



Hats



Off

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LAND DELIVERY AND HOUSING COSTS IN WINDHOEK INCREASE BY 40 TO 100 PER CENT

The Construction Industries Federation of Namibia (CIF), is aware of the utmost urgency and importance of the City of Windhoek's (CoW) is placing on land and housing delivery. Yet the CIF is also very much concerned about numerous obstacles to the speedy delivery of land and housing in the capital city, and especially the increase in cost caused by delays, which ultimately also impact the cost in every stage of a house building project, which then also escalates the price for the end-user.

The interest of stakeholders in the construction industry is indeed very much aligned with the leadership of the CoW, who intend to prioritise land and housing delivery in Windhoek. However, the CoW has issued new in-house project specifications to contractors which are to be applied to all new infrastructure projects in Windhoek. Major changes include unrealistically high quality assessments, with requirements well beyond the relevant publicly known, well-established and generally enforced standards (SANS and SABS).

Unfortunately, the new specifications undermine efforts to ensure swift land delivery and is in direct contrast to the announcement by the new mayor, Her Worship Ms Sade Gawanas, who indicated that land delivery has the highest priority for the CoW in the near future. Whilst the need for land servicing and housing in the capital city is exceptionally high, the demand cannot not be optimally met unlike in other cities and towns in Namibia, where well-established and reliable standard are used.

The new project specifications lead to excessive long waiting periods between the phases of works until tests are available. The CIF is of the opinion that the new specifications are delaying contractors and the growth of Windhoek, which are not aligned with the reality on the ground.

In order to determine the implications of the new project specifications issued by the CoW, contractors and engineers have done detailed assessments on the new testing requirements and have found that the cost of all new projects and developments will increase by 40 to 100 per cent. At the same time, the timeline of projects is extended needlessly leading to double or triple the time required to complete projects.

In addition to the new project specifications, other persistent delays are caused by what appears to be the decision-making processes within the CoW, where it seems that respective divisions within the authority are not communicating with each other, and instead appear to be working in silos.

Continued on page 2

CHECK OUT WHAT'S INSIDE THIS ISSUE:

Land delivery and housing costs in Windhoek increase by 40 to 100 per cent.....	page 1
Chamber of Mines speaks on 2021, sector developments and outlook for 2022.....	page 4
Professionals advise.....	page 3
Quarterly economic update 4Q2021.....	page 4
Housing policy should focus on the poor.....	page 4
Uranium companies top NSX performers	page 5
Sustainable Built Environments Conference 2022.....	page 6
New member.....	page 6

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continued from page 1

Building and construction works requires inspections and related approval in order for building projects to progress, yet different division may have different requirements for the exact same piece of work. The absence of someone overriding conflicting decisions are problematic and again cause delays. Contractors and other stakeholders in the construction sector are immensely frustrated as any request to address the situation so far is being ignored by the responsible CoW engineers and as of yet, there is not effective engagement from the CoW to find a solution. The implementation of the new project specification system was a one-sided decision without the involvement of contractors and consulting engineers as the main stakeholders involved with implementation.

The current situation has huge financial implications for the stakeholders in the industry. Without any transparency and publicly known accountability and responsibility, there also appears to be no one taking ownership of the financial duress that Namibian owned and operated contractors, engineers and developers experience due to the new in-house project specifications and what appears to be arbitrary decision-making processes by the CoW, and their respective engineers.

continued on page 5

CHAMBER OF MINES SPEAKS ON 2021, SECTOR DEVELOPMENTS AND OUTLOOK FOR 2022

Namibia's mining sector is emerging from the coronavirus pandemic-induced crisis that saw it contracting by nearly 15% in 2020.

Chamber of Mines of Namibia chief executive officer, Veston Malango (VM) discussed the performance of the country's mining sector in 2021, new developments and its outlook.

He revealed that full year production figures for 2021 are not yet available, however, according to the Bank of Namibia December 2021 economic outlook, the mining sector was expected to grow by 1.2% in 2021 as compared to a sharp contraction of 14.9% in 2020. The sector's growth for 2021 was predominantly driven by strong growth in uranium output, and a moderate increase in diamond output.

Gold production is also expected to contribute to growth, as the B2Gold mine posted record annual production in 2021, an 18% increase from 2020. The contribution by base metals is expected to decrease in 2021 due to the early closure of the Skorpion Zinc refinery from which there was some production in 2020 and the Tschudi copper mine being on care and maintenance.

"Some of the main challenges facing the sector were mostly a result of the COVID-19 pandemic, especially during the 3rd wave and the most recent 4th Increased infections during the 3rd and 4th wave created staff shortages and disrupted operational shifts. Another challenge for the industry in 2021 were some of the continued regulatory uncertainties. The final National Equitable Economic Empowerment Framework and Namibia Investment Promotion and Facilitation Bill are yet to be finalised and enacted. These are two vital pieces of legislation that will shape Namibia's investment climate and have been pending for more than 5 years", Veston stated.

The Chamber holds a strong view that the mining sector will continue to support Namibia's economic recovery in 2022, and record another year of growth.

Source:

<https://www.thebrief.com.na/index.php/component/k2/item/664-chambers-of-mines-speaks-on-2021-sector-developments-and-outlook-for-2022>

PROFESSIONALS ADVISE

If a client does not have an accurate estimate prepared for approval, before work commences, he will overspend and is likely not to have sufficient funds to complete a building.

It is advisable to have a thorough design development process. Although a contractor can build from a municipal submission drawing, which is the minimum requirement, it is always better to get a design prepared by a professional, instead of saving on the design fees.

Where a building contractor is asked to perform work based on incomplete information, it would be difficult to ensure that the intended work is completed within the estimated budget and that appropriate quality is secured.

In a tough economic environment, where everyone in the industry is competing for work, it often happens that bidders for work, underquote. This is to secure that they have ongoing work and to have at least a minimal cash flow. Therefore, it is prudent to be careful and ask for reliable references, in order to ensure that optimal quality within the agreed timeline can be secured.

The INQS and NIA are both bodies who represent their members, provide standard documentation, training and promote the respective professions.

Industry peers share a general consensus that there is a need for both government and private sector clients to be clearly informed regarding legitimate service providers performing work in the Namibia, and that relates to both consultants as well as contractors. There are very frequent reports of consulting malpractices and construction disputes and perpetrators appear to have very little regard for the consequences.

Besides there being local unregistered and unqualified persons marketing "consulting" services, there is also a general influx of foreign consultants who do not have work permits, who do not pay taxes, and who generally undermine standards of service.

The building and construction sector has experienced a severe decline and has been decimated by the compounding effect of a general recession, unfair foreign competition, especially on government projects. Equally, the industry is still struggling with problems as a consequence of the Public Procurement Act (2015) that does not always take into account the complexities of procuring in the building and construction sector.

Not only are highly skilled persons on Bid Evaluation Committees required to be able to evaluate bids professionally. It is critical that size and expertise of a business must realistically relate to the size and complexity of the project. It is also necessary that national and special preferences are given when they indeed have the required technical and financial capacity.

Otherwise it can lead to undermining efforts of creating decent work locally and stimulating Namibia's economy, and also to the non-completion of much needed buildings and infrastructure, as well as to poor quality.

In order to protect the interests of the client, the combined role players in the CIF, NIA, INQS and even ACEN must share the value and importance of membership and registration with their respective bodies, that uphold standards, are providers of quality and legitimate services in the industry. Simply stated, the different role players must warn clients against the consequences of selecting local or foreign service providers...

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...that might not be registered as a business nor being able to show membership or registration with their respective bodies.

As building contractor, depending on the size of contract, it is prudent to advise ones' client, to engage the services of qualified and certified building consultants such as architects or quantity surveyors for designs and accurate costing. This ultimately, will lead to well managed expectations and quality.

When asked, a building contractor should endeavour to advise prospective clients to select an architect and quantity surveyor, who have completed similar projects. In the same vein, an architect and quantity surveyor should seek to provide a shortlist of registered CIF members, who have successfully completed similar projects. Apart from the many other advantages of CIF membership, its members have to adhere to a Code of Conduct, are categorised based on their annual turnover thus giving an indication of capacity. Accordingly, they would have the relevant technical qualifications, knowledge and practical experience.

QUARTERLY ECONOMIC UPDATE 4Q2021

According to Simonis Storm Securities (Pty) Limited, data revisions have painted a better picture for the Namibian economy on a quarterly basis. However, if they exclude the fourth quarter, the economy contracted by 0.5% during 2021. They maintain the GDP forecast for 2021 at -0.3% and forecast 2.5% GDP growth in 2022. Namibia is likely to lag its SADC and developing country peers in 2022. GDP growth is likely to be driven higher by improved mining production fetching elevated commodity prices, ICT sector, tourism, agriculture and investments in renewable energy projects.

Interest rates are likely to rise by 125 basis points in 2022, with South Africa hiking by 100 basis points. This will primarily be to anchor inflation expectations and minimise Rand weakness (which in itself is inflationary). In addition to that, they do expect net outflows in South Africa from 2Q2022 as the federal commences interest rate normalisation from end of March. Simonis Storm Securities (Pty) Limited expect the USD/ZAR exchange rate to average 15.30 for 2022 (compared to 14.69 in 2021).

The biggest drivers of local inflation will continue to be fuel and food prices. Market expectations for Brent crude oil prices are expected to breach \$100 per barrel during 2022, keeping upward pressure on petrol and diesel prices locally. The La Nina phenomenon experienced in the southern hemisphere will likely lead to some crop damage and delay planting in certain areas. Furthermore, other climate change effects will likely sprout in different parts of the world and negatively impacting harvests and pushing food prices higher. Alcoholic beverages are also likely to be amongst the biggest contributors to local inflation given its weighting in the CPI basket and ongoing glass bottle shortages in South Africa.

Source:

<https://bit.ly/4Q2021-Quarterly-Review>



HOUSING POLICY SHOULD FOCUS ON THE POOR

When officially opening the two-day stakeholders' consultative workshop for the revision of the draft National Housing Policy for 2022 and the development of the national strategy for informal settlement upgrading in Windhoek on 16 February 2022, urban and rural development minister, Erastus Uutoni urged stakeholders to give critical input on the draft policy by collectively setting ambitious realistic implementation targets that reflect the respective capacities and commitments to accelerate urban land and housing delivery for the majority of Namibians.

Namibia's housing interventions should focus on the neglected lower end of the market that makes up almost 90% of households nationally.

Phillip Luhl, a member of the task team for the review and development of Namibia's National Housing Policy (NHP), advised stakeholders to reach the priority target groups (ultra-low and low-income households) that make up about 88% of households nationally and the policy must focus on participatory informal settlement upgrading to ensure tenure security and provision of basic services.

"The provision of basic serviced land through incremental greenfield developments, provides security of tenure and allows easier future upgrading to formalised neighbourhoods," said Luhl. He said the unlocking of underutilised land should guide state intervention towards adequate housing in the long term (leading up to 2030), as the policy envisions an equitable and transparent urban land and housing subsidy/grant system.

According to Luhl, the Namibian housing crisis is characterised by high housing costs due to slow and costly delivery of serviced land and negligible affordable formal housing production, in a context of high un- and underemployment, and extremely low levels of household income. "Hence, the current revision of the NHP was necessitated by shifting policy direction in the urban land and housing sector, the economic situation requiring larger policy impact with reduced capital outlay, and the need to scale up land and housing delivery, amongst others," he said.

Source: <https://neweralive.na/posts/housing-policy-should-focus-on-poor>

URANIUM COMPANIES TOP NSX PERFORMERS

Uranium exploring and mining companies were the best performing companies on the Namibian bourse in 2021 and leading the pack was Paladin Energy, which saw its share price up by 260%.

On the back of this spike was the possible return of uranium spot prices, which edged up to US\$43 per pound on long-term contracts.

Local active uranium mines such as Langer Heinrich, Orano's Trekkopje mine, Etango mine and Valencia mine are still under care and maintenance, waiting for spot prices to reach at least US\$55 per pound

because that is the level at which these mines, which have a lower grade ore, can operate profitably.

Other uranium companies that delivered solid returns in 2021 include Elevate Uranium Limited (previously Marenica Energy Limited), which returned 206,9%.

Brandon Munro's Bannerman Energy Limited was also a solid performer and saw share prices up by 194,3%. Forsys Metals Corp shares were up by 191%, while Deep Yellow Limited was up 89%.

No other company on the Namibian Stock Exchange (NSX) was able to have such high spikes in share prices, signalling serious confidence in the possible recovery of the uranium industry.

This rise in spot prices was largely underpinned by binge buying of uranium in the spot market by developers and investment funds, particularly Sprott Physical Uranium Trust that began trading on the Toronto Stock Exchange July 2021.

Source: <https://www.namibian.com.na/6217463/archive-read/Uranium-companies-top-NSX-performers>

continued from page 2

Bärbel Kirchner, general manager of the CIF says: "We understand that an appropriate quality assurance system must be in place not only to ensure the optimal safety for the users of infrastructures but also the longevity of infrastructures. However, if requirements - especially the frequency of testing - exceed well established practices, it becomes counterproductive. Considering the current social and economic environment we find ourselves in, it is of critical importance that serviced land and housing can be provided quickly and cost-effectively, without compromising on quality".

A possible solution would be that the CoW would follow existing standards and test frequencies which are based on the existing SABS standards. At the same time, all impediments to speedy delivery - which can be found in all phases before securing a much-needed home for the buyer - need to be analysed and explicitly addressed. This includes negotiations for land between the client and the CoW, the design phase, the tendering phase, the financing phase, the construction phase, the maintenance phase and the sales and marketing phase.



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SUSTAINABLE BUILT ENVIRONMENTS CONFERENCE 2022, 28-30 MARCH, WESTERN CAPE, SOUTH AFRICA

The international Sustainable Built Environments Conference 2022, is to take place on 28-30 March 2022, at the Houwhoek Hotel, Elgin-Grabouw Valley, in the Western Cape, South Africa. For delegates that are not able to attend in person, they would be able to attend the three days conference virtually. Speakers are from not only South Africa and the SADC region. Delegates are also to engage with speakers from countries and places such as Arizona, Australia, France, Italy and Uganda.

Registration options allow for participation of one, two or three days. The registration fee for one day is only ZAR1,725 for both virtual or in person attendance. Alternatively, registration is possible for all three days at ZAR4,750 for delegates attending the conference in person; ZAR3,050 virtually. For students and pensioners, the registration fee is ZAR2,175 to secure their virtual attendance for three days. The conference is must-attend three-day event for architects, engineers, contractors, quantity surveyors, town planners, developers and financiers, and everyone concerned about climate change.

The Sustainable Built Environments conference has in the past proven to be a platform where sustainable and regenerative concepts, theories and applications are presented, discussed, and debated. Supported by The School of Architecture and Spatial Design as the main hosts of SBE 2022, the international conference addresses how to counteract the impact of the built environment on the planet and how to adapt to a changing climate, extreme weather, variable resources, social emergencies and biodiversity loss. The question to be considered is what can be proactively relinquished or adapted from current and past built solutions to achieve the transformative, regenerative change necessary, with the view that designs need to deal with both mitigation and adaptation.

SBE 2022 aims to provide practical, down-to-earth viewpoints and approaches to equip with better ways of working in the design and construction field.

The intention is to equip delegates with the background knowledge to engage meaningfully in climate action and debate, whether professionally or otherwise. Delegates are also able to earn Continuous Professional Development (CPD) points.

Organiser of the conference, Mrs Glaudin Kruger from Kruger Associates says: "In the conference, we will consider firstly what we may expect to happen in view of the climate and biodiversity emergency and secondly how we can and should deal with these expected changes. During the SBE 2022, we will address these considerations through the lenses of the classic triumvirate of people, planet, profit, - re-interpreted through a more holistic lens, and linked to the regenerative design mantra of earth care, people care, fair share".

Linked to this overarching perspective are the following three themes:

Earth, our future - regenerative design and construction

The world continues to design and build, causing increasing damage to the natural environment that sustains us. What can practitioners in the built environment professions do to turn around the negative impact on the planet's biodiversity and climate? How can one connect the dots as innovative problem-solvers?

Humanity, the future - climate migration, food and water security

Can technology provide a short-term or long-term comprehensive solution for the for the food and water security problems that most people in the world face today. What are the challenges faced in this regard and what solutions are there? How can achieve climate justice be achieved?

Confronting the future - creating action through advocacy and mobilisation for change

Brilliant proposals remain just that – proposals - unless there is political, institutional and financial support for implementation. Built environment professionals are notoriously ill-equipped to source such support. What could can they do to change that.

For registrations for the 3-day international conference, go to <https://sustainablebuiltenvironments.co.za>

NEW MEMBER



IMPACT WATER SOLUTIONS

Impact Water Solutions (IWS) is a project developer and independent water producer, integrating the best solar energy, water treatment and digitalisation to provide decentralised, sustainable, affordable and resilient solutions.

They provide end-to-end fully-financed solutions (no capital required: lease or water purchase agreement). Their solutions are environmentally conscious, scalable, and competitive.

They support various sectors such as : mining, municipalities/communities, real estate, and energy (green hydrogen).

They developed the first commercial solar desalination plant in South Africa providing water security to a local authority, and recently installed and successfully commissioned the renewable energy powered desalination plant in the south of Namibia.

Contributions

Please send all contributions to:
info@cifnamibia.com

We will cover your information on new tender awards, product developments, new appointments, events, as well as advertise your jobs free of charge. Should you wish us to follow up on any stories or trends, please let us know.

The CIF reserves the right to edit any submissions and make corrections, omit material, or do minor reorganisation if required. The CIF also reserves the right to reject any submissions for any reason. This may not be a reflection of the quality of the material. Though we would consider relevance to the audience and whether the material is too redundant with existing or planned material.

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
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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

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