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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

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Continued evidence of some diverging trends at segment level in the planning and construction phases of residential building activity

Although the gap in building activity in South Africa (see explanatory note) with regard to new private sector-financed housing in the planning and construction phases narrowed to some extent recently, diverging trends across segments are still evident. As mentioned in previous reports on residential building activity, these trends could have been the result of significant lags in the reporting of completed housing to and/or approvals of plans for new housing by local government institutions.

Building plans approved for new housing contracted in all three segments of housing in the first eight months of 2019, with plans declining by 15,5% year-on-year (y/y), or 6 583 plans, to 35 977 plans in January to August.

New housing units reported as being completed were up by 36% y/y, or 8 581 units, to a total of 32 435 units in the 8-month. The flat and townhouse segment remained the main driver of the growth in new housing built, showing continued strong growth of 91,5% y/y, or 9 227 units, up to August.

The average building cost of new housing completed was as follows in the three segments in January to August this year:

Houses of <80m²: R5 752, down by 0,6% y/y.

Houses of ≥80m²: R7 557, up by 2,7% y/y.

Flats and townhouses: R8 269, up by 4,4% y/y.

Building activity with regard to alterations and additions to existing houses continued to show a fair amount of strain, with both the building area approved and the building area reported as completed contracting on a year-on-year basis in January to August. The building cost of completed alterations and additions to existing houses increased by 2,5% y/y to a level of R7 400 per square meter in the 8-month period up to August compared with R7 218 per square meter in the corresponding period last year.

Residential building activity will continue to be driven by trends in and prospects for the economy, household finances, business conditions in the building sector, levels of consumer and building confidence and property market sentiment.

Residential building activity¹

1994 - 2019 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	767 317	41.8	607 137	44.8
Houses of ≥80m ²	542 488	29.5	363 983	26.8
Flats and townhouses	527 334	28.7	385 580	28.4
Total	1 837 139	100.0	1 356 700	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity: January - August¹

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	12 836	9 594	-25.3	604 337	504 021	-16.6	7 109	6 441	-9.4	359 414	330 192	-8.1
Houses of ≥80m ²	10 017	8 769	-12.5	2 665 347	2 412 294	-9.5	6 657	6 679	0.3	1 690 018	1 737 031	2.8
Flats and townhouses	19 707	17 614	-10.6	2 144 523	2 017 964	-5.9	10 088	19 315	91.5	1 420 582	2 742 836	93.1
Total	42 560	35 977	-15.5	5 414 207	4 934 279	-8.9	23 854	32 435	36.0	3 470 014	4 810 059	38.6

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-Aug 18	Number	15 986	2 987	156	911	2 619	2 169	16 213	898	621	42 560
	January - August 2019	Number	9 377	1 313	290	932	3 854	880	17 436	821	1 074	35 977
		y/y % Δ	-41.3	-56.0	85.9	2.3	47.2	-59.4	7.5	-8.6	72.9	-15.5
% of SA		26.1	3.6	0.8	2.6	10.7	2.4	48.5	2.3	3.0	100.0	
Alterations and additions to existing houses	Jan-Aug 18	m ²	551 665	198 002	27 135	86 515	239 029	80 251	576 449	97 679	31 635	1 888 360
	January - August 2019	m ²	534 876	166 597	26 663	76 027	252 842	72 096	616 701	88 756	45 067	1 879 625
		y/y % Δ	-3.0	-15.9	-1.7	-12.1	5.8	-10.2	7.0	-9.1	42.5	-0.5
% of SA		28.5	8.9	1.4	4.0	13.5	3.8	32.8	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-Aug 18	Number	8 567	727	39	567	1 112	1 208	10 520	749	365	23 854
	January - August 2019	Number	8 111	812	128	155	2 032	1 058	18 842	875	422	32 435
		y/y % Δ	-5.3	11.7	228.2	-72.7	82.7	-12.4	79.1	16.8	15.6	36.0
% of SA		25.0	2.5	0.4	0.5	6.3	3.3	58.1	2.7	1.3	100.0	
Alterations and additions to existing houses	Jan-Aug 18	m ²	295 382	66 778	19 188	14 050	121 952	46 744	159 334	29 109	3 153	755 690
	January - August 2019	m ²	250 033	89 997	19 812	21 020	84 721	32 991	163 903	35 056	4 172	701 705
		y/y % Δ	-15.4	34.8	3.3	49.6	-30.5	-29.4	2.9	20.4	32.3	-7.1
% of SA		35.6	12.8	2.8	3.0	12.1	4.7	23.4	5.0	0.6	100.0	

¹Private-sector financed

Source: Stats SA





