Building Plans
April 2024

Overview

Plans Approved	April 2024 Number	April 2024 Value (N$ m)	N$ Value YTD 2023	N$ Value YTD 2024	N$ Change YTD	% Change YTD
Additions	139	54.0	147.2	293.0	145.7	99.0%
Commercial & Industrial	10	20.5	98.8	37.8	(61.0)	-61.7%
Flats & Houses	21	13.7	124.7	293.1	168.4	135.1%
Total	**170**	**88.1**	**370.7**	**623.9**	**253.2**	**68.3%**
Plans Completed						
Additions	108	26.0	31.6	43.2	11.6	36.9%
Commercial & Industrial	1	6.5	19.4	60.1	40.7	210.4%
Flats & Houses	23	22.8	132.3	77.3	(55.0)	-41.6%
Total	**132**	**55.3**	**183.3**	**180.6**	**(2.6)**	**-1.4%**

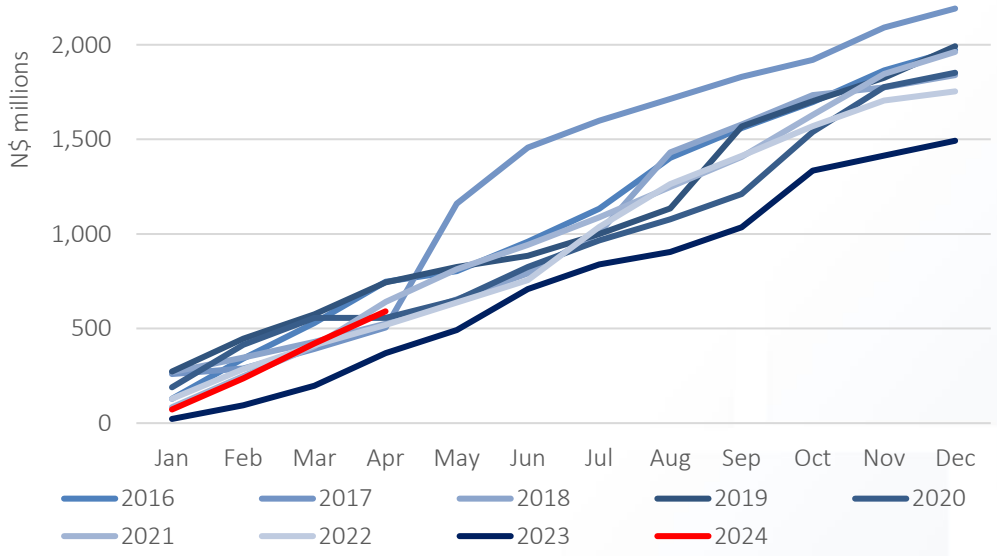
Source: City of Windhoek, IJG Securities

The construction pipeline in Windhoek remains dull. A total of 170 building plans were approved by City of Windhoek in April, representing an 7.6% m/m decrease but a 29.8% y/y increase. The value of approvals however fell by 70.0% m/m from March's high base and by 49.2% y/y to N$87.2 million.

The year-to-date figures paint a slightly brighter picture with 462 plans approved so far in 2024 valued at N$623.9 million. This represents a 5.3% increase in the number of plans approved compared to the corresponding period last year, with a 68.3% higher total value.

Most of the approved plans are for additions to existing properties, which are typically smaller, lower value projects. Indeed, 78.3% of the total plans approved year-to-date are additions to properties, amounting to a total value of N$293.0 million, which is 47.0% of the total value of plans approved in 2024 so far. Conversely, commercial and residential buildings collectively make up 21.7% of the total number of plans approved year-to-date, but account for 53.0% of the monetary value, equivalent to N$331.0 million.

Year-to-date Value of Approvals
(Windhoek)



Source: City of Windhoek, IJG Securities

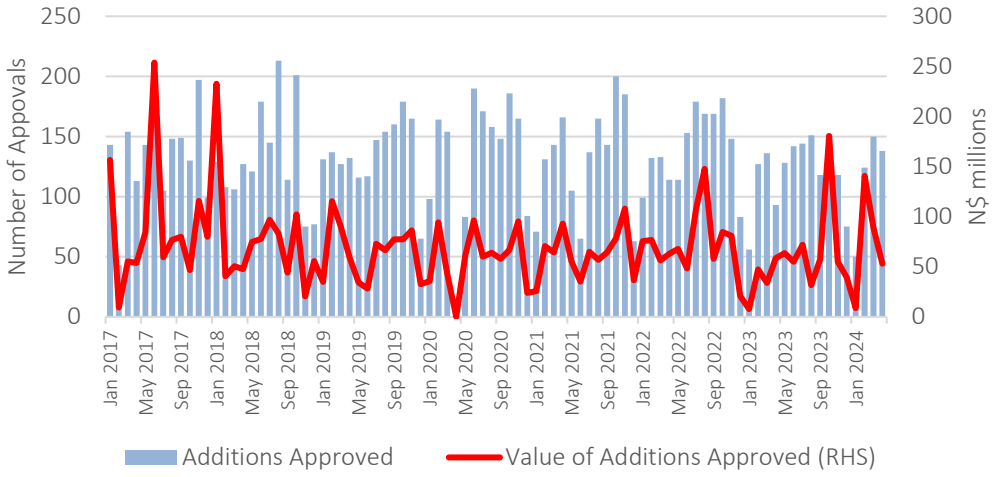
132 building plans were completed in Windhoek in April, an increase of 144.4% y/y from the 54 completed during the same month in 2023. The completion of 1 commercial building, valued at N$6.50 million, 108 additions at N$26.0 million, and 23 residential buildings valued at N$22.8

million, equated to the total value of completions of N$55.3 million. The Swakopmund Municipality approved 38 building plans in April, valued at N$38.9 million. 37 residential plans were approved at N$37.0 million and 1 institution plan at N$1.93 million.

Additions to Properties

139 additions to properties were approved in April, worth N$54.0 million. This represents a decrease of 7.3% m/m but an increase of 49.5% y/y in number of additions. The value approved fell by 39.8% m/m and 8.0% y/y. Year-to-date, 463 additions have been approved at a value of N$293.0 million, marking a 12.4% increase in the number of approvals recorded over the same period last year and is 99.0% higher in value terms.

Number and Value of Additions to Properties Approved (Windhoek)

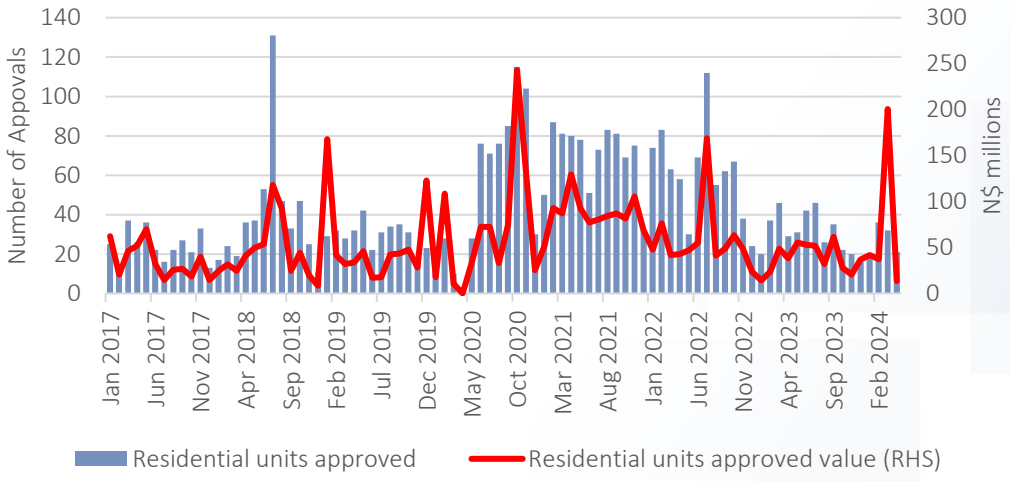


Source: City of Windhoek, IJG Securities

Residential Units

April saw the approval of 21 residential units, a decrease of 34.4% m/m and 27.6% y/y. Their value came in at N$13.7 million, which is 93.2% lower month-on-month and 64.1% lower than during the same month in 2023. Year-to-date, 108 residential building plans, worth N$293.1 million have been approved, which is 18.2% lower in number terms than we saw during the same four-month period in 2023 but is 135.1% higher in value terms.

Number and Value of Residential Plans Approved (Windhoek)

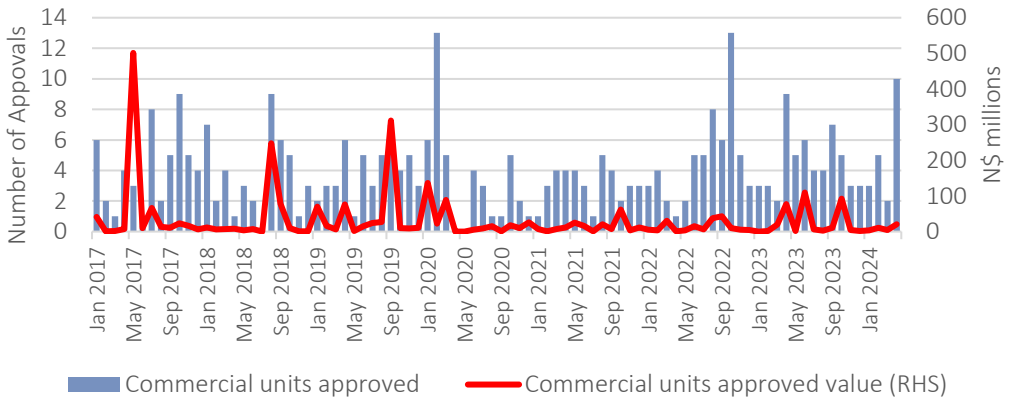


Source: City of Windhoek, IJG Securities

Commercial and Industrial Units

10 commercial and industrial buildings were approved during the month, worth N$20.5 million, representing an increase of 412.5% m/m but a decrease of 64.1% y/y in value terms. Year-to-date, 20 commercial and industrial plans have been approved, valued at N$37.8 million. This is 17.6% higher in number terms than the corresponding period last year but 61.7% lower in value terms.

Number and Value of Commercial and industrial Plans Approved

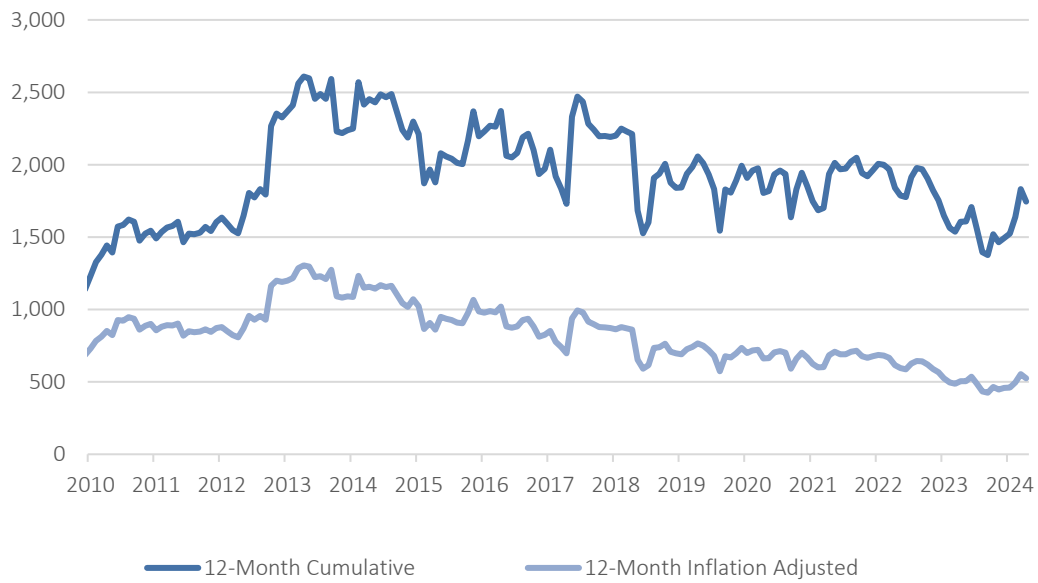


Source: City of Windhoek, IJG Securities

The Bottom Line

The longer-term trend in number of approvals remains downward, with the 12-month cumulative figure of 1,894 plans down 16.3% over the same period a year ago, and the 12-month cumulative value of approvals up 8.7% y/y. The downward trend is particularly clear when adjusting the value of approvals by inflation, as the chart below indicates.

12-Month Cumulative Value of Plans Approved (N$ millions)

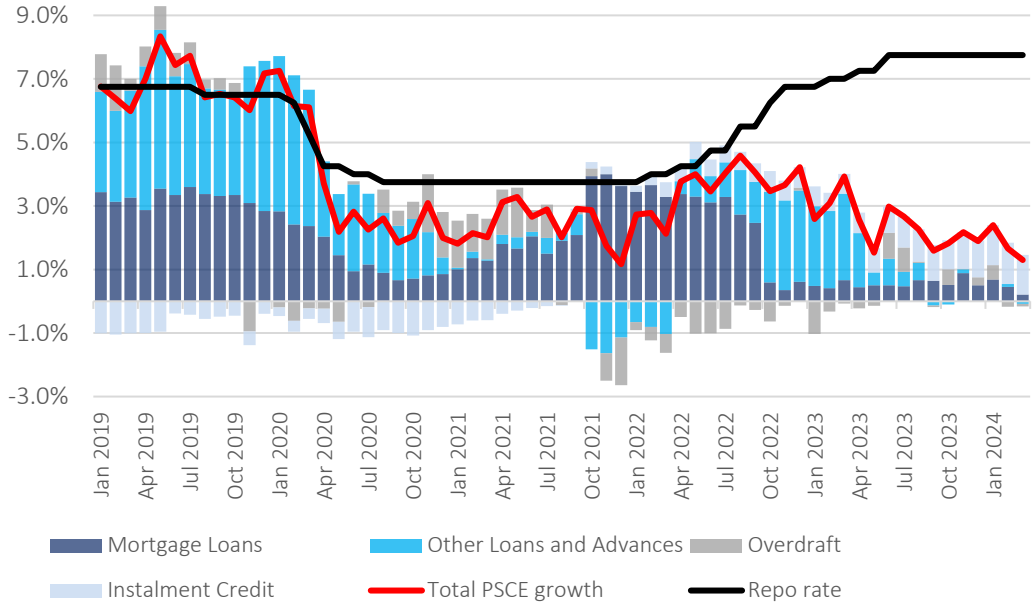


Source: City of Windhoek, IJG Securities

Global copper prices are up 24.5% y/y as of 14 May 2024, as supply-demand imbalances following the recent ban of Russian copper to LME-registered and CME-owned warehouses. This could upward pressure on building costs going forward and cause current projects to overrun their budgets.

The signed agreement between Swakopmund Municipality and the National Housing Enterprise (NHE) for the construction of 805 houses for the DRC informal settlement is expected to have an economic impact, albeit small. The approximate total cost will range from N$76.5 million to N$170.0 million. However, the pipeline is projected to remain subdued from the private sector. Mortgage loans have become a significantly lower driver of private sector credit extension growth. This is due to the relatively high interest rates disincentivising the take up of credit to build.

Elements of PSCE Growth and the Repo Rate



Source: Bank of Namibia, IJG Securities



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