

Buyer analysis-paralysis, the elections can't come quick enough

 By [Samuel Seeff](#) 30 Apr 2019

The 2019 elections simply cannot come quick enough. It is time to get it done and dusted as quickly and efficiently as possible so that we can get back to the business of building the economy and property market.



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Most of the year has been characterised by 'buyer analysis-paralysis' with buyers hesitating, sitting on the side-lines and waiting to see how the elections unfold. This has been especially the case among those with discretionary money who do not have to buy or invest right now.

And so what we have seen in the market this year is lacklustre demand and weak price growth. It has been a period of frustration for property owners looking to sell and move on, but simply cannot because there just isn't the level of demand that we should have seen in the market this year.

In a sense, the 'political impasse', has left people with a level of uncertainty and the best course of action is to get the election out of the way as quickly as possible. An essential element of economic and property market growth is stability and confidence, and the country is certainly poised for a return of confidence and economic revival.

What we now need is for the commitment and hard work done by President Ramaphosa and the investments to start filtering into the economy. The combinations of certainty and stability is the vital ingredient that South Africans need to recommit to the future and economy.

Stability returning

The latest FNB Property Barometer points to a level of stability returning to the market. Despite more people selling for financial and emigration reasons, our branches have seen an uptick in activity, specifically in the core R1.2-R3m price band, and there is an expectation that buyers will start heading back after the election.

Sellers should be ready to capitalise on that demand.

Conditions are favourable for buyers. Economists expect the interest rate to remain flat at least for the next quarter. Mortgage lending conditions have also improved further. Ooba, for example, recently reported that the bond approval rate is trending upwards and the deposit requirements are down slightly year-on-year as the banks compete for a limited pool of buyers seeking mortgage loans.

While there is an expectation of renewed energy in the market as we dust off the uncertainty that has characterised the lead-up to the elections, market conditions are likely to remain fairly flat for this year. But with so much good stock, more motivated sellers, a flat interest rate and positive mortgage lending landscape, there's every reason for momentum to start building.

As momentum builds and the year unfolds, we could then hopefully start looking forward to a return to real growth next year.

ABOUT SAMUEL SEEFF

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