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.

Residential building activity contracts from a year ago

Building activity in the South African market for new housing, as reflected by the number of building plans approved and the number of buildings completed, contracted in the first two months of 2015 compared with the corresponding period last year. These trends are based on data published by Statistics South Africa in respect of building activity related to private sector-financed housing (see explanatory notes).

The number of new housing units for which building plans were approved was down by 6,1% year-on-year (y/y), or 551 units, to 8 444 units in January and February from a year ago. This was the result of a contraction in plans approved in respect of both categories of houses, whereas plans approved in the segment of flats and townhouses increased by more than 23% y/y in January and February.

The volume of new housing units reported as constructed dropped by 1,6% y/y in the first two months of the year, driven by a contraction in the number of units built in both the segments of houses, whereas the number of flats and townhouses built was up by more than 3% y/y in January and February.

The real value of plans approved for new residential buildings was up by 5,9% y/y, or R311,72 million to a total of R5,61 billion in January and February from R5,29 billion a year ago. The real value of residential buildings reported as completed was down by 4,7% y/y, or R149,52 million, to R3,03 billion in January and February from R3,18 billion in the corresponding two months last year. These real values are calculated at constant 2010 prices.

The average building cost of new housing constructed was R5 926 per square metre in the first two months of 2015, which came to an increase of 7,8% on the building cost of R5 498 per square metre in the corresponding period last year. Building costs continue to rise at a faster rate than the average consumer price inflation rate, impacting the prices of newly built housing as well as renovations and alterations to existing housing. Building costs are affected by factors such as building material costs, labour costs, transport costs, equipment costs, land prices, rezoning costs, and developer and contractor holding costs and profit margins.

Against the background of trends in and the outlook for the economy, household finances, and consumer and building confidence, levels of residential building activity are expected to remain relatively subdued in the rest of the year and stay in line with the general trend of the past five years.

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Residential building activity[1]

1994 - 2015

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m²	683 322	43.4	545 287	46.7
Houses of ≥80m²	473 053	30.1	313 034	26.8
Flats and townhouses	417 190	26.5	310 418	26.6
Total	1 573 565	100.0	1 168 739	100.0

[1]Private-sector financed

Source: Stats SA

Residential building activity (January-February)[1]

Segment	Plans approved						Buildings completed					
	Units	Units 2015		m²	Building area 2015		Units	Units 2015		m²	Building area 2015	
	2014	Number	%Δ	2014	m²	%Δ	2014	Number	%Δ	2014	m²	%Δ
Houses of <80m²	3 689	2 659	-27.9	190 686	127 896	-32.9	2 080	1 991	-4.3	100 905	100 048	-0.8
Houses of ≥80m²	2 702	2 575	-4.7	696 740	708 724	1.7	1 688	1 642	-2.7	430 049	434 695	1.1
Flats and townhouses	2 604	3 210	23.3	239 876	296 567	23.6	1 210	1 250	3.3	135 279	111 176	-17.8
Total	8 995	8 444	-6.1	1 127 302	1 133 187	0.5	4 978	4 883	-1.9	666 233	645 919	-3.0

[1]Private-sector financed

Source: Stats SA

Residential building activity by province[1]

Building plans approved

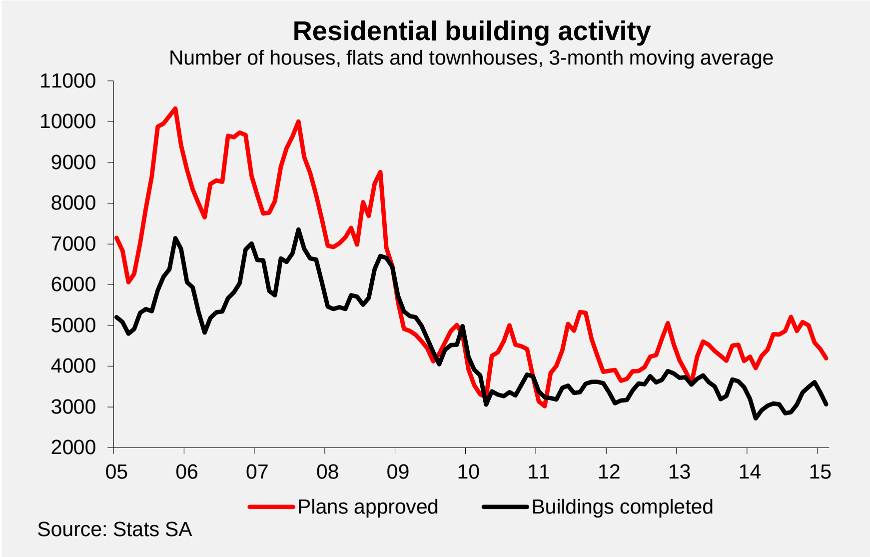
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Feb 14	Number	2 083	232	161	486	525	483	4 111	630	284	8 995
	January - February 2015	Number	2 352	207	24	614	444	809	3 372	445	177	8 444
		% change	12.9	-10.8	-85.1	26.3	-15.4	67.5	-18.0	-29.4	-37.7	-6.1
		% of SA	27.9	2.5	0.3	7.3	5.3	9.6	39.9	5.3	2.1	100.0
Alterations and additions to existing houses	Jan-Feb 14	m²	113 862	37 622	9 290	27 449	52 430	28 442	160 281	32 833	13 281	475 490
	January - February 2015	m²	137 933	47 429	7 911	26 604	47 496	23 133	114 341	36 018	7 482	448 347
		% change	21.1	26.1	-14.8	-3.1	-9.4	-18.7	-28.7	9.7	-43.7	-5.7
		% of SA	30.8	10.6	1.8	5.9	10.6	5.2	25.5	8.0	1.7	100.0

Buildings completed

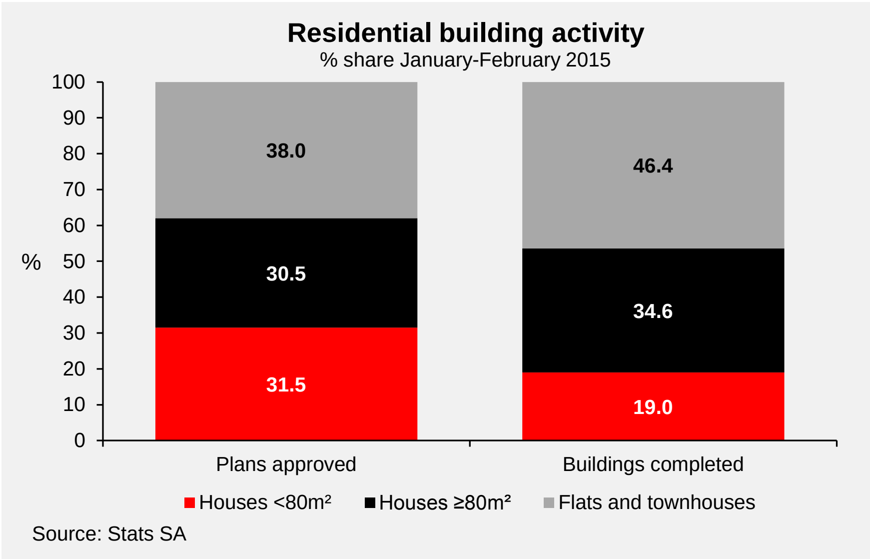
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Feb 14	Number	1 510	133	13	105	229	548	2 006	309	125	4 978
	January - February 2015	Number	1 299	291	17	294	308	403	1 939	270	62	4 883
		% change	-14.0	118.8	30.8	180.0	34.5	-26.5	-3.3	-12.6	-50.4	-1.9
		% of SA	26.6	6.0	0.3	6.0	6.3	8.3	39.7	5.5	1.3	100.0
Alterations and additions to existing houses	Jan-Feb 14	m²	101 277	19 047	3 715	1 476	23 901	5 632	59 262	17 831	1 604	233 745
	January - February 2015	m²	67 813	16 059	1 677	2 866	16 512	10 544	30 482	17 205	258	163 416
		% change	-33.0	-15.7	-54.9	94.2	-30.9	87.2	-48.6	-3.5	-83.9	-30.1
		% of SA	41.5	9.8	1.0	1.8	10.1	6.5	18.7	10.5	0.2	100.0

[1]Private-sector financed

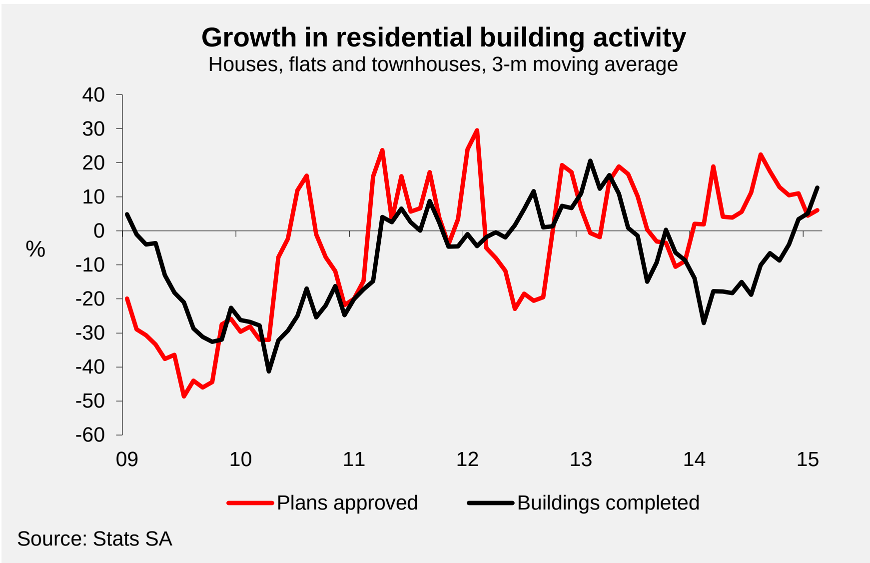
Source: Stats SA



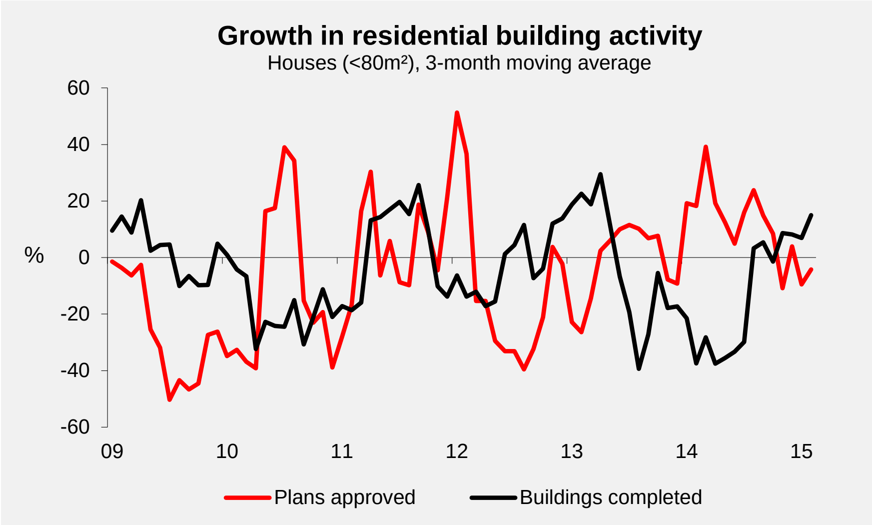
Residential building activity
Number of houses, flats and townhouses, 3-month moving average
11000
10000
9000
8000
7000
6000
5000
4000
3000
2000
05
06
07
08
09
10
11
12
13
14
15
Plans approved
Buildings completed
Source: Stats SA



Residential building activity
% share January-February 2015
100
90
80
70
60
50
40
30
20
10
0
%
38.0
30.5
31.5
46.4
34.6
19.0
Plans approved
Buildings completed
Houses <80m²
Houses ≥80m²
Flats and townhouses
Source: Stats SA



Growth in residential building activity
Houses, flats and townhouses, 3-m moving average
40
30
20
10
0
-10
-20
-30
-40
-50
-60
%
09
10
11
12
13
14
15
Plans approved
Buildings completed
Source: Stats SA



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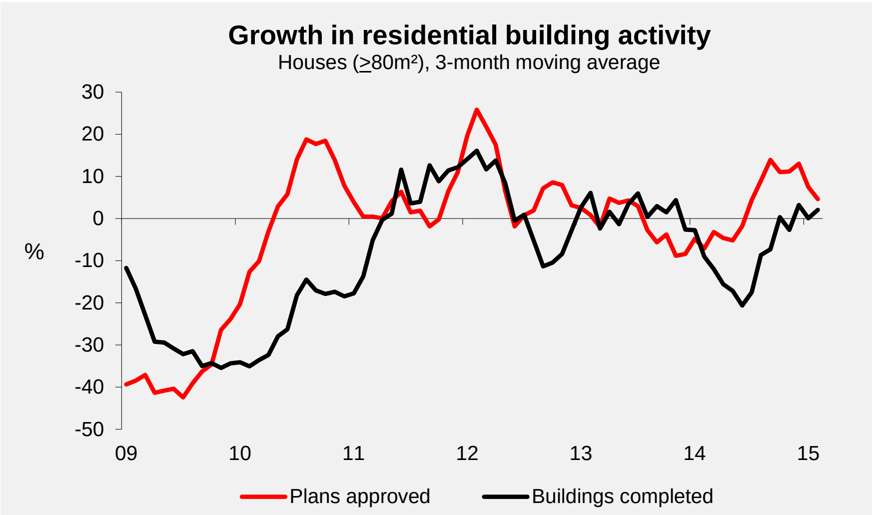

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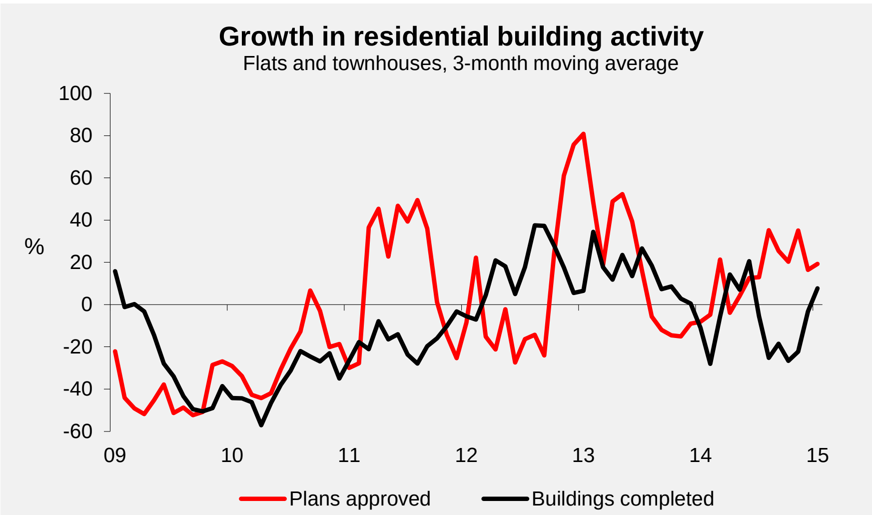

Source: Stats SA