



Compiled by  
Jacques du Toit  
Property Analyst  
Absa Home Loans

15 Troye Street  
Johannesburg, 2001  
South Africa

PO Box 7735  
Johannesburg, 2000  
South Africa

T +27 (0)11 350 7246  
jacques@absa.co.za  
www.absa.co.za

**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.

The information in this publication is derived from sources which are regarded as accurate and reliable, is of a general nature only, does not constitute advice and may not be applicable to all circumstances. Detailed advice should be obtained in individual cases. No responsibility for any error, omission or loss sustained by any person acting or refraining from acting as a result of this publication is accepted by Absa Bank Limited and/or the authors of the material.

## Residential building statistics

15 June 2019

### Continued divergent trends in residential building activity up to mid-2019

The diverging trends in private sector-financed residential building activity in South Africa (see explanatory note) since about mid-2018 continued up to the second quarter of 2019. Compared with a year ago the number of building plans approved by local government institutions trended lower in the first six months of the year, whereas the number of housing units reported as completed showed strong growth over this period. These trends in residential building activity could have been the result of significant lags in the reporting of completed housing to and/or approvals of plans for new housing approved by local government institutions.

The number of building plans approved for new housing was down by 19,3% year-on-year (y/y), or a total of 6 036 plans, to 25 170 plans in the six months up to June this year. This drop in plans approved came on the back of contractions in all three categories of houses in the 6-month period compared with the same period last year.

The volume of new housing units reported as being completed was up by 48,1% y/y, or 7 980 units, to a total of 24 576 units in the first six months of the year. The number of flats and townhouses reported as being completed more than doubled by 108,7% y/y to 14 892 units over this period.

The average building cost of new housing completed increased by 6% y/y to R7 795 per square meter in the first half of 2019, compared with R7 356 per square meter in the corresponding period last year. Residential building costs were up by 1,6% y/y in real terms, i.e. after adjustment for the effect of inflation, in the 6-month period up to June, based on an average headline consumer price inflation rate of 4,3% y/y over this period. The average building cost per square meter in the three categories of new housing was as follows in January to June:

- Houses of <80m<sup>2</sup>: R5 707, up by 1% y/y.
- Houses of ≥80m<sup>2</sup>: R7 521, up by 2,9% y/y.
- Flats and townhouses: R8 260 up by 5,9% y/y.

Building activity regarding alterations and additions to existing houses continued to contract in respect of both building area approved and the building area reported as being completed on a year-on-year basis in the first half of the year. The building cost of completed alterations and additions to existing houses increased by 3,8% y/y to R7 459 per square meter in the 6-month period compared with R7 188 per square meter in the first half of last year. In real terms, i.e. after adjusting for inflation, the average building cost of completed alterations and additions with regard to existing houses was down by 0,5% y/y up to June this year.

Trends in and the outlook for the economy, household finances, confidence levels and property market sentiment will be expected to continue driving residential building activity over the short to medium term.

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

1994 - 2019 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m <sup>2</sup>	762 844	41.8	605 386	44.9
Houses of ≥80m <sup>2</sup>	540 051	29.6	362 298	26.9
Flats and townhouses	522 141	28.6	381 157	28.3
Total	1 825 036	100.0	1 348 841	100.0

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

Source: Stats SA

## Residential building activity: January - June<sup>1</sup>

Segment	Building plans approved						Buildings completed					
	Units 2018	Units 2019		m <sup>2</sup> 2018	Building area 2019		Units 2018	Units 2019		m <sup>2</sup> 2018	Building area 2019	
		Number	y/y % Δ		m <sup>2</sup>	y/y % Δ		Number	y/y % Δ		m <sup>2</sup>	y/y % Δ
Houses of <80m <sup>2</sup>	9 840	5 121	-48.0	460 293	256 088	-44.4	4 752	4 690	-1.3	239 096	238 879	-0.1
Houses of ≥80m <sup>2</sup>	7 255	6 332	-12.7	1 893 997	1 734 806	-8.4	4 710	4 994	6.0	1 222 176	1 296 796	6.1
Flats and townhouses	14 111	13 717	-2.8	1 543 545	1 568 024	1.6	7 134	14 892	108.7	1 016 894	2 041 112	100.7
Total	31 206	25 170	-19.3	3 897 835	3 558 918	-8.7	16 596	24 576	48.1	2 478 166	3 576 787	44.3

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

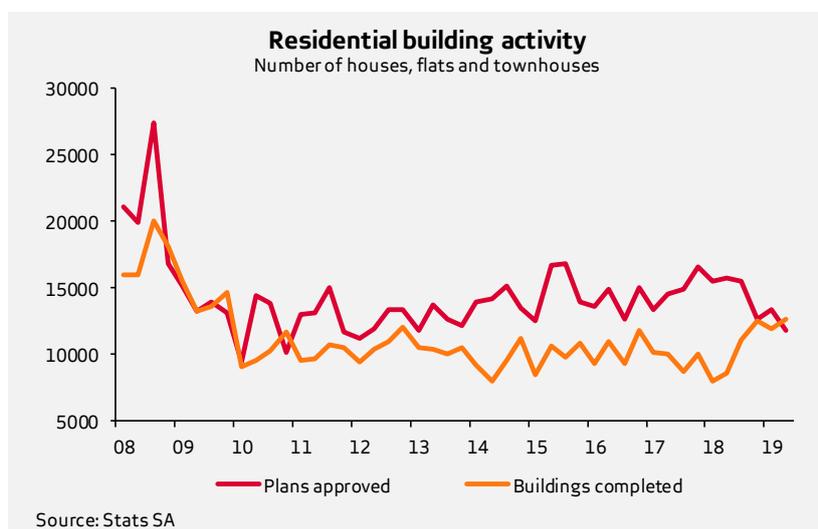
Source: Stats SA

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

Building plans approved												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jun 18	Number	12 756	2 702	118	728	1 691	1 797	10 240	667	507	31 206
	January - June 2019	Number	7 663	838	96	673	2 686	721	10 977	601	915	25 170
		y/y % Δ	-39.9	-69.0	-18.6	-7.6	58.8	-59.9	7.2	-9.9	80.5	-19.3
		% of SA	30.4	3.3	0.4	2.7	10.7	2.9	43.6	2.4	3.6	100.0
Alterations and additions to existing houses	Jan-Jun 18	m <sup>2</sup>	411 658	151 091	20 395	66 047	165 520	61 609	429 139	74 121	22 836	1 402 416
	January - June 2019	m <sup>2</sup>	388 506	118 540	19 175	50 089	193 754	49 990	437 614	63 094	31 937	1 352 699
		y/y % Δ	-5.6	-21.5	-6.0	-24.2	17.1	-18.9	2.0	-14.9	39.9	-3.5
		% of SA	28.7	8.8	1.4	3.7	14.3	3.7	32.4	4.7	2.4	100.0
Buildings completed												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jun 18	Number	6 110	434	32	441	821	1 079	6 858	564	257	16 596
	January - June 2019	Number	5 492	605	109	109	1 554	873	14 799	711	324	24 576
		y/y % Δ	-10.1	39.4	240.6	-75.3	89.3	-19.1	115.8	26.1	26.1	48.1
		% of SA	22.3	2.5	0.4	0.4	6.3	3.6	60.2	2.9	1.3	100.0
Alterations and additions to existing houses	Jan-Jun 18	m <sup>2</sup>	197 238	39 365	15 597	11 444	89 916	43 579	121 384	18 919	2 676	540 118
	January - June 2019	m <sup>2</sup>	158 663	60 951	13 156	17 451	62 090	24 093	116 972	24 736	2 525	480 637
		y/y % Δ	-19.6	54.8	-15.7	52.5	-30.9	-44.7	-3.6	30.7	-5.6	-11.0
		% of SA	33.0	12.7	2.7	3.6	12.9	5.0	24.3	5.1	0.5	100.0

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

Source: Stats SA

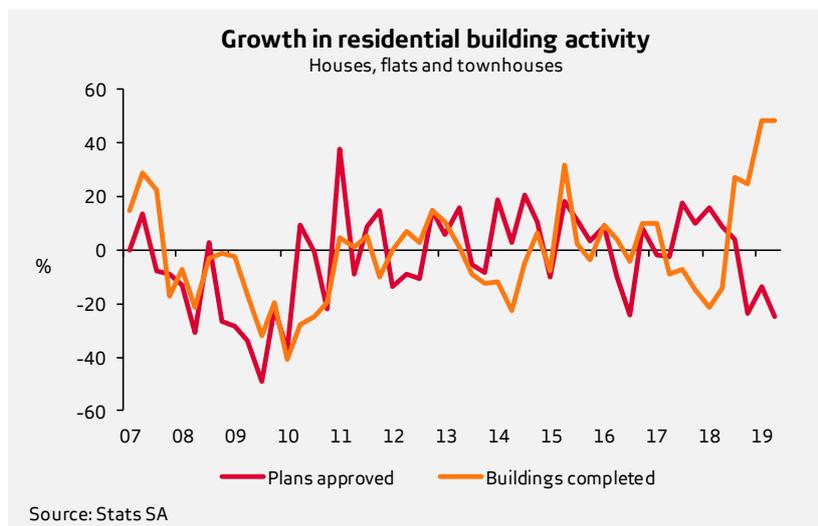


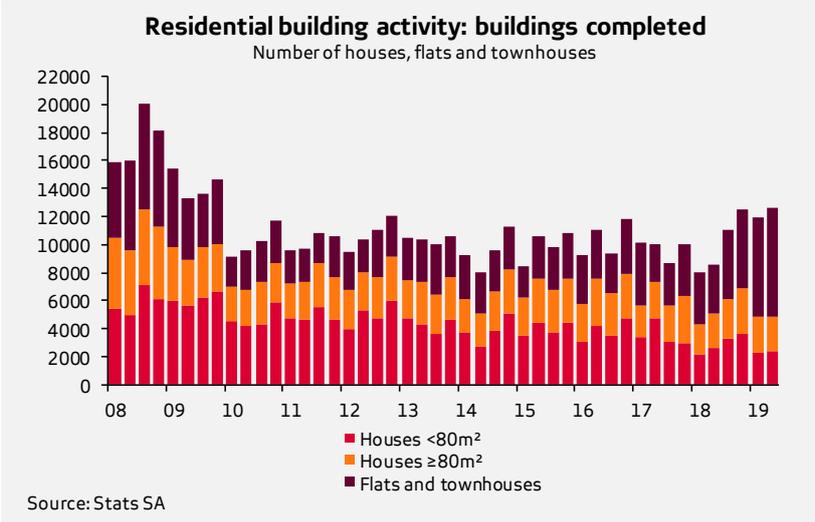
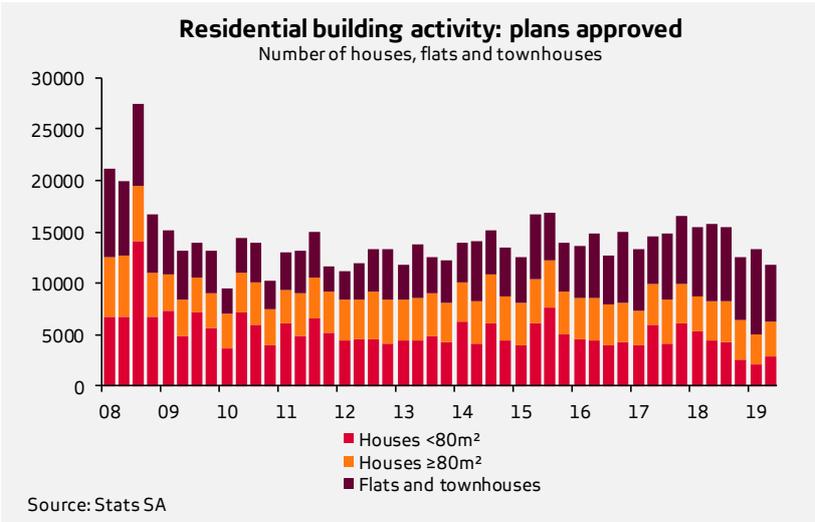
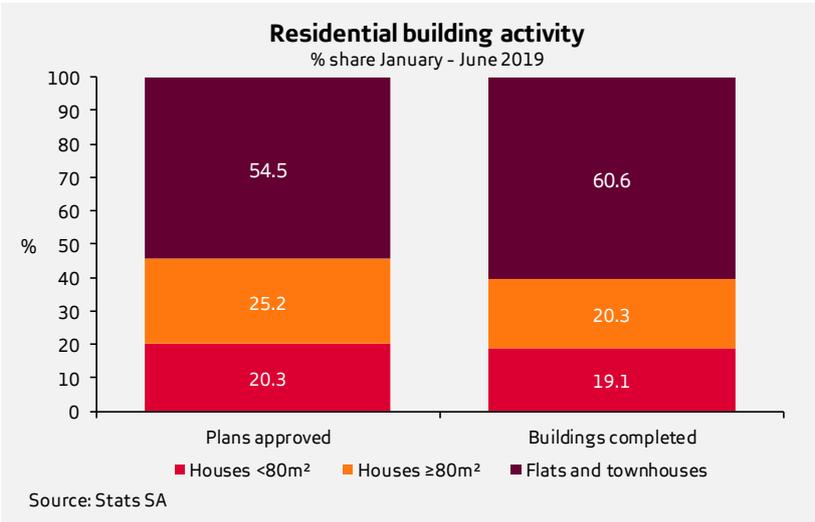
## Residential building activity<sup>1</sup>

Period	Houses <80m <sup>2</sup>		Houses ≥80m <sup>2</sup>		Flats and townhouses		Total	
	Units	y/y % change	Units	y/y % change	Units	y/y % change	Units	y/y % change
<b>Building plans approved</b>								
Q1 2016	4 652	16.0	3 934	-2.8	5 020	11.8	13 606	8.4
Q2 2016	4 477	-26.8	4 057	-4.4	6 391	1.3	14 925	-10.4
Q3 2016	3 927	-48.5	4 078	-10.4	4 683	0.7	12 688	-24.6
Q4 2016	4 262	-15.3	3 830	-7.5	6 927	45.3	15 019	7.8
Q1 2017	4 011	-13.8	3 379	-14.1	5 945	18.4	13 335	-2.0
Q2 2017	6 017	34.4	3 893	-4.0	4 614	-27.8	14 524	-2.7
Q3 2017	4 103	4.5	4 264	4.6	6 502	38.8	14 869	17.2
Q4 2017	6 155	44.4	3 776	-1.4	6 592	-4.8	16 523	10.0
Q1 2018	5 335	33.0	3 460	2.4	6 647	11.8	15 442	15.8
Q2 2018	4 505	-25.1	3 795	-2.5	7 464	61.8	15 764	8.5
Q3 2018	4 263	3.9	3 976	-6.8	7 205	10.8	15 444	3.9
Q4 2018	2 570	-58.2	3 818	1.1	6 202	-5.9	12 590	-23.8
Q1 2019	2 202	-58.7	2 915	-15.8	8 202	23.4	13 319	-13.7
Q2 2019	2 919	-35.2	3 417	-10.0	5 515	-26.1	11 851	-24.8
<b>Buildings completed</b>								
Q1 2016	3 094	-12.3	2 668	-1.5	3 505	56.0	9 267	9.3
Q2 2016	4 165	-5.1	3 440	8.8	3 405	12.0	11 010	3.9
Q3 2016	3 504	-5.4	3 068	-0.1	2 807	-6.8	9 379	-4.1
Q4 2016	4 799	9.3	3 058	-5.1	4 014	25.6	11 871	9.8
Q1 2017	3 401	9.9	2 241	-16.0	4 557	30.0	10 199	10.1
Q2 2017	4 732	13.6	2 581	-25.0	2 697	-20.8	10 010	-9.1
Q3 2017	3 046	-13.1	2 587	-15.7	3 088	10.0	8 721	-7.0
Q4 2017	2 985	-37.8	3 393	11.0	3 706	-7.7	10 084	-15.1
Q1 2018	2 143	-37.0	2 200	-1.8	3 694	-18.9	8 037	-21.2
Q2 2018	2 609	-44.9	2 510	-2.8	3 440	27.5	8 559	-14.5
Q3 2018	3 293	8.1	2 776	7.3	4 990	61.6	11 059	26.8
Q4 2018	3 617	21.2	3 229	-4.8	5 701	53.8	12 547	24.4
Q1 2019	2 247	4.9	2 604	18.4	7 064	91.2	11 915	48.3
Q2 2019	2 443	-6.4	2 390	-4.8	7 828	127.6	12 661	47.9

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

Source: Stats SA



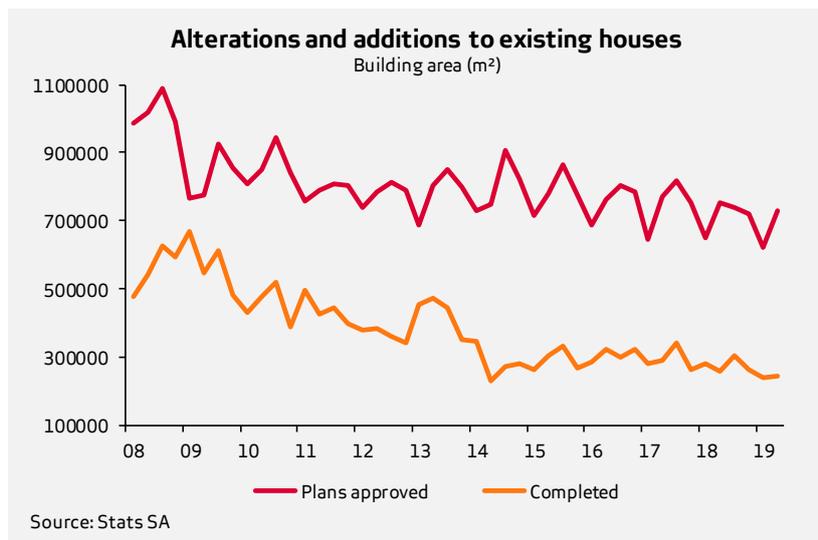


## Alterations and additions to existing houses<sup>1</sup>

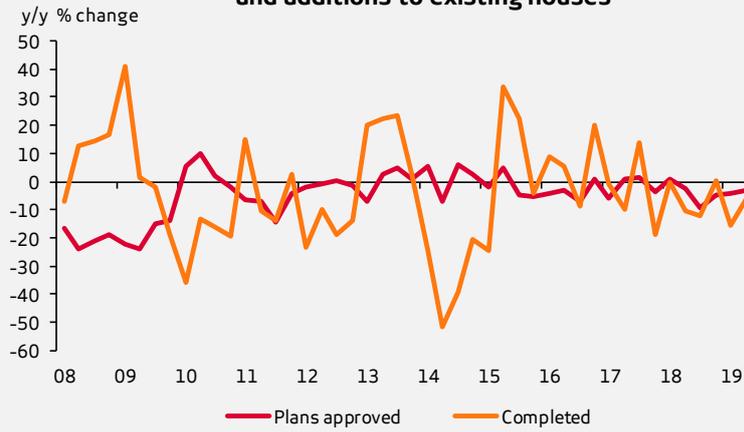
Period	Building area		Value		Building cost per m <sup>2</sup>	
	m <sup>2</sup>	y/y % change	Rand million	y/y % change	Rand	y/y % change
<b>Building plans approved</b>						
Q1 2016	685 341	-4.0	4 442	6.1	6 482	10.6
Q2 2016	760 576	-2.8	4 873	5.9	6 407	9.0
Q3 2016	803 182	-6.9	5 377	-0.6	6 694	6.8
Q4 2016	782 721	0.8	5 401	8.9	6 900	8.1
Q1 2017	645 014	-5.9	4 413	-0.6	6 842	5.6
Q2 2017	769 576	1.2	5 340	9.6	6 939	8.3
Q3 2017	815 999	1.6	5 930	10.3	7 267	8.6
Q4 2017	753 993	-3.7	5 489	1.6	7 280	5.5
Q1 2018	650 646	0.9	4 675	5.9	7 185	5.0
Q2 2018	751 770	-2.3	5 425	1.6	7 216	4.0
Q3 2018	739 452	-9.4	5 498	-7.3	7 435	2.3
Q4 2018	719 702	-4.5	5 298	-3.5	7 361	1.1
Q1 2019	621 949	-4.4	4 732	1.2	7 608	5.9
Q2 2019	730 750	-2.8	5 391	-0.6	7 377	2.2
<b>Buildings completed</b>						
Q1 2016	284 139	9.1	1 621	17.1	5 703	7.4
Q2 2016	320 318	5.4	1 925	18.2	6 010	12.2
Q3 2016	300 845	-9.0	1 761	-4.2	5 854	5.2
Q4 2016	320 015	20.3	1 946	21.5	6 081	1.0
Q1 2017	282 086	-0.7	1 744	7.6	6 182	8.4
Q2 2017	288 499	-9.9	1 802	-6.4	6 245	3.9
Q3 2017	342 293	13.8	2 336	32.6	6 823	16.6
Q4 2017	260 267	-18.7	1 820	-6.5	6 991	15.0
Q1 2018	281 820	-0.1	1 980	13.5	7 026	13.7
Q2 2018	258 298	-10.5	1 891	4.9	7 319	17.2
Q3 2018	301 618	-11.9	2 229	-4.6	7 389	8.3
Q4 2018	260 962	0.3	1 896	4.2	7 264	3.9
Q1 2019	238 143	-15.5	1 803	-9.0	7 570	7.7
Q2 2019	242 494	-6.1	1 777	-6.0	7 328	0.1

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

Source: Stats SA



### Growth in building area of alterations and additions to existing houses



Source: Stats SA

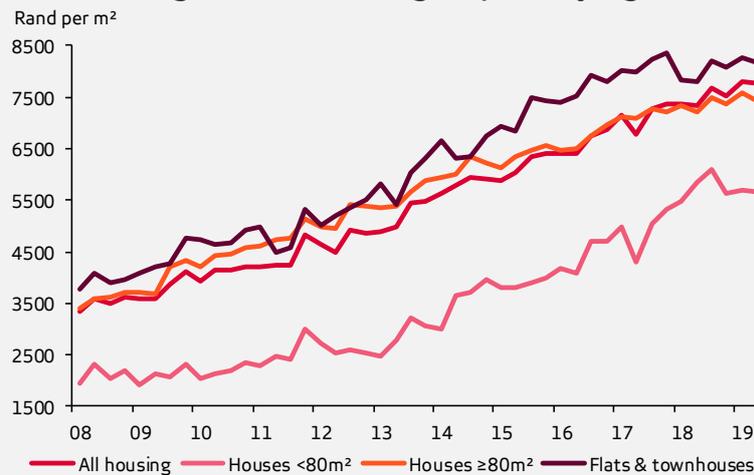
### Building cost of new housing completed by segment<sup>1</sup>

Period	Houses of <80m <sup>2</sup>		Houses of ≥80m <sup>2</sup>		Flats and townhouses		Average: All housing	
	Rand per m <sup>2</sup>	y/y % change	Rand per m <sup>2</sup>	y/y % change	Rand per m <sup>2</sup>	y/y % change	Rand per m <sup>2</sup>	y/y % change
Q1 2016	4 176	10.1	6 474	5.6	7 384	6.3	6 415	8.8
Q2 2016	4 076	7.0	6 502	2.7	7 517	9.8	6 396	5.9
Q3 2016	4 714	21.3	6 753	4.5	7 920	5.7	6 747	6.3
Q4 2016	4 715	18.6	6 962	5.9	7 799	4.9	6 859	7.2
Q1 2017	4 986	19.4	7 121	10.0	8 010	8.5	7 135	11.2
Q2 2017	4 290	5.2	7 078	8.9	7 995	6.4	6 785	6.1
Q3 2017	5 030	6.7	7 269	7.6	8 222	3.8	7 274	7.8
Q4 2017	5 311	12.7	7 213	3.6	8 364	7.2	7 378	7.6
Q1 2018	5 482	9.9	7 344	3.1	7 820	-2.4	7 365	3.2
Q2 2018	5 834	36.0	7 213	1.9	7 804	-2.4	7 320	7.9
Q3 2018	6 101	21.3	7 500	3.2	8 210	-0.1	7 688	5.7
Q4 2018	5 647	6.3	7 375	2.2	8 083	-3.4	7 511	1.8
Q1 2019	5 692	3.8	7 596	3.4	8 266	5.7	7 811	6.1
Q2 2019	5 664	-2.9	7 435	3.1	8 175	4.8	7 772	6.2

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

Source: Stats SA

### Building cost of new housing completed by segment



Source: Stats SA

### Average building cost of new housing completed by province<sup>1</sup>

Province	Variable	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Western Cape	Rand per m <sup>2</sup>	6 657	6 819	7 034	6 971	7 001	6 956	7 120	7 391	7 266
	y/y % change	0.7	7.0	8.1	7.3	5.2	2.0	1.2	6.0	3.8
Eastern Cape	Rand per m <sup>2</sup>	5 597	6 035	6 286	6 371	6 503	6 548	6 238	6 257	6 301
	y/y % change	12.7	2.4	30.7	21.1	16.2	8.5	-0.8	-1.8	-3.1
Northern Cape	Rand per m <sup>2</sup>	6 705	7 073	7 584	7 212	7 449	7 668	7 365	7 742	7 544
	y/y % change	4.2	0.6	3.0	3.6	11.1	8.4	-2.9	7.3	1.3
Free State	Rand per m <sup>2</sup>	5 252	5 641	6 512	6 647	6 909	7 304	6 285	5 834	6 189
	y/y % change	3.2	-8.7	7.7	1.6	31.6	29.5	-3.5	-12.2	-10.4
KwaZulu-Natal	Rand per m <sup>2</sup>	9 268	9 595	10 101	10 171	9 450	10 858	10 775	10 540	11 333
	y/y % change	6.0	7.5	16.5	8.5	2.0	13.2	6.7	3.6	19.9
North West	Rand per m <sup>2</sup>	5 090	5 320	5 188	5 814	5 289	5 484	5 662	5 543	5 684
	y/y % change	13.2	10.7	-3.0	10.8	3.9	3.1	9.1	-4.7	7.5
Gauteng	Rand per m <sup>2</sup>	7 061	7 711	7 587	7 701	7 801	7 977	7 887	8 034	7 840
	y/y % change	4.7	6.6	1.8	-0.1	10.5	3.5	4.0	4.3	0.5
Mpumalanga	Rand per m <sup>2</sup>	4 745	5 317	6 212	5 896	5 463	5 866	5 409	6 145	5 506
	y/y % change	4.7	19.3	38.7	31.7	15.1	10.3	-12.9	4.2	0.8
Limpopo	Rand per m <sup>2</sup>	3 675	5 254	5 230	5 135	5 161	5 360	5 442	5 437	5 474
	y/y % change	-24.5	6.8	5.1	3.0	40.4	2.0	4.1	5.9	6.1
South Africa	Rand per m <sup>2</sup>	6 785	7 274	7 378	7 365	7 320	7 688	7 511	7 811	7 772
	y/y % change	6.1	7.8	7.6	3.2	7.9	5.7	1.8	6.1	6.2

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

Source: Stats SA