



Housing Review

Second Quarter 2012

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Date of completion: 25 April 2012

Summary

- The fourth quarter of 2011 saw the South African economy growing at a real seasonally adjusted annualised rate of 3,2%, which was a marked improvement on real growth of only 1% and 1,7% recorded in the second and third quarters respectively. The improved economic growth in the final quarter of last year came on the back of higher levels of activity in the mining and manufacturing sectors. Economic growth, as measured by growth in the real gross domestic product (GDP), was 3,1% in 2011 and is forecast at 2,7% for 2012.
- Growth in real household disposable income and final consumption expenditure improved further in the fourth quarter of 2011. The ratio of household debt to disposable income declined further towards the end of last year. The cost of servicing debt remained under control on the back of continued low interest rates and a lower debt ratio. A relatively large percentage of credit-active consumers continued to be plagued by impaired credit records up to the end of 2011, affecting consumers' risk profile and the accessibility of credit.
- In the first quarter of 2012 house price deflation occurred in both nominal and real terms in the middle segment of the market, i.e. with regard to homes of 80m²-400m² and priced up to R3,6 million in 2012. In the affordable and luxury segments of the market year-on-year price growth improved in the first quarter of the year compared with the preceding quarter. The latest trends in house prices occurred against the background of macroeconomic developments and property market-related factors impacting household finances. These factors may affect the demand for housing and cause changes in property buying trends, which will impact market activity, transaction volumes and price trends in the various segments and regions of the market.
- The affordability of housing, as reflected by the ratios of house prices and mortgage repayments to household disposable income, improved further up to the end of 2011. This was the net result of trends in house price and income growth in the quarter, while interest rates were still unchanged at year-end. Despite the affordability of housing improving further up to end-2011, many households' ability to take advantage of these affordability trends continued to be impacted by factors such as an average debt-to-income ratio of well above 70%; a significant percentage of credit-active consumers having impaired credit records; the impact of the National Credit Act; and banks' lending criteria.
- The affordability of property and accessibility of mortgage finance will remain key to the housing market, driven by factors such as property prices, property running costs, financing and transaction costs, households' financial position, the state of consumer credit records and banks' lending criteria. In view of these factors the housing market is forecast to continue showing a subdued performance in respect of price growth in 2012. In real terms, i.e. after adjustment for the effect of inflation, house prices are set to deflate further in 2012 and 2013, which will be affected by trends in nominal prices and headline consumer price inflation.

Overview

The economy

The fourth quarter of 2011 saw the South African economy growing at a real seasonally adjusted annualised rate of 3,2%, which was a marked improvement on real growth of only 1% and 1,7% recorded in the second and third quarters respectively. The improved economic growth in the final quarter of 2011 came on the back of higher levels of activity in the mining and manufacturing sectors after two quarters of significant declines, which resulted from factors such as industrial action and work stoppages negatively affecting production in these sectors. Economic growth for the full year, as measured by growth in the real gross domestic product (GDP), was 3,1% compared to 2,9% in 2010.

Consumer price inflation breached the upper limit of the inflation target range of 6% in late 2011, rising to 6,3% year-on-year (y/y) in January 2012, after which it tapered off to 6% y/y in March.

Interest rates were left unchanged up to the end of the first quarter of the year against the background of macroeconomic developments and inflation trends affecting the household sector.

The household sector

Growth in real household disposable income and final consumption expenditure improved further in the fourth quarter of 2011. The ratio of household debt to disposable income declined further, with the cost of servicing debt remaining under control against the background of continued low interest rates and a lower debt ratio. A relatively large percentage of credit-active consumers continued to be plagued by impaired credit records up to the end of last year, affecting consumers' risk profile and the consequent accessibility of credit.

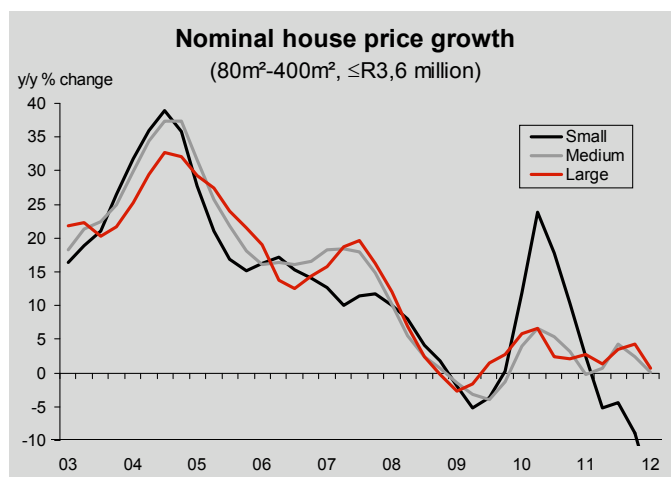
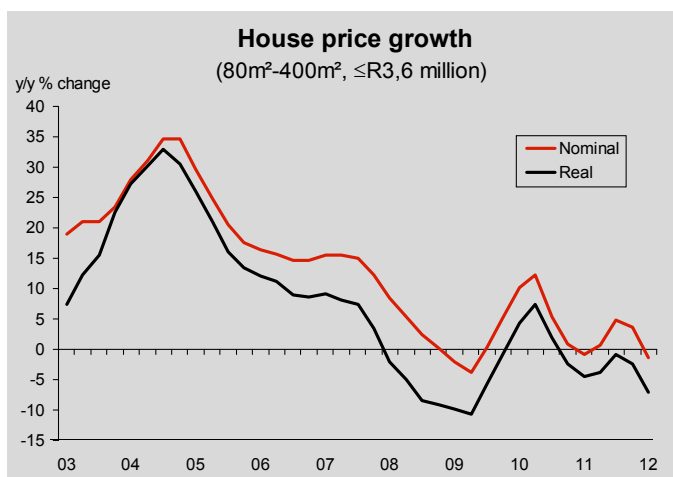
Real household disposable income growth

accelerated to an annualised rate of 4,7% in the fourth quarter of 2011 (3,9% in the third quarter) (3,5% in the second quarter), supported by an average wage settlement rate of 7,7% last year, while headline consumer price inflation averaged 5%.

Real household consumption expenditure recorded annualised growth of 4,6% in the final quarter of last year, up from 3,8% in the preceding quarter. The growth in household spending was supported by higher income growth, but also affected by increasing inflationary pressures, impacting consumers' spending power.

Although household disposable income growth accelerated in the fourth quarter of 2011, growth in consumption expenditure was also higher, resulting in the ratio of gross household saving to disposable income remaining unchanged at a level of 1,6% in the quarter. The ratio of net saving to income was at a zero-level in the fourth quarter of last year. 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.

Year-on-year growth in household credit extension, comprising instalment sales credit, leasing finance, mortgage advances, credit card debt, overdrafts and general loans and advances (mainly personal and micro loans), remained well in single digits in the first quarter of 2012. This is regarded as a reflection of many households still experiencing some financial pressure, with the ratio of debt to income above 70%; consumer price inflation of around 6% year-on-year (y/y), affecting spending power; the number of credit-active consumers having impaired credit records remaining high; and consumer confidence at a relatively low level (see below). These factors, against the background of the National Credit Act (NCA) and banks' lending criteria, which take account of consumers' risk profile, affect the appetite for and access to credit.



According to the National Credit Regulator, a total of 8,93 million credit-active consumers, or 46,2% of a total of 19,34 million, had impaired credit records in the fourth quarter of 2011. This was 2,82 million, or 46,2%, more than the 6,11 million credit-active consumers having impaired credit records in the second quarter of 2007. This situation has a significant impact on the accessibility of credit.

The ratio of household debt to disposable income declined further to 74,6% in the fourth quarter of 2011 compared with 75,6% in the third quarter. This was the net result of debt increasing by 2,3% and income rising by a nominal 3,6% from the third quarter to the fourth quarter of the year. Based on the lower debt ratio and a stable prime interest rate in the fourth quarter, the cost of servicing household debt as a percentage of disposable income was marginally lower at 6,7% from 6,8% in the third quarter.

The household sector's net wealth as a percentage of disposable income tapered off further to 301,9% in the fourth quarter of last year from 303% in the third quarter, with the main reasons being a continued subdued performance by financial assets and property price growth remaining relatively low. The net wealth of households 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).

Labour market conditions improved further in the fourth quarter of 2011, based on Statistics South Africa's latest *Quarterly Labour Force Survey*. A total of 13,497 million people were employed by the end of last year, which was 179 000 more than in the third quarter, but still 530 000 less than the 14,027 million people having been employed at the end of 2008.

Against the background of the trends in the above-

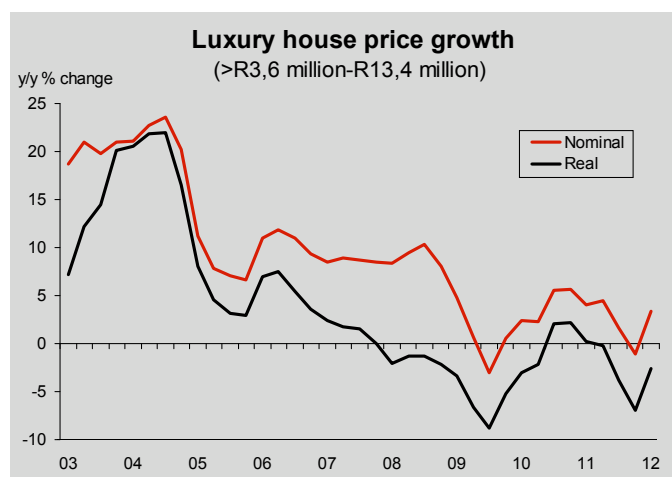
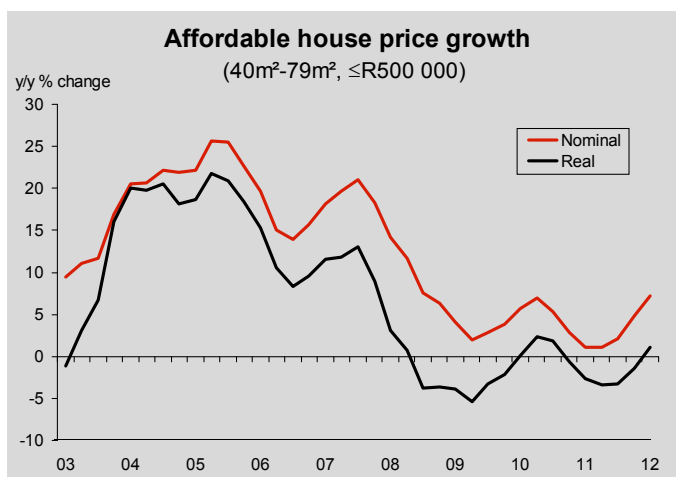
mentioned factors affecting household finances, the level of consumer confidence, as published by the Bureau of Economic Research at the University of Stellenbosch, remained relatively low at 5 index points up to the first quarter of 2012.

The 2012 Budget and the property market

Capital gains tax on the disposal of assets was introduced in 2001, with inclusion rates and specific exclusions remaining unchanged since. It was, however, announced in the 2012 Budget tabled in Parliament in February this year that capital gains tax rates and exclusion amounts under certain conditions will be adjusted effective from 1 March 2012. These changes in respect of capital gains tax, which may impact property transactions concluded on or after 1 March this year, are presented in the relevant tables towards the back of the report.

Certain incentives for the future construction of affordable housing were also announced in the 2012 Budget. These incentives are considered against the background of the lack of sufficient housing stock available in the affordable segment for households in the so-called "gap market", i.e. households with an income above the qualifying threshold for RDP housing, but who are not in a financial position to afford mortgage finance.

In an attempt to address this situation regarding affordable housing, a tax incentive is to be considered for property developers and also employers to build new housing to be sold for less than R300 000 per unit. Options under consideration include either a tax credit or a deduction at either a fixed rand amount per housing unit or as a percentage of the value of the house. Currently some low-income earners receive financial assistance from their employers to buy a house, with the tax hurdles attached to such financial assistance to be investigated as well.



Mortgage finance

The value of outstanding household mortgage balances continued to grow at less than 2% y/y in the early months of 2012. The continued slow pace of growth in these mortgage balances is a reflection of continued capital repayments on mortgage accounts and the state of household finances, affected by factors such as debt levels, impaired credit records and consumer price inflation, impacting real disposable income. Consumer confidence may also play a role in the growth in credit extension, including mortgage finance.

The ratio of outstanding household mortgage debt to disposable income was around 42,5% in the fourth quarter of 2011 (43,9% in the preceding quarter). This was the net result of a fourth-quarter growth rate of 0,4% in household mortgage debt and growth of 3,6% in nominal disposable income compared with the third quarter. Households' mortgage debt was around 57% of their total debt in the final quarter of last year, down from 58% in the third quarter.

The cost of servicing household mortgage debt as a percentage of disposable income was marginally lower at about 3,8% in the fourth quarter of 2011, from 3,9% in the third quarter. This was the net result of the above-mentioned growth in household mortgage debt and nominal disposable income, as well as a stable mortgage interest rate in the fourth quarter.

House price trends

In the first quarter of 2012 house price deflation occurred in both nominal and real terms in the middle segment of the market, i.e. with regard to homes of 80m² - 400m² and priced up to R3,6 million in 2012. In the affordable and luxury segments of the market year-on-year price growth improved in the first quarter of the year compared with the preceding quarter.

The latest trends in house prices occurred against the

background of macroeconomic developments and property market-related factors impacting household finances. These factors may affect the demand for housing and cause changes in property buying trends, which will impact market activity, transaction volumes and price trends in the various segments and regions of the market.

The house price trends presented in this report are based on the value of homes for which Absa received applications and approved mortgage finance. Real house price calculations are based on nominal prices deflated by the headline consumer price index.

Affordable housing

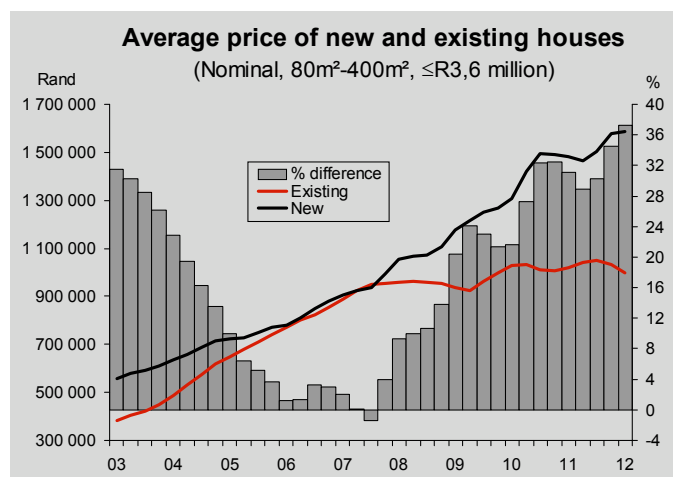
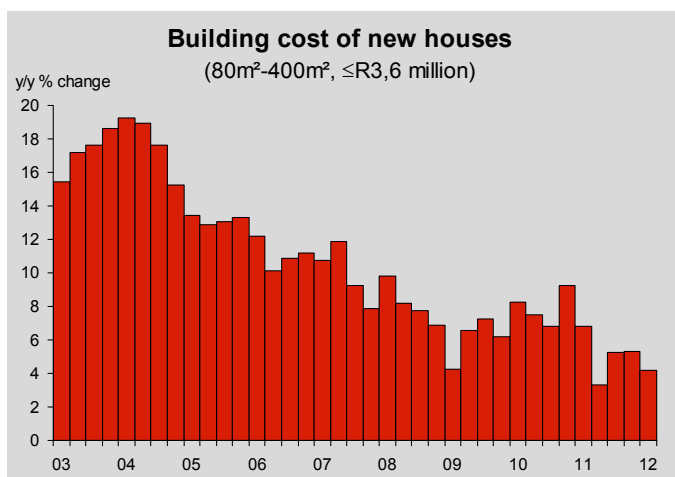
The first quarter of 2012 saw the average nominal price of affordable housing (houses of 40m² - 79m² and priced up to R500 000 in 2012) rising by 7,2% y/y to about R331 100, after increasing by 4,9% y/y in the preceding quarter. In real terms, i.e. after adjustment for the effect of consumer price inflation, house prices in the affordable segment increased by 1,1% y/y in the first quarter of the year, compared with a real price decline of 1,3% y/y recorded in the fourth quarter of last year.

Middle-segment housing

The average nominal value of houses in the middle segment of the market (houses of 80m² - 400m² and priced at R3,6 million or less in 2012) was down by 1,4% y/y to R1 019 400 in the first quarter of 2012, after rising by 3,7% in the final quarter of 2011. Real price deflation of 7,1% was registered in the first quarter of the year, after prices dropped by a real 2,4% in the preceding quarter.

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

- Small houses (80m² - 140m²): -17,2% y/y nominal and -22% y/y real.



- Medium houses (141m² - 220m²): 0,1% y/y nominal and -5,7% y/y real.
- Large houses (221m² - 400m²): 0,7% y/y nominal and -5,1% y/y real.

Luxury housing

The average nominal price of luxury housing (houses valued at between R3,6 million and R13,4 million in 2012) increased by 3,3% y/y to R4 953 900 in the first quarter of 2012 after deflating by 1,1% y/y in the preceding quarter. In real terms, prices in this segment on the market were down by 2,6% y/y in the first quarter (-7% y/y in the fourth quarter of last year).

Regional house prices

House prices at a regional level, i.e. in the various provinces, metropolitan areas and coastal regions, varied on a nominal as well as a real basis in the first quarter of 2012 (see tables at the back of the report).

Macroeconomic developments and trends at a national level, affecting current and prospective homeowners, have an impact on the performance of the residential property market at regional level, but regional markets may react differently to these developments, while a range of area-specific factors may also play an important role. These factors may include infrastructure-related aspects; the availability of serviced residential development land; regional economic performance; the extent of sectoral economic development; socio-economic conditions; the extent of property investment; location (views and proximity to amenities); and the relative size of, and market activity per segment.

These factors may affect property supply and demand conditions, reflected in property price levels and growth at regional level.

Building costs and new and existing house price trends

The cost of having a new house built increased by 4,2% y/y in the first quarter of 2012, after building costs were up by 5,3% y/y in the fourth quarter of last year.

Against the backdrop of rising building costs, the average nominal price of a new house increased by 7,2% y/y to about R1 587 900 in the first quarter of the year. After taking account of the effect of consumer inflation the price of a new house increased by a real 1% y/y in the quarter. The average price of an existing house was down by a nominal 2,3% y/y to about R996 600 in the first quarter, which came to a real decline of 7,9% y/y. As a result, it was R591 300, or 37,2%, cheaper to buy an existing house than to have a new one built in the first quarter of 2012.

Factors impacting building costs, and eventually the price of new housing, include the cost of serviced development land; the cost of planning and professional services related to aspects such as rezoning where applicable, the drafting and approval of building plans, and other relevant professional and consulting fees; the cost of development finance; the cost of the preparation of land for construction; the cost of providing road, electricity, water and sewage infrastructure; building material costs; equipment costs; transport costs; labour costs; and developer and contractor profit margins.

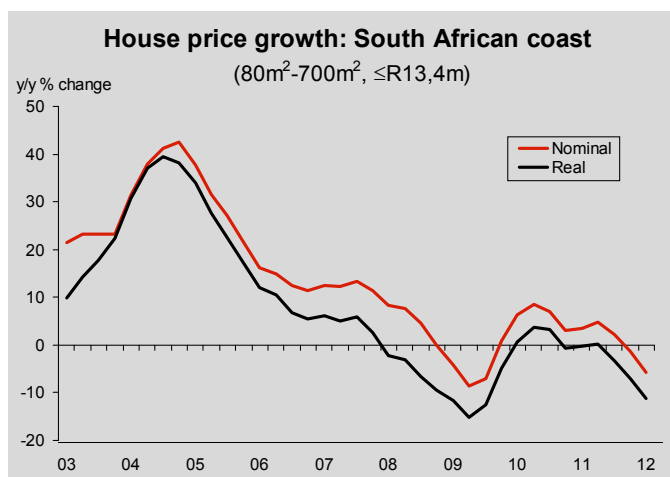
Land values

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 1,6% y/y to about R495 900 in the first quarter of 2012. In real terms the average value of vacant land for new housing was down by 4,3% y/y in the first quarter.

Interest rates and mortgage repayments

After the last cut in November 2010, interest rates remained stable up to the first quarter of 2012. This came against the background of global and domestic economic developments, while headline consumer price inflation is expected to taper off gradually during the course of the year after reaching a level of 6,3% y/y in January before subsiding to 6% y/y in March.

With banks' prime and variable mortgage interest rates currently at 9%, lending rates are at levels last seen in late 1973/early 1974. As a result, monthly mortgage repayments are in general 33,5% lower compared with early December 2008, when the mortgage rate was 15,5%. The low interest rates continue to have a major positive effect on the



affordability of mortgage finance, supporting the demand for housing.

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, as reflected by the ratios of house prices and mortgage repayments to household disposable income, improved further up to the end of 2011 (see graph on the affordability of housing). This was the net result of trends in house price and income growth in the quarter, while interest rates were still unchanged at year-end.

Despite the affordability of housing improving further up to end-2011, many households' ability to take advantage of these affordability trends continued to be impacted by factors such as an average debt-to-income ratio of well above 70%; a significant percentage of credit-active consumers having impaired credit records; the impact of the NCA; and banks' resultant lending criteria.

A downward/upward trend in the above-mentioned 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.

Outlook

The economy

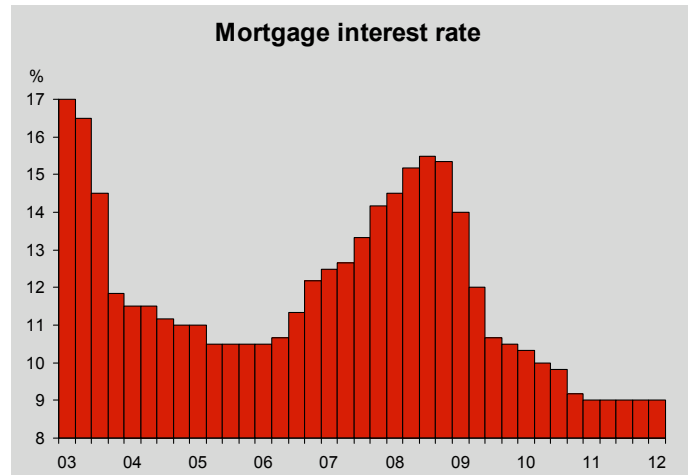
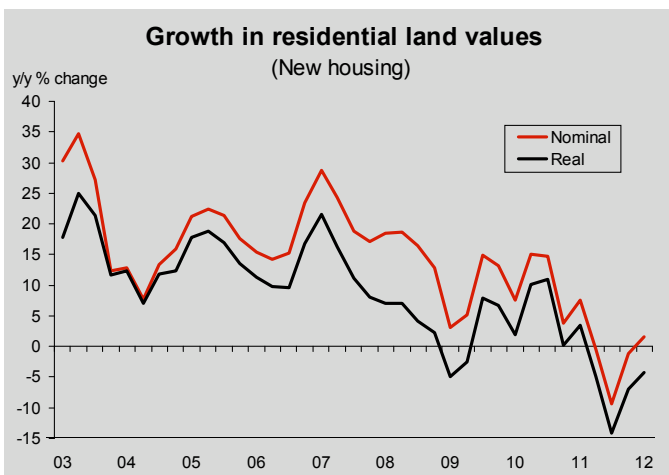
The outlook for the South African economy is as follows:

- Real GDP growth of 2,7% is forecast for 2012, accelerating to 3,6% in 2013.
- Headline consumer price inflation is projected to average just above 6% this year before tapering off to 5,8% in 2013.
- Against the background of expected global and local economic developments and the abovementioned expectations in respect of inflation, interest rates are forecast to remain at current levels until late this year before being hiked to keep especially core inflation (headline consumer price inflation, excluding food, non-alcoholic beverages, petrol and energy) under control. The forecast is for interest rates to rise further in 2013, with prime and variable mortgage rates to peak at 11% by the end of next year.

The household sector

Household sector finances will be impacted by economic developments, with the following trends expected:

- Real household disposable income growth is forecast to slow down to around 3,5% in 2012 and 2013, from 5,2% in 2011, impacted by trends in economic growth, employment and inflation.
- Growth in real household consumption expenditure is projected to slow down to 3,6% this year from 5% in 2011, increasing only marginally to 3,7% in 2013.
- Household saving is expected to remain strained in 2012 and 2013.
- Household debt is projected to average just below 75% of disposable income in 2012, rising to almost 76% in 2013.
- The cost of servicing household debt as a percentage of disposable income is forecast to remain stable at 6,8% in 2012 from 2011, increasing to 7,9% in 2013 on the back of rising interest rates and a higher debt-to-income ratio next year.

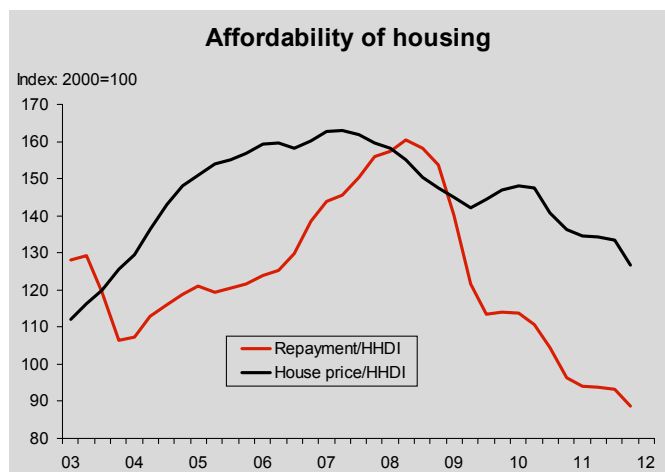


The residential property market

The residential property market is expected to continue to be affected by macroeconomic trends, the state of household finances, consumers' risk profile and consumer confidence.

The affordability of property and accessibility of mortgage finance will remain key to the housing market, driven by factors such as property prices, property running costs, financing and transaction costs, households' financial position, the state of consumer credit records and banks' lending criteria.

The housing market is forecast to continue showing a subdued performance in respect of price growth in 2012. In real terms, i.e. after adjustment for the effect of inflation, house prices are set to deflate further in 2012 and 2013, which will be affected by trends in nominal prices and headline consumer price inflation.



Capital gains tax inclusion rates

	2011/12	2012/13
Individuals and special trusts	25%	33,3%
Other persons	50%	66,6%

Source: National Treasury

Capital gains tax exclusions

	2011/12	2012/13
Annual exclusion for individuals and special trusts	R20 000	R30 000
Exclusion on death	R200 000	R300 000
Exclusion in respect of disposal of primary residence (based on amount of capital gain or loss on disposal)	R1,5 million	R2 million
Maximum market value of all assets allowed within definition of small business on disposal when person is over 55	R5 million	R10 million
Exclusion amount on disposal of small business when person is over 55	R900 000	R1,8 million

Source: National Treasury

Statistics

Average nominal house prices											
	2008 Rand	2009 Rand	2010 Rand	2011 Rand	2011				2012		
					Q1 Rand	Q2 Rand	Q3 Rand	Q4 Rand	Q1		
									Rand	q/q % Δ	y/y % Δ
National											
Middle segment (80m²-400m², ≤R3,6m)	967 749	966 484	1 034 695	1 055 665	1 033 574	1 056 925	1 073 890	1 058 272	1 019 411	-3,7	-1,4
Small (80m ² -140m ² , ≤R3,6m)	685 283	667 491	773 075	741 808	768 771	759 528	743 745	695 188	636 544	-8,4	-17,2
Medium (141m ² -220m ² , ≤R3,6m)	947 541	924 201	968 456	985 680	966 200	983 597	1 004 321	988 602	966 943	-2,2	0,1
Large (221m ² -400m ² , ≤R3,6m)	1 387 332	1 387 060	1 445 245	1 488 499	1 477 266	1 476 547	1 490 249	1 509 934	1 487 260	-1,5	0,7
New (80m ² -400m ² , ≤R3,6m)	1 075 330	1 227 692	1 429 644	1 507 686	1 481 084	1 464 637	1 505 334	1 579 689	1 587 856	0,5	7,2
Existing (80m ² -400m ² , ≤R3,6m)	957 280	954 691	1 019 981	1 036 176	1 019 619	1 040 837	1 050 419	1 033 828	996 557	-3,6	-2,3
Affordable (40m²-79m², ≤R500 000)	283 334	292 744	307 875	315 544	308 750	311 673	316 050	323 236	331 126	2,4	7,2
Luxury (R3,6m-R13,4m)	4 438 323	4 498 406	4 672 479	4 779 084	4 794 322	4 788 153	4 766 941	4 763 246	4 953 866	4,0	3,3
Provinces											
Eastern Cape	866 168	830 563	908 104	896 592	909 151	907 259	898 826	867 303	848 211	-2,2	-6,7
Free State	727 009	754 282	835 530	889 248	815 339	891 391	955 490	897 234	808 559	-9,9	-0,8
Gauteng	997 736	1 023 389	1 081 591	1 118 865	1 105 245	1 115 190	1 129 024	1 127 666	1 092 565	-3,1	-1,1
KwaZulu-Natal	852 518	852 942	928 153	959 731	937 950	983 909	982 566	932 084	873 239	-6,3	-6,9
Limpopo	835 372	838 774	888 703	888 710	881 644	896 040	893 653	883 500	874 746	-1,0	-0,8
Mpumalanga	799 381	811 942	854 418	904 574	883 650	909 045	909 724	915 876	912 374	-0,4	3,3
North West	790 096	786 206	836 876	848 755	783 679	829 385	881 253	900 703	905 221	0,5	15,5
Northern Cape	666 321	697 171	776 710	785 616	742 657	707 277	798 545	893 984	834 749	-6,6	12,4
Western Cape	1 103 004	1 100 029	1 174 597	1 159 945	1 159 993	1 147 625	1 164 946	1 169 791	1 149 911	-1,7	-0,9
Metropolitan regions											
PE/Uitenhage (Eastern Cape)	895 301	817 328	896 264	871 546	917 578	906 277	859 987	802 341	748 084	-6,8	-18,5
East London (Eastern Cape)	999 096	1 017 531	1 048 548	990 447	999 916	952 381	968 865	1 040 626	1 111 989	6,9	11,2
Bloemfontein (Free State)	951 155	946 104	1 079 572	1 104 624	1 078 848	1 098 273	1 127 846	1 113 530	1 034 460	-7,1	-4,1
Greater Johannesburg (Gauteng)	1 043 880	1 076 886	1 106 652	1 166 085	1 146 508	1 156 363	1 173 884	1 192 335	1 152 112	-3,4	0,5
Johannesburg Central & South	885 127	888 843	910 070	927 634	928 748	928 068	932 356	921 362	870 850	-5,5	-6,2
Johannesburg North & West	1 273 314	1 301 079	1 392 997	1 409 884	1 399 759	1 396 840	1 407 056	1 435 881	1 437 115	0,1	2,7
East Rand	912 042	932 211	950 726	1 024 371	973 196	1 004 704	1 043 823	1 075 759	1 057 081	-1,7	8,6
Pretoria (Gauteng)	1 062 296	1 057 519	1 162 313	1 180 671	1 178 260	1 188 640	1 187 738	1 168 047	1 137 723	-2,6	-3,4
Durban/Pinetown (KwaZulu-Natal)	976 951	918 002	998 454	1 007 860	969 488	1 018 416	1 045 055	998 482	958 215	-4,0	-1,2
Cape Town (Western Cape)	1 097 888	1 097 806	1 195 385	1 185 270	1 165 723	1 150 669	1 197 205	1 227 483	1 207 953	-1,6	3,6
Coastal regions											
South Africa	1 193 190	1 136 384	1 205 463	1 231 874	1 244 482	1 256 261	1 230 318	1 200 079	1 174 239	-2,2	-5,6
Western Cape	1 232 992	1 190 344	1 275 646	1 319 480	1 365 355	1 351 635	1 314 459	1 261 066	1 241 913	-1,5	-9,0
West Coast	1 270 947	1 136 304	1 239 517	1 329 221	1 385 008	1 377 872	1 345 528	1 310 825	1 291 496	-1,5	-6,8
Cape Peninsula and False Bay	1 208 631	1 159 155	1 245 742	1 275 136	1 285 101	1 285 096	1 278 769	1 249 645	1 216 566	-2,6	-5,3
South Coast	1 318 177	1 307 083	1 374 135	1 431 011	1 559 441	1 518 866	1 381 102	1 280 013	1 288 941	0,7	-17,3
Eastern Cape	1 103 501	1 033 668	1 078 476	1 079 174	1 088 387	1 088 161	1 062 431	1 100 055	1 155 153	5,0	6,1
KwaZulu-Natal	1 162 579	1 105 305	1 195 686	1 287 721	1 252 601	1 354 099	1 313 668	1 223 522	1 084 490	-11,4	-13,4
South Coast	1 065 909	914 347	1 072 795	1 041 383	1 074 210	1 027 158	998 622	1 046 137	1 015 276	-2,9	-5,5
North Coast	1 237 499	1 203 365	1 277 161	1 411 705	1 365 269	1 486 432	1 471 192	1 309 156	1 135 997	-13,2	-16,8

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 R3,6 million in 2012. House prices for the coastal regions are smoothed for all houses between 80m² and 700m², up to R13,4 million in 2012.

Key variables and projections									
Annual averages									
		2006	2007	2008	2009	2010	2011	2012	2013
\$/R exchange rate	Rand per US\$	6,77	7,05	8,25	8,44	7,32	7,25	7,40	7,67
CPI headline inflation rate	%	4,6	7,1	11,0	7,1	4,3	5,0	6,3	5,8
Mortgage interest rate	%	11,2	13,2	15,1	11,7	9,8	9,0	9,1	10,4
Household disposable income	Real % Δ	7,3	5,2	2,3	-1,1	4,2	5,2	3,5	3,6
Final consumption by households	Real % Δ	8,3	5,5	2,2	-1,6	3,7	5,0	3,6	3,7
Household saving to disposable income	%	-0,8	-1,2	-1,1	-0,7	-0,3	-0,1	-0,1	-0,2
Household debt to disposable income	%	72,8	80,0	82,3	81,0	78,2	75,8	74,6	75,8
Household debt servicing to disposable income	%	8,1	10,5	12,4	9,5	7,7	6,8	6,8	7,9
Gross domestic product	Real % Δ	5,6	5,5	3,6	-1,5	2,9	3,1	2,7	3,6
House prices (80m²-400m², ≤R3,6m)	Nominal % Δ	15,3	14,6	3,9	-0,2	7,3	2,2	1,8	4,5
House prices (80m²-400m², ≤R3,6m)	Real % Δ	10,2	7,0	-6,3	-6,9	2,9	-2,7	-4,2	-1,2

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

	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	636 544	-8,4	-17,2	966 943	-2,2	0,1	1 487 260	-1,5	0,7
Eastern Cape	506 945	-3,3	-25,5	828 840	-0,9	-7,6	1 362 810	2,2	2,1
Free State	619 287	-4,6	-7,0	681 065	-8,0	3,5	1 107 693	-6,2	6,6
Gauteng	630 452	-12,3	-21,8	959 946	-1,8	1,4	1 569 736	0,2	4,0
KwaZulu-Natal	567 370	-9,7	-15,7	878 495	-2,1	-4,9	1 395 958	-2,4	-3,2
Mpumalanga	627 217	-0,8	-3,4	866 890	-2,4	1,8	1 301 031	3,1	8,5
North West	563 161	-8,0	0,6	825 772	-4,9	10,9	1 350 808	11,7	24,1
Northern Cape	618 981	-13,2	-4,8	754 087	-3,1	9,7	1 116 198	-2,4	3,7
Limpopo	543 422	-8,5	-16,0	983 286	5,8	-0,2	1 176 436	2,1	-9,9
Western Cape	755 110	-5,0	-13,9	1 192 104	2,1	0,1	1 662 744	-4,6	-1,1
Metropolitan regions									
PE/Uitenhage (Eastern Cape)	482 310	-3,9	-30,6	708 650	-5,8	-17,7	1 273 787	1,1	-8,8
East London (Eastern Cape)	645 690	-9,0	-24,5	976 364	4,6	-3,1	1 746 656	13,7	21,2
Bloemfontein (Free State)	685 892	-11,3	-16,8	1 053 437	2,4	17,2	1 414 731	-3,3	7,4
Greater Johannesburg (Gauteng)	646 319	-13,1	-24,4	1 016 262	-5,4	1,5	1 651 048	-0,9	6,6
Johannesburg Central & South	526 539	-6,2	-18,4	840 479	2,7	0,6	1 662 545	0,2	7,0
Johannesburg North & West	859 539	-6,8	-20,7	1 186 615	-6,2	0,6	1 903 766	2,6	11,2
East Rand	636 500	-10,7	-19,2	955 843	-4,0	8,0	1 426 308	-2,3	6,8
Pretoria (Gauteng)	666 364	-7,1	-20,2	1 018 304	-1,2	2,7	1 546 227	-0,8	0,6
Durban/Pinetown (KwaZulu-Natal)	659 725	-6,6	-11,3	973 145	-0,4	4,8	1 514 371	-3,4	-2,8
Cape Town (Western Cape)	796 403	-3,5	-9,6	1 284 712	1,7	4,3	1 777 385	-1,7	4,2

House prices are based on the total smoothed purchase price of houses (including all improvements) between 80m² and 400m², 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 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