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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 May 2017

Subdued levels of residential building activity in the first quarter of 2017

Residential building activity remained under pressure in both the planning and construction phases of the South African market for new housing in the first quarter of 2017. The number of plans approved declined from a year ago whereas the number of housing units reported as completed showed single-digit growth. These developments 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 residential building plans approved contracted by 4,0% year-on-year (y/y), or 542 plans, to 13 064 plans in the first quarter of the year from 13 606 plans approved a year ago. This decline in plans approved was driven by the two categories of houses, which showed a combined contraction of 14,3% y/y, or 1 227 plans, to a total of 7 359 plans, whereas the segment for flats and townhouses recorded growth in plans approved of 13,7% y/y, or 688 plans, in the first quarter.

Year-on-year growth in the number of new housing units built came to 9,4% y/y in the period January to March 2017. The segment for flats and townhouses showed strong growth of 29,2% y/y, or 1 023 units, with the volume of smaller-sized houses constructed, i.e. those with a building area of less than 80m², increasing by 9,4% y/y to 3 385 units over the 3-month period. The segment for houses equal to or larger than 80m² contracted by 16,6% y/y to 2 225 units.

The real value of plans approved for new residential buildings declined by 7,9% y/y, or R928,94 million, to R10,78 billion in the first quarter of 2017, with the real value of new residential buildings reported as completed rising by 15,7% y/y, or R1,09 billion, to R8,02 billion in the quarter. These real values are calculated at constant 2015 prices.

Levels of building activity with regard to additions and alterations to existing houses were also much subdued in the first quarter of the year, with the building area for which plans were approved contracting by 4,9% y/y and the building area reported as completed showing virtually unchanged from a year ago.

The average cost of new housing built increased by 11,3% y/y to an average of R7 139 per square meter in the first quarter of the year compared with R6 415 per square meter a year ago. This was well above the average headline consumer price inflation rate of 6,3% y/y over the same period. The average level of and the increase in building cost per square meter with regard to the three categories of housing was as follows in January to March 2017:

- Houses of <80m²: R4 979, up by 19,2% y/y
- Houses of ≥80m²: R7 123, up by 10,0% y/y
- Flats and townhouses: R8 023, up by 8,7% y/y

With the South African economy forecast to grow by only 1,0% in 2017 and the household sector set to continue to experience a fair amount of financial strain this year, which will contribute to further low consumer confidence, residential building activity does not seem to show a significant improvement in the rest of the year.

Residential building activity¹

1994 - 2017 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	724 740	42.8	578 255	46.1
Houses of ≥80m ²	506 738	29.9	338 012	26.9
Flats and townhouses	462 952	27.3	338 920	27.0
Total	1 694 430	100.0	1 255 187	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity: January - March¹

Segment	Building plans approved						Buildings completed					
	Units 2016	Units 2017		m ² 2016	Building area 2017		Units 2016	Units 2017		m ² 2016	Building area 2017	
		Number	%Δ		m ²	%Δ		Number	%Δ		m ²	%Δ
Houses of <80m ²	4 652	3 976	-14.5	222 317	188 710	-15.1	3 094	3 385	9.4	148 766	161 937	8.9
Houses of ≥80m ²	3 934	3 380	-14.1	1 054 242	907 791	-13.9	2 668	2 225	-16.6	658 415	623 010	-5.4
Flats and townhouses	5 020	5 708	13.7	467 569	617 400	32.0	3 505	4 528	29.2	303 381	406 435	34.0
Total	13 606	13 064	-4.0	1 744 128	1 713 901	-1.7	9 267	10 138	9.4	1 110 562	1 191 382	7.3

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-Mar 16	Number	3 898	499	92	439	1 225	552	5 786	878	237	13 606
	January -	Number	5 398	1 174	49	511	1 022	1 088	3 085	495	242	13 064
	March	% change	38.5	135.3	-46.7	16.4	-16.6	97.1	-46.7	-43.6	2.1	-4.0
	2017	% of SA	41.3	9.0	0.4	3.9	7.8	8.3	23.6	3.8	1.9	100.0
Alterations and additions to existing houses	Jan-Mar 16	m ²	181 678	49 133	11 811	39 154	80 738	33 228	235 043	41 693	12 863	685 341
	January -	m ²	187 729	67 723	4 880	33 341	87 054	28 843	197 128	29 758	15 619	652 075
	March	% change	3.3	37.8	-58.7	-14.8	7.8	-13.2	-16.1	-28.6	21.4	-4.9
	2017	% of SA	28.8	10.4	0.7	5.1	13.4	4.4	30.2	4.6	2.4	100.0
Buildings completed												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Mar 16	Number	1 984	256	12	966	381	677	4 231	591	169	9 267
	January -	Number	3 447	220	18	460	789	373	4 283	461	87	10 138
	March	% change	73.7	-14.1	50.0	-52.4	107.1	-44.9	1.2	-22.0	-48.5	9.4
	2017	% of SA	34.0	2.2	0.2	4.5	7.8	3.7	42.2	4.5	0.9	100.0
Alterations and additions to existing houses	Jan-Mar 16	m ²	109 938	13 054	9 862	9 088	37 578	34 878	49 338	18 445	1 958	284 139
	January -	m ²	145 112	19 812	2 063	2 287	32 471	12 170	54 728	14 479	1 055	284 177
	March	% change	32.0	51.8	-79.1	-74.8	-13.6	-65.1	10.9	-21.5	-46.1	0.0
	2017	% of SA	51.1	7.0	0.7	0.8	11.4	4.3	19.3	5.1	0.4	100.0

¹Private-sector financed

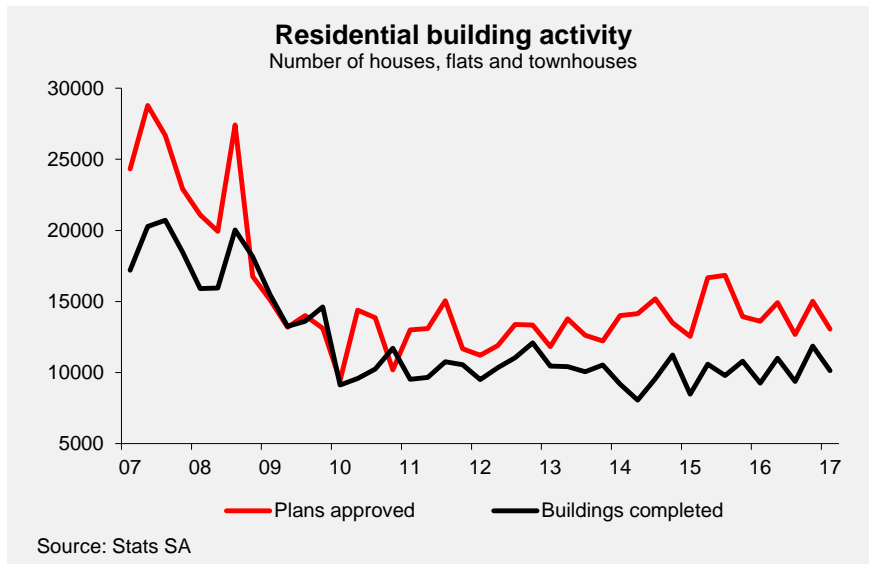
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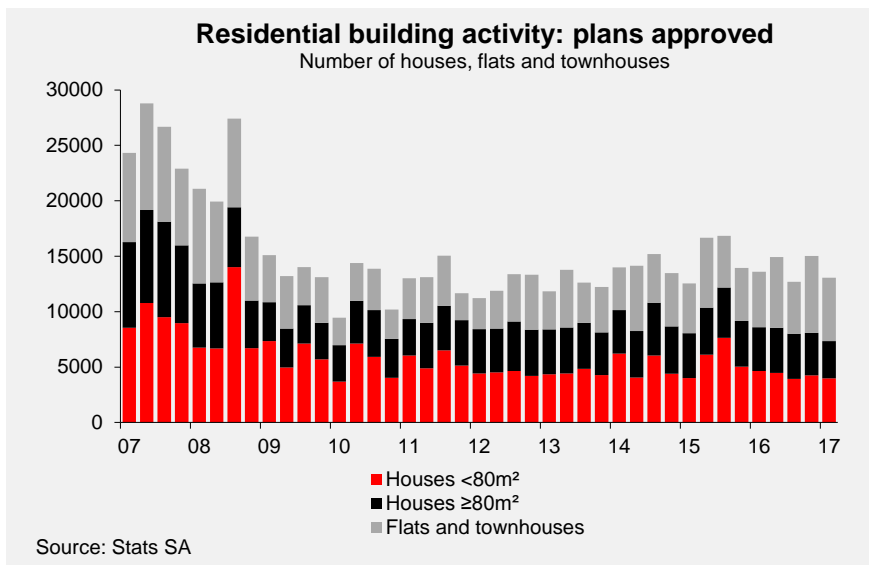
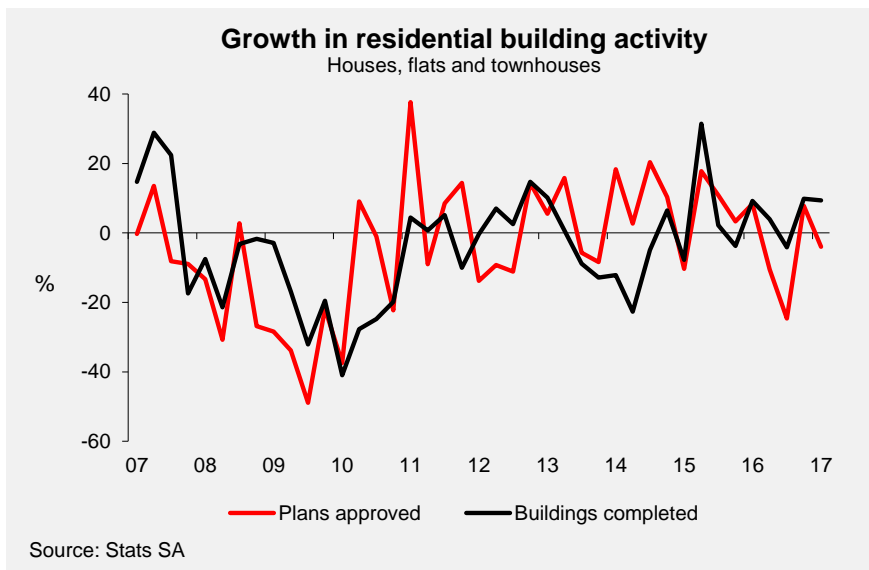
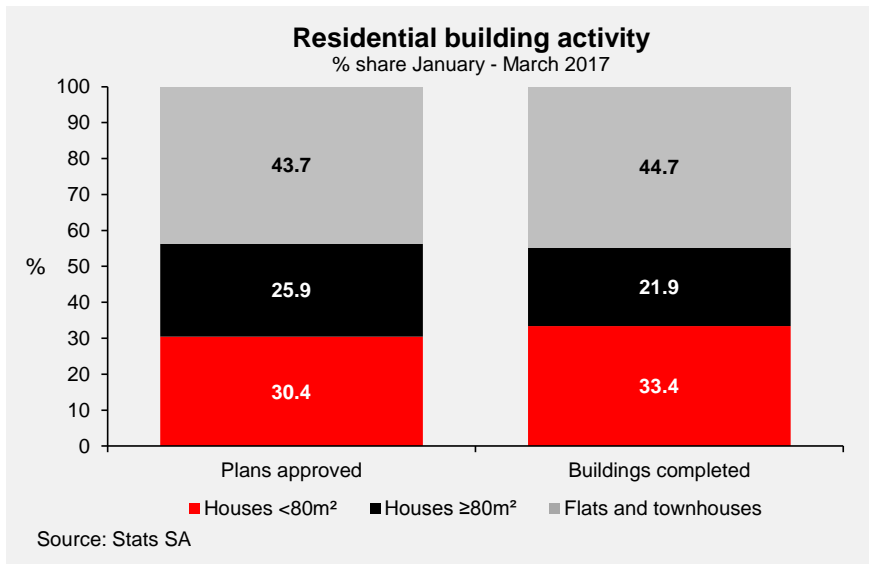
Residential building activity¹

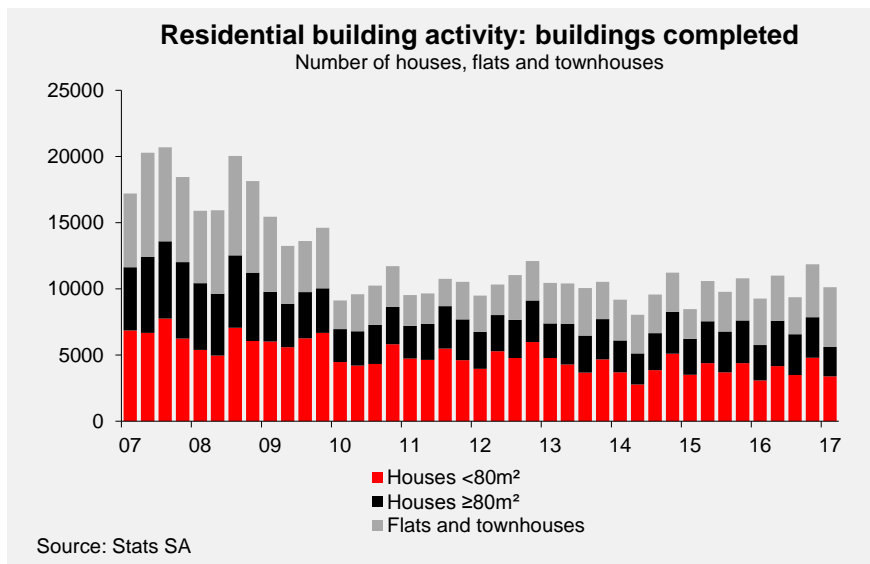
Period	Houses <80m ²		Houses ≥80m ²		Flats and townhouses		Total	
	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ
Building plans approved								
1Q 2014	6 205	42.3	3 924	-2.9	3 872	13.0	14 001	18.3
2Q 2014	4 051	-8.6	4 198	1.1	5 895	13.6	14 144	2.7
3Q 2014	6 052	25.2	4 750	14.6	4 382	20.5	15 184	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	4 492	16.0	12 553	-10.3
2Q 2015	6 112	50.9	4 242	1.0	6 306	7.0	16 660	17.8
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	4 767	-1.3	13 935	3.3
1Q 2016	4 652	16.0	3 934	-2.8	5 020	11.8	13 606	8.4
2Q 2016	4 477	-26.8	4 057	-4.4	6 382	1.2	14 916	-10.5
3Q 2016	3 927	-48.5	4 078	-10.4	4 683	0.7	12 688	-24.6
4Q 2016	4 262	-15.3	3 830	-7.5	6 927	45.3	15 019	7.8
1Q 2017	3 976	-14.5	3 380	-14.1	5 708	13.7	13 064	-4.0
Buildings completed								
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	4 165	-5.1	3 440	8.8	3 405	12.0	11 010	3.9
3Q 2016	3 504	-5.4	3 068	-0.1	2 807	-6.8	9 379	-4.1
4Q 2016	4 799	9.3	3 058	-5.1	4 014	25.6	11 871	9.8
1Q 2017	3 385	9.4	2 225	-16.6	4 528	29.2	10 138	9.4

¹Private-sector financed

Source: Stats SA



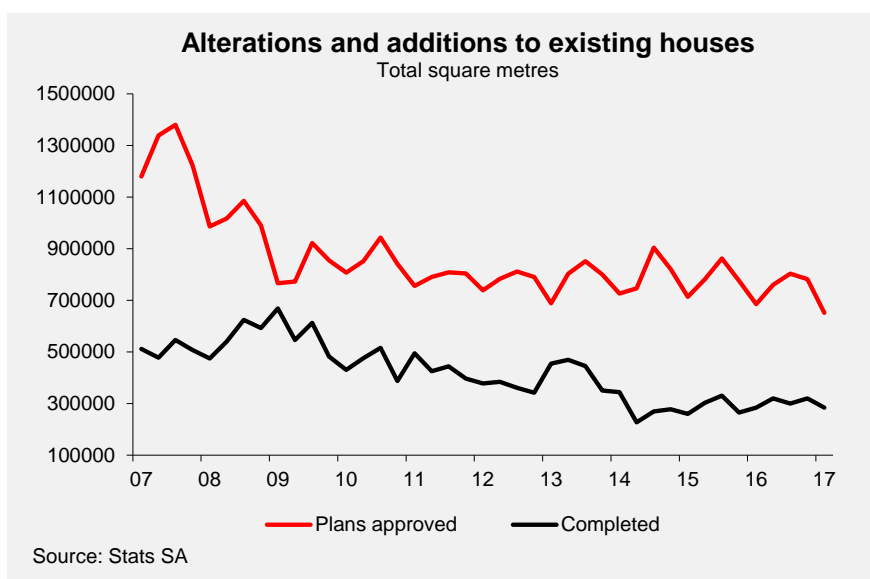


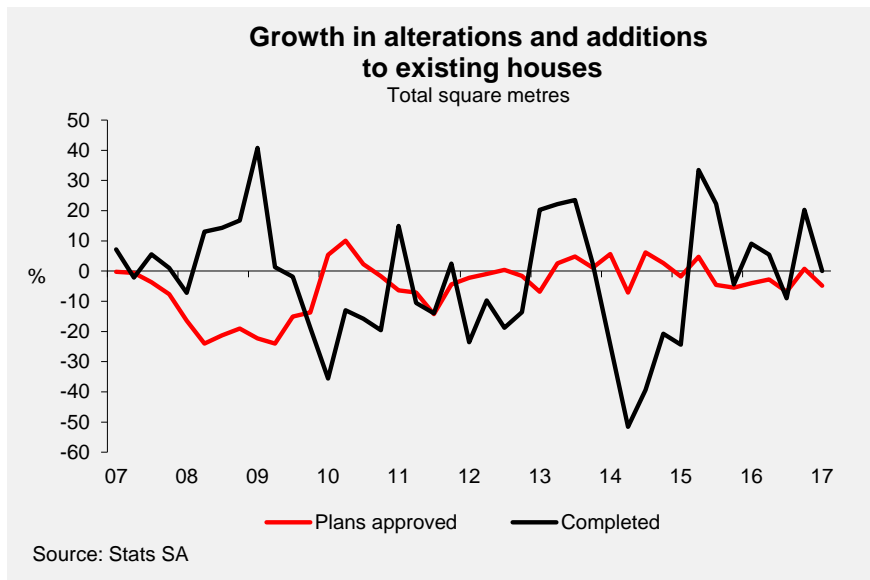


Alterations and additions to existing houses

Period	Plans approved		Completed	
	m ²	% change	m ²	% change
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	760 576	-2.8	320 318	5.4
3Q 2016	803 182	-6.9	300 845	-9.0
4Q 2016	782 721	0.8	320 015	20.3
1Q 2017	652 075	-4.9	284 177	0.0

Source: Stats SA





Building cost of new housing constructed¹

Period	Houses of <80m ²		Houses of ≥80m ²		Flats and townhouses		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 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	6 502	2.7	7 517	9.8	6 396	5.9
3Q 2016	4 714	21.3	6 753	4.5	7 920	5.7	6 747	6.3
4Q 2016	4 715	18.6	6 962	5.9	7 799	4.9	6 859	7.2
1Q 2017	4 979	19.2	7 123	10.0	8 023	8.7	7 139	11.3

¹Private-sector financed
Source: Stats SA

