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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

20 September 2018

Growth in building plans approved, but construction phase contracted in the first seven months of 2018

Data published by Statistics South Africa with regard to private sector-financed residential building activity (see explanatory note) showed that the planning phase of new housing improved in the first seven months of 2018, whereas the construction phase contracted. These diverging trends were the result of strong growth together with a significant contraction in some categories of housing in the planning and construction phases respectively.

Building plans approved for new housing increased by 7,7% year-on-year (y/y), or a total of almost 2 600 plans, to 36 147 plans in January to July this year, with this growth driven by the segment of flats and townhouses, which showed growth of 20,7% y/y in the 7-month period.

The number of new housing units reported as being completed was down by 8,7% y/y, or 1 999 units, to a total of 20 900 units in the first seven months of the year. The segment of houses smaller than 80m² was the main driver of this decline, showing a drop of 30,7% y/y over this period.

The average building cost of new housing completed increased by 5,7% y/y to R7 436 per square meter in the first seven months of the year, compared with R7 036 per square meter in the corresponding period last year. Residential building costs increased by a 1,2% y/y in real terms, i.e. after adjustment for the effect of inflation, in the 7-month period up to July, based on an average headline consumer price inflation rate of 4,4% 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 July:

- Houses of <80m²: R5 759, up by 22,2% y/y.
- Houses of ≥80m²: R7 352, up by 3,4% y/y.
- Flats and townhouses: R7 920, down by 3,0% y/y.

Building activity with regard to alterations and additions to existing houses slowed down, with both the building area approved and the building area reported as completed showing a contraction on a year-on-year basis in the seven months up to July. The building cost of completed alterations and additions to existing houses recorded double-digit growth of 14,2% y/y to R7 177 per square meter in January to July (R6 286 per square meter in January to July 2017). In real terms, the average building cost of completed alterations and additions to existing houses increased by 9,4% y/y over this period.

Against the background of a struggling economy, increased financial pressure on consumers and low building confidence in the first three quarters of the year, residential building activity in general is expected to remain in line with recent trends in the rest of the year.

Residential building activity¹

1994 - 2018 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	752 637	42.9	595 297	45.6
Houses of ≥80m ²	527 296	30.0	352 335	27.0
Flats and townhouses	476 042	27.1	357 331	27.4
Total	1 755 975	100.0	1 304 963	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity: January - July¹

Segment	Building plans approved						Buildings completed					
	Units 2017	Units 2018		m ² 2017	Building area 2018		Units 2017	Units 2018		m ² 2017	Building area 2018	
		Number	y/y % Δ		m ²	y/y % Δ		Number	y/y % Δ		m ²	y/y % Δ
Houses of <80m ²	11 674	11 587	-0.7	554 259	546 130	-1.5	8 998	6 263	-30.4	434 285	317 516	-26.9
Houses of ≥80m ²	8 674	8 626	-0.6	2 349 975	2 297 195	-2.2	5 670	5 746	1.3	1 535 834	1 471 879	-4.2
Flats and townhouses	13 205	15 934	20.7	1 623 831	1 559 058	-4.0	8 231	8 891	8.0	814 694	1 286 179	57.9
Total	33 553	36 147	7.7	4 528 065	4 402 383	-2.8	22 899	20 900	-8.7	2 784 813	3 075 574	10.4

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-Jul 17	Number	11 732	2 209	119	1 044	3 297	2 794	10 478	1 230	650	33 553
	January - July	Number	14 674	2 880	138	850	2 017	1 981	12 260	791	556	36 147
	2018	y/y % Δ	25.1	30.4	16.0	-18.6	-38.8	-29.1	17.0	-35.7	-14.5	7.7
	2018	% of SA	40.6	8.0	0.4	2.4	5.6	5.5	33.9	2.2	1.5	100.0
Alterations and additions to existing houses	Jan-Jul 17	m ²	482 765	166 170	20 745	78 495	230 355	73 797	519 853	72 306	32 357	1 676 843
	January - July	m ²	481 545	177 109	24 031	78 253	205 410	72 133	509 918	86 241	27 308	1 661 948
	2018	y/y % Δ	-0.3	6.6	15.8	-0.3	-10.8	-2.3	-1.9	19.3	-15.6	-0.9
	2018	% of SA	29.0	10.7	1.4	4.7	12.4	4.3	30.7	5.2	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-Jul 17	Number	7 052	613	52	600	1 402	803	10 700	848	829	22 899
	January - July	Number	7 491	526	34	491	972	1 156	9 260	665	305	20 900
	2018	y/y % Δ	6.2	-14.2	-34.6	-18.2	-30.7	44.0	-13.5	-21.6	-63.2	-8.7
	2018	% of SA	35.8	2.5	0.2	2.3	4.7	5.5	44.3	3.2	1.5	100.0
Alterations and additions to existing houses	Jan-Jul 17	m ²	321 145	55 947	10 844	23 089	71 654	26 945	137 298	20 236	1 919	669 077
	January - July	m ²	254 097	46 619	17 169	12 127	108 532	45 524	144 225	25 977	2 782	657 052
	2018	y/y % Δ	-20.9	-16.7	58.3	-47.5	51.5	69.0	5.0	28.4	45.0	-1.8
	2018	% of SA	38.7	7.1	2.6	1.8	16.5	6.9	22.0	4.0	0.4	100.0

¹Private-sector financed

Source: Stats SA





