

Issa Sikiti Da Silva - South Africa's Low-Income Earners Face Long Wait For Decent Houses

moonofthesouth.com. November 15, 2013. South Africa's low-income earners will have to wait a little bit longer before getting a mortgaged house, as the issue of affordability continues to hamper the housing finance market on the African continent.

Though the affordable housing market in South Africa is defined as households earning between R3 500 and R25 000 (about US\$350 and US\$2500), First National Bank (FNB) said last week that currently there is no supply of houses to a household earning between R3 500 and R9 000 in the country.

The bank's survey shows that 96% of people knocking on its doors for a financed house are first-time homeowners who are most affected by issues of affordability and economic risks such as interest rate increases, inflationary pressures and unemployment.

The African Union for Housing Finance (AUHF) recently identified affordability of formal housing as one of the key areas where governments, private sector and development finance institutions should urgently focus on to enhance the performance of Africa's housing markets.

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