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**Explanatory note:**  
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 August 2018

### The planning phase of residential building activity improved in the first half of 2018, but the construction phase contracted sharply

The diverging trends in building activity with regard to new private sector-financed housing (see explanatory note) in South Africa continued up to mid-2018. The planning phase (building plans approved by local government institutions) improved on a year-on-year basis in the first half of the year, whereas the level of activity in the construction phase (housing units reported as completed) showed a substantial contraction compared with the first six months of last year.

The number of building plans approved for new housing increased by 9,3% year-on-year (y/y), or a total of 2 539 plans, to 29 866 plans in January to June this year, with this growth driven by the segment of flats and townhouses, which showed growth of 27,2% y/y in the 6-month period.

The volume of new housing units reported as being completed contracted by 22,7% y/y, or 4 597 units, to a total of 15 612 units in the first six months of the year. All segments of housing contributed to the decline in new housing units built in January to June, with the main drivers of this decline the segments of houses smaller than 80m<sup>2</sup> and flats and townhouses.

The real value of residential building plans approved increased by 4,7% y/y to a level of R23,55 billion in the six months up to June this year, with the real value of residential buildings reported as being completed contracting by 15,2% y/y to R14,36 billion over this period. These real values were calculated at constant 2015 prices.

The average building cost of new housing completed increased by 5,5% y/y to R7 362 per square meter in the first half of 2018, compared with R6 979 per square meter in the corresponding period last year. Residential building costs were up by a 1,2% y/y in real terms, i.e. after adjustment for the effect of inflation, in the 6-month period up to June, based on an average headline consumer price inflation rate of 4,3% y/y over this period. The average building cost per square meter in the three categories of new housing was as follows in January to June 2018:

- Houses of <80m<sup>2</sup>: R5 655, up by 22,2% y/y.
- Houses of ≥80m<sup>2</sup>: R7 319, up by 3,1% y/y.
- Flats and townhouses: R7 963, down by 1,2% y/y.

Building activity with regard to alterations and additions to existing houses remained under downward pressure, with both the building area approved and the building area reported as completed contracting on a year-on-year basis in January to June. The building cost of completed alterations and additions to existing houses showed strong growth for the fourth consecutive quarter, rising by 17,3% y/y to R7 323 per square meter in the second quarter of the year, compared with R6 245 per square meter a year ago. In real terms, i.e. after taking account of inflation, building costs of completed alterations and additions with regard to existing houses increased by 12,5% y/y in the second quarter.

The economy, household finances, confidence levels and property market sentiment in general will remain the major driving factors of residential building activity, which is over the short to medium term expected to stay much in line with trends of the past few years.

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

1994 - 2018 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m <sup>2</sup>	750 895	42.5	593 779	45.7
Houses of ≥80m <sup>2</sup>	525 934	29.7	351 305	27.0
Flats and townhouses	491 775	27.8	354 591	27.3
<b>Total</b>	<b>1 768 604</b>	<b>100.0</b>	<b>1 299 675</b>	<b>100.0</b>

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

Source: Stats SA

## Residential building activity: January - June<sup>1</sup>

Segment	Building plans approved						Buildings completed					
	Units 2017	Units 2018		m <sup>2</sup> 2017	Building area 2018		Units 2017	Units 2018		m <sup>2</sup> 2017	Building area 2018	
		Number	y/y % Δ		m <sup>2</sup>	y/y % Δ		Number	y/y % Δ		m <sup>2</sup>	y/y % Δ
Houses of <80m <sup>2</sup>	10 028	9 845	-1.8	475 203	460 407	-3.1	8 133	4 745	-41.7	386 841	238 946	-38.2
Houses of ≥80m <sup>2</sup>	7 272	7 264	-0.1	1 967 047	1 901 359	-3.3	4 822	4 716	-2.2	1 321 476	1 230 780	-6.9
Flats and townhouses	10 027	12 757	27.2	1 165 168	1 247 203	7.0	7 254	6 151	-15.2	703 625	743 417	5.7
<b>Total</b>	<b>27 327</b>	<b>29 866</b>	<b>9.3</b>	<b>3 607 418</b>	<b>3 608 969</b>	<b>0.0</b>	<b>20 209</b>	<b>15 612</b>	<b>-22.7</b>	<b>2 411 942</b>	<b>2 213 143</b>	<b>-8.2</b>

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

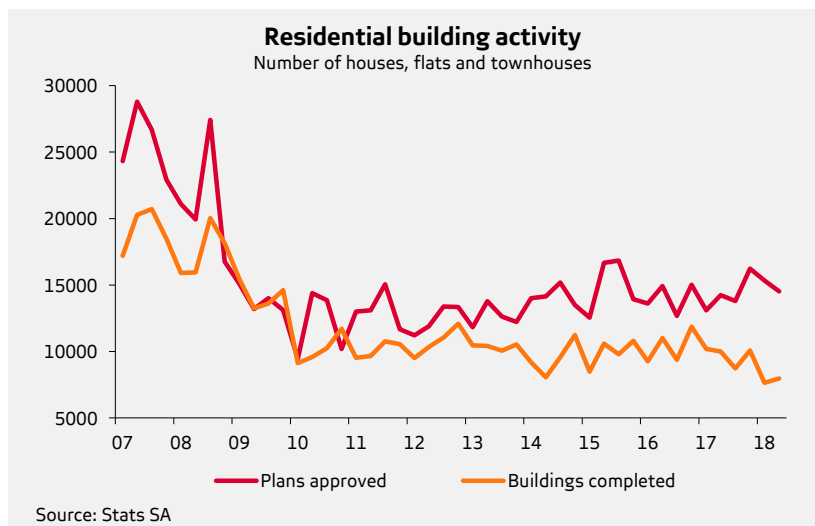
Source: Stats SA

## 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-Jun 17	Number	9 536	1 785	95	935	2 666	2 645	7 978	1 120	567	27 327
	January - June 2018	Number	12 756	2 698	118	728	1 691	1 797	8 904	667	507	29 866
		y/y % Δ	33.8	51.1	24.2	-22.1	-36.6	-32.1	11.6	-40.4	-10.6	9.3
		% of SA	42.7	9.0	0.4	2.4	5.7	6.0	29.8	2.2	1.7	100.0
Alterations and additions to existing houses	Jan-Jun 17	m <sup>2</sup>	402 050	140 988	17 165	67 015	194 831	62 055	442 653	59 643	28 190	1 414 590
	January - June 2018	m <sup>2</sup>	411 658	150 456	20 395	66 047	165 520	61 609	421 698	74 121	22 836	1 394 340
		y/y % Δ	2.4	6.7	18.8	-1.4	-15.0	-0.7	-4.7	24.3	-19.0	-1.4
		% of SA	29.5	10.8	1.5	4.7	11.9	4.4	30.2	5.3	1.6	100.0
Buildings completed												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Jun 17	Number	6 093	548	47	552	1 178	737	9 541	741	772	20 209
	January - June 2018	Number	6 110	422	32	441	821	1 079	5 886	564	257	15 612
		y/y % Δ	0.3	-23.0	-31.9	-20.1	-30.3	46.4	-38.3	-23.9	-66.7	-22.7
		% of SA	39.1	2.7	0.2	2.8	5.3	6.9	37.7	3.6	1.6	100.0
Alterations and additions to existing houses	Jan-Jun 17	m <sup>2</sup>	273 719	49 424	8 143	13 501	57 271	26 447	121 209	19 024	1 847	570 585
	January - June 2018	m <sup>2</sup>	197 238	38 692	15 597	11 444	89 916	43 579	120 371	18 919	2 676	538 432
		y/y % Δ	-27.9	-21.7	91.5	-15.2	57.0	64.8	-0.7	-0.6	44.9	-5.6
		% of SA	36.6	7.2	2.9	2.1	16.7	8.1	22.4	3.5	0.5	100.0

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

Source: Stats SA

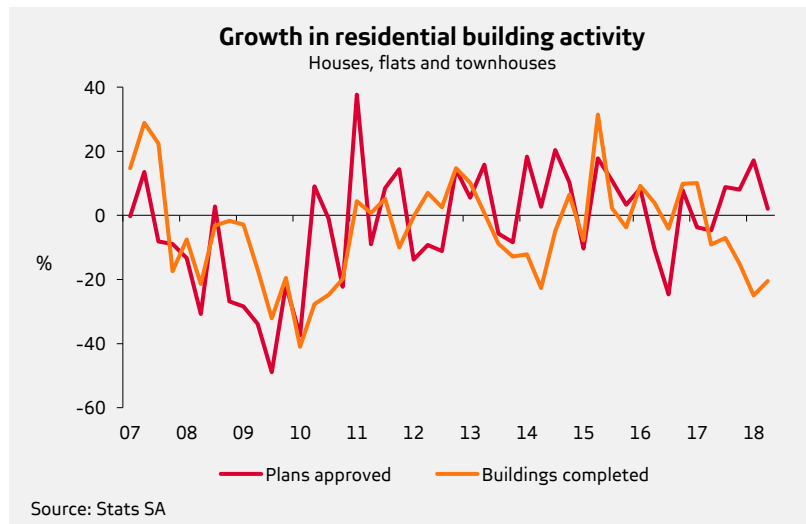


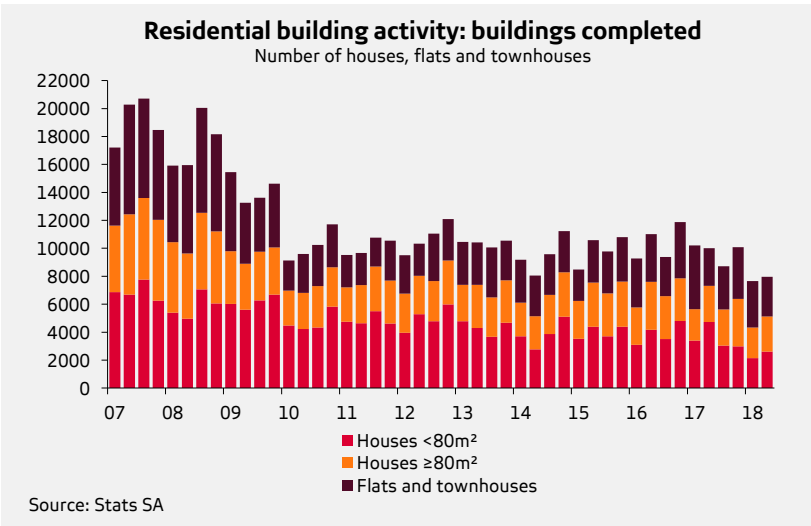
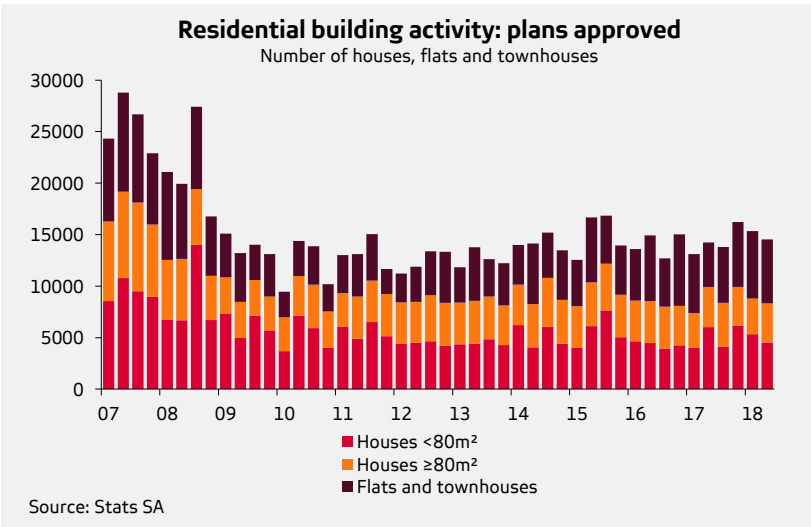
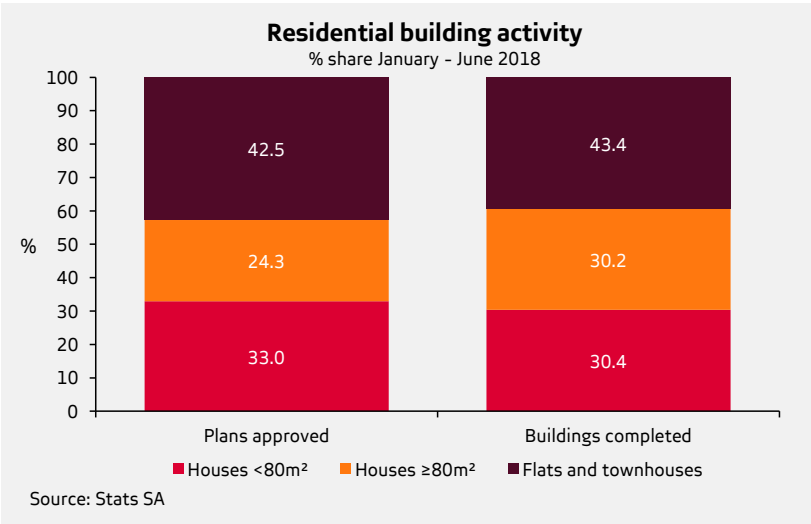
## Residential building activity<sup>1</sup>

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>								
Q1 2015	4 012	-35.3	4 049	3.2	4 492	16.0	12 553	-10.3
Q2 2015	6 112	50.9	4 242	1.0	6 306	7.0	16 660	17.8
Q3 2015	7 630	26.1	4 551	-4.2	4 650	6.1	16 831	10.8
Q4 2015	5 029	14.1	4 139	-2.6	4 767	-1.3	13 935	3.3
Q1 2016	4 652	16.0	3 934	-2.8	5 020	11.8	13 606	8.4
Q2 2016	4 477	-26.8	4 057	-4.4	6 391	1.3	14 925	-10.4
Q3 2016	3 927	-48.5	4 078	-10.4	4 683	0.7	12 688	-24.6
Q4 2016	4 262	-15.3	3 830	-7.5	6 927	45.3	15 019	7.8
Q1 2017	4 011	-13.8	3 379	-14.1	5 708	13.7	13 098	-3.7
Q2 2017	6 017	34.4	3 893	-4.0	4 319	-32.4	14 229	-4.7
Q3 2017	4 103	4.5	4 264	4.6	5 438	16.1	13 805	8.8
Q4 2017	6 155	44.4	3 776	-1.4	6 300	-9.1	16 231	8.1
Q1 2018	5 335	33.0	3 460	2.4	6 548	14.7	15 343	17.1
Q2 2018	4 510	-25.0	3 804	-2.3	6 209	43.8	14 523	2.1
<b>Buildings completed</b>								
Q1 2015	3 527	-4.7	2 708	12.2	2 247	-27.0	8 482	-7.7
Q2 2015	4 391	58.3	3 161	33.9	3 040	4.0	10 592	31.5
Q3 2015	3 703	-4.1	3 070	9.4	3 011	3.8	9 784	2.2
Q4 2015	4 391	-14.0	3 222	1.7	3 195	8.3	10 808	-3.7
Q1 2016	3 094	-12.3	2 668	-1.5	3 505	56.0	9 267	9.3
Q2 2016	4 165	-5.1	3 440	8.8	3 405	12.0	11 010	3.9
Q3 2016	3 504	-5.4	3 068	-0.1	2 807	-6.8	9 379	-4.1
Q4 2016	4 799	9.3	3 058	-5.1	4 014	25.6	11 871	9.8
Q1 2017	3 401	9.9	2 241	-16.0	4 557	30.0	10 199	10.1
Q2 2017	4 732	13.6	2 581	-25.0	2 697	-20.8	10 010	-9.1
Q3 2017	3 046	-13.1	2 587	-15.7	3 088	10.0	8 721	-7.0
Q4 2017	2 985	-37.8	3 393	11.0	3 706	-7.7	10 084	-15.1
Q1 2018	2 143	-37.0	2 200	-1.8	3 309	-27.4	7 652	-25.0
Q2 2018	2 602	-45.0	2 516	-2.5	2 842	5.4	7 960	-20.5

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

Source: Stats SA



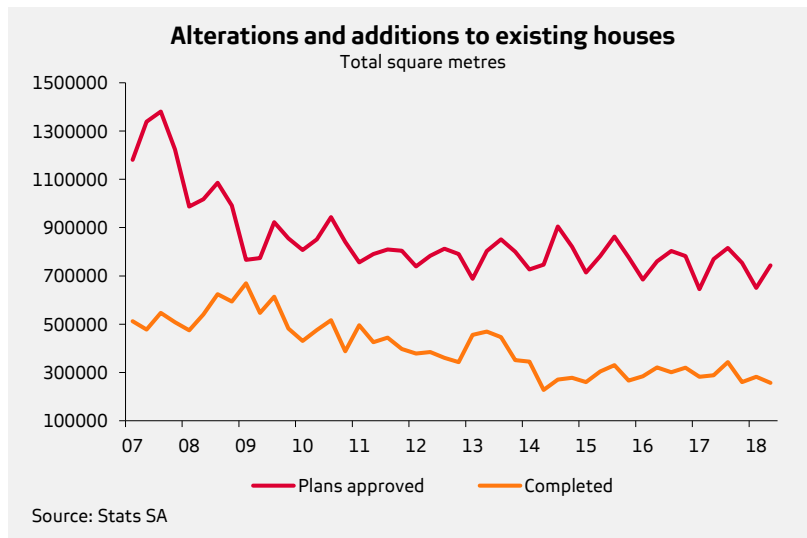


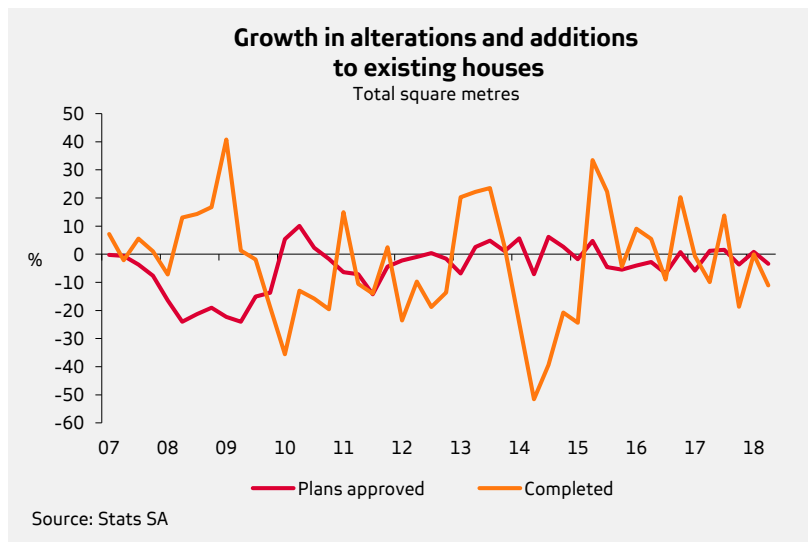
## Alterations and additions to existing houses<sup>1</sup>

Period	Building area		Value		Building cost per m <sup>2</sup>	
	m <sup>2</sup>	y/y % change	Rand million	y/y % change	Rand	y/y % change
<b>Building plans approved</b>						
Q1 2015	714 097	-1.8	4 186	5.8	5 862	7.7
Q2 2015	782 355	4.8	4 600	9.4	5 880	4.4
Q3 2015	862 405	-4.6	5 407	1.9	6 269	6.8
Q4 2015	776 606	-5.5	4 959	3.2	6 385	9.1
Q1 2016	685 341	-4.0	4 442	6.1	6 482	10.6
Q2 2016	760 576	-2.8	4 873	5.9	6 407	9.0
Q3 2016	803 182	-6.9	5 377	-0.6	6 694	6.8
Q4 2016	782 721	0.8	5 401	8.9	6 900	8.1
Q1 2017	645 014	-5.9	4 413	-0.6	6 842	5.6
Q2 2017	769 576	1.2	5 340	9.6	6 939	8.3
Q3 2017	815 999	1.6	5 930	10.3	7 267	8.6
Q4 2017	753 993	-3.7	5 489	1.6	7 280	5.5
Q1 2018	650 646	0.9	4 675	5.9	7 185	5.0
Q2 2018	743 694	-3.4	5 375	0.7	7 228	4.2
<b>Buildings completed</b>						
Q1 2015	260 453	-24.4	1 384	-21.4	5 312	4.0
Q2 2015	303 821	33.5	1 628	24.2	5 358	-7.0
Q3 2015	330 465	22.3	1 839	21.2	5 566	-0.9
Q4 2015	266 012	-4.4	1 602	3.9	6 022	8.7
Q1 2016	284 139	9.1	1 621	17.1	5 703	7.4
Q2 2016	320 318	5.4	1 925	18.2	6 010	12.2
Q3 2016	300 845	-9.0	1 761	-4.2	5 854	5.2
Q4 2016	320 015	20.3	1 946	21.5	6 081	1.0
Q1 2017	282 086	-0.7	1 744	7.6	6 182	8.4
Q2 2017	288 499	-9.9	1 802	-6.4	6 245	3.9
Q3 2017	342 293	13.8	2 336	32.6	6 823	16.6
Q4 2017	260 267	-18.7	1 820	-6.5	6 991	15.0
Q1 2018	281 820	-0.1	1 980	13.5	7 026	13.7
Q2 2018	256 612	-11.1	1 879	4.3	7 323	17.3

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

Source: Stats SA





### Building cost of new housing constructed<sup>1</sup>

Period	Houses of <80m <sup>2</sup>		Houses of ≥80m <sup>2</sup>		Flats and townhouses		Average: All housing	
	Rand per m <sup>2</sup>	y/y % change	Rand per m <sup>2</sup>	y/y % change	Rand per m <sup>2</sup>	y/y % change	Rand per m <sup>2</sup>	y/y % change
Q1 2015	3 794	25.8	6 129	3.3	6 943	4.5	5 894	4.9
Q2 2015	3 810	4.5	6 330	5.2	6 845	8.4	6 037	4.3
Q3 2015	3 887	4.7	6 465	2.0	7 493	18.1	6 350	7.0
Q4 2015	3 977	0.8	6 573	5.7	7 436	10.1	6 400	8.3
Q1 2016	4 176	10.1	6 474	5.6	7 384	6.3	6 415	8.8
Q2 2016	4 076	7.0	6 502	2.7	7 517	9.8	6 396	5.9
Q3 2016	4 714	21.3	6 753	4.5	7 920	5.7	6 747	6.3
Q4 2016	4 715	18.6	6 962	5.9	7 799	4.9	6 859	7.2
Q1 2017	4 986	19.4	7 121	10.0	8 010	8.5	7 135	11.2
Q2 2017	4 290	5.2	7 078	8.9	7 995	6.4	6 785	6.1
Q3 2017	5 030	6.7	7 269	7.6	8 222	3.8	7 274	7.8
Q4 2017	5 311	12.7	7 213	3.6	8 364	7.2	7 378	7.6
Q1 2018	5 482	9.9	7 344	3.1	7 948	-0.8	7 360	3.1
Q2 2018	5 838	36.1	7 233	2.2	7 966	-0.4	7 318	7.9

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

Source: Stats SA

