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Residential building statistics

18 April 2013

Strong building activity evident in some categories of new housing

Building activity in the segment for flats and townhouses showed some strong growth in the first two months of 2013, with low growth evident in the segment for larger houses. In general the planning phase, as depicted by building plans approved for new housing, contracted by a small margin up to February, while the construction phase benefitted from double-digit growth in the categories of houses smaller than 80m² and flats and townhouses.

The real value of plans approved for new residential buildings was up by R592,3 million, or 14,2% year-on-year (y/y), to R4,76 billion in the first two months of the year. The real value of residential buildings constructed came to R3,38 billion in the same period, which was R524,6 million, or 18,4% y/y, more than a year ago.

The number of building plans approved for new housing was down by only 102 units, or 1,3% y/y in the first two months of 2013 compared with a year ago. This was largely the net effect of plans approved for smaller-sized houses contracting by more than 22% year-on-year (y/y) during this period, while strong growth was recorded with regard to the segment for flats and townhouses. In view of a strong demand for housing towards the lower end of the market, the continued contraction in the level of activity with regard to the planning phase for smaller-sized houses remains a concern. Last year saw the number of building plans approved for houses smaller than 80m² declining by 21,1%, which is expected to adversely affect the construction phase of this type of housing later this year.

The volume of new housing built showed a cumulative rise of about 900 units, or 16,3% y/y in January and February this year, driven by the segments for smaller-sized houses and flats and townhouses.

The market for new housing will be affected by trends on the macroeconomic front (economic growth, employment, inflation, interest rates), the state of household finances (income, consumption, saving, debt levels, debt servicing, credit-risk profiles), consumer confidence and property market-related factors (investment sentiment, property running costs, building costs). These factors will be reflected in new-housing demand and supply conditions, market activity, transaction volumes, price levels and the demand for mortgage finance.

Residential building activity (January - February)

Category of housing	Building plans approved			Buildings completed		
	Units 2012	Units 2013		Units 2012	Units 2013	
		Number	% change		Number	% change
Houses of <80m ²	3 259	2 536	-22.2	2 200	2 501	13.7
Houses of ≥80m ²	2 649	2 676	1.0	1 784	1 813	1.6
Flats and townhouses	1 677	2 271	35.4	1 536	2 107	37.2
Total	7 585	7 483	-1.3	5 520	6 421	16.3

Source: Stats SA

Residential building activity by province

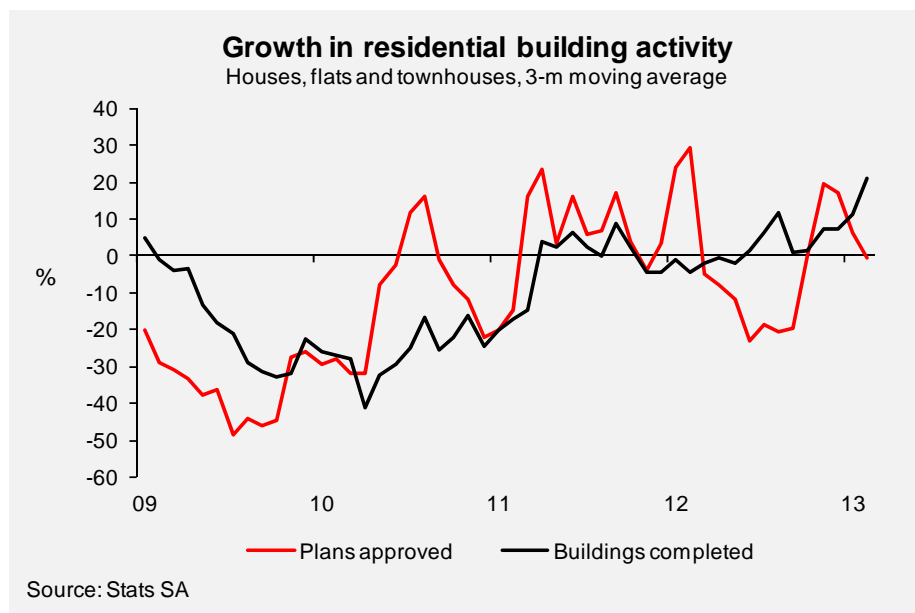
Building plans approved

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Feb 12	Number	1 477	587	534	303	512	261	3 250	439	222	7 585
	January - February 2013	Number	1 541	178	50	223	300	876	3 639	463	213	7 483
		% change	4.3	-69.7	-90.6	-26.4	-41.4	235.6	12.0	5.5	-4.1	-1.3
		% of SA	20.6	2.4	0.7	3.0	4.0	11.7	48.6	6.2	2.8	100.0
Alterations and additions to existing houses	Jan-Feb 12	m ²	120 811	43 780	9 709	24 193	46 112	27 143	166 959	20 870	11 748	471 325
	January - February 2013	m ²	117 143	37 816	6 268	18 472	47 657	26 690	160 826	27 677	12 072	454 621
		% change	-3.0	-13.6	-35.4	-23.6	3.4	-1.7	-3.7	32.6	2.8	-3.5
		% of SA	25.8	8.3	1.4	4.1	10.5	5.9	35.4	6.1	2.7	100.0

Buildings completed

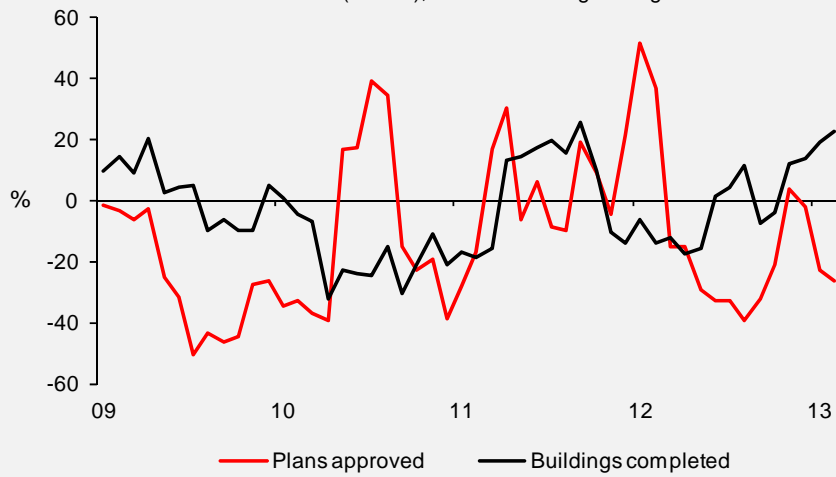
	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Feb 12	Number	1 099	537	26	127	329	297	2 702	354	49	5 520
	January - February 2013	Number	1 696	606	13	205	604	285	2 597	306	109	6 421
		% change	54.3	12.8	-50.0	61.4	83.6	-4.0	-3.9	-13.6	122.4	16.3
		% of SA	26.4	9.4	0.2	3.2	9.4	4.4	40.4	4.8	1.7	100.0
Alterations and additions to existing houses	Jan-Feb 12	m ²	101 817	15 055	10 121	8 617	29 579	7 390	60 198	13 509	1 607	247 893
	January - February 2013	m ²	152 551	24 289	2 656	5 267	25 530	4 366	66 867	11 234	906	293 666
		% change	49.8	61.3	-73.8	-38.9	-13.7	-40.9	11.1	-16.8	-43.6	18.5
		% of SA	51.9	8.3	0.9	1.8	8.7	1.5	22.8	3.8	0.3	100.0

Source: Stats SA



Growth in residential building activity

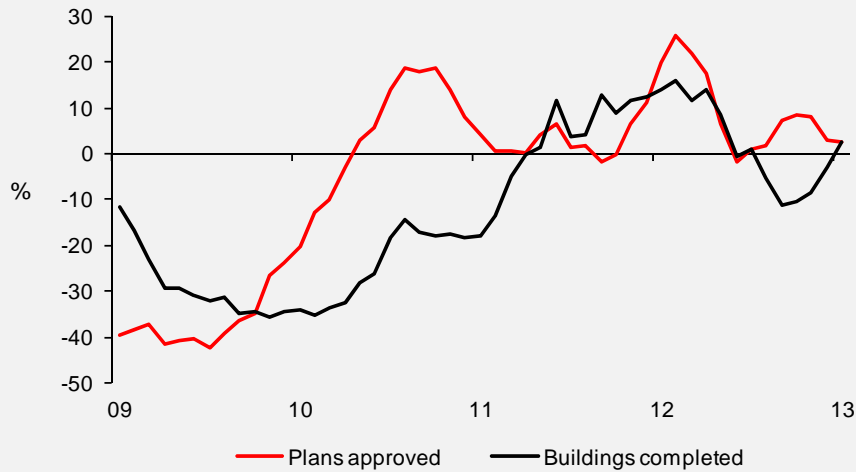
Houses (<80m²), 3-month moving average



Source: Stats SA

Growth in residential building activity

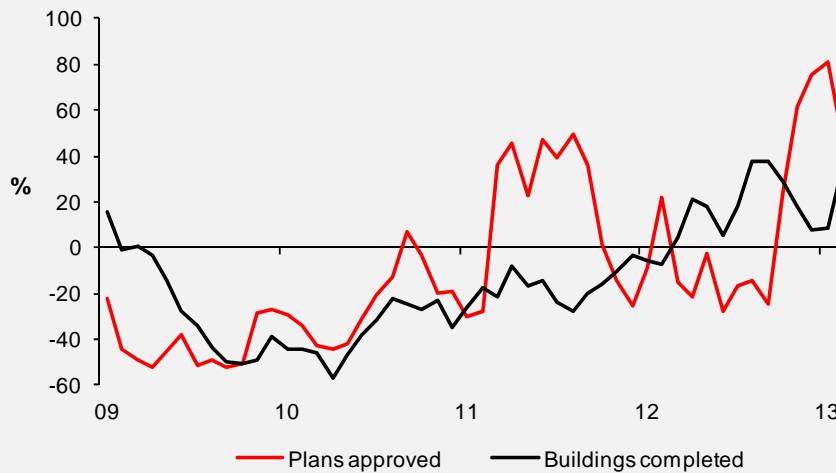
Houses (≥80m²), 3-month moving average



Source: Stats SA

Growth in residential building activity

Flats and townhouses, 3-month moving average



Source: Stats SA