

Property market steaming ahead, says BetterBond

The latest statistics from BetterBond Home Loans, SA's leading mortgage origination group, show ongoing positive activity in the residential property market.

The figures reveal a 12,05% increase in the number of home loan applications received by BetterBond in the month of June compared with the same month of 2013, and a 9,23% increase in the value of applications submitted to the major lending banks.

They also show, notes BetterBond CEO Shaun Rademeyer, that there was an increase of 4,11% in the value of home loan approvals.

"In addition, in the 12 months to end-June, there was an increase of 4,19% in the total number of bonds for which we secured approvals, and a 6,57% increase in the total value of those bonds to more than R36,2bn, compared to just under R34bn in the previous 12 months."

At the same time, he says, the number of applications initially declined by one bank but subsequently approved by others rose by 5,37% year-on-year, "which once again underlines the importance of working with a mortgage originator that will not only motivate individual applications but is able to submit them to multiple banks in order to secure the best result for the prospective homebuyer.

"This is further evidenced by the fact that there was an 8,66% increase during the 12 months to end-June in the number of bond applications rejected by the borrowers' own banks but then approved by other banks. The total value of these 'rescued' applications was over R5bn."

The BetterBond statistics also show that the average home purchase price has increased by 10,5% over the past 12 months to R908 483 and that the average first-time home purchase price has increased 7,65% to R641 979.

Meanwhile the average approved bond size has increased by just over 2% in the past 12 months to R756 479, and the average bond approved for first-time buyers has increased by 0,5% to R586 328.

More good news is that the average percentage of purchase price required as a deposit has shown a 3,64% decline year-on-year, while the average percentage of purchase price required by first-time buyers has declined by 6,2%.

"In short we are seeing solid buyer confidence reflected in still-growing demand and home prices," says Rademeyer, "and increased lender confidence in the market, although their credit criteria are stringent."

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