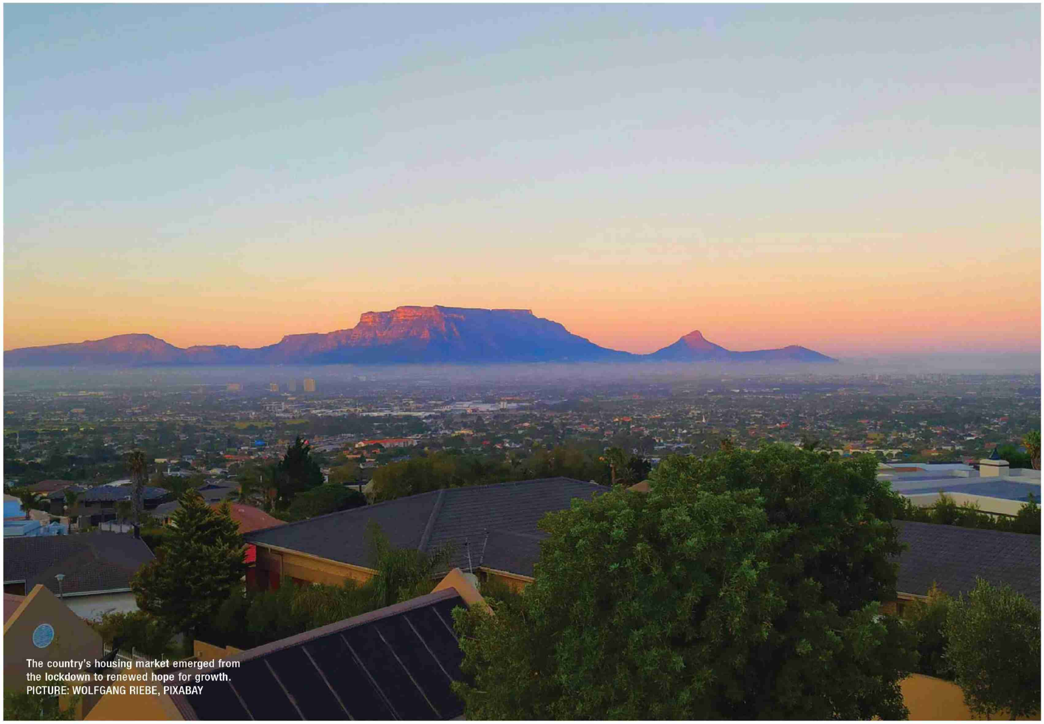

The country's housing market emerged from the lockdown to renewed hope for growth.
PICTURE: WOLFGANG RIEBE, PIXABAY

A funny old year

Agents' predictions for 2020 were turned on their heads as the effects of the pandemic played havoc with the property sector

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THE ONLY similarities between the property market at the start of 2020 and the end of the year is that buyers had, and still have, the upper hand.

All other predictions and expectations were wiped out by the global pandemic which brought the market to a standstill for several months.

Some were even turned on their head as South Africans across the spectrum re-evaluated and adjusted their lives to accommodate the new normal.

Here are some of the pre-Covid predictions for the housing market – and their eventual realities:

Prediction: The downsizing movement will continue to grow.
Reality: Many buyers and tenants are looking for properties with more space to support social distancing.
Prediction: More cluster properties will rely on communal and shared services.
Reality: People are more aware of sharing spaces due to the ease with which the coronavirus – and future health threats – can be spread.
Prediction: Many South Africans, particularly Millennials, will be forced to rent as homeownership is unaffordable.
Reality: Many people are opting to purchase their homes thanks to the opportune buying conditions.
Prediction: The market would start turning in favour of sellers in the second half of the year.
Reality: The interest rate cuts continue to see buyers in the pound seats.

Similarly, though, the pandemic has fast-tracked and boosted some trends that, while already growing, were doing so at a slower pace. These include:

MOVING FURTHER AWAY FROM MAIN METROS
Many South Africans were looking to relocate further from city centres which were not only unaffordable but were also offering a faster-paced way of life. Since Covid-19, this trend has accelerated. The boom in remote working has made it even easier for people to move to second-tier cities and suburbs away from the hustle and bustle.

LIVING A SIMPLER LIFE
The "Marie Kondo" style of living, where people were getting rid of unnecessary material possessions in favour of life experiences and travelling, was a growing global movement. Now, thanks to the devastating mental and physical effects of Covid-19, many people have focused on family and quality times. Although international travel is not yet at the top of people's lists, many are embracing local destinations to make new memories.

Let's take a look at how the market has unfolded over the past 11 months:

JANUARY The year opens with the ongoing buyer's market. South Africans also look to make decisions on relocation and semigration.

A total of 14 302 properties were sold, with an average purchase price of R1.34 million.

Lightstone's national house price inflation is 1.72%.

FEBRUARY Aspiring homeowners still prepare to take advantage of the buyer's market. Load shedding happens again and many people look abroad for property investment and emigration.

Meanwhile, the #ImStaying movement reinvigorates confidence in the country.

A total of 21 096 properties were sold with an average purchase price of R1.19m.

National house price inflation is 1.85%.

MARCH South Africa enters a national lockdown on March 27. The Deeds Office closes and the property market is mostly shut down.

A total of 26 546 properties were sold with an average purchase price of R1.21m.

APRIL Movement between properties is not permitted, leaving many landlords and tenants in the lurch. Landlords face non-payment of rents due to struggling tenants. Estate agents start reworking their marketing strategies to allow buyers to view properties online.

A total of three properties were sold with an average purchase price of R1.68m.

House price inflation is 2.4%.

MAY The only housing transactions being finalised are those started before lockdown. Once-off movement between properties is allowed. A spotlight is shone on the living conditions of many poor and vulnerable South Africans.

A total of 4 776 properties were sold with an average purchase price of R1.22m.

The repo rate drops from 4.25% to 3.75%.

House price inflation is 2.37%.

JUNE The Deeds Office reopens although, in many areas, is hampered by closures due to Covid infections. Buyers remain cautious about viewings and investing in the economy. Many are also reeling from job losses and salary cuts. The end of payment holidays looms.

A total of 12 019 properties were sold with an average purchase price of R1.14m.

House price inflation is 2.42%

JULY Agents are under pressure following the market shutdown and continue to offer virtual property viewings. Pent-up demand for property is seen in the buying numbers. Holiday homeowners start shifting their properties to the long-term let market.

A total of 19 507 properties were sold with an average purchase price of R1.29m.

The repo rate is dropped to 3.75% from 3.5%.

House price inflation is 2.3%

AUGUST The construction industry is clawing out of the lockdown and making up for project delays.

The residential property market kicks into higher gear as more people look to buy.

A total of 24 390 properties were sold with an average purchase price of R1.27m.

House price inflation is 2.15%.

SEPTEMBER Low interest rates encourage tenants to get on to the property ladder. The rental market is under increasing pressure as many tenants purchase their homes, leaving rising vacancies.

A total of 29 030 properties were sold with an average purchase price of R1.28m.

House price inflation is 2.08%.

OCTOBER New property developments, particularly retirement accommodation, continue to be launched. Homes with semi-detached flatlets for multi-generational living are in demand.

A total of 22 767 properties were sold with an average purchase price of R1.31m.

House price inflation is 2.08%.

NOVEMBER Smaller towns and cities experience property booms. Properties – for sale and to let – in such areas are often better priced, and offer more space. Buyers take advantage of favourable market conditions.

The repo rate is steady at 3.5%.