Banking group reports affordable-housing milestone

By: Megan Wait
www.engineeringnews.co.za
30 March 2012

South African banking group First National Bank (FNB) reports it has reached its R10-billion loan target in the afford-able-housing market – houses aimed at qualifying customers with a gross monthly income of up to R18 000, by providing homes to more than 90 000 families, just five months after hitting the R9-billion mark.

FNB Housing Finance CEO **Marius Marais** says the scale of the bank's loan book, and its growth, are "evidence that there is demand for affordable housing and that FNB has made a significant contribution in the provision of decent and affordable housing for first-time home-owners, who form the backbone of the future housing market."

"We have been robust in the development of our solutions that enable our customers to own their first home. For example, we have retained our policy of 100% loans to all qualifying customers. "We have also combined access to housing finance with consumer education for our first-time home-owners, where more than 29 000 of our bondholders have under- gone or undertaken this educa-tional/informative programme on how to manage their bonds and maintain their investments."

FNB is one of the leading financiers in the affordable-hous-ing market space in South Africa, with over 22% of new business market share.

FNB has also been working with a number of partners to pioneer high-quality alternative building technologies, which can bring down prices, increase the speed of delivery and increase energy efficiencies. "Last year, we rolled out our modular building concept in partnership with oil and gas company Sasol and construction company Tower Technologies," says Marais.