

PROPERTY PRICES: AVERAGE HOUSE VALUE STILL IN DECLINE, BUT NOT FOR FIRST-TIME BUYERS

THE value of the average house in South Africa declined by 1,1% year on year to R823 476 in October, reports bond originator ooba.

The trend is largely in line with other key measures of house

prices, including the FNB House Price Index. The FNB Property Barometer said real house prices have fallen for most of 2011.

The average purchase price declined by 1,8% month on month last month.

However, ooba noted that the average first-time buyer's purchase price increased by 4,1% to R625 483, while the average bank decline ratio decreased by 1,3% points in October to 44,4%.

The chief executive of ooba,

Saul Geffen, said property prices have continued to drift sideways, tending towards slightly negative nominal price growth for the last two quarters.

Geffen said the average first-time buyer's purchase price has

seen consistent growth over the past six months.

He attributes this to the sustained lower interest rates, combined with the ongoing easing in lending conditions.

— Business Editor.