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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

21 May 2015

### Subdued residential building activity in the first quarter of 2015

The first quarter of 2015 saw continued subdued levels of building activity in the South African market for new housing, as reflected by the number of building plans approved and the number of buildings completed. Compared with a year ago, the volume of building activity contracted in both the planning and construction phases in the first three months of the year. 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 was down by 11% year-on-year (y/y), or 1 546 units, to 12 455 units in the period January to March 2015 from the corresponding period a year ago. This was mainly the result of a sharp contraction of 36,1% y/y in plans approved in respect of houses smaller than 80m<sup>2</sup>, whereas the volume of plans approved in the segment of flats and townhouses increased by 15,5% y/y in the first quarter of the year.

The volume of new housing units reported as constructed declined by 10,1% y/y, or 930 units, to 8 260 units in the first three months of the year, driven by a contraction in the number of small housing units, i.e. houses of less than 80m<sup>2</sup>, and higher-density flats and townhouses built. In these two categories of housing a total of 1 200 less units were built in the first quarter of the year compared with a year ago, with these segments being the major focus of housing demand in the main metropolitan areas of the country, impacted by factors such as housing affordability and changing lifestyles.

The real value of plans approved for new residential buildings was up by 9,9% y/y, or R797,1 million to a total of R8,86 billion in the first quarter of the year from R8,06 billion a year ago. The real value of residential buildings reported as completed was marginally lower by 0,2% y/y, or R12,4 million, to R5,04 billion in the first three months of the year from R5,54 billion in the corresponding period last year. These real values are calculated at constant 2010 prices.

The cost of new housing constructed came to about R5 900 per square metre in the first quarter of 2015, resulting in an increase of 5% on the building cost of R5 619 per square metre in the corresponding quarter last year. Building costs are impacting the prices of newly built housing as well as renovations and alterations to existing housing, which have also remained largely subdued up to the first quarter of the year compared with a year ago. Building costs are affected by building material costs, labour costs, transport costs, equipment costs, land prices, rezoning costs, and developer and contractor holding costs and profit margins.

In view of expected trends this year in major economic factors such as rising inflation, higher interest rates and low employment growth, as well as continued pressure on household finances and low consumer and building confidence, residential building activity is forecast to remain relatively subdued in the rest of the year.

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

1994 - 2015

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m <sup>2</sup>	684 628	43.4	546 641	46.6
Houses of ≥80m <sup>2</sup>	474 496	30.1	314 076	26.8
Flats and townhouses	418 452	26.5	311 399	26.6
<b>Total</b>	<b>1 577 576</b>	<b>100.0</b>	<b>1 172 116</b>	<b>100.0</b>

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

Source: Stats SA

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

Segment	Plans approved						Buildings completed					
	Units 2014	Units 2015		m <sup>2</sup> 2014	Building area 2015		Units 2014	Units 2015		m <sup>2</sup> 2014	Building area 2015	
		Number	%Δ		m <sup>2</sup>	%Δ		Number	%Δ		m <sup>2</sup>	%Δ
Houses of <80m <sup>2</sup>	6 205	3 965	-36.1	305 878	190 978	-37.6	3 700	3 345	-9.6	175 154	171 919	-1.8
Houses of ≥80m <sup>2</sup>	3 924	4 018	2.4	1 036 200	1 118 908	8.0	2 414	2 684	11.2	609 306	699 489	14.8
Flats and townhouses	3 872	4 472	15.5	375 196	476 337	27.0	3 076	2 231	-27.5	258 817	204 897	-20.8
<b>Total</b>	<b>14 001</b>	<b>12 455</b>	<b>-11.0</b>	<b>1 717 274</b>	<b>1 786 223</b>	<b>4.0</b>	<b>9 190</b>	<b>8 260</b>	<b>-10.1</b>	<b>1 043 277</b>	<b>1 076 305</b>	<b>3.2</b>

<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-Mar 14	Number	3 951	437	175	555	712	662	6 265	863	381	14 001
	January -	Number	3 753	352	42	909	712	1 074	4 321	867	425	12 455
	March	% change	-5.0	-19.5	-76.0	63.8	0.0	62.2	-31.0	0.5	11.5	-11.0
	2015	% of SA	30.1	2.8	0.3	7.3	5.7	8.6	34.7	7.0	3.4	100.0
Alterations and additions to existing houses	Jan-Mar 14	m <sup>2</sup>	183 417	63 526	14 812	38 982	87 270	43 639	230 496	45 127	19 713	726 982
	January -	m <sup>2</sup>	231 096	74 709	12 405	35 778	76 631	35 896	177 426	52 098	7 482	708 282
	March	% change	26.0	17.6	-16.3	-8.2	-12.2	-17.7	-23.0	15.4	-62.0	-2.6
	2015	% of SA	32.6	10.5	1.8	5.1	10.8	5.1	25.1	7.4	1.1	100.0
Buildings completed												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Mar 14	Number	3 033	250	37	254	712	619	3 688	417	180	9 190
	January -	Number	2 162	482	18	552	440	487	3 384	629	106	8 260
	March	% change	-28.7	92.8	-51.4	117.3	-38.2	-21.3	-8.2	50.8	-41.1	-10.1
	2015	% of SA	26.2	5.8	0.2	6.7	5.3	5.9	41.0	7.6	1.3	100.0
Alterations and additions to existing houses	Jan-Mar 14	m <sup>2</sup>	135 852	25 781	5 974	2 612	34 568	7 463	103 424	26 959	1 933	344 566
	January -	m <sup>2</sup>	113 165	25 810	4 400	6 603	27 238	12 710	42 389	27 128	324	259 767
	March	% change	-16.7	0.1	-26.3	152.8	-21.2	70.3	-59.0	0.6	-83.2	-24.6
	2015	% of SA	43.6	9.9	1.7	2.5	10.5	4.9	16.3	10.4	0.1	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 % Δ	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ
<b>Building plans approved</b>								
1Q 2013	4 361	-1.4	4 043	1.0	3 428	23.0	11 832	5.5
2Q 2013	4 430	-2.1	4 151	5.4	5 191	51.2	13 772	15.8
3Q 2013	4 835	4.0	4 145	-7.1	3 636	-14.8	12 616	-5.7
4Q 2013	4 268	1.6	3 864	-7.6	4 095	-17.4	12 227	-8.3
1Q 2014	6 205	42.3	3 924	-2.9	3 872	13.0	14 001	18.3
2Q 2014	4 051	-8.6	4 198	1.1	5 858	12.8	14 107	2.4
3Q 2014	6 052	25.2	4 750	14.6	4 382	20.5	15 184	20.4
4Q 2014	4 409	3.3	4 249	10.0	4 832	18.0	13 490	10.3
1Q 2015	3 965	-36.1	4 018	2.4	4 472	15.5	12 455	-11.0
<b>Buildings completed</b>								
1Q 2013	4 789	20.8	2 607	-6.9	3 066	12.1	10 462	10.1
2Q 2013	4 294	-18.9	3 090	12.7	3 033	31.7	10 417	0.8
3Q 2013	3 672	-23.3	2 810	-2.4	3 582	6.1	10 064	-8.9
4Q 2013	4 681	-21.7	3 031	-3.7	2 830	-4.7	10 542	-12.9
1Q 2014	3 700	-22.7	2 414	-7.4	3 076	0.3	9 190	-12.2
2Q 2014	2 773	-35.4	2 361	-23.6	2 923	-3.6	8 057	-22.7
3Q 2014	3 863	5.2	2 806	-0.1	2 900	-19.0	9 569	-4.9
4Q 2014	5 108	9.1	3 169	4.6	2 950	4.2	11 227	6.5
1Q 2015	3 345	-9.6	2 684	11.2	2 231	-27.5	8 260	-10.1

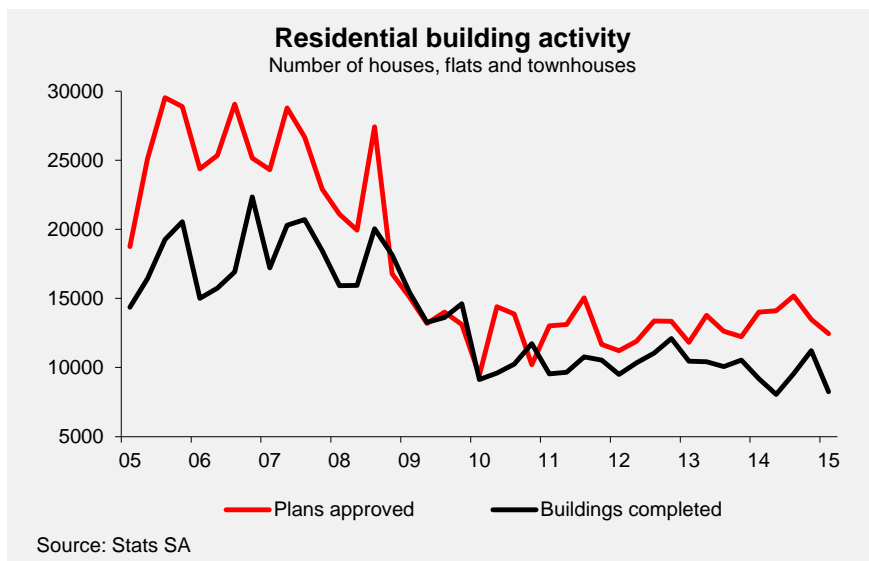
<sup>1</sup>Private-sector financed

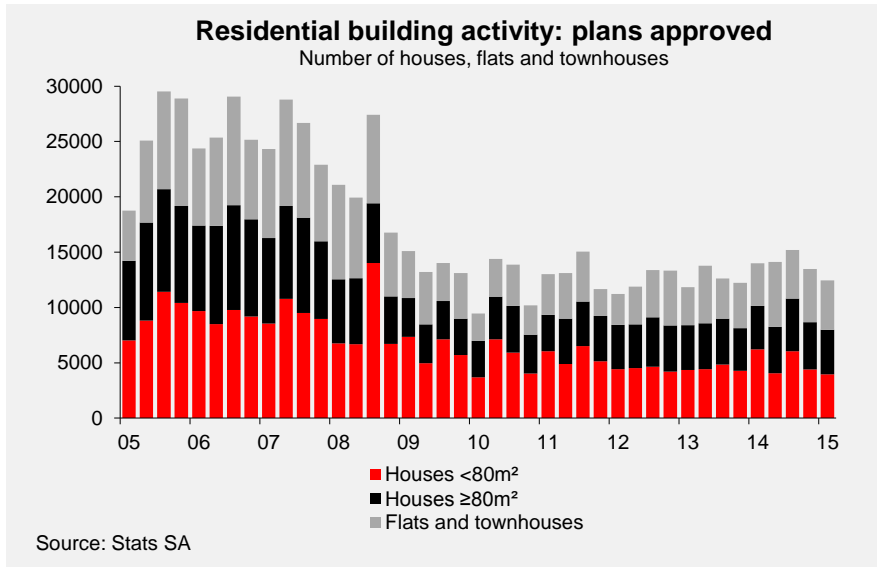
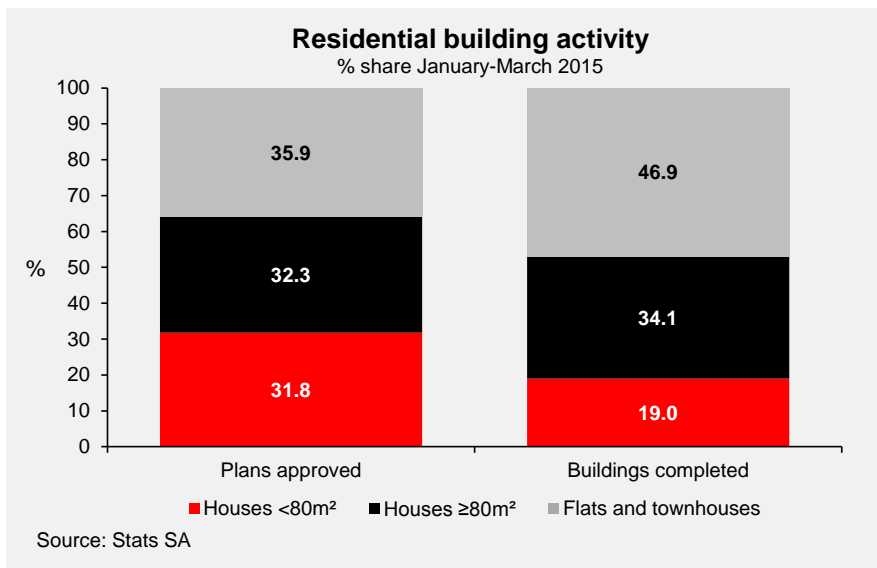
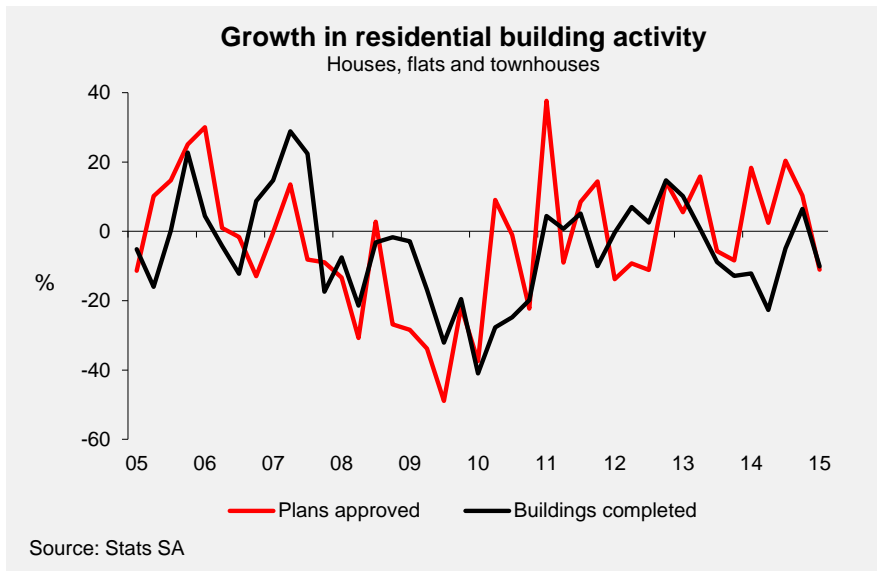
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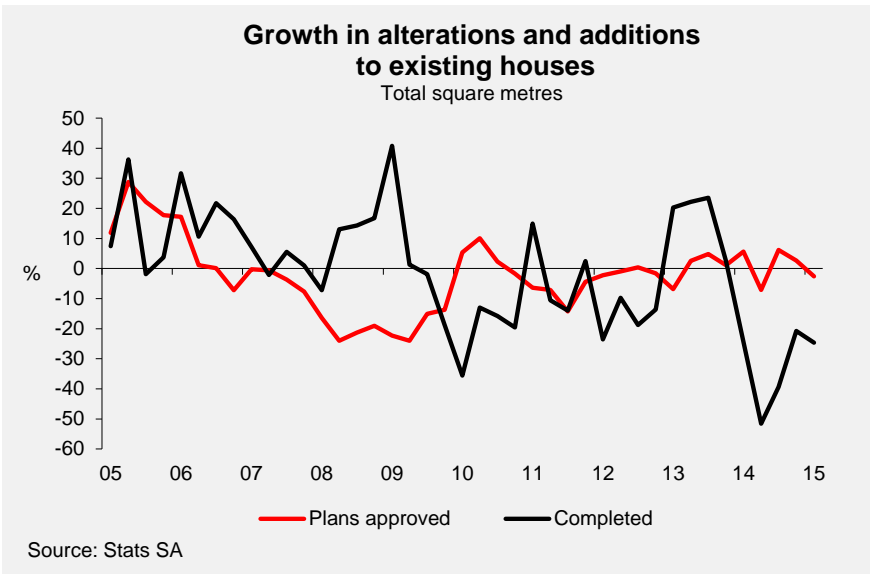
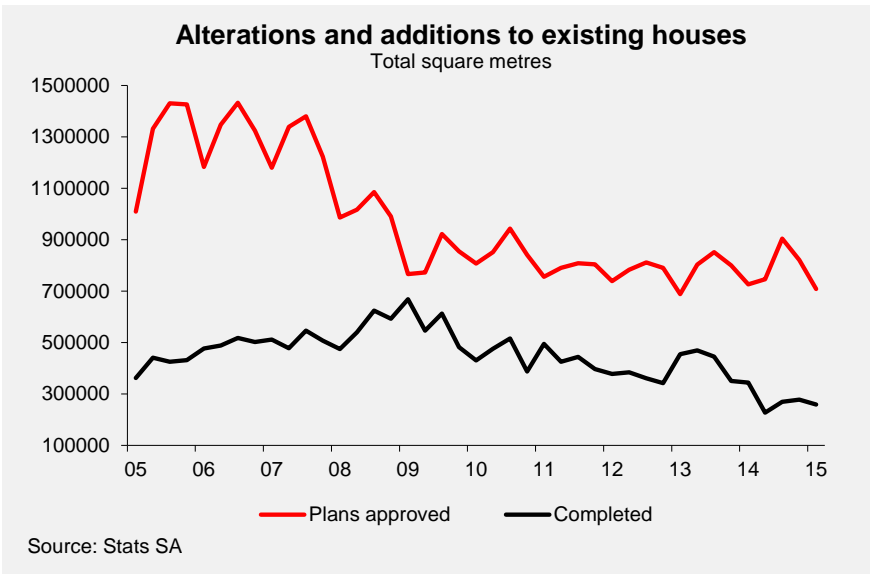
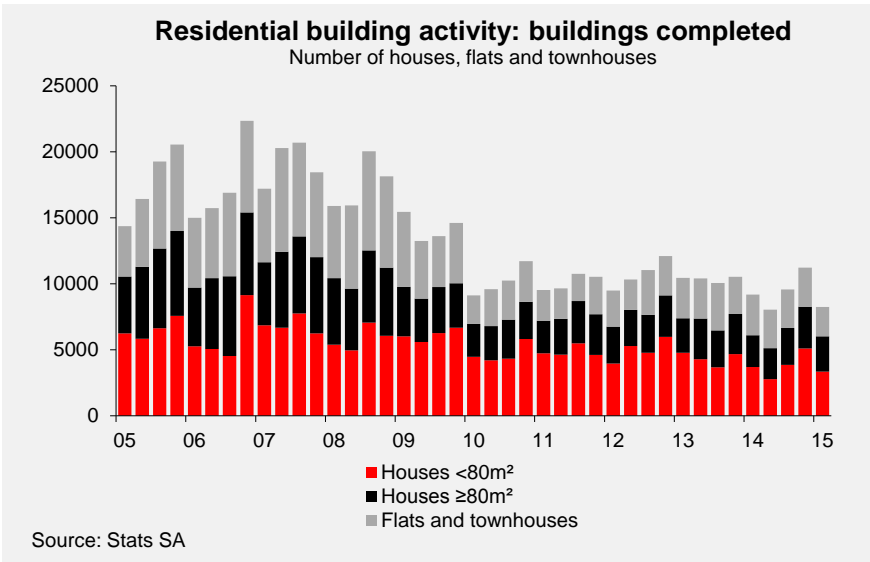
## Alterations and additions to existing houses

Period	Plans approved		Completed	
	m <sup>2</sup>	% change	m <sup>2</sup>	% change
1Q 2013	688 414	-6.9	455 328	20.2
2Q 2013	803 498	2.6	469 649	22.2
3Q 2013	851 664	4.9	445 970	23.6
4Q 2013	800 281	1.2	351 421	2.5
1Q 2014	726 982	5.6	344 566	-24.3
2Q 2014	746 691	-7.1	227 554	-51.5
3Q 2014	904 176	6.2	270 270	-39.4
4Q 2014	821 459	2.6	278 357	-20.8
1Q 2015	708 282	-2.6	259 767	-24.6

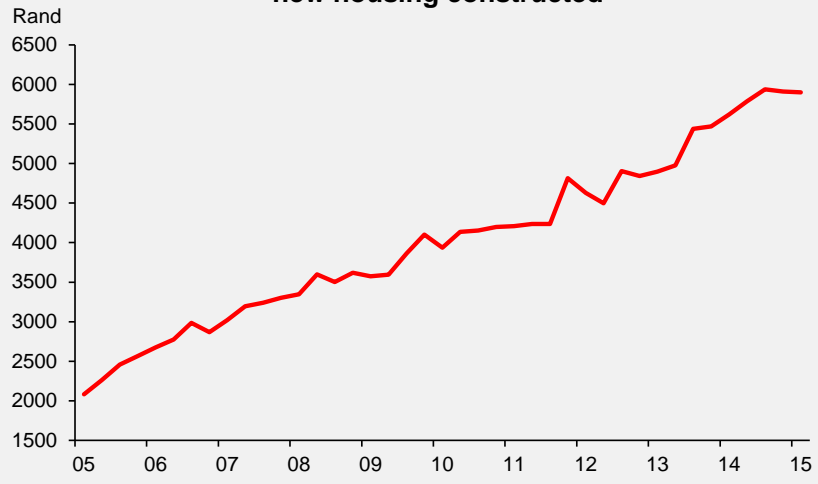
Source: Stats SA







### Average building cost per m<sup>2</sup> of new housing constructed



Source: Stats SA