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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.

Residential building statistics

21 April 2016

Building activity driven by trends on a segment level

Year-on-year growth in the volume of building activity in the planning phase of the South African market for new housing remained in the low single digits in the first two months of 2016. The volume of activity in the construction phase of new housing showed relatively strong growth compared with a year ago, which was the result of a sharp improvement in one segment of the market on a year-on-year basis since the start of the year. 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).

In January to February this year the number of new housing units for which building plans were approved increased by 3,2% year-on-year (y/y), or 271 units, to 8 806 units over this two-month period. The construction phase saw the number of new housing units built increasing by 28,1% y/y, or 1 443 units, to 6 575 units in the first two months of the year. This growth, however, was the result of extremely strong growth in the segment for flats and townhouses. The number of flats and townhouses reported as being built increased by around 122% y/y, or 1 507 units, to a cumulative 2 739 units in January and February. The sharp increase in housing units built in this segment of the market compared with a year ago may be attributed to reporting trends.

The real value of plans approved for new residential buildings was down by 2% y/y, or R113,5 million, to R5,52 billion in the two months up to February. The real value of residential buildings reported as completed increased by 15,9% y/y, or R491 million, to a cumulative value of R3,58 billion in January and February this year. These real values are calculated at constant 2010 prices.

The average building cost of new housing constructed came to R6 403 per square metre in the first two months of the year, which was 8,7% higher than the average cost of R5 890 per square metre a year ago. The average building cost per square metre in the three categories of housing was as follows in January and February 2016:

- Houses of $<80m^2$: R3 964
- Houses of $\geq 80m^2$: R6 459
- Flats and townhouses: R7 425

The South African economy is expected to experience tough times in 2016, with growth forecast at a much subdued 0,6%, while inflation and interest rates are in an upward cycle. Consumers are facing increased financial strain, with confidence levels set to remain low. Against this background, residential building activity may see some downward pressure in the rest of the year.

Residential building activity[1]

1994 - 2016 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m²	706 407	43.2	561 555	46.4
Houses of ≥80m²	489 999	30.0	325 142	26.9
Flats and tow nhouses	437 218	26.8	323 400	26.7
Total	1 633 624	100.0	1 210 097	100.0

[1]Private-sector financed

Source: Stats SA

Residential building activity: January-February[1]

Segment	Building plans approved						Buildings completed					
	Units	Units 2016		m²	Building area 2016		Units	Units 2016		m²	Building area 2016	
	2015	Number	%Δ	2015	m²	%Δ	2015	Number	%Δ	2015	m²	%Δ
Houses of <80m²	2 700	2 961	9.7	130 311	141 313	8.4	2 238	2 247	0.4	112 606	105 918	-5.9
Houses of ≥80m²	2 596	2 540	-2.2	714 584	673 569	-5.7	1 662	1 589	-4.4	440 308	401 530	-8.8
Flats and tow nhouses	3 238	3 305	2.1	295 762	286 254	-3.2	1 232	2 739	122.3	109 649	222 001	102.5
Total	8 534	8 806	3.2	1 140 657	1 101 136	-3.5	5 132	6 575	28.1	662 563	729 449	10.1

[1]Private-sector financed

Source: Stats SA

Residential building activity by province[1]

Building plans approved

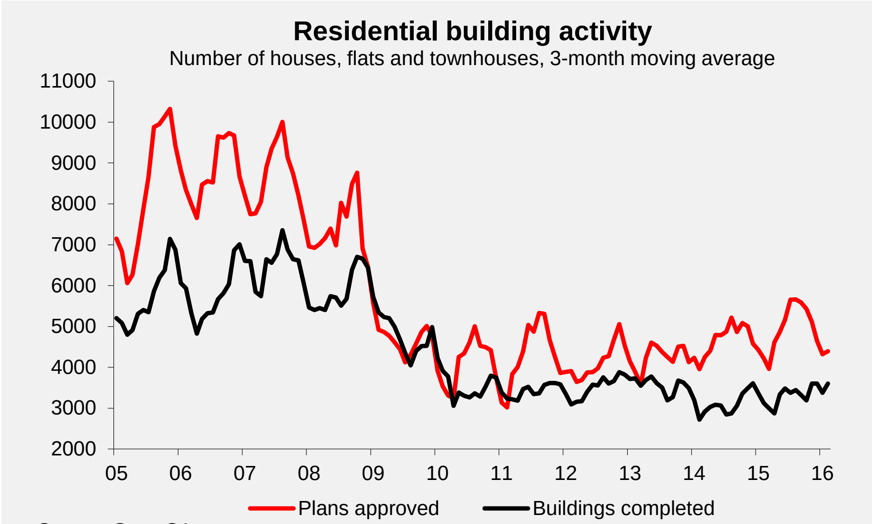
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Feb 15	Number	2 385	207	24	623	444	809	3 429	436	177	8 534
	January - February 2016	Number	2 301	338	68	338	880	266	3 785	654	176	8 806
		% change	-3.5	63.3	183.3	-45.7	98.2	-67.1	10.4	50.0	-0.6	3.2
		% of SA	26.1	3.8	0.8	3.8	10.0	3.0	43.0	7.4	2.0	100.0
Alterations and additions to existing houses	Jan-Feb 15	m²	137 311	47 429	7 911	29 066	47 496	23 133	117 081	36 187	7 482	453 096
	January - February 2016	m²	115 730	33 155	7 695	27 977	52 703	21 693	147 566	28 960	8 834	444 313
		% change	-15.7	-30.1	-2.7	-3.7	11.0	-6.2	26.0	-20.0	18.1	-1.9
		% of SA	26.0	7.5	1.7	6.3	11.9	4.9	33.2	6.5	2.0	100.0

Buildings completed

Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Feb 15	Number	1 285	291	17	294	308	403	2 102	370	62	5 132
	January - February 2016	Number	1 243	179	10	921	260	431	3 000	405	126	6 575
		% change	-3.3	-38.5	-41.2	213.3	-15.6	6.9	42.7	9.5	103.2	28.1
		% of SA	18.9	2.7	0.2	14.0	4.0	6.6	45.6	6.2	1.9	100.0
Alterations and additions to existing houses	Jan-Feb 15	m²	67 666	16 059	1 677	2 866	16 512	10 544	30 704	17 205	258	163 491
	January - February 2016	m²	74 554	8 018	5 820	7 317	24 623	17 519	32 640	16 402	888	187 781
		% change	10.2	-50.1	247.0	155.3	49.1	66.2	6.3	-4.7	244.2	14.9
		% of SA	39.7	4.3	3.1	3.9	13.1	9.3	17.4	8.7	0.5	100.0

[1]Private-sector financed

Source: Stats SA



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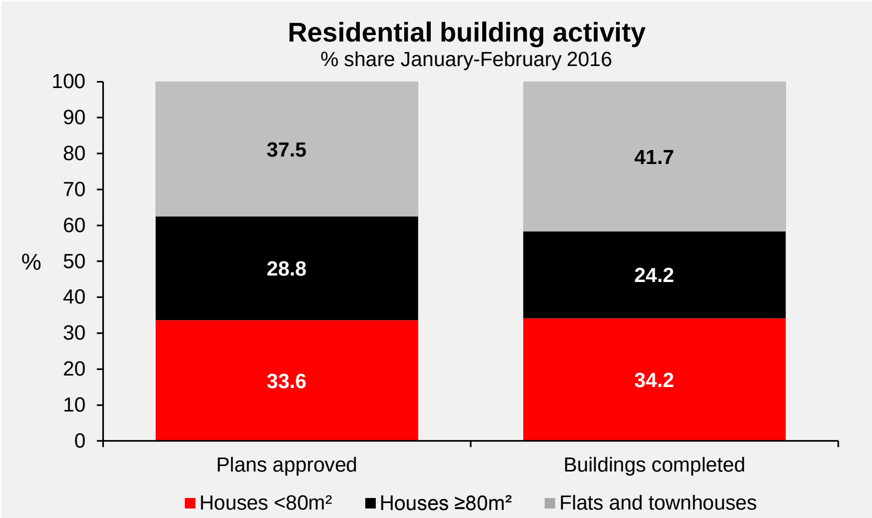

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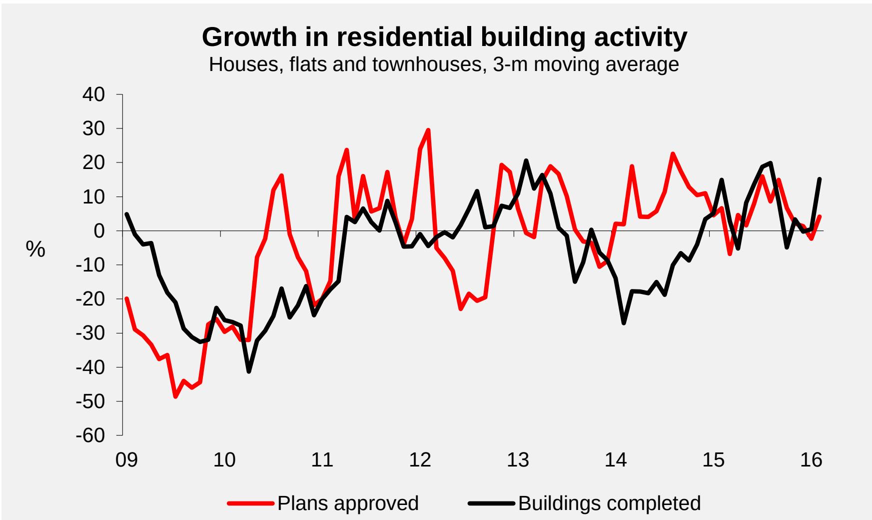

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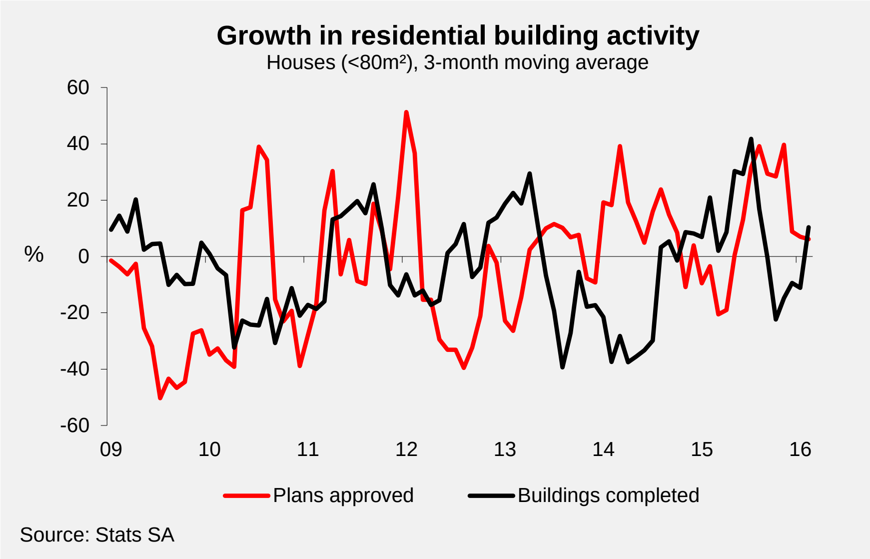
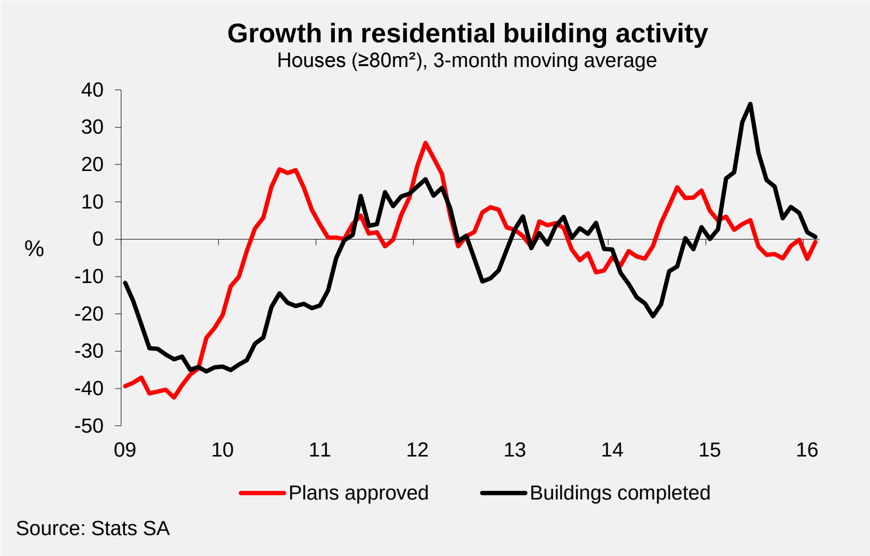
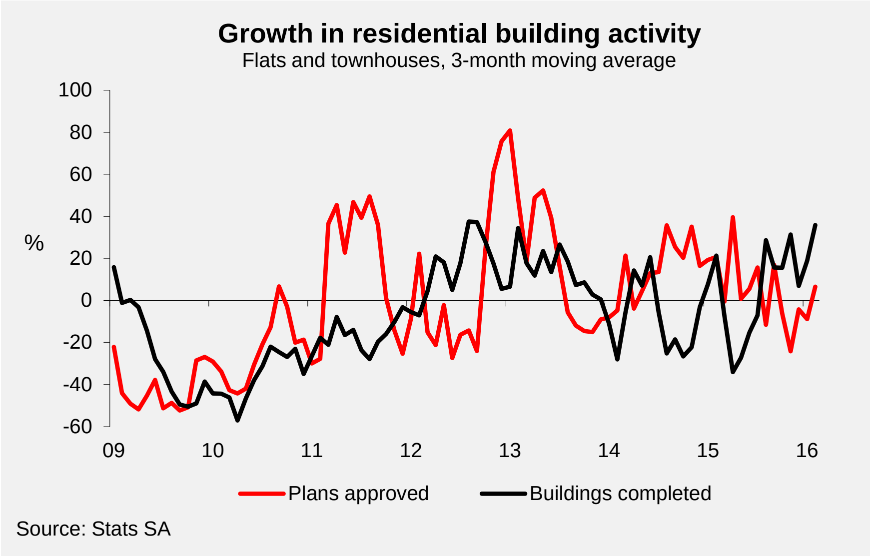

Growth in residential building activity
Houses (<80m²), 3-month moving average
60
40
20
0
-20
-40
-60
%
09
10
11
12
13
14
15
16
Plans approved
Buildings completed
Source: Stats SA


Growth in residential building activity
Houses (≥80m²), 3-month moving average
40
30
20
10
0
-10
-20
-30
-40
-50
%
09
10
11
12
13
14
15
16
Plans approved
Buildings completed
Source: Stats SA


Growth in residential building activity
Flats and townhouses, 3-month moving average
100
80
60
40
20
0
-20
-40
-60
%
09
10
11
12
13
14
15
16
Plans approved
Buildings completed
Source: Stats SA