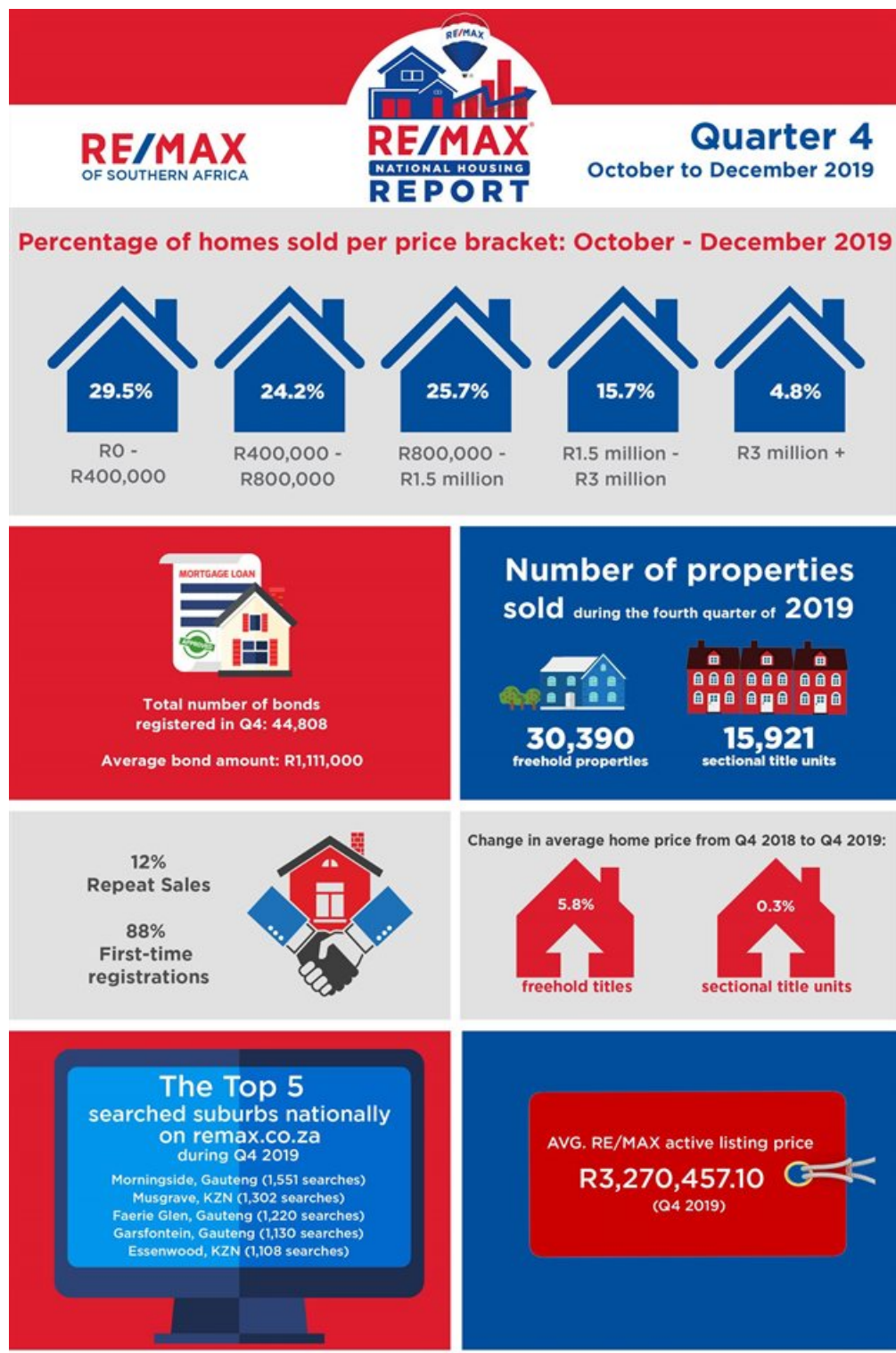


Q4 2019 slower than usual - RE/MAX National Housing Report

Despite 2019 being characterised by slow national house price growth and a supply that far outweighed the demand in most areas across the country, the RE/MAX National Housing Report for Q4 reveals that the fourth quarter of 2019 managed to reflect growth on the previous year's figures.



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"The property market is very closely linked to the economic cycle. Right now, the market has been affected by the

downward curve that our economic cycle has taken, which means that returns are not as high as we might have enjoyed at other points in time. However, the market is still reflecting growth and still promises good returns for those who purchase wisely,” explains Adrian Goslett, regional director and CEO of RE/MAX of Southern Africa.

In support of this statement, Goslett refers to the fact that, according to data from the National Deeds Office, the current national median price of a freehold home has grown to R1,132,053 which is a 5.8% increase on the median asking price for Q4 2018 (R1,070,225). When compared to last quarter, the median asking price increased by 1.4%. Reflecting significantly lower growth, the national median price of sectional titles grew by just 0.3% to R1,024,434 from the R1,021,645 in Q4 2018 and grew by 0.1% since last quarter.

The average bond amount granted during this period also increased by 2.3% since last quarter to R1,111,000 and by 2.4% since Q4 2018, which might be a reflection of the banks’ growing appetite for lending, or it might indicate the rising cost to finance a property.

“Despite the challenging year, RE/MAX SA was able to do exceptionally well during 2019, recording our highest yearly commission figure ever reported within our company’s history. Our own sales results reflected a 33.5% increase YoY in the average active RE/MAX listing price that amounted to R3,270,457.10 for Q4 2019,” Goslett states.

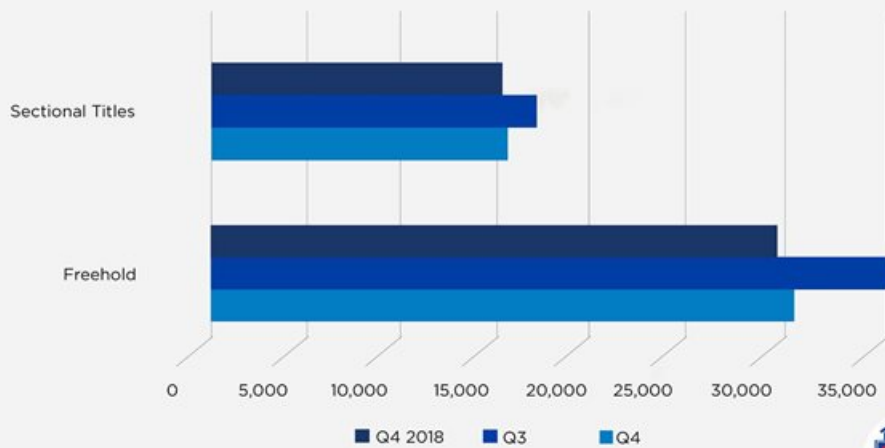
Slow growth in number of transactions

According to Lightstone Property data, a total of 44,808 bond registrations were recorded at the Deeds Office over the period of October to December 2019, totalling an amount of R49,785,374,000. This translates into a 6% increase since Q4 2018 and a 9.7% decrease in the number of bonds registered since Q3 2019.

The number of transfers (both bonded and unbonded) recorded at the Deeds Office between October and December increased marginally by 1.5% from last year and decreased by 10.7% from Q3 to 63,110 transfers in the fourth quarter of 2019.

Of the 63,110 transfers, a total of 30,390 freehold properties and 15,921 sectional title units were sold countrywide (these figures exclude estates, farms, and land only transfers). YoY, the number of freehold properties sold increased by 4.2% while sectional titles saw a 1.7% increase when compared to Q4 2018.

TOTAL TRANSFERS OF SECTIONAL TITLES VS FREEHOLD PROPERTIES



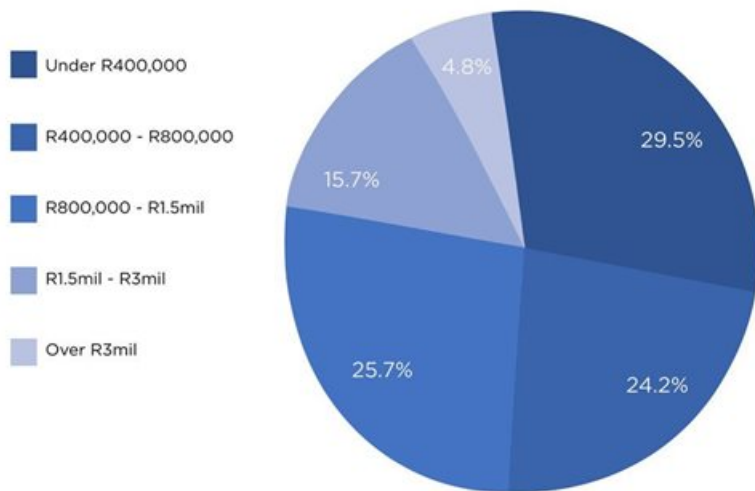
Breakdown of sales per price point

Properties below R400,000 continue to account for the largest portion of sales, at 29.5% of the total transfers. Year-on-year, this price segment saw a 1.6% increase (or 297 more transfers) on the figures for Q4 2018. Properties between R400,000-R800,000 make up 24.2% of the total transfers. Year-on-year, this price segment saw a 4% decrease (or 631 fewer transfers) on the figures for Q4 2018.

Properties between R800,000 and R1.5m make up 25.7% of the total transfers. Year-on-year, this price segment saw a 4.9% increase (or 757 more) on the figures for Q4 2018. Properties between R1.5m to R3m accounted for 15.7% of transfers and grew by 6.6% (or 614 more) YoY in the number of transfers. Making up the smallest portion of total transfers are properties priced above R3 million. At just 4.8% of the total transfers, this segment shrunk by 2.5% (or 77 fewer) YoY in the number of transfers.

“Based upon last year’s sales, there has been a continued move towards smaller properties in secure/safe environments. Larger homes seem to be taking considerably longer to sell than in the past. I believe the luxury market will continue to feel the pinch within this tight economy and the majority of transactions will continue to fall within the affordable price ranges,” Goslett comments.

PERCENT OF ALL TRANSFERS PER PRICE BRACKET



Reviewing the provincial property markets

Gauteng continued to dominate the top five searched suburbs nationally on the RE/MAX website during Q3 2019, claiming three of the spots with Morningside landing the number one position, Faerie Glen placing third and Garsfontein placing fourth. Musgrave and Essenwood in KwaZulu-Natal placed second and fifth respectively.

According to Private Property data, the Western Cape remains the province with the highest national median asking price at R2,495,000. However, this amount reflects a 3% drop on the figure for Q4 2018. KwaZulu-Natal places second with a national median asking price of R1,650,000, which is a 6% growth YoY. The Free State reflected the highest YoY growth at 10% despite it being the province with the lowest median asking price at R1,150,000.

“The South African property market has proven resilient within challenging market conditions and has performed well within the current economic climate. I believe that the property market will remain strong in the year ahead and look forward to seeing what the market will deliver in 2020,” Goslett concludes.

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