



Prop. News

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KEEN BUYERS CONTINUE TO BOOST HOME LOAN NUMBERS

The appetite for home ownership continues to grow, according to our latest statistics, despite the discouraging outlook for SA's economy over the next few months.

The statistics show, for example, that the overall number of home loan applications submitted to the banks increased by 22% over the past 12 months.

The result of this was that BondExcel in partnership with MortgageMax was able to secure 11% more home loan approvals in the year to end-March.

It is worth noting that some 44% of the approvals secured applied to applications that were "rescued" in the sense that they would have been declined had it not been for our intervention. This once again makes a strong case for making use of an originator rather than making a direct application for a home loan.

In March this year, our figures show, the average home purchase price among all buyers that submitted home loan applications through BondExcel in partnership with MortgageMax was R849 000, while the average approved bond size was R709 000.

The continued strength of demand in the first-time buyer sector is also illustrated, by the fact that 62% of the home loan application applications received in March were from buyers in this sector, whose average home purchase price was R613 000 and average approved bond size was R571 000.

Meanwhile a breakdown of formally granted loans per price category shows that 42, 6% of loans all granted in March fell into the R500 000 to R1m range, confirming that this is where most sales activity is taking place.

In addition, 83% of the loans granted were for the purchase of existing homes, while 14% were "building" loans for the purchase of homes in new developments or homes to be owner-built on vacant stands.