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**Explanatory notes:**

The residential building statistics refer to private sector-financed housing, largely excluding subsidised low-cost housing, for which information was reported by local government institutions.

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## Residential building statistics

19 September 2013

### Residential building activity slows down, while building confidence improves to its highest level in 5 years

Levels of residential building activity in the South African market were on a downward trend in the three months from May up to July 2013, after being on a rising trend in the first four months of the year. On a year-on-year basis, July saw a contraction in building activity with regard to new housing, based on the number of units for which building plans were approved and the number of units reported as completed. However, on a cumulative basis, residential building activity still showed some growth in the first seven months of the year in terms of volumes as well as building area. The category for flats and townhouses remained a major contributor to growth in overall residential building activity up to July.

Despite some subdued growth in residential building activity in recent months, the level of confidence across the entire pipeline in the building industry, i.e. architects, quantity surveyors, main contractors, sub-contractors, producers of building materials and retailers of building materials, improved further in the third quarter of 2013 to its highest level in five years. This is according to the composite building confidence index compiled by the Bureau for Economic Research at the University of Stellenbosch.

After peaking at 5 091 units in April this year, the number of new housing units for which building plans were approved dropped by 6,8% year-on-year (y/y) to a level of 3 726 units in July. This came to a number of 207 units less for which plans were approved in June, mainly as a result of a drop of more than 56,3% y/y in plans approved for flats and townhouses in July.

In terms of the construction phase, the number of new housing units reported as completed dropped for the third consecutive month on a year-on-year basis in July, by 7,5% to 3 595 units. The combined segment of small and larger houses contributed to this contraction, whereas the segment for flats and townhouses showed growth of 16,1% y/y in July.

The first seven months of 2013 saw the real value of plans approved for new residential buildings growing by 20% y/y, or R3,18 billion, to R19,03 billion from R15,85 billion in the corresponding period last year. The real value of residential buildings reported as completed increased by 9,7% y/y, or R1,13 billion, to R12,77 billion in the period January to July from R11,64 billion in the same period last year. These real values of residential building activity are calculated at constant 2010 prices.

Trends in residential building activity will continue to reflect conditions with regard to the economy, household finances, consumer and building confidence and factors related to the demand for and supply of new housing in general.

### Residential building activity (January - July)

Category of housing	Plans approved						Buildings completed					
	Units 2012	Units 2013		m <sup>2</sup> 2012	Building area 2013		Units 2012	Units 2013		m <sup>2</sup> 2012	Building area 2013	
		Number	%Δ		m <sup>2</sup>	%Δ		Number	%Δ		m <sup>2</sup>	%Δ
Houses of <80m <sup>2</sup>	9 762	10 318	5.7	476 699	508 853	6.7	10 961	10 439	-4.8	493 581	480 972	-2.6
Houses of ≥80m <sup>2</sup>	9 468	9 670	2.1	2 214 069	2 490 641	12.5	6 610	6 644	0.5	1 601 577	1 646 349	2.8
Flats and townhouses	7 877	9 342	18.6	743 532	879 358	18.3	6 151	7 391	20.2	566 936	689 585	21.6
<b>Total</b>	<b>27 107</b>	<b>29 330</b>	<b>8.2</b>	<b>3 434 300</b>	<b>3 878 852</b>	<b>12.9</b>	<b>23 722</b>	<b>24 474</b>	<b>3.2</b>	<b>2 662 094</b>	<b>2 816 906</b>	<b>5.8</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 12	Number	5 842	1 430	636	1 211	1 649	1 358	12 604	1 573	804	27 107
	January - July 2013	Number	7 388	1 150	231	1 504	2 742	2 578	10 957	1 866	914	29 330
		% change	26.5	-19.6	-63.7	24.2	66.3	89.8	-13.1	18.6	13.7	8.2
		% of SA	25.2	3.9	0.8	5.1	9.3	8.8	37.4	6.4	3.1	100.0
Alterations and additions to existing houses	Jan-Jul 12	m <sup>2</sup>	492 044	172 914	29 745	87 624	185 904	99 023	619 339	78 357	41 042	1 805 992
	January - July 2013	m <sup>2</sup>	494 912	170 699	24 641	84 796	178 008	97 988	618 953	94 216	43 724	1 807 937
		% change	0.6	-1.3	-17.2	-3.2	-4.2	-1.0	-0.1	20.2	6.5	0.1
		% of SA	27.4	9.4	1.4	4.7	9.8	5.4	34.2	5.2	2.4	100.0

#### Buildings completed

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jul 12	Number	5 754	2 026	62	612	1 319	847	11 582	1 198	322	23 722
	January - July 2013	Number	8 422	2 051	38	600	1 473	789	9 618	1 105	378	24 474
		% change	46.4	1.2	-38.7	-2.0	11.7	-6.8	-17.0	-7.8	17.4	3.2
		% of SA	34.4	8.4	0.2	2.5	6.0	3.2	39.3	4.5	1.5	100.0
Alterations and additions to existing houses	Jan-Jul 12	m <sup>2</sup>	353 542	60 429	29 694	25 688	103 732	22 436	225 556	44 298	5 056	870 431
	January - July 2013	m <sup>2</sup>	546 294	82 672	14 180	32 038	103 320	15 923	246 117	40 795	4 988	1 086 327
		% change	54.5	36.8	-52.2	24.7	-0.4	-29.0	9.1	-7.9	-1.3	24.8
		% of SA	50.3	7.6	1.3	2.9	9.5	1.5	22.7	3.8	0.5	100.0

Source: Stats SA



