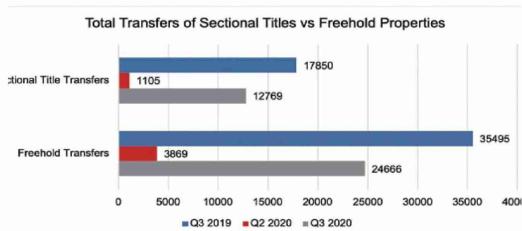


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Market shows steady signs of recovery

PROPERTY WRITER

Based on the figures from the Deeds Office, the property market has shown some steady signs of recovery after being brought to a complete standstill as a result of the national lockdown during the second quarter of 2020, says Adrian Goslett, regional director and CEO of RE/MAX Southern Africa.

According to Lightstone Property data, a total of 36 835 bond registrations were recorded at the Deeds Office over the period of July to September 2020. This translates into a 26% decrease in the number of bonds registered year-on-year (YoY).

However, the market is bouncing back with a 536% increase quarter on quarter (QoQ), which is a considerable correction on last quarter's 5 792 bond registrations. Beyond this, the number of transfers (both bonded and unbonded) recorded at the Deeds Office between July

and September recovered to 48 160 from the previous quarter's 3 869. This translates into a 32% decrease YoY and an astounding 711% increase QoQ.

Of the 48 160 transfers, a total of 24 666 freehold properties and 12 769 sectional title units were sold countrywide. These figures exclude estates, farms, and land only transfers.

The number of freehold properties registered decreased by 31% YoY but increased massively from the mere 3 869 that were registered last quarter. Similarly, sectional titles saw a 28% decrease YoY but also reflected a good recovery from the mere 1105 registered last quarter.

"None of us could have predicted that the property market would bounce back as quickly as it has in this last quarter. For us as a brand, our company has recorded record-breaking sales totals for three consecutive months, starting with R2.4 billion in July followed by R3.2 billion in August and ending with R2.8

billion in September.

"Our prediction is that the market will continue to perform well for the rest of the year provided that we do not fall into another crisis, and is likely to return to volumes similar to those which we were experiencing pre-lockdown," says Mr Goslett.

House prices recover

Other figures according to Lightstone Property include for the third consecutive quarter, the national median price of sectional titles dropped when compared to the previous year.

At a median asking price of R970 381, Q3 reflected a 5% drop YoY. Yet, despite this drop, the median asking price for sectional titles saw a small correction with an increase of 2% from the R953 084 reported in Q2 2020.

On the other hand, the current national median price of freehold homes jumped back to where it had been in Q3 2019 at

R1 115 670.

When compared to last quarter, the median asking price increased by 1%. The average active RE/MAX listing price amounted to R3 469 844.52 in Q3 2020, which is a 15% increase YoY and a 23% increase QoQ. The average bond amount granted during this period increased by 12% since last quarter to R1 110 000 and by 2% since Q3 2019.

Market segment performance

Properties below R400 000 continue to account for the largest portion of sales at 28% of the total transfers.

Properties between R400 000 to R800 000 make up 25.3% of the total transfers, which is slightly less than the 26.9% for which properties between R800 000 and R1.5 million account. Properties between R1.5 million to R3 million accounted for 15.2%.

Interestingly, properties priced above

R3 million accounted for 4.6% of the total transfers this quarter, shifting from the 3% market share it held last quarter. This makes it the price segment that reflected the best recovery since Q2.

The top five searched suburbs nationally on remax.co.za during Q3 2020 were Parklands at 2 972 searches, Faerie Glen at 2 580 searches, Sunningdale at 2 514 searches, Bloubergstrand at 2 306 searches, and finally, Brackenhurst at 2 291 searches.

"The results of the third quarter are better than we expected. It is encouraging to see just how resilient the South African property market is. Yet, tough times await us as we enter a period of recovery without the various Covid-19 financial relief schemes in place. I would therefore like to remind real estate investors to purchase within their means and to consult with a real estate advisor to ensure that they make sound investment decisions," Mr Goslett says.