



NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY

Faculty of Natural Resources and Spatial Sciences

# Affordable Housing: Fact or Fiction

Charl-Thom H. Bayer, Beata Mwashindange  
Department of Land And Property Sciences

27 January 2015

Event Specific Picture –  
behind red graphic





NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY

**Department of Land and Property Sciences**

## Table of Contents

1. Introduction
2. Background
3. Aims and Objectives
4. Income
5. Housing Prices
6. Affordability
7. Conclusion



**Department of Land and Property Sciences**

# **1. Introduction**

- Namibia is considered to have the highest house prices increases in the world.
- These increases are not supported by economic fundamentals such as increasing household income (Bank of Namibia 2011).
- Namibia experiences a high degree of inequality as expressed by its Gini coefficient (63.9 in 2014).
- This has resulted in a large portion of the population being unable to afford housing.
- Could this lead to financial and political instability?





## 1. Introduction

Landless youth submit 14 000 applications



land grab

News - Na

Nam

incre

by Chamw

# Namibia remains 'the most unequal country' in world

by \*LINDSAY DENTLINGER

**NAMIBIA** recorded the second highest house price increase in the world in June after Dubai, the latest FNB House Price Index released yesterday shows.

Page no: 0

DWS



from mostly young professionals who showed an extraordinary sense of solidarity by staging a mass demonstration organised by the 'Affirmative Repositioning' movement.



Department of Land and Property Sciences

## 2. Background

- Urbanisation is neither new nor unique to Namibia.
- Urbanization is a global phenomenon.
- In the 1950's less than one third of the worlds population was urban
- It is now expected that by 2050 two thirds of the global population will be living in urban areas (United Nations, 2014)
- With the abolition of Apartheid legislation Namibians have moved to urban areas in increasing numbers?
- It is estimated that the urbanisation rate is between 3.2% and 4.5%

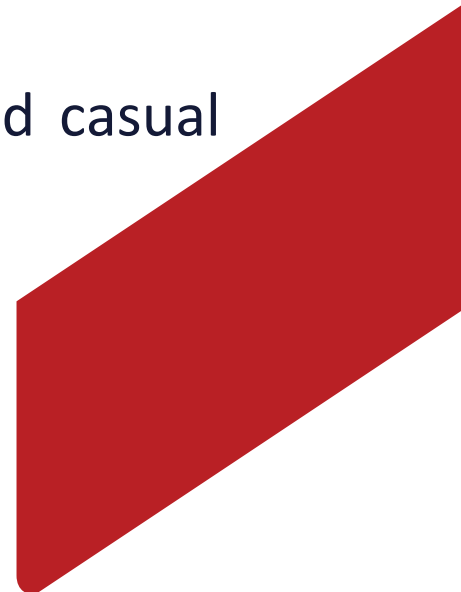




**Department of Land and Property Sciences**

## **2. Background**

- Access to adequate housing is a human right.
- The majority of residents denied this right (Ogbokor & Kwedhi, 2014).
- Situation made worse by the high rate of unemployment (28%) according to the NSA 2014.
- Many (41.2%) of the employed are informal and casual jobs (Indongo; Angombe and Nickanor 2013).







**Department of Land and Property Sciences**

## **2. Background**

- Access to appropriate housing is very limited in Namibia
- 70 percent of the population cannot access decent house due to the prices that are too high (Bank of Namibia, 2011).
- Combined with the perceived high prices of housing and lack of available land, an untenable situation is created.





**Department of Land and Property Sciences**

### **3. Aims and Objectives**

The purpose of the study is to

- Chart the income levels in Namibia against house prices to determine the level of affordability of housing for Namibians
- Use public sector salary scale as an indicator of formal wages.
- Largest employer in the country







**Department of Land and Property Sciences**

## **4. Income**

Cat A: Grade 15-9 is from N\$11,000- N\$163779 (Entry level and technicians)

Cat B: Grade 8 -5 from N\$167,054-N\$361,630 (Professionals)

Cat C: Phase 3. Grade 4-1 from N\$368,863-548,084 (Management)





Department of Land and Property Sciences

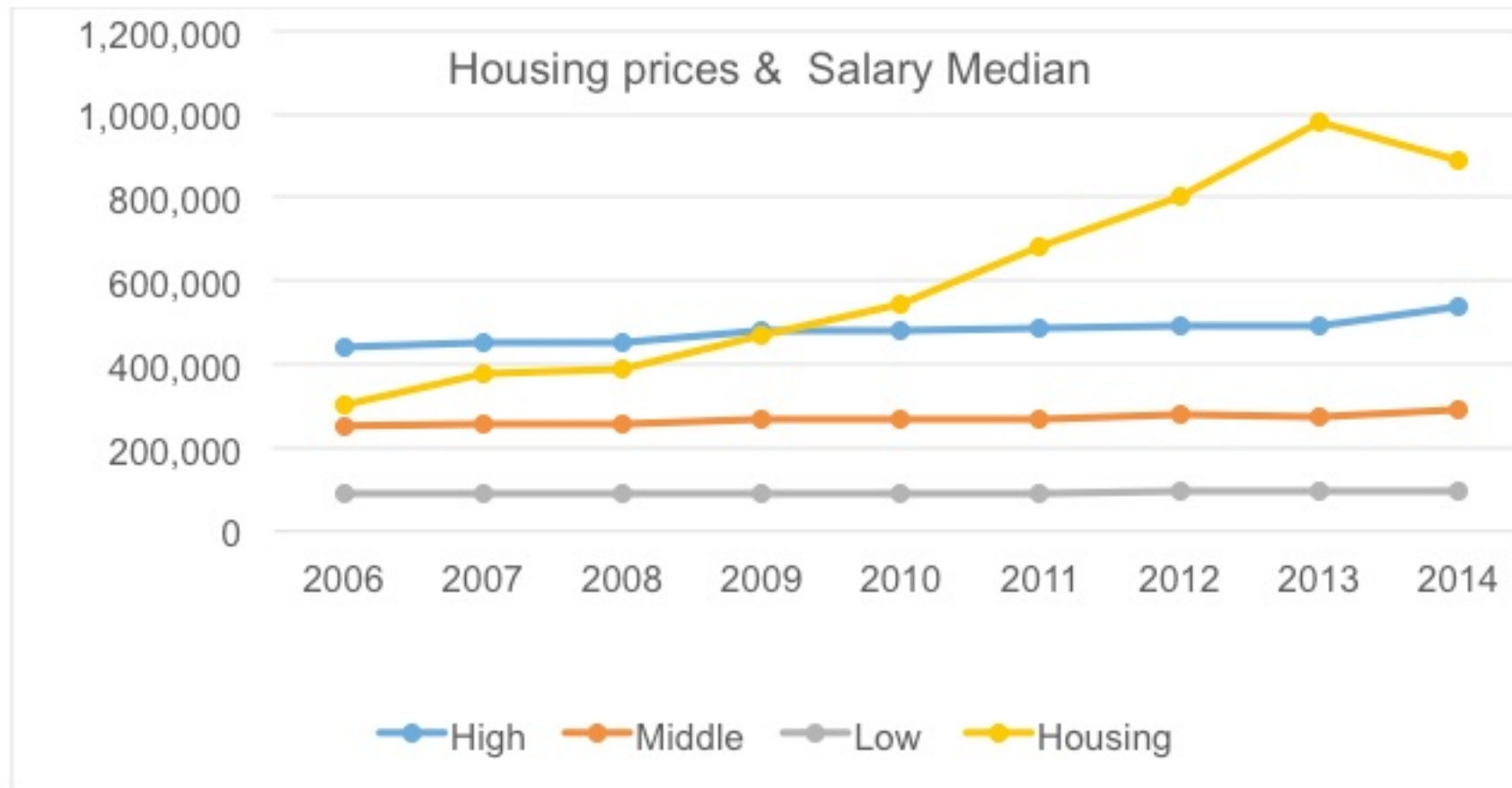
## 5. Prices





Department of Land and Property Sciences

## 6. Affordability





Department of Land and Property Sciences

## 6. Affordability

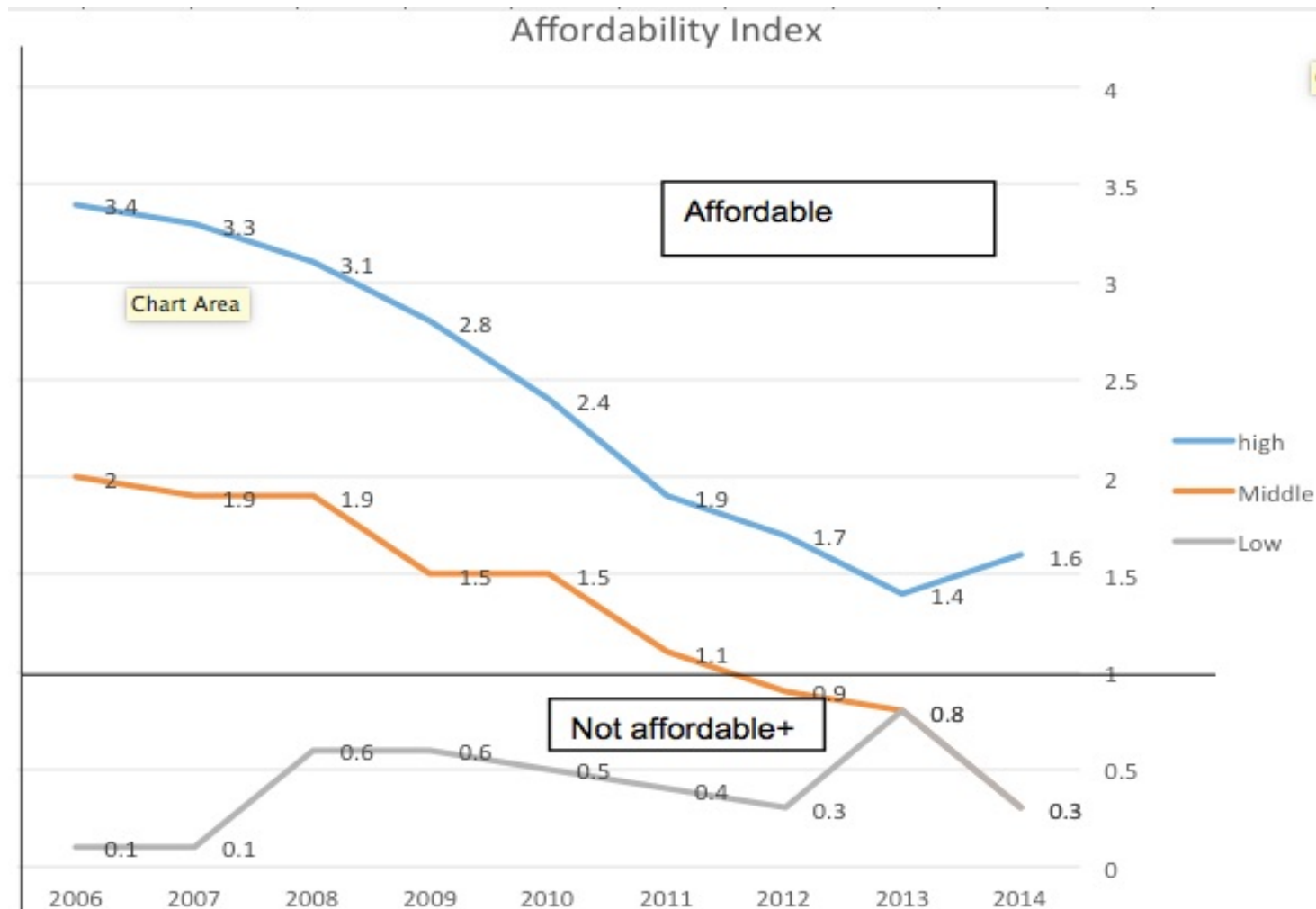




Department of Land and Property Sciences

## 6. Affordability

Monthly Salary  $\times 0.3$  / Monthly Repayment





**Department of Land and Property Sciences**

## **6. Conclusion**

- Is there is spatial variation?
- Number of people affected?
- Who is buying all the houses?
- What is the impact of informal wages/  
income and private sector wages/income?
- More sophisticated modeling that takes  
into account household expenditure





NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY

13 Storch Street  
Private Bag 13388  
Windhoek  
NAMIBIA

T: +264 61 207 2483  
F: +264 61 207 9186  
E: [fnrss@nust.na](mailto:fnrss@nust.na)  
W: [www.nust.na](http://www.nust.na)

**Department of Land and Property Sciences**

# Thank You.