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Notes on the National Housing Seminar,
Windhoek, 19-20 April 1990

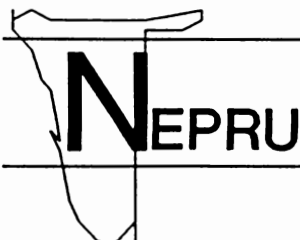
Jochbeth Andima

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NEPRU TRAVEL AND MEETING REPORT NO.1



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THE NAMIBIAN ECONOMIC POLICY RESEARCH UNIT
Postal: P.O. Box 40219, Ausspanplatz, Windhoek, Namibia
Street: Angola House, Ausspanplatz, Windhoek, Namibia
Tel. : +264-61-228284 Fax : +264-61-31496

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Contents

1. Opening by the Minister	1
2. Contributions by Community Groups	1
3. Financial Aspects	2
4. Private Sector Involvement	3
5. Institutional Framework and Policy Options	4
6. Low-income Housing Policy in Zimbabwe	5
7. Housing Delivery Systems, Building Materials and Infrastructure	6
8. Public Participation and Private Development	7
9. Policy Formulation and Coordination	7
10. Conclusions	8

Preface

The National Housing Seminar was convened by the Ministry of Local Government and Housing and held in Windhoek on 19-20 April 1990. This brief report provides summary notes on the proceedings and the main themes addressed.

1. Opening by the Minister

The seminar was opened by the Honourable Minister of Local Government and Housing, Dr Libertine Amathila, who pointed out some of the problems in the field of housing. The Minister identified the lack of a housing policy as the main problem. She also identified lack of home ownership and use of locally available material as problems. The prevailing mentality of "top-down" management was also blamed for causing disorganisation of the local communities and community workers were urged to mobilize the people into self-help and other projects.

The Minister identified those who should be involved in the housing projects as the people who the houses are to be built for, the private sector, NGOs, churches, parastatals and employers.

On the issue of loans the Minister said that repayment of loans should be made suitable to people's conditions, interest rates should be appropriate and loan conditions should be explained to the people so that they can understand them.

A system of looking after old people was also suggested as there are old people who are no longer well looked after by relatives due to financial and other problems.

2. Contributions by Community Groups

Community groups were also represented at the seminar. The RRR Committee, which represented the returnees, pointed out some problems such as the high expectations and urban orientation of many returnees. Most returnees are unable to get jobs and are therefore facing housing problems. Some are reluctant to leave the secondary centres as they are better off there. RRR would like to build some houses but they have a problem in obtaining land and building materials. Constructions in rural areas will be converted into development projects.

Other community leaders expressed their dissatisfaction about the conditions of National Building and Investment Corporation (NBIC)^[1] housing. They cited incidents where people pay for water and electricity which has not even been installed and where some houses are built in river-beds without the occupants-to-be knowing that. The building structures of NBIC houses were also said to be very bad. Some of the speakers even went to the extent of suggesting that NBIC activities be terminated and an alternative be found.

The groups informed the seminar about their efforts in trying to help the homeless and other low income earning groups with self-help projects and how they "mediate" between the people and the housing authorities. The municipal authorities were accused of cheating people because they promised that people were going to own the houses after paying rent for

1. Now the National Housing Enterprise.

National Housing Seminar

a number of specified years and now the municipality seem to have changed its mind. This was said to affect mainly the older people who cannot afford to pay rent any longer and who are kicked out of their houses by the municipalities.

The community groups represented were RRR, Saamstaan, Ondeitotela and Hainyeko (Hakahana), the National Housing Committee and Kara Xaiseb Housing of Mariental.

Both NBIC and the municipalities were blamed for being arrogant and insensitive towards the people especially the blacks.

3. Financial Aspects

These issues were addressed by representatives from the South African Development Bank, SWABOU in liaison with J. Nienhaber of Namib Building Society and NBIC. The issues addressed by the SADB were the following;

3.1 Housing policy:

- derivative overall development policy,
- housing goals,
- situation analysis,
- strategy and action formulation,
- implementation, and
- monitoring and adjustment when and where necessary.

3.2 Why government policy:

- government has got limited resources,
- rapid urbanisation and potential squatting, and
- low affordability and historical inequality.

3.3 Key policy principles:

- people's participation i.e define role of public vs the private sector,
- provision of affordable and acceptable housing through honest consultation with the communities,
- stimulation of economic activity through local entrepreneurs, and
- integrated approach i.e. addressing full participation.

3.4 Suggestions:

- Project steering committees should be established with representation at all levels,
- Grant options to potential investors,
- There should be access to social facilities and finance, but subsidisation should only be a matter of last resort,

National Housing Seminar

- The Government should allow existing system of finance to continue and it should remove constraints, and
- Collective responsibility.

The speaker from SWABOU spoke about "Building societies' participation in low income housing". He cited housing prerequisites as:

- serviced land,
- affordable finance,
- willing lenders,
- competent builders,
- conveyance of infrastructure, and
- the maintenance of law and order.

At present their loan distribution pattern is mainly concentrated in the Windhoek and Rehoboth areas. 80% of those who benefit from these loans are white. Obstacles to greater participation in less affordable market segments are costs, risk, return and borrower affordability, finance and legal constraints. He also indicated that the housing problems cannot be solved before unemployment.

Proposed solutions:

- differentiated charges,
- shield against risk,
- collateral and subsidy shield for qualifying borrowers,
- township development, and
- adequate return and borrower affordability.

The NBIC speaker spoke on "Some ideas on housing finance in independent Namibia". He said that the building industry is presently short of supply and skilled manpower and there is a need for training and encouragement of local manufacturers. He identified 60% of the population as being unable to afford loans but he also warned against government subsidies as being uneconomical.

Suggestions:

- no rapid development change,
- subsidies should encourage supply and not demand,
- maintenance of balance between different sectors, and
- support for NBIC policies.

4. Private Sector Involvement

This topic was dealt with by representatives from Nationwide Building Project Management (NBPM) and NBIC. Some of the issues raised by the NBPM representative were the following:

- public and private sector should work together,

National Housing Seminar

- the private sector did not have any housing policy to follow thus the government needs to formulate housing policies and the private sector should follow those policies,
- employers should also play a role in housing e.g. by subsidizing their employees' rents, providing houses etc,
- the government should encourage private sector participation by giving incentives,
- there has been no market for low-income groups especially in housing,
- communication between the government, private sector and the people needs to be improved, and
- household home ownership should be promoted.

The NBIC representative talked on "Site & service housing for the very poor - an example". He showed slides of low-cost houses in the south. However, at the end of his presentation it was pointed out by the Honourable Minister of Local Government and Housing that the presentation was unrealistic because she has seen the place and that housing project benefitted only a few coloureds. The Minister's remarks were confirmed by other people who have also seen the place.

5. Institutional Framework and Policy Options

This topic was presented by representatives from the NBIC and CABS Zimbabwe. The NBIC representatives talked about the complexity of the housing policy system and policy issues. He cited some of the complex issues as being:

- land,
- technology,
- social stratification (i.e. policy must aim for greatest good for the majority of people),
- organization,
- community development, and
- provision of infrastructure.

As regards standards of these aspects he pointed out that they should be culturally compatible, socially responsive, economically feasible, technologically appropriate and relevant at the time applied.

He identified policy issues to be considered as follows:

- central policy approach: emphasis on product, process must be target oriented,
- institutional framework: role of central government, parastatals, local authorities and the private sector,
- home ownership: land tenure problems, need for rental accommodation
- cost recovery vs subsidization,
- private sector and financial institutions' participation,
- mode of construction: self-help, building brigades, cooperatives, mass contracts, and

National Housing Seminar

- minimum standards.

The speaker on policy issues recommended the following:

- public participation through partnership,
- balanced policy,
- minimum product which should be realistic and affordable,
- policy must clearly define roles,
- mortgageable land is important therefore the system must be deregulated,
- private sector participation must be encouraged,
- extensive self-help schemes,
- there should be no pre-occupation with minimum product,
- subsidies should be eliminated especially in the macro-economy,
- do not build unacceptable final products, and
- plots should never be under 300 square meters (minimum size).

Issues to be considered include:

- the provision of welfare housing,
- housing options for singles and families,
- should local government take over community development, and
- should there be division between finance and development, currently both under the NBIC.

6. Low-income Housing Policy in Zimbabwe

The Zimbabwean guest speaker spoke on "A review of Zimbabwean housing policy and the roles of the public and private sectors". He told the conference that when interest rates rose, the policy of 300 square meters was introduced. Employers were granted limited tax incentives for them to provide housing. Building brigades were introduced plus minimum rent.

During the mid-80s, the private sector could not cater for low-income housing and this led to the building societies having to provide loans to local authorities. Zimbabwe focuses on flexibility, mobilization of public sector funding and serviced land. Unfortunately, local authorities faces problems of bureaucracy which leads to delays.

The following aspect of the Zimbabwean Housing Policy were highlighted:

- central government should be a facilitator rather than a driving force,
- bureaucracy should be minimized,
- decentralization,
- tax and investment incentives,
- remove or minimize subsidies as they discourage private sector participation, and
- Repayment discipline should be maintained.

National Housing Seminar

7. Housing Delivery Systems, Building Materials and Infrastructure

These issues were dealt with by representatives from the Southern African Development Bank (SADB), NBIC and the Swaziland National Housing Board.

The SADB representative pointed out the following;

- The development process should be legitimate, representative, accountable, realistic and viable,
- Housing strategy should be effective,
- Policy framework must have direction and focus, the market must be targeted and provision for implementation, monitoring and adjustment must be made,
- Delivery system = planning, design, financing, construction materials, technology etc
- Housing delivery = self build, mutual aid, self-help, job creation, plot and plan, mass housing,
- Housing strategy should be appropriate in terms of performance = effective demand, market penetration, rate of delivery, employment creation, cost effectiveness and post occupancy evaluation (Performance of a policy or strategy must be seen by those whom the houses are build for to have been successful),
- Housing delivery evaluation = understanding the housing market, evaluate performance, revise and change policy instruments, demystify complexity of housing market, improve communication, enhance decision making.

The NBIC speaker identified contemporary building materials as being;

- Lime which he said was more viable in Namibia,
- Cement which could be produced in the Karibib area,
- Timber production which could be increased by planting eucalyptus trees,
- Steel and others such as plastic etc.

The guest speaker from Swaziland pointed out that few planners exist for low-income housing, stressed the importance of being realistic in overall plan and aiming standards at the majority of people.

According to this speaker, infrastructure standards depend on the following:

- Site location and cost of land,
- Availability of primary infrastructure,
- Socio-economic profile of target population,
- Priorities and needs of target population,
- Willingness to pay for services,
- Minimum health requirements,
- Maintenance capabilities,
- The ability to upgrade initial services,
- Cost allocation of infrastructure services and matching design standards.

National Housing Seminar

8. Public Participation and Private Development

This topic was addressed by representatives from Kerry McNamara Architects, Botswana Self-Help Housing Agency and Business Services.

The speaker from McNamara defined development as "a series of stages of growth" and stressed that people should be given the right to develop. People with more resources should help those with less resources. Participation by different sectors was emphasized as was the need for the country to develop its own resources thus reducing reliance on foreign aid.

The guest speaker from Botswana spoke on "Self-help housing in Botswana" In Botswana, low-income earners are defined as those earning between P40 and P200 (Aprox. R50-250) per month. They had assistance from aid agencies to upgrade Self Help Housing Areas (SHHA). The money was received through the Ministries of Finance and Housing and Lands and it then trickled down to local authorities.

The loan system is based on a loan of P1,200 (R1,500) per person. Plot approval is done by the headquarters of the Housing Ministry through a management committee. Private plans are accepted as long as they meet government standards. Some of the problems faced by this government are cost recovery, service delivery and SHHA areas.

The Business Service spokesman spoke on "the Private Sector Developers' Role in Providing Low-Income Housing". He indicated that the private sector has been reluctant to get involved in the housing market due to political uncertainty, lack of knowledge on affordable housing, government bureaucracy, lack of finance and high interest rates. He suggested that:

- Government, private developers and building societies work together,
- Government investigate with the private sector obstacles to housing problems,
- financial institutions provide finance, and
- the government enter into joint ventures with the private sector.

9. Policy Formulation and Coordination

A member of the Low-Income Housing Policy Advisory Board listed the tasks of the Board as having to look into the following:

- by-laws and regulations,
- standards towards designated areas,
- sales of existing rental houses,
- interest rates and repayment periods,
- financial arrangements of central government,
- recommendation on welfare housing policies,
- housing levy,

National Housing Seminar

- uniform plot pricing policy, and
- private sector development.

The role to be played by the Advisory Board was according to the speaker to:

- keep policy makers informed on end-user attitudes,
- evaluate the application of technology,
- tap available local expertise,
- facilitate better understanding between the different sectors,
- provide unbiased analysis,
- act as early warning system with regard to impending problems,
- supply independent monitoring of ongoing policies and their implementation,
- keep monopolies in check and expose where necessary, and
- organise structures.

The Low-Income Housing Policy Advisory Board was appointed by the interim government immediately prior to the implementation of Resolution 435 and it has therefore not functioned as such because that government was dissolved.

10. Conclusions

The seminar was closed by the Honourable Minister of Local Government and Housing who summed up the objectives of the seminar as "to learn and to get to know each other". She emphasized, amongst other things, the importance of team work and the involvement of women in the building industry, recommending that women should get together to make bricks etc. The Minister also indicated that her Ministry will embark on flexible policies so that it will be easier for them to adjust to any problems that may arise and it will also consider the suggestions made by the various groups and organizations.

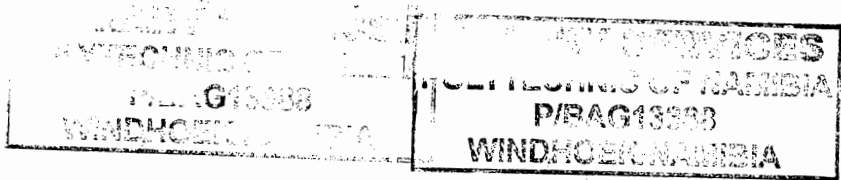
The seminar succeeded in bringing together the different groups from the government, private sector and the public. This made an exchange of views through discussion possible. It seems that at present the private sector does not play any role in the low-income housing schemes but they expressed interest to work together with the government.

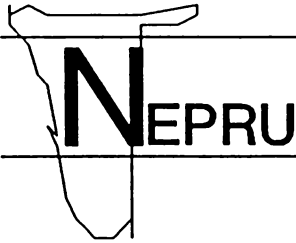
The NBIC on the other hand seemed to be trying to blame the new government for having raised a lot of expectations and that is "why the people are complaining now". The reality is that the problem has been there and it is only because the people did not get any attention from the previous authorities.

The municipality did acknowledge some of the accusations from the community groups and promised to listen to them in the future. On the whole, the discussions were frank and educative. However, the NBIC policies and activities need to be examined because many people do not

National Housing Seminar

seem to be happy with their services. What everyone seemed to agree on is that there is need for improved communication and cooperation among the various sectors and groups.





THE NAMIBIAN ECONOMIC POLICY RESEARCH UNIT

Postal: P.O. Box 40219, Aussspannplatz, Windhoek, Namibia
 Street: Angola House, Aussspannplatz, Windhoek Namibia
 Tel. : +264-61-228284 Fax : +264-61-31496

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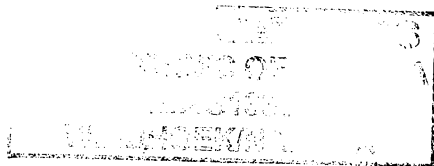
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