

SOUTH AFRICA CONSTRUCTION MARKET REPORT [SAMPLE]

June 2022



**CONSTRUCT
AFRICA**



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About South Africa



Economy

- 3rd largest economy in Africa
- Diversified Economy

Geography

- 471,000 square miles
- 60 million population

Key Cities

- Cape Town
- Johannesburg
- Pretoria
- Durban

Economic Overview



South Africa's GDP as at 2021 stood at US\$317 Billion with a growth rate of 1.2%



Mining, Transport & Communication and Trade sectors are the top contributors to GDP



The construction sector makes up about 3% of the South African GDP with a value of about US\$9.6 Billion

Spending on Construction



PUBLIC SPENDING

- South African commits US\$52.6 billion over the next decade towards infrastructure construction

PRIVATE SPENDING

- Private sector investment in infrastructure construction stood at 12.5% of GDP Value Added (about US\$668,208,715) in 2020.

South Africa Construction Industry



Size and Structure

Contribution by construction to GDP amounts to around 3%

The projected growth rate for the industry in 2022 is 9.1%

Residential & commercial building construction are projected to grow by 2 to 3 % from 2021 - 2024

Market Opportunities



Some Transport Sector projects

- Boegoebaai Port and Rail Infrastructure Project
- N3 Ashburton Interchange to Murray Road



Some Water Supply & Treatment Projects

- Rehabilitation of the Vaalharts-Taung Irrigation
- Rustfontein Water Treatment Works



Some Residential Building Projects

- Mooikloof Mega Residential City
- Jeppestown Social Housing Project

South Africa continues to be one of the leading African countries in generating new construction projects.

In line with international trends across the African continent, South Africa continues to see a steady level of public sector infrastructure upgrading and private sector capacity, with a particular focus on the transport, energy and power and real estate.

Some gazetted projects by sector are listed here - a full list is available in the detailed Country Construction Market Report.

Commercial Office Projects



Project Name	Location (City / Province)	Project Description	Project Cost
The Rubik Building	Cape Town / Western Cape province	<p>91 metres tall, 27 story mixed-use building - with 389m² retail space, 5,080m² office space and 79 residential apartments housed in a glass-clad tiered building. The Rubik building is being developed by South African property developer Abland in partnership with Giflo developments and Nedbank.</p> <p>Designed by architectural firm dhk architects, the building models the 'Rubik Cube' and consists of premium residential apartments above luxury offices and high-end retail space</p>	R500 million



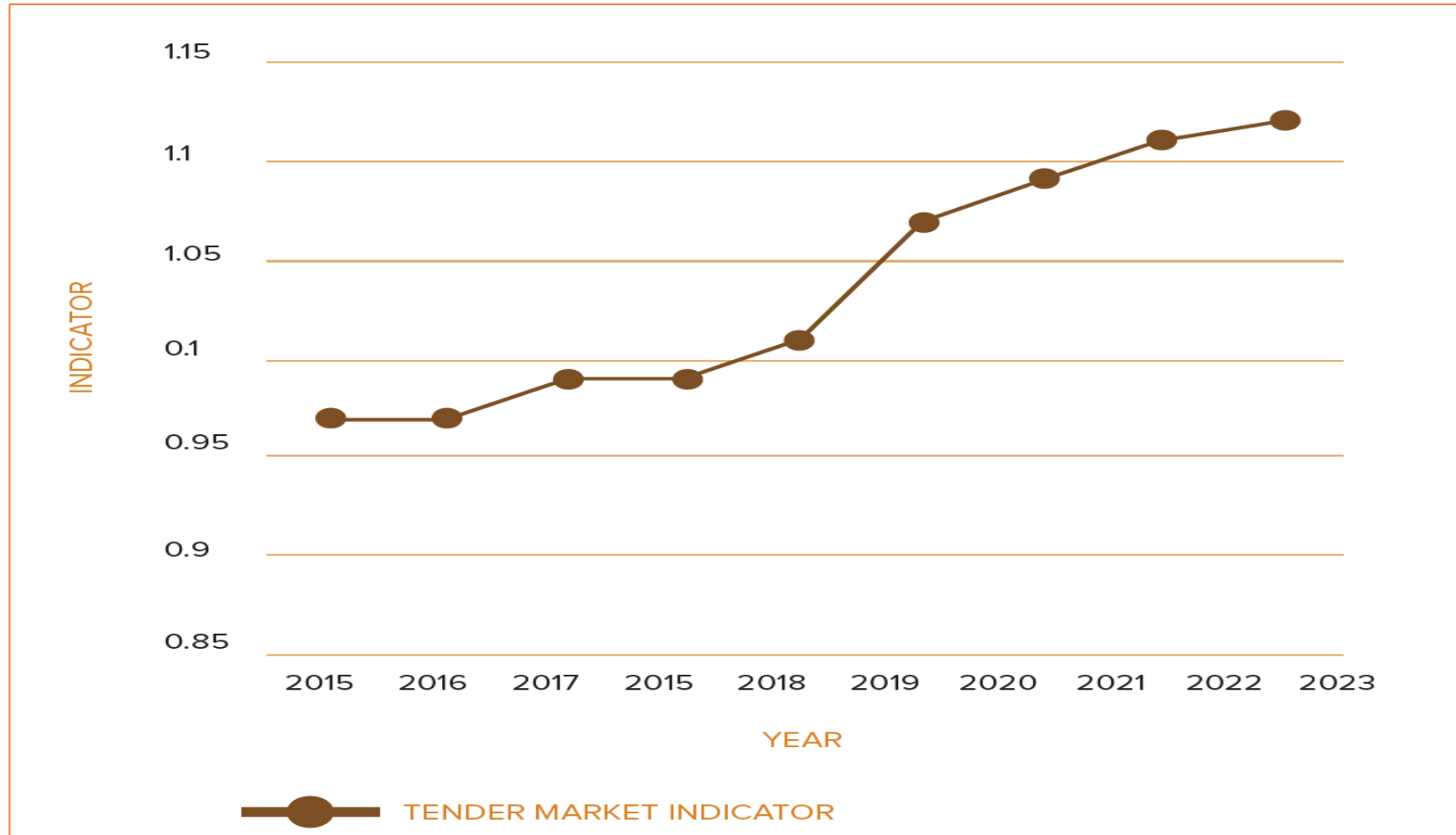
The Rubik Office Project



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Tender Price Trends



Indicative Construction Costs



		Average Building Cost per Square Metre* (Rands)		
Category of Building	Type of Building	[January to December] 2020	[January to December] 2021	% Change
Residential buildings	Dwelling-houses < 80m2	XXX	XXX	XXX
	Dwelling-houses >= 80m2	XXX	XXX	XXX
	Flats and townhouses	XXX	XXX	XXX
	Other residential buildings	XXX	XXX	XXX
Non-residential buildings	Office and banking space	XXX	XXX	XXX
	Shopping space	XXX	XXX	XXX
	Industrial and warehouse space	XXX	XXX	XXX
	Other non-residential buildings	XXX	XXX	XXX
Additions and alterations	Dwelling-houses	XXX	XXX	XXX
	Other buildings	XXX	XXX	XXX

Sample Material Costs



	Type of Material	Unit	Price (Rands)	Category of Construction Work
1	Cement 32.5N Kwikbuild Cement [KBC]	20kg Bag		Concrete Work
2	Cement 32.5R PPC Sure Cem	50kg Bag		Concrete Work
3	Cement 42.5N Afrisam All Purpose	50kg Bag		Concrete Work
4	White Cement 52.5N	50kg Bag		Concrete Work
5	Building Sand	m ³		Concrete Work
6	Building Sand (direct delivery)	m ³		Concrete Work
7	Plaster Sand	m ³		Concrete Work
8	Plaster Sand (direct delivery)	m ³		Concrete Work
9	River Sand	m ³		Concrete Work
10	Reinforcement Bar (8mm dia)	6m length		Concrete Work

Sample Labour Costs



	Discipline	Hourly Rate	
		Unit	Rands
1	Construction Labourer	hour	
2	Electrician	hour	
3	Bricklayer	hour	
4	Painter	hour	
5	Carpenter	hour	
6	Plumber	hour	
7	Welder	hour	
8	Tiler	hour	
9	Foreman	hour	
10	Excavator Operator	hour	
11	Grader Operator	hour	
12	Mobile Crane Operator	hour	
13	Heavy Equipment Mechanic	hour	
14	Draughtman	hour	
15	Structural Steel Erector	hour	
16	QA / QC Inspector	hour	
17	Safety Officer	hour	

How the South Africa Construction Industry Works



Most common forms of contract:

- FIDIC
- New Engineering & Construction Contract (NEC)
- Joint Builders Contracts Committee (JBCC)
- General Conditions of Contract for Construction Works (SAICE)

- Contractors typically not required to assume risk for changes in the cost of labor, materials or other inputs.

- Contractors provide performance bonds often given in the form of a guarantee to clients.

Dispute resolution methods include:

- Court proceedings
- Adjudication
- Arbitration
- Mediation

South Africa has adopted the UNCITRAL Model Law on international commercial arbitration.

Key Industry Players / Company Profiles [Sample]



Founded in 1970.

Specialises in building construction, civil engineering & roads.

Key projects undertaken include:

- Mall of Africa
- Umhlanga Arch
- King Shaka International Airport

www.wbho.com



Founded in 1974.

Specialises in infrastructure development projects.

Operates in South Africa and across Southern Africa.

Key projects undertaken include:

- Queens Town Quarry
- Greefspan Solar PV II plant
- Douala Grand Mall

www.raubex.co.za



Founded in 1902 (formerly Murray & Roberts Construction).

Specialises in infrastructure, building, mining and property development sectors.

Key projects undertaken include:

- Hugo River Viaduct
- Caledon River Incremental Bridge
- South African Reserve Bank

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