



PROPERTY BAROMETER Residential Property Monthly

August 2014 House Price Index growth rate slowed more noticeably, as housing market's growth momentum slows

1 September 2014

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AUGUST 2014 HOUSE PRICE INDEX FINDINGS

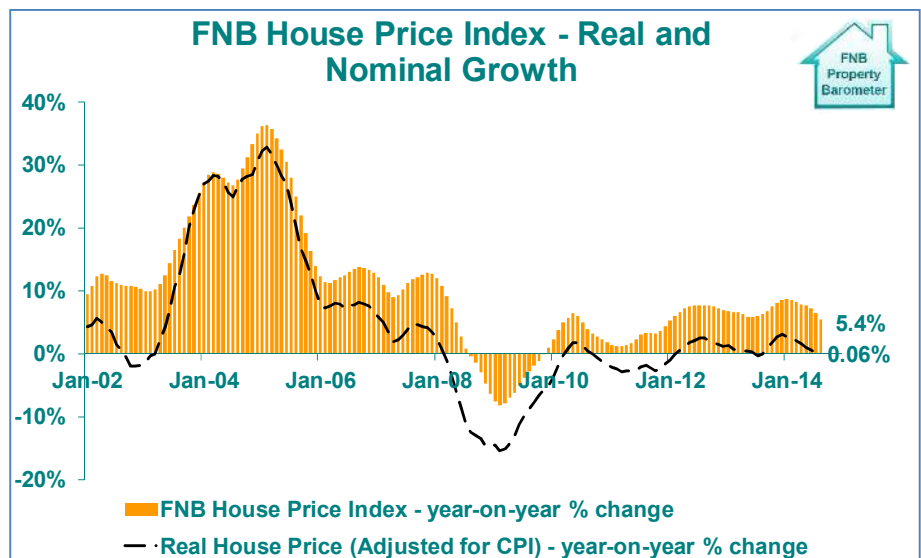
According to FNB's housing market data, the general picture continues to be one of a market whose pace of growth/improvement appears to have been gradually slowing down. The term "slowing pace of improvement" should not be confused with a "deteriorating market". It is not yet the latter.

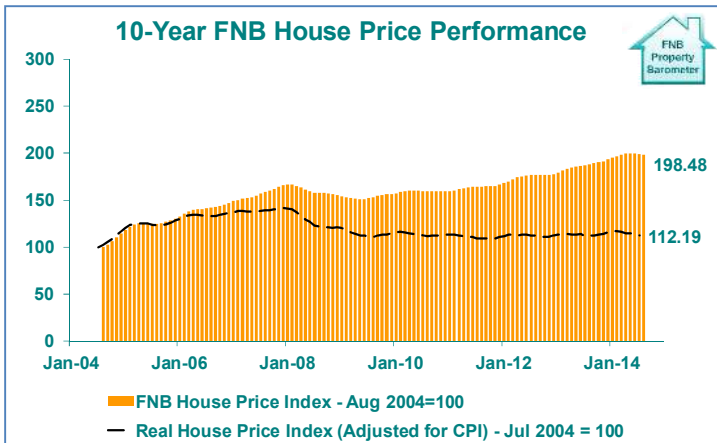
The solid performance of the housing market continues, with a good balance between demand and supply, but this pace of growth appears to have been slowing down in recent months.

According to the FNB House Price Index, the average house price for August 2014 rose 5.4% year-on-year. This is slower than the previous month's revised 6.4%, and represents the 7th consecutive month of gradually slowing since the 8.6% year-on-year inflation rate recorded in January 2014.

Real house price growth (i.e. when house prices are adjusted for consumer price inflation), came in at a very slightly positive 0.06% year-on-year in July (August CPI not yet available). This represents a slight slowing from a revised 0.51% real price growth rate in June, with CPI inflation recording 6.3% in July.

The average price of homes transacted in August was R947,051.



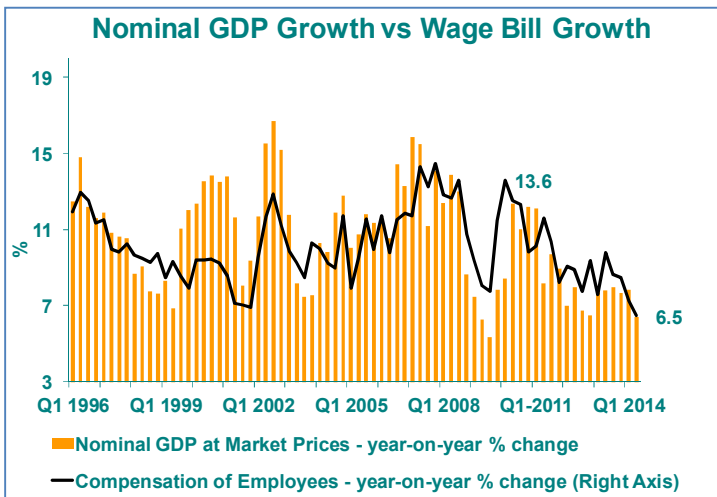


In real terms, the FNB House Price Index for July was -20.8% down on December 2007, the month in which last decade's boom time peak in real house prices was reached. In nominal terms, house prices by August 2014 were 20.2% higher than December 2007.

Examining the longer term performance over a 10 year period, however, in real terms the index is still 12.2% higher than July 2004, and 98.5% higher in nominal terms compared with August 2004.

FNB'S VALUERS HAVE ALSO EXPERIENCED A SLOWER PACE OF MARKET IMPROVEMENT SINCE EARLY-2014, AFTER A STRONG SURGE THROUGH 2013.

While the available residential market indicators still point to a well-balanced market, the FNB Valuers' Market Strength Index (Explanatory notes on page 12) has seen its year-on-year growth slowing since early in 2014, in line with the slowing direction in year-on-year house price growth.



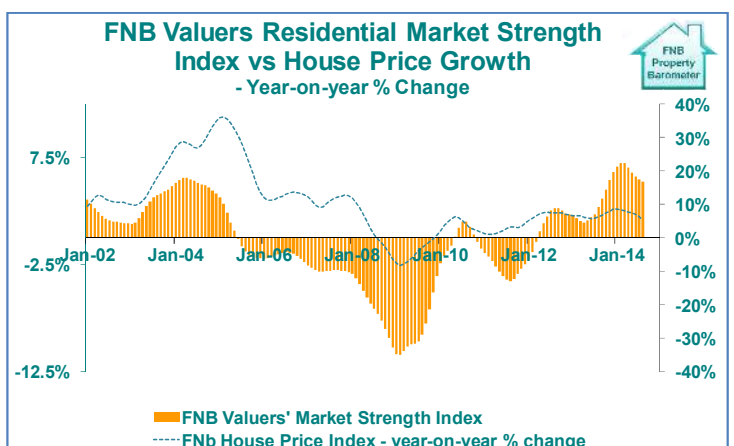
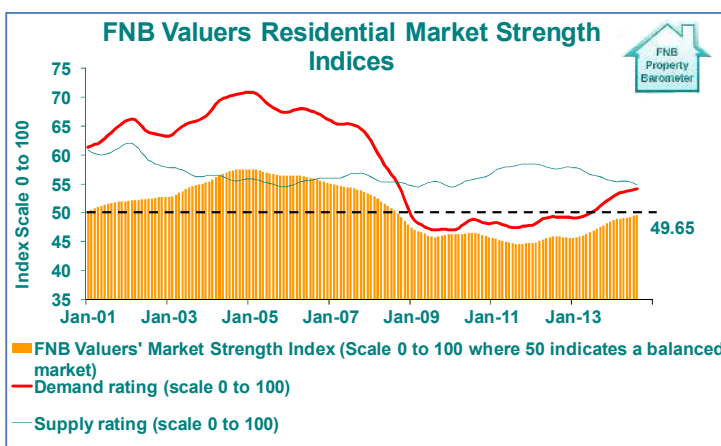
Besides a higher base effect now coming into play, this may be reflective of 2 factors. Firstly, SA had an anaemic economy in the 1st half of 2014, with year-on-year real GDP growth rates of 1.6% and 1% for the 1st and 2nd quarters respectively. This, in turn, has exerted downward pressure on employment and Wage Bill growth for the economy, whose year-on-year nominal growth rate slowed further from 7.2% in the 1st quarter of 2014 to 6.5% in the 2nd quarter. It is therefore likely that disposable income growth slowed further in the 2nd quarter.

Then, secondly, we have had 75 basis points' worth of interest rate hikes since the beginning of 2014 by the SARB (Reserve Bank). While not yet having

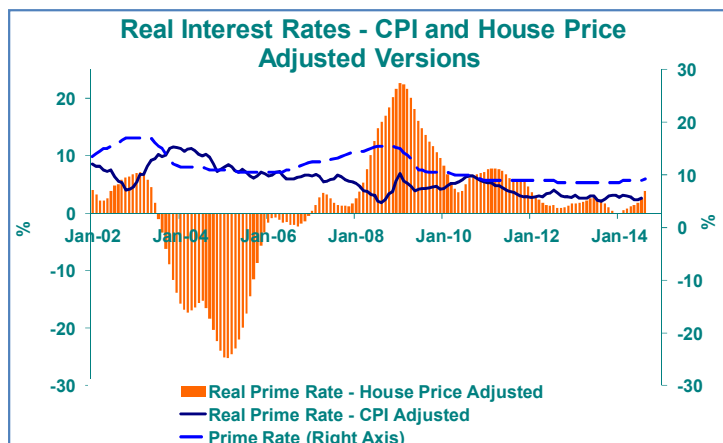
caused a weakening in the residential market, it is plausible that these factors may have begun to cause residential affordability, as measured by the Average House Price/Average Income Ratio and the Bond Instalment on the Average Priced House/Average Income Ratio, to deteriorate mildly. Such affordability deterioration could conceivably limit the rate of house price inflation.

From a revised level of 49.44 in July, the FNB Valuers' Market Strength Index rose further to 49.65 in August. This rise is the result of a further rise in the Valuers' Demand Rating, which was accompanied by a decline in the Valuers' Supply Rating.

However, while still rising, the year-on-year rate of increase in the Valuers' Market Strength Rating slowed for the 6th successive month after peaking in February 2014.



THE SARB'S GRADUAL INTEREST RATE HIKING RAISES THE "ALTERNATIVE" REAL INTEREST RATE, CONTRIBUTING FURTHER TO A "RATIONAL AND HEALTHY" RESIDENTIAL MARKET.



We remain of the belief that a slowing pace of strengthening in the residential market at the present time is a welcome development. The market has regained its health, but it should not get too far out of line with what are very weak economic fundamentals.

Already, real house price levels remain not far historic highs of a few years ago, and any move into another house price boom/bubble would ultimately raise the risk of another 2008/9-style "crisis" for the residential and mortgage lending industry.

Price booms can begin to drive speculative activity and buyer panic (where buyers rush to get into the market fearing that if they don't do it now it will be unaffordable later) on a large scale, and thus can lead to "market overshoots."

We thus see it as beneficial to the health of the market when the SARB sets interest rates at levels where home mortgage lending rates are positive in real terms according to our alternative house price-adjusted real interest rate calculation. Instead of converting Prime Rate from a nominal to a real rate using CPI, we instead use the FNB House Price Index. When this version of Real Prime Rate is significantly negative (as it was back around 2004/5), i.e. where house price inflation exceeds the Prime Rate percentage, it can imply a favourable environment for short term speculation in residential property.

Currently, our alternative Real Prime Rate is positive and rising, at +3.8% in August, up from a previous month's revised 2.6%, gradually rising as interest rates are hiked and house price inflation slows. This mild rise is seen as a further welcome development in order to promote a "rational" residential market.

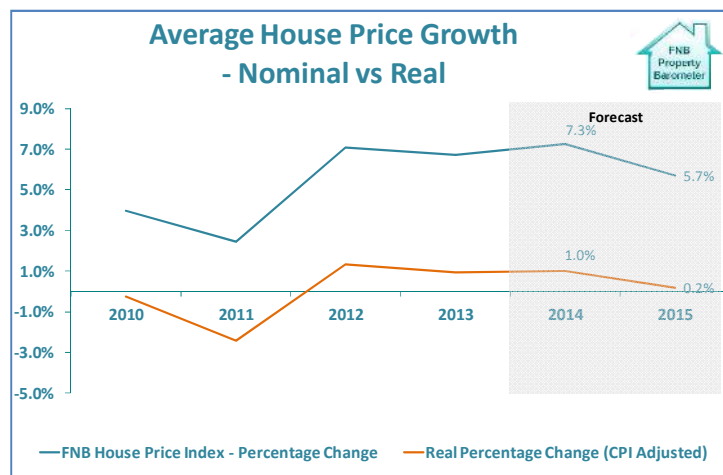
OUTLOOK – ONLY MARGINAL FURTHER SLOWING IN HOUSE PRICE GROWTH EXPECTED FROM HERE ON

The noticeably slower house price inflation rate places some downside risk to our 2014 annual average house price forecast of 7.3%, when we revise it next month.

However, we would not expect a major house price inflation slowdown from here onward under our "base case" economic forecast scenario. That is because, from here onward, we project some mild improvement in real economic growth as we head towards 2015. Such an expected growth improvement is based on the assumption of some normalisation in the levels of industrial action after a torrid recent period, which in turn should support better economic growth due to less strike-related disruptions to the economy.

In this period of heightened social tensions, such an assumption is admittedly a fragile one.

Our economic growth forecast for 2014 as a whole is thus a meager 1.5%, improving somewhat to 2.5% in 2015 on the assumption that the levels of industrial action-related disruptions will decline next year. This scenario also assumes a reasonably well-behaved Rand, and therefore no major inflation surge from here onward.



However, against some expected economic and household disposable income growth improvement, we expect the SARB to continue with its normalization of interest rates, which implies further hiking from abnormally low levels. Our forecast is for Prime Rate to rise further to 9.5% by the end of 2014, and then to 10.25% by the end of 2015. This in turn will imply some moderate increase in the Household Sector Debt-Service

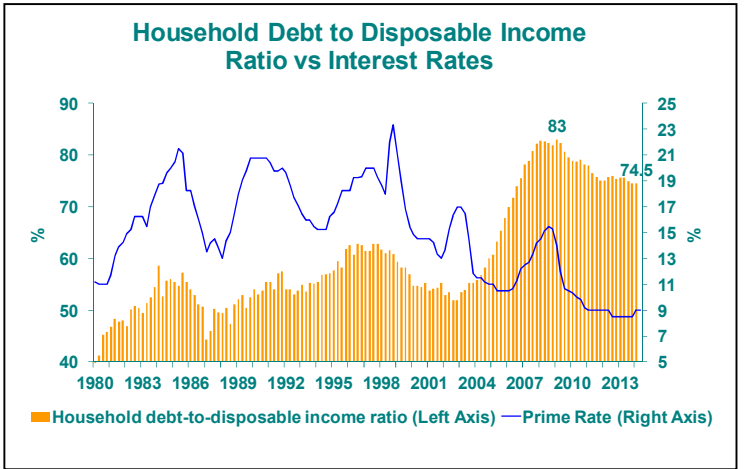
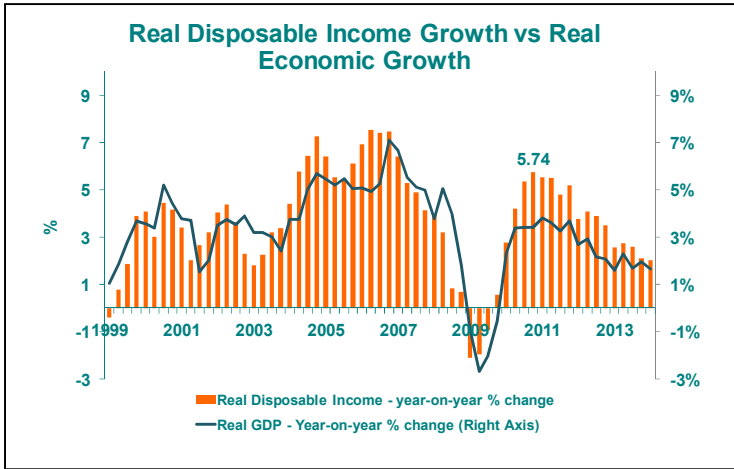
Ratio (the cost of servicing the Household Sector Debt Burden expressed as a percentage of Disposable Income), thus slowing growth in residential mortgage credit demand.

As a result of expected interest rate hikes, we would still expect a slower average house price growth rate in 2015 compared to 2014. However, from last month's slowed year-on-year rate, we would not expect to see too much further price growth slowing, with the house price inflation rate now below general inflation in the economy.

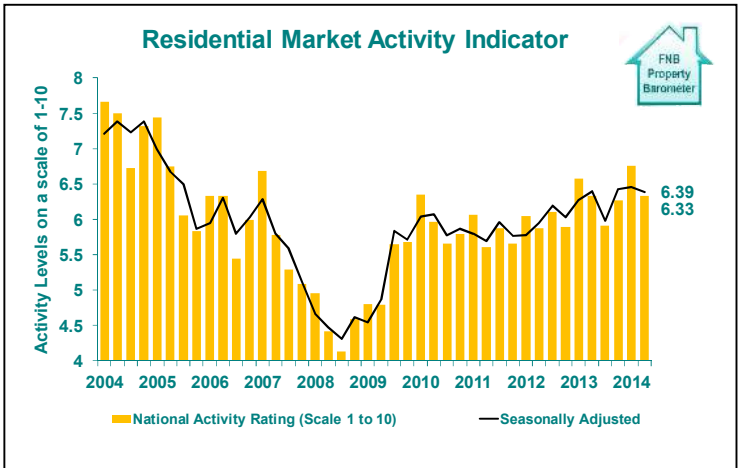
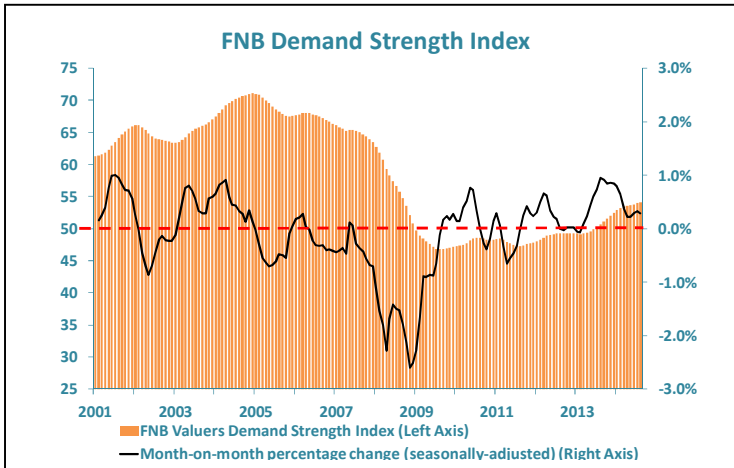
The key risks to the housing market outlook would be further stagnation in the economy with labour relations matters remaining highly disruptive, or alternatively further significant Rand weakening leading to higher than expected inflation and more severe interest rate hiking than forecast...or a combination of both.

THE PROPERTY ECONOMY IN PICTURES

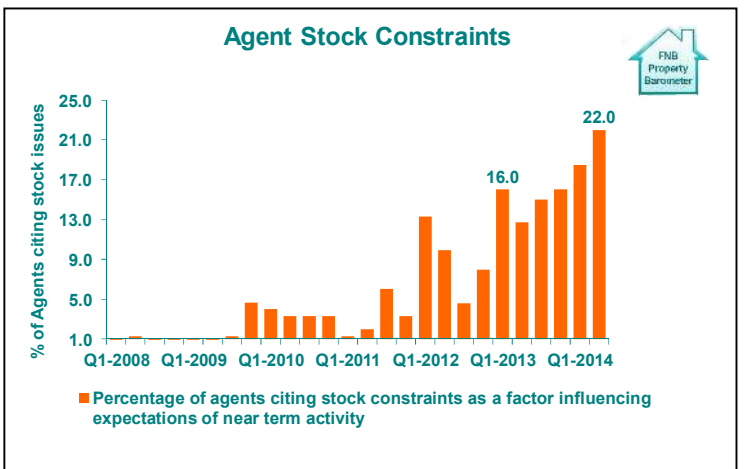
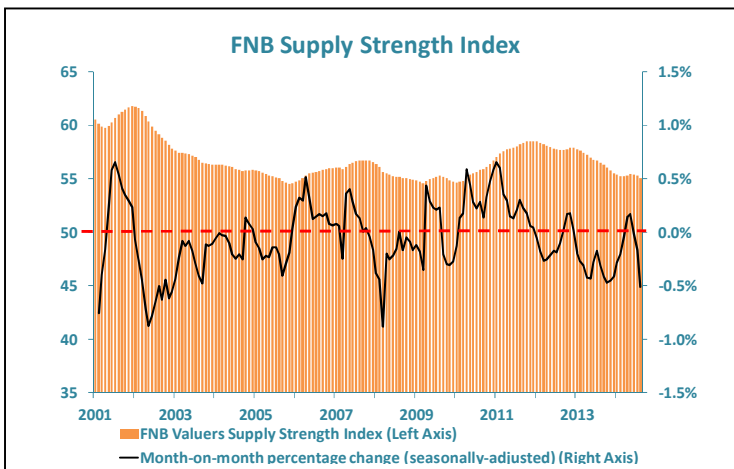
Household Sector Debt and Disposable Income Growth



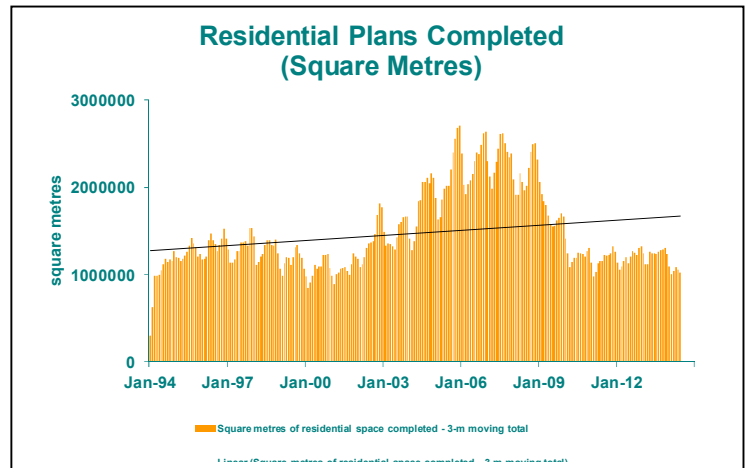
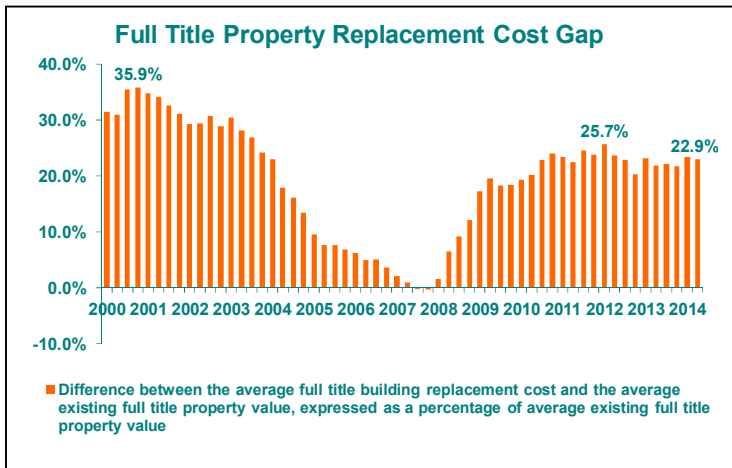
Housing Demand and Activity Levels



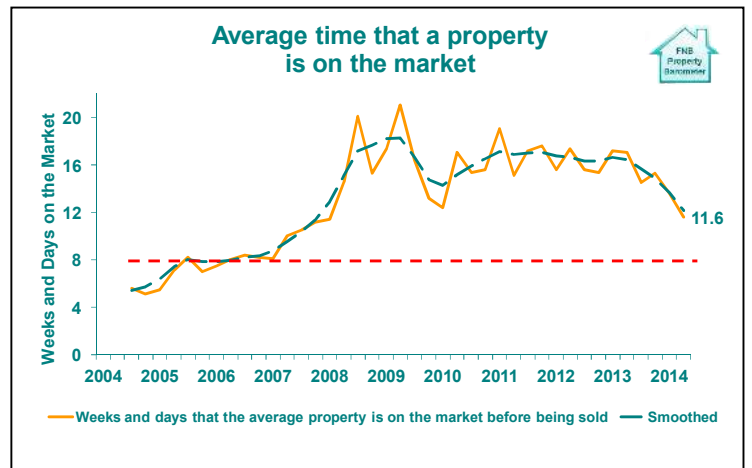
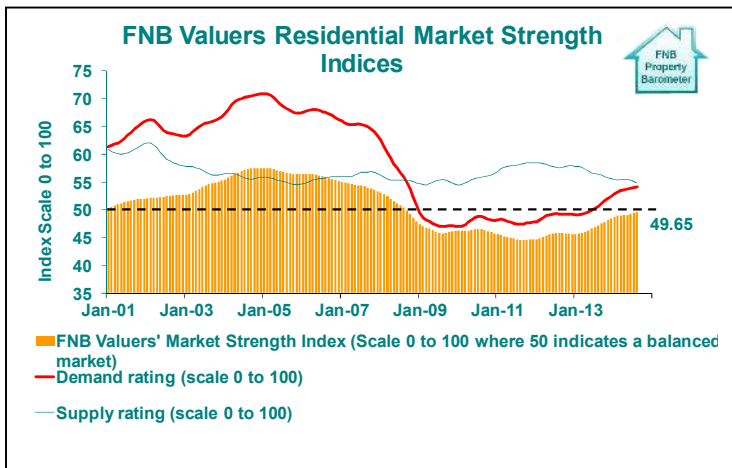
Housing Supply



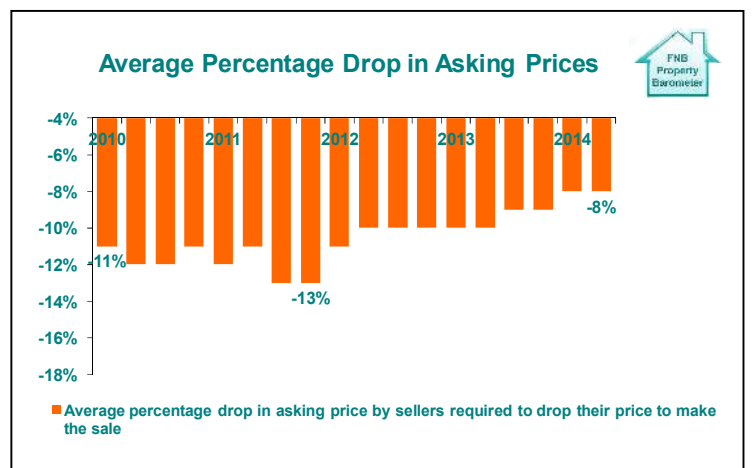
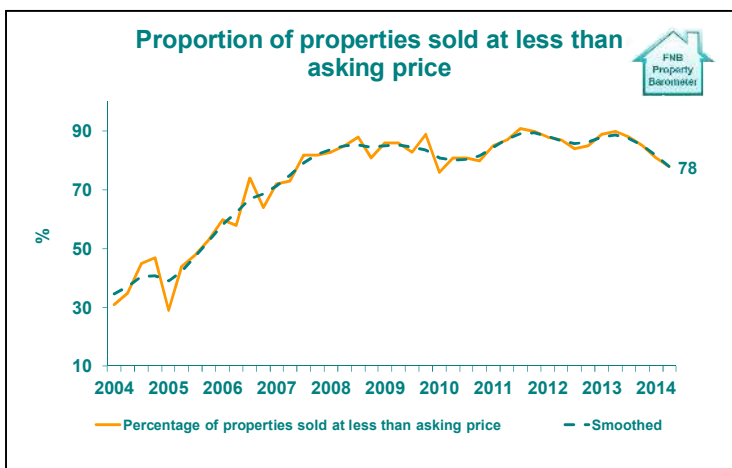
New Home Supply



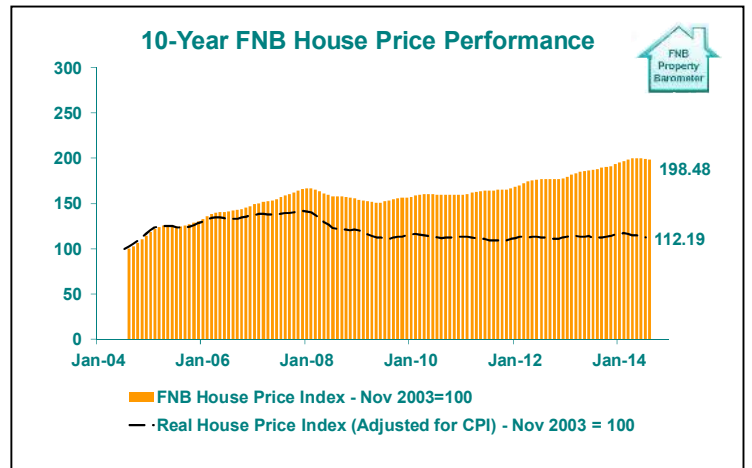
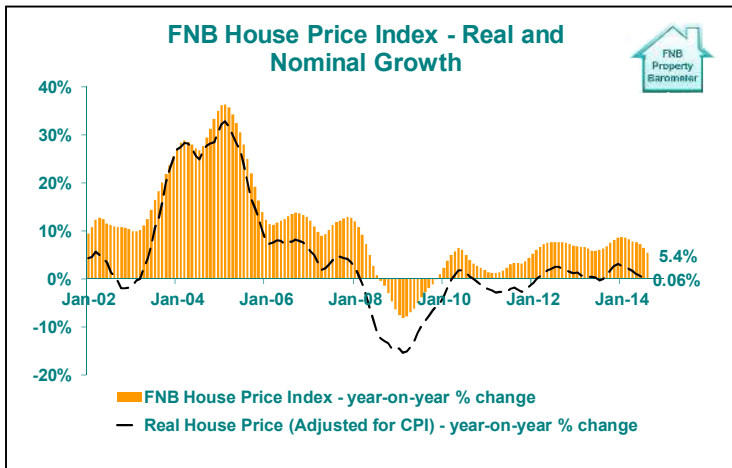
Housing Market Demand-Supply Balance



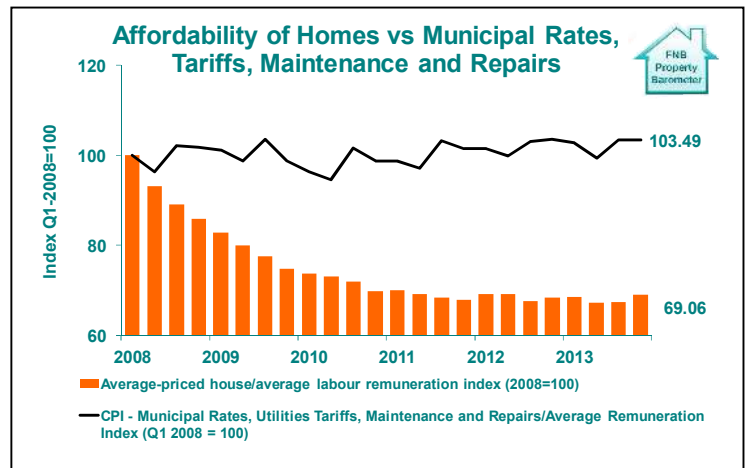
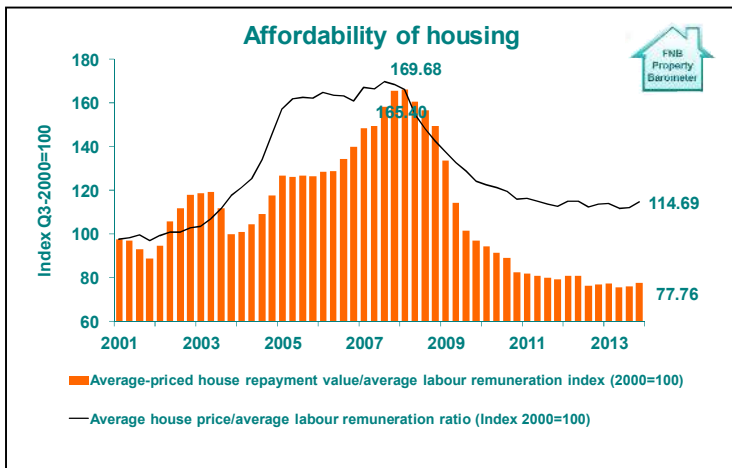
Housing Market Price Realism



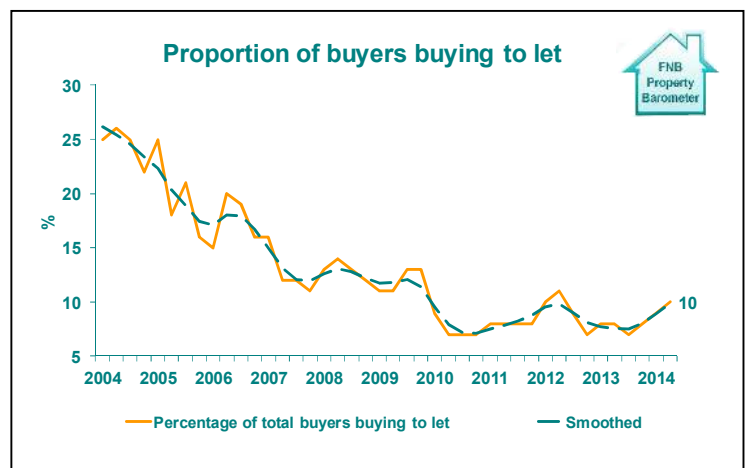
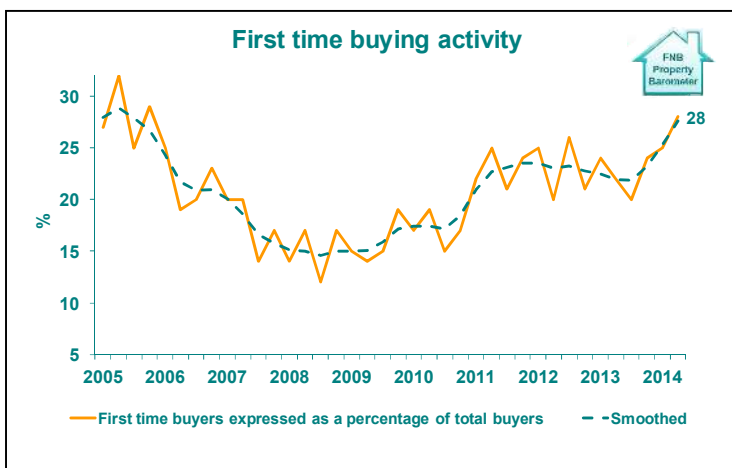
Housing Price Performance



Housing Affordability



1st Time and Buy-to-Let Buying



Monthly FNB House Price Index (January 2001 = 100)



Date	Index	y/y % change	Date	Index	y/y % change	Date	Index	y/y % change	Date	Index	y/y % change
Jan-01	100.0		Jan-05	208.3	36.1%	Jan-09	271.0	-7.6%	Jan-13	315.76	6.7%
Feb-01	100.6		Feb-05	214.0	36.3%	Feb-09	268.9	-8.2%	Feb-13	319.21	6.6%
Mar-01	101.0		Mar-05	218.1	35.6%	Mar-09	267.7	-7.9%	Mar-13	322.84	6.5%
Apr-01	101.9		Apr-05	220.2	34.3%	Apr-09	266.8	-7.1%	Apr-13	325.60	6.3%
May-01	103.0		May-05	220.5	32.5%	May-09	265.7	-6.2%	May-13	327.22	5.9%
Jun-01	104.0		Jun-05	220.2	30.4%	Jun-09	266.0	-5.1%	Jun-13	328.45	5.8%
Jul-01	104.5		Jul-05	219.6	27.9%	Jul-09	267.4	-3.8%	Jul-13	329.67	6.0%
Aug-01	104.9	10.1%	Aug-05	219.8	25.0%	Aug-09	269.6	-2.9%	Aug-13	331.13	6.3%
Sep-01	105.3	9.2%	Sep-05	220.8	21.9%	Sep-09	272.0	-2.0%	Sep-13	332.86	6.8%
Oct-01	105.8	8.7%	Oct-05	223.0	19.1%	Oct-09	273.6	-1.1%	Oct-13	334.77	7.4%
Nov-01	106.6	8.6%	Nov-05	225.8	16.2%	Nov-09	274.8	-0.2%	Nov-13	336.90	8.0%
Dec-01	107.9	8.9%	Dec-05	229.5	13.9%	Dec-09	275.7	0.9%	Dec-13	339.86	8.6%
Jan-02	109.4	9.4%	Jan-06	233.7	12.2%	Jan-10	277.1	2.3%	Jan-14	342.94	8.6%
Feb-02	111.4	10.8%	Feb-06	238.4	11.4%	Feb-10	279.1	3.8%	Feb-14	346.30	8.5%
Mar-02	113.4	12.2%	Mar-06	242.6	11.2%	Mar-10	280.9	4.9%	Mar-14	349.22	8.2%
Apr-02	114.9	12.8%	Apr-06	245.8	11.6%	Apr-10	282.1	5.8%	Apr-14	351.17	7.9%
May-02	115.7	12.4%	May-06	247.3	12.1%	May-10	282.7	6.4%	May-14	352.12	7.6%
Jun-02	116.1	11.6%	Jun-06	247.6	12.5%	Jun-10	282.1	6.1%	Jun-14	351.93	7.2%
Jul-02	116.2	11.2%	Jul-06	248.2	13.0%	Jul-10	280.8	5.0%	Jul-14	350.79	6.4%
Aug-02	116.4	10.9%	Aug-06	249.4	13.5%	Aug-10	280.2	3.9%	Aug-14	349.0	5.4%
Sep-02	116.6	10.7%	Sep-06	251.3	13.8%	Sep-10	280.5	3.2%			
Oct-02	117.2	10.7%	Oct-06	253.4	13.6%	Oct-10	281.0	2.7%			
Nov-02	117.9	10.6%	Nov-06	256.0	13.4%	Nov-10	280.9	2.2%			
Dec-02	119.0	10.3%	Dec-06	259.1	12.9%	Dec-10	280.7	1.8%			
Jan-03	120.3	9.9%	Jan-07	262.1	12.1%	Jan-11	280.9	1.4%			
Feb-03	122.4	9.8%	Feb-07	264.5	11.0%	Feb-11	282.3	1.2%			
Mar-03	124.9	10.2%	Mar-07	266.3	9.8%	Mar-11	284.2	1.2%			
Apr-03	127.6	11.1%	Apr-07	267.9	9.0%	Apr-11	285.9	1.3%			
May-03	130.2	12.5%	May-07	270.1	9.2%	May-11	287.3	1.7%			
Jun-03	132.7	14.4%	Jun-07	272.9	10.2%	Jun-11	288.3	2.2%			
Jul-03	135.4	16.5%	Jul-07	275.9	11.1%	Jul-11	289.1	3.0%			
Aug-03	137.7	18.3%	Aug-07	278.8	11.8%	Aug-11	289.5	3.3%			
Sep-03	139.9	20.0%	Sep-07	281.7	12.1%	Sep-11	289.7	3.3%			
Oct-03	142.7	21.8%	Oct-07	285.1	12.5%	Oct-11	290.0	3.2%			
Nov-03	145.8	23.6%	Nov-07	288.9	12.9%	Nov-11	290.9	3.6%			
Dec-03	149.4	25.5%	Dec-07	291.9	12.7%	Dec-11	292.9	4.4%			
Jan-04	153.1	27.2%	Jan-08	293.3	11.9%	Jan-12	295.8	5.3%			
Feb-04	157.1	28.3%	Feb-08	293.0	10.7%	Feb-12	299.3	6.0%			
Mar-04	160.8	28.8%	Mar-08	290.7	9.1%	Mar-12	303.0	6.6%			
Apr-04	164.0	28.5%	Apr-08	287.0	7.1%	Apr-12	306.4	7.2%			
May-04	166.5	27.9%	May-08	283.3	4.9%	May-12	308.9	7.5%			
Jun-04	168.8	27.2%	Jun-08	280.1	2.6%	Jun-12	310.5	7.7%			
Jul-04	171.7	26.8%	Jul-08	278.0	0.8%	Jul-12	311.1	7.6%			
Aug-04	175.8	27.7%	Aug-08	277.5	-0.4%	Aug-12	311.4	7.6%			
Sep-04	181.1	29.4%	Sep-08	277.4	-1.5%	Sep-12	311.7	7.6%			
Oct-04	187.3	31.3%	Oct-08	276.8	-2.9%	Oct-12	311.6	7.5%			
Nov-04	194.3	33.3%	Nov-08	275.2	-4.7%	Nov-12	311.8	7.2%			
Dec-04	201.5	34.9%	Dec-08	273.2	-6.4%	Dec-12	313.0	6.9%			

KEY QUARTERLY ECONOMIC, HOUSEHOLD SECTOR AND RESIDENTIAL MARKET FORECASTS

(Last Revision – 7 July 2014)

MACROECONOMIC FORECAST SUMMARY (BASE CASE)

	2010	2011	2012	2013	Forecast Period	
					2014	2015
Economy						
Household Consumption Expenditure (R'm - 2005 Prices)	1 189 832	1 247 822	1 292 111	1 325 105	1 350 282	1 375 591
- year-on-year % change	4.4%	4.9%	3.5%	2.6%	1.9%	1.9%
Gross Domestic Product (R'm - 2005 Prices)	1 843 008	1 909 343	1 956 444	1 993 433	2 024 167	2 075 686
- year-on-year % change	3.1%	3.6%	2.5%	1.9%	1.5%	2.5%
Prices						
Consumer Price Index (2008=100)	116.0	121.8	128.7	136.1	144.5	152.5
- year-on-year % change	4.3%	5.0%	5.7%	5.8%	6.2%	5.5%
Interest Rates (%)						
Effective Interest Rate on Household Debt (Annual Average)	10.90	10.81	10.22	10.20	10.90	11.88
Repo Rate (Annual Average)	6.41	5.50	5.28	5.00	5.65	6.63
Prime Interest Rate (Annual Average)	9.91	9.00	8.78	8.50	9.15	10.13
Currency						
US Dollar/Rand Exchange Rate (Annual Average - Cents per \$)	732	725	821	965	1 077	1 021
- year-on-year % change	15.2%	1.0%	-11.7%	-14.9%	-10.4%	5.4%

HOUSEHOLD SECTOR FORECAST SUMMARY (BASE CASE)

	2010	2011	2012	2013	Forecast Period	
					2014	2015
Household Sector						
Total Employment Index (2005=100)	102.8	104.6	105.6	106.1	105.2	105.0
- year-on-year % change	1.0%	1.8%	0.9%	0.5%	-0.8%	-0.3%
Average Wage Index (2005=100)	164.6	176.4	189.7	204.0	218.4	235.4
- year-on-year % change	13.6%	7.2%	7.5%	7.6%	7.0%	7.8%
Household Debt (R'm)	1 239 243	1 326 948	1 441 982	1 547 403	1 639 570	1 730 878
- year-on-year % change	5.0%	7.1%	8.7%	7.3%	6.0%	5.6%
Debt to Disposable Income Ratio (%)	78.7%	76.4%	75.6%	75.2%	74.5%	73.5%
Debt Service Ratio (%)	8.58%	8.25%	7.73%	7.68%	8.12%	8.73%
Number of Insolvencies	4 105	4 198	3 751	3 189	3 235	3 461
- year-on-year % change	-32.5%	2.3%	-10.6%	-15.0%	1.4%	7.0%
Real Disposable Income (R'm at 2005 Prices)	1 182 683	1 244 652	1 292 200	1 324 699	1 345 860	1 370 825
- year-on-year % change	4.5%	5.2%	3.8%	2.5%	1.6%	1.9%
Nominal Disposable Income (R'm)	1 574 754	1 738 725	1 907 974	2 057 263	2 199 815	2 354 873
- year-on-year % change	8.6%	10.4%	9.7%	7.8%	6.9%	7.0%

HOUSING MARKET FORECAST SUMMARY (BASE CASE)

	2010	2011	2012	2013	Forecast Period	
					2014	2015
Housing Market						
Average Time on Market (Weeks)	15.13	17.25	16.00	16.03	11.91	13.63
FNB Valuers Demand Rating (Scale 0-100)	47.91	47.90	48.78	50.53	52.53	52.15
- year-on-year % change	-0.1%	0.0%	1.8%	3.6%	4.0%	-0.7%
Valuers Supply Rating (Scale 0-100)	55.62	57.80	57.98	56.64	55.654	55.941
- year-on-year % change	1.4%	3.9%	0.3%	-2.3%	-1.7%	0.5%
Market Strength Index (Scale 0-100)	46.15	45.05	45.40	46.94	48.44	48.10
- year-on-year % change	-0.9%	-2.4%	0.8%	3.4%	3.2%	-0.7%
FNB Average House Price	761 619	780 385	835 479	891 630	956 323	1 010 678
- year-on-year % change	4.0%	2.5%	7.1%	6.7%	7.3%	5.7%
FNB Average House Price - Real (Rands - 2008 Prices)	656 581	640 719	649 248	655 198	661 711	662 863
- year-on-year % change	-0.3%	-2.4%	1.3%	0.9%	1.0%	0.2%
Residential Gross Yield	8.55%	9.12%	9.01%	8.23%	8.54%	8.87%
Reasons for selling properties						
In order to Upgrade (% of total sales)	12.25%	16.00%	15.50%	18.00%	19.00%	16.50%
Downscaling due to financial pressure (% of total sales)	20.50%	21.75%	19.50%	15.75%	15.00%	17.00%
Residential Affordability Indices (2005=100)						
House Price / Average Employee Remuneration Ratio	77.55	74.13	73.80	73.22	73.39	71.96
- year-on-year % change	-8.5%	-4.4%	-0.4%	-0.8%	0.2%	-2.0%
100% Bond Instalment/Average Employee Remuneration Ratio	74.43	66.69	65.36	63.55	66.72	70.02
- year-on-year % change	-20.0%	-10.4%	-2.0%	-2.8%	5.0%	5.0%

Note on affordability indices:

1. An increase in an affordability index implies a deterioration in affordability and vice versa
2. The 100% Bond Instalment/Average Employee Remuneration Index is constructed by calculating the bond instalment value on a 100% bond on the average priced house
3. The affordability indices are calculated in index form because the SARB Average Employee Remuneration series is provided as an index

ADDENDUM - NOTES:

Note on The FNB Average House Price Index: Although also working on the average price principle (as opposed to median or repeat sales), the FNB House Price Index differs from a simple average house price index in that it could probably be termed a “fixed weight” average house price index.

One of the practical problems we have found with house price indices is that relative short term activity shifts up and down the price ladder can lead to an average or median price index rising or declining where there was not necessarily “genuine” capital growth on homes. For example, if “suburban segment volumes remain unchanged from one month to the next, but former Black Township (the cheapest areas on average) transaction volumes hypothetically double, the overall national average price could conceivably decline due to this relative activity shift.

This challenge of activity shifts between segments is faced by all constructors of house price indices. In an attempt to reduce this effect, we decided to fix the weightings of the FNB House Price Index’s sub-segments in the overall national index. This, at best, can only be a partial solution, as activity shifts can still take place between smaller segments within the sub-segments. However, it does improve the situation.

With our 2013 re-weighting exercise, we have begun to segment not only according to room number, but also to segment according to building size within the normal segments by room number, in order to further reduce the impact of activity shifts on average price estimates.

The FNB House Price Index’s main segments are now as follows:

- The weightings of the sub-segments are determined by their relative transaction volumes over the past 5 years, and will now change very slowly over time by applying a 5-year moving average to each new price data point. The sub-segments are:

- Sectional Title:

- Less than 2 bedroom – Large
- Less than 2 bedroom – Medium
- Less than 2 bedroom – Small

- 2 Bedroom – Large
- 2 bedroom – Medium
- 2 bedroom – Small

- 3 Bedroom and More - Large
- 3 Bedroom and More - Medium
- 3 Bedroom and More - Small

- Full Title:

- 2 Bedrooms and Less - Large
- 2 Bedrooms and Less - Medium
- 2 Bedrooms and Less - Small

- 3 Bedroom - Large
- 3 Bedroom - Medium
- 3 Bedroom - Small

- 4 Bedrooms and More - Large
- 4 Bedrooms and More - Medium
- 4 Bedrooms and More – Small

The size cut-offs for “small”, “medium” and “large” differ per room number sub-segment. “Large” would refer to the largest one-third of homes within a particular room number segment over the past 5 year period, “Medium” to the middle one-third, and “Small” to the smallest one-third of homes within that segment.

- *The Index is constructed using transaction price data from homes financed by FNB.*
- *The minimum size cut-off for full title stands is 200 square metres, and the maximum size is 4000 square metres*
- *The maximum price cut-off is R10m, and the lower price cut-off is R20,000 (largely to eliminate major outliers and glaring inputting errors).*
- *The index is very lightly smoothed using a Hodrick-Prescott smoothing function with a Lambda of 5.*

Note on the FNB Valuers' Market Strength Index: **When an FNB valuer values a property, he/she is required to provide a rating of demand as well as supply for property in the specific area. The demand and supply rating categories are a simple "good (100)", "average (50)", and "weak (0)". From all of these ratings we compile an aggregate demand and an aggregate supply rating, which are expressed on a scale of 0 to 100. After aggregating the individual demand and supply ratings, we subtract the aggregate supply rating from the demand rating, add 100 to the difference, and divide by 2, so that the FNB Valuers' Residential Market Strength Index is also depicted on a scale of 0 to 100 with 50 being the point where supply and demand are equal.*

Property and Mortgage Market Summary

END OF PERIOD	2011	2012	2013	Q3-2013	Q4-2013	Q1-2014	Q2-2014	May-14	Jun-14	Jul-14	Aug-14
Residential Property Prices											
FNB National Average House Price (Rand)	780 385	835 476	891 905	898 779	914 930	939 292	954 455	955 481	954 980	951 881	947 051
<i>y/y % change</i>	2.5	7.1	6.8	6.4	8.0	8.4	7.5	7.6	7.2	6.4	5.4
<i>m/m seasonally-adjusted % change</i>								0.20	0.07	-0.02	-0.12
FNB Valuers Demand Strength Index	47.79	48.93	50.38	50.7	52.04	53.16	53.7	53.69	53.82	53.99	54.15
<i>y/y % change</i>	-0.6	2.4	3.0	2.9	5.7	8.1	8.2	8.2	7.9	7.5	6.8
<i>m/m % change</i>								0.20	0.24	0.31	0.30
FNB Valuers Supply Strength Index	57.95	57.96	56.71	56.35	55.76	55.42	55.39	55.418	55.297	55.106	54.855
<i>y/y % change</i>	4.3	0.0	-2.1	-2.1	-3.6	-4.0	-2.8	-2.7	-2.5	-2.5	-2.7
<i>m/m % change</i>								-0.05	-0.22	-0.35	-0.45
FNB Valuers Market Strength Index	44.92	45.49	46.83	47.17	48.14	48.87	49.16	49.14	49.26	49.44	49.65
<i>y/y % change</i>	-2.9	1.3	3.0	2.9	5.4	6.9	6.1	6.1	5.7	5.5	5.2
<i>m/m % change</i>								0.14	0.25	0.36	0.41
Major Metro Areas Average House Price (Rand)	947 029	979 236	1 039 080	1 047 159	1 064 014	1 079 952	1 095 797				
<i>y/y % change</i>	3.9	3.4	6.1	6.4	6.5	6.5	6.3				
- Upper Income Area Average House Price (Rand)	1 883 495	1 926 738	2 057 996	2 073 938	2 102 174	2 126 656	2 148 238				
<i>y/y % change</i>	4.0	2.3	6.8	7.3	6.4	5.7	5.1				
- Middle Income Area Average House Price (Rand)	1 102 639	1 151 296	1 220 789	1 228 541	1 252 053	1 276 133	1 300 221				
<i>y/y % change</i>	3.8	4.4	6.0	6.2	6.7	7.0	7.4				
- Lower Income Area Average House Price (Rand)	716 851	742 383	784 644	791 361	804 014	815 769	828 190				
<i>y/y % change</i>	3.8	3.6	5.7	6.0	6.5	6.7	6.4				
- Affordable Area Average House Price (Rand)	374 959	389 884	413 882	417 096	424 653	433 094	440 536				
<i>y/y % change</i>	5.5	4.0	6.2	6.6	7.0	7.3	7.4				
- Major 3 Provinces' Former Black Township Average House Price (Rand)	253 409	261 348	278 360	281 142	287 931	294 025	299 448				
<i>y/y % change</i>	8.1	3.1	6.5	7.3	8.8	9.2	8.8				
- Coastal Holiday Towns Average House Price (Rand)	793 993	801 560	798 928	796 146	810 260	833 498	861 610				
<i>y/y % change</i>	-4.4	1.0	-0.3	-0.7	1.9	4.9	8.4				
FNB Estate Agent Survey											
Level of Residential Demand Activity (Scale 1 to 10)	5.8	5.98	6.27	5.91	6.27	6.76	6.33				
<i>y/y % change</i>	-2.3	3.1	4.8	-3.3	6.5	2.9	0.0				
First time buyers as a percentage of total buyers (%)	23.0	23.0	22.5	20.0	24.0	25.0	28.0				
Buy-to-let as a percentage of total buyers (%)	8.0	9.3	7.8	7.0	8.0	9.0	10.0				
Average time of properties on the market (Weeks and Days)	17.3	16.0	16.0	14.5	15.3	13.6	11.6				
Percentage of properties sold at less than asking price (%)	88.3	86.0	88.0	88.0	85.0	81.0	78.0				
Percentage of properties on the market for 3 months or more (%)	80.5	77.5	74.5	75.0	74.0	66.0	57.0				
Residential Building Sector											
Number of units' plans passed	52 824	49 820	50 447	12 616	12 227	14 059	14 304	6 243	4 434		
<i>y/y % change</i>	10.3	-5.7	1.3	-5.7	-8.3	18.8	3.9	31.5	12.7		
Square metres' worth of plans passed	6 248 810	6 246 397	6 647 115	1 734 848	1 593 374	1 717 274	1 815 987	675 384	634 256		
<i>y/y % change</i>	5.7	-0.0	6.4	2.2	-4.4	13.0	1.0	3.6	9.5		
Average size of units' plans passed (square metres)	118.3	125.4	131.8	137.5	130.3	122.1	127.0	108	143		
Number of units completed	40 507	42 978	41 485	10 064	10 542	9 190	8 043	2 470	2 643		
<i>y/y % change</i>	-0.4	6.1	-3.5	-8.9	-12.9	-12.2	-22.8	-20.5	-12.6		
Square metres' worth of buildings completed	4676203.0	4813164.0	4885830.0	1283282.0	1235511.0	1043277.0	1025161.0	326 372	343 972		
<i>y/y % change</i>	-2.9	2.9	1.5	2.1	-6.8	-7.1	-17.6	-16.1	-12.5		
Average size of units' completed (square metres)	115.4	112.0	117.8	127.5	117.2	113.5	127.5	132.13	130.14		

Property and Mortgage Market Summary

END OF PERIOD	2011	2012	2013	Q3-2013	Q4-2013	Q1-2014	Q2-2014	May-14	Jun-14	Jul-14	Aug-14
Mortgage Market											
New residential loans and re-advances granted (R'm)	163 940	169 677	196 144	51 801	52 739	51 276					
<i>y/y % change</i>	33.5	3.5	15.6	21.3	19.1	21.3					
Residential re-advances granted (R'm)	13 825	8 291	10 452	3 149	2 842	2 933					
<i>y/y % change</i>	67.9	40.0	26.1	46.6	34.8	48.6					
Total residential mortgage loans outstanding - Banks (R'm)	816 577 655	826 765 341	837 817 308	836 143 963	837 817 308	842 406 177	846 836 675	844 500 971	846 836 675		
<i>y/y % change</i>	1.2	1.2	1.3	1.4	1.3	1.6	1.7	1.5	1.7		
Key Economic Indicators											
Real Gross Domestic Product (R'm at 2000 prices)	1 909 343	1 956 444	1 993 433	1 994 454	2 013 304	2 010 165					
<i>y/y % change</i>	3.6	2.5	1.9	1.7	2.0	1.6					
Real Residential Fixed Investment (R'm)	22 902	23 344	22 547	22 353	22 396	22 221					
<i>y/y % change</i>	-4.4	1.9	-3.4	-4.1	-3.0	-3.1					
Prime Rate (%)	9.	8.8	8.5	8.5	8.5	9.0	9.0	9.	9.	9.1087	9.25
Yields on Government Bonds 10 years and Longer (%)	8.5	7.9	7.7	8.2	8.1	8.6	8.3	8.2	8.3	8.3	8.2
Currencies - USDZAR	7.27	8.22	9.66	9.994	10.156	10.87	10.548	10.41	10.67	10.66	10.67
Currencies - EURZAR	10.10	10.55	12.82	13.231	13.821	14.887	14.461	14.30	14.51	14.44	14.20
<i>CPI - y/y % change</i>	5.	5.7	5.8	6.2	5.4	5.9	6.5	6.6	6.6	6.3	
<i>Gauteng pump price y/y%</i>				19.2	9.1	12.7	12.3	14.5	13.4	8.3	5.7
FNBBER Consumer Confidence Index	7.3	-0.5	-5.3	-8.0	-7.0	-6.0	4.0				
RMBBER Business Confidence Index	45	47	46	42.0	43.0	41.0	41.0				
SARB Composite Leading Business Cycle Indicator	101.2	99.9	100.8	100.1	100.3	100.4	99.7	99.61	100.06		
<i>y/y % change</i>	1.1	-1.2	0.8	1.4	-0.1	-1.6	-0.9	-1.16	0.22		
<i>m/m % change</i>								0.29	0.45		
Real Retail Sales (2008 Prices) - R'm	625 565	654 137	671 981	162 246	192 235	161 076	163 735	55 923	54 125		
<i>y/y % change</i>	6.2	4.6	2.7	2.1	2.8	3.1	1.5	2.6	0.0		
Manufacturing - Volume of Production (Index 2005=100)	102.81	105.15	106.48	108.5	112.5	100.9	103.9	105.4	106.1		
<i>y/y % change</i>	2.8	2.3	1.3	0.4	1.6	1.6	-1.8	-3.8	0.5		
Mining - Volume of Production (Index 2005=100)	99.13	95.98	99.97	104.7	106.3	88.4	95.4	95.6	97.7		
<i>y/y % change</i>	-0.9	-3.2	4.2	1.9	13.2	-1.7	-3.6	-6.4	-5.7		
Vehicle Sales - Total (NAAMSA)	496 181	539 303	565 999	147 992	135 091	141 192	131 693	43 684	47 610	50 498	
<i>y/y % change</i>	16.4	8.7	5.0	3.5	-1.9	-0.4	-6.7	-9.2	-2.2	-1.8	
Passenger Vehicle Sales - Total (NAAMSA)	329 829	364 767	379 673	100 647	90 609	93 593	85 322	28 239	31 036	33 843	
<i>y/y % change</i>	18.1	10.6	4.1	2.4	-3.8	-1.5	-8.7	-11.5	-5.2	-1.3	