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Explanatory note:
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

20 June 2019

Continued divergent trends in residential building activity

Based on data released by Statistics South Africa, private sector-financed building activity (see explanatory note) in the South African market for new housing continued to show divergent trends in the first four months of 2019, which might be related to lags in reporting.

The number of building plans approved for new housing was down by 14,8% year-on-year (y/y), or 2 900 plans, to 16 666 plans in the period January to April this year. The contraction in plans approved was driven by the two segments for houses, with the segment for flats and townhouses showing growth of 14,5% y/y over the 4-month period.

The volume of new housing units reported as being completed increased by 36,7% y/y, or a total of 4 037 units, to 15 052 units in the first four months of the year. All three segments of housing contributed to the above-mentioned growth over the four months up to April, with especially the segment of flats and townhouses showing particularly strong growth of 66,1% y/y with in respect of new housing built.

The average building cost of new housing completed increased by 5% y/y to R7 802 per square meter in the first four months of 2019 from R7 434 per square meter in the corresponding period last year. In real terms, i.e. after adjustments for inflation, residential building costs increased by 0,8% y/y, based on an average headline consumer price inflation rate of 4,2% y/y over the 4-month period. The average building cost per square meter in the three categories of new housing was as follows in the period January to April this year:

-) Houses of <80m²: R5 630, up by 2,4% y/y.
-) Houses of ≥80m²: R7 568, up by 2,1% y/y.
-) Flats and townhouses: R8 374, up by 6,4% y/y.

Building activity with regard to alterations and additions to existing houses continued to contract in the first four months of the year, with the building area approved declining by 2,4% y/y and the building area reported as being completed contracting by 12,1% y/y. The building cost of completed alterations and additions to existing houses increased by 4,4% y/y to R7 525 per square meter in January to April from R7 210 per square meter in the same period last year. In real terms, the average building cost of completed alterations and additions to existing houses was only marginally higher by 0,2% y/y over the 4-month period.

Trends in and the outlook for the economy, household finances and consumer and building confidence will remain important drivers of residential building activity in the rest of the year.

Residential building activity¹

1994 - 2019 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	760 841	41.9	603 905	45.1
Houses of ≥80m ²	537 768	29.6	360 689	26.9
Flats and townhouses	515 874	28.4	374 723	28.0
Total	1 814 483	100.0	1 339 317	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity: January - April¹

Segment	Building plans approved						Buildings completed					
	Units 2018	Units 2019		m ² 2018	Building area 2019		Units 2018	Units 2019		m ² 2018	Building area 2019	
		Number	y/y % Δ		m ²	y/y % Δ		Number	y/y % Δ		m ²	y/y % Δ
Houses of <80m ²	6 652	3 118	-53.1	307 915	158 849	-48.4	2 970	3 209	8.0	145 116	158 741	9.4
Houses of ≥80m ²	4 615	4 049	-12.3	1 212 165	1 100 923	-9.2	2 952	3 385	14.7	758 934	862 344	13.6
Flats and townhouses	8 299	9 499	14.5	781 331	971 470	24.3	5 093	8 458	66.1	662 123	1 017 914	53.7
Total	19 566	16 666	-14.8	2 301 411	2 231 242	-3.0	11 015	15 052	36.7	1 566 173	2 038 999	30.2

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 18	Number	8 115	2 186	84	486	987	1 497	5 470	421	320	19 566
	January - April 2019	Number	4 905	499	61	460	1 735	439	7 340	417	810	16 666
		y/y % Δ	-39.6	-77.2	-27.4	-5.3	75.8	-70.7	34.2	-1.0	153.1	-14.8
		% of SA	29.4	3.0	0.4	2.8	10.4	2.6	44.0	2.5	4.9	100.0
Alterations and additions to existing houses	Jan-Apr 18	m ²	264 890	83 471	10 267	46 898	94 275	36 774	270 486	48 007	14 547	869 615
	January - April 2019	m ²	234 753	71 058	13 263	31 429	127 870	30 644	276 023	41 049	22 793	848 882
		y/y % Δ	-11.4	-14.9	29.2	-33.0	35.6	-16.7	2.0	-14.5	56.7	-2.4
		% of SA	27.7	8.4	1.6	3.7	15.1	3.6	32.5	4.8	2.7	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 18	Number	4 373	221	17	271	488	694	4 441	359	151	11 015
	January - April 2019	Number	3 367	409	86	77	886	684	8 951	391	201	15 052
		y/y % Δ	-23.0	85.1	405.9	-71.6	81.6	-1.4	101.6	8.9	33.1	36.7
		% of SA	22.4	2.7	0.6	0.5	5.9	4.5	59.5	2.6	1.3	100.0
Alterations and additions to existing houses	Jan-Apr 18	m ²	129 669	22 860	8 578	10 201	62 965	37 357	76 580	11 652	2 093	361 955
	January - April 2019	m ²	101 048	37 295	9 974	10 079	42 426	19 154	76 674	19 589	1 781	318 020
		y/y % Δ	-22.1	63.1	16.3	-1.2	-32.6	-48.7	0.1	68.1	-14.9	-12.1
		% of SA	31.8	11.7	3.1	3.2	13.3	6.0	24.1	6.2	0.6	100.0

¹Private-sector financed

Source: Stats SA





