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Press release from Integer

Tips for Trevor to make home ownership more affordable

- Increase exemption on transfer duty
- Abolish attorneys conveyancing monopoly
- Tax relief for mortgage payments

"Dear Trevor

I would appreciate it if you could please consider the following issues in your Budget Speech this year.

It is increasingly evident that ordinary South Africans are battling to get onto the property ladder. Please consider increasing the exemption on transfer duty from R500,000 to at least R1 million? This would assist prospective first time buyers to enter into the property market and facilitate the widening affordability gap. In addition, it will encourage activity at the bottom end of the market.

Please could you also assist potential home owners by abolishing the monopoly attorneys hold on conveyancing procedures in SA? I know it's probably not your department but you should have some influence.

The restriction is no longer valid and adds to the costs and inefficiencies in the property market. Free and licensed participation as property transfer agents would encourage the entry of accounting firms, estate agents and mortgage originators into this space. This, in turn, would improve efficiency and drive down costs. Although, be prepared for rigorous opposition from the lawyers whose vested interest in maintaining the status quo is enormous.

In the same vein how about some tax relief for mortgage payments? The property market is beginning to falter and, as the backbone of the consumer sector, I would urge active intervention. Surely, it is time for us to offer a tax rebate on monthly mortgage payments like other countries who have implemented this successfully. This move would address affordability issues, stimulate confidence in the sector and encourage home ownership – which is one way to entrench the middle class.

Finally, we really need a budget that reflects growth and job creation, as opposed to a morbid preoccupation with inflation. The country needs employment and I would rather see aggressive government intervention to stimulate the economy, even if this spending results in us remaining outside of the targeted inflation range of 3-6 percent.

Yours sincerely

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About Integer:

Integer is an online home loans finance provider which offers competitively priced mortgage products in competition with the banks. Integer offers the convenience of a Visa debit card and internet banking as an adjunct to the home loan offering.