

**GUIDANCE NOTE GN602(b)**  
**on**  
**CODE SERIES FS600, STATEMENT 602**

**THE MEASUREMENT OF THE EMPOWERMENT FINANCING AND ENTERPRISE  
DEVELOPMENT ELEMENT FOR MEASURED ENTITIES THAT ARE NOT EXEMPTED  
FROM CONTRIBUTING TOWARDS EMPOWERMENT FINANCING**

**AFFORDABLE HOUSING**

**1. Introduction**

The FS Code states that the Banking Association will on an annualised basis provide a target market definition for Affordable Housing as defined in the FS Code. The purpose of this Guidance Note is to provide the latest definition of the Affordable Housing target market.

**2. Objectives of this Guidance Note**

To specify the Affordable Housing target market.

**3. Affordable Housing**

**3.1 Affordable Housing target market definition:**

**3.1.1 For 2012,**The monthly upper income limit for Affordable Housing is R16 486.

**3.1.2 For 2013, this is calculated to be:**

- CPI: average CPI for 2012, 5,6%
- BCI: average BCI for 2012, 8,3%
- The midpoint for CPI and BCI for 2012 was therefore 6,95%.

The upper income limit for Affordable Housing for 2013 is therefore calculated to be R 17 600 (R16 486 + (R16 486 X 6.95% = R17 632, rounded off to the nearest R100).

### **3.2 “Gap” Housing target market definition:**

For 2012, the upper income limit for “Gap” Housing as defined by the Department of Human Settlements (DHS) is R 15 000 with a maximum house purchase price of R300,000. No definitional changes have since been made by DHS and so the target market for 2013 remains unchanged at an upper income limit of R 15 000 with a maximum house price of R 300 000.

### **3.3 Non-mortgage Loans target market definition:**

**3.3.1 For 2012**, The Banking Association defined the monthly minimum loan size for non-mortgage loans as R1 000.

**3.3.2 For 2013**, this is calculated to be:

- CPI: average CPI for 2012, 5,6%
- BCI: average BCI for 2012, 8,3%
- The midpoint for CPI and BCI for 2012 was therefore 6,95%

The minimum loan size for non-mortgage loans for 2013 is therefore calculated to be R1 100 (R1 000+ (R1 000 X 6.95% = R1 070, rounded off to the nearest R100)).