

Affordable Land and Housing Data Centre

Understanding the dynamics that shape the affordable land and housing market in South Africa.



Filling the Gaps:

Affordable and other housing markets

in Msunduzi

September, 2012

DISCUSSION DOCUMENT

Presentation overview



1. Introduction

2. Market Size

3. Market Potential

4. Market Dynamics

5. Comparison to other Metropolitan Municipalities

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Introduction

- This report provides a profile of affordable and other housing markets in the Msunduzi Metropolitan Municipality
- The affordable housing market comprises residential properties whose value is less than R 500 000 and is acquired by households earning less than about R15,000 a month
- The importance of the affordable housing market in South Africa cannot be overstated – of the 6 million residential properties on the South African Deeds Registry, over half (3,4 million, or 58%) are valued at less than R500 000.
- The type of housing in the affordable housing market includes:
 - existing stock found in the former ‘Black, Coloured and Indian townships’,
 - government subsidized housing, and, to a lesser extent, new housing developed by the private sector.
- There is increasing recognition that the affordable housing market forms an important component of South Africa’s economy

Methodology

- This report sets out the findings of an analysis of data from the South African Deed Registry, together with data on South Africa's National Subsidy Programme
- The analysis uses specific indicators of the formal real estate market to describe current conditions in the affordable market, and compares them to the rest of the metropolitan area and to the nation as a whole.
- A categorisation of affordable housing properties and suburbs is used:
 - **An affordable housing property** is any property valued below R500,000 that can be acquired by a family or household earning less than R 15 000.
 - **An affordable suburb** is a neighbourhood with an identifiable name and recognized boundaries in which the average worth of the residential properties within it is less than or equal to R 500 000.
- Analysing the affordable housing market in South Africa is challenging on several fronts:
 - The affordable market is thinner than other markets and Information within the market is limited
 - Anecdotal information indicates that there are informal transactions that occur within the market that are not recorded through the deeds registry.

Methodology cont.

- All of the data analysed in this presentation was drawn from the South African Deeds Registry at the end of 2010 unless otherwise noted.
- The data is analysed in terms of three areas of focus:
 - 1) **Market size**
 - 2) **Market potential**
 - 3) **Market dynamics**
- The data is analysed using two dimensions:
 - 1) **Property value:** The following categories are specified:
 - Less than R250,000
 - R251,000 to R500,000
 - More than R500,000
 - 2) **Area:** The following categories are specified :
 - Affordable areas in the city
 - The city as a whole
 - National

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Determining market size

The key dimensions that measure market size are:

- The total **number** of registered residential properties in the market
- The **worth** of registered residential properties in the market
- The extent to which these properties are being **traded** (i.e. bought and sold)
- Where the properties are **located**
- **Who** owns them and the **type of ownership**

Value of registered properties

Value of properties	Affordable areas in Msunduzi	Msunduzi : All properties	National: All properties
< R250 000	R1,991,075,000 <i>99% of metro in category</i>	R2,016,550,000 <i>2% of national in category</i>	R146,580,735,000
R251 000– 500 000	R6,382,350,000 <i>86%</i>	R7,410,040,000 <i>2%</i>	R398,211,440,000
> R500 000	R3,470,800,000 <i>14%</i>	R25,575.670,000 <i>1%</i>	R2,624,765,870,000
Total	11,844,225,000	R35,002,260,000	R3,169,558,045,000
Percent of area	34%	1%	

Source: SA Deeds Registry, 2010

- Residential properties in South Africa are valued at R3,169 billion
- The properties within Msunduzi are valued at R35 billion, which means that the city contains 1% of the country's residential real estate value
- **Properties in affordable areas are valued at R12 billion or 34% of the total value of residential properties in the city**
- 99% of properties below the value of R250,000 are located in affordable areas which indicates a high concentration of affordable properties in these areas

Number of registered properties

- 1% (60,000) of South African residential properties are located in Msunduzi
- 60% of these are located in affordable areas
- 59% of affordable properties are of unknown worth – these are assumed to be predominantly subsidy properties as they are often registered as having no or minimal value

Value of properties	Affordable areas in Msunduzi	Msunduzi : All properties	National: All properties
< R250 000	15,160 <i>37% of affordable areas</i>	15,302 <i>22% of all properties</i>	1 141 801
R251 000–500 000	16,654 <i>40%</i>	19,077 <i>28%</i>	1 052 949
> R500 000	5,049 <i>19%</i>	27,226 <i>39%</i>	2 200 071
Unknown worth	4,466 <i>59%</i>	7,543 <i>11%</i>	1 182 071
Total	41,329 →	69,148 →	5 576 892*
%	60%	1%	

Source: SA Deeds Registry, 2010

* While there are 6 million residential properties in the Deeds Registry approximately 400,000 of them do not have GIS coordinates or addresses and therefore could not be used in this analysis.

Sales transactions

Value of properties	Affordable areas in Msunduzi		Msunduzi : All properties		National: All properties	
	Number	Value (Rm)	Number	Value (Rm)	Number	Value (Rm)
< R250,000	278	39	393	55	61,286	4,838
R251,000– 500,000	459	173	723	282	40,579	15,654
> R500,000	107	87	1,080	1,083	101,740	147,636
Total	844	298	2,196	1,420	203,605	168,128
%	38%	21%	1%	1%		

Source: SA Deeds Registry, 2010

- Properties sold in Msunduzi comprises 1% of the number of properties sold in South Africa as a whole and 1% of the total sales value
- Over one third (38%) of all properties sold in Msunduzi were in the affordable suburbs – this indicates sizable formal market activity in these areas
- Of the properties sold in affordable suburbs, 33% were valued below R250 000, which indicates some product availability in the lowest end of the housing market

Average values of residential properties

Value of properties	Affordable areas in Msunduzi		Msunduzi : All properties		National: All properties
	Average worth	% of national average	Average worth	% of national average	Average worth
< R250,000	139,196	99%	139,970	106%	131,439
R251,000– 500,000	378,786	99%	384,145	102%	375,628
> R500,000	769,565	72%	1,066,559	83%	1,290,364
Total	287,105	54%	527,719	94%	558,484

Source: SA Deeds Registry, 2010

- The average value of a home in Msunduzi is R528,000 which is similar to the national average
- The average home value in an affordable suburb in Msunduzi is R287,000 which is half of the city's average value, indicating a wide product gap.

Average sales prices of residential properties

Sales price of properties	Affordable areas in Msunduzi		Msunduzi : All properties		National: All properties
	Average price	% of national average	Average price	% of national average	Average price
< R250,000	109,541	95%	115,469	166%	69,690
R251,000– 500,000	369,415	95%	387,332	104%	372,949
> R500,000	1,027,966	95%	1,085,025	59%	1,841,133
Total	166,116	35%	475,630	91%	525,173

Source: SA Deeds Registry, 2010

- Msunduzi's average property prices are slightly less than the national average and are 10% below the metro's average property value (R528,000);
- Average property prices in affordable suburbs are R166,000, 42% less than the comparable area's average property values (R287,000)
- The average sales price of properties in affordable suburbs with a value of below R250,000 is R110 000 which is significantly lower than their average worth of R139,000. This may indicate weak demand or an under valuing of these properties.

New registrations

Value of properties	Affordable areas in Msunduzi		Msunduzi : All properties		National: All properties	
	Number	Value (Rm)	Number	Value (Rm)	Number	Value (Rm)
< R250,000	15	3	26	4	23,633	2,221
R251,000– 500,000	60	23	87	33	18,012	6,786
> R500,000	18	10	131	127	21,912	27,338
Unknown worth	5	n/a	989	n/1	28,622	na
Total	98	36	1,233	164	92,179	36,345
% of total	8%	22%	1.3%	0.5%		

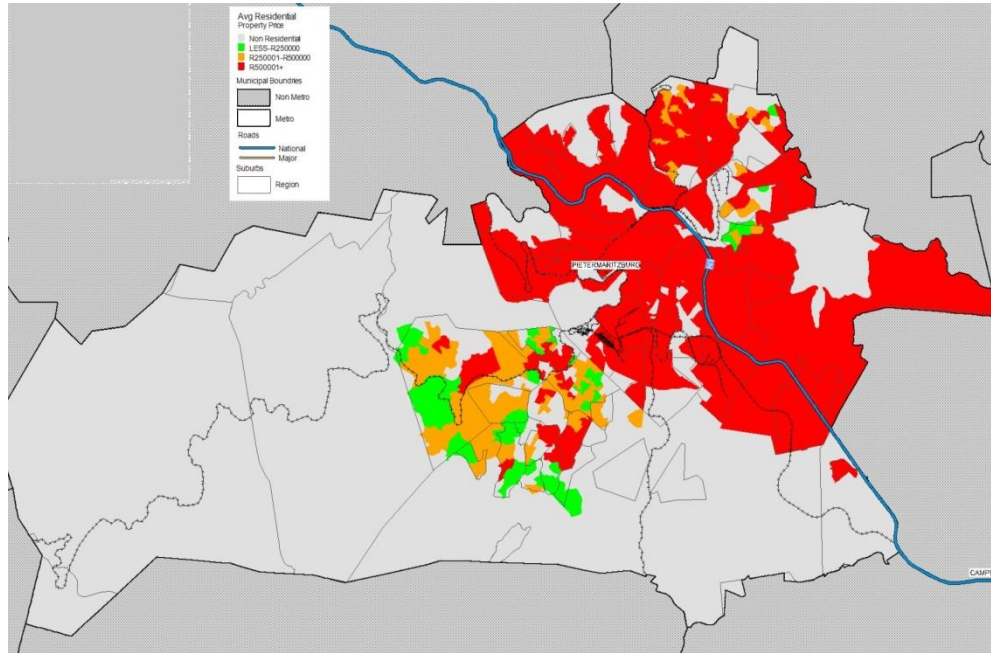
Source: SA Deeds Registry, 2010

- Msunduzi added 1 233 new registrations into the deeds registry in 2010 about 2% of its existing stock
- 8% were located within affordable suburbs, about 77% were worth under R 500 000, indicating some products in the lower end of the market, and some opportunities for lower income households to acquire formal homeownership.
- 80% were of unknown value and are likely to be housing delivered through the subsidy programme and just registered

Location of affordable suburbs



*Msunduzi
affordable
suburbs,
2011*

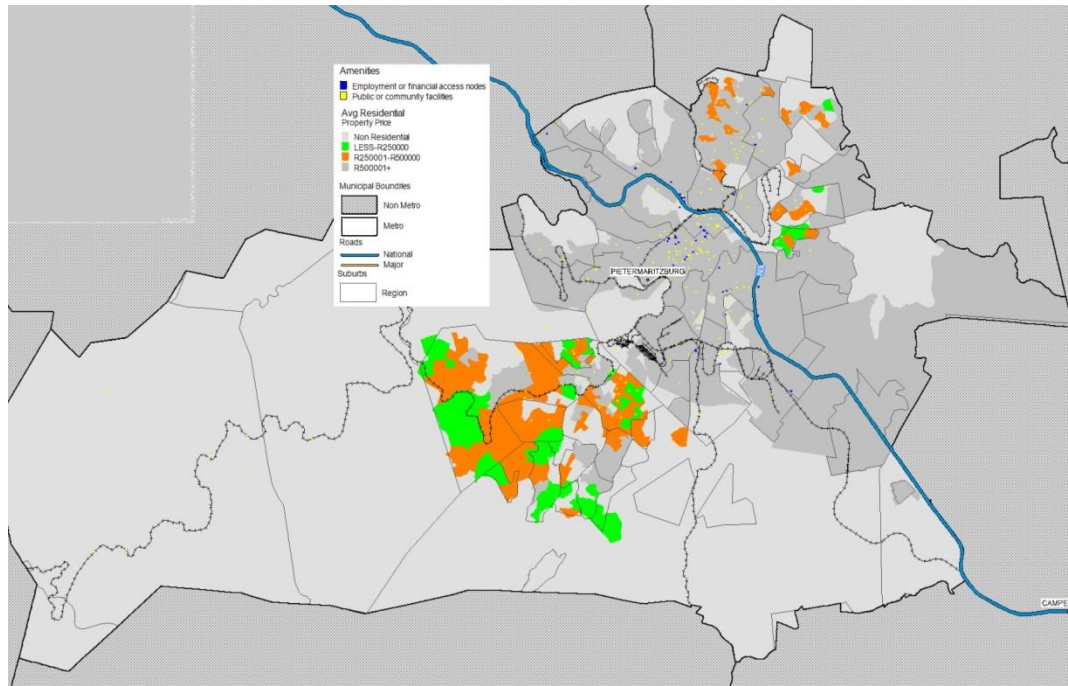


- The map reflects the distribution of predominantly residential suburbs by average property value
- Msunduzi's affordable suburbs are predominantly in the former Black, Indian and Coloured townships and are located on the periphery of the City

Access to amenities of affordable suburbs



Affordable suburbs' access to amenities, 2011



- The majority of affordable suburbs appear to have poor access to public and cultural amenities and centres of employment.

Property ownership

Owner type	Affordable areas in Msunduzi		Msunduzi : All properties		National: All properties	
	No	% of affordable areas	No	% of Msunduzi all properties	No	% of national all properties
Individual	42,795	98%	65,975	96%	5,212,161	92%
Company or organisation	1,070	2%	2,920	4%	440,946	8%
Bank	91	0%	104	0%	6,014	0%
Total	44,956	100%	68,999	100%	5,659,121	100%

Source: SA Deeds Registry, 2010

- The vast majority of properties in affordable suburbs, Msunduzi and nationally are owned by individuals – individual ownership is slightly higher in affordable areas
- More properties are held by corporations or other organizations (like governments) in Msunduzi and South Africa than in the affordable housing suburbs
- Bank-owned properties (such as foreclosures) are negligible in all three areas

Ownership type

Ownership type	Affordable areas in Msunduzi		Msunduzi : All properties		National: All properties	
	No	% of affordable areas	No	% of all Msunduzi properties	No	% of all national properties
Freehold title	38,793	94%	60,007	87%	4,698,479	84%
Sectional title	2,498	6%	8,447	12%	669,753	12%
Estate	38	0%	694	1%	208,660	4%
Total	41,329	100%	69,148	100%	5,576,895	100%

Source: SA Deeds Registry, 2010

- 94% of properties in affordable suburbs are freehold title which is 7% higher than Msunduzi overall
- The difference is primarily due to the prevalence of sectional titles in Msunduzi whereby 12% of properties are part of a sectional title scheme, as opposed to only 6% in affordable suburbs
- The high rate of freehold title in affordable areas provides two important assets – equity and choice– to existing owners if and as new housing opportunities come available

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Determining market potential

Market potential determines the extent to which a property is a valuable asset or not measured by:

- **Lending rates**
- **Housing equity and indebtedness.** This is measured through loan-to-value which is the relationship between the outstanding debt collateralized by a property in respect of a bond over the property and the property worth (or “value”), usually presented as a %
- **Average churn rates** which reflects the rate in which properties are bought and sold within a period of time
- **Affordability** which reflects local earning potential, and can be defined by the degree to which local incomes can afford local housing.

Private Institutional investment

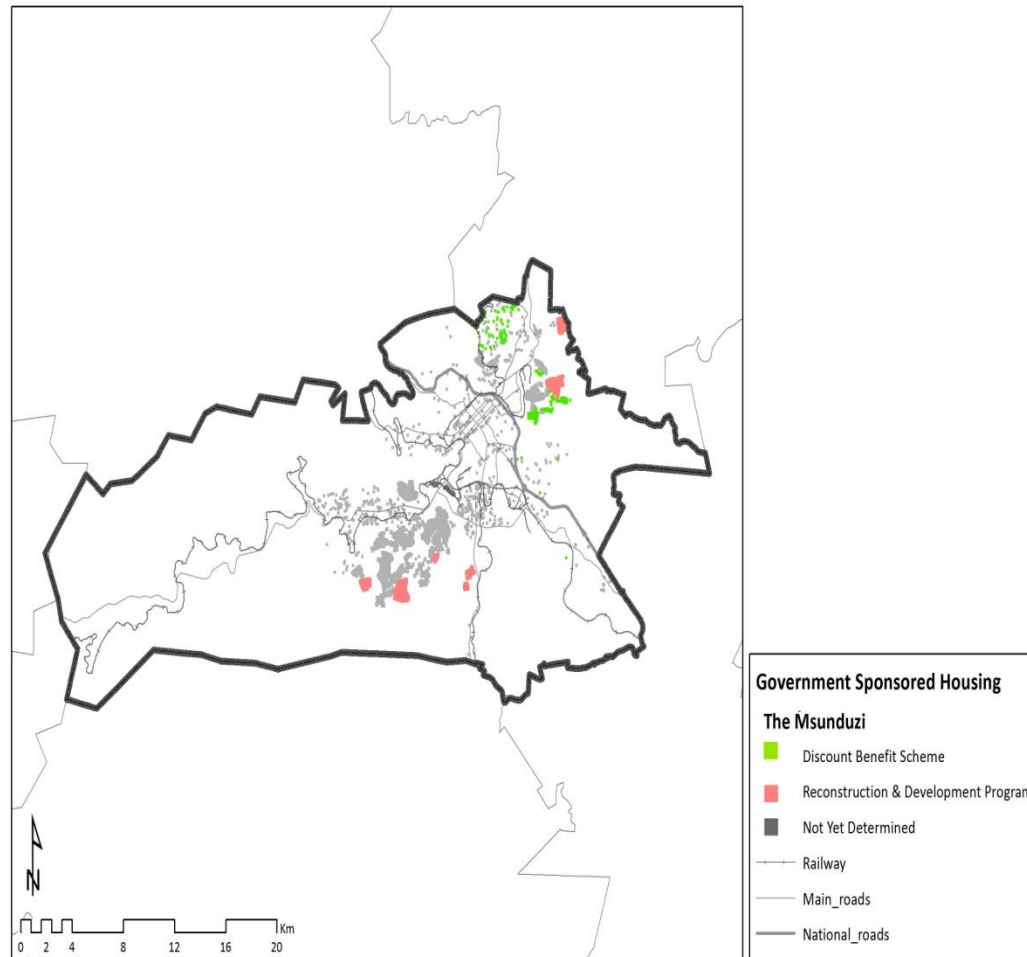
Type of Lenders	Affordable areas in Msunduzi		Msunduzi : All properties		National: All properties	
	No	Value (Rm)	No	Value (Rm)	No	Value (Rm)
Large commercial lenders	10,193 <i>90%</i>	2,177 <i>92%</i>	24,242 <i>92%</i>	8,348 <i>91%</i>	1,830,459 <i>91%</i>	879,799 <i>91%</i>
Mid - tier lenders	896 <i>8%</i>	173 <i>7%</i>	1,763 <i>7%</i>	799 <i>9%</i>	164,465 <i>8%</i>	82,391 <i>9%</i>
Other investors	226	12	421	30	205,310	42,280
Total loan volume	11,315	2,361 →	26,426 →	9,176 →	2,006,971 →	963,303
% of total	43%	26%	1%	1%		

Source: SA Deeds Registry, 2010

- In Msunduzi 26% of the total loan value is invested in affordable areas, but affordable areas represent 40% of the loan production
- In all area categories, the large commercial lenders share over 90% of the entire market
- Msunduzi's affordable areas show a slightly lower level of lending by large commercial lenders than the city overall (90% and 92% respectively)
- Mid-tier lenders have a similar market share in the broader residential lending market and affordable areas (8% to 7%) and nationally 8%

Government investment

- 14,058 registered subsidized units have been built in Msunduzi since 1994, or about 1% of the total number of subsidised stock registered. This comprises about **34% of the city's registered housing stock**, subsidized or not. (It is noted that a significant number of subsidised housing units have not been registered)
- Clustering subsidised housing constrains flexibility and distorts prices in some contexts. The current deed restrictions exacerbates this problem. Diversifying these clusters can be a key strategy towards diluting these effects
- In the areas where housing is more evenly distributed within neighbourhoods, the investment provides significant equity and leverage opportunities, depending on the level of market vibrancy.



Location of subsidised housing

Development potential in affordable areas

- Msunduzi's average loan to value is 40%, lower than the national average of 48%
- Affordable areas have lower loan to values, averaging 36% reflecting the lower loan amounts generally available and/or increasing property values (deeper analysis required to confirm which factor affects the difference more)
- The percent of properties in an area that have bonds is an indicator of an area's access to credit:
 - Properties in Msunduzi are about 9% more likely to have a bond than the national average
 - Affordable areas in Msunduzi are 6% more likely to have a bond than the rest of the country and 3% less likely to have a bond than the city as a whole

Considering property values and lower loan to values present in Msunduzi's affordable areas, this represents a potential development lending opportunity.

Leverage	Affordable areas in Msunduzi	Msunduzi : All properties	National: All properties
Average loan to value	36%	40%	48%
% of sales that are bonded	55%	58%	49%

Source: SA Deeds Registry, 2010

Affordability

Affordability spectrum	Msunduzi	All metros	National: All properties
Monthly payment on average home	R4,360	R5,440	R4,815
Average monthly income available for mortgage	R892	R1,289	R846
Affordability index	4.89	4.22	5.69
Affordability Target	R197,087	R140,265	R92,040
Percent of existing average home price	20%	24%	18%

Source: SA Deeds Registry, 2010

- In Msunduzi, the average household income can afford a home worth almost R 197 000, which is about 20% of the cost of an average home in the city.
- Msunduzi's affordability index is 4.89 – this means it takes just under five times the average income to afford an average house in the city. This affordability index is lower than the national index, indicating that Msunduzi has relatively better affordability than the country as a whole.
- Residential properties in metropolitan municipalities overall are slightly more affordable than the rest of the country, probably because of their higher earning potential, with an Affordability Index of 4.2.

Churn

Churn	Affordable areas in Msunduzi	Msunduzi : All properties	National: All properties
< R250,000	1.37%	1.36%	0.90%
R251,000– 500,000	2.18%	2.16%	1.28%
> R500,000	3.14%	3.10%	3.23%
Unknown worth	0.66%	0.69%	0.55%

Source: SA Deeds Registry, 2010

- Churn rates in affordable housing suburbs and for properties below R500 000 in Msunduzi are higher than the national rates – this indicates an active market.
- Churn rates in Msunduzi for properties above R500 000 is similar to the national rate.
- Areas of greater development potential can be revealed through a closer look at churn rates across and within suburbs to find areas of hidden development potential.

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Determining market dynamics

The key dimensions that measure market dynamics are:

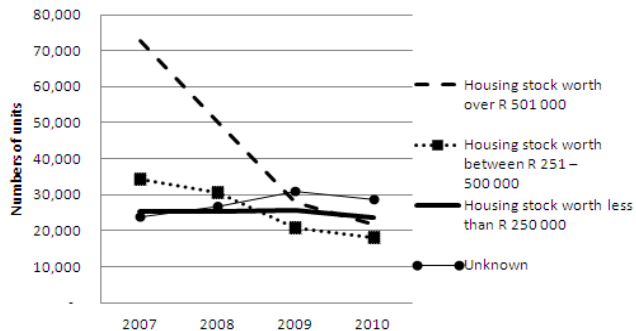
- Change in **market size** reflected through an analysis of new housing stock (registrations) and sales volume
- Change in **market potential** reflected through an analysis of sales transfer and lending rates

New housing stock

- In Msunduzi over the past five years, the growth of new registrations has varied significantly depending on the price band.
- New registrations for properties over R 250 000 has dropped over the period
- New registrations for properties worth *less* than R 250 000 has experienced one growth spurt between 2008 – 2009.
- There was one growth spurt in housing stock registered without a value, between 2008 –2009. These could be existing subsidised residential properties.
- New registrations in affordable suburbs has generally decreased over the period.

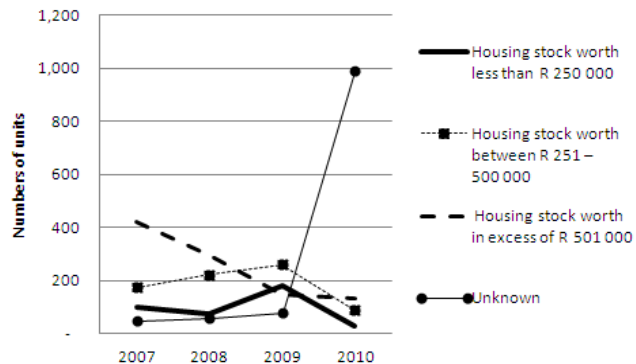
New Registrations Added

Nationally, by band



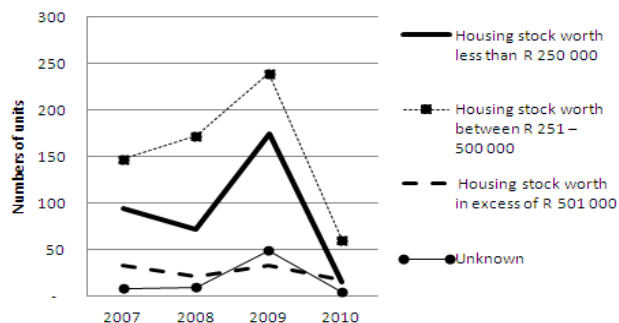
New Registrations Added

Msunduzi, by band

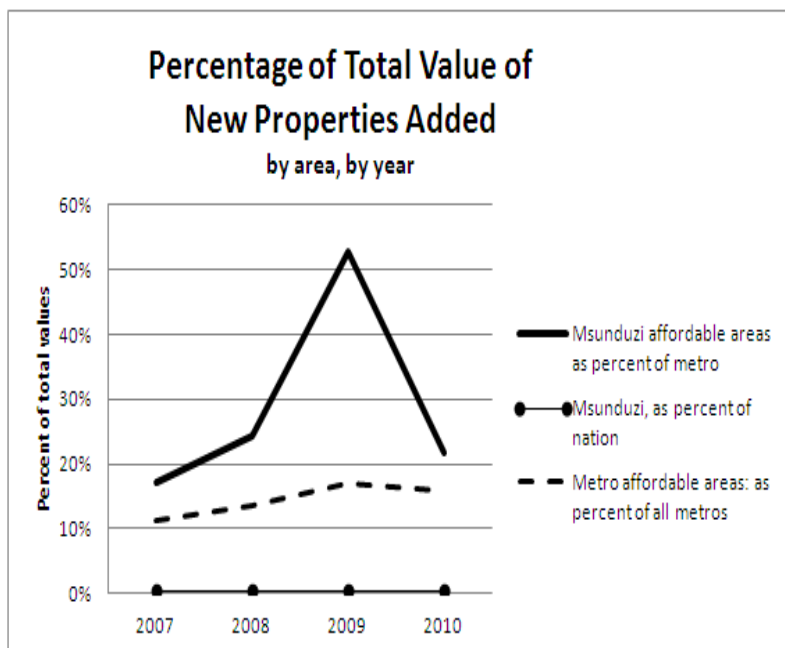


New Registrations Added

Msunduzi, affordable areas



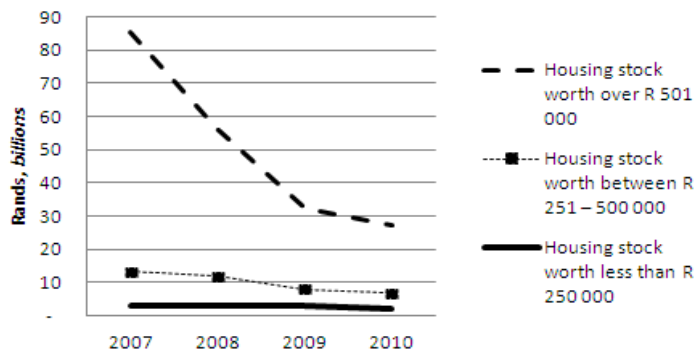
Total values



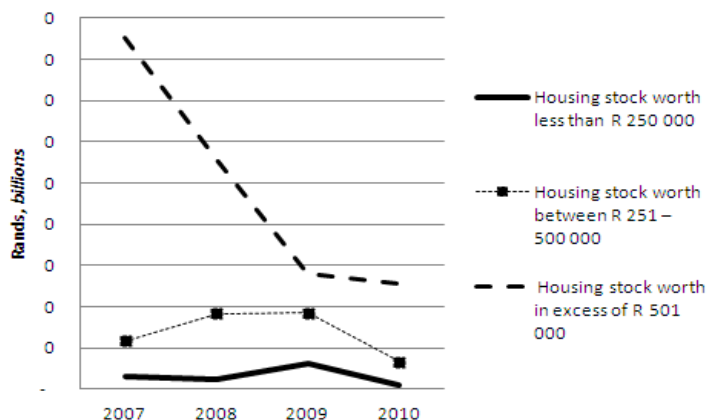
- The value of new properties added in Msunduzi's affordable areas has increased from 18% in 2007 to 22% in 2010. This is higher than other metropolitan areas (see below).
- The value of new properties added in Msunduzi as a whole has been stable between 2007 and 2010.
- The percentage of total values of affordable areas in the metropolitan cities has grown from 12% to 16%

Value of residential properties added per year

Value of Residential Properties Added
per year, nationally



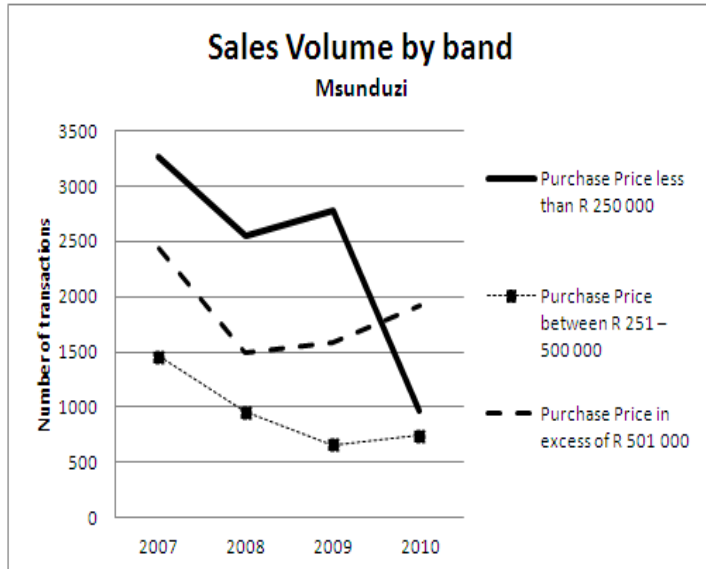
Value of Residential Properties Added
per year, Msunduzi



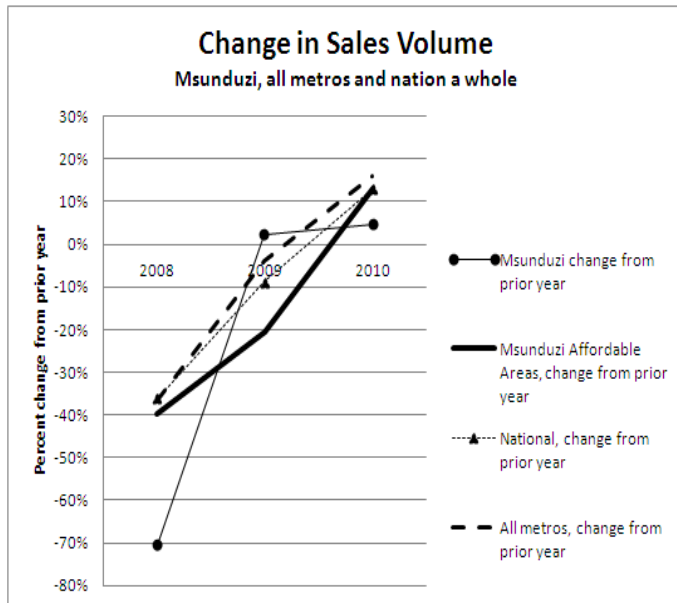
- The value of residential stock added to the South African Deeds Registry per year has dropped from just over R 100 billion in 2007 to R 35 billion in 2010, largely as a function of the economic downturn.
- Within Msunduzi, consistent with the country as a whole, the total value of new residential properties added has dropped considerably since 2007 as well, from an estimated R 500 million to R 164 million in 2010.
- The decrease in value of residential properties added has been more significant in respect of properties valued more than R500 000, than those valued less than R500 000

Sales per year

- Sales within price bands ranged considerably.
- In 2007, Msunduzi had 7 200 sales; in 2010, there were 3 600, a 50% drop due in large part to changing economic conditions
- This drop in sales volume has been more significant for properties valued below R250 000 than properties above that value.
- Despite a drop over the period, low and mid-priced property sales constitute a significant proportion of the real estate market in the city

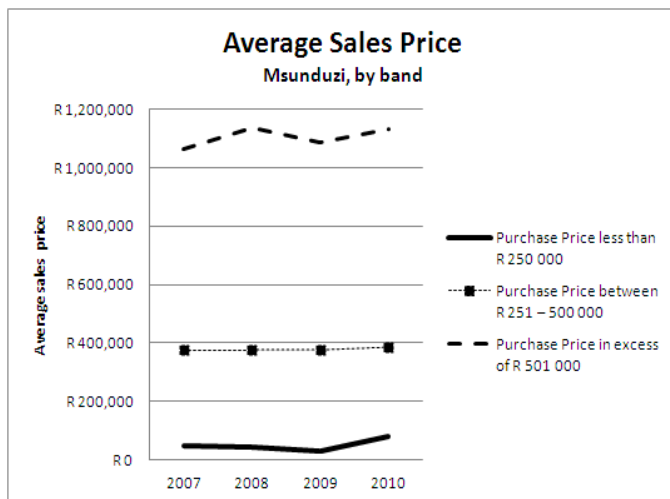
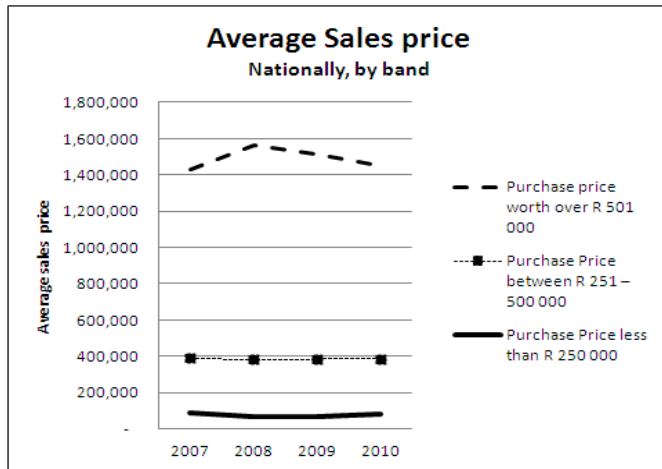


Change in sales volume



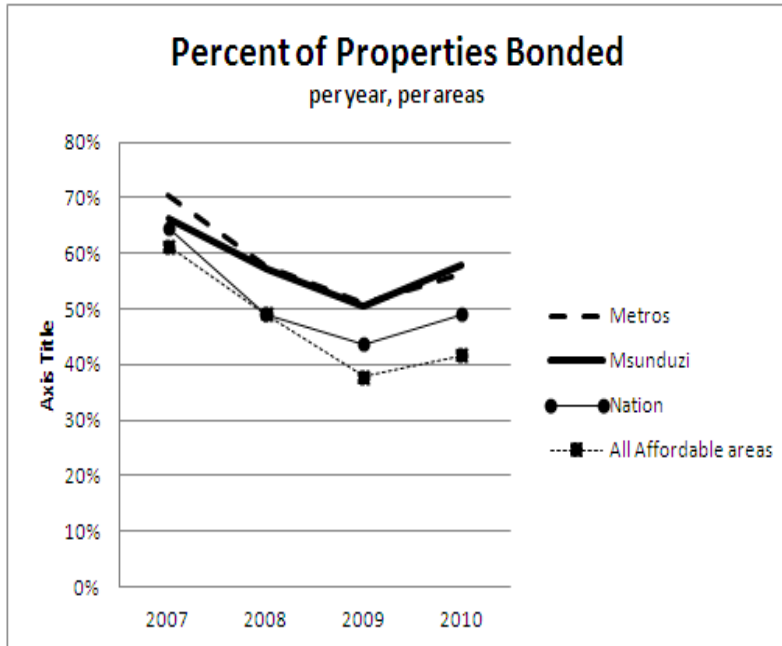
- There has been a growth in residential properties sold between 2008 and 2010. This reflects general growth across the country, *despite* the reduction in property registrations overall.
- The growth in residential properties registered within areas identified as affordable in Msunduzi saw an increase between 2008 and 2010.

Average sales prices



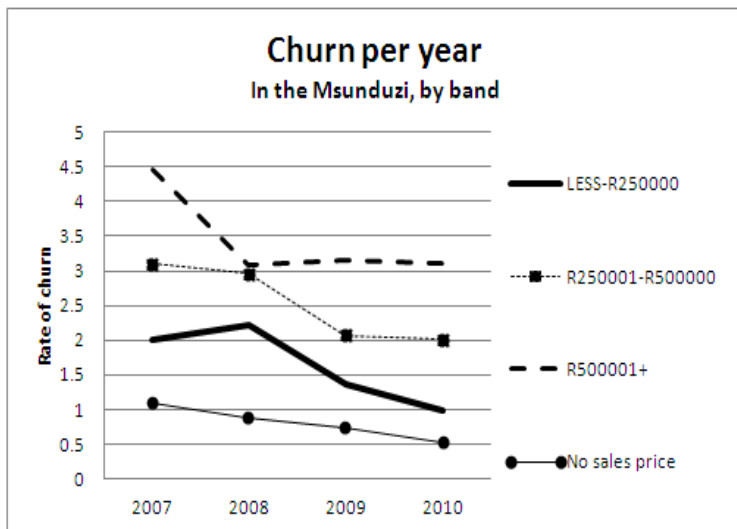
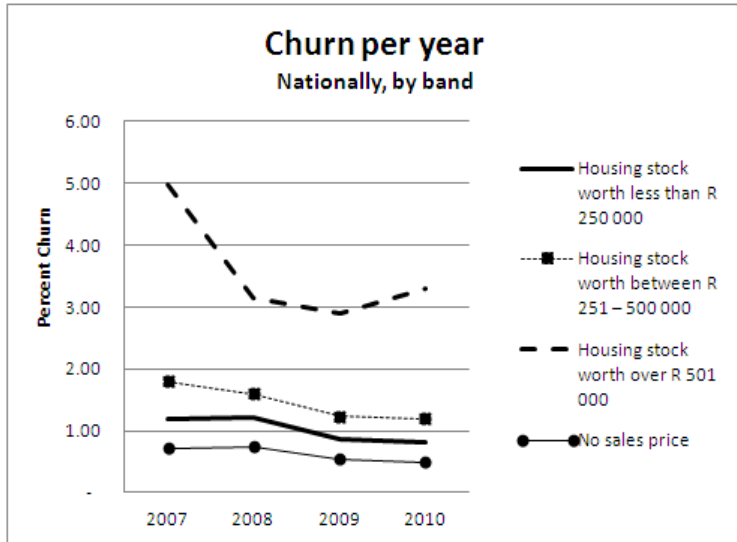
- In the mid value price bands, average sales prices have remained stable. There has been an increase in sales price for properties below R250,000. The high value properties have seen a greater change in sales price over the period.
- From a lender's perspective, stable housing values improves the security of the loan collateral, and reduces risk. From a developer's perspective stability in lower income average prices reduces the perceived risk of development in these markets, in terms of price, profit, demand and timing.
- Overall, considering the drop in higher end sales volumes nationally, it is important to note that sales prices have been averaged across significantly fewer properties. Values, sales prices and sales volumes in affordable areas by contrast are much more consistent across the period

Lending



- Lending rates within Msunduzi remained above the national average, and were similar to the rates of all metropolitan areas
- Lending rates within affordable areas across the country lagged as a whole, but was consistent with trends in other areas. This is an important observation is that lending within these areas, although less of the proportion as a whole, grows and contracts with regular market trends.

Churn



- Churn rates among houses worth more than R 500 000 are much higher than homes worth less than R 500 000.
- Generally, rates of churn in affordable areas are below area averages.
- A low churn rate might not just reflect lack of market interest, but may also reflect lack of adequate affordable opportunities up the housing ladder in which to move, limited access to credit in an area, or too much access to credit, resulting in overleveraged homeowners unable to sell because values are lower than outstanding loans.

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Market size

Market Size	Joburg	Cape Town	Tshwane	Ekurhuleni	NMB	Ethekwini	Mangaung	Msunduzi	BC
Total number of registered properties as a percentage of national registered properties	13%	12%	9%	9%	4%	8%	2%	1%	2%
Total number of registered properties below R500,000 in value, as a percentage of national registered properties	21%	22%	17%	20%	11%	19%	4%	3%	4%
Percent of affordable suburbs to total metro suburbs	40%	41%	44%	58%	57%	71%	69%	66%	68%

- Msunduzi's property market is one of the smallest when compared to other metropolitan areas
- The percent of affordable suburbs in the metro is higher than other metro's. This is largely due to lower property prices in the metro.

Concentration

Concentration	Joburg	Cape Town	Tshwane	Ekurhuleni	NMB	Ethekwini	Man-gaung	Msunduzi	BC
Percent of properties below R250 000 in value in affordable areas	17	40	30	38	59	41	20	37	53
Percent of properties between R251 000 and R500 000 in value in affordable areas	44	39	47	30	19	37	23	40	17
Percent of properties above R500 000 in value in affordable areas	7	10	7	6	6	10	4	12	9
Percent of properties of unknown worth in affordable areas	32	11	16	27	16	12	53	12	21
Percent of new registrations of properties below R250 000 in affordable areas	56	100	98	96	99	96	98	58	90
Percent of govt subsidized properties of all registered properties in the metro	19	21	15	28	42	22	29	20	30
Total property values in affordable areas as a percentage of total national property values	46	49	49	38	35	50	24	51	35
Number of loans in affordable areas as a percentage of loans in all areas of the metro	25	31	26	30	44	45	41	43	45

- There is a medium concentration of properties below R500,000 in Msunduzi's affordable areas
- 12% of properties in affordable areas are of unknown worth and are likely to be properties subsidised by government.
- Property values in the affordable areas of Msunduzi are the higher than most metro's and are similar to Cape Town, Tshwane, Ethekwini and Msunduzi
- The extent to which lending is occurring in affordable areas is higher in Msunduzi than other metro's

Market Potential

Market Potential	Joburg	Cape Town	Tshwane	Ekurhuleni	NMB	Ethekwini	Mangaung	Msunduzi	BC
Percent of national average worth	1.49	1.65	1.22	0.96	0.81	1.16	0.57	0.94	0.77
Average sales price in affordable areas as a percentage of the national average sales price	42	43	43	32	39	47	36	32	28
Churn in affordable suburbs for properties below R250 000	0.59	0.94	0.52	0.31	1.56	1.32	1.79	1.37	1.50
Churn in affordable suburbs for properties between R250 001 - R500 000	0.76	1.78	1.09	0.67	2.16	1.95	2.62	2.18	1.57
Churn in affordable suburbs for properties above R500 000	2.70	3.53	3.31	3.01	3.99	3.51	4.16	3.14	5.19
Percent of national lending (total loan volume in value in affordable areas as a percent of the national loan volume value)	1.80	2.00	1.40	1.20	0.50	1.30	0.30	0.20	0.30
Affordability Index	4.29	4.69	2.91	3.84	5.11	7.13	3.15	4.89	4.66

- The selling price of properties in Msunduzi's affordable areas is amongst the lowest of all Metro's being similar to Ekurhuleni, Mangaung and Buffalo City
- Churn in Msunduzi's affordable areas is high when compared to other metro's
- The percent of national lending in terms of loan value is lower in Msunduzi than other metro's.
- Msunduzi has one of the higher affordability indexes of the metro's

Presentation overview



1. Introduction
2. Market Size
3. Market Potential
4. Market Dynamics
5. Comparison to other Metropolitan Municipalities
6. Conclusions

Conclusions

- Of all registered properties in Msunduzi, 41,000 are located in affordable areas, comprising 60% of the total stock of the city. These properties are valued at R12 billion or 34% of the total value of residential properties in the city.
- During 2010, 2 196 properties were sold in Msunduzi, totalling a value of R 1,4 billion. This comprises 1% of the number of properties sold in South Africa as a whole and of the total sales value. What is significant to note is that 38% of all properties sold in Msunduzi were in affordable suburbs. This indicates that there is measureable formal market activity in these areas. What is further notable is that of the properties sold in affordable suburbs, 33% were valued below R250 000. This indicates some product availability in the lowest end of the housing market.
- In 2010, Msunduzi added 1,200 new registrations into the deeds registry, about 2% of its existing stock. About 8% were in affordable housing suburbs.

Conclusions cont.

- The vast majority of properties in affordable suburbs and in Msunduzi as a whole are owned by individuals (98% and 96% respectively). In affordable areas most properties are owned on the basis of freehold title (94%), this is less so in non – affordable areas where sectional title also occurs. Residents in the affordable suburbs of Msunduzi live in their homes for longer periods than in non–affordable areas or the city as a whole. This results in these suburbs having lower churn rates. However it also results in these suburbs having higher levels of equity than non–affordable areas or the city as a whole. High equity levels suggest opportunities for the households living in these suburbs to invest in new housing options.
- Msunduzi has approximately 14 000 registered government–subsidised housing units. This represents an opportunity to establish a robust range of affordable housing solutions, if these assets can be leveraged effectively. Many of these properties will enter the market fully tradable, as the 8 year sale restriction expires over the coming years.

Conclusions cont.

- Msunduzi's average loan to value is 40%, which is lower than the national average (48%). Affordable areas have lower loan to values, averaging 36%, reflecting the lower loan amounts generally available, and/or increasing property values in these areas.
- In respect of the percent of sales that are bonded, properties in Msunduzi has higher percentages than the national average (58% as opposed to 49%). In affordable areas in Msunduzi this is slightly less 55%.
- Msunduzi has 1% of the country's total loan volume, which is similar to its share of property values (1%). Over 90% of lenders are the large commercial lenders or South Africa Home Loans. Other mid-tier investors are similar to the national average in Msunduzi (i.e. 7% as opposed to 8%).
- Churn in affordable areas is high when compared to other metro's.
- Msunduzi's average home price is slightly lower than the national average i.e. R476,000 as compared to R525,000. When compared to other metropolitan areas, Msunduzi's affordability index (the relationship between the average home price and the average household income) is high.

Conclusions cont.

- Msunduzi's affordable suburbs are predominantly in the former Black, Indian and Coloured townships and are located on the periphery of the City. The majority of affordable suburbs appear to have poor access to public and cultural amenities and centers of employment.
- Sales in both non-affordable and affordable areas have declined over the past four years due in large part to changing economic conditions.
- New registrations for properties over R 250 000 has dropped over the period. New registrations for properties worth less than R 250 000 experienced a growth spurt between 2008 – 2009. Generally new registrations in affordable suburbs decreased between 2007 and 2010.

Conclusions cont.

- The efficient and effective provision of housing is a central tenet of any urban growth and development strategy.
- Not only is access to housing the only land use mentioned as a right in the South African constitution, but strengthening housing options boosts economic opportunity, barriers to access affect the economy as a whole.
- Unlike other more prominent comparably-sized industries, neighbourhood dynamics are not well understood, despite their importance as a building block of the nation's economy.
- This profile begins to assist in increasing this understanding.

Affordable Land and Housing Data Centre

Understanding the dynamics that shape the affordable land and housing market in South Africa.



Filling the Gaps:

Affordable and other housing markets

in Msunduzi

September, 2012

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