

Decline in home owners selling to upgrade

Economic instability and short – and medium term market fluctuations have impacted on home owners selling their properties in order to upgrade. The FNB estate agents survey for the second quarter of 2016 indicated that “upgrade-related selling” accounted for 12% of total home selling. This represents a decline from the 14% of the previous quarter, and is lower than the 20% high reached late in 2013.

Although it is difficult to compare the economic climate of 2013 to our current situation, it is nevertheless a large decline in a relatively short space of time.

These figures show that home owners are highly sensitive to the market and susceptible to economic and financial indicators.

An array of international and local factors have influenced consumer confidence with many South Africans feeling weary about the state of the economy and unsure what the state of affairs is going to be over the medium to long term.

Consumers under financial strain have undoubtedly felt the pressures of fluctuating markets, rising food costs and fuel price increases. These increases have an affect on households expendable income and clamping down on unnecessary spending is a trend that is going to continue over the coming months.

Ensuring your financial sustainability is of utmost importance and getting in over your head with debt is not a path worthwhile pursuing. There are many property investment opportunities within your price range that have enormous value benefits and partnering with an estate agent that has your needs as their priority and understands the market will be a major asset when you sell.