

The Absa Homeowner Sentiment Index (HSI)

Q3 2024
Quarterly
Report

A leading indicator
of the overall state of
consumer confidence
in South Africa's
property market

Your story matters



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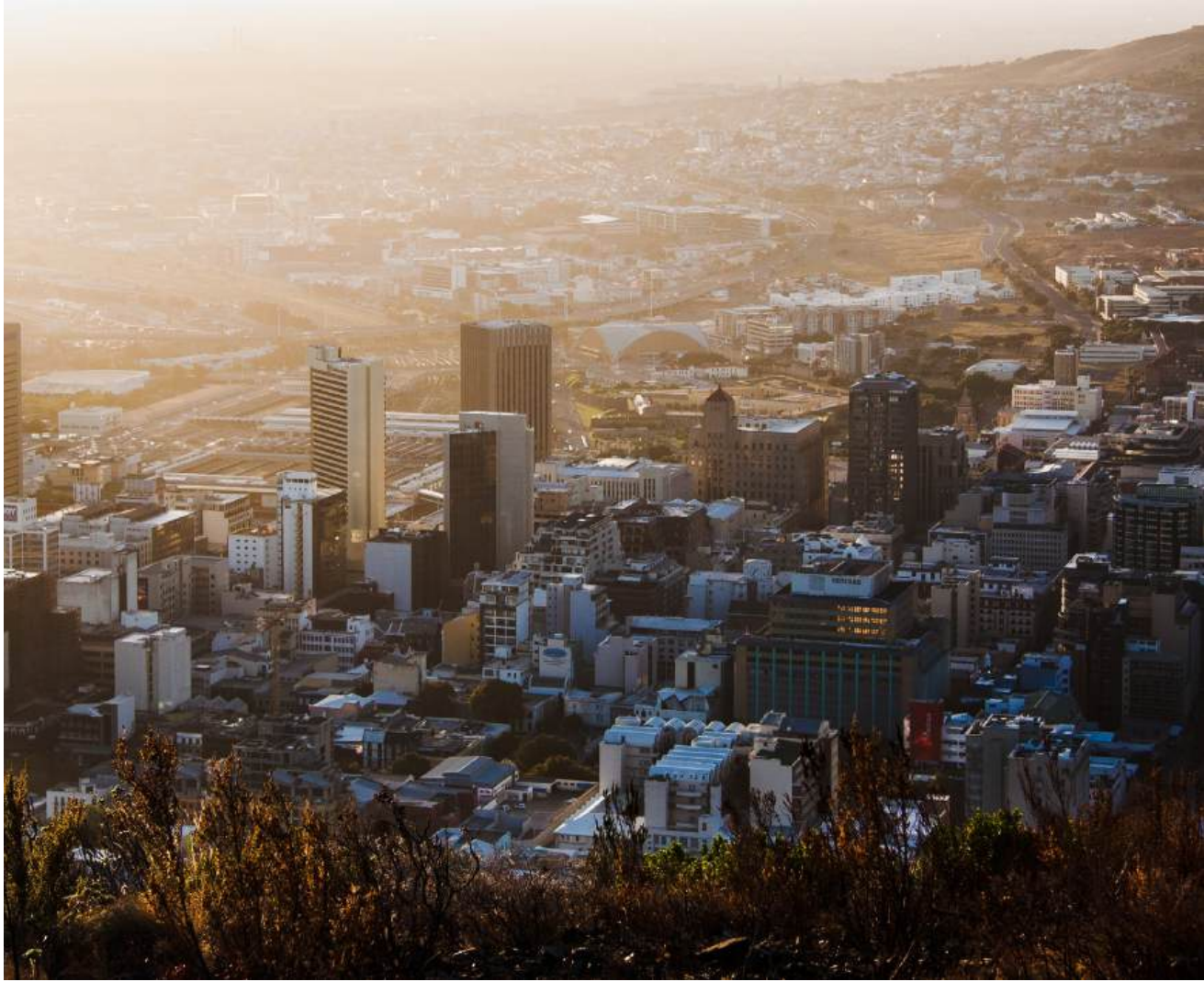
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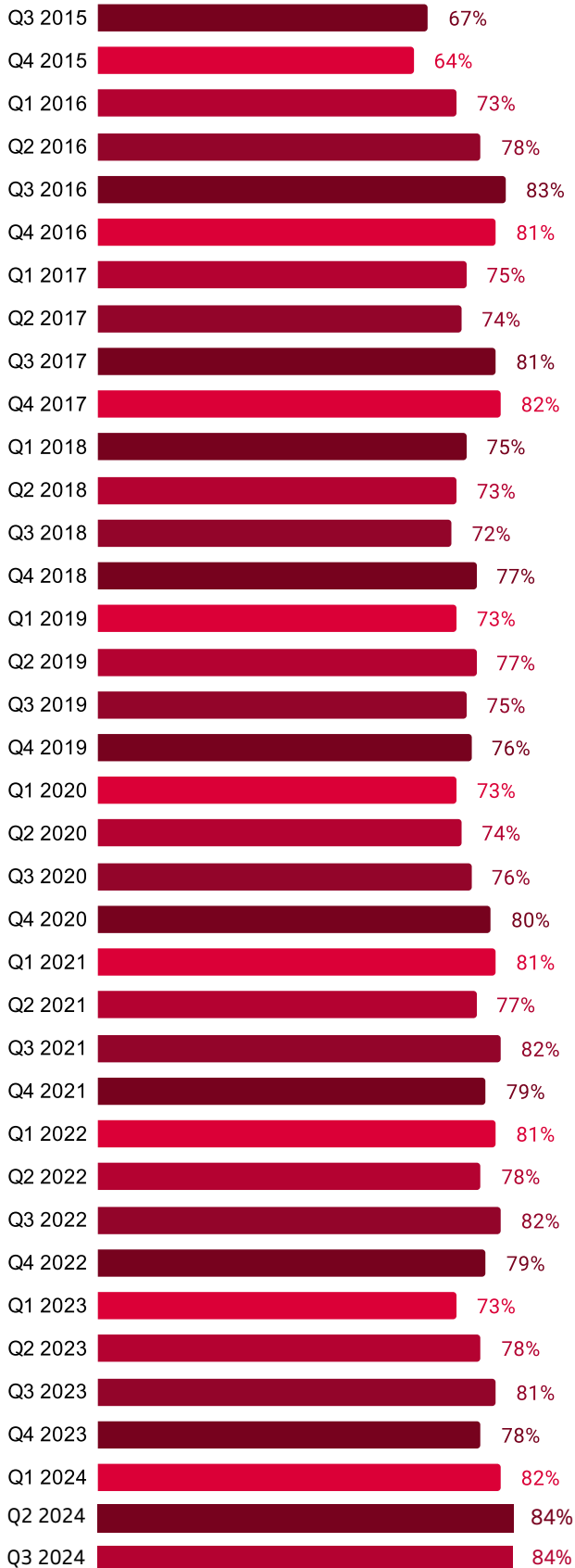
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What is the HSI?

HSI over time



The Absa Homeowner Sentiment Index (HSI) is an indicator of the overall state of consumer confidence in South Africa's property market. This research presents market players with an understanding of the overall confidence level of consumers. It also unpacks more nuanced insights by measuring various aspects of consumers' confidence levels, referred to as subindices in this report. Among these, we measure consumers' sentiment concerning the current timing for buying, selling, investing, buying rather than renting, and renovating property. The index has a customer-centric view, involving more than 1 000 consumers.

The Absa Homeowner Sentiment Index Consumer Study was first developed in 2015.

In 2023, a need was identified for the study to be refreshed to accommodate new market trends.

In Q2 of the ninth year of this report (2023), the target sample was increased in order to have a more robust view of consumer sentiment within smaller provinces. In addition, an ad-hoc section in the questionnaire and reports were developed to gain more insight into behavioural drivers for homeownership decisions and sentiments around alternative power solutions.

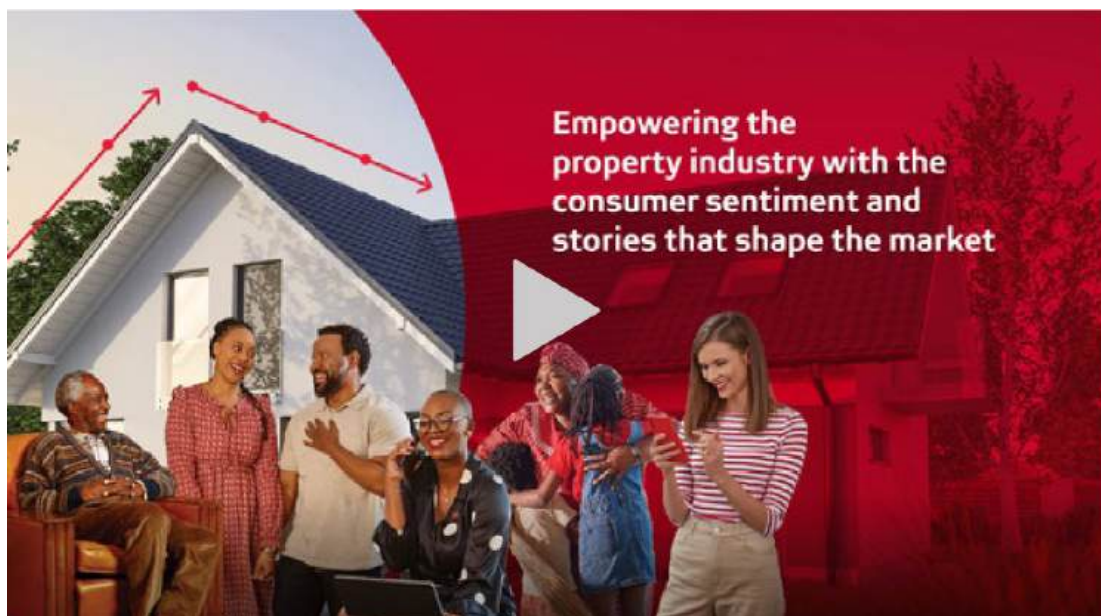
These additions have been instrumental in learning about drivers and challenges for consumers in the homeownership market and has helped identify opportunities for Absa to fill much-needed gaps.

Overview video



Gain insights into South Africa's property market with the Absa Homeowner Sentiment Index, featuring perspectives from Absa industry experts on market trends and consumer sentiment.

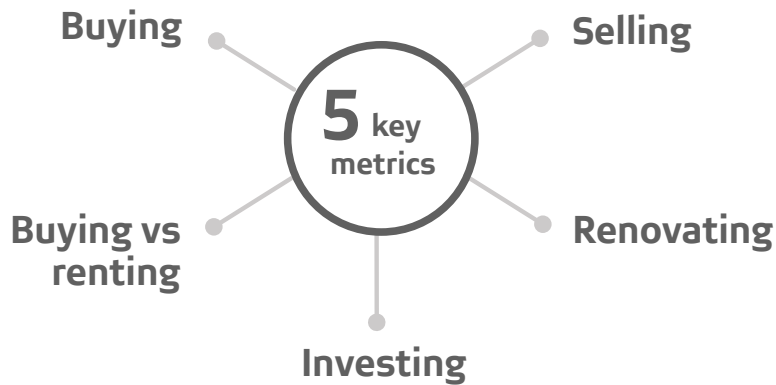
Explainer video



The Absa Homeowner Sentiment Index (HSI) informs South Africa's property market with consumer confidence insights, shaping a customer-centric industry through localised data and behavioural trends.

HSI methodology

The index then



The methodology

The index asked five key questions to a representative sample of South African consumers living in Metropolitan areas, cities and large towns earning an income.

AMPS (All Media and Product Survey) data (Jun '14- Jun '15) was used to match study sample with population make-up.

Data collection

Data was collected through Human8's proprietary panel – Enlighten.

The following provinces' base sizes were historically under n=50, limiting analysis and insights potential:

Limpopo; Mpumalanga; Free State; North West; Northern Cape

Sample

Total sample target per wave:
n=1 250

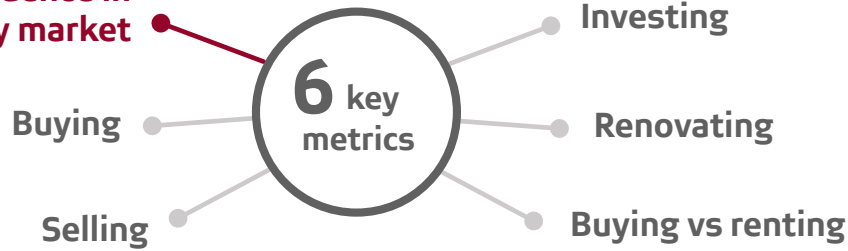
Consumers who are decision-makers with regard to household matters.



Look out for this icon throughout the report to easily spot the new study improvements.

The index now

Overall confidence in the property market



The methodology

The index asks six key questions to a representative sample of South African consumers living in metropolitan areas, cities and large towns earning an income.

Age, gender, race and province were weighted to be representative of MAPS.

MAPS (The Marketing All Product Survey) data is used to match and update this sample to population statistics.

Two new ad hoc sections now included in the survey

1 Five new open-ended questions, investigating reasons why consumers have decided to make homeownership decisions in the last year.

2 Four new closed-ended questions ascertaining appetite for alternative power solutions, importance factors in investing in alternative power solutions and awareness of financing solutions and future homeownership concerns.

Data collection

We managed to achieve a **more robust base size for the following provinces** as a result of the sample increase:

Limpopo; Mpumalanga; Free State; North West

Sample

Total sample target per wave is increased by 30% to n=1 300

Consumers who are decision-makers with regard to household matters.



Statistical data significance is indicated throughout this report by arrows signalling significant upward or downward movement.

This indicates a meaningful statistical change in the data and that change is not a result of chance.

An aerial photograph of a densely packed informal settlement, likely a slum. The houses are built closely together and feature roofs made of corrugated metal in various shades of blue, grey, and brown. A central dirt road runs vertically through the middle of the settlement, with several cars parked or driving along it. The overall scene is one of intense urban density and makeshift construction.

Emerging homeownership trends





Homeownership trends

Solo female homeowners

The trend towards single women applying to purchase homes more so than men continue. In addition, many of these South African buyers are young, black females. This subgroup of homeowners are becoming key drivers of the property ownership space.

66.6% → (Q2 66.7%)

First-time homeowners

The majority of South Africans who currently apply for home loans are first-time buyers. Many of these consumers are hungry for better financial and property guidance in order to make more effective and informed decisions. This subsegment displayed rising optimism in the future of the property market in Q3 compared to other segments.

48% ↗ (Q2 47%)

Rental property conversion

Renting out properties for a secondary income continues to be an emerging trend, especially for short-term rentals. For renters, renting still provides a level of flexibility and affordability, but feedback from current renters reflects an increasing optimism that it is time to buy and enter the market. This could further strengthen the growth in first-time homeowner buying.

38% → (Q2 38%)

Homeownership in context

The following trends are surfacing when considering homeownership decisions in 2024.

Going off-grid

Appetite for alternative power solutions remains markedly lower than Q1 (42%) when load shedding was last experienced on the national grid. Although slightly higher than Q2, Q3 remains swayed by the stability of the national power grid, in conjunction with the cost of investing in these systems. Fewer respondents also felt that alternative power solutions will markedly increase their property value at this stage.

39% ↗ (Q2 37%)

Reducing energy cost

Reducing electricity costs is one of the most important factors for consumers when considering alternative energy solutions. This highlights homeowners' concern for the escalating price of electricity.

69% → (Q2 69%)

Q3 2024 homeownership trends

For Q3 2024, a total of 1 289 respondents were interviewed. Data was weighted to be representative of population figures (based on MAPS proportions). The sample focuses on consumers in metropolitan areas, cities and towns and those who earn an income.



Confidence in property market

Overall consumer confidence in the property market has **remained stable** in Q3, with notable improvements in confidence since a year ago.

Selling property continues to garner **low confidence**, likely driven by the current buyer's market.

- **84%** → (Q2 84%)
Overall consumer confidence
- **80%** → (Q2 80%)
Highest confidence metric: Appropriate time to invest
- **48%** ↗ (Q2 47%)
Lowest confidence metric: Appropriate time to sell

Drivers of property decisions

With **joint-living arrangements** having **increased over time**, this has potentially driven **less isolated** decision making currently.

Additionally, household income in the R30K-R39K bracket has **significantly recovered**.

- **49%** ↘ (Q2 50%)
Sole decision-making

Household income **R30 000 to R39 999** (same as in Q2)

Appetite for alternative power solutions (APS)

Going **off-grid** completely is **less of a driver** for consumers in the current moment, likely as a result of the recent energy supply recovery.

Reducing electricity costs remains one of the most important factors in APS investment, however **significantly less** compared to Q1

Preferred APS

Hybrid: **45%**

Going off-grid: **39%**

Grid-tied systems: **30%**

- **69%** → (Q2 69%)
APS importance factors:
Reducing electricity costs

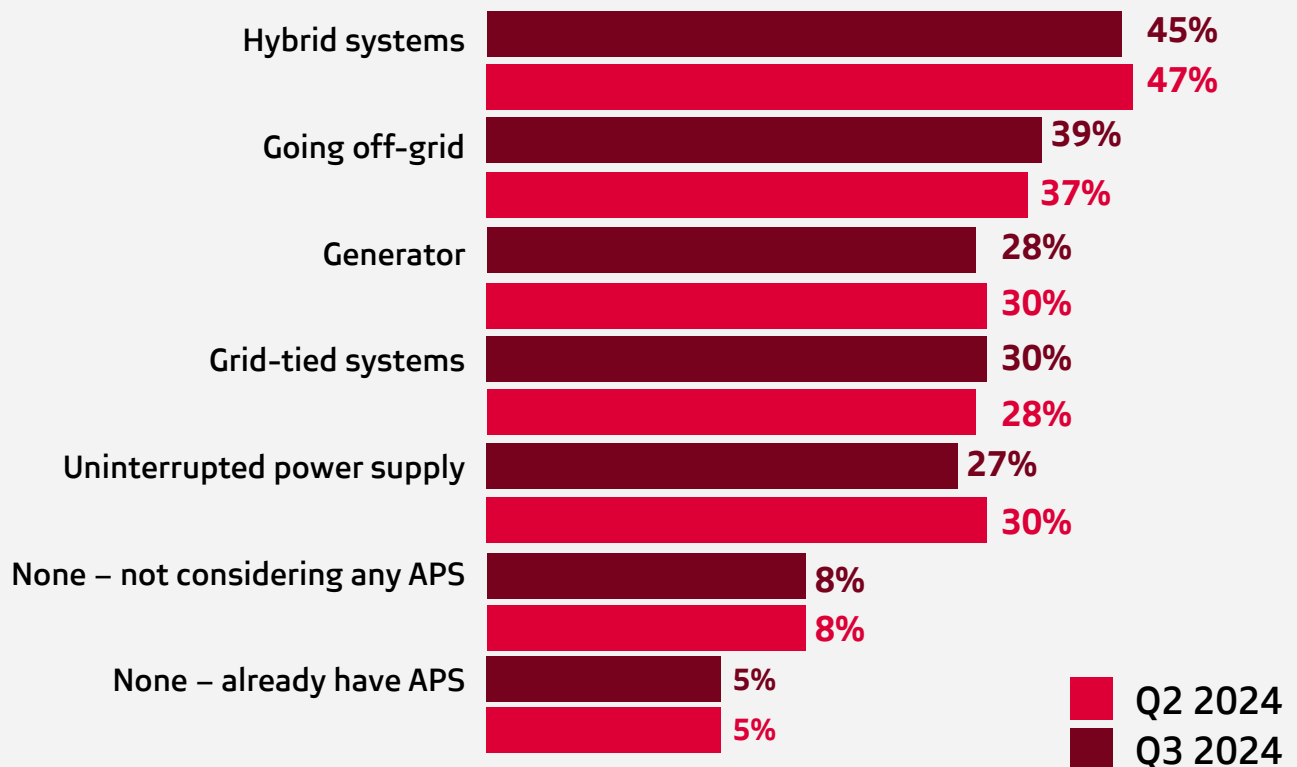


Alternative power solutions

Appetite for investing in alternative power solutions is showing some declines, given that we still had a stable power supply after elections and the energy availability factor is expected to further increase.



APS preferences



// I am optimistic of the economy, and the expense cannot be justified.

(55-64 yrs, White, Male, R20-R24K PMI)

// No money available, also currently renting, which is cheaper than buying so no reason to financially invest in a property I do not own.

(35-44 yrs, Coloured, Female, R15-R19K PMI)

Q You mentioned that you are not considering installing any alternative power solutions. **Can you tell us a bit about why you are not considering this?**

// There hasn't been any load shedding, so I don't see a need for it.

(18-24 yrs, Black, Female, R40-R49K PMI)

// Because alternative power sources are very expensive and I cannot afford them.

(25-34 yrs, Black, Male, >R10K PMI)

// We have had +/- 150 days of no load shedding. Looks as if Eskom is fixing itself.

(65+ yrs, White, Male, R15-R19K PMI)

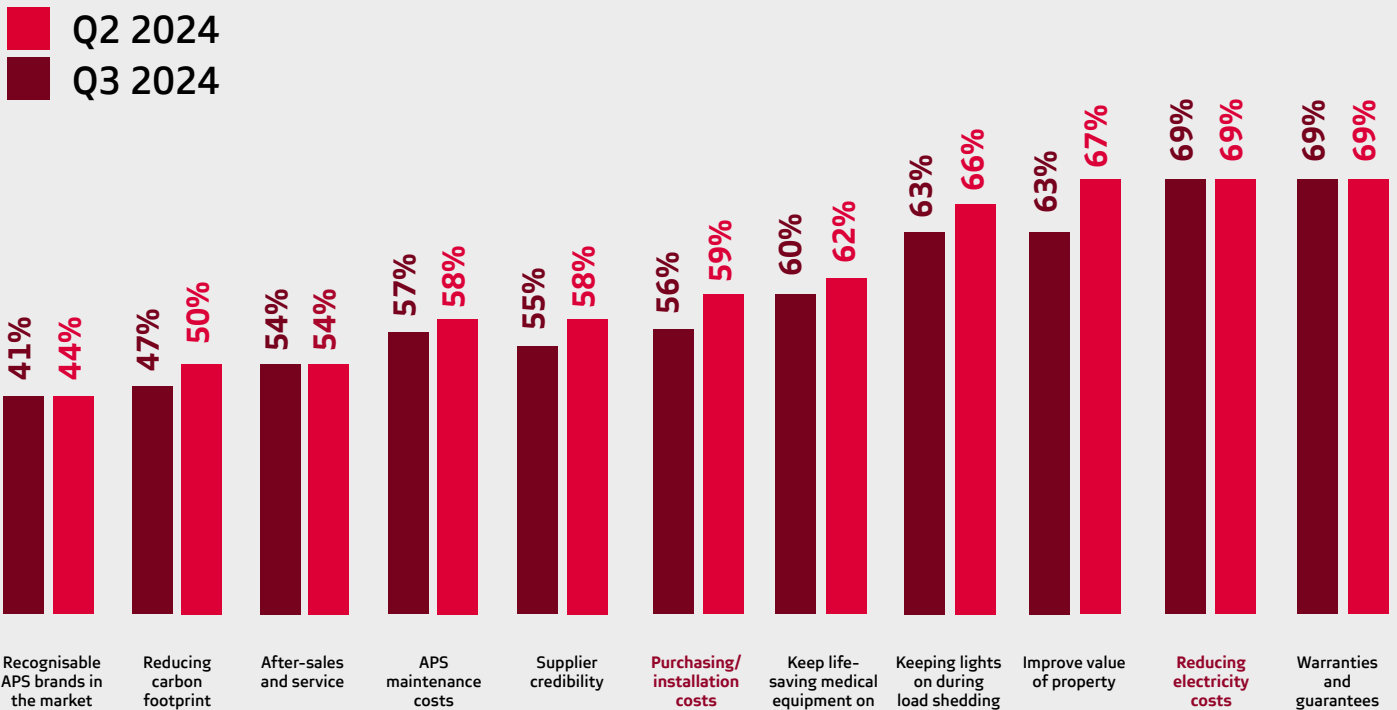


Power supply that satisfies needs

Reducing electricity costs and longevity of alternative power supplies remain most important for consumers.

Reducing electricity costs and warranties and guarantees continue to hold the most importance when it comes to investing in alternative power

solutions. However, all other factors considered declined in importance in Q3 from Q2.



← Least important | Most important →



Government assistance for power solutions

While awareness of the government tax rebate for solar installations and its limited duration is fairly widespread among South Africans, their understanding of the Energy Bounce Back Loan Scheme remains weak.

The South African Government offers a tax rebate for solar panel installations?



The tax rebate for solar panel installations is available only for a limited time period?



The Bounce Back Energy Loan scheme is available only for a limited time period?



The South African Government provides a Bounce Back Energy Loan scheme?





Funding alternative power solutions

■ Q1 2024
■ Q2 2024
■ Q3 2024

Respondents would use the following to finance an alternative energy solution for their homes:

Personal savings



A personal loan



A home loan (equity)



Informal money lenders



Using personal savings as a funding solution remains preferred, followed by formal lending solutions such as personal loans and home loan equity.



Extreme weather conditions posing a threat to properties

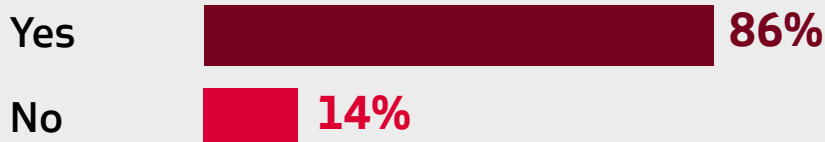
South Africans continue to aspire towards coastal property ownership, albeit to a lesser extent in lowveld/bushveld areas. Homeowners express significant concern about extreme weather conditions jeopardising property as a financial asset.



Extreme weather conditions (such as floods and winds) are a concern, and I will be investigating whether my property is adequately covered.




I would one day actively pursue owning a property along the South African coastline.



I would one day actively pursue owning a property in the lowveld/bushveld.



An aerial photograph of a suburban neighborhood with a white text box overlay. The text box contains the title "HSI Q3 2024 summary" in a bold, red, sans-serif font. The background shows a dense residential area with many houses, trees, and streets, extending to a city skyline in the distance under a cloudy sky.

HSI Q3 2024 summary



HSI Q3 2024 summary

Confidence is highest among perceptions of the current moment being the right time to invest in property and to renovate/make alternations to property. Confidence in the current moment being appropriate to sell property, continues to be the lowest sentiment.

Though the main HSI metrics have not shifted significantly compared to the previous quarter, consumers from coastal regions, compared to inland in Q3 2024, consistently show poorer confidence in the property market across all metrics compared to Q2.

Buying sentiment

73% of respondents responded positively, opposed to 70% in the second quarter 2024.

The buy sentiment **improved by 6%** compared to Q3 2023, and buy sentiment has been edging upward since early 2023.

[View the full subindex](#)

Key summary

Overall, consumer confidence in the South African property market remained high in Q3 2024 at a similar level.

→ **Opp to 84%**
from **84%** in
Q2 2024.

Selling sentiment

48% of respondents responded positively, opposed to 47% in the second quarter 2024.

The sell sentiment **improved by 1%** compared to Q3 2023 and is starting to signal more optimism in the market, but sellers still adopt a wait-and-see approach, anticipating that they will be able to get better prices in future.

[View the full subindex](#)



Buy vs rent sentiment

Potential future buyers currently renting or buy-vs-rent sentiment **increased by 2%** in Q3 2024 compared to the previous quarter, and up 4% from Q3 2023.

Many respondents said that they now saved enough to afford a deposit for a home, and others want to buy due to relocating and finding new opportunities. For those who still prefer renting, the flexibility of this option remains attractive.

[View the full subindex](#)

Investing sentiment

Confidence in property investment is showing significant improvement since the start of 2023, largely due to anticipated future value and strong rental demand.

The investment sentiment **remained at 80%** in Q3 2024 compared to the previous quarter but up 3% from Q3 2023 for future value and returns.

[View the full subindex](#)

Renovation sentiment

Renovate sentiment **declined by 1%** compared to Q2 2024, but still trends upward since the start of 2023. It increased 4% since Q3 2023.

Most respondents said that they mainly renovate to add value to their properties and to make living spaces more enjoyable. For others, renovations are driven by the need to do repairs and maintenance to properties. The high cost of materials remains a key detractor.

[View the full subindex](#)



A tall, cylindrical tower with a circular observation deck at the top, set against a cityscape of multi-story buildings. The tower is the central focus, with a dense urban environment of various apartment blocks and commercial buildings surrounding it. The sky is a pale, hazy grey, suggesting an overcast day or dusk. The overall scene is a high-angle view of a city, with the tower standing prominently in the background.

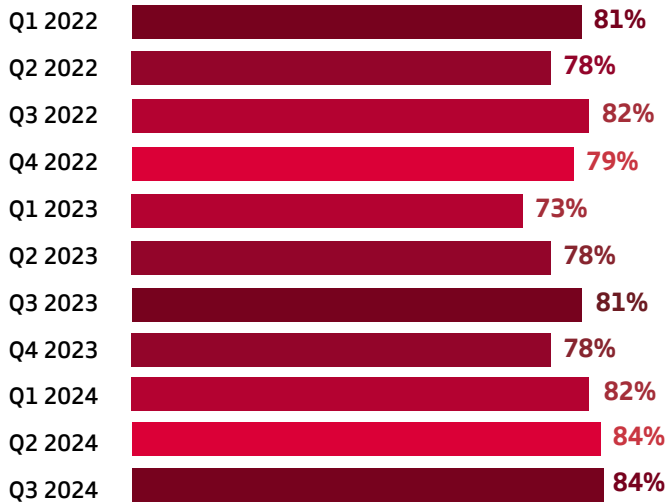
HSI sentiment insights



Overall HSI sentiment

Q3 2024

Overall HSI results trend



Key summary

Overall, consumer confidence in the South African property market remained high in Q3 2024 at a similar level than Q2 2024 (84%).

→ **0pp to 84%**

The HSI reflects the percentage of survey respondents who are confident (responded positively) about the South African property market.



Q

“Are you currently confident about the property market in South Africa?”

A

With **84% reporting confidence in the property market**, this is driven by the perception of property being a **secure asset** that will create sufficient wealth in the long term.

This is a signal of the resilience of South African consumers but also a deep sense of optimism in an upturn in property market activity in the medium to longer term.

Main drivers of positive sentiment:

- **44%**
believe it depends on the **location** of the property
- **55%**
believe property always **increases in value**
- **51%**
believe property is and always will be a **secure asset**
- **52%**
believe that property creates **long-term income**
- **43%**
believe there is a **high demand** for rental properties

Main drivers of negative sentiment:

- **60%**
are concerned that the **economy is unstable**
- **43%**
are concerned about the **political instability** in South Africa
- **46%**
are concerned about the **crime levels**
- **43%**
are concerned that property has become very **expensive**



Buying property

1.1

Quantitative insights



Key summary

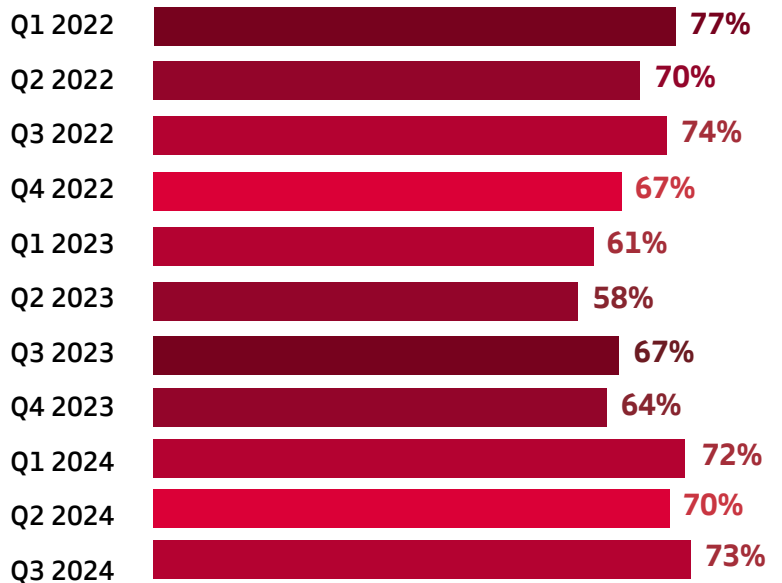
The buy sentiment improved by



3pp to 73%

in Q3 2024 and is up 6% from Q3 2023. This is 3% higher than in the previous quarter and up 6% from Q3 2023.

Buying sentiment



"Are you currently confident about the property market in South Africa? Is now the appropriate time to buy?"





73% of respondents responded positively, opposed to 70% in the second quarter 2024.

The buy sentiment improved by 6% compared to Q3 2023, and buy sentiment has been edging upward since early 2023.

Main drivers of positive sentiment:

- **62%**
believe that property is always a **good investment**
- **52%**
believe that property **accumulates in value**
- **41%**
believe that you can make **good profit**
- **39%**
believe that prices will **increase**
- **36%**
believe people are **desperate to sell**
(want cash)

Main drivers of negative sentiment:

- **50%**  7pp
are concerned about **high interest rates**
- **49%**  10pp
are concerned that the economy is **unstable**
- **53%**  4pp
are concerned that the **cost of living** is high
- **53%**  1pp
are concerned that **prices are high**
- **44%**
are concerned the economy is not doing well





// The house I had was small, so now I have a lot of family.

(25-34 yrs, Black, Female, R40-R49K PMI)

// I was tired of renting, so I decided to have my own house.

(18-24 yrs, Black, Female, R20-R24K PMI)

// I was tired of paying rent, and I needed proper home for my family.

(25-34 yrs, Black, Male, R60-R69K PMI)

Q You mentioned that you have bought property within the last 12 months. **Can you tell us a bit about why you decided to do this?**

// I had finally saved up enough to be able to buy one. It had been my long-term goal for a long time.

(18-24 yrs, Black, Male, R50-R59K PMI)

// I had saved up enough, and I needed something of my own.

(18-24 yrs, Black, Female, R20-R29K PMI)

// I wanted a bigger space to live as I just had a child.

(35-44 yrs, Indian, Female, R30-R35K PMI)

Selling property

2.1 Quantitative insights

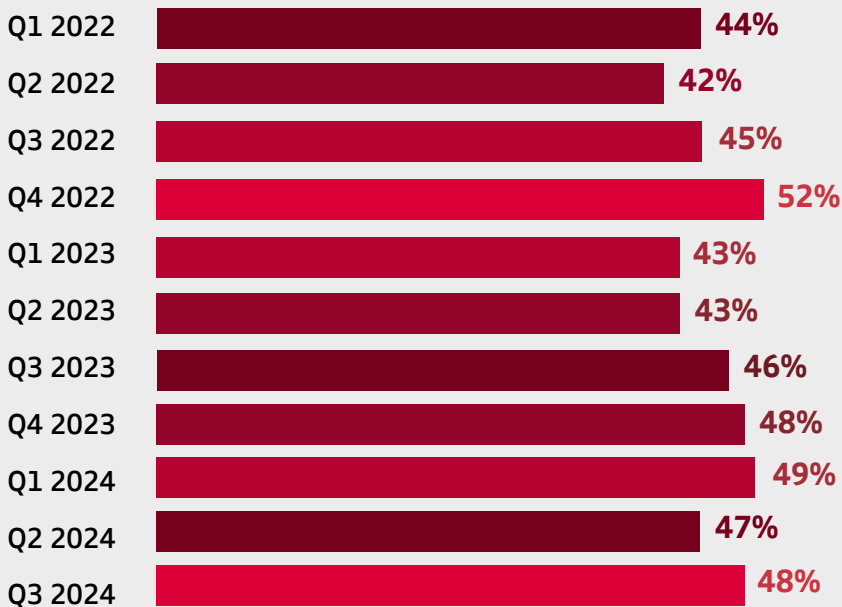
Key summary

The sell sentiment improved by

 **1pp to 48%**

in Q3 2024, but was 2% higher than in Q3 2023.

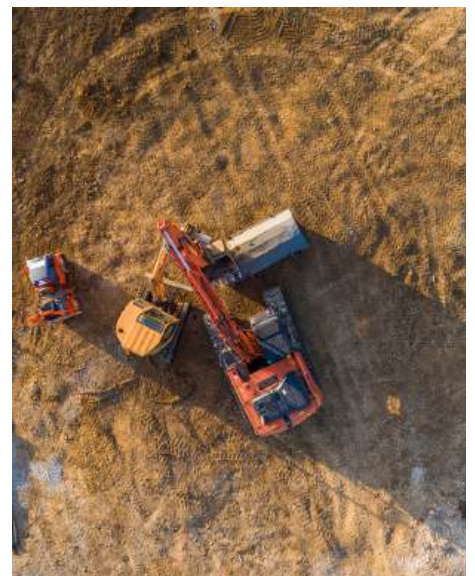
Selling sentiment



“Are you currently confident about the property market in South Africa? Is now the appropriate time to sell?”

48% of respondents responded positively, opposed to 47% in the second quarter 2024.

The sell sentiment **improved by 1%** since Q2 2024 and **2%** compared to Q3 2023 and is starting to signal **more optimism** in the market, but sellers still adopt a wait-and-see approach, anticipating that they will be able to get better prices in future.



Main drivers of positive sentiment:

- **55%**
believe you can get a **good price** for your property
- **35%**
believe it is good to rather **sell** if you can **no longer afford** the property
- **44%**
believe it is good to rather **sell** if you are **upgrading**
- **45%**
believe that the property market is **doing well**
- **25%**
believe that it is now **easy to sell**

Main drivers of negative sentiment:

- **43%**
are concerned that the economy is **unstable**
- **44%**
would rather keep the property as an **investment**
- **38%**
would rather wait a few more years for the property to **appreciate in value**
- **31%**
believe people's **buying power** has decreased

Sentiments around selling property are more divided, with half of South Africans feeling that it is not an appropriate time to sell property.



Selling property

2.2 Qualitative insights

Among the small proportion of consumers who have recently decided to sell their property, relocation is cited as the main reason, followed by changing living environment to better suit needs and financial pressures.



Respondent word cloud





// I buy and sell properties.

(35-44, Black, Female, R70-R79K PMI)

// I wanted to move to the suburbs, so I had to sell my old house.

(25-34 yrs, Black, Female, R30-R39K PMI)

Q You mentioned that you have sold a property within the last 12 months. **Can you tell us a bit about why you decided to do this?**

// We sold our old house as we needed more space.

(25-44 yrs, Coloured, Female, R30-R39K PMI)

// It was a house I bought and renovated so that I can sell it at a higher price. It worked.

(18-24, Black, Female, R40-R49K)

// I sold my house within the last 12 months for financial reasons. I needed to downsize in order to reduce my living expenses and to tap into the home equity for better financial stability. This decision helped me create a more manageable lifestyle while also giving me the financial cushion I needed.

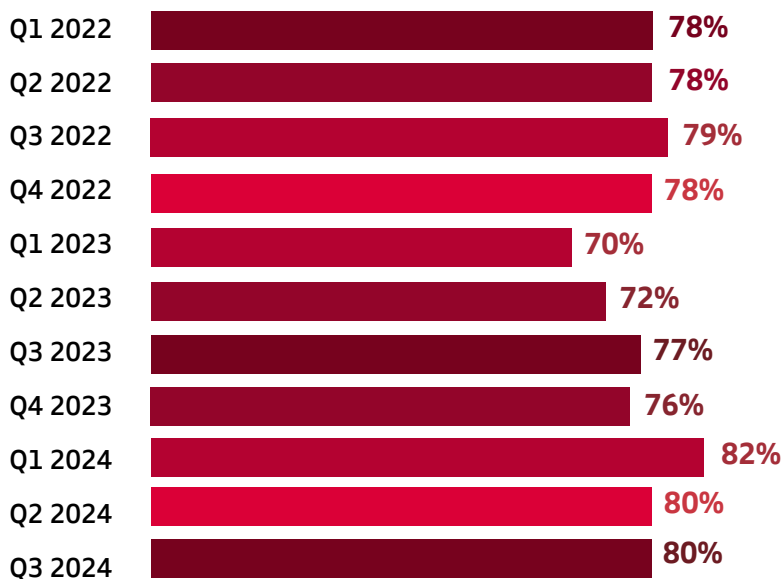
(25-34 yrs, Black, Female, R30-R39K PMI)



Investing in property

3.1 Quantitative insights

Invest sentiment



Key summary

The investment sentiment increased by

→ **0pp to 80%**

in Q3 2024, but is up 3% from Q3 2023.

Confidence in property investment is showing significant improvement since the start of 2023, largely due to anticipated future value and strong rental demand.

Q

“Are you currently confident about the property market in South Africa? Is now the appropriate time to invest in property?”

A

The investment sentiment remained at 80% in Q3 2024 compared to the previous quarter but up 3% from Q3 2023 for future value and returns. This is the highest level this sentiment has averaged since Q1 2021 and an indication that property

investors still feel that it is opportune to invest for future value and returns.

Main drivers of positive sentiment:

- **55%**
believe property always **accumulates in value**
- **51%**
believe you will make a **good return**
- **46%**
believe that there is **demand** for rental properties
- **48%**
believe that it is a good source of **passive income**
- **44%**
believe here will be a **high demand** for property in the future

Main drivers of negative sentiment:

- **51%**
are concerned that the economy is **not performing well**
- **34%**
are concerned that the Rand is **weak**
- **50%**
are concerned that **prices are high**
- **36%**
expressed concern that tenants **cannot afford to rent**
- **39%**
are concerned about **job security** and unemployment and tenants can't afford to pay



Investing in property

3.2 Qualitative insights

Property ownership for investment is driven by a common goal of having a stable and high-yielding asset as well as consumers realising the advantages of earning additional/passive income.



Respondent word cloud





I needed to establish multiple streams of income in my household, and also because of the currently economy I'm living under, I needed money to feed my kids.

(18-24 yrs, Coloured, Male, <R15K PMI)

I wanted to make additional income.

(18-24 yrs, Black, Female, <R30K PMI)

Q You mentioned that you have bought property for investment within the last 12 months. **Can you tell us a bit about why you decided to do this?**

I believe investing into property is a good investment and will give me good returns for my money and help me build a trust for my kids for the future.

(35-44 yrs, Black, Male, R50-R59K PMI)

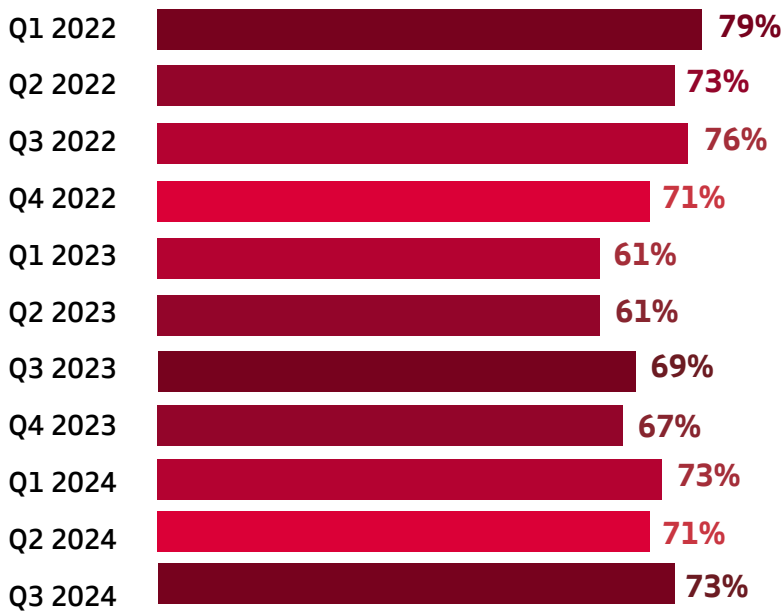
Bought a rental property to help secure my family's future.

(25-34yrs, White, Male, R50-R59K PMI)

Buying rather than renting

4.1 Quantitative insights

Buy-vs-Rent sentiment



Key summary

Potential future buyers currently renting or buy-vs-rent sentiment increased by

 **2pp to 73%**

in Q3 2024, compared to the previous quarter up 4% from Q3 2023.

Q

“Are you currently confident about the property market in South Africa? Is now the appropriate time to buy or rent?”

A

Potential future buyers currently renting or buy-vs-rent sentiment increased by 2% in Q3 2024 compared to the previous quarter, up 4% from Q3 2023.

Many respondents said that they now saved enough to afford a deposit

for a home, and others want to buy due to relocating and finding new opportunities. For those who still prefer renting, the flexibility of this option remains attractive.



Buying property instead of renting is still preferred by the majority of South Africans, although those who prefer to rent enjoy the flexibility and affordability of this decision in an ever-fluctuating economy.

Main drivers of positive sentiment:

- **55%**
believe it is **better to own** rather than rent
- **38%**
believe that buying for rent **creates income**
- **45%**
believe renting is more **expensive**
- **42%**
believe property will **accumulate in value**

Main drivers of negative sentiment:

- **44%**
believe renting is more **flexible**,
with less commitment required
- **38%**
believe that buying includes
maintenance costs or transfer fees
which can be **expensive**
- **36%**
cannot afford to buy property right now
- **34%**
believe that renting is **easier**



Buying rather than renting

4.2 Qualitative insights

Consumers who have recently rented and are now looking to buy have done so for various reasons, including relocations due to job opportunities, better affordability and looking for student housing investment opportunities.

Respondent word cloud





// I needed a home that was situated closer to my place of employment.

(25-34 yrs, Black, Male, <R10K PMI)

// It's due to affordability. I am self-employed, and my income is unstable at the moment.

(35-44 yrs, Coloured, Female, <R10K PMI)

// I was changing employment and moving to a new town. I had to rent before I can think of buying.

(35-44, Black, Male, R40-R49K PMI)

Q You mentioned that you have rented property within the last 12 months. **Can you tell us a bit about why you decided to do this?**

// Affordability. It's more affordable for us now to rent rather than buying.

(45-54 yrs, White, Male, R20k-R24K PMI)

// I am currently a student and needed a place to stay, so I had to rent one.

(18-24 yrs, Black, Male, R10-R14K PMI)

Renovating property

5.1

Quantitative insights

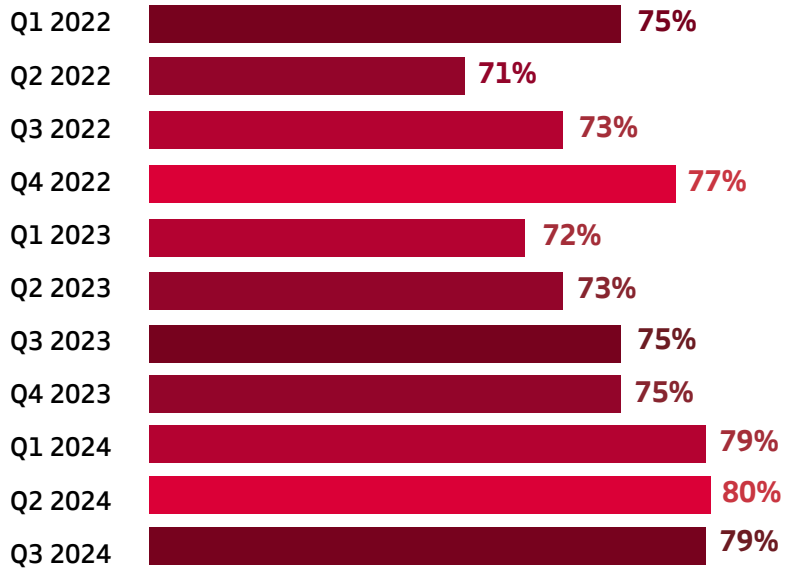
Key summary

The renovate sentiment decreased by

↘ **1pp to 79%**

compared to Q2 2024 but still trends upward since the start of 2023. Increased 4% since Q3 2023

Renovate sentiment





“Are you currently confident about the property market in South Africa? Is now the appropriate time to renovate property?”



Most respondents said that they mainly renovate to **add value to their properties** and to **make living spaces more enjoyable**. For others, renovations are driven by the need to do repairs and maintenance to properties. The high cost of materials remains a key detractor.

South Africans are renovating out of necessity. Renovations are planned with specific goals in mind, such as improvements for the purpose of attaining a higher future selling price as well as changing living needs. **Affordability remains a key consideration** as consumers indicate that they need to spend sparingly until the economy stabilises.

Main drivers of positive sentiment:

- **59%** believe renovating **increases the value** of your property
- **59%** believe that renovating will bring **better returns** when selling
- **61%** believe that it's good to **update** your property
- **46%** believe that it's a good time to renovate if you have **cash**
- **47%** believe that improvements are needed for **security** reasons

Main drivers of negative sentiment:

- **46%** are concerned that the economy is **not performing well**
- **39%** **cannot afford** to renovate right now
- **39%** believe that **materials** are expensive at the moment
- **35%** want to **spend sparingly** until the economy stabilises



Renovating property

5.2 Qualitative insights

Recent renovations have been done by consumers mainly to increase property value and a need for change and décor upgrading, as well as the related benefits of maintenance and increasing property value.

Respondent word cloud





// I wanted to add some modern style in my house.

(25-34 yrs, Black, Male, R15-R19K PMI)

// It was to change the look and feel of the house and change some old furniture and change the paint of the overall house outside and some of the rooms.

(25-34 yrs, Black, Male, R25-R29K PMI)

Q

You mentioned that you have renovated your property within the last 12 months. **Can you tell us a bit about why you decided to do this?**

// There was heavy rain in my local area. The house is located in flooded areas. During heavy rain, water ruined my wood floor.

(18-24 yrs, Black, Male, R25-R29K PMI)

// I have renovated the house because I may sell it in the future for higher price.

(45-54 yrs, Black, Male, R15-R19K PMI)

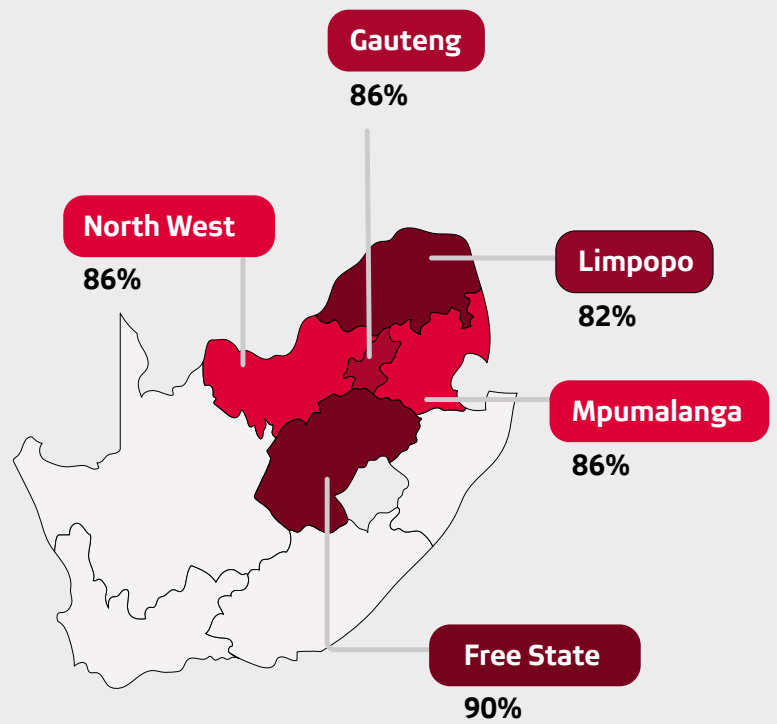
An aerial photograph of a suburban neighborhood. The houses are mostly two-story structures with red-tiled roofs. There are many green trees and several swimming pools scattered throughout the area. A white rounded rectangle is overlaid in the center of the image, containing the text 'Overall sentiment view per province' in a bold, red, sans-serif font.

Overall sentiment view per province



Regional sentiment view

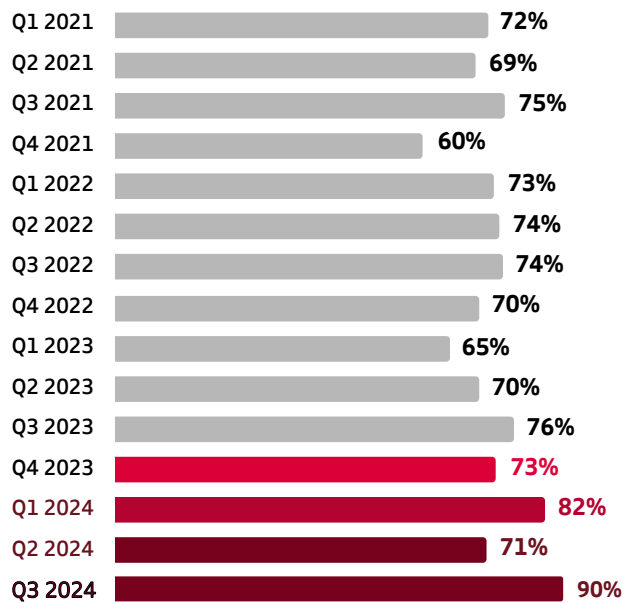
Inland provinces



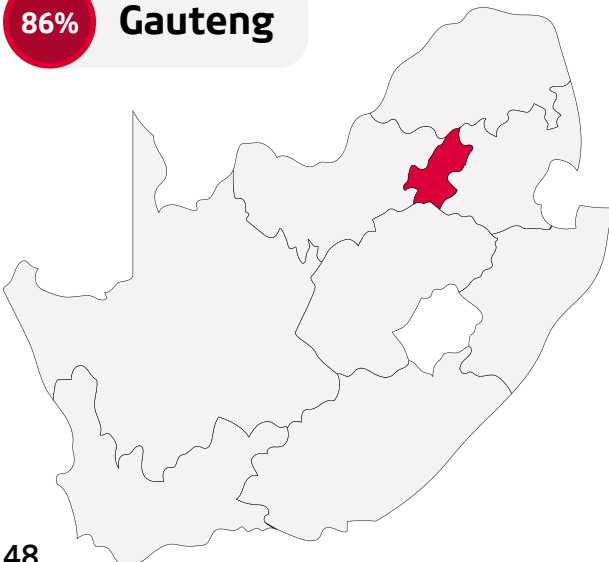
90% Free State



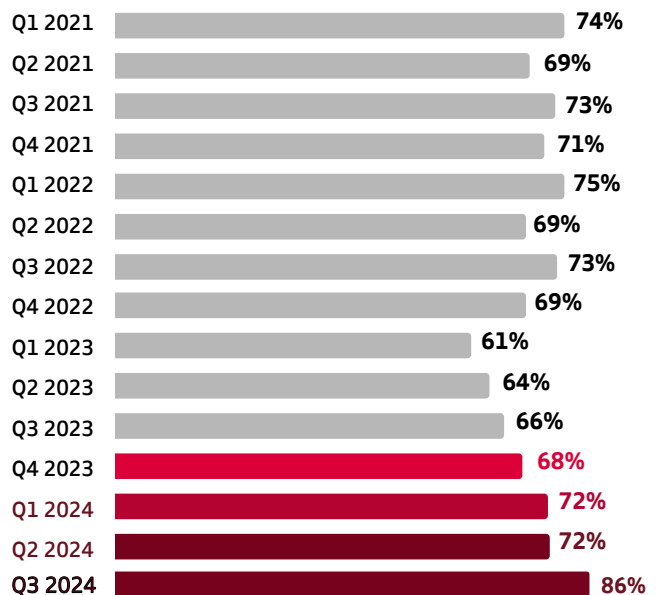
Free State



86% Gauteng



Gauteng

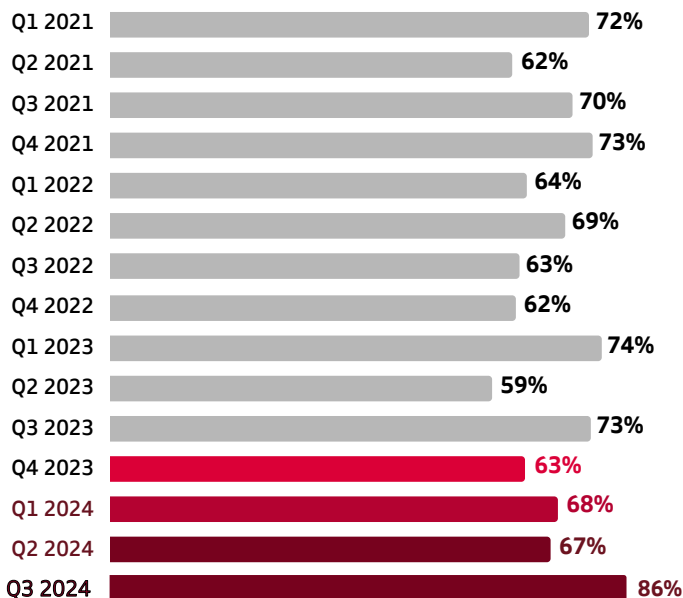


86%

North West

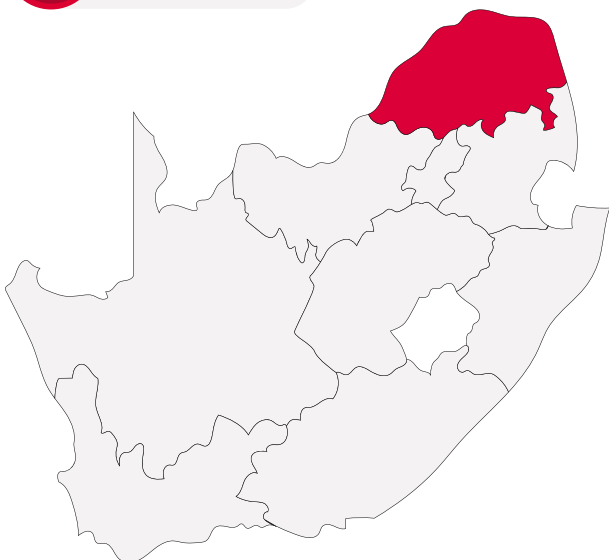


North West

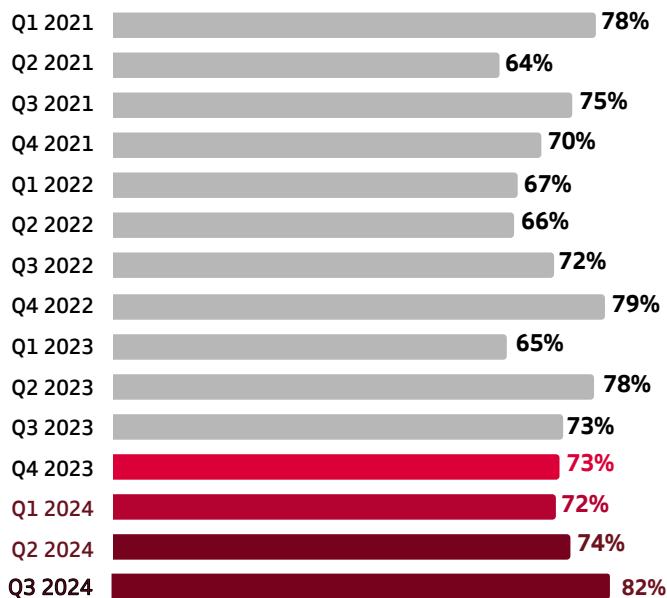


82%

Limpopo

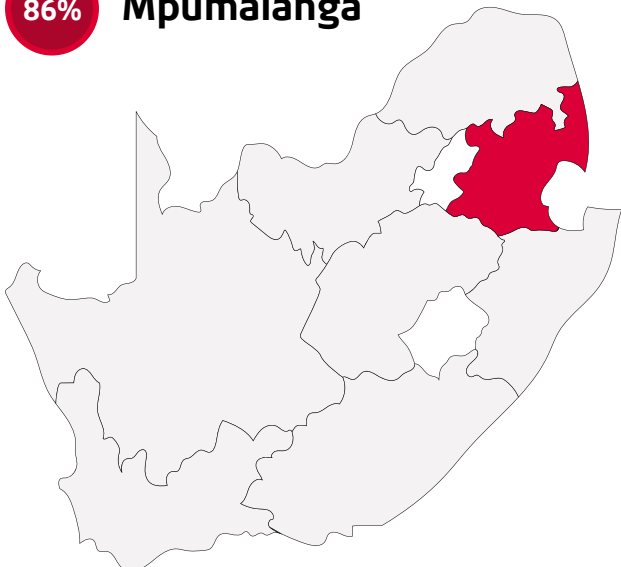


Limpopo

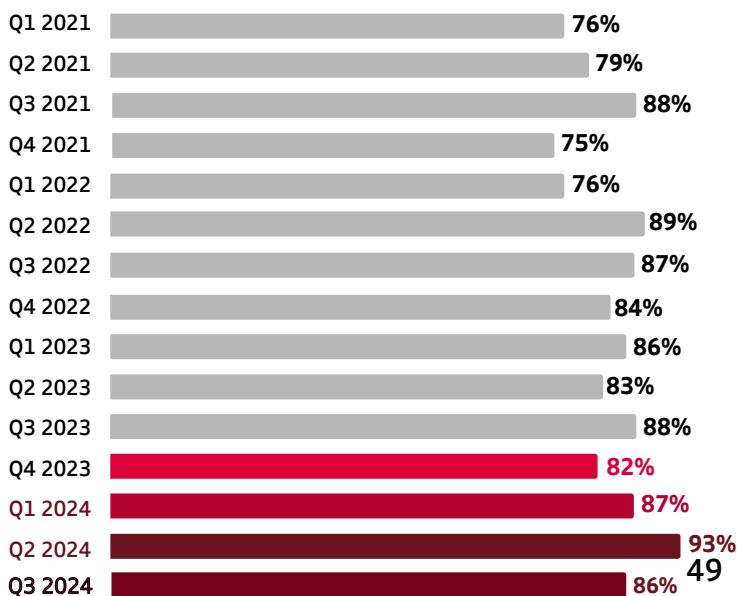


86%

Mpumalanga

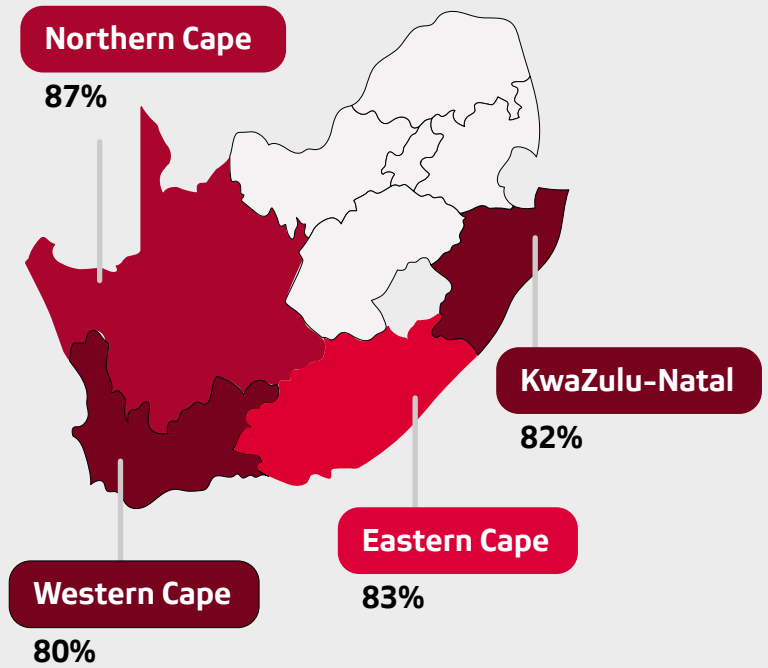


Mpumalanga

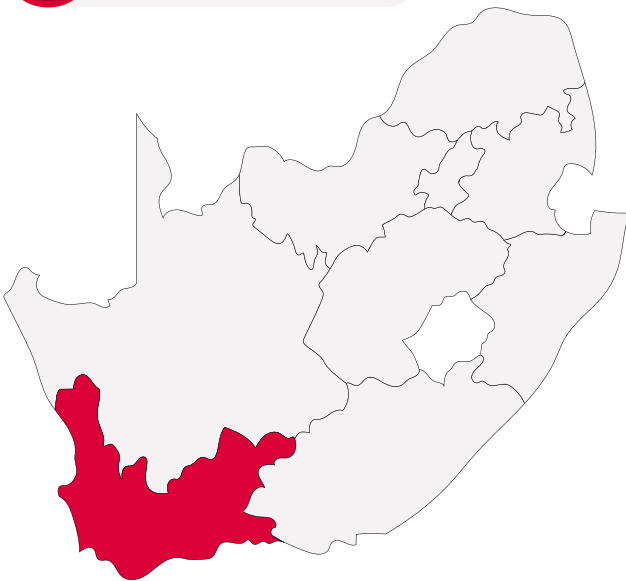


Regional sentiment view

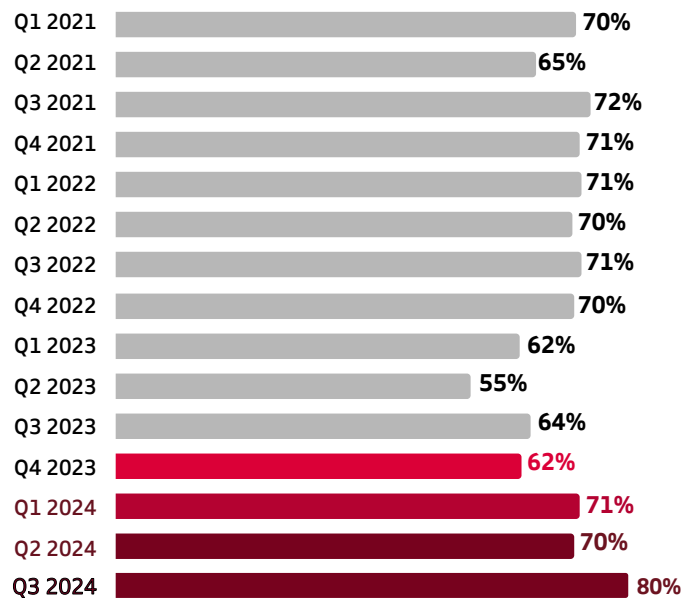
Coastal provinces



80% Western Cape



Western Cape

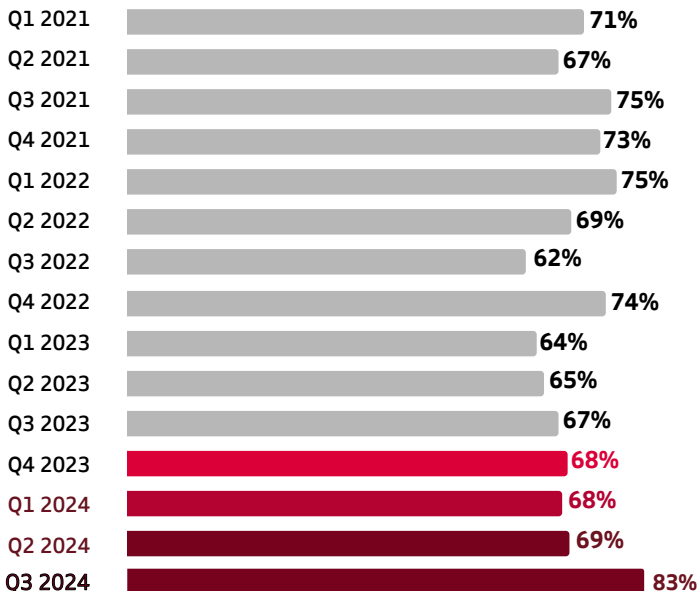


83%

Eastern Cape

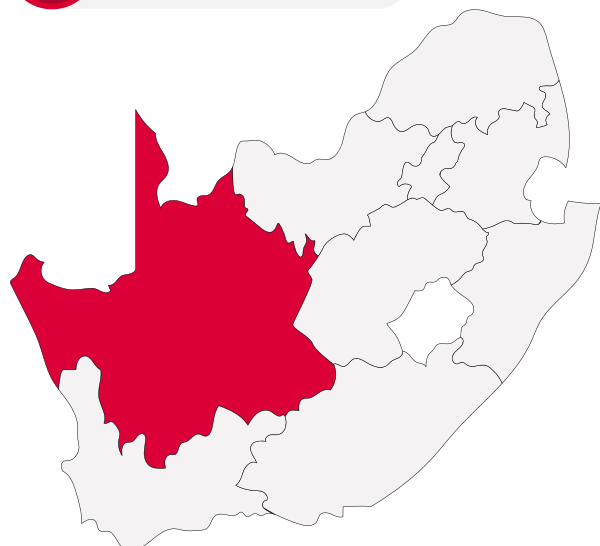


Eastern Cape

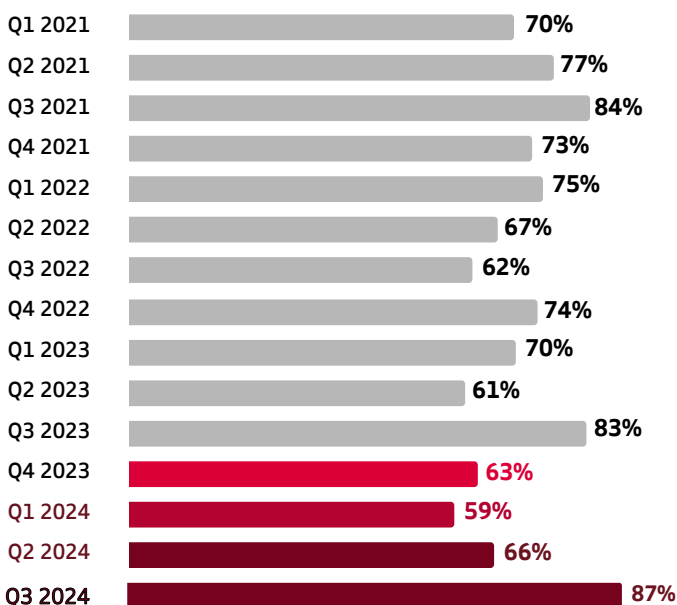


87%

Northern Cape



Northern Cape

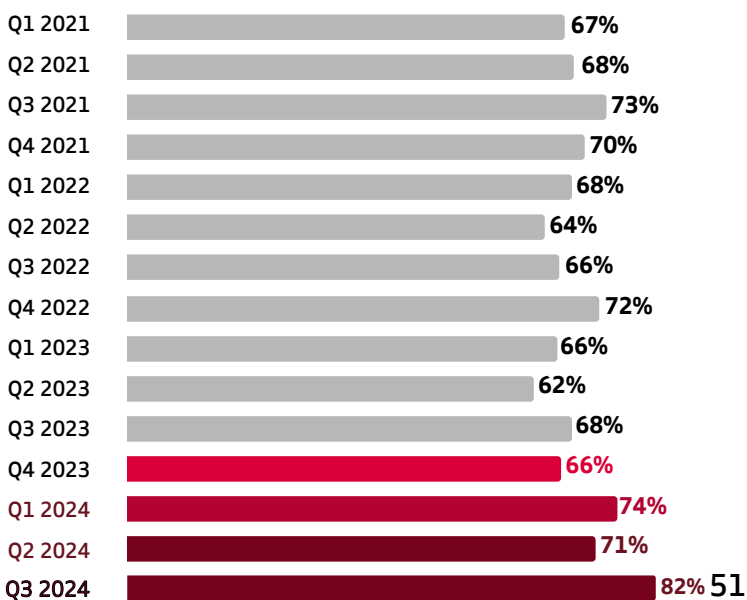


82%

KwaZulu-Natal

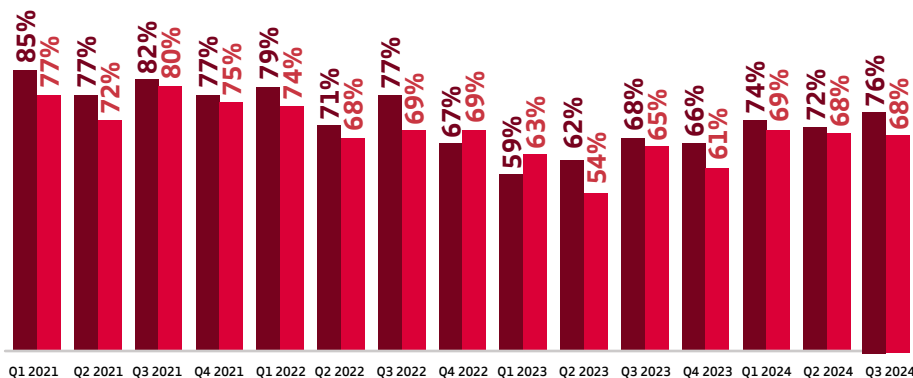


KwaZulu-Natal



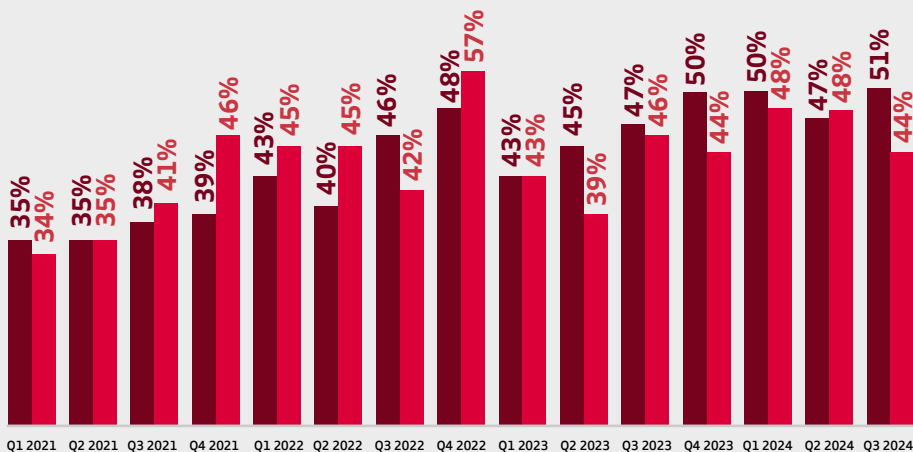
Inland and coastal

■ Inland ■ Coastal



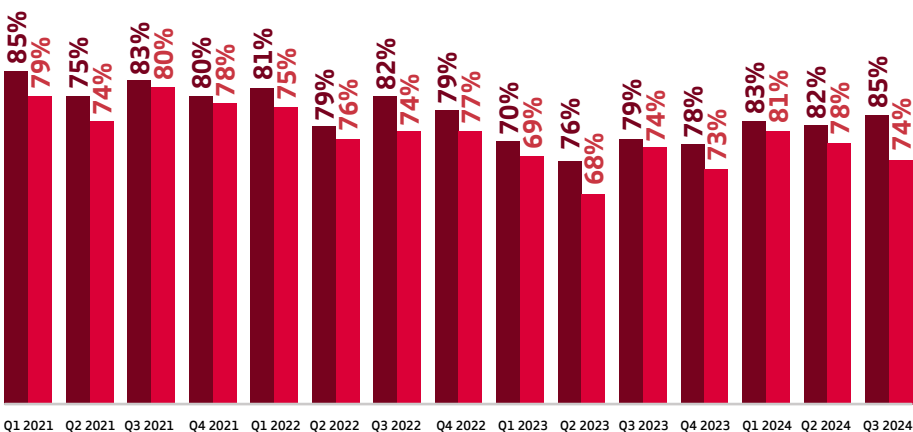
Buy property

Sentiment to buy property increased 4% inland and remained at 68% in the coastal region. Leading negative drivers for sentiment in both regions remain high interest rates, cost of living and the economy not performing well.



Sell property

Sentiment to sell property improved by 4% inland Q3 2024 but declined by 4% in the coastal region. In both regions, responses are still that the economy is still not performing well.

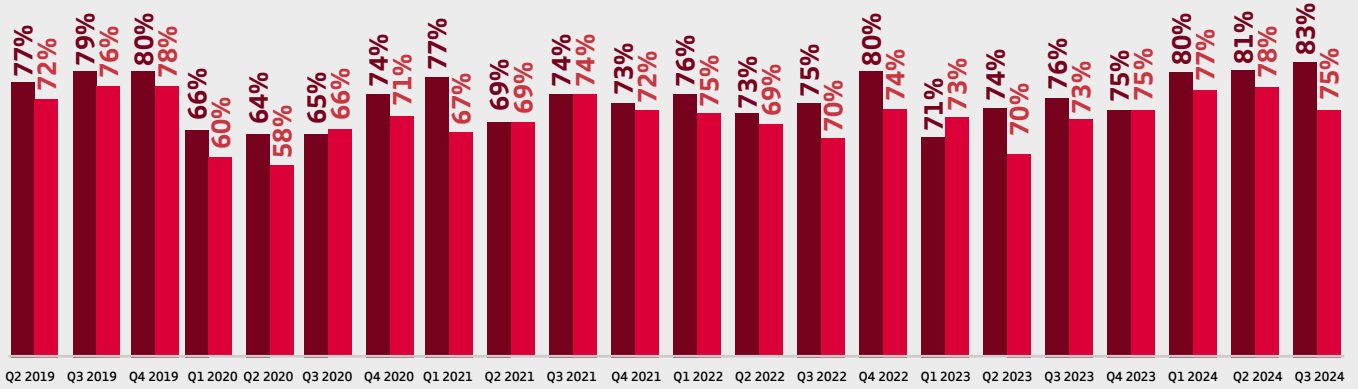


Invest in property

Sentiment to invest in property increased by 3% inland and declined 4% in the coastal region. Respondents in both regions are confident that there will be a high demand for property in the future and that they will be able to make a good return. Negative factors, such as the economy in general and that prices are still too high, seem to remain.

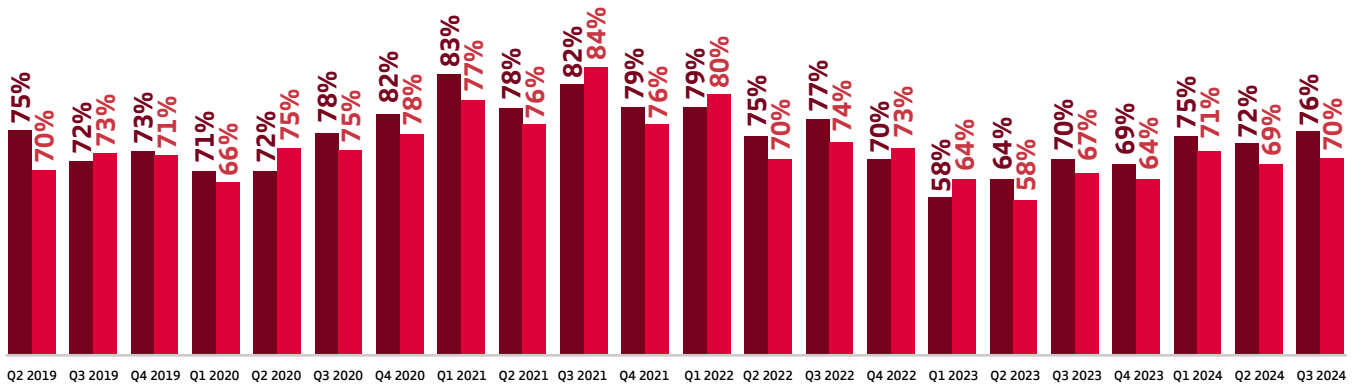
Renovate or make alterations

Sentiment in property renovations is up 2% inland and in the coastal regions up by 7%. There is still a positive acknowledgement that renovating will bring better returns when selling. Respondents with a negative sentiment towards making renovations or altering their property are discouraged by the cost of materials still being high albeit to a lesser degree, but affordability constraints and current sentiment around current economic conditions remain.



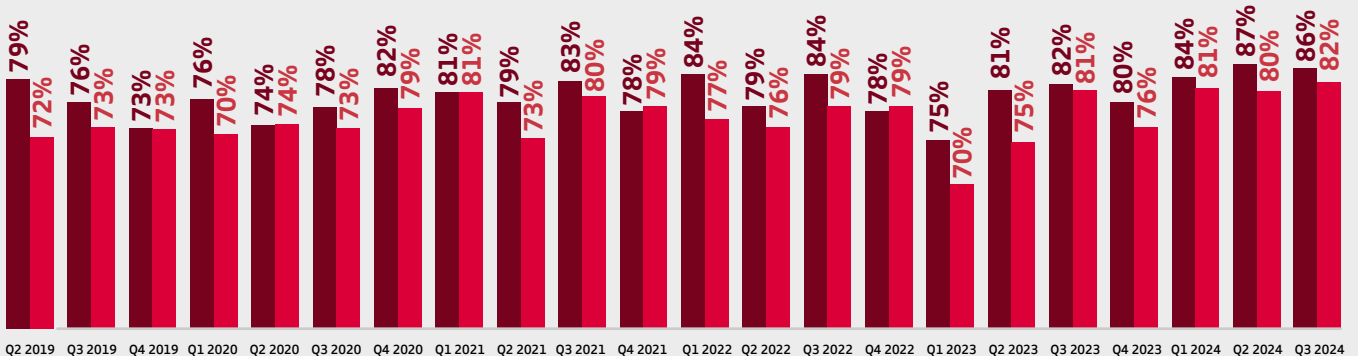
Buy rather than rent property

Sentiment to buy rather than rent property was up 1% to 70% in coastal and up 4% to 76% in the inland region. Respondents overall believe it is better to own than rent, but negative drivers such as the ability to afford property right now and the need to spend sparingly (save) in the current environment remain.



Confidence in the property market

Overall confidence in the future of the property market declined slightly by 1% inland to 86% in Q3 2024 and increased by 2% from 80% in Q2 2024 to 82% in Q3 2024 in the coastal regions. Overall, consumers are still strained, but the outlook for property in the future is starting to look more promising.



An aerial photograph of a coastal city, likely Durban, South Africa. The foreground shows a residential area with many houses and trees. In the middle ground, there is a dense urban area with several tall buildings. The background features a large harbor with a port area containing several large cranes and ships. The sky is overcast.

Conclusion and outlook



Conclusion and outlook

The overall homeowner sentiment index maintained its more optimistic medium-to longer-term outlook, with 84% of respondents being positive about the future of the property market.

Sub indices' sentiment all improved or maintained the positivity recorded in the previous quarter with only renovate sentiment marginally declining by 1%.

In general, sellers want a good and fair price for their homes. On the other hand, buyers and investors are looking out for a good deal, yields and returns. This was evident in the detailed verbatim feedback received from consumers.

Homeownership remains aspirational and a desirable investment for South Africans. It is often a long-term goal, and many mention having to save and spend sparingly before buying a property and would rather postpone this decision in the short term. The outlook for the market, however, remains positive towards the end 2024 and into 2025.

Since the start of the year, inflation declined to the SARB target range's mid point, and 19 September 2024 marked the first of what is expected to be shallow interest rate cuts into 2025. This is much to the relief of both indebted consumers and the property market; that reflected low levels of sales activity over the past two years.

House Price Indices (HPIs), including the Absa House Price Index, are still tracking on low single digits in nominal terms but have been incrementally improving over the past 12 months, which is a **positive indicator** of a turn towards market recovery.

The outlook for consumers in the short term remains strained, and it may still take some time for consumers to gradually recover financially, but interest-rate levels are expected to improve further by the end of November 2024 SARB MPC meeting, which will bring further relief and improve cashflows.



An aerial photograph of a city skyline, likely Toronto, featuring numerous high-rise buildings and a prominent tower in the distance. A white rounded rectangle is overlaid on the center of the image, containing the word "Appendix" in a bold, red, sans-serif font.

Appendix



Percentage of respondents nationally with positive sentiment by subindex

Period	Buying property	Selling property	Investing in property
Q3 2015	60%	44%	77%
Q4 2015	59%	41%	77%
Q1 2016	60%	38%	77%
Q2 2016	64%	39%	79%
Q3 2016	72%	46%	85%
Q4 2016	71%	48%	83%
Q1 2017	69%	42%	77%
Q2 2017	74%	34%	78%
Q3 2017	78%	37%	82%
Q4 2017	70%	41%	83%
Q1 2018	70%	46%	77%
Q2 2018	61%	43%	78%
Q3 2018	57%	37%	82%
Q4 2018	72%	41%	83%
Q1 2019	67%	40%	79%
Q2 2019	69%	39%	82%
Q3 2019	69%	37%	81%
Q4 2019	70%	40%	79%
Q1 2020	62%	23%	67%
Q2 2020	71%	20%	71%
Q3 2020	71%	29%	78%
Q4 2020	78%	33%	78%
Q1 2021	82%	35%	83%
Q2 2021	75%	35%	74%
Q3 2021	81%	39%	81%
Q4 2021	76%	42%	76%
Q1 2022	77%	44%	78%
Q2 2022	70%	42%	78%
Q3 2022	74%	45%	79%
Q4 2022	67%	52%	78%
Q1 2023	61%	43%	70%
Q2 2023	58%	43%	72%
Q3 2023	67%	46%	77%
Q4 2023	64%	48%	76%
Q1 2024	72%	49%	82%
Q2 2024	70%	47%	80%
Q3 2024	73%	48%	80%

Renovating property	Buy rather than rent	Overall sentiment
65%	72%	67%
63%	67%	64%
67%	72%	73%
79%	67%	78%
79%	75%	83%
76%	73%	81%
77%	66%	75%
75%	68%	74%
79%	74%	81%
79%	74%	82%
81%	66%	75%
77%	68%	73%
75%	74%	72%
80%	72%	77%
77%	68%	73%
75%	73%	77%
78%	72%	75%
79%	72%	76%
64%	69%	75%
61%	73%	74%
65%	77%	81%
73%	80%	82%
73%	81%	81%
69%	77%	77%
74%	83%	82%
72%	78%	79%
75%	79%	81%
71%	73%	78%
73%	76%	82%
77%	71%	79%
72%	61%	73%
73%	61%	78%
75%	69%	81%
75%	67%	78%
79%	73%	82%
80%	71%	84%
79%	73%	84%

Gauteng

Percentage of respondents nationally with positive sentiment by subindex

Period	Buying property	Selling property	Investing in property
Q4 2017	69%	39%	85%
Q1 2018	69%	44%	84%
Q2 2018	62%	42%	77%
Q3 2018	58%	34%	79%
Q4 2018	74%	41%	85%
Q1 2019	67%	37%	81%
Q2 2019	69%	36%	84%
Q3 2019	68%	39%	82%
Q4 2019	71%	41%	80%
Q1 2020	63%	25%	71%
Q2 2020	72%	21%	72%
Q3 2020	73%	28%	79%
Q4 2020	80%	34%	81%
Q1 2021	87%	35%	85%
Q2 2021	78%	34%	75%
Q3 2021	82%	37%	83%
Q4 2021	79%	37%	81%
Q1 2022	80%	43%	82%
Q2 2022	71%	40%	78%
Q3 2022	77%	46%	82%
Q4 2022	66%	47%	77%
Q1 2023	58%	42%	69%
Q2 2023	57%	42%	73%
Q3 2023	64%	41%	76%
Q4 2023	64%	50%	76%
Q1 2024	72%	47%	82%
Q2 2024	73%	46%	81%
Q3 2024	77%	53%	86%

In Q2 of year 9 (2023), the target sample was increased to have a more robust view of consumer sentiment within smaller provinces. Thereby, a view of the smaller provinces is not available for waves prior to Q2 of year 9. However, 2023 will be available and trackable from year 10, 2024, going forward.

Renovating property	Buy rather than rent	Overall sentiment
80%	73%	82%
80%	74%	76%
77%	69%	75%
75%	72%	77%
80%	75%	82%
79%	69%	76%
77%	75%	81%
78%	71%	75%
80%	73%	77%
67%	71%	75%
63%	72%	72%
66%	79%	79%
75%	82%	81%
76%	83%	80%
70%	79%	79%
75%	80%	83%
72%	80%	80%
77%	79%	85%
73%	75%	77%
76%	76%	84%
78%	67%	78%
70%	56%	72%
71%	58%	79%
73%	65%	76%
73%	67%	79%
79%	71%	82%
80%	69%	85%
84%	76%	86%

Western Cape

Period	Buying property	Selling property	Investing in property
Q4 2017	69%	46%	73%
Q1 2018	71%	53%	71%
Q2 2018	62%	46%	76%
Q3 2018	59%	40%	71%
Q4 2018	70%	44%	76%
Q1 2019	73%	48%	77%
Q2 2019	69%	45%	79%
Q3 2019	65%	38%	75%
Q4 2019	73%	33%	77%
Q1 2020	61%	19%	58%
Q2 2020	71%	20%	70%
Q3 2020	66%	28%	71%
Q4 2020	78%	28%	75%
Q1 2021	78%	33%	78%
Q2 2021	76%	26%	71%
Q3 2021	82%	36%	78%
Q4 2021	76%	44%	77%
Q1 2022	76%	47%	74%
Q2 2022	70%	48%	75%
Q3 2022	75%	46%	76%
Q4 2022	67%	58%	73%
Q1 2023	60%	39%	66%
Q2 2023	50%	41%	60%
Q3 2023	61%	44%	69%
Q4 2023	55%	45%	65%
Q1 2024	71%	47%	77%
Q2 2024	70%	49%	82%
Q3 2024	67%	37%	67%

Percentage of respondents nationally with positive sentiment by subindex

Renovating property	Buy rather than rent	Overall sentiment
78%	78%	80%
77%	71%	69%
76%	66%	71%
71%	67%	70%
73%	65%	74%
73%	68%	70%
69%	72%	75%
70%	71%	71%
75%	72%	76%
53%	66%	72%
59%	78%	75%
63%	74%	69%
73%	77%	79%
66%	81%	85%
65%	76%	73%
73%	86%	80%
70%	77%	82%
74%	79%	76%
71%	71%	79%
71%	76%	82%
75%	71%	76%
73%	64%	70%
63%	52%	64%
73%	65%	79%
75%	63%	70%
76%	74%	79%
75%	67%	78%
66%	68%	80%

KwaZulu-Natal

Period	Buying property	Selling property	Investing in property
Q4 2017	65%	35%	87%
Q1 2018	65%	44%	79%
Q2 2018	56%	56%	77%
Q3 2018	55%	31%	73%
Q4 2018	68%	35%	77%
Q1 2019	62%	36%	78%
Q2 2019	72%	39%	81%
Q3 2019	63%	28%	83%
Q4 2019	69%	39%	80%
Q1 2020	57%	25%	65%
Q2 2020	68%	18%	69%
Q3 2020	75%	28%	86%
Q4 2020	75%	35%	76%
Q1 2021	77%	31%	77%
Q2 2021	67%	44%	79%
Q3 2021	80%	43%	80%
Q4 2021	70%	44%	76%
Q1 2022	68%	46%	70%
Q2 2022	63%	38%	77%
Q3 2022	63%	40%	72%
Q4 2022	69%	59%	76%
Q1 2023	65%	51%	71%
Q2 2023	56%	39%	71%
Q3 2023	65%	44%	74%
Q4 2023	63%	43%	76%
Q1 2024	72%	53%	85%
Q2 2024	70%	46%	78%
Q3 2024	69%	48%	75%

Percentage of respondents nationally with positive sentiment by subindex

Renovating property	Buy rather than rent	Overall sentiment
71%	58%	79%
78%	69%	72%
69%	66%	65%
75%	65%	65%
78%	75%	72%
72%	57%	66%
81%	68%	70%
83%	70%	74%
78%	67%	71%
68%	65%	65%
59%	75%	71%
65%	74%	71%
70%	78%	77%
65%	75%	77%
71%	75%	73%
72%	84%	79%
73%	78%	77%
71%	78%	76%
64%	57%	75%
70%	72%	78%
73%	72%	81%
73%	63%	71%
72%	51%	77%
72%	71%	80%
72%	67%	77%
79%	73%	83%
79%	75%	80%
78%	71%	82%

Limpopo

Period	Buying property	Selling property	Investing in property
Q1 2021	87%	42%	89%
Q2 2021	71%	33%	68%
Q3 2021	77%	46%	81%
Q4 2021	71%	55%	76%
Q1 2022	66%	46%	71%
Q2 2022	72%	35%	72%
Q3 2022	64%	52%	82%
Q4 2022	76%	56%	88%
Q1 2023	60%	45%	69%
Q2 2023	75%	61%	83%
Q3 2023	74%	44%	83%
Q4 2023	73%	45%	83%
Q1 2024	71%	47%	81%
Q2 2024	74%	49%	79%
Q3 2024	76%	46%	88%

Mpumalanga

Period	Buying property	Selling property	Investing in property
Q1 2021	66%	41%	79%
Q2 2021	70%	45%	77%
Q3 2021	88%	41%	82%
Q4 2021	79%	40%	79%
Q1 2022	80%	47%	88%
Q2 2022	75%	36%	89%
Q3 2022	85%	49%	87%
Q4 2022	76%	62%	95%
Q1 2023	67%	58%	75%
Q2 2023	69%	51%	77%
Q3 2023	73%	57%	83%
Q4 2023	71%	56%	80%
Q1 2024	80%	61%	84%
Q2 2024	77%	51%	87%
Q3 2024	77%	52%	84%

Percentage of respondents nationally with positive sentiment by subindex

Renovating property	Buy rather than rent	Overall sentiment
81%	81%	89%
59%	73%	82%
71%	87%	85%
65%	78%	77%
68%	66%	82%
63%	80%	75%
76%	76%	82%
93%	79%	83%
70%	68%	80%
83%	78%	86%
79%	73%	87%
80%	77%	79%
79%	75%	81%
82%	75%	87%
82%	78%	82%

Percentage of respondents nationally with positive sentiment by subindex

Renovating property	Buy rather than rent	Overall sentiment
72%	87%	76%
80%	80%	79%
74%	91%	88%
89%	93%	75%
84%	88%	76%
75%	75%	89%
87%	95%	87%
84%	78%	84%
83%	67%	86%
84%	70%	83%
81%	77%	88%
81%	76%	82%
86%	85%	87%
88%	80%	93%
83%	78%	86%

Free State

Period	Buying property	Selling property	Investing in property
Q1 2021	70%	22%	81%
Q2 2021	79%	34%	79%
Q3 2021	85%	43%	82%
Q4 2021	59%	32%	67%
Q1 2022	81%	39%	79%
Q2 2022	73%	42%	85%
Q3 2022	77%	53%	82%
Q4 2022	57%	62%	81%
Q1 2023	55%	34%	71%
Q2 2023	66%	58%	81%
Q3 2023	76%	54%	84%
Q4 2023	76%	35%	84%
Q1 2024	79%	59%	88%
Q2 2024	70%	47%	81%
Q3 2024	76%	43%	81%

North West

Period	Buying property	Selling property	Investing in property
Q1 2021	65%	46%	78%
Q2 2021	69%	31%	69%
Q3 2021	86%	36%	79%
Q4 2021	83%	49%	77%
Q1 2022	55%	50%	61%
Q2 2022	61%	50%	89%
Q3 2022	72%	36%	71%
Q4 2022	60%	28%	72%
Q1 2023	81%	53%	83%
Q2 2023	51%	27%	72%
Q3 2023	68%	51%	78%
Q4 2023	55%	54%	78%
Q1 2024	66%	38%	84%
Q2 2024	60%	42%	78%
Q3 2024	71%	49%	81%

Percentage of respondents nationally with positive sentiment by subindex

Renovating property	Buy rather than rent	Overall sentiment
86%	80%	91%
70%	79%	76%
67%	85%	88%
71%	60%	70%
73%	84%	80%
85%	73%	85%
74%	71%	88%
79%	62%	79%
66%	75%	88%
72%	65%	80%
82%	78%	84%
76%	78%	88%
86%	83%	94%
80%	67%	83%
76%	76%	90%

Percentage of respondents nationally with positive sentiment by subindex

Renovating property	Buy rather than rent	Overall sentiment
79%	82%	85%
58%	61%	81%
64%	79%	79%
84%	88%	57%
66%	72%	77%
55%	72%	89%
56%	72%	68%
72%	72%	68%
79%	65%	86%
63%	60%	79%
78%	76%	86%
64%	55%	73%
72%	67%	81%
73%	65%	86%
76%	70%	86%

Eastern Cape

Period	Buying property	Selling property	Investing in property
Q1 2021	76%	38%	85%
Q2 2021	70%	38%	69%
Q3 2021	74%	45%	82%
Q4 2021	79%	52%	84%
Q1 2022	81%	38%	83%
Q2 2022	75%	44%	78%
Q3 2022	66%	29%	72%
Q4 2022	74%	49%	86%
Q1 2023	63%	34%	76%
Q2 2023	58%	43%	71%
Q3 2023	61%	44%	78%
Q4 2023	62%	51%	76%
Q1 2024	66%	34%	78%
Q2 2024	62%	50%	75%
Q3 2024	68%	38%	78%

Northern Cape

Period	Buying property	Selling property	Investing in property
Q1 2021	62%	61%	91%
Q2 2021	88%	24%	88%
Q3 2021	100%	67%	100%
Q4 2021	100%	40%	79%
Q1 2022	83%	46%	82%
Q2 2022	75%	33%	75%
Q3 2022	64%	37%	55%
Q4 2022	68%	32%	89%
Q1 2023	80%	41%	80%
Q2 2023	50%	28%	74%
Q3 2023	89%	69%	82%
Q4 2023	56%	41%	65%
Q1 2024	48%	45%	68%
Q2 2024	67%	51%	70%
Q3 2024	64%	52%	78%

Percentage of respondents nationally with positive sentiment by subindex

Renovating property	Buy rather than rent	Overall sentiment
73%	75%	77%
75%	75%	74%
80%	80%	85%
75%	71%	76%
82%	87%	81%
77%	67%	72%
70%	66%	70%
72%	79%	83%
74%	69%	68%
75%	60%	83%
76%	63%	80%
83%	59%	79%
81%	65%	81%
80%	62%	84%
76%	70%	83%

Percentage of respondents nationally with positive sentiment by subindex

Renovating property	Buy rather than rent	Overall sentiment
56%	63%	85%
87%	88%	88%
68%	100%	67%
60%	79%	80%
83%	74%	82%
50%	84%	84%
73%	82%	64%
90%	77%	89%
80%	59%	80%
74%	62%	79%
79%	82%	97%
75%	61%	80%
58%	63%	71%
73%	57%	79%
87%	72%	87%

Inland and coastal provinces

Inland
 Coastal

Period	Buying property		Selling property		Investing in property	
Q2 2021	77%	72%	35%	35%	75%	74%
Q3 2021	82%	80%	38%	41%	83%	80%
Q4 2021	77%	75%	39%	46%	80%	78%
Q1 2022	79%	74%	43%	45%	81%	75%
Q2 2022	71%	68%	40%	45%	79%	76%
Q3 2022	77%	69%	46%	42%	82%	74%
Q4 2022	67%	69%	48%	57%	79%	77%
Q1 2023	59%	63%	43%	43%	70%	69%
Q2 2023	62%	54%	45%	39%	76%	68%
Q3 2023	68%	65%	47%	46%	79%	74%
Q4 2023	66%	61%	50%	44%	78%	73%
Q1 2024	74%	69%	50%	48%	83%	81%
Q2 2024	72%	68%	47%	48%	82%	78%
Q3 2024	76%	68%	51%	44%	85%	74%



Percentage of respondents nationally with positive sentiment by subindex

Inland provinces: Free State, Gauteng, Limpopo, Mpumalanga, North West, Northern Cape
Coastal provinces: Eastern Cape, KwaZulu-Natal, Western Cape

Renovating property		Buy rather than rent		Overall sentiment	
69%	69%	78%	76%	79%	73%
74%	74%	82%	84%	83%	80%
73%	72%	79%	76%	78%	79%
76%	75%	79%	80%	84%	77%
75%	70%	73%	69%	79%	76%
75%	70%	77%	74%	84%	79%
80%	74%	70%	73%	78%	79%
71%	73%	58%	64%	75%	70%
74%	70%	64%	58%	81%	75%
76%	73%	70%	67%	82%	81%
75%	75%	69%	64%	80%	76%
80%	77%	75%	71%	84%	81%
81%	78%	72%	69%	87%	80%
83%	75%	76%	70%	86%	82%





For more information on Absa Home Loans, [click here.](#)

**Contact the Absa Home Loans team at
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