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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

18 August 2016

First half of 2016 saw the planning phase of new housing contracting, with the construction phase showing single-digit growth

Building activity in the South African market for new housing showed some divergent trends in the first half of 2016. In the planning phase the volume of building plans approved contracted on a year-on-year basis up to June, with the number of new housing units completed recording some single-digit growth over the same period. With regard to both the planning and construction phases of new housing, some divergent year-on-year growth occurred at a segment level in the first six months of 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 volume of new housing units for which building plans were approved dropped by 2,5% year-on-year (y/y), or 730 units, to 28 466 units in the first half of the year. This decline was mainly driven by the two segments of houses, which showed a combined contraction of 7% y/y, or 1 290 units, to 17 125 units over the 6-month period. The segment of flats and townhouses, however, recorded growth of 5,2% y/y over the same period.

Year-on-year growth in the number of new housing units built came to 6,3% y/y in the period January to June 2016, with the segment for flats and townhouses showing sharp growth of 30,7% y/y over this period. This strong year-on-year growth in flats and townhouses reported as constructed in the six months to June this year might be due to a normally long lag between the planning and construction phases as a result of the extent of these housing projects.

The real value of plans approved for new residential buildings was recorded at R24,93 billion in the first half of 2016, with the real value of new residential buildings reported as completed at R15,14 billion in the period. These real values are calculated at constant 2015 prices.

The average cost of new housing built increased by 7,5% y/y to an average of R6 417 per square meter in the first half of the year compared with R5 967 per square meter in the corresponding period last year. The average building cost and the year-on-year percentage change per square meter in the three categories of housing were as follows in January to June 2016:

- Houses of <80m²: R4 156, up by 8,5% y/y
- Houses of ≥80m²: R6 494, up by 4,2% y/y
- Flats and townhouses: R7 458, up by 8,5% y/y

South Africa is currently experiencing tough economic conditions, impacting the household, business and residential building sectors over a wide front. Levels of confidence in these sectors of the economy have declined in the first six months of the year as a result. Residential building activity has not performed particularly well over this period and a significant improvement in building sector conditions is not expected over the short to medium term.

Residential building activity¹

1994 - 2016 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	712 574	43.1	566 563	46.3
Houses of ≥80m ²	495 456	30.0	329 655	26.9
Flats and townhouses	445 254	26.9	327 571	26.8
Total	1 653 284	100.0	1 223 789	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity: January-June¹

Segment	Building plans approved						Buildings completed					
	Units 2015	Units 2016		m ² 2015	Building area 2016		Units 2015	Units 2016		m ² 2015	Building area 2016	
		Number	%Δ		m ²	%Δ		Number	%Δ		m ²	%Δ
Houses of <80m ²	10 124	9 128	-9.8	475 763	435 775	-8.4	7 918	7 255	-8.4	397 430	351 841	-11.5
Houses of ≥80m ²	8 291	7 997	-3.5	2 264 767	2 154 440	-4.9	5 869	6 102	4.0	1 513 721	1 464 929	-3.2
Flats and townhouses	10 781	11 341	5.2	1 065 524	1 105 638	3.8	5 287	6 910	30.7	507 010	646 846	27.6
Total	29 196	28 466	-2.5	3 806 054	3 695 853	-2.9	19 074	20 267	6.3	2 418 161	2 463 616	1.9

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 15	Number	8 044	1 323	95	1 572	1 758	1 791	11 964	1 723	926	29 196
	January -	Number	8 579	1 585	164	1 229	2 935	1 024	10 917	1 560	473	28 466
	June	% change	6.7	19.8	72.6	-21.8	67.0	-42.8	-8.8	-9.5	-48.9	-2.5
	2016	% of SA	30.1	5.6	0.6	4.3	10.3	3.6	38.4	5.5	1.7	100.0
Alterations and additions to existing houses	Jan-Jun 15	m ²	456 555	162 381	24 796	77 555	162 294	69 044	418 267	97 655	27 905	1 496 452
	January -	m ²	413 602	121 735	24 343	70 726	170 884	70 457	463 976	79 125	31 198	1 446 046
	June	% change	-9.4	-25.0	-1.8	-8.8	5.3	2.0	10.9	-19.0	11.8	-3.4
	2016	% of SA	28.6	8.4	1.7	4.9	11.8	4.9	32.1	5.5	2.2	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 15	Number	5 419	1 008	207	1 186	912	914	7 937	1 182	309	19 074
	January -	Number	5 265	787	39	1 455	890	1 511	8 770	1 167	383	20 267
	June	% change	-2.8	-21.9	-81.2	22.7	-2.4	65.3	10.5	-1.3	23.9	6.3
	2016	% of SA	26.0	3.9	0.2	7.2	4.4	7.5	43.3	5.8	1.9	100.0
Alterations and additions to existing houses	Jan-Jun 15	m ²	223 076	46 180	14 942	19 118	65 903	53 521	83 042	56 918	1 574	564 274
	January -	m ²	234 307	27 158	22 697	16 554	77 599	62 378	122 231	37 892	3 636	604 452
	June	% change	5.0	-41.2	51.9	-13.4	17.7	16.5	47.2	-33.4	131.0	7.1
	2016	% of SA	38.8	4.5	3.8	2.7	12.8	10.3	20.2	6.3	0.6	100.0

¹Private-sector financed

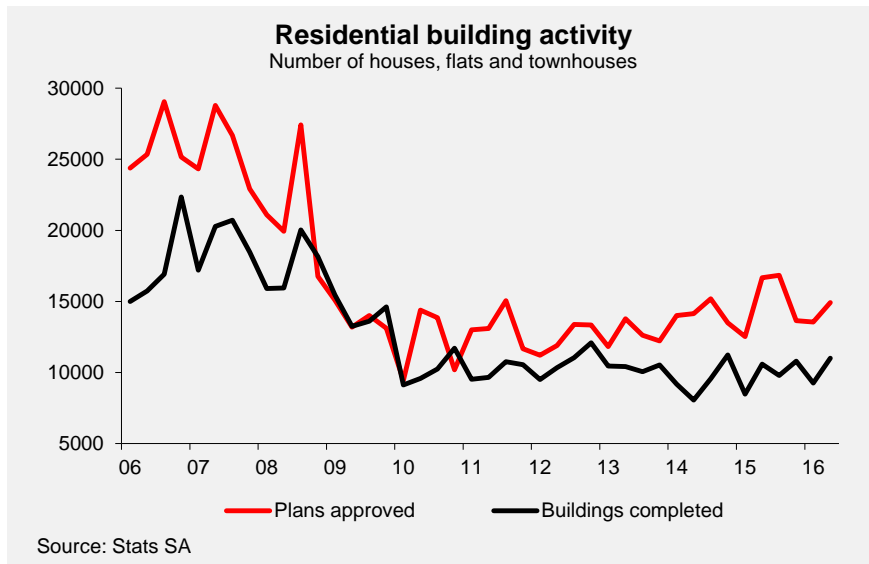
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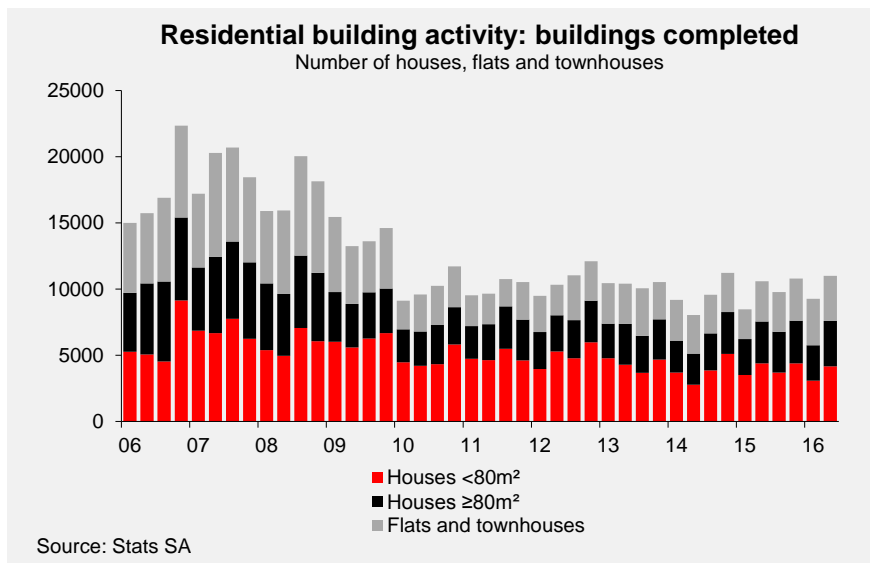
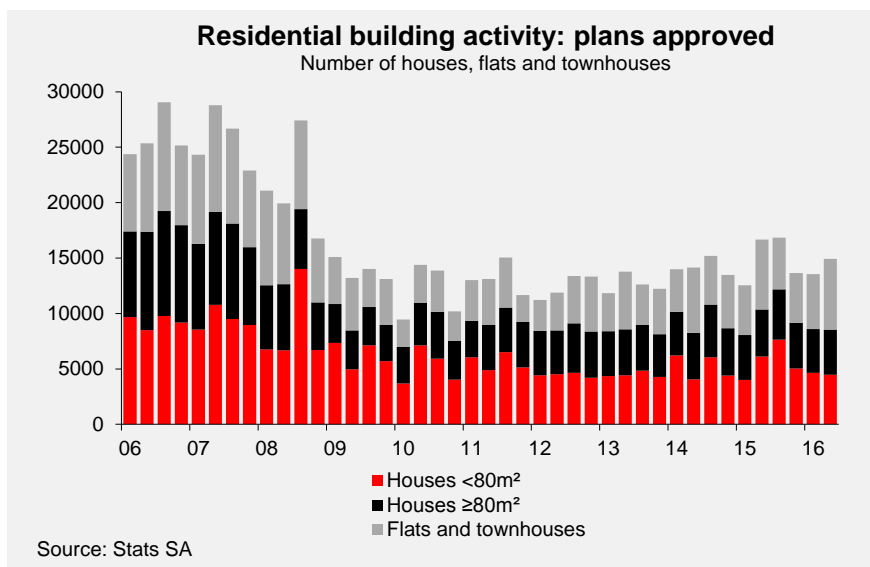
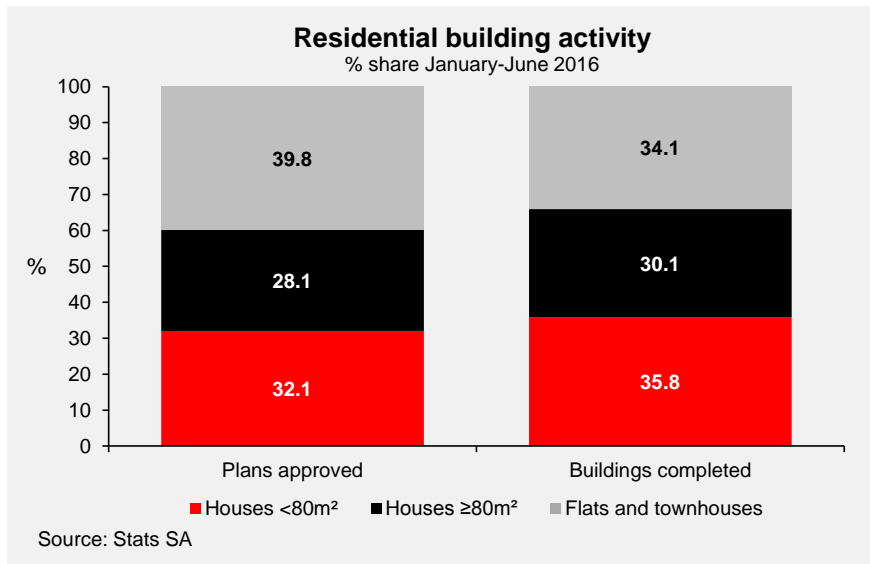
Residential building activity¹

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	6 112	50.9	4 242	1.0	6 306	7.2	16 660	17.9
3Q 2015	7 630	26.1	4 551	-4.2	4 650	6.1	16 831	10.8
4Q 2015	5 029	14.1	4 139	-2.6	4 475	-7.4	13 643	1.1
1Q 2016	4 652	16.0	3 934	-2.8	4 959	10.8	13 545	8.0
2Q 2016	4 476	-26.8	4 063	-4.2	6 382	1.2	14 921	-10.4
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	4 391	58.3	3 161	33.9	3 040	4.0	10 592	31.5
3Q 2015	3 703	-4.1	3 070	9.4	3 011	3.8	9 784	2.2
4Q 2015	4 391	-14.0	3 222	1.7	3 195	8.3	10 808	-3.7
1Q 2016	3 094	-12.3	2 668	-1.5	3 505	56.0	9 267	9.3
2Q 2016	4 161	-5.2	3 434	8.6	3 405	12.0	11 000	3.9

¹Private-sector financed

Source: Stats SA

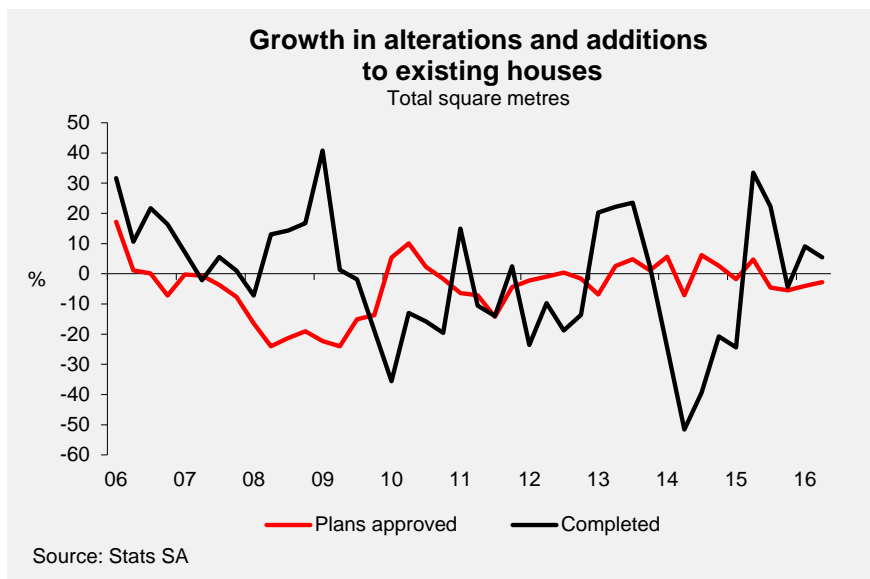
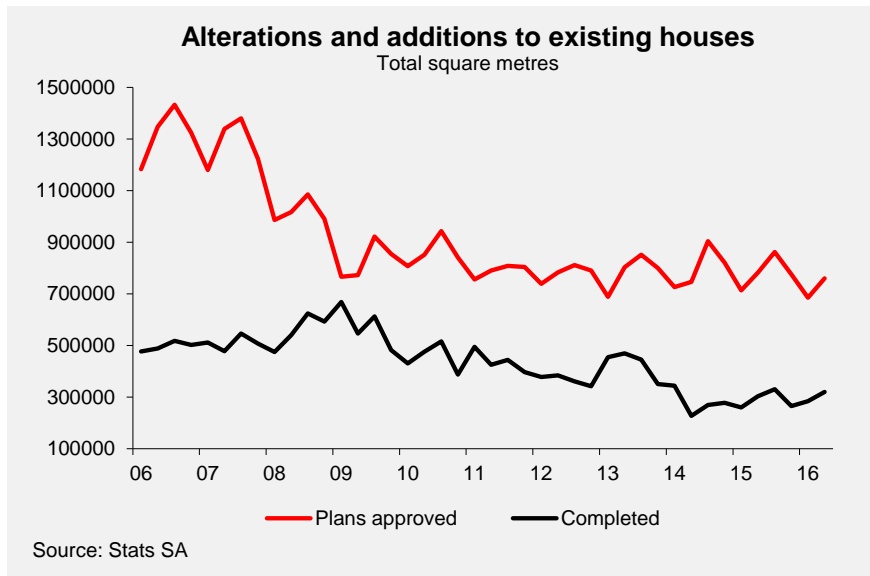




Alterations and additions to existing houses

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	782 355	4.8	303 821	33.5
3Q 2015	862 405	-4.6	330 465	22.3
4Q 2015	776 606	-5.5	266 012	-4.4
1Q 2016	685 341	-4.0	284 139	9.1
2Q 2016	760 705	-2.8	320 313	5.4

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	3 810	4.5	6 330	5.2	6 845	8.4	6 037	4.3
3Q 2015	3 887	4.7	6 465	2.0	7 493	18.1	6 350	7.0
4Q 2015	3 977	0.8	6 573	5.7	7 436	10.1	6 400	8.3
1Q 2016	4 176	10.1	6 474	5.6	7 384	6.3	6 415	8.8
2Q 2016	4 076	7.0	6 503	2.7	7 517	9.8	6 396	6.0

¹Private-sector financed

Source: Stats SA

