



Residential Building Statistics

21 July 2011

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Residential building activity giving mixed signals

An improvement in building activity in the South African housing market was evident with regard to the planning phase in the first five months of 2011 compared with the corresponding period in 2010. This improvement was mainly in the higher-density category of flats and townhouses. The construction phase, however, showed a contraction, driven specifically by the flats and townhouse category.

In the first five months of 2011 the real value of plans approved for new residential buildings was up by 2,4% year-on-year (y/y) to R7,23 billion, from R7,06 billion in the same period last year. The real value of new residential buildings reported as completed in January to May this year was down by 8,9% y/y to an amount of R5,47 billion, from R6,01 billion a year ago. The abovementioned real values are calculated at constant 2005 prices.

The number of new housing units for which building plans were approved by local government institutions was marginally up by 1,7% in the first five months of the year compared with a year ago. In May plans were approved for a total of 3 874 new housing units, 32% higher than in April, mainly due to seasonal factors. However, the number of plans approved in May was 41,6% lower on a year-on-year basis. This was the result of a high base of calculation of 6 635 housing units for which building plans were approved in May 2010.

The volume of new housing constructed was 8,3% y/y lower in the period January to May this year on the back of a decline of almost 11% y/y in the flats and townhouse category, whereas the small-house category improved by 6% y/y in the period. The decline in the number of new flats and townhouses constructed so far this year compared with a year ago is most probably the after-effect of a contraction of almost 26% in plans approved for these types of housing in 2010. The higher level of activity in the planning phase of flats and townhouse in the first five months of 2011 will only impact the construction phase at a later stage.

Residential building activity in the rest of 2011 will be driven by developments on the front of the macro economy and household finances, which will impact demand and supply trends. The affordability of housing, based on aspects such as house prices, interest rates and income; the cost and availability of mortgage finance; and the impact of rising housing operating costs will be some of the driving factors of future housing demand and supply in the country.

Residential Building Activity (January-May)						
Category of housing	Building plans approved			Buildings completed		
	Units 2010	Units 2011		Units 2010	Units 2011	
		Number	% change		Number	% change
Houses of <80m ²	9 223	8 524	-7.6	7 494	7 947	6.0
Houses of ≥80m ²	5 805	5 947	2.4	4 254	4 120	-3.1
Flats & townhouses	4 250	5 132	20.8	4 088	3 647	-10.8
Total	19 278	19 603	1.7	15 836	15 714	-0.8

Source: Stats SA

Residential Building Activity by Province												
Building plans approved												
	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-May 10	Number	4 607	2 788	71	582	1 341	1 193	7 188	926	582	19 278
	January- May 2011	Number	4 936	698	297	1 761	1 397	1 176	7 551	1 335	452	19 603
		% change	7.1	-75.0	318.3	202.6	4.2	-1.4	5.1	44.2	-22.3	1.7
		% of SA	25.2	3.6	1.5	9.0	7.1	6.0	38.5	6.8	2.3	100.0
Alterations and additions to existing houses	Jan-May 10	m ²	371 414	127 182	17 263	63 208	181 640	56 867	440 750	63 999	35 337	1 357 660
	January- May 2011	m ²	343 070	110 674	18 137	53 447	152 518	69 218	431 683	59 376	32 837	1 270 960
		% change	-7.6	-13.0	5.1	-15.4	-16.0	21.7	-2.1	-7.2	-7.1	-6.4
		% of SA	27.0	8.7	1.4	4.2	12.0	5.4	34.0	4.7	2.6	100.0
Buildings completed												
	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-May 10	Number	4 715	2 266	62	999	1 418	953	4 657	585	181	15 836
	January- May 2011	Number	4 652	1 615	135	830	1 061	532	5 802	780	307	15 714
		% change	-1.3	-28.7	117.7	-16.9	-25.2	-44.2	24.6	33.3	69.6	-0.8
		% of SA	29.6	10.3	0.9	5.3	6.8	3.4	36.9	5.0	2.0	100.0
Alterations and additions to existing houses	Jan-May 10	m ²	268 172	84 629	13 616	33 786	83 112	24 686	223 535	29 416	2 579	763 531
	January- May 2011	m ²	264 066	64 170	11 177	29 840	88 844	16 120	236 132	45 250	1 862	757 461
		% change	-1.5	-24.2	-17.9	-11.7	6.9	-34.7	5.6	53.8	-27.8	-0.8
		% of SA	34.9	8.5	1.5	3.9	11.7	2.1	31.2	6.0	0.2	100.0

Source: Stats SA



