# Home Loans

First quarter 2013





## Contents

3
5
5
5
3
3
7
9

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## Housing review

- South Africa's economic growth slowed down to a real seasonally adjusted, annualised rate of 1,2% in the third quarter of 2012, from 3,4% in the second quarter. The lower growth was largely the result of a sharp contraction in mining production, which was severely affected by wide-spread labour unrest and strikes in a number of mining sub-sectors. Real economic growth is estimated to have been 2,5% in 2012, forecast to rise to 2,8% in 2013.
- Headline consumer price inflation accelerated in the second half of 2012 on the back of inflationary pressures and is expected to rise to above 6% in 2013 before slowing down in 2014. In view of trends in and prospects for the global and local economy, as well as the outlook for consumer price inflation, interest rates are expected to remain at current levels before rising around mid-2014.
- The household sector continued to experience some financial pressure in late 2012. Real disposable income and consumption growth slowed down further, with savings remaining low. At 76%, the household debt ratio remains relatively high. A large percentage of credit-active consumers still have impaired credit records, while consumer confidence is at a low.
- Nominal house price growth in the middle segment of the market slowed down to less than 1% in 2012 from almost 2% in 2011. In real terms, house prices deflated for the second consecutive year. The category for affordable housing performed the best in 2012 of the various market segments in terms of price growth. In the luxury segment price growth was barely positive in nominal terms last year, resulting in prices deflating in real terms.
- The relatively low nominal house price growth of the past two years is forecast to continue in 2013. Further real house price deflation is projected for 2013 on the back of expected low nominal price growth and headline consumer price inflation forecast to average around 6% this year.
- The performance of the economy, growth in employment and income, living costs, interest rates, consumers' credit-risk profiles, banks' risk appetite and lending criteria, and property running costs are important factors with regard to the affordability of property. These factors, in conjunction with the aspect of consumer confidence, will determine the showing of the residential property market this year, which will be reflected in demand and supply conditions, market activity, buying trends, transaction volumes and the demand for mortgage finance.

#### Overview

#### The economy

The South African economy expanded at a seasonally adjusted, annualised rate of only 1,2% in the third quarter of 2012, down from 3,4% in the second quarter, as measured by growth in the country's real gross domestic product (GDP). The markedly lower economic growth in the third quarter was largely the result of a substantial guarter-on-guarter contraction of 12,7% in the real value added by the mining sector, which was severely affected by widespread labour unrest in a number of mining sub-sectors. A slowdown in the real value added by the agricultural sector as well as the tertiary (services) sector also contributed to the lower third-quarter growth rate. Growth in the real value added by the secondary sector improved to an annualised 1,2% in the third guarter from -0,5% in the preceding quarter.

After reaching a recent low of 4,9% year-on-year (y/y) in July 2012, the headline consumer price inflation rate ended the year at 5,7% y/y. The upward pressure on inflation in the second half of last year was caused by rising food prices, higher property running costs and a number of fuel price hikes, as well as a depreciation of 11,6% in the rand exchange rate from an average of R7,25 against the US dollar in 2011 to R8,21 in 2012.

Interest rates remained stable into early 2013 after last cut in July 2012 to their lowest level in almost 40 years. The continued low interest rates are the result of still uncertain global economic conditions and growth prospects for the South African economy, while consumer price inflation is expected to average around 6% in 2013 before slowing down in 2014.

#### The household sector

The following trends were evident with regard to household finances in late 2012:

- Growth in real household disposable income and consumption expenditure slowed down further in the third quarter of 2012 from the first and second quarters on the back of economic trends and inflationary pressures.
- With household saving as a percentage of disposable income still low, growth in income and consumption continued to be closely correlated.
- The ratio of household debt to disposable income was stable in the third quarter from the second quarter, with the cost of servicing debt remaining

well under control in view of the low interest rates.

- The number of credit-active consumers with impaired credit records continued to rise, negatively affecting credit accessibility.
- Against the background of economic developments and the state of household finances, the level of consumer confidence remained low up to end-2012.

The penultimate quarter of 2012 saw growth in real household disposable income slowing down further to an annualised rate of 2,6%, compared with 4,1% and 3,5% in the first and second quarters respectively. The downward trend in real disposable income growth occurred against the background of continued tight labour market conditions and inflationary pressures. Labour costs remained under upward pressure with the average wage settlement rate at 7,4% year-on-year (y/y) in the first nine months of last year, while labour productivity showed growth of only 1,2% y/y in the first half of the year.

Annualised growth in real household consumption expenditure tapered off to 2,6% in the third quarter of 2012 from 3,1% in the second quarter and 3,7% in the first quarter. Lower income growth, rising inflation and continued low consumer confidence contributed to the slower pace of growth in real household consumption. The continued close correlation between real income and consumption growth is related to the severe lack of sufficient savings in the household sector.

The ratio of gross household saving to disposable income, was stable at 1,7% in the first three quarters of 2012. This implies that for every R100 in disposable (after-tax) income earned by households, they saved only R1,70 on average during this period. The ratio of net saving to disposable income remained at a zerolevel in the third quarter. Net household saving is based on the level of gross saving, adjusted for depreciation write-offs on the value of fixed assets, such as residential buildings, held by households.

Household credit balances, which include instalment sales credit, leasing finance, mortgage advances, credit card debt, overdrafts and general loans and advances (mainly personal and micro loans), showed growth of more than 10% y/y up to late 2012, reflecting the extent of household consumption, consumers' risk profiles, and the level of consumer confidence. These factors, against the backdrop of the National Credit Act (NCA) and banks' lending criteria, determine households' appetite for and access to credit. The amount of outstanding unsecured credit extended to households (credit card debt, overdrafts and general loans and advances) continued to rise at a fast pace up to the end of last year, largely contributing to the double-digit growth in total household credit balances in 2012.

The ratio of outstanding household debt to annual disposable income was 76% in both the second and third quarters of 2012. This was the net result of debt as well as nominal income rising by 1,7% in the third quarter of the year from the second quarter. Based on the stable debt ratio and a lower prime interest rate in the third quarter, the cost of servicing household debt as a percentage of disposable income was lower at 6,5% compared with 6,9% in the second quarter.

Based on data published by the National Credit Regulator, a total of 9,25 million credit-active consumers, or 47% of a total of 19,69 million, had impaired credit records in the third quarter of 2012. This was 3,14 million, or 51,4%, more than the 6,11 million credit-active consumers having impaired credit records in the second quarter of 2007. The current state of credit records severely restricts consumers' access to credit and adversely affects household consumption expenditure in view of the extremely low level of household savings.

The ratio of households' net wealth to disposable income increased to 307,9% in the third quarter of 2012 from 302% in the preceding quarter, resulting from the combined performance of the financial and property markets. Households' net wealth is the total value of non-financial assets (mainly residential buildings) and financial assets (mainly assets with monetary institutions, interest in pension funds and long-term insurers, equities and bonds), less liabilities (mortgage loans and other debt).

According to the latest *Quarterly Labour Force Survey* published by Statistics South Africa, a total of 13,645 million people were employed by the end of the third quarter last year (13,447 million employed in the second quarter). The unemployment rate increased to 25,5% in the quarter from 24,9% in the second quarter. A total of 382 000 less people were employed in the third quarter of 2012 compared with 14,027 million having been employed at the end of 2008. As a result of continued unstable labour market conditions in various sectors of the economy, many households remain financially vulnerable.

The Bureau for Economic Research's consumer confidence index deteriorated marginally to -3 index points in the fourth quarter of 2012 from -1 in the third quarter. The level of consumer confidence, measured by expectations regarding the outlook for the economy, household finances and durable consumption expenditure, is around its 2008 level when the economy was in recession. The consumer confidence index averaged 14,5 index points in 2010, 7,3 index points in 2011 and -0,5 index points in 2012.

#### Mortgage finance

The value of outstanding mortgage balances in the household sector showed growth of around 3% y/y towards the end of 2012, reflecting of the state of household finances, consumer credit records, consumer confidence and residential property market conditions in general.

The ratio of outstanding household mortgage debt to disposable income was somewhat lower at 41% in the third quarter of 2012 from 41,4% in the second quarter. This was the net result of quarter-on-quarter growth of 0,7% in household mortgage debt and growth of 1,7% in nominal disposable income. Households' outstanding mortgage debt came to 54% of total debt balances in the third quarter of last year, marginally down from 54,5% in the preceding quarter.

The cost of servicing household mortgage debt as a percentage of disposable income was lower at 3,5% from 3,7% in the second quarter. This was the net result of the abovementioned growth in household mortgage debt and nominal disposable income, impacting the mortgage debt ratio, as well as a lower mortgage interest rate in the third quarter.

#### House price trends

Last year saw nominal house price growth in the middle segment of the market (homes of  $80m^2 - 400m^2$  and priced up to R3,6 million in 2012) slowing down to less than 1% from almost 2% in 2011. In real terms, i.e. after adjustment for the effect of inflation, house prices deflated for the second consecutive year.

In terms of price growth, the category for affordable housing performed the best in 2012 of the various market segments analysed. In the luxury segment price growth was barely positive in nominal terms last year, resulting in prices deflating in real terms.

House price trends in 2012 were a reflection of property market conditions in general, driven by a combination of macroeconomic developments, the state of household finances and the level of consumer confidence. The residential property price trends presented in this report are based on the value of properties for which Absa received and approved applications for mortgage finance. Real price calculations are based on nominal prices deflated by the headline consumer price index. All price data series are smoothed in an attempt to exclude the distorting effect of seasonal factors and outliers. As a result, recent price data and growth rates may differ from previously published figures.

#### Affordable housing

The average price of affordable housing (homes of  $40m^2 - 79m^2$  and priced up to R500 000 in 2012) increased by 6,5% in 2012 after rising by 2,9% in 2011. Real price growth of 0,9% was registered last year in the affordable segment compared with price deflation of 2,1% in the previous year.

In the fourth quarter of 2012, the average price of affordable houses increased by a nominal 6,6% y/y to about R345 400, after rising by 6,8% y/y in the third quarter. Real price growth was recorded at 0.9% y/y in the fourth quarter, compared with 1,6% y/y in the third quarter.

#### Middle-segment housing

Middle-segment housing (homes of  $80m^2 - 400m^2$  and priced at R3,6 million or less in 2012) experienced nominal price growth of 0,6% in 2012, down from 1,7% in 2011. In real terms the average price of homes in this category dropped by 4,8% in 2012 after price deflation of 3,1% in 2011. This caused the real price of a middle-segment house to be at its lowest level since 2005 and about 17% below its peak of 2007.

The average nominal price of a home in the middle segment of the market increased by 5,3% y/y to around R1 105 100 in the final quarter of 2012. Real price deflation in this category of housing occurred for the ninth consecutive quarter, coming in at -0,3% y/y in the fourth quarter of last year, after prices dropped by a real 4,2% y/y in the preceding quarter.

The following price changes occurred in the three middle-segment categories in 2012:

- Small houses (80m<sup>2</sup> 140m<sup>2</sup>): -4,3% y/y nominal and -9,4% y/y real
- Medium-sized houses (141m<sup>2</sup> 220m<sup>2</sup>): 3,2% y/y nominal and -2,3% y/y real
- Large houses (221m<sup>2</sup> 400m<sup>2</sup>): 1,8% y/y nominal and -3,7% y/y real

#### Luxury housing

In 2012 negligible price growth of 0,1% in nominal terms (2% in 2011) was recorded in the segment for luxury housing (homes priced at between R3,6 million and R13,4 million in 2012). This translated into real price deflation of 5,2% in 2012 after adjustment for the effect of inflation (-2,9% in 2011).

The fourth quarter of 2012 saw the average price of luxury housing dropping by a nominal 2,2% y/y to a level of R4 663 500, after prices rose by a marginal 0,4% y/y in the third quarter. In real terms, the average price in this category of housing dropped for the seventh consecutive quarter in the fourth quarter of last year, by 7,4% y/y (-4,5% y/y in the third quarter).

#### **Regional house prices**

At a provincial, metropolitan and coastal level, house prices increased in a number of regions on a nominal basis in 2012, while real price deflation was recorded in most regions compared with 2011.

While affected by macroeconomic trends in general, the residential property market at geographical level is in many respects also influenced and driven by areaspecific factors and developments of an economic, infrastructure, demographic, social and physical nature, such as location. These factors may impact and lead to different property demand and supply conditions, level of market activity, buying patterns, transaction volumes and price levels and growth across the various regions.

House prices in the middle segment of the market performed as follows at provincial level in 2012:

- Northern Cape: 10,7% higher in nominal terms (4,8% in real terms)
- Limpopo: Up by a nominal 5,2% (-0,4% in real terms)
- Eastern Cape: Up by 3,9% in nominal terms (-1,6% in real terms)
- Mpumalanga: A nominal 3,2% higher (-2,3% in real terms)
- Western Cape: Up by 2,6% in nominal terms (-2,9% in real terms)
- North-West: 2,1% higher in nominal terms (-3,3% in real terms)
- Gauteng: Down by a nominal 0,6% (-5,9% in real terms)
- Free State: 1,7% down in nominal terms (-6,9% in real terms)
- KwaZulu-Natal: Down by 2,1% in nominal terms (-7,3% in real terms)

The performance of middle-segment house prices in the major metropolitan areas was as follows in 2012:

- East London: Up by 8,5% in nominal terms (2,7% in real terms)
- Cape Town: 4,3% up in nominal terms (-1,3% in real terms)
- Pretoria: Up by a nominal 1,6% (-3,8% in real terms)
- Bloemfontein: 1% higher in nominal terms (-4,4% in real terms)
- Port Elizabeth/Uitenhage: Up by 0,6% in nominal terms (-4,8% in real terms)
- Durban: A nominal 0,3% higher (-5% in real terms)
- Greater Johannesburg: Down by 2,5% in nominal terms (-7,7% in real terms)

The coastal regions saw the following changes in 2012 in the average price level of houses of between  $80m^2$  and  $700m^2$  and priced up to R13,4 million:

- All coastal regions: Down by 1,1% in nominal terms (-6,4% in real terms)
- Eastern Cape: 2,2% higher in nominal terms (-3,3% in real terms)
- Western Cape: Marginally down by a nominal 0,5% (-5,8% in real terms)
- KwaZulu-Natal: Down by 7,6% in nominal terms (-12,5% in real terms)

#### Building costs and new and existing house price trends

The cost of having a new middle-segment house built, was up by a nominal 4,8% in 2012, after rising by 4,9% in 2011. The average nominal price of a new house was up by 5,1% to a level of about R1 591 600 last year. This came to real price deflation of 0,5% in the past year after adjustment for inflation. The average nominal price of an existing house was about R1 037 800 in 2012 (up by a marginal 0,3% in nominal terms, but down by a real 5,1% from 2011). This made it R553 800, or 34,8%, cheaper to have bought an existing house than to have built a new house in 2012.

In the fourth quarter of 2012 the cost of building a new house was up by a nominal 2,2% y/y (4,4% y/y in the third quarter), which was well below the average headline consumer price inflation rate in the quarter. The average nominal price of a new house increased by 2,1% y/y to about R1 630 300 in the fourth quarter, which translated into a real price drop of 3,1% y/y. The average price of an existing house was up by a nominal 5,5% y/y to about R1 082 100 in the fourth quarter, which came to no real year-on-year price change in the quarter. As a result, it was R548 200, or 33,6%,

cheaper to have bought an existing house than to have a new one built in the fourth quarter of last year.

Factors impacting building costs, and eventually the price of new housing, include material costs; equipment costs; transport costs; labour costs; developer and contractor profit margins; and the cost of developing land for residential purposes, which is impacted by aspects such as finance costs, land scarcity, the availability of services, the cost of rezoning, and the demolition of old and unwanted structures and other infrastructure where applicable.

#### Land values

The average value of land for new housing in the middle and luxury segments of the market for which Absa received applications and approved mortgage finance, increased by a nominal 3,5% to about R510 200 in 2012, after declining by 0,5% in 2011. In real terms land values were down by 3,1% in 2012 after real price deflation of 4,2% in 2011.

In the fourth quarter of 2012 the average value of vacant land for new housing was up by a nominal 3% y/y to R508 700, while in real terms prices dropped by 2,3% y/y in the quarter.

Land values for new housing will be reflective of location, the availability of services such as electricity and water and the availability and condition of road infrastructure.

#### Interest rates and mortgage repayments

Interest rates were cut by 50 basis points in July 2012, after which rates were kept stable into early 2013. Interest rate decisions continued to be driven by global and domestic economic developments and prospects, as well as the outlook for headline consumer price inflation and the factors determining inflation.

Banks' prime and variable mortgage interest rates are currently at 8,5% per annum, with these lending rates at their lowest level in almost 4 decades. Monthly mortgage repayments are in general 35,9% lower compared to early December 2008, when the mortgage rate was 15,5%. Low interest rates favour the affordability of mortgage finance, supporting the demand for housing and consumers' ability to take up credit to buy property.

The impact of changes in the mortgage interest rate is reflected in the relevant tables at the back of the report,

presenting monthly mortgage repayments for various loan amounts at various interest rates, as well as mortgage loan amounts based on various fixed monthly repayments at various interest rates. These calculations are based on a 20-year repayment term.

### Affordability of housing

The affordability of housing remained favourable during the course of 2012, reflected by the ratios of house prices and mortgage repayments to household disposable income (see graph on the affordability of housing). This was the net result of trends in house price and income growth, while the mortgage interest rate was on average somewhat lower in 2012 compared with 2011.

Many households' ability to take advantage of the improved housing affordability continued to be affected by factors such as income, savings, living costs, debt levels, as well as credit-risk profiles (as reflected by the state of consumer credit records), the NCA and banks' lending criteria in the case of the need for mortgage finance to buy a home.

A downward/upward trend in the abovementioned two housing affordability ratios implies that house prices and mortgage repayments are rising at a slower/faster pace than household disposable income. The result is that housing is in effect becoming more/less affordable.

## Outlook

#### The economy

After having expanded by an estimated real 2,5% in 2012 (3,5% in 2011), the South African economy is forecast to grow by 2,8% in 2013. The country's economic performance will be determined by global growth, projected by the International Monetary Fund (IMF) to be 3,5% this year, as well as various factors affecting domestic economic conditions.

Short-term inflationary pressures are expected to cause the headline consumer price inflation rate to rise to above 6% this year, but to slow down again in 2014.

In view of the abovementioned trends in and prospects for the global and local economy, as well as the outlook for consumer price inflation, interest rates are expected to remain at current levels this year before rising by 50 basis points at around mid-2014.

#### The household sector

Growth in real household disposable income is forecast to slow down to 3% in 2013 from an estimated 3,6% in 2012, impacted by inflationary pressures and expected moderate employment growth. Against the background of a continued lack of sufficient savings, growth in real household consumption, forecast at 3,3% for this year, will remain closely correlated with income growth. With lending rates projected to stay at current low levels until mid-2014, many households will continue to make use of credit to fund consumption expenditure, with the result that the ratio of debt to income is forecast to rise to around 78% by the end of 2013. However, the cost of servicing household credit as a percentage of disposable income is expected to remain under control in view of continued low interest rates.

Over the short to medium term, the household sector is set to be plagued by three structural financial factors, namely relatively high levels of debt (impacting the ability to take up further credit); the lack of savings (impacting the ability to pay a deposit on a property or a vehicle when applying for mortgage or vehicle finance); and impaired credit records (limiting the accessibility of credit).

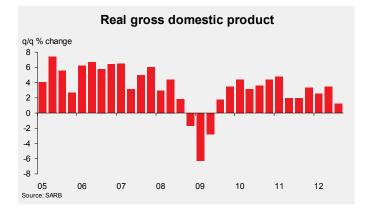
#### The residential property market

Based on current trends in and prospects for the economy and the household sector, the outlook for the residential property market this year remains subdued.

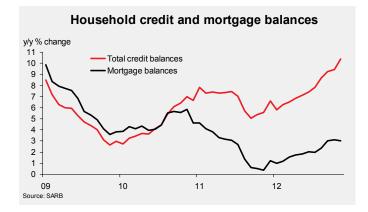
Factors such as the performance of the economy, growth in employment and income, living costs, interest rates, consumers' credit-risk profiles, banks' risk appetite and lending criteria, and property running costs are set to remain important with regard to the affordability of property. These factors, in conjunction with the aspect of consumer confidence, will determine the showing of the residential property market this year, which will be reflected in demand and supply conditions, market activity, buying trends, transaction volumes and the demand for mortgage finance.

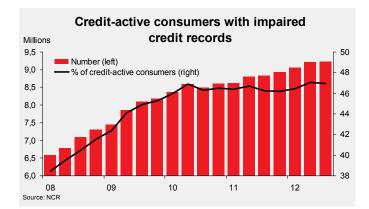
Against this background, the relatively low nominal house price growth of the past two years is forecast to continue in 2013. Further real house price deflation is projected for 2013 on the back of expected low nominal price growth and headline consumer price inflation forecast to average around 6% this year.

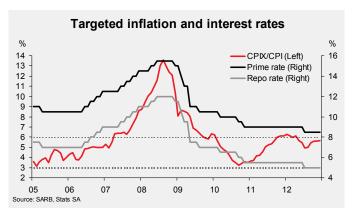
# Graphs

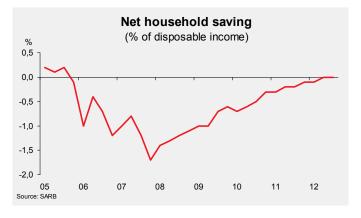


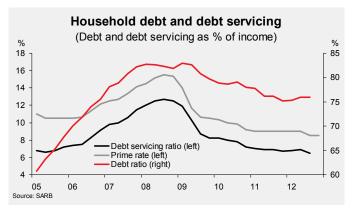


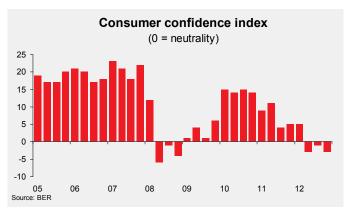


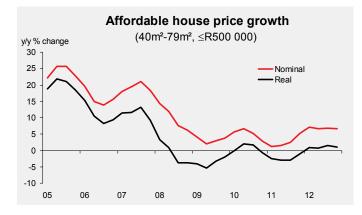








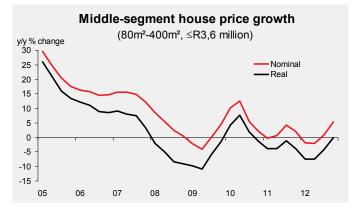


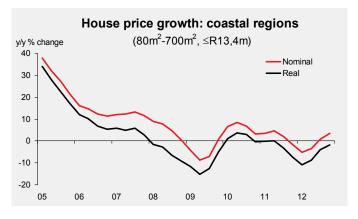




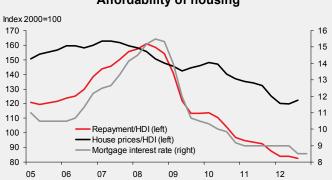


Average price of new and existing houses (Nominal, 80m<sup>2</sup>-400m<sup>2</sup>, ≤R3,6 million) Rand % 1 700 000 % difference (right) 1 500 000 Existing (left) New (left) 1 300 000 1 100 000 900 000 700 000 0 \_ 500 000 -4 





Building cost of new houses (80m<sup>2</sup>-400m<sup>2</sup>, ≤R3,6 million) y/y % change 



Affordability of housing

# **Statistics**

#### Average nominal house prices

National   Pational	Average nominal house prices													
National   Rand									2012	2012				
National Middle segment (80m-400m, SR3,6m)   964 590   1 036 840   1 0.54 82   1 060 75   1 049 518   1 022 614   1 037 948   1 077 207   1 105 082   2 5.     Small (30m-4100m, SR3,6m)   964 590   7 036 840   7 0518   7 101 27   7 042 58   6 06 94   7 77 73   7.2   1 020 74   1 037 949   1 077 207   1 056 92   4.8   0.0   3 0.0   1 000 74   1 006 106   3.4   8.0   0.0   0.0   1 000 74   1 006 106   3.4   8.0   0.0   0.0   1 000 74   1 006 106   3.0   0.0   3.0   0.0   1 001 72   1 010 740   1 005 02   1 055 75   1 505 07   1 003 21   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1 0.0   2.2   1.0   2.2   1 0.0 <td< th=""><th></th><th></th><th></th><th></th><th></th><th>Q4</th><th>Q1</th><th>Q2</th><th>Q3</th><th colspan="2">Q4</th><th></th></td<>						Q4	Q1	Q2	Q3	Q4				
Middle segment (80m <sup>-1</sup> 40m <sup>+</sup> , \$R3,6m)   964 580   103 642   106 422   106 712   644 586   667 064   775 198   741 915   710 217   644 586   667 814   725 357   777 743   7,2   12,0     Medium (141m <sup>+</sup> 220m <sup>+</sup> , \$R3,6m)   1286 944   1446 562   1511 887   1503 529   1460 257   1502 31   166 160   2,6   3,3     New (80m <sup>+-4</sup> 00m <sup>+</sup> , \$R3,6m)   1284 20   1427 655   151 568   150 529   160 538   1508 14   150 520   160 538   1508 614   163 322   2,6   2,1     Existing (80m <sup>+-4</sup> 00m <sup>+</sup> , \$R3,6m)   954 492   1021 167   103 102   1037 815   1026 075   1053 31   103 667   3858   345 849   2,6   2,0   155   55   175   153 527   150 508   463 432   2,6   2,1   2,25   2,1   103 503   130 507   185 86   345 38   2,0   6.6   103 3987   30,611   330 42   663 302   975 960   463 492   2,0   155   7,0   12,2   66   <		Rana	Runa	Runa	Runa		Rand	Rand	Rand	Rand	q/q % ∆	y/y % ∆		
Small (20m-140m <sup>4</sup> , sR3,6m)   667 064   775 198   711 915   710 27   664 258   669 053   678 814   725 337   777 743   7.2   12.0     Medium (141m <sup>4</sup> -220m <sup>4</sup> , sR3,6m)   1386 984   1445 552   1511 857   1503 529   1485 754   1486 525   152 621   152 680   12.0   133   106 103   32   106 108   3.4   8.0     Large (221m <sup>4</sup> -400m <sup>4</sup> , sR3,6m)   1224 820   1427 605   151 668   1591 642   1007 1002 148   1500 671   1050 71   102 114   12.8   5.5     Affordable (40m <sup>4</sup> -75m <sup>4</sup> , sfs500 000)   292 790   307 500   316 294   308 938   324 065   308 611   333 667   348 588   2.0   6.6     Luxury (R3,6m-R13,4m)   4 561 731   807 51   809 95   926 150   666 602   869 050   844 60   101 572   10.8   2.2     Free State   753 166   837 102   887 633   863 38   824 470   796 064   881 41   101 572   10.6   2.2   0.7   1.6   1.36	National													
Medium (141m*-220m*, sR3,6m)   923 863   969 909   986 519   1017 824   987 177   976 449   997 916   1030 735   1066 196   3.4   8,0     Large (221m*-400m*, sR3,6m)   1346 994   1446 347   1445 564   1503 821   1485 754   1000 241   1015 077   1053 179   1082 148   2.2   2.2     Provinces   Bastem Cape   831 106   908 751   890 959   926 150   866 092   869 050   984 660   943 022   975 696   3.5   12.7     Free State   753 196   831 106   908 754   987 993   886 141   1033 857   345 831   105 835   105 755   3.6   3.4	Middle segment (80m²-400m², ≤R3,6m)	964 590	1 036 840	1 054 822	1 060 715	1 049 518	1 022 614	1 037 949	1 077 207	1 105 092	2,6	5,3		
Large (221m <sup>4</sup> 400m <sup>4</sup> , SR3,6m)   1386 984   1486 387   1485 754   1486 754   1486 754   1486 754   1486 754   150 605   152 802   150 614   1303 22   2.5   2.1     Lissting (80m <sup>4</sup> -400m <sup>4</sup> , SR3,6m)   122 420   120 167   105 500   1060 241   1055 07   1560 351   1590 641   1303 22   2.5   2.1     Affordable (40m <sup>4</sup> , 7m <sup>3</sup> , SR500 000)   292 790   307 500   316 294   330 938   324 085   306 611   333 657   338 566   345 388   2.0   6.6     Luxury (R3,6m-R13,4m)   4 516 701   4 686 374   4 780 595   926 150   866 092   809 050   894 660   943 022   75 696   3.5   12.7     Gauteng   102 2609   1080 569   117 399   1110 350   118 173   1074 144   1083 856   1115 301   115 785   3.6     Mumalanga   809 304   865 303   905 793   335 69   913 037   903 937   805 804   942 610   7.7   10.2     North West   787 231   836 437<	Small (80m²-140m², ≤R3,6m)	667 064	775 198	741 915	710 217	694 258	660 953	676 814	725 357	777 743	7,2	12,0		
New (80m <sup>2</sup> -400m <sup>2</sup> , sR3,6m)   1 224 820   1 427 605   1 516 68   1 591 642   1 506 757   1 585 757   1 560 388   1 500 614   1 330 322   2,5   2,1     Exising (80m <sup>2</sup> -400m <sup>2</sup> , sR3,6m)   954 492   1 021 167   1 037 815   1 026 779   1 000 424   1 105 507   1 053 179   1 082 148   2,8   5,5     Affordable (40m <sup>2</sup> 79m <sup>2</sup> , SR500 000)   4 514 740   4 686 374   4 780 595   4 787 341   4 766 755   4 878 090   4 874 164   4 780 570   4 663 453   2,0   6.6     Eastern Cape   831 106   908 751   890 995   926 150   866 092   869 050   894 660   943 022   975 696   3.5   12,7     Free State   753 196   837 102   899 763   874 549   886 130   927 82   881 1571   893 449   950 833   1034 229   8.8   103     Mugmalanga   809 904   834 433   888 980   880 033   925 762   881 571   893 499   942 71   1052 23   7.0   102     North West	Medium (141m²-220m², ≤R3,6m)	923 863	969 909	986 519	1 017 824	987 177	976 449	997 916	1 030 735	1 066 196	3,4	8,0		
Existing (80m <sup>2</sup> -400m <sup>2</sup> , \$R3,6m)   954 492   1021 167   1035 102   1037 815   1020 79   1000 424   1015 507   1053 179   1082 148   2,8   5,5     Affordable (40m <sup>-2</sup> 47m <sup>2</sup> , 5R800 000)   292 770   307 500   316 284   338 938   324 085   333 667   338 586   344 388   2,0   6,6     Provinces   Eastern Cape   831 106   908 751   890 995   926 150   866 092   869 050   891 640   943 022   975 696   3,5   12,7     Free State   753 196   837 102   897 7102   897 695   937 495   846 503   824 470   786 084   881 641   1005 72   1,3,6   1,4   1,0   1,1   390   117 399   117 399   117 399   117 399   10,3   11,1   310 7 414   408 881 641   105 320   1,15 327   1,0   1,3     Gauteng   1022 609   1080 591   117 399   1101 350   1111 350   1111 31   107 414   108 385 64   934 429   950 833   1034 429   8,8	Large (221m²-400m², ≤R3,6m)	1 386 984	1 446 347	1 485 652	1 511 857	1 503 529	1 485 754	1 486 265	1 522 802	1 552 608	2,0	3,3		
Affordable (40m <sup>2</sup> ·79m <sup>3</sup> , SES00 000)   292 790   307 500   316 294   336 988   324 085   330 611   333 657   338 586   345 388   2,0   6,6     Luxury (R3,6m-R13,4m)   4 514 740   4 686 374   4 780 598   4 787 341   4 766 755   4 878 090   4 874 164   4 780 570   4 683 495   -2,2   -2,2     Eastern Cape   831 106   908 751   890 995   926 150   866 092   899 083   824 470   780 604   881 641   101 572   13,6   12,9     Gauteng   102 609   1080 659   117 399   111 373   107 141   1088 561   115 593   5.6   3,4     KwaZulu-Natal   850 435   923 476   959 016   938 957   937 495   881 571   893 449   950 833   1034 229   8,8   10.3     Mpumalanga   809 304   886 320   957 93   957 59   911 527   900 781   887 992   866 197   824 050   4,9   -0,1   3,6     Western Cape   1098 531   1172 923	New (80m²-400m², ≤R3,6m)	1 224 820	1 427 605	1 515 068	1 591 642	1 596 575	1 585 275	1 560 358	1 590 614	1 630 322	2,5	2,1		
Luxury (R3, m-R13, m)   4 514 740   4 686 374   4 780 595   4 787 341   4 786 755   4 878 090   4 874 164   4 780 570   4 663 495   -2,2     Provinces   831 106   908 751   909 95   926 150   866 092   869 050   994 660   943 060   943 660   911 022   975 696   3.5   12,7     Free State   753 196   837 102   889 763   874 549   886 933   824 470   796 084   881 644   1001 572   13.6   12,9     Gauteng   1022 609   1080 569   1117 399   1110 350   1181 31   1074 144   1083 865   914 323   103 223   7.0   13.6   3.1   103 31   104 249   950 633   103 223   7.0   13.6   3.0	Existing (80m²-400m², ≤R3,6m)	954 492	1 021 167	1 035 102	1 037 815	1 026 079	1 000 424	1 015 507	1 053 179	1 082 148	2,8	5,5		
Provinces   831 106   908 751   890 995   926 150   866 092   869 050   894 660   943 022   975 696   3,5   12,7     Free State   753 196   837 102   889 763   874 549   886 933   824 470   796 084   881 641   1001 572   13,6   12,9     Gauteng   1 022 609   1 080 569   1117 399   1110 350   1181 173   1074 144   1083 866   1115 930   1155 785   3,6   3,4     KwaZulu-Natal   809 304   885 800   380 033   925 762   863 157   853 180   885 805   948 662   1015 322   7,0   17,6     Mpumalanga   809 304   856 337   851 872   869 755   913 037   903 971   857 804   934 271   1006 223   7,7   10,2     North West   787 231   836 435   183 782   860 755   816 857   807 392   866 135   969 980   821 017   9,4   .18     Western Cape   1098 538   1172 933 114   1164 958   1167 987<	Affordable (40m²-79m², ≤R500 000)	292 790	307 500	316 294	336 938	324 085	330 611	333 657	338 586	345 388	2,0	6,6		
Eastern Cape   831 106   908 751   890 995   926 150   866 092   869 050   894 660   943 022   975 696   3,5   12,7     Free State   753 196   837 102   889 763   874 549   886 933   824 470   796 084   881 644   1001 572   13,6   12,9     Gauteng   1022 609   1080 569   117 399   110 350   118 173   1074 144   1083 856   115 930   115 5785   3,6   3,4     KwaZulu-Natal   850 435   923 476   985 193   930 793   895 804   934 221   1006 223   7,7   10,2     North West   777 306   767 858   850 257   836 195   807 396   866 635   905 90   821 017   -9,4   -1,8     West m Cape   1098 538   1172 923   1163 035   1133 131   116 985   1167 987   118 575   1207 97   1207 07   -0,5   3,9     Bloemfontain (Free State)   1018 52   1048 338   968 601   107 381   1024 862   1077 413   <	Luxury (R3,6m-R13,4m)	4 514 740	4 686 374	4 780 595	4 787 341	4 766 755	4 878 090	4 874 164	4 780 570	4 663 495	-2,4	-2,2		
Free State753 196837 102889 763874 549886 933824 470796 084881 6441001 57213,612,9Gauteng1022 6091080 569117 399111 3001118 1731074 1441083 8651115 580115 7853,63,4KwaZulu-Natal850 435923 476959 016939 895937 495881 571893 449950 8331025 7823,610,3Limpop834 433888 980880 033925 762863 157853 180885 805948 6821015 3827,017,6Mpumalanga809 304856 133905 793935 059911 537900 781887 992686 17110,6 2237,710,2North West777 231836 437861 782865 755911 537900 781887 992866 613905 980821 0179,4-1,8Western Cape692 257779 306767 858850 537807 396866 633905 980821 0179,4-1,8FE/Utenhage (Eastern Cape)816 847896 956800 357855 538804 141821 801861 934886 165892 2510,711,0East London (Eastern Cape)816 847896 956800 357865 538804 141821 801861 934886 165892 2510,711,0Last Rand1039 271045 5421070 4131076 4851069 8441064 7830,53,3Bioemfontein (Free State)933 30106 320	Provinces													
Gauteng1 022 6091 080 5691 117 3991 110 3501 118 1731 074 1441 083 8561 115 9301 155 7853,63,4KwaZulu-Natal850 435923 476959 016938 957937 495881 571893 449950 8331 034 2298,810,3Limpopo834 433888 800880 033925 762863 157851 810881 571893 449950 8331 034 2298,810,3NorthWest767 231836 437856 830905 783933 655911 527900 781887 992866 107824 0504,99,6Norther Cape692 257779 306767 858850 257836 195807 396866 635905 980821 017-9,4-1,8Wester Cape1 108 1521 163 0531 173 2931 143 451 164 9581 185 7571 207 074-0,13,6PE/Ultenhage (Eastern Cape)816 847896 956860 357865 538804 141821 801861 934886 165892 2510,711,0East London (Eastern Cape)1018 1521 045 2081 103 0501 114 4151 096 7771 046 5421 027 4931 214 4951 264 67412,815,33,7Johannesburg Central & South806 966906 286904 440873 6481 180 2011 207 0741 106 5921 454 67412,81,3Johannesburg North & West1 299 4271 392 9781 412 071422 1991 413 12071 402 7921 415 495<	Eastern Cape	831 106	908 751	890 995	926 150	866 092	869 050	894 660	943 022	975 696	3,5	12,7		
KwaZuu-Natal850 435923 476959 016938 957937 495881 571893 449950 8331 034 2298,810,3Limpopo834 433888 980888 003925 762863 157853 180888 805948 6221 016 2237,710,2Mpumalanga809 304866 330905 793935 059913 037903 937895 804934 2711 006 2237,710,2North West787 231836 437851 872869 755911 527900 781887 892866 197824 0504.99,6North West1098 538172 2231 163 0251 193 3141 164 9551 167 9871 185 5751 207 9971 207 074-0,13,6PEUltenhage (Eastern Cape)816 847896 956860 357865 538804 141821 801861 934886 165892 2510,711,0East London (Eastern Cape)10 18 1521 048 538968 6011 070 3811 024 8621 070 4131 076 4851 669 8441 064 783-0,53,9Bloemfontein (Free State)943 3301 085 2301 103 2051 114 4151 98 7771 046 5421 027 9491 1,14.81 53Greater Johannesburg (Gauteng)1 075 6841 105 2061 124 29191 431 2071 046 5231 207 9411 216 9551 431 7931 451 6771,41,4East Rand931 888948 4901 021 9121 017 0141 030 2681 030 2681 030 2681 00	Free State	753 196	837 102	889 763	874 549	886 933	824 470	796 084	881 644	1 001 572	13,6	12,9		
Limpopo834 433888 980880 033925 762863 157853 180885 805948 6821 015 3827,017,6Mpumalanga809 304856 330905 793933 075913 037903 937895 804934 2711 006 2237,710.2North West787 231836 437851 872869 755911 527900 781887 992866 107824 0504.99.6Norther Cape692 257779 306767 856850 257836 195807 986866 535915 9751 125 751 207 9971 207 074-0.13.6Mestern Cape108 5381 172 9231 163 0351 193 3141 164 9581 167 9871 185 5751 207 9971 207 074-0.13.6PE/Uitenhage (Eastern Cape)816 847896 956860 537865 538804 1411 024 8621 070 4131 076 4851 069 473-0.53.9Bloemfontein (Free State)943 3301 055 201 103 0591 114 4151 096 7771 046 5421 024 9491 121 4951 264 67412.815.3Johannesburg Central & South866 66906 404873 694855 51833835 828902 777971 8474.73.7Johannesburg North & West1 299 4271 392 9781 412 0071 422 1911 431 2071 402 7921 405 5051 431 7031 451 6771.41.4East And931 888948 4901 021 9121 017 0141 067 7881 038 588	Gauteng	1 022 609	1 080 569	1 117 399	1 110 350	1 118 173	1 074 144	1 083 856	1 115 930	1 155 785	3,6	3,4		
Mpumalanga809 304856 330905 793933 5059913 037903 937895 804934 2711006 2237,710,2North West787 231836 437851 872860 755911 527900 781887 992866 197824 0504,99,6Northern Cape692 257779 306767 858850 27836 195807 396866 635905 980821 0179,4-1,8Western Cape1098 5381172 9231183 0351193 3141164 9581167 9871185 5751207 971207 074-0,13,6PE/Uitenhage (Eastern Cape)816 847896 956860 357865 538804 141821 801861 934886 165892 2510,711,0East London (Eastern Cape)1018 1521048 538986 8011070 381124 8621070 4131076 4851068 8441064 783-0,53,9Bloemfontein (Free State)943 3301085 2301103 0591114 4151096 7771046 5421024 9491121 4951264 67412,815,3Greater Johannesburg (Gauteng)1075 6841052 2061162 25841133 182180 320120 7901116 011136 592154 5491,6-2,1Johannesburg North & West1299 4271392 9781412 0071422 1911431 2071402 7921405 5051431 7031451 6771,41,4Bretoria (Gauteng)1065 385166 3821007 14167 2081030 8581007 1641014	KwaZulu-Natal	850 435	923 476	959 016	938 957	937 495	881 571	893 449	950 833	1 034 229	8,8	10,3		
North West787 231836 437851 872869 755911 527900 781887 992866 197824 0504.9-9.6Northern Cape692 257779 306767 858850 257836 195807 396866 635905 980821 017-9.4-1.8Western Cape1098 5381172 9231163 0351193 3141164 9581167 9871185 5751207 9971207 074-0.13.6Metropolitan regions816 847896 956860 357865 538804 141821 801861 934886 165892 2510.711.0East London (Eastern Cape)1018 1521048 538996 8011070 3811024 8621070 4131076 4851069 8441064 783-0.53.9Bloemfontein (Free State)943 3301085 2001103 05911414151096 7771046 5421024 9491121 4951264 67412.816.3Greater Johannesburg (Gauteng)1075 68411052061422 5881133 1821180 2001402 7021402 7921405 7051431 7031451 6771.41.4East Rand931 885948 901021 9121071 141070 2881032 851007 1641014 421216 9651281 2913.101Durban/Pinetown (KwaZulu-Natal)918 773998 0391066 3921009 4881005 78976 139969 958990 4621101 31311.29.6Cape Town (Western Cape)1097 8131194 9351189 6521240 2881138 269	Limpopo											17,6		
Northern Cape   692 257   779 306   767 858   850 257   836 195   807 396   866 635   905 980   821 017   -9,4   -1,8     Western Cape   1 098 538   1 172 923   1 163 035   1 193 314   1 164 958   1 167 987   1 185 575   1 207 074   -0,1   3,6     Metropolitan regions   Refulitenhage (Eastern Cape)   816 847   896 956   860 357   865 538   804 141   821 017   1 048 458   892 251   0,7   11,0     Bioemfontein (Free State)   943 330   1 048 538   986 801   1 070 381   1 024 862   1 007 492   1 121 495   1 264 674   12,8   15,3     Greater Johannesburg (Gauteng)   1 075 684   1 05 206   1 62 588   1 33 182   1 80 320   1 207 902   1 416 407   3 63 83 538   83 83 93   83 5928   907 71   4 64 74   1,8   1,6   -2,1     Johannesburg Central & South   886 966   906 286   904 404   873 694   885 551   83 81 93   83 5928   907 71   1,4   1,4						913 037						-		
Western Cape1 098 5381 172 9231 163 0351 193 3141 164 9581 167 9871 185 5751 207 9971 207 074-0.13.6Metropolitan regions666809 56860 357865 538804 141821 801861 934886 165892 2510.711.0East London (Eastern Cape)1 018 1521 048 538986 8011 070 3811 024 8621 070 4131 076 4851 069 8441 064 783-0.53.9Bioemfontein (Free State)943 3301 085 2301 103 0591 114 4151 096 7771 046 5421 024 9491 121 4951 264 67412.815.3Johannesburg (Gauteng)1 075 6841 105 2061 162 5881 133 1821 180 3201 207 0744.04.14.1East Rand931 888948 4900 021 9121 017 0141 067 2081 030 5881 007 1641 014 4221 015 6100.14.4Pretoria (Gauteng)1 056 3851 162 7751 181 3651 200 3951 63 8121 142 1881 61 1341 21 6961 281 2915.310.1Ourban/Pinetown (Western Cape)1 98 73998 0391006 3921009 4811 062 787 6139969 958990 4621 103 131 2,96.310,14.44.6Cape Town (Western Cape)1 98 73998 0391 063 321 204 3281 226 9261 222 1251 242 1251 246 7451 242 9290.31,3Cape Town (Western Cape)1 98 73<														
Metropolitan regions   Bit 6 847   896 956   860 357   865 538   804 141   821 801   861 934   886 165   892 251   0,7   11,0     East London (Eastern Cape)   1018 152   1048 538   986 801   1070 381   1024 662   1070 413   1076 485   1069 844   1064 783   -0.5   3,9     Bloemfontein (Free State)   943 330   1085 230   1103 059   1114 415   1096 777   1046 542   1024 949   121 495   1264 674   12,8   15,3     Greater Johannesburg (Gauteng)   1075 684   1105 206   1162 588   1133 182   1180 320   1120 790   11160 100   1136 592   1154 949   1,6   -2,1     Johannesburg North & West   1 299 427   1 392 978   1 412 007   1 422 919   1 431 207   1 402 792   1 405 505   1 431 703   1 451 677   1,4   1,4     East Rand   931 888   948 490   1 021 912   1 017 014   1 067 208   1 030 658   1 007 143   1 2142 792   1 403 133   1 12,2   9,6											· ·	· · · ·		
PE/Uitenhage (Eastern Cape) 816 847 896 956 860 357 865 538 804 141 821 801 861 934 886 165 892 251 0,7 11,0   East London (Eastern Cape) 1 018 152 1 048 538 986 801 1 070 381 1 024 862 1 070 413 1 076 485 1 069 844 1 064 783 -0,5 3,9   Bloemfontein (Free State) 943 330 1 085 230 1 103 059 1 114 415 1 096 777 1 046 542 1 024 949 1 121 495 1 264 674 12,8 15,3   Greater Johannesburg (Gauteng) 1 075 684 1 105 206 1 162 788 1 33 182 1 180 320 1 120 790 1 116 01 1 136 592 1 54 4949 1,6 -2,1   Johannesburg Central & South 886 966 906 428 904 404 873 694 885 551 838 193 835 928 902 771 917 884 1,7 3,7   Johannesburg North & West 1 299 427 1 392 978 1 412 007 1 42 919 1 431 207 1 402 792 1 405 505 1 431 703 1 451 677 1,4 4,4   Pretoria (Gauteng) 1 056 385 1 162 775 1 181 365	Western Cape	1 098 538	1 172 923	1 163 035	1 193 314	1 164 958	1 167 987	1 185 575	1 207 997	1 207 074	-0,1	3,6		
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KwaZulu-Natal   1 100 622   1 198 407   1 280 308   1 182 879   1 207 571   1 089 623   1 132 226   1 239 418   1 256 863   1,4   4,1											· ·			
											· · · ·	· · · ·		
											1,4			
	South Coast	912 820		1 029 383	1 006 220	1 016 994	973 809	980 416	1 041 296	1 029 358	-1,1	1,2		
North Coast   1 197 060   1 281 812   1 406 602   1 301 332   1 299 574   1 175 810   1 233 432   1 340 158   1 455 930   8,6   12,0	North Coast	1 197 060	1 281 812	1 406 602	1 301 332	1 299 574	1 175 810	1 233 432	1 340 158	1 455 930	8,6	12,0		

House prices are based on the total smoothed purchase price of houses (including all improvements) in respect of which loan applications were approved by Absa Bank. House prices for the provinces and metropolitan regions are smoothed for all houses between 80m<sup>2</sup> and 400m<sup>2</sup>, up to R3,6 million in 2012. House prices for the coastal regions are smoothed for all houses between 80m<sup>2</sup> and 700m<sup>2</sup>, up to R13,4 million in 2012.

Key variables and projections Annual averages													
2007   2008   2009   2010   2012   2013   2014													
\$/R exchange rate	Rand per US\$	7,05	8,25	8,44	7,32	7,25	8,21	8,49	8,09				
CPI headline inflation rate	%	7,1	11,0	7,1	4,3	5,0	5,6	6,1	5,5				
Mortgage interest rate	%	14,5	15,0	10,5	9,0	9,0	8,5	8,5	9,0				
Household disposable income	Real % $\Delta$	5,2	2,2	-1,2	4,7	5,2	3,6	3,0	3,6				
Final consumption by households	Real % $\Delta$	5,5	2,2	-1,6	4,4	4,8	3,4	3,3	3,8				
Household saving to disposable income	%	-1,2	-1,2	-0,8	-0,5	-0,2	0,0	-0,2	-0,4				
Household debt to disposable income	%	80,0	82,3	81,0	78,2	76,4	76,3	77,7	78,6				
Household debt servicing to disposable income	%	10,5	12,4	9,5	7,7	6,9	6,6	6,6	6,9				
Gross domestic product	Real % $\Delta$	5,5	3,6	-1,5	3,1	3,5	2,5	2,8	3,5				
House prices (80m²-400m², ≤R3,6m)	Nominal % $\Delta$	14,5	4,1	-0,4	7,5	1,7	0,6	4,9	3,8				
House prices (80m²-400m², ≤R3,6m)	Real % $\Delta$	6,9	-6,2	-7,0	3,1	-3,1	-4,8	-1,1	-1,6				

	Sma	ll: 80 m² – 14	l0m²	Mediur	n: 141 m² – 2	220m²	Large: 221 m <sup>2</sup> – 400m <sup>2</sup>			
	Price Rand	q/q % ∆	у/у %	Price Rand	q/q % ∆	у/у % Δ	Price Rand	q/q % ∆	у/у %	
National and provinces										
South Africa	777 743	7,2	12,0	1 066 196	3,4	8,0	1 552 608	2,0	3,3	
Eastern Cape	757 095	3,9	45,3	960 223	1,2	15,1	1 419 085	-2,9	4,4	
Free State	897 546	34,7	36,8	778 802	7,2	5,5	1 304 702	12,7	11,8	
Gauteng	802 008	11,4	11,8	1 059 469	3,9	9,0	1 582 679	2,4	1,6	
KwaZulu-Natal	624 425	7,0	-1,0	975 507	5,6	8,3	1 520 071	6,7	7,0	
Mpumalanga	700 203	5,4	9,5	1 074 965	4,3	21,7	1 349 679	14,4	7,6	
North West	670 167	5,5	11,9	832 765	-1,5	-3,1	1 060 150	-9,1	-12,6	
Northern Cape	678 976	0,5	3,1	720 678	-5,1	-4,9	1 156 003	-5,6	7,1	
₋impopo	680 688	16,8	19,3	1 064 471	6,2	17,0	1 673 642	11,0	51,2	
Western Cape	842 212	2,3	5,7	1 209 355	-0,4	3,4	1 725 740	-2,9	0,0	
Metropolitan regions										
PE/Uitenhage (Eastern Cape)	742 880	-0,3	49,0	733 329	-10,6	-5,2	1 331 324	-2,7	3,8	
East London (Eastern Cape)	744 299	3,9	7,9	1 166 635	7,7	25,8	1 837 476	2,6	19,7	
Bloemfontein (Free State)	1 049 936	36,2	35,3	1 082 764	8,0	5,2	1 634 200	11,5	13,4	
Greater Johannesburg (Gauteng)	864 589	11,6	16,3	987 847	0,6	-7,3	1 617 900	3,4	-2,2	
Johannesburg Central & South	623 603	6,9	13,9	778 556	0,0	-4,7	1 621 339	8,3	-2,4	
Johannesburg North & West	980 541	11,5	6,8	1 220 780	0,0	-2,4	1 736 667	-0,4	-6,2	
East Rand	923 317	13,1	26,6	879 973	-3,2	-11,2	1 449 381	6,1	1,0	
Pretoria (Gauteng)	753 185	10,0	4,1	1 229 852	2,6	20,1	1 707 765	2,8	10,2	
Durban/Pinetown (KwaZulu-Natal)	681 188	8,6	-4,4	993 557	2,6	1,3	1 649 173	6,8	7,0	
Cape Town (Western Cape)	864 376	1,6	4,4	1 265 893	-0,9	0,6	1 771 132	-5,1	-1,2	

#### Average nominal house prices by middle-segment category in the fourth quarter 2012

House prices are based on the total smoothed purchase price of houses (including all improvements) between 80m<sup>2</sup> and 400m<sup>2</sup>, up to R3,6 million, in respect of which loan applications were approved by Absa Bank.

#### Monthly mortgage repayment (rand, calculated over a period of 20 years)

Mortgage						Repay	ment at a	mortgage	rate of					
amount	8,0%	8,5%	9,0%	9,5%	10,0%	10,5%	11,0%	11,5%	12,0%	12,5%	13,0%	13,5%	14,0%	14,5%
100 000	836	868	900	932	965	998	1 032	1 066	1 101	1 136	1 172	1 207	1 244	1 280
200 000	1 673	1 736	1 799	1 864	1 930	1 997	2 064	2 133	2 202	2 272	2 343	2 415	2 487	2 560
300 000	2 509	2 603	2 699	2 796	2 895	2 995	3 097	3 199	3 303	3 408	3 515	3 622	3 731	3 840
400 000	3 346	3 471	3 599	3 729	3 860	3 994	4 129	4 266	4 404	4 545	4 686	4 829	4 974	5 120
500 000	4 182	4 339	4 499	4 661	4 825	4 992	5 161	5 332	5 505	5 681	5 858	6 037	6 218	6 400
600 000	5 019	5 207	5 398	5 593	5 790	5 990	6 193	6 399	6 607	6 817	7 029	7 244	7 461	7 680
700 000	5 855	6 075	6 298	6 525	6 755	6 989	7 225	7 465	7 708	7 953	8 201	8 452	8 705	8 960
800 000	6 692	6 943	7 198	7 457	7 720	7 987	8 258	8 531	8 809	9 089	9 373	9 659	9 948	10 240
900 000	7 528	7 810	8 098	8 389	8 685	8 985	9 290	9 598	9 910	10 225	10 544	10 866	11 192	11 520
1 000 000	8 364	8 678	8 997	9 321	9 650	9 984	10 322	10 664	11 011	11 361	11 716	12 074	12 435	12 800
1 500 000	12 547	13 017	13 496	13 982	14 475	14 976	15 483	15 996	16 516	17 042	17 574	18 111	18 653	19 200
2 000 000	16 729	17 356	17 995	18 643	19 300	19 968	20 644	21 329	22 022	22 723	23 432	24 147	24 870	25 600
2 500 000	20 911	21 696	22 493	23 303	24 126	24 959	25 805	26 661	27 527	28 404	29 289	30 184	31 088	32 000

#### Mortgage amount at fixed monthly repayment (rand, calculated over a period of 20 years)

Mortgage	Mortgage amount at a mortgage rate of													
repayment	8,0%	8,5%	9,0%	9,5%	10,0%	10,5%	11,0%	11,5%	12,0%	12,5%	13,0%	13,5%	14,0%	14,5%
1 000	119 554	115 231	111 145	107 281	103 625	100 162	96 882	93 771	90 819	88 017	85 355	82 824	80 417	78 125
2 000	239 109	230 462	222 290	214 562	207 249	200 325	193 763	187 542	181 639	176 035	170 710	165 649	160 834	156 250
3 000	358 663	345 693	333 435	321 843	310 874	300 487	290 645	281 313	272 458	264 052	256 065	248 473	241 250	234 375
4 000	478 217	460 923	444 580	429 124	414 498	400 649	387 526	375 083	363 278	352 069	341 421	331 297	321 667	312 501
5 000	597 771	576 154	555 725	536 405	518 123	500 811	484 408	468 854	454 097	440 086	426 776	414 122	402 084	390 626
6 000	717 326	691 385	666 870	643 686	621 748	600 974	581 289	562 625	544 916	528 104	512 131	496 946	482 501	468 751
7 000	836 880	806 616	778 015	750 967	725 372	701 136	678 171	656 396	635 736	616 121	597 486	579 770	562 918	546 876
8 000	956 434	921 847	889 160	858 248	828 997	801 298	775 052	750 167	726 555	704 138	682 841	662 595	643 335	625 001
9 000	1 075 989	1 037 078	1 000 305	965 529	932 622	901 460	871 934	843 938	817 375	792 156	768 196	745 419	723 751	703 126
10 000	1 195 543	1 152 308	1 111 450	1 072 810	1 036 246	1 001 623	968 815	937 708	908 194	880 173	853 551	828 243	804 168	781 251
15 000	1 793 314	1 728 463	1 667 174	1 609 216	1 554 369	1 502 434	1 453 223	1 406 563	1 362 291	1 320 259	1 280 327	1 242 365	1 206 252	1 171 877
20 000	2 391 086	2 304 617	2 222 899	2 145 621	2 072 492	2 003 245	1 937 631	1 875 417	1 816 388	1 760 346	1 707 103	1 656 487	1 608 337	1 562 503
25 000	2 988 857	2 880 771	2 778 624	2 682 026	2 590 615	2 504 057	2 422 038	2 344 271	2 270 485	2 200 432	2 133 878	2 070 608	2 010 421	1 953 128