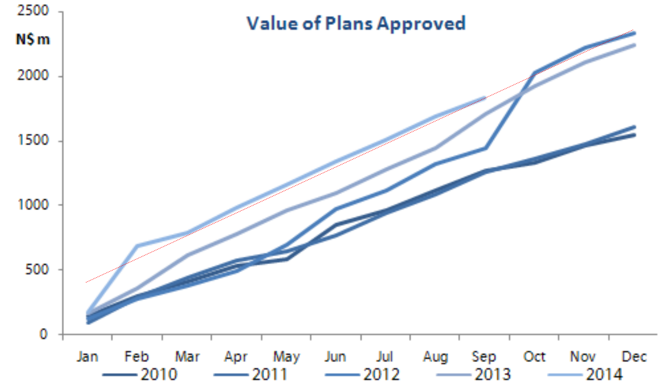
Building Plans – September 2014

09 October 2014 – Jan-Hendrik Conradie

Value of plans continue on upward trend

	September 2014		Value YTD(mill)		N$ Change	% Change
	Number	Value (mill)	2013	2014	YTD	YTD
Plans Approved						
Additions	252	76.2	895.5	727.6	-167.90	-18.7%
Commercial	16	33.7	260.3	731.4	471.1	181.0%
Residential	33	32.2	571.7	388.0	-183.70	-32.1%
Total	**301**	**142.1**	**1711.1**	**1837.1**	**126.0**	**7.4%**
Plans Completed						
Additions	60	14.9	322.0	107.0	-215.00	-66.8%
Commercial	2	4.9	66.2	187.8	121.6	183.5%
Residential	9	23.1	230.7	278.9	48.3	20.9%
Total	**71**	**42.8**	**618.9**	**573.7**	**-45.1**	**-7.3%**



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

A total of 301 building plans to the value of N$142.11m were approved by the City of Windhoek in September 2014. On a year-to-date basis (January to September), 2,258 plans were approved compared to 2,484 plans over the same period last year. In value terms, however, plans approved year-to-date are worth N$1,837.1bn compared to N$1,711.1bn for the same period in 2013, up 7.4%. This increase is mostly due to three large commercial projects that were approved by the municipality in February 2014. On a monthly basis, a few more plans were approved in September when compared to August, while the value of plans approved is down 24.9% m/m. The difference in value is mainly because less expensive commercial and industrial projects were approved in September.

Should the year-to-date trend of the 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 there is an average of N$167m worth of building plans per month, which will match 2012.

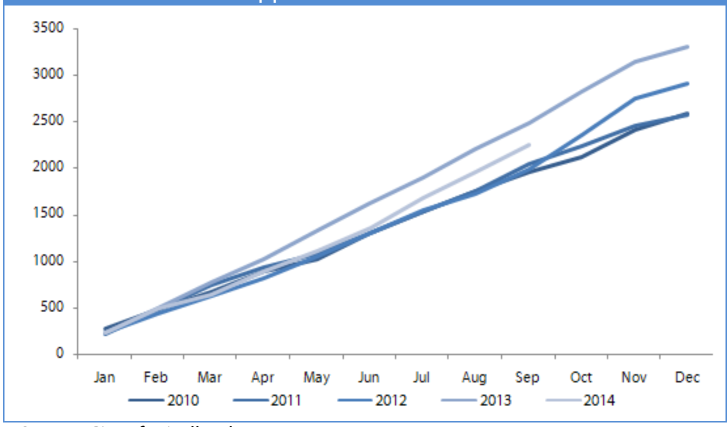
A total of 363 residential units have been approved year-to-date, down 1.4% from the comparable period of 2013. Plans for flats and houses approved year-to-date are valued at N$388.0m in contrast to the 368 plans worth N$571.7m in the same period last year. On the additions front, 1,797 additions to the value of N$727.6m were approved year-to-date, down 254 plans when compared to the same period last year and down N$167.9m in value.

98 commercial property plans were approved for the period of January to the end of September this year, an increase compared to the 65 plans that were approved at the same time in 2013. The value of commercial building plans approved is up 181.0% on last year this time. The value of commercial and industrial buildings approved thus far in 2014 is N$731.4m compared to N$260.3m 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 than 20% of the total value of plans approved for the year thus far.

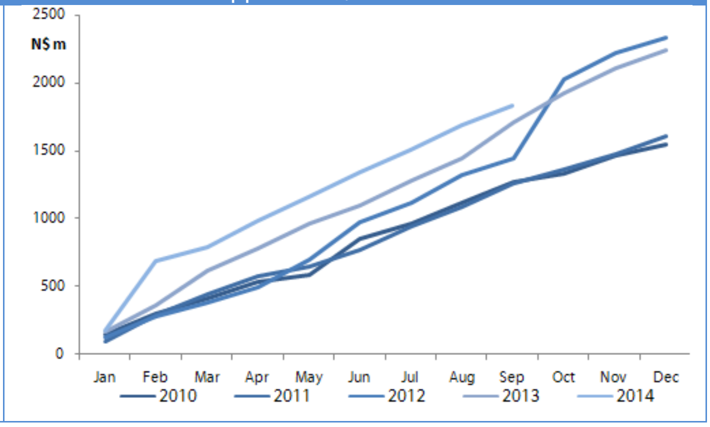
The 12 month cumulative number of plans approved increased to 3,074 in September compared to 3,055 in August, with the year-on-year growth rate contracting by 9.7%, posting negative growth for the fifth consecutive month, as shown in the graph on the next page. The 12-month cumulative value of plans approved totalled N$2,364.5bn, down 8.8% y/y.

In our view, the construction sector will be one of the leading growth and development sectors in the Namibian economy for 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.

YTD Number of Plans Approved



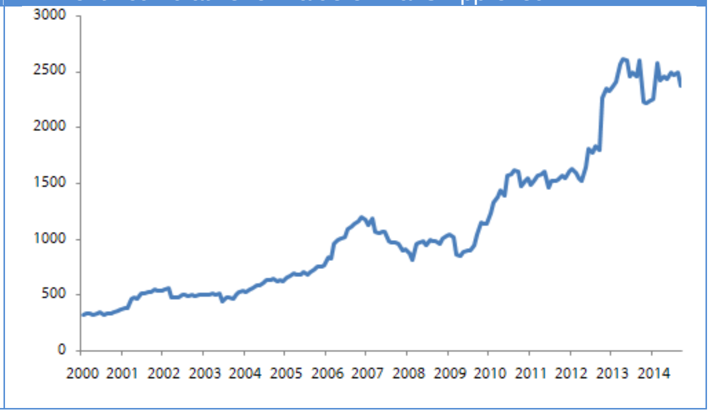
YTD Value of Plans Approved N$ million



Source: City of Windhoek

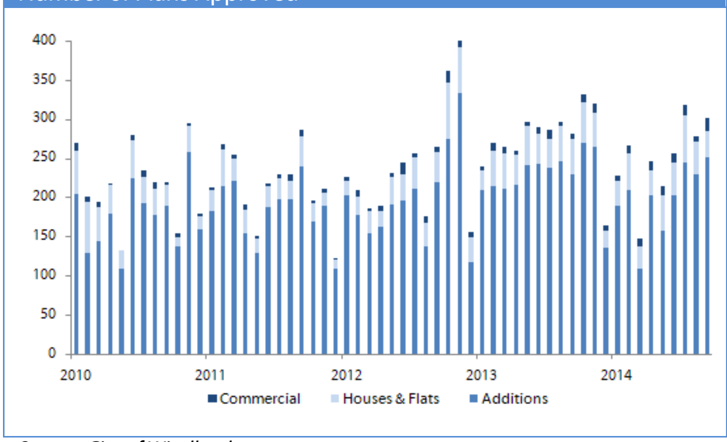
12-month cumulative for Number of Plans Approved

12-month cumulative for Value of Plans Approved

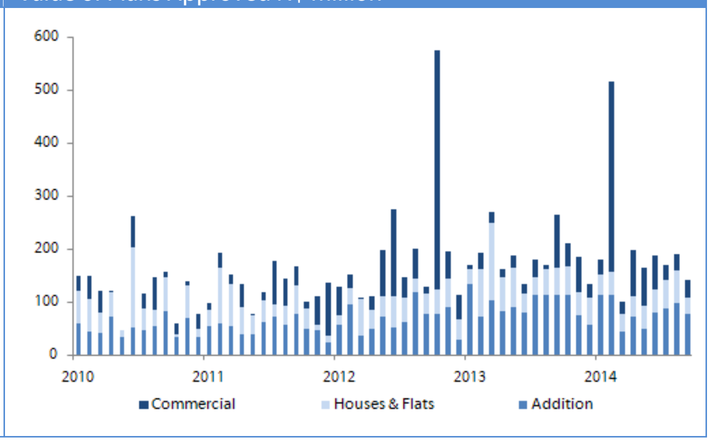


Source: City of Windhoek

Number of Plans Approved



Value of Plans Approved N$ million



Source: City of Windhoek

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