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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

23 June 2014

Residential building activity contracted in April 2014

April 2014 saw a contraction in both the planning and construction phases of residential building activity in the South African market for new housing compared with the corresponding month last year. Although residential building activity has remained relatively subdued so far this year, these trends with regard to April are mainly attributed to seasonal factors. These developments regarding private sector-financed residential building activity are based on data published by Statistics South Africa.

The number of new housing units for which building plans were approved by local government institutions was down by 566 units to 4 440 units in April from 5 006 units in March. Building plans for a total of 5 091 units were approved in April last year, which were 651 units more than in April 2014. The April figure was 12,8% lower compared with a year ago.

Building activity with regard to the construction phase of new housing, i.e. the number of new units reported as completed, contracted by 812 units, or 18,9% year-on-year (y/y) to 3 474 units in April, while also down by 738 units on a month-on-month basis.

The average building cost of new housing constructed averaged R5 654 per square metre in the first four months of the year, which came to an increase of 15,5% y/y from R4 894 per square metre in the corresponding period last year, when building costs rose by 6,6% y/y. Building costs are affected by factors such as building material costs, labour costs, transport costs, equipment costs, land values, rezoning costs, and developer and contractor holding costs and profit margins.

The real value of plans approved for new residential buildings increased by 8,8% y/y, or R878,88 million to R10,82 billion from R9,94 billion a year ago. The real value of residential buildings reported as completed was down by 1,8% y/y, or R130,55 million, to R7,07 billion in the four months from R7,2 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.

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.

Residential building activity¹

1994 - 2014

	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	667 640	43.7	532 657	46.8
Houses of ≥80m ²	458 632	30.0	303 884	26.7
Flats and townhouses	400 566	26.2	301 936	26.5
Total	1 526 838	100.0	1 138 477	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity (January - April)¹

Category of housing	Plans approved						Buildings completed					
	Units 2013	Units 2014		m ² 2013	Building area 2014		Units 2013	Units 2014		m ² 2013	Building area 2014	
		Number	%Δ		m ²	%Δ		Number	%Δ		m ²	%Δ
Houses of <80m ²	6 066	7 694	26.8	305 228	379 762	24.4	6 998	4 805	-31.3	317 689	230 017	-27.6
Houses of ≥80m ²	5 442	5 275	-3.1	1 301 843	1 373 453	5.5	3 722	3 242	-12.9	885 151	819 761	-7.4
Flats and townhouses	5 415	5 530	2.1	480 752	529 501	10.1	4 028	4 617	14.6	382 025	393 155	2.9
Total	16 923	18 499	9.3	2 087 823	2 282 716	9.3	14 748	12 664	-14.1	1 584 865	1 442 933	-9.0

¹Private-sector financed

Source: Stats SA

Residential building activity by province¹

Building plans approved

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Apr 13	Number	4 296	765	161	748	957	1 441	6 968	1 081	506	16 923
	January - April 2014	Number	5 291	676	205	765	1 005	794	8 016	1 270	477	18 499
		% change	23.2	-11.6	27.3	2.3	5.0	-44.9	15.0	17.5	-5.7	9.3
		% of SA	28.6	3.7	1.1	4.1	5.4	4.3	43.3	6.9	2.6	100.0
Alterations and additions to existing houses	Jan-Apr 13	m ²	258 818	87 746	13 251	48 480	99 358	57 497	334 729	51 116	25 645	976 640
	January - April 2014	m ²	252 409	83 520	18 934	49 832	119 945	53 986	315 078	61 635	22 961	978 300
		% change	-2.5	-4.8	42.9	2.8	20.7	-6.1	-5.9	20.6	-10.5	0.2
		% of SA	25.8	8.5	1.9	5.1	12.3	5.5	32.2	6.3	2.3	100.0

Buildings completed

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Apr 13	Number	4 533	1 491	24	372	1 023	455	5 953	678	219	14 748
	January - April 2014	Number	4 092	462	47	302	1 063	757	4 621	1 099	221	12 664
		% change	-9.7	-69.0	95.8	-18.8	3.9	66.4	-22.4	62.1	0.9	-14.1
		% of SA	32.3	3.6	0.4	2.4	8.4	6.0	36.5	8.7	1.7	100.0
Alterations and additions to existing houses	Jan-Apr 13	m ²	329 912	53 428	6 172	14 770	55 080	10 850	150 328	23 107	1 792	645 439
	January - April 2014	m ²	177 759	31 431	8 130	3 974	49 200	9 229	125 092	33 079	2 471	440 365
		% change	-46.1	-41.2	31.7	-73.1	-10.7	-14.9	-16.8	43.2	37.9	-31.8
		% of SA	40.4	7.1	1.8	0.9	11.2	2.1	28.4	7.5	0.6	100.0

¹Private-sector financed

Source: Stats SA

