

Home Loans



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Residential building statistics

20 September 2012

Residential building activity remains under pressure

The first seven months of 2012 saw levels of activity in the planning and construction phases of new housing in South Africa remaining under pressure. Activity in respect of the planning phase showed a significant contraction compared with the same period a year ago, while the completion of new housing recorded mediocre growth.

The real value of residential building plans approved was down by R207,17 million, or 1,9% year-on-year (y/y), to R10,86 billion in the first seven months of the year, whereas the real value of residential buildings reported as being completed was marginally higher by R73,29 million, 0,9% y/y, at R8,02 billion over the same period.

The number of new housing units for which building plans were approved by local government institutions was down by 5 646 units, or 17,4% y/y, to a total of 26 851 in the period January to July this year. A significantly lower volume of plans approved occurred in the segments for smaller-sized houses and flats and townhouses. There has been a strong demand for these categories of housing in the past against the background of property investment and the affordability of housing and mortgage finance, impacted by trends in household finances.

Housing construction volumes were up by just 768 units, or 3,4% y/y, to 23 676 in the period January to July 2012, with only the category of smaller-sized houses, i.e. houses of less than 80m², contracting to the tune of 4,2% y/y. The construction of flats and townhouses was up by 17,5% y/y in the abovementioned seven-month period of 2012, largely as a result of growth of 20% y/y in plans approved for these types of housing in 2011.

The building area in respect of alterations and renovations to existing houses in the planning as well as the construction phase contracted further in the first seven months of the year compared with a year ago, after being on a downward trend in recent years (see graph on alterations and additions).

Residential building activity will continue to be impacted by economic developments, the state of household finances and the level of consumer confidence. The demand for and supply of new housing as well as alterations and renovations to existing housing will be reflective of these factors.

Residential building activity (January-July)

Category of housing	Building plans approved			Buildings completed		
	Units 2011	Units 2012		Units 2011	Units 2012	
		Number	% change		Number	% change
Houses of <80m ²	14 028	9 753	-30.5	11 440	10 958	-4.2
Houses of ≥80m ²	8 716	9 470	8.7	6 241	6 579	5.4
Flats & townhouses	9 753	7 628	-21.8	5 225	6 139	17.5
Total	32 497	26 851	-17.4	22 906	23 676	3.4

Source: Stats SA

Residential building activity by province

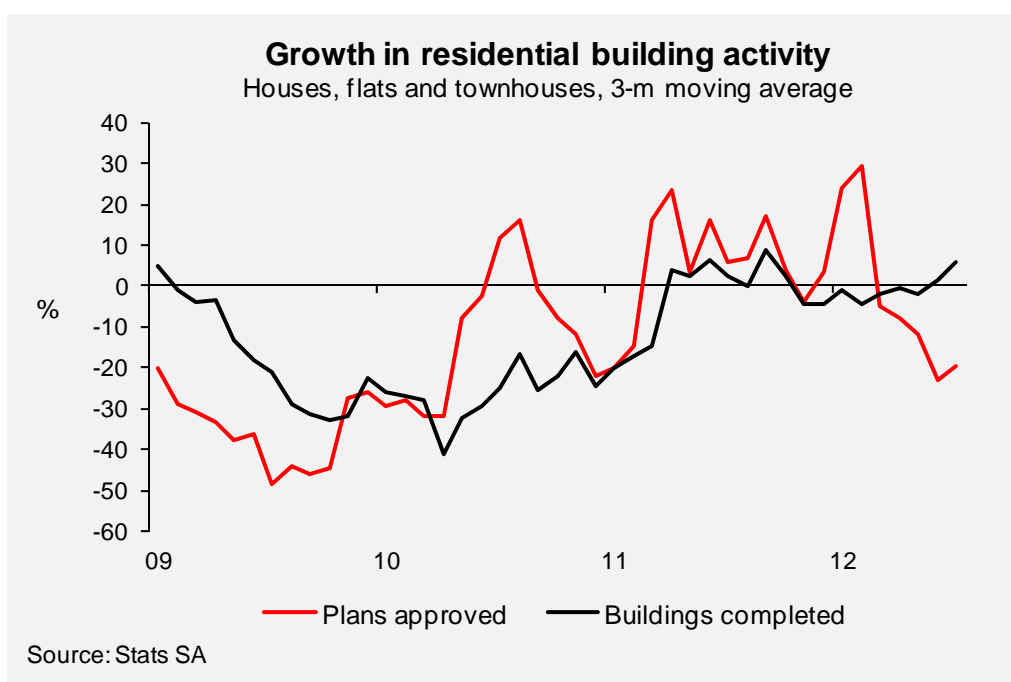
Building plans approved

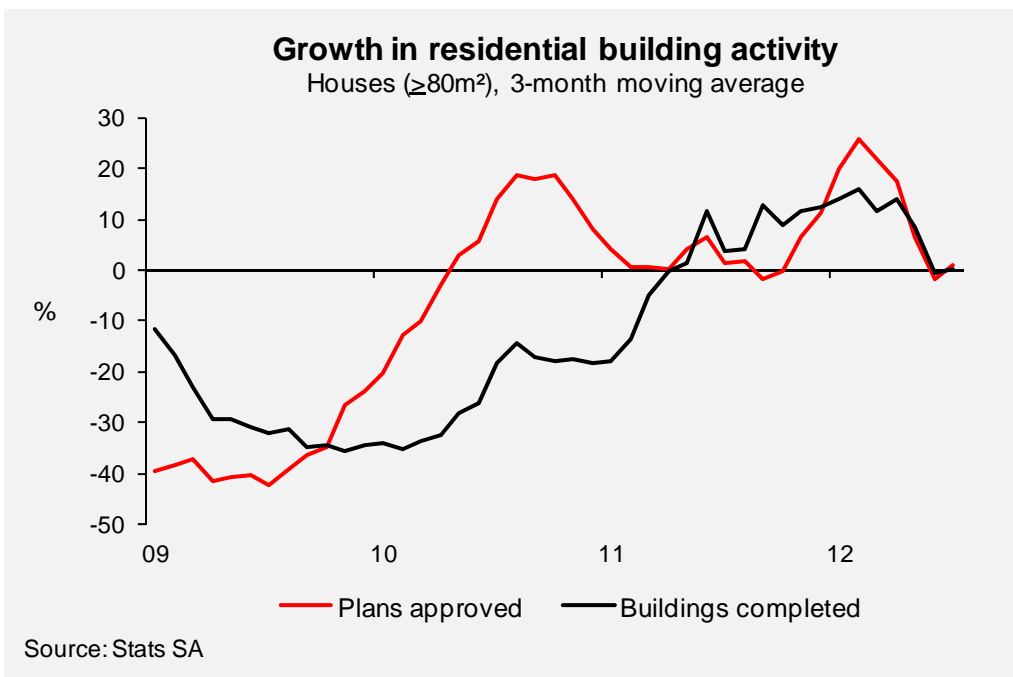
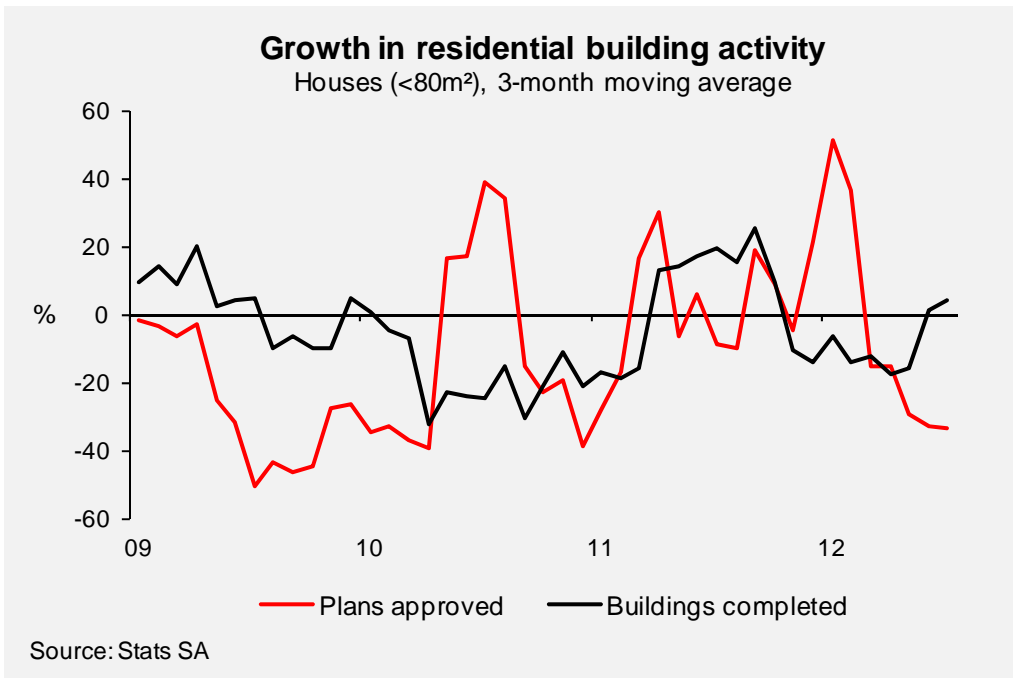
	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jul 11	Number	7 801	901	375	2 182	2 571	2 395	12 510	1 873	1 889	32 497
	January- July 2012	Number	5 832	1 430	636	1 211	1 649	1 119	12 604	1 573	797	26 851
		% change	-25.2	58.7	69.6	-44.5	-35.9	-53.3	0.8	-16.0	-57.8	-17.4
		% of SA	21.7	5.3	2.4	4.5	6.1	4.2	46.9	5.9	3.0	100.0
Alterations and additions to existing houses	Jan-Jul 11	m ²	502 808	156 379	29 423	81 369	220 854	91 490	627 973	81 149	42 180	1 833 625
	January- July 2012	m ²	487 721	172 914	29 745	87 624	185 904	97 652	619 339	78 357	40 368	1 799 624
		% change	-3.0	10.6	1.1	7.7	-15.8	6.7	-1.4	-3.4	-4.3	-1.9
		% of SA	27.1	9.6	1.7	4.9	10.3	5.4	34.4	4.4	2.2	100.0

Buildings completed

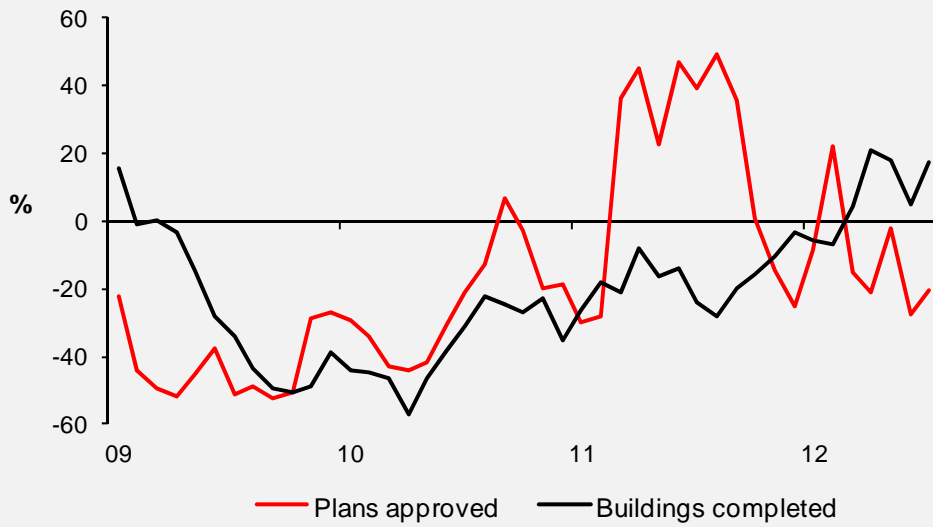
	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jul 11	Number	6 621	1 863	374	961	1 644	834	8 990	1 293	326	22 906
	January- July 2012	Number	5 759	2 026	62	612	1 319	795	11 583	1 198	322	23 676
		% change	-13.0	8.7	-83.4	-36.3	-19.8	-4.7	28.8	-7.3	-1.2	3.4
		% of SA	24.3	8.6	0.3	2.6	5.6	3.4	48.9	5.1	1.4	100.0
Alterations and additions to existing houses	Jan-Jul 11	m ²	386 222	88 381	18 859	35 276	127 256	22 844	328 423	64 082	2 967	1 074 310
	January- July 2012	m ²	353 148	60 429	29 694	25 688	103 732	22 603	225 528	44 298	5 056	870 176
		% change	-8.6	-31.6	57.5	-27.2	-18.5	-1.1	-31.3	-30.9	70.4	-19.0
		% of SA	40.6	6.9	3.4	3.0	11.9	2.6	25.9	5.1	0.6	100.0

Source: Stats SA



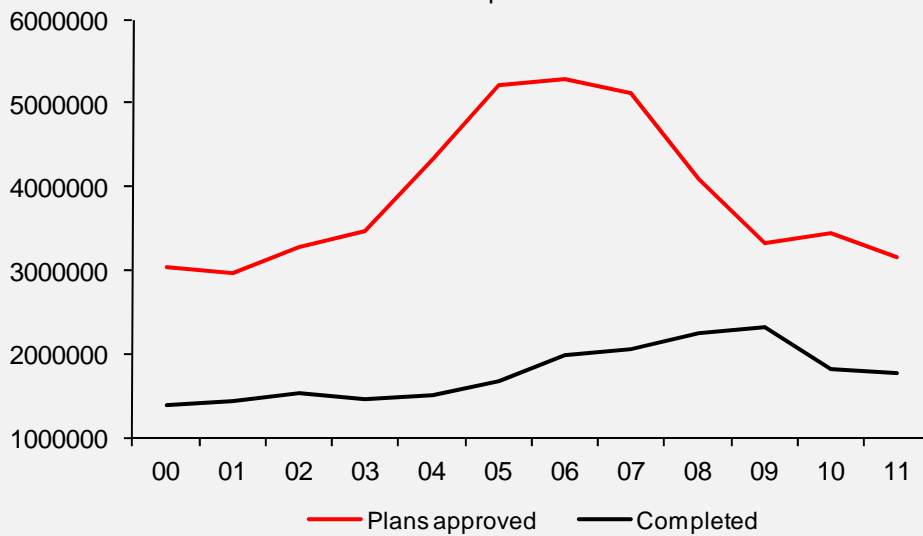


Growth in residential building activity Flats and townhouses, 3-month moving average



Source: Stats SA

Alterations and additions to existing houses Total square meters



Source: Stats SA