



Housing Review

Third Quarter 2011

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Summary

- South Africa's economy expanded at a real seasonally adjusted annualised rate of 4,8% in the first quarter of 2011, which was the seventh consecutive quarter of uninterrupted economic growth since the start of the recovery in the third quarter of 2009. The economy is forecast to grow by a real 3,9% in 2011, supported by steady global growth and a further improvement in domestic demand.
- From an income, expenditure and debt point of view, households' financial position showed some improvement in the first quarter of 2011. Real growth in disposable income and consumption was higher, while the ratio of debt to income dropped to below 77%. The cost of servicing debt as a percentage of income declined to its lowest level since the third quarter of 2005. These developments came on the back of above-inflation wage settlements, and continued low inflation and interest rates. However, labour market conditions remained tight, with consumer confidence slightly lower compared with a year ago. Although many consumers are still struggling with impaired credit records, which hamper their ability to take up credit, the number of credit-active consumers having a sound credit record continued to rise after bottoming in mid-2010.
- According to Absa's calculations, growth in nominal house prices remained low, or was in negative territory in some segments of the market in the second quarter of 2011. In some instances prices were rising steadily on a quarterly and annual basis. With consumer price inflation picking up during the second quarter, some real house price declines occurred on a quarterly as well as a year-on-year basis in the past quarter.
- House price trends varied at a geographical level in the country's provinces, metropolitan areas and major coastal regions. Price growth was evident on an annual as well as a quarterly basis in some regions in the second quarter of 2011. However, nominal price declines were recorded in a number of regions, while rising inflation caused prices to remain under pressure in real terms in the second quarter.
- The affordability of housing improved further in the first quarter of 2011, impacted by low house price growth, slightly lower interest rates and rising household disposable income in the quarter. This is according to the latest trends in the ratios of house prices and mortgage repayments to household disposable income.
- Based on house price trends in the first half of 2011, and prospects for the economy and household finances, nominal house price growth of between 1% and 2% is forecast for 2011, rising to about 4% in 2012. In consideration of the outlook for nominal price growth and the projection of consumer price inflation averaging 5% this year and 6% next year, house prices are set to decline in real terms in both 2011 and 2012.

Overview

The economy

South Africa's economic performance improved further in the first quarter of 2011. Growth of 4,8% at a seasonally adjusted annualised rate was registered in the country's real gross domestic product (GDP) in the first three months of the year compared with a growth rate of 4,5% in the fourth quarter of 2010. This was the seventh successive quarter of uninterrupted economic growth since the start of the recovery in the third quarter of 2009, after the economy was in recession in the first half of that year.

The improvement in economic activity in the first quarter of 2011 was driven by annualised growth of 11,1% in the real value added by the secondary sector, which was supported by manufacturing growing at a real rate of 14,5%, while the tertiary (services) sector showed a real annualised increase of 3,7% in the quarter. Growth in the real value added by the primary sector (agriculture and mining) slowed down significantly to an annualised 0,5% in the first quarter of the year from 15,8% in the final quarter of 2010. The slow pace of expansion in the primary sector was driven by the mining sector, particularly a contraction in gold and coal production.

Although the headline consumer price inflation rate is on a gradual upward trend since late 2010, lending rates remained unchanged up to July this year, being at their lowest level in more than three decades.

The household sector

From an income, consumption and debt point of view, households' financial position showed some further improvement in the first quarter of the year.

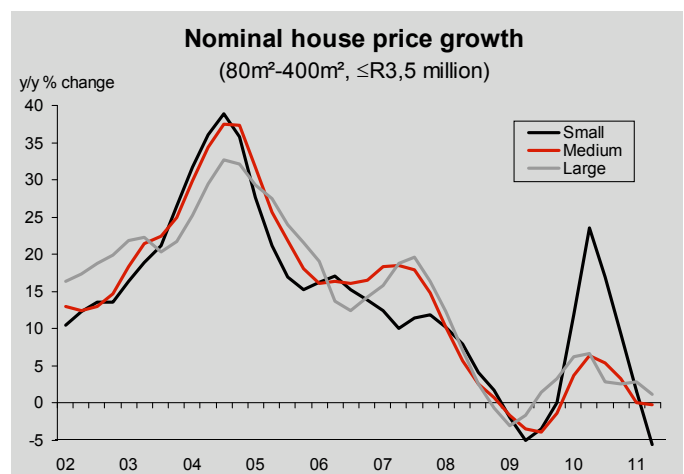
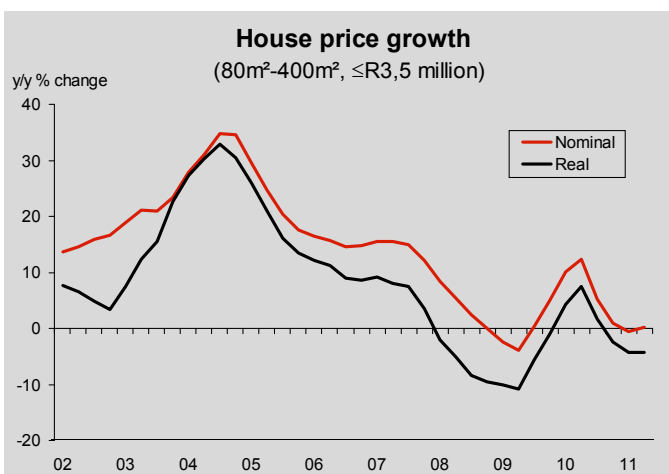
Real household disposable income growth came to an annualised 5,4% in the first quarter of 2011

compared with 5% in the fourth quarter of last year. The faster pace of growth in real disposable income was driven by relatively high wage settlements against the background of continued low inflation. According to the Andrew Levy employment publications, the average rate of wage settlements was 7,5% in the half of 2011, well above the average headline consumer price inflation rate of 4,2% during this period.

Supported by the abovementioned developments regarding income and inflation, as well as continued low interest rates, real household consumption expenditure increased at an annualised rate of 5,2% in the first quarter of 2011, up from 4,8% in the fourth quarter of last year. Strong growth in the durables category of household consumption, which showed annualised real growth of 21,5% in the first quarter this year, contributed to the abovementioned higher growth in total household consumption expenditure.

The ratio of net household saving to disposable income remained in negative territory at a level of -0,2% in the first quarter of 2011, reflecting the ongoing dire situation regarding household savings. Net household saving is based on the level of gross saving, adjusted for depreciation write-offs on the value of fixed assets held by households, such as residential buildings.

Credit extended to the household sector, consisting of instalment sales credit, leasing finance, mortgage advances, credit card debt, overdrafts and other loans and advances, continued to record single-digit growth on a year-on-year basis into the second quarter of 2011. This is an indication of the financial strain many households are still experiencing against the background of relatively high levels of debt (see below). Based on data released by the National Credit Regulator, a total of 8,63 million credit-active consumers, or 46,4% of the total of 18,6 million, had an impaired credit record in the first quarter of 2011. This



was about 2,5 million more than in mid-2007. Against the background of the National Credit Act (NCA) and banks' lending criteria, which take account of consumers' risk profile, the abovementioned situation regarding consumers' credit records impacts their ability to take up additional credit. However, the number of credit-active consumers having a sound credit record increased to 9,97 million in the first quarter of 2011, up from a low of 9,73 million in the second quarter of last year, which is an indication of a gradual, albeit slow, improvement in the overall financial position of the household sector.

The ratio of household debt to disposable income was at a level of 76,8% in the first quarter of 2011, slightly down from 77,6% in the final quarter of last year. This was the lowest debt ratio since the end of 2006 and the net result of debt increasing by 2% and income rising by a nominal 3,1% in the first quarter of the year compared with the preceding quarter. Based on these developments and a slightly lower average prime interest rate, the cost of servicing household debt as a percentage of disposable income was around 6,9% in the first quarter of the year (7,1% in the fourth quarter of 2010). This was the lowest debt servicing cost ratio since the third quarter of 2005.

The net wealth of households was at a level of 362,2% of disposable income in the first quarter of 2011, down from 366,5% in the final quarter of last year. The first quarter figure was influenced by an increase in equity prices, whereas house prices were under pressure in the quarter. The net wealth of households is the total value of tangible 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 (mortgages and other debt).

Labour market conditions remained tight, with

employment declining further in the first quarter of 2011 from the fourth quarter of 2010, according to Statistics South Africa's *Quarterly Labour Force Survey*. This brought the level of employment to 13,118 million at the end of the first quarter this year, down by a total of 909 000 compared with employment of 14,027 million at the end of 2008.

Against the background of the abovementioned trends in factors impacting households' finances, the level of consumer confidence, as published by the Bureau of Economic Research at the University of Stellenbosch, was somewhat lower in the first half of 2011 compared with the corresponding period in 2010.

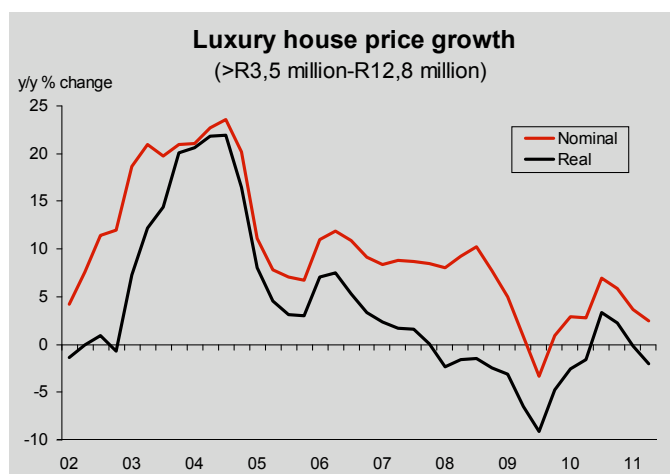
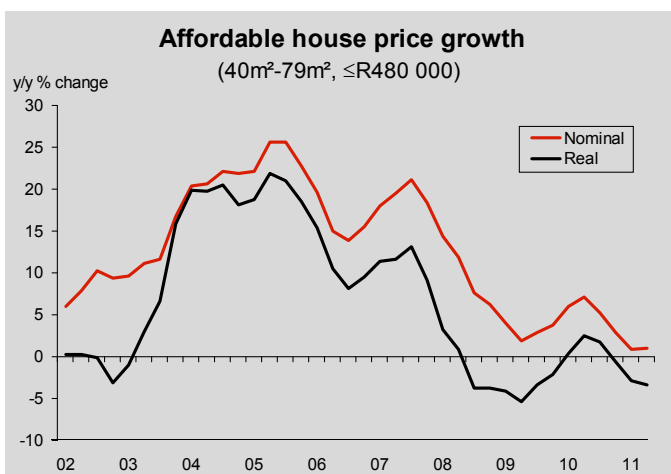
Residential fixed capital formation and building activity

The real value of residential fixed capital formation contracted further in the first quarter of 2011, but at a slowing pace of -4,9% year-on-year (y/y) compared with -6% y/y in the preceding quarter. However, levels of residential building activity improved significantly in the first few months of the year compared with a year ago, which are set to be reflected in increased residential investment towards the end of the year.

Based on statistics published by Statistics South Africa, the volume of building plans approved by local authorities for new houses, flats and townhouses was up by more than 20% y/y in the first number of months of 2011. This improvement with regard to the planning phase of new housing was largely in the categories of houses smaller than 80m², and flats and townhouses, which is an indication of the increasing demand for smaller-sized and higher-density housing against the background of the affordability of housing and mortgage finance, as well as rapidly rising housing operating costs.

Mortgage finance

In the first half of 2011, the value of outstanding



mortgage balances in the household sector was up by only 3% on a year-on-year basis, despite the fact that the mortgage interest rate is at its lowest level in more than three decades. The slow pace of growth in household mortgage advances is related to factors impacting consumer finances, such as a relatively high debt-to-income ratio (76,8% in the first quarter of 2011); a high percentage of credit-active consumers having impaired credit records (46,4% in the first quarter of the year), impacting their ability take up credit; and rising consumer price inflation, eroding spending power.

The ratio of outstanding household mortgage debt to disposable income was at a level of 45,7% in the first quarter of 2011, down from 46,9% in the fourth quarter of last year. This was the net result of growth in household mortgage debt of 0,9% quarter-on-quarter (q/q) and nominal disposable income growth of 3,1% q/q in the first quarter of the year. Households' mortgage debt was just below 60% of total debt in the first quarter of 2011.

The cost of servicing household mortgage debt as a percentage of disposable income came to about 4,1% in the first quarter of 2011 (4,3% in the preceding quarter) – the lowest mortgage debt servicing ratio since mid-2006. This development was the net result of the above-mentioned growth in household mortgage debt and disposable income, as well as a slightly lower average mortgage interest rate in the first quarter of 2011.

House price trends

Growth in average home values remained low, or declined somewhat in nominal terms in some segments of the market in the second quarter of 2011, while in some instances prices were rising. With consumer price inflation on a rising trend in the second quarter of the year, house prices declined in real terms on a year-on-year basis in various categories and geographical regions in the quarter.

The house price trends referred to in this report are based on the value of homes for which Absa approved mortgage finance in the specific period.

Affordable housing

The average price of homes in the affordable category (houses of 40m²-79m² and priced at R480 000 or less) was up by a nominal 1% year-on-year (y/y) to around R312 400 in the second quarter of the year, with prices declining by 3,4% y/y in real terms in the quarter.

Small, medium-sized and large housing

The following year-on-year price growth occurred in the three categories of small, medium-sized and large houses with a building area of between 80m² and 400m², and priced up to R3,5 million in the second quarter of 2011:

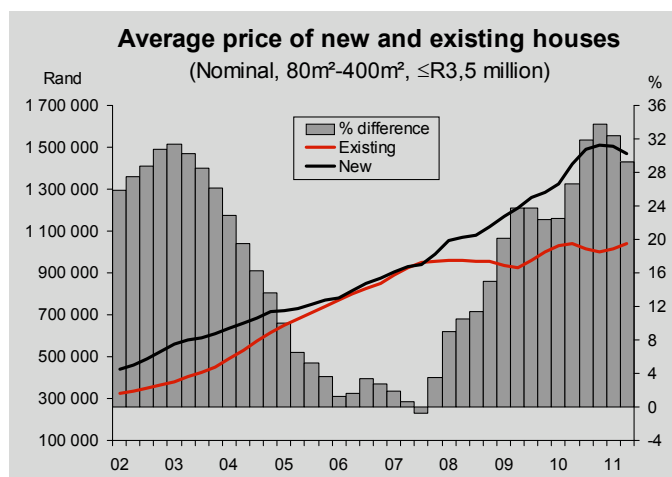
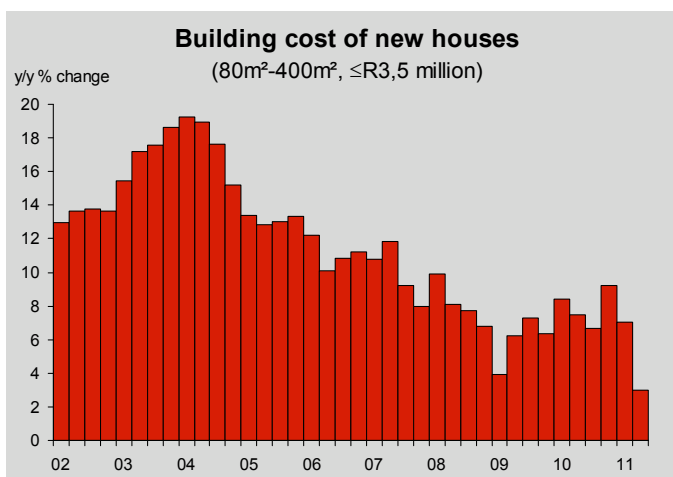
- Small houses (80m²-140m²): -5,6% nominal and -9,8% real.
- Medium-sized houses (141m²-220m²): -0,3% nominal and -4,7% real.
- Large houses (221m²-400m²): 1,2% nominal and -3,3% real.

Luxury housing

In the luxury segment of the market, i.e. houses valued at above R3,5 million up to R12,8 million, price growth of 2,5% y/y was recorded in the second quarter of 2011. The average nominal price of a luxury home came to about R4 722 000 in the second quarter of the year. In real terms the average price of a house in this segment of the market was down by 2,1% y/y in the second quarter of 2011.

Regional house prices

At a geographical level house price trends varied in the provinces, metropolitan areas and the major coastal



regions on a nominal as well as on a real basis. Price growth occurred on an annual as well as a quarterly basis in some regions in the second quarter of 2011, whereas price declines were registered in a few regions in the past quarter (see tables at the back of the report presenting house price trends at a geographical level).

Economic developments and trends at a national level do impact the performance of the residential property market at regional level, but these regional markets may react differently to these developments and will also be impacted by a wide range of area-specific factors. These may include infrastructure-related aspects (transport, water, electricity and other municipal-related services); the availability of serviced vacant residential development land; regional economic performance; sectoral economic development; socio-economic factors (employment and household income); investor focus (the extent of buy-to-let and holiday properties); location (views and proximity to amenities); and the relative size of and trading activity per category of housing in the various regional property markets.

These factors may have an important impact on property supply and demand conditions, and on the divergence of property price levels, trends and growth at regional level.

Building costs and new and existing house price trends

The average price of a new house in the middle-segment of the market was up by a nominal 3,3% y/y to a level of about R1 467 900 in the second quarter of 2011 year. In real terms this translated into a real decline of 1,2% y/y in the second quarter. The average nominal price of an existing house was about R1 037 900 in the second quarter of 2011, which was 0,4% y/y lower in nominal terms (-4,8% in real terms). As a result, it was R430 000, or 29,3%, cheaper to have bought an existing house than to have a new one built

in the second quarter of the year. In view of the abovementioned trend in the average price of a new house, the cost of having a new home built increased by a nominal 3% y/y in the second quarter of 2011.

Land values

The average value of vacant stands for new housing in the middle and luxury segments of the market for which Absa approved finance, dropped by a nominal 2% y/y in the second quarter of the year to an average of about R491 600 nationally, but was up by 0,9% compared with the preceding quarter. In real terms land values were down by 6,4% y/y in the second quarter of the year.

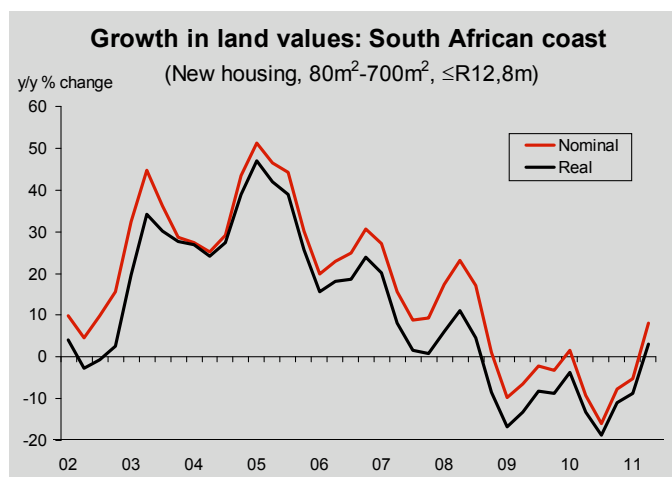
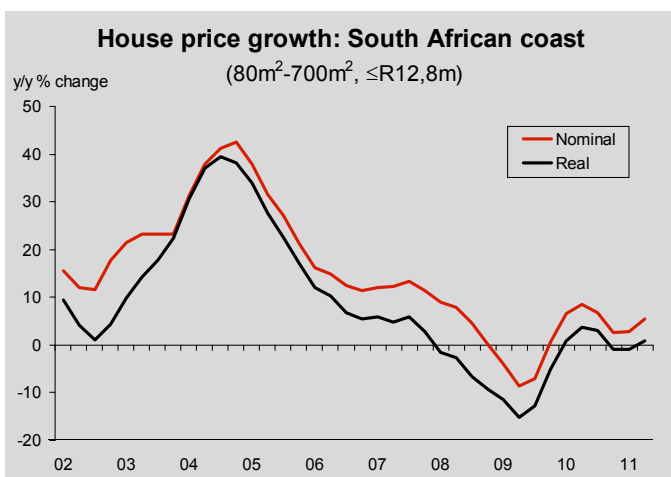
Along the coast, land values for new housing of 80m²-700m², and priced up to R12,8 million, increased by a nominal 8% y/y to around R445 900 in the second quarter of 2011. In real terms the average price of vacant land for new housing in the coastal regions was up by 3,2% y/y in the second quarter.

Interest rates and mortgage repayments

Although headline consumer price inflation is rising since bottoming at 3,2% y/y in September last year, interest rates were kept stable in the first half of 2011. Rates were cut by a total of 650 basis points since December 2008 up to November 2010. This caused banks' prime and variable mortgage interest rates to be at a level of 9% since late last year, which are the lowest lending rates since late 1973/early 1974.

The current low variable mortgage rate has the effect of monthly mortgage repayments being 33,5% lower compared with December 2008, when the mortgage rate was 15,5%, positively impacting the affordability of housing (see below).

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 improved further in the first quarter of 2011, impacted by low house price growth, slightly lower interest rates and rising household income in the quarter. This is based on the latest trends in the ratios of house prices and mortgage repayments to household disposable income (see graph on the affordability of housing).

The ratio of house prices to disposable income declined further in the first quarter of 2011 and reached its lowest level since early 2004. This was the net result of nominal house price growth of only 0,1% y/y and household disposable income increasing by a nominal 8,9% y/y in the quarter.

The ratio of mortgage repayments to household disposable income dropped further to a record low in the first quarter of 2011, which was the net result of the abovementioned trends in nominal house price and household disposable income growth, as well as a somewhat lower mortgage interest rate in the quarter, being at its lowest level since the end of 1973.

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 has in effect become more/less affordable.

Although the abovementioned trends point to an improvement in the affordability of housing up to early 2011, many households' ability to take advantage of these affordability trends is still hampered by relatively high levels of debt, impaired credit records, the impact of the NCA, and banks' resultant lending criteria. The

continued low growth in mortgage finance extended to households is a reflection of the effect of these factors.

Outlook

The economy

The South African economy is forecast to grow by a real rate of around 4% per annum in 2011 and 2012, supported by expected real world economic growth of 4,3% this year and 4,5% next year (as forecast by the International Monetary Fund), as well as growth in domestic demand during this period, driven by a further steady improvement in households' financial position.

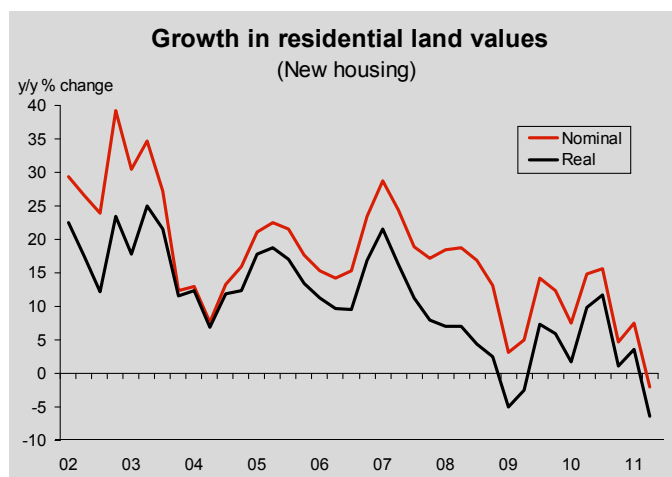
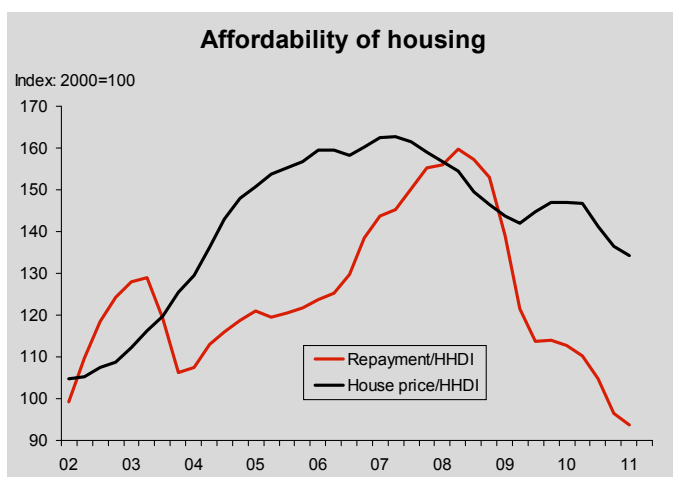
The headline consumer price inflation rate (CPI) is expected to continue rising in the rest of 2011, reaching a level of 6% by year-end. CPI is forecast to average about 5% this year and 6% next year, driven by factors such as rising transport costs, food prices and housing operating costs.

Against the background of these economic and inflation expectations, interest rates are projected to remain unchanged in the rest of the year, but to rise by a cumulative 200 basis points during the course of the first seven months of next year, remaining stable thereafter. This will bring prime and variable mortgage rates to a level of 11% by the end of 2012, which will affect consumers' debt repayments, and the cost and affordability of existing debt and further credit, including mortgage finance.

The residential property market

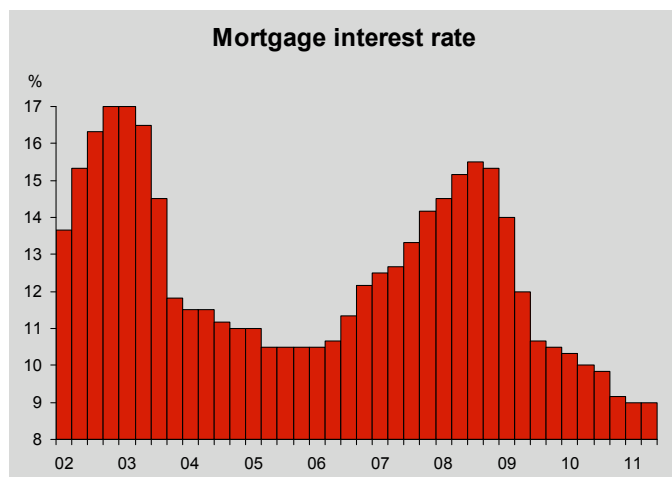
The residential property market will continue to reflect conditions in the macro economy and the household sector up to the end of the year and in 2012.

Based on trends in home values in the first half of 2011, and prospects for the economy and household finances, nominal price growth in the middle segment of



the market is forecast at between 1% and 2% for the full year, rising to about 4% in 2012. In consideration of the outlook for nominal price growth and the projection of consumer price inflation averaging 5% this year and 6% next year, house prices are set to decline in real terms in both 2011 and 2012.

Taking cognisance of the state of household finances (income, saving, debt, credit records, etc), labour market conditions, the level of consumer confidence, which was lower in the first half of the year compared with the corresponding period last year, and the prospect of rising interest rates in 2012 on the back of inflationary pressures in the economy, the year-on-year growth in mortgage finance extended to the household sector is forecast to remain in single digits up to the end of 2011 and into 2012.



Statistics

Average nominal house prices											
	2007 Rand	2008 Rand	2009 Rand	2010 Rand	2010			2011			
					Q2 Rand	Q3 Rand	Q4 Rand	Q1 Rand	Q2		
									Rand	q/q % Δ	y/y % Δ
National											
Middle segment (80m²-400m², ≤R3,5m)	930 327	967 318	964 991	1 032 751	1 049 723	1 023 557	1 018 652	1 032 710	1 050 753	1,7	0,1
Small (80m ² -140m ² , ≤R3,5m)	646 912	685 014	667 705	770 199	800 557	773 946	755 483	762 517	755 968	-0,9	-5,6
Medium (141m ² -220m ² , ≤R3,5m)	906 223	948 715	924 273	967 485	973 541	965 348	966 374	965 868	970 932	0,5	-0,3
Large (221m ² -400m ² , ≤R3,5m)	1 318 949	1 386 688	1 386 373	1 449 647	1 458 672	1 443 375	1 455 678	1 482 595	1 475 457	-0,5	1,2
New (80m ² -400m ² , ≤R3,5m)	942 546	1 081 434	1 231 647	1 436 522	1 420 436	1 487 721	1 510 437	1 503 376	1 467 914	-2,4	3,3
Existing (80m ² -400m ² , ≤R3,5m)	929 639	956 834	954 479	1 021 338	1 041 744	1 013 911	1 001 233	1 016 668	1 037 859	2,1	-0,4
Affordable (40m²-79m², ≤R480 000)	257 343	283 474	292 731	308 125	309 145	309 404	308 098	308 792	312 360	1,2	1,0
Luxury (R3,5m-R12,8m)	4 084 421	4 427 046	4 492 562	4 695 833	4 608 041	4 727 587	4 830 499	4 800 127	4 722 011	-1,6	2,5
Provinces											
Eastern Cape	847 686	868 228	829 124	904 746	920 500	890 351	884 348	912 478	923 265	1,2	0,3
Free State	689 059	726 147	752 764	842 855	835 713	857 862	842 718	822 416	877 465	6,7	5,0
Gauteng	974 120	999 242	1 023 000	1 082 930	1 084 201	1 077 047	1 082 104	1 107 393	1 126 926	1,8	3,9
KwaZulu-Natal	881 551	852 089	853 107	924 704	973 430	913 573	877 058	937 348	984 168	5,0	1,1
Limpopo	825 515	835 130	839 629	890 087	903 455	880 541	871 603	881 795	896 218	1,6	-0,8
Mpumalanga	754 819	798 560	808 788	853 750	854 945	860 923	848 917	880 254	922 643	4,8	7,9
North West	715 865	792 383	780 592	840 943	872 605	840 265	789 109	781 752	820 631	5,0	-6,0
Northern Cape	622 191	669 116	699 447	781 966	789 280	782 189	800 752	755 935	706 958	-6,5	-10,4
Western Cape	1 050 101	1 103 029	1 097 629	1 176 222	1 183 463	1 177 498	1 176 329	1 165 329	1 143 983	-1,8	-3,3
Metropolitan regions											
PE/Uitenhage (Eastern Cape)	869 146	896 343	816 782	897 445	898 009	880 497	895 911	918 496	929 593	1,2	3,5
East London (Eastern Cape)	887 937	1 002 878	1 016 180	1 045 163	1 047 217	1 047 047	1 042 701	1 034 170	1 009 609	-2,4	-3,6
Bloemfontein (Free State)	933 614	948 658	941 935	1 090 846	1 076 832	1 116 636	1 109 739	1 085 534	1 075 481	-0,9	-0,1
Greater Johannesburg (Gauteng)	1 010 914	1 045 125	1 076 884	1 108 245	1 107 251	1 087 500	1 102 548	1 154 816	1 195 116	3,5	7,9
Johannesburg Central & South	870 567	880 543	887 156	908 259	904 335	885 475	912 261	928 262	956 198	3,0	5,7
Johannesburg North & West	1 235 812	1 278 155	1 300 209	1 396 428	1 419 077	1 389 845	1 375 358	1 414 076	1 478 614	4,6	4,2
East Rand	874 940	912 832	933 758	952 143	954 514	942 482	956 900	977 713	1 005 741	2,9	5,4
Pretoria (Gauteng)	1 074 925	1 065 798	1 054 412	1 163 841	1 172 542	1 176 547	1 175 716	1 171 132	1 156 429	-1,3	-1,4
Durban/Pinetown (KwaZulu-Natal)	982 209	979 870	917 647	1 001 563	1 056 409	983 054	929 784	980 589	1 001 373	2,1	-5,2
Cape Town (Western Cape)	1 071 542	1 098 015	1 096 829	1 198 392	1 205 806	1 203 386	1 198 094	1 173 205	1 136 851	-3,1	-5,7
Coastal regions											
South Africa	1 133 928	1 193 997	1 136 024	1 204 736	1 202 523	1 200 249	1 209 087	1 242 040	1 267 241	2,0	5,4
Western Cape	1 187 503	1 233 535	1 190 382	1 273 409	1 259 105	1 268 489	1 308 205	1 368 080	1 364 346	-0,3	8,4
West Coast	1 114 052	1 271 048	1 130 445	1 226 557	1 196 402	1 245 315	1 309 301	1 386 555	1 477 766	6,6	23,5
Cape Peninsula and False Bay	1 157 218	1 208 907	1 159 312	1 244 270	1 240 601	1 237 925	1 249 006	1 286 864	1 281 035	-0,5	3,3
South Coast	1 324 415	1 319 943	1 308 365	1 373 478	1 315 479	1 396 491	1 487 992	1 564 963	1 552 401	-0,8	18,0
Eastern Cape	994 889	1 106 448	1 035 819	1 084 424	1 113 405	1 038 746	1 061 213	1 094 390	1 111 701	1,6	-0,2
KwaZulu-Natal	1 156 638	1 162 410	1 108 368	1 197 411	1 223 635	1 220 956	1 192 993	1 247 149	1 379 897	10,6	12,8
South Coast	1 102 094	1 064 357	914 647	1 073 850	1 091 898	1 131 480	1 092 420	1 094 042	1 065 236	-2,6	-2,4
North Coast	1 203 499	1 238 402	1 207 847	1 279 330	1 283 515	1 291 395	1 258 365	1 343 847	1 507 259	12,2	17,4

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 80m² and 400m², up to R3,5 million. House prices for the coastal regions are smoothed for all houses between 80m² and 700m², up to R12,8 million.

Key variables and projections									
Annual averages									
		2005	2006	2007	2008	2009	2010	2011	2012
\$/R exchange rate	Rand per US\$	6,36	6,77	7,05	8,25	8,44	7,32	6,97	7,37
CPI headline inflation rate	%	3,4	4,6	7,1	11,0	7,1	4,3	5,0	6,0
Mortgage interest rate	%	10,6	11,2	13,2	15,1	11,7	9,8	9,0	10,5
Household disposable income	Real % Δ	5,9	7,3	5,3	2,2	-1,4	4,5	4,9	4,7
Final consumption by households	Real % Δ	6,1	8,3	5,5	2,2	-2,0	4,4	5,0	4,9
Household saving to disposable income	%	0,1	-0,8	-1,0	-1,0	-0,3	-0,3	-0,3	-0,4
Household debt to disposable income	%	64,3	72,8	79,9	81,9	80,9	78,3	76,6	76,9
Household debt servicing to disposable income	%	6,8	8,1	10,5	12,4	9,5	7,7	6,9	8,1
Gross domestic product	Real % Δ	5,3	5,6	5,6	3,6	-1,7	2,8	3,9	4,1
House prices (80m²-400m², ≤R3,5m)	Nominal % Δ	22,7	15,3	14,5	3,8	0,0	7,3	1,5	4,1
House prices (80m²-400m², ≤R3,5m)	Real % Δ	18,7	10,2	6,9	-6,5	-6,6	2,9	-3,3	-1,8

Average nominal house prices by middle-segment category in the second quarter 2011

	Small: 80m ² – 140m ²			Medium: 141m ² – 220m ²			Large: 221m ² – 400m ²		
	Price Rand	q/q % Δ	y/y % Δ	Price Rand	q/q % Δ	y/y % Δ	Price Rand	q/q % Δ	y/y % Δ
National and provinces									
South Africa	755 968	-0,9	-5,6	970 932	0,5	-0,3	1 475 457	-0,5	1,2
Eastern Cape	676 448	-3,8	8,4	894 494	-1,7	-2,0	1 293 304	-4,0	-7,5
Free State	727 003	7,0	9,8	688 753	4,8	2,5	1 030 491	-1,7	-8,6
Gauteng	782 670	-2,5	-4,6	978 540	2,5	0,0	1 553 811	3,1	3,8
KwaZulu-Natal	671 106	-0,4	0,8	950 852	1,2	2,8	1 499 332	4,6	4,3
Mpumalanga	654 731	-1,8	-3,7	831 516	-1,0	-1,0	1 231 225	3,0	12,8
North West	525 436	-9,7	-25,8	776 053	3,9	0,5	1 111 240	1,3	-0,7
Northern Cape	627 856	-4,3	5,8	593 019	-14,4	-17,6	1 043 695	-4,9	5,6
Limpopo	638 383	-3,9	-12,4	1 002 420	0,1	11,4	1 191 299	-9,4	-9,6
Western Cape	844 182	-3,3	-9,4	1 140 007	-4,3	-0,8	1 624 012	-3,9	-2,0
Metropolitan regions									
PE/Uitenhage (Eastern Cape)	685 976	-4,9	11,0	830 822	-5,1	2,1	1 357 107	-2,4	0,4
East London (Eastern Cape)	872 924	-0,9	10,1	936 044	-7,5	-15,8	1 734 542	5,4	18,4
Bloemfontein (Free State)	824 936	-1,9	3,5	884 131	-1,8	-3,6	1 248 917	-6,0	-10,1
Greater Johannesburg (Gauteng)	815 771	-4,2	-2,4	1 045 108	3,2	0,6	1 613 281	4,8	3,9
Johannesburg Central & South	587 939	-9,4	-6,3	841 199	2,3	-8,6	1 613 938	3,8	-4,0
Johannesburg North & West	1 066 093	-2,7	-7,2	1 241 425	3,2	-0,8	1 751 328	2,6	1,7
East Rand	790 947	2,4	0,9	922 361	3,2	4,0	1 375 840	4,8	3,6
Pretoria (Gauteng)	810 366	-2,6	-9,3	1 001 065	0,2	0,3	1 567 175	1,9	2,8
Durban/Pinetown (KwaZulu-Natal)	748 119	-1,8	-3,3	969 017	3,2	2,0	1 519 097	-1,2	-4,4
Cape Town (Western Cape)	847 221	-3,4	-11,8	1 176 912	-4,7	-3,5	1 603 918	-6,4	-5,5

House prices are based on the total smoothed purchase price of houses (including all improvements) between 80m² and 400m², up to R3,5 million, in respect of which loan applications were approved by Absa Bank.

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

Mortgage amount	Repayment at a mortgage rate of													
	9,0%	9,5%	10,0%	10,5%	11,0%	11,5%	12,0%	12,5%	13,0%	13,5%	14,0%	14,5%	15,0%	15,5%
100 000	900	932	965	998	1 032	1 066	1 101	1 136	1 172	1 207	1 244	1 280	1 317	1 354
200 000	1 799	1 864	1 930	1 997	2 064	2 133	2 202	2 272	2 343	2 415	2 487	2 560	2 634	2 708
300 000	2 699	2 796	2 895	2 995	3 097	3 199	3 303	3 408	3 515	3 622	3 731	3 840	3 950	4 062
400 000	3 599	3 729	3 860	3 994	4 129	4 266	4 404	4 545	4 686	4 829	4 974	5 120	5 267	5 416
500 000	4 499	4 661	4 825	4 992	5 161	5 332	5 505	5 681	5 858	6 037	6 218	6 400	6 584	6 769
600 000	5 398	5 593	5 790	5 990	6 193	6 399	6 607	6 817	7 029	7 244	7 461	7 680	7 901	8 123
700 000	6 298	6 525	6 755	6 989	7 225	7 465	7 708	7 953	8 201	8 452	8 705	8 960	9 218	9 477
800 000	7 198	7 457	7 720	7 987	8 258	8 531	8 809	9 089	9 373	9 659	9 948	10 240	10 534	10 831
900 000	8 098	8 389	8 685	8 985	9 290	9 598	9 910	10 225	10 544	10 866	11 192	11 520	11 851	12 185
1 000 000	8 997	9 321	9 650	9 984	10 322	10 664	11 011	11 361	11 716	12 074	12 435	12 800	13 168	13 539
1 500 000	13 496	13 982	14 475	14 976	15 483	15 996	16 516	17 042	17 574	18 111	18 653	19 200	19 752	20 308
2 000 000	17 995	18 643	19 300	19 968	20 644	21 329	22 022	22 723	23 432	24 147	24 870	25 600	26 336	27 078
2 500 000	22 493	23 303	24 126	24 959	25 805	26 661	27 527	28 404	29 289	30 184	31 088	32 000	32 920	33 847

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

Mortgage repayment	Mortgage amount at a mortgage rate of													
	9,0%	9,5%	10,0%	10,5%	11,0%	11,5%	12,0%	12,5%	13,0%	13,5%	14,0%	14,5%	15,0%	15,5%
1 000	111 145	107 281	103 625	100 162	96 882	93 771	90 819	88 017	85 355	82 824	80 417	78 125	75 942	73 862
2 000	222 290	214 562	207 249	200 325	193 763	187 542	181 639	176 035	170 710	165 649	160 834	156 250	151 885	147 724
3 000	333 435	321 843	310 874	300 487	290 645	281 313	272 458	264 052	256 065	248 473	241 250	234 375	227 827	221 585
4 000	444 580	429 124	414 498	400 649	387 526	375 083	363 278	352 069	341 421	331 297	321 667	312 501	303 769	295 447
5 000	555 725	536 405	518 123	500 811	484 408	468 854	454 097	440 086	426 776	414 122	402 084	390 626	379 711	369 309
6 000	666 870	643 686	621 748	600 974	581 289	562 625	544 916	528 104	512 131	496 946	482 501	468 751	455 654	443 171
7 000	778 015	750 967	725 372	701 136	678 171	656 396	635 736	616 121	597 486	579 770	562 918	546 876	531 596	517 032
8 000	889 160	858 248	828 997	801 298	775 052	750 167	726 555	704 138	682 841	662 595	643 335	625 001	607 538	590 894
9 000	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	683 480	664 756
10 000	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	759 423	738 618
15 000	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	1 139 134	1 107 926
20 000	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	1 518 846	1 477 235
25 000	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	1 898 557	1 846 544