Republic of Namibia

STATEMENT BY

HON. SOPHIA SHANINGWA, MP

MINISTER OF URBAN AND RURAL DEVELOPMENT

ON OCCASION OF THE

OFFICIAL HANDING OVER OF 29 HOUSES CONSTRUCTED
THROUGH THE

MASS HOUSING DEVELOPMENT PROGRAMME

OPUWO

FRIDAY, 1ST SEPTEMBER 2017
• Director of Ceremonies; [Signature]

• Honourable Angelika Muharukua, Governor of Kunene Region;

• Honourable Julius k.k. Kaujova, Chairperson of Kunene Regional Council;

• Comrade John //Gamuseb, Special Advisor for Kunene South;

• Comrade Katutire Kaura, Special Advisor for Kunene North;

• Comrade Kavari, SWAPO Party Regional Coordinator in Kunene Region;

• His Worship Cllr. Albert Tjiuma, Mayor of Opuwo;

• Honourable Regional and Local Authorities Councillors;

• Esteemed Traditional Leaders;

• Ms. Ludmilla Doëses, Acting CRO of Kunene Regional Council;

• Commissioner James Nderuru, Regional Commander of the Namibian Police;

• Mr. Gisbertus Mukulu, Chief Executive Officer of National Housing Enterprise and team; [Signature]

• The management and staff of Opuwo Municipality; [Signature]

• Members of the Media;

• Ladies and Gentlemen

• All protocol observed
I am delighted to be here in Opuwo this morning to officiate at the handing over of 29 houses that have been constructed through the Government's Mass Housing Development Programme to beneficiaries in Opuwo.

Director of proceedings;
Ladies and gentlemen;

In keeping with its commitment of accelerating the provision of affordable and decent housing to the needy citizens in the country, the Government under the leadership of by His Excellency Dr. Hifikepunye Pohamba launched the Mass Housing Development Programme in November 2013 as an intervention aimed at reducing the backlog in housing in the country especially for the ultra-low and low income groups. Our resolve and commitment towards providing decent and affordable shelter for our people has been reinforced and is being continued under the current leadership of His Excellency Dr Hage Geingob through among others the Harambee Prosperity Plan and the Fifth National Development Plan (NDP 5). We are committed to ensure that in the Namibian House no one is left out.
Opuwo was one of the three local authorities in Kunene Region that were selected for the implementation of the first phase of the Mass Housing Development Programme. The other local authorities in this Region that benefited from the Programme are Khorixas and Outjo where a total of 106 houses and 20 houses respectively have already been completed and handed over to beneficiaries.

The twenty-nine (29) houses which I will be handing over to beneficiaries today was part of a total of 53 houses that are to be completed under a revised contract with the appointed contractor.

Director of proceedings;
Ladies and gentlemen;

While the completion of and having the twenty nine (29) houses that are ready for occupancy is something to be happy about, I cannot contain my disappointment with the contractor for the delayed delivery of the houses. This project, I am informed, has been characterised by delays and poor relations between the main contractor and sub-contractors. This delay or poor work performance by the contractor has resulted in a
delay in the provision of houses to our people who need a decent shelter over their heads.

Director of proceedings
Ladies and gentlemen

As a Government, we believe that the provision of affordable housing is one of the effective means to address poverty because shelter is usually the most expensive item for a household, and if the Government like we are doing under programmes such as the Mass Housing Development Programme, can assist, households will have some money left to spend on other basic needs.

The time involved in delivering houses as well as the affordability of houses are two issues that are very critical for the success of our housing delivery strategy. The timely delivery applies to the design and construction phase as well as to the allocation and occupancy of the houses. I have already expressed my unhappiness to the contractor of this project for the delayed construction and completion of the houses.
It is equally important that once the construction of the houses is about to be or is completed, the screening of and allocating the houses beneficiaries are also finalised in order to avoid a situation of houses laying unoccupied and at the risk of being vandalised.

Any delay either at the construction level or the allocation and occupation of the houses will definitely negatively affect the provision of the houses being constructed to the needy, a situation that must be avoided. In this connection I am urging contractors who have been contracted to build the houses and the NHE and local authorities who have been tasked with the screening of beneficiaries and the allocation of completed houses to redouble their efforts. The same appeal also goes to financial institutions to whom people who are in need of houses go for mortgage financing.

Let me now touch on the issue of affordability. Our ultimate aim is not to just construct houses but for such houses to get into the hands of the needy by them being accessible and affordable to them. In other words, our goal of providing housing and shelter will be complete or will only said to be complete when the houses that we have constructed are handed over to beneficiaries and not standing unoccupied.
Affordable housing is generally recognised to refer to the provision of housing units that are priced in a manner that will allow the target beneficiaries, particularly, the lower and middle income earners, to be able to afford other basic living costs such as food, clothing, transport, education and medical care.

The affordability of a house has to be looked at not only in terms of the cost of construction and final sale price, but also in terms of the income of the target beneficiaries and their affordability level.

In order to make the houses affordable to the target beneficiaries, notably the ultra-low, low and medium income earners, the Government took a decision to reduce the prices of the categories of houses that are earmarked for the ultra-low and low income groups must be sold at prices that are lower than the actual cost of construction. This is a commendable and praise worthy gesture from the Government, which is aimed at ensuring that the houses are indeed affordable.

Based on the discounted selling prices of social houses that are meant for the low income groups, a person who earns a
salary of N$ 2, 700 per month will be able to afford a D1 type of social house, whose sale price has been reduced to N$ 70,000, below the construction cost of N$ 199, 561.00 and representing a subsidy of 65%. A beneficiary in this case will pay a monthly instalment of N$ 550.00.

Director of proceedings;

Ladies and gentlemen;

Besides the Government, there are other parties and stakeholders who also have an important part to play in the process of ensuring that the houses are affordable. These are contractors who built the houses, the banks who provide mortgage financing especially for the credit-linked houses as well as the beneficiaries who have to buy and pay for the houses sold to them. Beneficiaries are also cautioned against erecting zinc or related structures around their houses.

It has been observed with concern during the process of allocating the completed houses that, while it cannot be denied that the prices of some of the houses especially the credit-linked houses, is high and not affordable by the low income earners, some of our people who are in need of housing and are working can still not afford the houses
available and/or are finding it difficult to honour their home loan repayment obligations because they are heavily indebted to cash loan providers and other creditors. In this connection and while noting that the cost of living and prices of goods in the country is high, I am calling on the community to learn to live within their means and to reduce on their consumption of non-essential goods such as clothing and to rather priority the acquisition of a home.

To those who are fortunate to get a house through the Government housing programme, I am calling on them to honour their home loan repayment obligations to the Government and banks so that the money that are paying can be used to finance and build houses for other needy Namibians.

The Banks are very crucial and required to help especially first time home buyers to acquire decent shelter unless by providing cost-effective mortgage financing. I have noted with concern that the uptake or sale of the completed houses is going slow in some cases reportedly because of lengthy approval processes by some banks, while others do not want to finance houses in some of places, which they have termed "non-lending zones. This is unfortunate as these areas where
our people live just like other areas of residence in other parts of the country, and is thus against the call by our President for inclusivity and the Namibian House.

In this connection, I wish to call on the banks to be more forthcoming and to come up with measures that will ensure a fair balance between their commercial interests and fiduciary responsibilities on the one hand and their expected development financing role on the other hand.

I am also disheartened by acts of vandalism by members of public towards the houses that are under construction and those that have been completed and in the process of being handed over. This is really regrettable as these houses have been constructed with tax payers money and are meant to benefit fellow Namibians. In this connection I wish to urge the community to look after these houses as public properties until when they are handed over to owners and to report acts of vandalism to the relevant institutions including the Police.

Director of ceremonies;

Ladies and gentlemen;
As clearly articulated in the Harambee Prosperity Plan and the Fifth National Development Programme, we will continue our efforts towards scaling up the delivery of affordable houses in general and with special focus on the housing needs of first time home owners especially in the low and medium income groups and those living in informal settlements.

We believe the realisation of our goal on housing is a collective responsibility, our strategy consists of a mix of initiatives including public private partnerships and the enhanced role of community-based housing group saving and development organisations.

In order to ensure inclusivity and that no one who is in need and has applied for a house is left out, we developed and are using the following criteria in the allocation of completed houses under the Mass Housing Development Programme:

- Beneficiaries must be Namibian citizens
- First time buyers will be given priority in acquiring the available houses;
- The selection of beneficiaries will be done on a first-come-first-served basis;
• No one person will be allowed the opportunity to benefit more than once (that is to buy more than one house) under the Programme; and
• The house or property cannot change ownership for the next 10 years.

Director of ceremonies;
Ladies and gentlemen;

In conclusion, I wish to take this opportunity to thank all those who played a role in the completion of the houses whose handing over we are here to witness as well as those who made it possible for us to be here this morning. To those who have been selected to receive the available 29 houses, I congratulate you but also urge you to take good care of the houses, keep them clean and use them to bring positive changes in your lives and the lives of your families.

I thank you for your kind attention.