

CHAS EVERITT INTERNATIONAL PREDICTIONS FOR 2013

Berry Everitt, MD of the Chas Everitt International property group, says 2013 will be the year when property developers start making a moderate re-entry into the market.

“There has of course been some development at the lower end of the market for the past few years, because buyers in this sector are often subsidised or able to gain special access to 100% home loans.” However, what I anticipate now is that developers will become increasingly active in the R650 000 to R850 000 price bracket where the banks are lending well, especially on newly-built homes.”

And speaking of banks, he believes they will continue, for most of next year, to keep a lid on the market by valuing properties and lending according to “bank security value”, which does not necessarily coincide with actual “market value”.

“In other words, they will often not be prepared to lend as much as the prospective buyer is willing to pay, leaving the serious seller little choice but to lower his price if he wants to conclude a sale.”

An alternative response, Everitt says, might be for the buyer to raise the amount of his deposit, “but in practice this seldom happens, and it is much more likely that, if the seller won’t budge, the buyer will abandon the deal and look for a cheaper property.

“So either way, this practice is likely to prevent the rising housing demand that we see occurring next year from being translated, as it usually would be, into rising property prices. In fact, we do not expect to see nominal house price growth top inflation next year.”

Meanwhile, Everitt says, property portals such as Property24, Private Property and IOL Property continue to gain traction in the real estate industry as the advertising media of choice.

“This is driven mostly by consumer expectations of ever-easier and faster access to more information and product via the Internet, and as they compete for market share, these portals are also providing better services to their advertisers, and property sellers.”

Within the real estate industry, he says, the major brands will add to their franchise offerings new systems and processes for managing long-term and holiday rental properties, in order to “recession proof” their franchisees. Chas Everitt International will be one of the first with such a specialized offering.

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FOR FURTHER INFORMATION CALL

BERRY EVERITT ON

011-801-2500 OR VISIT

www.chaseveritt.co.za