



# Residential Building Statistics

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## Short-term momentum in residential building activity appears to be waning

Based on data released by Statistics South Africa, activity with regard to the planning of new housing improved markedly in the first seven months of 2011, with all three segments of the market showing positive year-on-year growth compared with the same period last year. The construction of new housing was also up in the period January to July this year, but the pace of improvement was significantly slower compared with that of the planning phase. However, the momentum in overall residential building activity appears to have tapered off over the past three months.

Year-on-year growth in the volume of new housing units for which building plans were approved from January to July this year was largely driven by the categories for smaller-sized houses and higher-density flats and townhouses. However, the total number of housing units for which plans were approved was marginally down by 0,2% to 6 139 in July from 6 156 in June.

In the first seven months of 2011 the number of new housing units constructed was up by only 3,3% year-on-year (y/y). The relatively low year-on-year growth recorded in new housing construction over this period was mainly driven by the higher-density segment of flats and townhouses, which showed a contraction of 12,3% y/y, whereas the number of smaller-sized houses built was up by 13,6% y/y. A total of 3 713 new housing units were constructed in July this year compared with 3 506 units built in the preceding month.

The real value of plans approved for new residential buildings was up by 3,6% y/y to R10,85 billion in the period January to July 2011, from R10,47 billion in the corresponding period last year. The real value of new residential buildings reported as completed in the first seven months of the year came to R7,9 billion, down by 7,3% y/y from a total of R8,53 billion a year ago. These real values are calculated at constant 2005 prices.

With the need and demand for housing in South Africa largely focused towards the lower end of the market, the trends evident in the planning phase of smaller-sized houses and higher-density flats and townhouses in 2011 are encouraging, with the expectation that these developments will be reflected in the construction phase of these types of housing towards the end of 2011 and in 2012. However, the future demand for and supply of new housing will be driven by developments with regard to the economy in general, but specifically by trends in respect of household finances.

Residential Building Activity (January-July)						
Category of housing	Building plans approved			Buildings completed		
	Units 2010	Units 2011		Units 2010	Units 2011	
		Number	% change		Number	% change
Houses of <80m <sup>2</sup>	12 440	14 026	12.7	10 073	11 440	13.6
Houses of ≥80m <sup>2</sup>	8 632	8 708	0.9	6 137	6 241	1.7
Flats & townhouses	6 458	9 170	42.0	5 960	5 225	-12.3
<b>Total</b>	<b>27 530</b>	<b>31 904</b>	<b>15.9</b>	<b>22 170</b>	<b>22 906</b>	<b>3.3</b>

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-Jul 10	Number	6 707	3 543	189	897	1 887	1 740	10 313	1 479	775	27 530
	January- July 2011	Number	7 801	901	375	2 182	2 571	2 385	11 927	1 873	1 889	31 904
		% change	16.3	-74.6	98.4	143.3	36.2	37.1	15.7	26.6	143.7	15.9
		% of SA	24.5	2.8	1.2	6.8	8.1	7.5	37.4	5.9	5.9	100.0
Alterations and additions to existing houses	Jan-Jul 10	m <sup>2</sup>	531 622	199 271	21 739	95 118	252 940	90 788	662 260	92 116	51 127	1 996 981
	January- July 2011	m <sup>2</sup>	502 808	156 379	29 423	81 369	220 854	91 323	627 973	81 149	42 180	1 833 458
		% change	-5.4	-21.5	35.3	-14.5	-12.7	0.6	-5.2	-11.9	-17.5	-8.2
		% of SA	27.4	8.5	1.6	4.4	12.0	5.0	34.3	4.4	2.3	100.0
Buildings completed												
	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jul 10	Number	6 504	3 137	81	1 233	2 074	1 231	6 725	912	273	22 170
	January- July 2011	Number	6 621	1 863	374	961	1 644	834	8 990	1 293	326	22 906
		% change	1.8	-40.6	361.7	-22.1	-20.7	-32.3	33.7	41.8	19.4	3.3
		% of SA	28.9	8.1	1.6	4.2	7.2	3.6	39.2	5.6	1.4	100.0
Alterations and additions to existing houses	Jan-Jul 10	m <sup>2</sup>	409 403	114 906	18 955	43 818	121 066	29 865	328 740	42 698	4 052	1 113 503
	January- July 2011	m <sup>2</sup>	386 222	88 381	18 859	35 276	127 256	22 844	328 423	64 082	2 967	1 074 310
		% change	-5.7	-23.1	-0.5	-19.5	5.1	-23.5	-0.1	50.1	-26.8	-3.5
		% of SA	36.0	8.2	1.8	3.3	11.8	2.1	30.6	6.0	0.3	100.0

Source: Stats SA



