



**KEYNOTE ADDRESS BY HON DR.PEYA MUSHELENGA, MP
MINISTER OF URBAN AND RURAL DEVELOPMENT**

ON THE

**OCCASION OF THE OFFICIAL HANDOVER OF THE HOUSES
CONSTRUCTED BY NATIONAL HOUSING ENTERPRISE (NHE)
THROUGH PUBLIC PRIVATE PARTNERSHIP**

AT

OKAHAO, OMUSATI REGION

WEDNESDAY, 20 NOVEMBER 2019

- Director of Ceremonies;
- Honourable Erginus Endjala, Governor of Omusati Region;
- Esteemed Tatekulu Johannes Mupiya, Omukwaniilwa Goshitunda ShOngandjera
- Honorable Councilor Immanuel Amutenya, His Worship, Mayor of Okahao Town
- Honorable Leonard Shikulo, the Regional Councilor of Okahao Constituency and other Regional Councilors as well as Local Authorities Councilors present here today;
- Ms. Tosca Sem, Member of the NHE Board of Directors;
- Mr. Gisbertus Mukulu, Chief Executive Officer of the National Housing Enterprise;
- Mr. Timoteus Namwandi, Chief Executive Officer of Okahao Town Council;
- Distinguished Invited guests and home owners;
- Members of the Media;
- Ladies and Gentlemen;

I would like right at the onset to express my sincere gratitude for the invitation extended to me to officially hand over fifty (50) houses.

On the 6th November 2018 I had the honour to officially do the ground breaking on this very same spot for the official commencement of the construction of the fifty (50) houses by the National Housing Enterprise. I am overjoyed to be back, a year later, to officially handover the fifty (50) completed houses that we have promised to deliver. These houses, were completed on time, demonstrating the NHE's efficiency in terms of housing delivery. House ownership brings a sense of pride and joy to home owners, as it change their social status, both in the eyes of the public and in their interactions with financial institutions.

Government has mandated the National Housing Enterprise through the National Housing Act of 1993, as amended, to provide for the housing needs of the Namibian people, and here is proof today that in the face of tough economic times, we are still able to roll out alternative ways of delivering on this mandate. As Government we are proud that NHE has undertaken to provide twenty five (25%) of this housing target under the Harambee Prosperity Plan. In other words, NHE undertook to construct five thousand (5 000) housing units over a four-year period which results in one thousand two hundred and fifty (1,250) houses being delivered per annum. I am aware that NHE through its Board of Directors chaired by Mr. Sam Shivute have since been hard at work in order to meet this set target. I believe that with all necessary support from Government through the Ministry of Urban and Rural Development and other key role

players in the housing sector, NHE will champion this initiative I would like to encourage NHE not to despair in the midst of the challenges it is faced with as you strive to deliver quality and affordable houses to needy communities. As a State Owned entity, Government is aware of your challenges and together we shall tackle them and emerge victorious.

Director of Ceremonies;
Ladies and Gentlemen;

In addition to the Harambee Prosperity Plan, Build Together Programme, Shack Dwellers Federation of Namibia housing saving schemes (Government is providing grant funding to SDFN on an annual basis to aid its efforts in housing delivery) and PPPs, the Mass Housing Development Programme which was adopted by Cabinet in 2013 serves as the umbrella programme on land and housing development. Although the programme was faced with technical and financial challenges in its inception years, the Ministry has been able to steady the ship and I can reveal today that three thousand nine hundred and fifty eight (3,958) housing units constructed, while one thousand one hundred and thirty nine (1,139) units are under construction, on which one hundred and thirty three (133) will be completed and occupied by 31 December 2019, reducing the number to one thousand and six (1006).

It should be noted that the houses that are standing here today are on the same piece of land that was reserved for the construction of houses under the Mass Housing Development Programme to address the shortage of the housing backlog in our country, which resulted in the completion and occupancy of fifty affordable (50) houses. The new fifty (50) houses are a product of the partnership between the National Housing Enterprise, as a public sector and the private sector, a collaboration that is specifically designed to deliver houses without compromising the interest of both the contractor and the clients that will buy these houses. I would like to seize this opportunity to thank the National Housing Enterprise, Okahao Town Council, and the Pupkewitz Group of companies for this much needed collaboration.

It is a fact that we are faced with a huge housing backlog, estimated at three hundred thousand (300 000), the number of informal settlements estimated at two hundred eighty-five (285), with approximately two hundred sixteen thousand, two hundred and fifty (216,250) households or nine hundred forty five thousand, nine hundred and nineteen (945,919) people. Seventy percent (70%) of this backlog is in the lowest income categories that cannot access credit from financial institutions. More than often we are forgetting this income group or we are not doing enough to cater for them in our land and housing delivery projects. Let's cater for this income groups through the Build Together

Programme and Shack Dwellers Federation of Namibia's housing schemes. I urge not only the Okahao Town Council, but all the local authorities and regional councils to interrogate the cross subsidization concept for implementation in the land and housing delivery projects. This will advance the Government's plan of integrated housing developments.

Director of Ceremonies;
Ladies and Gentlemen;

I applaud Okahao Town Council by availing the fifty (50) erven to the National Housing Enterprise, I wish to thank the leadership of the Okahao Town Council for this foresighted gesture. In actual sense its 4-party agreement, although the Ministry is not directly party to process, it made funds available for the servicing of land to the Town Council.

I have been reliably informed that the Town Council has recently availed another seventy (70) erven at reasonable cost to NHE for the next phase of this project. In the end, the houses constructed on serviced land availed at an affordable price to NHE also become affordable to the income group that NHE is targeting to serve. It is important to note that the once-off selling price of the house, although important, should not be seen in isolation but part of the town's development from which the Town Council will collect endless income through rates and taxes, thus enabling the town to provide better services to its residents.

The provision of housing should not only be seen as availing shelter to households. There are many positive benefits that comes along with that. Writing about the impact of housing and basic service delivery on low- income communities in South Africa: The case of the northern Free State Region, South African academic, Dr Daniel Meyer puts forth that:

"The provision of housing for low-income communities has a vital role to play in allowing households to function, and is essential for human development. Housing provides both environmental services such as clean water and energy, and locational services with access to opportunities and social facilities. Housing with basic services improve the physical welfare of the poor, assist with entrepreneurial activities, builds an asset base, allows privacy, strengthens social relations, status improvement, and control over the local environment" ¹

¹ Meyer F. D., 2014, The impact of housing and basic service delivery on low- income communities in South Africa: The case of the northern Free State Region, in Mediterranean Journal of Social Sciences Vol 5 No 13, pp 11 – 20.

There are further important positive spine-offs of provision of adequate and affordable housing, which include, amongst others:

- Economic security because it helps increase the discretionary income that low and middle-income families have available to meet important family needs and save for the future. It also contributes towards improved return on rates and taxes for the local authorities.
- Housing stability improves educational outcomes for children from low and middle-income families.
- It contribute to local authorities rates and taxes earnings and local purchasing power.

I would like to urge the local authorities, especially those offering land to NHE at exorbitant prices, to emulate Okahao Town Council, for affordable housing starts with the price of the land. This translates to reduced cost and selling prices of the houses, while it also means long term sustainability for the town. I have been informed by the National Housing Enterprise that the price of these housing units ranges from N\$ 300,000.00 to N\$ 500,000.00.

Director of Ceremonies;
Ladies and Gentlemen;

Allow me to extend a word to the new home owners. You should treasure your valuable properties and ensure their maintenance in order to retain their quality. House ownership requires a sense of responsibility and you should further guard against defaulting in your loan repayments. Honour your obligations to municipality services so that there is running water and electricity in your homes at all times.

As I conclude I wish to call upon NHE to ensure that all the fifty (50) are occupied by 20 December 2019, because I have learned that only sixteen (16) houses are currently occupied.

It is now my pleasure to officially handover the fifty (50) houses constructed through NHE's RFP phase 1 project here in Okahao