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W Cape property prices have begun easing back

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RESIDENTIAL property owners in Western Cape have been warned to brace themselves because the declining trend in price inflation is gathering speed in the province at a faster rate than earlier figures had suggested.

The markets in the Johannesburg and Tshwane metros, meanwhile, are still cooking, with both showing minor accelerations in house price inflation recently.

The latest Lightstone Risk Management property indexes – which are based on deeds office data, among other sources – show that Western Cape is a major drag on

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the national average house price inflation

In March it was just less than 11% year-on-year – down from more than 12% in February in that province

“In previous releases of the indexes it appeared that this province’s declining trend in price

inflation was beginning to flatten out. However, the March revisions suggest that the decline is gathering speed again,” said John Loos, strategist for FNB Commercial and the author of the latest Lightstone report

The news will come as no surprise to some estate agents in the province, who told Moneyweb in July that they had seen the property market in the region slowing for some months

Still not showing in the figures, however, is the full implementation of the National Credit Act (NCA) from June

Agents around the country were

reporting a significant slowdown in the granting of home loans that month, as banks and originators battled to get to grips with the new procedures and paperwork required to process applications

Loos noted in his report, released on Wednesday, that the Western Cape was the most expensive province, “but off its high base now has the lowest price inflation of the nine provinces”

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