



MASHONALAND HOLDINGS LIMITED

(Incorporated in Zimbabwe)

Leading property owners and developers

TRADING UPDATE FOR THE QUARTER ENDED 31 MARCH 2024

OPERATING ENVIRONMENT

The first quarter of the year was characterised by market anticipation of monetary policy changes amidst inflationary pressures and Zimbabwe Dollar currency depreciation. In its monetary policy announcement, the Reserve Bank of Zimbabwe introduced a new currency and several measures to support its use. Interest rates have subsequently been reduced in view of a lower inflation outlook.

The market however continues to witness foreign currency shortages worsened by the low output from the agricultural sector. These challenges have led to market uncertainty over the medium to long term effectiveness of the new monetary policy measures.

PROPERTY MARKET

The real estate market remains constrained by persisting currency volatility amid other macro-economic challenges. This has had a bearing on the availability and pricing of real estate development finance.

The occupier sub-market has witnessed constant growth in voids particularly in the CBD office segment which has been affected by migration of corporate tenants to the northern suburbs of Harare among other locations. The retail and industrial segments continue to show signs of growth with tenants looking for space in strategic locations which offer visibility and access to markets. The development sub-market continues to witness growth in property investments in the retail and warehousing market segments supported by positive space absorption rates and prime yields.

FINANCIAL PERFORMANCE

The unaudited results for the 3months ended 31 March 2024 are as presented below:

	31-Mar-24	31-Mar-23	
Income statement highlights	USD	USD	% movement
Revenue	1,594,606	1,226,636	30% ▲
Operating profit before fair value adjustments	801,200	517,516	55% ▲
Key ratios			% movement
Occupancy level (%)	87%	87%	-
Collections (%)	93%	94%	1% ▼
Operating profit margin (%)	50%	42%	19% ▲
Rental yields (%)	8.5%	8.0%	6% ▲
Statement of financial position highlights	31-Mar-24 USD	31-Dec-23 USD	% movement
Investment property	81,927,332	80,665,000	2% ▲

- Revenue increased by 30% driven by an increase in portfolio lettable space. The Group added the Milton Park Day hospital into the investment property portfolio following completion

and handover of the development in Q4 2023. Revenue performance was also supported by the launch of an SME retail facility at Chiyedza House.

- During the period, the company earned 74% of its rental income in US Dollars. This positive development allowed the company to preserve value from its leases.
- Operating profit increased by 55% driven by the revenue growth.
- Investment property increased by 2% due to capital expenditure incurred on the ongoing Pomona Commercial Centre development project.

PROPERTY DEVELOPMENT PROJECTS

Pomona Wholesale Centre

The development concept consists of wholesaling and flexible warehousing with 14,000sqm lettable space. Construction works commenced in July 2023 and is targeted for completion in Q4 2024. 46% of the project has been completed with installation of roof structural steel on the main block now in progress. An anchor tenant has been secured and 60% of the development has been pre-leased.

Milton Park Hospital Project

Construction work on the pre-leased development was completed in Q4 2023. The development has been handed over to the tenant under a long-term lease with effect from January 2024.

Mashview Gardens

Construction of the housing units under all phases and the boundary wall were completed in Q4 2023, and site clearance completed in Q1 2024. Final handover inspection are in progress to enable project handover.

OUTLOOK

Looking ahead, the Group remains focused and confident on implementing its portfolio diversification strategy which will enable the Group to deliver shareholder value. The Group will continue to put measures in place to manage the risk associated with new developments while also enhancing tenant experience in order to increase portfolio occupancy.



E. MADHAKA
COMPANY SECRETARY

15 May 2024