

# The Absa Homeowner Sentiment Index (HSI)

Q1 2025  
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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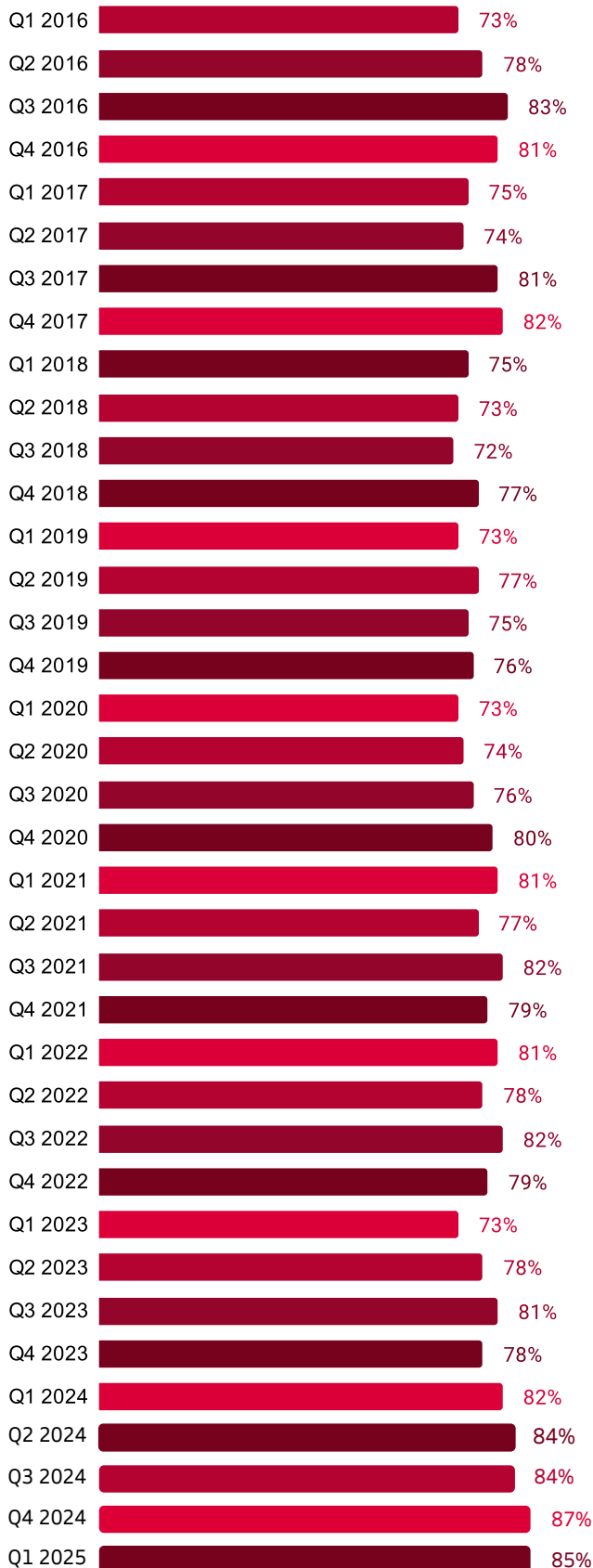
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# What is the HSI?

## 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.

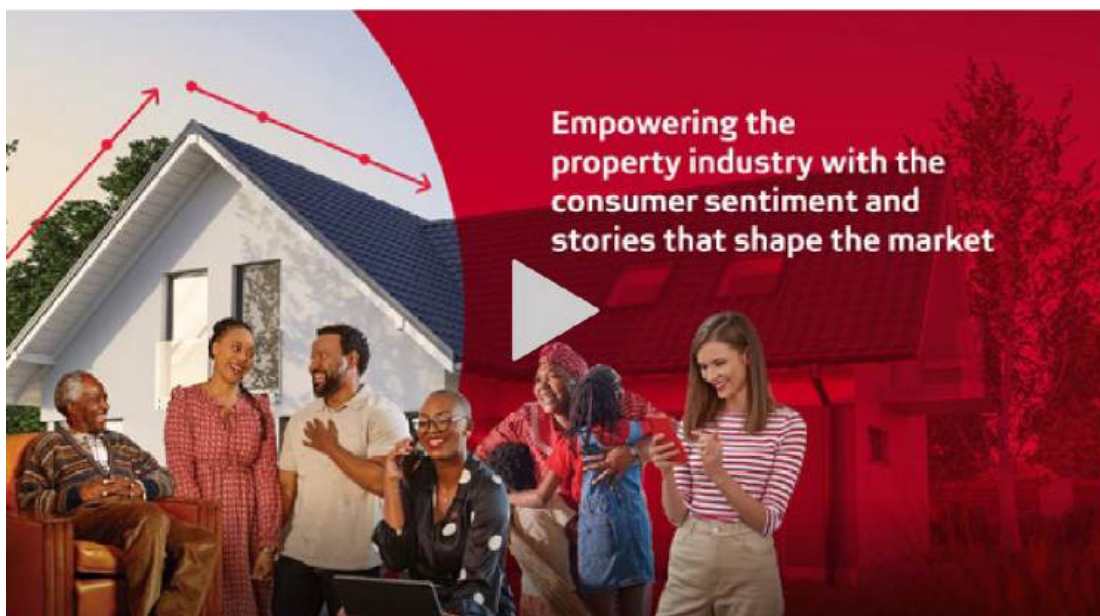
These additions have been instrumental in learning about drivers and challenges for consumers in the homeownership market and has helped identify opportunities for Absa to fill much-needed gaps.

## 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

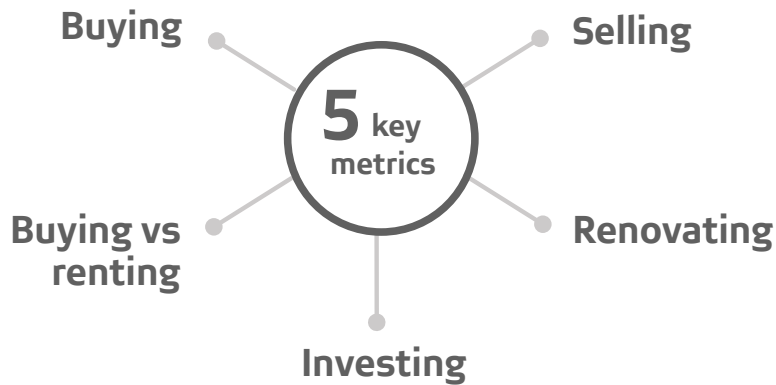


The Absa Homeowner Sentiment Index informs South Africa's property market with consumer confidence insights, shaping a customer-centric industry through localised data and behavioural trends.



# 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.

**Marketing All Product Survey (MAPS) data** (Jun '14- Jun '15) was used to match study sample with population make-up.

### Data collection

Data is collected through Human8's global partner panels.

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

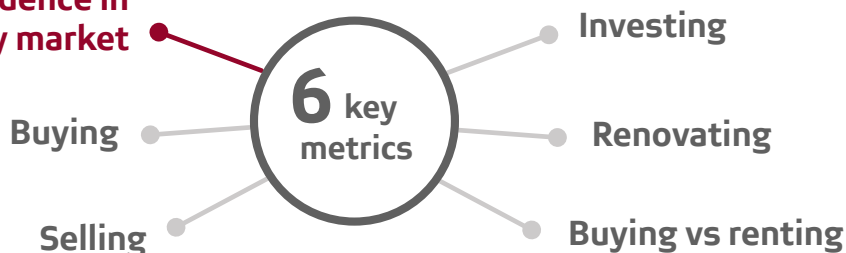
Consumers who are decision-makers with regard to household matters.



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.**

**Marketing All Product Survey (MAPS) 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** investigate reasons consumers have decided to make homeownership decisions in the last year.
- 2 Up to Q4 2024, four new closed-ended questions** focused on the appetite for alternative power solutions. In Q1 2025, new questions were included to explore consumer perspectives around sustainable living and emerging trends that may impact this in future.

## 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 small and built with corrugated metal sheets, which are visible in various shades of blue, grey, and brown. The houses are packed closely together, with narrow, unpaved streets winding through the area. Several cars are parked or driving on the streets. The overall scene depicts a high-density, low-cost housing environment.

# Emerging homeownership trends









# Homeownership trends

## Homebuyers' average age

Homebuyers' average age is decreasing with first-time homebuyers' age decreasing from 40 years to 38 years in the last 3 years. The investors average age has decreased from 45 years to 43 year for the same period.

*\*Source: Absa data*

## First-time homeowners

First-time buyers continue to drive market activity with more than half of the total applicants coming from this segment. This subsegment still displays a high level of positive sentiment in the future of the property market compared to other segments. As cashflows and affordability improve, we foresee continued growth in first-time buyers entering the market.

2025 Q1: **52.8%** ↗ (2024 Q1: 51.2%)

*\*Source: Absa data and HSI survey data*

## Homeownership in context

The following trends are surfacing when considering homeownership decisions in 2025.

## Inter-provincial semigration

The Western Cape still has positive net migration, but this has slowed down compared to previous three quarters. Eastern Cape is also seeing continued net inward migration, whereas KwaZulu-Natal saw an increase in the outward migration.

Western Cape net inward migration (25% lower than 2024 Q1) ↘

*\*Source: Deeds office data*

## Appetite for going off-grid

The sentiment among South Africans about going off-grid is dominated by a desire to replace electricity services as indicated by 76% of respondents, with 49% indicating a notable interest in replacing water services as well.

*\*Source: HSI survey data*

## Continued strong investor confidence

Investors remain confident in expanding their property portfolios with more investors believing that there is currently good demand for rental properties. The Q1 HSI investor confidence remained at the highest level that this sentiment survey has seen since 2015.

2025 Q1: **85%** → (2024 Q1: 85%)

*\*Source: HSI survey data*



# South Africans have a growing aspiration to live off-grid.



South Africans have a strong desire to **replace municipal services, particularly electricity**, highlighting a shift towards sustainability and self-sufficiency, likely brought on by load shedding.

South Africans are **adopting sustainable practices for alternative water sources and engaging in eco-friendly living**.

Many are considering boreholes, filtration systems and rainwater harvesting to address water supply concerns. Additionally, individuals are incorporating sustainability into their daily lives by growing fruit and vegetable gardens, harvesting rainwater and using solar energy for electricity.





# Going off-grid

South Africans have a strong desire to replace electricity services, with a notable interest in replacing water services as well.



## Appetite for going off-grid

**76%** I would replace using electricity from the municipality

**49%** I would replace using water from the municipality

**29%** I would replace the use of refuse removal from the municipality

**1%** Other

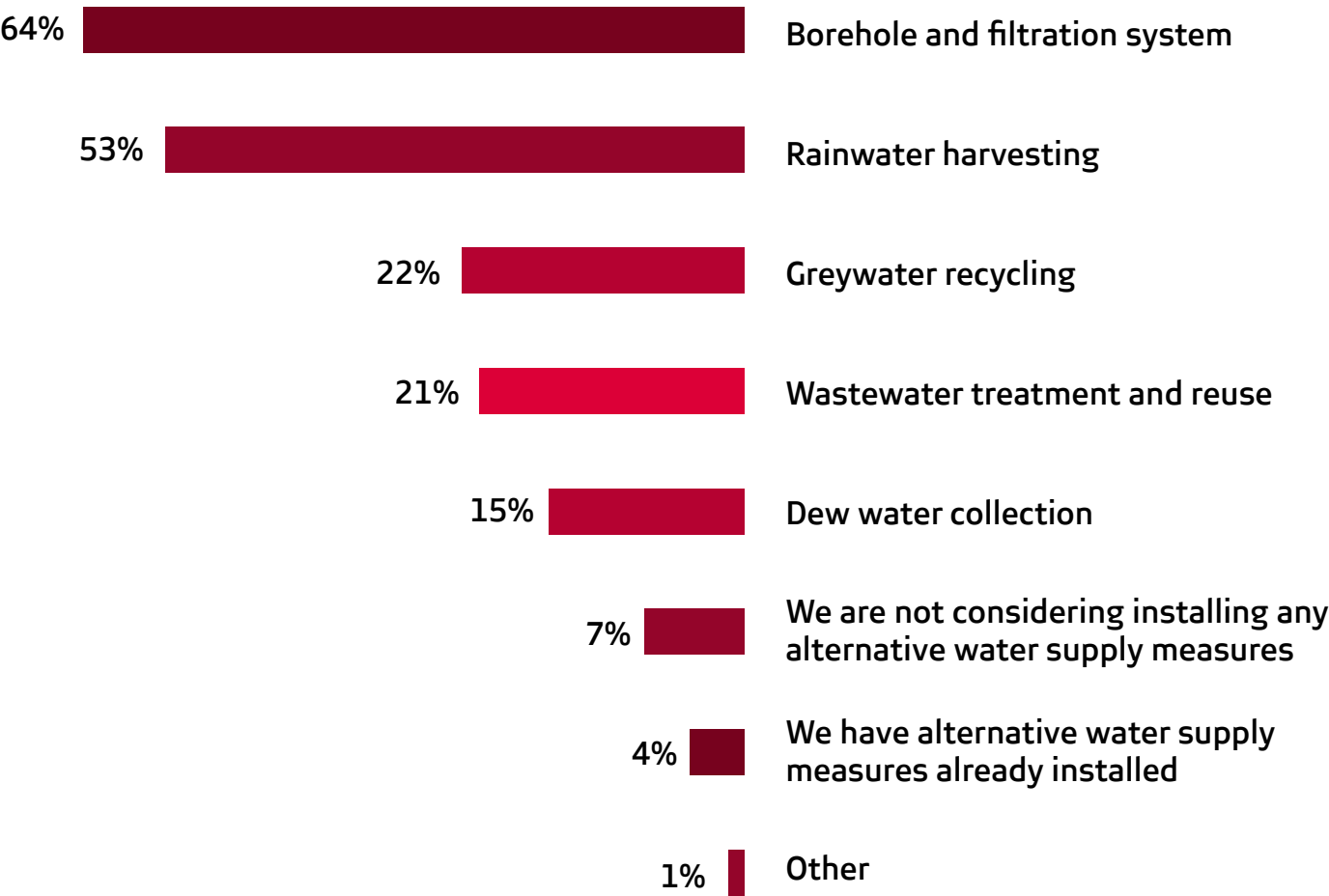




# Alternative water solution considerations

South Africans are primarily looking into installing borehole and filtration systems, along with rainwater harvesting, to address increasing concerns about water supply.

Which of the following alternative water supply measures are you considering installing in your household?

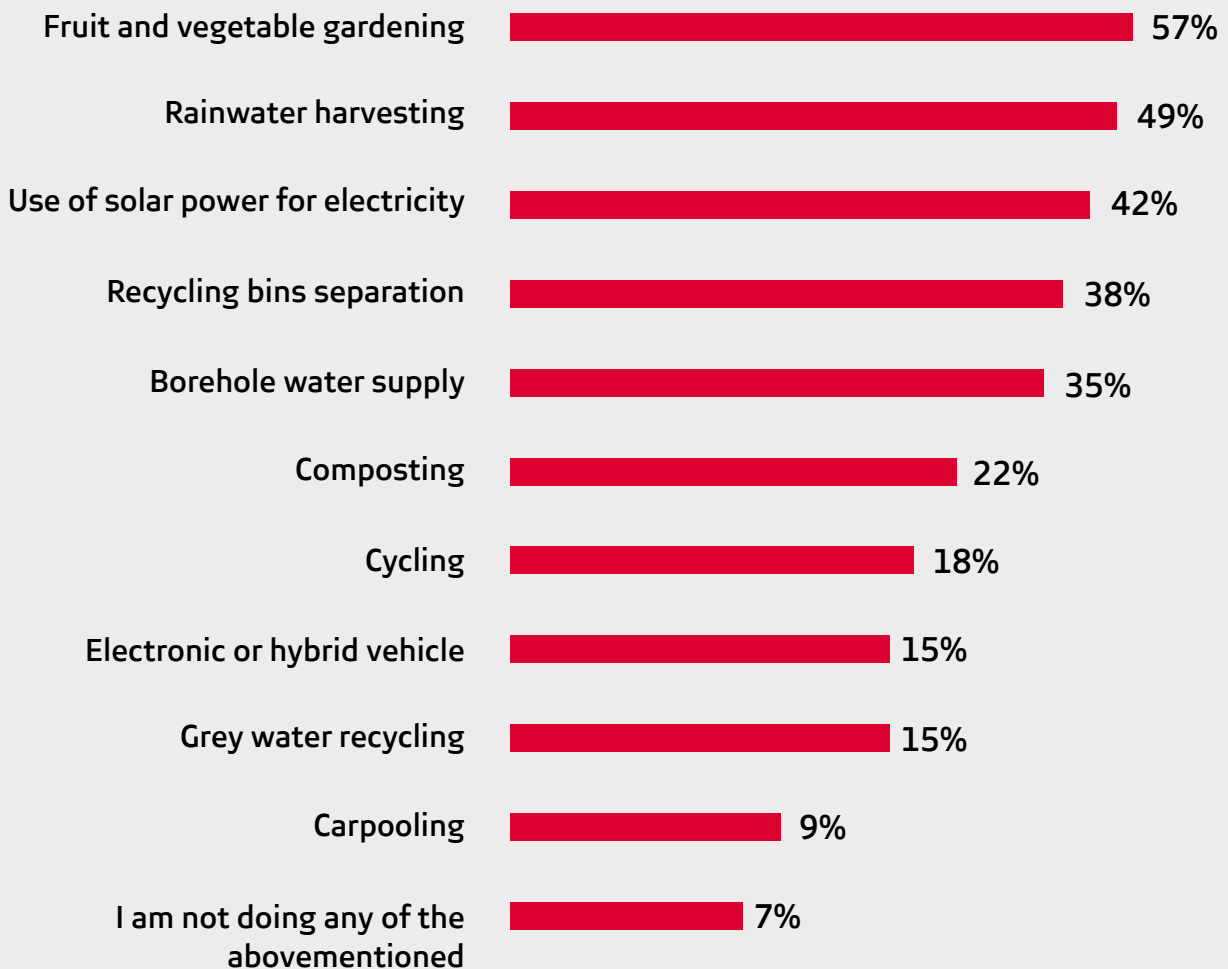





# Current sustainable living practices

Many South Africans are actively embracing sustainability in their daily lives, with many cultivating fruit and vegetable gardens, harvesting rainwater and using solar power for electricity.

When considering sustainable living practices, please indicate which of the following you are currently implementing in your household?







# **HSI Q1 2025 summary**







# HSI Q1 2025 summary

Overall homeowner sentiment decreased slightly by 2% to 85% in Q1 2025 compared to Q4 2024 on the back of uncertain US policy expectations and a further rate cut not materialising in March 2025.


Subindices that remained flat quarter on quarter were buy and invest, at 77% and 85% respectively. Declines were recorded in sell 49% (down 2%), renovate 79% (down 3%) and buy or rent 73% (down 4%).

Overall, first-time homeowners and investors remained most positive, but non-first-time homeowners and renters were more negative, down 6% and 2% respectively.

Although overall sentiment went down by 2% in Q1 2025, 85% of respondents are still positive about the outlook for the property market, the second-highest level recorded since the start of the survey.

## Key summary

Overall, consumer confidence in the South African property market reached 85% in Q1 2025, the second-highest score recorded since the start of the survey.

 **2% to 85%**  
from **87%** in  
Q4 2024

## Buying sentiment

77% of respondents responded positively, consistent with the fourth quarter of 2024. Buy sentiment has been on an upward trajectory since Q2 2023.

[View the full subindex](#)

## Selling sentiment

Sell sentiment **decreased by 3%** with 49% of respondents responding positively in Q1 2025, compared to 51% in the fourth quarter of 2024.

Selling sentiment has remained flat year on year as sellers still adopt a wait-and-see approach, anticipating that they will be able to get better prices in future. Those who sold want to realise a profit and/or need the funds now.

[View the full subindex](#)

## Buy-vs-rent sentiment

Potential future buyers currently renting or buy-vs-rent sentiment **declined by 4%** in Q1 2025 compared to the previous quarter.

Drivers for buying rather than renting have remained consistent, with many respondents saying that they have now saved enough to afford a deposit for a home, and others expressed the need for a larger living space. For those who still prefer renting, the flexibility of this option remains attractive and affordability remains a key driver.

[View the full subindex](#)

## Investing sentiment

The investing sentiment **remained at 85%** in Q1 2025 compared to the previous quarter. This is still the highest level this sentiment has been since the survey started in 2015 and an indication that property provides good investment opportunities. Concerns about the economy and South Africa's future are raised strongly as negative factors.

[View the full subindex](#)

## Renovation sentiment

The renovating sentiment **decreased by 3%** to 79% compared to Q4 2025.

Most respondents said that they 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](#)







# **HSI sentiment insights**



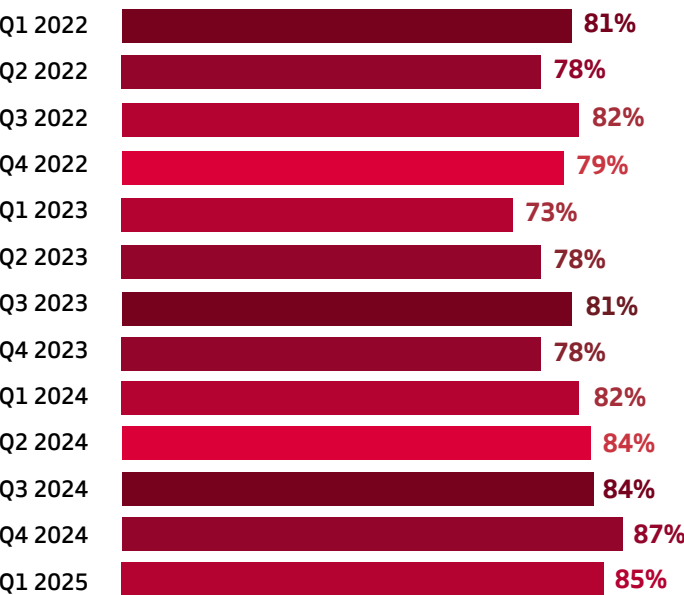




# Overall HSI sentiment

Q1 2025

## Overall HSI results trend



## Key summary

Overall, consumer confidence in the South African property market reached 85% in Q1 2025, the second-highest score recorded since the start of the survey.

↘ 2% to 85%

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

**85% reported confidence in the property market**, 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:

- **55%**  
believe that property creates **long-term income**
- **53%**  
believe property always **increases in value**
- **50%**  
**believe property is and always will be a secure asset**
- **43%**  
believe it depends on the **location** of the property
- **43%**  
believe there is a **high demand** for rental properties

## Main drivers of negative sentiment:

- **59%**  
are concerned that the **economy is unstable**
- **50%**  
are concerned that **levels of unemployment are too high**
- **50%**  
are concerned about the **crime levels**
- **49%**  
are concerned about the **political instability** in South Africa
- **43%**  
are concerned that property has become very **expensive**





# Buying property

## 1.1 Quantitative insights



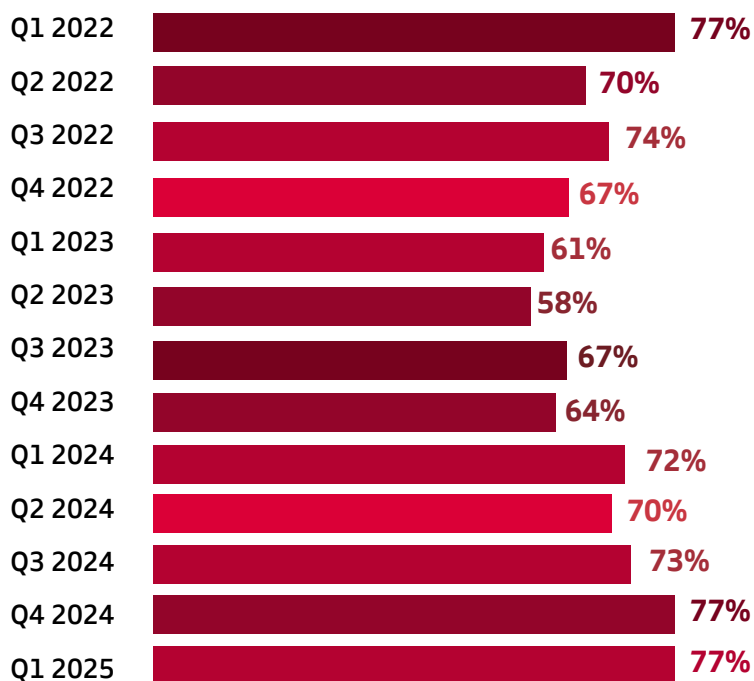
### Key summary

The buying sentiment remained at

→ **77%**

in Q1 2025. The buying sentiment has been on an upward trajectory since Q2 2023.

### Buying sentiment



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

**A** 77% of respondents responded positively in both Q1 2025 and Q4 2024.

### Main drivers of positive sentiment:

- **61%**  
believe that property is always a **good investment**
- **51%**  
believe that property **accumulates in value**
- **39%**  
believe that you can make **good profit**
- **38%**  
believe that prices will **increase**
- **31%**  
believe people are **desperate to sell**  
(want cash)

### Main drivers of negative sentiment:

- **59%**  
are concerned that the **cost of living** is high
- **56%**  
are concerned that the economy is **unstable**
- **51%**  
are concerned that the economy is not doing well
- **50%**  
are concerned about **high interest rates**
- **45%**  
are concerned that **prices are high**
- **39%**  
are concerned about the **high unemployment rates**









I am getting older, and renting was becoming a problem. I wanted something stable and a bit out of town.

*(35-44 yrs, Black, Female, >R30k PMI)*

I wanted something in a good location with strong property value appreciation potential, ensuring that my investment would grow over time. Additionally, I was looking for a house that didn't require extensive renovations but still had room for personalisation to make it my own. Another major factor was stability. Owning a home provides a sense of permanence and security, which was important to me after transitioning from renting.

*(25-34 yrs, Black, Female, >R30k 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 was in need of a place to live. I wanted to own my own property too and leave something to my kids – it's protection and an achievement.

*(25-34 yrs, Black, Female, R15-R29k PMI)*

There is only one reason to buy a house: it is for my kids to have a place they call home. I bought the house for my kids truly.

*(35-44 yrs, Black, Male, <R15k PMI)*



# Selling property

## 2.1 Quantitative insights

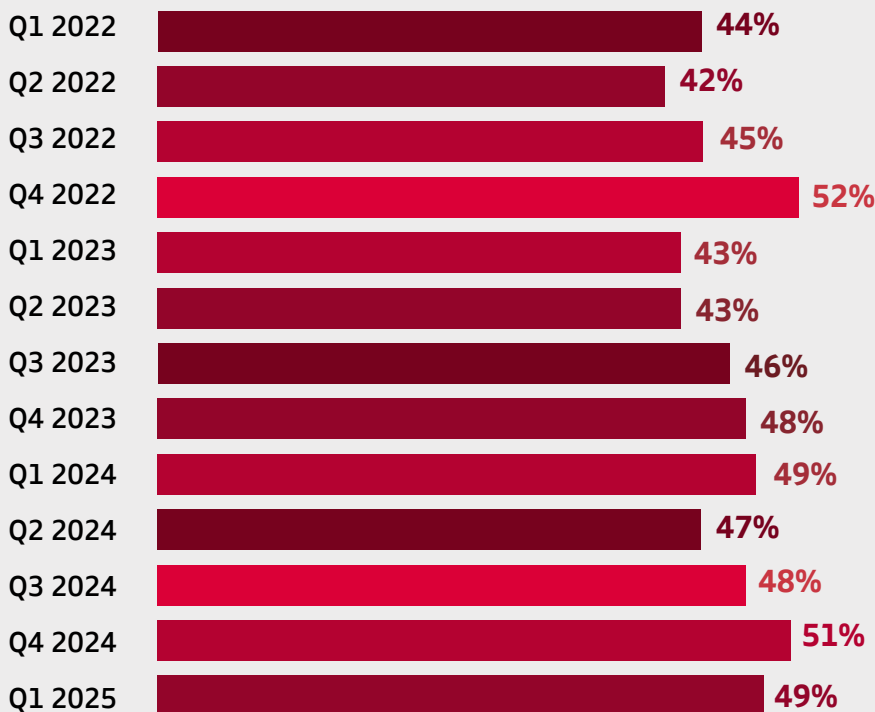
### Key summary

Sell sentiment fell back

↘ **3% to 49%**

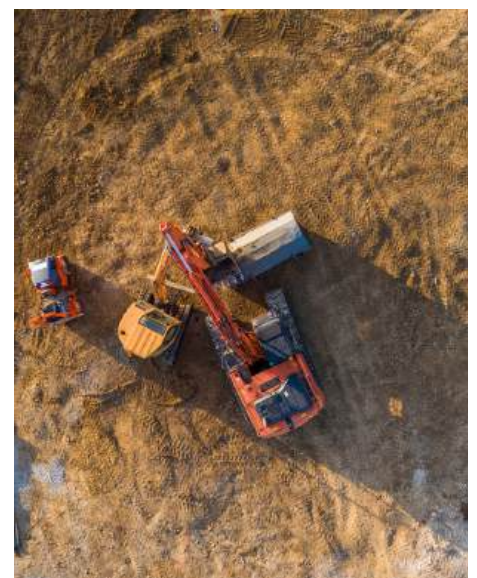
where 49% of respondents responded positively in Q1 2025, compared to 51% in the fourth quarter 2024.

### Selling sentiment



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

Selling sentiment started to signal more optimism since Q2 2024 with marginal decline in Q1 2025. Sellers still adopt a wait-and-see approach, anticipating that they will be able to get better prices in future. Those who sold want to realise a profit and/or need the funds now.



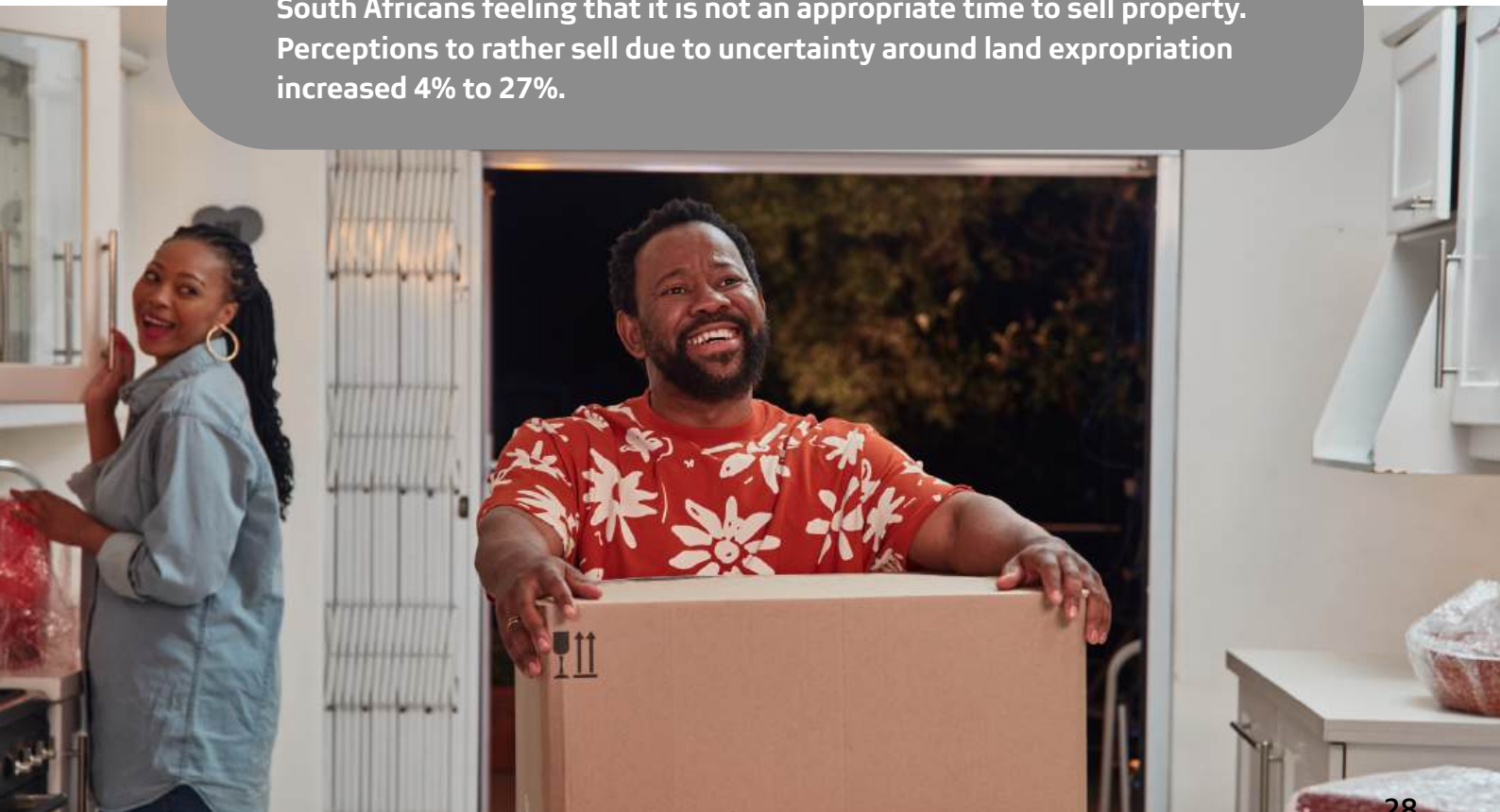
### Main drivers of positive sentiment:

- **56%**  
believe you can get a **good price** for your property
- **47%**  
believe it is good to rather **sell** if you are **upgrading**
- **42%**  
believe that the property market is **doing well**
- **39%**  
believe it is good to rather **sell** if you can **no longer afford** the property
- **26%**  
believe that it is now **easy to sell**

### Main drivers of negative sentiment:

- **43%**  
would rather keep the property as an **investment**
- **41%**  
are concerned that the economy is **unstable**
- **37%**  
would rather wait a few more years for the property to **appreciate in value**
- **35%**  
believe that **the rand is weak**
- **29%**  
believe people's **buying power** has decreased

Sentiments around selling property are more divided, with almost half of South Africans feeling that it is not an appropriate time to sell property. Perceptions to rather sell due to uncertainty around land expropriation increased 4% to 27%.





## 2.2 Qualitative insights

Selling property continues to be a need for liquidity, however, with increasing perceptions of a stable economy, some South Africans are taking advantage of good returns.



## Respondent word cloud





I bought a house and renovated it, then sold it for profit.

*(18-24 yrs, Black, Female, >R30k PMI)*

I wanted to change places due to the fact that it was far from my place of work and it was more affordable to relocate and sell.

*(25-34 yrs, Black, Female, R15k-R29k 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?**

I wanted to increase my cash flow to be able to renovate and purchase other properties.

*(35-44 yrs, Black, Male, >R30k PMI)*

I needed money, and it was too much to maintain it, and it was costing me emotionally.

*(45-54 yrs, Black, Female, >R30k PMI)*

I wanted to upgrade and was seeking different living environment.

*(18-24 yrs, Black, Female, >R30k PMI)*

I sold the house because I moved out of the area.

*(35-44 yrs, Coloured, Female, R15k-R29k PMI)*

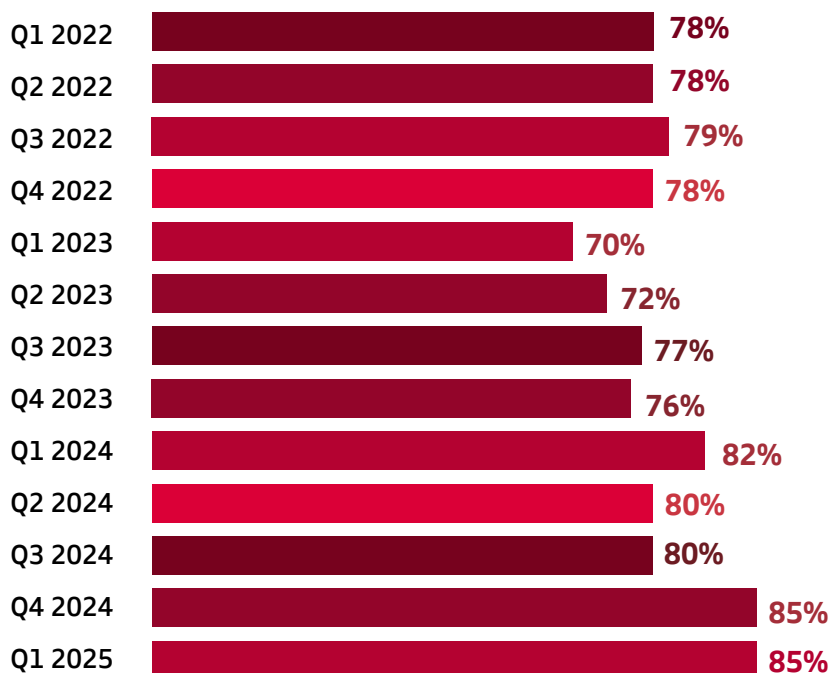




# Investing in property

## 3.1 Quantitative insights

### Invest sentiment



### Key summary

The investment sentiment remained at

→ **85%**

in Q1 2025.

This is still the highest level this sentiment has been since the survey started in 2015 and an indication that property provides good investment opportunities.

Concerns about the economy and South Africa's future are raised strongly as negative factors.

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 85% compared to the previous quarter.

This is the highest level this sentiment has been since the survey started in 2015 and an indication that property **investors still feel that it is opportune to invest for future value and returns.**

### Main drivers of positive sentiment:

- **53%**  
believe property always **accumulates in value**
- **51%**  
believe you will make a **good return**
- **49%**  
believe that there is **demand** for rental properties
- **48%**  
believe that it is a good source of **passive income**
- **44%**  
believe there will be a **high demand** for property in the future

### Main drivers of negative sentiment:

- **60%**  
are concerned that the economy is **not performing well**
- **44%**  
are concerned that **prices are high**
- **39%**  
are concerned that the rand is **weak**
- **34%**  
are concerned about **job security** and unemployment and tenants can't afford to pay
- **29%**  
expressed concern that tenants **cannot afford to rent**





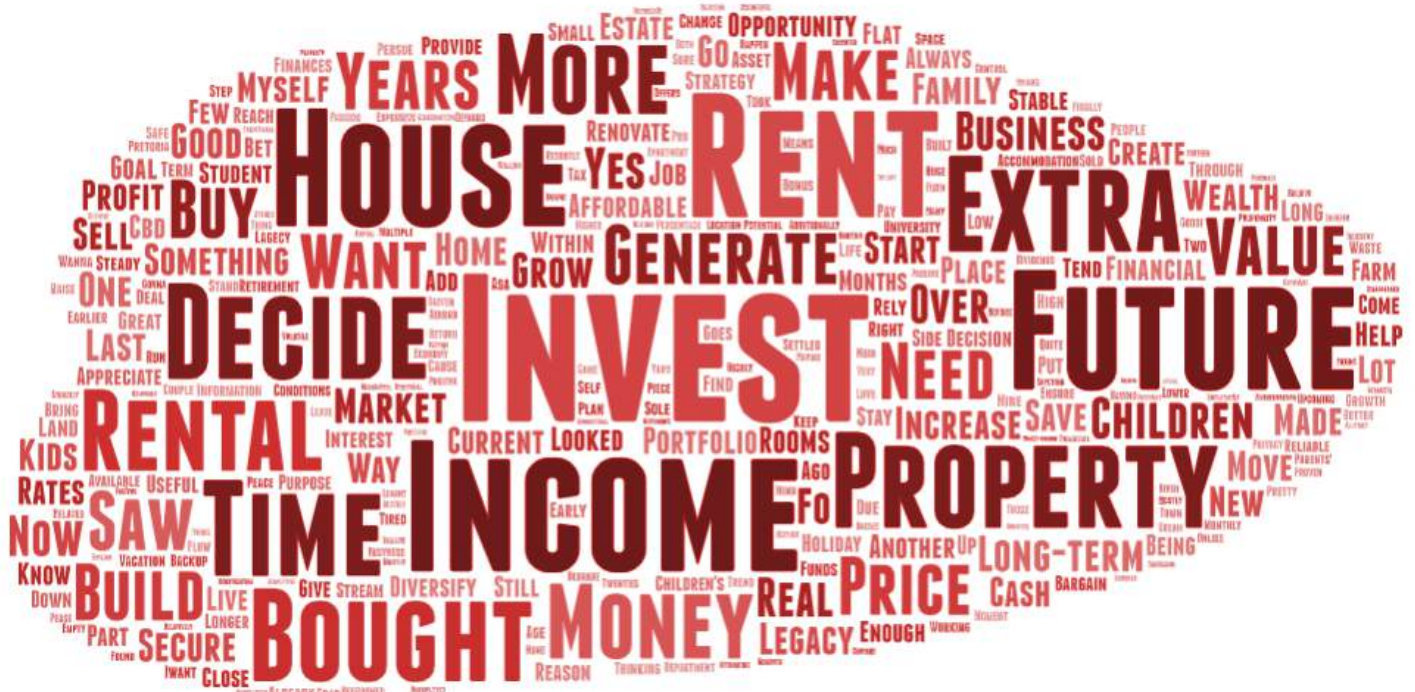
## 3.2 Qualitative insights

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.

With perceptions of a recovering economy, South Africans investing in property anticipate its current and future monetary potential as well as being an investment for future generations.



## Respondent word cloud





I decided to invest in property within the last 12 months as part of my long-term financial strategy. Real estate is a stable asset that appreciates over time, providing both short-term rental income and long-term capital growth. Given the current market conditions, I saw an opportunity to secure a property at a competitive price, especially with interest rates and economic factors in mind. Additionally, I wanted to diversify my investment portfolio beyond traditional savings and stocks.

*(25-34 yrs, Black, Female, R15k-R29k PMI)*

I just learnt that property investment is more beneficial in the long run.

*(25-34 yrs, Black, Female, R15k-R29k 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?**

The market at the moment looked pretty good, and also, I wanted to start a stream of generational wealth.

*(18-24 yrs, Black, Female, >R30K PMI)*

I wanted to start a business for myself and leave a legacy for my kids.

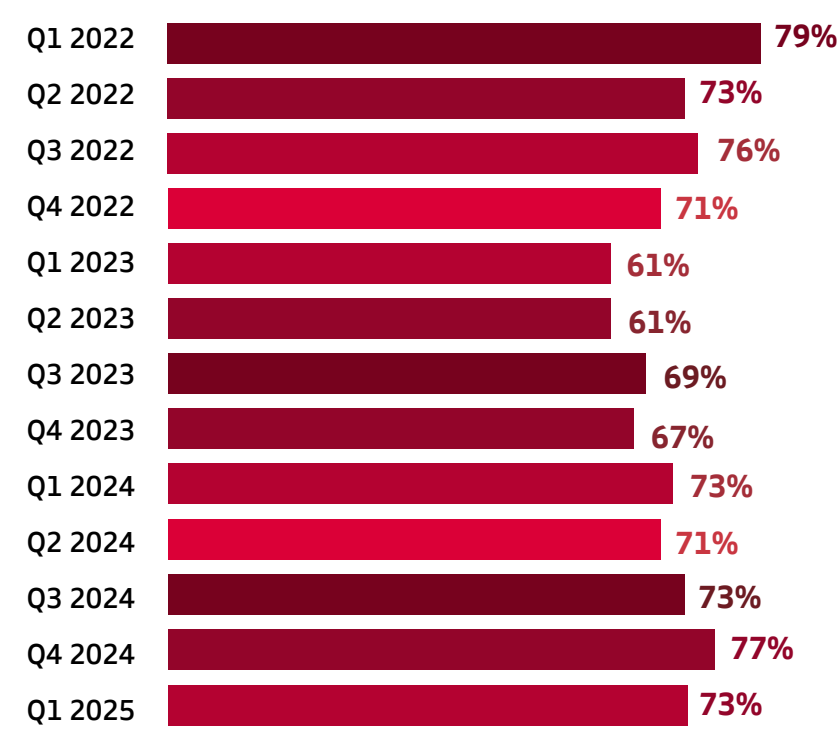
*(25-34 yrs, Black, Male, <R15k PMI)*



# Buying rather than renting


## 4.1 Quantitative insights

### Buy-vs-rent sentiment



### Key summary

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

 **4%**

in Q1 2025, compared to the previous quarter.

Q

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

A

Many respondents said that they now saved enough to afford a deposit for a home, and others expressed the need for a larger living space. For those who still prefer renting, the flexibility of this option remains attractive and affordability remains a key driver.



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
- **48%**  
believe that you should **buy if you can afford it** rather than rent
- **44%**  
believe property will **accumulate in value**
- **44%**  
believe renting is more **expensive**
- **35%**  
believe that buying for rent **creates income**

#### Main drivers of negative sentiment:

- **46%**  
believe renting is more **flexible**, with less commitment required
- **37%**  
**cannot afford** to buy property right now
- **35%**  
believe that renting is **easier**
- **33%**  
believe that buying includes maintenance costs or transfer fees which can be **expensive**
- **28%**  
believe that the property market is **not stable right now**



## A photograph of two Black women in a professional office environment. The woman on the left, wearing a black blazer over a bright orange top, is seated at a desk and looking towards the right with a wide smile. The woman on the right, wearing a light beige button-down shirt, stands next to her, also smiling and gesturing with her right hand towards the laptop screen. A silver HP laptop is open on the desk in the foreground. In the background, a window with vertical blinds lets in natural light, and a modern office building is visible outside.

## Qualitative insights

A photograph of two Black women in a professional office environment. The woman on the left, wearing a black blazer over a bright orange top, is seated at a desk and looking towards the right with a wide, joyful smile. The woman on the right, wearing a light beige button-down shirt, stands next to her, also smiling and gesturing with her right hand towards the laptop screen. A silver HP laptop is open on the desk in the foreground. In the background, a window with vertical blinds lets in natural light, and a pair of glasses rests on the desk near the laptop.

## Respondent word cloud





I wanted to move closer to where I work and also to an area I prefer over the area I was living in previously.

*(35-44 yrs, White, Female, R15k-R29k PMI)*

I needed to move closer to work as I stayed a bit of a distance from the office.

*(25-34 yrs, Black, Male, R15k-R29k PMI)*

I moved to a new area for work and school purposes, so I needed to rent.

*(18-24 yrs, Black, Female, <R15k 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?**

I cannot afford to purchase at the moment but I am strongly interested in buying as soon as possible.

*(35-44 yrs, Black, Male, <R15k PMI)*

Relocating for a job, downsizing and waiting for the right time to buy.

*(25-34 yrs, Black, Female, R15k-R29k PMI)*

Covid made a dent in our financial situation and we needed to adjust our finances accordingly.

*(55-64 yrs, White, Male, >R30k PMI)*



# Renovating property

5.1

## Quantitative insights

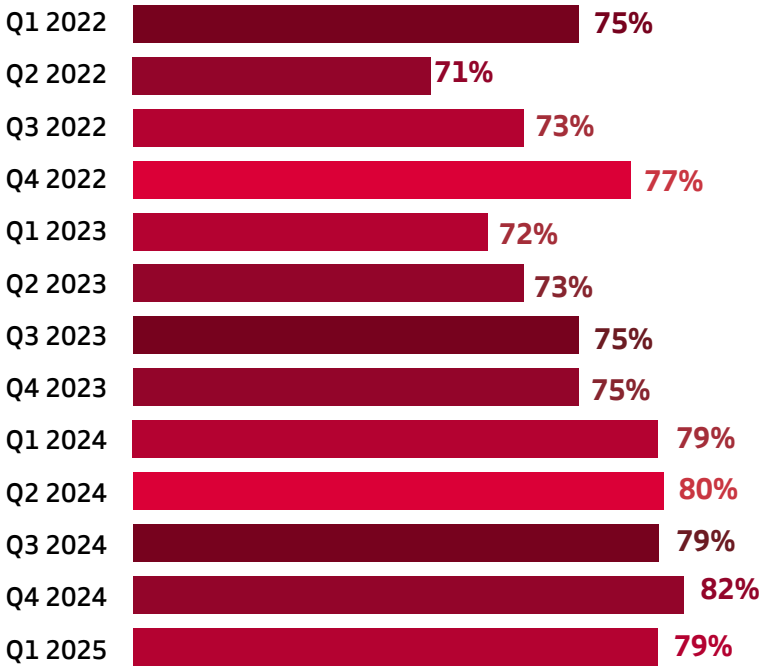
### Key summary

The renovating sentiment decreased by

↘ **3% to 79%**

in Q1 2025 compared to Q4 2024.

### Renovating sentiment



Q

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

A

Most respondents said that they mainly **renovate to add value to their properties** and to **make living spaces more enjoyable**. Aesthetic upgrades and improving the value of properties remain top of mind for many homeowners. 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:

- **63%**  
believe renovating **increases the value** of your property
- **61%**  
believe that renovating will bring **better returns** when selling
- **60%**  
believe that it's good to **upgrade** your property
- **46%**  
believe that it's a good time to renovate if you have **cash**
- **41%**  
believe that **property prices will improve in future**

#### Main drivers of negative sentiment:

- **44%**  
believe that **materials** are expensive at the moment
- **41%**  
**cannot afford** to renovate right now
- **39%**  
believe that the property is **still in good condition**
- **35%**  
are concerned that the economy is **not performing well**
- **28%**  
want to **spend sparingly** until the economy stabilises





## 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 decided to renovate recently to improve the functionality and comfort of my living space. After downsizing, I wanted to make better use of the available space, enhance energy efficiency and update some outdated features.

*(25-34 yrs, Black, Female, >R30k PMI)*

The place looked a bit old and needed renovation so that it can be a modern home.

*(25-34 yrs, White, Male, >R30k PMI)*

To improve the quality of life and make the house more energy efficient.

*(55-64 yrs, Black, Male, >R15k PMI)*

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?**

I wanted my place to match the modern standard and be able to increase its market value.

*(18-24 yrs, Black, Male, R15k-R29k PMI)*

We wanted the value of our renting property to increase in order to get more income.

*(25-34 yrs, White, Male, >R30k PMI)*



An aerial photograph of a suburban neighborhood. The image shows a dense collection of houses with various roof colors, including red, brown, and grey. There are many green trees scattered throughout the area, and several swimming pools are visible in the backyards. A road with a few cars runs diagonally across the lower part of the image. A large white rectangular box with rounded corners is centered over the middle of the image, containing the text 'Overall sentiment view per province' in a bold, red, sans-serif font.

# Overall sentiment view per province

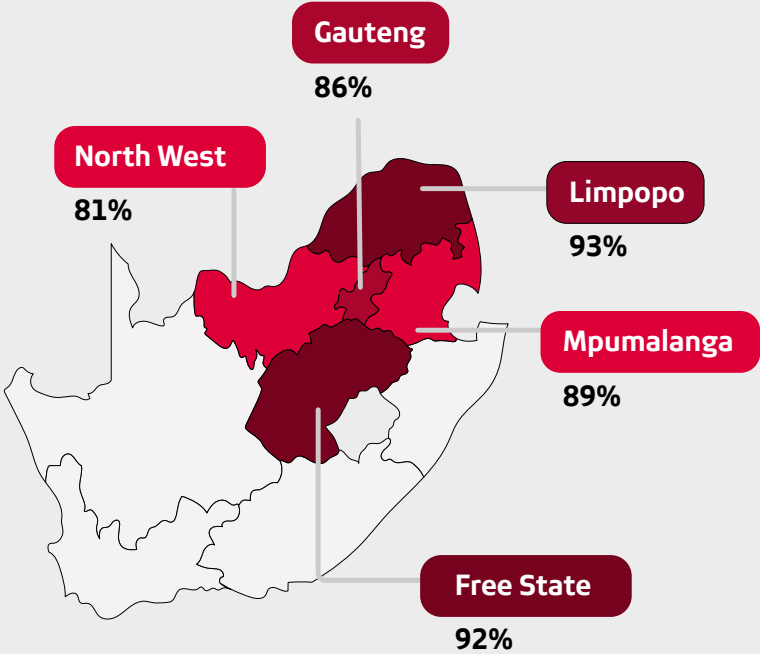






# Regional sentiment view

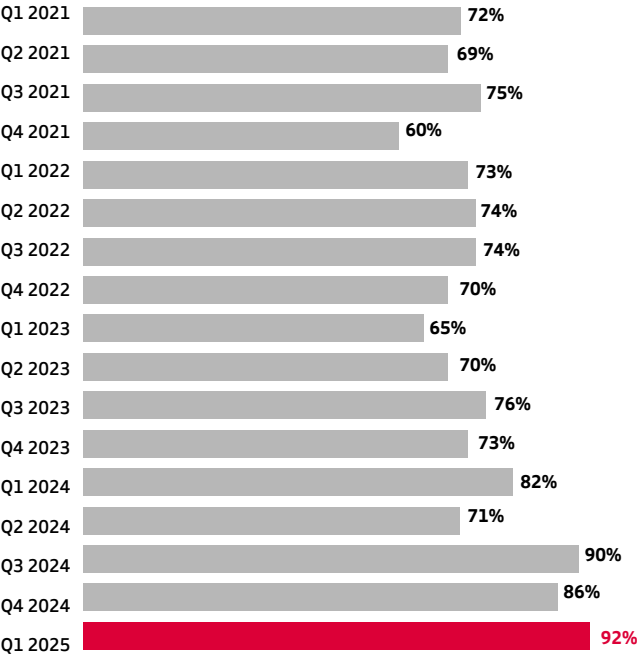
Inland provinces



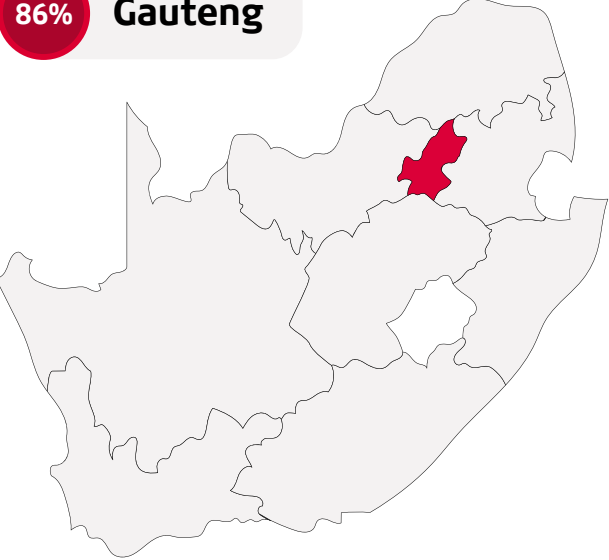
92% Free State



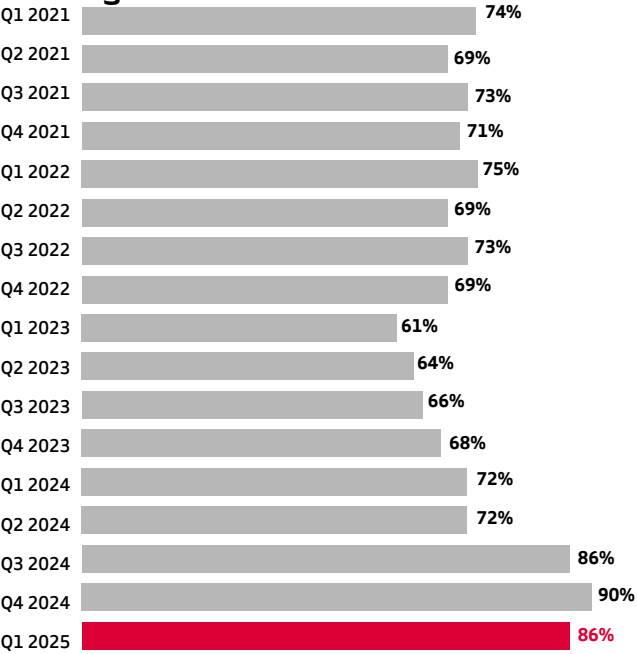
## Free State



86% Gauteng



## Gauteng

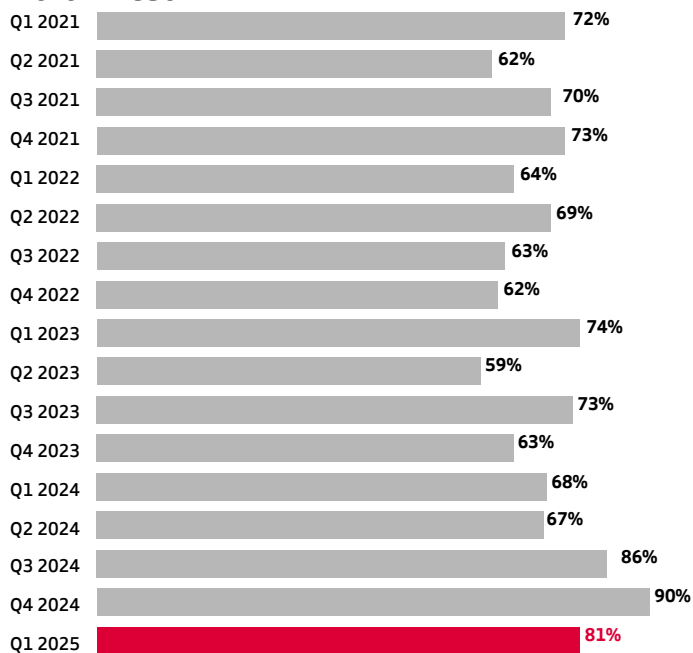


81%

## North West

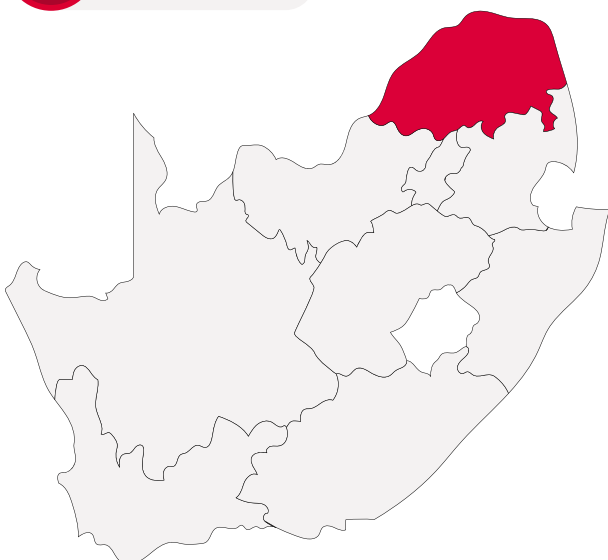


## North West

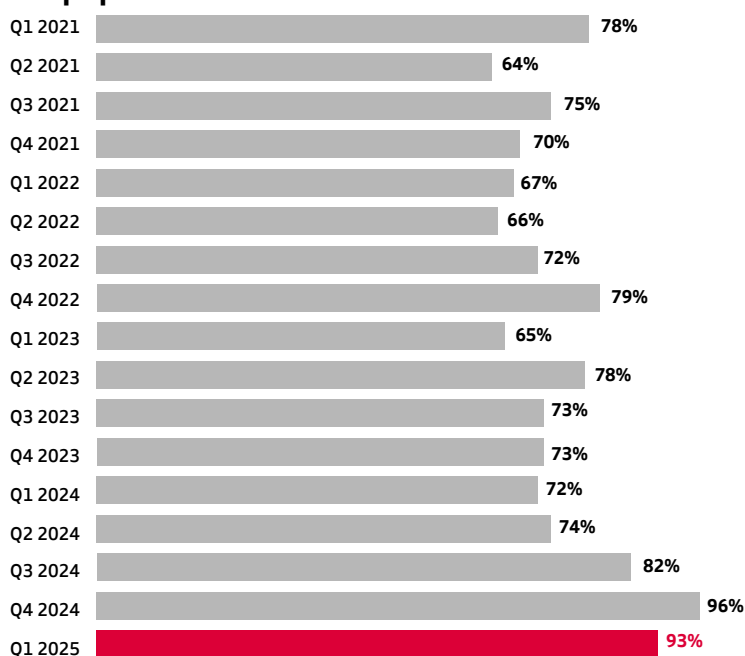


93%

## Limpopo

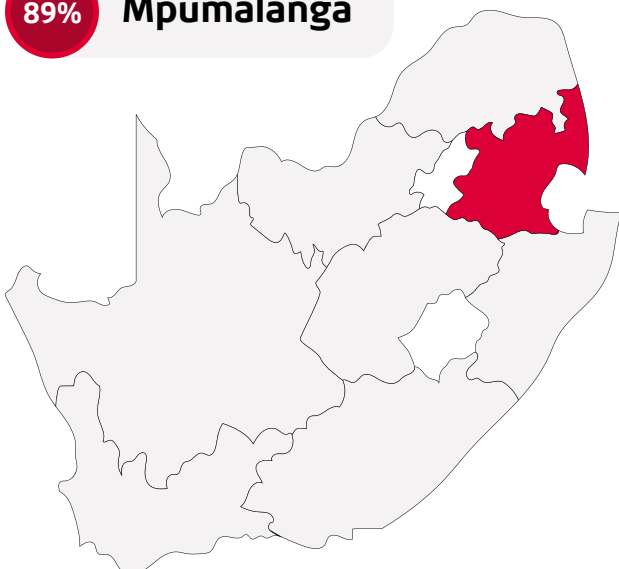


## Limpopo

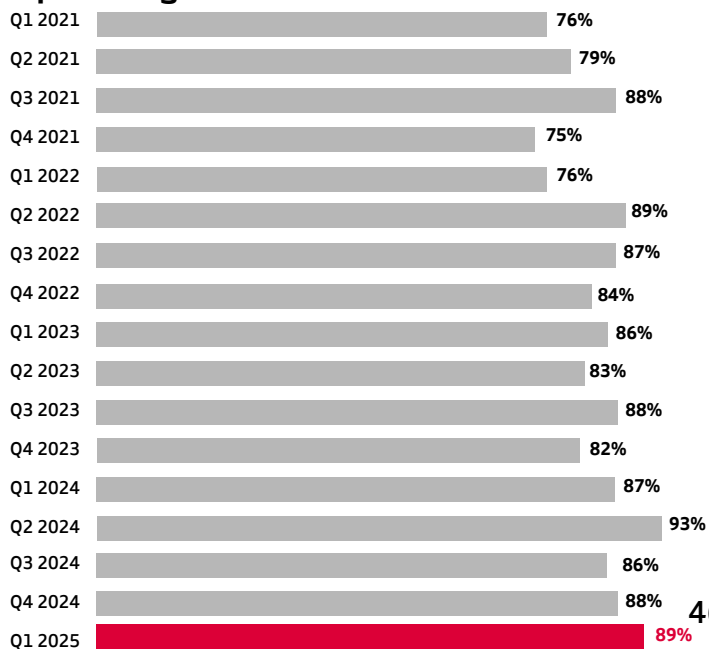


89%

## Mpumalanga



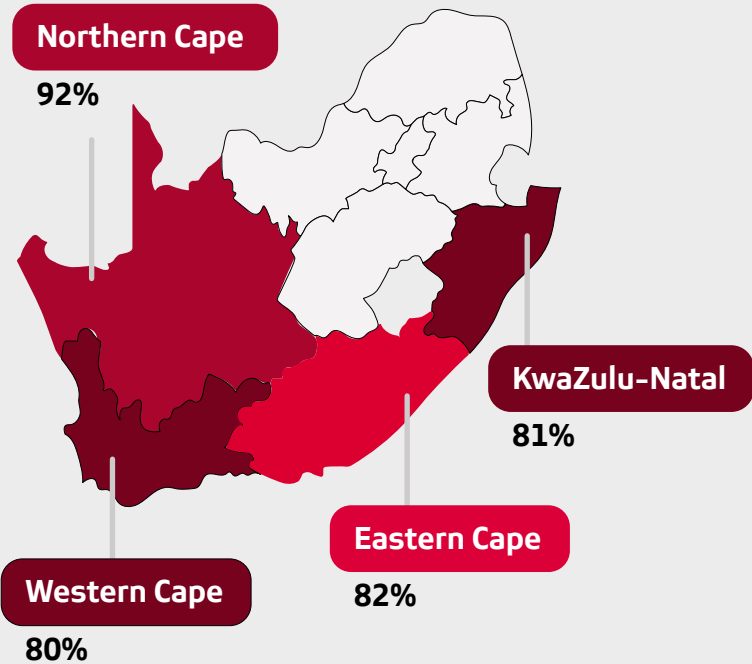
## Mpumalanga





# Regional sentiment view

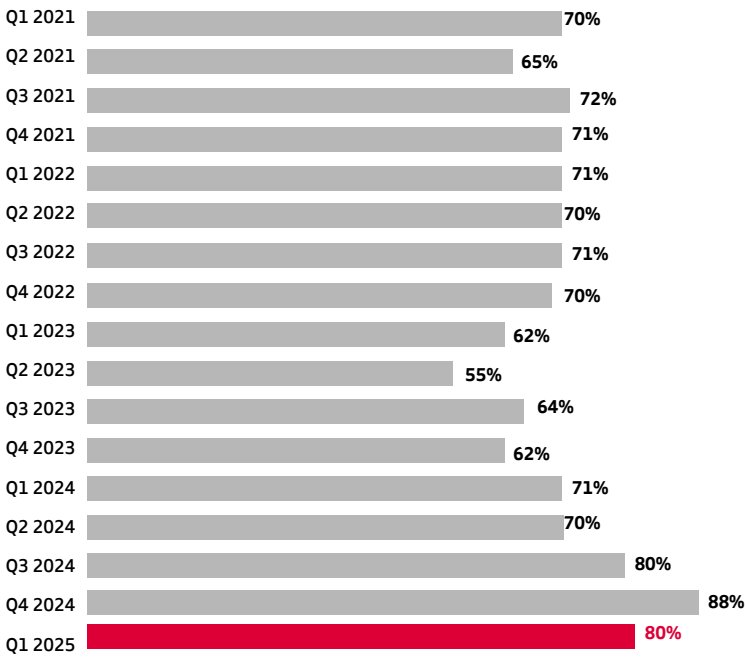
Coastal provinces



80% Western Cape



## Western Cape

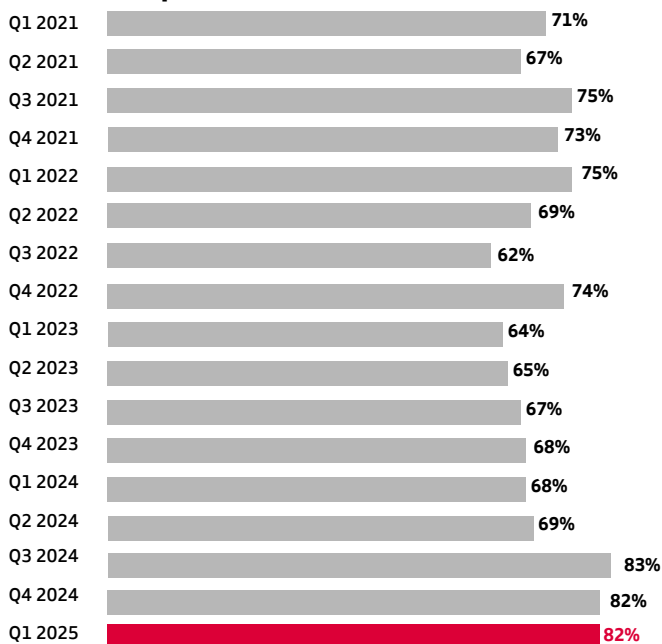


82%

## Eastern Cape

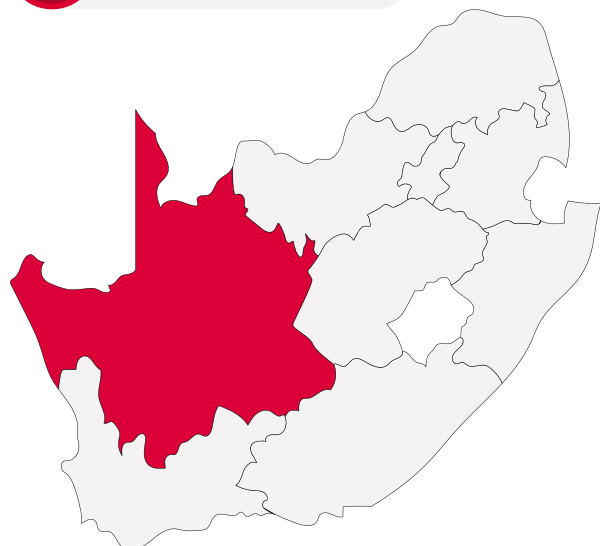


### Eastern Cape

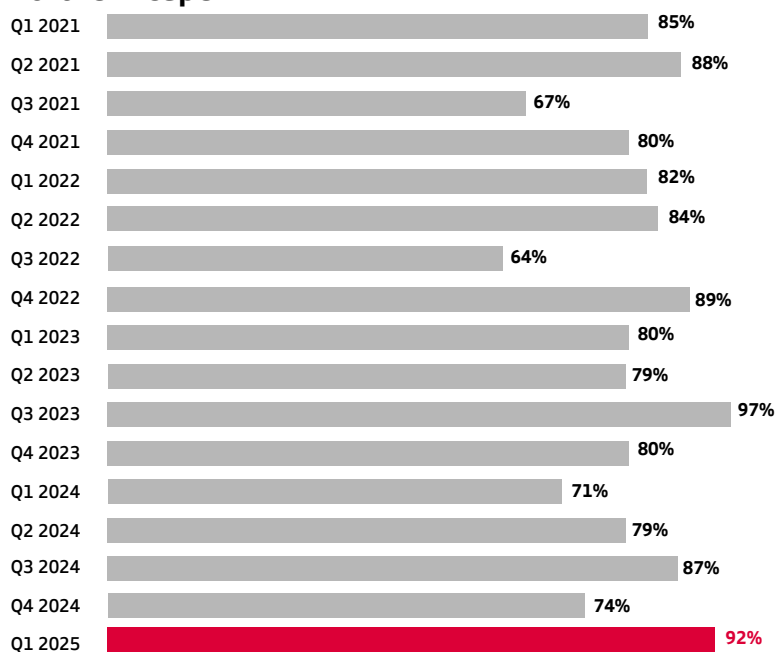


92%

## Northern Cape



### Northern Cape

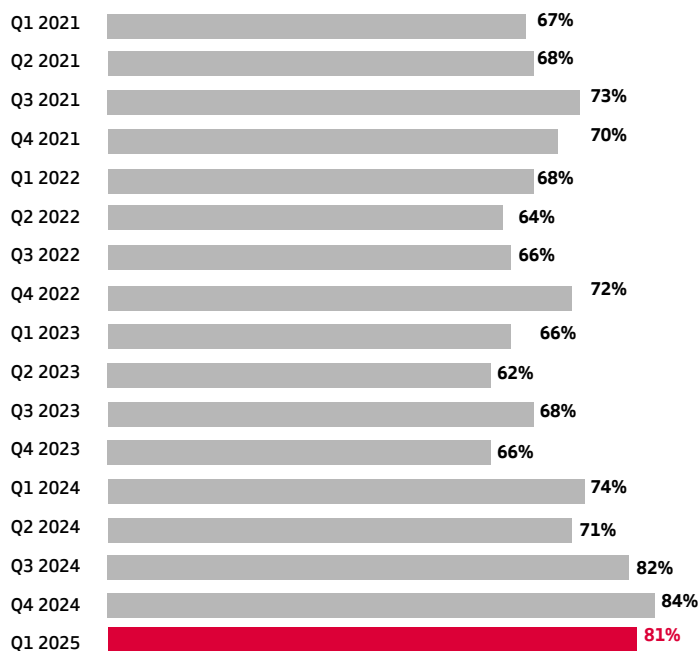


81%

## KwaZulu-Natal



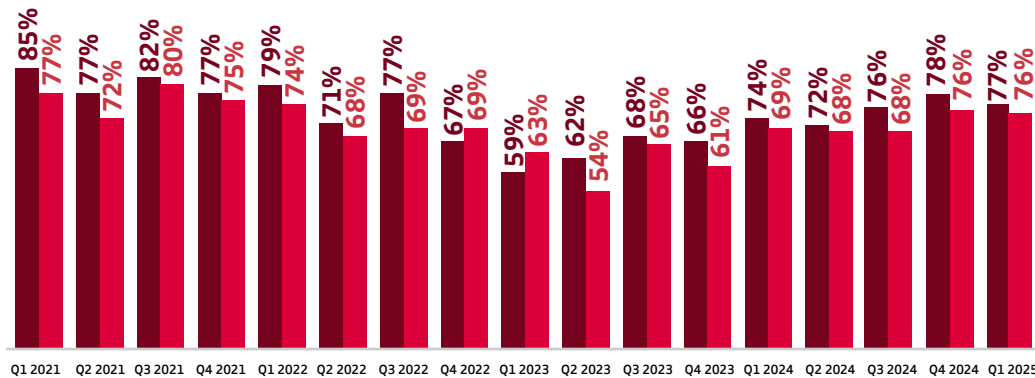
### KwaZulu-Natal





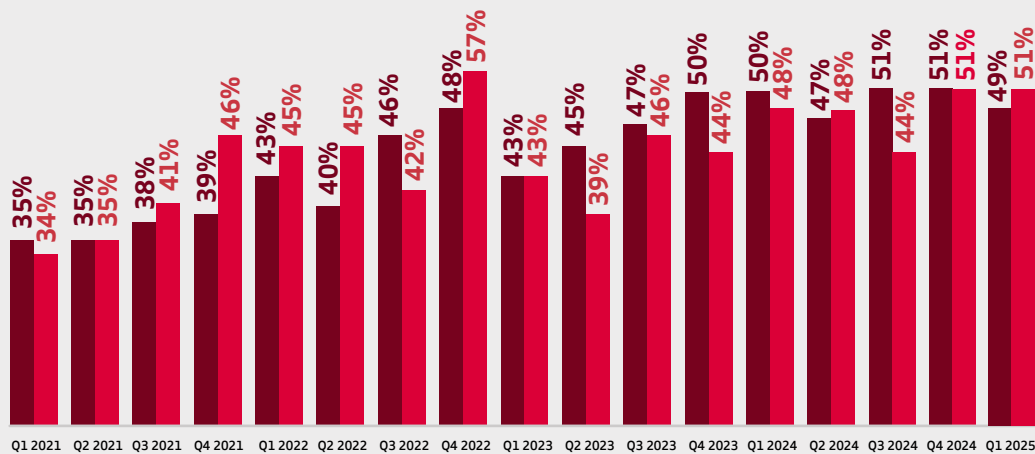
# Inland and coastal

■ Inland ■ Coastal



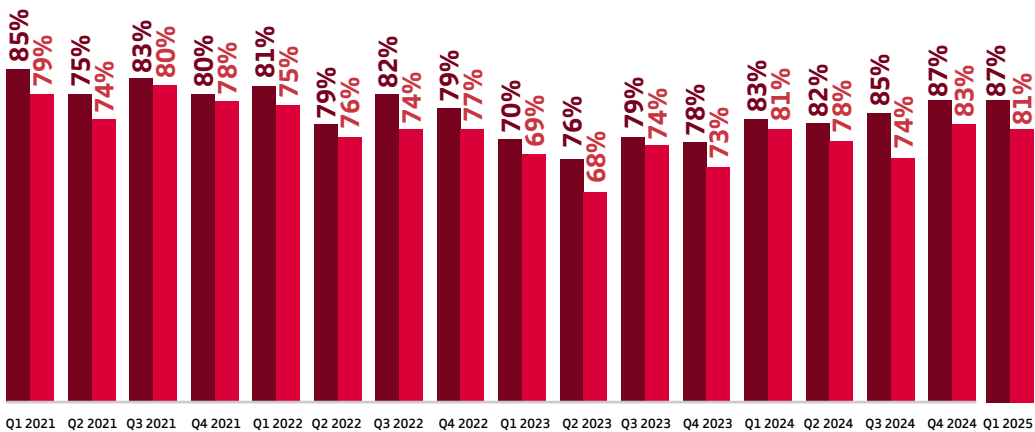
## Buy property

Sentiment to buy property decreased 1% inland and remained unchanged in the coastal region. Leading positive drivers for sentiment in both regions remain that a good investment will accumulate in value, prices will increase and one can realise a profit.



## Sell property

Sentiment to sell property declined 2% inland Q1 2025 and remained at 51% in the coastal region. Sellers are still adopting a wait-and-see approach. The main detractor for selling is to rather hold on to property as an investment.

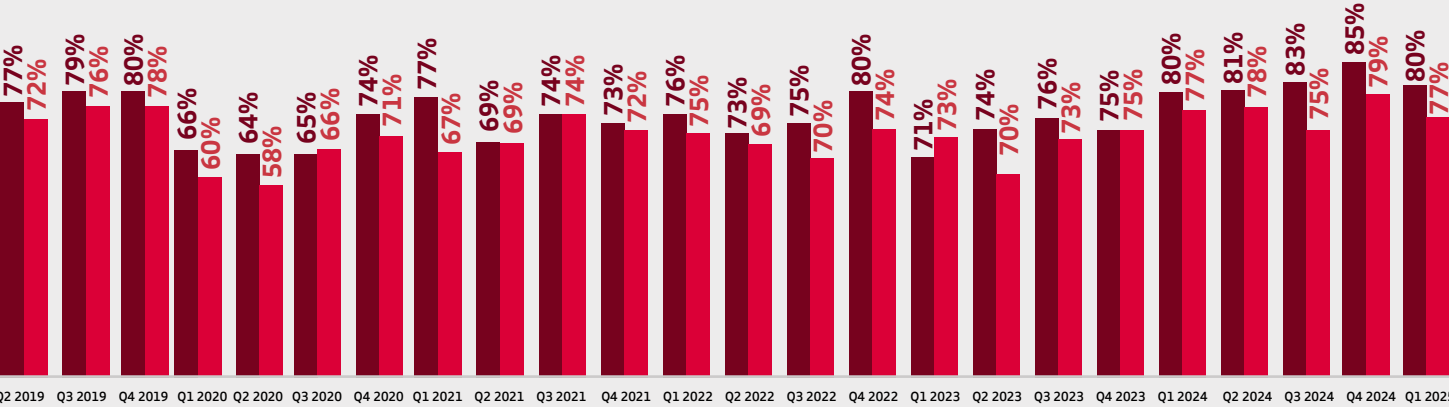


## Invest in property

Sentiment to invest in property remained at 87% inland and decreased 2% in the coastal region. Respondents are more confident that there will be a high demand for property in the future, that property is a good source of income and that the demand for rental properties are strong. However, the overall economy and tenant repayment ability remain a concern.

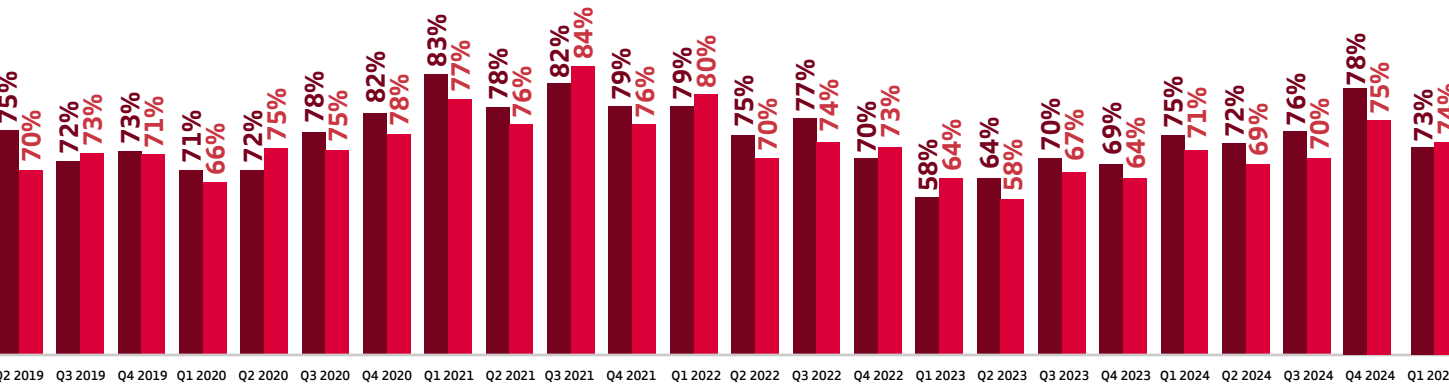
# Renovate or make alterations

Sentiment in property renovations is down 5% inland and down by 2% in the coastal regions. Homeowners acknowledge 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 job security and affordability constraints slightly declined. Inland respondents indicated the increasing risk of overcapitalising and not getting adequate returns when selling.



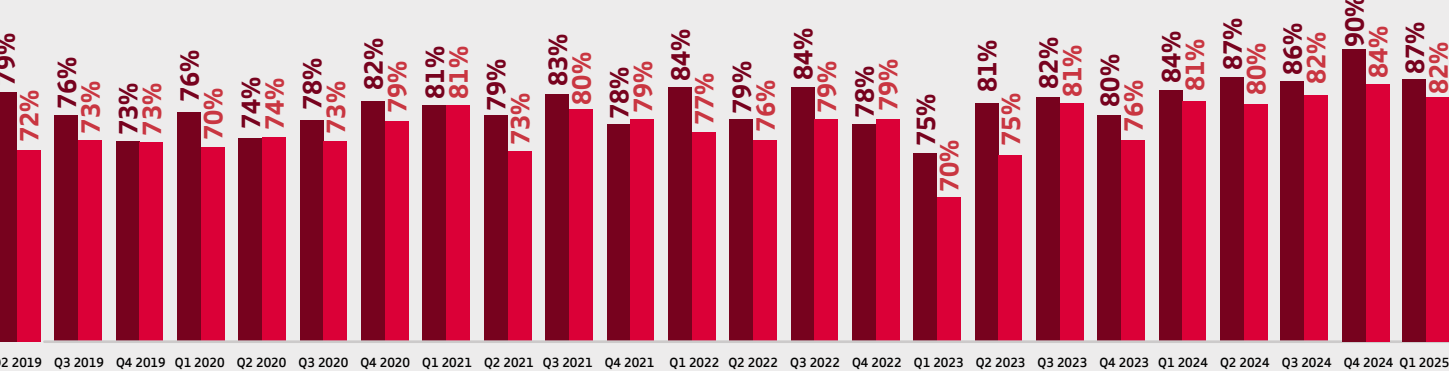
# Buy rather than rent property

Sentiment to buy rather than rent property was down 5% inland and down 1% in the coastal region. Potential buyers indicated that it is a good time to buy, prices are reasonable and property is a good investment. Detractors to buy, 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 decreased by 3% inland to 87% in Q1 2025 and decreased by 2% from 84% in Q4 2024 to 82% in Q1 2025 in the coastal regions. Overall, consumers are still positive on the back of interest rate cuts and a more stable macro environment in general, although expected rate cuts in Q1 did not all materialise and uncertainty around US policy remain. The outlook for the future of the property market is looking more promising.





An aerial photograph of a coastal city, likely Cape Town, South Africa. The foreground shows a dense residential area with many houses and trees. In the middle ground, there's a mix of commercial buildings and a large industrial harbor area with several large ships and cranes. The background features a wide expanse of water and distant mountains under a hazy sky.

# Conclusion and outlook







# HSI conclusion

**Although the overall Homeowner Sentiment Index reduced from 87% to 85% quarter on quarter, it still represents the second-highest confidence level reached since the start of the survey in 2015. Although some uncertainty exists in the market, especially around macro-economic factors, the positive momentum in positive sentiment over the last three quarters is expected to continue into the rest of 2025.**

The buying and investing indices remained unchanged quarter on quarter, with respondents seeing property ownership as a good investment over the long term. Both these sub-indices have been on strong upward trajectories since 2023, with the buying index up from 61% in 2023 Q1 to 77% in 2025 Q1 and the investment index up from 70% in 2023 Q1 to 85% in 2025 Q1.

The first-time homebuyers remain very positive, and this is also reflected in the average age of homeowners trending lower as younger people are applying for home loans.

The renovation, selling and buy-vs-rent indices all reduced, citing economic uncertainty as the main drivers. The expected rate reductions that did not materialise in 2025 Q1, the government budget impasse and the discourse on US trade tariffs would have influenced respondents. Affordability also featured strongly as a driver of negative sentiment, and although inflation has reduced since 2023, there is still a lingering cost of living impact on a large number of consumers.



# Outlook

## Looking ahead

With the release of the 2025 Q1 HSI, the expectation was for two more rate cuts in Q1 2025, with one already delivered in January. The other rate cut did not materialise as expected in March 2025 as tensions around US trade and the South African budget impasse played out. However, since then, inflation has continued to decline and remains below the SARB midpoint of 4.5%, international oil prices have reduced, the rand has strengthened against the dollar since the US tariff announcement early in April and the proposed 2% VAT hike has been done away with. All of these factors contribute to a view of two 25bps rate cuts in 2025 Q2 (May and Jul), which would bolster homeowner sentiment. However, several risks remain:

- Signing of the Land Expropriation Bill into law
- SA-US diplomatic and economic relationships
- Political party relations within the Government of National Unity
- Progress with Phase 2 of the government's Operation Vulindlela, in particular infrastructure investment and funding as well as local government reform
- Activity data suggest that GDP growth will be close to zero in 2025 Q1

Despite these uncertainties and the outlook for consumers' finances remaining strained in the short term, with time needed for consumers to gradually recover financially, the dream of homeownership remains alive and well in this market. There is a large base of consumers looking for opportunities to participate in the market, including investors wanting to increase their property investment portfolios now.



An aerial photograph of a city skyline, likely Chicago, featuring numerous high-rise buildings and a prominent tower in the distance. A white rounded rectangle is centered over 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
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%
Q4 2024	77%	51%	85%
Q1 2025	77%	49%	85%

Renovating property	Buy rather than rent	Overall sentiment
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%
82%	77%	87%
79%	73%	85%



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%
Q4 2024	80%	54%	85%
Q1 2025	80%	51%	86%

Prior to Q2 of year 9 (2023), provincial sample sizes were in-line with national proportions. In Q2 of year 9 (2023), the target sample was increased to have a more robust view of consumer sentiment within smaller provinces. Going forward these larger samples allow for/enable a more robust view of Free State, Limpopo, Northern Cape and North West.

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%
85%	77%	90%
84%	75%	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%
Q4 2024	76%	53%	83%
Q1 2025	77%	60%	81%

## Percentage of respondents provincially 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%
80%	75%	88%
84%	70%	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%
Q4 2024	77%	50%	84%
Q1 2025	76%	46%	80%

## Percentage of respondents provincially 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%
82%	76%	84%
75%	74%	81%



# 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%
Q4 2024	74%	62%	93%
Q1 2025	82%	46%	94%

## Percentage of respondents provincially 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%
90%	72%	96%
81%	73%	93%



# 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%
Q4 2024	77%	41%	89%
Q1 2025	74%	49%	89%

## Percentage of respondents provincially 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%
83%	84%	88%
75%	73%	89%



# 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%
Q4 2024	76%	51%	85%
Q1 2025	75%	45%	91%

## Percentage of respondents provincially 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%
79%	77%	86%
87%	80%	92%

# 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%
Q4 2024	81%	48%	84%
Q1 2025	68%	41%	78%



## Percentage of respondents provincially 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%
85%	78%	90%
69%	58%	81%

# 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%
Q4 2024	77%	49%	83%
Q1 2025	77%	54%	88%

## Percentage of respondents provincially 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%
74%	70%	82%
78%	79%	82%



# 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%
Q4 2024	70%	55%	76%
Q1 2025	72%	42%	75%

## Percentage of respondents provincially 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%
72%	74%	74%
69%	74%	92%

# 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%
Q4 2024	78%	76%	51%	51%	87%	83%
Q1 2025	77%	76%	49%	51%	87%	81%





Percentage of respondents nationally with positive sentiment by subindex

**Inland provinces:** Free State, Gauteng, Limpopo, Mpumalanga, North West  
**Coastal provinces:** Eastern Cape, KwaZulu-Natal, Western Cape, Northern 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%
85%	79%	78%	75%	90%	84%
80%	77%	73%	74%	87%	82%





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

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