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PROPERTY BAROMETER – SEPTEMBER FNB HOUSE PRICE INDEX

House prices starting to lose growth momentum as "Summer 2010/11 Stimulus" wears thinner

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SUMMARY – HOUSE PRICE GROWTH STARTING TO LOSE STEAM?

Following a trend of mild acceleration since early-2011, the year-on-year growth rate in the FNB House Price Index for September "stalled" on 5.6%, unchanged from the revised 5.6% rate for August.

This stalling can partly be ascribed to rising base effects, with the bout of month-on-month house price decline around mid-2010 being at its worst around August last year, and thereafter starting to dissipate.

However, it is believed that economic factors are also beginning to play a role in constraining house price growth, with the interest rate cutting stimulus of late-2010 wearing thin, and economic growth having slowed in the 2nd quarter to begin placing pressure on real household disposable income growth. Much of the domestic economic growth slowdown in turn can be explained by a global economic growth slowdown.

In real terms, adjusting house price growth for consumer price inflation, August saw a very slight +0.3% positive year-on-year growth rate after 9 consecutive months of year-on-year decline, with year-on-year house price inflation outstripping consumer price inflation.

The latest results imply that, since the beginning of the big market "correction", which we believe began after a real house price boom time peak in February 2008, house prices in real terms have declined cumulatively by -15.3% to August 2011.

However, Since July 2000 when the index started, prices are still up 64.7% in real terms and 313.1% in nominal terms.

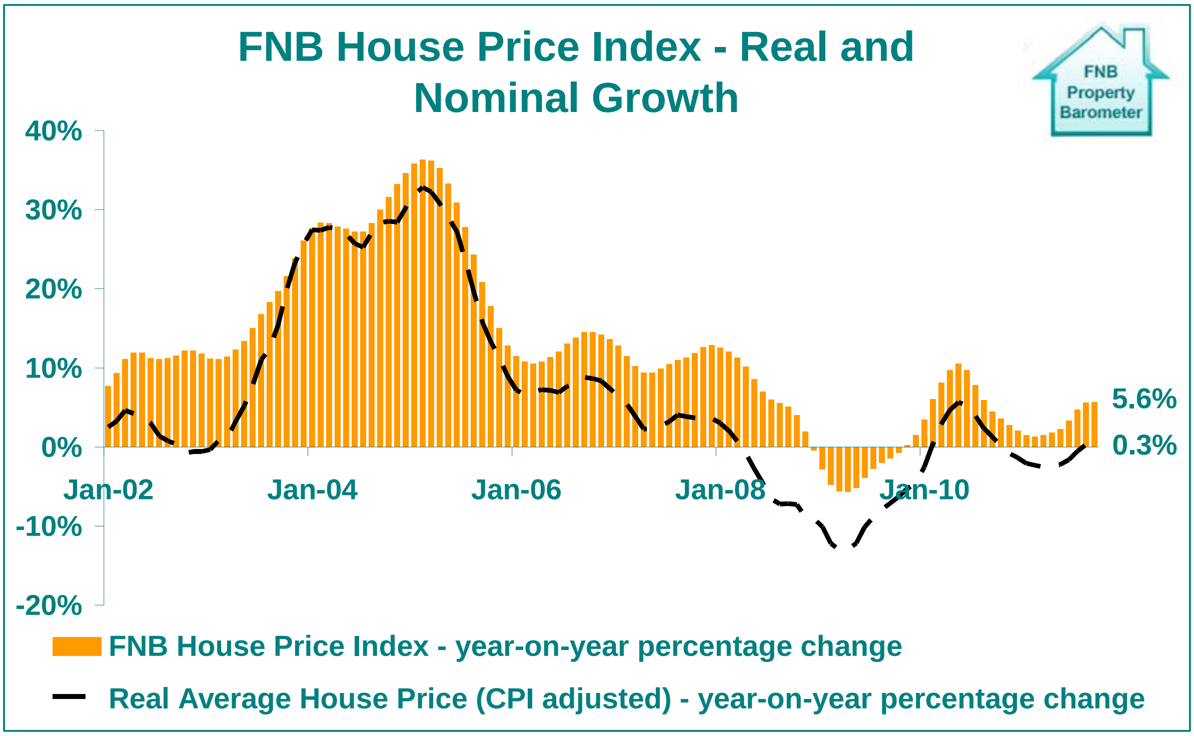
On a month-on-month basis, after statistically seasonally adjusting the FNB House Price index, it shows further loss in momentum in September, with growth turning negative to the tune of -0.24%, down from a revised +0.19% in August. This is the continuation of a weakening month-on-month growth trend spanning back to the +1.34% peak of February 2011. This, we believe, marks the end of the "Summer Stimulus", which was the combination of a relatively good global economic growth stimulus caused by the 2nd round of US Quantitative Easing (QE2) late in 2010, along with two 50 basis point interest rate reductions by the Reserve Bank (SARB) late in 2010.

Looking forward to the remainder of 2011, there are no obvious major economic stimuli for a still poorly balanced (weak demand vs supply) South African residential property market, with interest rates still on hold for now, and global and domestic economic growth currently slowing. The most likely result, therefore, would appear to be further month-on-month decline in the seasonally-adjusted house price index in the near term, which should soon translate into slowing year-on-year growth in the FNB House Price Index once more.

YEAR-ON-YEAR HOUSE PRICE GROWTH REMAINED UNCHANGED IN SEPTEMBER

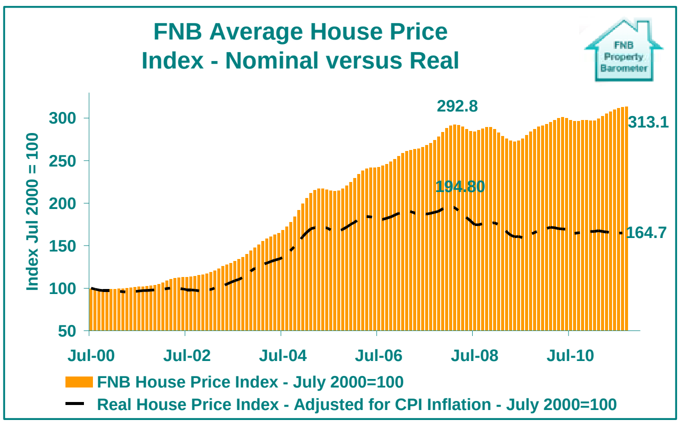
Following a trend of mild acceleration since early-2011, the year-on-year growth rate in the FNB House Price Index for September "stalled" on 5.6%, unchanged from the revised 5.6% rate for August.

This stalling can partly be ascribed to base effects, with the bout of month-on-month house price decline around mid-2010 being at its worst around August last year, and thereafter starting to dissipate.



However, it is believed that economic factors are also beginning to play a role in constraining house price growth, with the interest rate cutting stimulus of late-2010 wearing thin, and economic growth having slowed in the 2nd quarter to begin placing pressure on real household disposable income growth. Much of the domestic economic growth slowdown can be explained by a global economic growth slowdown of late.

In real terms, adjusting house price growth for consumer price inflation, August saw a very slight +0.3% positive year-on-year growth rate after 9 consecutive months of year-on-year decline. This was the result of further acceleration in nominal house price growth from July to August along with an unchanged 5.3% year-on-year consumer price inflation rate in that month (September CPI inflation number not yet available).

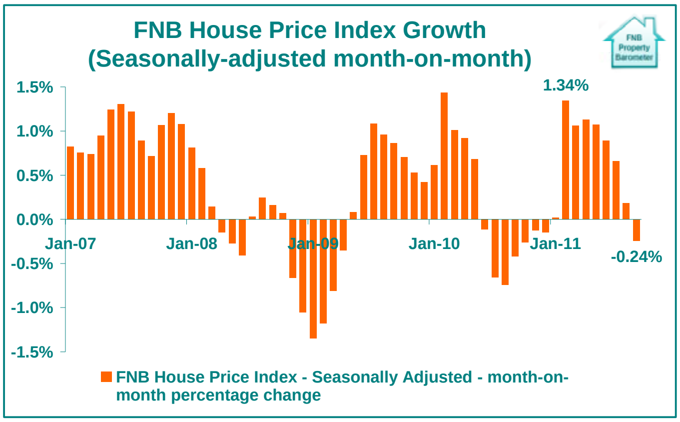


The September results imply that, since the beginning of the big market "correction", which we believe began after a real house price boom time peak in February 2008, house prices in real terms have declined cumulatively by -15.3%. In nominal terms, as one would expect in a country with significant consumer and wage inflation, nominal house prices have risen cumulatively by +6.9% since February 2008. However, Since July 2000 when the index started, prices are still up 64.7% in real terms and 313.1% in nominal terms.

The average price of homes included in the FNB House Price Index was R820,174.

ON A SEASONALLY-ADJUSTED MONTH-ON-MONTH BASIS, SEPTEMBER GROWTH TURNED NEGATIVE

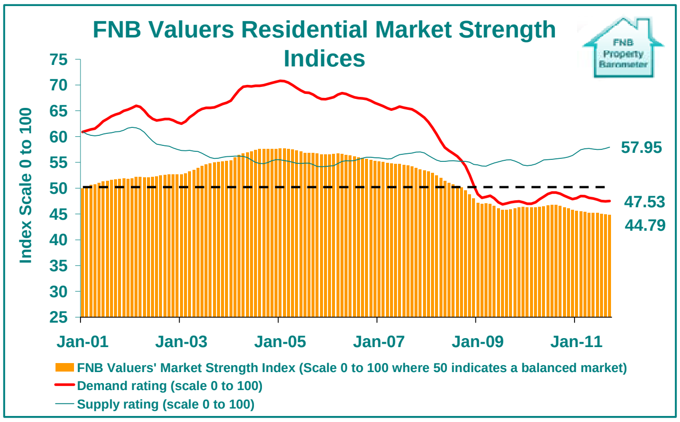
Due to seasonality in the house price data, it is essential to statistically adjust the time series in order to remove seasonality should one wish to use month-on-month growth rates as indicators of true (non-seasonal) momentum in the residential property market.



On a month-on-month basis, the seasonally-adjusted FNB House Price Index showed further loss in momentum, with growth turning negative in September to the tune of -0.24%, down from a revised +0.19% in August. This is the continuation of a weakening month-on-month growth trend spanning back to the +1.34% peak of February 2011.

This, we believe, marks the end of the "Summer Stimulus", which was the combination of a relatively good economic growth period caused by amongst other things the 2nd round of US Quantitative Easing (QE2) late in 2010, along with two 50 basis point interest rate reductions by the Reserve Bank (SARB) late in 2010.

What is clear from the seasonally-adjusted month-on-month growth rate is that prices easily start to decline when there is no obvious stimulus. In 2008/early-2009 we had significant price decline as inflation and interest rates hit their peak and recession set in. The big global stimulus packages (notably QE1 in the US), and massive SARB interest rate cuts in 2009, took us back into a period of monthly price growth from May 2009 to May 2010. From June 2010 to December 2010 we had a 2nd period of month-on-month house price decline, but renewed SARB interest rate cutting and a better economic performance in the summer due arguably to the positive impact of US QE2 stimulus, led to a relatively good period of month-on-month house price growth from early-2011 up until August.



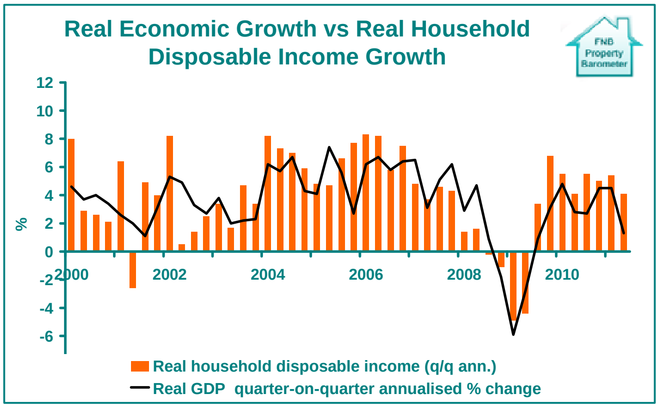
However, as prices look set for a period of decline yet again, it begs the question as to why it seems that price declines are so easily achieved these days? We believe that the FNB Valuers' Market Strength Index, which points to ongoing weakness in demand relative to supply, continues to explain the high propensity for house price declines in recent years. The revised FNB Valuers 'Market Strength Indices, i.e. the Demand Rating, the Supply Rating, and the Market Strength (Balance) Index have all been re-calibrated on a scale of 0 to 50. 50 reflects the perfect balance between supply and demand in the Market Strength Index (in the valuers' opinions), below 50 indicates excess supply and above 50 demand that is rated stronger than supply.

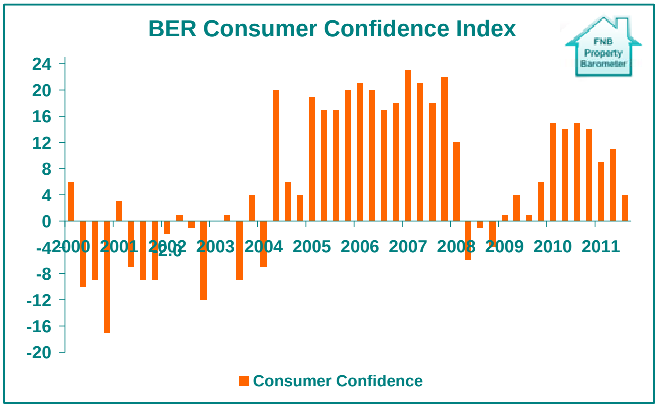
The FNB Valuers' Market Strength Index has been consistently below the crucial 50 level since October 2008. As at September 2011, this index continued a weakening trend that has lasted since late-2010, declining further to 44.79, from the August level of 44.87. This further weakening in the market balance was due to the supply rating improving slightly more than the demand rating, while the slight demand rating may have strengthened due to seasonal factors as the country enters Spring.

September's slight weakening in the market balance is of limited additional consequence, however. More significant is the level remaining well-below 50, which we believe suggests that real downward price adjustments are "required", and in the absence of any major stimulus, either from economic growth improvements or interest rate cuts, this appears to be exactly what usually happens.

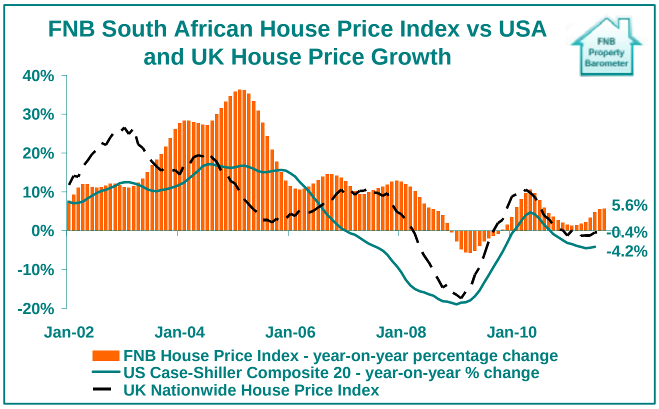
DID SEPTEMBER EVENTS AND DATA RELEASES POINT TO ANY ECONOMIC STIMULI IN THE PIPELINE IN THE NEAR TERM? IT WOULDN'T APPEAR SO YET.

The release of the SARB Quarterly Bulletin during September pointed to Real household sector disposable income growth starting to come under mild pressure as economic growth slowed. From a quarter-on-quarter annualized growth rate of 5.4% in the 1st quarter, real disposable income growth slowed to 4.1% in the 2nd quarter. This slowing was not as severe as the drop in real economic growth from 4.5% to 1.3% over the same 2 quarters. However, the release of the FNB/BER Consumer Confidence for the 3rd quarter, which dropped from the 2nd quarter's 11 to 4, suggests that disposable income growth (and therefore household sector confidence) had probably come under further pressure in the 3rd quarter.



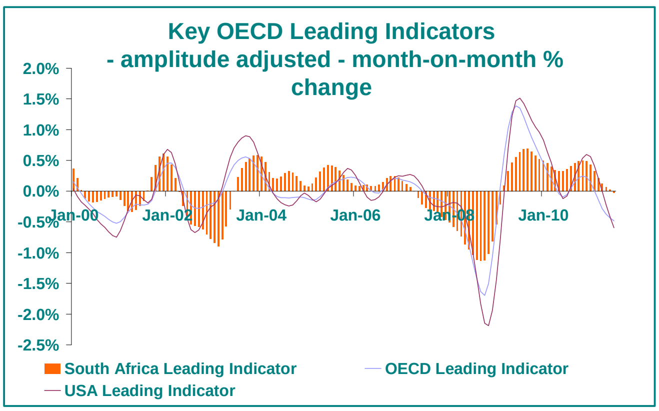


Currently, in the absence of any significant structural economic change in South Africa, we are heavily driven by global economic events. In actual fact, if one compares the FNB House Price Index to major house price indices in the US and UK, one sees very similar trends in all 3 in recent times, with our economic growth and interest rates not far out of sync with the world. In all 3 indices we observe year-on-year price decline around 2008/9, a mini-recovery in the 1st half of 2010, a slowing in late-2010 and some rebound in 2011, although the UK and US improvements in 2011 only amounted to less price decline and no year-on-year price growth yet.



The similarity in direction of the 3 house price indices supports the notion that it is global events effectively driving SA's housing market at present, and implies that we probably need to look globally for signs of things to come for our own property market.

Unfortunately, the near term outlook for the global economy appears bleak at best. September saw the release of, amongst other data, the key July Leading Business Cycle Indicators.

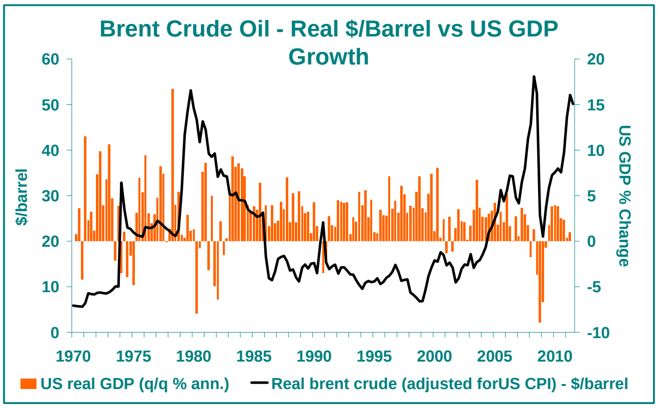


These generally showed further deterioration, with the OECD+Major 6 Economies' "amplitude adjusted" Leading Indicator showing a --0.5% decline, the US Leading Indicator -0.6%, and the South African Indicator a slight drop of -0.02%. All 3 Leading Indicators' July rates of change reflected deteriorations on the June rates.

In the US, the Federal Reserve has limited ammunition left with which to stimulate the economy, given that its short term policy rate, the Fed Funds Target Rate is near to zero. September saw some attempted stimulus in the form of "Operation Twist", a move to lower the interest *rates on longer term debt, something that could conceivably provide some support to that country's housing market given that it is driven heavily by longer term interest rates.*

However, US consumer confidence remains constrained by a stubbornly high unemployment rate stuck at around 9%, and the country's consumer is key to the global economy's fortunes.

Also key to the US' and global economic fortunes are commodity price levels, which at current high levels are constraining to economic growth, especially oil price levels which were given an extra boost by Middle East political turmoil and conflict that broke out earlier this year. While oil prices have come off somewhat, with Brent Crude still hovering above $100/barrel the levels would appear on the high side and hardly supportive of economic growth.



Major oil price spikes are normally accompanied by US recessions, and being the largest economy in the world this has major consequences for the global economy. In real terms, adjusting for US consumer price inflation, the 2011 oil price spike which appears to have peaked in the 2nd quarter was not far off the real level achieved around mid-2008. There was a recession that time around, and given the current vulnerability of the US and Eurozone economies especially, it is not clear why this time around it would be too different.

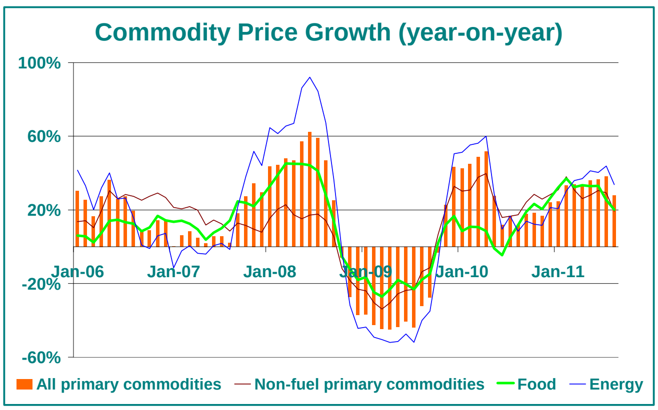
Certainly the speculation of a US and global recession has increased dramatically in recent months.

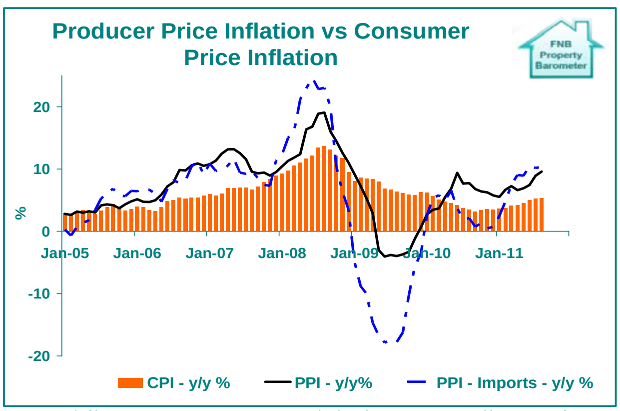
With little stimulus thus likely in the form of global economic growth improvements in the near term, what then of a possible boost from a local source in the form of further SARB interest rate cutting? Unlike in the case of the US, the SARB's repo rate is still well-above zero at 5.5%, so there is scope. However, the Bank has an official inflation target, and would thus want to see some convincing signs that inflationary pressures are subsiding before considering further cuts.

Indeed there have been some positive signs recently. Examining IMF Commodity Price Indices up until August, the year-on-year growth rate in the All Commodity Index slowed from 38.2% in July to 27.9% in August, with the Global Food Index inflation rate having slowed from 37.1% as at February to 20.1% as at August, and the Energy Index inflation rate having slowed from 43.8% in July to 33.7% in August.

There have been some early signs, therefore, and one would expect significant further weakening in commodity prices as the global economy weakens and with it demand for commodities. However, as at August the year-on-year commodity price increases remained high, and in September South Africa may have had to contend with slightly higher import prices once more as a result of a significant rand weakening.

Domestically, the domestic producer price inflation rate for imports looked to be peaking, but remains high at 10.4% year-on-year, while the overall producer price inflation rate recorded 9.6% in August. The Consumer price inflation rate for August remained unchanged, but still at 5.5% which is near to the upper end of the 3% to 6% target range.

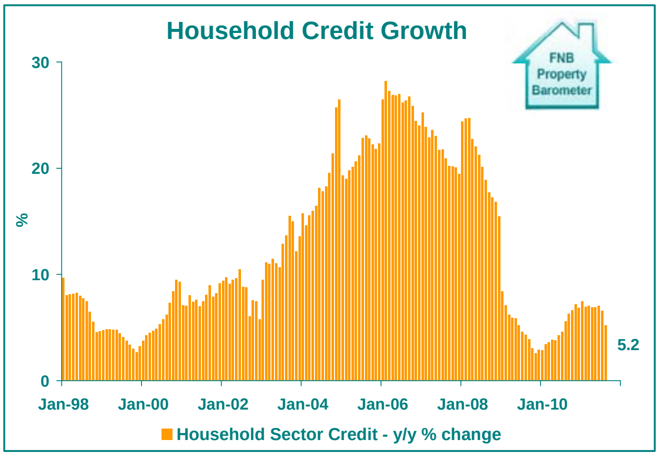


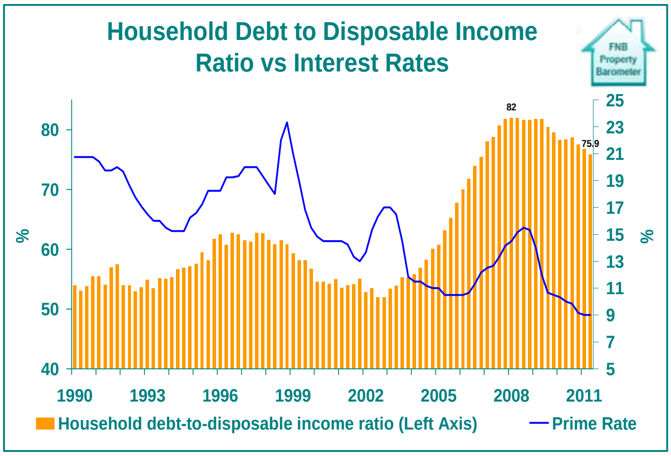


So, while year-on-year global commodity price

inflation has perhaps started to turn the corner down, domestic inflation rates appear still too much on the high side (though not troublesomely so) for the SARB to move on interest rates.

And all the while, we have relatively cautious household and banking sectors for whom lending/borrowing is not a high priority as the "de-leveraging" process continues. Indeed, the household sector credit data for August showed the year-on-year growth rate in the value of total household credit outstanding declining significantly from 6.6% in the previous month to 5.2%. And earlier in the month, SARB 2nd quarter data showed the household debt-to-disposable income ratio declining further to 75.9%, from 76.8% in the previous quarter. While we see this de-leveraging as a positive development in the path towards a financially healthier household sector, it implies limited support for the credit-driven residential property market in the near term.





IN CONCLUSION

Therefore, in the remainder of 2011, there is no obvious major economic stimulus for a still poorly balanced South African residential property market. The most likely result, therefore, would appear to be further month-on-month decline in the seasonally-adjusted house price index, while year-on-year growth in the FNB House Price Index looks set to start declining after appearing to have stalled at 5.6% in August/September.

*Notes: *When an FNB valuer values a property, he/she is required to provide a rating of demand as well as supply for property in the specific area. The demand and supply rating categories are a simple "good (100)", "average (50)", and "weak (0)". From all of these ratings we compile an aggregate demand and an aggregate supply rating, which are expressed on a scale of 0 to 100. After aggregating the individual demand and supply ratings, we subtract the aggregate supply rating from the demand rating, add 100 to the difference, and divide by 2, so that the FNB Valuers' Residential Market Strength Index is also depicted on a scale of 0 to 100 with 50 being the point where supply and demand are equal..*

***The FNB House Price Index is a fixed-weighted average of its sub-indices, which are split by room number and by sectional title versus freehold properties. The index is lightly smoothed using a Hodrick-Prescott smoothing function. An index month commences 7 days prior to the end of the previous month to 7 days prior to the said calendar month.*

Monthly FNB House Price Index (July 2000 = 100)

Date	Index	y/y % change	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%	Nov-10	297.9	2.7%
Aug-00	99.2		Mar-03	123.4	11.4%	Oct-05	217.5	17.8%	May-08	287.3	8.6%	Dec-10	297.5	2.1%
Sep-00	98.6		Apr-03	125.7	12.3%	Nov-05	220.7	15.0%	Jun-08	284.9	7.0%	Jan-11	297.4	1.5%
Oct-00	98.4		May-03	127.7	13.4%	Dec-05	224.9	12.8%	Jul-08	284.2	6.0%	Feb-11	299.5	1.3%
Nov-00	98.6		Jun-03	129.8	15.0%	Jan-06	229.6	11.5%	Aug-08	285.8	5.5%	Mar-11	302.5	1.5%
Dec-00	98.9		Jul-03	132.2	16.8%	Feb-06	234.4	10.8%	Sep-08	288.1	5.1%	Apr-11	305.4	1.8%
Jan-01	99.3		Aug-03	134.4	18.3%	Mar-06	238.3	10.5%	Oct-08	289.7	4.0%	May-11	307.7	2.2%
Feb-01	99.6		Sep-03	136.9	19.7%	Apr-06	240.8	10.8%	Nov-08	289.3	1.9%	Jun-11	310.0	3.3%
Mar-01	99.7		Oct-03	140.3	21.6%	May-06	241.9	11.3%	Dec-08	287.1	-0.4%	Jul-11	311.9	4.7%
Apr-01	100.0		Nov-03	144.1	23.9%	Jun-06	242.2	12.1%	Jan-09	283.2	-2.8%	Aug-11	313.1	5.6%
May-01	100.6		Dec-03	148.0	26.1%	Jul-06	242.8	13.0%	Feb-09	278.8	-4.8%	Sep-11	313.4	5.6%
Jun-01	101.4		Jan-04	151.7	27.7%	Aug-06	244.1	13.8%	Mar-09	275.7	-5.6%			
Jul-01	101.8	1.8%	Feb-04	155.2	28.3%	Sep-06	246.4	14.5%	Apr-09	273.6	-5.7%			
Aug-01	102.2	3.0%	Mar-04	158.2	28.3%	Oct-06	249.0	14.5%	May-09	272.4	-5.2%			
Sep-01	102.5	4.0%	Apr-04	160.8	27.9%	Nov-06	252.0	14.2%	Jun-09	273.7	-3.9%			
Oct-01	102.9	4.5%	May-04	163.0	27.6%	Dec-06	255.5	13.6%	Jul-09	276.3	-2.8%			
Nov-01	103.7	5.1%	Jun-04	165.1	27.2%	Jan-07	258.9	12.8%	Aug-09	279.9	-2.1%			
Dec-01	105.1	6.2%	Jul-04	168.1	27.2%	Feb-07	261.3	11.5%	Sep-09	284.0	-1.4%			
Jan-02	106.9	7.7%	Aug-04	172.4	28.3%	Mar-07	262.5	10.2%	Oct-09	287.5	-0.7%			
Feb-02	108.9	9.3%	Sep-04	178.0	30.0%	Apr-07	263.4	9.4%	Nov-09	290.0	0.2%			
Mar-02	110.7	11.1%	Oct-04	184.6	31.6%	May-07	264.6	9.4%	Dec-09	291.5	1.5%			
Apr-02	112.0	11.9%	Nov-04	191.9	33.2%	Jun-07	266.2	9.9%	Jan-10	293.1	3.5%			
May-02	112.6	11.9%	Dec-04	199.3	34.6%	Jul-07	268.2	10.5%	Feb-10	295.6	6.1%			
Jun-02	112.8	11.2%	Jan-05	206.0	35.8%	Aug-07	270.9	11.0%	Mar-10	298.2	8.1%			
Jul-02	113.1	11.1%	Feb-05	211.6	36.3%	Sep-07	274.2	11.3%	Apr-10	300.1	9.7%			
Aug-02	113.7	11.2%	Mar-05	215.5	36.2%	Oct-07	278.6	11.9%	May-10	301.0	10.5%			
Sep-02	114.4	11.6%	Apr-05	217.4	35.2%	Nov-07	283.8	12.6%	Jun-10	300.1	9.7%			
Oct-02	115.4	12.1%	May-05	217.2	33.3%	Dec-07	288.4	12.9%	Jul-10	297.9	7.8%			
Nov-02	116.3	12.2%	Jun-05	216.1	30.9%	Jan-08	291.4	12.5%	Aug-10	296.5	5.9%			
Dec-02	117.4	11.7%	Jul-05	214.8	27.8%	Feb-08	292.8	12.0%	Sep-10	296.7	4.5%			
Jan-03	118.8	11.2%	Aug-05	214.4	24.3%	Mar-08	292.2	11.3%	Oct-10	297.7	3.5%			

Cumulative Percentage Change in the FNB House Price Index

From Date	Cumulative % change to Sep 2011	From Date	Cumulative % change to Sep 2011	From Date	Cumulative % change to Sep 2011	From Date	Cumulative % change to Sep 2011	From Date	Cumulative % change to Sep 2011
Jul-00	213.4%	Feb-03	159.1%	Sep-05	45.7%	Apr-08	8.0%	Nov-10	5.2%
Aug-00	216.0%	Mar-03	154.1%	Oct-05	44.1%	May-08	9.1%	Dec-10	5.3%
Sep-00	217.9%	Apr-03	149.3%	Nov-05	42.0%	Jun-08	10.0%	Jan-11	5.4%
Oct-00	218.4%	May-03	145.5%	Dec-05	39.4%	Jul-08	10.3%	Feb-11	4.7%
Nov-00	217.8%	Jun-03	141.5%	Jan-06	36.5%	Aug-08	9.7%	Mar-11	3.6%
Dec-00	216.8%	Jul-03	137.2%	Feb-06	33.7%	Sep-08	8.8%	Apr-11	2.6%
Jan-01	215.7%	Aug-03	133.2%	Mar-06	31.6%	Oct-08	8.2%	May-11	1.8%
Feb-01	214.7%	Sep-03	128.9%	Apr-06	30.1%	Nov-08	8.3%	Jun-11	1.1%
Mar-01	214.5%	Oct-03	123.5%	May-06	29.6%	Dec-08	9.2%	Jul-11	0.5%
Apr-01	213.3%	Nov-03	117.6%	Jun-06	29.4%	Jan-09	10.7%	Aug-11	0.1%
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Jun-01	209.0%	Jan-04	106.6%	Aug-06	28.4%	Mar-09	13.7%		
Jul-01	207.8%	Feb-04	101.9%	Sep-06	27.2%	Apr-09	14.6%		
Aug-01	206.8%	Mar-04	98.1%	Oct-06	25.9%	May-09	15.1%		
Sep-01	205.7%	Apr-04	94.9%	Nov-06	24.4%	Jun-09	14.5%		
Oct-01	204.7%	May-04	92.3%	Dec-06	22.7%	Jul-09	13.4%		
Nov-01	202.3%	Jun-04	89.8%	Jan-07	21.0%	Aug-09	12.0%		
Dec-01	198.3%	Jul-04	86.5%	Feb-07	19.9%	Sep-09	10.4%		
Jan-02	193.3%	Aug-04	81.8%	Mar-07	19.4%	Oct-09	9.0%		
Feb-02	187.9%	Sep-04	76.1%	Apr-07	19.0%	Nov-09	8.1%		
Mar-02	183.1%	Oct-04	69.8%	May-07	18.5%	Dec-09	7.5%		
Apr-02	180.0%	Nov-04	63.3%	Jun-07	17.7%	Jan-10	6.9%		
May-02	178.3%	Dec-04	57.2%	Jul-07	16.9%	Feb-10	6.0%		
Jun-02	177.8%	Jan-05	52.1%	Aug-07	15.7%	Mar-10	5.1%		
Jul-02	177.0%	Feb-05	48.1%	Sep-07	14.3%	Apr-10	4.5%		
Aug-02	175.8%	Mar-05	45.4%	Oct-07	12.5%	May-10	4.1%		
Sep-02	174.0%	Apr-05	44.1%	Nov-07	10.4%	Jun-10	4.4%		
Oct-02	171.7%	May-05	44.3%	Dec-07	8.7%	Jul-10	5.2%		
Nov-02	169.5%	Jun-05	45.0%	Jan-08	7.5%	Aug-10	5.7%		
Dec-02	166.9%	Jul-05	45.9%	Feb-08	7.1%	Sep-10	5.6%		
Jan-03	163.8%	Aug-05	46.2%	Mar-08	7.3%	Oct-10	5.3%		

Property and Mortgage Market Summary, and Key Economic Indicators

END OF PERIOD	2006	2007	2008	2009	2010	Q4-2010	Q1-2011	Q2-2011	Q3-2011	May-11	Jun-11	Jul-11	Aug-11	Sep-11
Residential Property Prices														
FNB National Average House Price (Rand)	636,102	706,811	755,144	734,143	779,009	779,058	784,551	805,204	818,483	805,316	811,235	816,064	819,211	820,174
y/y % change	*12.6*	*11.1*	*6.8*	*-2.8*	*6.1*	*2.8*	*1.4*	*2.4*	*5.3*	*2.2*	*3.3*	*4.7*	*5.6*	*5.6*
Major Metro Areas Average House Price (Rand)	862,786	984,619	1,018,635	1,002,756	1,061,901	1,083,066	1,092,720	1,102,231						
y/y % change	*18. 4*	*14. 1*	*3. 5*	*2*	*5. 9*	*6. 39*	*5. 34*	*4. 38*						
- Top End Area Average House Price (Rand)	1,443,869	1,637,546	1,709,458	1,713,352	1,816,802	1,852,508	1,870,588	1,888,788						
y/y % change	*15.5*	*13.4*	*4.4*	*0.2*	*6.0*	*6.2*	*5.3*	*4.5*						
- High Income Area Average House Price (Rand)	874,028	995,963	1,024,191	1,003,645	1,063,748	1,082,309	1,087,501	1,091,951						
y/y % change	*18.4*	*14.0*	*2.8*	*-2.0*	*6.0*	*6.1*	*4.5*	*3.1*						
- Middle Income Area Average House Price (Rand)	584,186	666,021	680,507	654,712	690,077	706,062	715,046	724,136						
y/y % change	*22.7*	*14.0*	*2.2*	*-3.8*	*5.4*	*6.9*	*6.3*	*5.7*						
- Affordable Area Average House Price (Rand)	260,985	330,056	351,127	333,220	354,034	364,330	370,421	376,974						
y/y % change	*30.3*	*26.5*	*6.4*	*-5.1*	*6.2*	*8.7*	*8.0*	*7.4*						
- Coastal Holiday Towns Average House Price (Rand)	711 504	807 265	842 973	855 350	842 468	825 407	815 667	807 721						
y/y % change	*25.0*	*13.5*	*4.4*	*1.5*	*-1.5*	*-3.7*	*-4.8*	*-5.0*						
FNB Estate Agent Survey														
Level of Residential Demand Activity (Scale 1 to 10)	6.0	5.7	4.5	5.2	5.9	5.8	6.1	5.6						
y/y % change	*-7.6*	*-5.2*	*-20.8*	*15.6*	*13.6*	*1.9*	*-4.4*	*-5.9*						
First time buyers as a percentage of total buyers (%)	21.8	17.8	15.0	15.8	17.0	17.0	22.0	25.0						
Buy-to-let as a percentage of total buyers (%)	17.5	12.8	13.0	12.0	7.5	7.0	8.0	8.0						
Average time of properties on the market (Weeks and Days)	8.0	10.0	15.4	17.0	15.1	15.6	19.1	15.1						
Percentage of properties sold at less than asking price (%)	64.0	77.3	84.3	86.0	79.5	80.0	85.0	87.0						
Percentage of properties on the market for 3 months or more (%)	26.0	42.8	74.8	74.0	73.0	74.0	81.0	75.0						
Residential Building Sector														
Number of units' plans passed	103,925	102,691	85,217	54,390	47,035	9,812	12,795	12,970	6,139	3,880	6,156	6,139		
y/y % change	*1.6*	*-1.2*	*-17.0*	*-36.2*	*-13.5*	*-25.2*	*40.1*	*-9.6*	*-55.3*	*-41.5*	*46.6*	*51.5*		
Square metres' worth of plans passed	13,877,783	13,490,430	10,209,065	6,133,474	5,833,403	1,339,286	1,460,034	1,613,881	584,457	540,066	665,909	584,457		
y/y % change	*-2.3*	*-2.8*	*-24.3*	*-39.9*	*-4.9*	*-10.7*	*20.6*	*1.2*	*-65.4*	*-12.6*	*23.3*	*6.7*		
Average size of units' plans passed (square metres)	133.5	131.4	119.8	112.8	124.0	136.5	114.1	124.4	95.2	139.2	108.2	95.2		
Number of units completed	70,005	76,661	70,058	56,947	40,671	11,712	9,531	9,662	3,713	2,961	3,506	3,713		
y/y % change	*-0.9*	*9.5*	*-8.6*	*-18.7*	*-28.6*	*-19.9*	*4.4*	*0.8*	*-63.7*	*-18.0*	*21.7*	*7.5*		
Square metres' worth of buildings completed	9,094,252	9,327,001	8,615,194	6,713,973	4,815,418	1,308,451	1,033,851	1,152,897	403,616	368,430	455,081	403,616		
y/y % change	*3.5*	*2.6*	*-7.6*	*-22.1*	*-28.3*	*-21.7*	*-4.6*	*-3.2*	*-67.2*	*-16.5*	*18.3*	*-5.4*		
Average size of units' completed (square metres)	129.9	121.7	123.0	117.9	118.4	111.7	108.5	119.3	108.7	124.4	129.8	108. 7		

Property and Mortgage Market Summary, and Key Economic Indicators

END OF PERIOD	2006	2007	2008	2009	2010	Q4-2010	Q1-2011	Q2-2011	Q3-2011	May-11	Jun-11	Jul-11	Aug-11	Sep-11
Mortgage Market														
Total Mortgage Advances Outstanding (R'm)	684,593	853,819	966,921	1,001,946	1,042,380	1,042,380	1,045,995	1,057,279	1,059,656	1,053,488	1,057,279	1,058,371	1,059,656	
y/y % change	*30.0*	*24.7*	*13.2*	*3.6*	*4.0*	*4.0*	*2.9*	*3.3*	*1.7*	*3.1*	*3.3*	*2.9*	*1.9*	
New residential loans and re-advances granted (R'm)	338,327	364,575	272,905	188,122	246,603	64,422	39,471	40,094		14,021	14,042			
y/y % change	*36.0*	*7.8*	*-25.1*	*-31.1*	*31.1*	*7.8*	*-31.1*	*-34.0*		*-33.3*	*-26.9*			
Residential re-advances granted (R'm)			48,878	53,699	43,115	11,190	3,208	4,092		1,960	1,029			
y/y % change				*9.9*	*-19.7*	*-19.8*	*-67.9*	*-58.5*		*-45.8*	*-63.8*			
Total residential mortgage loans outstanding - Banks (R'm)	546,196,842	672,988,765	753,122,034	775,061,630	806,476,967	806,476,967	811,896,365	814,212,561		813,500,060	814,212,561	813,710,479		
y/y % change	*28.2*	*23.2*	*11.9*	*2.9*	*4.1*	*4.1*	*3.0*	*2.7*		*2.8*	*2.7*	*2.2*		
Key Economic Indicators														
Real Gross Domestic Product (R'm at 2000 prices)	1,659,122	1,751,499	1,814,134	1,783,617	1,834,435	1,859,155	1,879,599	1,885,512						
y/y % change	*5.6*	*5.6*	*3.6*	*-1.7*	*2.8*	*3.8*	*3.5*	*3.0*						
Real Residential Fixed Investment (R'm)	36,198	35,882	33,257	30,202	28,130	27,572	27,394	27,292						
y/y % change	*8.2*	*-0.9*	*-7.3*	*-9.2*	*-6.9*	*-6.0*	*-4.9*	*-3.6*						
Prime Rate (%)	11.2	13.2	15.1	11.8	9.8	9.2	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Yields on Government Bonds 10 years and Longer (%)	7.9	8.0	9.1	8.7	8.6	8.2	8.7	8.6	8.6	8.6	8.5	8.5	8.1	8.2
Currencies - USDZAR	6.76	7.03	8.29	8.43	7.33	6.89	7.04	6.80	6.94	6.88	6.78	6.77	7.11	
Currencies - EURZAR	8.48	9.63	12.11	11.73	9.69	9.37	9.62	9.79	9.93	9.86	9.74	9.68	10.17	
CPI - y/y % change	4.6	7.1	11.5	7.1	4.3	3.5	3.8	4.6	5.3	4.6	5.0	5.3	5.3	
Gauteng pump price y/y%						7.3	13.9	18.8	23.2	18.1	21.8	20.0	23.6	26.3
FNBBER Consumer Confidence Index	19.0	21.0	0.3	3.0	14.5	14.0	9.0	11.0	4.0					
RMBBER Business Confidence Index	83.5	74.8	40.0	26.0	42.5	44.0	55.0	48.0	39.0					
SARB Composite Leading Business Cycle Indicator	125.4	125.5	117.0	110.7	129.9	130.8	134.7	134.4		133.1	135.5	134.3		
y/y % change	*5.8*	*0.1*	*-6.8*	*-5.3*	*17.3*	*9.6*	*4.9*	*2.6*		*1.1*	*5.0*	*3.8*		
Real Retail Sales (2008 Prices) - R'm	472,069	502,627	504,063	485,556	510392	147,166	123,758	127,761		41,580	42,333	43,418		
y/y % change	*11.9*	*6.5*	*0.3*	*-3.7*	*5.1*	*7.6*	*5.5*	*4.5*		*1.1*	*2.4*	*2.8*		
Manufacturing - Volume of Production (Index 2005=100)	104.8	109.7	110.4	96.1	100.9	105.5	99.4	100.7		102.7	104.6	99.6		
y/y % change	*4.8*	*4.7*	*0.7*	*-13.0*	*5.0*	*2.8*	*4.9*	*0.6*		*0.8*	*0.8*	*-6.0*		
Mining - Volume of Production (Index 2005=100)	98.7	97.8	92.3	86.2	91.4	97.0	85.8	92.2		90.7	94.0	88.6		
y/y % change	*-1.3*	*-0.9*	*-5.7*	*-6.6*	*6.1*	*8.1*	*1.8*	*7.0*		*10.7*	*-0.1*	*-5.1*		
Vehicle Sales - Total (NAAMSA)	647,021	613,043	489,340	353,970	426,233	111,036	129,676	109,554		36,211	39,379	39,472	44,586	
y/y % change	*14.5*	*-5.3*	*-20.2*	*-27.7*	*20.4*	*25.3*	*21.5*	*12.3*		*9.1*	*16.0*	*11.0*	*10.8*	
Passenger Vehicle Sales - Total (NAAMSA)	427,021	384,582	294,761	224,754	279,238	71,690	86,725	73,236		24,249	26,644	26,580	30,347	
y/y % change	*13.3*	*-9.9*	*-23.4*	*-23.8*	*24.2*	*27.5*	*23.9*	*18.4*		*16.7*	*22.4*	*10.6*	*8.4*	