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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

15 June 2016

Continued subdued residential building activity

Residential building activity in the South African market for new housing remained relatively subdued in the first four months of 2016 compared with the corresponding period a year ago. In the planning phase all three segments of housing showed a contraction on a year-on-year basis up to April, whereas the construction phase recorded some growth on the back of a still relatively strong performance by one of the housing segments. 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 dropped by almost 5% year-on-year (y/y), or 884 units, to 17 561 units in the period January to April this year. The segment for flats and townhouses contracted by just short of 10% y/y over this four-month period, with the month of April showing a sharp drop of 42,1% y/y.

The volume of new housing units reported as completed increased by 6,1% y/y to 12 190 units in the four months up to April, with the segment for flats and townhouses showing growth of 35% y/y to 4 100 units over this period. However, the number of units reported as completed in this category of housing contracted by 24,6% y/y to only 595 units in April, which was the second consecutive month of a relatively sharp year-on-year decline (-25,8% y/y to 753 units in March). February this year saw very strong growth of around 168 % y/y. The extreme volatility in year-on-year growth in the construction phase of flats and townhouses might be related to the timing of such housing developments completed and/or reporting issues.

The real value of plans approved for new residential buildings came to R12,43 billion in the first four months of 2016, up by 2,9% y/y from R12,09 billion in the corresponding period last year. The real value of new residential buildings reported as completed amounted to R7,27 billion in January to April this year, showing growth of only 1,8% y/y, or R130 million, from R7,14 billion a year ago. These real values are calculated at constant 2010 prices.

The average cost of new housing built increased by 8,4% y/y to an average of R6 404 per square meter in the first four months of the year compared with R5 910 per square meter over the same period last year. The average building cost per square meter in the three categories of housing was as follows in January to April 2016:

- Houses of <80m²: R4 182 (9,6% y/y)
- Houses of ≥80m²: R6 504 (5,0% y/y)
- Flats and townhouses: R7 386 (9,0% y/y)

Residential building activity is forecast to remain largely subdued in the rest of the year against the background of increasingly tough economic conditions impacting household finances and consumer and building confidence.

Residential building activity¹

1994 - 2016 year-to-date

| Segment | Building plans approved | | Buildings completed | |
|-----------------------------|-------------------------|--------------|---------------------|--------------|
| | Units | % of total | Units | % of total |
| Houses of <80m ² | 709 170 | 43.2 | 563 669 | 46.4 |
| Houses of ≥80m ² | 492 732 | 30.0 | 327 282 | 26.9 |
| Flats and townhouses | 440 477 | 26.8 | 324 761 | 26.7 |
| Total | 1 642 379 | 100.0 | 1 215 712 | 100.0 |

¹Private-sector financed

Source: Stats SA

Residential building activity: January-April¹

| Segment | Building plans approved | | | | | | Buildings completed | | | | | |
|-----------------------------|-------------------------|---------------|-------------|------------------------|--------------------|-------------|---------------------|---------------|------------|------------------------|--------------------|-------------|
| | Units 2015 | Units 2016 | | m ² 2015 | Building area 2016 | | Units 2015 | Units 2016 | | m ² 2015 | Building area 2016 | |
| | | Number | %Δ | | m ² | %Δ | | Number | %Δ | | m ² | %Δ |
| Houses of <80m ² | 5 860 | 5 724 | -2.3 | 278 650 | 275 166 | -1.3 | 4 753 | 4 361 | -8.2 | 242 475 | 208 722 | -13.9 |
| Houses of ≥80m ² | 5 319 | 5 273 | -0.9 | 1 461 591 | 1 408 182 | -3.7 | 3 705 | 3 729 | 0.6 | 972 672 | 902 213 | -7.2 |
| Flats and townhouses | 7 266 | 6 564 | -9.7 | 713 264 | 685 264 | -3.9 | 3 036 | 4 100 | 35.0 | 284 807 | 369 650 | 29.8 |
| Total | 18 445 | 17 561 | -4.8 | 2 453 505 | 2 368 612 | -3.5 | 11 494 | 12 190 | 6.1 | 1 499 954 | 1 480 585 | -1.3 |

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 15 | Number | 5 234 | 798 | 50 | 1 085 | 937 | 1 496 | 7 137 | 1 160 | 548 | 18 445 |
| | January - | Number | 5 212 | 646 | 122 | 614 | 1 639 | 663 | 7 313 | 1 051 | 301 | 17 561 |
| | April | % change | -0.4 | -19.0 | 144.0 | -43.4 | 74.9 | -55.7 | 2.5 | -9.4 | -45.1 | -4.8 |
| | 2016 | % of SA | 29.7 | 3.7 | 0.7 | 3.5 | 9.3 | 3.8 | 41.6 | 6.0 | 1.7 | 100.0 |
| Alterations and additions to existing houses | Jan-Apr 15 | m ² | 301 065 | 102 519 | 17 528 | 49 770 | 103 976 | 45 897 | 253 540 | 70 266 | 16 792 | 961 353 |
| | January - | m ² | 247 814 | 71 250 | 16 312 | 50 675 | 111 486 | 45 010 | 315 827 | 52 582 | 19 775 | 930 731 |
| | April | % change | -17.7 | -30.5 | -6.9 | 1.8 | 7.2 | -1.9 | 24.6 | -25.2 | 17.8 | -3.2 |
| | 2016 | % of SA | 26.6 | 7.7 | 1.8 | 5.4 | 12.0 | 4.8 | 33.9 | 5.6 | 2.1 | 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 15 | Number | 2 855 | 615 | 186 | 813 | 600 | 657 | 4 801 | 813 | 154 | 11 494 |
| | January - | Number | 2 843 | 482 | 20 | 1 033 | 506 | 848 | 5 469 | 738 | 251 | 12 190 |
| | April | % change | -0.4 | -21.6 | -89.2 | 27.1 | -15.7 | 29.1 | 13.9 | -9.2 | 63.0 | 6.1 |
| | 2016 | % of SA | 23.3 | 4.0 | 0.2 | 8.5 | 4.2 | 7.0 | 44.9 | 6.1 | 2.1 | 100.0 |
| Alterations and additions to existing houses | Jan-Apr 15 | m ² | 153 038 | 35 466 | 6 746 | 7 188 | 39 091 | 29 406 | 59 026 | 36 076 | 951 | 366 988 |
| | January - | m ² | 149 270 | 17 091 | 13 865 | 10 681 | 51 357 | 43 606 | 74 420 | 22 378 | 2 593 | 385 261 |
| | April | % change | -2.5 | -51.8 | 105.5 | 48.6 | 31.4 | 48.3 | 26.1 | -38.0 | 172.7 | 5.0 |
| | 2016 | % of SA | 38.7 | 4.4 | 3.6 | 2.8 | 13.3 | 11.3 | 19.3 | 5.8 | 0.7 | 100.0 |

¹Private-sector financed

Source: Stats SA





