

BUILDING PLANS

July 2024

Construction activity in Windhoek increased in July 2024, with 189 building plans approved valued at N\$ 227.5 million, this translated into an 15.2% m/m increase and a 9.5% y/y decrease when compared to June 2024 and July 2023 respectively. These approvals included 134 additions, commercial and industrial plans, 28 House plans, 2 pool plan and 25 Wall plans. (See Table 1)

During the month under review 138 buildings were completed in Windhoek, with a total value of N\$ 115 million. This indicated a decline when compared to May 2024, depicting a 15.9% m/m and 187.5% y/y increase. Completed additions, commercial and industrials accounted for 67, flats and houses 52, 1 pool and 18 walls. (See Table 1)

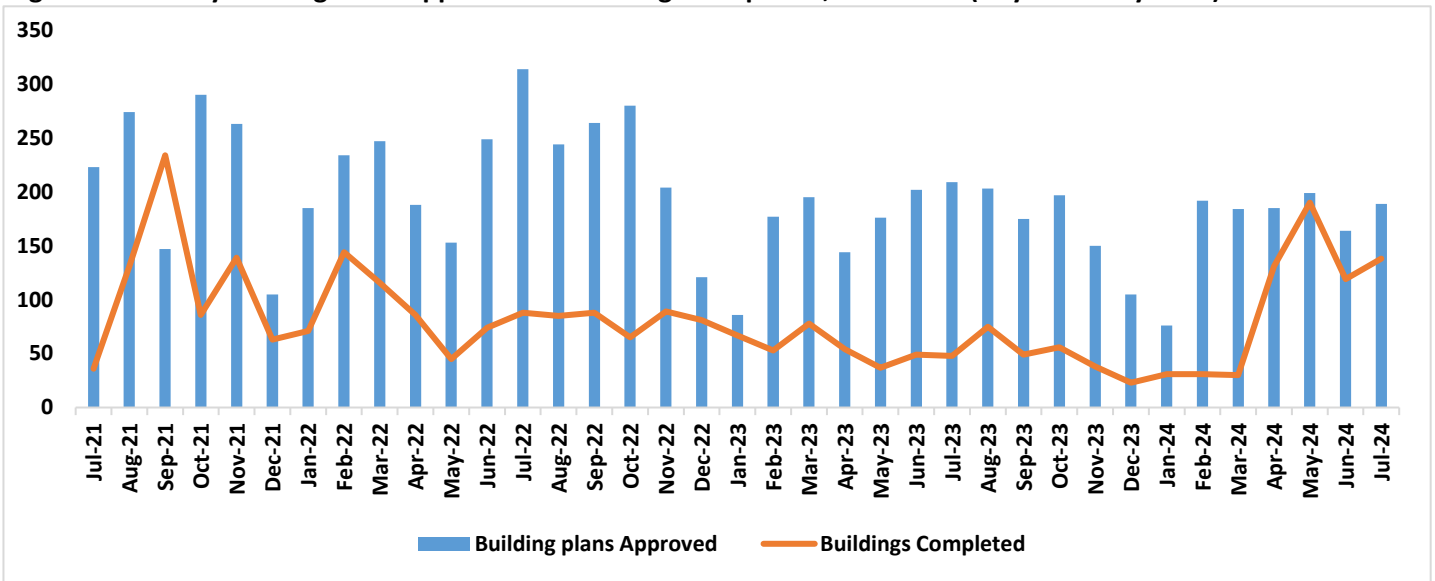
Table 1: Overview of Approved and Completed Plans

Plans Approved	Amount	Value (N\$)	Annual Change (N\$)	Annual % Change
Additions Commercial & Industrial	134	57,905,100	116,681,661	-9%
Flats & Houses	28	51,130,000	(26,206,382)	-39%
Pool	2	50,000	250,000	-
Public	0	-	-	-
Wall	25	610,000	6,209,000	67%
Total	189	109,695,100	96,934,279	18%
Plans Completed				
Additions, Commercial & Industrial	67	17,683,856	52,358,705	253%
Flats & Houses	52	32,780,169	9,733,323	79%
Pool	1	-	210,000	-
Public	0	-	-	-
Wall	18	1,213,000	1,503,000	-
Total	138	51,677,025	63,805,028	332%

Source: City of Windhoek & HEI Research

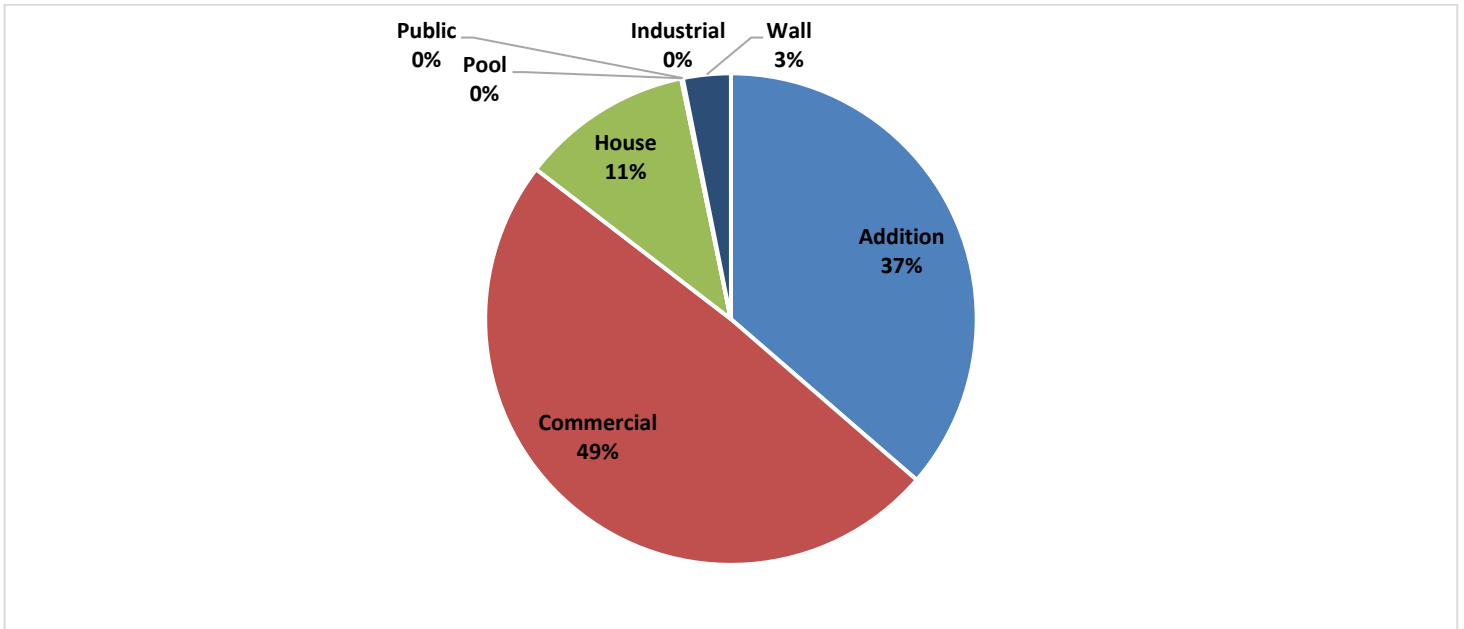
Despite the slight month-on-month decline in June 2024, as depicted in Figure 1, the overall number of building plans approved continues on a positive trajectory. The recent reduction in interest rates may further influence this upward trend, making financing more accessible and potentially leading to an increase in approved building plans.

Figure 1: Monthly Building Plans Approved Vs. Buildings Completed, Windhoek (July 2021-July 2024)



Source: City of Windhoek & HEI Research

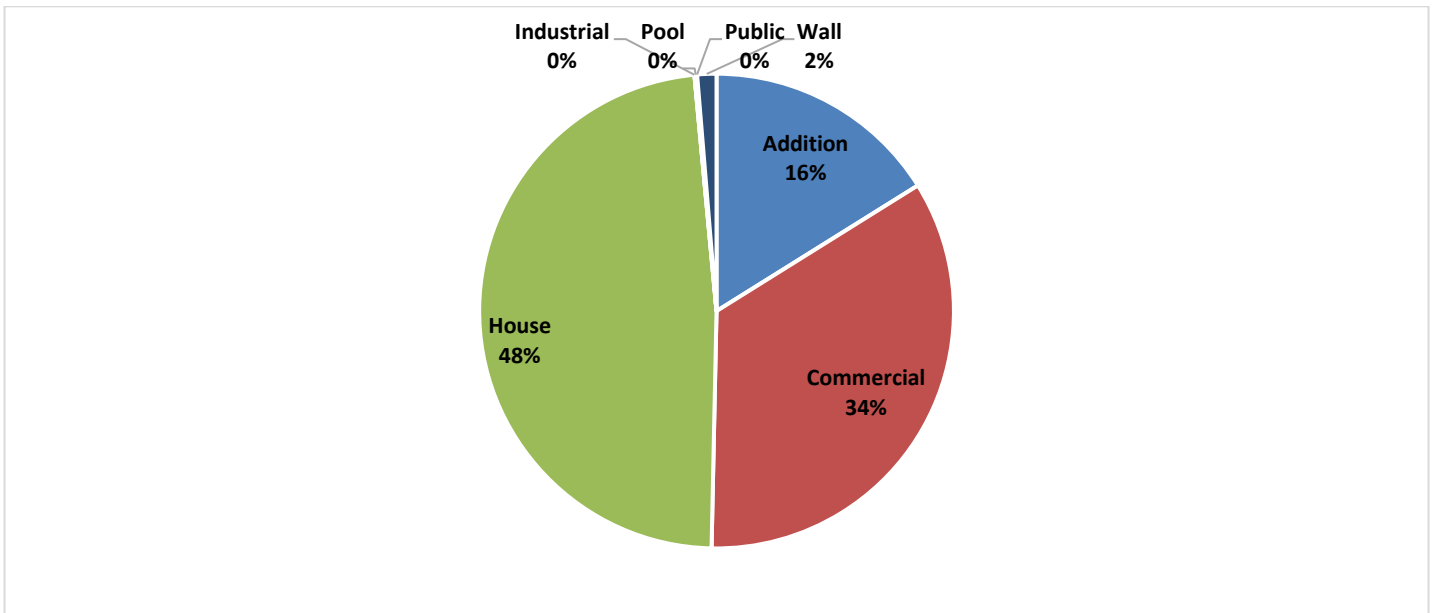
Figure 2: Approved Building Plans by Category, July 2024



Source: City of Windhoek & HEI Research

In July 2024, commercial plans contributed 49% to the total approved building plans, followed by additions, which accounted for 37% of the total value of approved plans. The Windhoek locality registered the highest value of approved commercial and house plans, with N\$ 31 million and N\$ 29 million, respectively.

Figure 3: Completed Building Plans by Category, July 2024



Source: City of Windhoek & HEI Research

Completed houses dominated, accounting for 48% of the total buildings completed in July 2024. The Goreangab locality recorded the highest value at N\$ 11 million. Commercial buildings comprised 34% of the total value of completed buildings, with Otjomuise contributing N\$ 22 million.

Outlook

The reduction in interest rates presents a cautiously optimistic outlook for the construction sector in Namibia for the remainder of 2024. Lower construction interest rates generally reduce the cost of borrowing, making it more attractive for businesses and individuals to finance construction projects. This is expected to lead to an increase in the number of building plans approved, which could result in more construction activity in the short to medium term.



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