



FEBRUARY BUILDING STATISTICS

PROPERTY AND MORTGAGE MARKET ANALYTICS

HOME LOANS DIVISION

-February Building Stats – nothing more than vague hints of building activity turning for the better

21 April 2010

PROPERTY AND MORTGAGE MARKET ANALYTICS

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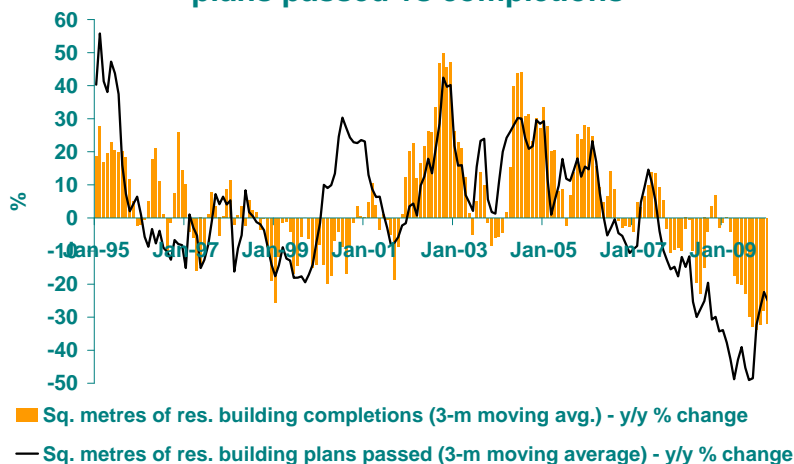
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YEAR-ON-YEAR DECLINE IN BUILDING COMPLETIONS CONTINUES, BUT PACE OF DECLINE TREADS WATER, POINTING TO BOTTOMING OUT

The February StatsSA building stats continue to point towards an extremely weak picture for the residential building sector. For the 3 months to February 2010, the square metreage of residential buildings completed declined by -35.3% year-on-year, slightly worse than the -31.9% for the 3 months to January.

However, while completions data shows no better than a broad "treading of water" in the extreme rate of decline, building plans passed numbers (a better sign of things to come), indicate that activity may be set to slowly start coming out of its slump. Year-on-year for the 3 months to February, square metres of residential plans passed recorded a decline of -24%. While this is still a very weak number, it is a substantially lesser rate of decline than for that of residential square metres completed, and also a significantly lower rate of decline than the -49% decline recorded for the 3 months to August 2009, just 6 months prior.

Square metres of residential building plans passed vs completions



By property category, the rate of decline in square metres of residential buildings completed is worst in the "flats and townhouses" segment, recording year-on-year decline of -51.6% for the 3 months to February year-on-year, while the least rate of decline was found in the "houses less than 80 square metres" category, to the tune of -4.3%. The houses greater than 80 square metres in size showed a rate of decline of -33.1% in square metres completed. This is more-or-less as expected, as we are of the belief that the boom years saw the greatest oversupplies of new property being developed in the area of flats and townhouses, oversupplies some of which haven't yet been eliminated.

On the commercial property side, the slump remains in full swing. Square metreage of retail space completed jumped by +37.2% year-on-year for the 3 months to February, but this was more a base effect after a massive decline in the corresponding 3 months' completions a year prior, and is believed to be a temporary spike. Examining the past

12 months' total retail space completed, the decline on the previous 12 months was -24%, which gives one a better perspective of this segment's weakness.

The oversupplied office segment, whose vacancy rates have been steadily rising, saw square metres of completions declining by -21.1% year-on-year for the 3 months to February, while industrial space completed declined by -12.3%.

OUTLOOK

We are of the belief that one will only see noticeable improvement in building completions of residential property during the 2nd half of the year, and that this will be a moderate recovery at best. Despite over a year's worth of residential demand increase, as a result of interest rate cuts last year, oversupplies have not fully been absorbed, and stressed sellers of existing properties are still abundant.

On the commercial property side, we have not yet seen a turn in the rising vacancy rate trend, either in industrial property or office space. This is arguably why building plans passed numbers in the commercial segment still look worse than completions (unlike residential where plans passed rates of decline have diminished somewhat), running at -53.7% year-on-year for office space, -31.1% for retail space, and -25.8% in the industrial space segment.

The commercial segment would thus seem to lag residential, and the turn for the better may be delayed until 2011.

Building Plans Passed

Residential Buildings	2007	2008	2009	Q2-2009	Q3-2009	Q4-2009	Dec-09	Jan-10	Feb-10
Dwelling houses less than 80 m.sq (Number)	37,806	33,464	25,129	4,959	7,127	5,693	2,226	898	1,893
<i>Y/Y % change</i>	1.8	-11.5	-24.9	-16.9	-49.2	-15.1	10.0	-73.7	-8.1
Dwelling houses less than 80 m.sq (m ²)	1,653,726	1,469,240	1,101,395	218,839	311,179	253,942	97,214	39,779	83,508
<i>Y/Y % change</i>	-0.2	-11.2	-25.0	-20.7	-46.3	-16.9	7.9	-73.4	-7.0
Dwelling houses less than 80 m.sq (R'000)	3,202,727	2,982,028	2,160,103	452,893	611,818	552,193	209,324	93,083	196,422
<i>Y/Y % change</i>	7.3	-6.9	-27.6	-28.5	-42.5	-9.7	36.5	-56.2	20.0
Dwelling houses larger than 80 m.sq (Number)	31,772	21,441	13,768	3,519	3,446	3,296	943	930	1,163
<i>Y/Y % change</i>	-8.8	-32.5	-35.8	-41.1	-36.0	-23.2	-21.7	-7.3	-5.0
Dwelling houses larger than 80 m.sq (m ²)	7,969,503	5,467,768	3,614,457	968,813	889,895	862,050	238,436	236,356	309,415
<i>Y/Y % change</i>	-1.4	-31.4	-33.9	-36.1	-36.3	-19.4	-20.4	-6.0	-3.2
Dwelling houses larger than 80 m.sq (R'000)	27,932,693	20,781,474	15,245,422	3,988,152	3,881,626	3,852,591	1,101,195	1,039,330	1,449,852
<i>Y/Y % change</i>	15.2	-25.6	-26.6	-31.4	-26.8	-6.0	-5.5	5.9	15.4
Flats and Townhouses (Number)	32,988	29,603	14,609	3,913	3,017	4,207	644	655	803
<i>Y/Y % change</i>	3.3	-10.3	-50.7	-46.3	-62.3	-27.1	-43.1	-41.5	-47.7
Flats and Townhouses (m ²)	3,848,201	3,244,177	1,355,987	366,104	259,924	387,060	76,949	51,441	71,630
<i>Y/Y % change</i>	-7.0	-15.7	-58.2	-56.3	-70.1	-30.9	-39.0	-51.5	-53.1
Flats and Townhouses (R'000)	13,912,181	13,160,265	6,011,948	1,541,760	1,206,221	1,796,907	378,832	230,116	356,702
<i>Y/Y % change</i>	5.2	-5.4	-54.3	-54.2	-65.4	-20.5	-26.8	-43.3	-48.2
Total units plans passed (Number)	102,566	84,508	53,506	12,391	13,590	13,196	3,813	2,483	3,859
<i>Y/Y % change</i>	-1.3	-17.6	-36.7	-35.6	-50.4	-21.3	-12.5	-55.1	-19.9
Total building plans passed (m²)	13,471,430	10,181,185	6,071,839	1,553,756	1,460,998	1,503,052	412,599	327,576	464,553
<i>Y/Y % change</i>	-2.9	-24.4	-40.4	-40.9	-48.7	-22.3	-20.0	-35.4	-17.4
Other Residential Buildings (m ²)	253,101	386,316	216,613	61,153	63,712	34,635	9,544	16,237	10,614
<i>Y/Y % change</i>	21.8	52.6	-43.9	-43.3	-9.8	-70.7	-68.5	681.0	-77.0
Other Residential Buildings (R 000)	980,984	1,660,603	1,089,635	322,835	327,524	187,200	49,173	103,332	63,312
<i>Y/Y % change</i>	20.7	69.3	-34.4	-44.3	13.4	-55.2	-54.0	1195.4	-69.4
Total Residential Buildings (R 000)	46,028,585	38,584,370	24,507,108	6,305,640	6,027,189	6,388,891	1,738,524	1,465,861	2,066,288
<i>Y/Y % change</i>	11.5	-16.2	-36.5	-39.3	-40.6	-13.5	-10.5	-8.8	-10.8
Additions and Alterations									
Dwelling houses (m ²)	5,123,325	4,081,631	3,312,842	772,486	922,195	851,566	252,251	201,830	304,642
<i>Y/Y % change</i>	-3.1	-20.3	-18.8	-24.1	-15.1	-14.1	-6.3	5.9	11.1
Dwelling houses (R'000)	16,803,718	14,878,062	13,343,959	2,923,485	3,929,395	3,645,937	1,117,839	854,795	1,351,429
<i>Y/Y % change</i>	14.0	-11.5	-10.3	-19.6	-2.0	-1.1	14.2	23.4	32.4

Buildings Completed

Residential Buildings	2007	2008	2009	Q2-2009	Q3-2009	Q4-2009	Dec-09	Jan-10	Feb-10
Dwelling houses less than 80 m.sq (Number)	27,555	23,480	24,600	5,615	6,277	6,689	3,026	1,097	1,542
<i>Y/Y % change</i>	14.7	-14.8	4.8	13.3	-11.2	10.3	50.0	-34.5	-26.3
Dwelling houses less than 80 m.sq (m ²)	1,192,474	1,055,108	1,076,951	249,585	278,612	288,961	126,053	49,239	67,676
<i>Y/Y % change</i>	15.5	-11.5	2.1	6.3	-10.8	5.3	42.0	-37.4	-21.6
Dwelling houses less than 80 m.sq (R'000)	2,263,566	2,231,253	2,233,738	533,361	550,344	652,608	270,399	99,776	145,190
<i>Y/Y % change</i>	22.2	-1.4	0.1	-2.0	-13.1	8.7	35.0	-13.1	-21.3
Dwelling houses larger than 80 m.sq (Number)	22,157	20,357	13,897	3,272	3,474	3,390	983	749	944
<i>Y/Y % change</i>	0.2	-8.1	-31.7	-30.0	-36.5	-34.2	-32.9	-32.2	-29.9
Dwelling houses larger than 80 m.sq (m ²)	5,042,030	4,751,322	3,665,072	858,309	927,024	915,934	264,102	189,825	243,726
<i>Y/Y % change</i>	2.0	-5.8	-22.9	-20.9	-28.4	-28.3	-34.8	-34.9	-29.5
Dwelling houses larger than 80 m.sq (R'000)	16,843,803	17,050,357	14,420,632	3,167,656	3,793,898	3,892,067	1,155,910	798,322	1,018,908
<i>Y/Y % change</i>	19.8	1.2	-15.4	-18.7	-18.6	-18.1	-24.1	-25.4	-20.9
Flats and Townhouses (Number)	26,949	26,096	17,081	4,371	3,363	3,995	1,967	409	653
<i>Y/Y % change</i>	13.0	-3.2	-34.5	-29.4	-55.1	-42.4	-1.3	-79.4	-63.8
Flats and Townhouses (m ²)	3,092,497	2,789,764	1,863,261	465,280	379,994	405,744	161,683	57,474	81,891
<i>Y/Y % change</i>	-0.9	-9.8	-33.2	-26.2	-52.6	-47.3	-17.7	-74.4	-59.3
Flats and Townhouses (R'000)	10,708,767	10,926,199	7,848,668	1,952,202	1,581,383	1,807,818	780,938	285,230	359,232
<i>Y/Y % change</i>	8.4	2.0	-28.2	-22.4	-49.6	-40.8	-7.8	-67.3	-59.0
Total units completed (Number)	76,661	69,933	55,578	13,258	13,114	14,074	5,976	2,255	3,139
<i>Y/Y % change</i>	9.5	-8.8	-20.5	-16.2	-34.6	-22.5	9.1	-52.6	-40.1
Total building space completed (m²)	9,327,001	8,596,194	6,605,284	1,573,174	1,585,630	1,610,639	551,838	296,538	393,293
<i>Y/Y % change</i>	2.6	-7.8	-23.2	-19.3	-34.1	-30.6	-20.1	-50.1	-37.9
Other Residential Buildings (m ²)	175,955	201,665	225,549	20,362	21,560	127,975	35,620	5,299	4,441
<i>Y/Y % change</i>	131.2	14.6	11.8	-55.5	-47.4	49.4	-31.5	559.1	-75.5
Other Residential Buildings (R 000)	824,122	892,815	1,009,519	83,116	107,978	571,562	161,364	29,718	14,074
<i>Y/Y % change</i>	194.1	8.3	13.1	-62.7	-44.6	56.2	-37.6	1183.7	-82.2
Total Residential Buildings (R 000)	30,640,258	31,100,624	25,512,557	5,736,335	6,033,603	6,924,055	2,368,611	1,213,046	1,537,404
<i>Y/Y % change</i>	17.5	1.5	-18.0	-20.1	-30.0	-21.0	-16.3	-41.1	-36.7
Additions and Alterations									
Dwelling houses (m ²)	2,044,860	2,233,737	2,308,820	542,949	609,323	490,458	125,253	134,133	156,360
<i>Y/Y % change</i>	2.9	9.2	3.4	0.5	-2.5	-17.4	-17.9	-28.7	-39.9
Dwelling houses (R'000)	6,129,639	7,254,255	8,402,013	1,845,923	2,316,427	1,938,487	459,664	491,459	623,528
<i>Y/Y % change</i>	21.0	18.3	15.8	4.8	14.3	0.1	-11.8	-24.2	-32.4

Building Plans Passed

	2007	2008	2009	Q2-2009	Q3-2009	Q4-2009	Dec-09	Jan-10	Feb-10
Non-Residential Buildings									
Office space (m ²)	911 049	1018 213	699 819	265 852	151 563	99 505	25 334	10 563	39 414
<i>Y/Y % change</i>	-6.4	11.8	-31.3	-17.0	-26.2	-56.9	-33.5	-79.0	-46.9
Office space (R 000)	4096 976	5010 066	3939 764	1517 356	870 257	639 894	173 196	50 128	193 064
<i>Y/Y % change</i>	12.8	22.3	-21.4	-4.7	-15.4	-48.4	-5.5	-81.5	-50.7
Shopping space (m ²)	1071 675	1331 287	1131 844	391 046	272 450	190 845	32 395	32 232	84 812
<i>Y/Y % change</i>	-9.6	24.2	-15.0	17.5	-2.7	-33.9	-62.3	-15.9	-9.9
Shopping space (R 000)	4225 901	5765 827	5485 783	1952 456	1309 785	1002 740	134 601	166 316	480 208
<i>Y/Y % change</i>	-2.8	36.4	-4.9	28.2	5.8	-14.5	-78.8	11.2	20.7
Industrial and warehouse space (m ²)	2286 973	2192 944	1681 895	371 641	388 366	435 462	147 654	61 188	114 520
<i>Y/Y % change</i>	4.1	-4.1	-23.3	-37.3	-41.7	-5.7	12.1	-64.4	-13.0
Industrial and warehouse space (R 000)	6405 664	6695 033	5636 398	1183 184	1297 866	1690 224	566 650	236 930	443 140
<i>Y/Y % change</i>	6.8	4.5	-15.8	-31.9	-35.4	10.4	36.6	-53.5	13.7
Other non-residential space (m ²)	360 819	285 548	386 013	79 199	114 379	85 120	24 438	15 881	27 785
<i>Y/Y % change</i>	-4.0	-20.9	35.2	-18.5	43.9	24.6	70.1	-60.7	10.3
Other Non-Residential Space (R 000)	1265 956	1098 963	1798 634	333 219	590 744	387 498	107 382	65 229	132 557
<i>Y/Y % change</i>	12.2	-13.2	63.7	-15.6	92.4	43.1	76.1	-65.1	24.0
Total Non-Residential Buildings (R 000)	15994 497	18569 889	16860 579	4986 215	4068 652	3720 356	981 829	518 603	1248 969
<i>Y/Y % change</i>	5.9	16.1	-9.2	-5.0	-11.2	-11.7	-24.1	-53.6	-2.9
Additions and Alterations									
Other Buildings (m ²)	1421 398	1830 398	1668 871	736 364	337 147	342 137	66 773	38 308	122 966
<i>Y/Y % change</i>	-0.7	28.8	-8.8	69.7	-34.4	-19.5	-20.2	-49.7	24.3
Other Buildings (R'000)	5841 264	7713 177	7768 872	3325 563	1542 437	1804 294	411 991	225 696	647 197
<i>Y/Y % change</i>	25.5	32.0	0.7	77.2	-29.1	6.3	18.1	-23.3	42.0
All Construction Types (R'000)	22644 982	22591 239	21112 831	6249 048	5471 832	5450 231	1529 830	1080 491	1998 626
<i>Y/Y % change</i>	16.7	-0.2	-6.5	13.3	-11.6	1.2	15.2	9.5	35.4
Total Building Plans Passed									
All construction types (R 000)	84668 064	79745 498	62480 518	17540 903	15567 673	15559 478	4250 183	3064 955	5313 883
<i>Y/Y % change</i>	11.7	-5.8	-21.7	-17.1	-25.6	-8.4	-6.9	-17.4	4.6

Buildings Completed

	2007	2008	2009	Q2-2009	Q3-2009	Q4-2009	Dec-09	Jan-10	Feb-10
Non-Residential Buildings									
Office space (m ²)	636 730	1034 818	979 420	247 119	267 512	255 384	108 496	27 096	42 671
<i>Y/Y % change</i>	94.0	62.5	-5.4	43.4	-19.6	-8.3	9.0	-52.4	-38.7
Office space (R 000)	2597 928	4805 301	4854 684	1260 245	1202 265	1438 428	744 411	132 097	237 826
<i>Y/Y % change</i>	139.3	85.0	1.0	66.8	-22.1	7.9	72.4	-43.9	-28.7
Shopping space (m ²)	667 354	904 768	828 479	215 328	186 426	291 660	165 454	18 554	6 202
<i>Y/Y % change</i>	-1.0	35.6	-8.4	-9.0	-31.1	10.3	235.0	-52.2	-87.7
Shopping space (R 000)	2569 896	3636 047	4365 027	1032 809	1155 151	1645 751	1044 608	98 576	24 538
<i>Y/Y % change</i>	14.9	41.5	20.0	-0.1	-2.7	84.7	533.7	-38.7	-88.5
Industrial and warehouse space (m ²)	1348 697	1278 029	1427 174	291 953	354 091	359 015	132 141	117 145	78 587
<i>Y/Y % change</i>	53.4	-5.2	11.7	19.4	-7.0	-7.7	8.4	72.8	-57.3
Industrial and warehouse space (R 000)	3816 643	3714 338	4529 351	918 332	1145 514	1173 811	414 469	481 974	235 978
<i>Y/Y % change</i>	72.2	-2.7	21.9	28.3	0.1	2.9	9.2	141.1	-56.2
Other non-residential space (m ²)	169 229	154 440	226 266	30 676	52 550	87 496	28 898	10 493	22 891
<i>Y/Y % change</i>	51.1	-8.7	46.5	60.8	8.4	61.7	85.7	-64.1	162.0
Other Non-Residential Space (R 000)	534 530	565 441	860 175	105 550	188 519	402 022	160 339	31 535	108 101
<i>Y/Y % change</i>	77.8	5.8	52.1	83.9	-4.7	89.4	121.5	-65.3	340.2
Total Non-Residential Buildings (R 000)	9518 997	12721 127	14609 237	3316 936	3691 449	4660 012	2363 827	744 182	606 443
<i>Y/Y % change</i>	63.0	33.6	14.8	29.5	-9.4	30.3	125.5	8.4	-45.3
Additions and Alterations									
Other Buildings (m ²)	631 801	910 010	999 196	165 915	261 824	218 604	63 762	26 903	40 410
<i>Y/Y % change</i>	-1.0	44.0	9.8	-1.3	15.0	-22.1	-5.8	-67.1	-25.8
Other Buildings (R'000)	2282 719	3506 607	4273 766	711 477	1064 638	1083 650	357 719	116 160	250 071
<i>Y/Y % change</i>	20.1	53.6	21.9	12.0	9.2	5.0	52.5	-63.2	28.9
All Construction Types (R'000)	8412 358	10760 862	12675 779	2557 400	3381 065	3022 137	817 383	607 619	873 599
<i>Y/Y % change</i>	20.8	27.9	17.8	6.7	12.6	1.8	8.1	-37.0	-21.7
Total Buildings Completed									
All construction types (R 000)	48571 613	54582 613	52797 573	11610 671	13106 117	14606 204	5549 821	2564 847	3017 446
<i>Y/Y % change</i>	24.9	12.4	-3.3	-4.4	-16.5	-4.6	19.8	-30.9	-35.2

Provincial Residential Buildings Completed - Number of Units

	2005	2006	2007	2008	2009	Q2-2009	Q3-2009	Q4-2009	Dec-09	Jan-10	Feb-10
Residential Buildings											
National Total	70,624	70,005	76,661	69,933	55,578	13,258	13,114	14,074	5,976	2,255	3,139
Y/Y % change	-0.1	-0.9	9.5	-8.8	-20.5	-16.2	-34.6	-22.5	9.1	-52.6	-40.1
Western Cape	19,598	17,207	19,312	15,065	13,709	2,267	3,685	3,088	1,187	742	918
Y/Y % change	13.3	-12.2	12.2	-22.0	-9.0	-22.5	-18.2	-25.0	1.0	-32.4	-41.6
<i>% Share of National Total</i>	27.7	24.6	25.2	21.5	24.7	17.1	28.1	21.9	19.9	32.9	29.2
Gauteng	27,433	33,654	33,372	32,535	22,221	5,213	4,990	6,639	3,122	485	869
Y/Y % change	14.3	22.7	-0.8	-2.5	-31.7	-33.2	-45.1	-20.2	19.7	-71.0	-60.8
<i>% Share of National Total</i>	38.8	48.1	43.5	46.5	40.0	39.3	38.1	47.2	52.2	21.5	27.7
KZN	8,189	5,984	5,823	7,804	6,373	2,021	1,219	1,419	917	339	268
Y/Y % change	0.4	-26.9	-2.7	34.0	-18.3	6.9	-41.3	-42.5	2.1	-1.7	-58.6
<i>% Share of National Total</i>	11.6	8.5	7.6	11.2	11.5	15.2	9.3	10.1	15.3	15.0	8.5
Eastern Cape	4,617	4,334	4,466	3,616	4,012	995	1,056	1,189	324	355	602
Y/Y % change	-19.9	-6.1	3.0	-19.0	11.0	110.4	-27.9	19.3	46.6	143.2	218.5
<i>% Share of National Total</i>	6.5	6.2	5.8	5.2	7.2	7.5	8.1	8.4	5.4	15.7	19.2
North West	4,124	3,531	5,323	4,504	2,858	564	764	786	194	163	240
Y/Y % change	-37.8	-14.4	50.8	-15.4	-36.5	-48.9	-37.5	-8.5	0.0	-49.5	2.6
<i>% Share of National Total</i>	5.8	5.0	6.9	6.4	5.1	4.3	5.8	5.6	3.2	7.2	7.6
Free State	3,431	1,466	3,556	1,638	2,105	693	560	305	70	45	100
Y/Y % change	-25.0	-57.3	142.6	-53.9	28.5	38.4	13.7	-19.4	59.1	-35.7	122.2
<i>% Share of National Total</i>	4.9	2.1	4.6	2.3	3.8	5.2	4.3	2.2	1.2	2.0	3.2
Northern Cape	438	398	751	421	499	139	138	153	27	6	7
Y/Y % change	17.1	-9.1	88.7	-43.9	18.5	-38.4	-66.5	-58.1	28.6	-77.8	16.7
<i>% Share of National Total</i>	0.6	0.6	1.0	0.6	0.9	1.0	1.1	1.1	0.5	0.3	0.2
Mpumalanga	1,833	2,313	2,738	3,381	2,134	777	616	400	104	96	119
Y/Y % change	-34.5	26.2	18.4	23.5	-36.9	-17.9	-28.4	-33.7	-27.3	11.6	-1.7
<i>% Share of National Total</i>	2.6	3.3	3.6	4.8	3.8	5.9	4.7	2.8	1.7	4.3	3.8
Limpopo	961	1,118	1,320	969	1,667	589	86	95	31	24	16
Y/Y % change	-11.4	16.3	18.1	-26.6	72.0	127.4	-68.0	-48.6	-35.4	-96.9	-80.5
<i>% Share of National Total</i>	1.4	1.6	1.7	1.4	3.0	4.4	0.7	0.7	0.5	1.1	0.5