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**Explanatory note:**  
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

16 May 2019

### Huge divergent trends in residential building activity in Q1 2019

The first quarter of 2019 saw significant diverging trends at a segment level in private sector-financed residential building activity in South Africa (see explanatory note). On a year-on-year basis the number of building plans approved by local government institutions was lower in January to March, whereas the number of housing units reported as completed showed strong growth over this period. These trends in first-quarter residential building activity may be the result of significant lags in the reporting to and/or approvals by local government institutions.

The number of building plans approved for new housing was down by 19,3% year-on-year (y/y), or a total of 2 958 plans, to 12 385 plans in the three months up to March this year. This drop in plans approved came on the back of marked contractions in the two categories of houses in the 3-month period compared with a year ago.

The volume of new housing units reported as being completed was up by 47,9% y/y, or 6 848 units, to a total of 11 890 units in the first three months of the year. The number of flats and townhouses completed increased by a massive 90,6% y/y to 7 042 units in this period.

The average building cost of new housing completed increased by 5,4% y/y to R7 813 per square meter in the first quarter of 2019, compared with R7 365 per square meter in the corresponding period last year. Residential building costs were up by 1,8% y/y in real terms, i.e. after adjustment for the effect of inflation, in the 3-month period up to March, based on an average headline consumer price inflation rate of 4,2% y/y over this period. The average building cost per square meter in the three categories of new housing was as follows in January to March:

- Houses of <80m<sup>2</sup>: R5 695, up by 3,9% y/y.
- Houses of ≥80m<sup>2</sup>: R7 599, up by 3,5% y/y.
- Flats and townhouses: R8 269 up by 5,7% y/y.

Building activity regarding alterations and additions to existing houses continued to contract in respect of both building area approved and the building area reported as being completed on a year-on-year basis in the first three months of the year. The building cost of completed alterations and additions to existing houses increased by 7,8% y/y to R7 573 per square meter in the 3-month period compared with R7 026 per square meter in the first quarter of last year. In real terms, i.e. after adjusting for inflation, building costs of completed alterations and additions with regard to existing houses increased by 3,5% y/y up to March this year.

Trends in and the outlook for the economy, household finances, confidence levels and property market sentiment in general will over the short to medium term continue to drive residential building activity.

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

1994 - 2019 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m <sup>2</sup>	759 927	42.0	602 951	45.1
Houses of ≥80m <sup>2</sup>	536 637	29.6	359 897	26.9
Flats and townhouses	513 638	28.4	373 307	27.9
<b>Total</b>	<b>1 810 202</b>	<b>100.0</b>	<b>1 336 155</b>	<b>100.0</b>

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

Source: Stats SA

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

Segment	Building plans approved						Buildings completed					
	Units 2018	Units 2019		m <sup>2</sup> 2018	Building area 2019		Units 2018	Units 2019		m <sup>2</sup> 2018	Building area 2019	
		Number	y/y % Δ		m <sup>2</sup>	y/y % Δ		Number	y/y % Δ		m <sup>2</sup>	y/y % Δ
Houses of <80m <sup>2</sup>	5 335	2 204	-58.7	241 993	113 012	-53.3	2 143	2 255	5.2	103 678	112 213	8.2
Houses of ≥80m <sup>2</sup>	3 460	2 918	-15.7	913 036	787 001	-13.8	2 200	2 593	17.9	568 225	628 244	10.6
Flats and townhouses	6 548	7 263	10.9	591 406	779 390	31.8	3 694	7 042	90.6	454 215	817 456	80.0
<b>Total</b>	<b>15 343</b>	<b>12 385</b>	<b>-19.3</b>	<b>1 746 435</b>	<b>1 679 403</b>	<b>-3.8</b>	<b>8 037</b>	<b>11 890</b>	<b>47.9</b>	<b>1 126 118</b>	<b>1 557 913</b>	<b>38.3</b>

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

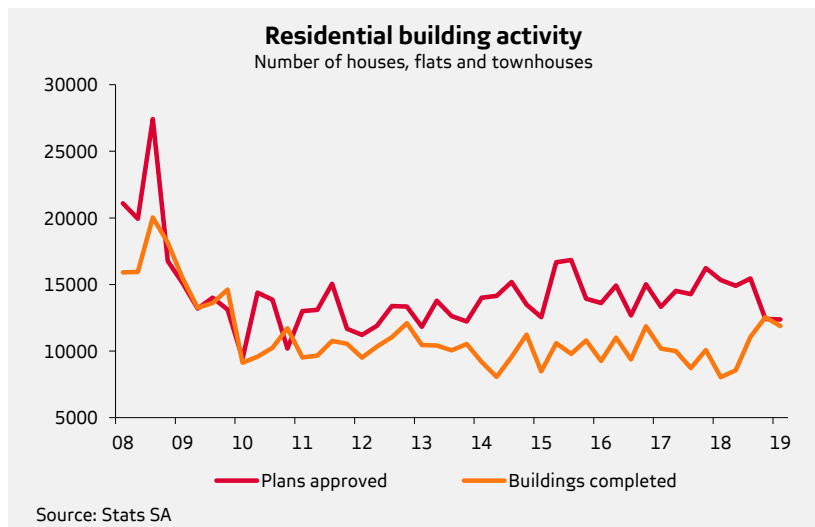
Source: Stats SA

## 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-Mar 18	Number	5 896	1 877	62	414	703	1 401	4 435	337	218	15 343
	January - March 2019	Number	3 058	373	47	351	1 412	234	6 362	275	265	12 385
		y/y % Δ	-48.1	-80.1	-24.2	-15.2	100.9	-83.3	43.4	-18.4	21.6	-19.3
		% of SA	24.7	3.0	0.4	2.8	11.4	1.9	51.4	2.2	2.1	100.0
Alterations and additions to existing houses	Jan-Mar 18	m <sup>2</sup>	192 529	61 715	5 263	34 753	71 491	28 728	204 942	40 002	11 223	650 646
	January - March 2019	m <sup>2</sup>	168 706	54 325	9 385	24 762	98 086	23 318	201 785	27 340	16 169	623 876
		y/y % Δ	-12.4	-12.0	78.3	-28.7	37.2	-18.8	-1.5	-31.7	44.1	-4.1
		% of SA	27.0	8.7	1.5	4.0	15.7	3.7	32.3	4.4	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-Mar 18	Number	3 288	119	9	245	361	546	3 080	279	110	8 037
	January - March 2019	Number	2 525	308	73	58	722	644	7 144	273	143	11 890
		y/y % Δ	-23.2	158.8	711.1	-76.3	100.0	17.9	131.9	-2.2	30.0	47.9
		% of SA	21.2	2.6	0.6	0.5	6.1	5.4	60.1	2.3	1.2	100.0
Alterations and additions to existing houses	Jan-Mar 18	m <sup>2</sup>	97 754	17 429	6 290	9 192	47 643	36 173	57 366	8 735	1 238	281 820
	January - March 2019	m <sup>2</sup>	70 698	29 331	6 812	8 178	33 974	16 040	55 520	15 594	1 596	237 743
		y/y % Δ	-27.7	68.3	8.3	-11.0	-28.7	-55.7	-3.2	78.5	28.9	-15.6
		% of SA	29.7	12.3	2.9	3.4	14.3	6.7	23.4	6.6	0.7	100.0

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

Source: Stats SA

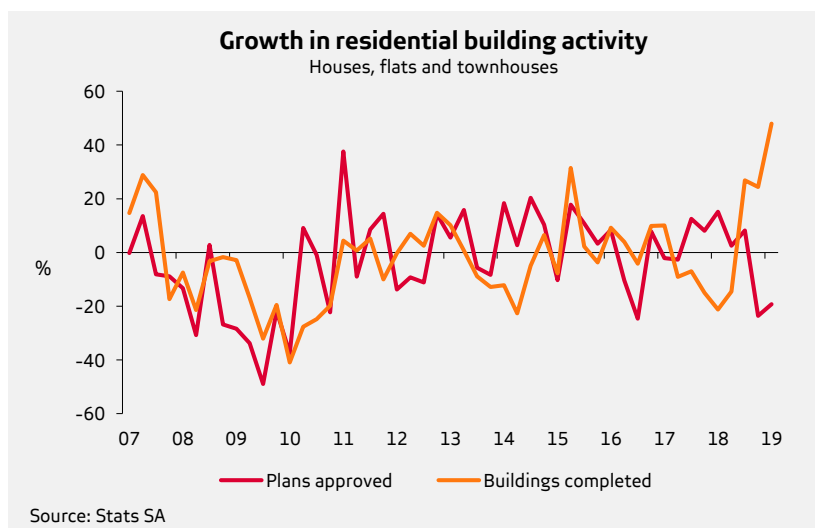


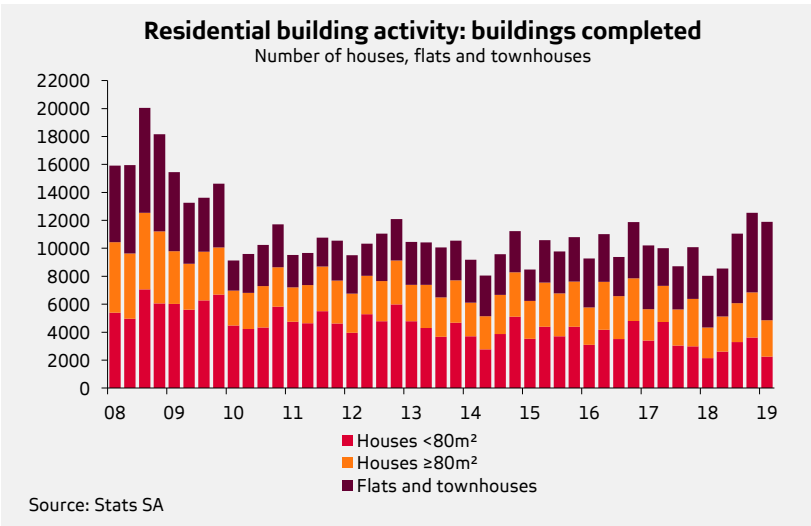
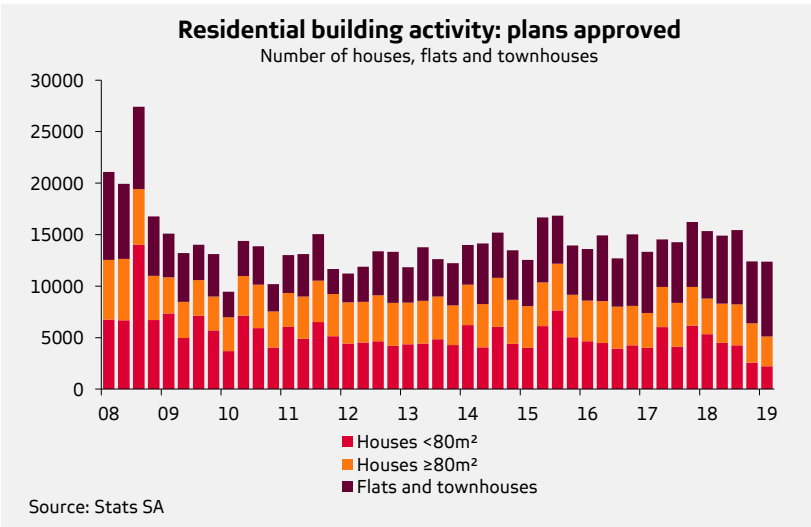
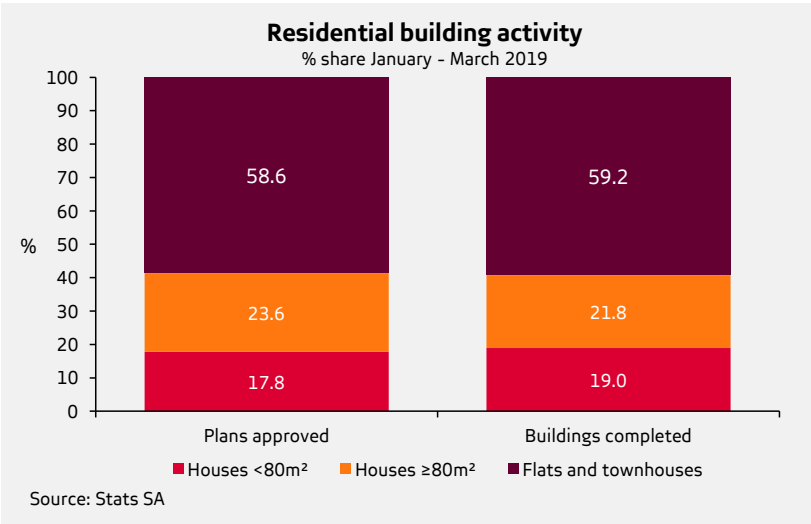
## Residential building activity<sup>1</sup>

Period	Houses <80m <sup>2</sup>		Houses ≥80m <sup>2</sup>		Flats and townhouses		Total	
	Units	y/y % change	Units	y/y % change	Units	y/y % change	Units	y/y % change
<b>Building plans approved</b>								
Q1 2016	4 652	16.0	3 934	-2.8	5 020	11.8	13 606	8.4
Q2 2016	4 477	-26.8	4 057	-4.4	6 391	1.3	14 925	-10.4
Q3 2016	3 927	-48.5	4 078	-10.4	4 683	0.7	12 688	-24.6
Q4 2016	4 262	-15.3	3 830	-7.5	6 927	45.3	15 019	7.8
Q1 2017	4 011	-13.8	3 379	-14.1	5 933	18.2	13 323	-2.1
Q2 2017	6 017	34.4	3 893	-4.0	4 614	-27.8	14 524	-2.7
Q3 2017	4 103	4.5	4 264	4.6	5 906	26.1	14 273	12.5
Q4 2017	6 155	44.4	3 776	-1.4	6 300	-9.1	16 231	8.1
Q1 2018	5 335	33.0	3 460	2.4	6 548	10.4	15 343	15.2
Q2 2018	4 505	-25.1	3 795	-2.5	6 594	42.9	14 894	2.5
Q3 2018	4 263	3.9	3 976	-6.8	7 205	22.0	15 444	8.2
Q4 2018	2 570	-58.2	3 818	1.1	6 022	-4.4	12 410	-23.5
Q1 2019	2 204	-58.7	2 918	-15.7	7 263	10.9	12 385	-19.3
<b>Buildings completed</b>								
Q1 2016	3 094	-12.3	2 668	-1.5	3 505	56.0	9 267	9.3
Q2 2016	4 165	-5.1	3 440	8.8	3 405	12.0	11 010	3.9
Q3 2016	3 504	-5.4	3 068	-0.1	2 807	-6.8	9 379	-4.1
Q4 2016	4 799	9.3	3 058	-5.1	4 014	25.6	11 871	9.8
Q1 2017	3 401	9.9	2 241	-16.0	4 557	30.0	10 199	10.1
Q2 2017	4 732	13.6	2 581	-25.0	2 697	-20.8	10 010	-9.1
Q3 2017	3 046	-13.1	2 587	-15.7	3 088	10.0	8 721	-7.0
Q4 2017	2 985	-37.8	3 393	11.0	3 706	-7.7	10 084	-15.1
Q1 2018	2 143	-37.0	2 200	-1.8	3 694	-18.9	8 037	-21.2
Q2 2018	2 609	-44.9	2 510	-2.8	3 440	27.5	8 559	-14.5
Q3 2018	3 293	8.1	2 776	7.3	4 990	61.6	11 059	26.8
Q4 2018	3 617	21.2	3 229	-4.8	5 701	53.8	12 547	24.4
Q1 2019	2 255	5.2	2 593	17.9	7 042	90.6	11 890	47.9

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

Source: Stats SA



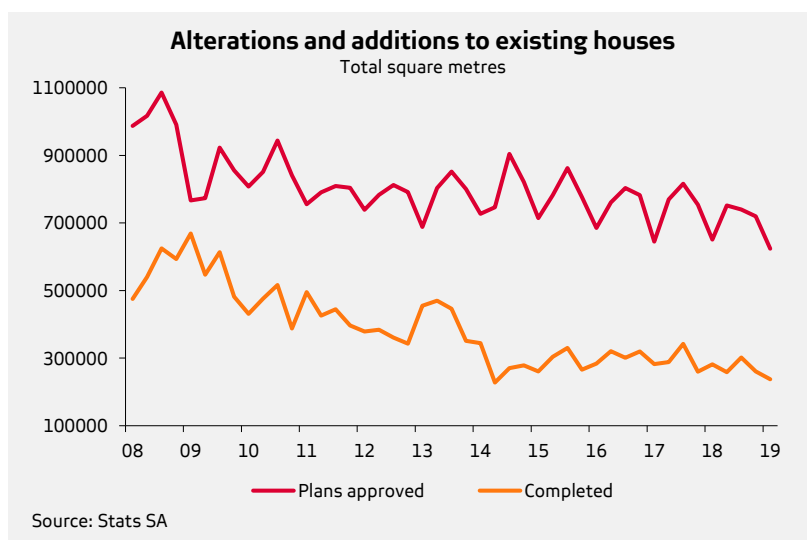


## Alterations and additions to existing houses<sup>1</sup>

Period	Building area		Value		Building cost per m <sup>2</sup>	
	m <sup>2</sup>	y/y % change	Rand million	y/y % change	Rand	y/y % change
<b>Building plans approved</b>						
Q1 2016	685 341	-4.0	4 442	6.1	6 482	10.6
Q2 2016	760 576	-2.8	4 873	5.9	6 407	9.0
Q3 2016	803 182	-6.9	5 377	-0.6	6 694	6.8
Q4 2016	782 721	0.8	5 401	8.9	6 900	8.1
Q1 2017	645 014	-5.9	4 413	-0.6	6 842	5.6
Q2 2017	769 576	1.2	5 340	9.6	6 939	8.3
Q3 2017	815 999	1.6	5 930	10.3	7 267	8.6
Q4 2017	753 993	-3.7	5 489	1.6	7 280	5.5
Q1 2018	650 646	0.9	4 675	5.9	7 185	5.0
Q2 2018	751 770	-2.3	5 425	1.6	7 216	4.0
Q3 2018	739 452	-9.4	5 498	-7.3	7 435	2.3
Q4 2018	719 702	-4.5	5 298	-3.5	7 361	1.1
Q1 2019	623 876	-4.1	4 743	1.5	7 603	5.8
<b>Buildings completed</b>						
Q1 2016	284 139	9.1	1 621	17.1	5 703	7.4
Q2 2016	320 318	5.4	1 925	18.2	6 010	12.2
Q3 2016	300 845	-9.0	1 761	-4.2	5 854	5.2
Q4 2016	320 015	20.3	1 946	21.5	6 081	1.0
Q1 2017	282 086	-0.7	1 744	7.6	6 182	8.4
Q2 2017	288 499	-9.9	1 802	-6.4	6 245	3.9
Q3 2017	342 293	13.8	2 336	32.6	6 823	16.6
Q4 2017	260 267	-18.7	1 820	-6.5	6 991	15.0
Q1 2018	281 820	-0.1	1 980	13.5	7 026	13.7
Q2 2018	258 298	-10.5	1 891	4.9	7 319	17.2
Q3 2018	301 618	-11.9	2 229	-4.6	7 389	8.3
Q4 2018	260 962	0.3	1 896	4.2	7 264	3.9
Q1 2019	237 743	-15.6	1 800	-9.1	7 573	7.8

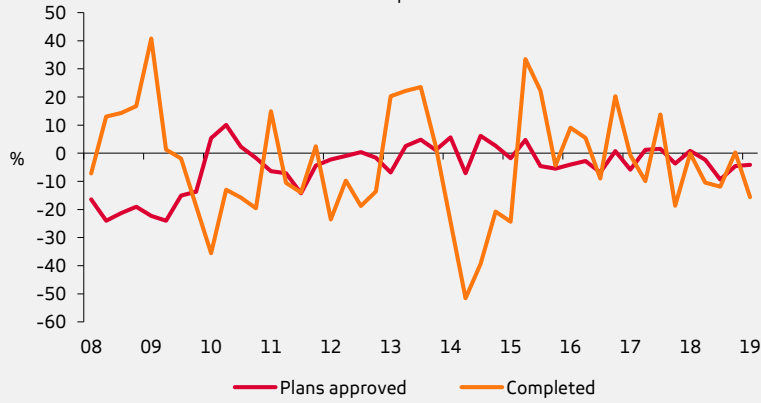
<sup>1</sup>Private-sector financed

Source: Stats SA



### Growth in alterations and additions to existing houses

Total square metres



Source: Stats SA

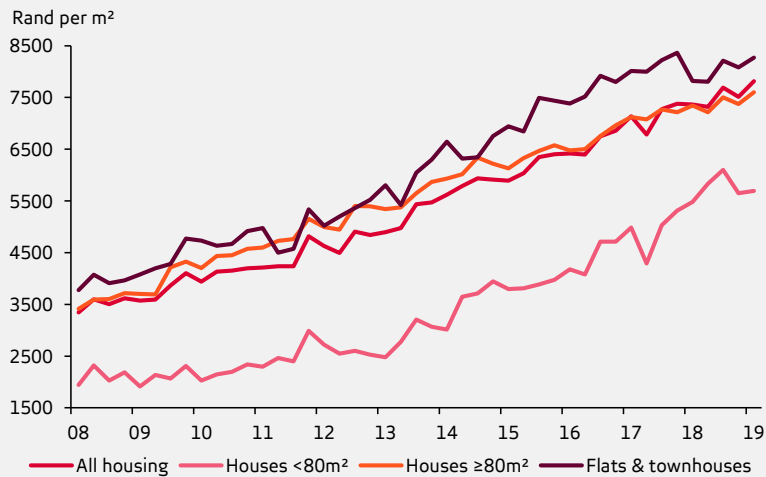
### Building cost of new housing completed by segment<sup>1</sup>

Period	Houses of <80m <sup>2</sup>		Houses of ≥80m <sup>2</sup>		Flats and townhouses		Average: All housing	
	Rand per m <sup>2</sup>	y/y % change	Rand per m <sup>2</sup>	y/y % change	Rand per m <sup>2</sup>	y/y % change	Rand per m <sup>2</sup>	y/y % change
Q1 2016	4 176	10.1	6 474	5.6	7 384	6.3	6 415	8.8
Q2 2016	4 076	7.0	6 502	2.7	7 517	9.8	6 396	5.9
Q3 2016	4 714	21.3	6 753	4.5	7 920	5.7	6 747	6.3
Q4 2016	4 715	18.6	6 962	5.9	7 799	4.9	6 859	7.2
Q1 2017	4 986	19.4	7 121	10.0	8 010	8.5	7 135	11.2
Q2 2017	4 290	5.2	7 078	8.9	7 995	6.4	6 785	6.1
Q3 2017	5 030	6.7	7 269	7.6	8 222	3.8	7 274	7.8
Q4 2017	5 311	12.7	7 213	3.6	8 364	7.2	7 378	7.6
Q1 2018	5 482	9.9	7 344	3.1	7 820	-2.4	7 365	3.2
Q2 2018	5 834	36.0	7 213	1.9	7 804	-2.4	7 320	7.9
Q3 2018	6 101	21.3	7 500	3.2	8 210	-0.1	7 688	5.7
Q4 2018	5 647	6.3	7 375	2.2	8 083	-3.4	7 511	1.8
Q1 2019	5 695	3.9	7 599	3.5	8 269	5.7	7 813	6.1

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

Source: Stats SA

### Building cost of new housing completed by segment



Source: Stats SA

### Average building cost of new housing completed by province<sup>1</sup>

Province	Variable	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Western Cape	Rand per m <sup>2</sup>	6 494	6 657	6 819	7 034	6 971	7 001	6 956	7 120	7 391
	y/y % change	2.4	0.7	7.0	8.1	7.3	5.2	2.0	1.2	6.0
Eastern Cape	Rand per m <sup>2</sup>	5 260	5 597	6 035	6 286	6 371	6 503	6 548	6 238	6 252
	y/y % change	-2.2	12.7	2.4	30.7	21.1	16.2	8.5	-0.8	-1.9
Northern Cape	Rand per m <sup>2</sup>	6 963	6 705	7 073	7 584	7 212	7 449	7 668	7 365	7 742
	y/y % change	9.0	4.2	0.6	3.0	3.6	11.1	8.4	-2.9	7.3
Free State	Rand per m <sup>2</sup>	6 539	5 252	5 641	6 512	6 647	6 909	7 304	6 285	5 834
	y/y % change	42.5	3.2	-8.7	7.7	1.6	31.6	29.5	-3.5	-12.2
KwaZulu-Natal	Rand per m <sup>2</sup>	9 375	9 268	9 595	10 101	10 171	9 450	10 858	10 775	10 540
	y/y % change	16.7	6.0	7.5	16.5	8.5	2.0	13.2	6.7	3.6
North West	Rand per m <sup>2</sup>	5 248	5 090	5 320	5 188	5 814	5 289	5 484	5 662	5 676
	y/y % change	13.8	13.2	10.7	-3.0	10.8	3.9	3.1	9.1	-2.4
Gauteng	Rand per m <sup>2</sup>	7 706	7 061	7 711	7 587	7 701	7 801	7 977	7 887	8 065
	y/y % change	8.5	4.7	6.6	1.8	-0.1	10.5	3.5	4.0	4.7
Mpumalanga	Rand per m <sup>2</sup>	4 475	4 745	5 317	6 212	5 896	5 463	5 866	5 409	6 192
	y/y % change	7.5	4.7	19.3	38.7	31.7	15.1	10.3	-12.9	5.0
Limpopo	Rand per m <sup>2</sup>	4 985	3 675	5 254	5 230	5 135	5 161	5 360	5 442	5 417
	y/y % change	2.8	-24.5	6.8	-0.5	-1.8	0.5	3.9	1.5	5.5
South Africa	Rand per m <sup>2</sup>	7 135	6 785	7 274	7 378	7 365	7 320	7 688	7 511	7 813
	y/y % change	11.2	6.1	7.8	7.6	3.2	7.9	5.7	1.8	6.1

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

Source: Stats SA