

Johannesburg vs Cape Town: The battle of luxury brands

Did you know that Johannesburg is the wealthiest city on the African continent with 14,600 high net-worth individuals (HNWIs), 30 centimillionaires and two billionaires? In Cape Town, the continent's third most affluent city, there are 7,200 HNWIs, 26 centimillionaires and only one billionaire.



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With the latest [State of Luxury in Africa](#) report produced by Luxity revealing an uptick in interest for the rarest and most exclusive pre-owned luxury pieces amongst this market, Michael Zahariev, the company's co-founder explores what the elite are looking for in each city.

The top two most searched for brands among the well-heeled in both cities are Louis Vuitton and Gucci. "Not only do they dominate in terms of search curiosity but also lead in both purchases and sales – meaning that this segment is clearly undeterred by these brands' frequent and substantial price increases," he notes.



Chanel rises to the top, dethroning Louis Vuitton

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"However, an individual in Johannesburg is approximately 1.2 times more inclined to search for goods from Gucci than someone in the Cape."

But that's not the only difference.

"Capetonians seem to be making more savvy investment decisions than their Joburg counterparts when it comes to the categories of their pre-owned purchases," shares Zahariev.

"For example, they are twice more likely to search for TAG Heuer watches, which trade at a relatively high discount compared to the retail price. They are also 1.8 times more likely to show interest in items from Chanel, particularly with the brand's handbags being renowned investment pieces that not only outperform those from other design houses but even gold - the hallmark of stable investment in terms of returns."

Luxury jewellery brand Cartier also features on Cape Town's top 10 luxury brands list but is noticeably absent from the Johannesburg list.

"This is presumably driven by the perpetual magnetism of Cartier's iconic pieces and their return on investment," he highlights.

"In contrast, Joburg consumers are more likely to be interested in shoes from the likes of Balenciaga and Dolce and Gabbana," points out Zahariev.

"While both brands enjoy the highest resale values in the footwear category, selling at 67% and 63% of original prices respectively, this category yields the second-lowest investment return, with clothing having the worst."

"What these findings indicate is that regional preferences and cultural differences significantly impact the appeal of certain luxury brands not only among HNWLs, but the broader population too," he concludes.

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