

## **Property market in South Africa bottoming out**

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Property sales in South Africa have ground to a halt but experts are predicting that when they start to recover they could rise more than 50% in three years.

The next three months will offer some bargain prices when those who want to invest in the longer term can pick up some good property that will sell well in the future, according to the latest report from Chas Everitt international which has offices throughout South Africa.

'You make money when you buy property, not when you sell and we believe that the next few months will present the best buying opportunities for shrewd property investors to make the most money when the property market recovers,' said spokesman Berry Everitt.

'It may be contra-intuitive to buy now, when the property market is in a downturn, but property prices are predicted to rise by 50 to 60% over the next three years and those who delay now will make relatively smaller returns on their property investments,' he added.

Although price growth has slowed almost to a halt while interest rates appear to have peaked, there is already increasing demand as indicated by rising sale activity since August and this will intensify when interest rates start to fall next year, the company report shows.

'At that point stock levels will really start to drop and prices will start to rise, which means that there is a window of opportunity to negotiate the best deals of just a few months. Looking back in three years' time, investors will recognize this as the turning point of the market,' Everitt predicts.

The report predicts that the best buys are likely to be in the medium-price, medium-size sector of the market, where price growth is currently at its lowest ebb and the high numbers of homes for sale make it possible to secure excellent value for money.

'Such homes are also likely to experience the highest level of demand when the economy turns and many middle-class families who are currently making do in rented accommodation or smaller homes can once again qualify for home loans and start looking for homes of their own or upgrades,' he concludes.

Courtesy of: <http://www.propertywire.com/news/africa/property-south-africa-bottoming-out-200812022181.html>

