

News Article

Most properties in SA fall in affordable housing market

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MSN Money

More than half of South Africa's six million residential properties registered in the Deeds Office are worth less than R500 000...

According to new data released by the Affordable Land and Housing Data Centre, more than half of South Africa's six million residential properties registered in the Deeds Office are worth less than R500 000.

At present, 3.5 million, which is 58%, of these properties fall in the 'affordable category' which is properties under R500 000, 47% of these are in former townships.

At current mortgage lending rates this means those who earn less than R16 000 might be able to afford a home, that's as much as 88% of the population.

The 'affordable housing market' is one of the fastest growing housing markets in South African and since 2004 an average of 70 000 new affordable home unites, including state-subsidised homes, have been registered at the Deeds Office every year. This is slightly more than the 65 000 which were added in the category of homes above R500 000.

As far as housing finance is concerned, banks are very active in the affordable market - and the four big banks have taken the lead.

When it comes to mortgages, Absa currently holds the biggest market share in terms of number of mortgages granted to buyers followed by Standard Bank, Nedbank and FNB.

The biggest concern for the affordable housing market is, however, the high levels of debt South Africans find themselves in.

If you are struggling to keep up with your debt you should speak to a debt management consultant in order to discuss the best solution for you to deal with your finances.