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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

23 April 2019

Divergent trends in residential building activity in early 2019

Much in line with developments in 2018, private sector-financed building activity (see explanatory note) in the South African market for new housing showed divergent trends in early 2019, based on data released by Statistics South Africa.

The number of building plans approved for new housing was down by 19,8% year-on-year (y/y), or 2 160 plans, to 8 739 plans in the first two months of the year. The contraction in plans approved was driven by the two segments for houses, with the segment for flats and townhouses showing growth of 4,8% y/y over the 2-month period.

The volume of new housing units reported as being completed increased by 6,2% y/y, or 358 units, to a total of 6 101 units in January and February this year. The two segments for houses constructed showed a combined contraction of 2,1% y/y to a total of 2 784 in the first two months of the year. However, the number of flats and townhouses built was up by 14,4% y/y, or 418 units, to a total of 3 317 units in the above-mentioned 2-month period.

The average building cost of new housing completed increased by 4,9% y/y to R7 793 per square meter in the first two months of 2019 from R7 432 per square meter in the corresponding months of 2018. In real terms, i.e. after adjustments for inflation, residential building costs were down 0,6% y/y, based on an average headline consumer price inflation rate of 4,3% y/y over the 2-month period. The average building cost per square meter in the three categories of new housing was as follows in January and February this year:

- Houses of <80m²: R5 918, up by 8,6% y/y.
- Houses of ≥80m²: R7 630, up by 3% y/y.
- Flats and townhouses: R8 224, down by 4,5% y/y.

Building activity with regard to alterations and additions to existing houses remained under pressure in the first two months of the year, with the building area approved rising by a marginal 0,5% y/y, whereas the building area reported as being completed contracting by 19,7% y/y. The building cost of completed alterations and additions to existing houses increased by 8,4% y/y to R7 543 per square meter in January and February this year from R6 959 per square meter in the same months last year. In real terms, the average building cost of completed alterations and additions to existing houses increased by 3,9% y/y over this period.

Against the background of general economic conditions and prospects, confidence in the building sector was much subdued in the first quarter of 2019. In view of these developments and financial strain experienced over a wide front by the household sector, which were evident in a low level of consumer confidence in the second half of last year, residential building activity is expected to remain under pressure over the short to medium term.

Residential building activity¹

1994 - 2019 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	759 006	42.0	601 965	45.2
Houses of ≥80m ²	535 629	29.6	358 819	27.0
Flats and townhouses	511 921	28.3	369 582	27.8
Total	1 806 556	100.0	1 330 366	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity: January - February¹

Segment	Building plans approved						Buildings completed					
	Units 2018	Units 2019		m ² 2018	Building area 2019		Units 2018	Units 2019		m ² 2018	Building area 2019	
		Number	y/y % Δ		m ²	y/y % Δ		Number	y/y % Δ		m ²	y/y % Δ
Houses of <80m ²	3 440	1 283	-62.7	158 107	67 885	-57.1	1 381	1 269	-8.1	65 397	65 444	0.1
Houses of ≥80m ²	2 168	1 910	-11.9	587 538	509 443	-13.3	1 463	1 515	3.6	383 956	380 184	-1.0
Flats and townhouses	5 291	5 546	4.8	442 229	640 513	44.8	2 899	3 317	14.4	313 934	419 545	33.6
Total	10 899	8 739	-19.8	1 187 874	1 217 841	2.5	5 743	6 101	6.2	763 287	865 173	13.3

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-Feb 18	Number	4 298	1 561	50	288	529	626	3 197	253	97	10 899
	January - February 2019	Number	1 617	228	34	216	1 120	188	4 944	172	220	8 739
		y/y % Δ	-62.4	-85.4	-32.0	-25.0	111.7	-70.0	54.6	-32.0	126.8	-19.8
		% of SA	18.5	2.6	0.4	2.5	12.8	2.2	56.6	2.0	2.5	100.0
Alterations and additions to existing houses	Jan-Feb 18	m ²	125 616	34 938	3 625	21 088	43 885	18 455	127 920	24 995	6 318	406 840
	January - February 2019	m ²	112 488	32 352	6 891	14 218	66 195	14 665	133 100	18 238	10 538	408 685
		y/y % Δ	-10.5	-7.4	90.1	-32.6	50.8	-20.5	4.0	-27.0	66.8	0.5
		% of SA	27.5	7.9	1.7	3.5	16.2	3.6	32.6	4.5	2.6	100.0
Buildings completed												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Feb 18	Number	2 534	93	5	203	280	424	1 990	142	72	5 743
	January - February 2019	Number	1 436	221	52	50	291	423	3 359	169	100	6 101
		y/y % Δ	-43.3	137.6	940.0	-75.4	3.9	-0.2	68.8	19.0	38.9	6.2
		% of SA	23.5	3.6	0.9	0.8	4.8	6.9	55.1	2.8	1.6	100.0
Alterations and additions to existing houses	Jan-Feb 18	m ²	63 436	13 887	4 405	6 727	32 857	28 238	38 342	6 084	862	194 838
	January - February 2019	m ²	45 195	23 812	3 537	6 796	22 489	7 651	36 675	9 368	971	156 494
		y/y % Δ	-28.8	71.5	-19.7	1.0	-31.6	-72.9	-4.3	54.0	12.6	-19.7
		% of SA	28.9	15.2	2.3	4.3	14.4	4.9	23.4	6.0	0.6	100.0

¹Private-sector financed

Source: Stats SA







