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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

15 March 2018

### Residential building activity started 2018 on a positive note

Building activity in the South African market for new private sector-financed housing (see explanatory notes) showed a significant improvement in both the planning and construction phases in the first month of the year compared with a year ago, based on data released by Statistics South Africa.

The number of building plans approved for new housing was up by a substantial 37% year-on-year (y/y), or 1 176 plans, to 4 356 plans in January. Plans approved in the segment for houses smaller than 80m<sup>2</sup> increased by around 100% y/y to 1 450 over this period, with the segment for flats and townhouses posting growth of almost 23% y/y to 1 943 plans in January.

The number of new housing units reported as being completed increased by 22,9% y/y, or 451 units, to a total of 2 422 units in January 2018. The volume of flats and townhouses built showed strong growth of 89,9% y/y to 1 591 units in the first month of the year, whereas the segment for houses smaller than 80m<sup>2</sup> contracted by 58,2% y/y to only 224 units in January.

Building activity with regard to alterations and additions to existing houses remained under pressure in January this year, with the building area approved declining by 3,5% y/y and the building area reported as completed rising by only 1,3% y/y.

In line with the abovementioned trends in residential building activity, improved economic growth and political developments towards the end of last year, confidence levels amongst building contractors showed a marked improvement in the first quarter of the year.

The real value of residential building plans approved increased by 1,5% y/y to a level of R2,92 billion in January, with the real value of residential buildings reported as being completed contracting by 4,6% y/y to R2,05 billion in January.

Levels of residential building activity have remained relatively subdued in recent years against the background of economic trends and levels of confidence amongst consumers and in the building sector, with developments on these fronts to remain important driving factors of new housing building activity during the course of the year.

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

1994 - 2018 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m <sup>2</sup>	742 500	42.6	589 258	45.8
Houses of ≥80m <sup>2</sup>	519 567	29.8	347 196	27.0
Flats and townhouses	480 933	27.6	350 031	27.2
<b>Total</b>	<b>1 743 000</b>	<b>100.0</b>	<b>1 286 485</b>	<b>100.0</b>

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

Source: Stats SA

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

Segment	Building plans approved						Buildings completed					
	Units 2017	Units 2018		m <sup>2</sup> 2017	Building area 2018		Units 2017	Units 2018		m <sup>2</sup> 2017	Building area 2018	
		Number	%Δ		m <sup>2</sup>	%Δ		Number	%Δ		m <sup>2</sup>	%Δ
Houses of <80m <sup>2</sup>	722	1 450	100.8	35 962	64 439	79.2	536	224	-58.2	27 173	11 522	-57.6
Houses of ≥80m <sup>2</sup>	876	963	9.9	241 755	268 474	11.1	597	607	1.7	189 925	162 704	-14.3
Flats and townhouses	1 582	1 943	22.8	174 536	152 910	-12.4	838	1 591	89.9	74 107	122 385	65.1
<b>Total</b>	<b>3 180</b>	<b>4 356</b>	<b>37.0</b>	<b>452 253</b>	<b>485 823</b>	<b>7.4</b>	<b>1 971</b>	<b>2 422</b>	<b>22.9</b>	<b>291 205</b>	<b>296 611</b>	<b>1.9</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	January 17	Number	952	70	22	107	175	803	818	149	84	3 180
	January 2018	Number	906	921	9	205	260	152	1 778	89	36	4 356
		% change	-4.8	1215.7	-59.1	91.6	48.6	-81.1	117.4	-40.3	-57.1	37.0
		% of SA	20.8	21.1	0.2	4.7	6.0	3.5	40.8	2.0	0.8	100.0
Alterations and additions to existing houses	January 17	m <sup>2</sup>	48 961	14 267	2 499	9 101	26 251	8 118	60 326	7 616	5 689	182 828
	January 2018	m <sup>2</sup>	56 358	11 798	1 161	10 385	17 421	8 142	57 199	10 544	3 339	176 347
		% change	15.1	-17.3	-53.5	14.1	-33.6	0.3	-5.2	38.4	-41.3	-3.5
		% of SA	32.0	6.7	0.7	5.9	9.9	4.6	32.4	6.0	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	January 17	Number	490	52	10	50	136	73	1 053	88	19	1 971
	January 2018	Number	1 186	42	2	154	135	165	694	11	33	2 422
		% change	142.0	-19.2	-80.0	208.0	-0.7	126.0	-34.1	-87.5	73.7	22.9
		% of SA	49.0	1.7	0.1	6.4	5.6	6.8	28.7	0.5	1.4	100.0
Alterations and additions to existing houses	January 17	m <sup>2</sup>	34 045	5 154	1 095	528	8 832	351	16 955	4 223	302	71 485
	January 2018	m <sup>2</sup>	33 356	3 295	1 684	4 130	9 758	2 266	14 470	3 141	342	72 442
		% change	-2.0	-36.1	53.8	682.2	10.5	545.6	-14.7	-25.6	13.2	1.3
		% of SA	46.0	4.5	2.3	5.7	13.5	3.1	20.0	4.3	0.5	100.0

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

Source: Stats SA



