

# Stable interest rate provides affirmation for aspirant homebuyers

 By Andrew Golding

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In spite of a current economic environment characterised in part by muted growth, subdued business and consumer confidence, coupled with reduced disposable income and ongoing energy constraints, South Africa's housing market, across all segments, continues to demonstrate noteworthy stamina and resilience in the face of these challenges.



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The property market resilience can be demonstrated in a number of ways. One example is that of first-time buyers who continue to exhibit an increasing appetite to transact, and as a result enjoy a long-term benefit of investing in their future through home ownership. In addition, we remain confident that in coming months we will begin to see the positive impact of the 2015 National Budget announcement, that no transfer duties are payable on property transactions below R750,000 (as opposed to the former R600,000 threshold).

The lending climate and affordability of a deposit and bond repayments play a significant influencing role in the first-time home buyer segment of the market. Also encouraging is what is generally perceived as a more favourable lending environment, with mortgage originator ooba, reporting higher approval rates (76 percent in April 2015) and more competitive rate concessions by financial institutions. These are critical factors in supporting growth in this sector of the market.

Despite a variety of socio-economic and political challenges, confidence in real estate as a sound investment remains a prevailing theme across all sectors of the market, with some clear trends evident. These include a strong desire to reside in economic nodes and transport corridors, which are within easy access of the workplace, and schools, thereby reducing travel time and costs. A growing demand for convenient apartment living, in terms of both sales and rental accommodation; and an increasing shift towards secure estate living in integrated communities where there is a strong emphasis on sustainability and self-sufficiency. The latter undoubtedly reflects a direct response to rising energy, water and other municipal costs as well as a growing environmental awareness.

## ABOUT ANDREW GOLDING

Dr Andrew Golding, chief executive of the Pam Golding Property group, was originally in private practice as a General Practitioner on the Atlantic Seaboard from 1991 to 1996, after which he joined the family business as MD in 1996, followed by his present position.

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