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1. Introduction

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

Landless youth submit 14,000 applications

Namibia remains 'the most unequal country' in world

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

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

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

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

- Access to appropriate housing is very limited in Namibia.

- 70 percent of the population cannot access decent house due to the prices that are too high (Bank of Namibia, 2011).

- Combined with the perceived high prices of housing and lack of available land, an untenable situation is created.
3. Aims and Objectives

The purpose of the study is to

• Chart the income levels in Namibia against house prices to determine the level of affordability of housing for Namibians

• Use public sector salary scale as an indicator of formal wages.

• Largest employer in the country
4. Income

Cat A: Grade 15-9 is from N$11,000 - N$163,779 (Entry level and technicians)

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

Cat C: Phase 3. Grade 4-1 from N$368,863-548,084 (Management)
5. Prices
6. Affordability
6. Affordability
6. **Affordability**  

Monthly Salary x0.3 / Monthly Repayment
6. Conclusion

• Is there is spatial variation?

• Number of people affected?

• Who is buying all the houses?

• What is the impact of informal wages/income and private sector wages/income?

• More sophisticated modeling that takes into account household expenditure
Thank You.