



# IAN OLIVIER

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## PROPERTIES

*We're Living it!*

Newsletter 03 February 2009



Hi!

They had to end ... those days of soaring property values, 110 percent bonds and queues of buyers that characterized the country's real estate sector in 2004 and 2005. Great for sellers, it was an unsustainable state of affairs that, had it continued, could have landed South Africa in similar doldrums to those experienced by the USA. We were saved by our banks' conservative approach to risky lending, the implementation of the National Credit Act (NCA) and a steadily-rising interest rate.

So where does that leave us, agents, buyers and sellers? The Real Estate Investor Magazine (Jan/Feb 2009) quotes Absa senior property analyst Jacques du Toit as saying that: "The residential property market is expected to bottom in 2009, and only in 2010 is nominal house-price growth expected to rise above 10% again. Real price growth is projected to turn positive in the same year."

Luthando Vutula, managing executive at Absa Home Loans, in the same article, says the days of 110 percent bonds are over. And John Loos, FNB's Home Loans Property Strategist believes that residential property is probably near the bottom of the cycle.

Far from being doom and gloom, these sentiments combine to suggest that 2009 will be the year of the bargain, especially when one considers that more than 80 percent of sellers are selling for less than their asking price (FNB Property Barometer—4th Q 2008) - for now. Once things start coming right and the residential property cycle turns up, values will rise, the banks should relax their lending criteria and the days of the property bargain will have ended...

Until next time: ciao ciao

### Pick n Pay founder and chair Raymond Ackerman said the following during a speech at the Cape Times/Safmarine Business Breakfast (25<sup>th</sup> November 2008):

"... none of us can deny that business is experiencing a period of severe stress. Beset by high interest rates and elevated inflation, and buffeted by a formidable financial crisis which has seen the virtual collapse of banking systems and currencies, we are navigating perilous waters. ... Such times are also periods of stimulating challenge, of opportunity for the brave, and of optimism for those with the courage to hope, work hard and think strategically.

I have no hesitation in asserting that we are well-equipped to weather the storm. Our country has time and again demonstrated its capacity to respond with innovation and initiative to changing economic, political and social circumstances. Our economy has never been better managed. We often forget in the angst of our growing pains that we have created a climate in which a whole new generation of upwardly-mobile, ambitious and entrepreneurial South Africans for the first time enjoy access to and participation in the formal economy.

Austrian Holocaust survivor and psychotherapist Viktor Frankl taught us that one of the principal avenues by which an individual can find meaning is by doing something meaningful or creating something meaningful. In seeking to live out that maxim, I have lived all my life as an optimist and have never yielded before the force of those who argued that the best was impossible. It was for that reason that I never lost my faith that one day South Africa would emerge from the long night of apartheid and regain its status as an envied land of promise. I have no intention of abandoning my confidence now. "

## Featured Properties

### PE Central R495 000

Within walking distance of all amenities



This three bedroom house boasts spacious grounds and views, Oregon floors and carpets.

Contact Verity Bigara on 0827757459

### Charlo R490 000

Spotless townhouse



Modern, open-plan kitchen with oven and hob. Built-in TV unit in tiled lounge. Wooden staircase to 2 newly carpeted bedrooms. Balcony off main bedroom. Fully tiled bathroom with shower. Braai area and wendy house. Remote gate entrance to secure cottage-style complex.

Contact Debbie Jay on 0849222202



Want to read about balancing the act? [Click on the scale!](#)



STOP SAH CRIME HELLO

Some (of 50 facts) about our remarkable country

South Africa ranked 44th out of 131 countries in the World Economic Forums Global Competitiveness Report 2007/8.

South Africa was ranked as the 18th most attractive destination for Foreign Direct Investment by global strategic management consulting firm AT Kearney . Three South African cities were voted amongst the world's top 100 Most Liveable Cities in a study conducted by Mercer Human Resource Consulting . Cape Town was ranked in 85th place, Johannesburg 90th and Port Elizabeth 97th.

South Africa ranks in the top four countries worldwide in terms of the transparency surrounding its budgets - ahead of the US, Norway and Sweden - according to the Open Budget Index .

Home ownership in SA has increased from 64% (5,12m households) in 1994 to 78% (7,9m households) in 2006, according to a South African Advertising Research Foundation development index

South Africa accounts for almost 45% of the GDP of the entire African continent, with an economy three times the size of the second biggest (Egypt)

Courtesy of South Africa: The Good News

([www.sagoodnews.co.za](http://www.sagoodnews.co.za))

Map courtesy of fotosearch.com