within the Deeds Office data set to distinguish one type of property from another, and least of all is one able to distinguish different types of agricultural land use. One important consequence of this is that there are many more rural properties than there are farms, particularly among smaller parcels. As an illustration of this discrepancy, the following table compares rural property transactions from 1997 according to the Deeds Office, to the size-distribution of commercial farms according to the 1993 *Census of Agriculture*:

size	1997 transactions of rural property - Deeds Office		size-distribution of commercial farms in 1993 - Census of Agriculture		
	Number	hectares	number	hectares	area ratio
< 4	1,857	3,798	912	2,569	147.8%
5 - 9	1,560	12,277	1,360	9,908	123.9%
10 - 19	927	12,654	1,668	22,997	55.0%
20 - 49	1,937	55,612	4,393	139,088	40.0%
50 - 99	1,049	76,655	3,925	282,989	27.1%
100 - 199	1,163	171,940	5,092	738,982	23.3%
200 - 299	918	226,319	4,110	1,004,937	22.5%
300 - 499	1,393	541,121	6,570	2,576,677	21.0%
500 - 999	1,414	993,715	10,094	7,249,981	13.7%
1000 - 1999	773	1,074,575	8,775	12,286,544	8.7%
2000 - 4999	486	1,497,493	7,445	23,003,384	6.5%
5000 - 9999	156	1,065,424	2,553	17,608,730	6.1%
10000 +	47	658,362	1,083	17,833,516	3.7%
total	13,680	6,389,945	57,980	82,759,302	7.7%

Starting with those properties that are less than 4 hectares in size, one notes that according to the agricultural census, in 1993 there were only 912 such properties that could be considered farms (i.e. deriving some cash income from farming), whereas according to the Deeds Office, there were 1 857 *transactions* of rural properties of this size in 1997 alone. Even ignoring the fact that this is probably an undercount of such transactions for the reasons explained above, this suggests that the number of small rural properties vastly exceeds the number of actual small farms. (The discrepancy does not, for the most part, relate to the fact that the census did not cover farming in homeland areas, which are not bought and sold on the market.)

¹⁹ This is based on calculating the completeness of the 2001 data based on transactions that had been registered as of 31 January 2002, as compared to the 2001 database as of end of January 2004, and similarly for the 2000 data as of 31 January 2001, as compared again to the 2000 database as of end of January 2004.

For larger properties, the picture is different. For example, for the 500-999 hectare size category, the Deeds Office reports 1 414 rural property transactions in 1997, versus 10 094 farm properties in existence. The transactions concern an area which is around 13.7% of the total area of commercial farms of this size. Very likely, the vast majority of the transactions of these larger sizes reported by the Deeds Office, are of actual farms.

For the purposes of this document, the divergence between non-farm rural properties and actual farm properties, has several implications. The average per hectare prices reported here are not, strictly speaking, for farmland, but rather for rural properties in general. For larger properties, this distinction is not so important, as most rural properties do appear to be farms. For smaller properties, however, the distinction may be quite important, thus the averages reported here may overstate the cost of smaller properties that are true farms. On the other hand, the relatively high level of activity in rural property market for smaller parcels, affects the prices of all land, whether it is presently used in farming or not. In other words, the frequency of transactions of non-farm rural properties has an influence on the prices fetched by farm properties, especially those of a similar size.

'Sub-transactions' and husband/wife duplicates

Apart from the data cleaning (described below), the main adjustment that had to be made to the Deeds Office data, was that 'sub-transactions' and duplicate transactions had to be dealt with. What we call 'sub-transactions' are situations where a buyer acquires multiple portions at the same time, as in the following example:

parcel	portion	area	owner	title	purchase date	price
1031	0001	81.6846 H	VEEKRAAL TRUST	T86946/1998	980620	R470000
1031	0002	80.5297 H	VEEKRAAL TRUST	T86946/1998	980620	R470000
1031	0003	1.7131 H	VEEKRAAL TRUST	T86946/1998	980620	R470000

The three portions appear as three separate records on the Deeds Office database; but noting that they were purchased by the same buyer, on the same date, are part of the same title deed, and for the same amount of money, we surmise that they were part of the same transaction. Specifically, the purchase was for 163.9 hectares, at a total cost of R470 000. To have treated these as separate transactions, each for R470 000, would have contributed to an exaggeration of per hectare prices.

An example of a 'husband/wife duplicate' transaction is as follows:

parcel	portion	Area	owner	title	purchase date	price
100	0000	171.8631 H	GOUWS MAGDALENA	T8415/1998	970916	R104000*
100	0000	171.8631 H	GOUWS PETRUS	T8415/1998	970916	R104000*

Although the property is registered under two different owners, there is one and only one transaction, namely 171.86 hectares for R104 000.

Smallholdings

South Africa has a number of areas designated as 'smallholdings' or 'agricultural holdings'. These tend to be areas near large towns or cities, which have been divided up in small plots of generally 1 to 10 hectares, primarily but not exclusively for residential purposes. Transactions of these smallholdings account for around 10% to 15% of the total number of rural property transactions captured by the Deeds Office.

For reasons that are not clear, when a transaction of one of these smallholdings is registered with the Deeds Office, the name of the designated scheme is provided instead of the registration division. This means that it is not immediately clear in which registration division the transacted

smallholding exists. Because of the difficulty in locating these properties, the decision was taken to omit them entirely. Strictly speaking, this is unfortunate, since some smallholdings may be suitable for land reform purposes (a small number, in fact; are large), and beyond this, the market in smallholdings impacts on the land market generally. However, collectively smallholdings account for a very small share (approximately 0.7%) of the total hectareage of rural land that is transacted annual.

Problems with identifying province and registration division

A large number of records omit the name of the province. Sometimes the province can be inferred from the registration division, but other times it cannot, e.g. where the registration division in question crosses provincial boundaries. Another problem is where the registration division is itself not mentioned in the raw data. In many instances, these records had to be deleted. And a third problem is particular to KwaZulu-Natal, where two different sets of definitions of registrations divisions are apparently still in use. The one system is that which is common to Mpumalanga, Northern Province, etc., i.e. based on the one-degree square areas as designated by the two-letter codes (e.g. JQ, JR). The other system sometimes still referred to at the Deeds Registry in KwaZulu-Natal - for about one third of all transactions in the province - is derived from regions of the old Natal province, i.e. 'Natal RD', 'Vryheid RD', etc. The two systems have no correspondence to one another, and for obvious reasons the latter system is largely inappropriate. At this point, disaggregated data are not reported for KwaZulu-Natal. (See also footnote 9 above.)

The average price per hectare does not equal the average of per hectare prices

There are two ways of calculating the average price per hectare. We illustrate with an example. Consider the three transactions represented in the following table.

owner	price	area
MAKANA FARMERS CPA	482 475	713
MASIZAKHE CPA	739 805	352
RAUTENBACH MARTHINUS	513 360	193

One approach to calculating the average price per hectare would be to calculate the price per hectare for each of the transactions, and then take the average of these three values:

owner	price	area	price per ha
MAKANA FARMERS CPA	482 475	713	676
MASIZAKHE CPA	739 805	352	2 103
RAUTENBACH MARTHINUS	513 360	193	2 658

The average (arithmetic mean) of 676, 2 103 and 2 658 is 1 813 (i.e. $[676+2103+2658]/3$). One thing one notices is that this average of 1 813 R/ha is much closer to the price per hectare values for the second and third transactions, even though the first transaction accounts for 57% of the total area transacted. The main shortcoming of this approach to calculating the average price per hectare is in fact that it gives excessive weight to transactions of small, expensive properties.

A different approach is to take the price per hectare for each transaction, and weight (i.e. multiply) it by the area-share associated with that transaction, and then add up these values. This is illustrated below:

owner	price	area	price per ha (pph)	area share	pph * area share
MAKANA FARMERS CPA	482 475	713	676	56.7%	383
MASIZAKHE CPA	739 805	352	2 103	27.9%	588
RAUTENBACH MARTINIUS	513 360	193	2 658	15.4%	408
Total	1 735 640	1 258		100.0%	1 379

According to this approach, the average price per hectare for the three transactions is 1 379 R/ha, which is considerably less than the 1 813 R/ha found using the first method. One way to think about this approach is that it is the expected value of the price per hectare one would derive if one randomly selected an hectare from among all the hectares transacted. It gives more weight to the pph from transactions of large properties because proportionally more hectares are transacted among these transactions, i.e. the likelihood of randomly selecting a hectare from a large property is greater than that from a small property.

The reader might object to the fact that, although this second approach makes sense, it is unnecessarily complicated. This in fact is not the case, because there is an easy way of arriving at the same figure, namely by dividing the sum of the prices by the sum of the areas, i.e. $1735650/1258 = 1379$. One can easily show that the quotient of the total price to total area is necessarily exactly equal to the weighted average of the per hectare prices.²⁰

Data cleaning

The purpose of the data cleaning was to eliminate those observations which one might suspect were either non-economic transactions, or data entry errors. There were three phases in the data cleaning. The first phase consisted of a certain amount of ad hoc cleaning. Specifically:

- any record that was reported by the Deeds office as an inheritance, expropriation, etc., was eliminated (usually no selling price is indicated in these instances);
- any record for which area, purchase date, or registration division, were not reported (was null), was eliminated;
- any record with an area of less than 1 hectare or greater than 50 000 hectares was eliminated; and
- any record with a price per hectare of less than R20 or greater than R100 000 was eliminated.

It is duly acknowledged that these cut-off points are arbitrary. Inspection of the data did not lead to any clear, obvious disjunctures, thus one had to rely on a sense of 'reasonableness,' not least by conferring with people knowledgeable about the land market.

The second phase of the cleaning was to 'mechanically' eliminate records that could be regarded as serious outliers. The variable used for the cleaning was inflation-adjusted price per hectare (pph), on the grounds that this was the best single indicator that a transaction is not a true economic transaction, or is not recorded properly. Of particular concern were numerous observations showing a very high price per hectare. On the one hand, the very high per hectare price of such properties suggests that, for the most part, these are not actual farms. On the other hand, i) there is a great deal of variability in land prices *within* farming (e.g. extensive grazing versus irrigated citrus); ii) there is nothing in the data that clearly distinguishes farm from non-farm properties; and iii) it is dangerous to arbitrarily choose a ceiling beyond which observations are discarded.

²⁰
$$\sum_i w_i \cdot PPH_i = \sum_i \frac{H_i \cdot P_i}{\sum_i H_i} = \frac{\sum_i P_i H_i}{\sum_i H_i}$$

The decision was taken to adopt a conservative approach that eliminates only the most egregious outliers. Given that there is a high degree of natural variation according to property size and geographical area, 'outliers' are identified relative to what appears to be the norm for each size category in each province. The procedure went as follows. First, inflation-adjusted weighted average pph's and weighted standard deviations of pph's, were calculated for each farm size category in each province, for the combined data from 1994 through 2003:

$$\bar{x}^{p,s} = \sum_{j=1}^n x_j^{p,s} \cdot f(x_j^{p,s}), \text{ and}$$

where 'p' indexes province, 's' indexes size category, j indexes all the transacted properties of size s in province p, and the probability distribution f(.) indicates the size of a property relative to the

$$S^{p,s} = \left[\sum_{j=1}^n (x_j^{p,s} - \bar{x}^{p,s})^2 \cdot f(x_j^{p,s}) \right]^{0.5},$$

total transacted area of size s in province p. The f(.) therefore provides the weights, with $\sum f(x_j^{p,s}) = 1$. As there are 7 size categories and 9 provinces, $7 \cdot 9 = 63$ weighted averages and weighted standard deviations are calculated in all.

A variety of different cleaning criteria were experimented with. The one finally chosen was to delete all records whose pph was more than 4 standard deviations above or below the mean, i.e. to maintain only those $x_j^{p,s}$ which satisfy

$$\bar{x}^{p,s} - 4 \cdot S^{p,s} \leq x_j^{p,s} \leq \bar{x}^{p,s} + 4 \cdot S^{p,s}.$$

This cleaning process was applied iteratively, meaning that after the first deletion of observations, new averages and standard deviations were calculated, a second round of deletions was undertaken, etc. Satisfactory convergence was observed by the third cleaning, at which point 2.7% of the records had been deleted. The convergence is evidenced by the fact that, with each additional cleaning iteration, the sub-sample moments change less and less. The point at which one chooses to stop is arbitrary, as is the number of standard deviations from the mean beyond which records are deleted in the first place. Moreover, there is no reason to believe that, for a given data set, convergence would ever be complete, short of depleting the whole data set or a large portion of it. What we can say is that, by deleting a mere 2.7% of the data set, we reduced the overall standard deviation and coefficient enormously, and can therefore at least be confident that those records deleted were truly distorting the overall picture.

The third phase involved calculating average per hectare prices for each size category in each province for each year, and inspecting for any anomalies. At this point, three serious anomalies were detected, each relating to transactions in the 5000+ hectare size category. Upon investigation, these turned out to be large property acquisitions by Sappi and Mondi, in which properties with different farm names were in fact part of the same transaction. The corrective measure was then similar to that explained above, i.e. the sub-transactions were amalgamated into single transactions by summing the separate hectarages listed within the same overall price.