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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

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Divergent trends in residential building activity

Levels of building activity in the South African market for new housing showed divergent trends in the first four months of 2015, with volumes in the planning phase growing while volumes in the construction phase declined from the corresponding period in 2014. This divergent course in levels of residential building activity originated from opposite trends on a segment level in both the planning and construction phases. These trends are based on data published by Statistics South Africa in respect of building activity related to private sector-financed housing (see explanatory notes).

The number of new housing units for which building plans were approved, increased by 4,6% year-on-year (y/y), or 813 units, to 18 441 units in the period January to April 2015. While the volume of plans approved for houses smaller than 80m² was down by 19% y/y up to April, the number of flat and townhouse units planned increased by almost 40% y/y over the same period.

The volume of new housing units reported as constructed declined by 5,2% y/y, or 628 units, to 11 492 units in the first four months of the year, mainly as a result of the flat and townhouse segment contracting by around 34% y/y in January to April. The construction of houses larger than 80m² saw growth of almost 18% y/y in the four-month period.

Although there can be a significant lag between the planning and completion of relatively large housing projects, such as flat and townhouse developments, the strong growth in respect of the planning phase in this segment of housing in the first four months of 2015 is expected to be eventually reflected in the construction phase later in the year.

The real value of plans approved for new residential buildings was up by 15,5% y/y, or R1,58 billion to a total of R12,08 billion in the four-month period to April this year. The real value of residential buildings reported as completed was up by 3% y/y, or R207 million, to R7,13 billion in the first four months of the year compared with the same period a year ago. These real values are calculated at constant 2010 prices.

The building cost of new housing constructed averaged R5 908 per square metre in the period January to April this year, resulting in an increase of 3,2% y/y on the building cost of R5 724 per square metre in the corresponding period last year. Building costs are driven by building material costs, labour costs, transport costs, equipment costs, land prices, rezoning costs, and developer and contractor holding costs and profit margins.

The demand for and supply of new housing, as reflected in levels of residential building activity, are impacted by the growth in population and household numbers. However, trends in and prospects for factors such as economic growth, employment, living costs, interest rates, the state of household finances and consumer and building confidence, also contribute to the performance of residential building activity.

Residential building activity¹

1994 - 2015

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	686 524	43.4	548 049	46.6
Houses of ≥80m ²	475 792	30.0	315 095	26.8
Flats and townhouses	421 246	26.6	312 204	26.6
Total	1 583 562	100.0	1 175 348	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity (January-April)¹

Segment	Plans approved						Buildings completed					
	Units 2014	Units 2015		m ² 2014	Building area 2015		Units 2014	Units 2015		m ² 2014	Building area 2015	
		Number	%Δ		m ²	%Δ		Number	%Δ		m ²	%Δ
Houses of <80m ²	7 232	5 861	-19.0	358 427	278 707	-22.2	4 374	4 753	8.7	211 197	242 475	14.8
Houses of ≥80m ²	5 190	5 314	2.4	1 357 646	1 460 622	7.6	3 142	3 703	17.9	794 777	971 716	22.3
Flats and townhouses	5 206	7 266	39.6	507 548	713 264	40.5	4 604	3 036	-34.1	392 120	284 807	-27.4
Total	17 628	18 441	4.6	2 223 621	2 452 593	10.3	12 120	11 492	-5.2	1 398 094	1 498 998	7.2

¹Private-sector financed

Source: Stats SA

Residential building activity by province¹

Building plans approved

Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Apr 14	Number	4 416	676	205	765	1 001	794	8 016	1 278	477	17 628
	January -	Number	5 231	798	50	1 085	937	1 496	7 137	1 159	548	18 441
	April	% change	18.5	18.0	-75.6	41.8	-6.4	88.4	-11.0	-9.3	14.9	4.6
	2015	% of SA	28.4	4.3	0.3	5.9	5.1	8.1	38.7	6.3	3.0	100.0
Alterations and additions to existing houses	Jan-Apr 14	m ²	241 068	83 520	18 934	49 832	119 945	53 986	315 078	61 807	22 961	967 131
	January -	m ²	297 629	102 519	17 528	49 770	103 976	45 897	253 540	70 247	16 792	957 898
	April	% change	23.5	22.7	-7.4	-0.1	-13.3	-15.0	-19.5	13.7	-26.9	-1.0
	2015	% of SA	31.1	10.7	1.8	5.2	10.9	4.8	26.5	7.3	1.8	100.0

Buildings completed

Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Apr 14	Number	3 512	462	47	302	1 063	757	4 621	1 135	221	12 120
	January -	Number	2 852	615	186	813	600	657	4 801	814	154	11 492
	April	% change	-18.8	33.1	295.7	169.2	-43.6	-13.2	3.9	-28.3	-30.3	-5.2
	2015	% of SA	24.8	5.4	1.6	7.1	5.2	5.7	41.8	7.1	1.3	100.0
Alterations and additions to existing houses	Jan-Apr 14	m ²	152 279	31 431	8 130	3 974	49 200	9 229	125 092	32 691	2 471	414 497
	January -	m ²	153 377	35 466	6 746	7 076	39 091	29 406	59 026	36 076	951	367 215
	April	% change	0.7	12.8	-17.0	78.1	-20.5	218.6	-52.8	10.4	-61.5	-11.4
	2015	% of SA	41.8	9.7	1.8	1.9	10.6	8.0	16.1	9.8	0.3	100.0

¹Private-sector financed

Source: Stats SA



