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Explanatory notes:  
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

22 May 2014

### Planning phase of residential building activity showed strong growth in the first quarter, whereas construction phase lagged

The first quarter of 2014 saw the planning phase of residential building activity in the South African market for new housing showing relatively strong growth on a year-on-year basis. The construction phase of new housing, traditionally lagging the planning phase, continued to contract in the first quarter compared with a year ago. These trends in private sector-financed residential building activity are based on data released by Statistics South Africa.

The number of new housing units for which building plans were approved by local government institutions increased by 2 204 units, or 18,6% year-on-year (y/y) to 14 036 units in the first three months of the year after year-on-year contractions in the third and fourth quarters of last year. On a month-on-month basis the number of plans passed was up by 695 units, or 14,6%, to 4 983 units. At a regional level the volume of plans approved with regard to new housing was largely driven by Gauteng (44,6% of the national total and growing by 20,5% y/y) and the Western Cape (23,6% of the total and growing by 60,4% y/y), while the Eastern Cape and the Northern Cape also recorded strong year-on-year growth in the number of plans approved, but from a relatively small base.

Building activity with regard to the construction phase of new housing, i.e. the number of new units reported as completed, contracted by 1 268 units, or 12,1% y/y in the first quarter of the year. This contraction was largely driven by the segment of houses less than 80m<sup>2</sup> (see table on page 2 of the report).

The average building cost of new housing constructed averaged R5 841 per square metre in the first quarter of the year, which came to an increase of 14,7% y/y from R4 894 per square metre in the corresponding period last year, when building costs rose by 6,3% y/y. Building costs are affected by factors such as building material costs, labour costs, transport costs, equipment costs, land values, rezoning costs, and developer and contractor holding costs and profit margins.

The real value of plans approved for new residential buildings increased by 11,5% y/y, or R835,4 million to R8,13 billion from R7,29 billion a year ago. The real value of residential buildings reported as completed dropped by 2,1% y/y, or R107,05 million, to R5,05 billion in the three months from R5,16 billion in the same period last year. These real values, i.e. after adjustment for the effect of inflation, are calculated at constant 2010 prices.

Trends in and prospects regarding the economy, household finances, consumer and building confidence, as well as the demand for and supply of new and existing housing will continue to drive residential building activity.

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

Category of housing	Plans approved						Buildings completed					
	Units 2013	Units 2014		m <sup>2</sup> 2013	Building area 2014		Units 2013	Units 2014		m <sup>2</sup> 2013	Building area 2014	
		Number	%Δ		m <sup>2</sup>	%Δ		Number	%Δ		m <sup>2</sup>	%Δ
Houses of <80m <sup>2</sup>	4 361	6 206	42.3	225 397	305 900	35.7	4 789	3 703	-22.7	221 038	175 251	-20.7
Houses of ≥80m <sup>2</sup>	4 043	3 920	-3.0	943 735	1 035 186	9.7	2 607	2 415	-7.4	610 959	609 445	-0.2
Flats and townhouses	3 428	3 910	14.1	351 128	372 181	6.0	3 066	3 076	0.3	291 562	258 817	-11.2
<b>Total</b>	<b>11 832</b>	<b>14 036</b>	<b>18.6</b>	<b>1 520 260</b>	<b>1 713 267</b>	<b>12.7</b>	<b>10 462</b>	<b>9 194</b>	<b>-12.1</b>	<b>1 123 559</b>	<b>1 043 513</b>	<b>-7.1</b>

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

Source: Stats SA

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

#### Building plans approved

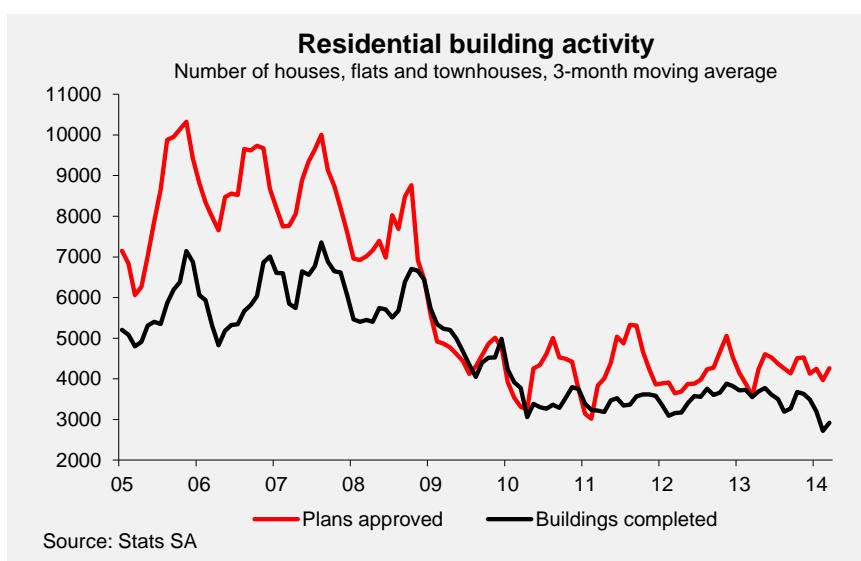
	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Mar 13	Number	2 499	277	99	575	755	1 235	5 200	818	374	11 832
	January -	Number	4 009	436	175	555	712	662	6 265	863	359	14 036
	March	% change	60.4	57.4	76.8	-3.5	-5.7	-46.4	20.5	5.5	-4.0	18.6
	2014	% of SA	28.6	3.1	1.2	4.0	5.1	4.7	44.6	6.1	2.6	100.0
Alterations and additions to existing houses	Jan-Mar 13	m <sup>2</sup>	186 973	56 009	10 616	29 517	71 655	42 970	235 646	37 276	17 752	688 414
	January -	m <sup>2</sup>	183 417	63 526	14 812	38 982	86 462	43 639	230 608	44 988	18 445	724 879
	March	% change	-1.9	13.4	39.5	32.1	20.7	1.6	-2.1	20.7	3.9	5.3
	2014	% of SA	25.3	8.8	2.0	5.4	11.9	6.0	31.8	6.2	2.5	100.0

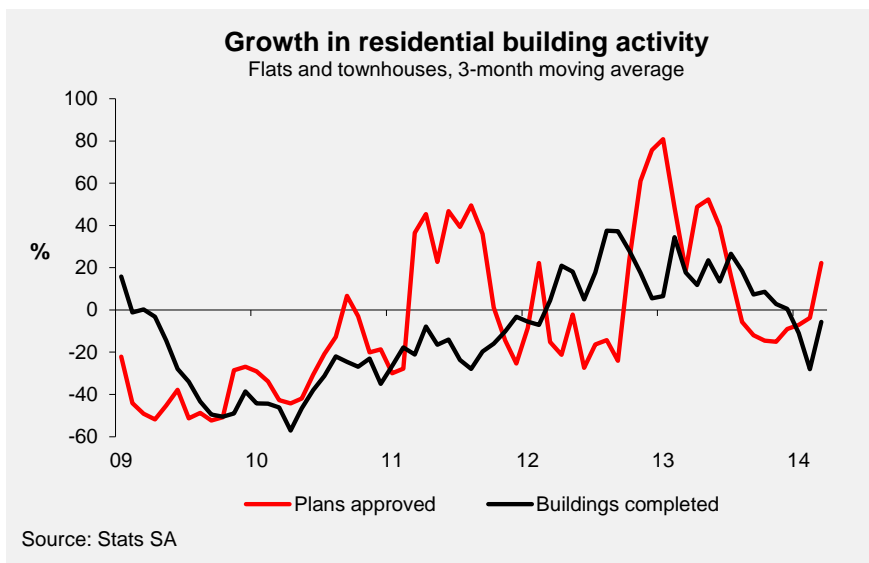
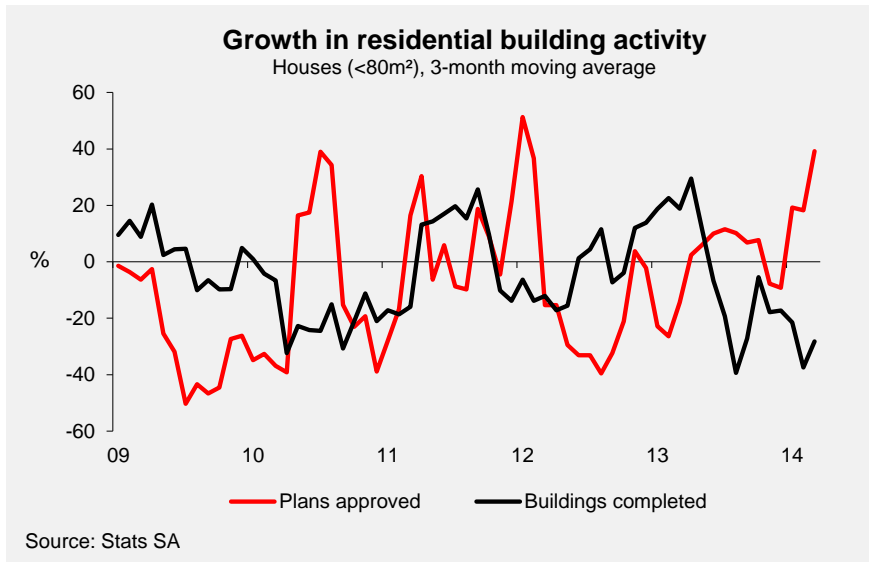
#### Buildings completed

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Mar 13	Number	3 038	1 119	20	261	701	360	4 348	456	159	10 462
	January -	Number	3 033	250	37	254	712	619	3 688	421	180	9 194
	March	% change	-0.2	-77.7	85.0	-2.7	1.6	71.9	-15.2	-7.7	13.2	-12.1
	2014	% of SA	33.0	2.7	0.4	2.8	7.7	6.7	40.1	4.6	2.0	100.0
Alterations and additions to existing houses	Jan-Mar 13	m <sup>2</sup>	243 170	38 779	4 185	9 105	39 557	6 906	96 193	16 173	1 260	455 328
	January -	m <sup>2</sup>	135 852	25 781	5 974	2 612	34 568	7 463	103 424	26 959	1 745	344 378
	March	% change	-44.1	-33.5	42.7	-71.3	-12.6	8.1	7.5	66.7	38.5	-24.4
	2014	% of SA	39.4	7.5	1.7	0.8	10.0	2.2	30.0	7.8	0.5	100.0

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

Source: Stats SA





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

1994 - 2014

	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m <sup>2</sup>	666 152	43.8	531 555	46.8
Houses of ≥80m <sup>2</sup>	457 277	30.0	303 057	26.7
Flats and townhouses	398 946	26.2	300 395	26.5
Total	1 522 375	100.0	1 135 007	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 % Δ	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ
Building plans approved								
1Q 2012	4 422	-26.9	4 004	21.6	2 788	-24.0	11 214	-13.8
2Q 2012	4 524	-7.6	3 937	-3.6	3 433	-16.7	11 894	-9.2
3Q 2012	4 648	-28.5	4 460	10.6	4 266	-5.4	13 374	-11.1
4Q 2012	4 199	-18.1	4 181	1.6	4 958	104.4	13 338	14.3
1Q 2013	4 361	-1.4	4 043	1.0	3 428	23.0	11 832	5.5
2Q 2013	4 430	-2.1	4 151	5.4	5 191	51.2	13 772	15.8
3Q 2013	4 835	4.0	4 145	-7.1	3 636	-14.8	12 616	-5.7
4Q 2013	4 268	1.6	3 864	-7.6	4 095	-17.4	12 227	-8.3
1Q 2014	6 206	42.3	3 920	-3.0	3 910	14.1	14 036	18.6

Buildings completed

1Q 2012	3 964	-16.4	2 800	13.5	2 735	17.8	9 499	-0.3
2Q 2012	5 292	14.1	2 743	0.8	2 303	0.1	10 338	7.0
3Q 2012	4 787	-13.0	2 878	-10.0	3 377	62.9	11 042	2.5
4Q 2012	5 980	29.4	3 148	2.5	2 971	4.2	12 099	14.7
1Q 2013	4 789	20.8	2 607	-6.9	3 066	12.1	10 462	10.1
2Q 2013	4 294	-18.9	3 090	12.7	3 033	31.7	10 417	0.8
3Q 2013	3 672	-23.3	2 810	-2.4	3 582	6.1	10 064	-8.9
4Q 2013	4 681	-21.7	3 031	-3.7	2 830	-4.7	10 542	-12.9
1Q 2014	3 703	-22.7	2 415	-7.4	3 076	0.3	9 194	-12.1

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

Source: Stats SA

