



The then deputy minister of urban and rural development, Derek Klazen, joined by councillors and representatives of South Haven Investments at the ground-breaking for the construction of low-cost houses at Arandis.

## 319 HOUSES FOR ARANDIS BY 2023

Arandis has launched the single largest housing development in the town to provide housing to about half the 800 people on its waiting list.

The development is a joint venture between the town council and South Haven Investments, and will include service infrastructure, as well as houses.

Servicing alone will cost N\$25 million and the project will see the construction of 319 houses over a period of two years and almost half the people on the housing waiting list in a town of about 6 000 residents will have a place to call home. It will also increase the town's houses by 30%.

"This is a historic moment in our efforts to cut the housing backlog, not only at Arandis, but in Namibia as well", said Arandis mayor Erastus Kandise at the groundbreaking ceremony on 19 March 2021.

The previous urban and rural development deputy minister Derek Klazen (now minister of fisheries & marine resources) said the challenge of housing provision can only be successfully achieved through partnerships between local authorities and the private sector. He said the project should also aim at utilising the town's resources, such as labour to reduce unemployment while also boosting the local economy through community cash flow.

We also must remain sensitive to the fact that, as towns grow and become successful, they attract more people, consequently creating a demand and putting pressure on land prices and forcing workers to live further away from town centres and commute longer distances", he said.

Nick Mwanandimayi of South Haven Investment, assured that "hundreds of people" will be employed in the development.

Source: <https://www.namibian.com.na/209917/archive-read/Arandis-launches-huge-housing-project>

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## CONTRACTORS SUPPORT VACCINATION

According to a survey conducted by the CIF early June 2021, many of the CIF contractors encourage their employees to get vaccinated. This is supported through creating awareness and allowing time off, and providing transport if possible. Although the general opinion is that there is a great reluctance amongst employees to get vaccinated, and that forcing employees was not an option. The percentage of those that had been vaccinated appears to be around 5-10%. In rare cases, this would be up to 20%.

All that had responded considered vaccination as extremely important, as it is anticipated that this would lead to the stopping the pandemic, recovery of health and the economy. It is viewed as critical that about 70% of the population is vaccinated. It is recognised that achieving a high level of vaccination is particularly important for the recovery of the tourism sector. One responded: "The vaccine is essential, but unfortunately not the only remedy required, to restore the economy to sustainable health. There are second-tier effects, such as long-term unemployment and mortgage foreclosures, that will continue to depress growth after the country reaches herd immunity". It was shared that, if the desired level of vaccination was not achieved, it could have further dire and even worse consequences. It could lead to repeated waves of infections as it would be difficult to achieve the anticipated herd immunity.

If the pandemic cannot be brought under control it could lead to Government imposing lock-downs again, which would be disastrous for Namibia's economy, and it could be the final straw for numerous more businesses. It would then be even more difficult for the economy to recover. It will lead to huge personal and national losses.

The general view was that the rate of vaccinating is not fast enough. To achieve targets, about 4,000 persons would need to be vaccinated per day. Respondents concurred with the suggestion that Government's "campaign is not aggressive enough" and felt that a lot more needed to be done to overcome negative misinformation being spread, through positive factual information. The response also indicated that the private sector has realised the need and is feeling the pain of the current situation and thus is already going out of its way to accommodate employees to do more vaccinations. The private sector should put more pressure on the government to speed up the vaccination process and should request the government to allow the private medical practitioners to assist in the vaccination process. Respondents commented that the choice was limited as only two types of vaccines were available, whereas other country's had ordered earlier from different suppliers. It was felt that Government had ordered the vaccines too late.

There was a concern that the waiting time for the second Astra Seneca vaccination was 12 weeks and whether indeed there will be enough vaccine for the second vaccination, as it can be anticipated that more people will want to get vaccinated due the current increasing rate of infections and Covid deaths. Due to Namibia's current financial position there is concern that indeed there could be a future shortage of vaccine. Others were more positive and felt that Government should have enough funds available to purchase sufficient quantities of vaccines for Namibia's small population. It was felt that "whether or not to vaccinate", was an individual choice, yet that efforts should be to increase awareness of the advantages of vaccination. It was also suggested that the Ministry of Health and Social Services should work together with employer federations to spread the message and inform employees of the benefits of vaccination. It was also suggested that the vaccination points should be more wide-spread, and easily accessible in terms of location and opening times and days. Bärbel Kirchner, general manager of the CIF said: "It is of critical importance that during these uncertain times, that the Government, medical professionals and private sector work closely together to find the best solutions – in order to minimise the risk of further increasing infections and Covid deaths. This is particularly important as the health infrastructure is currently not able to meet the demand to due lack of beds, equipment, and supplies; despite the tremendous and absolutely dedicated efforts of the medical professionals in the front line. Emergency interventions should be considered at this stage, and lock-downs must be avoided"

# BUILDING MATERIAL PRICES EXPECTED TO REMAIN STEADY IN 2021



## House building cost index

The First Capital house building cost index is derived from the cost of building a standard 3 bedroomed house. After setting in a mild negative price growth territory since June 2020, the index growth somewhat turned positive to 0.3 percent in March 2021 year-to-year albeit still exhibiting the absence of inflation in building materials. Subdued cement and brick prices inflation continued to weigh in on the trend of the building materials price index. A 12-month trend review on price changes of building materials items indicates a broad-based steady prices trend.

## Building materials cost by town

The cost of building materials remains higher in northern parts of the country relative to central and southern parts. The bill of quantity for building materials on a 3-bed roomed standard house using March 2021 prices recorded a combined average of N\$254,302 in Katima Mulilo, Ondangwa and Rundu while the same materials averaged N\$252,692 in Keetmanshoop, Windhoek and Swakopmund representing a variance of N\$ 1,610 in the cost of building materials within these two geographic locations. The total cost of building materials in Keetmanshoop is N\$2,069 less than the cost of identical materials in Katima Mulilo. The differences in building materials cost by town reflects varying prices due to supply sources that are

largely unique to every town. For example, sand, stones, bricks and roofing material prices differ by town.

## The price of land by town and price changes over time

The average prices of serviced land collected from recent transactions of local authorities with residents and the overall annual price changes was compared, where the price per square meter of serviced land for each town is multiplied by the standard erven size of 375 square meters which this research finds an ideal area for a standard urban residential erven. Amongst the towns presented, the cost of serviced land for an erven measuring 375 square meters is highest in Windhoek and cheapest in Keetmanshoop costing N\$19,922 followed by Rundu costing N\$29,574. The same size of land would cost N\$225,396 in a middle-class location of Khomasdal in Windhoek making it the most expensive, followed by Swakopmund costing N\$80,878.

Though average growth of land, prices have declined from the 5-year average of 9 percent to 6 percent year-to-date. Land still remains axobinantly elevated especially in Windhoek and coastal towns. High prices of land in Windhoek and coastal towns can be explained by the higher demand as opposed to the supply of land in these towns. Other than land being costly in these towns, the rising supply deficit in land servicing and delivery continues to put pressure on prices.

## Labour Cost

Using the model of a 3-bedroom standard house,

with an average bill of quantity of N\$253,342, labour is estimated to cost N\$101,336. Labour cost in some towns like Windhoek could slightly be expensive due to extra workload in excavation of rock surface ground to make foundation for construction as compared to soft surface for foundation excavation in other towns.

## Mortgage credit analysis

After a Covid-19 induced sharp decline in April and May 2020, the growth of credit extended to private sector (both businesses and households) have since remained steady averaging 1.6 percent since May 2020. At this trend, the rate of growth remains fairly low compared to pre-pandemic levels where the growth averaged 5.8 percent over a 24 months period to February 2020. The distinct of pre and post trend outcomes indicates that the effect of the pandemic still holds hence the historically low credit growth.

Building material prices are expected to remain steady throughout the remainder of 2021 due to weak demand amid slow recovery. In the exception of sand prices, prices remain flat for most of the building materials. Given the dismal economic outlook, demand for cement is expected to remain weak at the time when production capacity remains elevated, implying that prices will remain subdued in the medium term. Land prices remain persistently high, which continues to be a limiting factor in acquiring residential properties.

Source:

<http://www.firstcapitalnam.com/cms/upload/House%20Building%20Cost%20June%202020.pdf>

**After setting in a mild negative price growth territory since June 2020, the Building Cost Index growth somewhat turned positive to 0.3 percent in March 2021.**





*"The new partnership agreement between our two institutions will pave the way for us to do more together, especially in supporting the growth of Africa's private sector. The impact of Covid-19 on government resources is huge and we need to mobilise more private resources to help African countries build back stronger".*

**Dr. Akinwumi A. Adesina,  
President of the African  
Development Bank Group**

## AFRICAN DEVELOPMENT BANK, EBRD PARTNER TO UNLOCK ADDITIONAL SUSTAINABLE INVESTMENT OPPORTUNITIES IN AFRICA

The African Development Bank Group and the European Bank for Reconstruction and Development (EBRD) signed a memorandum of understanding on 17 May 2021, to promote sustainable private sector development in Africa.

The memorandum of understanding will help catalyse new sources of financing to help bridge the \$2.5 trillion annual financing gap for development in Africa. This gap requires that development finance institutions work in partnership.

Under this partnership, the African Development Bank and the EBRD will capitalise on their respective expertise and experience, with a particular focus on climate change, green and resilient infrastructure and capital markets development. They will also work on improving business environments, bolstering the real economy and mobilising private sector investment.

Covid-19 is threatening progress made towards the United Nations'g sustainable development goals and is exacerbating debt vulnerability of many African countries. Sustainable private sector development will be key to recovery and prosperity across the continent.

EBRD president Renaud-Basso, said: "The Covid-19 crisis has made the need for better and ever closer collective action even more urgent. Collaboration between the EBRD and the African Development Bank has grown from strength to strength over the years in the region. This partnership will allow our institutions to do even more to promote sustainable private sector development in North Africa".

The African Development Bank and the EBRD have a long history of cooperation. In April, the two institutions signed a \$114 million financing package for the construction of the largest private solar plant in Egypt.

This new partnership will enable the two institutions to strengthen the potential for joint projects and activities, unlocking investment opportunities in their common countries of operations.

Source: <https://www.afdb.org/en/news-and-events/press-releases/african-development-bank-ebrd-partner-unlock-additional-sustainable-investment-opportunities-africa-43645>



## CONSTRUCTION INDUSTRIES FEDERATION OF NAMIBIA'S TRAINING & DEVELOPMENT

The Construction Industries Federation of Namibia (CIF) offer various short-courses to its members and non-members in the construction sector.

The training programs provided are as follows:

- Scaffolding erectors
- Scaffolding inspectors
- Safety representative
- Working at heights

All training includes:

- Brötchen & coffee
- Lunch & refreshment
- Training materials
- Attendance certificate

For bookings or if you need any further information, then please contact:

CIF - Construction Industries Federation of Namibia  
Corner Stein/Schwabe Str. Klein Windhoek  
P. O. Box 1479  
Windhoek  
Namibia  
Tel.: +264 (0) 61 – 417300  
Fax: +264 (0) 61 - 224534  
[www.cifnamibia.com](http://www.cifnamibia.com)

## NEW MEMBERS' PROFILES

### Kai Engineering cc

Kai Engineering and Fabrication cc is a multi-disciplinary engineering firm that provides tailor-made products and services designed to exceed client expectation. Their major focus is in civil construction, solar photovoltaic and thermosiphon, air conditioning and structural steel works. Their vision is to become an engineering service provider and employer of choice, by creating and nurturing a synergistic environment where all stakeholders win.

Tel. +264 (0)81 338 0369

Email: [admin@kai.com.na](mailto:admin@kai.com.na)

### Kavaikwa Trading Enterprises cc

Kavaikwa Trading Enterprises cc is a steady growing small and medium construction company with operations in the Northern, Eastern and Central regions in Namibia. The company specialises in the provision of civil, structural and maintenance services including the construction of roads, houses, hospitals, industrial properties, and schools whilst maintaining the highest ethical, safety, environmental and professional standards at all times.

Tel. +264 (0)85 704 5800

Email: [kavaikwa1tradingenterprise@gmail.com](mailto:kavaikwa1tradingenterprise@gmail.com)

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