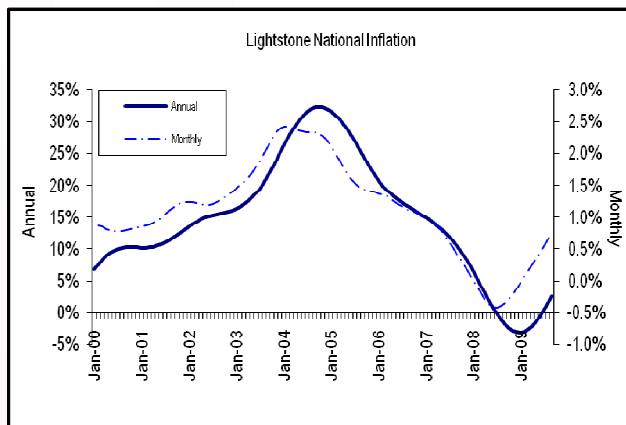


Residential Property Indices



LIGHTSTONE SEPTEMBER REPEAT SALES INDICES



Annual Inflation Table

												2009						
		2000	2001	2002	2003	2004	2005	2006	2007	2008	Q1	Apr	May	Jun	Jul	Aug	Sep	
	NATIONAL	9.1%	10.9%	14.9%	19.4%	30.0%	26.6%	17.4%	12.4%	1.0%	-2.5%	-1.3%	-1.1%	-0.3%	0.6%	1.1%	2.6%	
PROVINCE	EASTERN CAPE	6.9%	7.2%	12.1%	21.4%	38.1%	33.6%	21.1%	12.2%	1.5%	-1.0%	3.1%	4.7%	4.8%	4.3%	3.2%	3.9%	
	GAUTENG	11.3%	13.7%	18.2%	20.4%	26.0%	23.1%	16.2%	11.7%	0.5%	-2.8%	-2.1%	-1.8%	-0.6%	0.0%	0.3%	2.3%	
	KWAZULU NATAL	7.5%	8.7%	12.6%	21.4%	36.7%	33.4%	21.0%	12.6%	-0.9%	-1.0%	-1.0%	-1.6%	-1.0%	-0.1%	1.0%	3.1%	
	WESTERN CAPE	9.1%	8.8%	11.3%	17.8%	33.6%	29.3%	15.4%	11.9%	1.0%	-3.0%	-1.5%	0.3%	0.5%	1.0%	1.4%	2.4%	
MUNICIPALITIES	CITY OF CAPE TOWN	9.7%	8.7%	11.1%	17.5%	33.2%	29.4%	14.9%	11.9%	0.2%	-4.0%	-3.1%	-1.5%	-0.1%	0.3%	0.6%	1.3%	
	CITY OF JOHANNESBURG	12.7%	13.8%	18.9%	21.1%	26.2%	21.2%	14.5%	11.9%	0.9%	-2.4%	-2.2%	-1.6%	-0.4%	-0.1%	-0.3%	1.7%	
	CITY OF TSHWANE	11.2%	15.1%	19.1%	18.1%	21.4%	22.8%	16.6%	11.5%	-0.5%	-4.6%	-4.3%	-4.1%	-3.7%	-2.3%	-1.3%	1.6%	
	EKHURULENI METROPOLITAN	10.0%	11.8%	17.3%	22.9%	32.4%	26.9%	17.0%	11.0%	0.6%	-0.9%	-1.3%	-1.1%	0.6%	0.7%	2.7%	3.3%	
	ETHEKWINI	9.0%	9.0%	12.3%	20.8%	36.9%	34.0%	20.5%	12.5%	-0.4%	-3.4%	-2.5%	-1.9%	-1.4%	-1.0%	0.1%	2.5%	
	NELSON MANDELA	8.2%	8.0%	11.3%	23.7%	40.9%	34.0%	19.3%	9.8%	-0.8%	-3.5%	0.4%	4.3%	2.2%	1.0%	1.6%	3.0%	
COAST	NON-COAST	9.3%	11.1%	15.0%	18.8%	29.0%	26.6%	17.6%	12.6%	1.1%	-2.5%	-1.3%	-1.1%	-0.2%	0.7%	1.1%	2.8%	
	COAST	6.6%	7.5%	15.8%	27.9%	43.1%	29.2%	13.8%	9.4%	-0.4%	-2.3%	-2.0%	-2.3%	-0.3%	-0.1%	1.6%	3.0%	
ST / FH	SECTIONAL TITLE	8.0%	9.9%	14.8%	20.4%	30.4%	26.0%	15.3%	10.4%	0.1%	-2.8%	-1.4%	-1.0%	-0.4%	0.2%	1.1%	2.6%	
	FREE HOLD	10.3%	12.1%	15.2%	18.5%	29.2%	27.1%	19.9%	14.9%	1.8%	-2.4%	-1.3%	-1.2%	-0.1%	0.6%	0.9%	2.2%	
AREA VALUE BANDS	LUXURY	12.5%	14.0%	20.1%	27.4%	29.7%	19.1%	11.8%	10.9%	0.3%	-3.1%	-2.6%	-2.4%	-1.3%	-0.6%	0.7%	2.9%	
	HIGH VALUE	10.2%	12.2%	16.9%	21.3%	31.8%	24.1%	13.2%	9.7%	-0.6%	-3.0%	-1.4%	-1.0%	-0.1%	0.8%	1.5%	2.8%	
	MID VALUE	6.4%	8.1%	11.0%	15.5%	30.7%	34.5%	23.6%	16.1%	2.1%	-2.2%	0.6%	0.9%	0.6%	0.3%	0.7%	1.8%	
	AFFORDABLE	16.2%	12.0%	11.1%	13.5%	22.3%	30.4%	38.0%	28.6%	17.5%	13.0%	17.0%	12.1%	10.8%	10.0%	6.6%	4.0%	

DISCLAIMER

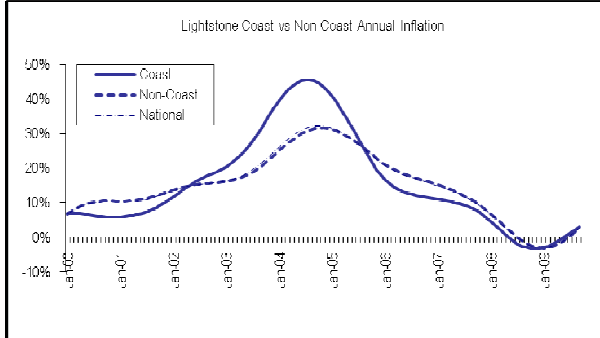
The Lightstone Repeat Sales Index system applies advanced statistical methods to a comprehensive property data base - compiled from the Deeds Office, the Surveyor General and other sources - to generate repeat sales inflation data for individual residential properties. Despite the statistical and actuarial rigour applied, Lightstone cannot guarantee the accuracy and reliability of the data. Furthermore, the index is a statistical tool and does not amount to advice and may not be applicable in some cases. Lightstone does not take responsibility for any losses incurred as a result of any person acting or omitting to act as a result of the publication of this index.

Residential Property Indices



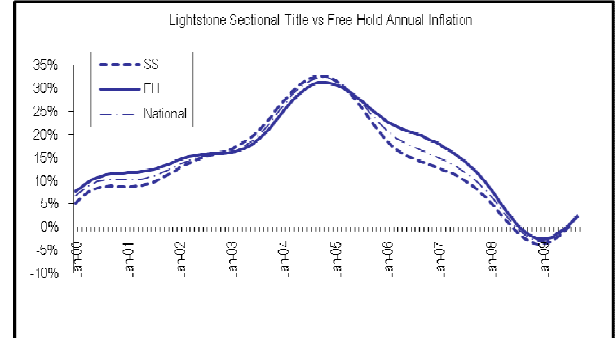
COASTAL VS NON-COASTAL INDEX

Coastal v Non-coastal Annual inflation

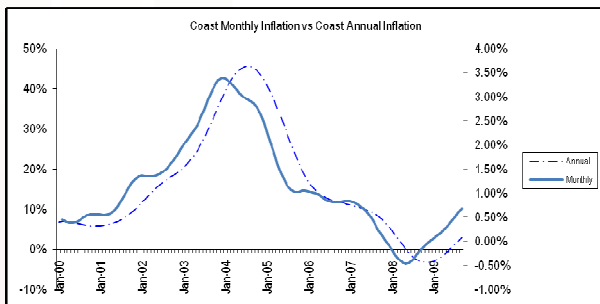


FREE HOLD VS SECTIONAL TITLE INDEX

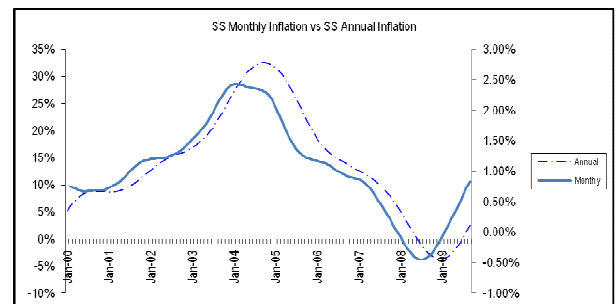
Sectional title v Free hold Annual inflation



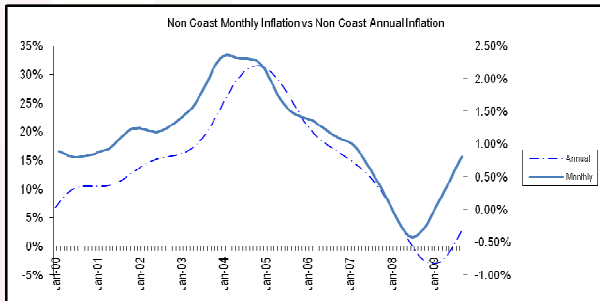
Coastal Annual v Monthly Inflation



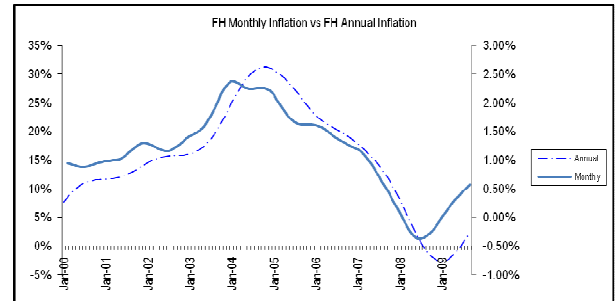
Sectional tile Annual v Monthly Inflation



Non-coastal Annual v Monthly Inflation



Free hold Annual v Monthly Inflation



Note: Monthly house price inflation shows the inflation rate of the most recent month and emphasises recent market performance. However, monthly inflation tends to be much more volatile than annual inflation trends and so conclusions about the future trend of annual inflation must be made with caution.

DISCLAIMER

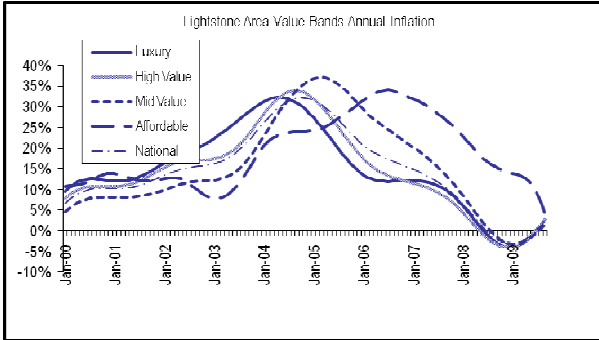
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Residential Property Indices

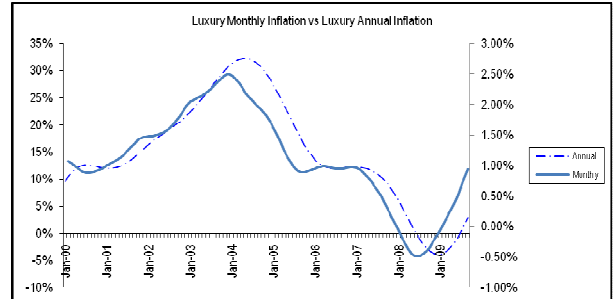


AREA VALUE BAND INDEX

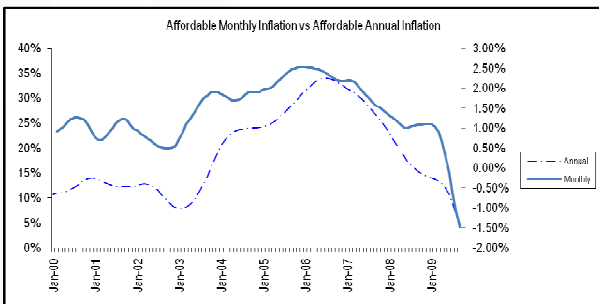
Area Value Band Annual Inflation.



Luxury Market Annual v Monthly inflation.

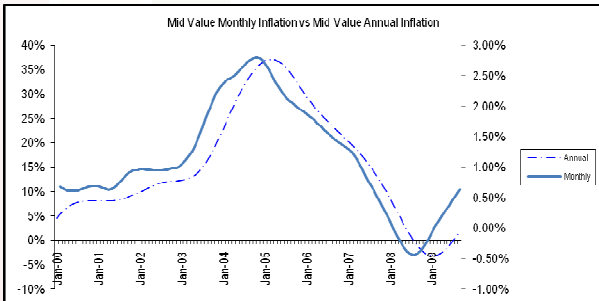


Affordable Market Annual v Monthly inflation

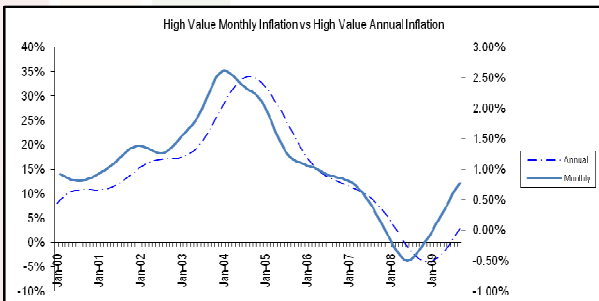


Note: Monthly house price inflation shows the inflation rate of the most recent month and emphasises recent market performance. However, monthly inflation tends to be much more volatile than annual inflation trends and so conclusions about the future trend of annual inflation must be made with caution.

Mid-value Market Annual v Monthly inflation.



High-value Market Annual v Monthly inflation.



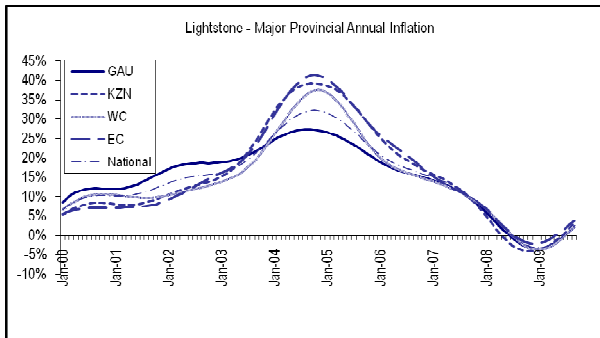
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Residential Property Indices



PROVINCIAL INDEX



NOTE ON METHODOLOGY AND DATA

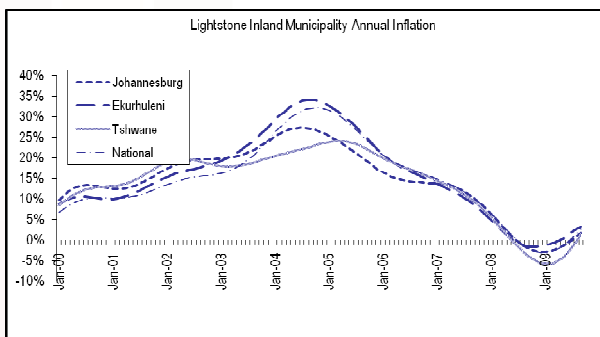
In contrast to 'average house price' indices, repeat sales indices provide a measure of the actual price inflation of houses that have transacted twice within a particular period of time. The main benefit of this is that it is less influenced by the mix of transacting properties. The repeat sales methodology is recognised as the premier methodology for indexing house prices and is used by many international residential property price indexers including the Office of Federal Housing Enterprise Oversight (OFHEO) in the United States.

All property transactions in South Africa are registered in the Deeds Office and each record contains the legal details of both the property and the transaction. For the purposes of the Repeat Sales Index for residential properties, the following transactions have been excluded: farms; any transactions which may be of a development, commercial or community services nature; new developments; sales made in execution of a judgement; non-arms-length transactions; transactions where the inflation is extremely different to the norm of the statistical distribution of inflation rates; and township transactions

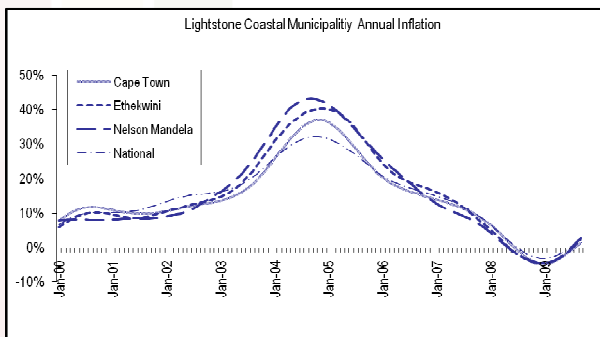
For more information please contact Lightstone www.lightstone.co.za

MUNICIPAL INDEX

Inland Municipalities Annual inflation



Coastal Municipalities Annual inflation



AUTHOR

Andrew Watt

Director, Lightstone

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