

No sign that push into property is slowing



By [Dr Andrew Golding](#)

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Cash-strapped homeowners with mortgages, who are faced with inexorably rising consumer costs across the board, will be relieved at the Monetary Policy Committee's decision on Thursday, 21 July, to keep the repo rate steady.



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Against the backdrop of a sharp spike in global political and economic uncertainty, including fallout from Brexit, comparably, South Africa's outlook is encouraging. Just this week *Bloomberg* reported an inflow of investment of a record R85.7bn in the country's stocks and government bonds in June – a trend which has continued in July."

Despite economic pressures, South Africa's housing market continues to reflect an ongoing demand for homes to buy and rent, with stock shortages still evident in sought after hubs and growth nodes. There is no doubt that an increasing focus on smaller, more affordable and conveniently located residential accommodation will continue to fuel the demand for sectional title living, whether for investment, primary residential use or to rent.

It also appears likely that new homeowners will remain a dominant force in the national housing market in general, and in the lower-price band below R1m in particular, for the foreseeable future.

National sales up

Notably, Pam Golding Properties sales nationally have increased by 14% in June 2016 compared with June last year (2015), while our financial year-to-date sales for the March to June period are 12% up on the previous year.

Globally, there is no sign that the push into property is slowing. While individuals may favour the stability and steady income streams offered by property investments, the world's largest investment funds are increasing their investments in property in an attempt to improve the performance of their funds.

Here in South Africa we find that not only do investors favour 'real' assets such as property during periods of economic uncertainty, there is also a desire to diversify into international markets. These include Mauritius, which enjoys a vibrant growing economy and low taxation rates, as well as no housing or property tax, no inheritance tax on properties purchased and no capital gains tax.

ABOUT DR 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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