




Housing Market in Namibia: Challenges & Solutions

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how can we help you? 

Socio economic significance of housing

- Fulfils the basic human need for shelter
- Can be used as financing collateral
- Source of income through rent
- Vehicle for wealth creation through asset accumulation
- Construction of housing employs low skilled labour

Where we are?

- Informal area backlog estimate = 136,000
- Average property price @ June = N\$1,066,908
- Average rent of property @ May = N\$7,387
- Volume of transactions per month = N\$350
- Average affordable bond (LFS) = N\$220,000
- Average household size (NHIES) = 4 to 5 persons
- Average stand size = 343sqm

Determining property prices

Demand

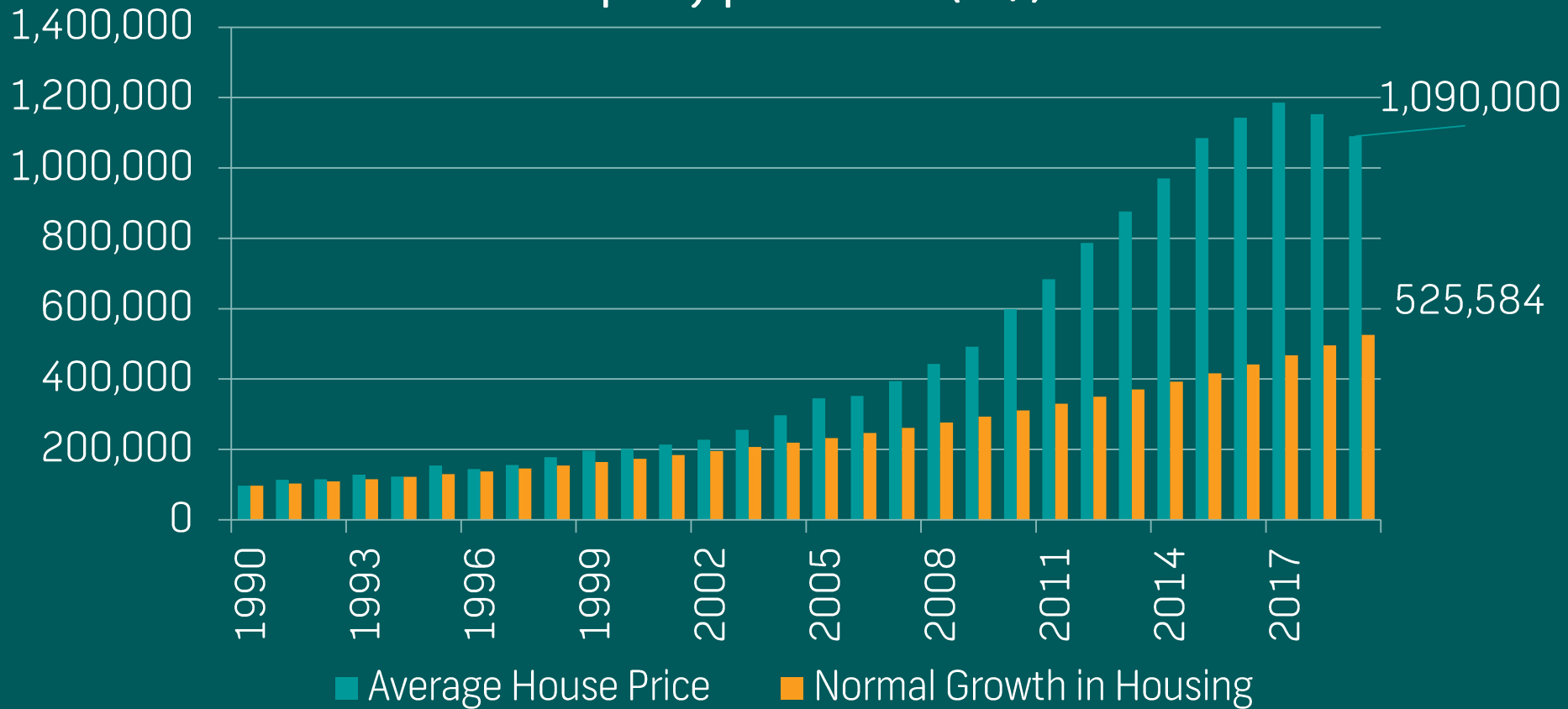
- Consumer confidence
- Current real incomes
- Interest rates and costs of borrowing
- Changing tastes and lifestyles

Supply

- Availability of serviced land
- Building costs
- Regulatory factors

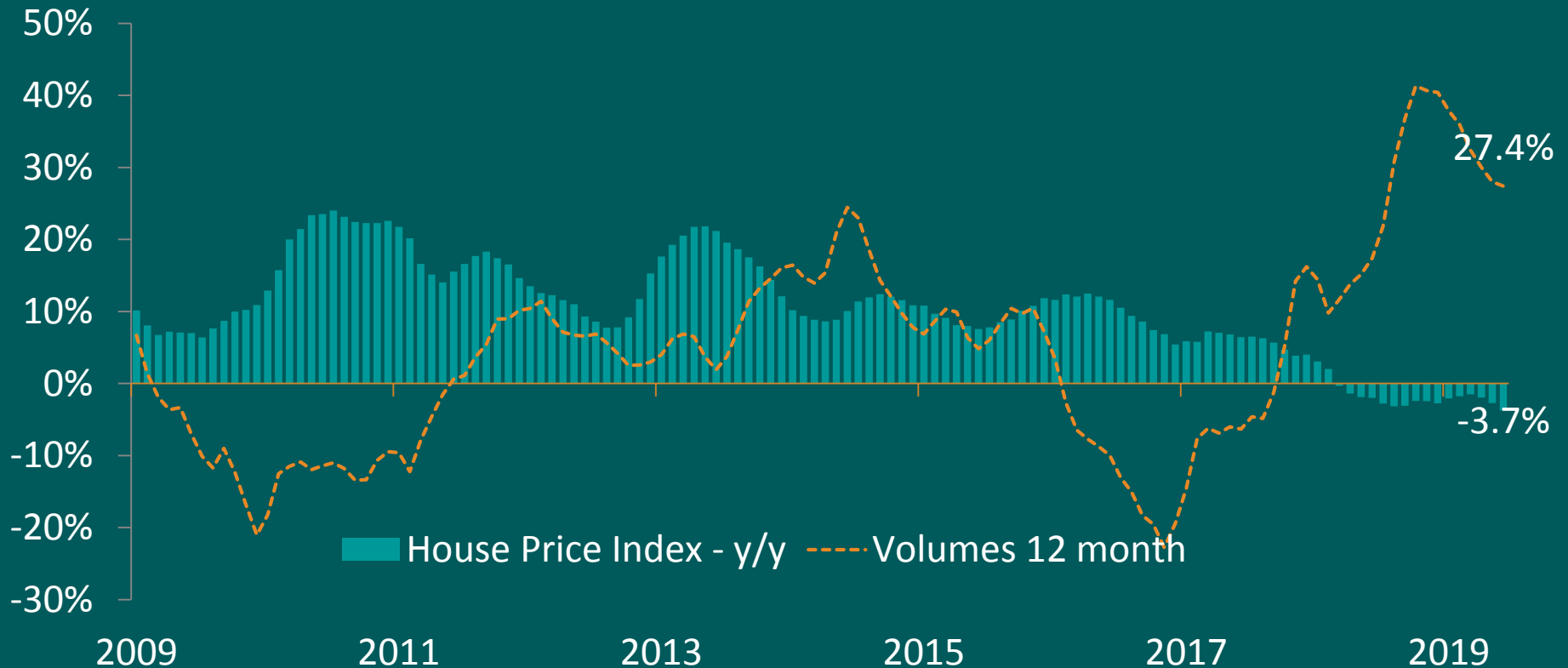
How did we get here?

Property prices run (N\$)

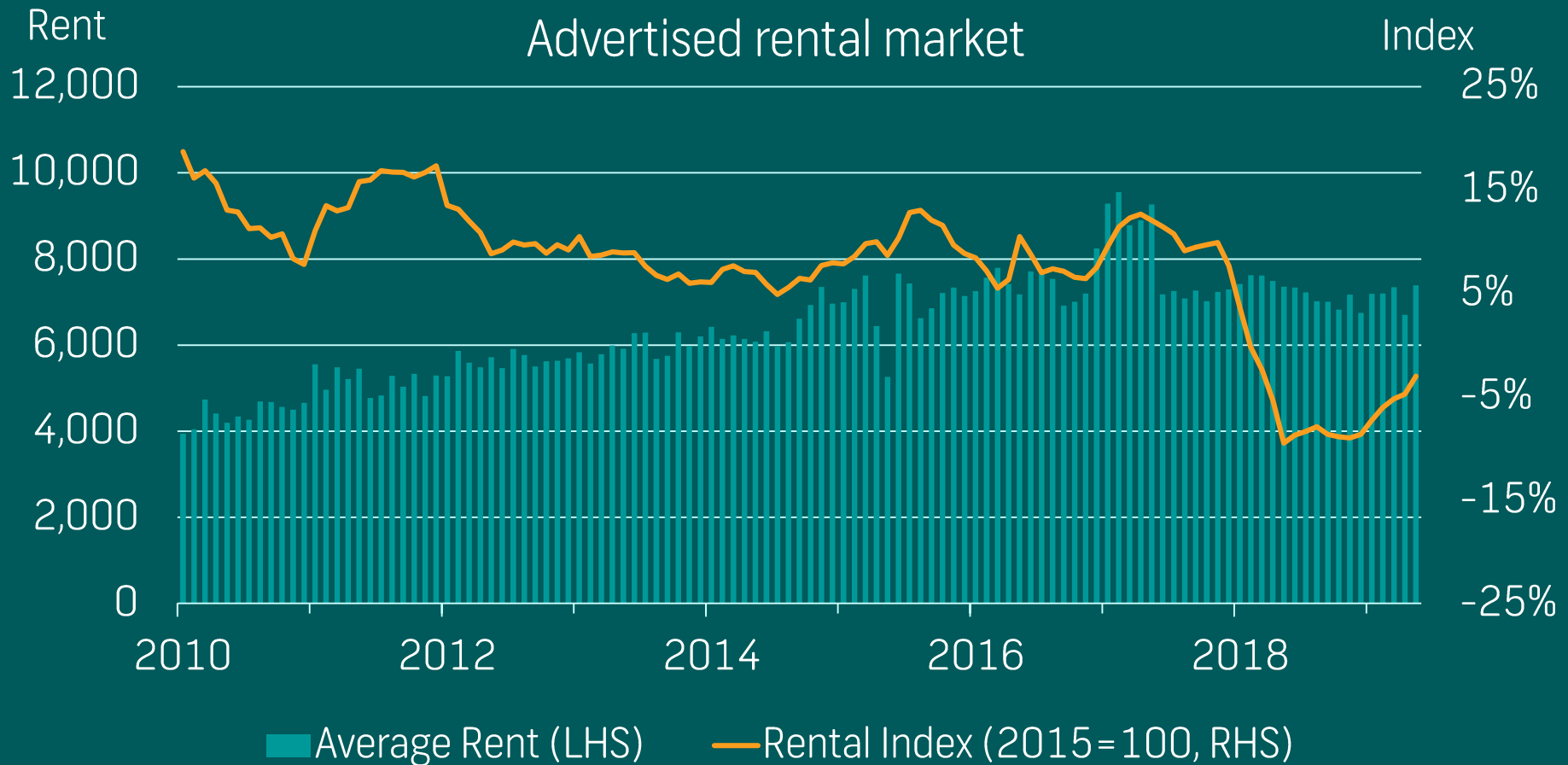


How did we get here cont'd?

Housing Volume and Index

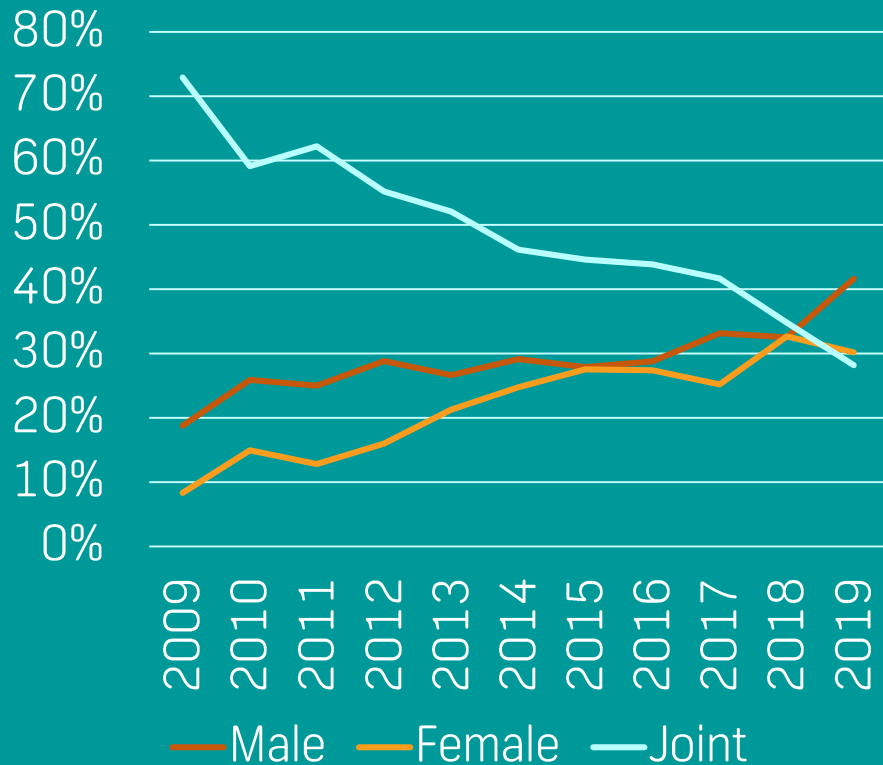


How did we get here cont'd?

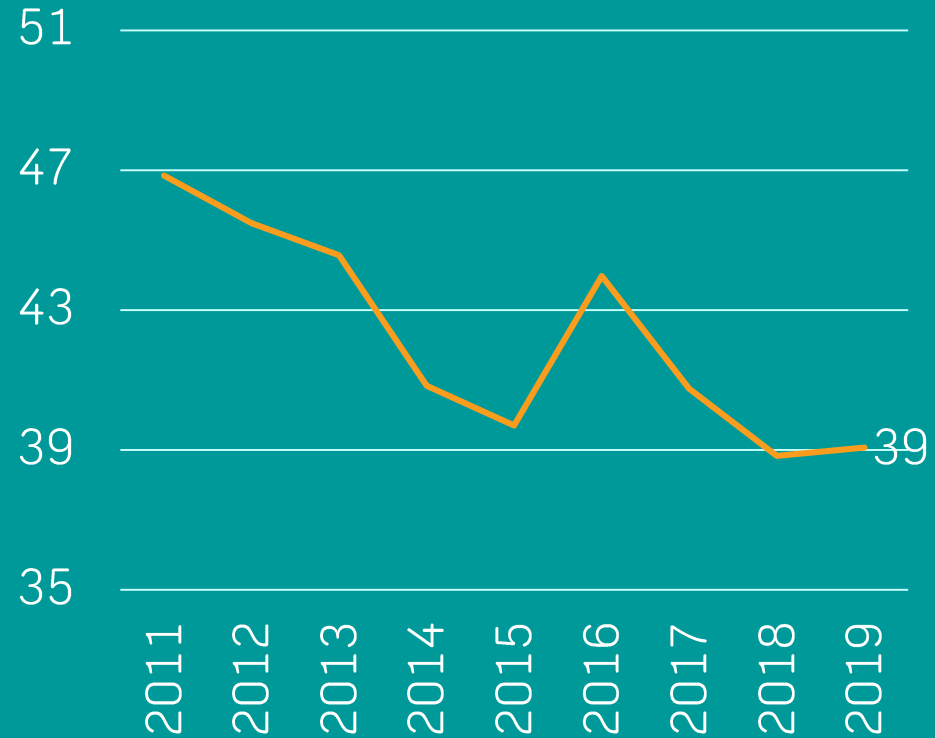


Demographic detail

Share of transactions by gender

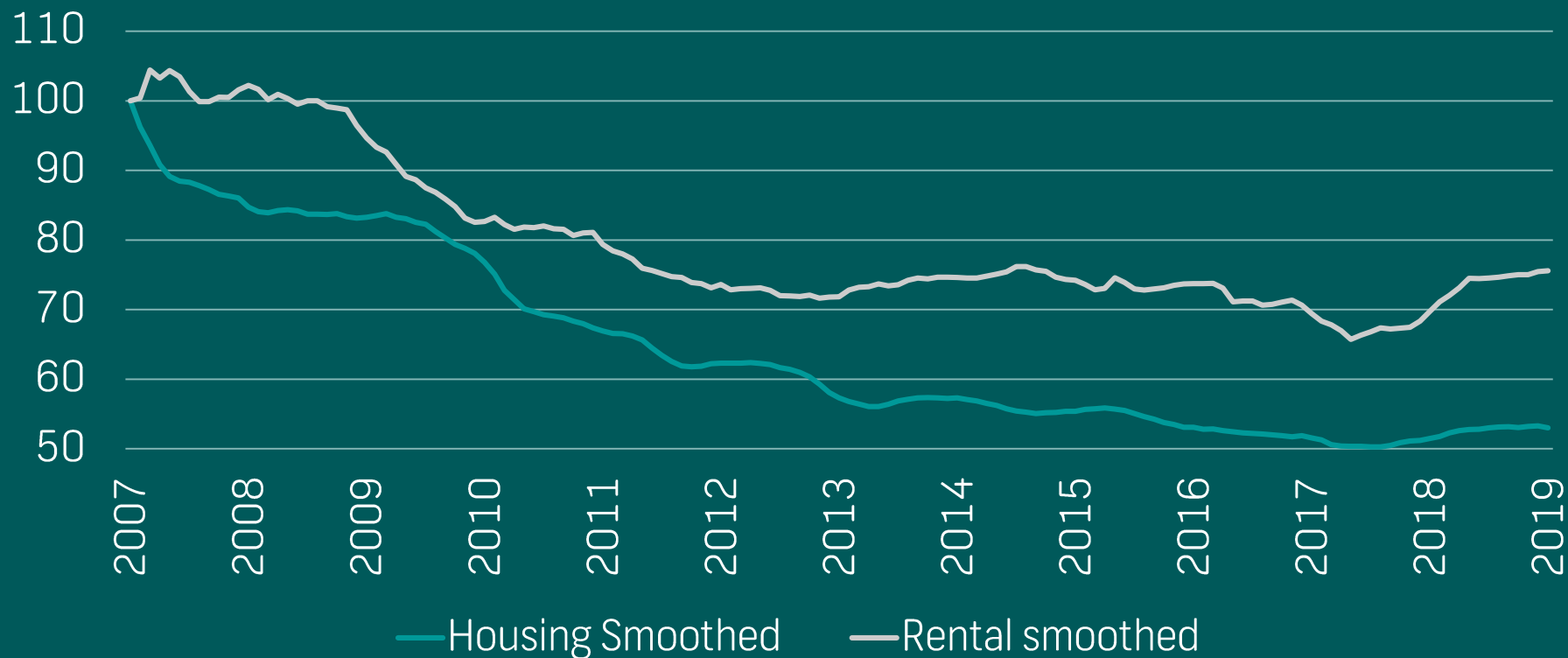


Mean Age of homebuyer

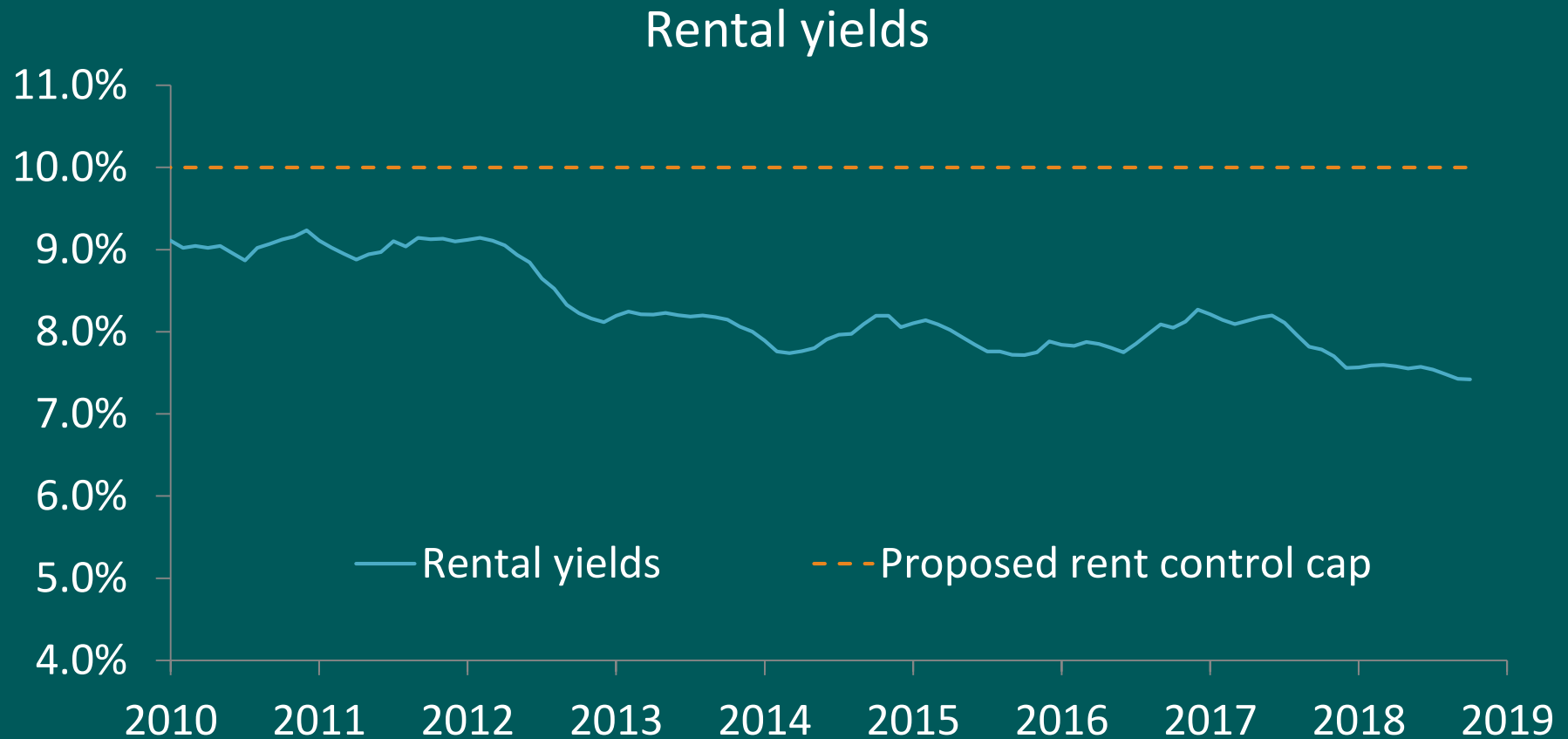


What about affordability?

Smoothed affordability tracker



Should we deal with demand?



Solutioning

- Data is your friend – Regional approach versus national
- “Give them semi-serviced to serviced cheap land” development property model
- Isolate and liberate regulations,
- Address shelter not housing.
- Stimulate broad based economic growth.
- Set the standard – property at N\$220,000 as an example and stick to it.

Case study lessons

- The English Housing Finance Corporation (THFC) raised £62.2 billion through syndicated bond issuance, equity and commercial loans to construct 43,000 affordable housing units per annum
- In USA, In 1993 the government launched a program called HOPE VI. The partnership mixes private capital with federal government subsidies to achieve ownership and rental with:
 - Tax credits
 - Bank debt
 - Bonds
- Housing provided by non-profits with government subsidies on the loans to end client to ensure affordability.
- All of these hinge on ensuring predictability: government guarantee, tax concessions, public grants, rent.

THE

END