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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

21 July 2017

Continued subdued levels of residential building activity

Based on data published by Statistics South Africa, building activity in the South African market for new private sector-financed housing (see explanatory notes) remained largely subdued in the first five months of 2017. The planning phase of new housing contracted up to May, whereas the construction phase showed some improvement. However, divergent trends in building activity were evident in the various segments of new housing over the 5-month period.

The number of building plans approved for new housing was down by 6,2% year-on-year (y/y), or 1 418, to 21 498 in January to May this year. This came on the back of a contraction of 11,9% y/y, or 1 745 plans, to a combined total of 12 858 plans approved in respect of new houses. Plans approved in the segment of flats and townhouses increased by 3,9% y/y, or 327, to a total of 8 640 in January to May.

Growth in the volume of new housing units reported as being completed came to 3,0% y/y in January to May 2017, with a cumulative total of 16 865 units built during this period. The construction phase showed some noticeable divergent trends at a segment level, with relatively strong growth of almost 21,4% y/y, or 1 151 units, to 6 538 units, recorded in respect of flats and townhouses in the 5-month period up to May, whereas the segment for smaller-sized houses improved by 7,6% y/y, or 455 units, to 6 465 units over the same period. However, the segment for houses larger than 80m² showed a sharp contraction of 22,5% y/y, or 1 119 units, to a total of 3 862 units in the first five months of the year.

The average building cost of new housing increased by 9,5% y/y to an average of R7 020 per square meter in the first five months of the year compared with R6 409 per square meter over the same period last year. Consumer price inflation averaged 5,9% y/y in the 5-month period up to May this year. The average building cost per square meter in the three categories of new housing was as follows in January to May 2017:

- Houses of <80m²: R4 704, up by 15,2% y/y
- Houses of ≥80m²: R7 080, up by 9,0% y/y
- Flats and townhouses: R8 098, up by 8,0% y/y

At a geographical level, the provinces of Gauteng and the Western Cape continued to dominate residential building activity in January to May this year. The major metropolitan municipalities of Cape Town, Johannesburg, Tshwane and Ekurhuleni had the largest combined share of 63,6% of a national total of 41 527 new private sector-financed housing units built in 2016.

The South African economy entered recession in the first quarter of 2017, with growth of only 0,3% for the full year forecast by Absa. The South African Reserve Bank's Monetary Policy Committee cut the key policy rate, the repo rate, by 25 basis points to 6,75% per annum on 20 July, with prime lending and variable mortgage interest rates lowered to 10,25% per annum as a result. The cut in interest rates came against the background of an improved inflation outlook and the prospect of continued low economic growth this year.

In view of economic conditions, the state of and prospects for household finances and consumer and building confidence, the level of residential building activity is expected to remain much in line with recent trends in the rest of the year.

Residential building activity¹

1994 - 2017 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	727 804	42.7	581 335	46.1
Houses of ≥80m ²	509 176	29.9	339 649	26.9
Flats and townhouses	465 884	27.4	340 930	27.0
Total	1 702 864	100.0	1 261 914	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity: January - May¹

Segment	Building plans approved						Buildings completed					
	Units 2016	Units 2017		m ² 2016	Building area 2017		Units 2016	Units 2017		m ² 2016	Building area 2017	
		Number	%Δ		m ²	%Δ		Number	%Δ		m ²	%Δ
Houses of <80m ²	7 995	7 040	-11.9	381 450	337 278	-11.6	6 010	6 465	7.6	290 270	307 916	6.1
Houses of ≥80m ²	6 608	5 818	-12.0	1 769 237	1 583 730	-10.5	4 981	3 862	-22.5	1 185 869	1 064 495	-10.2
Flats and townhouses	8 313	8 640	3.9	857 095	981 602	14.5	5 387	6 538	21.4	512 513	621 453	21.3
Total	22 916	21 498	-6.2	3 007 782	2 902 610	-3.5	16 378	16 865	3.0	1 988 652	1 993 864	0.3

¹Private-sector financed

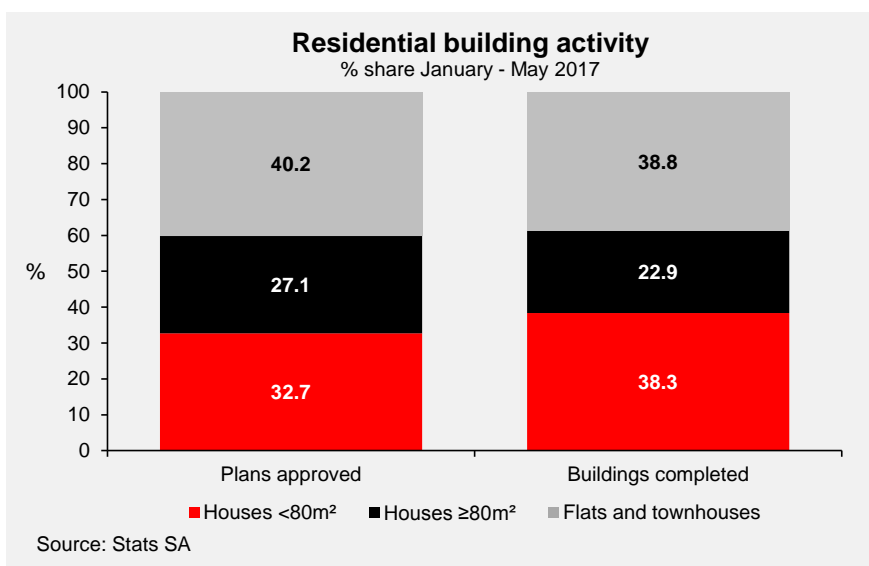
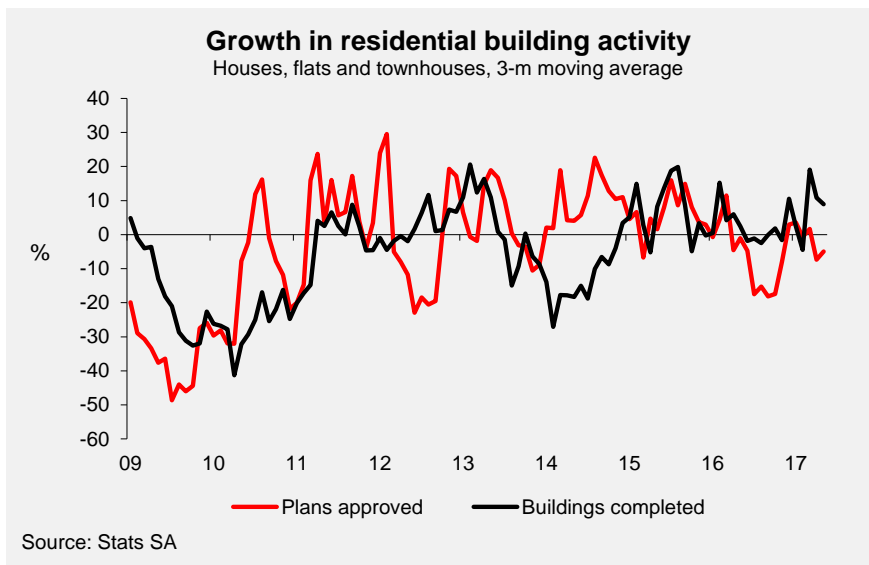
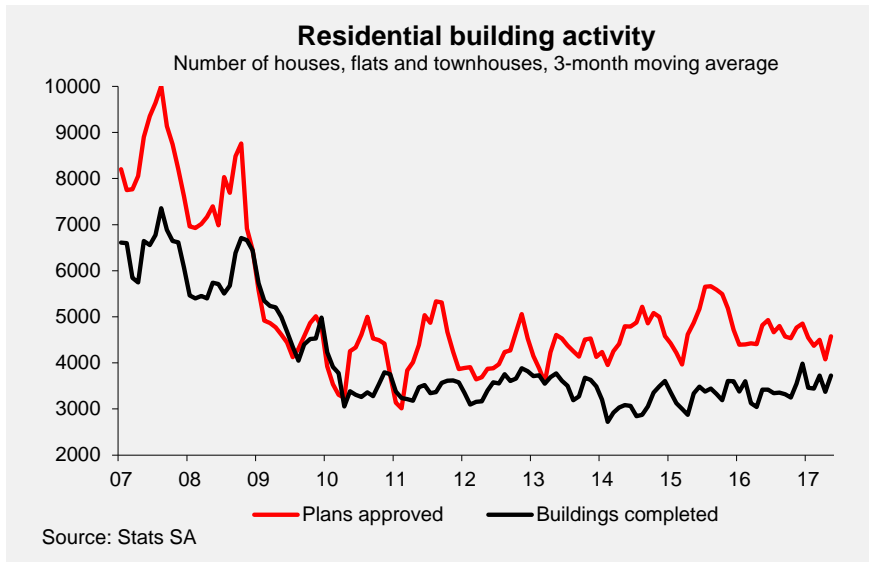
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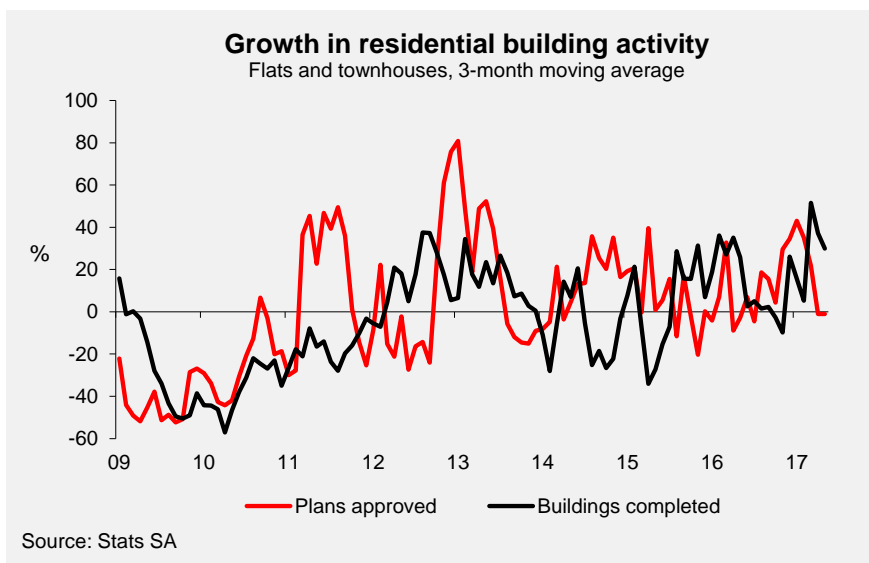
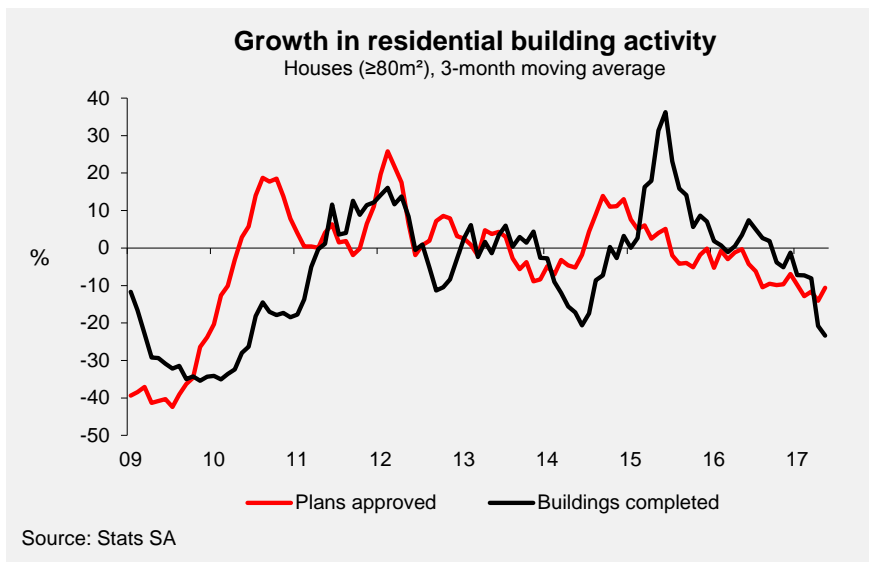
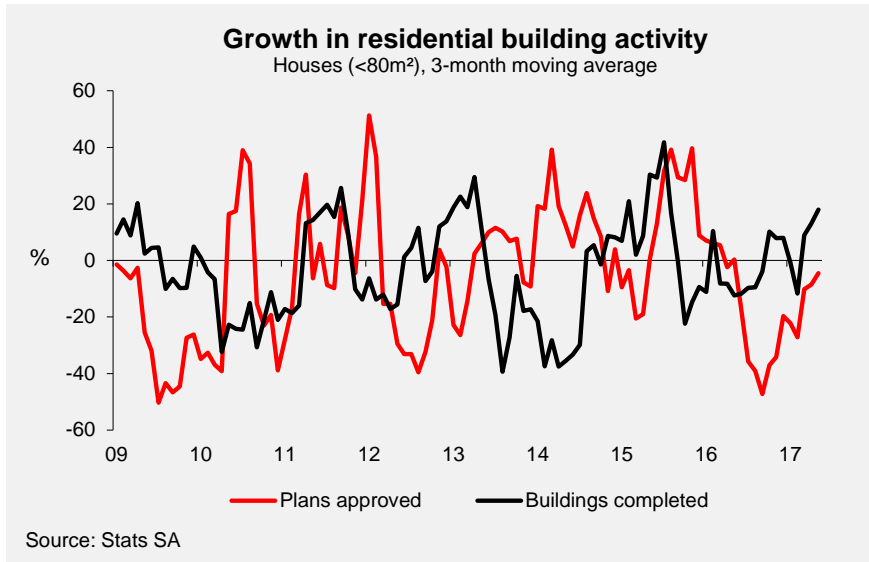
Residential building activity by province¹

Building plans approved												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-May 16	Number	7 029	1 345	140	1 003	1 916	954	8 921	1 214	394	22 916
	January - May 2017	Number	8 125	1 585	80	683	1 633	1 645	6 293	965	489	21 498
		% change	15.6	17.8	-42.9	-31.9	-14.8	72.4	-29.5	-20.5	24.1	-6.2
		% of SA	37.8	7.4	0.4	3.2	7.6	7.7	29.3	4.5	2.3	100.0
Alterations and additions to existing houses	Jan-May 16	m ²	330 913	95 802	20 164	58 070	139 257	59 977	387 776	66 522	26 252	1 184 733
	January - May 2017	m ²	317 099	109 658	13 967	58 634	158 353	50 057	362 268	46 584	24 756	1 141 376
		% change	-4.2	14.5	-30.7	1.0	13.7	-16.5	-6.6	-30.0	-5.7	-3.7
		% of SA	27.8	9.6	1.2	5.1	13.9	4.4	31.7	4.1	2.2	100.0
Buildings completed												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-May 16	Number	3 955	657	30	1 368	725	1 318	7 066	944	315	16 378
	January - May 2017	Number	5 192	437	40	516	1 031	599	7 867	648	535	16 865
		% change	31.3	-33.5	33.3	-62.3	42.2	-54.6	11.3	-31.4	69.8	3.0
		% of SA	30.8	2.6	0.2	3.1	6.1	3.6	46.6	3.8	3.2	100.0
Alterations and additions to existing houses	Jan-May 16	m ²	190 080	22 657	17 905	12 941	65 637	60 293	96 996	30 567	3 323	500 399
	January - May 2017	m ²	220 023	38 114	6 221	7 875	49 103	23 808	89 012	16 644	1 595	452 395
		% change	15.8	68.2	-65.3	-39.1	-25.2	-60.5	-8.2	-45.5	-52.0	-9.6
		% of SA	48.6	8.4	1.4	1.7	10.9	5.3	19.7	3.7	0.4	100.0

¹Private-sector financed

Source: Stats SA





Residential building activity by province and major provincial urban area: 2014-2016

Residential building activity by province: Buildings completed ¹																
Province	Year	Houses <80m ²			Houses ≥80m ²			Flats			Townhouses			Total		
		Units	m ²	R million	Units	m ²	R million	Units	m ²	R million	Units	m ²	R million	Units	m ²	R million
Western Cape (WC)	2014	5 171	227 365	692.2	2 335	575 178	3 289.6	2 000	166 367	1 113.8	411	82 445	509.1	9 917	1 051 355	5 604.7
	2015	5 201	239 134	1 027.8	3 391	812 878	4 941.6	2 493	216 172	1 622.3	592	105 333	680.5	11 677	1 373 517	8 272.2
	2016	4 679	208 163	1 019.0	3 499	810 936	5 089.1	3 537	295 423	2 321.4	768	131 517	925.2	12 483	1 446 039	9 354.7
Eastern Cape (EC)	2014	671	32 187	89.6	637	122 217	579.3	412	21 032	99.3	182	28 507	132.2	1 902	203 943	900.4
	2015	854	40 447	130.4	595	119 235	593.6	45	2 149	9.0	102	13 909	74.6	1 596	175 740	807.6
	2016	1 213	55 159	237.4	697	135 595	751.5	176	13 813	82.5	197	21 392	115.0	2 283	225 959	1 186.4
Northern Cape (NC)	2014	75	3 908	21.1	97	20 656	98.4	8	657	3.0	14	2 287	9.7	194	27 508	132.2
	2015	38	2 111	11.8	179	27 703	157.9	12	861	3.9	42	2 940	16.2	271	33 615	189.7
	2016	5	336	1.9	92	17 709	121.9	0	0	0.0	5	761	5.0	102	18 806	128.8
Free State (FS)	2014	935	49 908	106.1	182	37 556	178.1	18	1 810	10.0	150	16 621	81.5	1 285	105 895	375.7
	2015	2 016	111 621	261.7	288	51 060	243.0	86	5 547	31.7	180	29 143	144.8	2 570	197 371	681.1
	2016	347	19 627	71.5	316	61 255	329.4	281	11 258	75.9	1 099	68 537	387.5	2 043	160 677	864.3
KwaZulu-Natal (KZN)	2014	184	10 464	66.6	759	226 392	1 740.3	548	45 973	386.4	626	93 349	633.4	2 117	376 178	2 826.7
	2015	238	14 005	124.5	812	220 437	1 757.7	501	85 327	849.6	498	92 650	651.0	2 049	412 419	3 382.8
	2016	225	13 025	108.7	770	214 403	1 781.5	445	57 721	595.0	317	74 769	617.3	1 757	359 918	3 102.5
North West (NW)	2014	281	16 352	63.2	974	167 778	773.9	904	62 755	313.9	41	7 103	32.7	2 200	253 988	1 183.8
	2015	71	4 535	18.7	785	170 308	801.0	1 117	80 152	392.9	13	1 353	7.7	1 986	256 348	1 220.2
	2016	441	26 890	101.6	1 110	189 874	896.7	535	33 068	178.4	100	15 374	72.0	2 186	265 206	1 248.8
Gauteng (GAU)	2014	6 424	355 835	1 394.7	4 639	1 379 070	9 303.4	2 088	138 593	1 111.6	3 041	390 660	2 583.4	16 192	2 264 158	14 393.0
	2015	6 321	315 399	1 234.3	4 920	1 482 103	10 399.4	2 239	158 286	1 376.3	2 960	334 851	2 396.3	16 440	2 290 639	15 406.3
	2016	7 490	371 109	1 566.6	4 601	1 368 550	10 285.2	2 022	143 361	1 408.6	3 811	468 750	3 558.6	17 924	2 351 770	16 818.9
Mpumalanga (MPU)	2014	1 523	78 450	289.6	873	182 734	805.8	854	52 058	319.6	206	18 316	84.4	3 456	331 558	1 499.5
	2015	1 072	52 702	196.9	957	213 599	970.1	188	10 018	45.4	160	10 290	46.3	2 377	286 609	1 258.8
	2016	1 008	50 251	191.2	872	197 935	899.4	115	7 151	35.0	61	4 926	21.8	2 056	260 263	1 147.4
Limpopo (LIM)	2014	180	9 799	43.9	254	65 019	292.8	270	25 199	113.4	76	12 694	55.1	780	112 711	505.2
	2015	201	11 381	55.4	234	60 958	295.3	26	1 765	7.9	239	24 669	121.9	700	98 773	480.6
	2016	154	9 463	46.9	277	70 258	340.6	1	127	0.6	261	26 584	133.7	693	106 432	521.7
South Africa (SA)	2014	15 444	784 268	2 767.0	10 750	2 776 600	17 061.7	7 102	514 444	3 470.9	4 747	651 982	4 121.5	38 043	4 727 294	27 421.1
	2015	16 012	791 335	3 061.4	12 161	3 158 281	20 159.5	6 707	560 277	4 339.1	4 786	615 138	4 139.4	39 666	5 125 031	31 699.4
	2016	15 562	754 023	3 344.8	12 234	3 066 515	20 495.2	7 112	561 922	4 697.4	6 619	812 610	5 836.1	41 527	5 195 070	34 373.5

¹Private-sector financed

Source: Stats SA

Residential building activity by major provincial urban area in 2016: Buildings completed ¹																
Municipality	Province	Houses <80m ²			Houses ≥80m ²			Flats			Townhouses			Total		
		Units	m ²	R million	Units	m ²	R million	Units	m ²	R million	Units	m ²	R million	Units	m ²	R million
Cape Town	WC	4 073	186 112	921.6	2 289	521 777	1 148.2	3 351	281 185	2 022.5	514	76 898	546.3	10 227	1 065 972	4 638.6
Buffalo City	EC	148	9 649	53.3	165	33 805	160.9	140	10 339	61.1	49	4 806	24.2	502	58 599	299.5
Mandela Bay	EC	1 032	43 386	174.5	396	68 992	387.5	36	3 474	21.5	148	16 586	90.8	1 612	132 438	674.2
//Khara Hais	NC	2	143	0.8	23	4 558	28.6	0	0	0.0	0	0	0.0	25	4 701	29.4
Sol Plaatjie	NC	0	0	0.0	64	12 053	88.4	0	0	0.0	5	761	5.0	69	12 814	93.4
Mangaung	FS	160	9 603	51.7	190	30 465	156.7	281	11 258	75.9	1 099	68 537	387.5	1 730	119 863	671.7
Ethekwini	KZN	170	9 605	92.7	299	78 655	828.4	277	37 474	412.5	216	54 954	466.9	962	180 688	1 800.5
Tlokwe	NW	164	9 805	32.4	704	106 429	507.7	401	19 648	119.7	38	4 537	20.5	1 307	140 419	680.3
Rustenburg	NW	238	14 722	58.9	206	31 841	128.3	48	4 832	20.3	22	3 521	14.8	514	54 916	222.3
Johannesburg	GAU	1 894	93 468	439.4	1 116	363 788	2 647.8	0	0	0.0	200	77 007	524.9	3 210	534 263	3 612.1
Tshwane	GAU	1 714	97 551	384.5	2 176	637 648	5 446.9	1 597	116 346	1 240.1	2 478	253 087	2 175.7	7 965	1 104 632	9 247.2
Ekurhuleni	GAU	2 812	130 737	574.3	955	269 296	1 736.1	319	19 494	127.2	929	113 523	739.3	5 015	533 050	3 176.9
Emalahleni	MPU	283	14 415	66.2	310	53 378	245.3	50	2 482	11.4	9	666	3.1	652	70 941	325.9
Govan Mbeki	MPU	408	20 461	71.8	40	5 040	26.7	0	0	0.0	0	0	0.0	448	25 501	98.5
Mbombela	MPU	9	466	2.2	215	70 769	345.2	43	3 361	17.7	14	1 578	6.7	281	76 174	371.7
Steve Tshwete	MPU	78	4 423	16.5	232	54 108	216.4	0	0	0.0	0	0	0.0	310	58 531	233.0
Polokwane	LIM	149	9 083	45.4	171	45 380	226.9	0	0	0.0	258	25 900	129.5	578	80 363	401.8
Total		13 334	653 629	2 986.2	9 551	2 387 982	14 325.8	6 543	509 893	4 129.7	5 979	702 361	5 135.1	35 407	4 253 865	26 576.8
Total (% of SA)		85.7	86.7	89.3	78.1	77.9	69.9	92.0	90.7	87.9	90.3	86.4	88.0	85.3	81.9	77.3

¹Private-sector financed

Source: Stats SA

**Residential additions and alterations
completed by province¹**

Province	Year	Existing houses		
		Plans	m ²	R million
Western Cape (WC)	2014	6 323	391 759	1 830.5
	2015	7 357	472 421	2 290.1
	2016	8 198	543 063	2 798.7
Eastern Cape (EC)	2014	1 548	94 578	383.5
	2015	1 070	76 428	326.8
	2016	1 024	61 679	304.4
Northern Cape (NC)	2014	347	25 416	122.2
	2015	344	26 375	152.2
	2016	497	38 762	279.9
Free State (FS)	2014	365	22 359	98.1
	2015	473	32 331	148.8
	2016	507	33 872	157.5
KwaZulu-Natal (KZN)	2014	1 844	144 453	1 225.9
	2015	1 857	147 678	1 317.9
	2016	1 855	137 488	1 242.9
North West (NW)	2014	395	30 675	131.7
	2015	1 193	86 462	356.4
	2016	1 091	69 030	297.2
Gauteng (GAU)	2014	3 062	297 924	1 854.5
	2015	2 182	207 521	1 384.6
	2016	2 502	258 151	1 817.2
Mpumalanga (MPU)	2014	1 330	105 892	450.9
	2015	1 231	107 460	457.4
	2016	989	77 191	325.5
Limpopo (LIM)	2014	79	7 691	32.8
	2015	46	4 075	18.5
	2016	69	6 081	29.3
South Africa (SA)	2014	15 293	1 120 747	6 130.1
	2015	15 753	1 160 751	6 452.7
	2016	16 732	1 225 317	7 252.7

¹Private-sector financed

Source: Stats SA

**Residential additions and alterations completed
by major provincial urban area in 2016¹**

Municipality	Province	Existing houses		
		Plans	m ²	R million
Cape Town	WC	6 774	461 509	2 312.7
Buffalo City	EC	284	22 246	93.2
Mandela Bay	EC	546	29 350	154.8
//Khara Hais	NC	147	9 508	59.2
Sol Plaatjie	NC	336	28 435	216.1
Mangaung	FS	263	20 542	92.9
Ethekwini	KZN	1 340	97 662	1 058.3
Tlokwe	NW	960	59 696	257.6
Rustenburg	NW	24	1 853	7.4
Johannesburg	GAU	715	93 288	654.2
Tshwane	GAU	821	73 791	620.7
Ekurhuleni	GAU	634	52 883	340.8
Emalahleni	MPU	105	7 427	34.2
Govan Mbeki	MPU	54	5 146	27.5
Mbombela	MPU	48	5 234	25.4
Steve Tshwete	MPU	757	57 597	230.4
Polokwane	LIM	47	4 319	21.6
Total		13 855	1 030 486	6 206.9
Total (% of SA)		82.8	84.1	85.6

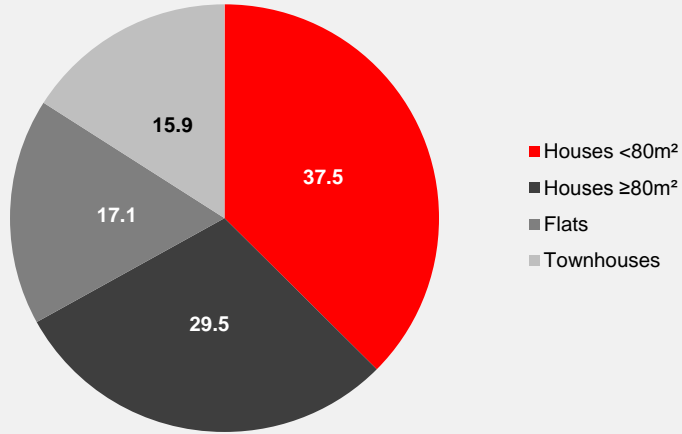
¹Private-sector financed

Source: Stats SA

Residential buildings completed: National

% share of total number of 41 527 units in 2016

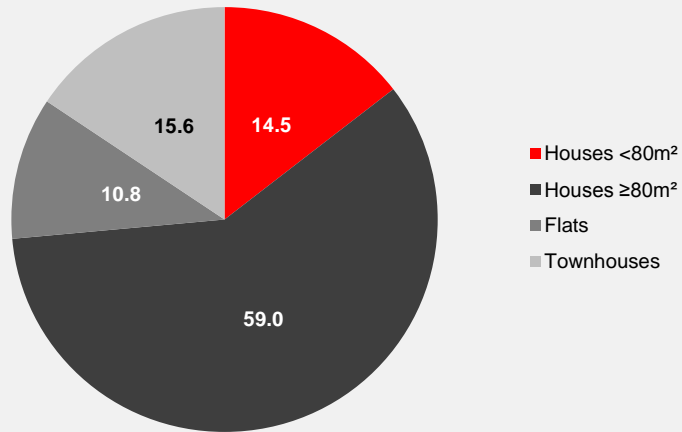
Source: Stats SA



Residential buildings completed: National

% share of total building area of 5.2 million square metres in 2016

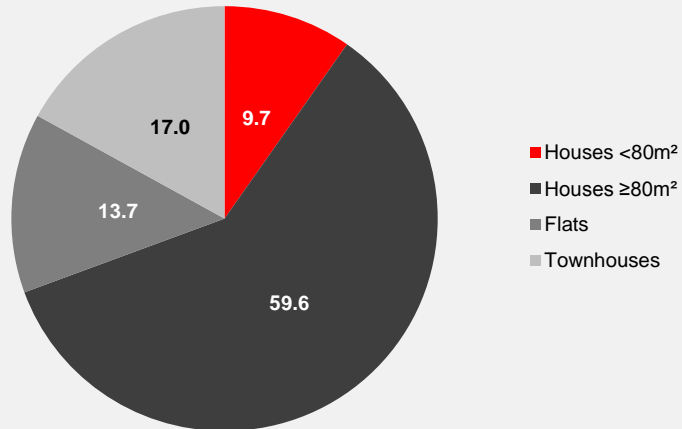
Source: Stats SA



Residential buildings completed: National

% share of total value of R34.4 billion in 2016

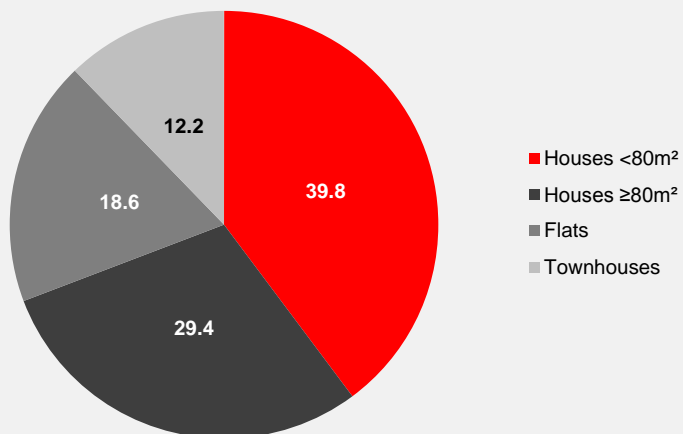
Source: Stats SA



Residential buildings completed: Major urban areas

% share of total number of 35 407 units in 2016

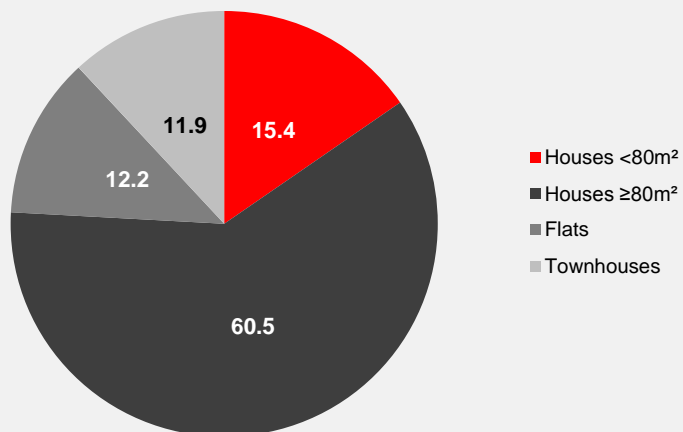
Source: Stats SA



Residential buildings completed: Major urban areas

% share of total building area of 4.3 million square metres in 2016

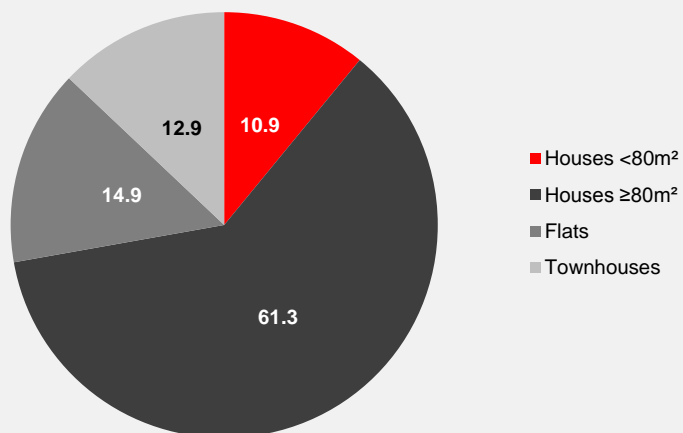
Source: Stats SA



Residential buildings completed: Major urban areas

% share of total value of R26.6 billion in 2016

Source: Stats SA



Major provincial municipalities and urban areas

Province	Major municipalities	Main cities and towns within municipal boundary
Western Cape (WC)	Cape Town	Bellville, Blue Downs, Brackenfell, Cape Town City Centre, Durbanville, Eersterivier, Fish Hoek, Goodwood, Gordon's Bay, Gugulethu, Khayelitsha, Kraaifontein, Kuilsrivier, Langa, Mfuleni, Milnerton, Mitchells Plain, Nyanga, Parow, Plumstead, Simon's Town, Somerset West, Strand
Eastern Cape (EC)	Buffalo City	Beacon Bay, Bisho, East London, Gonubie, King William's Town, Mdantsane, Zwelitsha
	Nelson Mandela Bay	Despatch, Port Elizabeth, Uitenhage
Northern Cape (NC)	//Khara Hais	Dagbreek, Gelukspruit, Karos, Louisvale, Sprigg, Upington
	Sol Plaatje	Kenilworth, Kimberley, Modderivier, Ritchie, Riverton, Spytfontein
Free State (FS)	Mangaung	Bloemfontein, Botshabelo, Thaba Nchu
KwaZulu-Natal (KZN)	Ethekwini	Amanzimtoti, Botha's Hill, Cato Ridge, Clermont, Drummond, Durban, Hillcrest, Inchanga, Kingsburgh, Kloof, KwaDabeka, KwaMakhutha, KwaMashu, Mount Edgecombe, Mpumalanga, New Germany, Pinetown, Queensburgh, Tongaat, Umdloti, Umhlanga, Umlazi, Verulam, Westville
North West (NW)	Tlokwe	Potchefstroom
	Rustenburg	Marikana, Rustenburg
Gauteng (GAU)	Johannesburg	Alexandra, Eikenhof, Eldorado Park, Ennerdale, Fourways, Florida, Grasmere, Halfway House, Honeydew, Johannesburg, Kyalami, Lawley Estate, Lenasia, Midrand, Modderfontein, Randburg, Randjiesfontein, Rivonia, Roodepoort, Sandton, Soweto, Van Wyksrust
	Tshwane	Akasia, Atteridgeville, Babelegi, Bon Accord, Centurion, Diloppe, Doornrandjies, Erasmia, Ga-Mokone, Ga-Rankuwa, Garsfontein, Hammanskraal, Irene, Klippan, Mabopane, Mamelodi, Onderstepoort, Pinedene, Pretoria, Pretoria North, Soshanguve, Temba, Tswaing, Valhalla, Winterveld, Bronkhorstspruit, Ekangala, Tierpoort, Welbekend
	Ekurhuleni	Alberton, Bedfordview, Benoni, Boksburg, Brakpan, Daveyton, Duduza, Edenvale, Germiston, Katlehong, Kempton Park, KwaThema, Nigel, Springs, Tembisa, Thokoza, Tsakane, Vosloorus
Mpumalanga (MPU)	Emalahleni	KwaGuqa, Witbank
	Govan Mbeki	Bethal, Evander, Leandra, Secunda
	Mbombela	Hazyview, KaNyamazane, Nelspruit, White River
	Steve Tshwete	Hendrina, Mhluzi, Middelburg
Limpopo (LIM)	Polokwane	Polokwane, Seshego

Source: Stats SA