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THE BRIEF
News Worth Knowing

Anirep invests N$108.9 million in revenue-generating assets

THURSDAY 30 JULY 2026

MAIN STORY

Anirep invests N$108.9 million in revenue-generating assets

Alpha Namibia Industries Renewable Energy Power Limited (Anirep) invested N$108.9 million in revenue-generating assets during the 2026 financial year as it continued expanding its renewable energy portfolio, helping lift consolidated revenue to N$95.4 million.

Presenting the group's financial results, Chief Financial Officer Veneranda Mahinda said N$77 million of the investment was allocated to physical infrastructure, while the balance was invested in associated companies, including the group's Auas project.

Mahinda said the investments strengthened the company's asset base, with property, plant and equipment increasing to N$631 million despite annual depreciation and impairment charges.

"We invested about N$108.9 million into revenue-generating assets. The majority of this went into physical assets, N$77 million, and the rest was an investment in associates," said Mahinda.

She said the group's operating assets generated N$95.4 million in consolidated revenue during the year, while total revenue, including transactions between companies within the group, amounted to N$146 million.

Mahinda said the investments were also beginning to translate into stronger

Crucial Dates

- **Bank of Namibia Monetary Policy announcement dates:**
  * 12 August 2026
  * 29 October 2026
  * 10 December 2026
- **Namibia Corporate Social Investment (CSI) Mukopano**
  11 August 2026 at the Hilton Windhoek.
- **Namibia Oil and Gas Conference**
  18–21 August 2026 in Windhoek

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> We have reached the point where the investments we made over the last seven years are now generating revenue.

operational performance, with the company recording positive operating cash flows for the first time. Cash generated from operations totalled N$55.9 million, marking a shift from the construction phase to revenue generation.

"For the first time, we had positive cash flows from operations. We have reached the point where the investments we made over the last seven years are now generating revenue. We built the platforms, and now we have turned into the phase of growth and execution," said Mahinda.

Despite the improved operational performance, Anirep reported a loss after tax of N$52.2 million following a N$40.2 million non-cash impairment adjustment relating to the Aussenkehr Solar One project.

Mahinda said the impairment resulted from the annual accounting assessment of asset values and did not reflect a deterioration in the group's operational performance or cash-generating ability.

"It is not a cash loss. There was no cash leakage because of the impairment adjustment. There is no deterioration in operational performance. It is not permanent, and it is not a measure of the group's underlying earnings or cash-generating ability," said Mahinda.

She said Anirep continues to maintain a strong balance sheet, with total assets of N$1.2 billion, while pursuing further renewable energy investments supported by a combination of equity, debt and project finance.

Telecom Namibia extends acting CEO Armando Perny's term by six months

Telecom Namibia has extended Acting Chief Executive Officer Armando Perny's appointment by a further six months as the state-owned telecommunications company continues its search for a substantive chief executive.

The extension, announced by the Board of Directors on Thursday, takes effect on 1 August 2026 and will run until 31 January 2027.

Perny assumed the acting role following the departure of former Chief Executive Officer Stanley Shanapinda, who left the company to take up the position of Executive Secretary of the Communications Regulators' Association of Southern Africa (CRASA) on 1 July 2026.

Telecom Namibia said the extension is intended to provide leadership stability as the company pursues its strategic priorities, improves operational performance and continues delivering telecommunications services nationwide.

"The extension ensures continuity of leadership while the company continues to advance its strategic priorities, strengthen operational performance and deliver on its mandate to provide reliable telecommunications services to customers across Namibia," the company said.

The board said it remains confident in the executive leadership team's ability to execute

Telecom Namibia's strategic objectives while maintaining a strong focus on customer experience, operational efficiency, innovation and stakeholder value.

The company said it remains committed to strengthening its network infrastructure, expanding digital connectivity and supporting Namibia's socio-economic development through telecommunications and information and communications technology services.

Telecom Namibia added that the recruitment process for a substantive chief executive is continuing and that further updates will be communicated once the appointment process has been concluded.

Perny's extension comes just over a month after Shanapinda ended a more than five-year tenure as Telecom Namibia's chief executive to lead CRASA, the regional body responsible for coordinating communications, ICT and postal regulation across the Southern African Development Community (SADC).

PUBLIC NOTICE

ELECTRICITY CONTROL BOARD

RENEWAL OF MORATORIUM ON GRANTING OF GENERATION LICENCES FOR EXPORT PURPOSES

The Electricity Control Board (ECB) would like to inform the public that the Minister of Industries, Mines and Energy, in terms of section 21 (1) of the Electricity Act, 2007 (Act No. 4 of 2007), on recommendation by the ECB, renewed the moratorium on the granting of generation licenses for export purposes as from 05 September 2025 for a period of 40 months ending 05 January 2029 or until the existing transmission network constraints are alleviated, whichever occurs first. The moratorium is further subject to earlier review should additional regional cross-border transmission capacity become available.

Exempted from this moratorium are variable renewable energy generating plants incorporating Battery Energy Storage Systems (BESS) intended for night-time export to the Southern Africa Power Pool (SAPP). This exemption is subject to viability and night-time transmission capacity confirmation with the National Transmission Company South Africa (NTCSA), and will be considered on a first-ready, first-served basis, prior to licence consideration. Also exempted are the Namibian Independent Power Producers whose participation in transmission infrastructure upgrades within NTCSA network has been formally confirmed by NTCSA, where such upgrades are intended to alleviate transmission congestion and unlock export capacity into SAPP. The ECB, in collaboration with NamPower, is currently assessing the available capacity and is therefore not considering the submission of new licence applications for export purposes until further notice. The ECB will not consider such applications until the moratorium is lifted; the applicable transmission constraints are formally confirmed to have been resolved, or the capacity assessment referred to above has been finalised. The ECB will revert to stakeholders and the public once this assessment has been finalised.

The Modified Single Buyer (MSB) market framework currently allows private generators to develop generation capacity in Namibia for export purposes. However, existing limited regional cross-border transmission capacity continues to constrain electricity exports from Namibia into SAPP, thereby necessitating the renewal of the moratorium.

For any clarification and further information, please contact **Mr. Lameka Amuanyena** at lamuanyena@ecb.org.na or alternatively **+264 61-374 300**.

Additional information on the moratorium is also available on the ECB's website on the link below: https://www.ecb.org.na/moratorium-on-vre-export-licenses/

TEL: +264 61 374 300 | www.ecb.org.na | info@ecb.org.na | P.O. Box 2923, Windhoek, Namibia

ECB House, 35 DrTheo-Ben Gurirab Street | Business Hours: Monday - Thursday 08:00 - 17:00 | Friday 08:00 - 13:00

Agribank disburses N$23 million to young farmers under Youth Development Fund

Agribank has disbursed N$23 million under its Youth Development Fund (YDF), exceeding its initial N$20 million allocation, with the majority of the funding supporting young entrepreneurs in poultry farming.

The funding was disclosed during Prime Minister Elijah Ngurare's visit to Agribank, where he received an update on the implementation of the youth financing programme and the bank's operations.

Ngurare welcomed the disbursement, saying it supports government's efforts to increase youth participation in agriculture while advancing the objectives of the

Sixth National Development Plan.

He said expanding access to agricultural finance for young people is critical to strengthening food security, creating jobs and promoting sustainable economic growth.

"Government has made a deliberate policy decision that applicants under the Youth Development Fund should not be required to provide collateral," Ngurare said.

The Prime Minister urged Agribank to speed up the processing of Youth Development Fund applications, warning that delays undermine government's efforts to empower young Namibians to enter the agricultural sector.

He called on the bank to remove administrative bottlenecks and ensure qualifying applicants receive funding without unnecessary delays.

Ngurare also encouraged Agribank to assess applicants based on their potential rather than their background, saying the institution should focus on identifying and developing aspiring young commercial farmers.

"The bank should focus on identifying potential and helping transform aspiring young people with a passion for agriculture into successful commercial farmers," he said.

He further challenged Agribank to introduce innovative financing and support programmes that combine access to capital with technical assistance to improve the success of youth-owned farming enterprises.

Ngurare said the rapid rollout of the Youth Development Fund demonstrates government's commitment to creating opportunities for young Namibians and called on Agribank to continue expanding access to agricultural finance.

He said empowering young people through agriculture would strengthen national food production, create employment opportunities and contribute to Namibia's long-term economic development.

Risk management: The missing link in strategy execution (Part 1 of 5)

By Monika Amukoto

Every organisation has a strategy. Whether the objective is to grow market share, improve customer experience, digitise operations or expand into new markets, organisations design strategic plans to guide them towards achieving long-term visions.

Yet, despite the significant time and resources invested in developing these plans, evidence consistently shows that many strategies fail, not because they were poorly formulated, but because they were poorly executed.

Once a strategy has been approved, many organisations shift their focus to executing strategic initiatives, monitoring progress, measuring performance and reporting on results.

While these activities are important, they are not sufficient to ensure successful execution. Effective execution goes beyond tracking plans and outcomes; it requires organisations to remain agile, continuously learn, and make informed decisions in response to an ever-changing environment.

Markets evolve, customer expectations shift, regulations change, and new technologies emerge, often requiring organisations to adapt their approach while remaining aligned with their strategic direction.

This is precisely where many organisations fall short. While they devote considerable attention to defining what they want to achieve, they often devote far less attention to understanding what could prevent them from achieving their strategic objectives.

"Once a strategy has been approved, many organisations shift their focus to executing strategic initiatives, monitoring progress, measuring performance and reporting on results.

As a result, the uncertainties that could threaten the successful implementation of a strategy are frequently underestimated or overlooked.

These uncertainties exist in every strategic initiative, regardless of the industry or the organisation's size. A business planning to expand into new markets may encounter regulatory barriers, supply chain disruptions or unexpected competitive pressure.

An organisation investing in digital transformation could face cyber threats, budget overruns, or employee resistance. Similarly, a cost-reduction programme may strengthen financial performance while unintentionally eroding customer experience or employee morale.

These uncertainties are known as strategic risks—events or circumstances that can either hinder or enhance an organisation's ability to achieve its long-term objectives.

The presence of strategic risks does not suggest that the strategy itself is flawed. Rather, it reflects the reality that every strategic decision is made in an uncertain environment. In this environment, risk management becomes a critical strategic capability, enabling leaders to navigate uncertainty, challenge assumptions and make more informed strategic decisions.

Historically, many organisations viewed risk management primarily as a compliance function, focused on policies, controls and regulatory reporting.

While these remain important, modern risk management plays a far more strategic role. It equips leaders to challenge assumptions, evaluate potential obstacles and prepare contingency plans before problems escalate into crises. Instead of reacting to events after they occur, organisations become better positioned to anticipate them and respond proactively.

Importantly, risk management should never be confused with risk avoidance. Organisations cannot achieve growth, innovation or competitive advantage without taking calculated risks. The objective is not to eliminate risk, but to equip the business to handle disruptions without losing direction.

Ultimately, successful organisations recognise that strategy and risk management are inseparable. Strategy defines the destination, while risk management helps navigate the journey. However, recognising that risk exists is only the beginning. The next challenge is understanding that not all risks are obvious. In fact, many of the greatest threats to strategy remain hidden until they begin affecting performance.

The next article will examine early warning indicators that quietly derail even the most promising strategies, and why organisations often fail to recognise them until it is too late.

Monika Amukoto is a Strategy, Governance, Risk and Compliance professional with expertise in helping organisations strengthen governance, manage risk and execute strategy effectively.

Nandi-Ndaitwah calls on private sector to back young entrepreneurs

President Netumbo Nandi-Ndaitwah has called on the private sector, financial institutions and communities to play a greater role in supporting Namibia's young entrepreneurs, saying government alone cannot provide the resources needed to unlock the country's entrepreneurial potential. Speaking at the opening of the 2026 MTC Kasi Vibe Festival in Windhoek on Thursday, Nandi-Ndaitwah said greater collaboration is needed to improve young people's access to finance, education, digital infrastructure, mentorship and markets.

"However, we must also be clear: the Government cannot do this alone. To ensure access to finance, education, digital infrastructure, mentorship, and markets, we must all contribute and play our roles. The private sector should continue investing in young people. Financial institutions should become more open and accessible to start-ups. And as communities, we must support local businesses, because when they grow, our economy grows and we all benefit," she said.

The President said the annual festival has become an important platform for young entrepreneurs, artists and innovators to showcase their products, services and talents while creating new business opportunities.

She said the initiative supports the objectives of the Sixth National Development Plan (NDP6), which identifies the creative industries as a key driver of innovation, employment and economic growth.

Nandi-Ndaitwah described Namibia's youthful population as one of the country's greatest economic assets, saying entrepreneurship should be viewed as a way to solve problems, create value and generate employment.

She said innovation is emerging from towns, villages, informal markets and homes across the country, and these grassroots businesses should be recognised as an important contributor to economic growth.

"Business and innovative ideas do not only come from big offices, but they also sprout from our towns, villages, informal markets, homes and communities. Namibia is a young country, with the majority of its people being youth full of energy, ambition and new ideas. This is a powerful advantage that we must harness," she said.

The President highlighted several government programmes aimed at supporting young people, including the Youth Credit Scheme, Youth Development Fund, National Youth Service, Equipment Aid Scheme Programme and skills development initiatives offered through Multi-Purpose Youth Resource Centres.

She also called for greater investment in Namibia's creative industries, saying sectors such as music, film, fashion, digital content, gaming, photography, visual arts and design should be recognised as viable industries capable of creating jobs, attracting investment and promoting the country internationally.

Looking beyond events such as the Kasi Vibe Festival, Nandi-Ndaitwah urged stakeholders to invest in long-term creative infrastructure that can support sustainable careers in the creative economy.

She said Namibia's greatest resource is its people, particularly its youth, and called on all sectors of society to help create opportunities for the next generation of entrepreneurs and innovators.

Beyond diamonds: The real resource that will shape Namibia's future

By Dr Etuna Simon

> **AI is often discussed in narrow terms, as if it were only about robots, chatbots or automation.**

For a long time, countries measured their wealth by what they could extract from the ground. Gold built empires. Oil changed the balance of power. Diamonds transformed economies.

Namibia knows this story well.

Our natural resources have helped shape the country's development and remain central to the economy. Mining, agriculture, fisheries and tourism will continue to matter. But the global economy is changing, and with it, the meaning of national wealth.

The most important resource in the twenty-first century is no longer only what lies beneath the soil. It is what a nation can build through knowledge, skills, research, technology and innovation.

Artificial intelligence (AI) has made that reality impossible to ignore.

AI is often discussed in narrow terms, as if it were only about robots, chatbots or automation. But its real significance is much bigger. AI is changing how economies grow, how organisations make decisions and how societies solve problems. It is becoming a major driver of productivity, competitiveness and public value.

That means the countries that succeed in the years ahead will not simply be those with rich mineral reserves. They will be the ones with strong education systems, skilled people, research capacity, digital infrastructure and the ability to turn ideas into practical solutions.

History has shown this before. Every major industrial shift has rewarded those who prepared early. Countries that embraced mechanisation, electricity, computing and digital technology moved ahead. Those that delayed were left trying to catch up.

The AI era is no different.

Around the world, governments and institutions are investing in the foundations of a knowledge-based economy. They are strengthening schools and universities, supporting innovation, building digital systems and preparing workers for new industries.

Namibia cannot afford to watch this shift from the sidelines.

The question is not whether AI and related technologies will shape our future. They already are. The real question is whether we are preparing seriously enough for the world that is emerging.

There are reasons for optimism. Namibia has taken important steps, including the launch of its Artificial Intelligence Readiness Assessment Report in partnership with UNESCO. That process matters because it helps identify both progress and gaps. And the gaps are significant: skills shortages, limited research capacity, weak computing infrastructure and the need for stronger governance and national coordination.

These are not small issues. They go to the heart of whether Namibia will be able to compete in a world where value is increasingly created through intelligence, innovation and adaptability.

This is why the conversation about development must evolve.

Natural resources remain important, but they are not enough on their own. A country can be rich in minerals and still struggle to build lasting prosperity if it underinvests in people. In contrast, countries with few natural resources have shown that long-term success can be built through education, research and strategic planning.

Singapore is one example. Estonia is another. Rwanda has also shown what focused digital ambition can achieve. These countries did not wait for the future to arrive. They invested in their people and institutions early. Namibia can do the same, but only if we treat human capability as a national priority.

That starts with education. Our schools must do more than prepare learners to pass exams. They must help young people think critically, solve problems, communicate clearly and adapt to change. Our universities must do more than produce graduates. They must also produce research, support innovation and contribute directly to national development.

This matters even more as AI becomes more capable. The more routine tasks are automated, the more valuable human judgment, creativity, leadership and ethical reasoning become. The goal should not be to replace people with machines, but to use technology to strengthen human potential.

There are real opportunities for Namibia here. AI can improve agriculture through better data and precision tools. It can support healthcare systems, improve safety in mining, strengthen tourism services and make public administration more efficient. Used well, it can help Namibia do more with limited resources.

But those opportunities come with risks. AI also raises serious questions about privacy, cybersecurity, bias, misinformation and exclusion. That is why leadership matters. Adopting technology without the right safeguards can create new problems even as it solves others.

Namibia therefore needs more than enthusiasm for innovation. It needs a clear strategy. It needs institutions that can govern technology responsibly. And it needs stronger collaboration between government, industry and universities to ensure that the solutions we adopt are relevant to our own national context.

The bigger issue is this: what kind of country does Namibia want to become?

Will we remain mainly a consumer of technologies developed elsewhere? Or will we build the skills, systems and confidence needed to shape our own future? Will we continue to define national wealth mainly through extraction, or will we expand that definition to include the strength of our ideas, our research and our people?

These are no longer abstract questions. They are development questions. They are economic questions. And increasingly, they are sovereignty questions.

Namibia's future should not depend only on what we can dig up. It should also depend on what we can develop, design and discover.

Diamonds may still hold value, but the real wealth of the future will come from minds, not minerals alone.

If we want lasting prosperity, then we must look beyond the ground beneath our feet and invest much more boldly in the potential within our people.

*** Dr Etuna Simon is a researcher, strategist and writer with a keen interest in education, innovation, artificial intelligence and national development. The views expressed in this article are solely those of the author. She can be reached at etunasimon@icloud.com***

Germany, Namibia launch N$84 million coastal water pipeline upgrade

Namibia and Germany have launched an N$83.9 million project to replace a critical section of the Kuiseb Collector 2–Swakopmund water pipeline, completing the final phase of the rehabilitation of infrastructure that has supplied the coast since 1974.

The 9-kilometre pipeline replacement is co-funded by the Namibian government and Germany's KfW Development Bank and will replace ageing infrastructure with corrosion-resistant pipes designed to withstand the harsh coastal environment.

The project includes the installation of 5 kilometres of above-ground Glass Reinforced Plastic (GRP) pipes and 4 kilometres of underground High-Density Polyethylene (HDPE) pipes.

Once completed, the upgraded pipeline will transport up to 5,500 cubic metres of groundwater per hour to Swakopmund and will also be capable of supplying Walvis Bay through reverse flow during emergencies.

Speaking at the groundbreaking ceremony, NamWater Chief Executive Officer Abraham Nehemiah said the project would remove the last major bottleneck in one of the country's most important water supply schemes.

"Today, we commence the replacement of the remaining priority sections, namely Sections 6B and 6C, thereby eliminating the last significant bottleneck within this critical water supply scheme. The total construction value of this project amounts to N$83.9 million, excluding VAT," he said.

Nehemiah said NamWater would invest a further N$4 million in construction supervision, while the utility's engineers and technicians would oversee implementation to ensure compliance with engineering and governance standards.

KfW Country Director Beatrice Luke said the project is expected to create about 120 local jobs during the estimated 12-month construction period, while also creating opportunities for local suppliers and skills transfer.

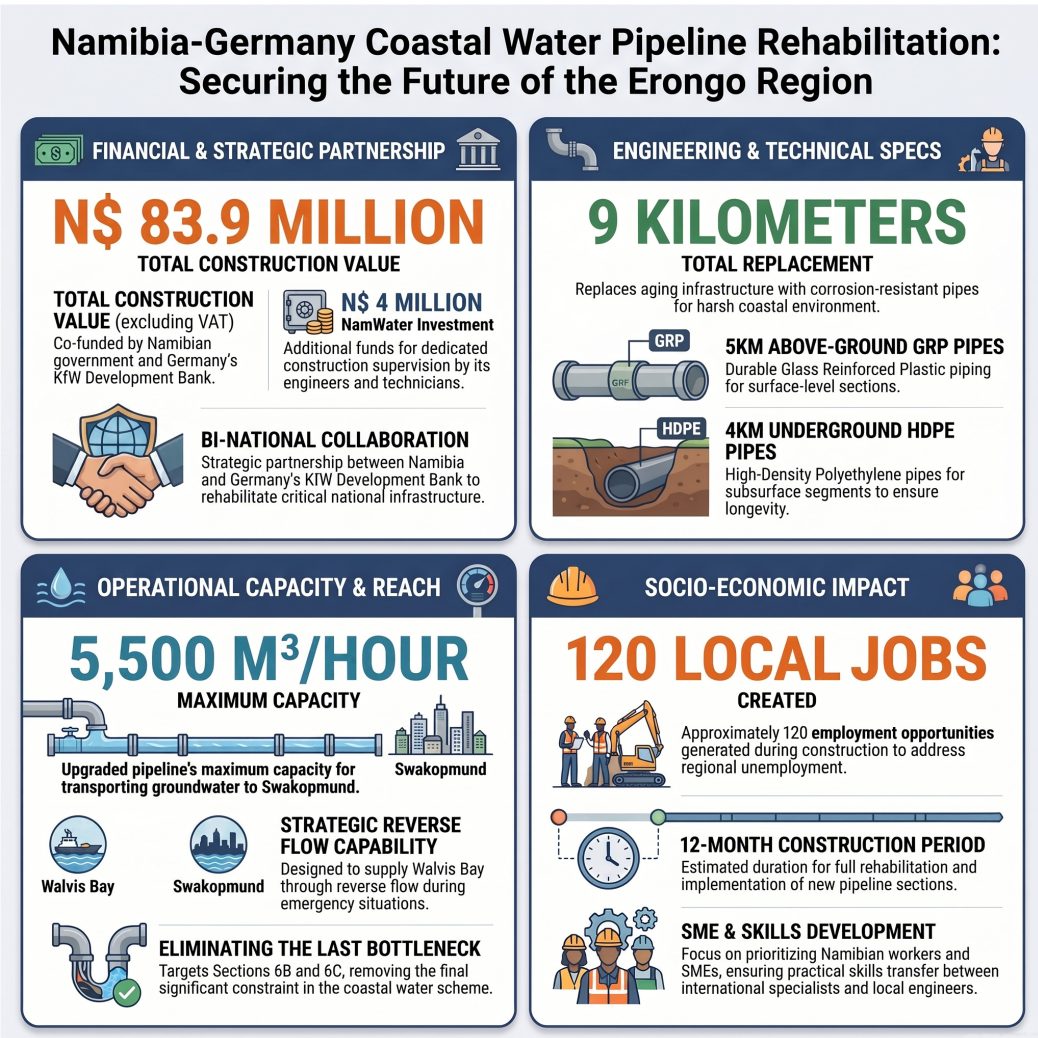
"The construction period is expected to be approximately 12 months. The project, together with the rehabilitation project that we will break ground on tomorrow, will also contribute to local economic development through the creation of approximately 120 employment opportunities," she said.

Erongo Governor Natalia Goagoses welcomed the investment but called for the project to maximise local participation.

With unemployment in the region standing at 32%, nearly half of it affecting young people, Goagoses urged the contractor to prioritise Namibian workers and small and medium-sized enterprises.

"Let it be a Namibian project. Let it be done by Namibians together with our international friends," she said.

She also called for skills transfer to ensure local engineers gain practical experience by working alongside international specialists.



MTC backs future finance talent with N$1.6 million Bloomberg lab investment

MTC Namibia has invested N$1.6 million in a Bloomberg Finance Lab aimed at developing Namibia's next generation of finance, technology and business professionals.

The Bloomberg Finance Lab Schools

Initiative was launched on Wednesday at the High-Tech Transfer Plaza Select (HTTPS) building in Windhoek through a partnership between Bloomberg's philanthropic programme and MTC.

The investment funded the installation of 12 Bloomberg terminals, providing learners with access to professional financial market data, analytics and educational resources used by leading financial institutions globally.

MTC Chief Brand, Marketing, Communications and Sustainability Officer Tim Ekandjo said the initiative is designed to equip young Namibians with skills needed to compete in an increasingly digital and global economy.

"We did not invest in this Lab as a marketing exercise. We invested because we believe Namibian youth deserve access to the same world-class tools and opportunities available anywhere in the world. By bringing these resources closer to home, we are helping learners broaden their horizons and build confidence in what they can achieve," Ekandjo said.

He said introducing learners to financial markets and investment literacy at an early stage would prepare them for careers in finance, entrepreneurship, technology and business leadership.

MTC also announced that interns participating in its internship programme will receive Bloomberg Finance Fundamentals Certification, allowing them to build internationally recognised financial and analytical skills before entering the workforce.

The company said the investment forms part of its broader strategy to support skills development, innovation and human capital, helping to build a pipeline of talent for Namibia's financial services and technology sectors.

Property Hub NAMIBIA

Freehold vs Sectional Title: Where is market demand actually moving

The younger generation is generally more security-conscious and tends to prefer the convenience of a lock-up-and-go lifestyle offered by complexes and security estates.

While first-time buyers carefully consider all available options, the current trend is strongly towards lifestyle estates that combine enhanced security with additional amenities such as gyms, sports facilities, restaurants, and recreational spaces according to Nadia Aucamp, Broker Owner & Legal Liaison of REMAX All Stars.

"Although these estates typically come with additional levy costs, buyers often weigh the overall value and still favour them because of the lifestyle and convenience they provide.

"Within the same area, municipal rates are generally comparable to those of freestanding homes of a similar size. However, when compared with properties in other areas, buyers may find that freestanding homes offer lower rates, making location and lifestyle preferences key factors in the purchasing decision," says Aucamp.

Kim Peacock, Broker Owner of REMAX Dolphin Realtors shares: "We are definitely seeing demand skew towards security estates and sectional title, but I'd push back gently on the idea that it's driven by rising rates and levies. For our buyers it's far more about the unparalleled lifestyle these estates offer, so

I'd frame the shift as demand-driven rather than fear-driven," he says.

Peacock says somewhere like Simbithi, Brettenwood, Zululami and Seaton aren't just secure — they come with beach access, golf, trails, clubhouses and a real sense of community, along with the lock-up-and-go convenience that a semigration or second-home buyer wants.

"Safety is certainly part of the appeal, but it's the lifestyle offering that's really moving this market. Freestanding homes still have a loyal following on the coast, but the lifestyle that estates here deliver is what most semigration buyers are prioritising right now," she says.

According to Meridian Realty principal Antonie Goosen, says South African homebuyers are increasingly prioritising security, predictable maintenance and lifestyle convenience when choosing where to live, driving sustained demand for sectional title developments and secure residential estates. This shift has been building steadily for several years and is now becoming one of the defining characteristics of the residential property market.

"Security has become one of the first questions buyers ask, regardless of price category," he says. "For many families, the peace of mind offered by estates and sectional title developments now outweighs the appeal of owning a traditional freestanding property."

While security remains the biggest driver, it is no longer the only consideration. He says buyers are increasingly evaluating the total cost and practicality of home ownership. "Many homeowners are becoming more aware of the hidden costs associated with larger freestanding properties. Garden maintenance, exterior upkeep, private security and rising municipal charges all contribute to significantly higher ownership costs."

By contrast, sectional title developments often provide shared maintenance, controlled access and professionally managed common areas, allowing owners to budget with greater certainty. Lifestyle is also becoming an increasingly important factor. "Modern estates offer facilities that many buyers would struggle to provide privately, including walking trails, parks, gyms, children's play areas and community spaces. Buyers increasingly view these as extensions of their homes."

He cautions, however, that the decision is not purely financial. "There will always be buyers who value the privacy, space and flexibility that freestanding homes provide, particularly families with larger properties or buyers looking for long-term capital growth opportunities."

Instead, he believes the market is becoming increasingly segmented. "Different buyer groups have different priorities. Young professionals, retirees and many investors are gravitating towards sectional title and estate living, while larger families may still favour freestanding homes where space is a priority."

He says prospective buyers should evaluate the total cost of ownership rather than focusing only on monthly levies. "Some buyers are initially discouraged by estate levies, but when they compare those costs with private security, gardening, maintenance and municipal services, estates can often represent very good value."

Goosen believes security estates and sectional title developments will continue attracting strong demand as South African lifestyles evolve. "The market increasingly rewards convenience, safety and quality of life. Developers who successfully combine these elements with good location and sound management are likely to remain highly attractive to buyers for years to come."

Is there a definitive shift toward security and convenience over space

Morné Prinsloo | Local Real Estate Agent in Roodepoort and Krugersdorp | REMAX Town and Country says there is a shift, and the data now confirms what he has been observing in my own market for several years. "This is not a passing preference. It is a structural shift in how South African buyers are prioritising their housing decisions, and the numbers back it up clearly," he says.

The milestone that confirmed the shift

According to the FNB House Price Index, July 2025 marked a genuine turning point. For the first time in the post-pandemic era, equity values generated by sectional title properties marginally outpaced those of freestanding homes, at 3.8 percent versus 3.7 percent. This might sound like a small difference, but it is symbolically significant. It is the first time in over two decades that sectional title has outperformed freehold on this specific measure, and industry analysts widely expect this trend to persist and potentially accelerate into 2026.

Why safety and rising costs are driving this

Prinsloo says the reasoning behind the shift is exactly what your question identifies. Security concerns remain a top priority for South African buyers at every price point, and a managed complex or estate with access control, perimeter security, and often a resident security presence addresses this in a way that a freestanding home cannot without significant additional investment by the individual owner.

Rising municipal rates are compounding this pressure. As municipal financial strain increases, particularly in metros like the City of Johannesburg, rates on larger freehold properties with more land and improvements attract higher municipal bills. A sectional title unit typically attracts lower individual rates, with common costs shared across the scheme through levies, which many buyers find more predictable and manageable than a large freehold rates account.

The supple confirms the demand

Prinsloo explains that developers have responded quickly to this demand. Year-to-date data through 2025 showed the supply of new flats and townhouses sold or leased as sectional title increased by 13.5 percent according to the FNB Index. However, building plans approved for likely sectional title use dropped by 21.2 percent in the same period, suggesting that supply is not keeping pace with demand. This imbalance is expected to support continued price growth in the sectional title segment specifically.

"At a national level, Property24 data confirms that sectional title sales now account for 30 to 40 percent of all property transactions in major metros including Gauteng, with an average sectional title selling price of approximately R1.2 million. Because this figure often falls within the R1.21 million transfer duty exemption threshold, sectional title has become particularly popular with first-time buyers and buy-to-let investors," he says.

Roodepoort and Krugersdorp

"In my own market, this national trend is visible on the ground. Wilgeheuwel, which is predominantly sectional title, remains one of the most consistently active suburbs I work in. Buyers who a decade ago would have insisted on a freestanding home with a large stand are now genuinely comparing that option against a well-managed complex in Wilgeheuwel or Roodekrans, and in a growing number of cases are choosing the complex," he says.

One important caveat for buyers

Prinsloo says the narrowing price gap between sectional title and freehold means buyers can no longer default to sectional title purely for affordability without scrutinising the specific scheme carefully. Levy history, reserve fund adequacy, and body corporate governance quality matter more now than they did even two years ago, because body corporates are enforcing levy collection more aggressively under the Sectional Titles Schemes Management Act, and poorly managed schemes carry real financial risk for buyers.

The shift toward sectional title and security estates is real and, in my assessment, durable. It reflects genuine changes in what South African buyers value, not a temporary market fluctuation.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