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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

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### Residential building activity remains under pressure

Residential building activity in the South African market for new housing continued to experience pressure up to February 2014, based on data released by Statistics South Africa. Especially the construction phase of new housing showed a significant contraction in the first two months of the year compared with the corresponding period last year.

The volume of new housing units for which building plans were approved by local government institutions, was up by only 1% year-on-year (y/y) to 4 288 units in February after growth of almost 47% y/y in the preceding month. On a month-on-month basis the number of plans passed was down by 477 units, or 10%, from 4 765 units in January. At a regional level the volume of plans approved with regard to new housing was largely driven by Gauteng (45,4% of the national total) and the Western Cape (23,6% of the total), while some of the other provinces also experienced strong year-on-year growth in the number of plans approved, but from a relatively small base.

The level of activity in the construction phase of new housing, i.e. the number of new units reported as completed, contracted markedly in all three segments of the market in the initial two months of the year compared with a year ago. However, on a month-on-month basis the volume of housing units built was up by 422 units, or 18,7%, to 2 678 units.

The average building cost of new housing constructed averaged R5 442 per square metre in January and February 2014, which was up by 8,7% from R5 005 per square metre in the corresponding two months last year, when building costs rose by 10% y/y. Building costs are affected 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.

The first two months of 2014 saw the real value of plans approved for new residential buildings rising by 11% y/y, or R523,75 million to R5,29 billion from R4,77 billion a year ago. The real value of residential buildings reported as completed dropped by 9% y/y, or R303,39 million, to R3,08 billion in the two months from R3,38 billion in the same period last year. These real values, i.e. after adjustment for the effect of inflation, are calculated at constant 2010 prices.

Residential building activity will continue to be driven by conditions and trends in the economy, the state of household finances, consumer and building confidence and other factors related to the demand and supply of new housing.

## Residential building activity (January - February)

Category of housing	Plans approved						Buildings completed					
	Units 2013	Units 2014		m <sup>2</sup> 2013	Building area 2014		Units 2013	Units 2014		m <sup>2</sup> 2013	Building area 2014	
		Number	%Δ		m <sup>2</sup>	%Δ		Number	%Δ		m <sup>2</sup>	%Δ
Houses of <80m <sup>2</sup>	2 534	3 689	45.6	137 941	190 686	38.2	2 500	2 080	-16.8	120 722	100 905	-16.4
Houses of ≥80m <sup>2</sup>	2 674	2 702	1.0	618 762	696 740	12.6	1 808	1 652	-8.6	417 598	414 573	-0.7
Flats and townhouses	2 288	2 662	16.3	230 298	239 876	4.2	2 126	1 202	-43.5	188 738	134 654	-28.7
<b>Total</b>	<b>7 496</b>	<b>9 053</b>	<b>20.8</b>	<b>987 001</b>	<b>1 127 302</b>	<b>14.2</b>	<b>6 434</b>	<b>4 934</b>	<b>-23.3</b>	<b>727 058</b>	<b>650 132</b>	<b>-10.6</b>

Source: Stats SA

## Residential building activity by province<sup>1</sup>

### Building plans approved

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Feb 13	Number	1 548	176	50	223	300	876	3 630	463	230	7 496
	January - February 2014	Number	2 141	232	161	486	525	483	4 111	630	284	9 053
		% change	38.3	31.8	222.0	117.9	75.0	-44.9	13.3	36.1	23.5	20.8
		% of SA	23.6	2.6	1.8	5.4	5.8	5.3	45.4	7.0	3.1	100.0
Alterations and additions to existing houses	Jan-Feb 13	m <sup>2</sup>	117 709	37 498	6 268	18 472	47 657	26 690	160 602	27 677	12 169	454 742
	January - February 2014	m <sup>2</sup>	113 862	37 622	9 290	27 449	52 430	28 442	160 281	32 833	15 966	478 175
		% change	-3.3	0.3	48.2	48.6	10.0	6.6	-0.2	18.6	31.2	5.2
		% of SA	23.8	7.9	1.9	5.7	11.0	5.9	33.5	6.9	3.3	100.0

### Buildings completed

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Feb 13	Number	1 691	624	13	205	604	285	2 597	306	109	6 434
	January - February 2014	Number	1 510	133	13	105	217	548	1 974	309	125	4 934
		% change	-10.7	-78.7	0.0	-48.8	-64.1	92.3	-24.0	1.0	14.7	-23.3
		% of SA	30.6	2.7	0.3	2.1	4.4	11.1	40.0	6.3	2.5	100.0
Alterations and additions to existing houses	Jan-Feb 13	m <sup>2</sup>	151 902	24 338	2 656	5 267	25 530	4 366	66 867	11 234	1 051	293 211
	January - February 2014	m <sup>2</sup>	101 277	19 047	3 715	1 476	23 637	5 632	54 348	17 831	1 604	228 567
		% change	-33.3	-21.7	39.9	-72.0	-7.4	29.0	-18.7	58.7	52.6	-22.0
		% of SA	44.3	8.3	1.6	0.6	10.3	2.5	23.8	7.8	0.7	100.0

<sup>1</sup>Private-sector financed

Source: Stats SA





