

Top 2020 SA property market trends

By [Crispin Inglis](#)

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In 2020, the subdued property market is set to continue. This means it has never been a better time to be a buyer.



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FNB's Property Barometer showed that while housing prices keep dropping, South African buyers are getting the biggest home loans they've had in a decade. It found the value of home loans extended in SA increased by 4.9% in August 2019, but house prices stayed in decline. Going into the new year, this will supply even more choices for buyers. And it'll be critical for sellers to use a data-driven approach to price homes accurately in order to achieve the best value for their home, in the quickest time frame.

2020 property trend #1

Going forward, there will be a push to integrate data to ensure more accurate pricing across the property industry. We can expect data-driven home valuation support to be a top trend. In price-sensitive climates like we are experiencing, where accuracy and timing is everything, it's important to have a clear understanding of one's home value from the outset. Incorrectly pricing your home to sell could mean you sit on the market for up to six to nine months, rather than 30-40 days if priced correctly.

2020 property trend #2

The suppressed market means more supply and choice for buyers, as sellers come to terms with lower than expected sales prices. This is the second top trend we expect to continue, although we have seen some resurgence in middle-value markets of around R1.5m to R2m.

2020 property trend #3

Linked to this resurgence is trend three – now is the right time to secure a bond! In a challenging climate, we expect even more competition between banks and lending institutions for bond business. We have seen easing up on their lending criteria for the past 18 months and expect that trend to continue for the moment. The FNB Property Barometer found the loan-to-purchase-price ratio went from 88% on average (Q2 of 2017) to 90.6% in the second quarter of 2019. This means

a deposit of less than 10% for the average house buyer.

For sellers, our advice is to push for data-driven pricing, and to try and keep fees and commission as low as possible.

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