



Compiled by
Jacques du Toit
Property Analyst
Absa Home Loans

15 Troye Street
Johannesburg | 2001

PO Box 7735
Johannesburg | 2000
South Africa

Tel +27 (0)11 350 7246
jacques@absa.co.za
www.absa.co.za

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

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Residential building activity remained under pressure up to late 2017

Levels of building activity in the South African market for new private sector-financed housing (see explanatory notes) remained largely subdued up to late 2017 in both the planning and construction phases compared with the corresponding period in 2016, based on data released by Statistics South Africa.

The number of building plans approved for new housing was virtually unchanged at 51 342 plans in the 11-month period up to November last year compared with the same period in 2016. Plans approved in the segment of houses smaller than 80m² increased by 8,8% y/y over this period, with the segments for houses equal to or larger than 80m² and flats and townhouses contracting by 4,3% y/y and 4,4% y/y respectively in January to November last year in terms of plans approved.

The number of new housing units reported as being completed was down by 3,8% y/y to a total of 35 432 units in January to November. The volume of flats and townhouses built increased by 9,9% y/y, whereas both segments of houses completed contracted, by a combined 10,1% y/y to a total of 22 712 unit over the 11-month period.

Building activity with regard to alterations and additions to existing houses contracted up to November last year, with the building area approved declining by 1,4% y/y and the building area reported as completed contracting by 4,0% y/y.

In line with the abovementioned trends in residential building activity, confidence levels in the building industry, i.e. with regard to building material manufacturers, architects, quantity surveyors, building sub-contractors and hardware retailers, remained on a downward trend up the end of last year.

The average building cost of new housing was up by 9,5% y/y to an average of R7 158 per square meter in the first eleven months of 2017, compared with R6 539 per square meter in the corresponding period in 2016. In real terms, i.e. after adjustment for inflation, residential building costs increased by an average of 4,0% y/y up to November, based on an average headline consumer price inflation rate of 5,3% y/y over the 11-month period. The average building cost per square meter in the three categories of new housing was as follows in January to November:

- Houses of <80m²: R4 875, up by 9,9% y/y
- Houses of ≥80m²: R7 164, up by 8,3% y/y
- Flats and townhouses: R8 261, up by 9,0% y/y

Levels of and growth in residential building activity are set to have been largely subdued for the full year of 2017, with the outlook for 2018 to be dependent on trends in the economy, household sector finances and levels of confidence.

Residential building activity¹

1994 - 2017 year-to-date

Segment	Building plans approved		Buildings completed	
	Units	% of total	Units	% of total
Houses of <80m ²	738 402	42.6	588 001	45.9
Houses of ≥80m ²	517 519	29.9	345 368	27.0
Flats and townhouses	476 787	27.5	347 112	27.1
Total	1 732 708	100.0	1 280 481	100.0

¹Private-sector financed

Source: Stats SA

Residential building activity: January - November¹

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	16 094	17 638	9.6	779 985	848 954	8.8	14 134	13 131	-7.1	683 544	640 965	-6.2
Houses of ≥80m ²	14 804	14 161	-4.3	4 045 166	3 833 622	-5.2	11 124	9 581	-13.9	2 728 203	2 534 587	-7.1
Flats and townhouses	20 433	19 543	-4.4	2 114 854	2 159 673	2.1	11 570	12 720	9.9	1 164 220	1 357 472	16.6
Total	51 331	51 342	0.0	6 940 005	6 842 249	-1.4	36 828	35 432	-3.8	4 575 967	4 533 024	-0.9

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-Nov 16	Number	15 943	3 152	262	1 943	4 901	1 849	19 757	2 591	933	51 331
	January - November 2017	Number	17 236	3 347	184	1 415	5 651	3 869	16 906	1 745	989	51 342
		% change	8.1	6.2	-29.8	-27.2	15.3	109.2	-14.4	-32.7	6.0	0.0
		% of SA	33.6	6.5	0.4	2.8	11.0	7.5	32.9	3.4	1.9	100.0
Alterations and additions to existing houses	Jan-Nov 16	m ²	822 135	251 805	49 578	140 973	335 230	131 658	885 686	142 838	61 257	2 821 160
	January - November 2017	m ²	825 749	269 976	35 319	128 169	360 684	122 039	868 191	118 646	51 712	2 780 485
		% change	0.4	7.2	-28.8	-9.1	7.6	-7.3	-2.0	-16.9	-15.6	-1.4
		% of SA	29.7	9.7	1.3	4.6	13.0	4.4	31.2	4.3	1.9	100.0
Buildings completed												
Segment	Period	Variable	WC	EC	NC	FS	KZN	NW	GAU	MPU	LIM	SA
Total new houses, flats and townhouses	Jan-Nov 16	Number	10 780	2 220	102	1 934	1 663	2 004	15 582	1 903	640	36 828
	January - November 2017	Number	11 454	1 030	70	831	2 147	1 409	16 189	1 288	1 014	35 432
		% change	6.3	-53.6	-31.4	-57.0	29.1	-29.7	3.9	-32.3	58.4	-3.8
		% of SA	32.3	2.9	0.2	2.3	6.1	4.0	45.7	3.6	2.9	100.0
Alterations and additions to existing houses	Jan-Nov 16	m ²	505 588	57 220	38 016	32 833	128 704	68 736	232 789	71 969	5 683	1 141 538
	January - November 2017	m ²	535 721	88 053	18 088	35 945	119 801	31 857	235 326	27 211	3 611	1 095 613
		% change	6.0	53.9	-52.4	9.5	-6.9	-53.7	1.1	-62.2	-36.5	-4.0
		% of SA	48.9	8.0	1.7	3.3	10.9	2.9	21.5	2.5	0.3	100.0

¹Private-sector financed

Source: Stats SA





