

# Post-lockdown: Property market showing steady signs of recovery

Following the national Covid-19 lockdown during the second quarter of 2020, the latest figures from the Deeds Office reflect steady signs of recovery in the property market.

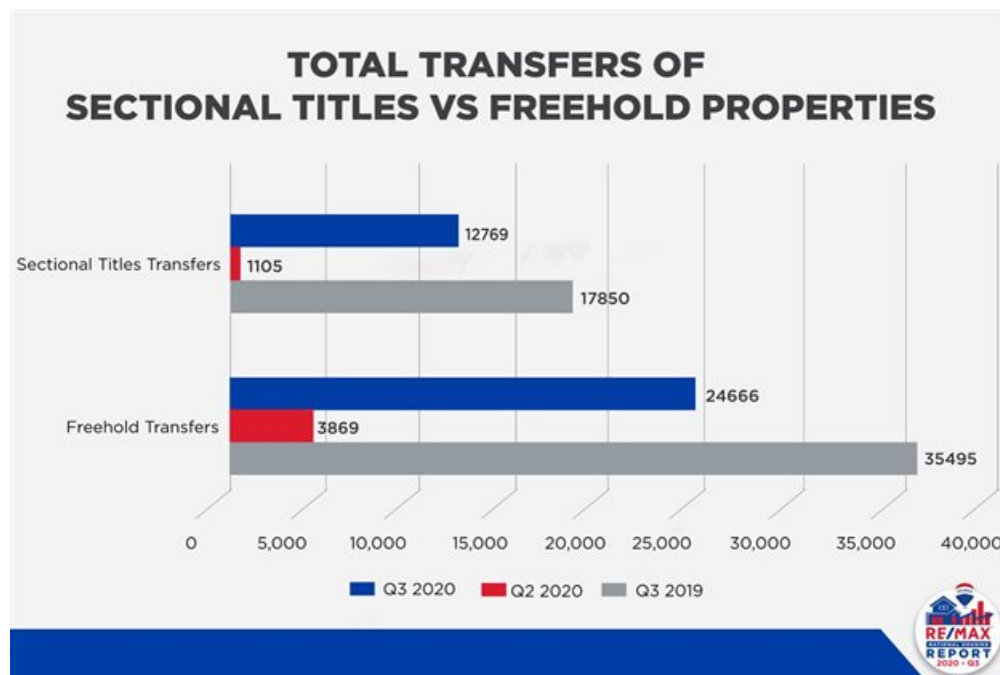


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According to Lightstone Property data, a total of 36,835 bond registrations were recorded at the Deeds Office over the period of July to September 2020. This translates into a 26% decrease in the number of bonds registered YoY. However,

the market is bouncing back with a 536% increase QoQ, which is a considerable correction on last quarter's 5,792 bond registrations. Beyond this, the number of transfers (both bonded and unbonded) recorded at the Deeds Office between July and September recovered to 48,160 from the previous quarter's 3,869. This translates into a 32% decrease YoY and an astounding 711% increase QoQ.

Of the 48,160 transfers, a total of 24,666 freehold properties and 12,769 sectional title units were sold countrywide (\*these figures exclude estates, farms, and land only transfers). The number of freehold properties registered decreased by 31% YoY but increased massively from the mere 3,869 that were registered last quarter. Similarly, sectional titles saw a 28% decrease YoY, but also reflected a good recovery from the mere 1,105 registered last quarter.



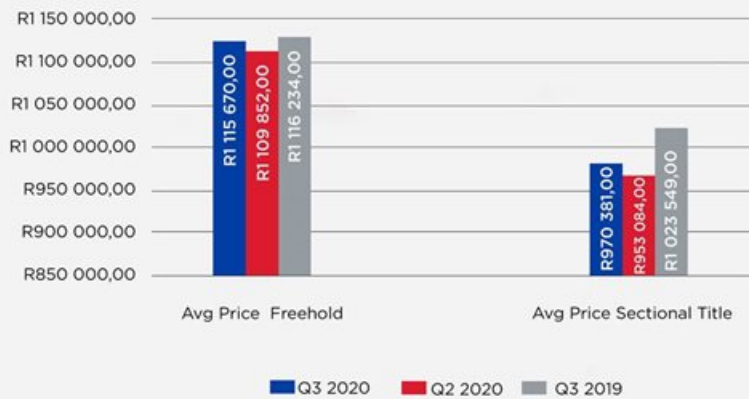
“None of us could have predicted that the property market would bounce back as quickly as it has in this last quarter. For us as a brand, our company has recorded record-breaking sales totals for three consecutive months, starting with R2.4bn in July followed by R3.2bn in August and ending with R2.8bn in September. Our prediction is that the market will continue to perform well for the rest of the year provided that we do not fall into another crisis, and is likely to return to volumes similar to those which we were experiencing pre-lockdown,” says Adrian Goslett, regional director and CEO of RE/MAX of Southern Africa.

## House prices recover after Q2

For the third consecutive quarter, the national median price of sectional titles\* dropped when compared to the previous year. At a median asking price of R970,381, Q3 reflected a 5% drop YoY. Yet, despite this drop, the median asking price for sectional titles saw a small correction with an increase of 2% from the R953,084 reported in Q2 2020.

On the other hand, the current national median price\* of freehold homes jumped back to where it had been in Q3 2019 at R1,115,670. When compared to last quarter, the median asking price increased by 1%. The average active RE/MAX listing price amounted to R3,469,844.52 Q3 2020, which is a 15% increase YoY and a 23% increase QoQ. The average bond amount granted during this period increased by 12% since last quarter to R1,110,000 \* and by 2% since Q3 2019.

## Avg Price Per Sectional Title & Freehold Property YoY & QoQ



## Market segment performance

Properties below R400,000 continue to account for the largest portion of sales at 28%\* of the total transfers. Properties between R400,000-R800,000 make up 25.3%\* of the total transfers, which is slightly less than the 26.9%\* for which properties between R800,000 and R1.5m account. Properties between R1.5m to R3m accounted for 15.2%\*. Interestingly, properties priced above R3m accounted for 4.6%\* of the total transfers this quarter, shifting from the 3% market share it held last quarter. This makes it the price segment that reflected the best recovery since Q2.

The top five searched suburbs nationally on remax.co.za during Q3 2020 were Parklands at 2972 searches, Faerie Glen at 2580 searches, Sunningdale at 2514 searches, Bloubergstrand at 2306 searches, and finally, Brackenhurst at 2291 searches.

## Final thoughts

“The results of the third quarter are better than we expected. It is encouraging to see just how resilient the South African property market is. Yet, tough times await us as we enter a period of recovery without the various Covid-19 financial relief schemes in place. I would therefore like to remind real estate investors to purchase within their means and to consult with a real estate advisor to ensure that they make sound investment decisions,” Goslett concludes.

*\*Figures according to Lightstone Property*

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