

**AN INVESTIGATION OF THE LOW-INCOME HOUSING STRATEGY IN
NAMIBIA: A CASE STUDY OF THE OKURYANGAVA SUBURB IN THE
CITY OF WINDHOEK IN THE KHOMAS REGION**

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Abstract

The study was aimed at investigating the strategy used by the Namibian government in providing housing to the low-income families in the Okuryangava suburb in the Khomas Region. Simple random and purposive sampling methods were selected for this study. A questionnaire and interview schedule were used as instruments for data collection.

The study found that government programmes in place for housing provision for the low-income people fail to meet their objectives and housing demands due to certain challenges that exist in the housing provision sector. Amongst these challenges are the non-availability of serviced land, inflation and interest rate hikes, limited budget allocation for housing developments, low affordability levels, and the absence of local and cheap alternative building materials.

The study concludes that government strategy for addressing housing need for the low-income people is not effective; hence, the following need to be done in order to effectively attain its objectives: a) introduction of alternative cheap building materials; b) involve the private sector and; c) increasing funding to the housing sector.

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May the good Lord bless you all, and be with you at all times!

Dedication

I dedicate this thesis to my late son, Thomas Tileinge Haipinge, whom God has taken away from us, at such an early age. Only God knows why he took you away, may you continue resting in eternal peace.

Declarations

I, Jeremia Haipinge, declare hereby that this study is a true reflection of my own research, and that this work, or part thereof has not been submitted for a degree in any other institution of higher education.

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Date.....

Jeremia Haipinge

Abbreviations and Acronyms

BTP	Build Together Programme
CoW	City of Windhoek
FNB	First National Bank of Namibia
HPP	Harambee Prosperity Plan
HRDC	Habitat Research and Development Center
LA	Local Authority
NBIC	National Building and Investment Corporation
NDP	National Development Plan
NHAG	Namibia Action Housing Group
NHE	National Housing Enterprise
PPP	Public–Private Partnership
RC	Regional Council
SADC	Southern African Development Community
SDFN	Shack Dwellers Federation of Namibia
SSA	Sub-Saharan Africa

TIPEEG	Targeted Intervention Program for Employment and Economic Growth
UN-HABITAT	United Nations Human Settlements Programme
USA	United States of America

Chapter One: Introduction

1.1. Introduction

This chapter introduces the study. Particularly, the chapter presents the background of the study, statement of the problem, objectives of the study, significance and limitations of the study. The chapter also defined terms that have been used in this study.

1.2. Background of the study

Access to safe, healthy shelter and basic services is essential to the overall (physical, psychological, social and economic) well- being of a person. It is also a critical component in the social and economic fabric of all nations (Nair, 2006). The right to adequate housing is a fundamental human right, enshrined in various international human rights treaties and instruments, and applying equally to all people everywhere (UN-HABITAT, 2011b).

Housing shortages are a worldwide phenomenon though acute, in most developing and some developed countries (Olotuah & Taiwo, 2013). The problem mainly lies in the need for houses particularly for the low-income group. The problem of shortage of houses for the low-income group in developing countries is critical. High levels of poverty and unemployment, and increased land costs have contributed to the formation of squatter settlements surrounding many urban centres in developing countries (Alaghbari, Salim, Dola & Ali, 2009).

No country is yet satisfied that adequate housing has been delivered to the various economic groups that make up its populace. Shortage of houses persists globally

irrespective of the economic status of the countries, but it differs in its nature and gravity (Nair, 2006). Namibia, a developing country, is no exception to this housing problem. The country got its independence in 1990, and inherited a government that was administered on an apartheid basis; hence, there were unbalanced allocation of services, especially towards the natives.

Housing in Namibia is supplied by the government, non-government organisations, private sector and individuals at various income categories. The low cost housing is supplied by the Build Together Programme (BTP) and the Shack Dwellers' Federation of Namibia, a government and non-government entity respectively (Kalili, Adongo & Larson, 2008). Another low-cost housing provider, which is a government entity, and the largest in Namibia, is the National Housing Enterprise (NHE). The NHE was established in 1993 as a parastatal of the Ministry of Regional and Local Government and Housing to provide innovative housing solutions in order to alleviate national housing needs (Kalili, Adongo & Larson, 2008).

Vision 2030, envisage that, with an estimate of a backlog of 80 000 houses, 3000 houses would need to be built every year in order to meet the country's population housing needs by 2030 (Namibia Vision 2030, 2004). However, to date, the national housing backlog is estimated at 100 000 housing units, which means the number is growing at an annual rate of about 3700 units (Blueprint on Mass Housing Development Initiative in Namibia, 2013). The largest backlog of housing is in the lowest income sectors, with monthly incomes of N\$0 to N\$1 500 (US\$137) (estimated at 45 000), and incomes between N\$1 501 (US\$137) and N\$4 600 (US\$419), estimated at 30 000, (Centre for Affordable Housing Finance in Africa, 2014).

In view of the aforesaid, this study was aimed at investigating the strategy of the Namibian government in providing housing to the low-income families. The study selected the Okuryangava suburb, one of the oldest and largest suburbs in Windhoek, as the area of focus for the study.

1.3. Statement of the problem

There is a shortage of housing for the low-income families in the Khomas region. Although the government has attempted to address the situation by providing financial resources to various programmes such as BTP and through NHE, the problem of shortage of housing still exists (Mwilima, Phillipus & Fleermuys, 2011). Currently, the national housing backlog is estimated at 100 000 housing units (Blueprint on Mass Housing Development Initiative in Namibia, 2013).

Housing provision has been a priority of the government, and it has been strongly highlighted in all the national developmental plans (NDP 1, NDP 2, NDP 3 and NDP 4), and Vision 2030. To be specific, the NDP 1's housing sector development goal was to enable 70% of households to have access to adequate shelter by the year 2010. Similarly, NDP 2 aimed at facilitating access to adequate and affordable shelter for communities and individuals throughout Namibia in a sustainable manner. The NDP 3's housing sector goal is to meet current and future housing needs of middle and low-income groups. Lastly, the NDP 4's desired outcome in the housing sector is that by 2017, Namibia will have in place well established housing standards that allow every Namibian to have access to affordable housing (National Planning Commission, 2015).

For instance, from 1983 to 1993, the then National Building and Investment Corporation (NBIC) delivered an average of 620 houses per annum. Similarly, the NHE delivered an average of 625 units per annum from 1993 to 1999. Since 2000, the NHE delivered 3,245 houses. The trend indicates that the NHE's delivery rate from 2000 decreased rather rapidly from 816 houses in 2000 to 229 in 2006 (Kalili, Adongo & Larson, 2008). The latter is far below the required total number of 3000 housing units that are to be built per year as contained in the Vision 2030.

“Even though there are a large number of individuals who qualify for housing loans from commercial banks and the NHE, there are simply not enough houses for low-income families” (Kalili, Adongo and Larson, 2008, p. 20.). Kalili, Adongo and Larson attribute this problem partly to unavailability of serviced land. It is against this background that this study investigated whether or not, the low-income housing strategy is viable in the provision of housing to low-income families.

1.4. Objectives of the study

The objectives of this study were to:

- Identify whether or not the strategy for housing in the low-income families is effective.
- Explore challenges to housing provision for the low-income families.
- Assess whether policies and programmes meant to drive the strategy for the low-income housing are effective.

1.5. Significance of the study

The findings of this study may enhance approaches to tackling the housing problem in Namibia. The study may also contribute towards the exploration of other possible alternative methods of housing provision that may be affordable and energy friendly. The study could also serve as a fundamental and guiding resource to other housing interventions, such as the Mass Housing Development programme, which the Namibian government and other players in the housing sector may wish to embark upon or introduce in the quest for addressing housing needs in the country.

1.6. Limitation of the study

The study focused on the low-income housing delivery using the Okuryangava suburb, situated in Tobias Hainyeko Constituency, Khomas region as a case study. Several ethnic groups live in Okuryangava, thus the researcher faced language barriers during data collection. A second obstacle experienced was, reluctance by financial institutions to share some of the information citing reason of fear of exposing their institutional internal strategies. Another challenge experienced was the availability of the household owners, particularly NHE recipients. It was observed that some of these household owners are deceased, some are in retirement, and have moved to settle in villages. However, those occupying their places refused to participate in the study, citing reasons as not knowledgeable about information pertaining to the purchase of the house and some felt not comfortable to discuss matters pertaining to their houses with strangers. Lastly, some houses are rented out and only tenants were found, however, the researcher has to make repeated engagements to schedule appointments

with the household owners, and in some cases these attempts never yielded successful results.

1.7. Definition of terms

For the purpose of this study, the following terms and concepts hold these definitions:

According to Nakweenda (2014), the **Ultra low-income group** refers to those with earnings less than N\$ 1500 per month and meets the following conditions:

- Communities living in disadvantaged and informal settlements such as squatter areas, shacks and backyard squatters.
- Families who do not have access to credit from banks, building societies and other financial institutions.

Low-income group refers to those with earnings ranging between N\$ 1500 to N\$ 4601 per month, and meet the conditions stipulated under the ultra-low-income group (Nakweenda, 2014).

Middle-income group refers to those with earnings ranging between N\$ 4601 to N\$ 10500 per month (Nakweenda, 2014).

A **Strategy** is a method or plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem (Business Dictionary online, 2016).

1.8. Outline of the thesis

The content of each chapter is briefly described below:

Chapter One: This chapter introduces the study. It outlines the research problem, the objectives, limitations and the significance of this study.

Chapter Two: This chapter focuses on the literature reviewed for this study.

Chapter Three: The chapter describes the research methodology adopted for this study. It spells out the research design, population, sample size and instruments used for data collection and analysis.

Chapter Four: The findings collected from the questionnaire interview schedule are presented.

Chapter Five: This chapter discusses the findings presented in chapter four. The chapter also draws conclusions based on the findings and provide some recommendations.

1. 9. Conclusion

This chapter presented the introductory and background of the study carried out, wherein insights pertaining to housing were highlighted. Partly, the chapter shed light on the housing situational context in Namibia, hence, justifying the rationale for carrying out this study. Also, mentioned in this chapter, was the manner how this study will contribute to solving the housing problem in Namibia and the limitations that hampered the success of the study undertaken. The chapter that follows presents the literature reviewed in context to the housing provision process, and a write-up of the housing perspective in different contexts by considering a general, continental, regional and local housing perspective.

Chapter Two: Literature review

2.1. Introduction

This chapter presents the literature reviewed. Housing has been a challenging issue of development all over the globe. Hence, numerous studies have been undertaken by researchers and scholars alike, in an attempt to find solutions to address this persisting challenge. The chapter presents a review of literature subjected to the area of housing, with a view from a general, continental, regional, and local perspective. Lastly, a conclusion on the drawings of the writings from the said perspectives is presented at the end of the chapter.

2.2. A general perspective of housing

Housing is a fundamental human need and right. Housing provides shelter for people to live in and a fixed point which allows people to get access to basic services like water supply, electricity, sanitation, house registration and citizen identification. Adequate housing is a human right and the access to housing, and terms under which they occupy that housing, are important parts of a household's social status and important aspects of its members' wellbeing (UN-HABITAT, 2011c).

Housing plays a critical role in the production and maintenance of sustainable human settlements. When housing is well integrated with the services and functioning of municipalities it serves both to integrate individuals into the community (social inclusion) and as a point of engagement with governance structures (citizenship). Residents in sustainable neighbourhoods pay rates and taxes and contribute to their municipality's capacity to deliver more services (Rust, 2011).

In every country, resolving housing issues has political, social and economic significance. To solve housing issues, every country has formulated its own policies, specific housing development programmes and developed its unique programme operating mechanisms (Mosha, 2011). In many developing countries, the housing crisis is escalating unabated despite a number of new policies, programmes and strategies being engaged in by public and private sectors in addressing this problem. The majority of those in need of housing in many less-developed nations in Africa, Asia and South America are in the low income cadre and some require special housing programs to be able to live in decent housing (Ugochukwu & Chioma, 2015).

To accommodate a wide range of housing needs and a growing population over time, a city needs to provide a steady supply of new housing and expand the existing housing stock by providing housing opportunities at scale for different segments of society. If it does not do this, city residents will end up living in less formal, often very poor housing, share accommodation with their family and friends, or live in rented rooms as in Accra, Bissau and other African cities (UN-HABITAT, 2011c). According to Mosha (2011), in the absence of efficient land administration systems, people revert to informal markets, which then contribute towards the rise of informal settlements and slum housing conditions. This spatial form then undermines further formal development, leads to land price depreciation, and exacerbates the inequalities that the land development process should in fact have the capacity to address.

2.2.1. Effects of poor housing provision

When settlements are not planned, they lack the critical elements required to function properly, which can lead to health problems, safety concerns, increased poverty and overall environmental deterioration. As a result, slums and informal settlements generally lack even basic levels of sanitation. Poor disposal of excreta, poor personal and domestic hygiene, unsafe drinking water, and even a lack of face washing cause diseases to spread, and many die from the resulting illnesses (Habitat for Humanity International, 2014).

As urban populations expand, so do slums. Most new city dwellers reside in informal settlements and are experiencing overcrowded, unsafe and unsanitary living conditions. Roughly 1 billion people now live in slums (Habitat for Humanity International, 2014).

The consequence of the growing concentration of people in urban spaces is felt in land and housing shortages and congested transit, besides the stress on basic amenities such as water, power, and lung space (Venkataraman & Gopalan, 2015). Critical issues in the affordable housing sectors are rising costs, wherein both land and construction costs have increased, compounded by price appreciation of construction materials and labour (Venkataraman & Gopalan, 2015).

The lack of appropriate and affordable housing solutions in cities forces a growing number of people to the low end of the housing market, in low quality housing, away from the job market and access to public services (Habitat for Humanity International,

2015). Poor families often squeeze into the homes of friends or family, or live in rooms rented from existing housing; or they find a place far from work on the edge of town that may be cheaper, but which involves higher transportation costs (UN-HABITAT, 2011c). The dream of owning a house particularly for low-income and middle-income families is becoming a difficult reality (Tam, 2011). Some families build their own homes, often temporary housing in the form of a shack or hut that offers some privacy and basic protection from weather and natural hazards, in an informal settlement or slum with limited or no access to water, sanitation and other services; or they may rent someone else's informal dwelling. Some people sleep harsh, under highways or in alleyways, because this is the most they can afford (UN-HABITAT, 2011c).

In Europe, for example, there has been an increase of housing cost overburden (defined as having housing costs that require 40% or more of the full disposable household income) among lower-income groups. And it is most prominent on the two extremes: in the most dynamically growing urban centers and in the least-developed regions—particularly in shrinking cities and towns, and in rural areas with poor economic prospects (Habitat for Humanity International, 2015).

2.2.2. Constraints and challenges to housing provision

According to the Habitat for Humanity International (2014), major roadblocks to affordable housing fall into three categories: lack of a supportive regulatory environment, lack of affordable units, and lack of access to different housing finance options. According to the Centre for Affordable Housing in Africa (2015b), one of the key challenge is the process of developing land, often encumbered by regulations that

are so deeply buried in history and practice, and they are virtually impossible to overcome. The Centre for Affordable Housing in Africa (2015b), further highlighted that as per the rankings of countries on the 'ease of doing business', the number of days it takes to register a property is one. A second challenge is access to finance. A third challenge faced by these developers is infrastructure, and particularly, access to serviced land. Venkataraman and Gopalan (2015), stated that critical issues in the affordable housing sectors are rising costs, wherein both land and construction costs have increased, compounded by price appreciation of construction materials and labour. Thus, financing affordable housing to all income groups is constrained because of different construction indices and incomes across the country.

Housing finance options for low-income groups are limited (World Bank, 2015). Low-income borrowers have few financial housing alternatives. Traditional mortgage loans are not accessible to the lowest-income populations, and standard consumer microfinance loans are not structured to meet home construction needs. They instead must rely on their savings to finance their housing projects (Habitat for Humanity International, 2014). In addition, interest rates play a major role in demand for mortgages, as high interest rates negatively affect household demand for borrowing. Accordingly, stable and growing economies encourage the growth of the housing finance system through lower inflation, lower interest rates and lower systemic risk (Sweeney-Bindels (2011). Poor people who are informally employed do not necessarily earn the same amount every month. They should be able to make higher or lower monthly repayments depending on which season they would be able to make good profit (Centre for Affordable Housing in Africa, 2016).

For low income earners, obtaining finance is difficult even if the customers have regular incomes when they are employed in the unorganised sector or lack income proof as required in the loan process (Venkataraman & Gopalan, 2015). Low income earners rely on informal sources of income, whose cash flow is seasonal and highly unpredictable. All mortgage finance schemes are long term whose repayments are broken down into equal and predictable instalments and thus exclude access to the low income segment (Habitat for Humanity International, 2013). Ideally, there should be a variety of housing finance options for the poor that take into account their repayment capacity, their housing needs, and the legal structures for their homes. This means that financial institutions should also be able to offer profitable products that target a wide population as possible, easily and flexibly, while ensuring the financial safety of clients and investors. This also means that housing subsidy and property policies should support both improvements in the living conditions of poorer citizens and private sector interventions to accomplish these improvements (Mosha, 2011).

According to Rust (2011), housing delivery depends on the broader macro-economy, as well as the activities of local authorities, the availability of building materials, and the existence of skilled contractors, developers and other housing sector professionals. Material inputs such as cement have been surprisingly expensive in Africa, typically around three times higher than the world price (Collier & Venables, 2013). In addition, land is also fundamental to the provision of housing, if there is no land on which to build housing, no house can be built; irrespective of the availability of the other inputs

required for housing delivery. In particular, the location and cost of residential land are important determinants of housing affordability (UN-HABITAT, 2011b).

In Europe and Central Asia significant housing shortages in some areas have been caused by rural-urban migration over the past two decades, and by migration due to ethnic conflicts and refugee movement (Habitat for Humanity International, 2015). Wars and violence cause plenty of negative effects in terms of housing. War causes an exodus of people seeking safety, either in other parts of the same country or in other countries (refugees). War affects construction and the institutional setting of a country. Housing construction lags behind in warring countries even years after the conflicts. It increases housing demand in the migration poles (usually in urban areas), causing overcrowding, excess demand on services and infrastructure, and the development of informal, illegal settlements on the urban fringe (Habitat for Humanity International, 2015).

2.2.3. The role of governments in provision of housing

Worldwide many governments have struggled in coming up with policies, approaches and strategies to make housing affordable and accessible for all social groups. The main constraint has been the delivery of adequate housing in a variety of outcomes, types and solutions that enable low-income households to realise their housing needs and aspirations (Mosha, 2011). In principle, government can play an important bridging role, extending the affordability of low-income households further so that, with finance, they can access adequate housing provided by the private sector (UN-HABITAT, 2011b). Financing housing programmes is in most cases shared between

the public and the private sector and if all goes well, a functional housing market is created (Mosha, 2011).

The use of local building materials should be encouraged through subsidisation and/or tax incentives. Governments should facilitate their appropriate and effective use in their social housing programme. Similarly, locally-developed building materials and technologies can be improved rather than rejected, and the building codes and contracting regulations should encourage rather than discourage this innovation (World Bank, 2015). In her study titled “cost effectiveness of using low cost housing technologies in construction” in India, Tam (2011), found that about 26.11% and 22.68% of the construction cost, including material and labour cost, can be saved by using the low cost housing technologies in comparison with the traditional construction methods for walling and roofing respectively. Hence, this proves the benefits and the trends for implementing low cost housing technologies in the industry.

The delivery of housing takes place through a value chain of activities from the framing of property rights and the cadastral system of the country through to the delivery of end user finance to purchase housing that exists on serviced land and which was developed by the construction industry with various forms of development finance (Hoek-Smit, 2006). Governments should therefore stimulate and create conducive institutional, legal and policy environments to enable non-state actors to play an active role in housing finance and supply (UN-HABITAT, 2011). Housing policies must draw in all players, whether in the public, private or non-governmental sectors, in such a way that catalyses these collective efforts towards the national goal of realising

adequate and affordable housing for all (Rust, 2011). Additionally, governments should promote the supply of a variety of affordable housing solutions in terms of quality, size, price and location for all the different income segments, and ensure that the private sector matches these options with appropriate housing finance products; enable the development of different housing outcomes by various public, private and community-based actors, such as serviced land, incremental land development schemes, housing microloans (UN-HABITAT, 2011).

International experience suggests that the ideal role for governments is to enable the private provision of housing rather than to provide it directly. There are several reasons for this. Firstly, housing affordability is influenced by a number of factors over which governments have limited immediate influence, such as the cost availability of construction materials and long term finance to cover development and maintenance costs. Secondly, governments can target housing production to certain beneficiary groups (such as the poor, elderly, or public servants) but they often lack the data to ensure that housing is appropriately targeted to these populations over the long term rather than directed to groups that could otherwise afford privately provided housing (World Bank, 2015).

According to Ghazali and Bajunid (2012), the responsibility of providing low-cost houses by private developers is often described as the developer carrying out his social responsibility, but it is a mistake to say that developers subsidise low-cost houses out of his profit. Low-cost houses are actually cross-subsidised by taxing other types of houses. Where the requirement is that 30% of houses have to be low-cost, developers

find it easier to cross-subsidise by building higher cost units. In their study titled “Affordable mosaic housing: Rethinking low-cost housing” Ghazali and Bajunid (2012), found that the old paradigms for housing provisions involving private developers, seem to always have a persistent overhang (properties unsold for more than nine months) in the supply of low-cost housing for a long time. Developers lose money on low-cost housing even when they are fully sold. Where the units cannot be sold, the effect on the developer’s cash flow and bottom line can be catastrophic (Ghazali & Bajunid, 2012).

It is therefore, necessary that the government provides an enabling environment and also come up with schemes that would encourage residential development. It is apparent however, that private developers are profit driven hence, government policies should be formulated to ensure that the low income groups within the society are being catered for (Boshoff, Kachepa & Pienaar, 2013). In Malaysia for example, the country established a public-private partnerships (PPPs) with role definitions for the public (land and procedures) and private players (finance and execution). Similarly, in the USA, California has emerged as a leading state with a comprehensive legislative package for low income housing with inclusionary zoning. Singapore and Hong Kong have experimented successfully with commercial-low cost cross subsidisation (Venkataraman & Gopalan, 2015).

2.3. The perspective of housing in Africa

The fact that poverty and segregation are rampant in most countries, including across Africa, the housing market is not functioning well and the government (at the local

and/or national level) should intervene to correct imperfections (Mosha, 2011). In their study titled “Housing and urbanisation in Africa”, Collier and Venables, (2013), indicated that in Africa the process of formal investment in housing for ordinary urban households has not got underway: the typical household lives in a low-cost shack. The shack is likely to have been self-built; it will not comply with official building standards; rights of occupancy, though probably robust, it will be informal, and the building will have been self-financed. The shack will be located in a shanty town which itself is informal: the local government will not have provided roads, electricity, street lighting, water or sewage (Collier & Venables, 2013).

According to Nguena, Tachana and Zeufack (2016), so far, efforts of African governments, international partners, and financial institutions have barely reduced the gap between high housing demand and insufficient housing supply in Africa’s urban areas. As in other parts of the world, this gap is even more important for low- and middle-income households. In fact, Nguena, Tachana and Zeufack (2016) revealed that, most low- and middle-income households in Africa only have access to the unregulated and informal housing sector. With the exception of South Africa, formal sector housing programs (public or private) have mostly targeted middle- and high-income households in Africa.

According to the World Bank (2015), the housing sector in Africa is highly heterogeneous with substantial differences in housing stocks, and supply and access to housing finance between countries, there are some consistent patterns that impede a fully functioning housing sector. These trends include: limited availability of

affordable formal housing options and largely ineffective public housing schemes; limited access to housing finance; complex land markets; large informal markets; a disconnect between spatial planning in urban areas and housing policy; and tension among policies targeted at various income levels, especially middle- and lower-income groups (World Bank, 2015).

The Centre for Affordable Housing in Africa (2015b), estimated that by 2030, over fifty percent of Africans will be living in cities. Urban areas are growing exponentially, particularly in the developing world, as people flock to cities in search of economic opportunity, better health care, education and the promise of a better life (Habitat for Humanity International, 2014). The most striking aspect of urbanisation in cities is the extent of informal development, which is occurring, and has even outgrown the formal sector, quite in many cities (Tomlison, 2007). Though Asia is currently ahead, Africa is expected to undergo the most rapid urbanisation in the world from 2020 to 2050. Nigeria, in particular, is projected to contribute 8% of the world's population growth by 2050 (212 million out of 2.5 billion). The democratic Republic of the Congo, Ethiopia, and Tanzania will each grow by 50 million people. While Cairo, Kinshasa, and Lagos are the only African megacities in 2014, Dar es Salaam, Johannesburg, and Luanda will follow suit by 2030 (World Bank, 2015). This growth puts increasing pressure on urban infrastructure – water, sanitation, and energy. Many cities are already demonstrating that they're not able to cope (Centre for Affordable Housing in Africa, 2015b).

In Africa, the prices of housing inputs such as land and housing finance are far too high to make affordable housing an attractive market segment for developers and builders. A deficit of safe and buildable land for new housing makes the cost of land extremely high. That high cost is compounded by the lack of utilities and services outside of urban centers. Taking into account those issues, housing finance in Africa is poorly developed, generally inflexible and aimed almost exclusively at high-income households (Habitat for Humanity International, 2014).

A study conducted by Ugochukwu and Chioma (2015), on local building materials as an affordable strategy for housing the urban poor in Nigeria, found that there are a number of challenges militating against the provision of housing for the urban poor in Nigeria. These challenges include among others: high rates of urbanisation and population growth, absence of proper monitoring and evaluation of public housing policies and programmes, lack of easy access to land and other housing inputs and cost of imported building materials. However, the study further revealed major challenges in delivery of low-cost housing in Nigeria such as, poor promotion of security of tenure, inadequate supply of affordable land, poor infrastructure and services, and absence of the utilisation of local building materials and technologies (Ugochukwu & Chioma, 2015).

In Kenya, for example, the housing sector is characterised by inadequate affordable and decent housing, low-level urban home ownership estimated at 16% and expansive slums and informal settlements. The shortage of housing for low income households is particularly acute in urban areas, with only 20% of houses produced catering for this

group (Habitat for Humanity International, 2013). The Habitat for Humanity International (2013), further indicated that for most poor Kenyans seeking to acquire a basic plot of land in urban areas, the prospects are limited. This is because for most of the unoccupied land in urban areas, the local chiefs illegally allocate land usage rights (Habitat for Humanity international, 2013). According to Tomlison (2007), the nature of the problem in African cities is unique as it is based on the fact that traditional or ‘customary’ land is held on a tribal basis. Where this situation occurs, decisions about the use of land are made according to the customs of the tribe. Such decisions are rarely recorded in writing, resulting in no evidential basis for the use of rights. In fact, the concept of ownership may be entirely alien to a particular tribe.

Currently, South Africa has the most extensive housing subsidy system on the continent with the government playing a very dominant role. The relative wealth of the South African economy, supported annually by growing tax revenue, has made it uniquely possible for the government to provide fully subsidised housing for free to the poor and low-income earners, who together comprise the majority of the South African population (UN-HABITAT, 2011b).

In Uganda, for instance, the 1992 housing policy had the unintended effect of advantaging middle- and upper income earners while the most poor were left to live in inadequate housing, with no policy support. A new policy is pending in Uganda, which promises an enabling environment for private sector developers and financiers, as the state withdraws from the direct provision of housing (UN-HABITAT, 2011b).

Similarly, the Botswana's 1999 housing policy also shifted government's role from that of provider to facilitator – even so, its commitment to guaranteeing bank loans only benefits those who can afford a bank loan. (UN-HABITAT, 2011c).

2.4. The housing perspective in Southern African Development Community (SADC) countries

Housing supply within the SADC region is largely insufficient, and as is the case across the rest of the continent, the majority of households meet their housing needs independently, building incrementally. This approach is more difficult in urban areas, however, where access to serviced land with secure tenure is a challenge – and as a result, many cities in the region are seeing the development of informal settlements (Centre for Affordable Housing in Africa, 2014). In addition, private developers rarely participate in housing delivery for lower-income groups due to finance and capacity constraints. The cost of formal construction is high relative to household incomes owing to building material costs, labor shortages, and building regulations. The cost of formal building materials is high relative to household incomes and are often not locally produced (World Bank, 2015).

The lack of affordable housing stems from obstacles and challenges that exist at nearly every point in the housing process. Some of these issues will require changes at the macro level by governments and policymakers, while others can be addressed by the actions of private-sector stakeholders. Though the housing sector is complex and certainly not without problems, creating access to affordable housing is not an insurmountable task and can begin on the micro level by expanding access to housing finance (Habitat for Humanity International, 2014).

According to the Centre for Affordable Housing in Africa (2014), the majority of the people in the SADC region cannot afford to access housing loans from the current financial institutions. An estimated 62%, 95%, 74% and 97% of the people in Botswana, Malawi, Tanzania and Zambia respectively, cannot afford a loan for housing purposes. The Centre for Affordable Housing in Africa (2014), further reveals that levels of affordability in Angola, DRC, Lesotho, Madagascar, Seychelles, Swaziland and Zimbabwe are also quite low. In Mauritius and the Seychelles, housing affordability and access to quality housing is much better, although it is worth noting that even in those markets, formal housing supply is targeted at the upper income, even expat populations seeking housing (Centre for Affordable Housing in Africa, 2014).

According to the World Bank (2015), southern Africa faces a chronic housing challenge that goes beyond deficits in the formal housing supply. This is due to the rapid population growth coupled with the urban transition that continues to increase the demand for housing. The World Bank (2015), further indicates that in many countries, the price of the least expensive formal housing is vastly beyond the average family's ability to pay. Subsequently, even what governments define as "affordable housing"—typically, formal housing targeted at those households who cannot afford a market unit—is not actually affordable to most households in that category. A case in Malawi for example, a low-income country, the least expensive house costs US\$60,000. Thus, assuming a typical household expenditure cap of 30% of income on mortgage payments, a borrower must make at least US\$320 a month (World Bank, 2015).

Housing loans require a certain level of income that precludes the majority from qualifying. Further, adults with affordability but whose income is irregular or seasonal, also struggle to access housing finance products. In these cases, housing microfinance is becoming increasingly important – something that some lenders are beginning to champion (Centre for Affordable Housing in Africa, 2014). In their study titled “urban housing provision in Botswana” Boshoff, Kachepe and Pienaar (2013) found that commercial banks are reluctant to lend money for housing to low income households due to perceived risks in loan repayment. The study further found that the cost of services and infrastructure are a hindrance to development and needed government support. The study concluded that whilst mortgage is easily assessable in Botswana, affordability seems to be the problem as evident by the low incomes, hence there is a need for finance targeting the low income groups.

The general trend that emerges in cities across the region is a relationship between growing urbanisation with comparatively low household incomes on the one hand, and a poorly functioning housing sector (composed of land markets, access to housing finance and the strength of construction and development industries) on the other. These two factors combine to limit access to formal housing both on the supply and demand sides and also encourage the development of slums out of informal settlements (World Bank, 2015). Efforts to address this in South Africa, Namibia, Botswana, and Tanzania have made progress but have not stemmed the tide. Indeed, even in South Africa, where the government has built and given away an estimated 2.68 million housing units to qualifying beneficiaries, the housing backlog remains at an estimated

2.3 million households, and an estimated 1.6 million households still live in urban informal settlements (Centre for Affordable Housing in Africa, 2014).

2.5. Overview of low-income housing provision in Namibia

The government of Namibia's commitment in the area of housing cannot be over-emphasised. Evidently, the government has created an enabling environment by putting in place the required institutions and programmes, as well as supporting structures that are deemed necessary to a housing provision endeavour. Thus, in addition to institutions responsible for housing provision, the country has appropriate legislations and policies in place, enhancing the process of housing provision in the country.

2.5.1. The Build Together Programme

Following the attainment of Namibia's independence, government identified housing as a priority area of development along with agriculture, education and health. Henceforth, the BTP was introduced as an action plan for fulfilling the envisaged developments in the housing sector, aiming to provide adequate and affordable housing to the low-income people (Namibia Build Together National Housing Programme, 2007). The BTP consists of four sub-programmes: urban/rural housing loans, social housing, single quarter's transformation and the informal settlement upgrading programme (Sweeney-Bindels, 2011). The programme is implemented at both local and regional levels, and provides housing loans to low and ultra-low income families as well as low to middle-income families who do not have access to credit from financial institutions (commercial banks) and the NHE due to locality (Namibia Build Together National Housing Program, 2007).

The selection criteria for the BTP housing loan are listed below:

- Applicants must be Namibian, had resided in their respective local authority for more than two years.
- Loan affordability, the applicant must be permanently employed, with income not exceeding N\$ 3000, or rather self-employed.
- Applicant's repayment premium should not be more than 25% of his/her income.
- The applicant's building plan cost should not exceed N\$ 40 000.
- The applicant must have his/her own land, fully paid, and he/she must be over the age 21 years (Namibia Build Together National Housing Program, 2007).

Implementation of the BTP is however also faced with challenges. According to Mwilima et al. (2011), due to an increase in the cost of building materials, the loan amounts have become insufficient for housing construction and therefore needs to be revised upwards to suit prevailing conditions. The Namibia National Housing Policy (2009) further indicated that one of the challenges faced by BTP is the lack of financial provision for the development of local infrastructure necessary to develop housing. Hence, amongst others, a set of BTP challenges that needs to be addressed include land servicing, rising cost of building, incapacity at some regional and local authorities and budget constraints (Mwilima et al., 2011).

2.5.2. National Housing Enterprise (NHE)

NHE was established in 1993 as a parastatal of the Ministry of Regional and Local Government and Housing to provide innovative housing solutions in order to alleviate

national housing needs (Kalili, Adongo & Larson, 2008). The NHE acts as a lending institution and as a developer, targeting households with over N\$ 5000 per month, and not more than N\$ 20 000 or a maximum joint income of N\$ 30 000 per month. Further, the NHE requires a collateral of 20% or a deposit of 5% (Sweeney-Bindels, 2011). The loan repayment period ranges between 20 - 30 years at prime minus one percent rate of interest (Mwilima et al., 2011).

The institution is however not spared from implementation challenges. According to Kalili et al. (2008), the NHE's housing delivery rate from the year 2000 decreased rapidly from delivering 816 houses in 2000 to 229 in 2006. The key reason for the low numbers of delivery is partly attributed to unavailability of serviced land. Mwilima et al. (2011), stated that the lengthy process of acquiring virgin land for servicing continue to hamper the operations of the NHE. This is because the land acquisition process can take as long as four years and is costly due to administrative fees and professional charges.

2.5.3. Shack Dwellers Federation of Namibia (SDFN) and Namibia Action Housing Group (NHAG)

The SDFN is a non-governmental organisation that works with low-income communities to establish saving schemes in order to assist with the servicing of land and the construction of houses. The NHAG provides technical, financial and organisational support to the SDFN (Namibia National Housing Policy, 2009). Active in all 13 Namibian regions as of June 2012, the SDFN had 643 saving groups with 19 579 households and a total of N\$ 20.8 million in savings (d'Cruz, 2014).

The federation has an established a loan fund known as the “Twahangana Fund”, through which members borrow money for construction of houses, development of services, income generation, credit and other community ventures (d’Cruz, 2014). Funding is solicited from the federation’s savings schemes, the central Government, local private companies and international donors (Mwilima et al., 2011). In 2000, the Ministry of Regional and Local Government, Housing and Rural Development undertook to give an annual donation to the SDFN, a donation that became part of the Ministry’s annual budget and was increased to over N\$ 39 million per annum, expanding the Twahangana Fund capacity and enabling more members to benefit (d’Cruz, 2014).

The SDFN provides members with loans ranging from a minimum of N\$ 8000 to N\$ 26000, with the main determining factor of the loan value being the ability to repay the loan. The loans are repayable within a period of 11 years at an interest rate of 0.5% per month. In order to qualify for a loan, the applicant is expected to provide an advance payment equivalent to five percent of the required amount (Mwilima et al., 2011).

However, there are several challenges that hinder the envisioned success of the federation’s activities. According to Mwilima et al. (2011), notable amongst challenges is the unavailability of developable land, which is further compounded by the slow process of land delivery and a lengthy land registration process. Mwilima et al. (2011), further add that another challenge observed is the increase in the cost of building materials, which erodes the purchasing power of loan values.

2.5.4. Policy and regulatory framework

Namibia has legal instruments that govern operations surrounding housing provision, and policies that facilitate housing provision as well as implementation of housing programmes such as:

- *National Housing Policy*, firstly formulated in 1991 and reviewed in 2009, provides a strategic and policy framework within which public and private entities are expected to undertake their development and financing operations activities towards housing provision.
- *National Housing Development Act, 2000 (Act No. 28 of 2000)* provides for the establishment of the National Housing Advisory Committee, establishment of housing revolving funds by Regional Councils (RCs) and Local Authorities (LAs), the establishment of decentralised Build Together Committees for RCs, LAs and resettlement areas to provide low cost housing.
- *Local Authority Act, 1992 (Act No. 23 of 1992) and the Regional Councils Act, 1992 (Act No. 22 of 1992)* provides for the LAs to set up housing funds and establishment of housing schemes by a municipality or town council with the approval of the Minister.
- *Vision 2030* is a long-term framework for national development, which stipulates that by 2030 people should have access to adequate housing, with water and sanitation facilities. Vision 2030 also states that in order to address the housing backlog of 80 000 houses, 3000 houses would need to be built each year to meet the housing needs by 2030.

- *National Development Plans (NDPs)* are crafted in five year intervals as action plans for the realisations of Vision 2030 goals. Housing is integrated with other developmental sectors so as to act as catalyst for economic development and growth.
- *National Housing Enterprise Act, 1993 (Act No. 5 of 1993)* provides for the operations and governance of the NHE.

2.5.5. Key Stakeholders

Housing provision is very complex, and involves players from different sectors and industries. Below are the key stakeholders in the housing delivery process in Namibia namely:

The Ministry of Urban and Rural Development, Ministry of Works and Transport, Ministry of Land Reform, National Housing Enterprise, Regional Councils, Local Authorities, Shack Dwellers Federation of Namibia, Namibia Housing Action Group, Community Based Organisations, the Private Sector (financial institutions, property developers, material suppliers, contractors, etc.), and the Habitat Research and Development Centre (HRDC). These stakeholders serve an important role in housing delivery and a slack by one merely influences the delivery process. Thus, the functionality of the housing delivery system relies on their existence and successful systemic operations.

2.5.6. Other government interventions

Nearly all governments intervene in housing finance markets, primarily for social and political reasons. Housing is one of the largest investments in an economy, one of the biggest parts of household budgets, and a key barometer of social well-being (Hoek-

Smit, 2006). Cognisant of the latter, the Namibian government made interventions by introducing programmes that are perceived as additional vehicles meant to augment NDPs and further stimulate creation of jobs and accelerate economic growth. Below are summaries of these programmes, namely the:

Targeted Intervention Program for Employment and Economic Growth (TIPEEG)

TIPEEG is a three-year program that was implemented in 2011/12 fiscal year, and identified four key intervention areas namely, housing and sanitation, agriculture, tourism and transport sectors. The total investment requirement for the housing and sanitation program under TIPEEG was N\$ 2.8 billion, of which the following activities were earmarked: servicing of new 3980 plots; construct 4521 new low cost houses; and completing about 13 000 new ventilated pit latrines (Targeted Intervention Program for Employment and Economic Growth, 2011).

Mass Housing Development

The mass housing development initiative was introduced on the basis of arresting the dire situation of housing needs in the country by providing affordable housing to all Namibians as envisioned in Vision 2030. The programme aimed at delivering 185 000 housing units by the year 2030, with a projection of 10 278 houses to be constructed on a yearly basis (Blueprint on Mass Housing Development Initiative in Namibia, 2013).

Harambee Prosperity Plan (HPP)

The HPP was introduced in 2016, and has an implementation period of 2016/17 – 2019/20 fiscal years. The HPP goals and outcomes in relation to housing provision

are: construction of 20 000 new houses nationwide; servicing 26 000 of new residential plots country wide; construction of 50 000 rural toilets; and elimination of the bucket system by end of the year 2017 (Harambee Prosperity Plan, 2016).

2.6. Conclusion

This chapter presented a perspective of housing from four perspectives namely, general, continental, regional and local perspective. The chapter concludes that housing is fundamental to human needs and rights, therefore it's deemed a responsibility for every state to provide housing to its populace. A lack of housing leads to the growth of unplanned informal settlements which have no basic amenities such as water and sanitation facilities.

Challenges to affordable housing provision are a lack of housing finance, land and infrastructure development; policies and regulations, and building materials cost. Low-income earners have few options for housing finance. The role of governments towards housing provision is to put in place policies and regulations that would ensure that housing needs for all income groups are catered for.

Africa has an undeveloped housing market which as a result fails to attract investment. Urbanisations, poor housing finance, ineffective housing schemes and policies are amongst the challenges impeding housing development and provision in Africa. There is an insufficient housing supply in SADC region due to a large percentage of the people who cannot access housing finance and high growth of population in cities.

There are institutions for housing provision in Namibia, meant to address the need of housing especially for the low-income group. Supporting policies and legal framework for housing provision are also in place. Lastly, in spite of the development plans that are already in place, the Namibian government had further made several interventions to effectively combat the housing challenge in the country.

Chapter Three: Research Methodology

3.1. Introduction

According to Kothari (2004), research methodology refers to the logic behind the methods used in the context of the research study and explains why a particular method or technique was used, why the research study has been undertaken, how the research problem has been defined, in what way and why the hypothesis has been formulated, what data have been collected and what particular method has been adopted. In addition, the methodology also outlines why a particular technique of analysing data has been used and a host of similar other questions are usually answered when talking of research methodology concerning a research problem or study (Kothari, 2004).

This chapter discusses the methods and procedures used for collecting data in this study. It describes the manner in which data was collected, where, why and from who data was collected. The chapter comprises of research design, population, sample, research instruments, procedure, data analysis, and research ethics.

3.2. Research design

According to Pandey (2015), a research design is simply the framework or plan for a study that is used as a guide in collecting and analysing data. It serves as a blueprint for collection measurement and analysis of data.

This research used primarily qualitative research techniques. Qualitative research is an enquiry approach useful for exploring and understanding a central phenomenon. The inquirer asks participants broad general questions, collects the detailed views of participants in the form of words or images, and analyses the information for description and themes (Creswell, 2012). The research intended to analyse issues that

entail views and perceptions; hence, a qualitative research approach was applied in this case. A questionnaire and interview schedule were used as instruments for data collection.

3.3. Population

In particular, the population included 1387 low-income housing recipients of the Okuryangava suburb, Tobias Hainyeko constituency. Data obtained from the City of Windhoek (CoW) revealed that 31 recipients of the low-income housing programme in Okuryangava suburb have benefitted from the BTP. In the NHE low-income housing programme, 1356 recipients in Okuryangava suburb have benefitted from the programme. The population further included: one official from the (CoW), one official from the NHE, two officials from the BTP, one official from the Ministry of Urban and Rural Development, and one official from each of the commercial banks, namely: Standard Bank, Bank Windhoek, First National Bank and Nedbank.

The CoW was selected because it has the largest population and many low-cost housing customers than other cities/towns in Namibia.

3.4. Sample

According to Sekaran and Bougie (2013, p.269), the rule of thumb for determining sample sizes is “sample sizes larger than 30 and less than 500 are appropriate for most research”. The correct sample size depends on the purpose of the study, the nature of the population under scrutiny, the level of accuracy required, the anticipated response rate, the number of variables that are included in the research, and whether the research is quantitative or qualitative (Cohen, Manion & Morrison, 2011). The issue of what constitutes an appropriate sample size in qualitative research is only really answerable

within the context and scientific paradigm of the research being conducted (Boddy, 2016).

A sample of 131 low-income housing recipients was selected from Okuryangava suburb, in Tobias Hainyeko Constituency for the study. Through a simple random sampling method, 100 low-income housing recipients from the NHE were selected. The study took the entire population of 31 recipients of the low-income housing BTP.

Using a purposive sampling method, one official from BTP, one official from NHE, two officials from the Ministry of Urban and Rural Development, one official from CoW and four officials from the commercial banks were selected for the study. Specifically, the sample of the study were the Head of Housing Schemes, Leaseholds and Settlements at the CoW, one Divisional Head from each of the Home Loans Divisions of the commercial banks, the Regional Manager from NHE, the Chief Accountant from the BTP, the Permanent Secretary and the Deputy Director of the Housing Coordination Division in the Ministry of Urban and Rural Development.

In qualitative research, participants are identified on purposeful sampling, based on places and people that can best help understand the central phenomenon. The approach relies on general interviews or observations so that there is no restriction to the views of participants (Creswell, 2012). According to Cohen, Manion and Morrison (2011), purposive sampling is used in order to access 'knowledgeable people', that is those who have in-depth knowledge about particular issues, maybe by virtue of their professional role, power, access to networks, expertise or experience.

3.5. Research instruments

Data was collected through interview schedules and questionnaires, comprising of closed and open-ended questions. According to Pandey (2015), data collected by schedule ensure that every informant has to reply to the same question put in the same order and the researcher has no choice to get the desired reply by putting a different question or changing the language of the same question. Thus, the order of the questions is also the same and therefore the whole interview takes place under standardised conditions and the data received is easily comparable (Pandey, 2015). The interview schedules were recorded on the tape-recorder with the purpose of enabling the researcher to ensure that views expressed during the interview are to be correctly noted down.

3.6. Procedure

A letter requesting permission to conduct research was written to all the selected institutions and the Councilor for the Tobias Hainyeko Constituency. In the letter addressed to NHE, the BTP and the CoW, the researcher requested for the contacts and addresses of the sampled recipients. The researcher also arranged for meetings with the household owners.

The questionnaires (hard copy) were distributed in person so that possible explanations could also be made to the respondents on items they may not have understood. For cases of the respondents who were not fluent in English, the researcher provided assistance in the completion of the questionnaire, and also availed an interpreter.

Interviews were conducted with officials in the commercial banks, CoW, NHE, BTP and officials from the Ministry of Urban and Rural Development.

3.7. Data analysis

Analysis of data involves a number of closely related operations which are performed with the purpose of summarising the collected data and organising these in such a manner that they answer the research questions (Kothari, 2004). Simply put, the researcher analyses the collected data for examining the statement of the problem (Pandey, 2015).

The data collected from the questionnaires (closed-ended questions) were analysed and summarised in Microsoft Excel, and, data collected from open-ended questions of the questionnaire and interview schedules were coded and organised into themes. Finally, recommendations and conclusions were drawn from the data analysis.

3.8. Research ethics

The study observed and adhered to ethics pertaining to conducting a study. The researcher ensured that consent of the respondents was sought prior to data collection. The respondents were also informed of their rights of withdrawal from the project, at any point in time. Further, no details of the respondents were used in the research project without prior being informed, and without their granted consent. Data was treated with the highest confidentiality. The respondents were also informed in time of their right to a copy of the final research project, should they be interested into receiving one.

The researcher kept the data in a locked cabinet in his office. The researcher is the only one who has access to the data. The data will then be destroyed by shredding and burning after 5 years.

3.9. Conclusion

In this chapter, the methodology used for data collection was discussed. The study made use of a qualitative approach, and selected the sample through a simple random and purposive sampling methods. A questionnaire and interview schedule were used as research instruments. Lastly, the study had observed and adhered to ethical issues. The following chapter presents the results of the study.

Chapter Four: Presentation of the results

4.1. Introduction

In this chapter, the results of the study are presented and discussed. The analysis of data was achieved through organising data into themes and categorising the data according to their relevance. Qualitative data analysis involves organising, accounting for and explaining the data; in short, making sense of data in terms of the participants' definitions of the situation, noting patterns, themes, categories and regularities (Cohen, Manion & Morrison, 2007).

Findings of the survey formed a concrete basis in providing an understanding as to whether or not the strategy for housing for the low-income families is effective, in Namibia. Further, the analysis of the findings uncovered challenges to housing provision for the low-income families in Namibia. The analysis is presented in two separate parts which are: analysis of the results collected from questionnaires and; analysis of results collected from interviews.

Overall, the survey was conducted over a period of one month and two weeks, from 18 July - 26 August 2016.

4.2. Survey Results: Questionnaires

One of the instruments used in this study to collect data was a questionnaire. Responses collected through this instrument were very instrumental in attaining the first and second objectives of the study which are affirming the effectiveness of the strategy for housing low-income families, and identifying challenges to housing low-income families.

A sample of 131 low-income housing recipients was selected from Okuryangava suburb, in the Tobias Hainyeko Constituency for the study. Of the 131 recipients, 100 low-income housing recipients are NHE housing recipients, selected through a random sampling method, and the remainder, 31 recipients are BTP housing recipients. Out of the 131 questionnaires distributed, only 91 (69.5%) were completed. That is, 31 questionnaires were collected from the BTP housing recipients and 60 have been collected from the NHE housing recipients.

Several reasons account for the non-response by the NHE recipients. Firstly, households owners are pensioners and have moved to villages and some are deceased, and those currently occupying their places refused to participate in the study, citing reasons such as lack of knowledge regarding the purchase of the house. Secondly, some participants felt uncomfortable to discuss matters pertaining to their houses with a stranger. Lastly, some houses are rented out and only tenants were found; however, attempts to get hold of the owners were mostly unfruitful. The 100% response rate of BTP recipients was due to the fact that the researcher had ease of accessing the recipients, at community savings group meetings that were being held over weekends at the time the survey was being carried out.

4.2.1. Household characteristics

i) *Gender*

A total of 37.4% male and 62.6% female participated in the study as low-income housing recipients (Figure 1).

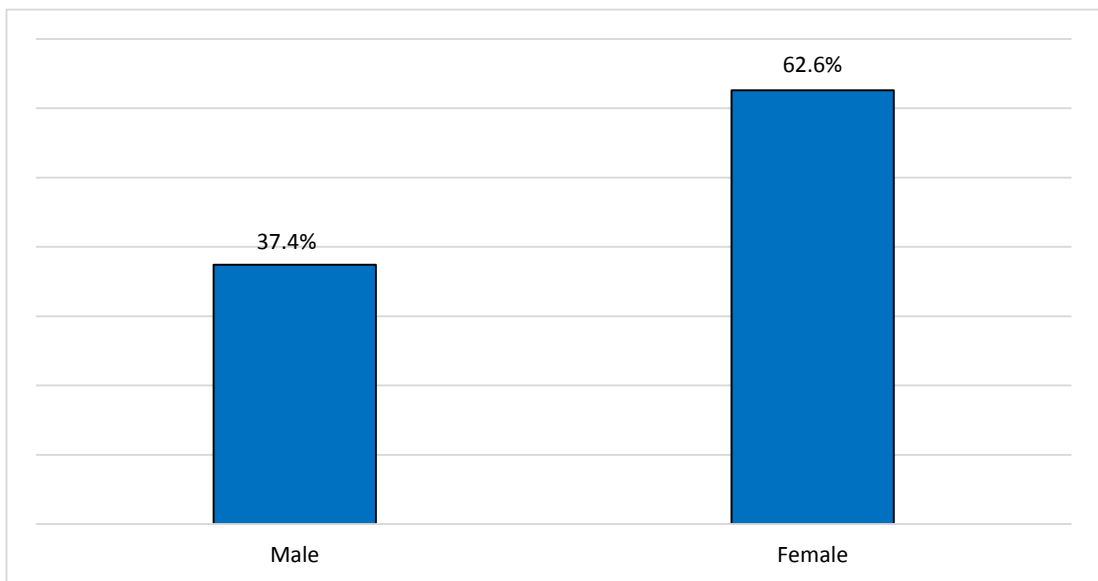


Figure 1: Gender

As shown in Figure 1, more (62.6%) women participated in the study in comparison to 37.4% men. This shows that more women benefitted from the low-income housing programmes in the Okuryangava suburb.

ii) Age

Table 1: Age distribution

<i>Age Group (years)</i>	<i>Frequency</i>	<i>Percentage (%)</i>
< 30	9	9.9
30-39	34	37.4
40-49	25	27.5
50 +	23	25.3
Total	91	100

Table 1 indicates that of the participants that completed the questionnaires, 9.9% are younger than 30 years, 37.4% are aged between 30 to 39 years old, 27.5% fall in the age category 40 to 49 years old and 25.3% are 50 years or older. Notably, there are few recipients that are younger than 30 years old.

iii) Household size

Table 2: Household size

	Min.	Max.	Mode	Mean
Household size	2	14	8	6.3

Table 2 indicates that the mean/average household size of the low-income housing recipients is 6 people per household. The smallest household has two people, while the largest household has 14 people. Most households have eight people. Notably, eight

people per household could be as a result of people overcrowding and squatting with families due to housing shortages.

4.2.2. Financing institution

Table 3: Institution where house was acquired

<i>Name of Institution</i>	<i>Percentage (%)</i>
BTP	34.1
NHE	60.4
Commercial Bank	5.5
Others	0
Total	100

From the results presented in Table 3, it appears that the majority of the respondents are beneficiaries of NHE houses, with 60.4%. Whereas, 34.1% of the respondents got their houses through BTP, and 5.5% got their low-income houses through commercial banks. Those who acquired houses through commercial banks, it is presumed that such acquisition was through a resale from initial owners, who initially acquired the house from NHE or BTP.

4.2.3. Loan payback period

Table 4: Loan payback period

<i>Years</i>	<i>Frequency</i>	<i>Percentage (%)</i>
0-10	18	25
11-20	51	70.8
21-30	3	4.2
> 30	0	0
Total	72	100

Overall, the results in Table 4 show that the payback period for most loans, 70.8%, is 11 to 20 years. Whereas, 25% of the loans have been repaid in less than 10 years. Interestingly, only 4.2% have a payback period of 21 to 30 years, and none have a payback period of more than 30 years.

4.2.4. Obtaining land

The question was strictly for BTP housing recipients, since it is assumed that NHE acquires land, build houses on it, then sells the completed built house to the clients.

Table 5: How land was obtained

<i>Name of establishment</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Community Savings Group	31	100
Others	0	0
Total	31	100

The findings in Table 5, show that all of the housing recipients of the BTP obtained their land through the community savings groups.

4.2.5. Challenges encountered in the house / loan acquiring process

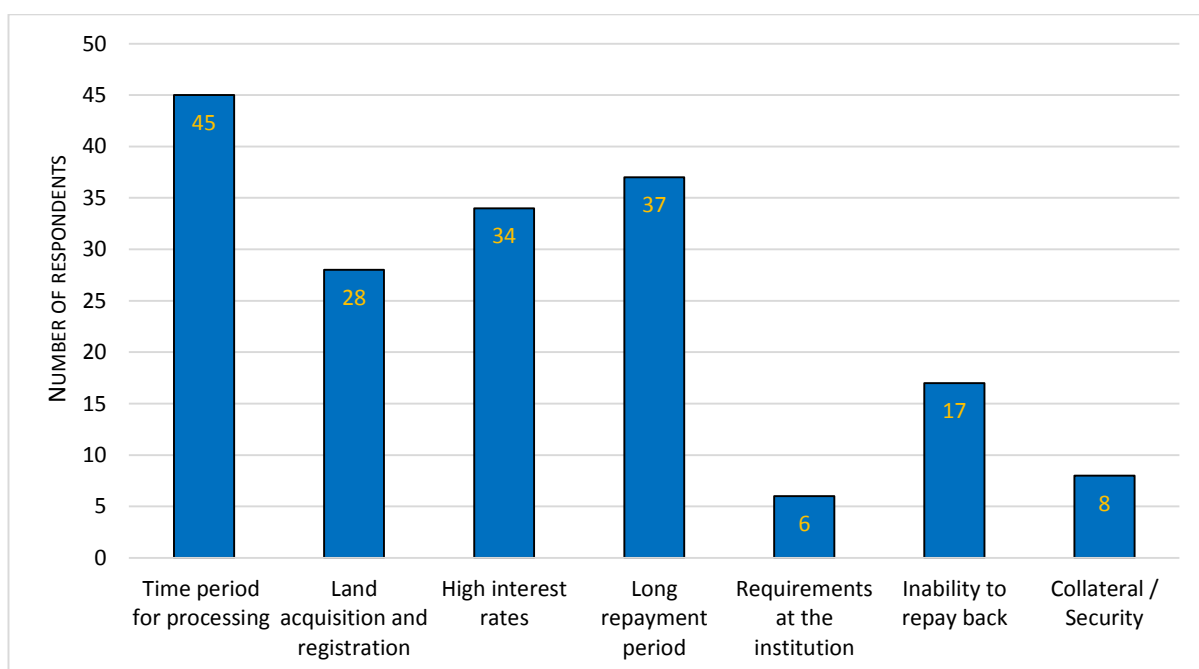


Figure 2: Challenges encountered in the house/loan acquiring process

According to Figure 2, the main challenges encountered in the housing loan acquiring process are: time period for processing (45 respondents); long repayment periods (37 respondents); high interest rates (34 respondents); land acquisition and registration (28 respondents) and inability to repay back (17 respondents). Requirements at the institutions and collateral and security requirements are cited as the least with six and eight respondents respectively.

4.2.6. Employment status

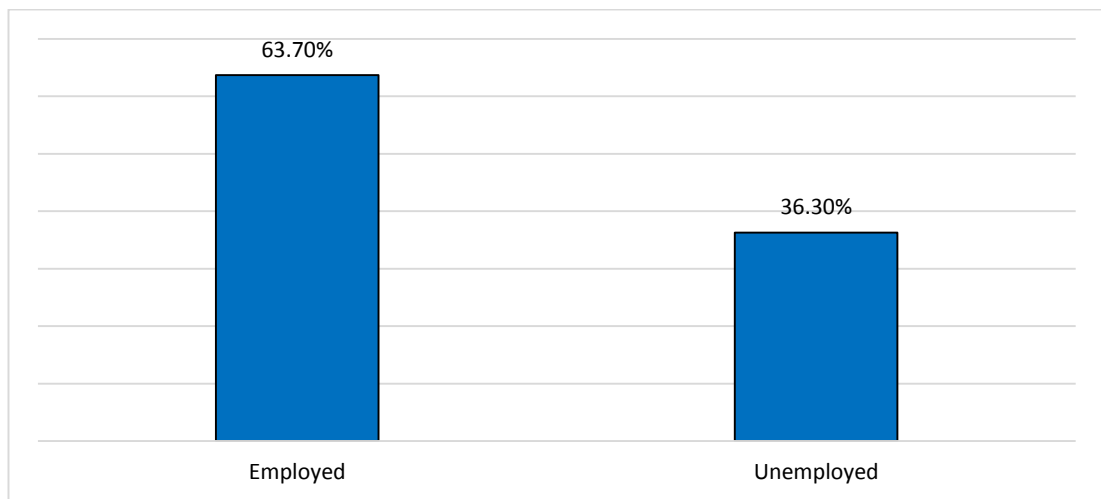


Figure 3: Employment status

According to Figure 3, about 63.7% of the respondents are employed and 36.3% are unemployed. Those that are unemployed were asked to indicate their sources of income that enable them to commit to their monthly loan payments. Responding to this question, some of the respondents chose more than one option.

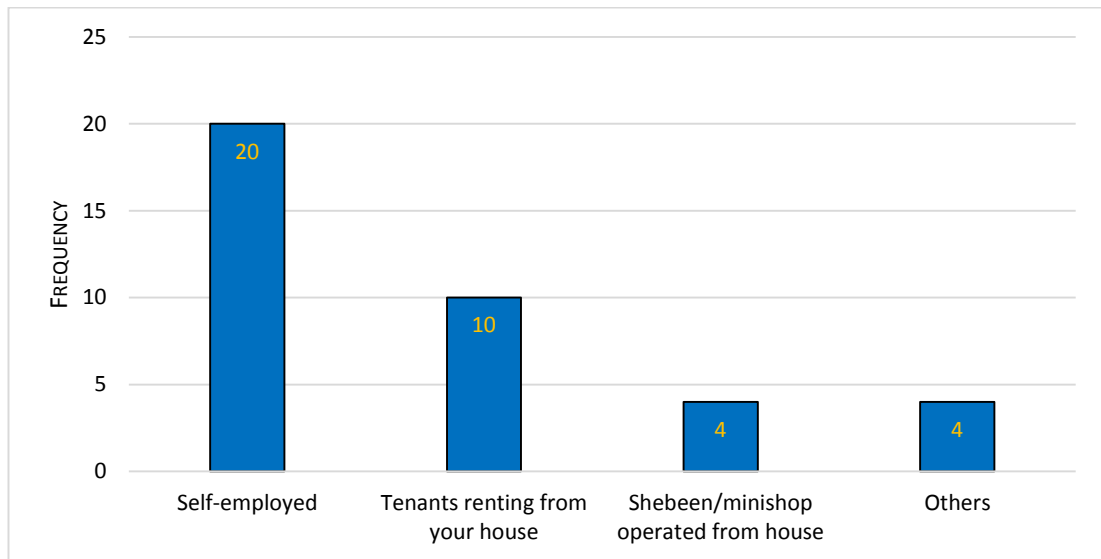


Figure 4: Source of income for the unemployed

From Figure 4, it can be observed that 20 of the unemployed respondents are self-employed whereas, 10 respondents source their income from rental income. Of the 10 participants, 4 have indicated that they either own a shebeen or a mini shop which they operate from their houses. The income they get from selling, helps to repay the loan. Lastly, 4 of the respondents fall under the 'Others' option. It was revealed that some are supported by their children who have taken over the responsibility of paying their monthly loan instalments. One of the respondents, a pensioner, indicated that he settled the outstanding loan amount with his pension money. Another pensioner has indicated that his wife, who is still employed, has taken up the responsibility of paying the monthly loan instalments.

4.2.7. Land servicing

It was found that all NHE respondents' houses were serviced. Hence, for the purpose of obtaining well-articulating results, responses for BTP respondents were analysed separately.

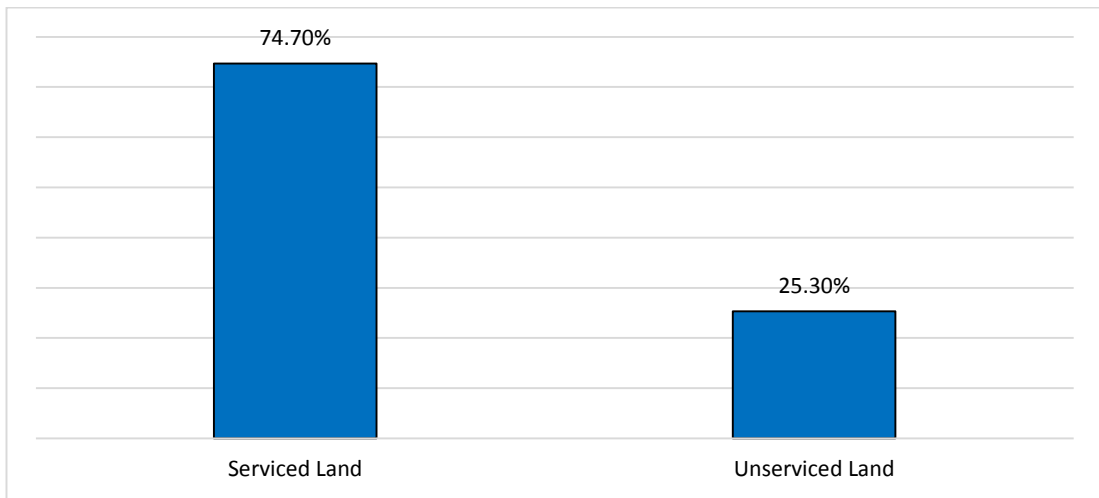


Figure 5: Land servicing (findings inclusive of all housing programmes)

Figure 5 shows that 74.7% of the respondents' houses have connections to basic services like electricity, water and sewerage connections. On the other hand, 25.3% of the respondents' houses have no connections to these services. On the contrary, it was established that 100% of servicing for BTP houses was done after the houses were built (Table 5).

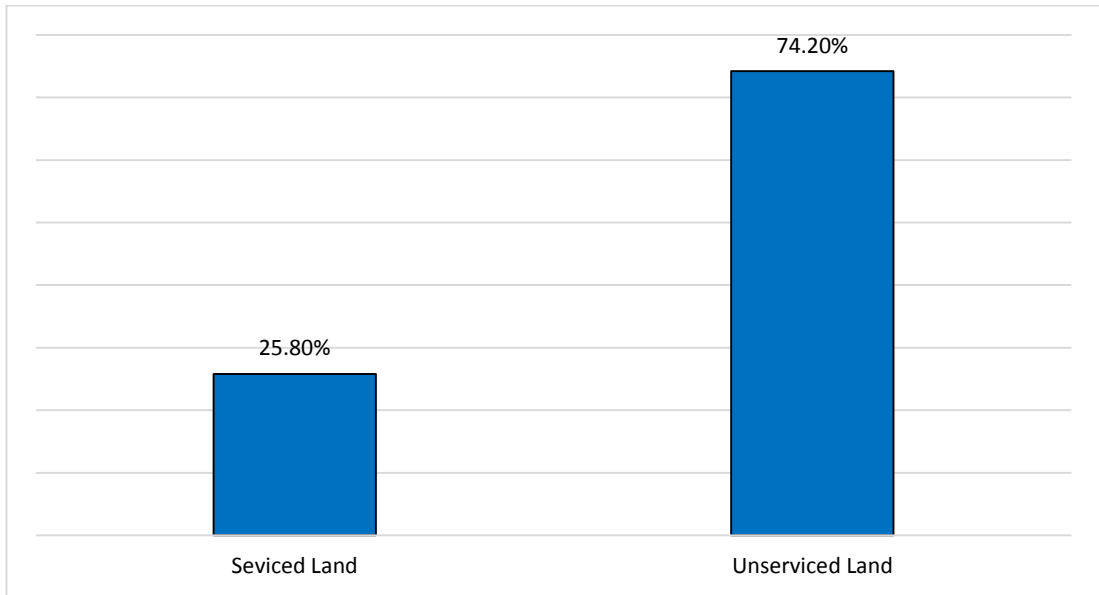


Figure 6: Land servicing (BTP findings only)

Figure 6 shows that the majority, 74.2%, of the BTP respondents live in houses that have no electricity, water and sewerage connections. Only 25.8% of the BTP respondents' houses have a connection to these services.

Table 6: Land servicing

	<i>Servicing done before/after house constructed</i>	
	Before	After
<i>Frequency</i>	0	8
<i>Percentage (%)</i>	0	100

Table 6 shows the connection of services in relation to house construction. Surprisingly, all those that have connections to the services, indicated that servicing was done after houses were already built. Simply put, in their first occupation of the land where they built on, there were no services at all.

4.2.8. Provision of housing by government

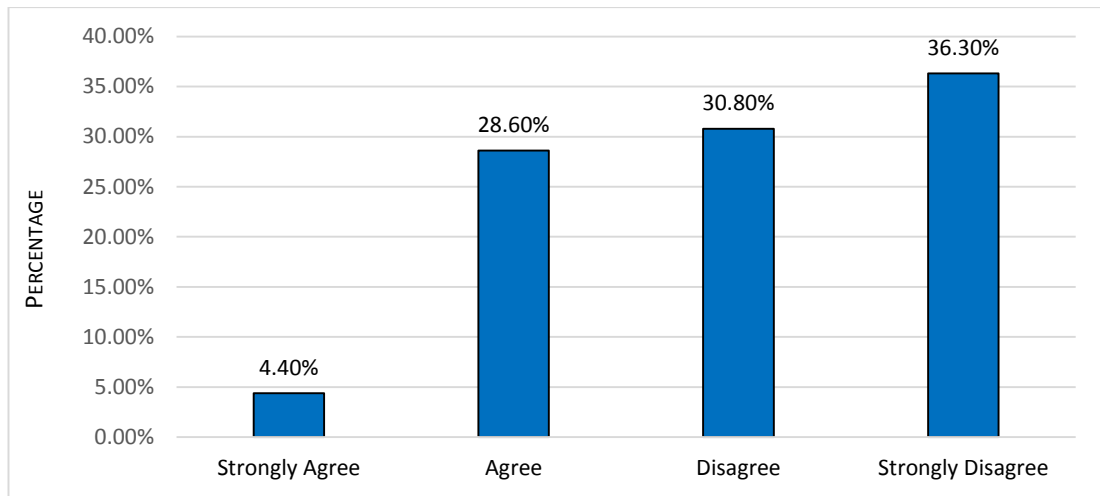


Figure 7: Provision of housing by government

It appears that many of the respondents are of the opinion that the government has not done much towards solving the housing problem. This is evident in the statistics presented in Figure 7, where 36.3% strongly disagree and 30.8% disagree with the statement that says 'government has done enough in the provision of housing in Namibia especially for low income earners'. Contrary to that, 28.6% agree that the government has done enough to providing houses, and 4.4% strongly agree to that.

4.2.9. Improving housing need in Namibia

4.2.9.1. Government

Participants opined that a lot needs to be done by the government, given that it has a central responsibility and a major role in ensuring that every member of its populace is housed. Areas suggested by the participants that need improvements are pertaining to land availability, housing provision, and regulation of property prices.

The majority of the respondents felt that the government must do more with regard to availing land to its people. Furthermore, there is a need to re-look into the manner in

which LAs distribute land, as the current one gives LAs more autonomy that resulted into a situation where they turned land distribution into a mere profit making endeavor rather than servicing the need of the residents. The government needs to introduce a “one plot per person” policy, to rid out those who buy out of greed and ensures everyone gets a piece of land to build their homes on.

Participants also felt it is the government’s duty to intervene and regulate escalated housing prices in Namibia. This will ensure that housing is affordable. Some participants proposed a controlling body for housing prices to be established, that should be responsible amongst other things, putting in place rules and policies for controlling housing prices, and equally, ensuring adherence to.

It was further brought forward that the government should introduce another programme that will construct houses meant for civil servants only, especially those with low earnings. Similarly, the government should encourage private companies to follow the same suit, building houses for their employees.

4.2.9.2. City of Windhoek

Participants opined that the CoW need to change their approaches towards land allocation, shacks demolishing and evictions. CoW land allocation process is very slow and unpleasant, especially to those with low earnings. It is advised that more land needs to be serviced and this should happen at a faster pace. Further, CoW must seek other alternatives to address illegal occupation of land, demolishing of shacks is intolerable and results in huge financial losses to desperate people. At worst, evictions can be extremely violent and brutal in which people's houses, personal property, communities, livelihoods and support structures are all destroyed.

Participants suggested that the size of an erf needs to be increased. Currently, the erf size of about 150m², allocated to BTP beneficiaries is considered to be too small. They further stated that standards set by the CoW for housing construction are too high and they contribute to the high housing costs and hence need to be revisited. Lastly, debts owned by pensioners and people living with disabilities should be written-off, and the CoW needs to introduce laws that would prohibit repossession of houses belonging to these group of people and others who are living in similar destitute conditions.

4.2.9.3. Financial institutions

With regard to financial institutions, participants proposed that these institutions should partner with government and public enterprises to finance projects aimed at land servicing and housing provision. All financial institutions should introduce housing loan products specifically meant to benefit low-income earners and the self-employed. Loans issued through such products should be charged at lower interest rates; and lastly, these institutions must seek other options than repossessing of properties in the event clients defaults to pay.

4.3. Survey Results: Interview schedules

4.3.1. Build Together Programme

This section presents an analysis of data collected through the interviews from the government and CoW. In total four people were interviewed. These includes the Chief Accountant from the Build Together Programme, the Permanent Secretary and the Deputy Director of the Housing Coordination Division in the Ministry of Urban and Rural Development and the Head of Housing Schemes, Leaseholds and Settlements at the City of Windhoek (see Appendix A).

4.3.1.1. What was the government's aim for the introduction of the Build Together Programme, and who are the intended beneficiaries?

Majority of the respondents indicated that the aim of the programme is to render financial assistance to low and ultra-low income families, by providing them with housing loans. The programme would further, assist low to middle-income families who do not have access to credit from financial institutions (commercial banks) and National Housing Enterprise due to locality. Intended beneficiaries are individuals whose monthly income does not exceed N\$ 3000.00 per month, age 21 and above and do not own a house anywhere in Namibia.

4.3.1.2. In your view, was the objectives of the programme attained?

Two of the respondents to this question were of the view that the BTP programme was successful. Testimony to the success of the programme is that to-date, 30 000 houses have been constructed. In addition, it was revealed that quite a number of individual families have benefited from the Informal Settlement Upgrading Programme, a programme that built roads, serviced plots and provided basic services such as water, sewer and electricity. Further, it was also brought to light that of recent, the Ministry of Urban and Rural Development instructed the RCs and LAs to build more houses by using their respective revolving funds.

However, the other respondents stated that the programme was not meeting its objectives, and revealed that the programme could not attain its aim due to land of scarcity (serviced) despite a very high demand for housing. Another bottleneck experienced is that the BTP only caters for community savings groups, not individuals.

In other words, one cannot benefit from the BTP in an individual capacity but through a community saving group.

4.3.1.3. Would you please give details of the areas and a total number of low-income houses build in Windhoek?

The respondents indicated that through BTP, 903 houses have been constructed in the Khomas region in the following areas: Okahandja Park, Freedom Land, Goreangab Dam and Otjomuise.

4.3.1.4 Main challenges of housing delivery specific to BTP

According to the respondents, the main challenges faced by the BTP are: non-availability of serviced land and high financial cost of land servicing; the limited budget allocation for housing developments; high cost of building materials and labour; low affordability levels that results in high demand for houses; non-timely monitoring and evaluation of houses under construction; lack of technical personnel at sub-national governments; low-repayments rate of loans at some LAs and RCs; and the absence of local and cheap alternative building materials.

The respondents further brought to light that the HRDC has a backlog with regard to their research activities in local and alternative building materials. However, this low output has been attributed to the fact that, the centre had for long been without the deputy director, the incumbent that leads the centre. However, at the time this survey was underway, appointment to that position was made a month ago.

4.3.1.5. Government policies that need to be changed for effective housing delivery

The National Housing Policy of 2009 needs to be reviewed in order to effectively tackle the current challenges to delivering housing in the country. The same reasons hold for the need to amend the National Housing Development Act, 2000 (Act No. 28 of 2000). Accordingly, reviewing and amendment of the said policy and act will lead to the development of effective implementation strategies for intervention programmes like the Mass Housing Development Programme, and smoothly attain the objective of constructing 20 000 houses indicated in the HPP. Further, PPP's initiatives would be effectively implemented to address both, land and housing delivery. This would lead to effective monitoring and evaluation of the construction process of houses under BTP, and would capacitate LA and RCs at sub-national government levels.

4.3.1.6. Has government done enough? If not, what more should be done to address the housing problem in Namibia

Respondents have pointed out that the government has done satisfactorily enough towards housing provision; however, they stressed on the country's current backlog of 100 000 units which is somehow worrisome. In contrast, they also indicated that right from independence, the government was supposed to continue with infrastructure development, as currently a large number of houses in Windhoek were built before independence. More funds were supposed to be availed to LAs and RCs for housing developments. This would have curbed the mushrooming of informal settlements and facilitated the control of the housing market.

Nonetheless, to effectively address the housing problem the following actions were proposed by the respondents:

- Effective implementation of the HPP, to ensure realisation of its objectives.
- Clearly define implementation modalities of the Mass Housing Development implementation strategy.
- Seek, encourage PPP in quest for housing solutions in Namibia; and allow private developers to explore and introduce ways in the usage of alternative building materials,
- Capacitate LAs and RCs in implementing housing schemes at their levels
- HRDC to scale up their research activities, especially in the area of alternative building materials

4.3.1.7. Housing loan application processing

The respondents stated that, after ensuring that the applicant has met the loan requirements, the application receives a recommendation from the BTP committee, and is forwarded to the management committee, for approval. After approval, funds are prepared for release and the applicant is invited to sign the loan agreement and mortgage bond. Payment of funds is done on a progress payment basis, whereby funds are released according to the percentage of work done. Funds are paid directly to the supplier and contractor's accounts, not to the applicant's account. The latter is done to prevent applicants spending money on other purposes than the intended one, which is the construction of a house.

4.3.1.8. Measures for assisting loan defaulters

According to the respondents, clients experiencing difficulty in committing to their monthly instalments can arrange for their instalment amount to be reduced for a

specified period of time, until such a time they can pay the ordinary instalment amount.

A second option is to arrange for the extension of the loan repayment period.

4.3.1.9. Convenience of repayment methods

According to the respondents, the repayment period is 20 years, with fixed interest charged from 4 – 7 percent. A loan of N\$ 40 000 has a monthly instalment of N\$ 310.12. However, depending on the affordability of the client, the loan can be settled in a shorter period of time than the specified 20 years.

Instalments are paid through debit orders or salary stop order. Experiences over the two methods regarding loan recovery revealed that the salary stop order method is preferable as it guarantees 100% recovery, in comparison with the debit order method which yields moderate repayments.

4.3.1.10. Does the CoW sell/allocate un-serviced land?

According to the respondents, the CoW does not sell un-serviced land at all. A block erf is sold to the community saving groups, at a 50% discount. These blocks of land have services (sewer line) at their boundaries, to which individual households connect their sewerage pipes to the main sewer, at their own cost.

4.3.1.11. Home loans given out through the BTP in the last 15 years

The respondents indicated that there are no statistics of the number of loans given per suburb. Nonetheless, the only statistics available was the number of loans granted in the township of Katutura, where Okuryangava is situated. Available statistics shows that during the past 15 years, a total of 879 home loans were granted through BTP to residents of Katutura Township.

Table 7: Build Together Programme loans given out in the last 15 years

Decentralised Build Together Programme	2149
Centralised Build Together Programme	4902
Total loans awarded	7051

Statistics in Table 7 show that 2149 loans were awarded through the Decentralised Build Together Programme (the BTP after decentralisation), and 4902 loans were awarded through the Centralised Build Together Programme (the BTP before decentralisation), resulting in a sum of 7051 loans granted.

4.3.2 National Housing Enterprise

This section presents an analysis of data collected through the interview with the regional manager from the NHE (see Appendix A).

4.3.2.1. Housing products

According to the NHE, housing products and services offered are:

- *Project houses*: a loan for buying a new house, built by NHE through projects.
- *Private sale (non-NHE and NHE properties)*: a loan for a private re-sale. A private re-sale refers to a case where a property built by NHE is being resold to a new owner. However, in order for NHE to finance the transaction, the selling price is determined and agreed through the NHE evaluator.
- *Upgrading loans*: a loan for NHE clients wishing to make improvements to their houses.

- *Rental Housing*: Renting of single, to two bedroom accommodation units, in forms of townhouses and flats.

4.3.2.2. Loans given out by NHE in the last 15 years

Table 8: National Housing Enterprise loans given out in the last 15 years

Suburb	Number of Loans granted	Percentage (%)
Goreangab	585	19%
Hakahana	679	22.1%
Khomasdal	213	6.9%
Okuryangava	749	24.4%
Otjomuise	848	27.6%
Total	3074	100%

Data collected through the survey, and presented in Table 8 show that 24.4% of Okuryangava residents benefitted from the NHE housing loans during the past 15 years. In comparison with other suburbs, Okuryangava holds the second highest statistic of NHE loans, after Otjomuise; whose allocation is 27.6% loans. Khomasdal received the lowest, with 6.9% loans received, and Hakahana and Goreangab received 2.1% and 19% loans, respectively. The highest loans allocation to Otjomuise suburb is attributed to the fact that Otjomuise suburb is one of the developing suburbs and it has relatively large portions of unoccupied land.

4.3.2.3. Convenience of repayment methods

From the survey it was indicated that the loan repayment period has a maximum of 30 years. Payments are done through stop or debit orders, or via deductions from client's salary.

4.3.2.4. Is NHE meeting their objectives and customer demands in Okuryangava?

The respondent indicated that the NHE is indeed meeting their objectives and customer demands on the basis that the NHE loans are designed to accommodate low-income group people, of which most of the clients from Okuryangava fall under this programme.

4.3.2.5. Specific challenges experienced

It was indicated that the NHE had for long experienced a challenge of clients terminating debit orders without notifications. The institution is further troubled by the occurrences of uninvited retrenchments in the employment industry, resulting in employees losing out their jobs and remaining without employment for an unspecified period of time. This results in the NHE clients being in position where they are unable to commit to their monthly loan instalments. Lastly, inflation and interest hikes, contributes to difficulty situations where people could no longer borrow money. The respondents indicated that, remedies that could lessen the impact of challenges experienced by the NHE are as follows:

- To prevent unapproved debit order terminations, the NHE should seek to enter into agreement with financial institutions.
- More employment opportunities need to be created through engagement of foreign investments. However, for this proposal to be feasible, as a

country, Namibia should promote political stability, in order to attract and encourage foreign investments through which employment opportunities will be created in the country.

- The majority of the citizens must be educated in order for them to secure decent jobs, which would sustain them and ensure access to home loans as well as other credit facilities.

4.3.3. Commercial banks

Housing provision to the citizenry is very challenging and even more complex when it comes to low-income earners. To fully comprehend the housing delivery process, it requires scrutiny of all factors involved thereto. As lenders of money, financial institutions serve a crucial role in the housing provision process; hence, the critical role they play forms the basis for their inclusion in this study. The section that follows presents an analysis of the responses collected through the interviews held with officials from commercial banks.

4.3.3.1. Targeted customers

Income categories covered by commercial banks were: ultra-low-income group (N\$0 – N\$ 1 500); low-income group (N\$ 1 501 – N\$ 4 600); middle-income group (N\$ 4 601 – N\$ 10500); and others (N\$ 10 500 +). Three banks, except Nedbank, cater for the middle-income group, whose earnings are ranging between N\$ 4 601 to N\$ 10500 or ‘*Others*’ category which caters for those with earnings from N\$ 10 500 and upwards. Nedbank targets only clients with earnings from N\$ 10 500 and upwards. None of the banks target the ultra-low-income group and low-income group categories.

4.3.3.2. Type of collaterals required from customers

It emerged that Standard Bank has favourable conditions for collateral requirements. The bank's requirements stipulate that an applicant must have been employed for at least a year, and the property to be purchased would serve as collateral, such that in the event the client defaults, the bank repossesses the property and recovers its money by auctioning it off. Nedbank requires a 20% guarantee supported by the employer. Bank Windhoek requires a cash deposit from the client, as the bank only finances 80% of the property price. In addition, Bank Windhoek further requires 20% collateral from the employer, of which the employer should be on the bank's list of approved employers. Even though, this does not mean that all employers qualify to have their employees accessing housing finances through Bank Windhoek; instead the bank has an approved list.

First National Bank (FNB) requires collateral only in cases where the selling price of the property being bought is higher than the amount of the loan a client qualifies for. The bank requires additional collateral for the loan, or the client tops up the deposit amount. In most instances, employers through their Home Loan schemes assist their employees with a guarantee of the amount required as collateral. In case a client does not qualify for their 100% Home Loan addition, the bank requires a deposit. This happens under circumstances where the valuation conducted on the property is not adequate to warrant a 100% loan. However, some employers who have staff Home Loan schemes with FNB provide 20 percent collateral security in form of a written guarantee, supporting their employees into obtaining a 100% loan from the bank.

4.3.3.3. Meeting requirements and measures for accommodating low-income earners

Bank Windhoek indicated that low-income earners often do not meet requirements. Banks, particularly FNB, Nedbank and Standard Bank indicated that apart from low salaries, low-income earners normally meet requirements for housing loans.

Regarding measures in place for assisting clients who do not meet requirements, Nedbank only offers assistance to clients who are supported by the employers, and when the property is within the client's affordability. At FNB, a home loan of N\$ 100 00 is exempted from a monthly administration fee charge, which is normally charged per month for the duration of the Home Loan repayment. Standard Bank and Bank Windhoek do not have measures in place meant to assist those who do not meet the requirements. Bank Windhoek strictly adheres to their policy that stipulates the procedures for approving a potential client loan application, that is, considering employer's subsidy is adequate, and a remaining surplus of N\$ 2000, after deductions, new premium, insurance and bills have been paid. Nonetheless, in most cases, low-income earners fail to meet these conditions.

4.3.3.4. Number of mortgages granted to the low-income group over the past five years

Bank Windhoek indicated that there was no mortgage granted to low-income earners, simply due to criterion being too high for the said income group. Other banks were unwilling to share such information, citing reasons for confidentiality.

4.3.3.5 Challenges experienced with the low-income group

Commercial banks revealed that high interest rates pose a serious challenge to granting loans. Accordingly, interest rates affect low-income groups fairly much in a negative way. This happens in a way that increasing interest rates result in clients having difficulties in paying their instalments and hence increase in non-performing loans. However, these institutions were quick to mention that interest adjustments come into effect as a result of the increased repo rate, and regulations of the repo rate is the sole responsibility of the regulating institution, the Bank of Namibia. For example, the repo rate that got increased three times between 2015 and mid-2016, contrary to salaries increments that happen only in a while resulted in large margins when comparing the rate at which interest rate has increased. Thus, their increments have serious negative effects, mostly on the low-income groups.

4.3.3.6. How can housing finance for low-income groups be best addressed?

Commercial banks suggested that RCs and LAs must provide adequate land to the low-income earners, with basic services, and allocation must be based on first-time buyer's criteria. Once low-income earners have land of their own it would be easy for financial institutions to provide housing finances to them. Further, LAs must introduce schemes for low-cost houses that would be affordable to low-income earners. Similarly, construction of low-cost housing schemes by using alternative building materials will also ease the burden of housing cost.

A complementing step towards a low-cost scheme would be approval of one brick house by the LAs. If approved by LAs, the banks would not hesitate providing

financing to these type of housing which can benefit a vast number of lower income earners.

Furthermore, there should be strict control over properties valuations, as the current one appears to be skewed and characterised by irregularities which, as a result, push the property market up. Lastly, it was suggested that for the purpose of accommodating low-income earners, financial institutions may also look into the prospects of increasing the payback period to at least 25 to 30 years. This way, low-income earners can have their housing debt spread over a longer period of time, which in return would be more affordable to them.

4.4. Conclusion

This chapter presented the results of the study. Two instruments were used to investigate the strategy for providing housing to the low-income people in Namibia. The results comprised of the data collected from the house beneficiaries; ministry officials; commercial banks and administrators of both the BTP and NHE programmes. Data collected were analysed to capture the responses and opinions of the participants and hence derive the findings of the study. The discussions, conclusions and recommendations emanating from these findings are presented in the next chapter.

Chapter Five: Discussion, conclusions and recommendations

5.1. Introduction

This chapter discusses the findings obtained from the present study. The chapter also draws conclusions and provides recommendations based on the findings.

5.2. Discussion

The study found that government's contributions towards the provision of housing in the country, particularly to those with low earnings is minimal. The country's backlog of 100 000 housing units is enough testimony to these findings. Alternatively, government could have developed infrastructure by availing adequate funds to LAs and RCs for housing developments.

The study found that BTP is failing to fully attain its aim for housing provision due to land scarcity, particularly serviced land. However, unlike the NHE, the findings revealed that the NHE is meeting its objectives and customer demands in the study area. The successful attainment of the NHE objectives could be due to the fact that most of their clients are from the Okuryangava suburb, as indicated by the NHE official.

The study also found that low-income earners often do not meet requirements for housing loans at the commercial banks. It was observed that there are no mortgages granted to low-income earners, simply due to the criteria being too high for the said income group. This could be due to the fact that housing finance options for low-income groups are limited (World Bank, 2015). Additionally, inflation and interest hikes, contributes to difficult situations where people could no longer borrow money. The latter, concur with Sweeney-Bindels (2009) assertion that, interest rates play a

major role in demand for mortgages, as high interest rates negatively affect household demand for borrowing. According to the UN-HABITAT (2005), high interest rates significantly increase the cost of borrowing and have a disproportionate impact on long-term mortgage finance, making it unaffordable for many households.

The NHE houses are built on already serviced land. However, the situation is partly different with the BTP. The study found that 74.2% of the BTP houses are built on un-serviced land. Few of the BTP houses on serviced land, the servicing was done after houses were built and occupied. The differing situation between the NHE houses (built on serviced land) and the un-serviced land inhabited by BTP housing recipients can be attributed to the manner in which the land was acquired. The NHE acts as a developer and provides loans for the purchase of its own developments (Rust, 2011). According to UN-HABITAT (2011a), one of the characteristics of the informal sector which distinguishes it from the formal sector is the order in which development takes place. Formal sector housing is planned beforehand, after which at least some services are fitted prior to construction; only then do the occupants move in. On the contrary, in the informal sector, occupation often takes place on a vacant sector, un-serviced land. Housing is constructed and then services and planning follow, typically after an extended period of time, trying to improve the situation retrospectively.

The study found that challenges to housing provision are mainly non-availability of serviced land coupled with high financial cost of land servicing; the limited budget allocation for housing developments; high cost of building materials and labour and

the absence of local and cheap alternative building materials; low affordability levels that results in high demand for houses; non-timely monitoring and evaluation of houses under construction; lacks of technical personnel at sub-national governments; low-repayments rate of loans at some LAs and RCs. A low rate of loan repayments could be because of the financial challenges endured by the low-income people, thus having difficulty committing to their monthly payments. Low income earners rely on informal sources of income, whose cash flow is seasonal and highly unpredictable. (Habitat for Humanity International, 2013). The absence of the local and cheap alternative building materials in the country could be a result of the underperformance by the HRDC. A limited budget allocation justifies the need for PPP initiatives, as government cannot alone address the housing needs of its people.

In addition to the high costs of building materials the requirements for housing construction standards are too high and they contribute to the high housing costs. Suggestion about reconsidering changing the current building standards coincide well with the views of Collier et al. (2013), where they pointed out that affordability can only be assessed relative to income and the share of budgets that ordinary households are willing to devote to housing. Unfortunately, upon independence African governments inherited building standards that were inappropriate for their level of income (Collier, et al., 2013). Hence, construction cost including material and labour cost can be saved by implementing low cost housing technologies in the industry.

The study also brought to light that there is a need to review the National Housing Policy of 2009. Once reviewed, the policy would effectively tackle the current challenges to delivering housing in the country. Similarly, the National Housing

Development Act, 2000 (Act No. 28 of 2000) needs to be amended, so that alongside with the reviewed policy effective strategies could be derived for intervention programmes like the Mass Housing Development Programme and HPP. Lastly, the review and amendment of the policy and of the act could encourage successful PPP's initiatives that would seek to address housing problem. The reviewing and amendment of the policy and act, is the role of the government, as earlier alluded to, the government can play an important bridging role, extending the affordability of low-income households so that, with finance, they can access adequate housing provided by the private sector (UN-HABITAT, 2011).

5.3. Conclusions

The study was aimed at conducting an investigation of the strategy of the Namibian government in providing housing to the low-income families. The objectives were to assess policies and programmes and explore challenges to providing housing to low-income people. A questionnaire and interview schedule were used as instruments for data collection. The study found that due to challenges like non-availability of serviced land, limited budget and high cost of building materials, result in the BTP failing to attain its objectives. Based on the findings of the study, the following conclusions were made.

The study concludes that government's the strategy for housing provision to low-income families is not effective. There are various challenges blocking low-income earners from obtaining houses. Low-income earners do not meet banks' requirements for housing loans, due to the high criteria and interest rates. Further, the study also concludes that provision of housing is subjected to other challenges such as non-

availability of serviced, high cost of building materials due to the absence of alternative building materials. As a result low-income earners build their houses on un-serviced land.

Lastly, the study concludes that the policy and the act for regulating and implementing the housing strategy need reviewing and amending for a better enhancement of housing delivery in the country.

5.4. Recommendations

In light of the findings and conclusions above, the following strategies are recommended:

- Provide adequate serviced land. More funding towards land servicing should be availed to the RCs and LAs. Further, the government should seek ways to encourage broad participation of the private sector in this endeavour.
- Introduction of housing products for low-income people. Financial institutions should be compelled to introduce housing products that accommodate all income groups. Such products should comprise of requirements that truly reflects financial standings of low-income earners, and equally within the reach of their affordability level.
- The introduction of alternative building materials. Further, the HRDC need to intensify their research activities towards local and alternative building materials.
- Review and amend, the National Housing Policy of 2009 and the National Housing Development Act, 2000 (Act No. 28 of 2000).

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8. Appendices

Appendix A: Profile of respondents to the interviews

<i>Respondents' job title</i>	<i>Unit & institution</i>
Permanent Secretary	Ministry of Urban and Rural Development
Deputy Director	Housing Coordination Division, Ministry of Urban and Rural Development
Senior Accountant	Build Together Programme, Ministry of Urban and Rural Development
Regional Manager	National Housing Enterprise
Divisional Head	Housing Schemes, Leaseholds and Settlements, City of Windhoek
Standard Bank Namibia	Business Support Officer: Marketing Research and Services
First National Bank Namibia	Group Manager: Corporate Communications
Bank Windhoek	Sales Consultant: Property Finance
Nedbank Namibia	Sales Manager

Appendix B: Questionnaire for home owners

Dear Sir/Madam

My name is **Jeremia Haipinge**, a Master of Business Administration student at the Namibia Business School, University of Namibia. I am conducting a case study on the strategy for the provision of housing to the low-income group, in Okuryangava suburb, Khomas region, as part of my thesis work.

The study is aimed at investigating the strategy of the Namibian government in providing housing to the low-income families. Your participation in this survey is voluntary. All information obtained from this interview will be kept confidential and will be used for academic purpose only.

Thank you so much for your time and contribution to this research project.

Kind regard,

Jeremia Haipinge

Questionnaire

Survey to investigate the low-income housing strategy in Namibia: A case study of the Okuryangava Suburb in the City of Windhoek in the Khomas Region.

Instruction:

Where applicable, indicate your choice of answer by marking with (X) in the appropriate box

- | | | | | |
|---|--|--------------------------|--------|--------------------------|
| 1. Gender: | Male | <input type="checkbox"/> | Female | <input type="checkbox"/> |
| 2. Age (years) | Less than 30 | <input type="checkbox"/> | | |
| | 30-39 | <input type="checkbox"/> | | |
| | 40-49 | <input type="checkbox"/> | | |
| | 50 + | <input type="checkbox"/> | | |
| | | | | |
| 3. How many individuals live in this house?..... | | | | |
| 4. Which institution was your house acquired through? | | | | |
| | 1. Build Together Programme | | | <input type="checkbox"/> |
| | 2. National Housing Enterprise | | | <input type="checkbox"/> |
| | 3. Commercial Bank | | | <input type="checkbox"/> |
| | 4 Others (specify.....) | | | |
| 5. What is the repay back period of your home loan? | | | | |
| | 0-10 years | | | <input type="checkbox"/> |
| | 11-20 years | | | <input type="checkbox"/> |
| | 21-30 years | | | <input type="checkbox"/> |
| | >30 years | | | <input type="checkbox"/> |
| 6. If you acquired your house through the Build Together Programme, indicate how you obtained the land: | | | | |
| | Purchased directly from the municipality of Windhoek | | | <input type="checkbox"/> |
| | Through community savings groups | | | <input type="checkbox"/> |
| | Others (specify)..... | | | <input type="checkbox"/> |

7. What were the challenges (if any) encountered in the house / loan acquiring process?

(Can choose more than one challenge)

- Time period for processing
- Land acquisition and registration
- High interest rates
- Long repayment period
- Requirements at the institution
- Inability to repay back
- Collateral / security

8. Are you employed or unemployed? Employed Unemployed

9. If unemployed, how do you source income to commit to your monthly loan payments?

- Self-employed
- Tenants renting from your house
- Money from the shebeen / mini shop that you operate from your house
- Others (specify)

10. Is the land where your house is built serviced? i.e. is the house connected to basic services like electricity, water at sewerage connections?

Yes No

11. If your answer to the above is yes, was the provision of these services made after or before your house was built?

Before

After

12. Has the government done enough in the provision of housing in Namibia especially to low income earners?

Strongly Agree

Agree

Disagree

Strongly Disagree

13. In your opinion, what need to be done by the following institutions to improve the housing need in Namibia?

(i) Government

.....
.....
.....

(ii) City of Windhoek

.....
.....
.....
.....

(iii) Financial Institutions

.....
.....
.....

Thank you

Appendix C: Interview questions for Build Together Programme officials

1. Job title.....

2. Can you describe in detail how the programme operates?

.....

3. What income categories are covered your programme?

.....

4. How many home loans have this programme given out in the last 15 years?

.....

5. How many of the home loans were given to residents of Okuryangava suburb?

.....

6. How many of the home loans were given to the following suburbs?

	Number of Loans granted
Goreangab	

Hakahana	
Khomasdal	
Okuryangava	
Otjomuise	

7. What is the mode of payment, and is it convenient by most of the people?

.....
.....
.....

8. What do you consider before giving out home loans to a particular customer?

.....
.....
.....
.....

9. Is the programme meeting its objectives and customer demands in Okuryangava? If not, explain why.

.....
.....
.....
.....

10. What specific challenges is the programme experiencing?

.....
.....

.....
.....

11. In your opinion, what needs to be done to address the challenges you just mentioned in Question 10?

.....
.....
.....
.....

Thank you

Appendix D: Interview questions for the City of Windhoek official

1. Please describe in detail how the process of housing loan application at your institution operates.

.....
.....
.....

2. As partners in the implementation of the Build Together Programme, are you meeting the programme objectives and customer demands? If no, explain the bottlenecks experienced?

.....
.....
.....

3. What criteria are used to determine the eligibility of loans to your customers?

.....
.....
.....

4. What measures are put in place to assist those who fail to pay back the loan?

.....
.....
.....

5. What is the mode of payment for the loan repayment? Is it convenient for all the people?

.....
.....
.....

6. What complaints have you been receiving from the applicants with regard to housing provision?

.....
.....
.....

7. Does the City of Windhoek sell/allocate land that is not serviced? If yes, to whom and why?

.....
.....

8. Do you think the government has done enough to address the housing problem in the country? If no, what more should be done to address this problem?

.....
.....
.....
.....

Thank you

Appendix E: Interview questions for commercial banks

1. Name of the bank.....

2. Job title.....

3. Who are your target customers for housing finance? (You can choose more than one option)

Ultra low-income group (N\$0 – N\$ 1 500)

Low-income group (N\$ 1 501 – N\$ 4 600)

Middle-income group (N\$ 4 601 – N\$ 10500)

Others (N\$ 10 500 +)

4. What type of collaterals do you require from customers for housing finance?

.....

5. Does the low-income group meet such requirements for housing loans?

Yes No

6. If not, what does the bank normally do to help these customers?

.....

7. How many mortgages have you granted to the low-income group over the past five years?

	2011	2012	2013	2014	2015
Ultra low-income group (N\$0 – N\$ 1 500)					

Low-income group (N\$ 1 501 – N\$ 4 600)					
Middle-income group (N\$ 4 601 – N\$ 10 500)					
Others (N\$ 10 500+)					
Total loans granted					

8. What challenges has your institution experienced with the low-income groups, with regard to granting loans?

.....

.....

.....

.....

9. In your opinion, how can housing finance for low-income groups be best addressed?

.....

.....

.....

Thank you

**Appendix F: Interview questions for the Deputy Director of the Housing
Coordination Division in the Ministry of Urban and Rural Development**

1. What was the government’s aim for the introduction of the Build Together Programme, and who are the intended beneficiaries?

.....
.....
.....

2. In your view, was the objective of the programme attained?

.....
.....
.....

3. What measures are put in place to assist those who fail to pay back the loan?

.....
.....
.....

4. Do you have any recommendations for how to improve the financing for the low-income group in Namibia?

.....
.....
.....

5. Currently, what housing projects aimed to benefit low-income earners are being funded by the ministry?

.....
.....
.....

6. What could be changed about government policies to allow effective housing delivery?

.....
.....
.....

7. What policies are in place to ensure that there is access to land for housing for all income groups in the country?

.....
.....
.....

8. Do you think the government has done enough to address housing problem in the country? If no, what more should be done to address this problem?

.....
.....
.....
.....

Thank you

Appendix G: Interview questions for National Housing Enterprise official

1. Job title.....

2. Can you describe in detail how the programme operates?

.....

3. What income categories are covered by your programme?

.....

4. How many home loans have this programme given out in Windhoek, in the last 15 years?

.....

5. How many of the home loans were given to residents of Okuryangava suburb?

.....

6. How many of the home loans were given to the following suburbs?

	Number of Loans granted
Goreangab	
Hakahana	
Khomasdal	
Okuryangava	
Otjomuise	

7. What is the mode of payment, and is it convenient by most of the people?

.....
.....
.....

8. What do you consider before giving out home loans to a particular customer?

.....
.....
.....

9. Is the programme meeting its objectives and customer demands in Okuryangava? If not, explain why.

.....
.....
.....

10. What specific challenges is the programme experiencing?

.....
.....
.....

12. In your opinion, what needs to be done to address the challenges you just mentioned in Question 10?

.....
.....
.....

Thank you

Appendix H: Interview questions for the Permanent Secretary: Ministry of Urban and Rural Development

1. What was the government’s aim for the introduction of the Build Together Programme, and who are the intended beneficiaries?

.....
.....
.....

2. In your view, would you say this aim is being attained?

.....
.....
.....

3. Would you please give details of the areas and a total number of low-income houses build in Windhoek?

.....
.....
.....

4. Who are the stakeholders in the responsibility of delivering housing to the low-income group?

.....
.....
.....

5. What are the main challenges of housing delivery in Namibia?

.....
.....
.....

6. What could be changed about government policies to allow effective housing delivery?

.....
.....
.....

7. What policies are in place to ensure that there is access to land for housing for all income groups in the country?

.....
.....
.....

8. Do you think the government has done enough to address housing problem in the country? If no, what more should be done to address this problem?

.....
.....
.....
.....

Thank you