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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

20 April 2017

### Continued contraction in levels of residential building activity

Residential building activity with regard to new private sector-financed housing in South Africa (see explanatory notes) continued to contract in the first two months of 2017 compared with the corresponding period in 2016. This is according to data published by Statistics South Africa. Contractions in building activity were evident in all segments of new housing as well as in respect of additions and alterations to existing houses in both the planning and construction phases up to February this year. However, it was only the segment for flats and townhouses that recorded an improvement in building activity, which was with regard to the number and building area of plans approved.

The number of new housing units for which building plans were approved contracted by around 10% year-on-year (y/y), or 886 plans, to a total of 7 927 plans in the first two months of the year. This decline in building plans approved was driven by the two segments of houses, which recorded a contraction of 21,6% y/y, or 1 189 plans, to a combined total of 4 309 plans compared with 5 498 plans approved in the same period last year. However, the number of plans approved for new flats and townhouses increased by 9,1% y/y, or 303, to a total of 3 618 plans in January and February.

The construction phase of new housing, measured by the number of units built, contracted by 16,7% y/y, or 1 102 units, to a total of 5 487 units up to February this year. The decline in new housing built occurred across all three market segments.

The building area in respect of additions and alterations to existing houses contracted in both the planning and construction phases by 8,0% y/y and 9,4% y/y respectively in the two months up to February.

The average building cost of new housing constructed in the first two months of the year increased by 12,3% y/y, which was more than the headline consumer price inflation rate of 6,2% y/y over this period, to an average of R7 183 per square meter compared with R6 398 per square meter in the corresponding period last year. The average building cost and the year-on-year percentage change in the rand value per square meter in the three categories of housing constructed were as follows in the two months up to February this year:

- Houses of <80m<sup>2</sup>: R4 843, up by 22,2% y/y
- Houses of ≥80m<sup>2</sup>: R7 240, up by 12,1% y/y
- Flats and townhouses: R8 072, up by 8,9% y/y

Residential building activity is forecast to remain largely subdued in 2017 against the background of trends in and the outlook for the economy, household finances and levels of consumer and building confidence.

## Residential building activity<sup>1</sup>

1994 - 2017 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m <sup>2</sup>	723 013	42.8	576 752	46.1
Houses of ≥80m <sup>2</sup>	505 418	29.9	337 107	27.0
Flats and townhouses	460 779	27.3	336 677	26.9
<b>Total</b>	<b>1 689 210</b>	<b>100.0</b>	<b>1 250 536</b>	<b>100.0</b>

<sup>1</sup>Private-sector financed

Source: Stats SA

## Residential building activity: January - February<sup>1</sup>

Segment	Building plans approved						Buildings completed					
	Units 2016	Units 2017		m <sup>2</sup> 2016	Building area 2017		Units 2016	Units 2017		m <sup>2</sup> 2016	Building area 2017	
		Number	%Δ		m <sup>2</sup>	%Δ		Number	%Δ		m <sup>2</sup>	%Δ
Houses of <80m <sup>2</sup>	2 961	2 249	-24.0	141 330	108 934	-22.9	2 247	1 882	-16.2	105 918	89 273	-15.7
Houses of ≥80m <sup>2</sup>	2 537	2 060	-18.8	672 869	554 689	-17.6	1 590	1 320	-17.0	401 926	385 209	-4.2
Flats and townhouses	3 315	3 618	9.1	286 914	421 011	46.7	2 752	2 285	-17.0	223 441	225 270	0.8
<b>Total</b>	<b>8 813</b>	<b>7 927</b>	<b>-10.1</b>	<b>1 101 113</b>	<b>1 084 634</b>	<b>-1.5</b>	<b>6 589</b>	<b>5 487</b>	<b>-16.7</b>	<b>731 285</b>	<b>699 752</b>	<b>-4.3</b>

<sup>1</sup>Private-sector financed

Source: Stats SA

## Residential building activity by province<sup>1</sup>

Building plans approved												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Feb 16	Number	2 301	338	68	338	880	266	3 785	654	183	8 813
	January -	Number	3 126	543	37	267	699	949	1 853	286	167	7 927
	February	% change	35.9	60.7	-45.6	-21.0	-20.6	256.8	-51.0	-56.3	-8.7	-10.1
	2017	% of SA	39.4	6.9	0.5	3.4	8.8	12.0	23.4	3.6	2.1	100.0
Alterations and additions to existing houses	Jan-Feb 16	m <sup>2</sup>	115 730	33 155	7 695	27 977	52 703	21 693	147 566	28 960	8 586	444 065
	January -	m <sup>2</sup>	111 521	42 973	4 065	22 602	54 725	16 629	125 838	19 607	10 591	408 551
	February	% change	-3.6	29.6	-47.2	-19.2	3.8	-23.3	-14.7	-32.3	23.4	-8.0
	2017	% of SA	27.3	10.5	1.0	5.5	13.4	4.1	30.8	4.8	2.6	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 16	Number	1 243	179	10	921	260	431	3 000	418	127	6 589
	January -	Number	2 145	118	16	58	254	172	2 343	324	57	5 487
	February	% change	72.6	-34.1	60.0	-93.7	-2.3	-60.1	-21.9	-22.5	-55.1	-16.7
	2017	% of SA	39.1	2.2	0.3	1.1	4.6	3.1	42.7	5.9	1.0	100.0
Alterations and additions to existing houses	Jan-Feb 16	m <sup>2</sup>	74 554	8 018	5 820	7 317	24 623	17 519	32 640	13 398	900	184 789
	January -	m <sup>2</sup>	84 653	12 449	1 872	1 312	20 040	5 350	31 805	8 939	938	167 358
	February	% change	13.5	55.3	-67.8	-82.1	-18.6	-69.5	-2.6	-33.3	4.2	-9.4
	2017	% of SA	50.6	7.4	1.1	0.8	12.0	3.2	19.0	5.3	0.6	100.0

<sup>1</sup>Private-sector financed

Source: Stats SA



