

Property experts optimistic for post-election upswing

 By [Tony Clarke](#) 30 Apr 2019

Property owners across South Africa will be pleased to hear that industry experts are predicting strong chance of a post-election market upswing. This could signal the end of the multi-year market contraction that has seen property price growth averages stagnating nationwide.



Tony Clarke, MD, Rawson Property Group

The current market has been strongly influenced by factors like economic and political uncertainty, compounded by high unemployment rates and concern over things like land policy. This kind of unstable environment makes long-term investments like property purchases less desirable, and often less accessible to the general public. This has an understandably negative effect on market activity.

We're now at a point where the market is strongly in favour of buyers, with an abundance of eager sellers competing heavily to secure a sale. This situation is unlikely to change in the lead-up to elections, but could begin to see a reversal once the post-election dust has settled.

What we're really hoping for, post-elections, is some kind of clarity on economic policy. There has been so much talk and posturing, particularly during pre-election campaigning, that nobody really knows what the plan is going to be moving forward. Once we have the results from 8 May, we're hoping that the focus will return to road-mapping our country's future, and that those plans will be communicated in a way that is clear, authoritative, and lays investor uncertainty to rest.

Road to market recovery a long one

While clarity on economic policy will certainly stimulate property market activity and boost buyer confidence, the road to complete market recovery is nonetheless a long one.

Rising inflation, fuel prices, municipal rates and tariffs and taxes are taking a bite out of disposable income across the board. That's going to make finances very tight for consumers, and means taking on new debt still needs to be handled conservatively. We're certainly not going to see an overnight flood of qualified buyers hitting the market, but we are expecting slow and steady improvement in activity and demand.

This doesn't offer much immediate relief to sellers, but price growth will return to stronger levels in time. In the meanwhile, buyers should take advantage of current opportunities before interest rates and property prices begin to climb.

The next six to twelve months could be a very favourable time for buyers to get a foot in the market. Price stabilisation means there are plenty of well-priced properties available, and lenders are coming to the table with some very competitive mortgage rates. I definitely wouldn't recommend buyers overextend themselves in these liminal moments, but using this time to buy low and pay off as much debt as possible could put them in a much stronger position for the future – whatever that future holds.

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