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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 January 2016

Low single-digit growth in residential building activity up to late 2015

Building activity with regard to new private sector-financed housing in South Africa (see explanatory notes) recorded relatively low single-digit growth in the first eleven months of 2015 compared with the corresponding period in 2014, based on data published by Statistics South Africa.

The number of new housing units for which building plans were approved increased by 4% year-on-year (y/y) to a total of just more than 55 600 in the eleven months to November last year. This growth performance was largely driven by the segment for houses less than 80m², which recorded growth of almost 13% y/y over this period, whereas the segments of houses larger than 80m² and flats and townhouses experienced some marginal contractions up to November.

The number of new housing units constructed increased by 5,2% y/y from January to November last year, with a total of more than 36 300 units built over the 11-month period. This growth was the result of an improvement of 7,9% y/y, or 1 879 units, in new houses constructed of smaller and larger than 80m² to a combined total of 25 797 units compared with 23 918 house built in the corresponding 11-month period of 2014. The number of new flats and townhouses built was marginally lower by 0,7% y/y in January to November.

The average cost of new housing built increased by 6% y/y to an average of R6 148 per square metre in the eleven months to November. Building costs per square metre were as follows in the various segments of housing in January to November last year:

- Houses of <80m²: R3 912, up by 9,1% y/y.
- Houses of ≥80m²: R6 352, up by 3,9% y/y.
- Flats and townhouses: R7 111, up by 10,2% y/y.

The economy is forecast to show relatively low growth of about 1% in 2016, with inflation and interest rates expected to rise during the course of the year. Against this background the household sector is forecast to experience increased financial pressure, which will weigh on consumer and building confidence. These factors will be the main driving factors of the demand for and the supply of new housing this year, with residential building activity not expected to show a significant improvement from current levels over the next twelve months.

Residential building activity¹

1994 - 2015 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	702 343	43.3	557 907	46.5
Houses of ≥80m ²	486 346	30.0	322 578	26.9
Flats and townhouses	432 083	26.7	319 702	26.6
Total	1 620 772	100.0	1 200 187	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity (January-November)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	19 198	21 680	12.9	929 807	1 033 194	11.1	14 146	14 611	3.3	700 424	722 541	3.2
Houses of ≥80m ²	15 963	15 868	-0.6	4 283 467	4 300 233	0.4	9 772	11 186	14.5	2 533 412	2 904 625	14.7
Flats and townhouses	18 336	18 076	-1.4	1 795 935	1 848 644	2.9	10 608	10 534	-0.7	1 050 250	1 051 116	0.1
Total	53 497	55 624	4.0	7 009 209	7 182 071	2.5	34 526	36 331	5.2	4 284 086	4 678 282	9.2

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-Nov 14	Number	12 197	2 251	569	2 496	5 981	2 425	22 816	3 479	1 283	53 497
	January -	Number	14 516	2 892	199	3 137	3 974	3 133	23 234	3 114	1 425	55 624
	November	% change	19.0	28.5	-65.0	25.7	-33.6	29.2	1.8	-10.5	11.1	4.0
	2015	% of SA	26.1	5.2	0.4	5.6	7.1	5.6	41.8	5.6	2.6	100.0
Alterations and additions to existing houses	Jan-Nov 14	m ²	780 123	303 389	58 301	142 351	340 310	148 668	940 618	192 302	61 196	2 967 258
	January -	m ²	828 878	298 528	50 052	141 920	324 339	135 036	906 105	167 046	51 580	2 903 484
	November	% change	6.2	-1.6	-14.1	-0.3	-4.7	-9.2	-3.7	-13.1	-15.7	-2.1
	2015	% of SA	28.5	10.3	1.7	4.9	11.2	4.7	31.2	5.8	1.8	100.0

Buildings completed

Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Nov 14	Number	8 956	1 601	194	1 055	2 055	1 963	14 770	3 216	716	34 526
	January -	Number	10 495	1 553	257	2 291	1 793	1 890	15 294	2 100	658	36 331
	November	% change	17.2	-3.0	32.5	117.2	-12.7	-3.7	3.5	-34.7	-8.1	5.2
	2015	% of SA	28.9	4.3	0.7	6.3	4.9	5.2	42.1	5.8	1.8	100.0
Alterations and additions to existing houses	Jan-Nov 14	m ²	357 082	89 153	24 494	20 759	135 685	26 138	280 631	96 911	6 570	1 037 423
	January -	m ²	435 874	74 268	24 445	30 856	138 681	86 444	187 571	102 796	3 593	1 084 528
	November	% change	22.1	-16.7	-0.2	48.6	2.2	230.7	-33.2	6.1	-45.3	4.5
	2015	% of SA	40.2	6.8	2.3	2.8	12.8	8.0	17.3	9.5	0.3	100.0

¹Private-sector financed

Source: Stats SA



