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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

17 May 2018

Divergence in residential building activity in the first quarter of 2018

Divergent trends were evident in levels of building activity in the South African market for new housing in the first quarter of 2018. In the planning phase of new housing, as reflected by the number of building plans approved by local government institutions, double-digit year-on-year growth was recorded in the first quarter. The construction phase of new housing, i.e. the volume of housing units reported as completed, contracted relative sharply in the first quarter compared with the corresponding period last 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 note).

The number of new housing units for which building plans were approved, increased by 17,1% year-on-year (y/y), or 2 245 plans, to 15 233 plans in the period January to March this year. This growth was largely the result of trends in plans approved for houses smaller than 80m², which showed growth of 33% y/y, and plans approved for flats and townhouses, which increased by 14,7% y/y in the first quarter of the year.

The number of new housing units reported as being completed was lower in each of the three categories of housing in the first three months of the year, which resulted in a combined decline of 25% y/y, or 2 547 units, to a total of 7 652 units over this period. The segments of houses smaller than 80m² and flats and townhouses showed a contraction of 37% y/y and 27,4% y/y respectively in the first quarter of the year.

The average building cost of new housing completed increased by 3,1% y/y to R7 360 per square meter in the first quarter of 2018, compared with R7 135 per square meter in the same quarter last year. In real terms, i.e. after adjustment for inflation, residential building costs were down by 1% y/y in the first quarter, based on an average headline consumer price inflation rate of 4,1% 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 March 2018:

- Houses of <80m²: R5 482, up by 9,9% y/y.
- Houses of ≥80m²: R7 344, up by 3,1% y/y.
- Flats and townhouses: R7 48, down by 0,8% y/y.

Building activity with regard to alterations and additions to existing houses was relatively flat in the first quarter of 2018, with the building area approved rising by 0,9% y/y and the building area reported as completed contracting marginally by 0,1% y/y. The building cost of completed alterations and additions to existing houses increased by 13,7% to R7 026 per square meter in the first quarter from R6 182 per square meter a year ago. In real terms, the building cost in this segment of the property market was up by 9,2% y/y in the first quarter of the year.

Confidence levels in the building industry, i.e. with regard to building material manufacturers, architects, quantity surveyors, building contractors and sub-contractors as well as hardware retailers, improved in the first quarter of the year from the preceding quarter, but were still below the confidence-neutral level of 50 index points.

Residential building activity¹

1994 - 2018 year-to-date

| Segment | Building plans approved | | Buildings completed | |
|-----------------------------|-------------------------|--------------|---------------------|--------------|
| | Units | % of total | Units | % of total |
| Houses of <80m ² | 746 385 | 42.6 | 591 177 | 45.8 |
| Houses of ≥80m ² | 522 130 | 29.8 | 348 789 | 27.0 |
| Flats and townhouses | 485 538 | 27.7 | 351 749 | 27.2 |
| Total | 1 754 053 | 100.0 | 1 291 715 | 100.0 |

¹Private-sector financed

Source: Stats SA

Residential building activity: January - March¹

| 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 | %Δ | | m ² | %Δ | | Number | %Δ | | m ² | %Δ |
| Houses of <80m ² | 4 011 | 5 335 | 33.0 | 190 455 | 241 993 | 27.1 | 3 401 | 2 143 | -37.0 | 162 812 | 103 678 | -36.3 |
| Houses of ≥80m ² | 3 379 | 3 460 | 2.4 | 907 441 | 913 036 | 0.6 | 2 241 | 2 200 | -1.8 | 627 806 | 568 225 | -9.5 |
| Flats and townhouses | 5 708 | 6 548 | 14.7 | 617 400 | 591 406 | -4.2 | 4 557 | 3 309 | -27.4 | 410 065 | 346 138 | -15.6 |
| Total | 13 098 | 15 343 | 17.1 | 1 715 296 | 1 746 435 | 1.8 | 10 199 | 7 652 | -25.0 | 1 200 683 | 1 018 041 | -15.2 |

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-Mar 17 | Number | 5 407 | 1 174 | 49 | 511 | 1 022 | 1 088 | 3 080 | 525 | 242 | 13 098 |
| | January - | Number | 5 896 | 1 877 | 62 | 414 | 703 | 1 401 | 4 435 | 337 | 218 | 15 343 |
| | March | % change | 9.0 | 59.9 | 26.5 | -19.0 | -31.2 | 28.8 | 44.0 | -35.8 | -9.9 | 17.1 |
| | 2018 | % of SA | 38.4 | 12.2 | 0.4 | 2.7 | 4.6 | 9.1 | 28.9 | 2.2 | 1.4 | 100.0 |
| Alterations and additions to existing houses | Jan-Mar 17 | m ² | 185 069 | 67 723 | 4 880 | 33 341 | 87 054 | 28 843 | 194 072 | 28 413 | 15 619 | 645 014 |
| | January - | m ² | 192 529 | 61 715 | 5 263 | 34 753 | 71 491 | 28 728 | 204 942 | 40 002 | 11 223 | 650 646 |
| | March | % change | 4.0 | -8.9 | 7.8 | 4.2 | -17.9 | -0.4 | 5.6 | 40.8 | -28.1 | 0.9 |
| | 2018 | % of SA | 29.6 | 9.5 | 0.8 | 5.3 | 11.0 | 4.4 | 31.5 | 6.1 | 1.7 | 100.0 |
| Buildings completed | | | | | | | | | | | | |
| Segment | Period | Variable | WC | EC | NC | FS | KZN | NW | GAU | MPU | LIM | SA |
| Total new houses, flats and townhouses | Jan-Mar 17 | Number | 3 448 | 220 | 18 | 460 | 789 | 373 | 4 349 | 455 | 87 | 10 199 |
| | January - | Number | 3 288 | 119 | 9 | 245 | 361 | 546 | 2 695 | 279 | 110 | 7 652 |
| | March | % change | -4.6 | -45.9 | -50.0 | -46.7 | -54.2 | 46.4 | -38.0 | -38.7 | 26.4 | -25.0 |
| | 2018 | % of SA | 43.0 | 1.6 | 0.1 | 3.2 | 4.7 | 7.1 | 35.2 | 3.6 | 1.4 | 100.0 |
| Alterations and additions to existing houses | Jan-Mar 17 | m ² | 144 639 | 19 812 | 2 063 | 2 287 | 32 471 | 12 170 | 57 507 | 10 082 | 1 055 | 282 086 |
| | January - | m ² | 97 754 | 17 429 | 6 290 | 9 192 | 47 643 | 36 173 | 57 366 | 8 735 | 1 238 | 281 820 |
| | March | % change | -32.4 | -12.0 | 204.9 | 301.9 | 46.7 | 197.2 | -0.2 | -13.4 | 17.3 | -0.1 |
| | 2018 | % of SA | 34.7 | 6.2 | 2.2 | 3.3 | 16.9 | 12.8 | 20.4 | 3.1 | 0.4 | 100.0 |

¹Private-sector financed

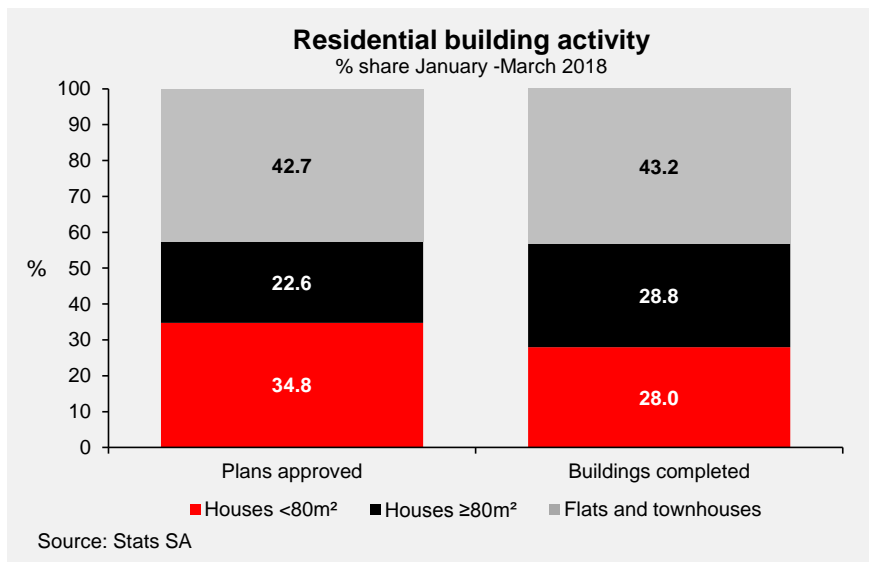
Source: Stats SA

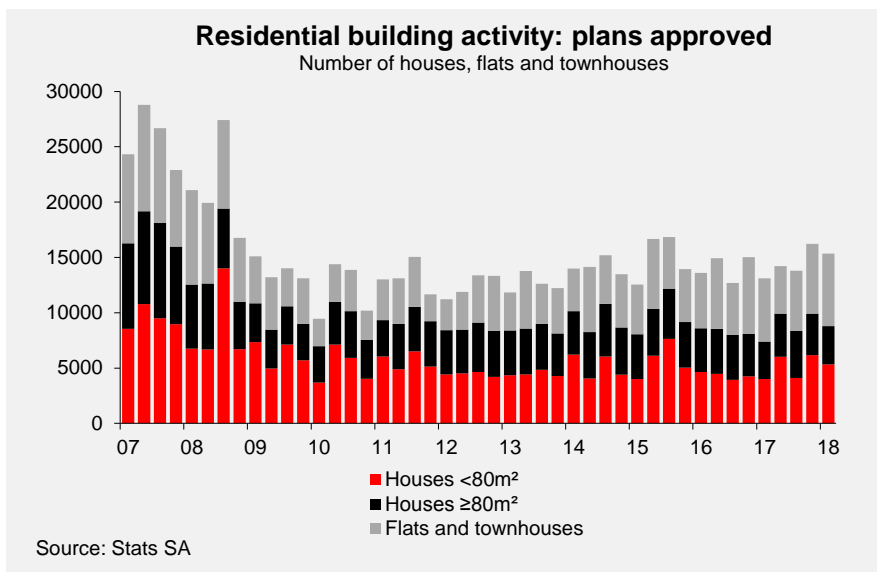
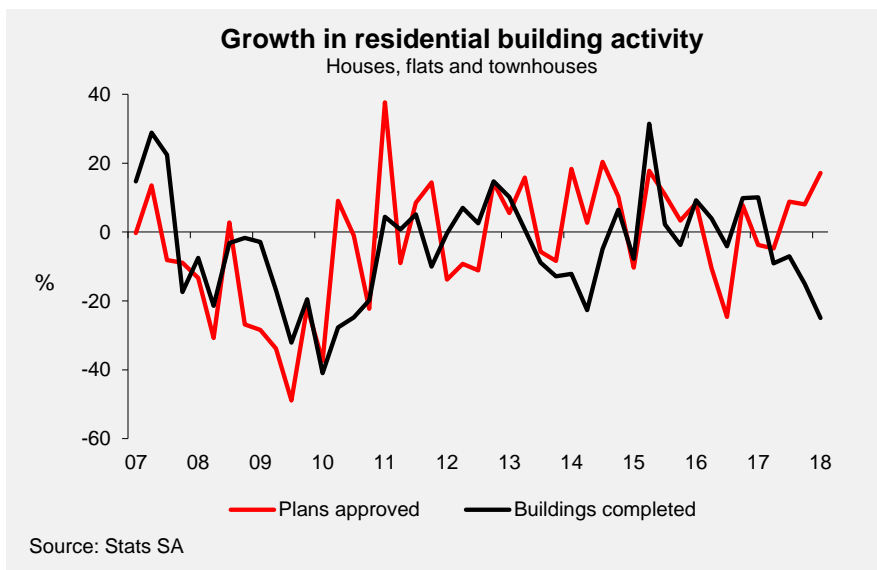
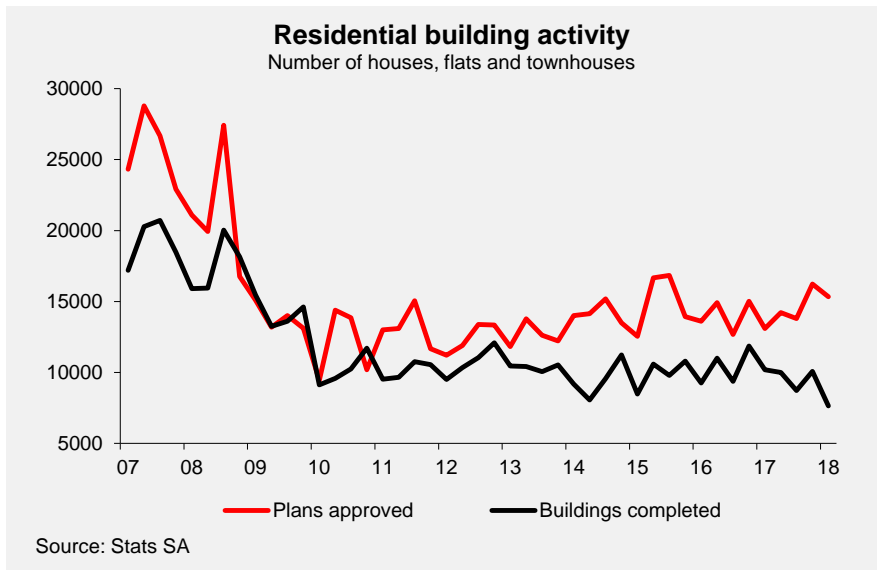
Residential building activity¹

| 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 | | | | | | | | |
| 1Q 2015 | 4 012 | -35.3 | 4 049 | 3.2 | 4 492 | 16.0 | 12 553 | -10.3 |
| 2Q 2015 | 6 112 | 50.9 | 4 242 | 1.0 | 6 306 | 7.0 | 16 660 | 17.8 |
| 3Q 2015 | 7 630 | 26.1 | 4 551 | -4.2 | 4 650 | 6.1 | 16 831 | 10.8 |
| 4Q 2015 | 5 029 | 14.1 | 4 139 | -2.6 | 4 767 | -1.3 | 13 935 | 3.3 |
| 1Q 2016 | 4 652 | 16.0 | 3 934 | -2.8 | 5 020 | 11.8 | 13 606 | 8.4 |
| 2Q 2016 | 4 477 | -26.8 | 4 057 | -4.4 | 6 382 | 1.2 | 14 916 | -10.5 |
| 3Q 2016 | 3 927 | -48.5 | 4 078 | -10.4 | 4 683 | 0.7 | 12 688 | -24.6 |
| 4Q 2016 | 4 262 | -15.3 | 3 830 | -7.5 | 6 927 | 45.3 | 15 019 | 7.8 |
| 1Q 2017 | 4 011 | -13.8 | 3 379 | -14.1 | 5 708 | 13.7 | 13 098 | -3.7 |
| 2Q 2017 | 6 017 | 34.4 | 3 893 | -4.0 | 4 300 | -32.6 | 14 210 | -4.7 |
| 3Q 2017 | 4 103 | 4.5 | 4 264 | 4.6 | 5 438 | 16.1 | 13 805 | 8.8 |
| 4Q 2017 | 6 155 | 44.4 | 3 776 | -1.4 | 6 300 | -9.1 | 16 231 | 8.1 |
| 1Q 2018 | 5 335 | 33.0 | 3 460 | 2.4 | 6 548 | 14.7 | 15 343 | 17.1 |
| Buildings completed | | | | | | | | |
| 1Q 2015 | 3 527 | -4.7 | 2 708 | 12.2 | 2 247 | -27.0 | 8 482 | -7.7 |
| 2Q 2015 | 4 391 | 58.3 | 3 161 | 33.9 | 3 040 | 4.0 | 10 592 | 31.5 |
| 3Q 2015 | 3 703 | -4.1 | 3 070 | 9.4 | 3 011 | 3.8 | 9 784 | 2.2 |
| 4Q 2015 | 4 391 | -14.0 | 3 222 | 1.7 | 3 195 | 8.3 | 10 808 | -3.7 |
| 1Q 2016 | 3 094 | -12.3 | 2 668 | -1.5 | 3 505 | 56.0 | 9 267 | 9.3 |
| 2Q 2016 | 4 165 | -5.1 | 3 440 | 8.8 | 3 405 | 12.0 | 11 010 | 3.9 |
| 3Q 2016 | 3 504 | -5.4 | 3 068 | -0.1 | 2 807 | -6.8 | 9 379 | -4.1 |
| 4Q 2016 | 4 799 | 9.3 | 3 058 | -5.1 | 4 014 | 25.6 | 11 871 | 9.8 |
| 1Q 2017 | 3 401 | 9.9 | 2 241 | -16.0 | 4 557 | 30.0 | 10 199 | 10.1 |
| 2Q 2017 | 4 732 | 13.6 | 2 581 | -25.0 | 2 697 | -20.8 | 10 010 | -9.1 |
| 3Q 2017 | 3 046 | -13.1 | 2 587 | -15.7 | 3 088 | 10.0 | 8 721 | -7.0 |
| 4Q 2017 | 2 985 | -37.8 | 3 393 | 11.0 | 3 706 | -7.7 | 10 084 | -15.1 |
| 1Q 2018 | 2 143 | -37.0 | 2 200 | -1.8 | 3 309 | -27.4 | 7 652 | -25.0 |

¹Private-sector financed

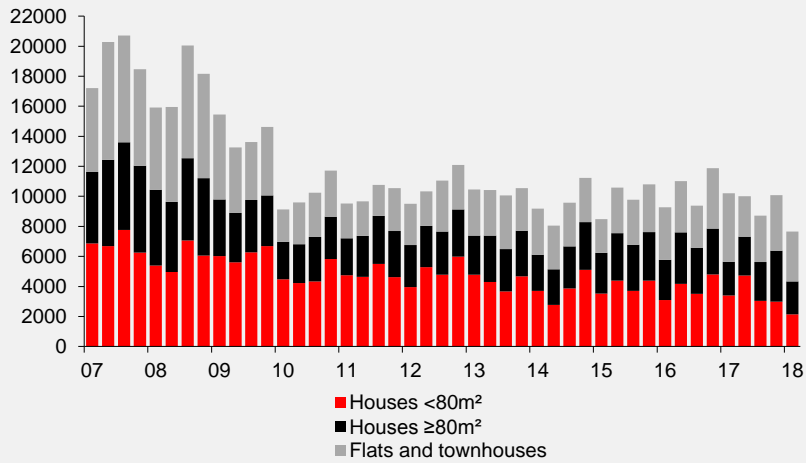
Source: Stats SA





Residential building activity: buildings completed

Number of houses, flats and townhouses



Source: Stats SA

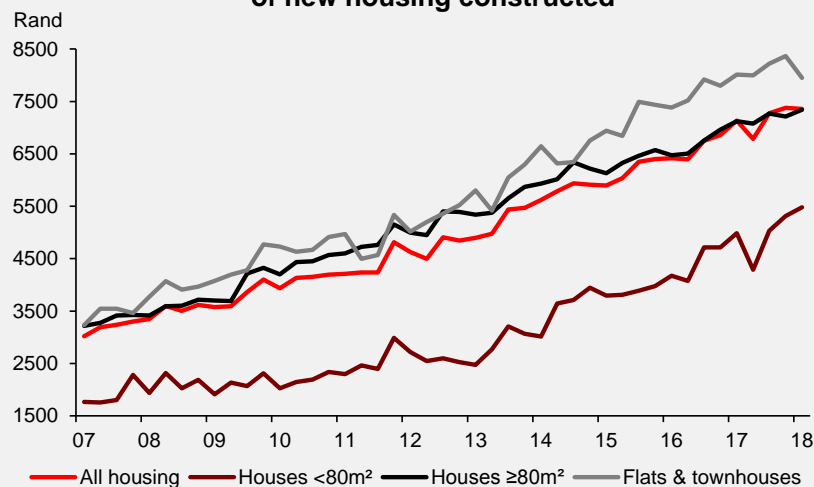
Building cost of new housing constructed¹

| Period | Houses of <80m ² | | Houses of ≥80m ² | | Flats and townhouses | | Total | |
|---------|-----------------------------|-------------|-----------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
| | Rand per m ² | y/y% change | Rand per m ² | y/y% change | Rand per m ² | y/y% change | Rand per m ² | y/y% change |
| 1Q 2015 | 3 794 | 25.8 | 6 129 | 3.3 | 6 943 | 4.5 | 5 894 | 4.9 |
| 2Q 2015 | 3 810 | 4.5 | 6 330 | 5.2 | 6 845 | 8.4 | 6 037 | 4.3 |
| 3Q 2015 | 3 887 | 4.7 | 6 465 | 2.0 | 7 493 | 18.1 | 6 350 | 7.0 |
| 4Q 2015 | 3 977 | 0.8 | 6 573 | 5.7 | 7 436 | 10.1 | 6 400 | 8.3 |
| 1Q 2016 | 4 176 | 10.1 | 6 474 | 5.6 | 7 384 | 6.3 | 6 415 | 8.8 |
| 2Q 2016 | 4 076 | 7.0 | 6 502 | 2.7 | 7 517 | 9.8 | 6 396 | 5.9 |
| 3Q 2016 | 4 714 | 21.3 | 6 753 | 4.5 | 7 920 | 5.7 | 6 747 | 6.3 |
| 4Q 2016 | 4 715 | 18.6 | 6 962 | 5.9 | 7 799 | 4.9 | 6 859 | 7.2 |
| 1Q 2017 | 4 986 | 19.4 | 7 121 | 10.0 | 8 010 | 8.5 | 7 135 | 11.2 |
| 2Q 2017 | 4 290 | 5.2 | 7 078 | 8.9 | 7 995 | 6.4 | 6 785 | 6.1 |
| 3Q 2017 | 5 030 | 6.7 | 7 269 | 7.6 | 8 222 | 3.8 | 7 274 | 7.8 |
| 4Q 2017 | 5 311 | 12.7 | 7 213 | 3.6 | 8 364 | 7.2 | 7 378 | 7.6 |
| 1Q 2018 | 5 482 | 9.9 | 7 344 | 3.1 | 7 948 | -0.8 | 7 360 | 3.1 |

¹Private-sector financed

Source: Stats SA

Average building cost per m² of new housing constructed



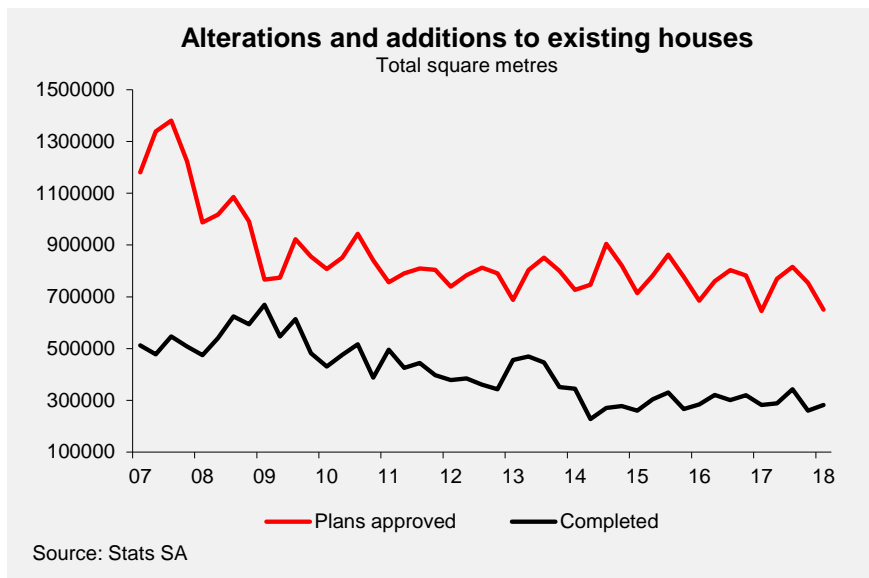
Source: Stats SA

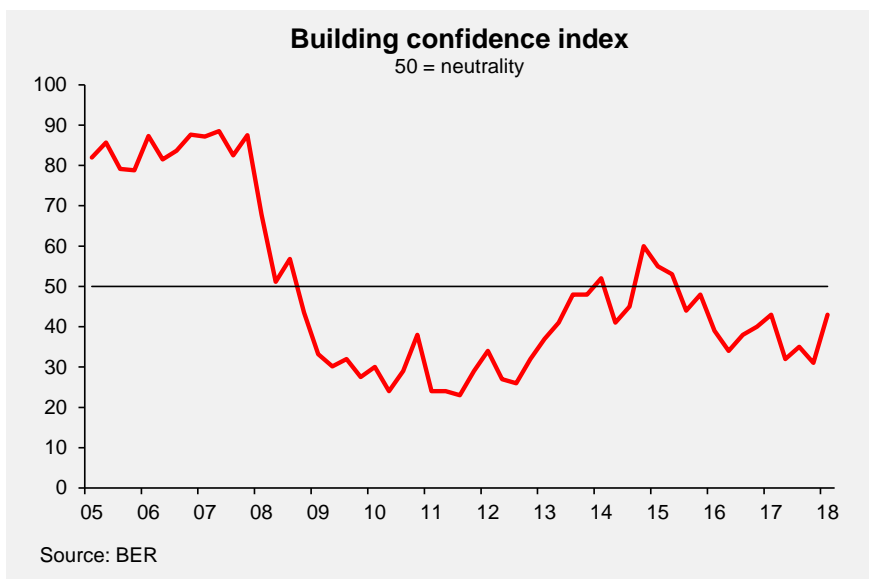
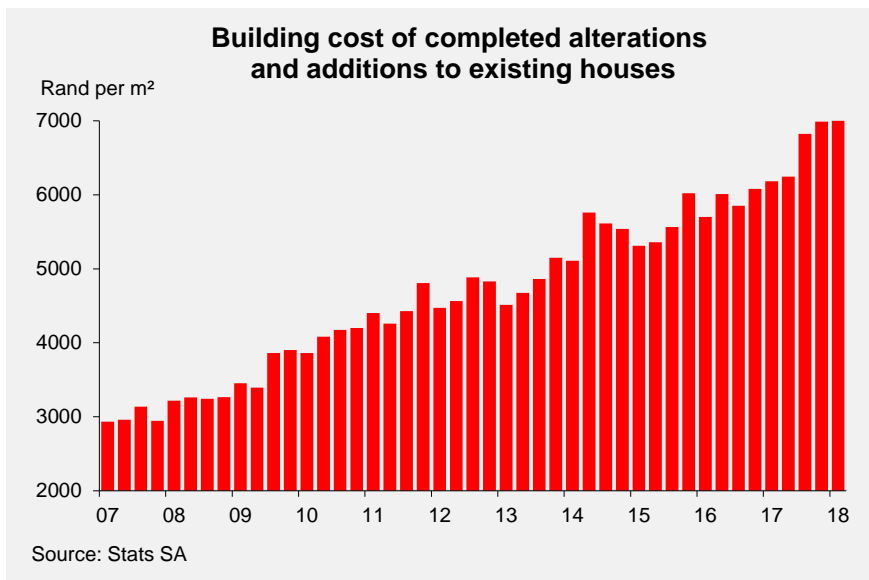
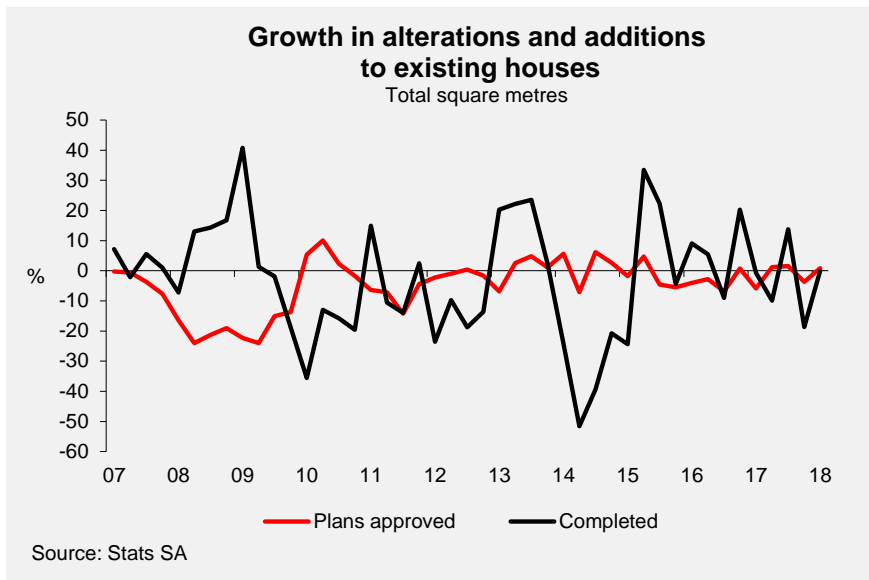
Alterations and additions to existing houses¹

| Period | Building area | | Value | | Building cost per m ² | |
|--------------------------------|----------------|--------------|--------------|--------------|----------------------------------|--------------|
| | m ² | y/y % change | Rand million | y/y % change | Rand | y/y % change |
| Building plans approved | | | | | | |
| 1Q 2015 | 714 097 | -1.8 | 4 186 | 5.8 | 5 862 | 7.7 |
| 2Q 2015 | 782 355 | 4.8 | 4 600 | 9.4 | 5 880 | 4.4 |
| 3Q 2015 | 862 405 | -4.6 | 5 407 | 1.9 | 6 269 | 6.8 |
| 4Q 2015 | 776 606 | -5.5 | 4 959 | 3.2 | 6 385 | 9.1 |
| 1Q 2016 | 685 341 | -4.0 | 4 442 | 6.1 | 6 482 | 10.6 |
| 2Q 2016 | 760 576 | -2.8 | 4 873 | 5.9 | 6 407 | 9.0 |
| 3Q 2016 | 803 182 | -6.9 | 5 377 | -0.6 | 6 694 | 6.8 |
| 4Q 2016 | 782 721 | 0.8 | 5 401 | 8.9 | 6 900 | 8.1 |
| 1Q 2017 | 645 014 | -5.9 | 4 413 | -0.6 | 6 842 | 5.6 |
| 2Q 2017 | 769 576 | 1.2 | 5 340 | 9.6 | 6 939 | 8.3 |
| 3Q 2017 | 815 999 | 1.6 | 5 930 | 10.3 | 7 267 | 8.6 |
| 4Q 2017 | 753 993 | -3.7 | 5 489 | 1.6 | 7 280 | 5.5 |
| 1Q 2018 | 650 646 | 0.9 | 4 675 | 5.9 | 7 185 | 5.0 |
| Buildings completed | | | | | | |
| 1Q 2015 | 260 453 | -24.4 | 1 384 | -21.4 | 5 312 | 4.0 |
| 2Q 2015 | 303 821 | 33.5 | 1 628 | 24.2 | 5 358 | -7.0 |
| 3Q 2015 | 330 465 | 22.3 | 1 839 | 21.2 | 5 566 | -0.9 |
| 4Q 2015 | 266 012 | -4.4 | 1 602 | 3.9 | 6 022 | 8.7 |
| 1Q 2016 | 284 139 | 9.1 | 1 621 | 17.1 | 5 703 | 7.4 |
| 2Q 2016 | 320 318 | 5.4 | 1 925 | 18.2 | 6 010 | 12.2 |
| 3Q 2016 | 300 845 | -9.0 | 1 761 | -4.2 | 5 854 | 5.2 |
| 4Q 2016 | 320 015 | 20.3 | 1 946 | 21.5 | 6 081 | 1.0 |
| 1Q 2017 | 282 086 | -0.7 | 1 744 | 7.6 | 6 182 | 8.4 |
| 2Q 2017 | 288 499 | -9.9 | 1 802 | -6.4 | 6 245 | 3.9 |
| 3Q 2017 | 342 293 | 13.8 | 2 336 | 32.6 | 6 823 | 16.6 |
| 4Q 2017 | 260 267 | -18.7 | 1 820 | -6.5 | 6 991 | 15.0 |
| 1Q 2018 | 281 820 | -0.1 | 1 980 | 13.5 | 7 026 | 13.7 |

¹Private-sector financed

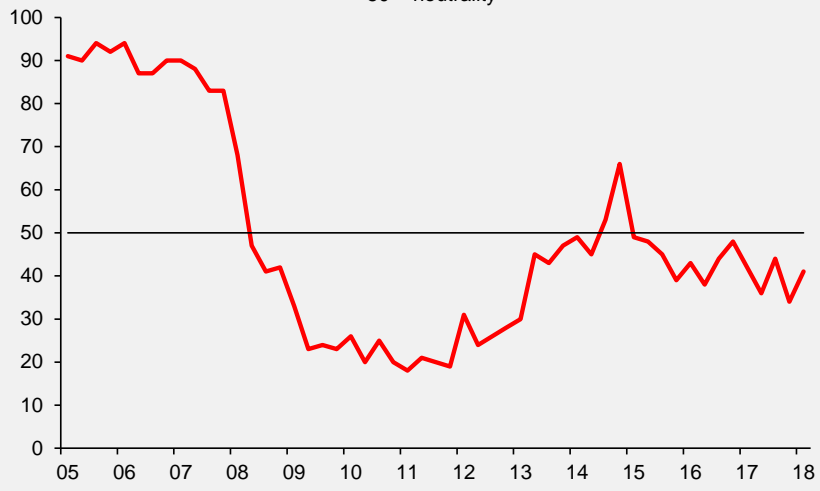
Source: Stats SA





Building contractor confidence index

50 = neutrality



Source: BER