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COMMUNIQUE

Survey of Housing Market Conditions: 2010Q1

With a view to assessing latest developments in the domestic housing market, the Bank of Mauritius conducted a second survey of Housing Market Conditions by means of a questionnaire designed to collect the views of estate agents on conditions prevailing in the residential segment of the housing market in the first quarters of 2009 and 2010. The questionnaire was sent to a sample of forty estate agencies and a response rate of 60 per cent was obtained, including many of the major players in the market.

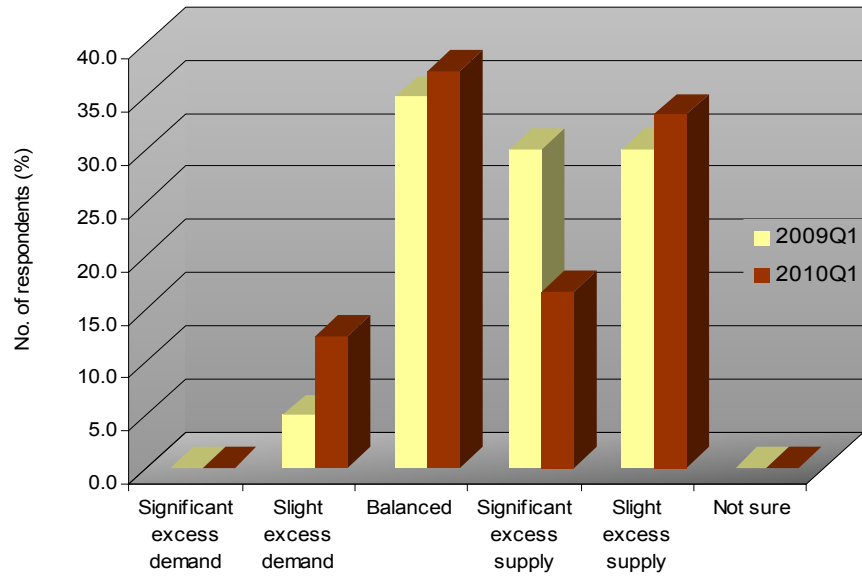
Survey Results

- *Demand and Supply Conditions*

The residential housing market was characterized as being in a situation of excess supply during the first quarter of 2010 by 50 per cent of respondents. For 38 per cent of respondents, supply in the market roughly matched demand. Only 12 per cent of respondents indicated that the market was in a slight excess demand situation.

Compared to 2009Q1, 46 per cent of respondents reported that demand for residential housing had decreased while 21 per cent noted that supply had increased. A further 4 per cent of respondents found that there had been both a fall in the demand for and a rise in the supply of residential housing. For 21 per cent of respondents, however, demand and supply conditions had remained the same while for 8 per cent, an increase in demand was observed.

Chart 1: Demand and Supply Conditions



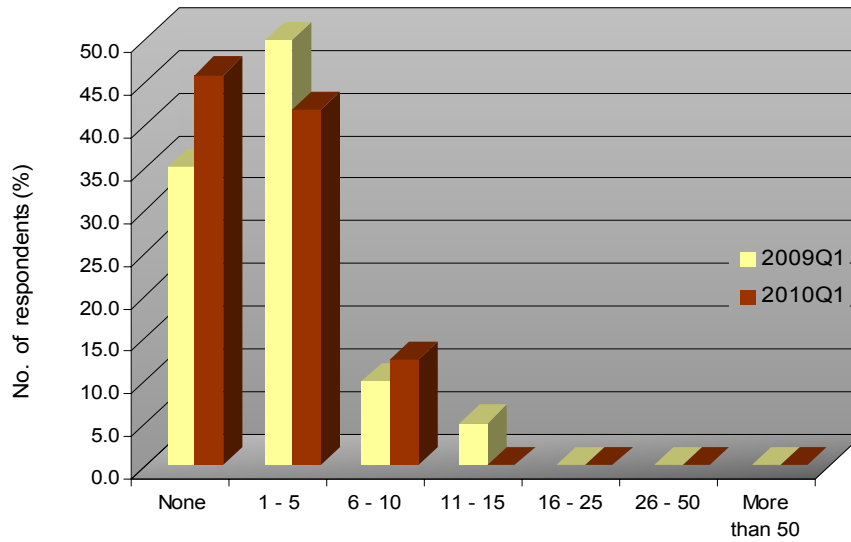
- ***Residential Property Listings and Transactions***

During 2010Q1, 83 per cent of responding estate agencies had up to 50 residential properties listed with them compared to 17 per cent which had more than 50 properties on their lists. Agents most frequently cited a range of 10-20 properties listed with them.

A range of 1-5 residential properties was reportedly sold by 42 per cent of participating estate agents while a higher volume of 6-10 properties was sold by 13 per cent of them. No sales of more than 10 properties appear to have been registered during the period under review, and 45 per cent of respondents indicated that they had not sold any residential properties during 2010Q1.

Compared to 2009Q1, 58 per cent of respondents experienced a decline in the volume of residential property sales in 2010Q1. More than 80 per cent of such respondents noted that sales were significantly lower while the rest indicated slightly lower sales. The volume of sales in 2010Q1 compared to 2009Q1 was about the same for 25 per cent of responding estate agents and higher for 17 per cent of them.

Chart 2: Volume of Residential Property Sales



- ***Prices in the Residential Housing Market***

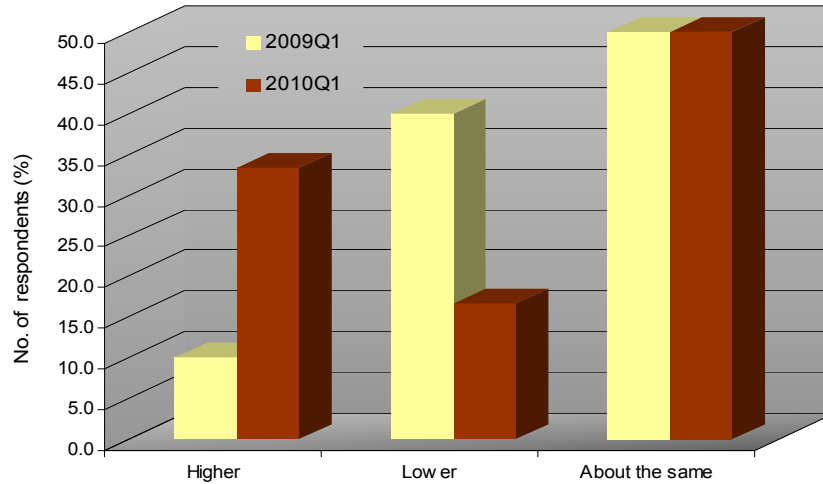
The price at which a residential property sold in 2010Q1 was generally lower than its initial asking price for 42 per cent of respondents. It was noted that, on average, there was approximately a 14 per cent decrease from the initial asking price to the final selling price of a property, similar as reported in the 2009Q1 survey. Half of those surveyed, however, viewed that selling prices were about the same as asking prices while 8 per cent of respondents had noted higher selling prices than asking prices.

Compared to 2009Q1, 50 per cent of respondents noted that prices had remained broadly unchanged in 2010Q1. A further 33 per cent of respondents noted that selling prices had increased by around 12 per cent on average whereas 17 per cent viewed that selling prices had fallen on average by 9 per cent.

Estate agents were also asked to provide an estimate of average prices at which different types of residential properties, namely, a single storey detached house, two-storey detached house and a flat / apartment, could sell in 2010Q1 depending on their location in urban, rural or coastal areas. In urban areas, average selling prices could range

between Rs2.7 – Rs7.2 million depending on the type of property. In rural areas, average selling prices could vary between Rs1.6 – 4.6 million whereas in coastal areas, average selling prices could fluctuate between Rs3.6 – Rs10.8 million, again depending on the type of property.

Chart 3: Evolution of Residential Properties Selling Prices



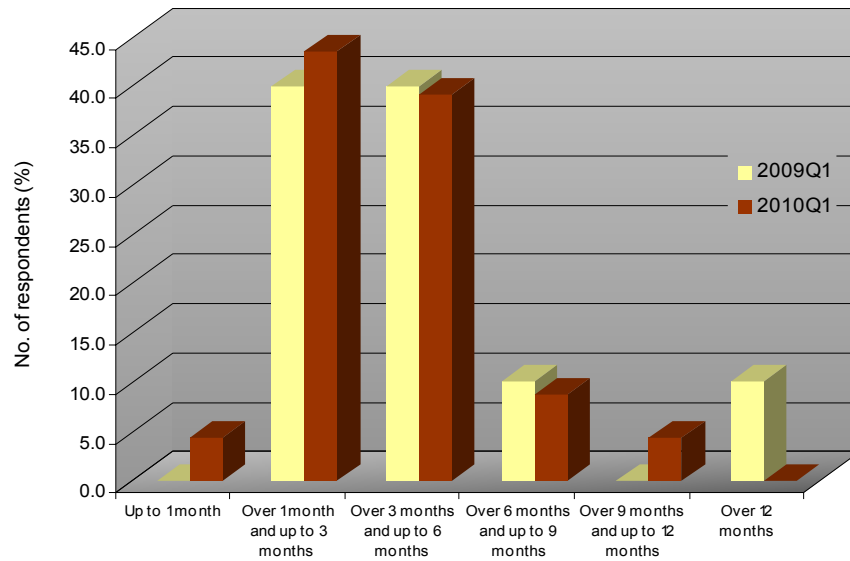
- ***Average Time to Sell a Residential Property***

It took on average up to 3 months to sell a residential property in 2010Q1 for 48 per cent of respondents and on average 3-6 months for another 39 per cent. The average time to sell a property was 6-9 months for 9 per cent of estate agents and up to one year for the remaining 4 per cent.

- ***Purchases by Non-Residents***

All respondents reported that dealings had been carried out with local customers only and that no sales had been made to non-residents in 2010Q1.

Chart 4: Average Time to Sell a Residential Property



- ***Expectations for the rest of 2010***

The majority of estate agents, that is 62 per cent of respondents expected conditions in the housing market to remain unchanged over the rest of 2010 while 25 per cent foresaw conditions to pick up. Only 13 per cent of respondents expected conditions to worsen later in the year.

The Bank of Mauritius thanks all participants to the second Survey of Housing Market Conditions and looks forward to their continued collaboration in future.