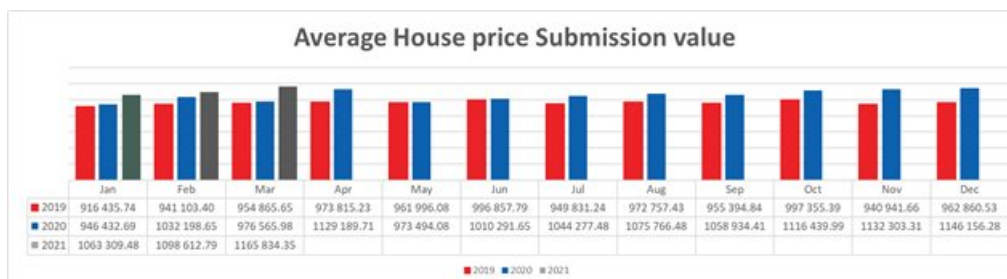


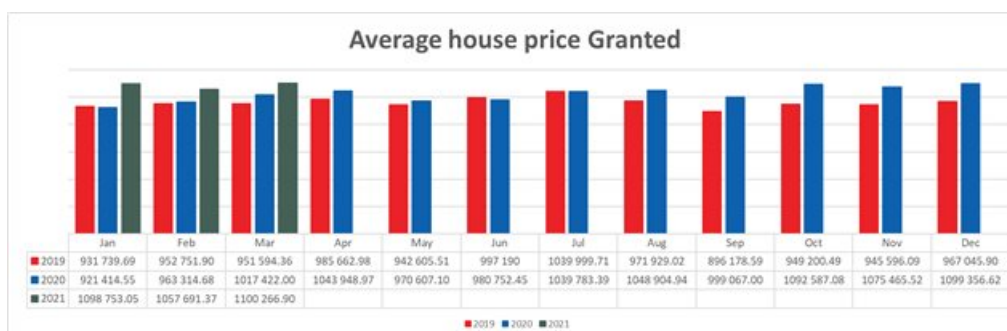
Residential property boom predicted to continue into 2021

According to Shaun Rademeyer, CEO of MultiNet Home Loans, the notion of pent-up demand driving the current residential property boom has long been thrown out the window, with everyone now asking how long this trend will continue.



He believes that we will continue to see this boom throughout the 2021 financial year, saying that MultiNet has already noted a 1.5% increase in the amount of first-time home buyers, as well as an increase in average approved loans to property value.

"March is the start of the new financial year for SA as a whole, and we can already see that the home loan submissions have almost doubled compared to the same time last year. Yes, the last week of March last year was the start of our lockdown and the increase is taking this into account, however we are already 27% above the previous year's average.



Consumer market still under pressure

"The middle market continues to be the driver of the price increase, even though we have seen a slight slowdown from 2020. The average price submitted has increased by 5%, versus the previous year's 10% growth. But we must remember that the consumer market is still under pressure and the increase we're seeing is the percentage of property moving in the higher price bracket of R1.2m to R1.5m. This market has gained the most since the reduction in interest rates. Buyers do have an advantage though in that we have seen the prime plus interest rate decrease from 1.62% to 0.49% which should ease the repayment burden somewhat on home buyers.

HOME LOAN FACTS

FEBRUARY 2021



Average PURCHASE PRICE

First Time Home Buyers



Average APPROVED LOAN TO VALUE %

89%
FEBRUARY 2020



90%
FEBRUARY 2020

First Time Home Buyers

95%
FEBRUARY 2020

95%
FEBRUARY 2021

AVERAGE % First Time Home Buyers

76,56%
FEBRUARY 2020



78,04%
FEBRUARY 2021

APPROVED Bonds taken up with OWN BANKS

24%
FEBRUARY 2020



25%
FEBRUARY 2021

BOND APPLICANTS

The average **AGE** of bond applicants

37
YEARS

Home Buyers

First Time Home Buyers

36
YEARS

7%

AVERAGE Interest rate Prime* Plus

1.62%
FEBRUARY 2020

0.49%
FEBRUARY 2021

Average PURCHASE PRICE

Home Buyers



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Data sourced from www.comprop.co.za | Disclaimer: Although every effort has been made to ensure the accuracy of the contents, MultiNET and its Subsidiaries accept no liability in respect of any errors contained herein.

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"As we move through the property cycle in the latter part of this year, we will find that supply will start surpassing demand and property prices could come under pressure again. The banks' payment holidays are coming to an end and many developments that stood still during lockdown will be launching in the market.

“It’s unfortunate that our economy will not be growing fast enough to sustain the demand and eventually we will see the market slow down,” says Rademeyer, “However, we will still look forward to a good year and expect to assist many as they purchase the first, second or even fourth homes.

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