

Older people struggle to get a bond

Well over 60% of home loans granted are currently going to people between the ages of 30 and 50, but there has been a slight increase in the number granted to those between 30 and 40 and a decline in the number granted to those between 40 and 50 over the past six months.

The latest statistics from BetterBond also show that there has been a steady decrease in the percentage of loans granted to people over the age of 50 for the past year, despite the fact that from this age on, an increasing number of people are inclined to sell up their family homes and downsize to smaller properties or retirement villages.

The implication, says BetterBond CEO Rudi Botha, is that a significant number are now either using the equity built up in their large properties to pay cash for smaller homes, or perhaps delaying the move from their family homes until home prices are more favourable.

New blood coming in

"An encouraging development in the past 12 months, however, is that the percentage of loans being granted to buyers between the ages of 20 and 30 - who are typically first-time buyers - has gone up substantially, from about 16,5% to almost 21%," he says. "Taking into account that the total number of loan applications has increased by 45% in the past 12 months, this indicates that there is a healthy amount of 'new blood' coming into the market that will, in due course, result in an upward movement of prices."

Meanwhile, the BetterBond stats also show which areas are most active in terms of bond grants, with 80% of grants currently pretty evenly divided between buyers in Greater Pretoria, the Northern and Western suburbs of Johannesburg, the Western Cape and KwaZulu-Natal. According to these figures, the average loan amount currently being granted in Johannesburg North and West is now around R837 000 (compared to R840 000 a year ago) and the average in Greater Pretoria is R719 000 (R729 000), followed by the Western Cape at R700 000 (R656 000) and KZN at R645 000 (R659 000).

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