Property barometer

15 October 2025

76% ↑ Estate Agents Sentiment | **6.0 ↑** Activity | **4.9% ↑** y/y FNB HPI | **12 weeks and three days ↑** Time on market

FNB Estate Agents Survey – 3Q25

House prices: 3Q25 wrap

The FNB House Price Index (HPI) plateaued at 4.9% y/y in September, slightly down from an upwardly revised 5.0% in August (previously 4.5%). This means house price growth averaged 4.8% in the third quarter, marking the fastest pace since 1Q22 when borrowing costs were at ultra-low levels. This compares favourably to the 3.3% recorded in the previous quarter. While recent interest rate cuts have helped revive demand, constrained property supply appears to be the primary force driving the current upward price growth and reshaping market dynamics.

Figure 1: Estate Agents Survey Results: Heatmap 3Q25

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Activity											
Time to sell											
Agent sentiment											
Activity expectations											
First time buyers											
FNB HPI	2.6	1.6	0.9	0.9	1.0	0.6	0.6	1.1	1.8	3.3	4.8

Source: FNB Economics

FNB Estate Agents Survey

Overview

The residential property market showed signs of renewed momentum in 3Q25, particularly in the affordable housing segment (properties <R750 000), following a period of uncertainty and subdued sentiment in 2Q25. Recent interest rate cuts and easing political uncertainty have contributed to a significant improvement in agent confidence and expectations for increased activity in the coming months. Nevertheless, challenges such as persistent financial pressures, price sensitivity, and regional disparities remain evident.

Market activity

Estate agent-reported market activity edged higher in 3Q25, with the Activity Index rising slightly to **6.0** from 5.9 in 2Q25. This modest increase signals a gradual acceleration in market momentum. The affordable housing market, defined as properties priced below R750 000, maintained a stronger performance with an activity level of 6.4 compared to 5.9 in

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the traditional market segment. Furthermore, 21% of agents rated the market as “highly active” (scores of 8–10), up from 17% in 2Q25.

Looking ahead to the fourth quarter, overall expectations for increased market activity rebounded sharply, with 67% of agents anticipating growth compared to only 34% in the previous quarter. Within this outlook, 76% of agents in the affordable market and 63% in the traditional market expect improved conditions. Interest rate cuts, cited by 48% of respondents, seasonal improvements (32%), and enhanced buyer sentiment are the primary drivers behind this optimism.

Sentiment and regional dynamics

Agent satisfaction with current market conditions improved significantly, rising to 76% in 3Q25 from 62% in the previous quarter. This improvement was evident across all price segments, with the affordable market recording 76% (up from 72%) and the traditional market reaching 74% (up from 62%). Regional performance, however, revealed distinct patterns.

Gauteng's activity index rose to 5.85 from 5.7, although it remains below the 6.1 recorded in 1Q25. Despite this, agent sentiment in Gauteng surged to 81%, the highest among all regions. The **Western Cape** experienced an increase in activity to 6.2 from 5.9, yet sentiment declined to 60%, marking the lowest reading nationally. **KwaZulu-Natal** maintained steady activity at 6.2, while sentiment improved markedly to 69%, the highest level since the April 2022 floods, reflecting a positive shift despite ongoing infrastructure challenges. The **Eastern Cape** saw stable activity at 6.1, accompanied by a sharp rise in sentiment to 77% from 56%, suggesting growing confidence despite relatively unchanged transaction levels.

Selling times

The average time properties spent on the market remained largely unchanged in 3Q25 at 12 weeks and three days, consistent with prior quarters. The shortest selling time was observed in the R1.6–R2.6 million segment at ten weeks and six days, although this represents a slight deterioration compared to 2Q25. Regionally, the Western Cape recorded the fastest selling time at eight weeks and one day, underscoring its continued efficiency in property turnover.

Persistent financial pressures continue to drive sales

Financial pressures remain a significant driver of property sales, accounting for 20% of transactions in 3Q25, a marginal decrease from 21% in the previous quarter. Life-stage downscaling continues to be a primary motivator, representing 26% of sales, up slightly from 24% in 2Q25. Emigration-related sales remain subdued at 5%, well below the long-term average of 8%, indicating diminished emigration pressures. Upgrading activity edged higher to 13% of sales but has yet to show signs of sustained improvement despite lower borrowing costs.

Buyer dynamics

First-time buyer participation continues to improve, representing 47% of buyers in the affordable segment and 25% in the traditional market. Overall, first-time buyers accounted for 30% of transactions in 3Q25, up from 26% in the previous quarter. Buy-to-let investors also increased their presence, accounting for 14% of overall transactions, with notably higher activity in the affordable segment at 33%, compared to just 8% in the traditional market. This suggests diverse buyers are participating in lower-priced segments, reinforcing the upward price movement.

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Conclusion

Overall, 3Q25 results reflect improving fundamentals and elevated expectations. The market has moved past the deep uncertainty of 2Q25. The path ahead is one of cautious but steady recovery, with the lower-price tiers leading the way, while the overall momentum remains sensitive to continued rate relief and sustained economic improvement.

Table 1: Summary of results: 3Q25 [2Q25]

Price Segment	Activity	Sentiment	Selling Time (weeks.days)	Commentary
<R750k	6.4 [6.2]	76% [72%]	15.1 [14.0]	Activity and sentiment both improved in the affordable segment, but selling times lengthened further. This suggests that while demand remains robust, likely fuelled by first-time buyers and the impact of rate cuts, stock may be slower to clear, possibly due to affordability constraints or increased supply.
R750k-R1.6m	6.0 [5.8]	76% [67%]	11.4 [12.5]	Both activity and sentiment rebounded strongly, and selling times shortened. This points to renewed confidence in the mid-market, perhaps as buyers adjust to new affordability levels and benefit from improved lending conditions.
R1.6m-R2.6m	5.8 [6.0]	74% [70%]	10.6 [10.0]	Activity softened slightly, but sentiment improved and selling times remain quick. This indicates a stable, competitive environment, though some buyers may be more price-sensitive in this range.
R2.6m-R3.6m	5.8 [6.1]	59% [67%]	11.3 [11.2]	Modest declines in both activity and sentiment, with selling times steady. The upper-mid market appears balanced, but confidence has waned, possibly reflecting economic uncertainty or shifting buyer priorities.
>R3.6m	5.8 [5.7]	77% [66%]	12.1 [12.3]	Activity and sentiment both improved at the top end, and selling times shortened slightly. This suggests selective but strengthening demand among higher-income buyers, perhaps as confidence returns to the luxury segment.
Region				
Gauteng	5.9 [5.7]	81% [66%]	14.1 [12.6]	Activity and sentiment both rose sharply, but selling times lengthened. This may reflect a more optimistic outlook among agents, even as the market absorbs increased supply or faces some transactional delays.
Western Cape	6.2 [5.9]	60% [67%]	8.1 [9.2]	Activity increased and selling times improved, but sentiment dropped. This could indicate that while transactions are happening faster, agents are cautious about future prospects, possibly due to stock shortages or pricing pressures.
KwaZulu-Natal	6.2 [6.3]	69% [47%]	12.2 [11.5]	Activity remained high and sentiment rebounded strongly, though selling times lengthened. The region is showing resilience, but infrastructure or economic headwinds may be slowing the pace of sales.
Eastern Cape	6.1 [6.1]	77% [56%]	12.2 [8.6]	Activity held steady and sentiment surged, but selling times increased sharply. This suggests renewed confidence, but also possible bottlenecks in closing transactions or a shift in market dynamics.

Source: FNB Economics

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