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**Explanatory notes:**

The residential building statistics refer to private sector-financed housing, largely excluding subsidised low-cost housing, for which information was reported by local government institutions.

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## Residential building statistics

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### Slowdown in residential building activity continues

The slowdown in residential building activity that commenced in May 2013 in the South African market for new housing continued up to August this year, after levels of activity have been on an upward trend in the first four months of the year. August saw negligible year-on-year growth with regard to the number of housing units for which building plans were approved by local government institutions, whereas the number of new housing units reported as completed dropped for the fourth consecutive month on a year-on-year basis in August.

On a cumulative basis, residential building activity still showed some growth in the first eight months of the year in terms of volumes as well as building area, with only the volume of housing units completed showing a small drop from the same period a year ago. The category for flats and townhouses remained the major contributor to growth in residential building activity up to August this year.

The number of new housing units for which building plans were approved increased by only 0,5% year-on-year (y/y) to a level of 4 613 units in August 2013, although there was an increase of 887 units in the planning phase from the July figure of 3 726 units. The higher number of plans approved in August compared with July was mainly driven by the segments of small houses and flats and townhouses.

The construction phase of new housing saw a significant drop of 23,4% y/y to 3 044 units in August, while this figure was also down by 551 units from July this year. The categories of small houses (-43,2% y/y) and flats townhouses (-11,8% y/y) mainly contributed to this contraction, whereas the number of houses completed larger than 80m<sup>2</sup> remained almost stable at 950 units in August from 947 units in July.

The first eight months of 2013 saw the real value of plans approved for new residential buildings growing by 17,3% y/y, or R3,23 billion, to R21,96 billion from R18,73 billion in the corresponding period last year. The real value of residential buildings reported as completed increased by 8,8% y/y, or R1,2 billion, to R14,84 billion in the period January to August from R13,65 billion in the same period last year. These real values of residential building activity are calculated at constant 2010 prices.

The current declining trend in residential building activity is a reflection of conditions in the economy, household finances, consumer and building confidence and factors related to the demand for and supply of new housing. The expectation is that these factors will remain important, with residential building activity continued to be mainly focused on the segments of smaller-sized houses and higher-density flats and townhouses against the background of the affordability of housing and mortgage finance as well as changing lifestyles in general.

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

1994 - 2013

	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m <sup>2</sup>	654 098	43.8	521 948	46.9
Houses of ≥80m <sup>2</sup>	448 277	30.0	296 701	26.7
Flats and townhouses	389 458	26.1	293 200	26.4
<b>Total</b>	<b>1 491 833</b>	<b>100.0</b>	<b>1 111 849</b>	<b>100.0</b>

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

Source: Stats SA

## Residential building activity (January - August)

Category of housing	Plans approved						Buildings completed					
	Units 2012	Units 2013		m <sup>2</sup> 2012	Building area 2013		Units 2012	Units 2013		m <sup>2</sup> 2012	Building area 2013	
		Number	% <sub>Δ</sub>		m <sup>2</sup>	% <sub>Δ</sub>		Number	% <sub>Δ</sub>		m <sup>2</sup>	% <sub>Δ</sub>
Houses of <80m <sup>2</sup>	11 351	12 046	6.1	556 691	591 113	6.2	12 886	11 532	-10.5	581 407	532 119	-8.5
Houses of ≥80m <sup>2</sup>	11 030	11 125	0.9	2 595 097	2 897 321	11.6	7 522	7 594	1.0	1 842 302	1 908 286	3.6
Flats and townhouses	9 317	10 772	15.6	892 176	1 021 117	14.5	7 286	8 392	15.2	691 297	794 362	14.9
<b>Total</b>	<b>31 698</b>	<b>33 943</b>	<b>7.1</b>	<b>4 043 964</b>	<b>4 509 551</b>	<b>11.5</b>	<b>27 694</b>	<b>27 518</b>	<b>-0.6</b>	<b>3 115 006</b>	<b>3 234 767</b>	<b>3.8</b>

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-Aug 12	Number	7 352	1 550	690	1 423	1 860	1 557	14 469	1 838	959	31 698
	January - August 2013	Number	8 592	1 315	245	1 576	2 998	3 236	12 769	2 139	1 073	33 943
		% change	16.9	-15.2	-64.5	10.8	61.2	107.8	-11.7	16.4	11.9	7.1
		% of SA	25.3	3.9	0.7	4.6	8.8	9.5	37.6	6.3	3.2	100.0
Alterations and additions to existing houses	Jan-Aug 12	m <sup>2</sup>	562 848	200 324	35 469	102 412	212 630	113 105	722 165	90 827	49 225	2 089 005
	January - August 2013	m <sup>2</sup>	574 929	200 263	31 537	99 231	209 050	109 040	702 324	108 941	47 510	2 082 825
		% change	2.1	0.0	-11.1	-3.1	-1.7	-3.6	-2.7	19.9	-3.5	-0.3
		% of SA	27.6	9.6	1.5	4.8	10.0	5.2	33.7	5.2	2.3	100.0

### Buildings completed

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Aug 12	Number	6 922	2 877	67	626	1 527	1 007	12 938	1 361	369	27 694
	January - August 2013	Number	9 456	2 090	135	677	1 621	965	10 802	1 323	449	27 518
		% change	36.6	-27.4	101.5	8.1	6.2	-4.2	-16.5	-2.8	21.7	-0.6
		% of SA	34.4	7.6	0.5	2.5	5.9	3.5	39.3	4.8	1.6	100.0
Alterations and additions to existing houses	Jan-Aug 12	m <sup>2</sup>	399 919	71 039	33 066	27 832	118 400	25 117	269 391	51 816	5 183	1 001 763
	January - August 2013	m <sup>2</sup>	621 473	92 147	15 813	38 949	118 905	17 358	276 208	47 900	5 158	1 233 911
		% change	55.4	29.7	-52.2	39.9	0.4	-30.9	2.5	-7.6	-0.5	23.2
		% of SA	50.4	7.5	1.3	3.2	9.6	1.4	22.4	3.9	0.4	100.0

Source: Stats SA



