



# Housing Review

Second Quarter 2010

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## Summary

- After contracting by a real 1,8% in 2009, the South African economy is forecast to grow by 3,3% in 2010. The expected better economic performance in 2010 will be the result of the global economic recovery and rising domestic demand.
- Financial conditions in the household sector improved somewhat towards the end of 2009 and, despite high levels of debt, many households are set to benefit from the economic recovery, which is expected to lead to increased employment and household income this year.
- House prices increased in all segments of the market in the first quarter of 2010, while in real terms, prices still declined in some categories of housing.
- The average price of affordable houses increased by a nominal 2,6% y/y to a level of R296 600 in the first quarter of the year, while declining by 3% in real terms in the quarter.
- Middle-segment house prices jumped by an average 9% y/y in nominal terms in the three-month period up to March 2010, which brought the average price to a level of R1 030 600 in the quarter. In real terms middle-segment house prices increased by 3% in the first quarter of the year.
- Prices of luxury houses increased by a nominal 0,7% y/y to a level of about R4,6 million in the first quarter of 2010. After adjustment for the effect of inflation, prices of luxury housing were down by 4,8% in the first quarter.
- House prices at regional level increased in nominal terms on an annual as well as a quarterly basis in the first quarter of 2010. However, the magnitude of price growth varied from region to region, mainly as a result of area-specific factors playing an important role in these price trends.
- After a marked improvement in the affordability of housing over the past two years on the back of house price and interest movements, affordability trends appeared to have turned around recently. This is based on the latest trends in the ratios of house prices and mortgage repayments to household disposable income.
- Nominal year-on-year house price growth rebounded during the last quarter of 2009 and the first quarter of 2010, with prices increasing for the first time in real terms in the first quarter this year since late 2007. However, base effects may cause a gradual slowdown in year-on-year house price growth in the second half of the year.
- House price growth is forecast to average a nominal 6,5%-7% in 2010, after declining marginally by 0,4% in 2009. In real terms, house prices are expected to increase by 1%-1,5% this year, after declining by 7% in 2009.

## Overview of the economy, household sector and property market

### The economy

The South African economy contracted by a real 1,8% in 2009 on the back of a major global recession and a decline in domestic demand. Real gross domestic product (GDP) contracted at a seasonally adjusted annualised rate of 7,4% and 2,8% in the first and second quarters respectively, but rebounded to record growth of 0,9% and 3,2% in the last two quarters of the year. The improvement in economic activity in the second half of 2009 was evident across most sectors, while the external sector, i.e. exports and imports, also performed markedly better up to the end of the year in the wake of the recovery in the world economy and domestic expenditure.

### The household sector

Conditions in the household sector started to improve towards the end of last year on the back of early indications of positive trends emerging in the labour market, declining inflation, rising real household disposable income and positive growth in real household consumption expenditure.

According to Statistics South Africa's Quarterly Labour Force Survey, employment in the economy increased by 89 000 jobs in the final quarter of the year compared with the third quarter, while consumer price inflation tapered off to 5,7% year-on-year (y/y) in February 2010. Growth in real household disposable income turned positive in the fourth quarter of 2009 (2,7% at a seasonally adjusted annualised rate) after being in negative territory for five consecutive quarters. Against this background, real household consumption expenditure increased by an annualised 1,4% in the fourth quarter after also declining over the previous five quarters.

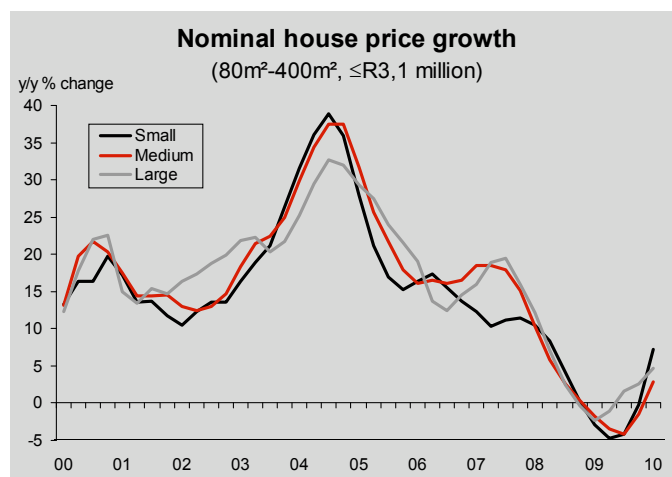
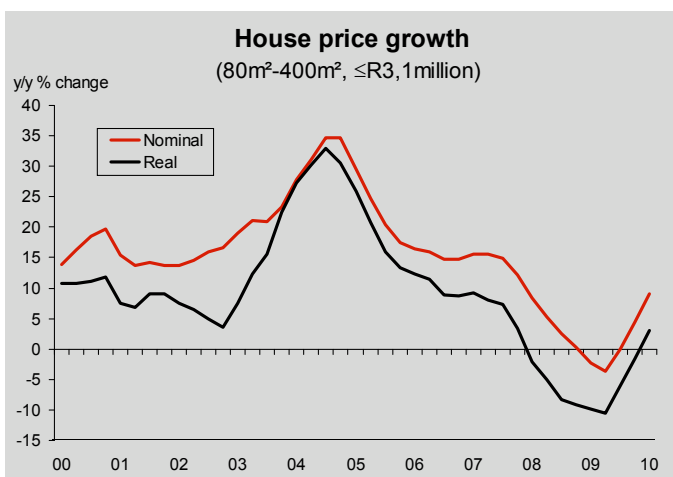
The ratio of household debt to disposable income remained relatively high towards the end of 2009, after increasing to 79,8% in the fourth quarter from 78,4% in the third quarter. This was the net result of household debt increasing by 0,7% q/q, whereas nominal household disposable income declined by 1% q/q in the fourth quarter. In view of the higher debt ratio, but a slightly lower average prime interest rate in the last quarter of the year compared with the third quarter, the cost of servicing household debt as a percentage of disposable income remained unchanged at 8,4% in the fourth quarter from the preceding quarter.

The ratio of net household saving to disposable income remained in negative territory at a level of -0,1% in the final quarter of 2009, but improved gradually during the course of the year from -0,6% in the first quarter. Net household saving is based on the level of gross saving, after adjustment for depreciation write-offs on the value of fixed assets, such as residential buildings, held by households.

### The property market

Growth in real residential fixed capital formation remained in negative territory up to the fourth quarter of 2009, but contracted at a somewhat slower pace of 8,3% y/y compared with a decline of 9,6% y/y in the third quarter. These trends in residential capital formation are a reflection of the continued contraction in residential building activity, such as plans approved for new housing and the construction of new housing, into the early stages of 2010.

House price trends turned around in the second half of 2009 and continued to improve in the first quarter of 2010, mainly driven by the lagged effect of declining interest rates since late 2008, improved economic conditions and some relaxation of banks' lending criteria.



Growth in mortgage advances to the household sector, largely related to residential property, improved gradually to a level of 4,3% y/y in February 2010 after bottoming at 3,6% y/y in November last year. This improvement in household mortgage advances growth is a reflection of the abovementioned factors, which supported house price trends over the past number of months.

### House price trends

After a declining trend in house prices in the first three quarters of 2009, nominal year-on-year price growth, which commenced in the fourth quarter of last year, accelerated in the first quarter of 2010. In real terms, i.e. after adjustment for the effect of consumer price inflation, house prices posted positive year-on-year growth in the first quarter of 2010, after declining for a period of two years since the beginning of 2008 up to the end of 2009.

### Affordable housing

The average nominal price of houses in the affordable category (houses of 40m<sup>2</sup>-79m<sup>2</sup>, up to R430 000) increased by 2,6% y/y to R296 600 in the first quarter of 2010, compared with growth of 2,3% y/y recorded in the fourth quarter of 2009. In real terms, the average price of affordable houses declined by 3% y/y in the first quarter of the year (-3,5% y/y in the preceding quarter).

### Middle-segment housing

In the first quarter of 2010, nominal prices of middle-segment housing (houses of 80m<sup>2</sup>-400m<sup>2</sup> and priced at R3,1 million or less) jumped by 9% y/y to R1 030 600, up from 4,4% y/y in the final quarter of 2009. In real terms, house prices in this category increased by 3% y/y in the first quarter of the year (-1,5% y/y in the fourth quarter of 2009).

### Luxury housing

Nominal house prices in the luxury segment (houses valued at above R3,1 million up to R11,5 million) increased by an average of 0,7% y/y to reach a level of about R4,6 million in the first quarter of 2010 (-1,2% y/y in the fourth quarter of last year). After adjustment for the effect of inflation, prices of luxury housing were down by 4,8% in the first quarter of the year (-6,8% y/y in the final quarter of 2009).

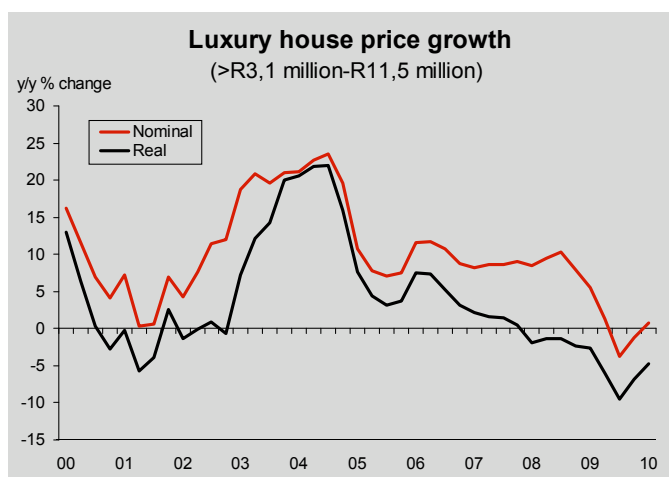
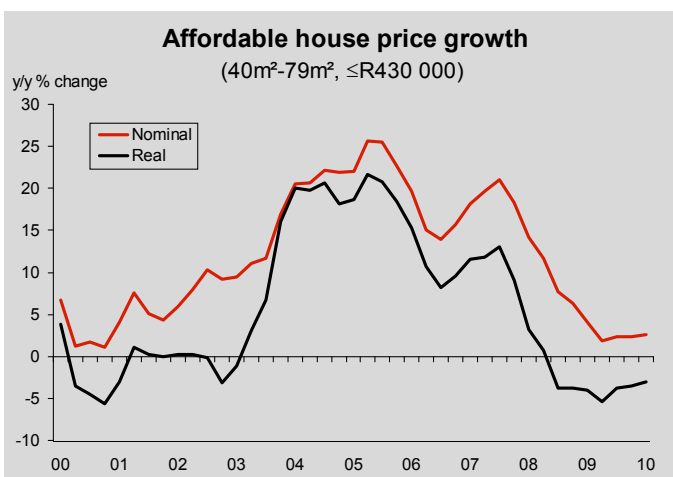
### Regional house prices

House prices at regional level increased in nominal terms on an annual as well as a quarterly basis in the first quarter of 2010. However, the magnitude of price growth varied from region to region, mainly as a result of area-specific factors playing an important role in these price trends.

At a provincial level, nominal year-on-year house price growth varied between 5,9% in Limpopo to as high as 20% in the Eastern Cape in the first quarter of the year.

In the country's major metropolitan areas year-on-year house price growth ranged from a nominal 3,4% on the East Rand in Gauteng to a substantial 23,7% in the Port Elizabeth/Uitenhage region in the Eastern Cape.

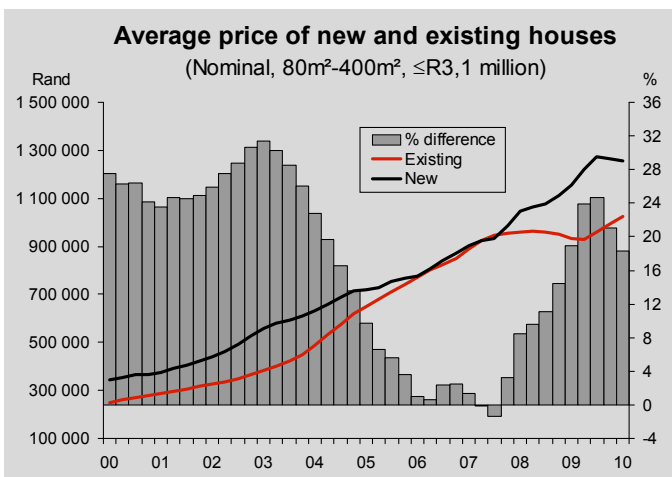
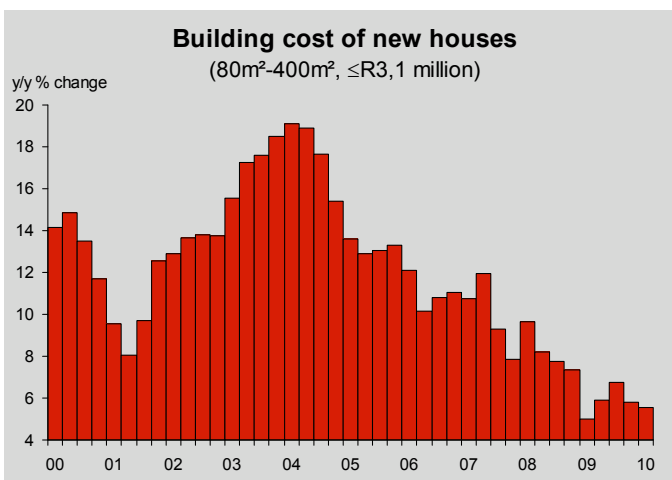
Along the South African coast, house prices increased by a nominal 7,1% y/y in the first quarter of the year, after rising by 0,8% y/y in the preceding quarter. This is an indication that the coastal market, which to some extent is influenced by the demand for investment property, has also started to recover in recent times after being particularly hard hit by the slump in the economy and the property market in 2009. In real terms, house prices in coastal regions increased by 1,3% y/y in the first quarter of 2010 (-5% y/y in the fourth quarter of 2009).



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

The cost of building a new house in the middle segment of the market was up by a nominal 5,5% y/y in the first quarter of 2010, slightly down from 5,7% in the fourth quarter of last year. This continued relatively low growth in residential building costs is an indication of the tough conditions still prevailing in the residential building and construction sector, as reflected by recent trends in building activity with regard to plans approved for new housing and new housing constructed.

The average price of a new house increased by a nominal 8,8% y/y to R1 254 900 in the first quarter of the year (13,6% y/y in the last quarter of 2009), which translated into a real increase of 2,8% y/y (7,2% y/y in the final quarter of 2009). The average price of an existing house increased by a nominal 9,7% y/y to about R1 025 800 in the first quarter of 2010 (4,8% y/y in the fourth quarter of last year). This came to an increase of 3,7% y/y in real terms in the first quarter (-1,2% y/y in the preceding quarter). As a result, it was around R229 100, or 18,3%, cheaper to buy an existing house than to have a new one built in the first quarter of 2010.



### Land values

Land values for new housing increased by a nominal 5,6% y/y to an average of about R441 800 in the first quarter of the year, compared with an increase of 10,6% y/y in the fourth quarter of 2009. In real terms land values dropped by a marginal 0,1% y/y in the first quarter of 2010 (+4,3% y/y in the preceding quarter). The lower year-on-year growth in land values in the early stages of 2010 may be an indication of supply and demand conditions in the market for new housing, as reflected by recent declining trends in residential building activity.

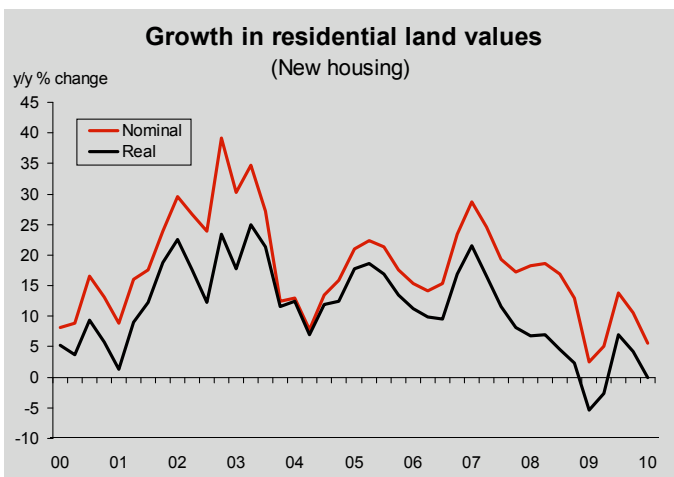
In the country's coastal regions, land values for new housing increased by 2,8% y/y in nominal terms to R446 000 in the first quarter of 2010 (-3,6% y/y in the fourth quarter of 2009), which could have been influenced by base effects, as land values along the coast dropped by 8,8% y/y in the first quarter of last year. After adjustment for inflation, land values were down by 2,8% y/y in the first quarter of the year (-9,1% y/y in the fourth quarter of 2009).

### Mortgage finance

The South African Reserve Bank's Monetary Policy Committee cut the key monetary policy interest rate, the repo rate, by another 50 basis points in March this year, after keeping rates unchanged since the previous rate cut in August 2009. The variable mortgage interest rate of commercial banks dropped to 10% in March, its lowest level since May 1974, when it was 9,25%.

As a result of the further cut in interest rates in March, monthly mortgage repayments are currently 28,7% lower compared with December 2008, when the mortgage rate was at a level of 15,5%.

The impact of changes in the mortgage interest rate is reflected in the 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

After a marked improvement in the affordability of housing over the past two years on the back of house price and interest movements during this period, affordability trends appeared to have turned around recently. 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).

After being on a declining trend since mid-2007, the ratio of house prices to disposable income picked up in both the third and fourth quarters of 2009, which was the net result of house price and nominal disposable income growth in the two quarters. In the final quarter of 2009, house prices increased by a nominal 4,4% y/y, whereas households' nominal disposable was up by 2,7% y/y.

The ratio of mortgage repayments to household disposable income also picked up somewhat in the fourth quarter after being on a declining trend since late 2008. The latest uptick in the ratio was the net result of the abovementioned trends in nominal house prices and household disposable income in the fourth quarter, while the average mortgage interest rate was slightly lower during this period.

### Prospects for the economy and the housing market

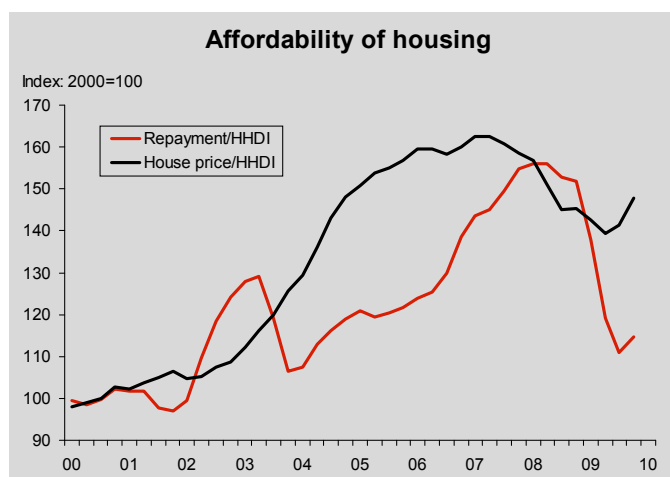
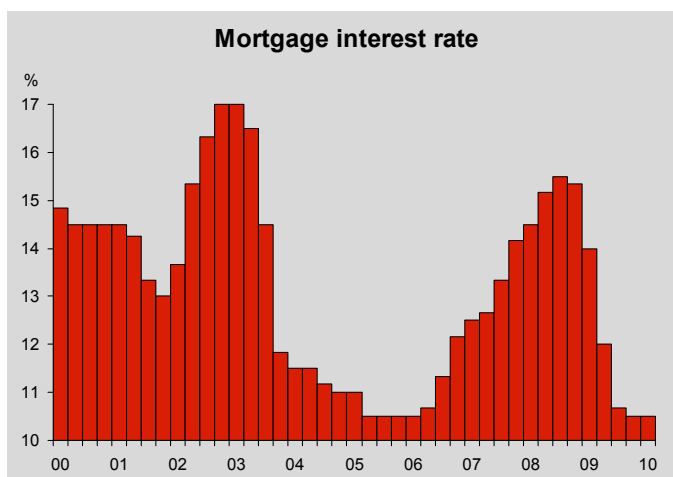
After contracting by a real 1,8% in 2009, the South African economy is forecast to grow by 3,3% in real terms this year. The prospects of an improved economic performance in 2010 will be largely the result of the global economic recovery and higher levels of domestic demand compared with 2009.

Currently at just below the upper inflation target limit of 6%, consumer price inflation is projected to average 5,3% in 2010 (7,1% in 2009). However, the main threats to the inflation outlook are a sharp hike in electricity prices as well as oil price and rand exchange rate movements, which will impact domestic fuel prices having second round effects of inflation. Against this background, interest rates are forecast to remain stable at current levels up to the first quarter of 2011 when rates are expected to be hiked by 50 basis points in an attempt to keep inflation within the 3%-6% target range.

Despite continued high levels of debt, the household sector is expected to reap the benefits of the recovery in the economy, which is forecast to lead to higher levels of employment and household income growth this year.

In view of the abovementioned developments and expectations, the residential property market is forecast to continue to recover gradually during the course of the year. Nominal year-on-year house price growth rebounded during the last quarter of 2009 and the first quarter of 2010, with prices increasing for the first time in real terms in the first quarter this year since late 2007. However, base effects may cause a gradual slowdown in year-on-year house price growth in the second half of the year.

Taking into account the latest trends in house prices and expected price trends towards the end of the year, price growth is forecast to average a nominal 6,5%-7% in 2010, after declining marginally by 0,4% in 2009. Based on this outlook for nominal house price growth and a projected average consumer price inflation rate of 5,3% in 2010, real price growth of between 1% and 1,5% is expected this year. In 2009 house prices dropped by a real 7%, after declining by a real 6,3% in 2008.



## Statistics

Average nominal house prices											
	2006 Rand	2007 Rand	2008 Rand	2009 Rand	2009				2010		
					Q1 Rand	Q2 Rand	Q3 Rand	Q4 Rand	Q1		
									Rand	q/q % Δ	y/y % Δ
<b>National</b>											
<b>Middle segment (80m<sup>2</sup>-400m<sup>2</sup>, ≤R3,1m)</b>	812 225	930 081	967 671	963 900	945 620	938 164	968 975	1 002 842	1 030 615	2,8	9,0
Small (80m <sup>2</sup> -140m <sup>2</sup> , ≤R3,1m)	580 769	646 550	683 222	662 585	665 144	655 682	655 127	674 386	712 906	5,7	7,2
Medium (141m <sup>2</sup> -220m <sup>2</sup> , ≤R3,1m)	772 309	906 993	949 010	922 915	931 376	916 464	912 014	931 808	957 689	2,8	2,8
Large (221m <sup>2</sup> -400m <sup>2</sup> , ≤R3,1m)	1 122 145	1 318 937	1 386 661	1 389 622	1 364 252	1 379 286	1 404 238	1 410 713	1 428 006	1,2	4,7
New (80m <sup>2</sup> -400m <sup>2</sup> , ≤R3,1m)	824 954	937 082	1 074 802	1 227 113	1 153 518	1 219 174	1 273 241	1 262 520	1 254 912	-0,6	8,8
Existing (80m <sup>2</sup> -400m <sup>2</sup> , ≤R3,1m)	811 546	929 418	957 139	954 398	935 104	927 458	958 812	996 218	1 025 778	3,0	9,7
<b>Affordable (40m<sup>2</sup>-79m<sup>2</sup>, ≤R430 000)</b>	216 670	257 495	283 477	291 366	289 128	288 578	292 415	295 322	296 619	0,4	2,6
<b>Luxury (&gt;R3,1m-R11,5m)</b>	3 768 317	4 080 487	4 432 501	4 473 768	4 541 079	4 490 813	4 392 123	4 489 604	4 573 628	1,9	0,7
<b>Provinces</b>											
<b>Eastern Cape</b>	749 385	847 348	866 909	822 109	782 992	772 919	834 212	879 162	939 580	6,9	20,0
<b>Free State</b>	571 012	688 742	732 135	752 112	746 239	729 994	755 877	772 248	864 015	11,9	15,8
<b>Gauteng</b>	848 218	974 662	999 692	1 018 997	989 922	995 446	1 027 707	1 054 863	1 077 244	2,1	8,8
<b>KwaZulu-Natal</b>	817 414	882 329	853 620	846 195	818 470	814 177	858 004	884 994	909 871	2,8	11,2
<b>Limpopo</b>	704 891	823 173	836 296	842 754	854 834	824 040	828 565	863 577	905 206	4,8	5,9
<b>Mpumalanga</b>	665 450	757 190	799 700	810 728	781 617	782 456	822 426	856 415	859 573	0,4	10,0
<b>North West</b>	622 498	715 889	793 646	781 450	778 276	746 812	771 826	828 886	870 418	5,0	11,8
<b>Northern Cape</b>	550 302	621 380	670 520	702 220	679 219	703 164	721 673	704 826	733 033	4,0	7,9
<b>Western Cape</b>	942 079	1 050 210	1 102 145	1 095 721	1 082 242	1 078 100	1 096 125	1 120 681	1 152 241	2,8	6,5
<b>Metropolitan regions</b>											
<b>PE/Uitenhage (Eastern Cape)</b>	769 807	868 828	899 190	818 052	794 184	769 142	813 679	895 201	982 233	9,7	23,7
<b>East London (Eastern Cape)</b>	802 181	886 787	991 076	987 976	980 599	980 406	986 671	1 004 229	1 036 555	3,2	5,7
<b>Bloemfontein (Free State)</b>	761 044	931 208	955 591	943 039	946 348	924 222	914 383	987 202	1 092 695	10,7	15,5
<b>Greater Johannesburg (Gauteng)</b>	875 907	1 011 253	1 046 425	1 074 534	1 036 927	1 052 929	1 088 308	1 114 617	1 125 655	1,0	8,6
Johannesburg Central & South	762 306	875 462	881 404	876 681	869 620	854 042	872 752	910 308	917 278	0,8	5,5
Johannesburg North & West	1 075 303	1 234 964	1 278 661	1 299 986	1 266 302	1 268 628	1 307 947	1 357 068	1 401 639	3,3	10,7
East Rand	754 333	874 240	914 115	933 320	910 095	926 732	947 633	948 822	941 354	-0,8	3,4
<b>Pretoria (Gauteng)</b>	926 032	1 074 991	1 065 846	1 047 884	1 036 430	1 030 234	1 044 286	1 080 587	1 122 431	3,9	8,3
<b>Durban/Pinetown (KwaZulu-Natal)</b>	852 592	982 813	982 897	917 262	878 299	866 033	925 068	999 648	1 010 342	1,1	15,0
<b>Cape Town (Western Cape)</b>	967 934	1 071 470	1 095 488	1 093 183	1 066 352	1 076 410	1 099 430	1 130 540	1 172 725	3,7	10,0
<b>Coastal regions</b>											
<b>South Africa</b>	1 009 765	1 132 761	1 192 571	1 135 679	1 138 105	1 104 951	1 119 095	1 178 972	1 219 343	3,4	7,1
<b>Western Cape</b>	1 055 374	1 186 768	1 232 956	1 191 877	1 182 085	1 164 074	1 178 538	1 239 287	1 265 700	2,1	7,1
West Coast	1 004 350	1 114 256	1 270 060	1 142 553	1 192 863	1 127 986	1 112 516	1 138 600	1 177 389	3,4	-1,3
Cape Peninsula and False Bay	1 042 277	1 156 175	1 207 810	1 160 121	1 144 426	1 121 744	1 142 908	1 226 954	1 265 562	3,1	10,6
South Coast	1 115 242	1 324 412	1 321 586	1 309 159	1 306 176	1 329 524	1 310 832	1 290 044	1 301 094	0,9	-0,4
<b>Eastern Cape</b>	874 891	993 914	1 096 307	1 024 708	1 037 014	990 782	1 029 124	1 073 327	1 134 645	5,7	9,4
<b>KwaZulu-Natal</b>	1 066 649	1 153 434	1 161 824	1 107 326	1 102 211	1 078 261	1 114 835	1 138 399	1 146 654	0,7	4,0
South Coast	1 022 780	1 094 073	1 060 997	910 673	989 153	944 790	859 384	857 039	961 925	12,2	-2,8
North Coast	1 118 311	1 204 433	1 239 965	1 208 310	1 189 023	1 130 898	1 215 191	1 289 901	1 289 049	-0,1	8,4

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 80m<sup>2</sup> and 400m<sup>2</sup>, up to R3,1 million. House prices for the coastal regions are smoothed for all houses between 80m<sup>2</sup> and 700m<sup>2</sup>, up to R11,5 million.

Key variables and projections									
Annual averages									
		2003	2004	2005	2006	2007	2008	2009	2010
<b>\$/R exchange rate</b>	Rand per US\$	7,56	6,45	6,36	6,77	7,05	8,25	8,44	7,56
<b>CPI headline inflation rate</b>	%	5,9	1,4	3,4	4,6	7,1	11,0	7,1	5,3
<b>Mortgage interest rate</b>	%	15,0	11,3	10,6	11,2	13,2	15,1	11,7	10,1
<b>Household disposable income</b>	Real % Δ	2,7	6,0	5,9	7,3	5,5	2,4	-2,8	1,6
<b>Final consumption by households</b>	Real % Δ	2,8	6,2	6,1	8,3	5,5	2,4	-3,1	1,5
<b>Household saving to disposable income</b>	%	0,6	0,4	0,1	-0,8	-0,8	-0,8	-0,4	-0,3
<b>Household credit extension (end of period)</b>	Nominal % Δ	13,6	26,5	22,3	24,0	19,5	15,5	2,1	6,2
<b>Mortgage advances (end of period)</b>	Nominal % Δ	16,5	24,5	28,6	30,4	25,3	13,7	3,4	7,2
<b>Household debt to disposable income</b>	%	54,1	57,4	63,9	72,4	79,1	80,7	79,7	79,0
<b>Household debt servicing to disposable income</b>	%	8,1	6,5	6,8	8,1	10,4	12,2	9,3	8,0
<b>Gross domestic product</b>	Real % Δ	2,9	4,6	5,3	5,6	5,5	3,7	-1,8	3,3
<b>House prices (80m<sup>2</sup>-400m<sup>2</sup>, ≤R3,1m)</b>	Nominal % Δ	21,2	32,2	22,7	15,4	14,5	4,0	-0,4	6,5
<b>House prices (80m<sup>2</sup>-400m<sup>2</sup>, ≤R3,1m)</b>	Real % Δ	14,5	30,4	18,6	10,3	6,9	-6,3	-7,0	1,1

**Average nominal house prices by middle-segment category in the first quarter 2010**

	Small: 80m <sup>2</sup> – 140m <sup>2</sup>			Medium: 141m <sup>2</sup> – 220m <sup>2</sup>			Large: 221m <sup>2</sup> – 400m <sup>2</sup>		
	Price Rand	q/q % Δ	y/y % Δ	Price Rand	q/q % Δ	y/y % Δ	Price Rand	q/q % Δ	y/y % Δ
<b>National and provinces</b>									
<b>South Africa</b>	712 906	5,7	7,2	957 689	2,8	2,8	1 428 006	1,2	4,7
<b>Eastern Cape</b>	585 922	7,8	4,8	911 231	7,9	14,2	1 341 793	3,0	9,0
<b>Free State</b>	546 974	8,6	-4,1	679 631	4,6	-3,0	1 084 772	4,3	6,5
<b>Gauteng</b>	749 276	11,0	7,7	974 250	5,2	7,3	1 467 149	1,0	8,2
<b>KwaZulu-Natal</b>	605 602	-1,0	-2,7	930 474	3,0	9,8	1 325 281	0,4	-1,1
<b>Mpumalanga</b>	641 015	7,0	20,1	841 607	2,7	8,4	1 132 960	-3,7	-2,9
<b>North West</b>	559 865	3,6	13,7	800 323	3,6	7,1	1 153 787	-2,2	8,9
<b>Northern Cape</b>	473 905	-7,4	-20,4	677 198	3,7	4,4	992 713	4,3	10,2
<b>Limpopo</b>	614 633	11,9	8,3	830 050	4,5	-6,8	1 279 379	2,6	7,7
<b>Western Cape</b>	831 309	3,9	7,8	1 112 915	0,3	-0,7	1 669 822	1,3	6,1
<b>Metropolitan regions</b>									
<b>PE/Uitenhage (Eastern Cape)</b>	646 437	14,1	10,4	902 801	10,3	15,5	1 315 707	1,1	6,2
<b>East London (Eastern Cape)</b>	672 697	8,2	1,8	1 015 552	5,4	14,1	1 471 705	3,3	-7,7
<b>Bloemfontein (Free State)</b>	613 000	-2,7	-16,0	864 251	4,1	3,8	1 242 940	3,5	-1,8
<b>Greater Johannesburg (Gauteng)</b>	835 503	12,4	8,6	1 051 244	5,8	10,6	1 518 548	0,2	8,6
Johannesburg Central & South	608 831	8,9	-0,7	942 007	1,6	10,6	1 677 061	13,3	17,4
Johannesburg North & West	1 022 644	12,4	8,7	1 360 356	12,4	18,3	1 783 941	1,9	14,7
East Rand	727 388	3,9	-4,5	863 908	3,7	3,6	1 203 076	-3,5	1,3
<b>Pretoria (Gauteng)</b>	641 440	-0,2	-3,6	960 133	4,4	3,2	1 514 636	4,0	9,9
<b>Durban/Pinetown (KwaZulu-Natal)</b>	703 590	-0,2	-2,5	1 010 852	0,8	10,4	1 464 491	2,1	9,5
<b>Cape Town (Western Cape)</b>	865 210	4,8	10,1	1 186 294	2,6	6,3	1 730 801	2,0	10,7

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 R3,1 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											
	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	965	998	1 032	1 066	1 101	1 136	1 172	1 207	1 244	1 280	1 317	1 354
200 000	1 930	1 997	2 064	2 133	2 202	2 272	2 343	2 415	2 487	2 560	2 634	2 708
300 000	2 895	2 995	3 097	3 199	3 303	3 408	3 515	3 622	3 731	3 840	3 950	4 062
400 000	3 860	3 994	4 129	4 266	4 404	4 545	4 686	4 829	4 974	5 120	5 267	5 416
500 000	4 825	4 992	5 161	5 332	5 505	5 681	5 858	6 037	6 218	6 400	6 584	6 769
600 000	5 790	5 990	6 193	6 399	6 607	6 817	7 029	7 244	7 461	7 680	7 901	8 123
700 000	6 755	6 989	7 225	7 465	7 708	7 953	8 201	8 452	8 705	8 960	9 218	9 477
800 000	7 720	7 987	8 258	8 531	8 809	9 089	9 373	9 659	9 948	10 240	10 534	10 831
900 000	8 685	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	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	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	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	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	Repayment at a mortgage rate of											
	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	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	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	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	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	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	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	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	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	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	1 036 246	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	1 554 369	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	2 072 492	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	2 590 615	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