

Q2 results reveal property prices still buoyant

The property market continues to show year-on-year growth, according to Quarter 2 (Q2) statistics recorded by ooba's first ever quarterly oobarometer.



The oobarometer is compiled every three months using data sourced from all home-loan applications processed by ooba nationally.

"We are still seeing steady growth in property prices and bond sizes, despite upward pressure on inflation and interest rates," says Rhys Dyer, ooba CEO. Between April and June 2014, the average house purchase price increased year-on-year by 4% to R950,507, with house prices in the first-time buyers segment increasing by 8.1% year-on-year.

Current conditions remain favourable

Dyer points out that the current conditions remain favourable for first-time buyers to join the property market. "First-time buyers continue to comprise an increasing percentage of our intake received," he says. "Of all our applications received in Q2, 53.3% were from this segment, compared to 51.9% in both Q2 2013 and Q1 2014."

Ooba's quarterly statistics shows that despite bank approval rates moderating, the home loan approval rate in Q2 remained high at 70.4%, indicating that the company continues to secure approval for more than seven out of ten home loans that it processes. "This highlights the benefits that ooba offers homebuyers by being able to submit their home loan applications to multiple lenders, thus ensuring a significantly better chance of a competitive approval," Dyer says.

He recommends that home buyers use the services of a bond originator like ooba for prequalification before they are ready to make an offer on a home. "Our free oobaqualification service incorporates a credit check and affordability rating so that when you make an offer, you can be confident that the banks will approve your bond," says Dyer.

The June 2014 oobarometer results (monthly statistics) are available on www.ooba.co.za.