

Home Loans



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Residential building statistics

16 August 2012

First half of 2012 saw subdued residential building activity

In the first six months of 2012 levels of activity in respect of the planning and construction of new housing in South Africa continued to show strain compared with the corresponding period last year. The planning phase showed a noticeable contraction on an annual basis up to June this year, whereas the construction phase registered year-on-year growth in the low single-digits, which was probably still a result of the slight uptick on the planning side in 2011 (see graph on the second page of the report).

The number of new housing units for which building plans were approved by local government institutions was down by 3 017 units, or 11,6% year-on-year (y/y), to a total of 23 095 in the first half of 2012. The first quarter of the year saw a decline of 13,8% y/y, followed by a further drop of 9,3% y/y in the second quarter. Both the segments for smaller-sized houses and flats and townhouses registered significant contractions in the first six months of the year. The category of houses with a building area of 80m² and above showed a strong improvement of 21,6% y/y in the first quarter, but contracted by 3,6% y/y in the second quarter. These trends are regarded as an indication of expectations regarding the demand for new housing towards the end of the year and into 2013 against the background of prevailing and expected supply conditions in the housing market.

The volume of new housing units constructed was up by just 645 units, or 3,4% y/y, to 19 838 in the period January to June 2012, with only the category of smaller-sized houses, i.e. houses of less than 80m², showing a small contraction of 1,4% y/y. Last year saw an increase of 10,3% in the total number of new housing units for which building plans were approved, which most likely still had some positive effect on the construction phase in the first half of 2012.

The building area in respect of alterations and renovations to existing houses, in the planning as well as the construction phase, was down in the first half of the year compared with a year ago.

The abovementioned trends in residential building activity came against the backdrop of economic developments impacting household finances and consumer confidence. The demand for and supply of new housing will continued to be affected by these factors, with building activity with regard to new housing and alterations and renovations to existing housing not expected to show a significant improvement in the rest of the year.

Residential building activity (January-June)

Category of housing	Building plans approved			Buildings completed		
	Units 2011	Units 2012		Units 2011	Units 2012	
		Number	% change		Number	% change
Houses of <80m ²	10 941	8 946	-18.2	9 383	9 255	-1.4
Houses of ≥80m ²	7 379	7 941	7.6	5 188	5 543	6.8
Flats & townhouses	7 792	6 208	-20.3	4 622	5 040	9.0
Total	26 112	23 095	-11.6	19 193	19 838	3.4

Source: Stats SA

Residential building activity by province

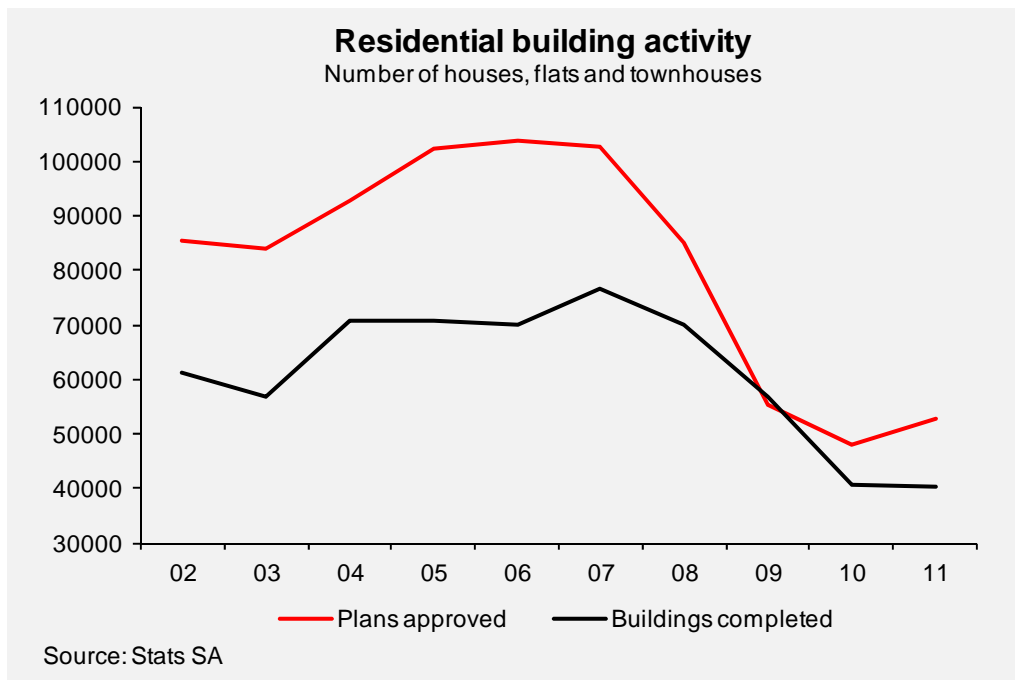
Building plans approved

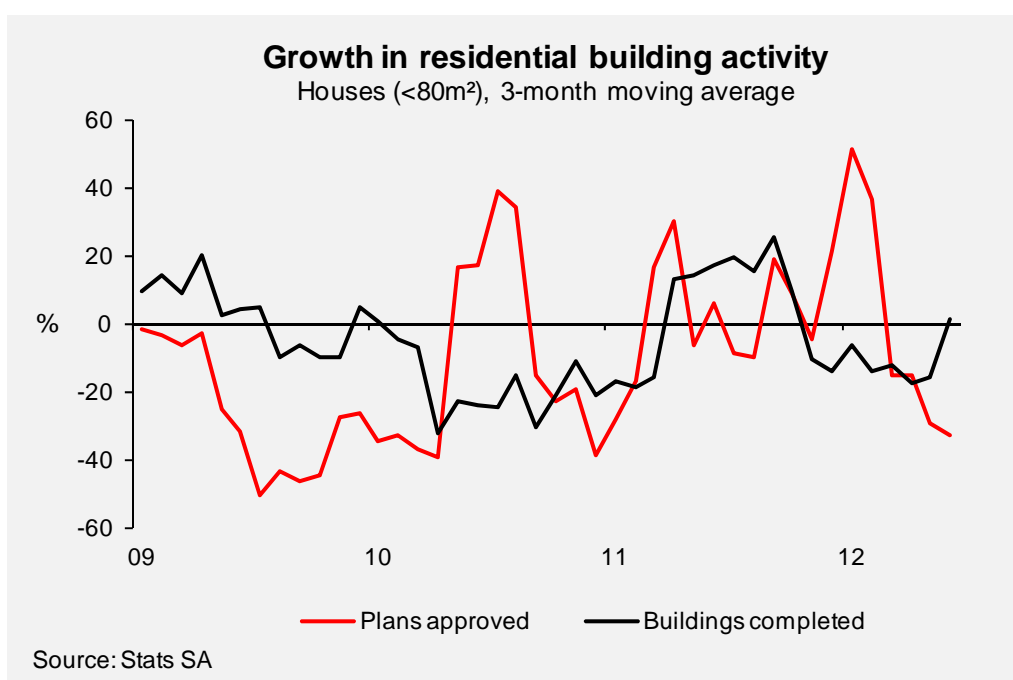
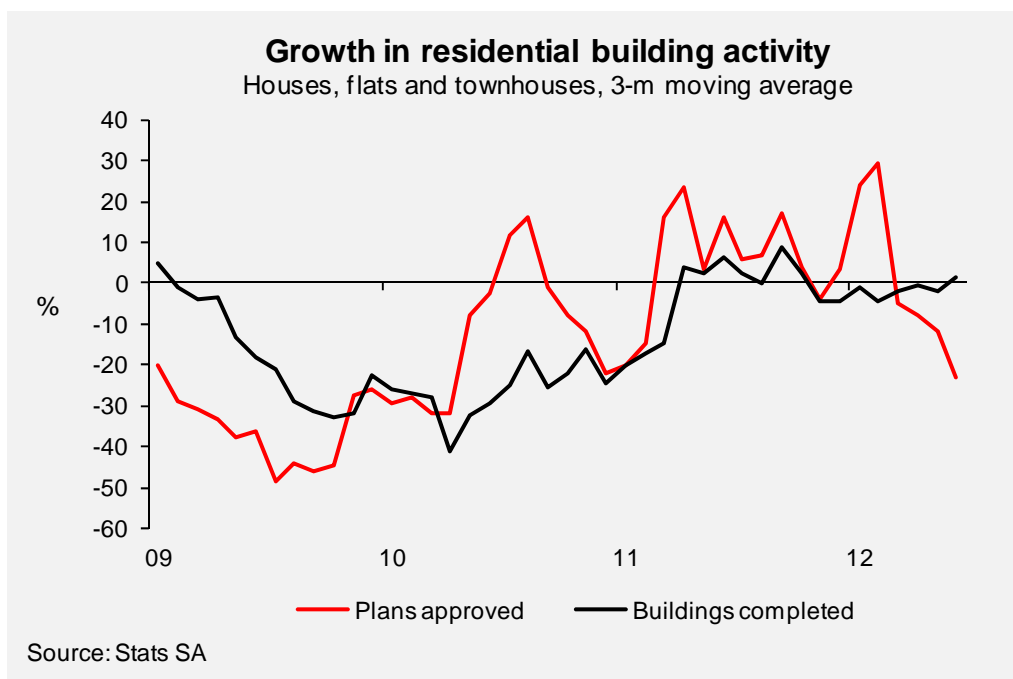
	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jun 11	Number	5 833	799	316	1 909	1 860	2 254	9 754	1 632	1 755	26 112
	January-June 2012	Number	4 941	1 313	605	922	1 435	950	10 952	1 294	683	23 095
		% change	-15.3	64.3	91.5	-51.7	-22.8	-57.9	12.3	-20.7	-61.1	-11.6
		% of SA	21.4	5.7	2.6	4.0	6.2	4.1	47.4	5.6	3.0	100.0
Alterations and additions to existing houses	Jan-Jun 11	m²	421 239	132 320	24 634	68 977	188 216	77 544	528 697	68 502	36 497	1 546 626
	January-June 2012	m²	413 342	144 428	26 024	74 842	153 319	83 878	529 260	64 579	33 738	1 523 410
		% change	-1.9	9.2	5.6	8.5	-18.5	8.2	0.1	-5.7	-7.6	-1.5
		% of SA	27.1	9.5	1.7	4.9	10.1	5.5	34.7	4.2	2.2	100.0

Buildings completed

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jun 11	Number	5 790	1 714	246	893	1 245	755	7 322	926	302	19 193
	January-June 2012	Number	4 813	1 845	57	584	1 152	720	9 440	1 011	216	19 838
		% change	-16.9	7.6	-76.8	-34.6	-7.5	-4.6	28.9	9.2	-28.5	3.4
		% of SA	24.3	9.3	0.3	2.9	5.8	3.6	47.6	5.1	1.1	100.0
Alterations and additions to existing houses	Jan-Jun 11	m²	325 360	77 858	15 239	33 200	108 064	20 227	283 853	54 827	2 463	921 091
	January-June 2012	m²	314 341	51 409	27 826	23 912	91 018	17 362	194 135	38 375	4 641	763 019
		% change	-3.4	-34.0	82.6	-28.0	-15.8	-14.2	-31.6	-30.0	88.4	-17.2
		% of SA	41.2	6.7	3.6	3.1	11.9	2.3	25.4	5.0	0.6	100.0

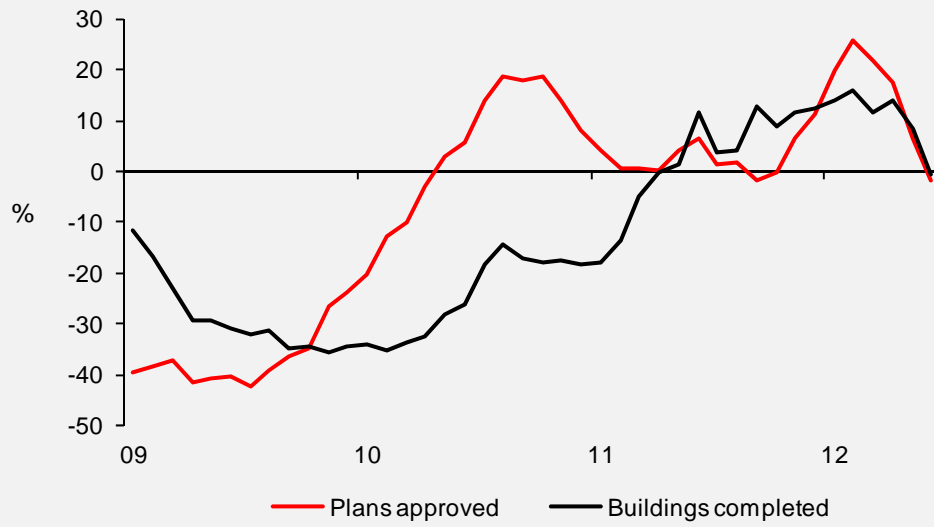
Source: Stats SA





Growth in residential building activity

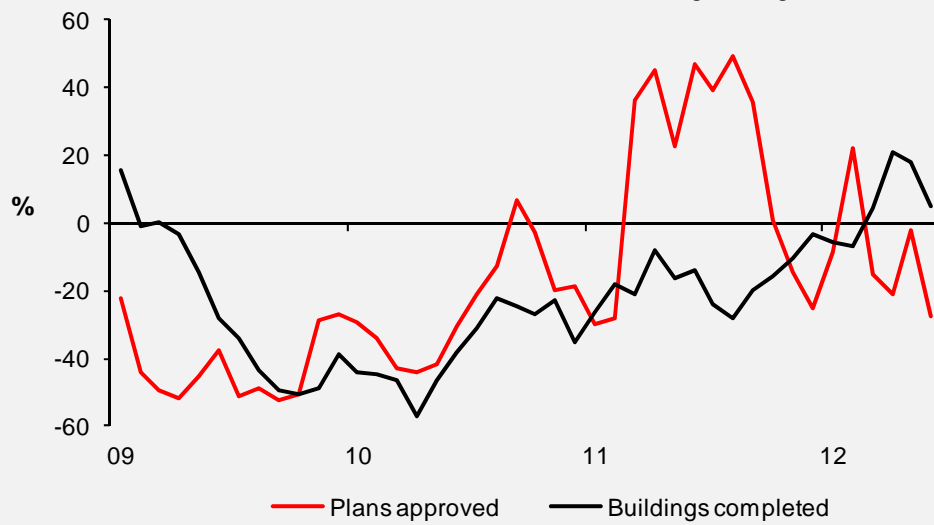
Houses ($\geq 80\text{m}^2$), 3-month moving average



Source: Stats SA

Growth in residential building activity

Flats and townhouses, 3-month moving average



Source: Stats SA