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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

20 February 2015

Double-digit growth in new housing planned in 2014, with the construction phase contracting from the previous year

Growth in 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, was in 2014 at its highest level in more than 10 years. However, the construction phase of new housing, i.e. the volume of housing units reported as completed, contracted for the second consecutive 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 increased by 12,6% to a total of 56 871 in 2014. This was the strongest growth since 2002, with the volume of plans approved at its highest level since 2008. The segments of smaller-sized houses (<80m²) and flats and townhouses were the main contributors to the increased level of plans approved. These two segments of housing were also a strong focus of housing supply over the past two decades (see table on page 2 of the report). Although not all housing planned will eventually be built, the expectation is that the marked improvement in the planning of new housing in 2014 will be reflected in the construction phase in due course.

The number of new housing units reported as constructed dropped for a second year in succession, by 8,5% to 37 987 units, which was the smallest number of new housing units built in the space of a year since 1993. All three segments of housing showed a contraction in construction activity in 2014 compared with the preceding year.

The real value of plans approved for new residential buildings increased by 13,7% y/y, or R4,42 billion to R36,73 billion in 2014 from R32,3 billion in 2013. The real value of residential buildings reported as completed was only marginally higher by 0,7% y/y, or R153,5 million, at R22,95 billion in 2014 from R22,79 billion in the previous last year. These real values are calculated at constant 2010 prices.

The average building cost of new housing constructed came to R5 828 per square metre in 2014, which was 12,0% higher than the cost R5 205 per square metre in 2013. Building costs have continued to increase by more than the average consumer price inflation rate over the past 15 years and are affected by a number of factors such as building material costs, labour costs, transport costs, equipment costs, land prices, rezoning costs, and developer and contractor holding costs and profit margins.

Building confidence, based on the BER's building confidence index, improved for the third consecutive year in 2014 to its highest level since 2008, driven by better conditions in residential building activity related to the planning phase. The building confidence index measures prevailing business conditions in the building industry sub-sectors of architects, quantity surveyors, main building contractors, sub-contractors, manufacturers of building materials and retailers of building materials and hardware.

The demand for and supply of new housing are driven by a growing number of households, economic factors, household finances and lifestyles, and consumer and building confidence.

Residential building activity¹

1994 - 2014

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	680 672	43.5	543 305	46.7
Houses of ≥80m ²	470 463	30.1	311 364	26.8
Flats and townhouses	413 985	26.5	309 131	26.6
Total	1 565 120	100.0	1 163 800	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity¹

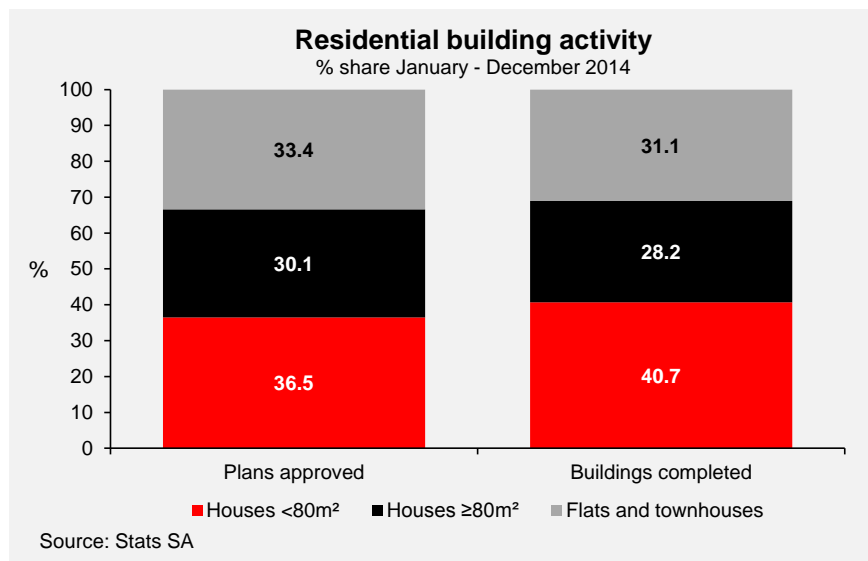
Period	Houses <80m ²		Houses ≥80m ²		Flats and townhouses		Total	
	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ	Units	y/y % Δ
Building plans approved								
2005	37 658	3.0	34 121	6.1	30 479	26.8	102 258	10.3
2006	37 147	-1.4	34 846	2.1	31 932	4.8	103 925	1.6
2007	37 806	1.8	31 772	-8.8	33 113	3.7	102 691	-1.2
2008	34 173	-9.6	21 441	-32.5	29 603	-10.6	85 217	-17.0
2009	25 115	-26.5	13 785	-35.7	16 522	-44.2	55 422	-35.0
2010	20 752	-17.4	14 885	8.0	12 275	-25.7	47 912	-13.6
2011	22 567	8.7	15 529	4.3	14 728	20.0	52 824	10.3
2012	17 793	-21.2	16 582	6.8	15 445	4.9	49 820	-5.7
2013	17 894	0.6	16 203	-2.3	16 350	5.9	50 447	1.3
2014	20 726	15.8	17 106	5.6	18 949	15.9	56 781	12.6

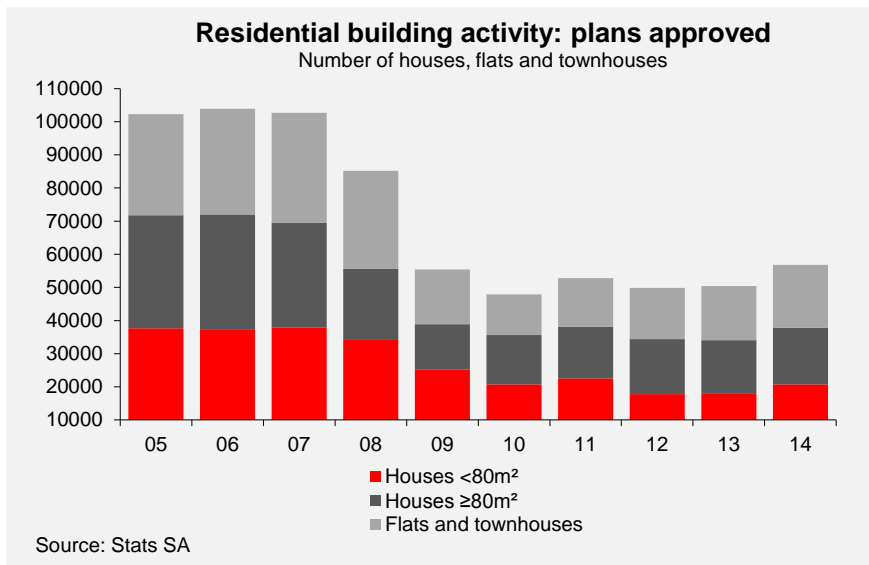
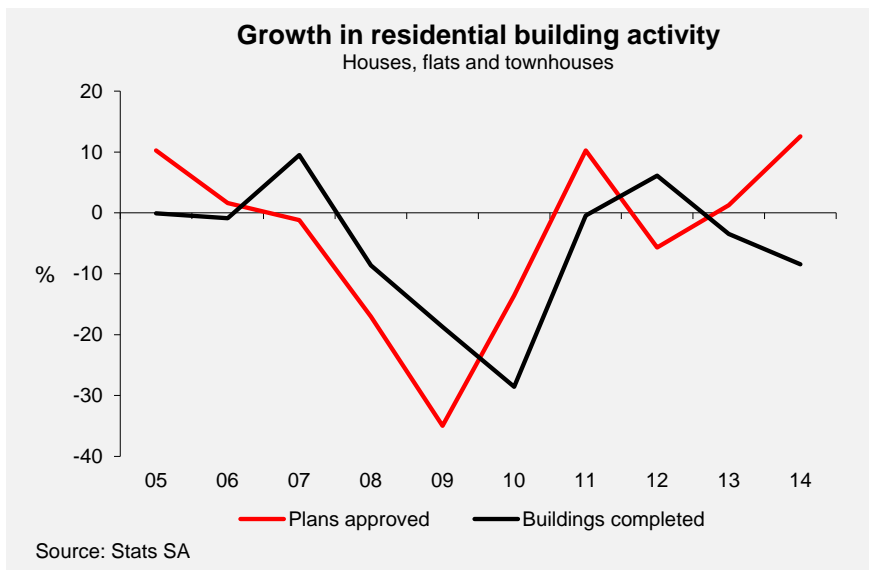
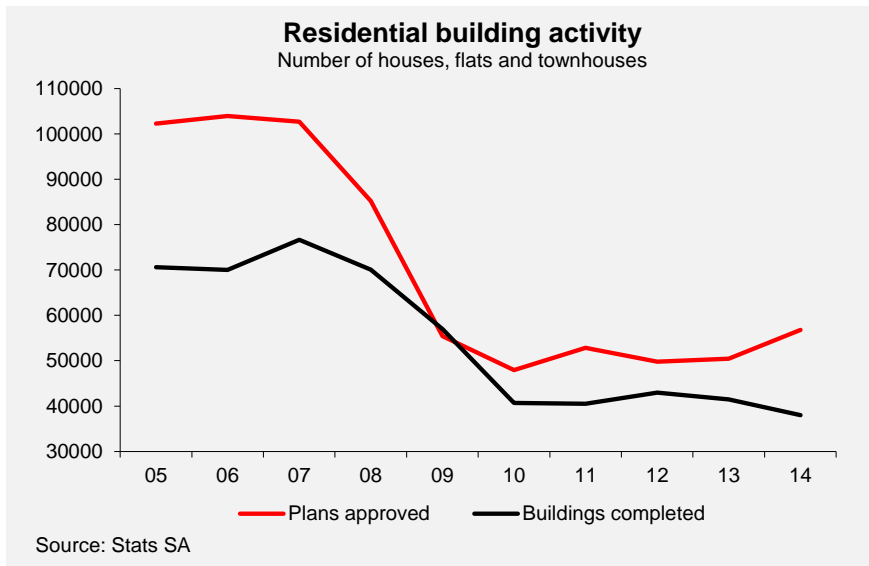
Buildings completed

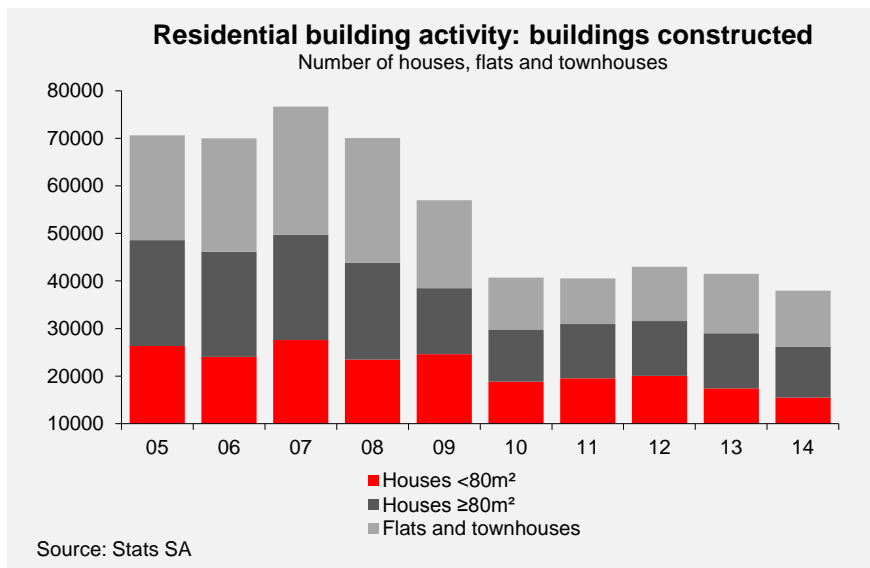
2005	26 307	-31.1	22 251	24.6	22 066	51.0	70 624	-0.1
2006	24 029	-8.7	22 118	-0.6	23 858	8.1	70 005	-0.9
2007	27 555	14.7	22 157	0.2	26 949	13.0	76 661	9.5
2008	23 480	-14.8	20 357	-8.1	26 221	-2.7	70 058	-8.6
2009	24 579	4.7	13 906	-31.7	18 462	-29.6	56 947	-18.7
2010	18 858	-23.3	10 856	-21.9	10 965	-40.6	40 679	-28.6
2011	19 506	3.4	11 456	5.5	9 545	-13.0	40 507	-0.4
2012	20 023	2.7	11 569	1.0	11 386	19.3	42 978	6.1
2013	17 436	-12.9	11 538	-0.3	12 511	9.9	41 485	-3.5
2014	15 453	-11.4	10 722	-7.1	11 812	-5.6	37 987	-8.4

¹Private-sector financed

Source: Stats SA







Residential building activity by province¹
1994-2014

Building plans approved

Segment	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
New houses (<80m²)	Number	142 253	67 800	6 181	47 083	51 798	40 034	271 284	34 435	19 804	680 672
	% of region	39.6	60.7	46.8	55.8	33.0	46.0	43.1	42.9	45.5	43.5
	% of SA	20.9	10.0	0.9	6.9	7.6	5.9	39.9	5.1	2.9	100.0
New houses (≥80m²)	Number	121 263	28 446	4 481	19 893	46 441	28 614	175 828	31 048	14 449	470 463
	% of region	33.8	25.5	34.0	23.6	29.6	32.9	27.9	38.7	33.2	30.1
	% of SA	25.8	6.0	1.0	4.2	9.9	6.1	37.4	6.6	3.1	100.0
New flats and townhouses	Number	95 421	15 367	2 535	17 347	58 624	18 399	182 324	14 717	9 251	413 985
	% of region	26.6	13.8	19.2	20.6	37.4	21.1	29.0	18.4	21.3	26.5
	% of SA	23.0	3.7	0.6	4.2	14.2	4.4	44.0	3.6	2.2	100.0
Total houses, flats and townhouses	Number	358 937	111 613	13 197	84 323	156 863	87 047	629 436	80 200	43 504	1 565 120
	% of region	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	% of SA	22.9	7.1	0.8	5.4	10.0	5.6	40.2	5.1	2.8	100.0

Buildings completed

Segment	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
New houses (<80m²)	Number	124 713	51 491	9 836	32 156	46 077	34 566	204 104	24 147	16 215	543 305
	% of region	42.8	63.3	69.4	61.6	39.7	53.1	43.8	48.3	60.5	46.7
	% of SA	23.0	9.5	1.8	5.9	8.5	6.4	37.6	4.4	3.0	100.0
New houses (≥80m²)	Number	92 905	18 519	2 602	9 577	31 122	17 190	115 573	17 237	6 639	311 364
	% of region	31.9	22.8	18.4	18.3	26.8	26.4	24.8	34.5	24.8	26.8
	% of SA	29.8	5.9	0.8	3.1	10.0	5.5	37.1	5.5	2.1	100.0
New flats and townhouses	Number	74 050	11 352	1 732	10 467	38 902	13 281	146 821	8 577	3 949	309 131
	% of region	25.4	14.0	12.2	20.1	33.5	20.4	31.5	17.2	14.7	26.6
	% of SA	24.0	3.7	0.6	3.4	12.6	4.3	47.5	2.8	1.3	100.0
Total houses, flats and townhouses	Number	291 668	81 362	14 170	52 200	116 101	65 037	466 498	49 961	26 803	1 163 800
	% of region	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	% of SA	25.1	7.0	1.2	4.5	10.0	5.6	40.1	4.3	2.3	100.0

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
New houses (<80m ²)	Jan-Dec 13	Number	6 280	342	123	931	983	948	7 066	850	371	17 894
	January -	Number	5 917	1 163	25	890	1 733	92	9 122	1 449	335	20 726
	December	% change	-5.8	240.1	-79.7	-4.4	76.3	-90.3	29.1	70.5	-9.7	15.8
	2014	% of SA	28.5	5.6	0.1	4.3	8.4	0.4	44.0	7.0	1.6	100.0
New houses (≥80m ²)	Jan-Dec 13	Number	3 445	872	242	897	1 301	1 149	5 905	1 786	606	16 203
	January -	Number	3 908	986	349	897	1 484	917	6 400	1 622	543	17 106
	December	% change	13.4	13.1	44.2	0.0	14.1	-20.2	8.4	-9.2	-10.4	5.6
	2014	% of SA	22.8	5.8	2.0	5.2	8.7	5.4	37.4	9.5	3.2	100.0
New flats and townhouses	Jan-Dec 13	Number	3 429	671	97	658	1 730	1 980	6 458	588	739	16 350
	January -	Number	3 448	245	214	931	3 099	1 482	8 413	671	446	18 949
	December	% change	0.6	-63.5	120.6	41.5	79.1	-25.2	30.3	14.1	-39.6	15.9
	2014	% of SA	18.2	1.3	1.1	4.9	16.4	7.8	44.4	3.5	2.4	100.0
Total new houses, flats and townhouses	Jan-Dec 13	Number	13 154	1 885	462	2 486	4 014	4 077	19 429	3 224	1 716	50 447
	January -	Number	13 273	2 394	588	2 718	6 316	2 491	23 935	3 742	1 324	56 781
	December	% change	0.9	27.0	27.3	9.3	57.3	-38.9	23.2	16.1	-22.8	12.6
	2014	% of SA	23.4	4.2	1.0	4.8	11.1	4.4	42.2	6.6	2.3	100.0
Alterations and additions to existing houses	Jan-Dec 13	m ²	902 394	290 694	44 893	150 348	341 411	161 243	1 020 863	166 087	65 924	3 143 857
	January -	m ²	860 828	323 137	61 196	157 756	369 092	157 769	999 479	202 837	65 189	3 197 283
	December	% change	-4.6	11.2	36.3	4.9	8.1	-2.2	-2.1	22.1	-1.1	1.7
	2014	% of SA	26.9	10.1	1.9	4.9	11.5	4.9	31.3	6.3	2.0	100.0

Buildings completed

Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
New houses (<80m ²)	Jan-Dec 13	Number	7 059	1 666	83	416	301	32	6 981	688	210	17 436
	January -	Number	5 171	671	75	935	184	281	6 433	1 523	180	15 453
	December	% change	-26.7	-59.7	-9.6	124.8	-38.9	778.1	-7.8	121.4	-14.3	-11.4
	2014	% of SA	33.5	4.3	0.5	6.1	1.2	1.8	41.6	9.9	1.2	100.0
New houses (≥80m ²)	Jan-Dec 13	Number	3 133	524	78	423	823	804	4 533	1 011	209	11 538
	January -	Number	2 335	637	97	182	759	974	4 621	863	254	10 722
	December	% change	-25.5	21.6	24.4	-57.0	-7.8	21.1	1.9	-14.6	21.5	-7.1
	2014	% of SA	21.8	5.9	0.9	1.7	7.1	9.1	43.1	8.0	2.4	100.0
New flats and townhouses	Jan-Dec 13	Number	4 105	743	16	136	1 214	958	4 592	524	223	12 511
	January -	Number	2 411	594	22	168	1 174	945	5 129	1 023	346	11 812
	December	% change	-41.3	-20.1	37.5	23.5	-3.3	-1.4	11.7	95.2	55.2	-5.6
	2014	% of SA	20.4	5.0	0.2	1.4	9.9	8.0	43.4	8.7	2.9	100.0
Total new houses, flats and townhouses	Jan-Dec 13	Number	14 297	2 933	177	975	2 338	1 794	16 106	2 223	642	41 485
	January -	Number	9 917	1 902	194	1 285	2 117	2 200	16 183	3 409	780	37 987
	December	% change	-30.6	-35.2	9.6	31.8	-9.5	22.6	0.5	53.4	21.5	-8.4
	2014	% of SA	26.1	5.0	0.5	3.4	5.6	5.8	42.6	9.0	2.1	100.0
Alterations and additions to existing houses	Jan-Dec 13	m ²	819 775	130 347	28 560	54 957	179 114	33 539	388 312	79 429	8 335	1 722 368
	January -	m ²	391 759	94 578	25 416	22 359	144 453	30 675	297 736	105 054	7 748	1 119 778
	December	% change	-52.2	-27.4	-11.0	-59.3	-19.4	-8.5	-23.3	32.3	-7.0	-35.0
	2014	% of SA	35.0	8.4	2.3	2.0	12.9	2.7	26.6	9.4	0.7	100.0

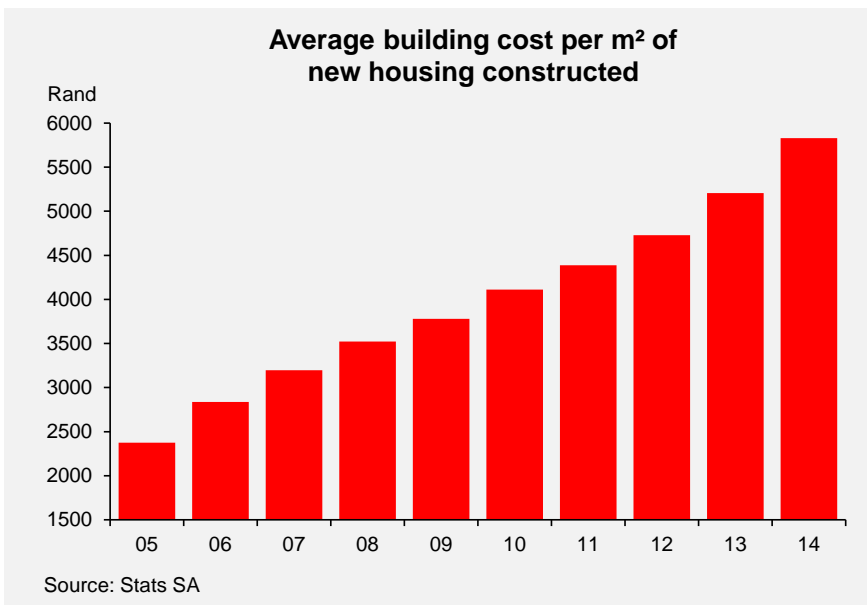
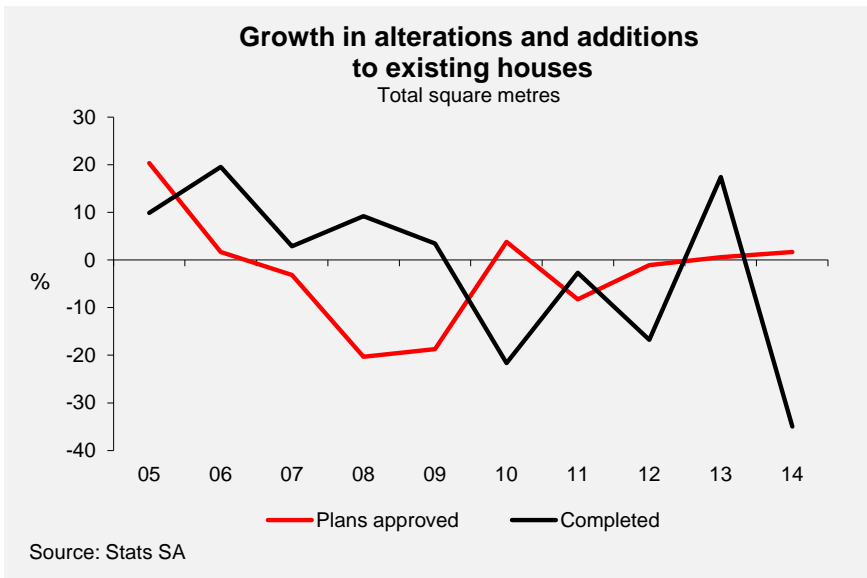
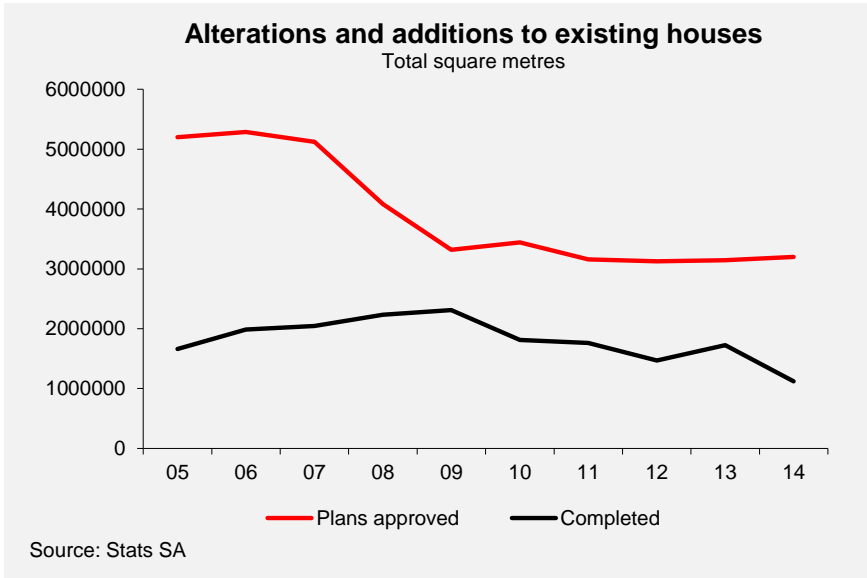
¹Private-sector financed

Source: Stats SA

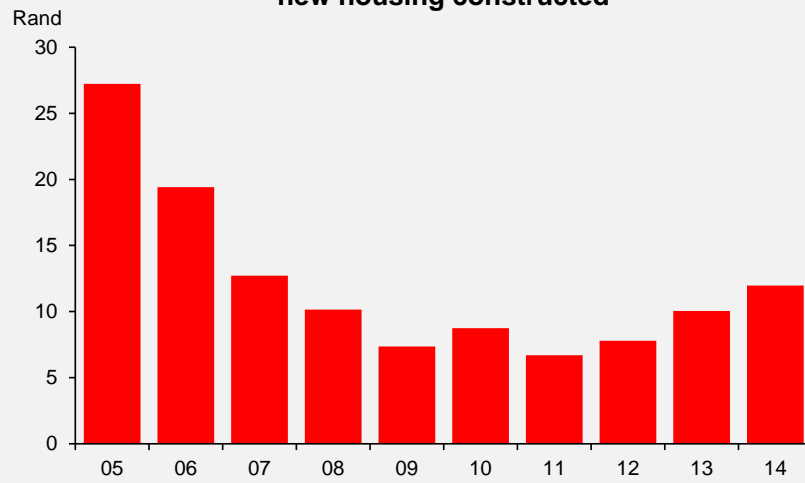
Alterations and additions to existing houses

Period	Plans approved		Completed	
	m ²	% change	m ²	% change
2005	5 200 397	20.4	1 662 014	9.9
2006	5 288 732	1.7	1 987 253	19.6
2007	5 123 325	-3.1	2 044 860	2.9
2008	4 081 631	-20.3	2 233 737	9.2
2009	3 318 140	-18.7	2 311 557	3.5
2010	3 443 686	3.8	1 811 174	-21.6
2011	3 160 212	-8.2	1 762 670	-2.7
2012	3 125 614	-1.1	1 466 959	-16.8
2013	3 143 857	0.6	1 722 368	17.4
2014	3 197 283	1.7	1 119 778	-35.0

Source: Stats SA



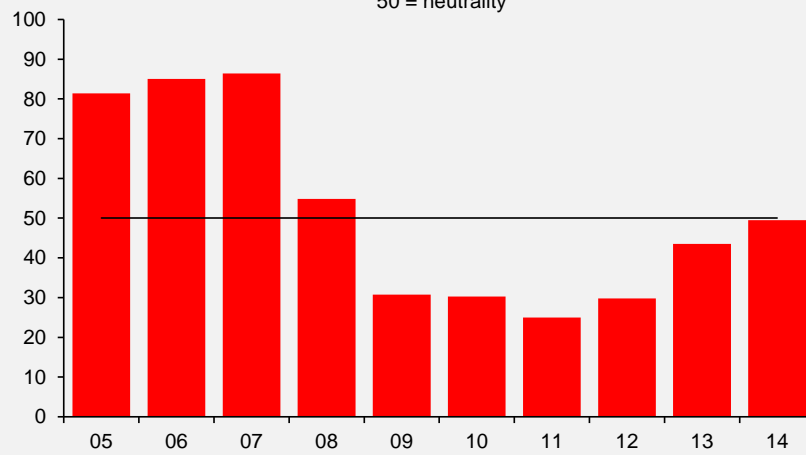
Growth in average building cost per m² of new housing constructed



Source: Stats SA

Building confidence index

50 = neutrality



Source: BER