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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

18 September 2014

Strongly growing planning phase of residential building activity, whereas construction phase is contracting compared with year ago

The month of July 2014 saw the planning phase of residential of building activity in the South African market for new housing showing strong growth on a year-on-year basis, as reflected by the number of building plans approved by local government authorities. However, the construction phase, i.e. housing reported as completed, showed a further contraction in July from a year ago, although the pace of contraction has slowed down significantly from previous months. These trends in private sector-financed residential building activity are from data published by Statistics South Africa.

The number of new housing units for which building plans were approved by local government institutions was up by a massive 41,9% year-on-year (y/y) in July this year, which contributed to the growth of 14,1% y/y in the seven-month period to a cumulative total of 33 455 units. This was 4 125 units more than in the first seven months of last year. The continued improvement in levels of activity in the planning is expected to be reflected in a higher level of construction in due course.

The construction phase of new housing, i.e. the number of new units reported as completed, contracted for the fourth consecutive month in July, by 6,8% y/y. with all categories of housing showing lower levels of completion compared with the corresponding period last year. New housing construction activity was down by 3 875 units to 20 599 in the period January to July from 24 474 units in the corresponding period last year.

The average building cost of new housing constructed averaged R5 682 per square metre in the period January to July this year, resulting in an increase of 14,1% y/y from R4 981 per square metre in the corresponding period last year. 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.

Against the background of trends in and prospects regarding the economy, household finances, and consumer and building confidence, residential building activity is expected to remain relatively subdued and stay around the levels of the past 4½ years in the remainder of the year.

Residential building activity¹

1994 - 2014

	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m²	673 064	43.7	535 517	46.7
Houses of ≥80m²	463 167	30.0	306 392	26.7
Flats and townhouses	405 563	26.3	304 503	26.6
Total	1 541 794	100.0	1 146 412	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity (January - July)¹

Category of housing	Plans approved						Buildings completed					
	Units 2013	Units 2014		m² 2013	Building area 2014		Units 2013	Units 2014		m² 2013	Building area 2014	
		Number	%Δ		m²	%Δ		Number	%Δ		m²	%Δ
Houses of <80m²	10 318	13 118	27.1	508 853	638 974	25.6	10 439	7 665	-26.6	480 972	372 240	-22.6
Houses of ≥80m²	9 670	9 810	1.4	2 490 641	2 570 861	3.2	6 644	5 750	-13.5	1 646 349	1 436 581	-12.7
Flats and townhouses	9 342	10 527	12.7	879 358	980 895	11.5	7 391	7 184	-2.8	689 585	692 895	0.5
Total	29 330	33 455	14.1	3 878 852	4 190 730	8.0	24 474	20 599	-15.8	2 816 906	2 501 716	-11.2

¹Private-sector financed

Source: Stats SA

Residential building activity by province¹

Building plans approved

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jul 13	Number	7 388	1 150	231	1 504	2 742	2 578	10 957	1 866	914	29 330
	January - July	Number	6 703	1 646	305	1 180	4 463	1 435	14 567	2 405	751	33 455
		% change	-9.3	43.1	32.0	-21.5	62.8	-44.3	32.9	28.9	-17.8	14.1
	2014	% of SA	20.0	4.9	0.9	3.5	13.3	4.3	43.5	7.2	2.2	100.0
Alterations and additions to existing houses	Jan-Jul 13	m²	494 912	170 699	24 641	84 796	178 008	97 988	618 953	94 216	43 724	1 807 937
	January - July	m²	427 734	179 894	38 247	82 887	216 664	93 504	569 489	112 390	39 985	1 760 794
		% change	-13.6	5.4	55.2	-2.3	21.7	-4.6	-8.0	19.3	-8.6	-2.6
	2014	% of SA	24.3	10.2	2.2	4.7	12.3	5.3	32.3	6.4	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-Jul 13	Number	8 422	2 051	38	600	1 473	789	9 618	1 105	378	24 474
	January - July	Number	5 243	928	100	529	1 469	1 418	8 180	2 170	562	20 599
		% change	-37.7	-54.8	163.2	-11.8	-0.3	79.7	-15.0	96.4	48.7	-15.8
	2014	% of SA	25.5	4.5	0.5	2.6	7.1	6.9	39.7	10.5	2.7	100.0
Alterations and additions to existing houses	Jan-Jul 13	m²	546 294	82 672	14 180	32 038	103 320	15 923	246 117	40 795	4 988	1 086 327
	January - July	m²	221 116	54 957	14 367	10 231	83 716	14 481	197 455	57 329	4 467	658 119
		% change	-59.5	-33.5	1.3	-68.1	-19.0	-9.1	-19.8	40.5	-10.4	-39.4
	2014	% of SA	33.6	8.4	2.2	1.6	12.7	2.2	30.0	8.7	0.7	100.0

¹Private-sector financed

Source: Stats SA



