

Press Release: "Govt limited land supply"



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Current conditions in the local housing market keep about 65% of the country's population from being able to own property in Namibia, while the chances of lower-income citizens ever owning urban land and developing its asset value, are virtually nil.

This, according to John Mendelsohn, Director at Research and Information Services of Namibia (RAISON), who shared his expert views on the social and economic benefits of property ownership and access to formal housing, at a breakfast meeting co-hosted between the Economic Association of Namibia (EAN) and the Hanns Seidel Foundation.

Speaking in terms of urban land, Mendelsohn noted that what government had failed to address as a matter of priority, quickly escalated out of control as "government and its agents" limited the supply of residential land, which resulted in prices rising to exorbitant levels.

"Land made available for low- and middle-income housing was then handed to developers, who pushed up the cost of land further," he said.

Further explaining the plight of citizens living on communal land, he said such land was originally meant to act as a safety net for the poor.

Instead, however, government as land owner has used selected traditional authorities, he said, to act as estate agents and control access to land and its resources – a situation which once again led to the favouring of the upper class.

In fact, he said, the State's intended safety net in free land, water and grazing had turned private, resulting in the current conditions where "most cattle in communal areas belong to people who make their living elsewhere, and half of Kavango West and East now belong to about 400 families," Mendelsohn said.

Being controlled by traditional authorities, he said customary land rights further discouraged

investment into such communal land, as the occupants are unable to own the land and derive commercial gain from it.

Communal land should be traded

Urging government to consider the benefits of greater land ownership, Mendelsohn suggested a reconsideration of communal land policies to allow for such land to be traded.

Property, he said, offers security in the long-term, generally grows in real-term value, and could be passed on to children for the benefit of younger generations.

Land ownership, he said, further offered families an option when faced with special needs, and could be used to leverage more wealth.

“But only if they are tradeable,” he said.

“Imagine if all freeholders were prohibited from using property as investments, or capital assets,” he asserted.

Thus, he said, if more Namibians could be assisted to own property, such families could liquidate part or all of a property when special needs or additional income, were required.

Having citizens invest their wealth in capital assets, he added, would rectify current pressures on the central bank, due to too much debt spent on imported luxuries, while offering an option to use this property to obtain loans for other investments.

Yesterday’s deliberations were the second part of a three-part series of events, the first, in September, which considered the present water shortage facing central Namibia.

The third event, scheduled for November 4, would focus on the equally pressing “energy” crisis facing Namibia and its neighbours in the SADC region.

The country is grappling with an acute shortage of land and affordable housing with the current backlog standing at over 100 000 units, while rising prices has put houses out of reach of ordinary Namibians.