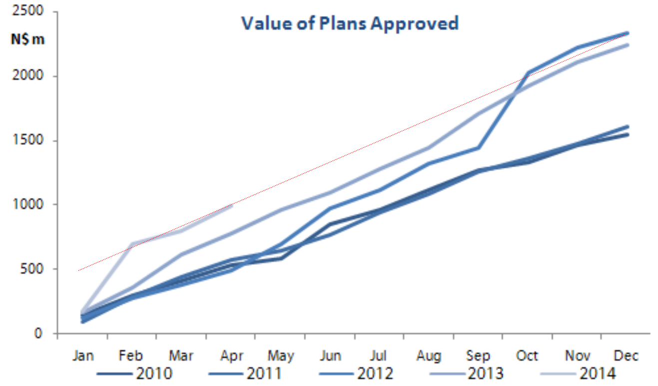
Economic Flash Note

Building Plans – April 2014

7 May2014 **Jan-Hendrik Conradie**

Growth driven by commercial property

	April2014		Value YTD(mill)		N$ Change	% Change
	Number	Value (mill)	2013	2014	YTD	YTD
Plans Approved						
Additions	202	71.3	390.9	339.4	-51.50	-13.2%
Commercial	12	87.4	78.0	499.3	421.4	540.5%
Residential	33	38.5	326.2	153.3	-172.99	-53.0%
Total	**247**	**197.1**	**778.7**	**992.1**	**213.4**	**27.4%**
Plans Completed						
Additions	24	4.0	115.4	33.6	-81.76	-70.9%
Commercial	2	21.0	19.5	87.7	68.1	349.0%
Residential	6	5.4	119.2	64.9	-54.3	-45.6%
Total	**32**	**30.4**	**254.1**	**186.2**	**-67.9**	**-26.7%**



Source: City of Windhoek
Note: These figures are excluding walls and pools

A total of 247 building plans to the value of N$197.1m were approved by the City of Windhoek in April 2014. On a year-to-date basis(January to April), 890plans were approved compared to 1,032plansover the same period last year. From a value perspective, however, plans approved year-to-date isworth N$992.1m compared to N$778.7m for the same period in 2013, up 27.4%. This increase ismostly due to three large commercial projects that were approved by the municipality in February 2014. On a monthly basis, 99 moreplans were approved in Aprilcompared to March and the value of plans approved is up 23.5% m/m.

Should the year to date trend of "value of plans approved" be maintained for the remainder of the year (illustrated by the red dashed line in the graph above), 2014 will most likely be equivalent to the record 2012 year. Ignoring monthly volatility, the trend implies that an average of N$167m worth of building plans per month will match 2012.

A total of 140residential units have been approved year-to-date, down 8.5% on the comparable period of 2013, turning negative in March for the first time in 17 months. Plans for flats and houses approved year-to-dateare valued at N$153.3m in contrast to the 153 plans worth N$326.2m in the same period last year.

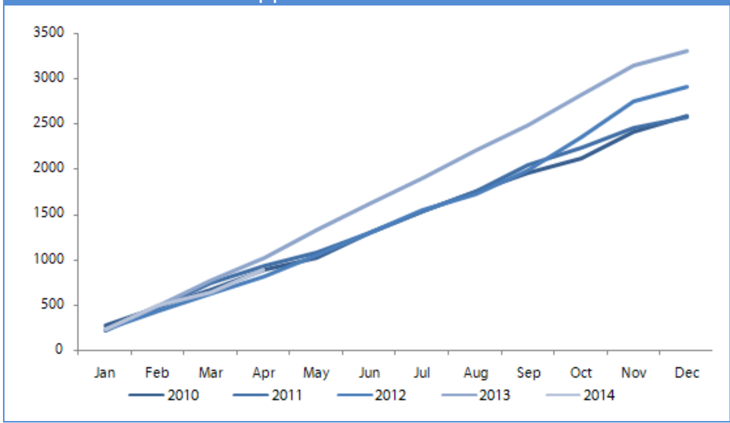
On the additions front, 711additions to the value of N$339.4m were approvedyear-to-date, down 142 plans whencompared to the same period last year anddown N$51.5min value terms.

39commercial property plans were approved for the period from January to end of April this year, a notable increase over the 26 plans that got the go-ahead in 2013, while the value of commercial building plans approved is up 540.5% on last year this time. The value of commercial and industrial buildings approved thus far in 2014 is N$499.3m compared to N$78.0m in the same period last year.The higher year-to-date figure for commercial properties is due to a few large projects approved, which make up more thanhalf of the total value of plans approved for the year thus far. A commercial property to be situated in Katatura, valued at N$26.0m was approved during the month, another commercial property, valued at N$21.0m is to be built in Rocky Crest and a N$17.5m project to be built in Brakwater by INP Development was approved by the City of Windhoek.

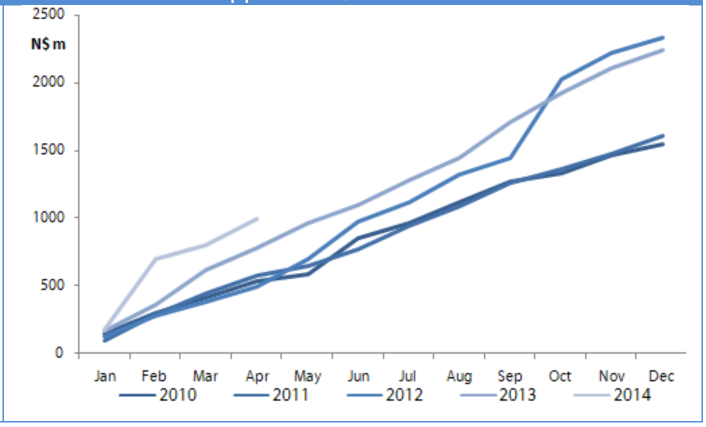
The 12 month cumulative number of plans approvedcontinued to decrease, down to 3,158 in April, with the year-on-year growth rate slowing 1.1%, as one can see in the graph on the next page. The 12 month cumulative value of plans approved totalled N$2.451.9bn, down 6.0% y/y compared to a decrease of 5.7% in March. The down turnlargely reflects base effects from the previous year.

In our view, the construction sector will remain one of the leading growth and development sectors in the Namibian economythrough 2014, with both private sector and government having aggressive development plans. However, many such plans fall out of the Windhoek municipal area, and as such are not captured in the monthly building plan statistics. 100% capacity utilization is evident in the City of Windhoek building statistics with the year to date number of plans approved straight-lining as opposed to showing normal seasonal trends.

YTD Number of Plans Approved



YTD Value of Plans Approved N$ million



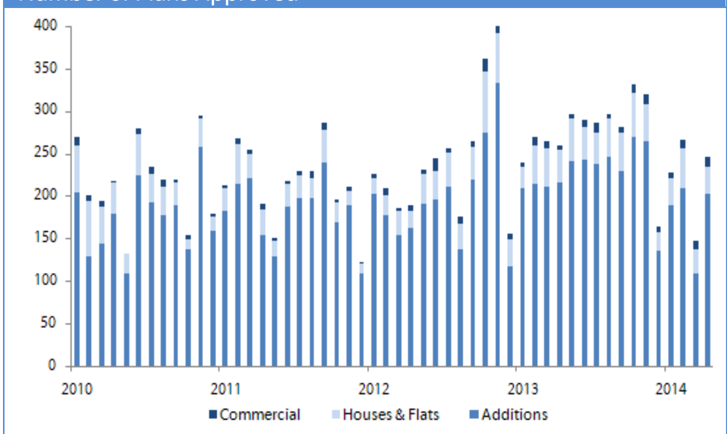
Source: City of Windhoek

12-month cumulative for Number of Plans Approved

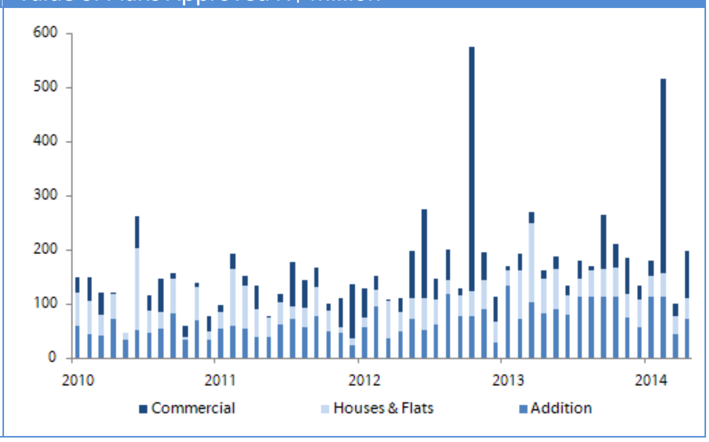
12-month cumulative for Value of Plans Approved

Source: City of Windhoek

Number of Plans Approved



Value of Plans Approved N$ million



Source: City of Windhoek

Managing Director
Mark Späth
Tel: +264 (61) 383 510
mark@ijg.net

Executive Director
James Hill
Tel: +264 (61) 383 500
james@ijg.net

Sales and Research
Romé Mostert
Tel: +264 (61) 383 520
rome@ijg.net

Rowland Brown
Tel: +264 (61) 383 513
rowland@ijg.net

Jan-Hendrik Conradie
Tel: +264 (61) 383 523
janhendrik@ijg.net

Financial Manager
Jakob de Klerk
Tel: +264 (61) 383 517
jakob@ijg.net

IJG Direct
Naïke Burger
Tel: +264 (61) 383 515
naike@ijg.net

Money Market & Administration
Leon Maloney
Tel:+264 (61) 383 521
leon@ijg.net

Tashiya Shekutamba
Tel:+264 (61) 383 511
tashiya@ijg.net

Equity & Fixed Income Dealing
Nigel Mubita
Tel: +264 (61) 383 514
nigel@ijg.net

Stuart Main
Tel: +264 (61) 383 512
stuart@ijg.net

Consulting
Hannelie Eksteen
Tel:+264 (61) 383 500
hannelie@ijg.net