

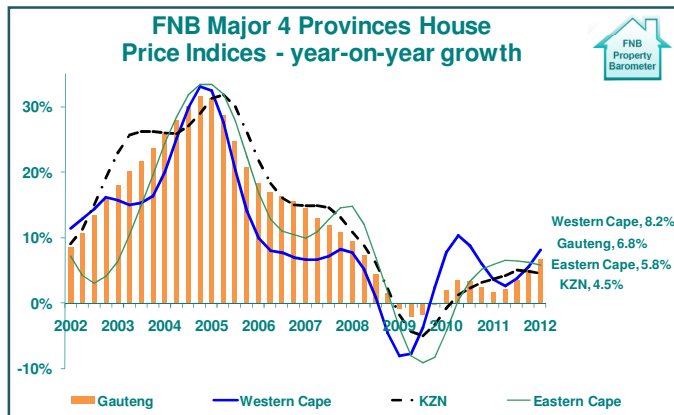
# PROPERTY BAROMETER – 1<sup>ST</sup> QUARTER 2012 PROVINCIAL HOUSE PRICES

## Provincial house price growth acceleration widespread

17 April 2012

We have recently been reporting accelerating national house price growth, with the year-on-year FNB House Price Index inflation rate having reached 8% by March 2012.

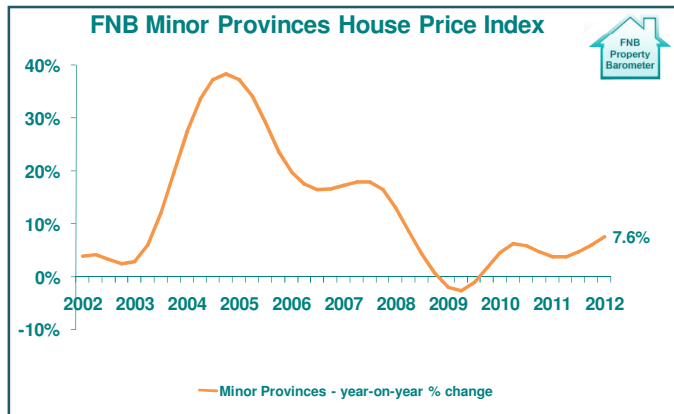
A look at price trends by major regions of the country indicates that this acceleration in house price growth is widespread. The largest regional property market, Gauteng, has seen its price growth accelerating for 4 consecutive quarters to 6.8% year-on-year as at the 1<sup>st</sup> quarter



and although not yet the top performing province price growth-wise, the FNB Estate Agent Survey shows Gauteng agents surveyed to be the most upbeat of all the major metro regions regarding their perceptions of residential market strength.

However, despite recent improvements in Gauteng agent optimism, as at the 1<sup>st</sup> quarter of 2012 it was still the Western Cape average house price growth that was leading the way of the major regions, with a year-on-year increase of 8.2%.

**The two major regions that currently take a different direction to the national trend are KwaZulu-Natal and the Eastern Cape.** These two strongly manufacturing-driven economies often appear to lag the trend of the two more services driven economies of Gauteng and the Western Cape by a few quarters. And so, whereas Gauteng and the Western Cape have been on a recently accelerating price growth path, these two major coastal regions have seen their house price growth slowing a little in recent quarters, with the Eastern Cape measuring 5.8% growth in the 1<sup>st</sup> quarter and KZN 4.5%.



Finally, our 5 minor provinces as a group (Limpopo, Mpumalanga, North West, Free State and Northern Cape) appear to be following the accelerating price

growth path of Gauteng and the Western Cape, reaching 7.6% year-on-year by the 1<sup>st</sup> quarter. These regions are diverse, but one hears reports of strong market performances in towns where mining and power generation expansions are happening, for example Kathu or Lephalale, while agriculture performance has generally been solid in recent years. In addition, smaller cities such as Bloemfontein, while not having the same economic growth as some larger metros, didn't appear to create the same oversupplies as others during the boom years, having had what appeared to be more moderate building booms. So, holiday-driven regions aside, the minor provincial regions appear okay.

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## FNB PROVINCIAL HOUSE PRICE INDEX TABLE

	Gauteng - Average Price (Rand)	Year-on-year % change	Western Cape - Average Price (Rand)	Year-on-year % change	KwaZulu-Natal - Average Price (Rand)	Year-on-year % change	Eastern Cape - Average Price (Rand)	Year-on-year % change	Minor Provinces - Average Price (Rand)	Year-on-year % change
Q1-2001	251,007		334,039		218,111		248,238		175,604	
Q1-2001	254,936		341,420		221,823		254,882		175,750	
Q1-2001	259,265		349,291		226,035		259,479		177,467	
Q1-2001	264,747		358,880		231,432		263,006		180,103	
Q1-2002	272,527	8.6%	372,296	11.5%	238,080	9.2%	266,048	7.2%	182,555	4.0%
Q2-2002	282,601	10.9%	385,370	12.9%	246,859	11.3%	265,722	4.3%	183,099	4.2%
Q3-2002	294,183	13.5%	399,702	14.4%	260,036	15.0%	267,633	3.1%	183,270	3.3%
Q4-2002	307,209	16.0%	417,060	16.2%	275,679	19.1%	273,832	4.1%	184,714	2.6%
Q1-2003	321,950	18.1%	430,924	15.7%	292,690	22.9%	282,927	6.3%	187,871	2.9%
Q2-2003	339,463	20.1%	443,153	15.0%	310,414	25.7%	293,741	10.5%	194,218	6.1%
Q3-2003	358,334	21.8%	461,178	15.4%	328,141	26.2%	307,865	15.0%	205,305	12.0%
Q4-2003	379,971	23.7%	485,510	16.4%	348,095	26.3%	327,550	19.6%	221,269	19.8%
Q1-2004	405,119	25.8%	517,272	20.0%	368,888	26.0%	352,147	24.5%	239,567	27.5%
Q2-2004	434,237	27.9%	554,733	25.2%	390,988	26.0%	377,379	28.5%	259,490	33.6%
Q3-2004	466,320	30.1%	598,870	29.9%	416,843	27.0%	405,732	31.8%	281,872	37.3%
Q4-2004	500,128	31.6%	646,161	33.1%	449,138	29.0%	437,094	33.4%	306,295	38.4%
Q1-2005	531,734	31.3%	685,424	32.5%	484,326	31.3%	469,964	33.5%	329,002	37.3%
Q2-2005	559,228	28.8%	708,100	27.6%	515,577	31.9%	497,834	31.9%	348,021	34.1%
Q3-2005	581,750	24.8%	720,700	20.3%	541,940	30.0%	518,494	27.8%	364,229	29.2%
Q4-2005	604,375	20.8%	736,746	14.0%	566,018	26.0%	534,489	22.3%	379,028	23.7%
Q1-2006	628,854	18.3%	753,365	9.9%	589,717	21.8%	549,136	16.8%	393,956	19.7%
Q2-2006	653,997	16.9%	765,386	8.1%	609,919	18.3%	561,489	12.8%	409,020	17.5%
Q3-2006	677,171	16.4%	776,191	7.7%	628,908	16.0%	575,449	11.0%	424,431	16.5%
Q4-2006	699,190	15.7%	788,394	7.0%	651,148	15.0%	590,644	10.5%	442,232	16.7%
Q1-2007	720,153	14.5%	803,873	6.7%	677,819	14.9%	603,756	9.9%	462,178	17.3%
Q2-2007	738,744	13.0%	816,830	6.7%	700,767	14.9%	622,851	10.9%	482,354	17.9%
Q3-2007	757,410	11.8%	832,548	7.3%	720,558	14.6%	649,225	12.8%	500,832	18.0%
Q4-2007	775,699	10.9%	853,362	8.2%	737,010	13.2%	676,937	14.6%	514,935	16.4%
Q1-2008	788,719	9.5%	866,023	7.7%	751,876	10.9%	693,363	14.8%	522,458	13.0%
Q2-2008	793,275	7.4%	859,601	5.2%	762,213	8.8%	698,081	12.1%	524,227	8.7%
Q3-2008	791,487	4.5%	840,152	0.9%	764,653	6.1%	694,674	7.0%	522,505	4.3%
Q4-2008	788,360	1.6%	814,947	-4.5%	753,802	2.3%	688,845	1.8%	518,551	0.7%
Q1-2009	781,920	-0.9%	796,660	-8.0%	738,670	-1.8%	667,756	-3.7%	512,185	-2.0%
Q2-2009	776,813	-2.1%	793,324	-7.7%	729,354	-4.3%	642,356	-8.0%	510,728	-2.6%
Q3-2009	778,549	-1.6%	809,478	-3.7%	727,153	-4.9%	631,883	-9.0%	517,373	-1.0%
Q4-2009	787,349	-0.1%	835,002	2.5%	729,375	-3.2%	632,534	-8.2%	527,246	1.7%
Q1-2010	797,471	2.0%	859,086	7.8%	733,345	-0.7%	639,471	-4.2%	535,829	4.6%
Q2-2010	804,084	3.5%	875,762	10.4%	738,776	1.3%	645,588	0.5%	542,965	6.3%
Q3-2010	804,780	3.4%	880,689	8.8%	744,220	2.3%	653,206	3.4%	547,593	5.8%
Q4-2010	806,657	2.5%	885,927	6.1%	752,689	3.2%	665,218	5.2%	551,907	4.7%
Q1-2011	811,452	1.8%	890,086	3.6%	760,335	3.7%	677,840	6.0%	556,406	3.8%
Q2-2011	821,334	2.1%	899,657	2.7%	770,385	4.3%	687,910	6.6%	563,534	3.8%
Q3-2011	833,188	3.5%	914,483	3.8%	782,399	5.1%	695,816	6.5%	573,109	4.7%
Q4-2011	847,629	5.1%	935,485	5.6%	789,439	4.9%	706,674	6.2%	584,991	6.0%
Q1-2012	866,806	6.8%	963,123	8.2%	794,927	4.5%	717,115	5.8%	598,847	7.6%
ANNUAL AVERAGE										
2001	257,489		345,908		224,350		256,401		177,231	
2002	289,130	12.3%	393,607	13.8%	255,164	13.7%	268,309	4.6%	183,409	3.5%
2003	349,930	21.0%	455,191	15.6%	319,835	25.3%	303,021	12.9%	202,166	10.2%
2004	451,451	29.0%	579,259	27.3%	406,464	27.1%	393,088	29.7%	271,806	34.4%
2005	569,272	26.1%	712,743	23.0%	526,965	29.6%	505,195	28.5%	355,070	30.6%
2006	664,803	16.8%	770,834	8.2%	619,923	17.6%	569,180	12.7%	417,410	17.6%
2007	748,001	12.5%	826,653	7.2%	709,039	14.4%	638,192	12.1%	490,075	17.4%
2008	790,460	5.7%	845,181	2.2%	758,136	6.9%	693,741	8.7%	521,935	6.5%
2009	781,158	-1.2%	808,616	-4.3%	731,138	-3.6%	643,633	-7.2%	516,883	-1.0%
2010	803,248	2.8%	875,366	8.3%	742,258	1.5%	650,871	1.1%	544,573	5.4%
2011	828,401	3.1%	909,928	3.9%	775,640	4.5%	692,060	6.3%	569,510	4.6%