21 September 2023

MortgageMax
The future of home loans

Collective sigh of relief as rates remain unchanged

The decision today by the Reserve Bank Monetary Policy Committee (MPC) to hold interest rates unchanged, and keep the prime lending rate at 11.75%, will be widely welcomed. As we head into the final stretch of what has been a challenging year for our economy, and towards the summer holiday period, consumers will be hoping for more of the same when the MPC meets for the last time at the end of November.

“This has certainly been one of the tougher years in recent times, for both consumers and the property industry, but history shows that rate-hiking cycles always come to an end. With rates remaining steady in July and again today, we certainly appear to be headed in the right direction and we must keep pushing forward,” says MortgageMax CEO, Jors van Niekerk.

The last two MPC decisions are the result of a steady decline in the consumer price index since mid-year which has brought it well within the Reserve Bank’s target range of 3%-6%. If it continues to hover around the midpoint of this band, there’s a strong case to be made for the interest rate to begin dropping early next year – and growing numbers of economists and banking experts are suggesting an increased likelihood of this happening.

“For aspirant homebuyers who’ve been waiting to see where interest rates are headed, there’s an opportunity to start looking at getting onto the property ladder again,” says Van Niekerk. “And as we celebrate Heritage Day in South Africa, it is a timely reminder not only of the many beautiful things that make our country unique, but also of the fact that home is where we can really express ourselves and celebrate our culture together – and that makes owning a property a very powerful thing,” he concludes.