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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

21 August 2015

Improved levels of residential building activity in the second quarter

Building activity with regard to new private sector-financed housing (see explanatory notes) in South Africa saw some improvement in the second quarter of 2015, based on data published by Statistics South Africa. This uptick in activity levels in both the planning and construction phases of new housing came after contractions in some segments of the market in recent quarters. However, residential building activity still remained well below the levels of 2005-08.

Growth in the number of new housing units for which building plans were approved was markedly higher at 17,6% year-on-year (y/y) to about 16 600 units in the second quarter of the year. The first half of 2015 saw the number of plans approved rising by 3,6% y/y to more than 29 100 units. The improvement in the planning phase in the second quarter of the year was largely driven by the segment for houses smaller than 80m², which recorded growth of almost 51% y/y to 6 114 units, whereas growth in the segments for houses larger than 80m² and flats and townhouses slowed down from the preceding quarter.

The number of new housing units constructed increased sharply by almost 32% y/y to 10 627 units in the second quarter of 2015, which contributed to growth of 10,8% y/y to a total of about 19 100 units in the first half of the year. The strong second-quarter growth was mainly the result of a 47,6% y/y improvement in the number of new houses built, excluding the segment of flat and townhouses, which showed growth of only 4,3% y/y in the second quarter.

Growth in the average cost per square metre of new housing built slowed down to below 5% y/y in the first half of 2015, after double-digit growth in both 2013 and 2014. The average building cost came to R5 963 per square metre in the first half of the year, which was 4,5% higher than the R5 703 per square metre in the corresponding period last year. The level of residential building costs is largely driven by the segments of houses larger than 80m² and flats and townhouses (see relevant table and graph at the back of the report). Building costs are affected by a range of cost factors related to building materials, labour, transport, equipment, development land and property rezoning, as well as developer and contractor holding costs and profit margins.

Factors such as macroeconomic trends, household finances and consumer and building confidence will remain important determinants of levels of residential building activity. Based on current trends and the outlook for the abovementioned factors, residential building activity is not expected to show a significant improvement in the near future to the levels seen back in 2005-08.

Residential building activity¹

1994 - 2015

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	690 789	43.3	551 221	46.6
Houses of ≥80m ²	478 769	30.0	317 280	26.8
Flats and townhouses	424 744	26.6	314 464	26.6
Total	1 594 302	100.0	1 182 965	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity (January-June)¹

Segment	Plans approved						Buildings completed					
	Units 2014	Units 2015		m ² 2014	Building area 2015		Units 2014	Units 2015		m ² 2014	Building area 2015	
		Number	%Δ		m ²	%Δ		Number	%Δ		m ²	%Δ
Houses of <80m ²	10 256	10 126	-1.3	509 285	475 999	-6.5	6 473	7 925	22.4	313 206	398 071	27.1
Houses of ≥80m ²	8 122	8 291	2.1	2 125 732	2 264 652	6.5	4 775	5 888	23.3	1 197 801	1 517 672	26.7
Flats and townhouses	9 757	10 737	10.0	888 064	1 063 173	19.7	5 999	5 296	-11.7	561 430	507 393	-9.6
Total	28 135	29 154	3.6	3 523 081	3 803 824	8.0	17 247	19 109	10.8	2 072 437	2 423 136	16.9

¹Private-sector financed

Source: Stats SA

Residential building activity by province¹

Building plans approved												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jun 14	Number	5 603	1 545	275	1 039	2 689	1 235	13 025	2 071	653	28 135
	January - June 2015	Number	8 039	1 331	95	1 574	1 758	1 742	11 960	1 729	926	29 154
		% change	43.5	-13.9	-65.5	51.5	-34.6	41.1	-8.2	-16.5	41.8	3.6
		% of SA	27.6	4.6	0.3	5.4	6.0	6.0	41.0	5.9	3.2	100.0
Alterations and additions to existing houses	Jan-Jun 14	m ²	351 384	154 204	26 250	71 979	178 984	77 553	486 704	93 541	33 074	1 473 673
	January - June 2015	m ²	456 555	162 381	24 796	76 914	162 709	67 898	418 299	98 427	27 905	1 495 884
		% change	29.9	5.3	-5.5	6.9	-9.1	-12.4	-14.1	5.2	-15.6	1.5
		% of SA	30.5	10.9	1.7	5.1	10.9	4.5	28.0	6.6	1.9	100.0
Buildings completed												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jun 14	Number	4 680	808	73	424	1 351	1 185	6 664	1 747	315	17 247
	January - June 2015	Number	5 419	1 008	207	1 186	912	932	7 931	1 205	309	19 109
		% change	15.8	24.8	183.6	179.7	-32.5	-21.4	19.0	-31.0	-1.9	10.8
		% of SA	28.4	5.3	1.1	6.2	4.8	4.9	41.5	6.3	1.6	100.0
Alterations and additions to existing houses	Jan-Jun 14	m ²	187 893	45 083	12 014	6 574	73 388	12 956	181 146	49 779	3 287	572 120
	January - June 2015	m ²	223 076	46 180	14 942	19 118	65 903	58 137	82 908	57 631	1 574	569 469
		% change	18.7	2.4	24.4	190.8	-10.2	348.7	-54.2	15.8	-52.1	-0.5
		% of SA	39.2	8.1	2.6	3.4	11.6	10.2	14.6	10.1	0.3	100.0

¹Private-sector financed

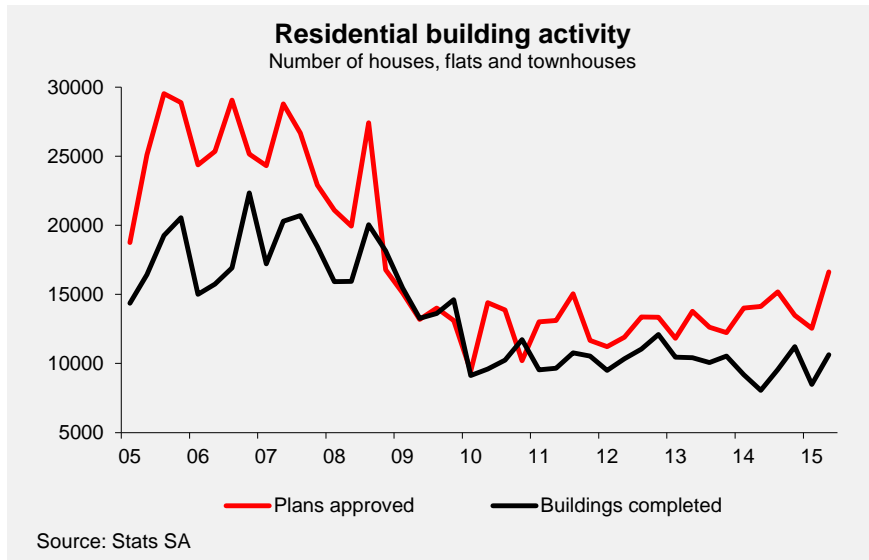
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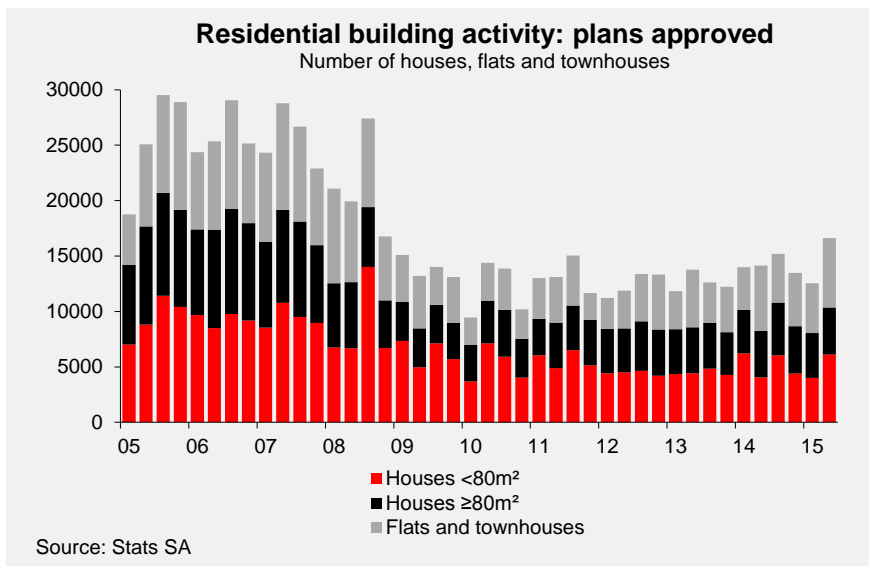
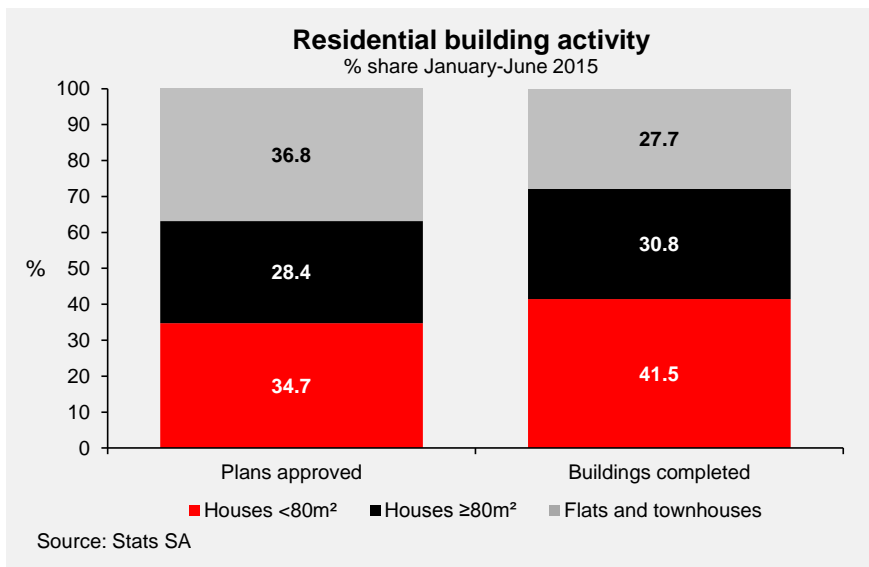
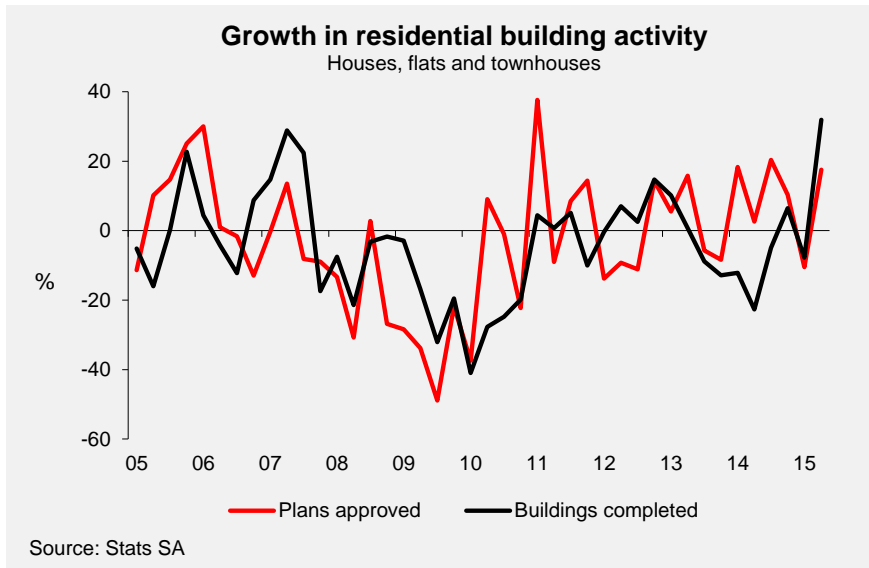
Residential building activity¹

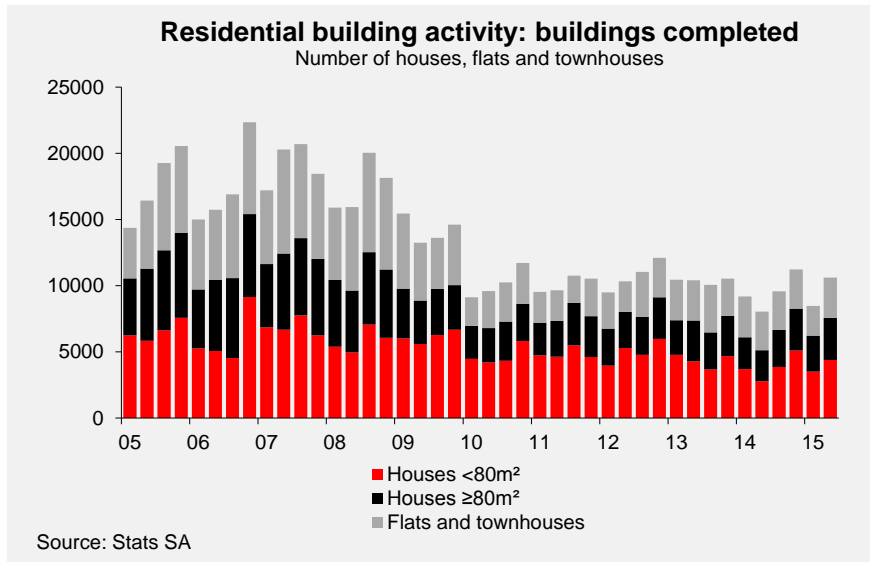
Period	Houses <80m ²		Houses ≥80m ²		Flats and townhouses		Total	
	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ
Building plans approved								
1Q 2013	4 361	-1.4	4 043	1.0	3 428	23.0	11 832	5.5
2Q 2013	4 430	-2.1	4 151	5.4	5 191	51.2	13 772	15.8
3Q 2013	4 835	4.0	4 145	-7.1	3 636	-14.8	12 616	-5.7
4Q 2013	4 268	1.6	3 864	-7.6	4 095	-17.4	12 227	-8.3
1Q 2014	6 205	42.3	3 924	-2.9	3 872	13.0	14 001	18.3
2Q 2014	4 051	-8.6	4 198	1.1	5 885	13.4	14 134	2.6
3Q 2014	6 052	25.2	4 750	14.6	4 382	20.5	15 184	20.4
4Q 2014	4 409	3.3	4 249	10.0	4 832	18.0	13 490	10.3
1Q 2015	4 012	-35.3	4 049	3.2	4 475	15.6	12 536	-10.5
2Q 2015	6 114	50.9	4 242	1.0	6 262	6.4	16 618	17.6
Buildings completed								
1Q 2013	4 789	20.8	2 607	-6.9	3 066	12.1	10 462	10.1
2Q 2013	4 294	-18.9	3 090	12.7	3 033	31.7	10 417	0.8
3Q 2013	3 672	-23.3	2 810	-2.4	3 582	6.1	10 064	-8.9
4Q 2013	4 681	-21.7	3 031	-3.7	2 830	-4.7	10 542	-12.9
1Q 2014	3 700	-22.7	2 414	-7.4	3 076	0.3	9 190	-12.2
2Q 2014	2 773	-35.4	2 361	-23.6	2 923	-3.6	8 057	-22.7
3Q 2014	3 863	5.2	2 806	-0.1	2 900	-19.0	9 569	-4.9
4Q 2014	5 108	9.1	3 169	4.6	2 950	4.2	11 227	6.5
1Q 2015	3 527	-4.7	2 708	12.2	2 247	-27.0	8 482	-7.7
2Q 2015	4 398	58.6	3 180	34.7	3 049	4.3	10 627	31.9

¹Private-sector financed

Source: Stats SA



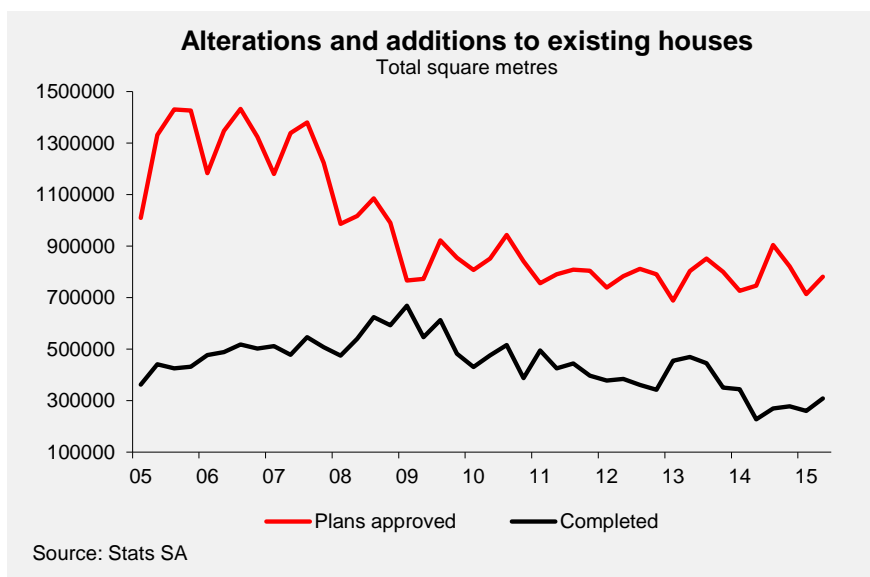


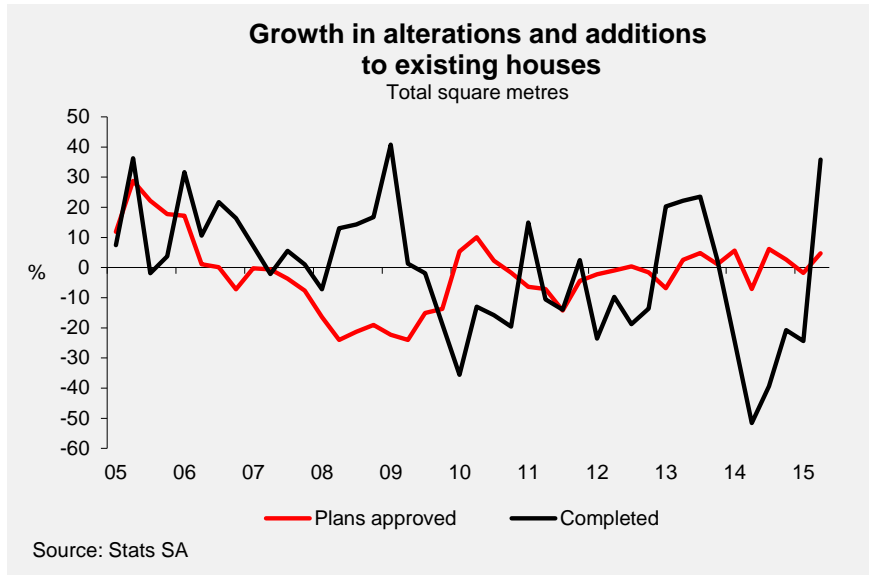


Alterations and additions to existing houses

Period	Plans approved		Completed	
	m ²	% change	m ²	% change
1Q 2013	688 414	-6.9	455 328	20.2
2Q 2013	803 498	2.6	469 649	22.2
3Q 2013	851 664	4.9	445 970	23.6
4Q 2013	800 281	1.2	351 421	2.5
1Q 2014	726 982	5.6	344 566	-24.3
2Q 2014	746 691	-7.1	227 554	-51.5
3Q 2014	904 176	6.2	270 270	-39.4
4Q 2014	821 459	2.6	278 357	-20.8
1Q 2015	714 097	-1.8	260 453	-24.4
2Q 2015	781 787	4.7	309 016	35.8

Source: Stats SA





Building cost of new housing constructed¹

Period	Houses of <80m ²		Houses of ≥80m ²		Flats and tow nhouses		Total	
	Rand per m ²	y/y% change	Rand per m ²	y/y% change	Rand per m ²	y/y% change	Rand per m ²	y/y% change
1Q 2013	2 476	-9.0	5 342	6.9	5 805	15.7	4 898	5.8
2Q 2013	2 773	8.8	5 376	8.7	5 419	4.3	4 977	10.7
3Q 2013	3 205	23.3	5 651	4.6	6 044	12.7	5 438	10.9
4Q 2013	3 066	21.3	5 869	8.8	6 299	14.1	5 470	12.9
1Q 2014	3 015	21.8	5 932	11.0	6 645	14.5	5 619	14.7
2Q 2014	3 645	31.4	6 016	11.9	6 317	16.6	5 787	16.3
3Q 2014	3 711	15.8	6 336	12.1	6 343	4.9	5 937	9.2
4Q 2014	3 946	28.7	6 221	6.0	6 753	7.2	5 909	8.0
1Q 2015	3 794	25.8	6 129	3.3	6 943	4.5	5 894	4.9
2Q 2015	3 809	4.5	6 325	5.1	6 841	8.3	6 033	4.3

¹Private-sector financed
Source: Stats SA

