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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 March 2017

### Contraction in residential building activity at the start of 2017

The first month of 2017 saw building activity with regard to new private sector-financed housing in South Africa (see explanatory notes) contracting by a relatively large margin, based on data published by Statistics South Africa. Contractions occurred across all segments of new housing in both the planning and construction phases in January, except in the category of flats and townhouses for which building plans were approved.

The number of building plans approved for new housing units was down by 12,5% year-on-year (y/y), or 456, to a total of 3 180 in January 2017 from a year ago. This drop in building plans approved was mainly the result of a sharp decline of 34,9% y/y, or 858, to a combined total of 1 598 plans in the two segments of houses from 2 456 plans approved in January last year. However, the number of plans approved for new flats and townhouses saw a strong increase of 34,1% y/y, or 402, to a total of 1 582 in January. This rise in the volume of building plans approved for higher-density housing followed on an increase of 13,4% in 2016, whereas a contraction occurred in the planning phase of both the segments for houses last year compared with 2015.

The construction phase of new housing, measured by the number of units built, showed a significant drop of 27,1% y/y, or 732 units, to a total of 1 971 units in January this year. The contraction in the volume of new housing built in the first month of the year was evident across all three segments of the market.

The real value of plans approved for new residential buildings was down by R32,7 million, or 1,1% y/y, to R2,88 billion in January 2017, with the real value of new residential buildings reported as completed declining by R12,1 million, or 0,6% y/y, to R2,15 billion in January. These real values are calculated at constant 2015 prices.

The average building cost of new housing constructed in January 2017 increased by 11,6% y/y, which was well above the headline consumer price inflation rate of 6,6% y/y in January, to an average of R7 611 per square meter compared with R6 822 per square meter in January 2016. The average building cost and the year-on-year percentage change in the rand value per square meter in the three categories of housing constructed were as follows in January this year:

- Houses of <80m<sup>2</sup>: R4 949, up by 29,4% y/y
- Houses of ≥80m<sup>2</sup>: R7 516, up by 13,7% y/y
- Flats and townhouses: R8 831, up by 3,3% y/y

Against the background of relatively low levels of consumer and building confidence, as well as trends in and the outlook for the economy and household finances, residential building activity is expected to remain largely subdued in 2017.

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

1994 - 2017 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m <sup>2</sup>	721 486	42.8	575 406	46.1
Houses of ≥80m <sup>2</sup>	504 234	29.9	336 384	27.0
Flats and townhouses	458 743	27.2	335 230	26.9
<b>Total</b>	<b>1 684 463</b>	<b>100.0</b>	<b>1 247 020</b>	<b>100.0</b>

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

Source: Stats SA

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

Segment	Building plans approved						Buildings completed					
	Units 2016	Units 2017		m <sup>2</sup> 2016	Building area 2017		Units 2016	Units 2017		m <sup>2</sup> 2016	Building area 2017	
		Number	%Δ		m <sup>2</sup>	%Δ		Number	%Δ		m <sup>2</sup>	%Δ
Houses of <80m <sup>2</sup>	1 378	722	-47.6	64 942	35 962	-44.6	984	536	-45.5	45 943	27 173	-40.9
Houses of ≥80m <sup>2</sup>	1 078	876	-18.7	278 550	241 755	-13.2	719	597	-17.0	173 742	189 925	9.3
Flats and townhouses	1 180	1 582	34.1	99 384	174 536	75.6	1 000	838	-16.2	101 504	74 107	-27.0
<b>Total</b>	<b>3 636</b>	<b>3 180</b>	<b>-12.5</b>	<b>442 876</b>	<b>452 253</b>	<b>2.1</b>	<b>2 703</b>	<b>1 971</b>	<b>-27.1</b>	<b>321 189</b>	<b>291 205</b>	<b>-9.3</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 2016	Number	836	157	42	105	169	103	1 788	388	48	3 636
	January 2017	Number	952	70	22	107	175	803	818	149	84	3 180
		% change	13.9	-55.4	-47.6	1.9	3.6	679.6	-54.3	-61.6	75.0	-12.5
		% of SA	29.9	2.2	0.7	3.4	5.5	25.3	25.7	4.7	2.6	100.0
Alterations and additions to existing houses	Jan 2016	m <sup>2</sup>	47 377	14 245	2 032	9 827	20 379	9 716	49 697	13 477	4 522	171 272
	January 2017	m <sup>2</sup>	48 961	14 267	2 499	9 101	26 251	8 118	60 326	7 616	5 689	182 828
		% change	3.3	0.2	23.0	-7.4	28.8	-16.4	21.4	-43.5	25.8	6.7
		% of SA	26.8	7.8	1.4	5.0	14.4	4.4	33.0	4.2	3.1	100.0
Buildings completed												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan 2016	Number	521	76	4	12	103	169	1 610	167	41	2 703
	January 2017	Number	490	52	10	50	136	73	1 053	88	19	1 971
		% change	-6.0	-31.6	150.0	316.7	32.0	-56.8	-34.6	-47.3	-53.7	-27.1
		% of SA	24.9	2.6	0.5	2.5	6.9	3.7	53.4	4.5	1.0	100.0
Alterations and additions to existing houses	Jan 2016	m <sup>2</sup>	30 923	2 369	3 799	1 305	11 485	797	16 962	5 114	299	73 053
	January 2017	m <sup>2</sup>	34 045	5 154	1 095	528	8 832	351	16 955	4 223	302	71 485
		% change	10.1	117.6	-71.2	-59.5	-23.1	-56.0	0.0	-17.4	1.0	-2.1
		% of SA	47.6	7.2	1.5	0.7	12.4	0.5	23.7	5.9	0.4	100.0

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

Source: Stats SA



