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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

16 November 2017

Residential building activity contracted in the first three quarters of 2017

The first three quarters of 2017 saw building activity in the South African market for new private sector-financed housing (see explanatory notes) contracting in both the planning and construction phases compared with the corresponding period last year, based on data released by Statistics South Africa.

The number of building plans approved for new housing was down by a marginal 0,3% year-on-year (y/y), or just 126 plans, to a total of 41 084 plans in the 9-month period up to September this year. Plans approved in the segment of houses smaller than 80m² increased by 8,2% y/y in January to September, but the segments for houses equal to or larger than 80m² and flats and townhouses recorded a drop of 4,4% y/y and 4,2% y/y respectively in the number of plans approved in the nine months up to September.

The volume of new housing units reported as being completed dropped by 2,4% y/y, or 725 units, to a total of 28 931 units in January to September. The segment for houses of 80m² and larger showed a significant contraction of 19,3% y/y, or 1 767 units, to 7 409 units over this period. This contributed to the total building area of homes completed in this category declining by 11,1% y/y. The other two categories of housing showed combined positive growth of 5,1% y/y in the number of new housing units built over the 9-month period.

Building activity with regard to alterations and additions to existing houses remained subdued in January to September, with the building area approved declining by 0,8% y/y and the building area reported as completed rising by 0,8% y/y.

The average building cost of new housing increased by 8,6% y/y to an average of R7 078 per square meter in the first nine months of 2017, compared with R6 519 per square meter in the corresponding period last year. In real terms, i.e. after adjustment for inflation, building costs were up by an average of 2,9% y/y in the 9-month period, based on headline consumer price inflation that averaged 5,5% y/y over the same period. The average building cost per square meter in the three categories of new housing was as follows in January to September:

- Houses of <80m²: R4 764, up by 9,7% y/y
- Houses of ≥80m²: R7 155, up by 8,7% y/y
- Flats and townhouses: R8 125, up by 7,3% y/y

Against the background of trends in and the outlook for the economy, household finances, consumer confidence and building confidence, levels of and growth in residential building activity are expected to remain under pressure towards the end of 2017 and in 2018.

Residential building activity: January - September¹

Segment	Building plans approved						Buildings completed					
	Units 2016	Units 2017		m ² 2016	Building area 2017		Units 2016	Units 2017		m ² 2016	Building area 2017	
		Number	%Δ		m ²	%Δ		Number	%Δ		m ²	%Δ
Houses of <80m ²	13 056	14 131	8.2	631 644	675 955	7.0	10 763	11 179	3.9	527 046	540 578	2.6
Houses of ≥80m ²	12 069	11 536	-4.4	3 273 702	3 115 433	-4.8	9 176	7 409	-19.3	2 237 847	1 988 569	-11.1
Flats and townhouses	16 085	15 417	-4.2	1 614 374	1 737 003	7.6	9 717	10 343	6.4	946 704	1 070 019	13.0
Total	41 210	41 084	-0.3	5 519 720	5 528 391	0.2	29 656	28 931	-2.4	3 711 597	3 599 166	-3.0

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-Sep 16	Number	12 386	2 182	236	1 653	4 292	1 623	15 949	2 172	717	41 210
	January - September 2017	Number	14 510	2 787	159	1 172	3 920	3 432	12 784	1 516	804	41 084
		% change	17.1	27.7	-32.6	-29.1	-8.7	111.5	-19.8	-30.2	12.1	-0.3
		% of SA	35.3	6.8	0.4	2.9	9.5	8.4	31.1	3.7	2.0	100.0
Alterations and additions to existing houses	Jan-Sep 16	m ²	654 950	190 936	40 979	108 305	270 564	111 600	700 413	122 183	49 169	2 249 099
	January - September 2017	m ²	655 961	219 105	29 013	99 613	291 921	96 833	697 815	97 440	42 888	2 230 589
		% change	0.2	14.8	-29.2	-8.0	7.9	-13.2	-0.4	-20.3	-12.8	-0.8
		% of SA	29.4	9.8	1.3	4.5	13.1	4.3	31.3	4.4	1.9	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 16	Number	8 234	1 553	85	1 774	1 396	1 869	12 616	1 596	533	29 656
	January - September 2017	Number	9 125	889	62	697	1 739	1 097	13 387	1 032	903	28 931
		% change	10.8	-42.8	-27.1	-60.7	24.6	-41.3	6.1	-35.3	69.4	-2.4
		% of SA	31.5	3.1	0.2	2.4	6.0	3.8	46.3	3.6	3.1	100.0
Alterations and additions to existing houses	Jan-Sep 16	m ²	388 184	39 571	33 836	24 562	107 902	67 329	180 223	58 342	5 353	905 302
	January - September 2017	m ²	447 129	74 453	14 396	31 753	102 543	28 022	189 230	22 781	2 553	912 860
		% change	15.2	88.2	-57.5	29.3	-5.0	-58.4	5.0	-61.0	-52.3	0.8
		% of SA	49.0	8.2	1.6	3.5	11.2	3.1	20.7	2.5	0.3	100.0

¹Private-sector financed

Source: Stats SA

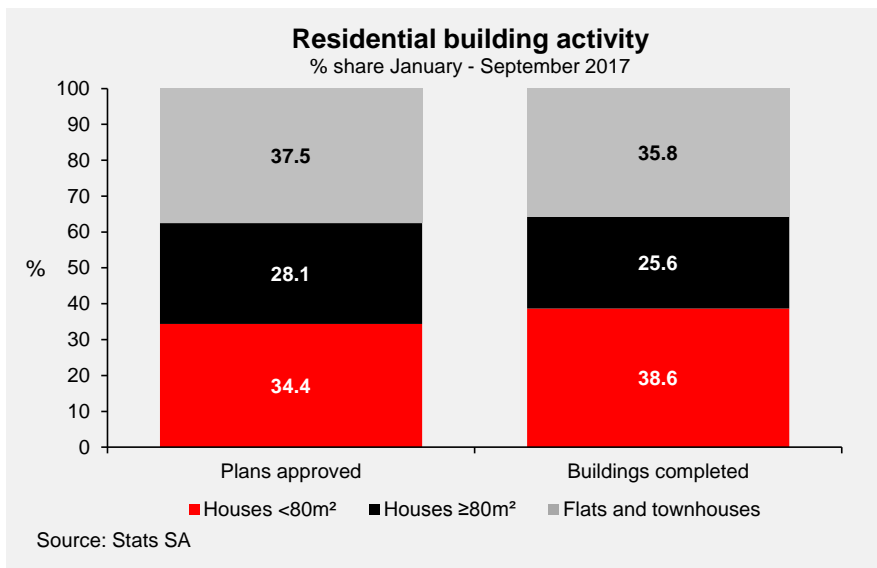
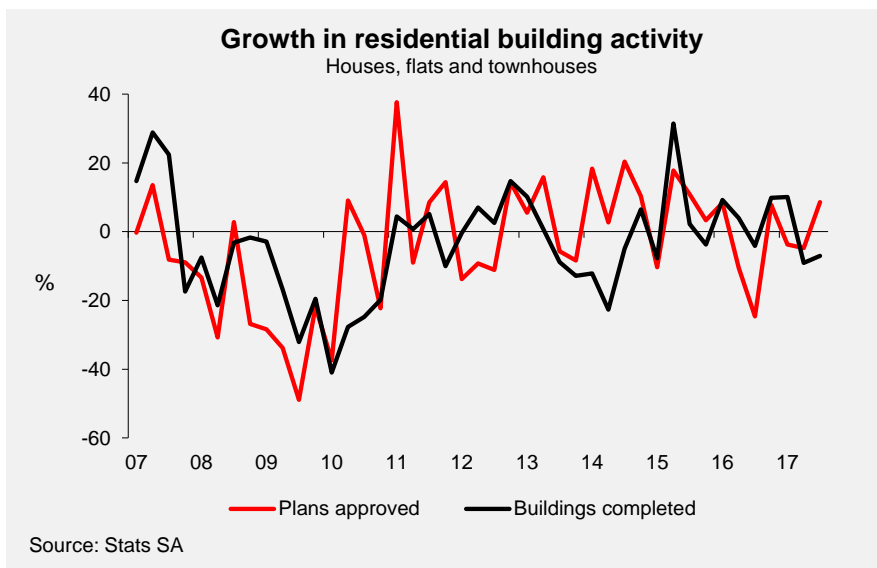
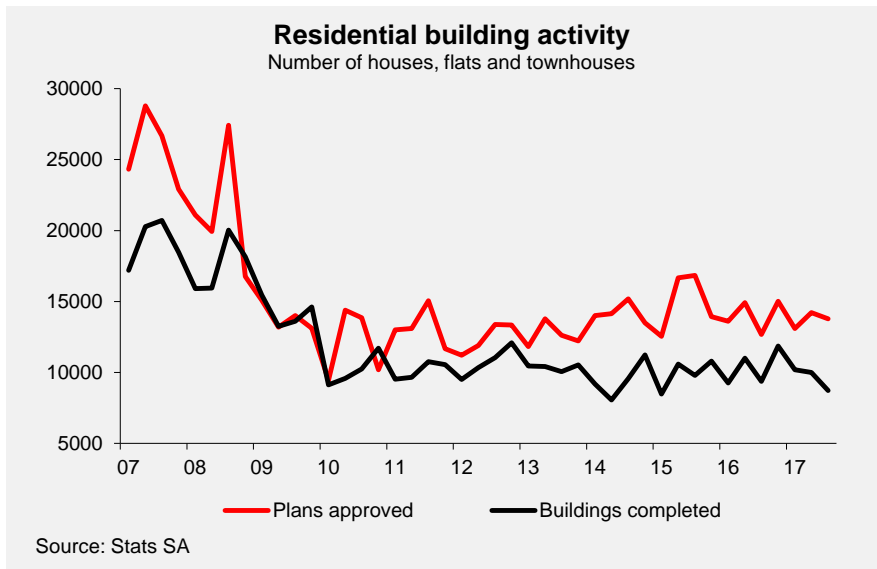
Residential building activity¹

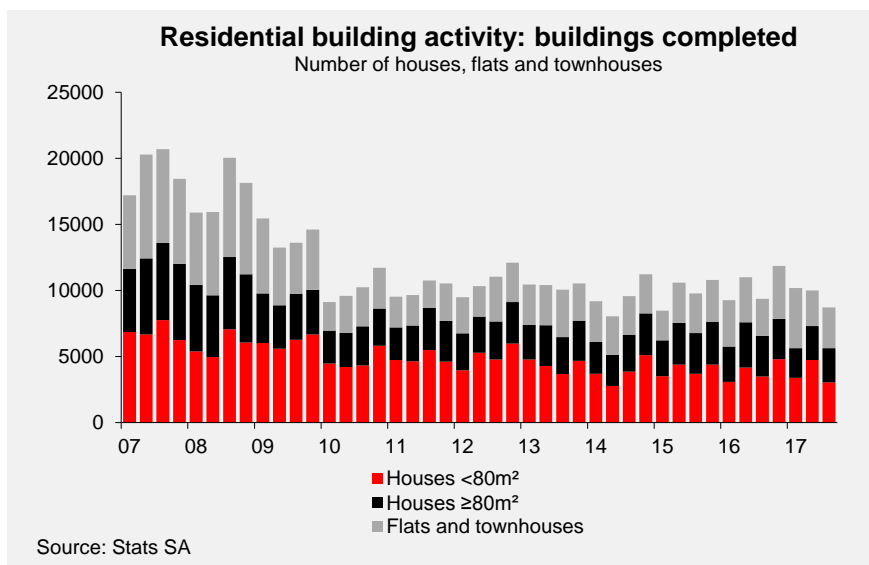
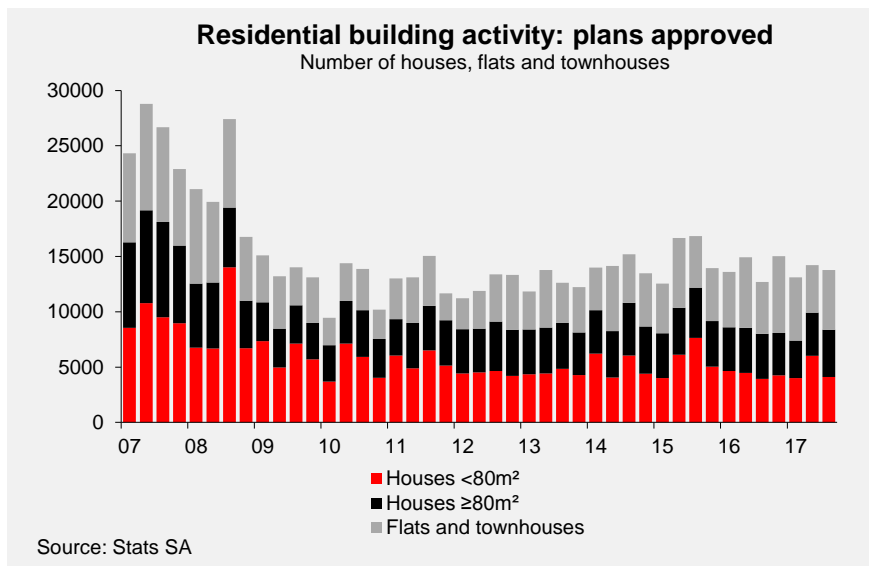
Period	Houses <80m ²		Houses ≥80m ²		Flats and townhouses		Total	
	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ
Building plans approved								
1Q 2015	4 012	-35.3	4 049	3.2	4 492	16.0	12 553	-10.3
2Q 2015	6 112	50.9	4 242	1.0	6 306	7.0	16 660	17.8
3Q 2015	7 630	26.1	4 551	-4.2	4 650	6.1	16 831	10.8
4Q 2015	5 029	14.1	4 139	-2.6	4 767	-1.3	13 935	3.3
1Q 2016	4 652	16.0	3 934	-2.8	5 020	11.8	13 606	8.4
2Q 2016	4 477	-26.8	4 057	-4.4	6 382	1.2	14 916	-10.5
3Q 2016	3 927	-48.5	4 078	-10.4	4 683	0.7	12 688	-24.6
4Q 2016	4 262	-15.3	3 830	-7.5	6 927	45.3	15 019	7.8
1Q 2017	4 011	-13.8	3 379	-14.1	5 708	13.7	13 098	-3.7
2Q 2017	6 017	34.4	3 893	-4.0	4 300	-32.6	14 210	-4.7
3Q 2017	4 103	4.5	4 264	4.6	5 409	15.5	13 776	8.6

Buildings completed								
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	3 703	-4.1	3 070	9.4	3 011	3.8	9 784	2.2
4Q 2015	4 391	-14.0	3 222	1.7	3 195	8.3	10 808	-3.7
1Q 2016	3 094	-12.3	2 668	-1.5	3 505	56.0	9 267	9.3
2Q 2016	4 165	-5.1	3 440	8.8	3 405	12.0	11 010	3.9
3Q 2016	3 504	-5.4	3 068	-0.1	2 807	-6.8	9 379	-4.1
4Q 2016	4 799	9.3	3 058	-5.1	4 014	25.6	11 871	9.8
1Q 2017	3 401	9.9	2 241	-16.0	4 557	30.0	10 199	10.1
2Q 2017	4 732	13.6	2 581	-25.0	2 697	-20.8	10 010	-9.1
3Q 2017	3 046	-13.1	2 587	-15.7	3 089	10.0	8 722	-7.0

¹Private-sector financed

Source: Stats SA





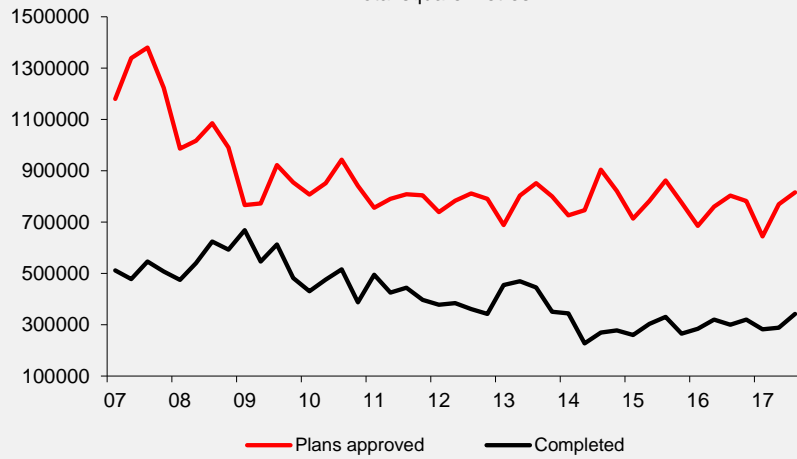
Alterations and additions to existing houses¹

Period	Plans approved		Completed	
	m ²	% change	m ²	% change
1Q 2015	714 097	-1.8	260 453	-24.4
2Q 2015	782 355	4.8	303 821	33.5
3Q 2015	862 405	-4.6	330 465	22.3
4Q 2015	776 606	-5.5	266 012	-4.4
1Q 2016	685 341	-4.0	284 139	9.1
2Q 2016	760 576	-2.8	320 318	5.4
3Q 2016	803 182	-6.9	300 845	-9.0
4Q 2016	782 721	0.8	320 015	20.3
1Q 2017	645 014	-5.9	282 086	-0.7
2Q 2017	769 576	1.2	288 499	-9.9
3Q 2017	815 999	1.6	342 275	13.8

¹Private-sector financed
Source: Stats SA

Alterations and additions to existing houses

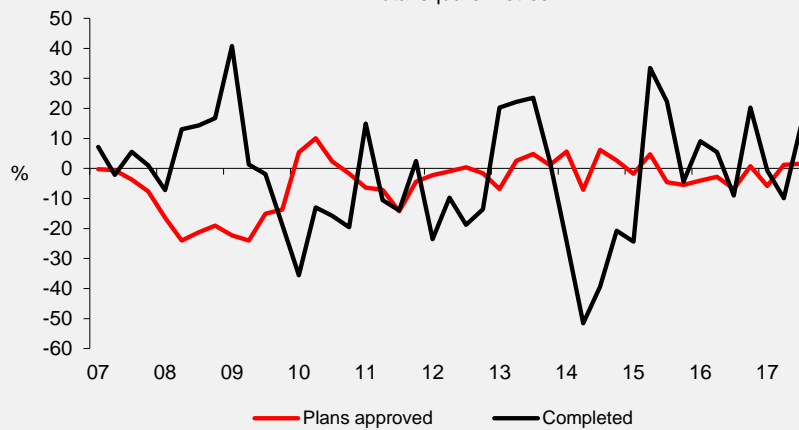
Total square metres



Source: Stats SA

Growth in alterations and additions to existing houses

Total square metres



Source: Stats SA

Building cost of new housing constructed¹

Period	Houses of <80m ²		Houses of ≥80m ²		Flats and tow nhouses		Total	
	Rand per m ²	y/y% change	Rand per m ²	y/y% change	Rand per m ²	y/y% change	Rand per m ²	y/y% change
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	3 887	4.7	6 465	2.0	7 493	18.1	6 350	7.0
4Q 2015	3 977	0.8	6 573	5.7	7 436	10.1	6 400	8.3
1Q 2016	4 176	10.1	6 474	5.6	7 384	6.3	6 415	8.8
2Q 2016	4 076	7.0	6 502	2.7	7 517	9.8	6 396	5.9
3Q 2016	4 714	21.3	6 753	4.5	7 920	5.7	6 747	6.3
4Q 2016	4 715	18.6	6 962	5.9	7 799	4.9	6 859	7.2
1Q 2017	4 986	19.4	7 121	10.0	8 010	8.5	7 135	11.2
2Q 2017	4 290	5.2	7 078	8.9	7 995	6.4	6 785	6.1
3Q 2017	5 030	6.7	7 269	7.6	8 219	3.8	7 272	7.8

¹Private-sector financed

Source: Stats SA

