HDA

HOUSING DEVELOPMENT AGENCY

An agency of the National
Department of Human
Settlements

Working for integration

Free State

Dr Kenneth
Kaunda District
Municipality

Maquassi
Hills

Ngwathe

Nala

Fezile Dabi
District
Municipality

Moqhaka

Matjhabeng

Nketoan

Lejweleputswa
District
Municipality

N1

Tswelopele

Dihlabe

Setsoto

Thabo Mofutsanyane
District
Municipality

Tokologo

Masilonyana
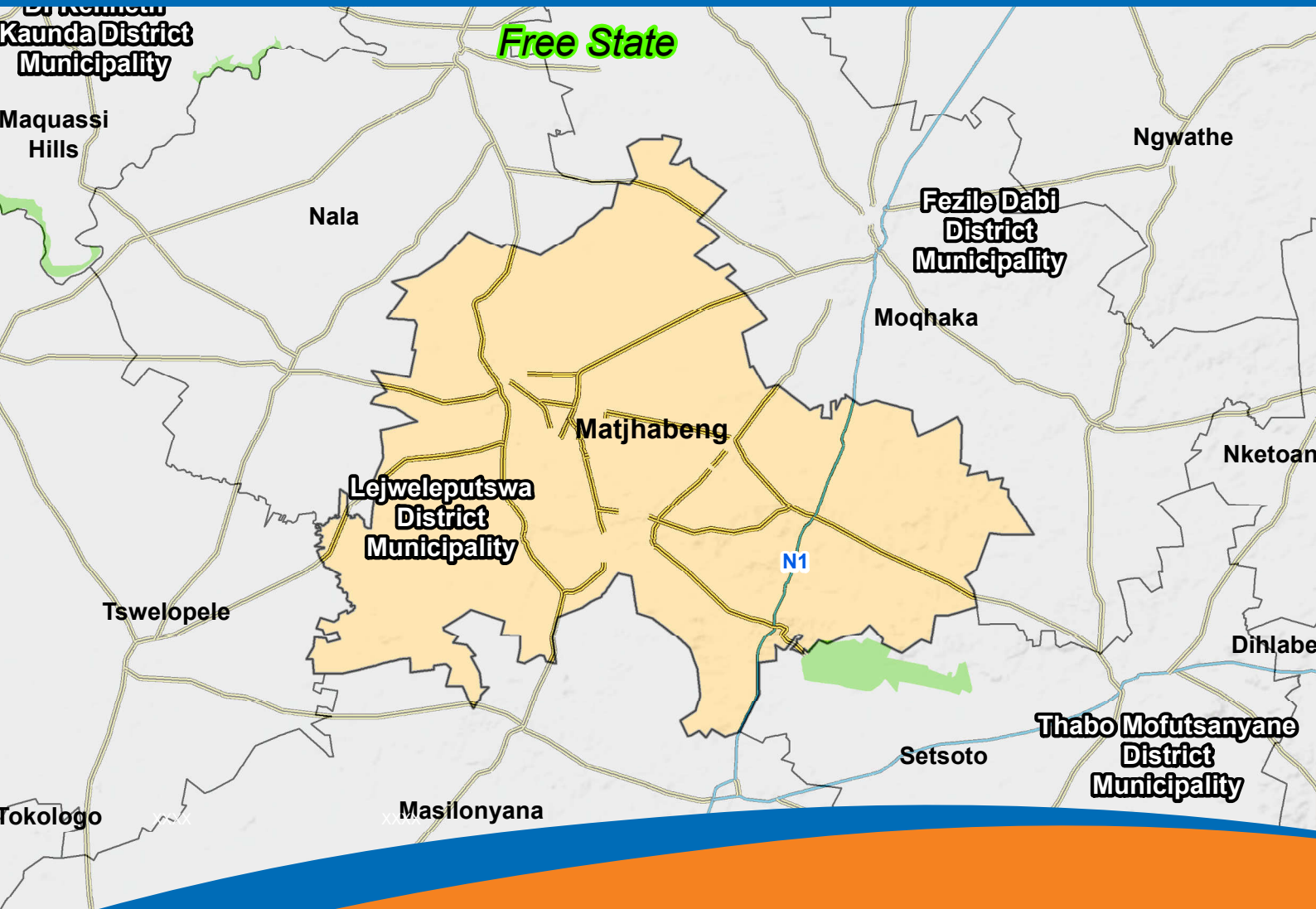
Matjhabeng – Free State

Housing Market Overview
Human Settlements Mining Town Intervention
2008 – 2013

Contents

1. Frequently Used Acronyms

CAHF	–	Centre for Affordable Housing Finance in Africa
GDP	–	Gross Domestic Product
GVA	–	Gross Value Added
HDA	–	Housing Development Agency
HPI	–	Housing Performance Index
IDP	–	Integrated Development Plan
LM	–	Local Municipality
NU	–	Non-Urban, StatsSA subplace designation
RDP	–	Reconstruction and Development Programme
SDF	–	Spatial Development Framework
SP	–	Subplace
StatsSA	–	Statistics South Africa

2. Introduction

The Housing Development Agency (HDA) is a national public development agency that promotes sustainable communities by making well-located land and buildings available for the development of human settlements. As its primary activity, the HDA assembles and releases state, private and communal land and buildings for development. In addition, the HDA provides project delivery support services to organs of state at local, provincial and national levels.

In setting the agenda and asserting its role in the housing continuum, the HDA realised that there is a gap in the provision of accurate and easy-to-understand information regarding the property market, particularly in previously overlooked areas including the mining towns.

The development of this report is a result of this gap. It aims to explore and present an overview of the formal housing markets in Matjhabeng, Moqhaka, Merafong, Randfontein, Westonaria, Thabazimbi, Greater Tubatse, Elias Motsoaledi, Lephalale, Fetakgomo, eMalahleni, City of Matlosana, Mogale City, Ephraim Mogale, Steve Tshwete, Thaba Chweu, Tsantsabane, Ga-Sekgonyana, Gamagara, Kgetlengrivier, Madibeng, Moses Kotane and Rustenburg so as to change perceptions of affordable markets and as such, expand and deliver affordable housing options within South Africa's municipalities.

The study was undertaken over a three-month period, relying mainly on the high level indicators developed by the Centre for Affordable Housing Finance in Africa which considered the market conditions, existing market size and activity, average prices and values, market growth and lending activity in the area to support a better understanding of the opportunity and the impact of various housing policy interventions. The centre also highlighted the range of opportunities across areas to stimulate the affordable housing market in South African municipalities.

The methodology also included site visits to eMalahleni, Randfontein, Westonaria and Rustenburg so as to confirm findings and to gain more insights about the current housing circumstances.

The report is intended for use by all stakeholders involved in planning including professionals in municipalities, Government officials, private sector, investors, developers and urban planners, for the mission of enticing a range of development options. The report does not address housing supply for the lowest income levels but rather seeks to make the case for expanding the gap market in order to entice private sector engagement more effectively.

2.1 Report Contents

The report covers the following aspects of housing markets through maps, charts and graphs to highlight understanding across the municipality and at the neighbourhood level, where housing markets function.

1. **Housing Performance Profile** – the pace of growth by suburb, on maps and in charts, as measured by the Housing Performance Index
2. **Market Size** – total number and distribution of residential properties, households, values and sales prices, key demographic indicators
3. **Market Activity** – properties, sales and new properties and resales over time
4. **Lending Activity** – sales and loans by lender
5. **Affordability Profile** – affordability based on local incomes, compared to sales price, housing gaps and affordability ratios
6. **Leverage** – the value of equity available for purchasing new homes
7. **Rental Index** – those areas most prime for quality, dense, professionally managed rental housing

2.2 Definitions and Methodology

For housing supply, title and deeds records were merged at the suburb level, mapped and ranked through the Citymark dashboard. Priority has been placed on actual transaction datasets from familiar sources that can be geocoded to the subplace level, trended over time and updated regularly. For housing demand, StatsSA data was applied as the most consistently collected, widely understood and most common source of demographic data in the Country.

2.3 Benchmarks

Benchmarks are indicators used to compare performance across areas and are valuable for understanding meaning. Each indicator was created at the local, municipal and national levels in order to measure performance within and across markets. These benchmarks also highlight areas or trends which are outperforming the overall market in certain ways and might be most receptive to a variety of new housing development options.

2.4 Site Visits

As mentioned, the team conducted four site visits to eMalahleni, Randfontein, Westonaria and Rustenburg. These visits provided the chance to confirm findings from the data and chat informally with residents about their current housing circumstances: where they had moved from, where they were currently living and how affordable it was and where they were headed, including their ambitions and concerns. This helps to provide a sense of the housing continuum in the town – what choices residents feel empowered by and what constraints keep them from realising their dreams and aspirations. Residents who were engaged came from informal settlements, brand new RDP homes and a stalled RDP project which had recently been reactivated by the city.

Some of the key insights from these site visits were:

- Residents may not know exactly what their home might be worth but they are very aware that their home has a value, which includes stability and security for themselves and a better future for their families
- Many residents use their homes to supplement their own income, including renting shacks and rooms and operating home-based businesses
- There might be a relationship between how the houses are handed over and the sense of ownership (as evidenced by improvements to the homes)
- Everyone we spoke to understood the importance of a title deed, that the title deed proved (secured) ownership, even if in a few cases, they were not sure of its status or how to get one
- Most people mentioned a better future for their children as an integral part of the importance of homeownership
- Residents were aware that there is an acute shortage of housing opportunities and that despite having their homes, they were surrounded by others without adequate housing

Many people understood housing markets around them intuitively – where the better houses were closer to jobs and transportation and what the barriers were – the price, the inconvenience and the cash required to access the houses.

2.5 Using this Report

This report is intended to provide a high-level view of the mining town housing markets overall and by neighbourhood, within areas of particular interest by measuring and comparing housing market performance amongst each other and with the municipality. This report highlights connections and implications from the findings that are of significant interest to the HDA. The report does not seek to understand why things are but offers general ideas based on experience with housing markets and new learning about mining town housing markets from these reports.

The report findings emphasise opportunity as opposed to risk or failure. Opportunities are defined as conditions or indicators within areas which can show:

- The ways in which areas or markets are behaving *positively* (such as growing more quickly) or showing strength (such as stability and consistency)
- The ways in which areas can be connected to common strategies that promote *growth, investment or sustainability* (such as proximity to transit or density)
- A more accurate picture of the *real value of areas* in ways that can leverage economic investment (such as equity, lending levels and new registrations)
- Better ways in which *risk* can be measured and accounted for (such as timing, scale, or location risk)
- A more *comprehensive scope or scale of markets*, to better estimate and project market intervention (such as property or population size, absorption rates, or patterns of behaviour)
- Ways to *challenge and overcome those perceptions* or assumptions that might stymie investment, or slow growth

This report is not intended to provide a complete final picture of market conditions or demographic circumstances. It does not reflect conditions in the informal market, nor general attitudes. It is not intended to be the last word on market potential but rather the *first*: how can current conditions present opportunities for better housing options and improved market performance? Where are places that might be performing better in some ways, which might provide areas of opportunity, and how? The highest and best use of this report is to suggest new ways to support the growth of affordable housing in South African mining towns, by exploring and reconsidering areas for new investment, expanding existing investment and promoting policies and programmes which can support and entice that development. It can also imply the impact of ongoing investment and programmes activities.

2.6 About Formal Housing Markets

This report relies on the South African deeds registry as the basis for analysing local housing markets. Thus, the report **only measures the formal housing market**, which can be defined as those residential properties which have been formally titled to a specific owner or group of owners. While this excludes a large part of the human housing condition in these towns, the advantage of focusing on the formal housing market is that it offers a better understanding of that part of the residential property market which is most opportune for leverage and investment interventions in ways previously not understood.

Taking into consideration the housing backlog from StatsSA, informal settlements and human mobility, housing markets are quite fluid and difficult to measure. Understanding housing markets more completely is one advantage of the titling initiatives recommended by many housing policy and planning advocates across the Country.

3. Context: Matjhabeng
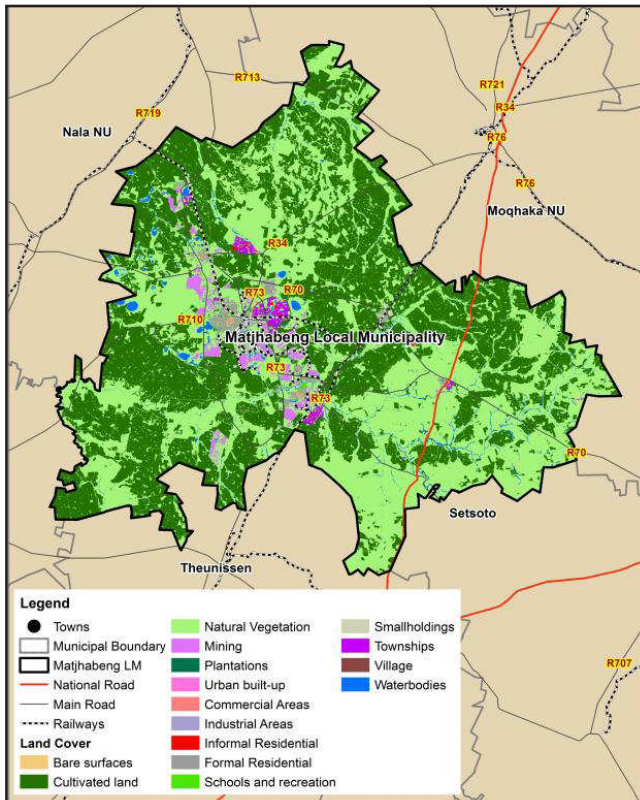
3.1 Municipal and Regional Context

Key aspects of the city are shown from here for contextual purposes which have been published on the city's website. These aspects are summarised from its 2014 IDP, to give important insights to the market overall:

- "The Matjhabeng municipal area comprises of the following main towns: Welkom, Allanridge, Hennenman, Odendaalrus, Ventersburg and Virginia"
- "Matjhabeng Local Municipality is the hub of mining activity in the Free State"
- "The economy of the Matjhabeng Municipality area is centered on mining activities located in and around Allanridge, Odendaalsrus, Welkom and Virginia."
- "A bulk electrical network is well established in the Matjhabeng area"
- "Eskom serves all mines and towns in the municipal area; Eskom sells directly to consumers in all the previously disadvantaged areas"
- "There is no public transport system operating in Matjhabeng, besides privately-owned taxis"

3.2 Socio-Economic Profile:

The municipality's current demographic information is drawn from the HDA Municipal Profiles and from the 2001 – 2011 Census Data:

- "Matjhabeng has a population of 406 461
- There was a -0.04% population growth between 2001 – 2011"
- "In 2011, over 37% of the population was unemployed and the dependency ratio was 46.9%"
- "There are 123 195 households in Matjhabeng, with an average household size of 3.1 people"
- "78.5% live in formal dwellings"
- "An average of 78.32% of households has flush toilets connected to a sewerage system, piped water inside the dwelling, weekly refuse removal and electricity for lighting"
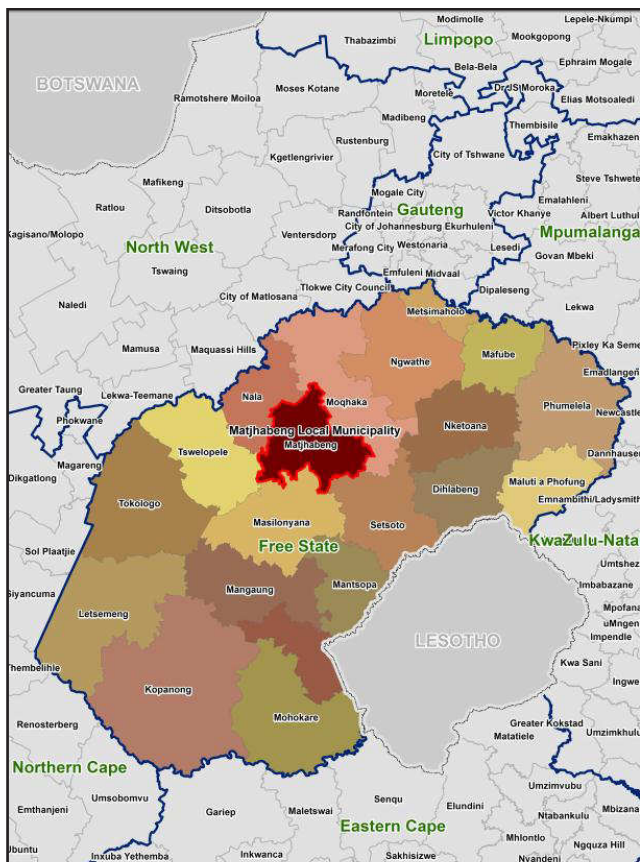
4. Context: Mining Sector Overview

This brief industry profile is provided to help one understand how the mining sector might affect and engage housing in the mining towns. The mining policies are not specific to the towns – that information is not available. This information has been included because of the mineral mined, the regional location or specific city references (this report does not assess programme efficacy or impact).

The Matjhabeng Local Municipality is located in the Free State Province. A total of nine commodities are currently being exploited in the Free State, of which gold and its by-products (uranium, silver, platinum group metals and sulphuric acid) are by far the most important, followed by diamonds and coal.

4.1 Mining Industry Profile

- "Ferrous and base metals are not exploited at all, while industrial minerals play an important role. Revenue from the Free State Province's mineral products is the fourth highest within South Africa (after Gauteng-, North-West- and Mpumalanga Province), with total sales for 1994 being valued at R7 418 million (R7 037 million in 2000)."
- "The larger producing mines in the Free State produce, gold, coal and diamonds."
- "The smaller producing mines in the Free State produce clay, limestone, salt, gypsum, granite and sand and stone aggregate."
- "Commodities with potential for future mining include titanium, zircon, rare earths and thorium."
- "Though a substantial quantity of gold remains in the field, the general lower grades and weak gold prices combined with increasing production costs in real terms, as the deposits are mined at ever-deeper levels, mean that some of the gold mines have become marginal to sub-economic and face closure in the near future."
- "A total of 16 gold mines are still active in the Free State goldfield, namely Beatrix, Matjhabeng, Free State Saaiplaas, HJ Joel, Harmony, among others."
- "The Vereeniging-Sasolburg coalfield ranks 3rd in South Africa in order of importance, while the Free State supplies a saleable output of 10,5% of the national coal output."
- "Two mines are produce coal, namely the New Vaal Colliery (owned by Anglo American) and Sigma Mine, both exploiting bituminous coal."
- "Four mines are currently producing diamonds from Kimberlite rock, namely Samada, Koffiefontein, Salene (Star) and Sonnenberg (Loxton)."

4.2 Housing in the Mining Sector

The remote locations of many mining operations means that mining companies have long histories of providing housing solutions for their employees, from executive management to miners. Different approaches to housing policies vary and are not discussed in specific terms. The knowledge of the general mine housing policies assists one in understanding the effects on the housing markets in their entirety in the towns. Unlike large metropolitan areas where housing markets grew more organically (with some historical master planning involved), these towns were largely designed intentionally to serve the interests of the mining franchises above them. The following is only indicative of each company's general approach; the housing models in each town are approached differently and more specific to their context. Essentially, understanding the housing options offered by the mining companies is an important factor in understanding local housing markets.

Matjhabeng is located in the Free State and the primary extractive is diamonds, gold and coal. The prominent mines in the Free State are: Beatrix; Matjhabeng; Free State Saaiplaas; HJ Joel; Harmony; Vaal Colliery (owned by Anglo American); Sigma Mine; Kimberlite rock, Samada; Koffiefontein; Salene (Star) and Sonnenberg (Loxton).
Their mine housing policies outline the following:

- "Anglo American committed more than R2 billion to facilitate home ownership and achieve the Mining Charter target of 'one person per room' through 2014"
- "Anglo American currently offers a number of different housing options, ranging from housing allowances to houses built for employees"

5. Context: Housing

The municipality has identified the following challenges and opportunities from its 2012/2016 IDP:

5.1 Housing Challenges:

- "According to Stats SA, as quoted in the HDA municipal profile, the housing backlog in Matjhabeng was 24 433 in 2011"

5.2 Housing Strategies:

- "Matjhabeng is committed to expanding low-income housing developments and opportunities to ensure dignity and stable housing for the homeless people"
- "It is envisaged that in Matjhabeng, all people would be housed and accommodated in integrated and functional sustainable human settlements"
- "On a progressive basis and over a long term, all residents in inadequate housing will be able to access affordable, safe and decent accommodation"
- "The housing needs at all levels of the housing ladder will be met through accelerated facilitation and supply as well as effective management of a diverse range of products for both purchase and rental"
- "A fully functional secondary housing or property market will be available in all parts of Matjhabeng so that all households can realise economic value from investing in their residential assets"
- "The quality of existing and future housing stock will be enhanced and maintained. More importantly, there will be increased liability and sustainability of all residential communities with equitable access to green spaces, social and cultural facilities, transportation and economic opportunities and adoption of green-housing practices and technologies"
- "Supply bulk services to areas where private developers convert existing hostels to family units with housing."
- "Mobilise well located public land for low-income and affordable housing"
- "Eliminate of the housing delivery backlog of units (13 931 backyard shacks and 5 695 informal settlements) through the provision of quality housing and the structured upgrading of informal settlements by 2016"
- "Address the fragmented spatial patterns of the past by: revising the spatial development framework annually, prioritising social housing and acquiring strategic land"
- "Upgrade 17 informal settlements and 17 greenfield developments by 2016"
- "Prioritise land alienation for housing development for middle and higher income market segment"

6. Context: Market Reports

HDA Mining Town reports market coverage
Matjhabeng, Data by suburb of census and formal deeds registry data, 2013

Source: *Stats SA Census, 2011, South African Deeds Registry via Lightstone (Pty) Ltd, 2015.*

Data coverage
1 — 4

Matjhabeng Housing Market Report Coverage		
Total Census Subplaces (SP's)	77	
Total SP's with registered residential properties	65	84%
Total SP's with sales	58	75%
Total SP's with bonded sales	56	73%

Market Area by the Numbers	
Suburbs	77
Suburbs with residential properties	65
Households	123 196
Residential properties	64 526
Housing Backlog	24 442
Backlog as percent of all properties	38 %
Households to properties ratio	1.91
Average monthly income	R 9 200
Average property value	R 276 000
Average sales price	R 354 000
Total residential value	R 17.7 billion

Source: Centre for Affordable Housing Finance in Africa, Lightstone, StatsSA

6.1 Report Coverage

It is important to keep in mind that these reports only cover the formal housing market, as captured by the Deeds Registry. Thus, there are four layers of information in the report:

1. Total StatsSA suburbs

2. Suburbs with residential properties

3. Suburbs with residential properties sold

4. Suburbs with residential properties sold with a bond

This map shows all the census suburbs in the town (pink) to all the suburbs with residential properties with bonded sales (dark red). The chart shows what percentage of the town has a formal residential housing market. This may help explain some of the maps and why some suburbs are included and some may be omitted. As an example, information on bonded sales will only reference suburbs in which bonded sales took place.

7. Key Findings: Housing Market Overview

Matjhabeng's housing market has experienced downward growth after three years of steady growth. The city's growth is one of the slowest of the 22 mining towns. This may be strongly affected by the drop in bonded sales, a decrease in churn rates and underdevelopment of some areas within the municipality – mining activity, which is not investigated in this report, may also be a factor. This does, however, create an opportunity for markets to be carefully assessed in order to best position the next wave of growth.

Matjhabeng's affordability ratio is 1.4 and is below the national average of 3 and the mining town average of 2.8. This means that it takes 1.4 times the average monthly income to afford the average house in Matjhabeng. Matjhabeng's ratio is the second lowest of the 22 mining towns – although 6 of the 58 subplaces do not have sales prices to determine affordability ratios. Despite an average monthly income, there remain large disparities among incomes and affordable housing access in certain areas within the municipality. This may prioritise housing strategies and solutions which propose creative financing tools and techniques to reduce financial barriers (such as down-payments, interest rates and principal requirements) as well as unlocking equity, rather than simply trying to push costs down.

26% of the properties in Matjhabeng are Government-sponsored. These properties have high percentages of equity and as such, present an important opportunity to leverage that investment in affordable housing in the years ahead, as owners seek to sell and move up the housing continuum if opportunities are positioned properly. Average equity in these areas doubles purchasing power, putting moderately priced housing within reach of lower-income families. This situation can be used to drive developers to build more gap housing and financiers to finance low-priced acquisition loans.

Generally, Matjhabeng's housing market has considerable diversity and integration of residential properties of varying values. Property types are predominantly freehold. **There has been notable sales activity throughout the municipality but properties are generally transacting below their value.** Formal mixed-income housing development provides adequate returns for developers while providing lower-income homes and creates a market less reliant on Government and mining intervention.

Matjhabeng has experienced an incremental increase in lending from all lenders, including non-traditional lenders. With the presence of 26% Government-sponsored units and high average equity for those properties, it will be an important strategy to encourage traditional and new lenders to develop creative loan programmes targeting those homeowners in order to make it easier for them to sell their homes, unlock the value of those homes and allow owners to move up the housing continuum.

The opportunity for rental housing development within Matjhabeng is strong within specific areas, enhanced by the high number of informal settlements and the high rental percentages by mine employees. Data indicates that 23% of households are renting. Those areas with greater density, modest incomes and affordability challenges are more likely to support quality, professionally managed, affordable rental housing. Rental housing also provides flexibility to employers and workers as mining markets expand and contract from time to time.

8. Housing Performance Profile

8.1 Key Findings: Housing Performance Index

Matjhabeng's housing market has experienced downward growth after three years of steady growth. The city's growth is one of the slowest of the 22 mining towns. This may be strongly affected by the drop in bonded sales, a decrease in churn rates and underdevelopment of some areas within the municipality – mining activity, which is not investigated in this report, may also be a factor.

This recent decrease has created an opportunity for markets to be carefully assessed in order to best position the next wave of growth. Housing options are not currently diversely distributed across the municipality.

8.2 Policy Implications

With a market declining like Matjhabeng, **meeting housing demand will be a crucial factor in stabilising the town through this period of decline.** In slow-growth neighbourhoods, where most of the lower-priced housing currently exists, housing will need to be built more affordably but will need to be situated well to better integrate housing markets. Site development initiatives should include rental housing to meet the increased demand.

8.3 Quick Definitions:

Housing Performance Index (HPI): provides an understanding of local housing market performance by tracking six key indicators which most effectively convey fundamental components of real estate markets and are then compared to the results for the entire municipal property market to determine areas of growth or strength relative to the entire metro.

Housing Performance Profile: this describes the housing market performance of local areas as growing (those areas where the index is 6.5 or higher), stable (the index is 4 or higher) or slow (the index is less than 4) compared to the metro in which it is located.

Formal Housing Market: residential properties that are registered on the South African deeds registry. This does not include informal settlements or other houses otherwise not on the deeds registry.

Indicators: suburb-level measures used to convey a more complete understanding of housing markets, sometimes a point of data (such as number of properties), or a calculated factor (such as the housing index or the affordability ratio).

Housing Continuum: a range of housing options which are available to a wide range of income levels, budgets, housing types and ownership opportunities.

Bonded Sales: the total residential properties that were transacted with a bond collateralised or secured by that property.

New Registrations: residential properties that have never appeared on the deeds registry before. This is an important indicator of the growth of a market, whether the property has just been built or was built previously and never registered.

Churn: an indicator of the sales activity within an area similar to turnover, it is the number of residential sales transactions divided by the total number of properties.

Housing Performance Index
Matjhabeng, 2013
Market growth of six key housing market indicators, compared to the metro
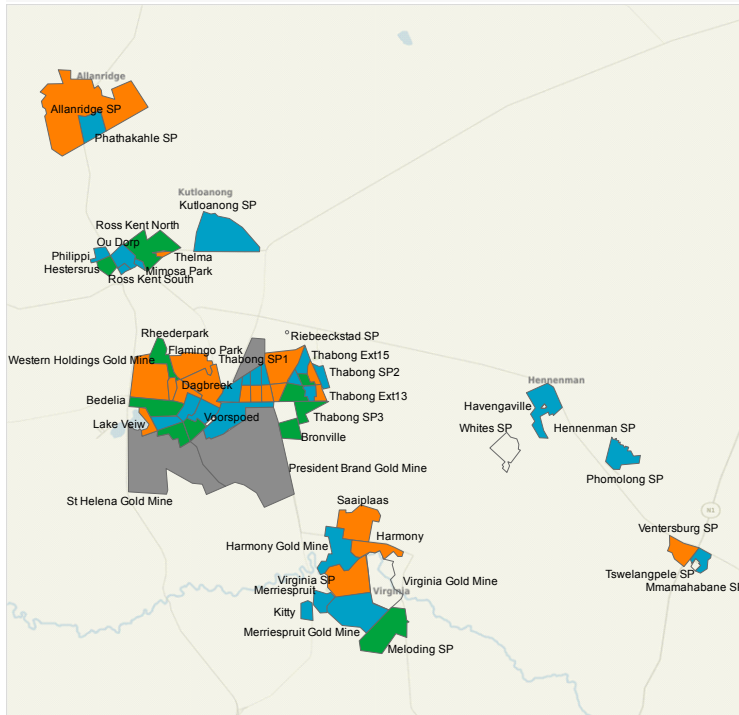
Source: Centre for Affordable Housing Finance in Africa, 2015. All indicators reflect formal market data as reflected on the deeds registry.

Housing Performance Profile
- Growing
- Stable
- Slow
- Null

Housing Performance Index
Matjhabeng, 2013
Market growth profile by suburb, with property volume

Source: Centre for Affordable Housing Finance in Africa, 2015. All indicators reflect formal market data as reflected on the deeds registry.

Total Residential properties
- 0
- 2000
- 4000
- 6000
- 8000
- 10000

Housing Performance Profile
- Growing
- Stable
- Slow
- Null

8.4 The Housing Performance Index (HPI)

This map identifies the Housing Performance Profile Index by suburb (top) and total residential properties (bottom), to provide a sense of how local property markets are performing compared to the metro as a whole. The housing performance index (HPI) provides a glimpse of the formal housing market only and does not include any demographic information. The weights were determined by how well the indicator reflects activity, increased investment and demand (and how reliably the indicator can be measured).

This information is useful in understanding how the formal market is behaving (which is influenced by the presence of mines, informal settlements and the people who move in and around the towns). This picture is intended to help one understand how key housing sector partners (developers, investors) seek and measure opportunity, in order to better inform and coordinate Government planning processes and private sector motivation.

"Growing" suburbs are areas which exceed the metro's rate of change in any four of six key market indicators. **"Stable"** areas meet or beat the metro in at least three indicators and **"Slow"** areas are growing at rates less than the metro in two (or fewer) of the six indicators. While an index provides quick understanding, it is important to look more closely at the indicators themselves to understand more clearly the underlying factors affecting market growth and stability.
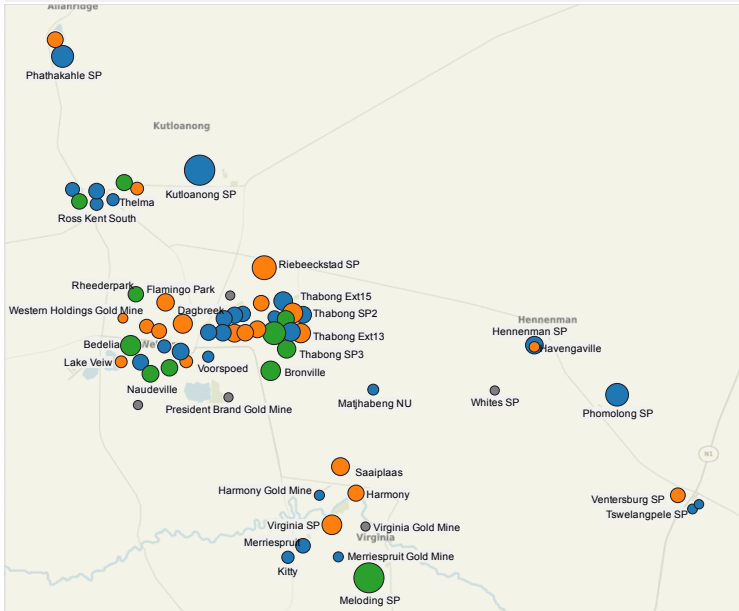
CAHF Housing Performance Index			
Indicator	**Measured**	**Implies**	**Weight**
Price	Average sales price	Appreciation	25%
Value	Average property value	Appreciation	25%
Transactions	Number of sales	Demand	15%
Percent bonded	Bonds per sales	Investment	15%
Churn	Repeat sales as a percent of total properties	Activity	10%
New Properties	New properties added to the registry	Growth	10%

Housing Performance Index Trends
Matjhabeng, performance over time relative to the metro, 2007-2013

Area						
Allanridge SP	3.5	9.0	3.5	7.5	7.5	5.0
Bedelia	1.0	5.0	6.5	1.0	5.0	6.5
Bronville	2.5	4.0	6.5	4.0	2.5	8.0
Dagbreek	2.0	3.5	4.0	1.0	3.5	4.0
Doorn	1.0	5.0	2.5	1.0	5.0	1.0
Flamingo Park	1.0	3.5	6.5	5.0	1.0	4.0
Harmony	4.5	1.0	1.0	0.0	4.0	5.0
Harmony Gold Mine	0.0	0.0	1.0	0.0	1.0	0.0
Havengaville	5.0	5.0	2.5	3.5	3.5	5.0
Hennenman SP	1.0	4.0	3.5	2.5	5.0	1.0
Hestersrus	8.0	5.0	6.5	2.5	2.5	6.5
Jan Cilliers Park	1.0	6.5	3.5	4.0	1.0	6.5
Jim Fouchepark	6.5	1.0	5.0	2.5	7.5	5.0
Kitty	0.0	5.5	6.5	1.0	4.0	3.5
Kutloanong SP	8.0	9.0	2.5	6.5	4.0	2.5
Lake Veiw	4.0	3.5	1.0	1.0	6.5	4.0
Matjhabeng NU	4.0	2.5	0.0	1.0	0.0	2.5
Meloding SP	6.5	6.0	6.5	6.5	1.0	6.5
Merriespruit	5.0	3.5	7.5	1.0	6.5	1.0
Merriespruit Gold Mine	2.5	2.5	2.5	2.5	2.5	2.5
Mimosa Park	3.5	0.0	6.5	2.5	6.5	0.0
Mmamahabane SP	2.5	2.5	2.5	2.5	2.5	2.5
Naudeville	2.0	6.5	1.0	4.0	1.0	6.5
Ou Dorp	3.5	5.0	3.5	3.5	4.0	2.5

Area						
Phathakahle SP	2.5	1.0	3.5	6.5	0.0	2.5
Philippi	1.0	6.5	0.0	6.5	1.0	2.5
Phomolong SP	5.0	7.5	2.5	5.0	4.0	2.5
President Brand Gold Mine						
Reitzpark	5.0	7.5	3.5	6.5	6.5	2.5
Rheederpark	3.5	10.0	2.5	2.5	4.0	6.5
Riebeeckstad SP	1.0	4.0	5.0	1.0	3.5	4.0
Ross Kent North	3.5	3.5	3.5	9.0	5.0	7.5
Ross Kent South	2.5	5.0	7.5	2.5	9.0	3.5
Saaiplaas	2.5	2.5	6.5	2.5	7.5	5.0
Sandania	3.5	6.5	6.0	3.5	6.0	5.0
Seemeeu Park	0.0	6.5	6.5	3.5	5.0	4.0
St Helena	5.0	3.5	6.5	1.0	6.5	1.0
St Helena Gold Mine						
Thabong Ext1	5.0	3.5	3.5	2.5	1.0	2.5
Thabong Ext2	6.5	3.5	3.5	5.0	1.0	2.5
Thabong Ext3	4.0	6.5	5.0	4.0	0.0	2.5
Thabong Ext4	8.0	7.5	3.5	4.0	5.0	4.0
Thabong Ext5	2.5	8.0	2.5	8.0	5.0	5.5
Thabong Ext6	6.5	5.0	8.0	2.5	1.5	5.0
Thabong Ext7	6.5	8.0	5.5	0.0	1.0	2.5
Thabong Ext8	8.0	5.0	2.5	4.0	2.5	6.5
Thabong Ext9	5.0	4.0	6.5	2.5	2.5	2.5
Thabong Ext10	2.5	5.0	6.5	2.5	6.5	6.5
Thabong Ext11	2.5	2.5	2.5	2.5	0.0	2.5

Source: Centre for Affordable Housing Finance in Africa, 2015. All indicators reflect formal market data as reflected on the deeds registry.

Growth Profile
- Growing
- Stable
- Slow
- Null

8.5 Performance Over Time

These charts provide the housing performance index by suburb, over time, using the six key indicators (price and value appreciation, sales and bonded sales, churn and new properties). Growth is relative to the municipality (and change from the preceding year), so it is important to compare these lines to the area's overall performance and the direction in which the trends are headed. The city's growth overall (directly above) is in the top 7 slowest growing markets for mining towns – it appears to be on a downward trend and also has the largest volume of activity in this segment.

Matjhabeng's housing market appears to be on a downward trend after experiencing steady growth since 2010. In considering development investment over the long term, stability of growth is often a more important consideration, when projecting future performance, than high growth. The building of housing opportunities between areas of high and low growth can better integrate housing markets overall. This information can help inform one how to create a more cohesive and stable housing continuum, with fewer spikes and drops – and where to begin.

Areas with no data have no residential properties or sales transactions, such as farms or open space, mines or industrial uses like power generation.

Housing Performance Index Trend
Matjhabeng, 2008 - 2013.

Source: *South African Deeds Registry via Lightstone (Pty) Ltd, 2015. All indicators reflect formal market data as reflected on the deeds reg-*

Key Performance Indicators
Matjhabeng, 2008 - 2013
Change over time of the six key indicators within the Housing Performance Index

Source: *SA Deeds Registry from Lightstone. All indicators reflect formal market data as reflected on the deeds registry.*

Key Indicators
- Avg Property Value
- Avg Sales Price
- Total Residential Sales
- Total Bonded Residential Sales
- Change in New Properties
- Churn

Key Performance Indicators
Matjhabeng, Freehold properties, 2008 - 2013
Change over time of the six key indicators within the Housing Performance Index

Source: *SA Deeds Registry from Lightstone. All indicators reflect formal market data as reflected on the deeds registry.*

Key Indicators
- Avg Property Value
- Avg Sales Price
- Total Residential Sales
- Total Bonded Residential Sales
- Change in New Properties
- Churn

8.6 Housing Performance Indicators

Six indicators – price and value appreciation (top orange and blue lines), total sales and bonded sales (middle green bars and brown line), change in new properties and churn (bottom red and blue lines) – are the most telling of growing, active housing property markets. The relationship between indicators provides clues as to what may be driving performance, what that might mean for future development potential and how it might affect or be influenced by different housing types, prices or target incomes.

These charts compare the performance of three ownership types, namely freehold, sectional title and estate ownership. The housing market in Matjhabeng is dominated by freehold properties. **Overall, properties have been selling consistently above their values, suggesting active lender and buyer interest in area. This may also be the result of lower-cost housing bringing the average value down.**

Overall, the number of sales (green bar) have fluctuated steadily since 2009 and bonded sales (brown line) have increased by 1% since 2009.

Housing markets are very sensitive to access to credit, so lending information will be helpful in understanding this more closely (see Lending below). Churn rates have steadily increased (blue line) from 2009 to 2012 and dropping in 2013 from 2012, indicating higher turnover of existing homes over time as well.

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Key Performance Indicators
Matjhabeng, Sectional Title properties, 2008 - 2013
Change over time of the six key indicators within the Housing Performance Index

Source: *SA Deeds Registry from Lightstone. All indicators reflect formal market data as reflected on the deeds registry.*

Key Indicators
- Avg Property Value
- Avg Sales Price
- Total Residential Sales
- Total Bonded Residential Sales
- Change in New Properties
- Churn

8.7 Housing Performance Indicators by Property Type
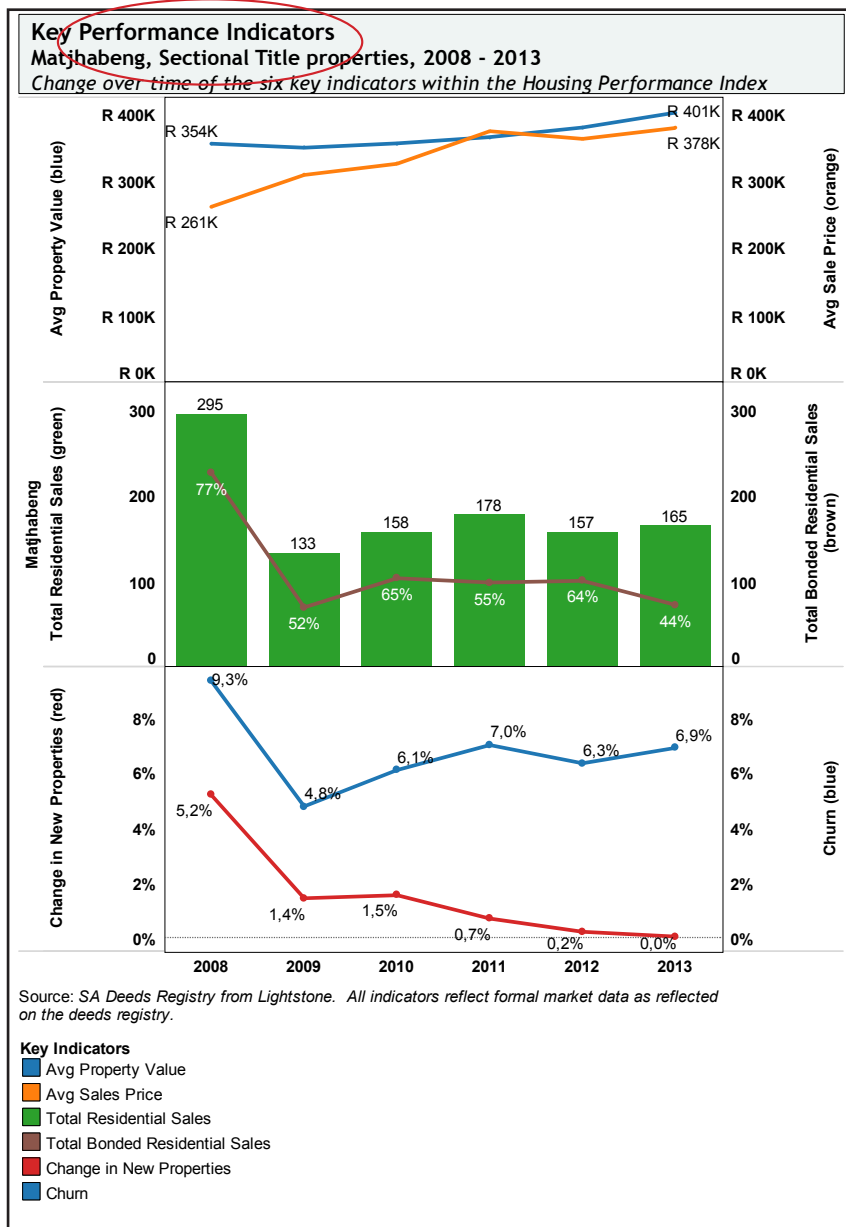
Different housing markets perform in different ways, including freehold (free-standing) homes and sectional title (sub-units within a single property). The area is predominantly freehold (see Market Size below), with only a small number of subplaces throughout the municipality having sectional title properties. Overall, sectional title sales prices have been steadily increasing; churn levels (bottom blue line) have remained significantly higher than those of new properties (red lines). Market activity decreased significantly in 2009 in terms of sales, lending and rates of new properties added to the registry (red line).

Lending is instrumental in the growth of housing markets and the ability to access bonds to buy sectional title houses has driven the growth of this housing type. Sectional title is also an important affordable homeownership option.

Matjhabeng does not have any estate properties.

9. Market Size

9.1 Market Size: Key Findings

Matjhabeng's housing market is essentially three markets: Government-sponsored housing built as part of the national housing initiative over the past 20 years, privately traded and financed homes and informal settlements. Markets are generally closely clustered with lower-priced, actively selling private growing markets near the city centre, middle income, non-bonded Government-sponsored developments and informal settlements (not on the deeds registry).

The implied demand for housing is high; highlighted by the high number of informal settlements. Demand creates opportunities for new housing supply to be positioned between the existing segregated markets to better integrate the town's spatial, income and housing markets. Informal settlements are apparent closest to properties below R 250 000 and R500 000, in the areas with high volumes of Government-sponsored housing; this creates an opportunity to leverage on properties in this segment with high equity levels to assist homebuyers with climbing the housing continuum. The current proximity of Government-sponsored housing to the informal settlements creates opportunity for Government to eradicate the informal settlements by expanding their investment within the same proximity.

9.2 Policy Implications

Governments can use this existing investment to identify areas of future development and entice private sector participation. Existing **Government investment in housing can be leveraged** to guide new development opportunities, if and when those homes can be sold to new buyers and the proceeds when used to purchase new housing further up the housing continuum. As an example, **Governments might prioritise new development between government-dominated and private markets** for more integration into mixed-income sites and fill spatial gaps within the town.

The encouragement of the expansion of financing to lower-income families will allow for those homes to be sold and the proceeds then used to support housing development further up the housing continuum.

Rapidly changing housing demand, driven by mining activities, makes a strong case for prioritising quality rental housing. If rental housing is well-situated and convenient to transport and centrally located in dense areas, it can bring social and economic cohesion to housing markets over the longer term.

9.3 Quick Definitions:

Market Size: the total number and distribution of important aspects of areas, including average home prices, home values and total households in order to inform the potential scale of housing intervention strategies and the impact of proposed development schemes.

Property Value Segment: in order to better understand the performance of housing markets, data has been grouped into four property value bands: properties valued under R250 000; between R250 000 and R500 000; between R500 000 and R1.2 million and over R1.2 million. This helps one to understand the various trends and strengths inherent in each segment and to see how properties are integrating across the housing continuum, especially over time.

Government-sponsored Housing: housing which was created through some Government intervention, from site and infrastructure provision, direct construction or finance such as Site & Service, RDP and BNG. While these homes are not recorded as such on the deeds registry, their presence is estimated based on surrounding registrations, timing, prices and volume of activity.

Freehold / Full Title: a permanent and absolute tenure of land or property by a person or entity (such as a corporation or trust) with freedom to dispose of it at will. Freehold or Full Title describes the assumption of full ownership rights when one owns a property, often including the building and the land it is built on.

Sectional Title: separate ownership of units or sections within a complex or development. These are often comprised of mini subtype houses, semi-detached houses, townhouses, flats or apartments and duet houses. These are governed by the Sectional Titles Act and managed by a body corporate comprised of elected representatives from the sectional title owners in the development.

Absorption: the pace with which homes to be developed might be sold in a specific market during a given period of time. This can calculated by dividing the total number of available homes coming on line by the estimated number of sales per month, often based on the rate of sales nearby.

Households to Properties Ratio: the total number of households (as reported by the census) divided by the total number of residential properties on the deeds registry. This is a quick, easy relative indicator of household density and formality of a suburb as compared to other areas.

Distribution of Properties and Values by Suburb
Matjhabeng, 2013
Formal residential properties, informal settlements and mines, by suburb

Source: *South African deeds registry via Lightstone (Pty), Ltd; Housing Development Agency informal settlements and mines.*

Number of Residential properties
0
5 000
10 000
15 000

Type
Informal Settlement
Mines

Affordability
Under R250k
Between R250k - R500k
Between R500k - R1.2m
Over R1.2m

Number and Percent Government Sponsored Residential Properties
Matjhabeng, by total residential properties per suburb, 2013

Source: *South African Deeds Registry via Lightstone (Pty) Ltd. All indicators reflect formal market data as reflected on the deeds registry.*

Total Residential properties
0
2000
4000
6000
8000
10000

% Govt Sponsored
0%   30%

9.4 Market Size and Government Investment in Housing

Market size measures the distribution of home prices, households and values in order to inform the potential scale of housing intervention strategies and the impact of proposed developments on the surrounding area. It can also show the impact of Government investment in housing markets. Comparing the distribution of values to the housing performance map, several moderate income areas are growing faster than the municipality.

In Matjhabeng, both formal and informal properties, of several values, are concentrated along the mining corridor; the location of these properties coincides with the location of the highest concentration of Government investment in housing (map two). Informal settlements are apparent closest to properties below R R250 000 and areas with high volumes of Government-sponsored housing; this creates an opportunity to leverage on properties in this segment with high equity levels to assist homebuyers with climbing the housing continuum.

It is a very positive fact that so **many Government-sponsored housing units are on the deeds registry.** Often, these homes are undervalued, for two reasons. The subsidy value was often noted as the sales price (rather than the cost), or sales prices are driven low because buyers lack access to credit with which to purchase the homes at a more realistic sales price and must pay with the cash they have.

The encouragement of the resale of Government-sponsored housing is an important means of expanding housing options – for the sellers, who can move up the ladder with the equity from the sale of their property, to the first-time homebuyer purchasing the existing home. More activity in these markets will also raise the value of the home, which is often a family's most valuable asset.

Market Size: Total Properties by Property Value Segment
Matjhabeng, 2013
Sorted by suburb, by property value

Suburb	Values
Kutloanong SP	182 / 6 834
Meloding SP	108 / 6 742
Riebeeckstad SP	80 / 2 723 / 618
Thabong Ext8	2 953
Phomolong SP	2 882
Phathakahle SP	2 584
Bedelia	844 / 1 014
Thabong Ext14	1 862
Virginia SP	824 / 820
Bronville	204 / 1 453
Thabong Ext13	1 595
Dagbreek	535 / 941
Thabong Ext15	1 421
Thabong Ext9	1 393
Thabong SP3	1 305
Saaiplaas	549 / 638
Thabong SP	1 168
Hennenman SP	649 / 481 / 6
Flamingo Park	731 / 329
Thabong SP2	952
Thabong Ext10	939
Thabong Ext5	766 / 114
Doorn	593 / 314
Naudeville	687 / 229
Thabong Ext1	863
Jan Cilliers Park	572 / 216
Thabong Ext4	209 / 636
Thabong Ext3	703
Harmony	398 / 337
Reitzpark	716
Ross Kent North	754
Thabong Ext2	746
Allanridge SP	553 / 153
St Helena	303 / 277 / 68
Ou Dorp	501
Thabong Ext6	465 / 186
Hestersrus	644
Rheederpark	377
Thabong Ext7	554
Jim Fouchepark	175 / 333
Ventersburg SP	457 / 21
Merriespruit	232
Seemeeu Park	347
Philippi	284
Welkom Central	
Thabong Ext11	254
Ross Kent South	167
Thelma	
Sandania	
Kitty	
Mimosa Park	
Lake Veiw	
Voorspoed	
Matjhabeng NU	
Havengaville	
Harmony Gold Mine	
Merriespruit Gold Mine	
Tswelangpele SP	8
Western Holdings Gold Mine	
Mmamahabane SP	1
Thabong SP1	0
St Helena Gold Mine	0
President Brand Gold Mine	0
Virginia Gold Mine	0
Whites SP	

Total Residential Properties

Source: *SA Deeds data, via Lightstone (pty) Ltd, 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Property Value Segment
- Under R250k
- Between R250k - R500k
- Between R500k - R1.2M
- Over R1.2M

9.5 Market Size by Value Segment

These charts provide the proportion of properties within each suburb by property value segment: below R250 000; (between R250 000 – R500 000; and over R500 000). 61% of the properties in Matjhabeng fall in the below R250 000 (green bars) value segment; with 26% of Matjhabeng's residential properties sponsored by Government. Matjhabeng has a diverse range of property values, although only a few subplaces have diverse value segments with others only hosting one range of housing values.

In small housing markets, Government interventions and programmes must be more specific as their impact on the market overall will be greater.

A diverse approach may help to expand the diversity and distribution of housing options across town.
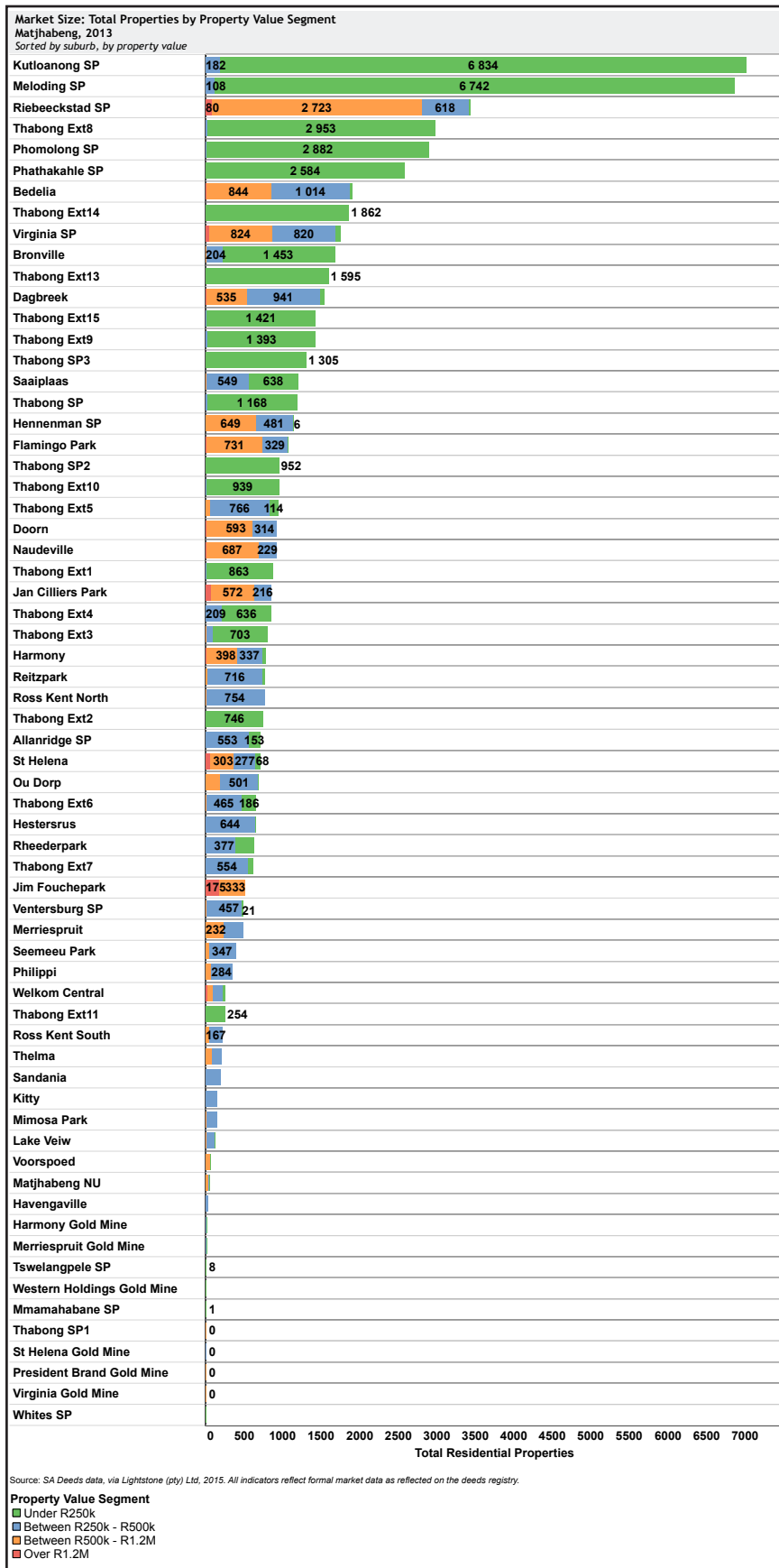
Market Size: Total Properties by Property Type
Matjhabeng, 2013
Freehold, Sectional Title and Estate properties

Subplace	Sectional Title	Freehold/Total
Kutloanong SP		7 016
Meloding SP		6 855
Riebeeckstad SP	215	3 223
Thabong Ext8		2 973
Phomolong SP		2 897
Phathakahle SP		2 584
Bedelia	262	1 637
Thabong Ext14		1 862
Virginia SP	182	1 568
Bronville		1 673
Thabong Ext13		1 595
Dagbreek	336	1 204
Thabong Ext15		1 425
Thabong Ext9		1 421
Thabong SP3		1 305
Saaiplaas		1 172
Thabong SP		1 186
Hennenman SP	51	1 087
Flamingo Park	123	946
Thabong SP2		952
Thabong Ext10		951
Thabong Ext5		944
Doorn	67	854
Naudeville	79	841
Thabong Ext1		867
Jan Cilliers Park	77	777
Thabong Ext4		845
Thabong Ext3		797
Harmony	138	640
Reitzpark	121	644
Ross Kent North		764
Thabong Ext2		748
Allanridge SP	20	693
St Helena	192	520
Ou Dorp		679
Thabong Ext6		656
Hestersrus		644
Rheederpark	574	
Thabong Ext7		617
Jim Fouchepark	491	
Ventersburg SP		494
Merriespruit	471	
Seemeeu Park	336	
Philippi		349
Welkom Central	241	
Thabong Ext11		254
Ross Kent South		215
Thelma		208
Sandania	166	
Kitty		150
Mimosa Park		144
Lake Veiw		118
Voorspoed	54	
Matjhabeng NU		48
Havengaville		29
Harmony Gold Mine		
Merriespruit Gold Mine		
Tswelangpele SP		8
Western Holdings Gold Mine		
Mmamahabane SP		1
Thabong SP1		0
St Helena Gold Mine		0
President Brand Gold Mine		0
Virginia Gold Mine		0
Whites SP		0

Total Residential Properties: 0 500 1000 1500 2000 2500 3000 3500 4000 4500 5000 5500 6000 6500 7000

Source: SA Deeds Registry via Lightstone (Pty) Ltd., 2015. All indicators reflect formal market data as reflected on the deeds registry.

Property Type Description
- Freehold
- Sectional Title

9.6 Market Size by Property Type

Matjhabeng's residential properties are predominantly freehold, with only a small amount of subplaces throughout the municipality having sectional title properties. Sectional title properties appear to be located in subplaces with higher value segments.

Distribution of Properties types by Suburb
Matjhabeng, by total residential properties per suburb, 2013

Source: *South African Deeds Registry via Lightstone (Pty) Ltd. All indicators reflect formal market data as reflected on the deeds registry.*

Total Residential properties
0 — 2000 — 4000 — 6000 — 8000 — 10000

Property Type Description
- Freehold
- Sectional Title

9.7 Market Size by Households and Income

The understanding of the distribution of households and incomes within Matjhabeng help to inform one of scale, development impact and programme targets. Census data is useful as the only source of demographic information consistently available at the suburb level and provides interesting insights into local differences.

One of the general findings for the mining towns has been that areas with high levels of renters (grey bars) **also very often have the highest household incomes (such as Welkom Central).** It is evident that the areas with the highest rental activity may be housing owned by the mining companies and rented out to employees. While rental generates important income to the owners, the creation of quality, affordable rental housing in those areas can help to address some of the housing backlog more quickly.

Areas with above-average renters and moderate incomes (green bar) (such as Saaiplaas and Voorspoed) might display families ready for more formal rental options.

Ratios of households (from StatsSA) to properties (from the deeds registry) – the red bar – can show degrees of limited supply or informality. The informal settlements, such as Mmamahabane, have high populations, low formal properties, few registered properties and low incomes.

Market Size: Households, Properties and Income
Matjhabeng, 2013
Sorted by total households

Area	Household Total (blue)	Percent Households Renting	Total Residential Properties	HHs to Properties Ratio	Monthly Household Income
Kutloanong SP	15,623	15%	7,016	2,2	R 2,1K
Meloding SP	13,682	18%	6,855	2,0	R 1,8K
Phomolong SP	5,944	13%	2,897	2,1	R 1,4K
Thabong Ext8	4,817	20%	2,973	1,6	R 2,6K
Phathakahle SP	4,007	11%	2,584	1,6	R 2,1K
Riebeeckstad SP	3,773	15%	3,438	1,1	R 19,5K
Thabong SP3	3,747	15%	1,305	2,9	R 1,1K
Thabong Ext1	3,283	37%	867	3,8	R 2,1K
Thabong Ext6	2,778	9%	656	4,2	R 2,6K
Thabong SP	2,757	29%	1,186	2,3	R 2,2K
Bronville	2,707	23%	1,673	1,6	R 3,9K
Thabong Ext14	2,670	19%	1,862	1,4	R 1,2K
Matjhabeng NU	2,615	30%	48	54,5	R 4,8K
Thabong Ext4	2,541	33%	845	3,0	R 3,0K
Bedelia	2,426	31%	1,899	1,3	R 13,6K
Thabong Ext13	2,426	23%	1,595	1,5	R 1,5K
Thabong SP2	2,363	33%	952	2,5	R 1,3K
Mmamahabane SP	2,307	3%	1	2 307,0	R 1,1K
Virginia SP	2,142	39%	1,750	1,2	R 11,4K
Thabong Ext9	2,113	20%	1,421	1,5	R 1,9K
Saaiplaas	2,084	42%	1,202	1,7	R 6,6K
Thabong Ext2	1,910	17%	748	2,6	R 2,1K
Thabong Ext15	1,908	29%	1,425	1,3	R 1,4K
Dagbreek	1,893	32%	1,540	1,2	R 15,3K
Thabong Ext3	1,849	28%	797	2,3	R 2,0K
Doorn	1,337	40%	921	1,5	R 12,1K
Hennenman SP	1,254	23%	1,138	1,1	R 7,8K
Thabong Ext10	1,246	25%	951	1,3	R 2,7K
Flamingo Park	1,179	25%	1,069	1,1	R 14,7K
St Helena	1,170	51%	712	1,6	R 13,6K
Thabong Ext5	1,166	9%	944	1,2	R 8,7K
Rheederpark	1,159	27%	620	1,9	R 2,3K
Thabong Ext7	1,135	27%	617	1,8	R 3,4K
Naudeville	1,033	29%	920	1,1	R 15,1K
Harmony	979	36%	778	1,3	R 13,3K
Jan Cilliers Park	968	26%	854	1,1	R 14,1K
Merriespruit	953	35%	477	2,0	R 11,1K
Ross Kent North	905	34%	764	1,2	R 9,5K
Ou Dorp	874	48%	684	1,3	R 8,1K
Reitzpark	868	28%	765	1,1	R 10,8K
President Brand Gold Mine	854	97%	0		R 6,0K
Allanridge SP	846	35%	713	1,2	R 8,1K
Tswelangpele SP	729	27%	8	91,1	R 2,6K
Thabong Ext11	687	13%	254	2,7	R 2,0K
Jim Fouchepark	623	15%	508	1,2	R 27,6K
Seemeeu Park	503	27%	388	1,3	R 13,7K
Lake Veiw	385	47%	118	3,3	R 14,5K
Western Holdings Gold Mine	379	75%	7	54,1	R 9,6K
Welkom Central	370	69%	255	1,5	R 16,7K
Ventersburg SP	367	30%	494	0,7	R 10,6K
St Helena Gold Mine	316	94%	0		R 4,6K
Thabong SP1	313	30%	0		R 1,2K
Ross Kent South	298	37%	215	1,4	R 10,2K
Philippi	289	19%	349	0,8	R 10,0K
Sandania	261	45%	198	1,3	R 7,7K
Thelma	247	30%	208	1,2	R 9,5K
Kitty	234	38%	150	1,6	R 16,8K
Voorspoed	160	56%	67	2,4	R 3,1K
Harmony Gold Mine	145	24%	16	9,1	R 9,8K
Mimosa Park	139	20%	144	1,0	R 12,6K
Whites SP	108	38%	0		R 1,7K
Hestersrus	105	15%	644	0,2	R 5,0K
Virginia Gold Mine	91	13%	0		R 3,2K
Havengaville	28	14%	29	1,0	R 3,9K
Merriespruit Gold Mine	0		12	0,0	

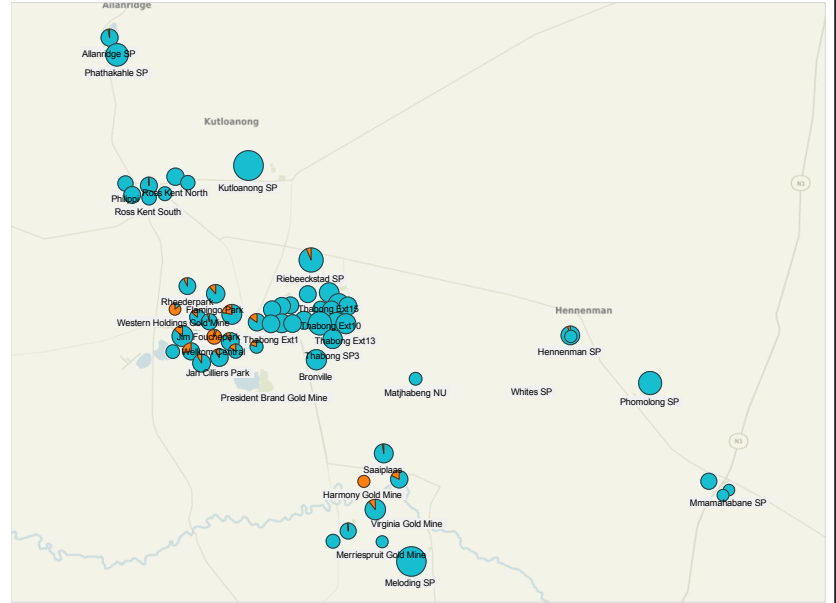Sources: Stats SA, 2011 Census data, SA Deeds Registry via Lightstone (Pty) Ltd, 2015. All indicators reflect formal market data as reflected on the deeds registry.

10. Market Activity

10.1 Key Findings

Sales activity is evident in several subplaces throughout the municipality, however, the properties that are being transacted sell below their values. Sales dropped across the Country after 2008 and have fluctuated steadily in Matjhabeng.

Bonded sales in lower markets are an extremely small portion of the bonded market. Sales continue to be dominated by repeat sales, with very few new housing sales. Property value (the home's worth) and sales prices are closely related in active markets. In less active markets, sales prices are less than their suggested value.

10.2 Policy Implications

Focus on **increasing access to lending,** determining what barriers exist to make credit more accessible through lower cost products, more flexible terms and/or inclusion of existing debt into a mortgage loan product. These products should be tailored to meet the needs of the lower-income markets.

Create **financing products that can bring down the cost of quality rental housing** as an affordable alternative to homeownership for lower-income families.

10.3 Quick Definitions:

Market Activity: performance of key housing property market indicators over time, such as sales, bonds, registrations and churn.

Market Share: the proportionate share of the market according to certain indicators, such as loans, types of properties, or property values.

Property Value Segment: in order to better understand the performance of housing markets, data has been aggregated into four property value bands: properties valued under R250 000; between R250 000 and R500 000; between R500 000 and R1.2 million and over R1.2 million. This helps one to understand the various trends and strengths within each segment and to see how properties are integrating across the housing continuum, especially over time.

Bonded Sale: a transfer of deed on the deeds registry with an associated bond from a lender, including the property as collateral for the bond.

New sale / New Registration: the appearance of a residential property on the deeds registry for the first time. It might include new construction or previously existing units being recorded for the first time (such as previously built RDP homes).

Resale / Repeat Sales: the sale or transaction of a property which has existed on the deeds registry before (as opposed to a new sale or new registration).

10.4 Sales and Bonded Sales by Property Value Segments

From the maps above it is evident that Government-sponsored housing is apparent throughout the municipality, suggesting that **Government may be the main driver for the growth of the lowest segment of the market.** This is further confirmed by the small amount of sales and bonded sales in this segment (green bar). The highest percentages of sale and bonded sale activity are in the R250 000 – R500 000 range (blue bar) and R500 000 – R1.2M range (orange bar), with almost all bonds in those segments receiving bonds. The greatest increase in sale and bonded sale activity has been in the mid-range (orange bar) properties, with the least being in the lowest range (green bar) despite the fact that the properties in this segment take up the highest share of the market at 61%.

The increase in bonded sales (in the orange and blue bars, in 2013) is also reflected in the increase in the housing performance. The relationship between sales and bonds shows the importance of access to credit to growing housing markets, in particular the lower valued segments. **The share of bonded sales under R500 000 has fluctuated over time but still takes up the lowest share of the lending market.** This might be due to credit indebtedness which disproportionately impacts lower-income borrowers, or lack of access to affordable homes to buy. Policies that help expand access to credit and provide more housing opportunities under R500 000 can expand sales within that band, in the lower bands. Rental housing might also be a more suitable option.

Total Sales by Property Value Segment
Matjhabeng, 2008 - 2013
All residential sales

Source: *SA Deeds Registry via Lightstone (Pty) Ltd., 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Property Value Segment
- Under R250k
- Between R250k - R500k
- Between R500k - R1.2M
- Over R1.2M

Total Bonded Sales by Property Value Segment
Matjhabeng, 2008 - 2013
All residential sales

Source: *SA Deeds Registry via Lightstone (Pty) Ltd., 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Property Value Segment
- Under R250k
- Between R250k - R500k
- Between R500k - R1.2M
- Over R1.2M

Percent of Sales Bonded by Value Segment
Matjhabeng, All residential sales, 2008 - 2013

Market Segment
- Under R250K
- Betw R250K- R500K
- Betw R500K - R1.2M
- Over R1.2M

Sales by Property Value Segments
Matjhabeng, by suburb, 2013

Source: *South African Deeds Registry via Lightstone (Pty) Ltd, 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Total Residential Sales
- 0
- 50
- 100
- 150
- 200
- 250

Property Value Segment
- Under R250k
- Between R250k - R500k
- Between R500k - R1.2m
- Over R1.2m

10.5 Lending per Property Value Segments

This chart shows (by contrast to the previous charts) the percent of bonded sales within the various property value segments. The relatively few formal bonded sales in the town make the trend lines more dramatic.

Overall, the total sales receiving bonds in Matjhabeng decreased in the past six years. Interestingly the greatest drop in bonded sales has been in the below R500 000 value segment (blue and green lines) perhaps due to decreased supply of housing that falls within this segment, or decreased access to credit.

Mid-range and upper tiered properties sales experienced relatively fluctuating activity since 2009.
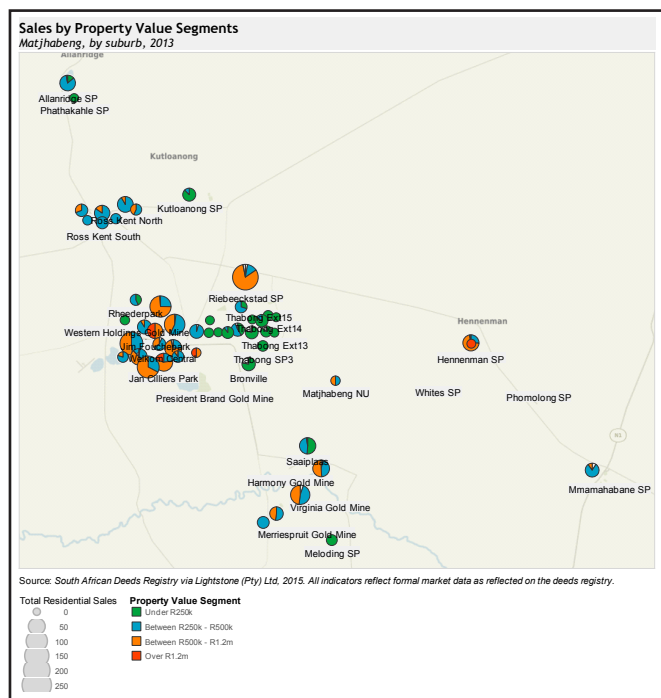
10.6 Sales by Property Value Segments

This map shows the volume of sales activity (the size of the dot) by suburb across the town by property value segment (the slices of the pie). According to data, sales were predominantly in the above R250 000 segments.

The midrange properties (the orange segments) saw most activity, with the lower-priced homes (green) having a smaller portion of the sales activity. This may be a potential sign of active (increased) supply and steady demand for the middle market.

Access to credit is a significant boost or barrier to housing market growth. While some suburbs offer a range of housing price options, pinpointing product prices and types to specific areas, especially considering local affordability, is key to ensuring programme success.

10.7 Sales by New and Repeat Sales

An important distinction in market performance is the sale of new homes (which have never appeared on the deeds registry) and the resale of existing homes. The chart shows new (green) and repeat sales (orange) by suburb. In most mining towns, new registrations are clustered in only a few suburbs. Matjhabeng appears to have new sales in several subplaces throughout the municipality – although these sales are significantly small.

New sales can also show the recent registration of Government-sponsored housing investment. An important point is to recognise the impact of newly registered government investment in housing. Often, these registrations may be perceived as a market distortion but the deeds issued on Government-sponsored housing represent real assets which can now be traded and loaned against and are key to moving up the housing ladder. Thus, the housing market has in fact grown.

Suburbs with no data reflect areas with no sales or new registrations.

Total Sales by Sales Type
Matjhabeng, 2013
New and repeat sales

Suburb	Total Repeat Sales	Total New Sales
Allanridge SP	29	6
Bedelia	120	3
Bronville	16	2
Dagbreek	86	3
Doorn	45	3
Flamingo Park	89	9
Harmony	39	6
Harmony Gold Mine		
Havengaville	1	0
Hennenman SP	39	0
Hestersrus	2	0
Jan Cilliers Park	54	3
Jim Fouchepark	32	0
Kitty	5	5
Kutloanong SP	13	3
Lake Veiw	5	0
Matjhabeng NU	2	0
Meloding SP	4	2
Merriespruit	17	2
Merriespruit Gold Mine	0	0
Mimosa Park	4	0
Mmamahabane SP		
Naudeville	68	41
Ou Dorp	31	2
Phathakahle SP	1	0
Philippi	13	0
Phomolong SP		
President Brand Gold Mine		
Reitzpark	21	0
Rheederpark	7	0
Riebeeckstad SP	165	8
Ross Kent North	34	2
Ross Kent South	10	1
Saaiplaas	21	20
Sandania	9	0
Seemeeu Park	21	1
St Helena	40	3
St Helena Gold Mine		
Thabong Ext1	2	0
Thabong Ext2	1	0
Thabong Ext3		
Thabong Ext4	9	1
Thabong Ext5	16	1
Thabong Ext6	7	3
Thabong Ext7		
Thabong Ext8	15	0
Thabong Ext9	3	4
Thabong Ext10	12	1
Thabong Ext11	1	0
Thabong Ext13	1	0
Thabong Ext14	3	0
Thabong Ext15		
Thabong SP	1	0
Thabong SP1		
Thabong SP2	1	0
Thabong SP3	5	0
Thelma	7	0
Tswelangpele SP		
Ventersburg SP	21	0
Virginia Gold Mine		
Virginia SP	61	12
Voorspoed	1	1
Welkom Central	15	0
Western Holdings Gold Mine	0	2
Whites SP		

Source: *SA Deeds Registry via Lightstone (Pty) Ltd., 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Measure Names
■ Total Repeat Sales
■ Total New Sales

Total Residential Sales

Allanridge SP — 67, 49, 30, 29 / 18, 2, 2, 24, 2, 6

Bedelia — 138, 95, 135, 121, 124, 120 / 15, 2, 7, 12, 4, 3

Bronville — 22, 19, 11, 14, 16 / 4, 2, 0, 1, 2, 2

Dagbreek — 160, 66, 107, 93, 81, 86 / 11, 2, 4, 0, 3

Doorn — 69, 44, 50, 48, 62, 45 / 7, 3, 2, 4, 0, 3

Flamingo Park — 85, 51, 70, 74, 75, 89 / 23, 2, 11, 5, 0, 9

Harmony — 52, 28, 27, 23, 47, 39 / 7, 4, 4, 1, 1, 6

Harmony Gold Mine — 1, 1 / 0, 0

Havengaville — 3, 1, 2, 2, 1, 1 / 0, 0, 0, 0, 0, 0

Hennenman SP — 79, 45, 45, 47, 57, 39 / 0, 3, 2, 1, 0, 0

Hestersrus — 11, 1, 8, 1, 2 / 2, 0, 0, 0

Jan Cilliers Park — 51, 49, 44, 62, 54, 54 / 7, 0, 4, 5, 3, 3

Jim Fouchepark — 43, 23, 25, 30, 36, 32 / 4, 0, 4, 1, 1, 0

Kitty — 7, 2, 16, 5 / 4, 0, 2, 6, 1, 5

Kutloanong SP — 41, 32, 20, 48, 44, 13 / 6, 6, 20, 6, 8, 13

Lake Veiw — 11, 8, 7, 6, 5, 5 / 1, 1, 4, 0, 0

Matjhabeng NU — 2, 2, 2, 2 / 1, 0, 1, 0, 0

Meloding SP — 34, 13, 6, 11, 15, 6, 2 / 4, 3, 5, 8, 4

Merriespruit — 30, 17, 18, 22, 17, 27, 17 / 1, 5, 4, 0, 2

Merriespruit Gold Mine — 0, 0, 0 / 0

Mimosa Park — 6, 3, 7, 4, 5, 4 / 0, 0, 0, 0, 0

Mmamahabane SP

Naudeville — 63, 48, 43, 88, 42, 68 / 13, 0, 3, 21, 62, 41

Ou Dorp — 50, 34, 33, 23, 33, 31 / 2, 2, 1, 1, 0, 2

Phathakahle SP — 1, 2, 1 / 0, 0

Philippi — 15, 21, 0, 25, 19, 13 / 1, 1, 0, 0, 0

Phomolong SP — 3, 2, 2, 2, 2 / 2, 0, 0, 0, 0

President Brand Gold Mine

Reitzpark — 38, 23, 21, 25, 25, 21 / 6, 1, 2, 2, 2, 0

Rheederpark — 31, 19, 21, 14, 13, 19, 7 / 4, 5, 2, 0, 0

Riebeeckstad SP — 221, 155, 195, 177, 162, 165 / 6, 7, 9, 4, 6, 8

Ross Kent North — 44, 24, 25, 30, 29, 34 / 5, 2, 2, 0, 1, 2

Ross Kent South — 8, 9, 11, 6, 13, 10 / 3, 1, 0, 0, 1, 1

Saaiplaas — 44, 28, 23, 16, 74, 77, 58, 20, 21 / 0

Sandania — 14, 13, 11, 10, 8, 9 / 0, 0, 0, 0, 1, 0

10.8 Market Activity amongst New and Repeat Sales

In Matjhabeng, several subplaces have experienced large volumes of activity, such as Morewag, Bedelia, Dagbreek and Riebeeckstad. The **growth and maturity of the subplace's individual housing market can often be detected by comparing the interaction between new and resale market transactions over time.** The growth of existing home sales (the orange line) indicates sustained interest of housing markets by borrowers and lenders.

Often, volumes of new homes in prior years become resales in later years. The understanding of how mining companies create new units helps one understand their existing and potential contribution to expanding the local housing economy.

Seemeeu Park — 9, 19, 24, 13, 22, 21 / 1, 0, 3, 2, 1, 1

St Helena — 74, 58, 50, 52, 68, 40 / 35, 4, 4, 1, 1, 3

St Helena Gold Mine

Thabong Ext1 — 4, 5, 3, 2 / 0, 0, 0, 0

Thabong Ext2 — 1, 1, 1, 1 / 0, 0, 0, 0

Thabong Ext3 — 7, 0, 0, 3, 1 / 0, 0, 0, 0, 1

Thabong Ext4 — 15, 7, 8, 3, 7, 3, 7, 1, 9 / 0, 4, 1

Thabong Ext5 — 26, 20, 17, 19, 12, 16 / 5, 4, 4, 3, 0, 1

Thabong Ext6 — 22, 8, 17, 5, 9, 12, 6, 7 / 6, 5, 5, 4, 3

Thabong Ext7 — 3, 2, 3, 2 / 0, 1, 1

Thabong Ext8 — 28, 0, 10, 13, 1, 10, 15 / 2, 0

Thabong Ext9 — 17, 29, 16, 18, 15 / 17, 5, 20, 15, 9, 9, 4, 5

Thabong Ext10 — 43, 20, 17, 14, 11, 7, 12 / 20, 8, 8, 8, 1

Thabong Ext11 — 1, 1 / 0, 0

Thabong Ext13 — 1, 3, 1, 1, 1 / 0, 0, 0

Thabong Ext14 — 1, 1, 2, 1, 3 / 0, 0, 0, 0

Thabong Ext15 — 3, 4, 3, 1 / 0, 0, 0

Thabong SP — 6, 5, 2, 4, 0, 1 / 0, 2, 3, 1, 1, 0

10.9 Total Sales by Property Value, Change from the Prior Year

This chart shows the change in activity for property sales (first two columns) and bonded property sales (third and fourth columns) from 2012 to 2013. It is possible to see important market shifts by comparing the change in activity within particular property markets from one year to the next.

Several subplaces have experienced an increase in both sales and bonds from 2012 – 2013, with only a few experiencing an increase in bonded sales over the same period. It is important to note that the highest increase in residential sales was in the under R250 000 value segment, however, there were no bonds associated with this value segment.

Suburbs with no information had no residential sales transactions in the past two years.

Market Activity: Total Sales and Change in Sales
Matjhabeng, 2012 - 2013
Change in residential and bonded sales

Subplace	Total Residential Sales	Change in Residential Sales	Total Bonded Residential Sales	Change in Bonded Residential Sales
Allanridge SP	29			-50%
Bedelia	63 60		42 38	
Bronville	14	40%	4 4	33%
Dagbreek	38 49	-100%	22 27	-50%
Doorn	34 12		18 6	-40% -45% -100%
Flamingo Park	72 25	92%	48 15	
Harmony	23 20		9 6	-65% -40%
Havengaville	1		1	
Hennenman SP	28	-67%	11	-82%
Hestersrus	2	100%	0	-100%
Jan Cilliers Park	11 33 13		8 25 8	
Jim Fouchepark	16 16		12 9	33%
Kitty	10	-41%	5	-64%
Kutloanong SP	14	-78%		-71%
Lake Veiw				200%
Matjhabeng NU		0%		
Meloding SP	6	-54%	3	200%
Merriespruit	9 10		5 5	-80%
Merriespruit Gold Mine	0		0	
Mimosa Park	4	0%	1	-50%
Naudeville	73 36		34 14	
Ou Dorp	28		9	
Phathakahle SP	1		0	
Philippi	9			-50% 50%
Reitzpark	20	-100%	12	-20%
Rheederpark		-71%	4	33%
Riebeeckstad SP	141 22		4 92 11	-45%
Ross Kent North	33	200%	12	
Ross Kent South	11	0%	5	-29%
Saaiplaas	21 19		9	-94%
Sandania	8	0%		-60%
Seemeeu Park	20	100%	13	0%
St Helena	20 17	-80%	4 10 9	-50% -67%
Thabong Ext1	2	-33%	0	-100%
Thabong Ext2	1		0	
Thabong Ext4	9			-75%
Thabong Ext5	7 9	600%	4 6	-50%
Thabong Ext6	7			-50%
Thabong Ext8	12			
Thabong Ext9	6	-73%		-75%
Thabong Ext10	11	-27%	4	33%
Thabong Ext11	1		0	
Thabong Ext13	1	0%	0	
Thabong Ext14	3	200%	0	
Thabong SP	1	0%	0	
Thabong SP2	1	-67%	0	
Thabong SP3	5	150%	0	
Thelma				
Ventersburg SP	17	100%		-100%
Virginia SP	35 34		20 13	-48% -67%
Voorspoed		-100%		
Welkom Central	9			-63% 100%
Western Holdings Gold Mine	2	0%	0	

Total Residential Sales (0, 50, 100, 150) | Change in Residential Sales (-200%, 0%, 200%, 400%, 600%) | Total Bonded Residential Sales (0, 20, 40, 60, 80, 100) | Change in Bonded Residential Sales (-200%, -100%, 0%, 100%, 200%)

Source: *SA Deeds Registry via Lightstone (Pty) Ltd., 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Property Value Segment
- Between R250k - R500k
- Between R500k - R1.2M
- Over R1.2M
- Under R250k

10.10 Change in New and Repeat Sales

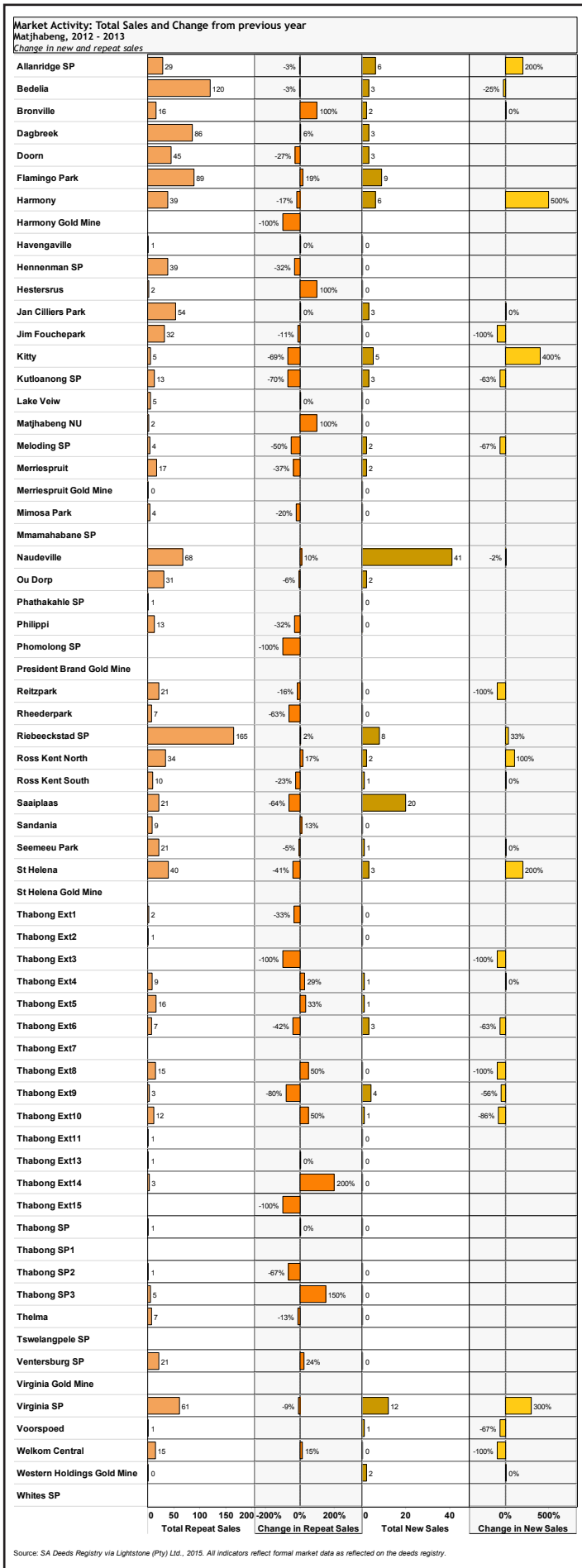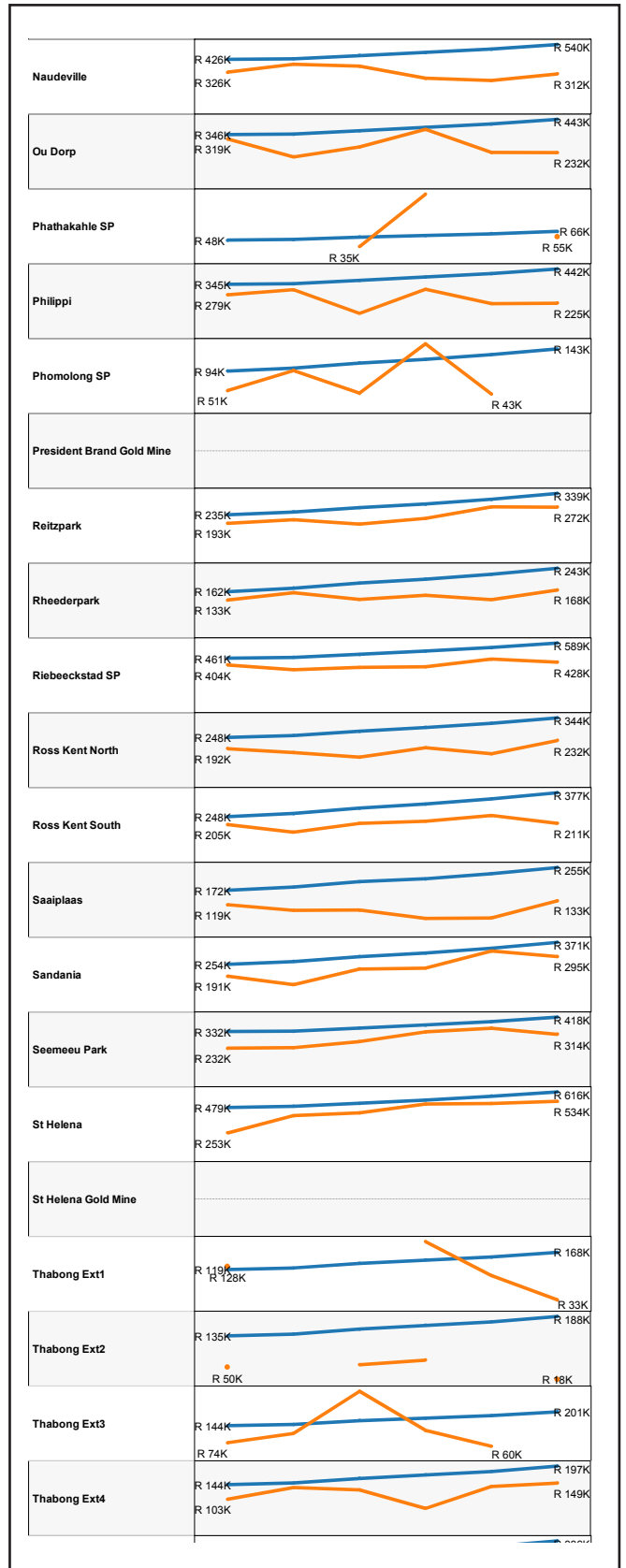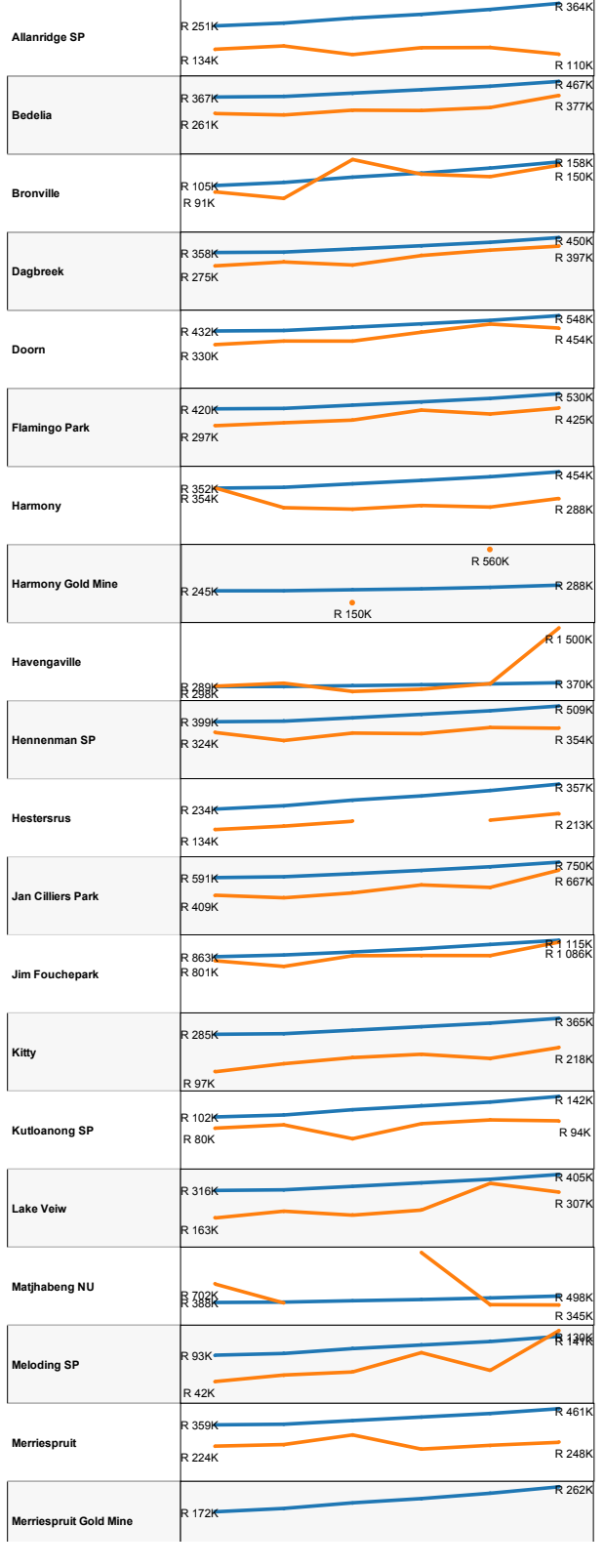**This chart shows the specific rate of activity of new and repeat sales from 2012 to 2013.** As seen before, new sales are evident throughout the municipality.

Many of these developments built by the Government are heading into their 8th year and become eligible for resale by their owners. By understanding when those units come on line for resale, Government can align policies that encourage the sale and **development nearby, which can help leverage that prior investment, expand housing options and stimulate movement up the next rung on the housing ladder. Resales are an important means of recycling existing homes to make available more housing options.**

Suburbs with no information had no residential sales in the past two years.

Market Activity: Total Sales and Change from previous year
Matjhabeng, 2012 - 2013
Change in new and repeat sales

Suburb	Total Repeat Sales	Change in Repeat Sales	Total New Sales	Change in New Sales
Allanridge SP	29	-3%	6	200%
Bedelia	120	-3%	3	-25%
Bronville	16	100%	2	0%
Dagbreek	86	6%	3	
Doorn	45	-27%	3	
Flamingo Park	89	19%	9	
Harmony	39	-17%	6	500%
Harmony Gold Mine		-100%		
Havengaville	1	0%	0	
Hennenman SP	39	-32%	0	
Hestersrus	2	100%	0	
Jan Cilliers Park	54	0%	3	0%
Jim Fouchepark	32	-11%	0	-100%
Kitty	5	-69%	5	400%
Kutloanong SP	13	-70%	3	-63%
Lake Veiw	5	0%	0	
Matjhabeng NU	2	100%	0	
Meloding SP	4	-50%	2	-67%
Merriespruit	17	-37%	2	
Merriespruit Gold Mine	0		0	
Mimosa Park	4	-20%	0	
Mmamahabane SP				
Naudeville	68	10%	41	-2%
Ou Dorp	31	-6%	2	
Phathakahle SP	1		0	
Philippi	13	-32%	0	
Phomolong SP		-100%		
President Brand Gold Mine				
Reitzpark	21	-16%	0	-100%
Rheederpark	7	-63%	0	
Riebeeckstad SP	165	2%	8	33%
Ross Kent North	34	17%	2	100%
Ross Kent South	10	-23%	1	0%
Saaiplaas	21	-64%	20	
Sandania	9	13%	0	
Seemeeu Park	21	-5%	1	0%
St Helena	40	-41%	3	200%
St Helena Gold Mine				
Thabong Ext1	2	-33%	0	
Thabong Ext2	1		0	
Thabong Ext3		-100%		-100%
Thabong Ext4	9	29%	1	0%
Thabong Ext5	16	33%	1	
Thabong Ext6	7	-42%	3	-63%
Thabong Ext7				
Thabong Ext8	15	50%	0	-100%
Thabong Ext9	3	-80%	4	-56%
Thabong Ext10	12	50%	1	-86%
Thabong Ext11	1		0	
Thabong Ext13	1	0%	0	
Thabong Ext14	3	200%	0	
Thabong Ext15		-100%		
Thabong SP	1	0%	0	
Thabong SP1				
Thabong SP2	1	-67%	0	
Thabong SP3	5	150%	0	
Thelma	7	-13%	0	
Tswelangpele SP				
Ventersburg SP	21	24%	0	
Virginia Gold Mine				
Virginia SP	61	-9%	12	300%
Voorspoed	1		1	-67%
Welkom Central	15	15%	0	-100%
Western Holdings Gold Mine	0		2	0%
Whites SP				

Source: SA Deeds Registry via Lightstone (Pty) Ltd., 2015. All indicators reflect formal market data as reflected on the deeds registry.

Market Activity: Average Property Values and Sales Prices
Matjhabeng, 2007 - 2013
Property value and sales price by suburb

Suburb	Property value and sales price chart
Allanridge SP	R 251K → R 364K; R 134K → R 110K
Bedelia	R 367K → R 467K / R 377K; R 261K
Bronville	R 105K → R 158K / R 150K; R 91K
Dagbreek	R 358K → R 450K / R 397K; R 275K
Doorn	R 432K → R 548K / R 454K; R 330K
Flamingo Park	R 420K → R 530K / R 425K; R 297K
Harmony	R 352K / R 354K → R 454K / R 288K
Harmony Gold Mine	R 560K; R 245K → R 288K; R 150K
Havengaville	R 1 500K; R 288K / R 298K → R 370K
Hennenman SP	R 399K → R 509K / R 354K; R 324K
Hestersrus	R 234K → R 357K; R 134K → R 213K
Jan Cilliers Park	R 591K → R 750K / R 667K; R 409K
Jim Fouchepark	R 863K / R 801K → R 1 115K / R 1 086K
Kitty	R 285K → R 365K; R 97K → R 218K
Kutloanong SP	R 102K → R 142K; R 80K → R 94K
Lake Veiw	R 316K → R 405K / R 307K; R 163K
Matjhabeng NU	R 702K / R 388K → R 498K / R 345K
Meloding SP	R 93K → R 139K / R 141K; R 42K
Merriespruit	R 359K → R 461K; R 224K → R 248K
Merriespruit Gold Mine	R 172K → R 262K

Suburb	Property value and sales price chart
Naudeville	R 426K → R 540K; R 326K → R 312K
Ou Dorp	R 346K / R 319K → R 443K / R 232K
Phathakahle SP	R 48K → R 66K; R 35K → R 55K
Philippi	R 345K → R 442K; R 279K → R 225K
Phomolong SP	R 94K → R 143K; R 51K → R 43K
President Brand Gold Mine	
Reitzpark	R 235K → R 339K; R 193K → R 272K
Rheederpark	R 162K → R 243K; R 133K → R 168K
Riebeeckstad SP	R 461K → R 589K; R 404K → R 428K
Ross Kent North	R 248K → R 344K; R 192K → R 232K
Ross Kent South	R 248K → R 377K; R 205K → R 211K
Saaiplaas	R 172K → R 255K; R 119K → R 133K
Sandania	R 254K → R 371K; R 191K → R 295K
Seemeeu Park	R 332K → R 418K; R 232K → R 314K
St Helena	R 479K → R 616K / R 534K; R 253K
St Helena Gold Mine	
Thabong Ext1	R 119K / R 128K → R 168K; R 33K
Thabong Ext2	R 135K → R 188K; R 50K → R 18K
Thabong Ext3	R 144K → R 201K; R 74K → R 60K
Thabong Ext4	R 144K → R 197K / R 149K; R 103K

Source: *SA Deeds Registry via Lightstone (Pty) Ltd., 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Measure Names
■ Avg Property Value
■ Avg Sales Price

10.11 Average Property Values and Sales Price

The relationship between local sales prices (orange lines) and average property values (blue lines) can tell much about the activity and integration of supply and demand. Every house in a suburb has a value, determined by the number of sales, changes in prices, churn (repeat sales) and other factors present in a robust housing market. Only houses that have been sold have sales prices but this lowers the value of homes in markets with fewer sales.

As markets formalise and strengthen, these trends inform each other more effectively and the trend lines become almost parallel over time (such as Bedelia, Dagbreek, Doorn and Flamingo Park). Although sales prices have fluctuated, **almost all the subplaces in the municipality have consistently sold below their value.**

Sales prices in affordable areas more often reflect access to credit, than interest in the neighbourhood.
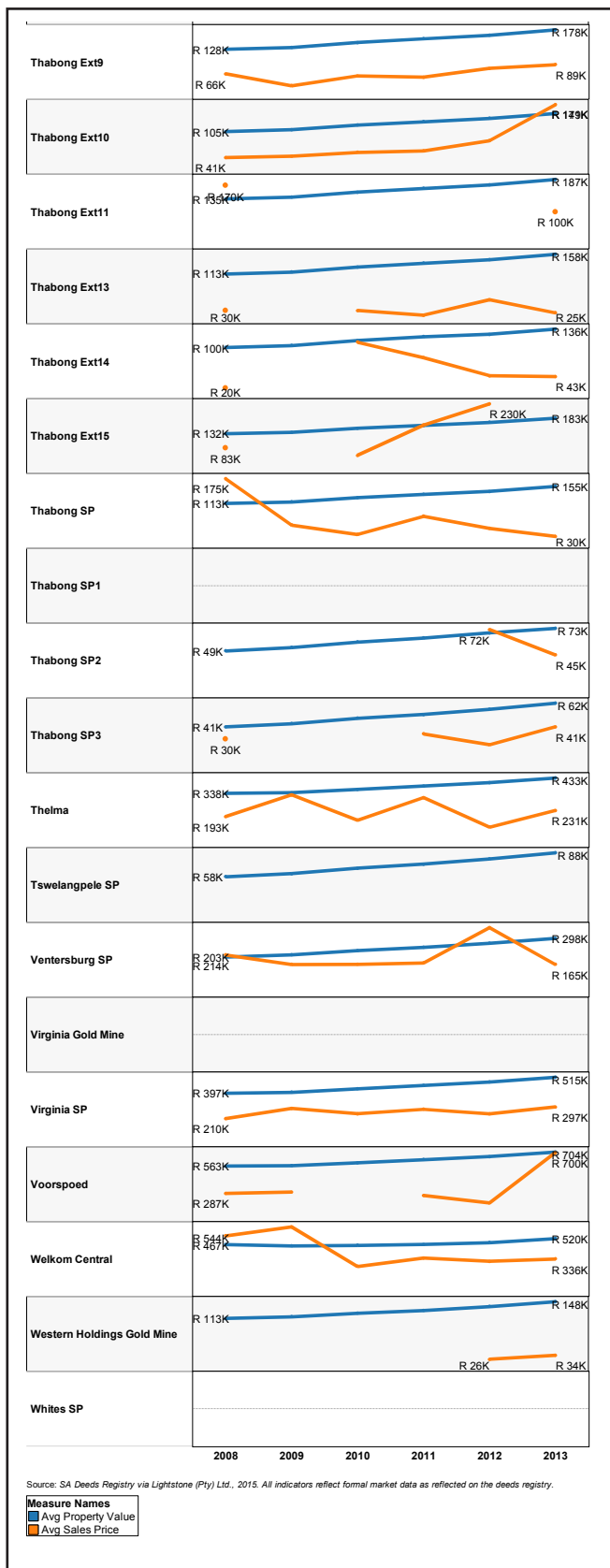
11. Lending Activity

11.1 Key Findings

Lending is dispersed throughout Matjhabeng, by area and loan size. Although bonded sales are almost entirely concentrated in housing and sales over R250 000, those loans are predominantly concentrated in one central area in the municipality. The share of lending by each of the four major banks in the Country and other lenders increased incrementally from 2008 – 2013; the increase in lending by other lenders may be due to increased mining activity requiring expanded staff deployment, or to make up for the lack of lending growth by the existing institutions.

11.12 Policy Implications

Policies and programmes should **target expanding access to credit, including the creation of new funds, with broader investment guidelines and possibilities and small loan programmes** with which to make financing more accessible to lower-income households. Loans to entice the development of more middle market housing would create more integrated markets.

Programmes should also make creative financing available for rental projects.

11.3 Quick Definitions:

Lending Activity: the performance of key lending indicators over time, such as bond volume, new loans and bonded sales, by lending institution.

Portfolio Size: the total number and value of loans given out by particular lending institutions in the study area

Property Value Segment: in order to better understand the performance of housing markets, data has been aggregated into four property value bands: properties valued under R250 000; between R250 000 and R500 000; between R500 000 and R1.2 million and over R1.2 million. This helps one to understand the various trends and strengths inherent in each segment and to see how properties are integrating across the housing continuum, especially over time.

Residential Bond: a loan made for the intention of acquiring a property, which is secured by the title to the property. These are determined by the property address and the timing with which bonds and sales transactions are recorded on the deeds registry.
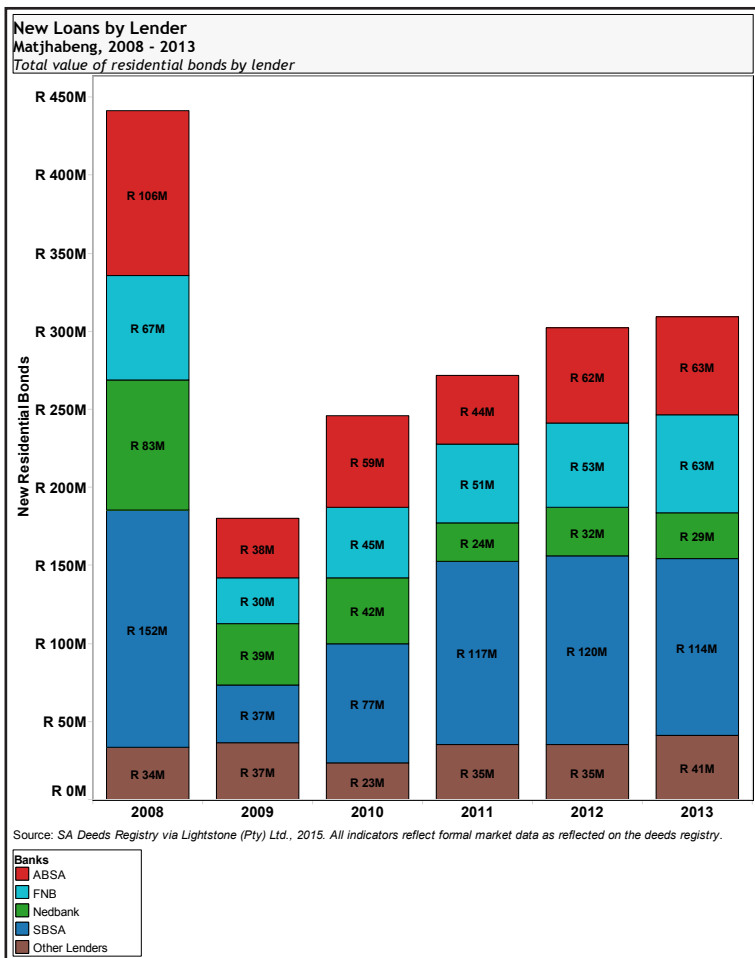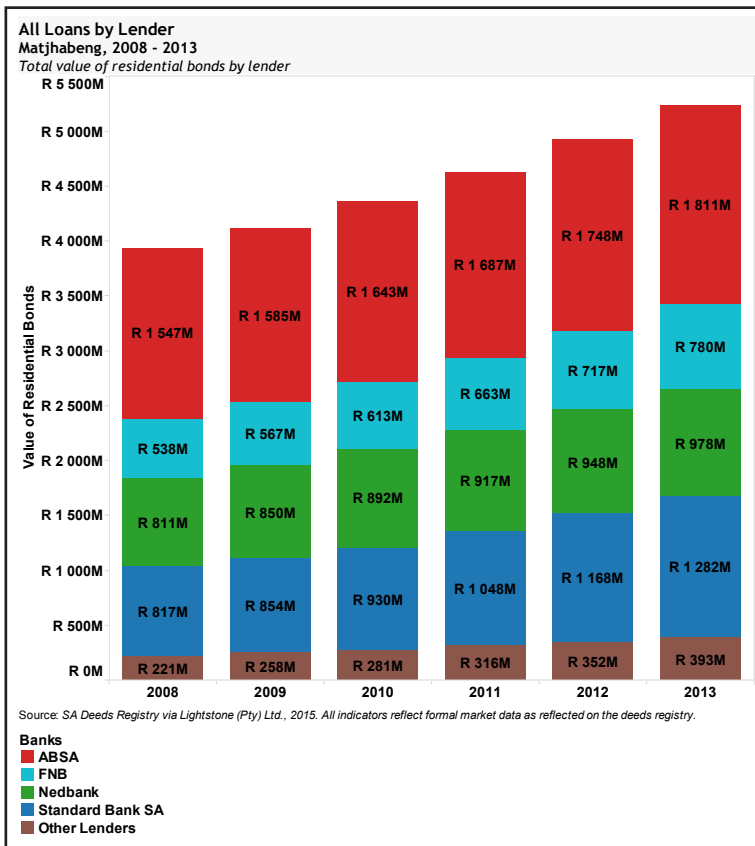
All Loans by Lender
Matjhabeng, 2008 - 2013
Total value of residential bonds by lender

Source: *SA Deeds Registry via Lightstone (Pty) Ltd., 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Banks
- ABSA
- FNB
- Nedbank
- Standard Bank SA
- Other Lenders

New Loans by Lender
Matjhabeng, 2008 - 2013
Total value of residential bonds by lender

Source: *SA Deeds Registry via Lightstone (Pty) Ltd., 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Banks
- ABSA
- FNB
- Nedbank
- SBSA
- Other Lenders

11.4 Lending Over Time

Loan data taken from the deeds registry can provide lending activity by lender, which has grown consistently in the area. By comparing the top chart (all loans held by each lender) and the bottom chart (activity by lender per year) it is possible to note that, while the lending in the area has consistently grown, the amount per year varies from lender to lender. As an example, annual lending has increased incrementally among all lenders between 2008 and 2013.

Of note has been the infusion of other lenders into the area; from 2008 – 2013 **lending activity by other lenders has increased incrementally over this period.**

This is most often employer-assisted lending, primarily from companies providing home loan benefits to their employees. The lending may reflect increased mining activity, requiring staff deployment in the area.

The following charts explore lending by bank by suburb to understand more specifically where bank investment has been made by suburb and what that may mean about financing availability for various development sites and scenarios.

New Loans by Lender Matjhabeng, 2008 - 2013 *The value of new bonds by lender by suburb over time*						
				Matjhabeng		
		ABSA	**FNB**	**Nedbank**	**Standard Bank**	**Other Lenders**
Allanridge SP	2008	R 3,286,926	R 564,000	R 111,517	R 923,300	R 2,813,728
	2009	R 1,046,500	R 882,000	R 0	R 0	R 3,464,862
	2010	R 570,000	R 160,000	R 0	R 78,000	R 387,000
	2011	R 109,000	R 130,000	R 0	R 955,000	R 430,000
	2012	R 234,000	R 100,000	R 205,700	R 1,079,100	R 0
	2013	R 250,000	R 368,800	R 0	R 660,800	R 0
Bedelia	2008	R 6,872,000	R 5,392,555	R 5,186,948	R 8,146,020	R 1,923,980
	2009	R 2,522,300	R 3,109,500	R 2,850,500	R 2,850,500	R 2,469,091
	2010	R 8,489,000	R 5,811,250	R 4,646,034	R 8,026,000	R 2,335,448
	2011	R 3,166,250	R 2,653,000	R 2,134,333	R 13,603,500	R 2,182,880
	2012	R 8,364,025	R 3,964,750	R 4,507,354	R 9,791,000	R 2,073,000
	2013	R 3,681,500	R 9,171,750	R 666,902	R 14,065,800	R 4,570,000
Bronville	2008	R 130,000	R 368,680	R 503,703	R 577,291	R 294,877
	2009	R 0	R 120,000	R 108,000	R 0	R 120,579
	2010	R 120,000	R 50,000	R 0	R 1,377,000	R 0
	2011	R 400,000	R 475,000	R 200,000	R 753,500	R 0
	2012	R 187,000	R 180,000	R 0	R 180,000	R 0
	2013	R 0	R 539,000	R 506,400	R 790,200	R 0
Dagbreek	2008	R 8,736,614	R 6,843,163	R 4,404,850	R 11,328,600	R 2,580,270
	2009	R 1,502,400	R 2,280,000	R 2,296,550	R 2,542,500	R 1,827,937
	2010	R 3,924,500	R 4,770,500	R 2,013,446	R 5,524,960	R 1,640,000
	2011	R 2,246,000	R 2,650,000	R 2,714,271	R 10,582,752	R 4,020,000
	2012	R 2,605,000	R 3,219,882	R 2,650,551	R 8,283,900	R 1,463,000
	2013	R 6,060,800	R 5,854,100	R 1,624,400	R 6,439,600	R 1,427,500
Doorn	2008	R 3,615,387	R 2,085,428	R 6,653,827	R 5,949,049	R 1,937,561
	2009	R 1,943,000	R 895,000	R 894,973	R 1,261,000	R 1,342,217
	2010	R 3,675,000	R 2,897,500	R 2,569,424	R 3,098,700	R 1,176,497
	2011	R 3,004,550	R 1,616,000	R 842,059	R 5,947,560	R 3,180,000
	2012	R 3,158,000	R 3,703,000	R 416,158	R 7,614,000	R 1,505,000
	2013	R 2,433,000	R 2,253,000	R 1,327,700	R 4,081,400	R 790,000
Flamingo Park	2008	R 6,290,600	R 4,321,608	R 4,670,475	R 6,214,500	R 1,071,607
	2009	R 1,557,000	R 1,703,650	R 1,354,678	R 738,000	R 1,233,912
	2010	R 3,238,000	R 3,612,400	R 1,282,573	R 8,421,400	R 981,975
	2011	R 1,915,000	R 4,736,000	R 1,994,279	R 8,471,900	R 3,490,000
	2012	R 4,358,400	R 2,648,840	R 4,670,475	R 8,604,700	R 2,540,000
	2013	R 5,697,700	R 4,808,200	R 2,243,400	R 12,017,900	R 3,210,000
Harmony	2008	R 3,768,200	R 2,567,013	R 1,470,114	R 2,661,150	R 1,451,000
	2009	R 1,880,500	R 515,000	R 253,705	R 1,186,420	R 370,000
	2010	R 1,356,250	R 475,000	R 0	R 1,663,750	R 290,000
	2011	R 1,733,000	R 597,500	R 0	R 1,692,800	R 0
	2012	R 2,544,770	R 1,326,250	R 132,000	R 1,725,300	R 410,000
	2013	R 1,525,000	R 1,580,800	R 0	R 2,298,710	R 1,590,000
Harmony Gold Mine	2008	R 0	R 0	R 0		R 250,000
	2009	R 0	R 0	R 403,420		R 0
	2010	R 128,000	R 0	R 0		R 0
	2011	R 0	R 0	R 0		R 0
	2012	R 900,000	R 0	R 0		R 0
	2013	R 0	R 0	R 0		R 0
Havengaville	2008	R 0	R 268,286	R 0	R 261,000	
	2009	R 0	R 0	R 0	R 324,000	
	2010	R 0	R 0	R 272,987	R 0	
	2011	R 0	R 0	R 0	R 0	
	2012	R 0	R 0	R 272,987	R 0	
	2013	R 0	R 0	R 0	R 1,000,000	
Hennenman SP	2008	R 4,695,226	R 2,016,557	R 798,106	R 3,479,100	R 1,104,000
	2009	R 1,281,250	R 973,900	R 1,427,122	R 1,940,400	R 770,000
	2010	R 2,129,000	R 1,466,000	R 862,122	R 1,947,000	R 538,351
	2011	R 1,988,000	R 3,038,435	R 424,492	R 1,645,500	R 990,000
	2012	R 3,439,000	R 1,135,000	R 850,000	R 4,821,400	R 1,040,000
	2013	R 993,000	R 650,000	R 0	R 960,000	R 1,420,000
Hestersrus	2008	R 75,000	R 295,295	R 347,400	R 362,800	R 537,027
	2009	R 0	R 0	R 0	R 0	R 217,101
	2010	R 0	R 180,000	R 389,000	R 0	R 320,000
	2011	R 0	R 0	R 0	R 0	R 0
	2012	R 0	R 565,000	R 0	R 0	R 0
	2013	R 0	R 0	R 0	R 0	R 0
Jan Cilliers Park	2008	R 2,431,000	R 2,961,211	R 5,865,651	R 5,431,400	R 390,342
	2009	R 2,547,500	R 1,196,200	R 2,226,055	R 2,614,750	R 1,105,000
	2010	R 3,797,000	R 2,157,000	R 2,770,021	R 5,568,500	R 560,000
	2011	R 3,301,687	R 2,177,500	R 0	R 7,990,500	R 4,512,500
	2012	R 1,838,000	R 4,378,500	R 1,342,971	R 7,444,500	R 2,800,000
	2013	R 4,299,000	R 6,091,000	R 2,025,700	R 12,618,916	R 2,010,000
Jim Fouchepark	2008	R 6,935,000	R 7,508,186	R 10,238,217	R 3,551,450	R 2,278,358
	2009	R 1,242,000	R 0	R 6,033,654	R 1,375,000	R 837,027
	2010	R 2,084,200	R 1,925,000	R 8,612,576	R 2,390,000	R 1,431,800
	2011	R 2,632,500	R 6,055,000	R 900,000	R 4,405,000	R 3,510,000
	2012	R 2,175,000	R 2,295,000	R 7,607,100	R 7,426,000	R 8,600,000
	2013	R 8,657,500	R 1,380,000	R 10,700,000	R 4,226,500	R 5,830,000
Kitty	2008	R 1,388,500	R 300,000	R 307,184	R 0	R 0
	2009	R 120,000	R 200,000	R 0	R 230,000	R 238,990
	2010	R 181,000	R 284,000	R 0	R 730,000	R 0
	2011	R 497,000	R 427,000	R 0	R 470,000	R 0
	2012	R 335,000	R 1,441,000	R 0	R 1,446,500	R 120,000
	2013	R 430,000	R 0	R 118,700	R 2,020,740	R 340,000
Kutloanong SP	2008	R 602,600	R 603,285	R 382,758	R 878,200	R 255,105
	2009	R 0	R 683,400	R 185,006	R 210,000	R 613,267
	2010	R 89,000	R 440,000	R 0	R 198,000	R 0
	2011	R 0	R 575,000	R 154,280	R 683,000	R 0
	2012	R 492,000	R 630,000	R 200,000	R 1,136,200	R 0
	2013	R 275,000	R 0	R 0	R 523,500	R 280,000
Lake Veiw	2008	R 358,000	R 273,000	R 883,206	R 518,400	R 0
	2009	R 0	R 0	R 151,995	R 650,750	R 79,054
	2010	R 0	R 260,000	R 0	R 130,000	R 450,000
	2011	R 0	R 0	R 0	R 304,200	R 0
	2012	R 456,000	R 0	R 0	R 383,000	R 0
	2013	R 0	R 635,000	R 0	R 642,000	R 0
Matjhabeng NU	2008	R 430,000	R 0	R 0	R 900,000	R 0
	2009	R 0	R 0	R 0	R 0	R 0
	2010	R 0	R 0	R 0	R 0	R 0
	2011	R 0	R 0	R 1,630,000	R 1,882,500	R 0
	2012	R 0	R 0	R 0	R 0	R 0
	2013	R 288,000	R 0	R 0	R 0	R 0
Meloding SP	2008	R 186,000	R 436,409	R 0	R 387,800	R 227,850
	2009	R 81,000	R 214,800	R 0	R 66,500	R 0
	2010	R 0	R 0	R 0	R 0	R 0
	2011	R 140,000	R 215,000	R 0	R 555,000	R 350,000
	2012	R 80,000	R 160,000	R 0	R 0	R 0
	2013	R 162,000	R 435,642	R 0	R 0	R 0

11.5 New Loans by Lender

As markets shift, different lenders respond in different ways. These maps show the previous bar charts on a map. The first chart -all loans by lender – is represented on the top map. All loans made last year – the second chart – is shown on the lower map. **By comparing the two maps, it's possible to see where lenders invested loans in the last year (pies in the bottom map) and how that has changed from their overall portfolio in that suburb (pies in the top map).**

Non-traditional lenders, such as private equity funds and employer lenders, have more flexible regulatory environments and more creative, competitive financing tools. It will be important for Government to engage these investors as well to ease access to credit, lower costs of financing and share in the commitment towards growing housing markets in the mining towns.

Left column

Area	Year	ABSA	FNB	Nedbank	Standard Bank	Other Lenders
Merriespruit	2008	R 2,421,050	R 322,222	R 2,416,582	R 2,184,700	R 113,700
	2009	R 505,000	R 190,000	R 271,905	R 420,000	R 833,995
	2010	R 800,000	R 350,000	R 0	R 2,289,890	R 750,000
	2011	R 390,397	R 335,000	R 0	R 731,600	R 1,190,000
	2012	R 1,307,350	R 652,000	R 505,700	R 2,348,000	R 190,000
	2013	R 275,700	R 1,312,500	R 0	R 543,000	R 430,000
Merriespruit Gold Mine	2008	R 0	R 0	R 0	R 0	R 0
	2009	R 0	R 0	R 0	R 0	R 0
	2010	R 0	R 0	R 0	R 0	R 0
	2011	R 0	R 0	R 0	R 0	R 0
	2012	R 0	R 0	R 0	R 0	R 0
	2013	R 0	R 0	R 0	R 0	R 0
Mimosa Park	2008	R 0	R 450,000	R 0	R 936,400	R 74,000
	2009	R 150,000	R 0	R 372,244	R 0	R 0
	2010	R 419,000	R 0	R 0	R 0	R 430,000
	2011	R 0	R 0	R 0	R 0	R 300,000
	2012	R 380,000	R 0	R 0	R 426,400	R 460,000
	2013	R 0	R 0	R 0	R 396,000	R 0
Naudeville	2008	R 3,215,000	R 1,893,301	R 3,993,236	R 5,466,600	R 2,269,965
	2009	R 2,028,500	R 560,000	R 4,052,615	R 2,036,000	R 960,160
	2010	R 3,370,000	R 844,300	R 1,336,095	R 3,191,250	R 1,170,000
	2011	R 2,633,000	R 1,884,250	R 1,707,569	R 7,309,891	R 1,800,000
	2012	R 3,455,200	R 4,090,000	R 1,950,400	R 3,403,000	R 1,600,000
	2013	R 4,564,000	R 3,408,750	R 1,025,000	R 8,633,100	R 3,880,000
Ou Dorp	2008	R 3,833,700	R 2,263,200	R 2,809,067	R 3,128,728	R 960,000
	2009	R 924,000	R 849,900	R 550,787	R 650,000	R 1,323,679
	2010	R 1,192,000	R 380,000	R 906,037	R 1,260,300	R 990,000
	2011	R 935,000	R 1,021,737	R 1,189,911	R 1,230,000	R 1,140,000
	2012	R 1,308,330	R 0	R 0	R 2,699,000	R 0
	2013	R 885,200	R 1,005,000	R 0	R 1,316,700	R 1,580,000
Phathakahle SP	2008	R 0	R 0	R 0		R 0
	2009	R 0	R 127,200	R 0		R 343,629
	2010	R 0	R 0	R 0		R 0
	2011	R 0	R 0	R 0		R 0
	2012	R 0	R 0	R 0		R 0
	2013	R 0	R 0	R 0		R 0
Philippi	2008	R 1,616,380	R 477,000	R 345,600	R 656,000	R 369,394
	2009	R 2,296,000	R 0	R 1,212,222	R 0	R 400,000
	2010	R 255,000	R 161,000	R 0	R 0	R 0
	2011	R 293,000	R 1,417,250	R 364,013	R 1,809,000	R 0
	2012	R 793,500	R 517,500	R 0	R 291,200	R 100,000
	2013	R 728,000	R 1,015,000	R 0	R 620,000	R 0
Phomolong SP	2008	R 58,700	R 0	R 0	R 434,800	R 0
	2009	R 0	R 192,000	R 0	R 0	R 0
	2010	R 0	R 0	R 0	R 0	R 0
	2011	R 0	R 308,360	R 0	R 0	R 0
	2012	R 0	R 0	R 0	R 0	R 0
	2013	R 0	R 0	R 0	R 0	R 0
Reitzpark	2008	R 1,601,000	R 1,777,061	R 1,744,061	R 1,412,000	R 740,000
	2009	R 110,500	R 510,000	R 487,000	R 680,300	R 1,851,471
	2010	R 535,000	R 632,000	R 160,000	R 730,500	R 615,681
	2011	R 785,000	R 955,000	R 402,736	R 1,765,900	R 450,000
	2012	R 629,650	R 1,864,000	R 0	R 1,423,000	R 0
	2013	R 1,590,000	R 1,172,500	R 0	R 1,515,100	R 0
Rheederpark	2008	R 1,037,644	R 290,188	R 1,813,473	R 275,000	R 200,727
	2009	R 1,030,750	R 1,117,807	R 222,504	R 548,000	R 778,300
	2010	R 680,000	R 150,000	R 120,753	R 393,000	R 250,000
	2011	R 0	R 180,000	R 0	R 551,500	R 370,000
	2012	R 41,601	R 0	R 0	R 541,400	R 0
	2013	R 99,000	R 515,000	R 0	R 476,800	R 60,000
Riebeeckstad SP	2008	R 21,020,203	R 8,079,132	R 12,916,855	R 23,663,130	R 4,506,793
	2009	R 7,737,750	R 6,628,870	R 7,153,423	R 6,277,450	R 6,267,746
	2010	R 10,446,240	R 7,213,500	R 8,566,692	R 16,194,900	R 3,280,000
	2011	R 8,580,600	R 6,537,000	R 5,492,597	R 20,993,200	R 6,070,000
	2012	R 9,385,500	R 10,613,500	R 3,831,100	R 25,923,500	R 5,095,000
	2013	R 8,332,800	R 11,000,700	R 2,196,200	R 21,810,700	R 8,217,000
Ross Kent North	2008	R 1,794,000	R 980,408	R 2,469,949	R 2,889,800	R 629,884
	2009	R 979,000	R 202,000	R 0	R 386,442	R 1,772,458
	2010	R 191,000	R 470,000	R 1,399,549	R 0	R 400,000
	2011	R 470,000	R 856,000	R 756,080	R 1,008,000	R 0
	2012	R 884,000	R 1,029,000	R 77,902	R 1,226,000	R 0
	2013	R 550,000	R 1,109,030	R 0	R 1,330,400	R 630,000
Ross Kent South	2008	R 1,319,200	R 0	R 302,400	R 420,000	R 290,000
	2009	R 0	R 0	R 0	R 0	R 534,210
	2010	R 204,000	R 250,000	R 241,271	R 782,300	R 0
	2011	R 0	R 225,000	R 0	R 265,500	R 0
	2012	R 588,500	R 451,500	R 0	R 1,271,000	R 310,000
	2013	R 0	R 790,000	R 0	R 420,000	R 0
Saaiplaas	2008	R 2,721,000	R 1,519,170	R 1,907,825		R 832,338
	2009	R 707,410	R 943,850	R 282,736	R 670,400	R 165,585
	2010	R 685,000	R 1,596,600	R 502,371	R 594,000	R 150,000
	2011	R 1,070,000	R 311,000	R 0	R 1,128,500	R 300,000
	2012	R 50,000	R 0	R 303,570	R 0	
	2013	R 210,000	R 292,000	R 480,000	R 2,050,000	
Sandania	2008	R 493,000	R 250,000	R 1,116,102	R 235,000	R 0
	2009	R 0	R 346,000	R 109,756	R 502,000	R 179,275
	2010	R 245,000	R 657,000	R 0	R 583,500	R 860,000
	2011	R 0	R 172,000	R 0	R 1,274,000	R 0
	2012	R 1,357,500	R 0	R 0	R 690,000	R 0
	2013	R 0	R 0	R 0	R 555,000	R 0
Seemeeu Park	2008	R 0	R 265,000	R 0	R 485,000	R 250,000
	2009	R 839,000	R 261,250	R 853,154	R 0	R 539,515
	2010	R 569,500	R 980,000	R 387,000	R 1,413,000	R 430,000
	2011	R 888,000	R 1,265,000	R 240,000	R 1,735,000	R 0
	2012	R 350,000	R 120,000	R 998,400	R 3,092,760	R 310,000
	2013	R 350,000	R 1,011,200	R 252,000	R 1,941,000	R 925,000
St Helena	2008	R 8,492,000	R 2,112,192	R 2,681,737	R 6,200,250	R 538,649
	2009	R 914,500	R 945,308	R 2,531,758	R 350,000	R 1,104,768
	2010	R 4,585,000	R 215,000	R 2,838,623	R 2,812,900	R 280,000
	2011	R 3,255,000	R 2,716,000	R 2,360,000	R 7,870,800	R 420,000
	2012	R 4,266,700	R 3,530,000	R 880,000	R 8,333,000	R 5,187,500
	2013	R 2,859,500	R 2,149,000	R 3,595,700	R 2,196,200	R 2,657,920
Thabong Ext1	2008	R 0	R 0	R 0	R 270,000	R 245,000
	2009	R 0	R 194,400	R 0	R 0	R 0
	2010	R 0	R 0	R 0	R 0	R 0
	2011	R 0	R 140,000	R 0	R 150,000	R 0
	2012	R 0	R 110,000	R 0	R 0	R 0
	2013	R 0	R 0	R 0	R 0	R 0
Thabong Ext2	2008	R 0	R 0	R 0	R 0	R 0
	2009	R 0	R 0	R 0	R 0	R 0
	2010	R 0	R 0	R 0	R 0	R 0
	2011	R 0	R 0	R 0	R 0	R 0
	2012	R 0	R 0	R 0	R 0	R 0
	2013	R 0	R 0	R 0	R 0	R 0

Right column

Area	Year	ABSA	FNB	Nedbank	Standard Bank	Other Lenders
Thabong Ext3	2008	R 0	R 500,000	R 85,000	R 70,000	R 0
	2009	R 0	R 173,000	R 0	R 0	R 0
	2010	R 0	R 0	R 0	R 0	R 0
	2011	R 0	R 0	R 0	R 0	R 0
	2012	R 0	R 0	R 0	R 0	R 0
	2013	R 0	R 0	R 0	R 0	R 0
Thabong Ext4	2008	R 0	R 1,186,505	R 352,098	R 240,000	R 0
	2009	R 43,300	R 190,000	R 0	R 71,250	R 283,289
	2010	R 0	R 420,000	R 0	R 0	R 0
	2011	R 0	R 0	R 0	R 200,000	R 190,000
	2012	R 225,000	R 0	R 0	R 435,000	R 0
	2013	R 285,000	R 0	R 410,000	R 0	R 0
Thabong Ext5	2008	R 0	R 773,339	R 960,290	R 1,073,000	R 944,232
	2009	R 0	R 520,800	R 676,527	R 878,000	R 332,573
	2010	R 0	R 230,000	R 0	R 1,181,700	R 0
	2011	R 360,000	R 1,520,000	R 0	R 1,891,400	R 0
	2012	R 297,000	R 849,000	R 178,040	R 646,000	R 350,000
	2013	R 280,000	R 1,269,200	R 400,000	R 224,000	R 0
Thabong Ext6	2008	R 0	R 1,467,553	R 170,718	R 1,046,520	R 112,519
	2009	R 0	R 515,060	R 0	R 215,000	R 169,469
	2010	R 165,000	R 2,125,000	R 240,999	R 480,000	R 218,272
	2011	R 0	R 300,000	R 144,000	R 1,132,000	R 0
	2012	R 242,250	R 400,000	R 0	R 1,176,000	R 0
	2013	R 0	R 0	R 0	R 949,000	R 0
Thabong Ext7	2008	R 0	R 159,720	R 0	R 0	R 511,695
	2009	R 0	R 220,000	R 0	R 0	R 0
	2010	R 0	R 470,000	R 0	R 0	R 0
	2011	R 0	R 0	R 0	R 230,000	R 0
	2012	R 0	R 0	R 0	R 0	R 0
	2013	R 0	R 0	R 0	R 0	R 0
Thabong Ext8	2008	R 305,000	R 1,186,406	R 820,530	R 344,800	R 0
	2009	R 0	R 322,519	R 0	R 85,500	R 135,195
	2010	R 270,000	R 210,000	R 100,000	R 220,000	R 0
	2011	R 325,000	R 534,500	R 0	R 680,000	R 0
	2012	R 85,000	R 168,000	R 0	R 680,000	R 0
	2013	R 240,000	R 130,000	R 0	R 477,800	R 0
Thabong Ext9	2008	R 241,500	R 441,622	R 148,643	R 326,400	R 90,000
	2009	R 0	R 0	R 172,823	R 65,000	R 0
	2010	R 0	R 797,500	R 118,940	R 0	R 0
	2011	R 0	R 365,000	R 0	R 345,000	R 0
	2012	R 140,000	R 0	R 150,000	R 326,000	R 0
	2013	R 0	R 140,700	R 0	R 0	R 0
Thabong Ext10	2008	R 0	R 388,466	R 109,630	R 595,000	R 88,315
	2009	R 0	R 173,362	R 0	R 0	R 201,231
	2010	R 0	R 330,000	R 0	R 135,000	R 0
	2011	R 0	R 165,000	R 0	R 166,000	R 0
	2012	R 0	R 163,100	R 109,700	R 190,000	R 0
	2013	R 210,000	R 952,400	R 0	R 180,000	R 0
Thabong Ext11	2008				R 170,000	
	2009				R 0	
	2010				R 0	
	2011				R 0	
	2012				R 0	
	2013				R 0	
Thabong Ext13	2008			R 0	R 0	
	2009			R 0	R 0	
	2010			R 0	R 0	
	2011			R 0	R 0	
	2012			R 0	R 340,000	
	2013			R 0	R 0	
Thabong Ext14	2008		R 0			R 0
	2009		R 0			R 0
	2010		R 110,000			R 0
	2011		R 0			R 0
	2012		R 0			R 0
	2013		R 0			R 0
Thabong Ext15	2008	R 150,000	R 144,000	R 0	R 0	R 0
	2009	R 0	R 0	R 0	R 0	R 0
	2010	R 0	R 0	R 0	R 0	R 0
	2011	R 0	R 120,000	R 0	R 190,000	R 0
	2012	R 0	R 230,000	R 0	R 0	R 0
	2013	R 0	R 0	R 0	R 0	R 0
Thabong SP	2008	R 0	R 0	R 200,870	R 1,455,000	R 0
	2009	R 0	R 0	R 0	R 45,600	R 96,849
	2010	R 0	R 0	R 0	R 0	R 0
	2011	R 0	R 0	R 0	R 210,000	R 0
	2012	R 0	R 0	R 0	R 0	R 0
	2013	R 198,000	R 0	R 0	R 0	R 0
Thabong SP2	2008	R 0			R 0	
	2009	R 0			R 0	
	2010	R 0			R 0	
	2011	R 0			R 0	
	2012	R 0			R 0	
	2013	R 160,000			R 0	
Thelma	2008	R 0	R 113,500	R 340,899	R 1,243,309	R 365,000
	2009	R 80,000	R 322,800	R 290,782	R 585,000	R 405,638
	2010	R 182,000	R 135,000	R 329,168	R 140,000	R 0
	2011	R 0	R 380,000	R 340,000	R 140,000	R 0
	2012	R 360,000	R 200,000	R 0	R 280,000	R 0
	2013	R 500,000	R 0	R 315,000	R 150,000	R 0
Ventersburg SP	2008	R 1,721,000	R 505,000	R 412,542	R 965,000	R 0
	2009	R 309,500	R 550,000	R 312,907	R 142,500	R 175,000
	2010	R 315,000	R 553,000	R 0	R 1,080,000	R 240,000
	2011	R 0	R 268,000	R 0	R 120,000	R 0
	2012	R 365,000	R 0	R 320,700	R 870,000	R 450,000
	2013	R 250,000	R 69,000	R 0	R 315,000	R 0
Virginia SP	2008	R 3,776,500	R 618,445	R 2,963,013	R 2,837,909	R 2,384,306
	2009	R 2,562,000	R 546,190	R 746,061	R 2,390,282	R 2,621,578
	2010	R 3,443,000	R 1,731,252	R 714,248	R 3,378,400	R 1,394,593
	2011	R 1,567,000	R 2,322,300	R 459,110	R 3,995,396	R 450,000
	2012	R 3,557,440	R 1,143,250	R 1,114,700	R 3,610,300	R 480,000
	2013	R 4,799,600	R 1,823,000	R 1,234,838	R 4,388,500	R 970,000
Voorspoed	2008	R 0	R 0	R 280,000	R 550,000	R 0
	2009	R 0	R 0	R 0	R 0	R 450,000
	2010	R 0	R 0	R 0	R 0	R 0
	2011	R 0	R 200,000	R 0	R 0	R 0
	2012	R 0	R 0	R 300,000	R 0	R 0
	2013	R 0	R 0	R 0	R 0	R 0
Welkom Central	2008	R 465,000	R 1,870,000	R 969,418	R 39,051,800	R 0
	2009	R 990,000	R 735,000	R 267,198	R 3,729,000	R 0
	2010	R 255,400	R 526,115	R 550,000		R 1,696,000
	2011	R 1,050,000	R 760,000	R 0	R 1,087,200	R 0
	2012	R 350,000	R 0	R 358,973	R 0	R 280,000
	2013	R 555,000	R 0	R 0	R 840,000	R 0

Banks
- ABSA
- FNB
- Nedbank
- Standard Bank
- Other Lenders

Market Share by Lender: New Loans 2013
Matjhabeng, all new loans made, by suburb by lender, 2013

Source: *South African Deeds Registry via Lightstone (Pty) Ltd. All indicators reflect formal market data as reflected on the deeds registry.*

New Residential Bonds

○	0
	50
	100
	150

Lenders
- ABSA
- FNB
- Nedbank
- Standard Bank
- Other Lenders

Market Share by Lender: All Residential Bonds
Matjhabeng, all loans, by suburb by lender, through 2013

Source: *South African Deeds Registry via Lightstone (Pty) Ltd. All indicators reflect formal market data as reflected on the deeds registry.*

Total Residential Bonds

○	0
	1000
	2000
	3000
	4000
	≥ 5000

Lenders
- ABSA
- FNB
- Nedbank
- Standard Bank
- Other Lenders

11.6 Market Share

The understanding of market share at the local level is key to understanding the potential for end-user finance, where gaps might exist and how to make the case for more lending. It is interesting that there has been consistent lending activity throughout all the subplaces in Matjhabeng between 2008 and 2013. Lending is scattered throughout the municipality, however, the largest volume of lending is visible in the central part of Matjhabeng where the highest concentration of residential properties are located.

Comparing lending over time and by suburb also shows which lenders perceive value or risk.
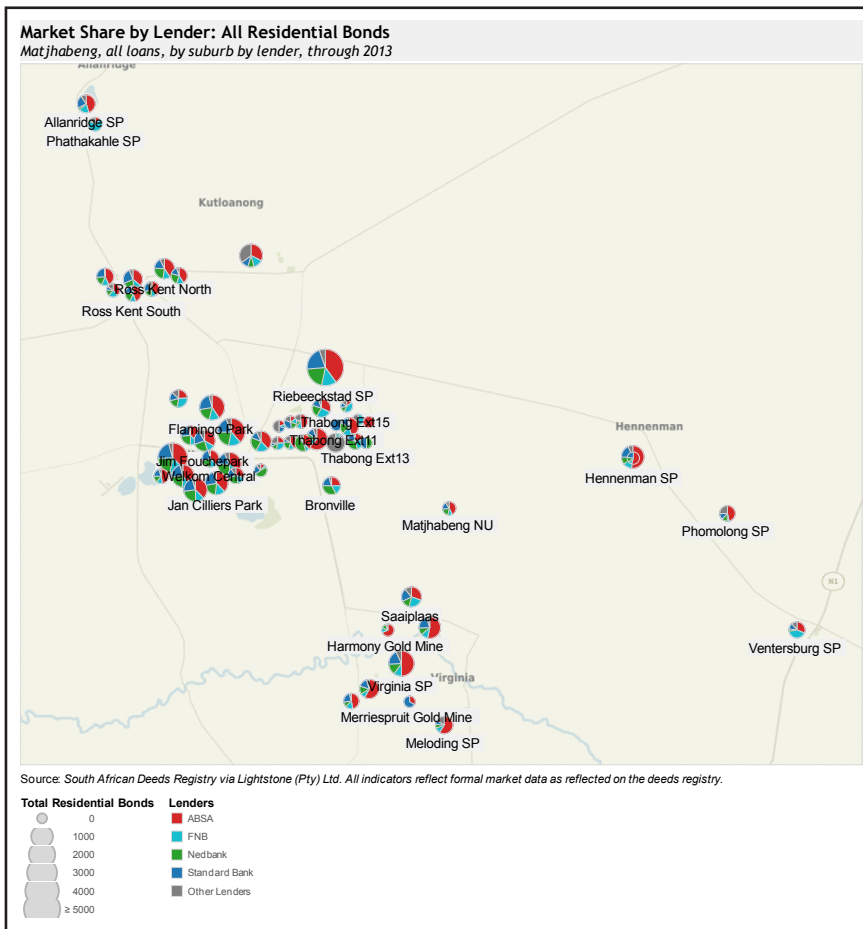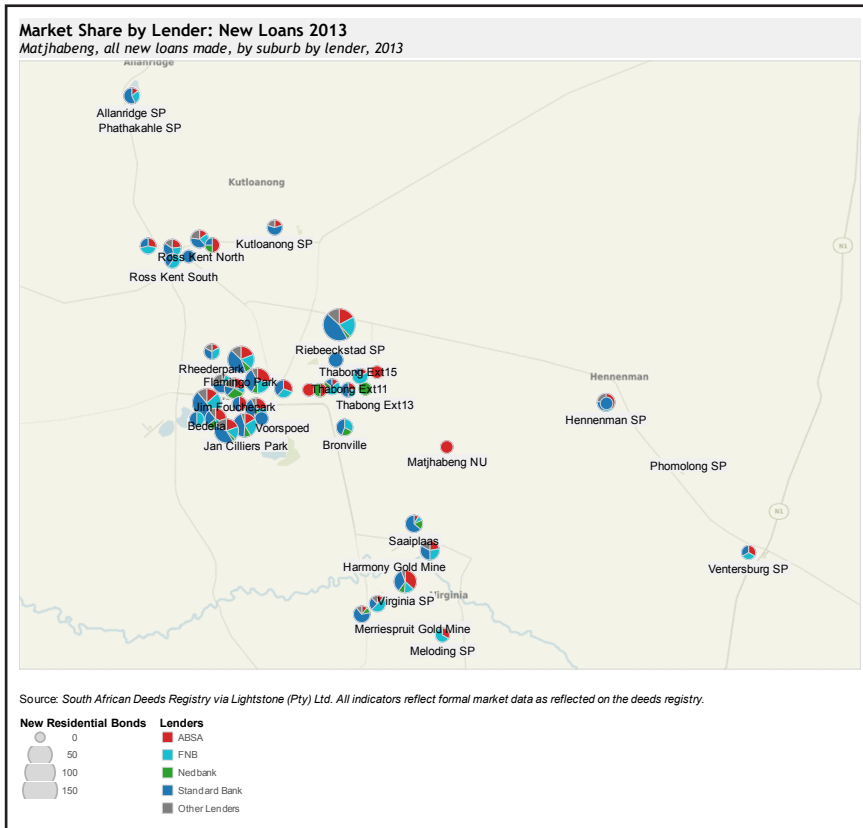
The areas with no dots have no residential properties on the deeds registry – they are farms or open space, mines or power plants, or informal settlements.

12. Leverage

12.1 Key Findings

The presence of older **Government-sponsored units within the municipality represent an important opportunity to leverage that investment** in affordable housing in the years ahead, as owners seek to sell and move up the housing continuum if opportunities are positioned properly. About 26% of all registered properties in Matjhabeng were sponsored by the Government. The value of these homes, if sold in the private market, can be applied towards the cost of a new home.

This situation can be used to drive developers to build more gap housing and financiers to finance RDP acquisition loans.

12.2 Policy Implications

Policies should focus on enticing developers to build more housing in the gap market and encourage lending to the RDP and other lower-cost home markets. Sites could be prioritised which connect these RDP neighbourhoods to other more active housing markets to encourage mixed income development.

To encourage an increase in the supply of gap housing, governments can **unlock sites, supply infrastructure or grants, or hook-up fee discounts.** Governments can also reduce the cost of construction finance, which can all be passed down to the buyers in the form of lower sales prices.

Governments can create programmes using funds pooled from a range of Government and private sector partners, that provide bonds for small properties and offset risks through loan guarantees, loan loss reserves and interest rate discounts. Funds can also be organise to implement homebuyer counselling, debt consolidation and moderate rehab costs of the existing home to ensure loan performance of the portfolio.

These programmes would work together in the mining towns to create better social, housing and economic integration. In Matjhabeng, this might be those areas between Flamingo Park and Thabong Ext. 7; and those higher priced more active markets; and Havengaville.

12.3 Quick Definitions:

Leverage: the ability to use the percentage of the property that has been paid off as a down-payment for another property

Equity: the value of the residential property less the outstanding balance of the bond. This represents the value of ownership built up in a property and is often used as the down-payment for the owner's next house purchased up the housing ladder.

Average Equity to Average Sales Price
Matjhabeng, 2013
The value of average home equity related to the average sales price

Suburb	Avg Sales Price	Avg Value of Residential Equity
Allanridge SP	R 110K	R 320K
Bedelia	R 377K	R 317K
Bronville	R 150K	R 149K
Dagbreek	R 397K	R 297K
Doorn	R 454K	R 387K
Flamingo Park	R 425K	R 321K
Harmony	R 288K	R 344K
Harmony Gold Mine		R 90K
Havengaville	R 270K	R 1 500K
Hennenman SP	R 354K	R 414K
Hestersrus	R 213K	R 349K
Jan Cilliers Park	R 667K	R 544K
Jim Fouchepark	R 1 086K	R 709K
Kitty	R 218K	R 223K
Kutloanong SP	R 94K	R 140K
Lake Veiw	R 307K	R 319K
Matjhabeng NU	R 345K	R 283K
Meloding SP	R 141K	R 129K
Merriespruit	R 248K	R 359K
Merriespruit Gold Mi…		R 245K
Mimosa Park	R 325K	R 312K
Naudeville	R 312K	R 369K
Ou Dorp	R 232K	R 346K
Phathakahle SP	R 55K	R 66K
Philippi	R 225K	R 349K
Phomolong SP		R 142K
Reitzpark	R 272K	R 285K
Rheederpark	R 168K	R 217K
Riebeeckstad SP	R 428K	R 397K
Ross Kent North	R 232K	R 277K
Ross Kent South	R 211K	R 297K
Saaiplaas	R 133K	R 225K
Sandania	R 295K	R 293K
Seemeeu Park	R 314K	R 307K
St Helena	R 534K	R 408K
Thabong Ext1	R 33K	R 166K
Thabong Ext2	R 18K	R 187K
Thabong Ext3		R 200K
Thabong Ext4	R 149K	R 190K
Thabong Ext5	R 221K	R 308K
Thabong Ext6	R 189K	R 269K
Thabong Ext7		R 293K
Thabong Ext8	R 138K	R 157K
Thabong Ext9	R 89K	R 175K
Thabong Ext10	R 171K	R 144K
Thabong Ext11	R 100K	R 186K
Thabong Ext13	R 25K	R 158K
Thabong Ext14	R 43K	R 136K
Thabong Ext15		R 182K
Thabong SP	R 30K	R 153K
Thabong SP2	R 45K	R 73K
Thelma	R 231K	R 355K
Ventersburg SP	R 165K	R 261K
Virginia SP	R 297K	R 432K
Voorspoed	R 700K	R 660K
Welkom Central	R 336K	R 281K

Avg Sales Price: R 0K, R 200K, R 400K, R 600K, R 800K, R 1 000K, R 1 200K, R 1 400K, R 1 600K

Source: SA Deeds Registry via Lightstone (Pty) Ltd., 2015. All indicators reflect formal market data as reflected on the deeds registry.

Measure Names
- Avg Sales Price
- Avg Value of Residential Equity

12.4 Equity Fills the Gap

Equity is the value of one's home less the amount owed to the lender. The chart shows the average equity per suburb (the green bar) compared to the average sales price per suburb. This helps to show what portion of the sales price might be paid for by homeowners' equity.

If a homeowner in Thabong Ext 7 wished to purchase a home in Flamingo Park, they could sell their home and apply it towards the cost of the new home, reducing the amount they would have to borrow. Instead of borrowing over R425 000 (the average sales price in Flamingo Park), they would only need about R132 000 (the orange bar in Flamingo Park minus the green bar in Thabong Ext 7). Thus equity makes homeownership in higher priced neighbourhoods affordable, expanding housing options. **Equity closes the housing gap for less affluent homeowners because their properties are less likely to have a bond and those markets have experienced more appreciation of value.** It is important to consider this value in addition to a homeowner's income.

Equity invested by homeowners also **reduces risk by increasing their financial stake in their home**. This is the same way upper-income families move up the housing continuum and is now available at scale for lower-income families as well, thanks to the massive Government investment in homes for the poor. This requires financing available for the lower-income buyers something to explore with lender partners.

While averages in such diverse housing markets are hard to consider meaningfully, the picture does indicate that purchasing power increases – and gaps close – when equity is taken into consideration.

5 Year Equity Growth
Matjhabeng, 2013
Rates of equity growth, since 2007 to 2013

Source: *Stats SA Census, 2011, South African Deeds Registry via Lightstone (Pty) Ltd, 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Growth in Equity
Matjhabeng, 2008- 2013
The change in the value of average home equity from 2008

Source: *SA Deeds Registry via Lightstone (Pty) Ltd., 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Change in Equity
- Affordable properties (under R500 000)
- All residential properties

12.5 Accessing equity Closes the Housing Gap and Can Drive Demand

Understanding the difference in equity growth rates on a map allows a better understanding of which property markets can be leveraged to support more new development. Many higher-priced areas have experienced modest equity growth (grey areas) – or loss (red areas) – over the past five years, likely due to increasing sales prices (rather than amortisation as new buyers tend to have less equity and this market has been very active recently). The greatest equity growth over five years (green areas and green lines) has been in less developed areas with fewer sales and values have accrued to the existing homeowners.

Homes worth less than R500 000 typically have fewer loans, a faster-growing value and an initial housing cost that was low or free (thanks to Government investment in housing). Homebuyers can reduce the amount they have to borrow through savings or the equity in their home, if they have an existing house that they can sell. This lowers their monthly payment or increases the price they can afford. Leverage is the practice of using this equity to increase their housing affordability. This indicator thus becomes very useful for meeting – and closing – the housing gap.

Constraints to using leverage in affordable housing markets include the availability of credit for potential buyers to pay the full value of the house, maximising the equity available to the homeowner, the availability of homes up the housing ladder to buy and, in the case of RDP owners, the ability to sell Government subsidised stock (which comes with an eight-year resale restriction). Other constraints include household indebtedness and the willingness of existing homeowners to sell their most important asset.

However, policies that address these constraints can expand the housing ladder in remarkably quick and cost-effective ways. Closing cost assistance, interest rate write-downs and loan loss funds all cost a fraction of new construction and put the opportunity – and choice – in the hands of the homeowner, rather than the Government.
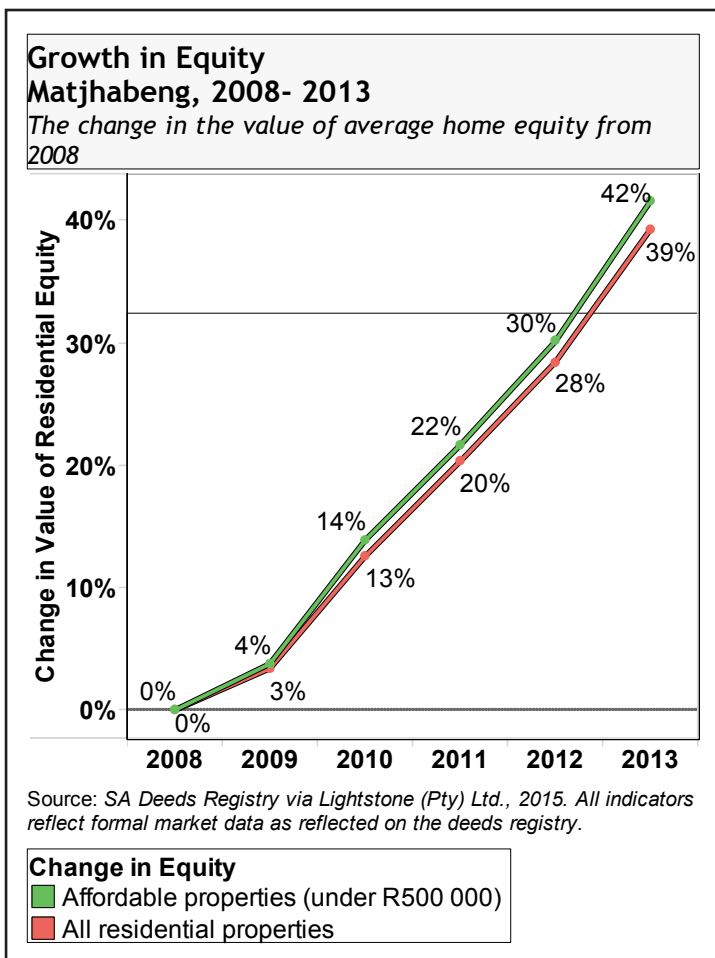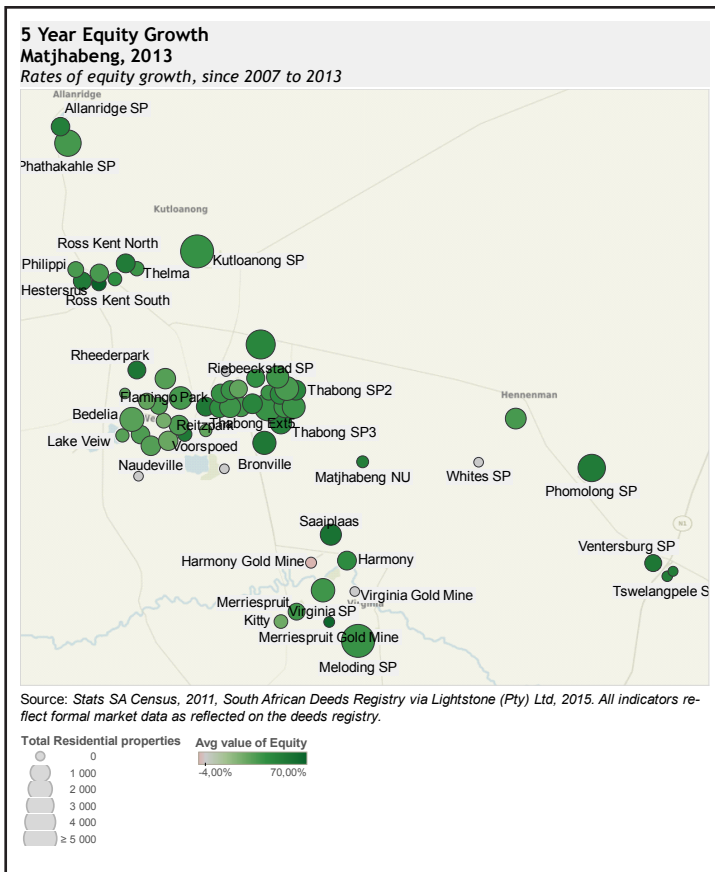
13. Affordability Profile

13.1 Key Findings

Matjhabeng's affordability ratio is 1.46 and is below the national average of 3 and the mining town average of 2.8. This means that it takes 1.46 times the average monthly income to afford the average house in Matjhabeng. Matjhabeng's ratio is the second lowest of the 22 mining towns – although 6 of the 58 subplaces do not have sales prices to determine affordability ratios. Despite an average monthly income, there remain large disparities among incomes and affordable housing access in certain areas within the municipality.

In some areas, sales prices are very low, probably the result of lack of credit access forcing sellers to sell for whatever cash might be offered regardless of how much the house may be worth.

13.2 Policy Implications

Affordability constraints, due to below-average incomes, can be addressed through housing strategies and solutions which propose **creative financing tools and techniques that can reduce financial barriers** (such as down payments, interest rates and principal requirements) **as well as unlocking equity rather than simply trying to push costs down.**

Lowering the cost of financing can also increase the amount that can be borrowed, which can increase sales prices and the amount of equity a home seller will be able to access to buy their next home.

Lack of adequate affordable supply in areas with very low incomes can often be quickly addressed through the carefully considered provision of well-located, quality rental housing.

13.3 Quick Definitions:

Affordability: affordability is generally defined as the ability to allocate less than 25-30% of a household's monthly income towards housing costs. While upper-income families' incomes enable them to cover the cost of producing and selling housing units and thus provides many housing options, lower-income families struggle because their income often does not adequately cover the cost of producing and selling a housing unit. Supply is limited and others must collaborate to provide decent affordable housing.

Affordability Ratio: the purchasing power of local incomes to afford local sales prices. The local average sales price is divided by the target house price. This shows the relationship between local incomes and local sales prices – a larger number means that local sales prices are harder for local income households to afford, implying a mismatch between local housing options and residents.

Housing Gap: the shortfall between the target house price a household can afford and the sales price (or construction cost) of a house. This can be calculated by the difference between the target affordable price and the cost or price of the house.

Target House Price: the sales price affordable to local households, which is calculated using the average area median income available for housing (25% of monthly income) using standard underwriting criteria (typically 20 year amortisation at 11%, with 5% down).

13.4 Affordability

Actual affordability relies on the understanding of local household income to determine what is reasonably afforded by existing residents, how much of a gap exists and what is required to ensure more realistic affordability. The Affordability Ratio is determined by dividing the purchase price affordable to the average household income, by the average sales price. **Nationally, it takes three times the average income to afford the average sales price; within the mining towns, this ratio averages at 2.8.** The affordability ratio for Matjhabeng is 1.46, the second lowest of the 22 mining towns – although 6 of the 58 subplaces do not have sales prices to determine affordability ratios. This doesn't mean that families are paying that, it means that most homes on the deeds registry are not affordable to the majority of South Africans. However this indicator provides an important benchmark, by providing a sense of affordability levels and how well local markets might be meeting the needs of local residents.

In Matjhabeng, there appear to be gaps in affordability in some markets, as shown by the negative price gap, ie. the amount by which local sales prices are higher than what's affordable to local residents. The Matjhabeng NU represents all the non-urban areas surrounding the town, so it's not possible to pinpoint why or where prices and incomes are so unbalanced.

The introduction of new products or strategies is more likely to be sustainable if they are responsive to current residents. The target home price in column 2 can also be compared to estimated potential per-unit construction costs to determine the amount of subsidy which may be required to build and sell the units to local residents.

Mind the Gap Table
Matjhabeng, 2013
Affordability indicators per suburb

Subplace Name	Avg Monthly Income	Target house price	Average Sales Price	Affordable Price Gap	Affordability Ratio
Allanridge SP	R 13K	R 352K	R 110K	R 243K	0.3
Bedelia	R 18K	R 480K	R 377K	R 103K	0.8
Bronville	R 5K	R 129K	R 150K	R -21K	1.2
Dagbreek	R 17K	R 462K	R 397K	R 65K	0.9
Doorn	R 16K	R 427K	R 454K	R -27K	1.1
Flamingo Park	R 21K	R 567K	R 425K	R 142K	0.8
Harmony	R 17K	R 453K	R 288K	R 166K	0.6
Harmony Gold Mine	R 13K	R 332K			
Havengaville	R 6K	R 159K	R 1,500K	R -1,341K	9.4
Hennenman SP	R 12K	R 324K	R 354K	R -29K	1.1
Hestersrus	R 7K	R 188K	R 213K	R -24K	1.1
Jan Cilliers Park	R 19K	R 492K	R 667K	R -175K	1.4
Jim Fouchepark	R 36K	R 949K	R 1,086K	R -137K	1.1
Kitty	R 13K	R 353K	R 218K	R 135K	0.6
Kutloanong SP	R 4K	R 100K	R 94K	R 5K	0.9
Lake Veiw	R 22K	R 584K	R 307K	R 277K	0.5
Matjhabeng NU	R 7K	R 176K	R 345K	R -169K	2.0
Meloding SP	R 3K	R 83K	R 141K	R -58K	1.7
Merriespruit	R 18K	R 486K	R 248K	R 238K	0.5
Merriespruit Gold Mine	R 0K	R 0K			
Mimosa Park	R 17K	R 441K	R 325K	R 116K	0.7
Mmamahabane SP	R 2K	R 56K			
Naudeville	R 17K	R 439K	R 312K	R 126K	0.7
Ou Dorp	R 12K	R 313K	R 232K	R 81K	0.7
Phathakahle SP	R 4K	R 100K	R 55K	R 45K	0.6
Philippi	R 20K	R 517K	R 225K	R 293K	0.4
Phomolong SP	R 3K	R 75K			
President Brand Gold Mine	R 8K	R 200K			
Reitzpark	R 11K	R 292K	R 272K	R 20K	0.9

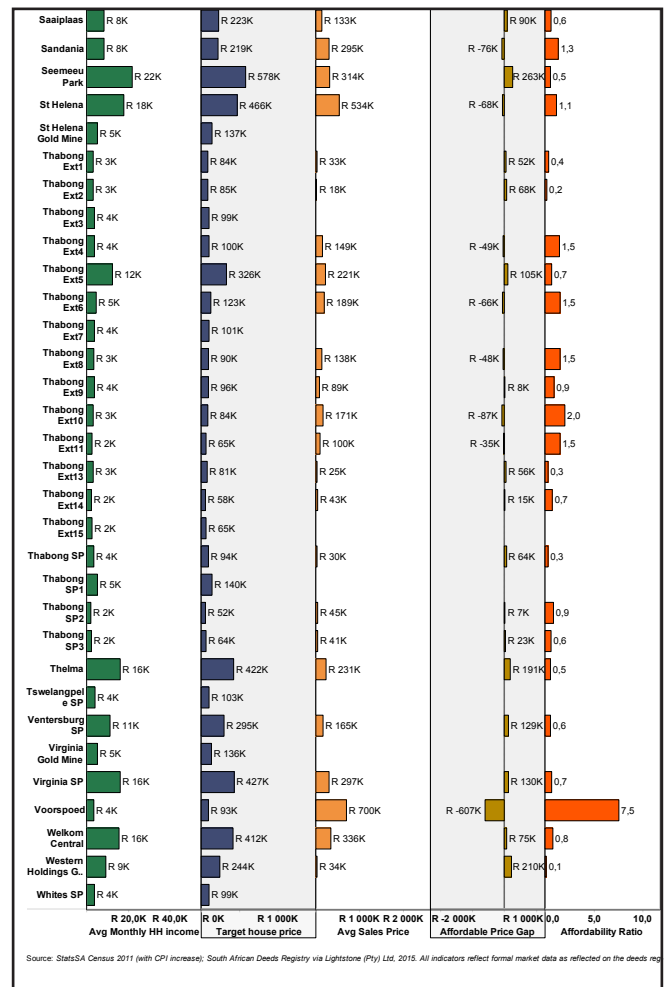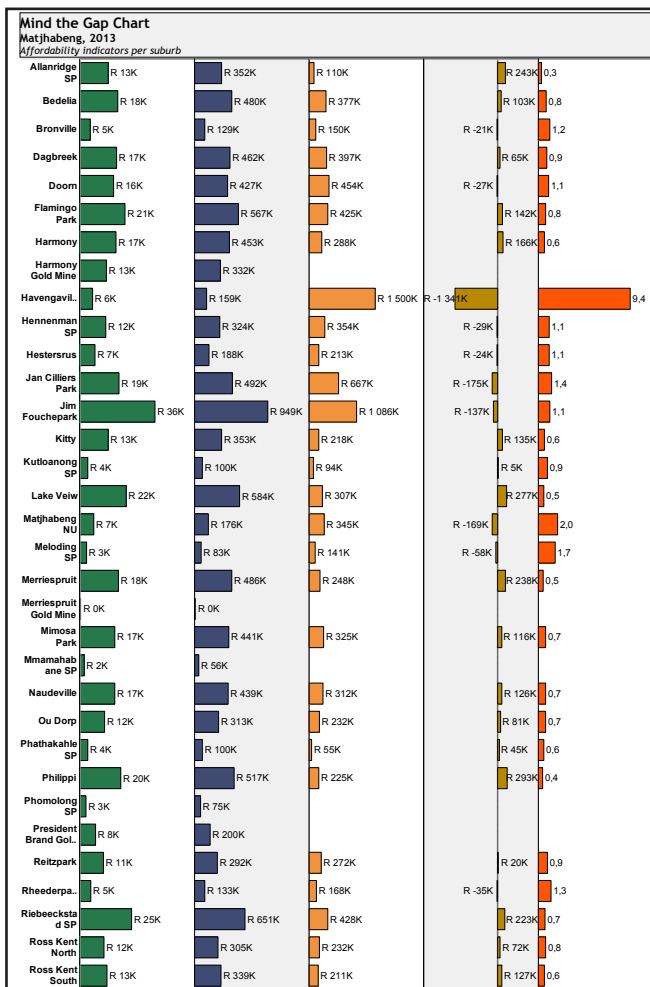|	Avg Monthly Income	Target house price	Average Sales Price	Affordable Price Gap	Affordability Ratio
Rheederpark	R 5K	R 133K	R 168K	R -35K	1.3
Riebeeckstad SP	R 25K	R 651K	R 428K	R 223K	0.7
Ross Kent North	R 12K	R 305K	R 232K	R 72K	0.8
Ross Kent South	R 13K	R 339K	R 211K	R 127K	0.6
Saaiplaas	R 8K	R 223K	R 133K	R 90K	0.6
Sandania	R 8K	R 219K	R 295K	R -76K	1.3
Seemeeu Park	R 22K	R 578K	R 314K	R 263K	0.5
St Helena	R 18K	R 466K	R 534K	R -68K	1.1
St Helena Gold Mine	R 5K	R 137K			
Thabong Ext1	R 3K	R 84K	R 33K	R 52K	0.4
Thabong Ext2	R 3K	R 85K	R 18K	R 68K	0.2
Thabong Ext3	R 4K	R 99K			
Thabong Ext4	R 4K	R 100K	R 149K	R -49K	1.5
Thabong Ext5	R 12K	R 326K	R 221K	R 105K	0.7
Thabong Ext6	R 5K	R 123K	R 189K	R -66K	1.5
Thabong Ext7	R 4K	R 101K			
Thabong Ext8	R 3K	R 90K	R 138K	R -48K	1.5
Thabong Ext9	R 4K	R 96K	R 89K	R 8K	0.9
Thabong Ext10	R 3K	R 84K	R 171K	R -87K	2.0
Thabong Ext11	R 2K	R 65K	R 100K	R -35K	1.5
Thabong Ext13	R 3K	R 81K	R 25K	R 56K	0.3
Thabong Ext14	R 2K	R 58K	R 43K	R 15K	0.7
Thabong Ext15	R 2K	R 65K			
Thabong SP	R 4K	R 94K	R 30K	R 64K	0.3
Thabong SP1	R 5K	R 140K			
Thabong SP2	R 2K	R 52K	R 45K	R 7K	0.9
Thabong SP3	R 2K	R 64K	R 41K	R 23K	0.6
Thelma	R 16K	R 422K	R 231K	R 191K	0.5
Tswelangpele SP	R 4K	R 103K			
Ventersburg SP	R 11K	R 295K	R 165K	R 129K	0.6
Virginia Gold Mine	R 5K	R 136K			
Virginia SP	R 16K	R 427K	R 297K	R 130K	0.7
Voorspoed	R 4K	R 93K	R 700K	R -607K	7.5
Welkom Central	R 16K	R 412K	R 336K	R 75K	0.8
Western Holdings Gold Mine	R 9K	R 244K	R 34K	R 210K	0.1
Whites SP	R 4K	R 99K			

Source: StatsSA Census 2011 (with CPI increase); South African Deeds Registry via Lightstone (Pty) Ltd, 2015. All indicators reflect formal market data as reflected on the deeds registry.

13.5 Mind the Gap

This chart is identical to the previous chart but shows bar lines to better visualise difference across the area. These tables measure relative affordability for each suburb in the target area in three ways: starting with the average income (column 1), it calculates the average sales price affordable to the average family using standard underwriting terms (5% down, 11% for 20 years, up to 25% of household income, column 2). It compares that to the area's average sales price (column 3). Column 4 ("Affordable Price Gap") shows the difference between the average sales price and the local target (affordable) house price. Column 5 divides the two values to show the affordability ratio, the number of times it might take the local income to afford the local sales price. As an example, in Havengaville, it takes 9.4 times the average income to afford the average sales price.

In Matjhabeng, the average income is R9 200, the average target house price is R242 000 (price of house that income can afford) and the average sales price is R354 000. **Thus, in 2013, it took 1.4 times the average income to afford the average house.** These very high level indicators are useful when comparing affordability, to see which areas are more or less affordable. This helps one to understand how housing strategies need to address affordability within the town, including what resources or policies might be required to help fill these gaps (ie. affordable financing, buyer subsidies).

When affordability is an issue, perhaps equity of existing homeowners can help fund the gap. Policies will need to encourage the sale of lower-cost homes that can allow housing purchases further upstream for lower-income households.

Mind the Gap Chart
Matjhabeng, 2013
Affordability indicators per suburb

Affordable Suburbs by Average Sales Price
Matjhabeng, Suburbs by average sales price and household size, 2013

Source: Stats SA Census, 2011, South African Deeds Registry via Lightstone (Pty) Ltd, 2015. All indicators reflect formal market data as reflected on the deeds registry.

13.6 Mapping Affordability

These maps show the importance of taking local household income, or purchasing power, into the understanding of affordability. The first map shows average sales prices by suburb, with the darker areas having higher prices. The second map shows the same area by affordability ratio, with the darker areas (those with higher affordability ratios) showing greater difference between suburb incomes and suburb sales prices. **While some areas appear affordable by sales price (such as Kutloanong), they are not as affordable when considering local incomes (the darker green on the second map).** These analyses do not take into account the indebtedness of potential buyers, an important factor in determining bond eligibility. Rental housing, therefore, might be an important option towards providing well-located and professionally managed, affordable housing in those areas.

The areas with no dots have no residential properties on the deeds registry – they are farms or open space, mines or informal settlements.

Affordable Suburbs by Affordability Ratio
Matjhabeng, by suburb, 2013
Relationship between average income and sales price (higher is less affordable)

Source: Centre for Affordable Housing Finance in Africa, with StatsSA Census 2011 (with CPI increase); South African Deeds Registry via Lightstone (Pty) Ltd, 2015. All indicators reflect formal market data as reflected on the deeds registry.

14. Rental Index

14.1 Key Findings

In Matjhabeng, 23% of households rent, according to the 2011 StatsSA census. This is mid-range amongst the mining towns in the study.

The opportunity for rental housing development within Matjhabeng is strong for all areas; enhanced by the high number of informal settlements and the high rental percentages by mine employees. Those areas with greater density, modest incomes and affordability challenges are more likely to support quality, professionally managed, affordable rental housing. Rental housing also provides flexibility to employers and workers as mining markets expand and contract from time to time.

14.2 Policy Implications

Due to the cyclical, commodity- and demand-driven nature of these towns' primary industry, rental housing becomes a very important housing solution.

Rapidly changing housing demand driven by mining activities makes a strong case for prioritising quality rental housing. If rental housing is well-situated and convenient to transport and centrally located in dense areas, it can bring social and economic cohesion and vibrancy to housing markets over the longer term.

The densifying of housing markets requires infrastructure upgrades and financial mechanisms which provide for long-term affordability and sustainability.

14.3 Quick Definitions:

Rental Index: A tool used to measure the potential suitability of local areas for rental housing, as measured by a group of five indicators which support rental housing including density, area median income, the affordability ratio and market growth as measured by the housing performance index. A higher score implies greater success for rental housing.

Affordability Ratio: the purchasing power of local incomes to afford local sales prices. The local average sales price is divided by the target house price. This shows the relationship between local incomes and local sales prices – a larger number means that local sales prices are harder for local income household to afford, implying a mismatch between local housing options and residents.

Area Median Income: the percentage of the average local income to the municipal average income, which allows for understanding of the income relative to the market overall and across many municipalities.

Housing Performance Index: the growth of the local suburb in six key housing market indicators as compared to the municipality growth. A higher number implies more growth.

Percent Households Renting: the number of surveyed households that rent divided by the total number of households, per StatsSA census 2011. This includes everything from bedrooms and backyard shacks to single family homes and sectional title units.

Population Density: the number of people per square hectare of the suburb, as provided by StatsSA.

Tenure: the terms under which land or buildings are held or occupied, eg. rental, ownership, etc.

Rental Index

Matjhabeng, by suburb, 2013
Those suburbs with a higher likelihood of rental demand
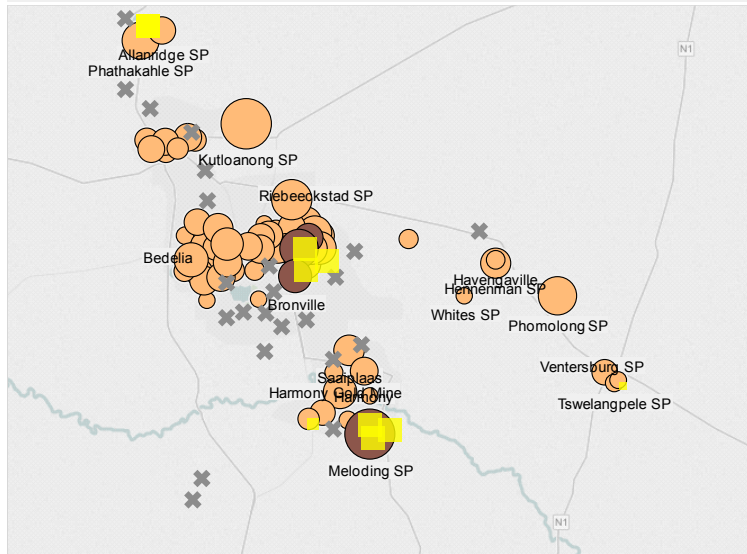
Source: *South African Deeds Registry via Lightstone (Pty) Ltd, 2015. All indicators reflect formal market data as reflected on the deeds registry.*

Number of Residential properties	Type	Rental Profile
0	Informal Settlement	High
2 000	Mines	Low
4 000		
6 000		
7 016		

Rental Index Indicator	Method	Implies	Weight
Median Income	80 -120% area median income	Affordability	35%
Population Density	Exceeds metro average	Density	35%
Housing Performance Index	Growing	Demand	15%
Affordability Ratio	Ratio exceeds metro average	Affordability	15%

14.4 Rental Housing: Driving an Affordable Housing Option

Rental housing is one of the most efficient and effective ways to provide affordable accommodation. In most South African towns, this means backyard shacks, an important but very inefficient way of meeting housing needs. While a social housing sector exists, which targets low income families in multi-unit buildings, these are primarily in large metropolitan areas. **Many private developers and investors are considering expanding significantly into the rental segment. If the demand is better understood, Governments can meet housing backlogs quickly and affordably by promoting policies which target affordable rental housing.**

In Matjhabeng, rental potential is strong within specific areas, with Meloding having the largest volume of rental potential. The two areas with high rental potential are both in close proximity to informal settlements and to a large number of mines.

Security of tenure through a lease agreement means that residents have assurance of quality property management, consistent utility access and can even build up their credit history with positive rent and utility accounts. Owners of rental housing must locate their properties competitively to ensure monthly occupancy, so rental housing provides affordable access to transport hubs, jobs and community service.

By bundling a set of housing market indicators, it is possible to find those places where a rental strategy might be well-suited. The map shows those areas with above-average densities, moderate incomes and above-average households that are currently renting, all important factors when considering the placement and promotion of rental housing.

Several conditions are crucial for the creation of successful and sustainable rental markets: density, high demand and affordability. By using existing housing performance indicators, it is possible to prioritise the presence of those indicators intentionally to pick up those areas primed for rental housing. In order to sustain rental housing at scale, projects must be able to achieve density to keep costs down and access ready markets, with good proximity to jobs, transport and educational opportunities to keep projects running smoothly.

15. Key Concepts

The definitions of the concepts used in this profile are set out in alphabetical order below.

15.1 Affordable

Traditionally, affordable refers to housing or areas with prices or values below the overall market which target below-average incomes. It is often defined as R500 000 or less (but can be higher or lower depending on intent) because this is the amount that a household earning less than R16 000 on average can afford, which is the target limit of many Government subsidy schemes. Affordability is the relationship between the cost of housing (a mortgage bond payment or rent) and the income of the tenant or owner. Affordable housing is that which can be rented or purchased within certain constraints: in this report, with a mortgage equal to 28% of the borrower's income, at 11% over 20 years, with 5% of the sales price paid as down-payment. Areas where the average income can afford the average sales price or more, are considered affordable.

15.2 Affordability Ratio

This ratio measures relative affordability by comparing the **AVERAGE** sales price to the average income within the same area – higher ratios meaning less affordability. The average sales price is divided by the **AFFORDABLE** sales price, which is calculated as the present value of typical mortgage terms using 28% of the average income (95% of the average sale price, at 11% for 20 years). A ratio of 1 means that the average home price is exactly equal to the average household income. Ratios over 1 represent the number of times by which the average income must be increased to afford the average home.

15.3 Appreciation

The rate, or percent change, over time between two values (most often price or value) is calculated by dividing the difference between the beginning and end values of the property in the timeframe, by the beginning value. The result is the percent by which the property value or price changed. It is a valuable means of comparing the rate of change across very different property markets, areas or market sizes.

15.4 Average

The result obtained by adding several amounts together and then dividing this total by the number of amounts. For instance, average sales price is calculated by adding up all sales within an area and dividing this total by the total number of sales within an area. The average is useful for comparing and understanding different areas, market sizes and property types.

15.5 Benchmark

An indicator that is calculated in the same way across a larger level (such as national or municipal levels) to compare with smaller areas (such as main places or suburbs). Benchmarks are useful for understanding the performance of housing markets because they provide a consistent means of comparing markets to each other and to larger areas. As example, local markets perceived as having modest appreciation rates may actually be growing quickly when compared with other areas, the metro or the Country as a whole. Benchmarks are key components of the housing performance index, which uses them to determine whether local areas or metros are changing faster than, about the same as, or slower than the metros or the Country.

15.6 Bonded Sale

A sales transaction transferring ownership of a property which includes an associated mortgage bond, used by the buyer to purchase that property and which the lender requires to be secured by that property. Bonded sales reflect lender investment in an area and perceptions of market strength and risk levels.

15.7 Churn

The total number of homes sold within an area over a one-year period, divided by the number of homes within that area. Similar to turnover, churn represents active market interest, a large pool of eligible buyers and willing sellers and ready access to mortgage financing. In affordable areas, lower churn can reflect reduced housing mobility rather than less marketability, as the result of fewer upward housing options for potential sellers and less access to bond financing for potential buyers. Other indicators (such as bond rates or types, loan to values, equity rates and income) can help differentiate marketability from pent-up market mobility.

15.8 Equity

The value of ownership interest in a property, primarily the current **VALUE** of a property minus the current value of any bonds or other claims on the property. Equity value grows as mortgage balances are paid down and property values increase. Equity is realised when a house is sold and is most often used to purchase another property, by increasing the amount available to purchase or lowering monthly mortgage payments (or both). Individual circumstances within neighbourhoods may vary widely but areas with higher aggregate levels of equity represent greater opportunity for upward mobility, both for existing residents who can sell and invest the equity in a new home and for lower-income households able to purchase the existing home.

15.9 Equity Growth

The rate at which an owner or investor's equity value has changed over time, calculated by dividing the difference between the values of equity at the beginning and end of the period by the beginning year's equity value. Growth in equity (along with income levels) can be used to determine market potential, as equity significantly boosts the purchasing power of potential buyers. Circumstances that increase equity return include prices that appreciate faster than debt is paid down, less debt, and registrations of new properties with no debt.

15.10 Formal Housing Market

A formal housing market is an area where owners sell or otherwise transfer residential properties (which have been registered on the national title and deed registry) to willing buyers who become the legal owners of those properties. Housing markets also include residences that are rented, traded, bartered or otherwise swapped, or legally occupied. This report tracks formal housing markets, as it only uses actual sales reflected on the South African deeds registry. It is estimated that 25 – 50% of all properties in South Africa are not registered.

15.11 Housing Continuum

The housing continuum includes all ranges and options of housing, from temporary shelter and informal housing to the highest variety of housing ownership and occupancy models and prices. A continuum implies a continuous, connected marketplace of housing options, which serve the full range of conceivable housing demands as people's lifestyles and life circumstances change over time. In reality, most housing markets are an uneven distribution of housing supply and housing demand.

15.12 Leverage

Leverage is the practice of purchasing something by borrowing part of the total cost and it is measured by the degree to which a buyer has borrowed funds to purchase a home. Also called gearing, leverage can be measured in several ways (such as loan to value or equity ratio) but all compare bond amounts to the housing value. Generally, homes or neighbourhoods that are highly leveraged are understood to be higher risk because owners lose less equity if they default. Areas with lower leverage rates are generally considered as being more attractive because lenders have less risk, while owners have more invested and have more potential **EQUITY** to invest in new housing options.

15.13 Market Segment

This refers to the aggregate of all properties within a certain Rand value. Properties are grouped by their value to better understand the unique dynamics of these market segments. Values are divided into four bands: values under R250 000; between R250 000 and R500 000; R500 000 to R1.2 million; and over R1.2 million. Generally, properties at or below R500 000 are considered affordable because the estimated monthly housing cost (R15 000 to R16 000) is considered the maximum income eligible for many Government subsidy programmes, above which potential buyers must access the unsubsidised housing market.

15.14 Market Share

Market share is the percentage of a market accounted for by a specific entity in that market. Lending market share is determined by the number of all loans in an area or bond portfolio originated or held by a single institution, divided by the total number of bonds in the area or portfolio. Market share can reflect the business model or the prevailing attitudes of particular lenders towards opportunity within certain areas. Lenders track their market share by area and value carefully: too high could mean that they are at greater risk if values decrease, while too low means that the lender may be losing business to competitors.

15.15 Rental Index

A score calculated for each suburb, to measure the potential suitability of local areas for rental housing, as measured by a basket of six indicators which are more favourable towards rental housing. A higher score, between 1 and 10, implies a greater likelihood of success. These indicators include density, the number of households currently renting, area median income, the affordability ratio, households to properties ratio and market growth as measured by the housing performance index. The index gives higher weight to aspects more suitable to rental housing, such as density and income, and moderate weight to the current number of households renting (as reported to the census), the local income as a percentage of the municipal median income, affordability (the relationship between local incomes and sales prices) and the number of households in the area to formal housing units on the deeds registry.

15.16 Suburb

A neighbourhood (within or beyond the central metropolitan area), with an identifiable name, often socially accepted borders and common characteristics. This report uses suburb boundaries as established and demarcated by StatsSA (and referred to in its documentation as sub-places). In 2011, there were about 22 000 sub-places within South Africa.

15.17 Value or Worth

The value of a property as determined by several factors, including recent comparable sales nearby, **CHURN,** lending activity in the area, specific and area property details such as the size, age and amenities. A property's worth is often related to the amount of information available to make an appropriate determination, which is a contributing factor in undervaluing affordable areas where details on formal market activity are inconsistent. This study uses Lightstone's (www.lightstone.co.za) proprietary valuation methodology to determine value.

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