

Elevated interest rates cool housing market sales - Re/Max report

Data from Lightstone shows a total of 30,343 bond registrations were recorded at the Deeds Office for the period April to July 2023, as at 4 July 2023, down by 43% on Q2 2022's figures, according to the latest *Re/Max National Housing Report*.



Source: limbi007 © [123RF.com](https://www.123RF.com)

“It is important to remember that Q2 2022 was a period of unprecedented activity within the local housing market, which needs to be considered when looking at the year-on-year comparisons made in this report,” cautions Adrian Goslett, regional director and CEO of Re/Max of Southern Africa.

The same data also reflects that the number of transfers (both bonded and unbonded) recorded over the same period amounted to 45,147. When reviewed against the figures from previous Re/Max reports, this amount is down by 42% YoY.

Of the 45,147 transfers, a total of 21,037 freehold properties and 12,757 sectional title units were sold countrywide (these figures exclude estates, farms, and land only transfers). Reviewed against previous Re/Max reports, the number of freehold properties registered dropped by 44% YoY and sectional titles dropped by 38% YoY.

“While some of the decline can be attributed to a natural re-stabilisation following a season of hyperactivity, the rest can be attributed to the higher interest rates that are finally beginning to affect the local housing market in a more noticeable way,” says Goslett.



Lightstone notes decline in youth buying homes, cars over last decade

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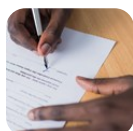
House prices produce a mixed bag of results

Despite the decline in number of transfers, Lightstone Property reported in the May House Price Index that national house price inflation is at 3.77%, having increased slightly since April 2023.

In addition to this, according to the Lightstone Property data retrieved on 4 July, the nationwide average price of sectional titles is R1,126,304. When reviewed against the figures from previous Re/Max National Housing reports, this amount is 7% higher YoY. The nationwide average price of freehold homes is R1,470,030 which, when reviewed against the figures from previous reports, is 3% up YoY.

Re/Max also reports that the average selling price for their network in Q2 2023 is also 2.9% up compared to the same period last year. However, the average active Re/Max listing price for Q2 2023 was down by 4% YoY and amounted to R3,054,951.66.

“It is important to note the time difference between registered sales prices and active listing prices. The stats from our website possibly represent a more current view of what house prices are doing. I wouldn’t be surprised if, in due course, the registered sales data starts to reflect a similar dip in average sales prices,” says Goslett.



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Western Cape remains a popular choice

The Western Cape was once again the most searched province on remax.co.za during Q2 2023, claiming the top five search positions:

- Parklands, Western Cape
- Bloubergstrand, Western Cape
- Sunningdale, Western Cape
- Table View, Western Cape
- Claremont, Western Cape

“Despite the fact that Re/Max SA has more agents operating in Gauteng, for the first time in a very long time, our total YTD registered sales value in the Western Cape has exceeded Gauteng, and this was driven by higher average selling prices in that region (R2.6m versus R1.5m),” Goslett comments.

While the Western Cape continues to be the most expensive province, according to BetterBond, the average purchase price across all provinces is lower than they were for the same period last year, with Pretoria reflecting the highest drop of -15% YoY and the Eastern Cape reflecting the lowest drop of -3% YoY.

"Market conditions are beginning to get tough. Fewer transactions are occurring, which is leading to a dip in achievable sales prices. On a micro level, each market will have its own set of unique trends, but on the macro level, sellers will need to be realistic when setting an asking price if they want to secure a timeous sale within the current market.

"The South African property market has proven to be resilient, and I have full confidence that the market will recover as soon as inflation is under control and interest rates begin to stabilise," Goslett concludes.

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