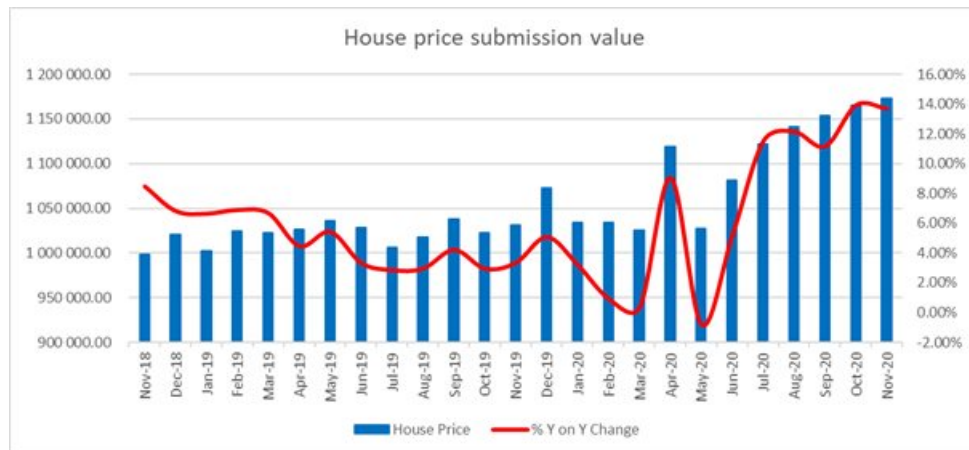


# SA home market continues positive performance in 2021

According to Shaun Rademeyer, CEO of Multinet Home Loans, the local residential property market has continued to boom amidst the Covid-19 pandemic.

Since July 2020, the average percentage in submitted property values has exceeded 12% in comparison to the same period in 2019. The main reasons for the growth, Rademeyer says, is attributed to the decline in the interest rate which has captured the attention of first-time home buyers as well as previous home owners re-entering the housing market.



Prior to the interest rate drop, many homeowners had to sell their properties and enter the rental market. With the much more favourable interest rate and affordability being a possibility, many of these previous homeowners have chosen to rather buy a property versus renting one.

## Purchasing with lockdown fresh in mind

Another impact of the pandemic on price is that size does matter (especially if you have kids). The preceding trend of buying a smaller unit designed for a lock-up-and-go lifestyle has made some consumers reconsider their requirements. Many homeowners and tenants were confined to small spaces and with the work-from-home trend not changing soon, many new prospective homeowners will be looking at their new potential home with the lockdown fresh in their minds. This will prompt the requirement of a small garden, an extra room and enough “me space” will become a priority. Be ready to see more upgrades and consumers being willing to spend extra for size and other living luxuries, says Rademeyer.

When looking at first-time home buyers, we have seen a significant increase in submissions; 78% of all applications submitted to the banks were that of first-time home buyers. The average age for first-time home buyers is 35 years and they are purchasing for R900,771 on average.



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Craig Mott 21 Jan 2021



## Possible property bubble?

2021 will be another challenging year for the South African consumer and economy, however the property market looks set again to be a shining star during these difficult times. Early indications have shown that the industry is continuing its growth pre the interest rate cuts, with January already showing double-digit property growth. However, the question that everyone

is asking is how long this trend will continue and are we heading for a property bubble.

In Rademeyer's opinion, this is not a concern for the industry - since the 2008 financial crisis, South African banks have learnt from the past, ensuring that the risks have been mitigated to sustain a healthy and vibrant property market.



### Where is the housing market headed in 2021?

Dr Andrew Golding 19 Jan 2021



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For consumers looking to capitalise on the favourable interest rate, Rademeyer has the following tips:

1. First, ensure that you know what your individual ITC score is – this will provide you with a clear indication of what your credit worthiness is looking like.
2. Get a reputable bond originator to assist you with an affordability calculation – what can you afford, taking into account your income and expenditures.
3. Research the area you would like to stay in – does it have good internet connectivity, transportation, community involvement, recreation facilities and security.
4. Research the properties for sale in the area, what did the last 10 transactions sell for, who is the most reputable agent in the area and how many property listings do they have.
5. Finally, make contact with the respective agent and discuss in detail your requirements and properties that matched your needs and are within your financial budget.

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