

# No rate cut, but still a good time to buy



By [Samuel Seeff](#)

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After a challenging year for the property market, the decision by the Reserve Bank's Monetary Policy Committee to retain the repo rate unchanged at 6.5% and the mortgage rate at 10% is disappointing as we head into the festive season.



Samuel Seeff, chairman of the Seeff Property Group

The news that inflation had dipped to a nine-year low of 3.7% (from 4.1% in September), along with a reasonably stable currency, should have been enough to motivate a rate cut. The economy and consumers can do with some good news and it would have been a welcome boost as we head into the important retail season.

Nonetheless, and despite perceptions, there has been plenty of activity in the market, but largely at the lower price bands. This year has been the tale of two markets - the busy low to mid-market to R1.8m (R3m in some areas) boosted by the favourable mortgage lending climate at the one end of the spectrum and the upper-end R10m-plus market where little to no activity is taking place.

## Best time to buy

The upside to the current conditions, is that it is one of the best times to buy and we expect this to remain the case during the early part of 2020. The interest rate is at the lowest level in years and the flat price growth means that there is a good window of opportunity for buyers.

While anticipating an increase in the number of transactions, the tale of two markets will likely continue with activity concentrated below R1.8m, supported by the low borrowing costs and favourable mortgage lending conditions.



## MPC decision on repo rate anticipated but disappointing

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2020 will start off with a market which remains oversupplied in most areas. Price growth is expected to remain flat in the 4% range at best and sellers will need to keep their asking prices market-related or risk not attracting buyer interest.

The Springbok win has gifted South Africa a ray of sunshine and has shown what is possible and can be achieved if there is political will and commitment. It has lifted the mood in the country, and we hope that this can spill into the economy and property market. Until then, property 2020 is likely to be more of the same.

## ABOUT SAMUEL SEEFF

Samuel Seeff is chairman of the Seeff Group.

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