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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

22 January 2015

### Growing planning phase of residential building activity, with the construction phase contracting for most of 2014

The planning phase of residential building activity in the South African market for new housing, as reflected by the number of building plans approved by local government authorities, showed double-digit growth in the period January to November last year, with the construction phase, i.e. the volume of housing units reported as completed, recording a noticeable contraction over this period. These trends in residential building activity are from data published by Statistics South Africa in respect of private sector-financed housing (see explanatory notes).

The number of new housing units for which building plans were approved, was sharply higher by 31,3% year-on-year (y/y) in November 2014 to a cumulative total of 53 532 units in the first eleven months of the year. This resulted in growth of 12,8% y/y in the period January to November. The segments of smaller-sized houses (<80m<sup>2</sup>) and flats and townhouses remained the major contributors to the improved level of plans approved up to November.

The construction phase of new housing showed a contraction of 11,7% y/y in the eleven months up to November last year, with all three segments of housing recording lower levels of activity compared with a year ago. The continued strong growth in the planning of new housing is expected to be reflected in the construction phase during the course of 2015.

The real value of plans approved for new residential buildings increased by 14,0% y/y, or R4,24 billion to R34,53 billion in January to November from R30,29 billion in the corresponding period last year. The real value of residential buildings reported as completed was marginally lower 0,7% y/y, or R158,4 million, to R20,97 billion in January to November from R21,13 billion in the same period last year. These real values are calculated at constant 2010 prices.

The average building cost of new housing constructed averaged R5 812 per square metre in the first eleven months of 2014, which came to an increase of 12,6% y/y from R5 162 per square metre in the same period last year. Building costs are affected by factors such as building material costs, labour costs, transport costs, equipment costs, land values, rezoning costs, and developer and contractor holding costs and profit margins.

Building activity with regard to additions and alterations to existing houses was weak in January to November last year, which might be a reflection of consumers experiencing financial pressure.

Residential building activity will continue to be driven by economic, household finance, consumer and building confidence factors, the affordability of new housing and changing lifestyles, which will impact the demand for and supply of new housing.

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

1994 - 2014

	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m <sup>2</sup>	679 124	43.5	541 956	46.7
Houses of ≥80m <sup>2</sup>	469 349	30.1	310 401	26.8
Flats and townhouses	413 398	26.5	307 880	26.5
<b>Total</b>	<b>1 561 871</b>	<b>100.0</b>	<b>1 160 237</b>	<b>100.0</b>

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

Source: Stats SA

## Residential building activity (January - November)<sup>1</sup>

Category of housing	Plans approved						Buildings completed					
	Units 2013	Units 2014		m <sup>2</sup> 2013	Building area 2014		Units 2013	Units 2014		m <sup>2</sup> 2013	Building area 2014	
		Number	%Δ		m <sup>2</sup>	%Δ		Number	%Δ		m <sup>2</sup>	%Δ
Houses of <80m <sup>2</sup>	17 141	19 178	11.9	846 986	929 133	9.7	16 405	14 104	-14.0	757 340	698 416	-7.8
Houses of ≥80m <sup>2</sup>	15 217	15 992	5.1	3 969 374	4 295 943	8.2	10 783	9 759	-9.5	2 646 424	2 529 362	-4.4
Flats and townhouses	15 083	18 362	21.7	1 427 144	1 799 791	26.1	11 815	10 561	-10.6	1 138 452	1 046 733	-8.1
<b>Total</b>	<b>47 441</b>	<b>53 532</b>	<b>12.8</b>	<b>6 243 504</b>	<b>7 024 867</b>	<b>12.5</b>	<b>39 003</b>	<b>34 424</b>	<b>-11.7</b>	<b>4 542 216</b>	<b>4 274 511</b>	<b>-5.9</b>

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

Source: Stats SA

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

### Building plans approved

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Nov 13	Number	12 216	1 784	409	2 342	3 782	3 997	18 252	3 071	1 588	47 441
	January - November 2014	Number	12 225	2 272	569	2 498	6 024	2 425	22 808	3 427	1 284	53 532
		% change	0.1	27.4	39.1	6.7	59.3	-39.3	25.0	11.6	-19.1	12.8
		% of SA	22.8	4.2	1.1	4.7	11.3	4.5	42.6	6.4	2.4	100.0
Alterations and additions to existing houses	Jan-Nov 13	m <sup>2</sup>	838 199	273 152	41 885	139 084	312 943	151 069	969 073	155 738	63 077	2 944 220
	January - November 2014	m <sup>2</sup>	780 516	303 946	58 301	142 608	341 265	148 668	939 586	193 232	61 250	2 969 372
		% change	-6.9	11.3	39.2	2.5	9.1	-1.6	-3.0	24.1	-2.9	0.9
		% of SA	26.3	10.2	2.0	4.8	11.5	5.0	31.6	6.5	2.1	100.0

### Buildings completed

	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Nov 13	Number	13 357	2 867	154	941	2 261	1 637	15 162	2 031	593	39 003
	January - November 2014	Number	8 957	1 565	194	1 032	2 058	1 963	14 761	3 178	716	34 424
		% change	-32.9	-45.4	26.0	9.7	-9.0	19.9	-2.6	56.5	20.7	-11.7
		% of SA	26.0	4.5	0.6	3.0	6.0	5.7	42.9	9.2	2.1	100.0
Alterations and additions to existing houses	Jan-Nov 13	m <sup>2</sup>	785 806	118 373	26 037	54 736	169 773	26 572	370 824	73 693	7 915	1 633 729
	January - November 2014	m <sup>2</sup>	357 492	84 388	24 494	20 759	135 635	26 138	280 443	96 744	6 805	1 032 898
		% change	-54.5	-28.7	-5.9	-62.1	-20.1	-1.6	-24.4	31.3	-14.0	-36.8
		% of SA	34.6	8.2	2.4	2.0	13.1	2.5	27.2	9.4	0.7	100.0

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

Source: Stats SA



