EMERGING FROM THE DEATH ZONE

- February FNB Residential Property Indices

FNB PROPERTY MARKET ANALYTICS

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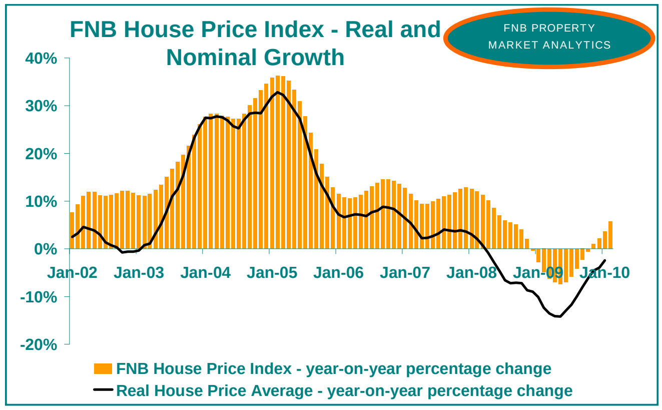
IN A NUTSHELL

February FNB House Price inflation rate accelerates to 5.8% year-on-year, and while not without risks, it does appear that the market is now set to exit the proverbial "Death Zone"



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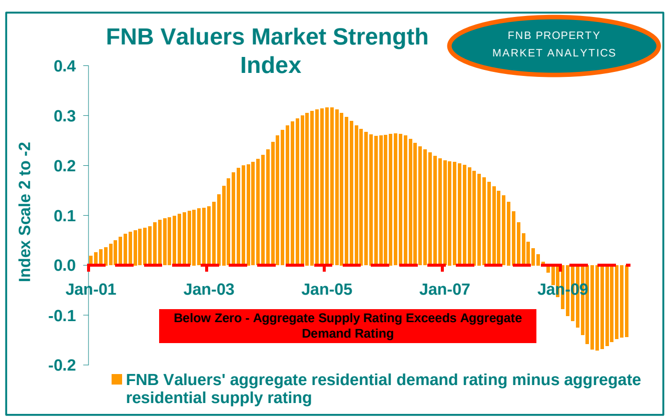
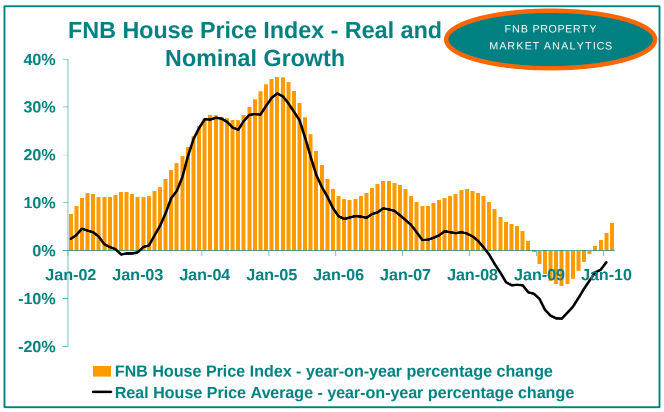


1. SUMMARY:

The residential market's current position compares to that of an Everest expedition – The party is on its way down the mountain to safety, and looks set to exit the notorious "DEATH ZONE"

The existing home market is a happier place these days, arguably past its worst state of health, as demand grows off the dismal lows of early-2009 and the acceleration in house price inflation continues.



The FNB House Price Index showed a further increase in year-on-year inflation, from a revised 3.6% in January to 5.8% in February. This remains largely the result of the big 2009 interest rate cuts, and some moderate bank easing of lending criteria, although a gradually improving economic growth rate must be starting to make a positive contribution too. On a cumulative basis, this implies an 11.1% rise in the index since June 2009 (June 2009 being the low point in the recent recession-driven price slump).

But, despite encouraging signs, the question is how healthy is the market really? A good way to describe the current state of the market could be to compare it to an Everest expedition. The expedition has recently summited, conquering the toughest and most dangerous part of the mountain, and is now on its way down to safer places. But the climbing party still remains in the notorious "Death Zone", the part of the mountain above 7000m, and the climbers are still weak from a lack of oxygen. This means that, while recent developments have been positive for the market, the expedition is still at a risky location on the mountain where any unexpected incidents can derail its descent out of "thin air".

Nevertheless, for the observers watching the progress of the expedition from base camp through their telescopes, there are an increasing number of signs that the party is about to cross the 7000m altitude barrier, and exit the Death Zone, on its way down the mountain and back to the safety of base camp.

The "leading indicator" of improving market health has been the return to positive nominal house price growth. But this alone is an insufficient indicator of good health in the market. We want to be sure that residential demand is moving back into line with supply. Possibly a better indicator of this is the estimated average time of properties on the market, as provided by FNB's Property Barometer survey. Here, our view is that the market will probably have exited the Death Zone at the stage when the average time of a property on the market prior to being sold declines to below 3 months, while less than 2 months would signal the ultimate return to safety and good health.. The 4th quarter 2009 Barometer survey put this average time on the market at 13 weeks and 2 days, almost at the 3 month mark and steadily declining.

Further confirmation that the market is exiting the Death Zone, and getting back to a point where demand is sufficiently robust to exceed supply, would be a return to "real house price" inflation. Adjusting the January house price average with the most recent consumer price inflation number, the FNB House Price Index showed -2.4% year-on-year deflation, less than the previous month's -4%, and now perhaps a month or two away from a resumption of positive real price inflation – a further source of encouragement.

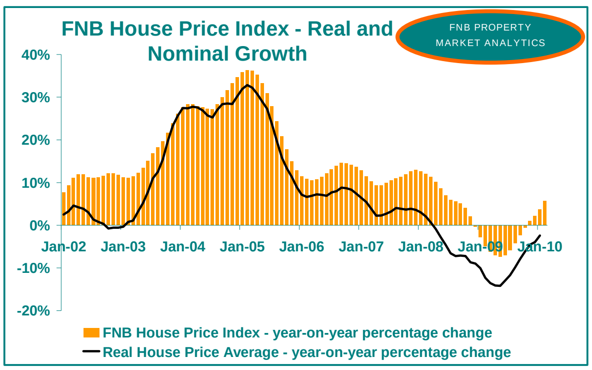
And so, as time passes, an increasing number of economic and property indicators are approaching their "critical" levels as the market strengthens. Many questions still remain regarding the sustainability of the global economic recovery, and thus our own economic and property recovery, while last week's Eskom tariff hike announcements were bad news for the market. However, for the time being the positive impact of last year's interest rate cuts continues to feed through into the residential market, while positive economic growth should be having something of a positive impact on household sector disposable income. As such, we remain of the view that our moderate, but improved, average price inflation forecast of 8% for 2010 as a whole can be achieved. For now, therefore, it would appear that the market is on the verge of exiting the notorious DEATH ZONE..

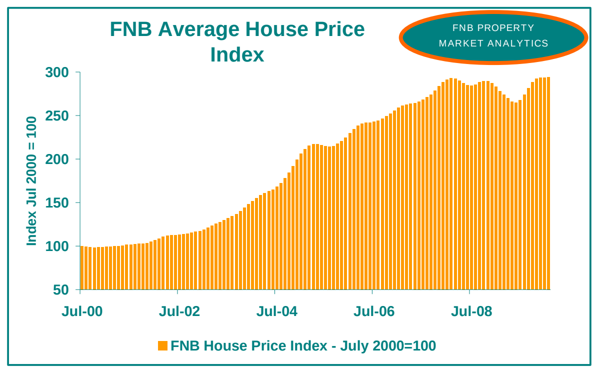
2. FNB HOUSE PRICE INDEX ACCELERATION CONTINUES.

The FNB House Price Index showed a further acceleration in year-on-year growth from a January revised figure of 3.6% to a February rate of 5.8%. The ongoing house price recovery remains overwhelmingly the result of 5 percentage points' worth of interest rate cuts in 2008/09, and the positive impact of these rate cuts should feed through into the numbers until the second half of 2010.

The Index also showed:

- The average house price in the index was estimated at R770,332.
- Although the house price inflation rate is now accelerating steadily, it has not yet caught up with a consumer price inflation rate of 6.2% as at January, and this implies that as at January, real house prices were still showing mild year-on-year price deflation to the tune of -2.4. This real rate of deflation, however, is further diminished from the previous month's -4%, and appears only a month or two away from turning to positive real growth.
- From the bottom point of the price slump in June 2009, the cumulative nominal increase in the FNB House Price Index as at February amounts to 11.1%. Since the start of the index numbers back in July 2000, almost 10 years ago, the cumulative increase to date is 194.4%.





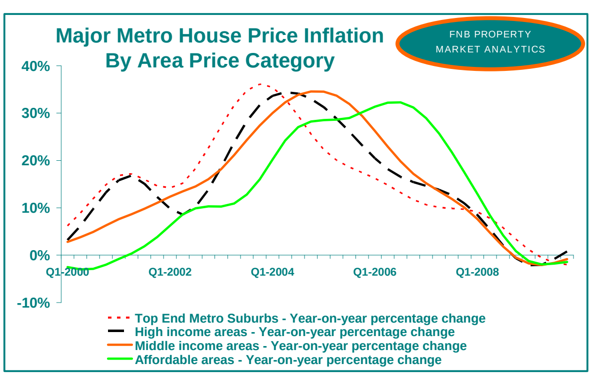
The recovery in volumes and house prices appears broad-based across the entire price spectrum, and as at the 4th quarter of 2009 (Deeds data runs a few months behind FNB's internal data) the 4 area value band indices for the major metros' (the 6 major SA metro council areas) inflation/deflation rates were all grouped together far more closely than pre-2008 years.

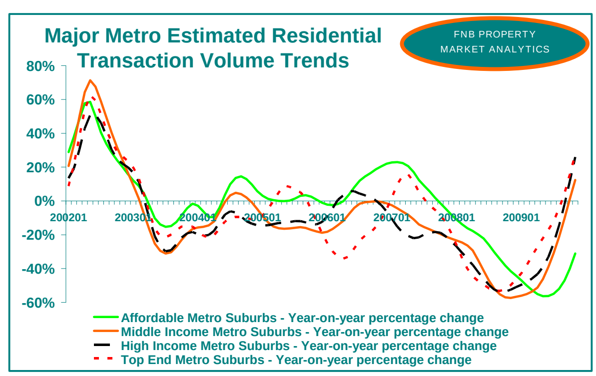
Our "Top End" group of metro suburbs, with an average price of R1.787m, showed -2% year-on-year deflation in Q4 2009, this group having kept out of price deflation for longer than any of the other 3 area value bands during the downturn.

The High Income Area value band index, with an average price of R1.154m, fared better, returning to year-on-year increase to the tune of 0.8% in Q4 2009.

Middle Income Areas, with average value of R744,630, still languished in year-on-year deflation territory to the tune of -0.9%, while affordable areas, with an average price of R353,757 still showed year-on-year deflation of -1.4%.

Nevertheless, despite weak price inflation/deflation rates as at the end of 2009, all 4 of these price indices were turning the corner slowly for the better. In addition, if one looks at the smoothed transaction volume indices of the 4 value bands, one sees that all except the affordable segment were once again showing positive year-on-year increase in transaction volumes.





Data source for Metro Area Value Band Indices: Deeds Office

3. THE EVEREST ANALOGY - THE RESIDENTIAL MARKET HAS BEEN STRENGTHENING FOR SOME TIME, AND FINALLY LOOKS CLOSE TO EXITING THE "DEATH ZONE"

Often, market performance and market risk are two very different things. A market can sometimes perform well while its fundamentals are weak and risks to it are thus high, but this often means that it does not have the ability to withstand any unexpected shock, even of a mild nature. The Everest analogy is perhaps at the current time very appropriate.

By all reports, life on the slopes of Mount Everest, the World's highest mountain, is tough and fraught with deadly risks. A Wikipaedia search shows some interesting figures.

- Approximately 2700 people have ascended to the summit
- 201 people have died in the process
- "Many deaths…..have been caused by the effects of the "Death Zone", either directly (loss of vital functions) or indirectly (wrong decisions made under stress, physical weakening leading to accidents)."
- The Death Zone (which I term the "High Risk" Zone) is that part of the mountain above 7,000 metres (23,000 feet)
- In the Death Zone, "no human body can acclimatize". An extended stay in the Death Zone without supplementary oxygen will result in deterioration of body functions, loss of consciousness and, ultimately, death.

Even on the stretch below the Death Zone but above Base Camp, the literature suggests that safety is far from guaranteed, with the treacherous Khumbu Icefall to negotiate. I term this the "Medium Risk Zone"

Being up in the Death Zone doesn't mean a climber will come to any harm, and the stats show the majority making it back alive and in one piece.

But being in the Death Zone means that a climber is at high risk, not only due to the climate conditions, but also due to a poor physical condition, and this implies that he has a far lesser ability to survive unexpected adverse conditions than would be the case if he were at sea level.

One may even have triumphantly summited, and started on your way down the mountain. Fantastic, but it isn't to say that you are yet out of danger, which may come in the form of avalanche's, extremely bad weather, ice-falls, or just your health which has taken such a beating up in the "Death Zone" and has not been able to recover.

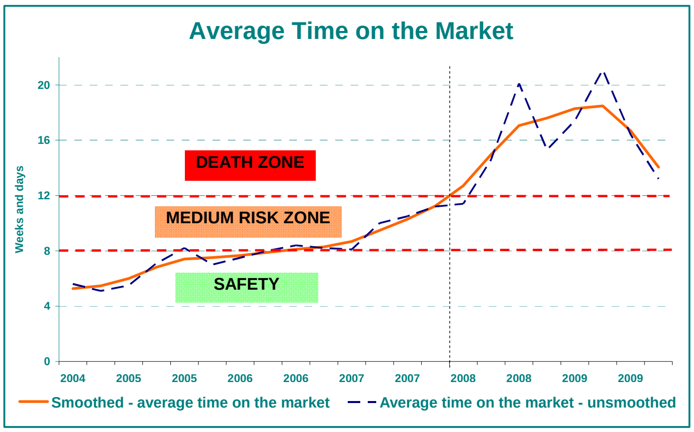
So, when climbing Everest, if you make it to the summit, and you manage to get back to base camp alive, and in good health, you'll be a stronger person for the experience. But the other reality is that some don't make it back.

Recently, in the residential property market we have probably had our own "Everest" to climb recently. It took the form of an inflation and interest rate surge, driven by a massive oil and global food price shock, followed with a huge global and local recession, resulting in a property slump of a magnitude probably last seen in the mid-1980s. Some have survived and are still intact, while unfortunately others didn't make it and are no longer with us in the industry. And those property-related businesses still here are probably stronger today as a result of this experience.

But the important question remains, is the "expedition" (property market) out of the "Death Zone"? Has its health been restored to such a level that it is out of danger? And are we past the stage where we as a "climbing party" (industry) may be dragged back up into the Death Zone once more, perhaps with another bout of "summit fever" as the oxygen-starved mind continues to play tricks.

WHERE DOES THE RESIDENTIAL PROPERTY EXPEDITION CURRENTLY FIND ITSELF ON "THE MOUNTAIN"?

The answer to this question is never simple. I'm led to believe that Everest expeditions can often become rather spread out on the mountain, especially when a climbing party reaches the Death Zone and the various climbers strength levels start to differ widely. So it is with the residential property sector, where different sub-sectors find themselves at differing locations on the mountain. Watching from Base Camp via a telescope, we believe that we spotted the existing home market "summiting" (reaching its toughest and most crucial part of the expedition) around mid-2009, where-after the "descent" towards safety began.



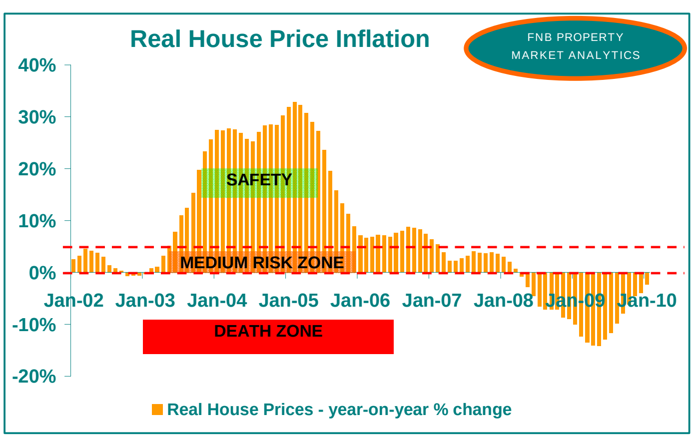
The accompanying graph, showing estimated average time of a property on the market before being sold, probably sums up our view of the expedition best. As demand for property weakened, and supply strengthened, the average time on the market got longer, a good way of depicting a growing imbalance between supply and demand.

Although subjective, we use a benchmark limit of 8 weeks (approximately 2 months) on the market to depict the edge of the "safe zone" on the mountain. Around 2006 we started to teeter on the edge of that "Medium Risk Zone", not far above Base Camp, and in 2007 the climb up "into thin air" started in earnest as inflation and interest rates rose, the National Credit Act arrived, and cracks started to appear in the economy.

The Death Zone, we believe, was reached early in 2008, indicated by the market passing the 12 week average time on the market level. Our feeling is that the market can't stay above this level for an indefinite length of time before real prices adjust downward. In the final quarter of 2008, estate agents surveyed reported a significant drop in average time on the market, and we believed that this indicated that the market had summited (reached rock bottom, that is). But mountains have many "false summits", and we soon realised that in 2008 we had only reached the "Hillary Step" (a tricky rock outcrop that has to be negotiated before the summit), that a lack of oxygen had caused our minds to start playing tricks on us, and that there was a little more distance to cover before the peak.

Finally, in the second quarter of 2009 we appeared to have reached our "true summit" with average time on the market estimated at 21 weeks and 12 day, and in the 2nd half of last year the trip back down to Camp 4 on the South Col, and beyond, had begun for real. By the 4th quarter of 2009, average time on the market had declined to 13 weeks and 2 days. This level suggests that we still weren't quite out of the Death Zone yet, but were heading downward steadily and it probably won't be long (probably in the 1st quarter of 2010). Breathing is becoming easier all the time.

REAL HOUSE PRICE TRENDS ALSO POINT TO THE "EXISTING HOME SEGMENT" HAVING SUMMITED AND NOW MOVING DOWN THE MOUNTAIN, BUT STILL BEING IN THE DEATH ZONE

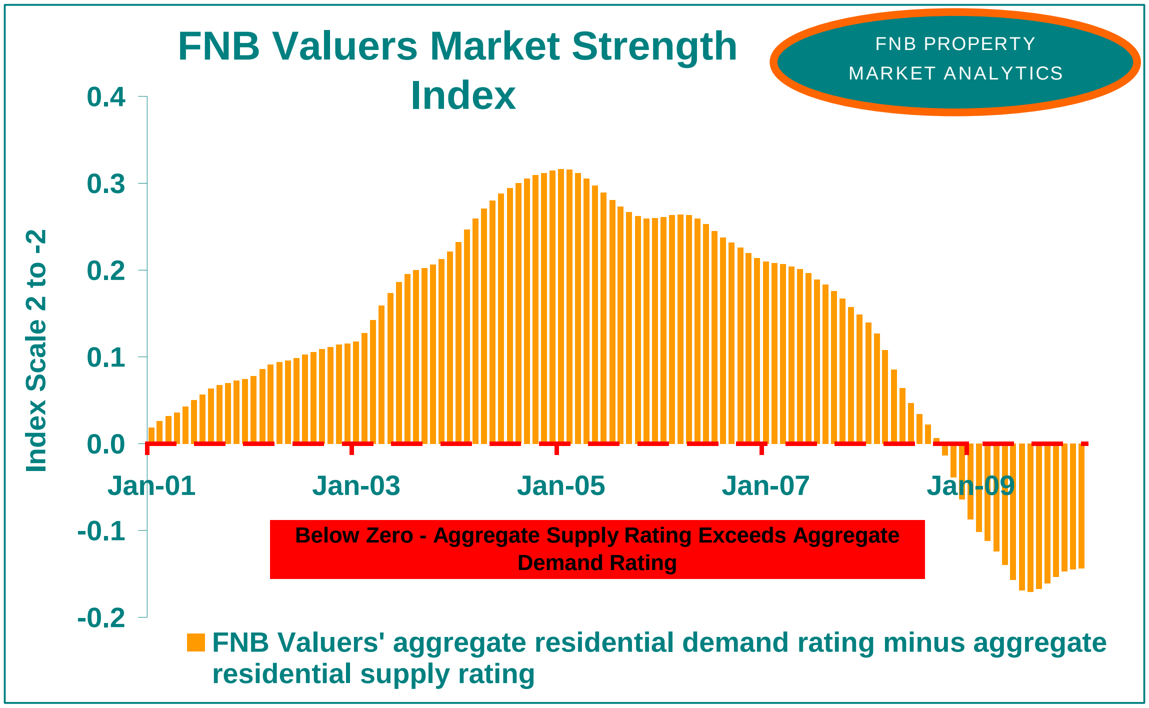


The result of entering the Death Zone early in 2008 has indeed been a "downward correction" in real house prices from about that time. One can see real house prices (adjusted using CPI inflation) entering the Death Zone (Year-on-year Deflation) in the 1st quarter of 2008, getting to the worst rate of deflation near to mid-2009, but thereafter having diminished in the past 2 quarters as the climbing party heads down off the summit. In short, real house price trend tell the same story as the average time on the market trend, merely in an inverted form.

BUT, AS EXPECTED, THERE ARE STRAGGLERS ON THE MOUNTAIN AND THE EXPEDITION IS SPREAD OUT. – THE FNB VALUERS MARKET STRENGTH INDEX, A NEW MEASURE OF MARKET CONDITIONS

With every FNB Physical Property Valuation, valuers are asked for their opinions as to the state of demand and supply for similar properties (to the property being valued) in the specific area. The question is twofold. Firstly, would you rate demand Good, average or poor (and we assign values of 1, 0 or -1 to the respective answer options). Secondly, would you rate supply for such properties in the areas as good, average or poor (And once again the ratings of 1, 0 and -1 respectively are assigned to the respective answer options).

The national demand and supply pictures are then established by aggregating the information from all valuations undertaken by FNB Valuers per period. Finally, in order to get to the overall market picture, the national property supply rating is subtracted from the demand rating, in order to see whether the group of valuers as a whole believe that aggregate demand exceeds aggregate supply or vice versa.



Known as the FNB Valuer's Residential Market Strength Index, this index, too, suggests that there are still more areas with an oversupply of property than areas with an undersupply. In other words, one could possibly say that a significant portion of the expedition is still wandering around up in the Death Zone.

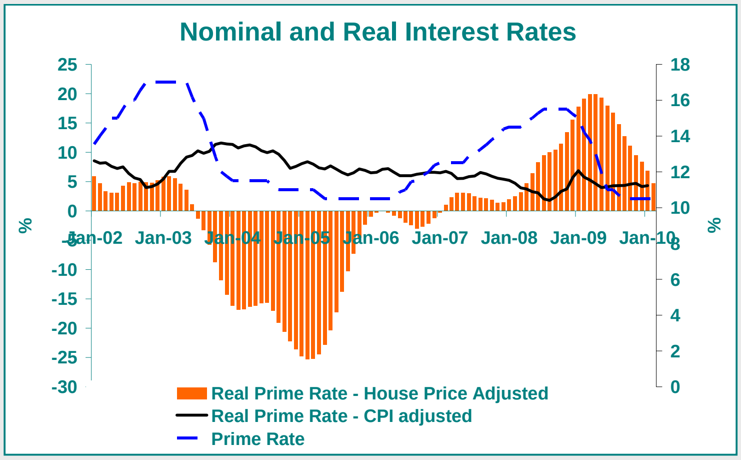
The FNB Valuers' Residential Market Strength Index appears to be more of a "confirming indicator", having only crossed the zero line into the Death Zone (where supply begins to exceed demand) somewhat later in 2008 than what the "average time on the market" and real house price inflation/deflation measures did. Admittedly, the crucial point of entry into the Death Zone is subjective. In recent times, the Valuers Index suggests that while the supply-demand mismatch appears to have been lessening (a -0.143 reading for February 2010) since August-2009 (-0.173), it is still some way from being eliminated.

And so, in a nutshell, the expedition is now descending the mountain towards safer territory, i.e. the market is steadily strengthening, and certain key indicators lead us to believe that the residential market is only now starting to exit the Death Zone (or at least a sizeable part of the "expedition" (market)). However, we still have to make our way through that "Medium Risk Zone" that includes such hazards as the Khumbu Icefall, before reaching Base Camp, the ultimate "place of safety.. In our world this analogy relates to the looming period where developed economies' economic stimulus packages start to get scaled down, and locally the effect of interest rate cuts wears thin. It then remains to be seen whether our the global and local economies, and therefore our property market, have regained enough strength to survive without these "oxygen tanks".

Box 1. SARB maintains a well-balanced monetary stance

While sometimes unpopular, we believe that the SARB's current monetary stance is well-balanced from a property and household sector point of view, with the Bank maintaining a positive real prime and repo rate. The 5 percentage points' worth of interest rate cuts last year have provided significant relief for those who hold debt, but doesn't appear to be encouraging rapid new consumer or home-buying borrowing.

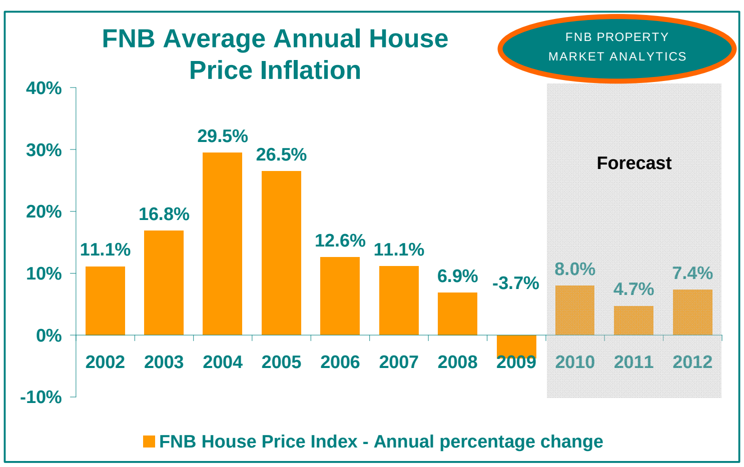
This balance is arguably necessary at the present time, in order to help the 79% debt-to-disposable income ratio to lower levels, thereby reducing household sector financial risks in these risky global times. Prime rate remains positive in real terms using both of our key methods. Adjusted using the consumer price index, real prime rate in January was 4.3%, while adjusting prime using average house price inflation, the real prime rate was 4.7%. Although the house price-adjusted real prime rate is steadily declining, as yet its level doesn't present an attractive opportunity for the short term property speculator



OUTLOOK

Our outlook remains unchanged from recent months. The positive impact of last year's interest rate cuts is still expected to feed into the residential property numbers until the 2nd half of 2010. Economic growth above 3% is expected to positively contribute, too, to property in the near term. Therefore, our forecast of 8% average house price growth for 2010 as a whole remains. Why not higher? The household sector debt-to-disposable income ratio, although now on a declining trend, remains very high for the time being, limiting the household sector's ability to grow its borrowing for home-buying purposes.

2011 is expected to see something of pull-back in house price inflation, as the impact of rate cuts wears off, and given the Firstrand expectation that we may have some mild interest rate hiking next year.



In addition, we emphasise that although we believe that residential property is exiting the proverbial Death Zone, the risks to it remain significant, given the high levels of household debt, and given that we await the withdrawal of stimulus packages in some of the world's major economies, not knowing whether they will be able to stand on their own feet without such fiscal and monetary support.

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Monthly FNB House Price Index (July 2000 = 100)

FNB PROPERTY MARKET ANALYTICS

Date	Index	y/y % change	Date	Index	y/y % change	Date	Index	y/y % change	Date	Index	y/y % change
Jul-00	100.0		Feb-03	121.0	11.1%	Sep-05	215.1	20.8%	Apr-08	290.1	10.1%
Aug-00	99.2		Mar-03	123.4	11.4%	Oct-05	217.5	17.8%	May-08	287.3	8.6%
Sep-00	98.6		Apr-03	125.8	12.3%	Nov-05	220.7	15.0%	Jun-08	284.9	7.0%
Oct-00	98.4		May-03	127.7	13.4%	Dec-05	224.9	12.8%	Jul-08	284.2	6.0%
Nov-00	98.6		Jun-03	129.8	15.0%	Jan-06	229.6	11.5%	Aug-08	285.8	5.5%
Dec-00	98.9		Jul-03	132.2	16.8%	Feb-06	234.4	10.8%	Sep-08	288.2	5.1%
Jan-01	99.3		Aug-03	134.4	18.3%	Mar-06	238.3	10.5%	Oct-08	289.9	4.1%
Feb-01	99.6		Sep-03	136.9	19.7%	Apr-06	240.9	10.8%	Nov-08	289.6	2.0%
Mar-01	99.7		Oct-03	140.3	21.6%	May-06	241.9	11.3%	Dec-08	287.5	-0.3%
Apr-01	100.0		Nov-03	144.1	23.9%	Jun-06	242.2	12.1%	Jan-09	283.4	-2.8%
May-01	100.7		Dec-03	148.0	26.1%	Jul-06	242.8	13.0%	Feb-09	278.4	-4.9%
Jun-01	101.4		Jan-04	151.7	27.7%	Aug-06	244.1	13.8%	Mar-09	274.1	-6.2%
Jul-01	101.8	1.8%	Feb-04	155.3	28.3%	Sep-06	246.4	14.5%	Apr-09	270.0	-6.9%
Aug-01	102.2	3.0%	Mar-04	158.3	28.3%	Oct-06	249.0	14.5%	May-09	266.1	-7.4%
Sep-01	102.5	4.0%	Apr-04	160.8	27.9%	Nov-06	252.1	14.2%	Jun-09	265.1	-7.0%
Oct-01	102.9	4.5%	May-04	163.0	27.6%	Dec-06	255.5	13.6%	Jul-09	267.8	-5.8%
Nov-01	103.7	5.1%	Jun-04	165.2	27.2%	Jan-07	258.9	12.8%	Aug-09	274.0	-4.1%
Dec-01	105.1	6.2%	Jul-04	168.1	27.2%	Feb-07	261.3	11.5%	Sep-09	281.6	-2.3%
Jan-02	106.9	7.6%	Aug-04	172.4	28.3%	Mar-07	262.6	10.2%	Oct-09	288.2	-0.6%
Feb-02	108.9	9.3%	Sep-04	178.0	30.0%	Apr-07	263.5	9.4%	Nov-09	292.5	1.0%
Mar-02	110.7	11.1%	Oct-04	184.6	31.6%	May-07	264.6	9.4%	Dec-09	293.6	2.1%
Apr-02	112.0	11.9%	Nov-04	191.9	33.2%	Jun-07	266.2	9.9%	Jan-10	293.7	3.6%
May-02	112.6	11.9%	Dec-04	199.3	34.6%	Jul-07	268.2	10.5%	Feb-10	294.4	5.8%
Jun-02	112.8	11.2%	Jan-05	206.0	35.8%	Aug-07	270.9	11.0%			
Jul-02	113.1	11.1%	Feb-05	211.6	36.3%	Sep-07	274.2	11.3%			
Aug-02	113.7	11.2%	Mar-05	215.6	36.2%	Oct-07	278.6	11.9%			
Sep-02	114.4	11.6%	Apr-05	217.4	35.2%	Nov-07	283.8	12.6%			
Oct-02	115.4	12.1%	May-05	217.2	33.3%	Dec-07	288.4	12.9%			
Nov-02	116.3	12.2%	Jun-05	216.1	30.9%	Jan-08	291.4	12.5%			
Dec-02	117.4	11.8%	Jul-05	214.8	27.8%	Feb-08	292.8	12.0%			
Jan-03	118.8	11.2%	Aug-05	214.4	24.3%	Mar-08	292.2	11.3%			

Cumulative Percentage Change in the FNB House Price Index

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From Date	Cumulative % change to Feb 2010	From Date	Cumulative % change to Feb 2010	From Date	Cumulative % change to Feb 2010	From Date	Cumulative % change to Feb 2010
Jul-00	194.4%	Feb-03	143.3%	Sep-05	36.9%	Apr-08	1.5%
Aug-00	196.8%	Mar-03	138.6%	Oct-05	35.4%	May-08	2.5%
Sep-00	198.6%	Apr-03	134.1%	Nov-05	33.4%	Jun-08	3.3%
Oct-00	199.1%	May-03	130.5%	Dec-05	30.9%	Jul-08	3.6%
Nov-00	198.5%	Jun-03	126.8%	Jan-06	28.2%	Aug-08	3.0%
Dec-00	197.5%	Jul-03	122.8%	Feb-06	25.6%	Sep-08	2.1%
Jan-01	196.5%	Aug-03	119.0%	Mar-06	23.6%	Oct-08	1.6%
Feb-01	195.5%	Sep-03	115.0%	Apr-06	22.2%	Nov-08	1.6%
Mar-01	195.4%	Oct-03	109.9%	May-06	21.7%	Dec-08	2.4%
Apr-01	194.3%	Nov-03	104.3%	Jun-06	21.5%	Jan-09	3.9%
May-01	192.5%	Dec-03	98.9%	Jul-06	21.2%	Feb-09	5.8%
Jun-01	190.2%	Jan-04	94.1%	Aug-06	20.6%	Mar-09	7.4%
Jul-01	189.1%	Feb-04	89.6%	Sep-06	19.5%	Apr-09	9.1%
Aug-01	188.1%	Mar-04	86.0%	Oct-06	18.2%	May-09	10.6%
Sep-01	187.1%	Apr-04	83.1%	Nov-06	16.8%	Jun-09	11.1%
Oct-01	186.2%	May-04	80.6%	Dec-06	15.2%	Jul-09	9.9%
Nov-01	184.0%	Jun-04	78.3%	Jan-07	13.7%	Aug-09	7.4%
Dec-01	180.2%	Jul-04	75.1%	Feb-07	12.6%	Sep-09	4.5%
Jan-02	175.5%	Aug-04	70.7%	Mar-07	12.1%	Oct-09	2.2%
Feb-02	170.4%	Sep-04	65.4%	Apr-07	11.7%	Nov-09	0.7%
Mar-02	165.9%	Oct-04	59.5%	May-07	11.3%	Dec-09	0.3%
Apr-02	162.9%	Nov-04	53.4%	Jun-07	10.6%	Jan-10	0.2%
May-02	161.4%	Dec-04	47.7%	Jul-07	9.8%		
Jun-02	160.9%	Jan-05	42.9%	Aug-07	8.7%		
Jul-02	160.2%	Feb-05	39.1%	Sep-07	7.3%		
Aug-02	159.0%	Mar-05	36.6%	Oct-07	5.7%		
Sep-02	157.3%	Apr-05	35.4%	Nov-07	3.7%		
Oct-02	155.2%	May-05	35.5%	Dec-07	2.1%		
Nov-02	153.1%	Jun-05	36.2%	Jan-08	1.0%		
Dec-02	150.7%	Jul-05	37.0%	Feb-08	0.5%		
Jan-03	147.8%	Aug-05	37.3%	Mar-08	0.7%		

Property and Mortgage Market Summary, and Key Economic Indicators

END OF PERIOD	2005	2006	2007	2008	2009	Q1-2009	Q2-2009	Q3-2009	Q4-2009	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
Residential Property Prices														
FNB National Average House Price (Rand)	565,077	636,111	706,811	755,363	727,161	729,118	698,785	718,202	762,538	754,029	765,319	768,265	768,574	770,332
y/y % change	*26.5*	*12.6*	*11.1*	*6.9*	*-3.7*	*-4.6*	*-7.1*	*-4.1*	*0.8*	*-0.6*	*1.0*	*2.1*	*3.6*	*5.8*
Major Metro Areas Average House Price (Rand)	613,171	730,614	828,301	865,756	855,380	856,340	854,317	854,803	856059.5573					
y/y % change	*26. 7*	*19. 2*	*13. 4*	*4. 5*	*1*	*1.2*	*1.7*	*1.3*	*.5*					
- Top End Area Average House Price (Rand)	1,360,467	1,549,741	1,705,583	1,815,962	1,802,487	1,817,772	1,807,729	1,797,064	1787381.446					
y/y % change	*19.5*	*13.9*	*10.1*	*6.5*	*-0.7*	*1.2*	*-0.5*	*-1.6*	*-2.0*					
- High Income Area Average House Price (Rand)	840,599	987,983	1,115,822	1,157,136	1,144,835	1,139,440	1,139,629	1,145,941	1154327.648					
y/y % change	*27.1*	*17.5*	*12.9*	*3.7*	*-1.1*	*-2.1*	*-2.1*	*-0.8*	*0.8*					
- Middle Income Area Average House Price (Rand)	536,477	650,773	732,667	757,119	745,122	747,083	744,704	744,072	744630.2664					
y/y % change	*32.2*	*21.3*	*12.6*	*3.3*	*-1.6*	*-1.8*	*-2.1*	*-1.6*	*-0.9*					
- Affordable Area Average House Price (Rand)	209,197	275,597	339,337	361,025	355,231	356,581	355,469	355,117	353756.8828					
y/y % change	*29.1*	*31.7*	*23.1*	*6.4*	*-1.6*	*-1.2*	*-2.0*	*-1.8*	*-1.4*					
- Major 3 Provinces' Former Black Township Average House Price (Rand)	119,161	163,282	220,387	262,650	259,659	266,860	263,668	257,852	250255.945					
y/y % change	*26.1*	*37.0*	*35.0*	*19.2*	*-1.1*	*5.1*	*0.6*	*-3.3*	*-6.6*					
Freehold Vacant Land/Square Metre (Rand)	485	503	503	512		527	540	560						
y/y % change	*22.4*	*3.7*	*-0.2*	*1.8*		*5.1*	*6.9*	*8.3*						
FNB Residential Property Barometer														
Level of Residential Demand Activity (Scale 1 to 10)	6.5	6.0	5.7	4.5	5.2	4.8	4.8	5.7	5.68					
y/y % change	*-10.7*	*-7.6*	*-5.2*	*-20.8*	*15.6*	*-3.2*	*8.4*	*36.8*	*23.7*					
First time buyers as a percentage of total buyers (%)	28.3	21.8	17.8	15.0	15.8	15.0	14.0	15.0	19.0					
Buy-to-let as a percentage of total buyers (%)	20.0	17.5	12.8	13.0	12.0	11.0	11.0	13.0	13.0					
Average time of properties on the market (Weeks and Days)	7.0	8.0	10.0	15.4	17.0	17.4	21.1	16.4	13.2					
Percentage of properties sold at less than asking price (%)	43.5	64.0	77.3	84.3	86.0	86.0	86.0	83.0	89.0					
Percentage of properties on the market for 3 months or more (%)	21.0	26.0	42.8	74.8	74.0	79.0	85.0	70.0	62.0					
Residential Building Sector														
Number of units' plans passed	102,258	103,925	102,566	84,508	53,506	14,329	12,391	13,590	13,196	5,462	3,895	3,839		
y/y % change	*10.3*	*1.6*	*-1.3*	*-17.6*	*-36.7*	*-32.0*	*-35.6*	*-50.4*	*-21.3*	*-28.3*	*-18.7*	*-11.9*		
Square metres' worth of plans passed	14,211,337	13,877,783	13,471,430	10,181,185	6,071,839	1,554,033	1,553,756	1,460,998	1,503,052	583,101	505,104	414,847		
y/y % change	*12.8*	*-2.3*	*-2.9*	*-24.4*	*-40.4*	*-43.9*	*-40.9*	*-48.7*	*-22.3*	*-25.3*	*-20.9*	*-19.6*		
Average size of units' plans passed (square metres)	139.0	133.5	131.3	120.5	113.5	108.5	125.4	107.5	113.9	106.8	129.7	108.1		
Number of units completed	70,624	70,005	76,661	69,933	55,578	15,132	13,258	13,114	14,074	4,346	3,985	5,743		
y/y % change	*-0.1*	*-0.9*	*9.5*	*-8.8*	*-20.5*	*-4.9*	*-16.2*	*-34.6*	*-22.5*	*-36.0*	*-32.4*	*4.9*		
Square metres' worth of buildings completed	8,789,257	9,094,252	9,327,001	8,596,194	6,605,284	1,835,841	1,573,174	1,585,630	1,610,639	552,793	517,370	540,476		
y/y % change	*17.7*	*3.5*	*2.6*	*-7.8*	*-23.2*	*-4.2*	*-19.3*	*-34.1*	*-30.6*	*-35.2*	*-33.6*	*-21.7*		
Average size of units' completed (square metres)	124.5	129.9	121.7	122.9	118.8	121.3	118.7	120.9	114.4	127.2	129.8	94. 1		

Property and Mortgage Market Summary, and Key Economic Indicators

END OF PERIOD	2005	2006	2007	2008	2009	Q1-2009	Q2-2009	Q3-2009	Q4-2009	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
Mortgage Market														
Total Mortgage Advances Outstanding (R'm)	526,647	684,593	853,819	966,921	994,100	981,192	983,387	986,765	994,100	989,369	991,754	994,100	997,339	
y/y % change	*27.6*	*30.0*	*24.7*	*13.2*	*2.8*	*11.2*	*8.2*	*4.8*	*2.8*	*3.6*	*3.0*	*2.8*	*3.1*	
New residential loans and re-advances granted (R'm)	248,800	338,327	364,575	271,276	117,641	35,347	35,718	46,576						
y/y % change	*38.7*	*36.0*	*7.8*	*-25.6*	*-56.6*	*-57.5*	*-49.6*	*-22.2*						
Residential re-advances granted (R'm)				81,585	39,750	13,244	11,400	15,106						
y/y % change					*-51.3*	*-43.4*	*-50.2*	*-18.8*						
Total residential mortgage loans outstanding - Banks (R'm)	426,204,649	546,196,842	672,988,765	753,122,034	775,068,106	766,361,552	768,659,583	772,098,287	775,068,106	773,800,623	774,475,359	775,068,106		
y/y % change	*30.0*	*28.2*	*23.2*	*11.9*	*2.9*	*8.9*	*7.1*	*4.8*	*2.9*	*3.7*	*3.1*	*2.9*		
Key Economic Indicators														
Real Gross Domestic Product (R'm at 2000 prices)	1,571,082	1,659,122	1,750,139	1,814,521	1,782,059	1,786,219	1,773,364	1,777,326	1,791,331					
y/y % change	*5.3*	*5.6*	*5.5*	*3.7*	*-1.8*	*-0.7*	*-2.7*	*-2.2*	*-1.4*					
Real Residential Fixed Investment (R'm)	33,455	36,198	35,874	33,156	#N/A	30,861	30,117	29,695						
y/y % change	*29.3*	*8.2*	*-0.9*	*-7.6*	*#N/A*	*-9.6*	*-10.1*	*-9.9*						
Prime Rate (%)	10.6	11.2	13.2	15.1	12.1	14.0	12.0	10.7	10.5	10.5	10.5	10. 5	10. 5	
Yields on Government Bonds 10 years and Longer (%)	8.1	7.9	8.0	9.1	8.7	8.2	8.7	8.9	9.0	9.1	9.0	9.0	9.2	
Currencies - USDZAR	6.36	6.75	7.04	8.27	8.43	9.94	8.46	7.79	7.52	7.53	7.49	7.53	7.46	
Currencies - EURZAR	7.91	8.48	9.64	12.10	11.72	12.94	11.54	11.15	11.10	11.14	11.14	11.03	10.61	
CPI - y/y % change	3.4	4.6	7.1	11.5	7.1	8.4	7.7	6.4	6.0	5.9	5.8	6.3	6.2	
Gauteng pump price y/y%						-16.6	-21.9	-23.4	-9.8	-18.9	-14.8	8.1	31.8	22.1
FNBBER Consumer Confidence Index	18.3	19.0	21.0	0.3	3.0	1.0	4.0	1.0	6.0					
RMBBER Business Confidence Index	82.5	83.5	74.8	40.0	26.0	27.0	26.0	23.0	28.0					
SARB Composite Leading Business Cycle Indicator	118.5	125.4	125.5	117.0	110.3	104.9	107.2	110.0	119.1	116.3	120.0	120.9		
y/y % change	*3.2*	*5.8*	*0.1*	*-6.8*	*-5.7*	*-14.8*	*-11.6*	*-4.9*	*10.5*	*5.8*	*11.8*	*13.9*		
Real Retail Sales (2008 Prices) - R'm	418,556	468,446	498,767	500,191	475498	114,637	114,498	113,359	133,004	39,059	40,200	53,745		
y/y % change	*8.2*	*11.9*	*6.5*	*0.3*	*-4.9*	*-3.0*	*-6.2*	*-5.2*	*-5.3*	*-6.1*	*-6.6*	*-3.7*		
Manufacturing - Volume of Production (Index 2005=100)	100.0	104.8	109.6	110.6	96.8	91.6	92.5	99.5	103.4	109.9	109.4	91.0		
y/y % change	*3.0*	*4.8*	*4.6*	*0.9*	*-12.5*	*-13.2*	*-18.7*	*-13.5*	*-4.3*	*-9.5*	*-4.6*	*3.2*		
Mining - Volume of Production (Index 2005=100)	100.0	98.7	97.8	92.3	86.1	76.7	87.8	90.9	89.0	88.5	90.0	88.4		
y/y % change	*1.3*	*-1.3*	*-0.9*	*-5.7*	*-6.7*	*-7.3*	*-8.5*	*-5.7*	*-5.4*	*-10.6*	*-2.6*	*-2.5*		
Vehicle Sales - Total (NAAMSA)	565,182	647,021	613,043	489,340	353,970	93,300	79,947	92,124	88,599	31,622	30,019	26,958	34,113	
y/y % change	*25.6*	*14.5*	*-5.3*	*-20.2*	*-27.7*	*-34.0*	*-33.9*	*-25.6*	*-14.2*	*-17.1*	*-12.2*	*-12.9*	*11.8*	
Passenger Vehicle Sales - Total (NAAMSA)	377,002	427,021	384,582	294,761	224,754	60,039	50,611	57,873	56,231	20,836	19,317	16,078	23,768	
y/y % change	*25.2*	*13.3*	*-9.9*	*-23.4*	*-23.8*	*-30.0*	*-27.3*	*-24.5*	*-10.4*	*-9.7*	*-4.0*	*-17.9*	*15.4*	