

Home Loans



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Residential building statistics

19 July 2012

Subdued residential building activity continues

Residential building activity in the South African market for new housing was mixed in the first five months of 2012 compared with the same period a year ago. On the planning side only one of the three segments posted positive year-on-year growth up to May this year, while one of the three segments on the construction side contracted on an annual basis in the period January to May.

The volume of new housing units for which building plans were approved by local government institutions was down by 542 units, or 2,7% year-on-year (y/y), to a total of 19 379 in the first five months of the year. The decline was the result of contractions in the segments for smaller-sized houses and flats and townhouses. Five of the nine provinces contributed to the abovementioned overall year-on-year decline in the number of building plans approved for new housing.

The number of new housing constructed increased by 770 units, or 4,9%, year-on-year in the period January to May 2012, with just the category of smaller-sized houses, i.e. houses of less than 80m², showing a contraction in the period. A decline in the number of new housing units built was evident in six provinces.

The real value of plans approved for new residential buildings was up by up by R184,87 billion, or 2,5% y/y, to an amount of R7,55 billion in the initial five months of 2012 from R7,36 billion in the corresponding period last year. The real value of new residential buildings completed increased by R47,98 million, or 0,9% y/y to a level of R5,54 billion in the period January to May from R5,49 billion in the same period last year. These real values are calculated at constant 2005 prices.

With regard to alterations and renovations to existing houses, both the total building area and real value of activity contracted on a year-on-year basis in the planning as well as in the construction phases.

The demand for and supply of new housing will continued to be driven by economic trends, property investment sentiment, and trends in household finances. These factors are to impact property buying trends against the background of property prices, property running costs, financing and transaction costs and banks' lending criteria.

Residential building activity (January-May)

Category of housing	Building plans approved			Buildings completed		
	Units 2011	Units 2012		Units 2011	Units 2012	
		Number	% change		Number	% change
Houses of <80m ²	8 526	7 560	-11.3	7 920	7 583	-4.3
Houses of ≥80m ²	5 955	6 550	10.0	4 120	4 640	12.6
Flats & townhouses	5 440	5 269	-3.1	3 647	4 234	16.1
Total	19 921	19 379	-2.7	15 687	16 457	4.9

Source: Stats SA

Residential building activity by province

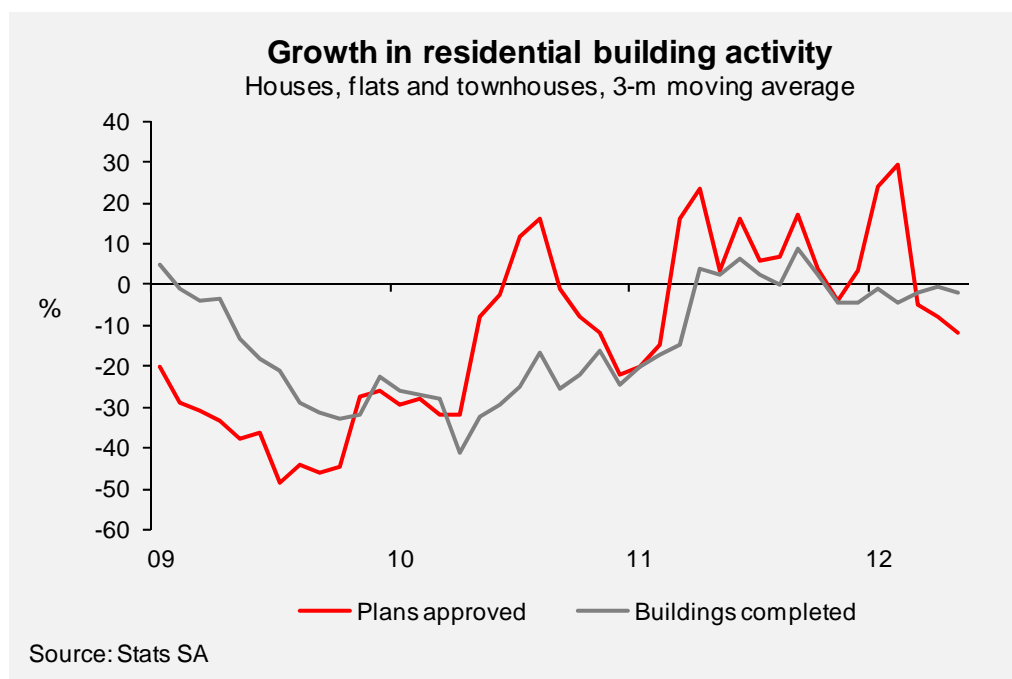
Building plans approved

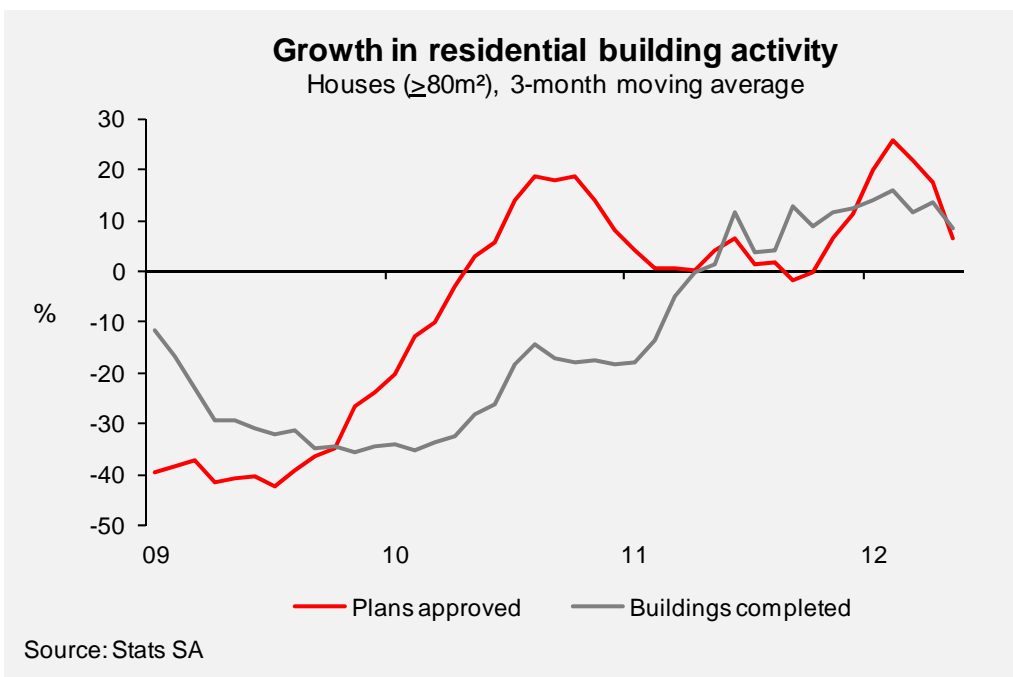
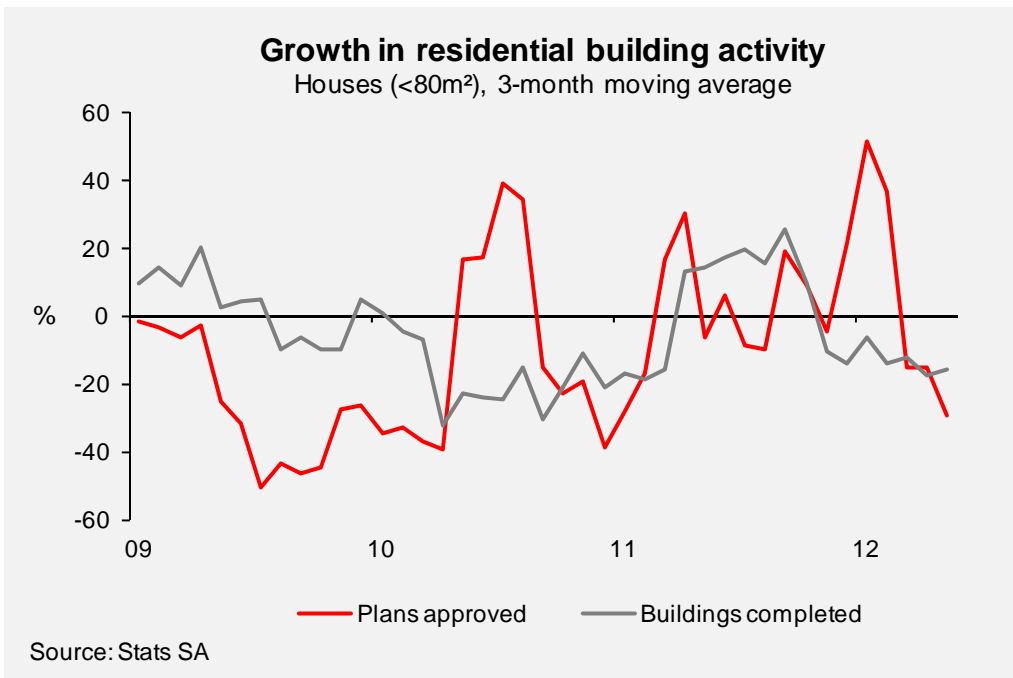
	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-May 11	Number	4 936	698	297	1 761	1 397	1 192	7 853	1 335	452	19 921
	January-May 2012	Number	4 414	1 060	584	690	1 170	791	9 063	1 075	532	19 379
		% change	-10.6	51.9	96.6	-60.8	-16.2	-33.6	15.4	-19.5	17.7	-2.7
		% of SA	22.8	5.5	3.0	3.6	6.0	4.1	46.8	5.5	2.7	100.0
Alterations and additions to existing houses	Jan-May 11	m ²	343 070	110 674	18 137	53 447	152 518	70 218	431 683	59 376	32 837	1 271 960
	January-May 2012	m ²	337 148	120 401	22 708	62 970	129 030	69 274	413 218	50 960	27 084	1 232 793
		% change	-1.7	8.8	25.2	17.8	-15.4	-1.3	-4.3	-14.2	-17.5	-3.1
		% of SA	27.3	9.8	1.8	5.1	10.5	5.6	33.5	4.1	2.2	100.0

Buildings completed

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-May 11	Number	4 652	1 615	135	830	1 061	532	5 802	780	280	15 687
	January-May 2012	Number	3 900	1 576	50	527	940	589	7 885	823	167	16 457
		% change	-16.2	-2.4	-63.0	-36.5	-11.4	10.7	35.9	5.5	-40.4	4.9
		% of SA	23.7	9.6	0.3	3.2	5.7	3.6	47.9	5.0	1.0	100.0
Alterations and additions to existing houses	Jan-May 11	m ²	264 066	64 170	11 177	29 840	88 844	16 120	236 132	45 250	1 862	757 461
	January-May 2012	m ²	255 805	42 645	24 668	20 842	73 908	14 934	155 528	32 163	3 996	624 489
		% change	-3.1	-33.5	120.7	-30.2	-16.8	-7.4	-34.1	-28.9	114.6	-17.6
		% of SA	41.0	6.8	4.0	3.3	11.8	2.4	24.9	5.2	0.6	100.0

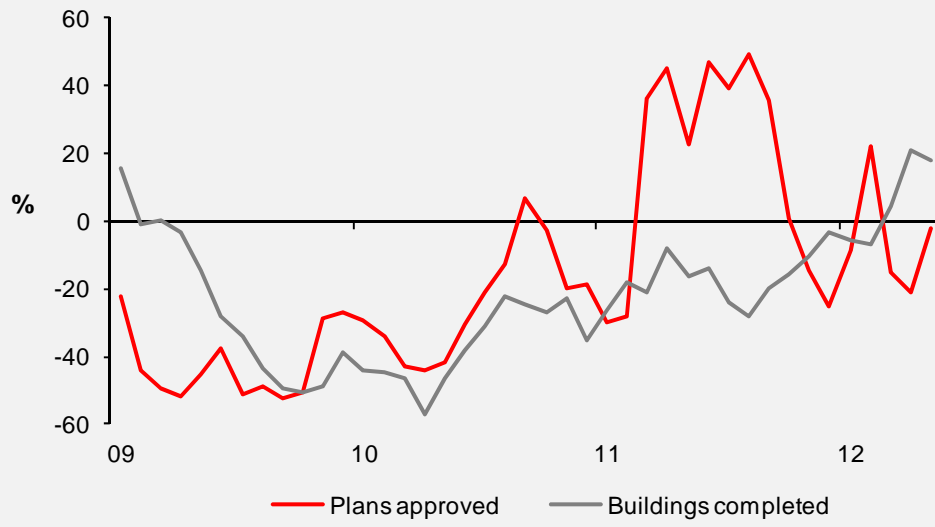
Source: Stats SA





Growth in residential building activity

Flats & townhouses, 3-month moving average



Source: Stats SA