

MPC decision on repo rate anticipated but disappointing



By [Dr Andrew Golding](#)

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Against the backdrop of a persistently sluggish economy, subdued market confidence and lower-than-expected inflation, but with an eye on future inflationary impacts, global economic headwinds and the prospect of a Moody's downgrade, the Monetary Policy Committee's decision to hold the repo rate steady was anticipated by many commentators, albeit disappointing for many at this juncture of the year.



Dr Andrew Golding, chief executive, PamGold Property group

We believe there was room for a further rate cut, particularly as inflation appears to have been reigned in to some extent. Even a modest reduction in the key lending rate, on the back of the previous interest rate cut in July (2019), would have been widely welcomed by consumers - including aspirant home buyers, and would provide some relief to existing home owners with mortgage debt.

Decisive action needed

Undoubtedly, while still enjoying the warm afterglow of South Africa's Rugby World Cup triumph, what our economy now needs is a concerted stimulus and decisive action to instil confidence among consumers and investors.

Positive factors in the housing market are that consumers, particularly in the lower price bands and including first-time buyers, continue to demonstrate a sound appetite for home-buying while financial institutions are not only willing, but also increasingly competitive, in lending finance."

Key criteria for successfully concluded sales remain accurate pricing coupled with prime location – notably major and 'second tier' metros and key hubs close to the workplace and which provide access to infrastructure and amenities such as schools, shops and medical facilities, as well as perceived value for money.



No rate cut, but still a good time to buy

Samuel Seeff 22 Nov 2019



Developer confidence remains

New developments, both residential and mixed-use, continue to be brought to market in high demand areas, which indicates developers' ongoing confidence in our consistently resilient residential property market.

With house price growth having levelled off, this remains a market where buyers are in many instances spoilt for choice, making it an opportune time for those sitting on the fence to commit to savvy purchase decisions before the market, being cyclical, embarks on the next upward trajectory.

Hopefully, we can anticipate stronger economic growth in 2020 which will help alleviate pressure on public finances and the private sector in general, as well as provide a fillip for the housing market.

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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