ABSA

Home Loans

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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.

Residential building statistics

19 November 2015

Steady growth in residential building activity over the past three quarters

Steady single-digit growth in building activity related to new private sector-financed housing in South Africa (see explanatory notes) was recorded in the first three quarters of 2015 compared with the corresponding period in 2014, based on data published by Statistics South Africa.

The number of new housing units for which building plans were approved increased by 6,3% year-on-year (y/y) to a total of just more than 46 000 in the nine months to September this year. This growth was largely driven by the segments for houses less than 80m² and flats and townhouses, with these two segments showing combined growth of 9% y/y, or 2 737 units, to a total of 33 184 units planned in the nine-month period from 30 447 units planned over the same period last year.

Year-on-year growth in the volume of new housing constructed was 7,7% from January up to September, with a total of almost 29 000 units built over this period. This growth was the result of an improvement of 15% y/y, or 2 679 units, in new houses built of smaller and larger than 80m², to have reached a combined total of 20 596 units compared with 17 917 house built in the corresponding nine-month period of 2014. The number of new flats and townhouses built was down by 6,8% y/y in January to September. Due to the extent of flat and townhouse developments, there is normally a significant lag between the planning phase and the completion of these housing projects. The growth of 9,1% y/y in the planning phase of these types of housing so far this year is expected to be reflected in the construction phase at a later stage.

The average cost of new housing built increased by 5,4% y/y to an average of R6 092 per square metre in the nine months to September. Building costs per square metre were as follows in the various segments of housing in January to September this year:

- Houses of <80m²: R3 842, up by 10,4% y/y.
- Houses of ≥80m²: R6 309, up by 3,5% y/y.
- Flats and townhouses: R7 056, up by 10,5% y/y.

Trends in the economy, household finances and consumer and building confidence will continue to be the main driving factors of residential building activity. These factors, together with aspects such as building costs, the process of property rezoning where applicable, the availability of municipal services and the extent of the planning and construction phases affect new housing demand and supply, as well as the timing and timespan of housing projects and overall activity related to the residential building industry and its subsectors.

Residential building activity[1]

1994 - 2015 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m²	698 424	43.3	554 949	46.5
Houses of ≥80m²	483 326	30.0	320 335	26.9
Flats and townhouses	429 430	26.7	317 459	26.6
Total	1 611 180	100.0	1 192 743	100.0

[1]Private-sector financed

Source: Stats SA

Residential building activity (January-September)[1]

Segment	Plans approved						Buildings completed					
	Units	Units 2015		m²	Building area 2015		Units	Units 2015		m²	Building area 2015	
	2014	Number	%∆	2014	m²	%∆	2014	Number	%∆	2014	m²	%∆
Houses of <80m²	16 308	17 761	8.9	789 165	840 424	6.5	10 336	11 653	12.7	501 674	582 018	16.0
Houses of ≥80m²	12 872	12 848	-0.2	3 424 086	3 516 852	2.7	7 581	8 943	18.0	1 938 654	2 343 542	20.9
Flats and townhouses	14 139	15 423	9.1	1 377 467	1 541 729	11.9	8 899	8 291	-6.8	864 841	817 098	-5.5
Total	43 319	46 032	6.3	5 590 718	5 899 005	5.5	26 816	28 887	7.7	3 305 169	3 742 658	13.2

[1]Private-sector financed

Source: Stats SA

Residential building activity by province[1]

Building plans approved

Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Sep 14	Number	9 028	1 998	518	1 896	5 405	1 804	18 807	2 878	985	43 319
	January - September 2015	Number	11 709	2 477	147	2 351	3 279	2 809	19 546	2 453	1 261	46 032
		% change	29.7	24.0	-71.6	24.0	-39.3	55.7	3.9	-14.8	28.0	6.3
		% of SA	25.4	5.4	0.3	5.1	7.1	6.1	42.5	5.3	2.7	100.0
Alterations and additions to existing houses	Jan-Sep 14	m²	592 590	246 987	42 948	121 199	280 110	123 734	763 471	157 315	49 495	2 377 849
	January - September 2015	m²	679 918	239 937	40 089	116 020	259 465	108 732	730 941	141 524	42 491	2 359 117
		% change	14.7	-2.9	-6.7	-4.3	-7.4	-12.1	-4.3	-10.0	-14.2	-0.8
		% of SA	28.8	10.2	1.7	4.9	11.0	4.6	31.0	6.0	1.8	100.0

Buildings completed

Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Sep 14	Number	7 313	1 237	151	735	1 757	1 595	10 739	2 652	637	26 816
	January - September 2015	Number	8 442	1 328	239	1 923	1 483	1 320	11 941	1 704	507	28 887
		% change	15.4	7.4	58.3	161.6	-15.6	-17.2	11.2	-35.7	-20.4	7.7
		% of SA	29.2	4.6	0.8	6.7	5.1	4.6	41.3	5.9	1.8	100.0
Alterations and additions to existing houses	Jan-Sep 14	m²	285 134	69 551	19 525	17 182	107 541	17 984	241 049	79 220	5 204	842 390
	January - September 2015	m²	361 874	64 107	20 381	25 738	111 424	82 676	141 206	84 583	3 060	895 049
		% change	26.9	-7.8	4.4	49.8	3.6	359.7	-41.4	6.8	-41.2	6.3
		% of SA	40.4	7.2	2.3	2.9	12.4	9.2	15.8	9.5	0.3	100.0

[1]Private-sector financed

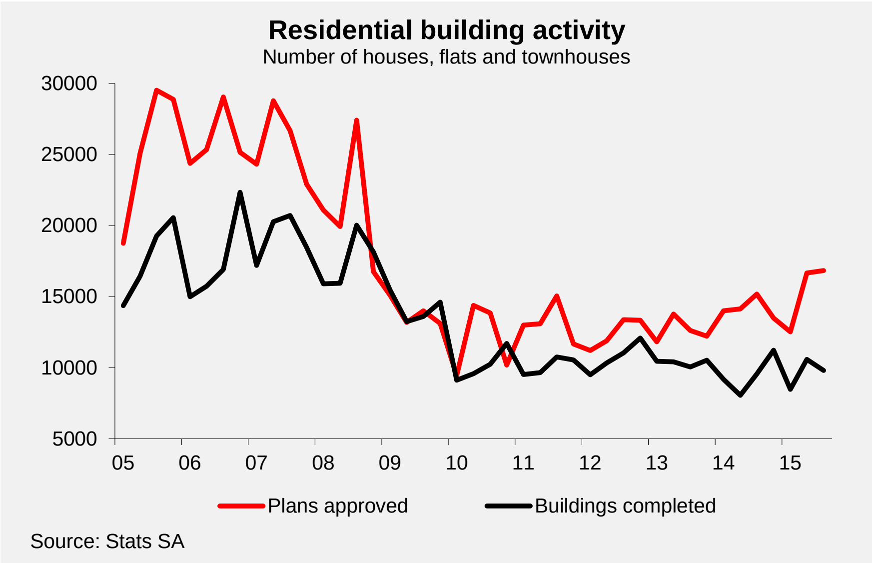
Source: Stats SA

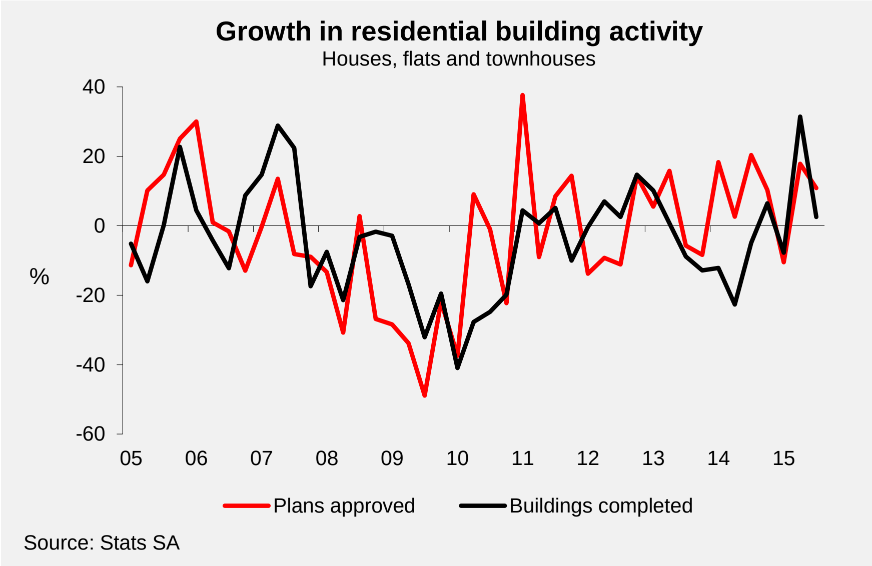
Residential building activity[1]

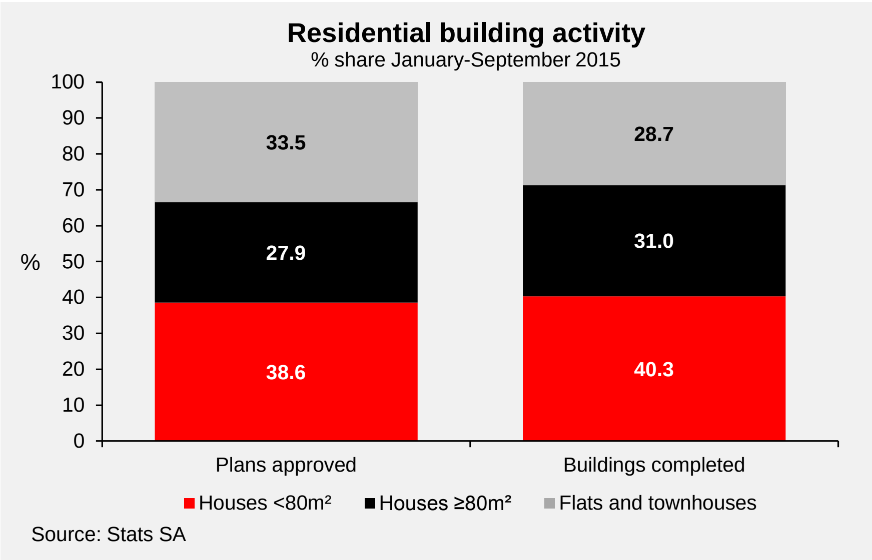
Period	Houses <80m²		Houses ≥80m²		Flats and townhouses		Total	
	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ
Building plans approved								
1Q 2013	4 361	-1.4	4 043	1.0	3 428	23.0	11 832	5.5
2Q 2013	4 430	-2.1	4 151	5.4	5 191	51.2	13 772	15.8
3Q 2013	4 835	4.0	4 145	-7.1	3 636	-14.8	12 616	-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	5 885	13.4	14 134	2.6
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	4 012	-35.3	4 049	3.2	4 475	15.6	12 536	-10.5
2Q 2015	6 112	50.9	4 242	1.0	6 306	7.2	16 660	17.9
3Q 2015	7 637	26.2	4 557	-4.1	4 642	5.9	16 836	10.9
Buildings completed								
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	3 527	-4.7	2 708	12.2	2 247	-27.0	8 482	-7.7
2Q 2015	4 391	58.3	3 161	33.9	3 040	4.0	10 592	31.5
3Q 2015	3 735	-3.3	3 074	9.6	3 004	3.6	9 813	2.5

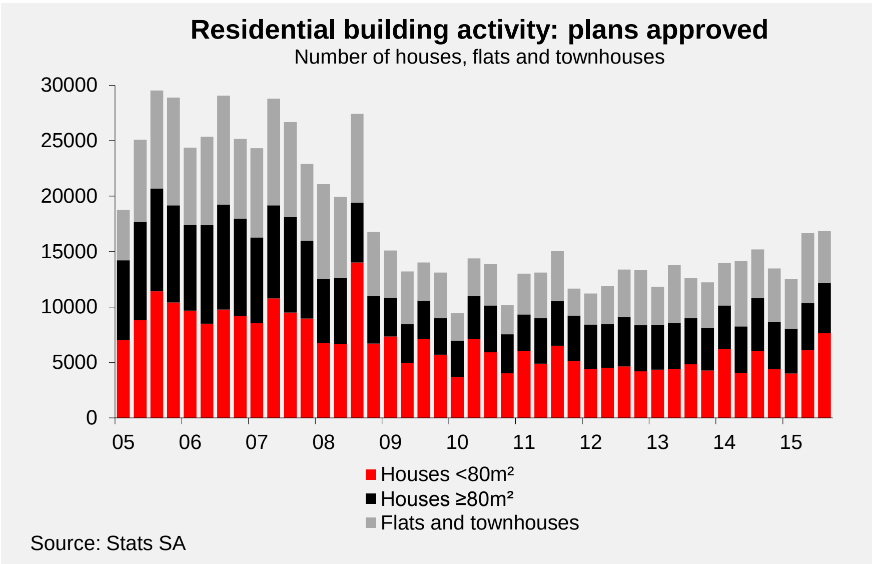
[1]Private-sector financed

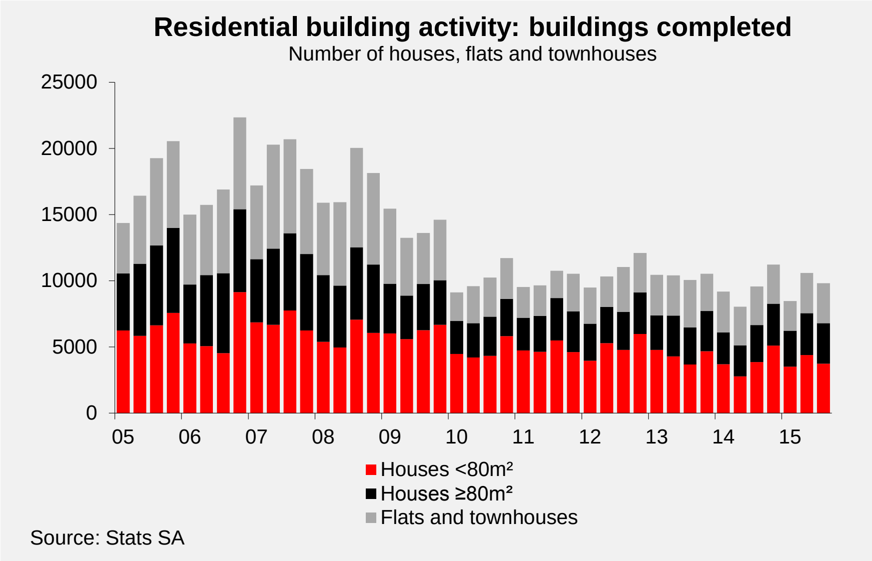
Source: Stats SA




Growth in residential building activity
Houses, flats and townhouses
40
20
0
-20
-40
-60
%
05
06
07
08
09
10
11
12
13
14
15
Plans approved
Buildings completed
Source: Stats SA


Residential building activity
% share January-September 2015
100
90
80
70
60
50
40
30
20
10
0
%
33.5
27.9
38.6
28.7
31.0
40.3
Plans approved
Buildings completed
Houses <80m²
Houses ≥80m²
Flats and townhouses
Source: Stats SA

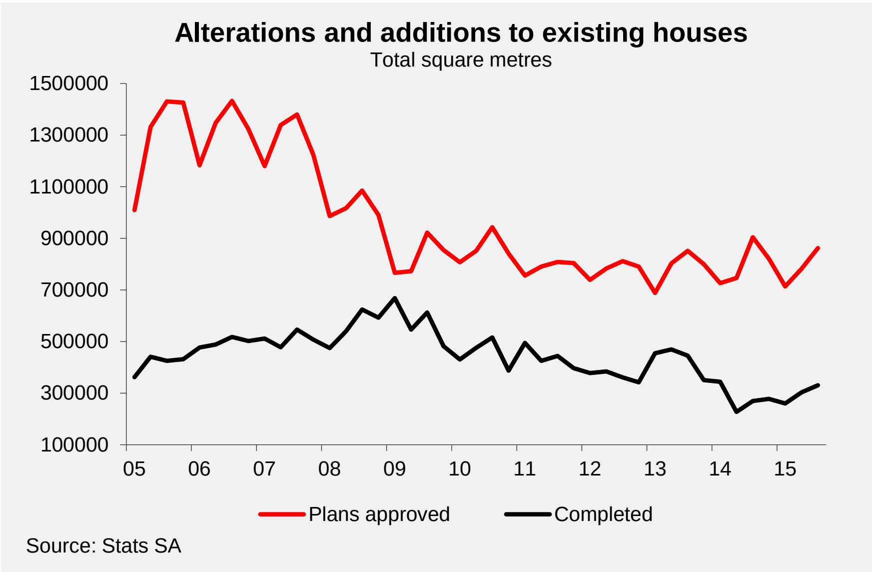

Residential building activity: plans approved
Number of houses, flats and townhouses
30000
25000
20000
15000
10000
5000
0
05
06
07
08
09
10
11
12
13
14
15
Houses <80m²
Houses ≥80m²
Flats and townhouses
Source: Stats SA

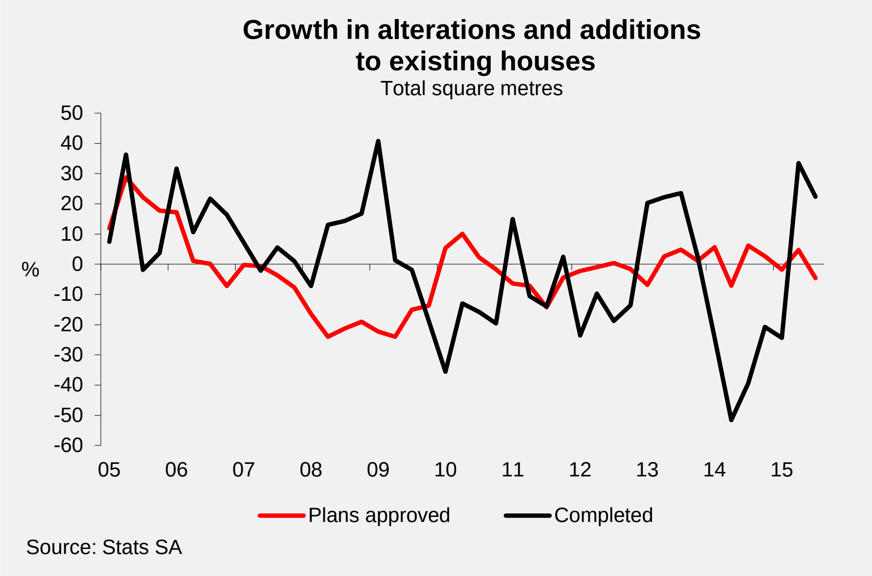


Alterations and additions to existing houses

Period	Plans approved		Completed	
	m²	% change	m²	% 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	714 097	-1.8	260 453	-24.4
2Q 2015	782 355	4.8	303 821	33.5
3Q 2015	862 665	-4.6	330 775	22.4

Source: Stats SA





Building cost of new housing constructed[1]

Period	Houses of <80m²		Houses of ≥80m²		Flats and townhouses		Total	
	Rand per m²	y/y% change	Rand per m²	y/y% change	Rand per m²	y/y% change	Rand per m²	y/y% change
1Q 2013	2 476	-9.0	5 342	6.9	5 805	15.7	4 898	5.8
2Q 2013	2 773	8.8	5 376	8.7	5 419	4.3	4 977	10.7
3Q 2013	3 205	23.3	5 651	4.6	6 044	12.7	5 438	10.9
4Q 2013	3 066	21.3	5 869	8.8	6 299	14.1	5 470	12.9
1Q 2014	3 015	21.8	5 932	11.0	6 645	14.5	5 619	14.7
2Q 2014	3 645	31.4	6 016	11.9	6 317	16.6	5 787	16.3
3Q 2014	3 711	15.8	6 336	12.1	6 343	4.9	5 937	9.2
4Q 2014	3 946	28.7	6 221	6.0	6 753	7.2	5 909	8.0
1Q 2015	3 794	25.8	6 129	3.3	6 943	4.5	5 894	4.9
2Q 2015	3 810	4.5	6 330	5.2	6 845	8.4	6 037	4.3
3Q 2015	3 876	4.4	6 463	2.0	7 501	18.3	6 346	6.9

[1]Private-sector financed

Source: Stats SA