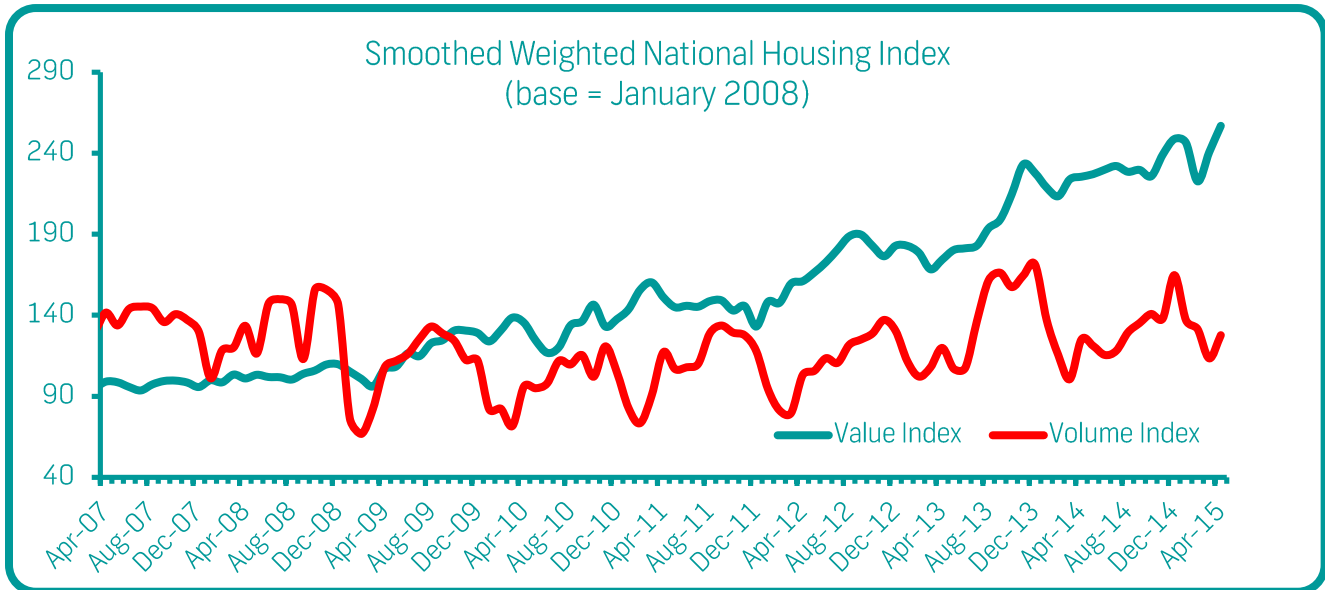


HOUSING INDEX

April 2015



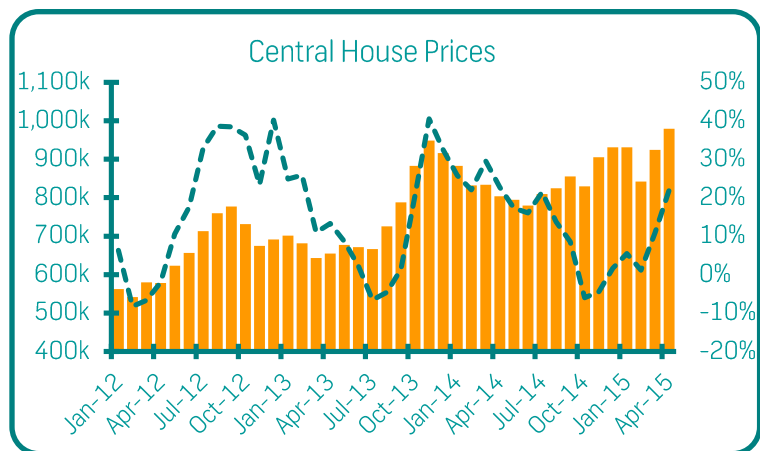
how can we help you?



The housing Index grew by 13.8% on an annual basis towards the end of April recovering significantly from the slow month of March and diverging from a relatively slow first quarter. The index prices represented fast movements in the central and northern regions of the country where the respective housing indices increased by 21.9% and 13.2% (Y-o-Y) respectively. The property index in the coastal town has slowed considerably as new developments in the area have softened the price within that market. The index grew by 6.8% on a monthly basis with overall median prices in Namibia settling in at N\$750k.

Central Property rebound

Central property prices continue to grow with data from Windhoek indicating a 22.2% growth in median prices while prices in the Okahandja area grow at 9.8% (Y-o-Y). The suburbs of Kleine Kuppe, Otjomuise and Eros Park have recorded significant shifts in their price levels. Medium price in Otjomuise – N\$783k while Kleine Kuppe – N\$3mn, both categories prices grew by 40% compared to their medium price average of 2014. In Okahandja, property prices have flattened around the N\$750k mark which could create possible buy in opportunities for first time home buyers. Volumes in the region increased by 12% but with the continued uptick in development the growth rate should pick up higher.



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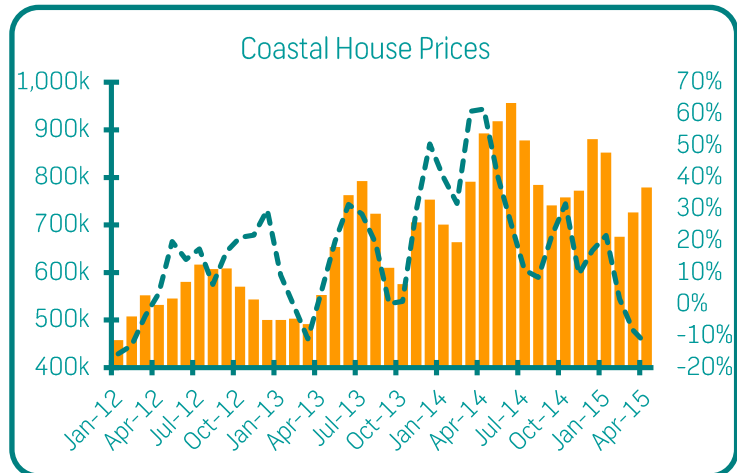
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Methodology: The FNB House Price Index is based on the median house price from Deeds Office data. **Disclaimer:** The information in this publication is derived from sources which are regarded as accurate and reliable, is of general nature only, does not constitute advice and may not be applicable to all circumstances.

Negative growth at the coast

Coastal towns have managed to contain the rapid increases in prices with property prices coming in 12.7% lower (Y-o-Y) according to the coastal index. Median prices in the regions of Swakopmund and Walvis Bay have ranged in the N\$800k. The stable prices reflect potential for further land development in several parts of the Coast and could lead to development of prime real estate across the town's periphery.

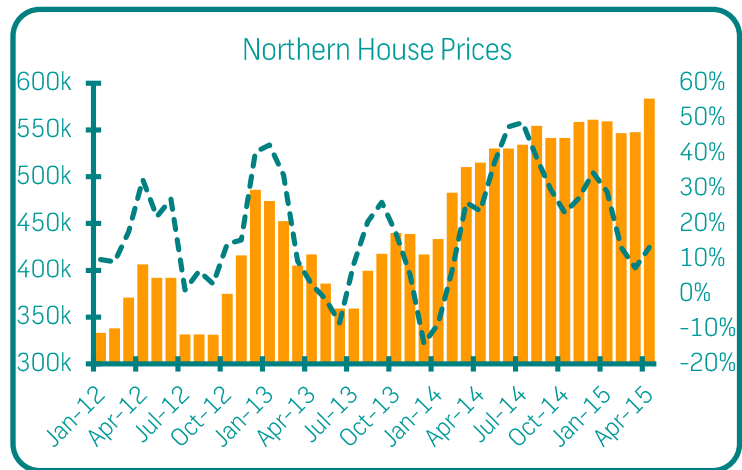
Volume movements indicate that there was an increase in property transactions by 15.6% which suggests a rising interest amongst first time homeowners at the coastal towns.



Northern towns record increase in transactions

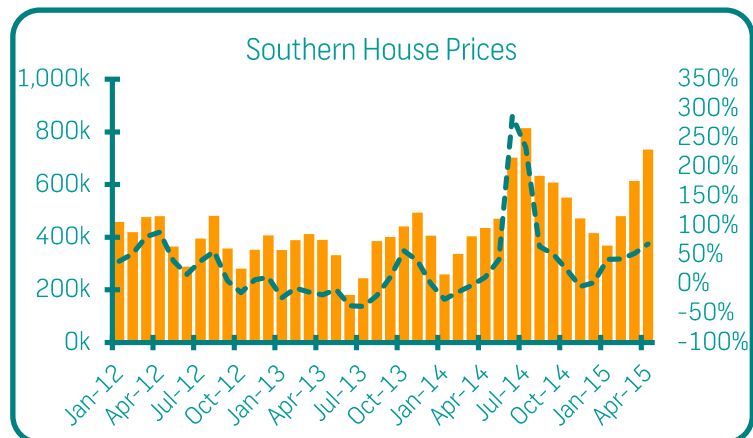
The Northern property index continues to grow favourable recording a growth level 13.2% Y-o-Y. On a monthly basis prices grew by 19.1%, lower than the growth in the February and March. Monthly transactional activity picked up by 10.9% which is positive for that economic region. Grootfontein recorded an increase in median prices by 37.2% with median prices teetering at N\$727k. Ongwediva which has become the central business hub of the region has recorded pick up in median prices by 38.4% with recorded prices coming in at N\$710k. With activity picking up in Oshikango a massive transaction has boosted median prices in the area to over N\$1mn.

This isn't surprising as trading activity beefs up due to recent agreements that allow unhindered trade flow of kwanza and Namibian dollars in that location. Developers however do not foresee a rapid rise in property transactions or prices in that area.



House prices shoot up

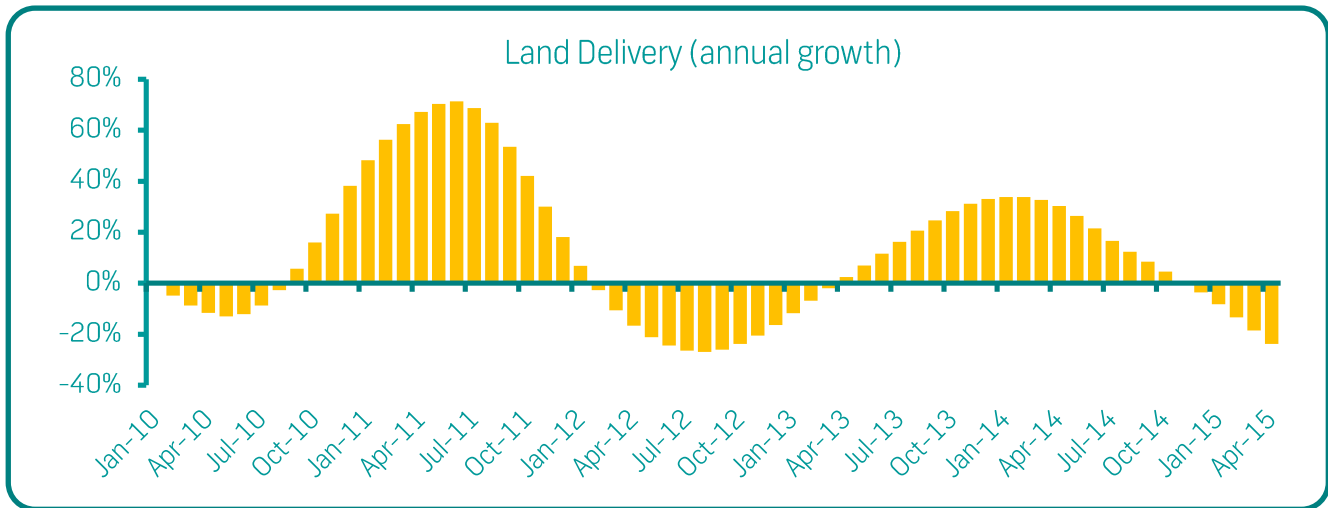
Prices in Mariental and Keetmanshoop continue to gain traction reflective of improving economic conditions in those areas. The median prices that were registered at the end of April were just over N\$700k. Very few transactions were recorded over the period which has contributed to the spike within the categories. Keetmanshoop prices continue to improve with current median prices 44% higher than the average median prices in 2014.



Below are the annual median house prices for the major towns in Namibia. The change in prices has been compared for the past 5 and 3 years. The year to date (YTD) value has been inserted give a possible indication for 2015 numbers.

	Year							Relative Change		
	2009	2010	2011	2012	2013	2014	YTD	5 Years	3 Years	1 Year
Arandis	175,000	300,000	300,000	300,000	300,000	505,000	395,000	31.7%	31.7%	-21.8%
Aranos	510,000	577,500	450,000	475,000	500,000	615,000	615,000	6.5%	29.5%	0.0%
Eenhana	208,323	202,162	322,190	388,500	462,000	526,000	568,500	181.2%	46.3%	8.1%
Gobabis	320,988	383,000	481,500	608,500	620,000	630,200	567,200	48.1%	-6.8%	-10.0%
Grootfontein	315,000	280,000	308,900	500,000	455,000	530,000	727,250	159.7%	45.5%	37.2%
Henties Bay	500,000	563,500	687,500	780,000	837,000	895,000	1,037,445	84.1%	33.0%	15.9%
Katima Mulilo	240,000	286,000	275,000	326,350	430,000	528,750	589,500	106.1%	80.6%	11.5%
Keetmanshoop	271,500	334,650	407,000	450,000	421,000	500,000	722,500	115.9%	60.6%	44.5%
Luderitz	231,000	432,000	280,000	398,500	413,800	397,300	449,658	4.1%	12.8%	13.2%
Mariental	302,500	350,000	400,000	461,200	418,500	550,000	707,000	102.0%	53.3%	28.5%
Okahandja	290,000	355,000	366,900	471,500	543,000	687,000	754,000	112.4%	59.9%	9.8%
Okahao	302,000	262,250	373,200	295,000	412,000	484,000	502,500	91.6%	70.3%	3.8%
Omaruru	555,000	775,000	650,000	650,800	480,000	800,000	825,000	6.5%	26.8%	3.1%
Omuthiya		349,600	331,500	343,000	402,000	533,000	575,000	64.5%	67.6%	7.9%
Ondangwa	234,000	258,300	373,500	512,350	482,500	565,900	627,500	142.9%	22.5%	10.9%
Ongwediva	341,500	442,500	431,000	505,240	412,000	513,000	710,020	60.5%	40.5%	38.4%
Oshakati	310,000	486,300	475,000	416,000	420,000	964,100	613,000	26.1%	47.4%	-36.4%
Oshikango	340,000	450,000	268,300	421,500	578,000	600,000	1,224,000	172.0%	190.4%	104.0%
Oshikuku	294,000	375,000	311,500	363,000	380,000	458,000	517,000	37.9%	42.4%	12.9%
Otavi		350,000	477,000	475,000	473,700	760,000	504,500	44.1%	6.2%	-33.6%
Otjiwarongo	322,170	377,500	447,000	592,500	678,928	720,000	623,000	65.0%	5.1%	-13.5%
Outapi	235,600	223,350	296,000	371,000	422,400	530,000	534,000	139.1%	43.9%	0.8%
Outjo	410,000	378,000	400,000	470,000	527,000	613,388	467,000	23.5%	-0.6%	-23.9%
Ruacana			294,095	265,000	351,000	294,000	496,500		87.4%	68.9%
Rundu	210,000	280,000	320,700	331,000	401,000	553,230	599,000	113.9%	81.0%	8.3%
Swakopmund	469,500	612,000	580,500	700,000	787,500	731,000	791,621	29.3%	13.1%	8.3%
Tsumeb	341,000	360,000	470,000	505,550	661,500	722,500	590,000	63.9%	16.7%	-18.3%
Usakos	160,000	180,000	206,000	206,000	430,000	436,000	436,000	142.2%	111.7%	0.0%
Walvis Bay	380,000	489,350	415,000	450,000	617,500	801,000	743,478	51.9%	65.2%	-7.2%
Windhoek	472,000	544,000	682,500	800,000	980,000	900,000	1,100,000	102.2%	37.5%	22.2%
Namibia	381,000	450,000	480,000	609,750	640,000	700,000	750,000	66.7%	23.0%	7.1%

Weak land delivery



Land delivery continues to weaken as mortgaged stands decline by 23.0% on an annual basis. The monthly data showed that 77 stands were mortgaged during the month which is higher than the March numbers of 59 units. Weak land delivery continues to exacerbate the current land dilemma and adds to the ballooning of prices in certain areas.

Conclusion

The recent deal between government and land activist movement Affirmative repositioning will act as a temporary saving grace, averting crisis and appeasing potential investors to the Namibian market. The proposed deal to service land at nationwide level should help lift the current strain but not with immediate effect. It comes a few minutes shy of late with current property prices elevated and still ballooning. Government's proposed system of rent controls may be administratively complex and unfortunately ignores the crucial fact that we could start perpetuating a culture of leasing verses that ownership. We therefore anticipate that growth in prices will remain at these levels fuelled mainly by favourable yields that property market is creating for both developers and individual investor. Any significant drop in prices would take a while before coming into effect.

Methodology

This report covers the developments in the national housing market, based on bonds registered for natural persons at the Deeds Office. The median is used as the central measure of tendency and has been smoothed using a 3-month moving average and weighted. Bonds smaller than N\$100,000 and further mortgage bonds are excluded because they may not reflect the true cost of housing and as such may distort the index. Of course, it must be remembered that this index reflects the median price of properties that were traded over this period. This limitation of not being able to get to average prices about the stock of housing is a perennial challenge for housing indices.