

## Affordable Land and Housing Data Centre

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



# Understanding Markets:

One Approach to enticing development

## The affordable market in South Africa

### Did you know?

- 6 million residential properties on the Deeds Registry
- 3.5 million (58%) are valued at less than R500,000.
- Of about 6900 *suburbs* on the deeds registry, about 50% (3500) have an average property value of less than R500 000.
- Almost all affordable housing in metro areas (92%) are concentrated in affordable suburbs.



# A definition



## Affordable market:

- areas where average value <R500 000
- properties where current value <R500 000
- **includes subsidy market**
- services about 88.14% of the population

The al+hdc is a partnership initiative between FinMark Trust, Urban LandMark, with support from Eighty20, and Lightstone.

## High value market:

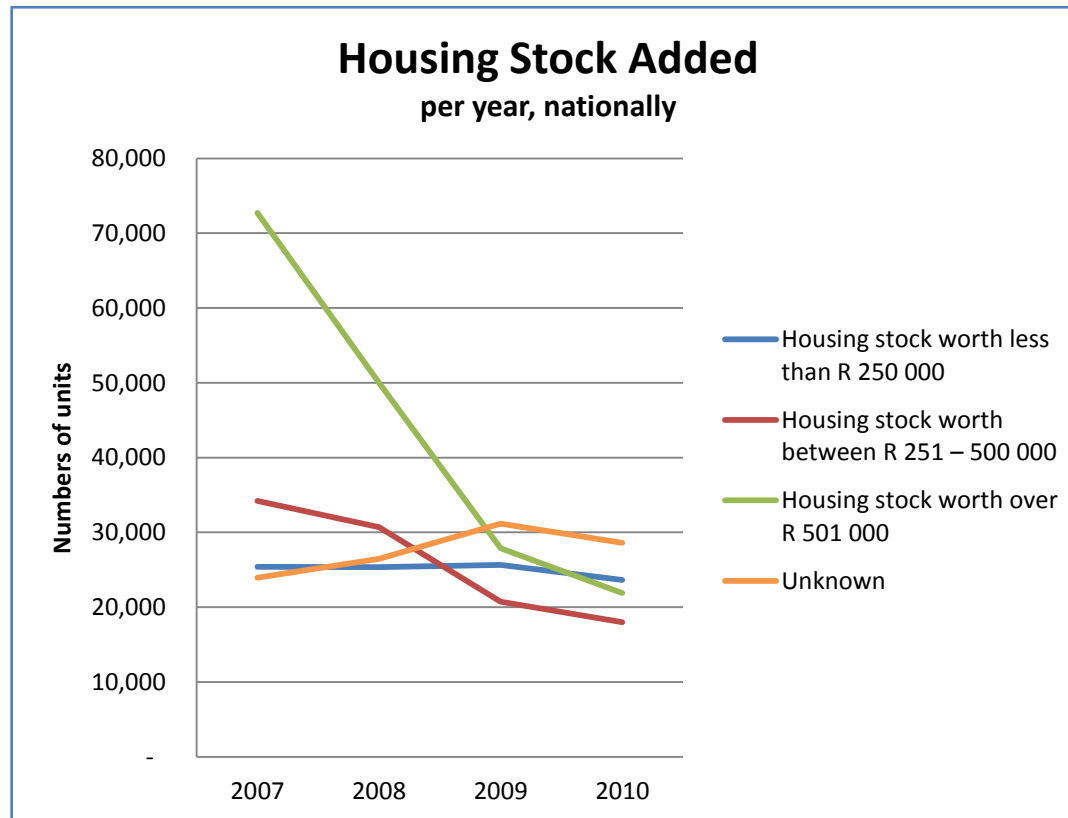
- areas where average value >R500 000
- properties where current value >R500 000
- **focus of most press reporting**
- affordable to about 11.86% of the population



## The affordable market is:

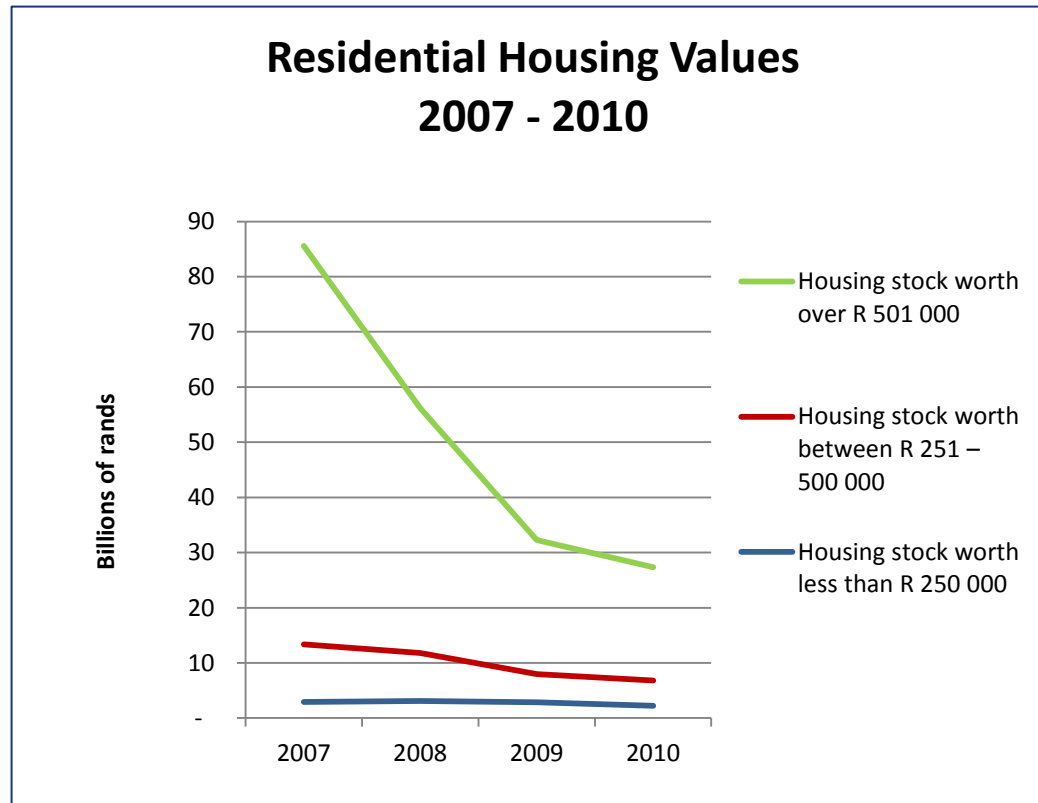
1. The largest market in South Africa, with the most people and the most properties
2. Growing more quickly than the high value market
3. A target of growing investment

# Production is stable



Source: Lightstone

# Values are stable



Source: Lightstone

# Incomes are growing



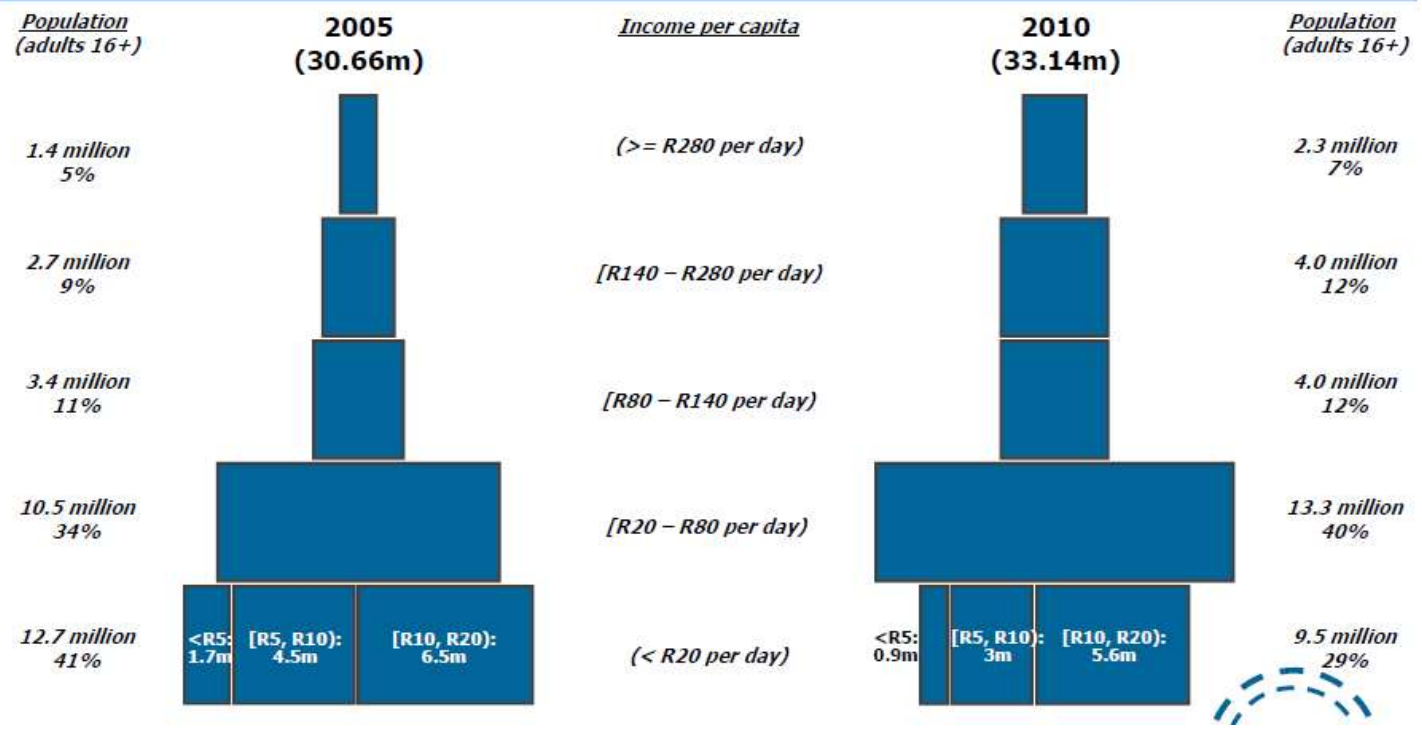
## ADULT POPULATION GROWTH RATES BY INCOME GROUP 2009-2010

Annual income	R0- R50K	R50k - R100k	R100k - R300k	R300k - R500k	R500k - R750k	Over R750k	Total
Total	2.4 %	1.7 %	4.5 %	8.2 %	13.7 %	13.5	2.8 %

Source: Unisa, 2010/11/4

# The BOP is rising

According to AMPS the BoP has declined considerably since 2005. At that time there were almost 13 million adults in the BoP. In 2010 the BoP was estimated to comprise less than 10 million adults



Source: Eighty20





## Challenges exist

- Lower profit margins require larger scale: site, capital, partners, risk
- Market opportunities are not clear
- Subsidy picture is unclear, lending is unclear
- Lack of information, intelligence

*Thus, the Gap ...*



The **affordable land + housing data centre** is a non-profit initiative of the FinMark Trust and the Urban LandMark that seeks to expand investment in the affordable housing market through the dissemination of efficient, timely and accurate market intelligence.

# Information is available

3500 + Suburb profiles



Transaction-level data

Home Survey Data Transaction Data Suburb Profiles Resources Help **Comments**

### Transaction Data

This page provides access to transaction data from the Deeds Registry for available areas. In addition some interesting facts about the area and links to survey data about the area are provided. The data includes all properties in the areas that were transacted on since 2004 in the nine largest cities of South Africa. The data is updated every quarter. Transactions data from the deeds registry is subject to change as there can be delays at the deeds office or corrections to registration details. The transactions data provided below is as per the deeds registry as at 30/09/2011. Information on how to access the data and definitions of the terms used can be found in the [help page](#).

City: Cape Town Suburb: Athlone [EXPLORE AREA](#)

### Athlone

#### Interactive Map - Athlone

#### Information - Athlone

**FACTS**

- No. of residential properties: 2,680
- No. of affordable residential properties: 616
- Proportion of suburbs that is affordable: 23.0%
- Crum of residential properties: 0.1%
- Proportion of sales that are bonded: 80.00% of 1 transactions
- Average residential erf size: 206 sq. m
- Above facts valid for period 2011-01 to 2011-08

[View information](#)

**SURVEY DATA:**  
There are no surveys on this area

#### View Transaction Data - Athlone

Show me: Number of transac... by: Purchase price for the period: 20 to 20

**Property Characteristics**

Freehold or sectional title:  Freehold  Sectional title  Both

Erf size: From To

Links to other resources

Surveys and analysis



## Information Gaps

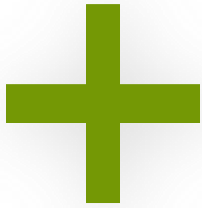
- **Scope:** the nature of the total gap,
- **Precision:** where do those conditions exist and to what degree, and
- **Differentiation:** how those areas compare to other areas, how local solutions can be applied
- **Expertise:** what and how to

## Building *information*



- **Market Size:** *the current picture* (properties, types, distribution)
- **Market Potential:** *value capture* (leverage, loan to value, churn, bonds, market share, affordability)
- **Market Dynamics:** key indicators trended *over time* (within bands, compared to areas)

## Into *intelligence*



- **Markets behave differently**
  - Within bands, across areas
  - Over time
- **Opportunities do exist**
  - Value, capital, pipeline
- **The capacity to understand *is* available**

# A Closer View



Zoom in and out of maps to learn more

Track indicators built from actual transactions

Bundle indicators by location, product type, program or partner

The screenshot displays the al+hdc software interface. At the top, there is a menu bar (File, Edit, View, Help) and a toolbar. The main window is titled 'Map' and shows a geographical map of Johannesburg with green dots representing data points. To the right of the map is a sidebar with filter indicators for 'Affordability' (Under 500K), 'Municipality' (CITY OF JOHANNESBURG), and 'Suburb' (listing various suburbs like AEROTON, ALAN MANOR, etc.). Below the map is a 'Sales Volume' table with columns for Suburb, Affordability, No. Sales, Tot. Sales, Avg. Purch P., and % of Sales. To the right of the table is a 'No. of Transaction Per Year' graph showing trends from 2004 to 2011. At the bottom, there are tabs for 'Mkt Size', 'Credit Capacity', and 'Mkt Dynamics'.

Suburb	Affordability	No. Sales	Tot. Sales	Avg. Purch P.	% of Sales
CHAWELO	Under 500K	59	20M	336K	0.07%
CHAWELO EXT 3	Under 500K	20	7M	350K	0.02%
CITY & SUBURBAN	Under 500K	10	4M	404K	0.01%
CLAREMONT	Under 500K	107	40M	371K	0.13%
CLEVELAND	Under 500K	17	6M	381K	0.02%
COMMUNIA	Under 500K	86	30M	344K	0.10%
CONSOLIDATED M.	Under 500K	3	1M	462K	0.00%
CORONATIONVILLE	Under 500K	58	21M	362K	0.07%
COSMO CITY	Under 500K	752	308M	408K	1.02%
CROWN GARDENS	Under 500K	291	106M	372K	0.35%
DAVIDSONVILLE	Under 500K	63	23M	359K	0.08%
DELAREY	Under 500K	182	70M	392K	0.23%
DENNEHOF	Under 500K	2	1M	301K	0.00%
DENVER	Under 500K	19	7M	380K	0.02%

Filter indicators to change focus instantly

Display trends on graphs, and update automatically

## Solutions for our partners

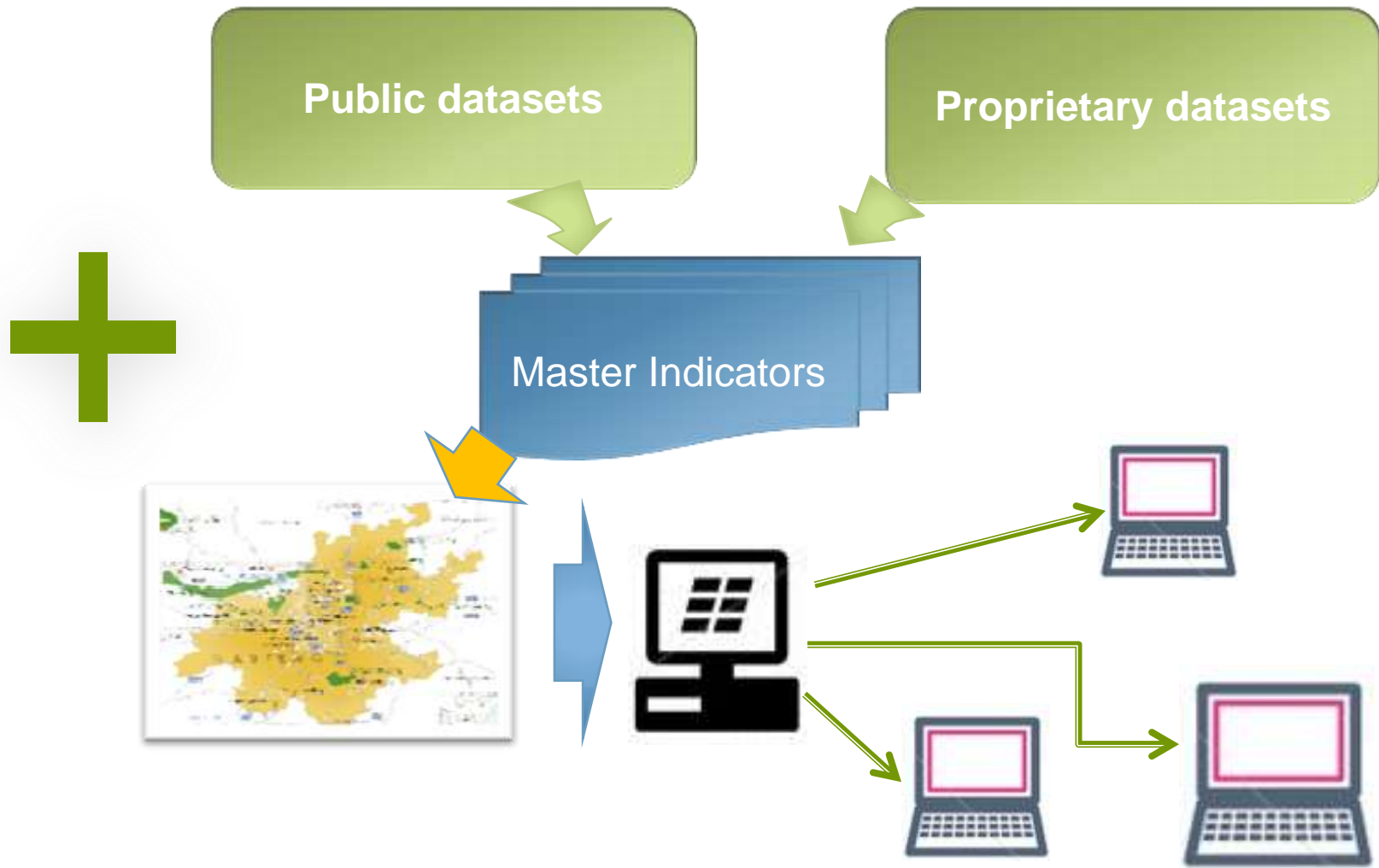
- Identify local demand
- Find land
- Plan more reliably
- Ease access to financing
- Reduce costs
- Target outreach







# Methodology



# Ultimately its the means ...

## ... to greater ends

- Create housing, leverage opportunity
- Bring investment, growth
- Build partnerships, understanding
- Attain sustainability



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