



# Residential Building Statistics

15 September 2010

Compiled by:  
Jacques du Toit  
Senior Property Analyst  
Absa Home Loans  
Absa Group Limited  
(Reg No 1986/003934/06)

45 Mooi Street  
Johannesburg  
2001

PO Box 7735  
Johannesburg  
2000  
South Africa

Tel: +27 (0) 11 350 7246  
E-mail: jacques@absa.co.za  
Website: <http://www.absa.co.za>

The information in this publication is derived from sources which are regarded as accurate and reliable, is of a general nature only, does not constitute advice and may not be applicable to all circumstances. Detailed advice should be obtained in individual cases. No responsibility for any error, omission or loss sustained by any person acting or refraining from acting as a result of this publication is accepted by Absa Group Limited and/or the authors of the material.

## Residential building activity recovering

Levels of activity in the South African residential building and construction sector seem to be recovering from a protracted period of decline in 2008 and 2009. According to data released by Statistics South Africa, the number of building plans approved for new housing was still lower in the first seven months of the year compared with the same period a year ago, but was on a rising trend over the past three months. The volume of new housing units constructed continued to contract, but at a slower pace.

The real value of plans approved for new residential buildings was down by only 0,8% year-on-year (y/y) in January to July this year, to R10,28 billion from R10,36 billion in the same period last year. The real value in respect of new residential buildings constructed was 20,5% y/y lower at R8,4 billion in the first seven months of the year from R10,57 billion in the corresponding period of 2009. These real values are calculated at constant 2005 prices.

The volume of building plans approved for new houses, flats and townhouses increased by 22,8% y/y in July after a small decline in June and growth of 33,4% y/y recorded in May this year. Although the number of plans approved for these categories of new housing was still down during the first seven months compared with the same period last year, the trends over the past few months are encouraging, as these developments will positively impact the construction phase at a later stage.

With regard to the construction phase of new housing, activity continued to contract on a year-on-year basis up to July this year, but at a slowing pace. The volume of new housing units reported as completed was down by 19,4% y/y in July, whereas a few months ago in January, a contraction of as much as 52,6% y/y was recorded. With the construction of new housing lagging the planning phase, the improvement in conditions regarding the volume of plans approved will be reflected in the construction phase towards the end of the year and into 2011.

Conditions in the residential building and construction sector appear to be improving, and expectations are for the levels of activity to show some further improvement in the rest of the year and into next year.

Residential building statistics: Units (January-July)						
Category of housing	Plans passed			Buildings completed		
	Units 2009	Units 2010		Units 2009	Units 2010	
		Number	% change		Number	% change
Houses of <80m <sup>2</sup>	13 642	11 930	-12.5	13 426	9 419	-29.8
Houses of ≥80m <sup>2</sup>	8 190	8 633	5.4	8 223	6 105	-25.8
Flats & townhouses	8 996	6 458	-28.2	11 204	5 866	-47.6
<b>Total</b>	<b>30 828</b>	<b>27 021</b>	<b>-12.3</b>	<b>32 853</b>	<b>21 390</b>	<b>-34.9</b>
Source: Stats SA						

Residential building statistics by province												
Building plans passed												
	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jul 09	Number	6 737	3 393	107	2 197	2 496	3 208	10 831	1 366	493	30 828
	January- July 2010	Number	6 193	3 527	189	929	1 887	1 752	10 288	1 479	777	27 021
		% change	-8.1	3.9	76.6	-57.7	-24.4	-45.4	-5.0	8.3	57.6	-12.3
		% of SA	22.9	13.1	0.7	3.4	7.0	6.5	38.1	5.5	2.9	100.0
Alterations and additions to existing houses	Jan-Jul 09	m <sup>2</sup>	508 134	165 301	21 171	77 667	247 594	86 002	581 489	95 213	41 591	1 824 162
	January- July 2010	m <sup>2</sup>	531 622	196 245	21 739	88 951	252 940	97 848	655 688	92 116	50 411	1 987 560
		% change	4.6	18.7	2.7	14.5	2.2	13.8	12.8	-3.3	21.2	9.0
		% of SA	26.7	9.9	1.1	4.5	12.7	4.9	33.0	4.6	2.5	100.0
Buildings completed												
	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jul 09	Number	8 729	2 009	224	1 490	4 292	1 429	11 807	1 343	1 530	32 853
	January- July 2010	Number	6 504	3 113	81	576	2 074	1 243	6 629	912	258	21 390
		% change	-25.5	55.0	-63.8	-61.3	-51.7	-13.0	-43.9	-32.1	-83.1	-34.9
		% of SA	30.4	14.6	0.4	2.7	9.7	5.8	31.0	4.3	1.2	100.0
Alterations and additions to existing houses	Jan-Jul 09	m <sup>2</sup>	585 457	105 641	19 575	69 205	188 987	28 898	382 215	63 059	4 256	1 447 293
	January- July 2010	m <sup>2</sup>	409 403	114 774	18 955	42 998	121 066	29 219	301 638	42 698	2 182	1 082 933
		% change	-30.1	8.6	-3.2	-37.9	-35.9	1.1	-21.1	-32.3	-48.7	-25.2
		% of SA	37.8	10.6	1.8	4.0	11.2	2.7	27.9	3.9	0.2	100.0

Source: Stats SA



