

Namibia: Housing crisis continues as bank seeks partners in low-cost market

13 September 2012
allafrica.com

First National Bank (FNB) of Namibia is eager to partner with low-cost housing providers for the construction of houses in the country, which are currently in real short supply.

The latest housing index released by FNB last month indicated that land delivery across the country continued to deteriorate, in contrast to growing demand.

At a current housing backlog of 105 000, the commercial bank said only 29 stands were mortgaged countrywide throughout the month of April.

The central region, which includes Windhoek, Okahandja and Gobabis, only saw four stands mortgaged throughout that month, despite a population growth that requires 300 stands to be mortgaged.

FNB Namibia's Manager for Research and Competitor Intelligence, Namene Kalili, who authored the report, noted that at the coast, house prices have gone down by 3,7 per cent since March, thanks to downward price pressure in the middle and lower price segments, where prices fell by two per cent and one per cent respectively.

Despite price rises in Okahandja and Gobabis, the property market in the central region showed stagnating figures due to a slight drop in Windhoek.

Comparing these figures to South Africa, Kalili said local property prices are on average 31 per cent higher than in South Africa, though this gap is fixing to close as the South African housing index accelerated by 8,6 per cent over the same period - its highest growth rate since June 2010.

FNB Chief Executive Officer, Ian Leyenaar called on low-cost housing developers to team up with the commercial bank to ease the burden of housing shortages, and to make housing more affordable to the masses during a breakfast meeting to discuss the bank's 2012 Annual Report recently.

"We want to see an increase in low-cost housing, and we are eager to partner with entities to provide such houses," he noted.

Leyenaar predicted that housing shortages will continue, and prices will be inflated until such a time when more houses are built for Namibians. Cash buyers from neighbouring Angola, seeking property are also on the decrease, he added.

High prices for residential plots have colluded with the cost of building materials to make housing unaffordable for ordinary Namibians.

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