ABSA

Home Loans

Residential building statistics

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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.

Little change in residential building activity in 2013 from 2012

Building activity in the South African market for new housing remained largely subdued in 2013, showing very little change from 2012.

The number of new housing units for which building plans were approved increased by only 1,3% to a total 50 484 units in 2013, after a decline of 5,7% was recorded in 2012. The first half of last year saw growth of 10,8% year-on-year (y/y) in new housing planning activity, with the second half of the year experiencing a contraction 6,9% y/y in the volume of plans approved. In the period of 1994 up to the end of 2013, plans were approved for total of 1 508 376 new private sector-financed housing units, of which 1 054 983 units, or 70%, were in the segments of smaller-sized houses and higher-density flats and townhouses.

The construction phase of new housing recorded a drop of 3,7% to 41 398 units built in 2013 from a total of 42 978 units constructed in the preceding year. In the first half of last the volume of new housing units built increased by 5,3% y/y, while the second half of the year saw a contraction of 12,4% y/y. A total of 1 125 726 new private sector-financed housing units were constructed in the period 1994 to 2013, with 825 080 units, or 73,3% of the total built in the segments of houses smaller than 80m² and flats and townhouses. The average building cost of new housing constructed came to R5 202 per square metre in 2013, which was 10% higher than in 2012. Building costs are driven by factors such as building material costs, labour costs, transport costs, equipment costs, land values, rezoning costs where applicable, and developer and contractor holding costs and profit margins.

Levels of activity with regard to alterations and additions to existing houses improved in 2013 from 2012, with relatively strong growth of 17,6% recorded in respect of the total square metres completed, while growth in plans approved came only 0,5% last year. The total square metres of alterations and additions completed was 54,9% of the total of 3 142 301m² for which plans were approved last year. In 2012 the percentage of square metres completed with regard to alterations and additions was 46,9% of the total square metres for which plans were approved.

Residential building activity will in 2014 continue to be affected by economic trends, household finances, property investment sentiment with regard to buy-to-let properties, and consumer confidence in general. These factors, together with trends in building costs and changing lifestyles, are expected to be reflected in the future demand for and supply of new housing, which will also be affected by activity in the secondary property market. Housing affordability is set to remain an important factor in view of households' financial position, property prices, transaction costs and property running costs. Against the background of the abovementioned factors, it is expected that the focus in the South African market for new housing will largely remain on the segments for smaller-sized houses and higher-density flats and townhouses, as reflected by the trends in residential building activity since the mid-1990s.

Residential building activity[1]

1994 - 2013

	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m²	659 946	43.8	527 852	46.9
Houses of ≥80m²	453 393	30.1	300 646	26.7
Flats and tow nhouses	395 037	26.2	297 228	26.4
Total	1 508 376	100.0	1 125 726	100.0

[1]Private-sector financed

Source: Stats SA

Nominal value of residential building activity[1]

1994 - 2013

	Building plans approved		Buildings completed	
	R million	% of total	R million	% of total
Houses of <80m²	39 029	2.6	14 649	1.3
Houses of ≥80m²	266 124	17.6	171 385	15.2
Flats and tow nhouses	124 129	8.2	91 576	8.1
Total	429 281	28.5	277 609	24.7

[1]Private-sector financed

Source: Stats SA

Residential building activity[1]

Period	Houses <80m²		Houses ≥80m²		Flats and townhouses		Total	
	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ
Building plans approved								
2005	37 658	3.0	34 121	6.1	30 479	26.8	102 258	10.3
2006	37 147	-1.4	34 846	2.1	31 932	4.8	103 925	1.6
2007	37 806	1.8	31 772	-8.8	33 113	3.7	102 691	-1.2
2008	34 173	-9.6	21 441	-32.5	29 603	-10.6	85 217	-17.0
2009	25 115	-26.5	13 785	-35.7	16 522	-44.2	55 422	-35.0
2010	20 752	-17.4	14 885	8.0	12 275	-25.7	47 912	-13.6
2011	22 567	8.7	15 529	4.3	14 728	20.0	52 824	10.3
2012	17 793	-21.2	16 582	6.8	15 445	4.9	49 820	-5.7
2013	17 894	0.6	16 239	-2.1	16 351	5.9	50 484	1.3
Buildings completed								
2005	26 307	-31.1	22 251	24.6	22 066	51.0	70 624	-0.1
2006	24 029	-8.7	22 118	-0.6	23 858	8.1	70 005	-0.9
2007	27 555	14.7	22 157	0.2	26 949	13.0	76 661	9.5
2008	23 480	-14.8	20 357	-8.1	26 221	-2.7	70 058	-8.6
2009	24 579	4.7	13 906	-31.7	18 462	-29.6	56 947	-18.7
2010	18 858	-23.3	10 856	-21.9	10 965	-40.6	40 679	-28.6
2011	19 506	3.4	11 456	5.5	9 545	-13.0	40 507	-0.4
2012	20 023	2.7	11 569	1.0	11 386	19.3	42 978	6.1
2013	17 436	-12.9	11 542	-0.2	12 420	9.1	41 398	-3.7

[1]Private-sector financed

Source: Stats SA

Residential building activity by province[1]

Building plans approved

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
New houses	Jan-Dec 12	Number	4 663	678	505	1 303	800	511	8 286	768	279	17 793
(<80m²)	January -	Number	6 280	342	123	931	983	948	7 066	850	371	17 894
	December	% change	34.7	-49.6	-75.6	-28.5	22.9	85.5	-14.7	10.7	33.0	0.6
	2013	% of SA	35.1	1.9	0.7	5.2	5.5	5.3	39.5	4.8	2.1	100.0
New houses	Jan-Dec 12	Number	3 243	849	206	881	1 299	1 170	6 770	1 620	544	16 582
(≥80m²)	January -	Number	3 446	872	242	899	1 334	1 149	5 905	1 786	606	16 239
	December	% change	6.3	2.7	17.5	2.0	2.7	-1.8	-12.8	10.2	11.4	-2.1
	2013	% of SA	21.2	5.4	1.5	5.5	8.2	7.1	36.4	11.0	3.7	100.0
New flats	Jan-Dec 12	Number	4 074	730	114	752	1 681	1 009	6 209	369	507	15 445
and	January -	Number	3 429	671	97	658	1 731	1 980	6 458	588	739	16 351
townhouses	December	% change	-15.8	-8.1	-14.9	-12.5	3.0	96.2	4.0	59.3	45.8	5.9
	2013	% of SA	21.0	4.1	0.6	4.0	10.6	12.1	39.5	3.6	4.5	100.0
Total new	Jan-Dec 12	Number	11 980	2 257	825	2 936	3 780	2 690	21 265	2 757	1 330	49 820
houses,	January -	Number	13 155	1 885	462	2 488	4 048	4 077	19 429	3 224	1 716	50 484
flats and	December	% change	9.8	-16.5	-44.0	-15.3	7.1	51.6	-8.6	16.9	29.0	1.3
townhouses	2013	% of SA	26.1	3.7	0.9	4.9	8.0	8.1	38.5	6.4	3.4	100.0
Alterations	Jan-Dec 12	m²	840 313	288 663	58 153	156 840	328 751	167 682	1 058 534	150 897	75 781	3 125 614
and additions	January -	m²	900 303	290 694	44 893	151 061	341 233	161 243	1 020 863	166 087	65 924	3 142 301
to existing	December	% change	7.1	0.7	-22.8	-3.7	3.8	-3.8	-3.6	10.1	-13.0	0.5
houses	2013	% of SA	28.7	9.3	1.4	4.8	10.9	5.1	32.5	5.3	2.1	100.0

Buildings completed

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
New houses	Jan-Dec 12	Number	6 132	3 248	5	476	388	139	9 071	451	113	20 023
(<80m²)	January -	Number	7 059	1 666	83	416	301	32	6 981	688	210	17 436
	December	% change	15.1	-48.7	1560.0	-12.6	-22.4	-77.0	-23.0	52.5	85.8	-12.9
	2013	% of SA	40.5	9.6	0.5	2.4	1.7	0.2	40.0	3.9	1.2	100.0
New houses	Jan-Dec 12	Number	2 925	527	70	483	934	767	4 580	1 058	225	11 569
(≥80m²)	January -	Number	3 131	524	78	426	826	804	4 533	1 011	209	11 542
	December	% change	7.0	-0.6	11.4	-11.8	-11.6	4.8	-1.0	-4.4	-7.1	-0.2
	2013	% of SA	27.1	4.5	0.7	3.7	7.2	7.0	39.3	8.8	1.8	100.0
New flats	Jan-Dec 12	Number	3 114	433	25	264	981	647	5 233	425	264	11 386
and	January -	Number	4 105	743	16	136	1 123	958	4 592	524	223	12 420
townhouses	December	% change	31.8	71.6	-36.0	-48.5	14.5	48.1	-12.2	23.3	-15.5	9.1
	2013	% of SA	33.1	6.0	0.1	1.1	9.0	7.7	37.0	4.2	1.8	100.0
Total new	Jan-Dec 12	Number	12 171	4 208	100	1 223	2 303	1 553	18 884	1 934	602	42 978
houses,	January -	Number	14 295	2 933	177	978	2 250	1 794	16 106	2 223	642	41 398
flats and	December	% change	17.5	-30.3	77.0	-20.0	-2.3	15.5	-14.7	14.9	6.6	-3.7
townhouses	2013	% of SA	34.5	7.1	0.4	2.4	5.4	4.3	38.9	5.4	1.6	100.0
Alterations	Jan-Dec 12	m²	574 868	106 707	46 716	50 637	172 398	30 488	404 778	74 150	6 217	1 466 959
and additions	January -	m²	818 721	130 347	31 846	55 469	178 678	33 539	388 312	79 429	8 335	1 724 676
to existing	December	% change	42.4	22.2	-31.8	9.5	3.6	10.0	-4.1	7.1	34.1	17.6
houses	2013	% of SA	47.5	7.6	1.8	3.2	10.4	1.9	22.5	4.6	0.5	100.0

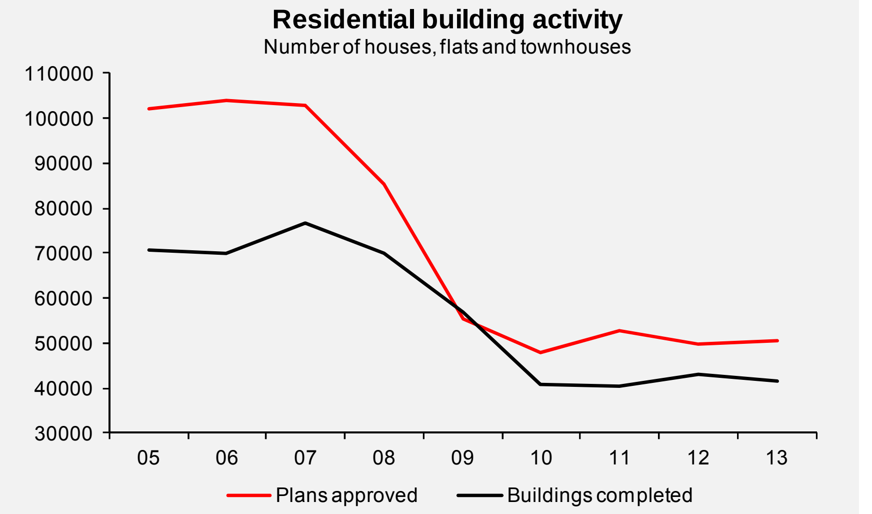
[1]Private-sector financed

Source: Stats SA

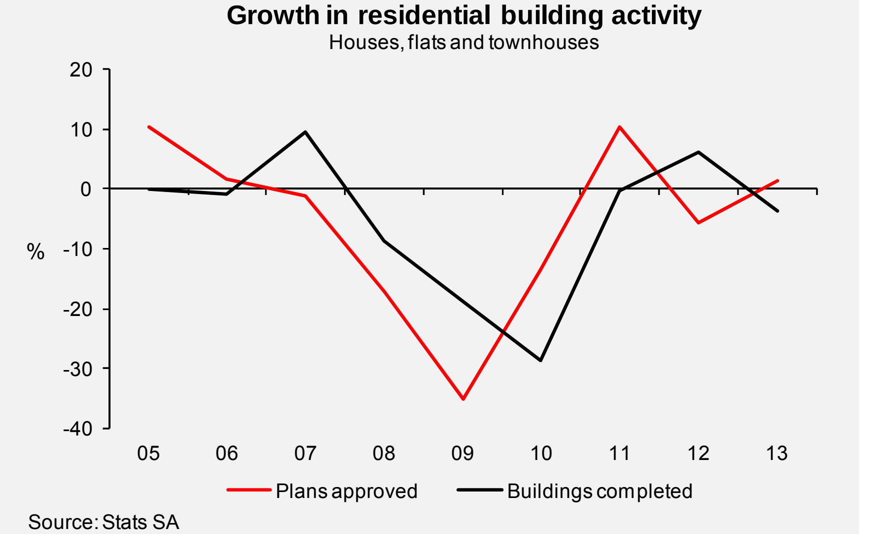
Alterations and additions to existing houses

	Plans approved		Completed	
	m²	% change	m²	% change
2005	5 200 397	20.4	1 662 014	9.9
2006	5 288 732	1.7	1 987 253	19.6
2007	5 123 325	-3.1	2 044 860	2.9
2008	4 081 631	-20.3	2 233 737	9.2
2009	3 318 140	-18.7	2 311 557	3.5
2010	3 443 686	3.8	1 811 174	-21.6
2011	3 160 212	-8.2	1 762 670	-2.7
2012	3 125 614	-1.1	1 466 959	-16.8
2013	3 142 301	0.5	1 724 676	17.6

Source: Stats SA



Source: Stats SA



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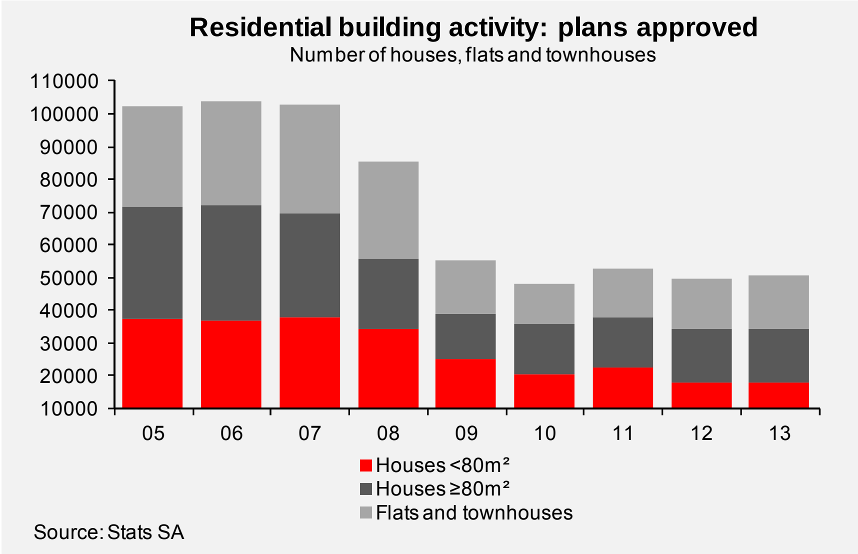
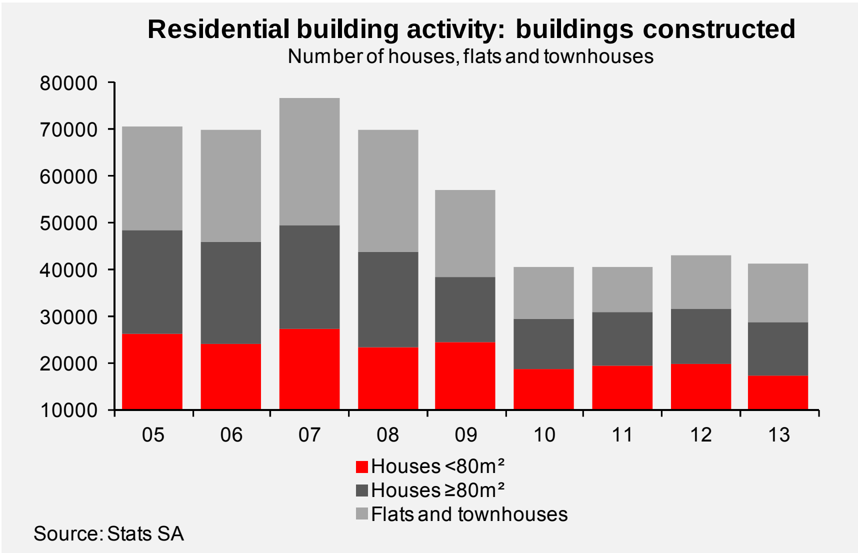
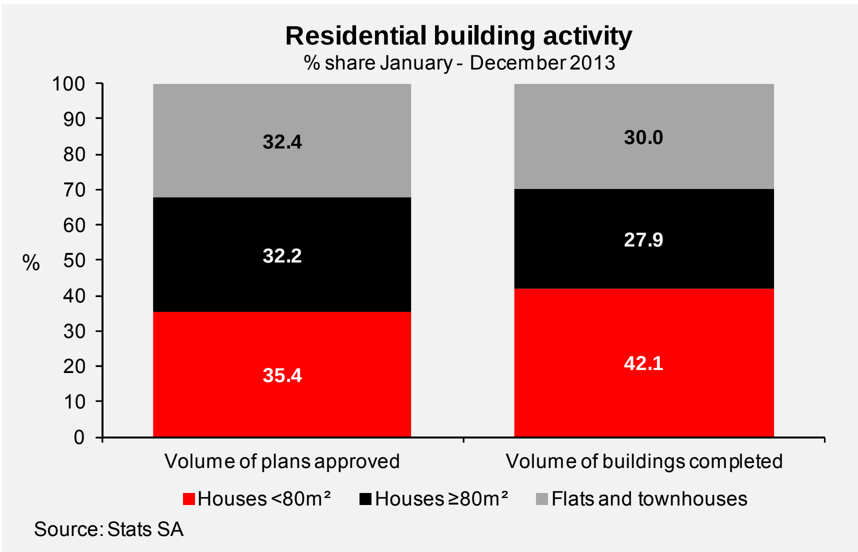


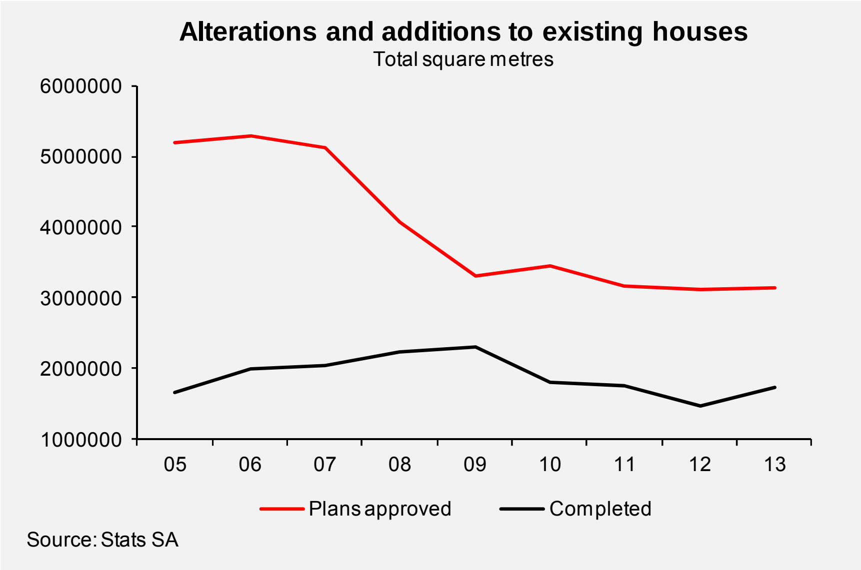
Residential building activity: plans approved
Number of houses, flats and townhouses
110000
100000
90000
80000
70000
60000
50000
40000
30000
20000
10000
05
06
07
08
09
10
11
12
13
Houses <80m²
Houses ≥80m²
Flats and townhouses
Source: Stats SA

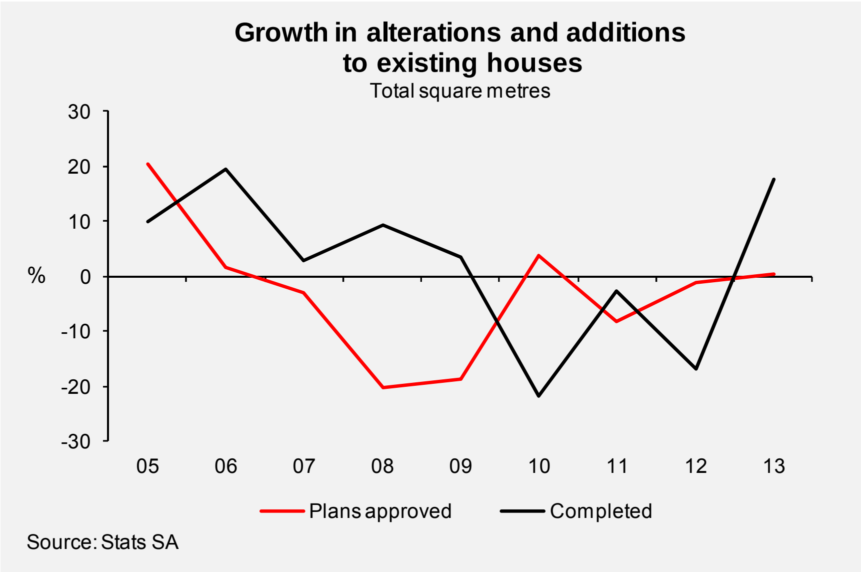


Residential building activity: buildings constructed
Number of houses, flats and townhouses
80000
70000
60000
50000
40000
30000
20000
10000
05
06
07
08
09
10
11
12
13
Houses <80m²
Houses ≥80m²
Flats and townhouses
Source: Stats SA



Residential building activity
% share January - December 2013
%
100
90
80
70
60
50
40
30
20
10
0
32.4
32.2
35.4
30.0
27.9
42.1
Volume of plans approved
Volume of buildings completed
Houses <80m²
Houses ≥80m²
Flats and townhouses
Source: Stats SA


Alterations and additions to existing houses
Total square metres
6000000
5000000
4000000
3000000
2000000
1000000
05
06
07
08
09
10
11
12
13
Plans approved
Completed
Source: Stats SA


Growth in alterations and additions
to existing houses
Total square metres
30
20
10
%
0
-10
-20
-30
05
06
07
08
09
10
11
12
13
Plans approved
Completed
Source: Stats SA