

Detailed Home Affordability Report

Prepared for

Sample Report

23 July 2018



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The table below summarises your affordability for various housing options based on the information provided and generally applicable bank criteria

SUMMARY AND RECOMMENDATIONS

- Your maximum qualifying home loan amount based on Gross Income is R1,640,000
- Your actual home loan affordability amount is between R1,325,000 and R1,475,000 depending on your preferred property. This is due to your current levels of contractual debt and monthly expenses. You may want to relook at your debts and expenses and see if it is possible to reduce them. A reduction of R1,000 per month improves your affordability by about R85,000.
- Your credit score is rated 'average'. It's really important to improve your credit score by paying all your accounts each and every month in full and on time.
- Any changes in your finances will affect your home affordability and we should be informed of such.

	NEW DEVELOPMENT - TRANSFER FEES & VAT INCLUDED IN THE PURCHASE PRICE		EXISTING HOME - TRANSFER FEES and DUTIES NOT INCLUDED IN THE PURCHASE PRICE	
	Freehold / Freestanding	Sectional Title - 2% levy*	Freehold / Freestanding	Sectional Title - 2% levy*
Cost of Home Purchase				
Max House Price	R1,475,000	R1,430,000	R1,330,000	R1,300,000
Transaction Costs	R6,038	R6,038	R54,438	R52,635
Transfer Duty	N/A	N/A	R15,300	R13,500
Total Transaction Cost	R1,481,038	R1,436,038	R1,399,738	R1,366,135
Transaction Funding				
Home Loan Amt	R1,475,000	R1,430,000	R1,330,000	R1,300,000
Savings Used	R6,038	R6,038	R6,038	R6,038
Personal loan for Transfer Costs	R0	R0	R63,700	R60,097
Total of All Funding	R1,481,038	R1,436,038	R1,399,738	R1,366,135
Estimated Home Ownership Costs				
Home Loan Installment	R15,730	R15,250	R14,184	R13,864
Personal Loan (Transfer Costs) Installment			R1,515	R1,430
Estimate of rates and taxes, home owners insurance and credit life cover costs	R1,579	R1,527	R1,412	R1,377
Levies Estimate		R1,600		R1,600
Total Additional Monthly Cost of Ownership	R17,309	R18,377	R17,111	R18,271
Constraint on Affordability	Contractual Debt	Expenses	Contractual Debt	Expenses

The results above are based on the information provided by you and generally available bank affordability criteria. Although care is taken in calculating your affordability and assessing your likelihood of getting a home loan this is not an offer to provide finance. Bank's credit and affordability criteria are propriety to them and subject to change and the final grant of a loan is at their discretion.

* Levy estimates are based on 2% of the value of the property per annum with a minimum of R 800 per month and a maximum of R 1 600 per month.

Affordability Analysis Information Summary and Assumptions

Gross Household Income	R58,374
Less Salary Deductions	R16,304
Net Household Income	R42,070
Less Contractual Debt Payments	R13,448
Less Household Expenses	R8,817
Less Contingency Allowance	R1,323
Amount available for new home costs	R18,483

Note that banks limit home loan installments to the lower of: 30% of gross income and all contractual debt to 50% of gross income as follows:

Installment to Income Cap

Maximum home loan installment based on 30% Installment to Income R17,512

Potential maximum home loan based on Installment to Income (Equivalent to online bond calculators)	R1,642,134
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Contractual Debt Cap

50% of Gross Income R29,187

Less: Current Contractual Debt Payments R13,448

Maximum home loan installment based on a cap of 50% contractual debt to gross household income ratio R15,739

Potential maximum home loan based on 50% total contractual income cap	R1,475,859
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Deal specific evaluation assumptions:

Credit Score (Compuscan)	Average
Current contractual debt %	23.04%
Home loan interest rate	11.50%
Home loan term (years)	20
Transfer cost personal loan interest rate	15%
Transfer cost personal loan term (years)	5
Available savings for costs/deposit	R6,038

Calculation of Combined Monthly Income

Monthly Income (as per payslip)	Main Applicant	Co-Applicant	Total
Basic salary	R31,357	R26,117	R57,474
Commissions			
Overtime (70% of average)			
Housing Allowance		R900	R900
Car/Travel Allowance			
Other			
Total Gross Household Salary (a)	R31,357	R27,017	R58,374

Salary Deductions			
Tax PAYE/SITE - based on (a) above	R5,482	R4,852	R10,334
UIF	R149		R149
Providend/Pension Fund	R1,568	R1,959	R3,527
Medical Aid		R1,614	R1,614
Life Insurance		R276	R276
Other		R404	R404
Total Salary Deductions (b)	R7,199	R9,105	R16,304

Other Income			
Court Ordered Maintenance Receipts			
Rental on Property			
Total Other Income (c)			

Gross Household Income (a) + (c) = (d)	R31,357	R27,017	R58,374
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Net Household Income (d) - (b) = (e)	R24,158	R17,912	R42,070
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Contractual debt items	Outstanding Amt (R)	Monthly Installment (R)
1. Secured loans e.g. vehicle loans, home loans etc.		
Nedbank vehicle	R370,511	R6,083
2. Personal Loans		
Capitec	R42,307	R1,583
FNB Personal loan	R35,474	R2,349
FNB - Temporary loan	R0	R0
3. Revolving Credit / In-store accounts		
Capitec - Mpho	R0	R0
FNB Revolving credit - Mpho	R17,105	R918
FNB Credit card - Mpho	R16,608	R893
FNB Credit card - Ben	R26,490	R1,325
Woolworths - Ben	R635	R77
FNB Revolving credit - Ben	R2,227	R220
Total	R511,357	R13,448

Expected Household Expense Budget

Expense Item	Main Applicant	Co-Applicant	Total
Electricity and water	R600		R600
Vehicle/Petrol/Transport	R1,000		R1,000
Tracker			
Groceries		R1,000	R1,000
Clothing			
Cell phone	R432	R400	R832
Cell phone top ups			
Entertainment	R600		R600
Fibre/ADSL			
Multi-choice/DSTv	R385		R385
Sports Clubs/Gym Memberships			
Education - fees, books and accomodation	R700	R1,300	R2,000
Domestic and garden help			
Medical/ Medical Aid/Medical Insurance			
Support/Maintenance	R500		R500
Pension/Retirement Annuity			
Insurance - Life	R256	R519	R775
Insurance - Funeral			
Insurance - Assets		R1,125	R1,125
Security			
Other...			
Total Monthly Expenses	R4,473	R4,344	R8,817