



MASHONALAND HOLDINGS LIMITED

(Incorporated in Zimbabwe)

Leading property owners and developers

TRADING UPDATE FOR THE QUARTER ENDED 30 SEPTEMBER 2024

Operating Environment

The period under review was characterised by exchange rate volatility following the ZWG's depreciation against the United States Dollar on the official RBZ market. This had an impact on the pricing of goods and services leading to an increase in monthly inflation. Increased load shedding owing to low water levels at Kariba Dam has further impacted on economic performance.

Authorities have introduced measures to control inflationary pressures. Further, the RBZ has committed to maintaining exchange rate flexibility in line with foreign currency demand in an effort to ensure sustainability of transactions executed in local currency. Further liquidity control measures aimed at mitigating inflation risks are anticipated in Q4 2024.

Property Market

The property market sector is experiencing varying growth and performance patterns due to volatile market conditions. The real estate sector remains impacted by liquidity constraints in the formal sectors of the economy thereby limiting large scale developmental activity. Reduced liquidity has also led to an increase in the cost of capital, with financiers unable to provide long term funding to support development projects. As a result, real estate investors in the country have tended to prioritise high yielding short term investment projects while other market segments have experienced a slowdown in investments.

The occupier segment continues to witness changing tenant preferences with corporate tenants relocating from central urban to suburban offices. The market has also experienced growing demand for mixed-use developments as well as grade A warehouses which provide retailers and wholesalers direct access to their markets.

The Zimbabwe real estate market continues to offer capital preservation opportunities and moderate to high returns for investors targeting affordable housing developments, mixed-use projects and infrastructure investments that support economic growth and urban development.

Financial Performance

The unaudited results for the 9 months ended 30 September 2024 are as presented below:

	30-Sept-24	30-Sept-23	
Income statement highlights	USD	USD	% movement
Revenue	5,174,526	4,429,263	17% ▲
Operating profit before fair value adjustments	2,459,118	1,682,009	46% ▲

Key ratios			% movement
Occupancy level (%)	89%	89%	-
Collections (%)	93%	94%	1% ▼
Operating profit margin (%)	48%	38%	26% ▲
Rental yield (%)	8%	8%	-

Statement of financial position highlights	30-Sept-24	30-Sept-23	% movement
	USD	USD	
Investment property	88,395,596	80,665,000	10% ▲

- Revenue increased by 17% driven by the addition of Milton Park Day hospital into the investment property portfolio following completion and handover of the development.
- During the period, the company increased its USD business contribution to 80%. Further, rental reviews continue to be made to ensure the business retains value from its leasing arrangements.
- The company's overall portfolio occupancy remained unchanged at 89%.
- Operating profit increased by 46% driven by the revenue growth.
- Investment property increased by 10% due to capital expenditure invested in the ongoing Pomona Commercial Centre development project.

Property Development Projects

Pomona Commercial Centre

The development is comprised of a wholesaling unit and flexible warehousing constituting 14,000sqm lettable space. The project commenced in July 2023; the project has now achieved a 90% stage of completion. The project is on course to be delivered in November 2024. 65% of the development has been pre-leased.

Greendale Cluster Housing Stands

The company has applied for regulatory approvals to enable pre-sales on the planned development project. A development permit has been secured for the project and an Environmental Impact Assessment is currently being carried out. Pre-sales on the project are planned to commence towards the end of the year once all regulatory approvals have been secured.

Outlook

Going forward, the Group is optimistic that continued implementation of its portfolio diversification strategy will enhance business growth and create value for shareholders. The Group continues to review its risk management strategies and operational efficiencies to ensure continued growth.



E. Madhaka

Company Secretary
14 November 2024