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Explanatory notes:

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

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Residential building statistics

12 December 2013

Growth in residential building activity remains under pressure

Levels of residential building activity in the South African market for new housing remained subdued in the first ten months of 2013, with year-on-year growth in activity levels in both the planning and construction phases at between 3% and 4% over this period. The segment of flats and townhouses remained the best-performing category with regard to growth in residential building activity up to October this year.

A total number of almost 1 120 000 private sector-financed new housing units were built county-wide from the beginning of 1994 up to October this year, of which about 821 000 units, or 73,3% of the total, were constructed in the segments for smaller-sized houses of below 80m² and higher-density flats and townhouses.

October 2013 saw the number of new housing units for which building plans were approved, declining by 1,9% year-on-year (y/y) to 5 205 units, but rising by as much as 921 units from September this year. This month-on-month increase in the volume of plans approved occurred in both segments of houses as well as in the segment for flats and townhouses.

In the construction phase of new housing, growth of 28,4% y/y was recorded, with the volume of units completed rising to 4 637 units in October 2013, which were 1 214 units more than in September this year. As in the case of the planning phase, all three categories of housing contributed to the higher volume of new housing units built in October compared with the corresponding month a year ago.

The first ten months of 2013 saw the real value of plans approved for new residential buildings rising by 14,3% y/y, or R3,5 billion, to R27,8 billion from R24,3 billion in the corresponding period last year. The real value of residential buildings reported as completed increased by 11% y/y, or R1,9 billion, to R19 billion in the period January to October from R17,1 billion in the same period last year. The above-inflation rise in the real value of residential building activity came on the back of ever-increasing building costs in the first ten months of the year. The cost per square metre of new housing built in the period January to October 2013 increased by 9,4% y/y to an average of R5 123. The real values of residential building activity are calculated at constant 2010 prices.

Conditions in and the outlook for the economy, household finances, consumer and building confidence, as well as factors related to the demand for and supply of new housing in general will continue to drive residential building activity. The continued focus on the supply of new housing in the segments of smaller-sized houses and higher-density flats and townhouses is a reflection of the affordability of housing and mortgage finance against the background of the state of household finances, as well as changing lifestyles.

Residential building activity¹

1994 - 2013

| | Building plans approved | | Buildings completed | |
|-----------------------------|-------------------------|--------------|---------------------|--------------|
| | Units | % of total | Units | % of total |
| Houses of <80m ² | 657 481 | 43.8 | 525 797 | 46.9 |
| Houses of ≥80m ² | 451 085 | 30.0 | 298 692 | 26.7 |
| Flats and townhouses | 392 749 | 26.2 | 295 422 | 26.4 |
| Total | 1 501 315 | 100.0 | 1 119 911 | 100.0 |

¹Private-sector financed

Source: Stats SA

Residential building activity (January - October)

| Category of housing | Plans approved | | | | | | Buildings completed | | | | | |
|-----------------------------|----------------|---------------|------------|---------------------|--------------------|------------|---------------------|---------------|------------|---------------------|--------------------|------------|
| | Units 2012 | Units 2013 | | m ² 2012 | Building area 2013 | | Units 2012 | Units 2013 | | m ² 2012 | Building area 2013 | |
| | | Number | %Δ | | m ² | %Δ | | Number | %Δ | | m ² | %Δ |
| | | | | | | | | | | | | |
| Houses of <80m ² | 15 281 | 15 429 | 1.0 | 744 146 | 758 856 | 2.0 | 15 917 | 15 381 | -3.4 | 718 482 | 707 923 | -1.5 |
| Houses of ≥80m ² | 13 905 | 13 933 | 0.2 | 3 258 975 | 3 630 271 | 11.4 | 9 376 | 9 585 | 2.2 | 2 284 091 | 2 377 868 | 4.1 |
| Flats and townhouses | 12 603 | 14 063 | 11.6 | 1 198 788 | 1 329 884 | 10.9 | 9 196 | 10 614 | 15.4 | 889 970 | 1 021 176 | 14.7 |
| Total | 41 789 | 43 425 | 3.9 | 5 201 909 | 5 719 011 | 9.9 | 34 489 | 35 580 | 3.2 | 3 892 543 | 4 106 967 | 5.5 |

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-Oct 12 | Number | 9 706 | 1 985 | 738 | 2 317 | 2 875 | 2 219 | 18 448 | 2 322 | 1 179 | 41 789 |
| | January - October 2013 | Number | 11 296 | 1 550 | 281 | 2 061 | 3 495 | 3 838 | 16 642 | 2 879 | 1 383 | 43 425 |
| | | % change | 16.4 | -21.9 | -61.9 | -11.0 | 21.6 | 73.0 | -9.8 | 24.0 | 17.3 | 3.9 |
| | | % of SA | 26.0 | 3.6 | 0.6 | 4.7 | 8.0 | 8.8 | 38.3 | 6.6 | 3.2 | 100.0 |
| Alterations and additions to existing houses | Jan-Oct 12 | m ² | 703 057 | 239 519 | 48 851 | 129 597 | 275 586 | 141 357 | 903 181 | 121 003 | 65 074 | 2 627 225 |
| | January - October 2013 | m ² | 755 375 | 244 928 | 39 372 | 126 680 | 274 557 | 136 923 | 870 800 | 139 393 | 56 603 | 2 644 631 |
| | | % change | 7.4 | 2.3 | -19.4 | -2.3 | -0.4 | -3.1 | -3.6 | 15.2 | -13.0 | 0.7 |
| | | % of SA | 28.6 | 9.3 | 1.5 | 4.8 | 10.4 | 5.2 | 32.9 | 5.3 | 2.1 | 100.0 |

Buildings completed

| | Period | Variable | WC | EC | NC | FS | KZN | NW | GAU | MPU | LIM | SA |
|--|------------------------|----------------|---------|---------|--------|--------|---------|--------|---------|--------|-------|-----------|
| Total new houses, flats and townhouses | Jan-Oct 12 | Number | 9 306 | 3 420 | 78 | 864 | 1 978 | 1 152 | 15 559 | 1 662 | 470 | 34 489 |
| | January - October 2013 | Number | 12 354 | 2 738 | 146 | 803 | 2 019 | 1 213 | 13 917 | 1 869 | 521 | 35 580 |
| | | % change | 32.8 | -19.9 | 87.2 | -7.1 | 2.1 | 5.3 | -10.6 | 12.5 | 10.9 | 3.2 |
| | | % of SA | 34.7 | 7.7 | 0.4 | 2.3 | 5.7 | 3.4 | 39.1 | 5.3 | 1.5 | 100.0 |
| Alterations and additions to existing houses | Jan-Oct 12 | m ² | 494 072 | 91 194 | 40 137 | 45 360 | 147 372 | 27 187 | 344 508 | 64 991 | 5 733 | 1 260 554 |
| | January - October 2013 | m ² | 733 520 | 108 385 | 22 537 | 50 995 | 155 152 | 23 235 | 341 287 | 64 928 | 7 013 | 1 507 052 |
| | | % change | 48.5 | 18.9 | -43.8 | 12.4 | 5.3 | -14.5 | -0.9 | -0.1 | 22.3 | 19.6 |
| | | % of SA | 48.7 | 7.2 | 1.5 | 3.4 | 10.3 | 1.5 | 22.6 | 4.3 | 0.5 | 100.0 |

Source: Stats SA



