

A photograph of a modern, multi-story building at night. The building's facade is dark, but the logos of FNB, RMB, and WesBank are illuminated in white. The FNB logo is at the top, followed by the RMB logo, and the WesBank logo is at the bottom. The building is set against a deep blue twilight sky. Two bright streetlights are visible in the foreground, creating a starburst effect. The overall scene is a professional, nighttime architectural shot.

FNB  
RMB  
WesBank

# Namibian Housing Market

By Namene Kalili



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# Structure

- Basic housing facts/projections
  - Household composition
  - New housing demand
  - Modern housing delivery
  - NHE housing delivery
  - Improvised housing
  - Housing distribution
  - Consumers under pressure
  - Mortgage advances
  - Summary
- House Price Index
  - Methodology
  - Trends (Causes)
- Housing Bubbles
  - Jean-Paul Rodrique Model
  - Where we are on the bubble curve
  - Easily misleading conclusions



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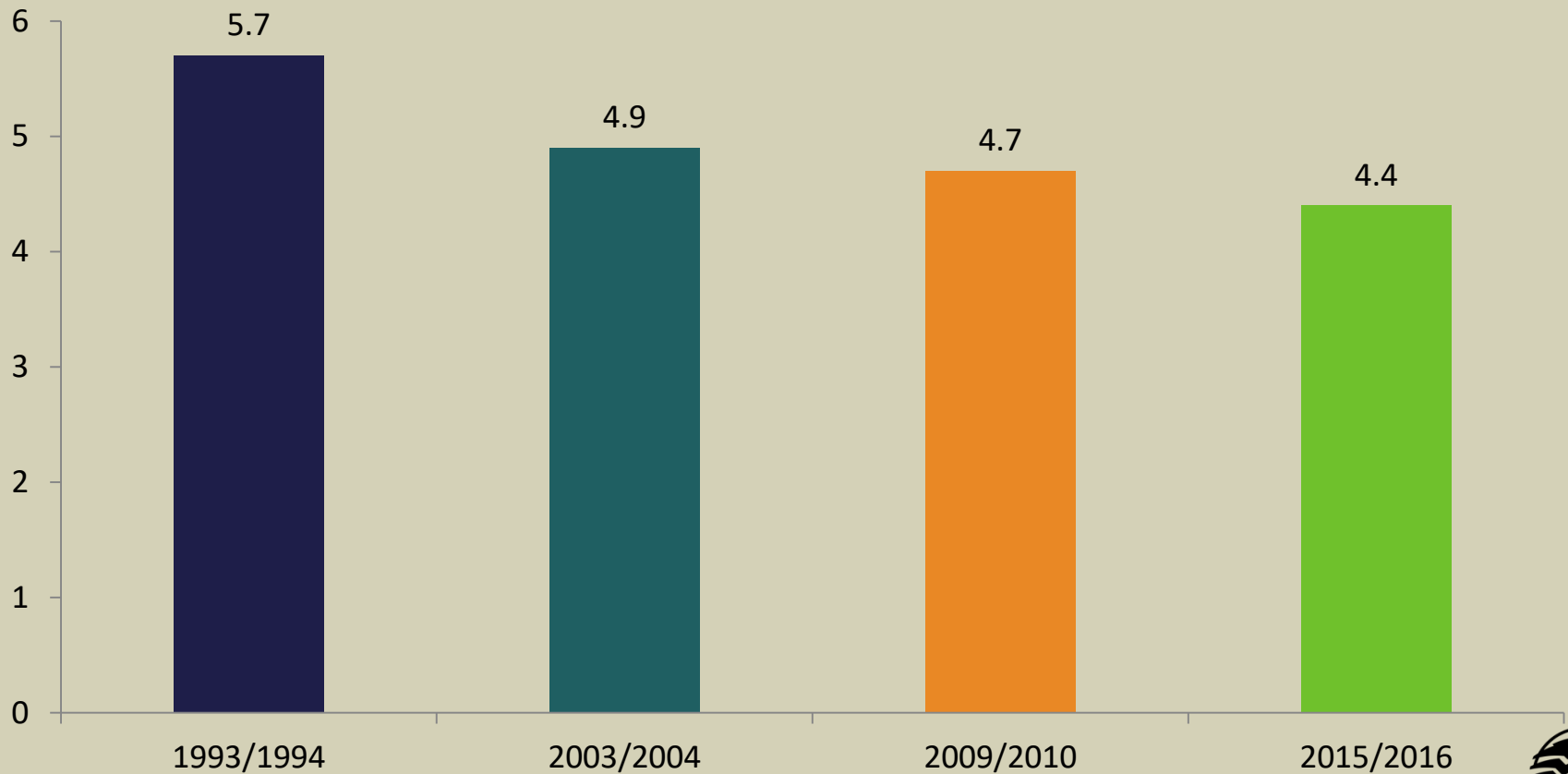
## Basic Housing Facts



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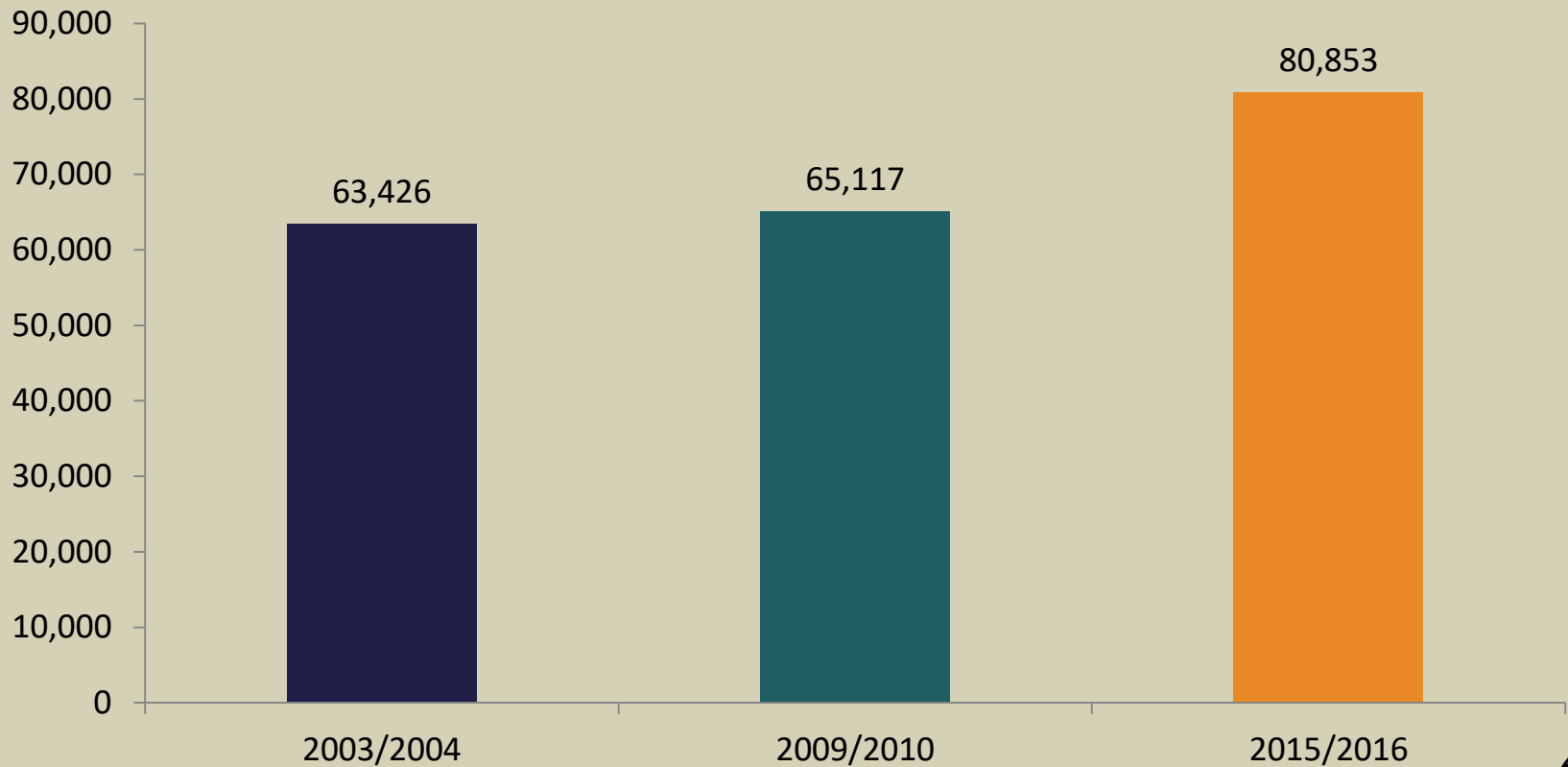
# Changes in Household Composition

People per household



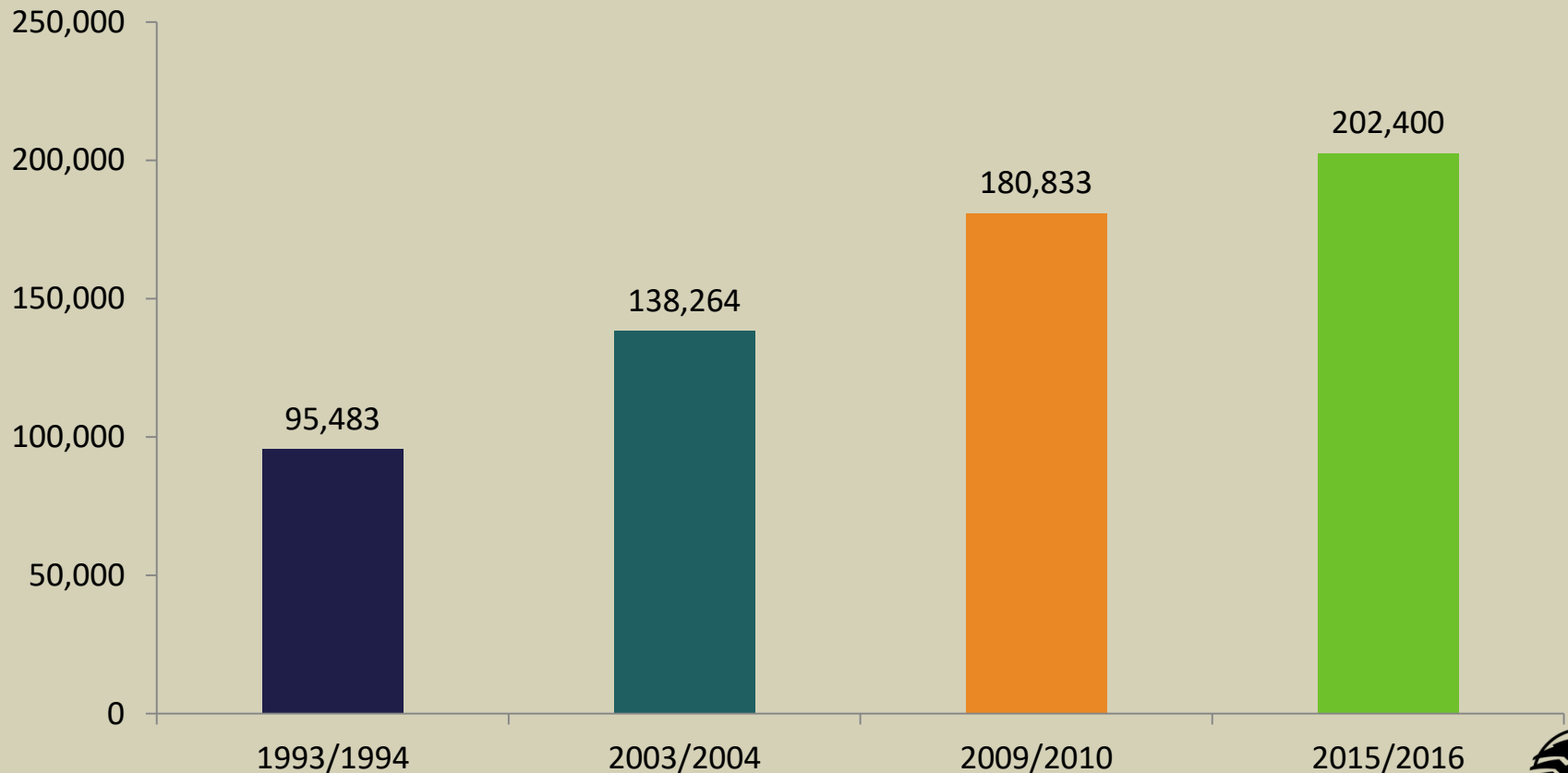
# New Housing Demand

## New households

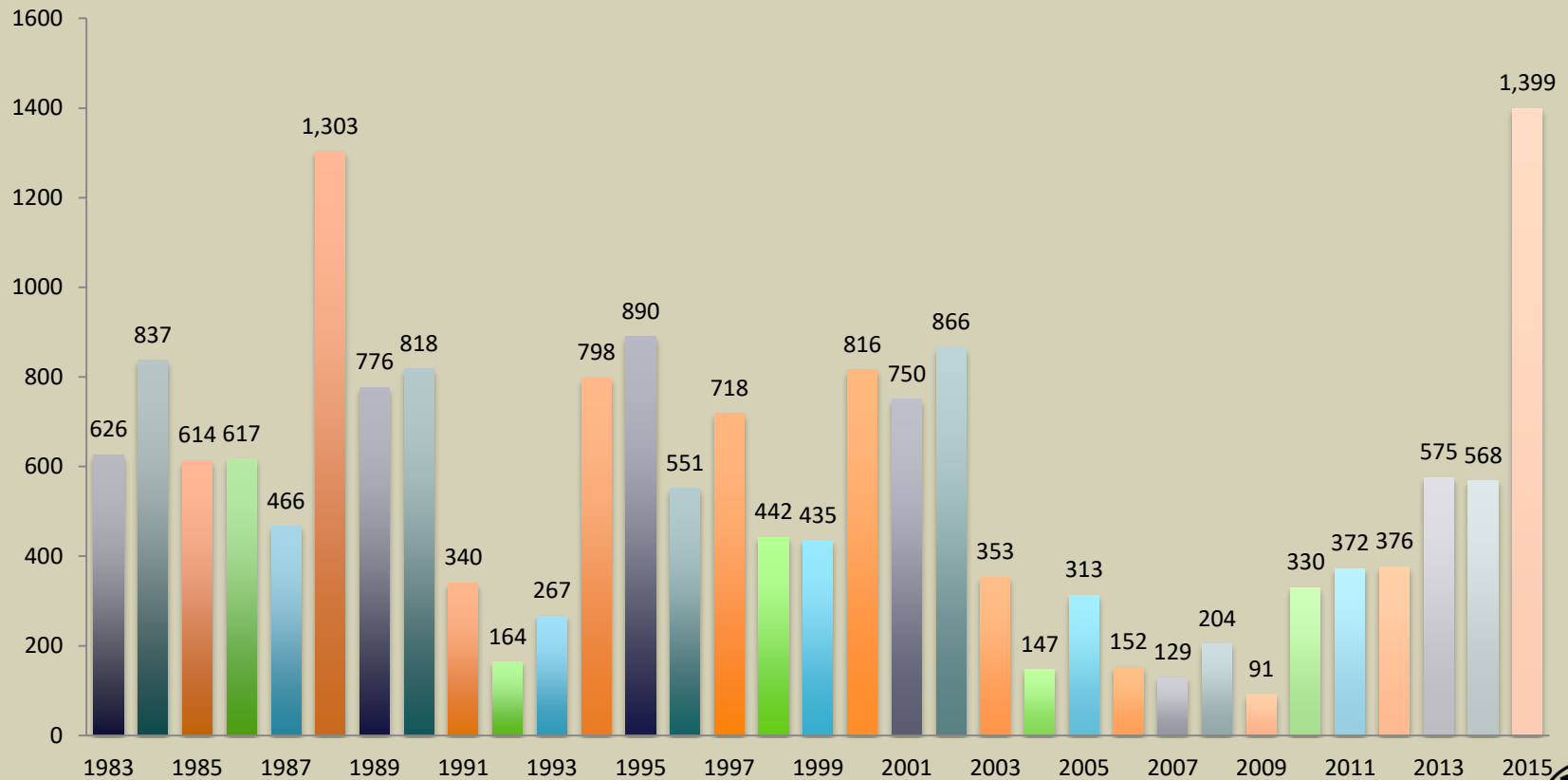


# Modern Housing Growing at 4.9%pa

Modern houses

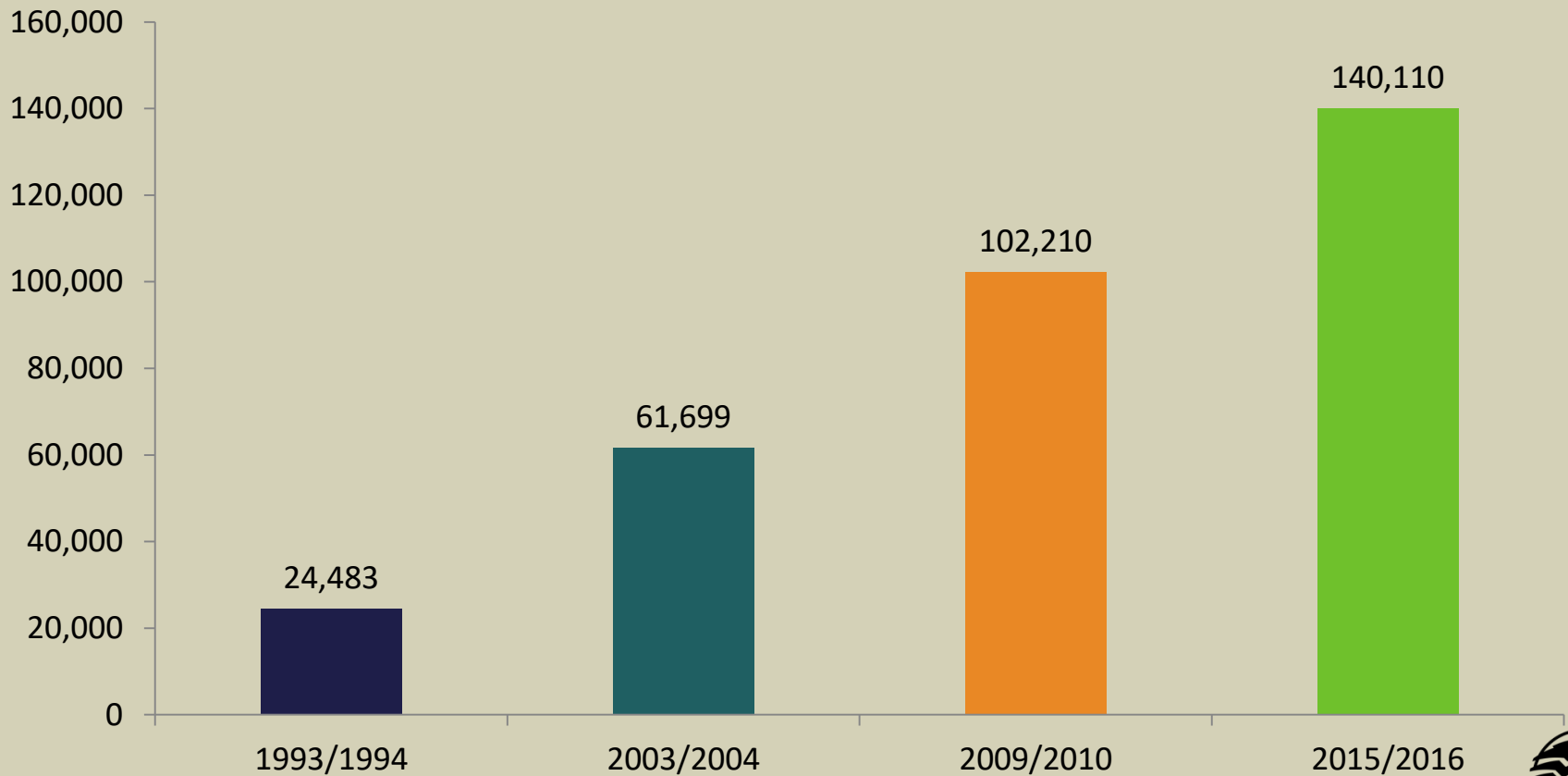


# NHE Housing Delivery



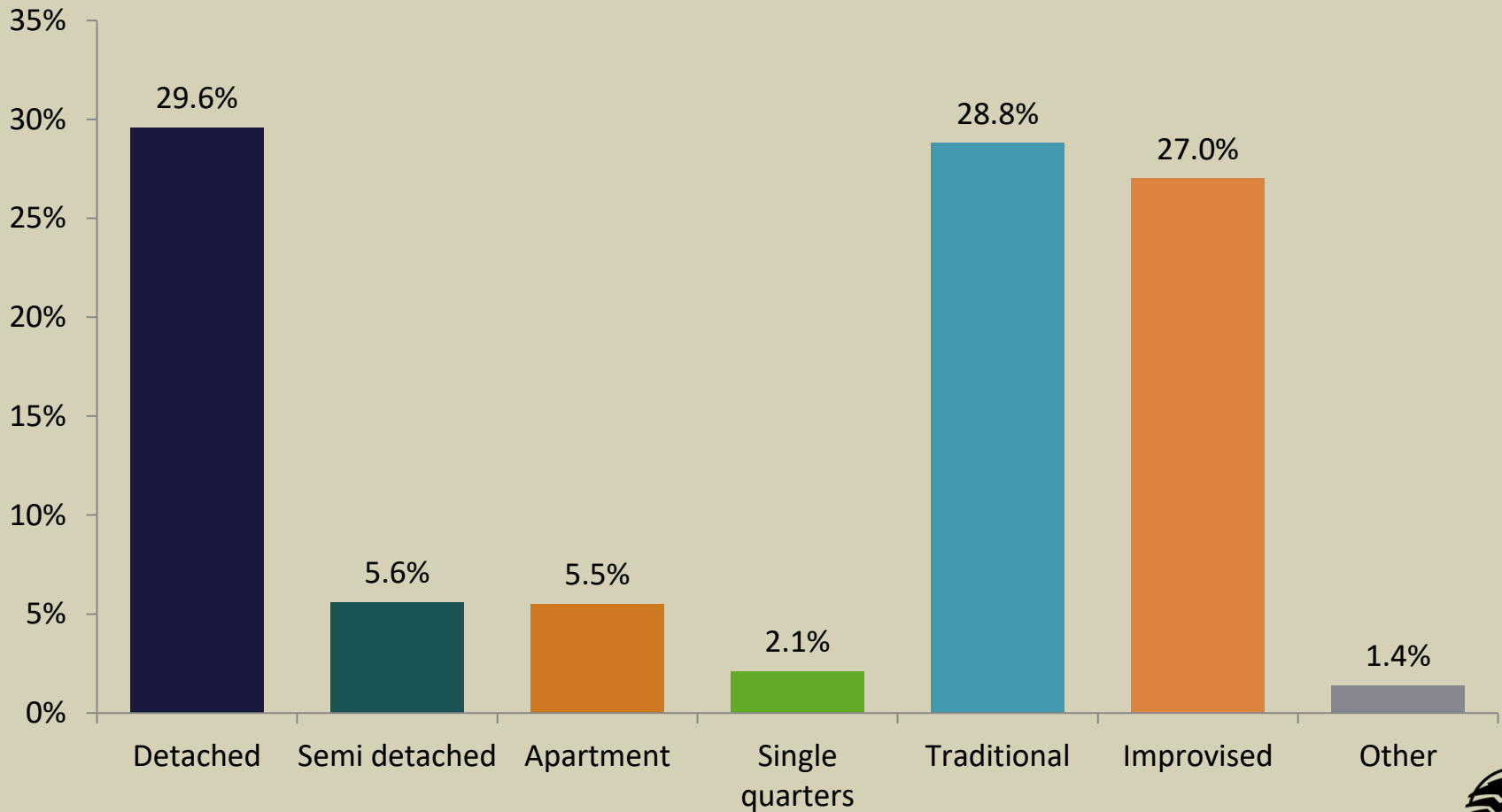
# Improvised Housing Growing by 14.2%

## Shacks



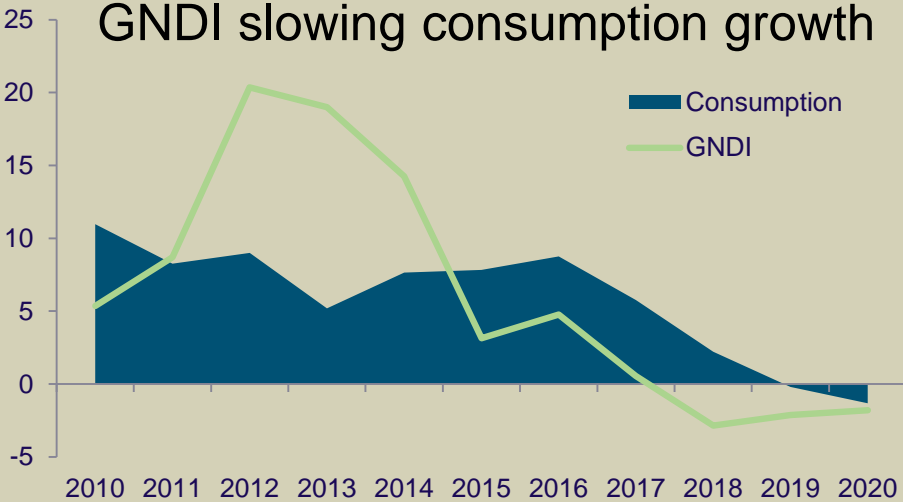


# Housing Distribution

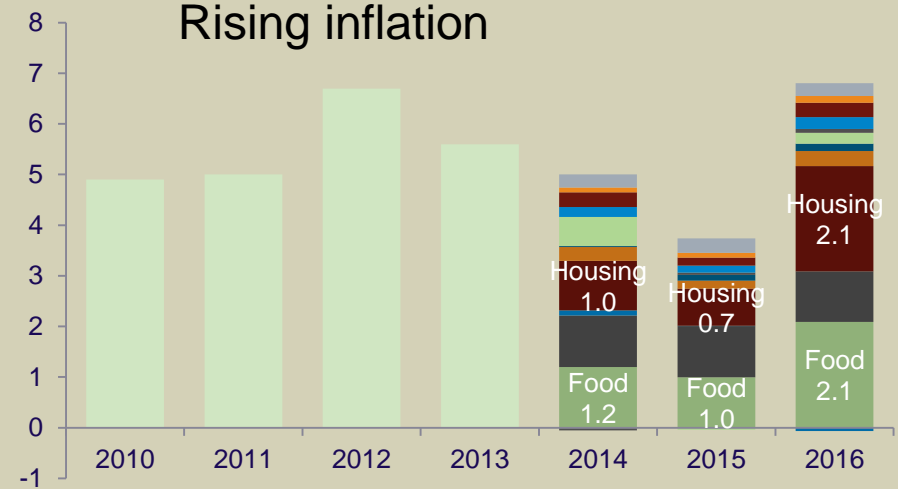


# Consumers under pressure

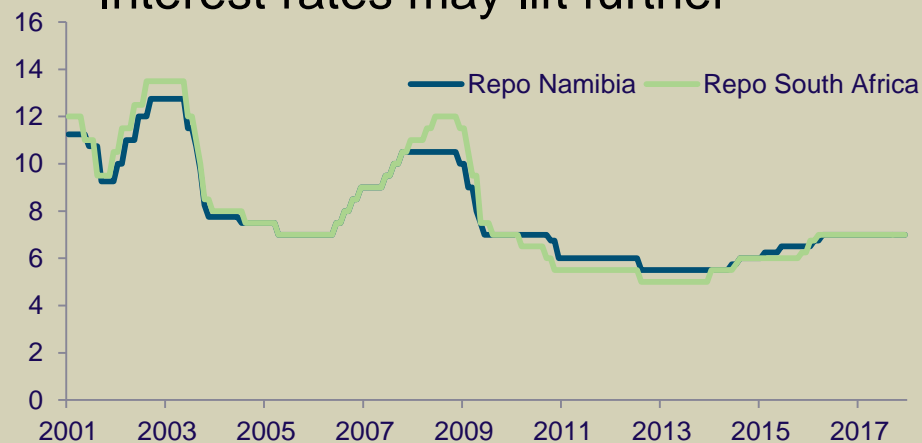
## GNDI slowing consumption growth



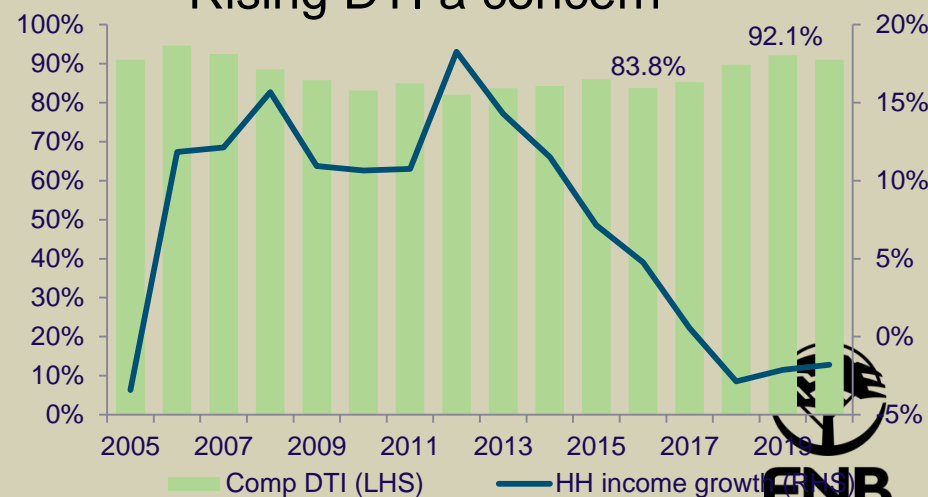
## Rising inflation



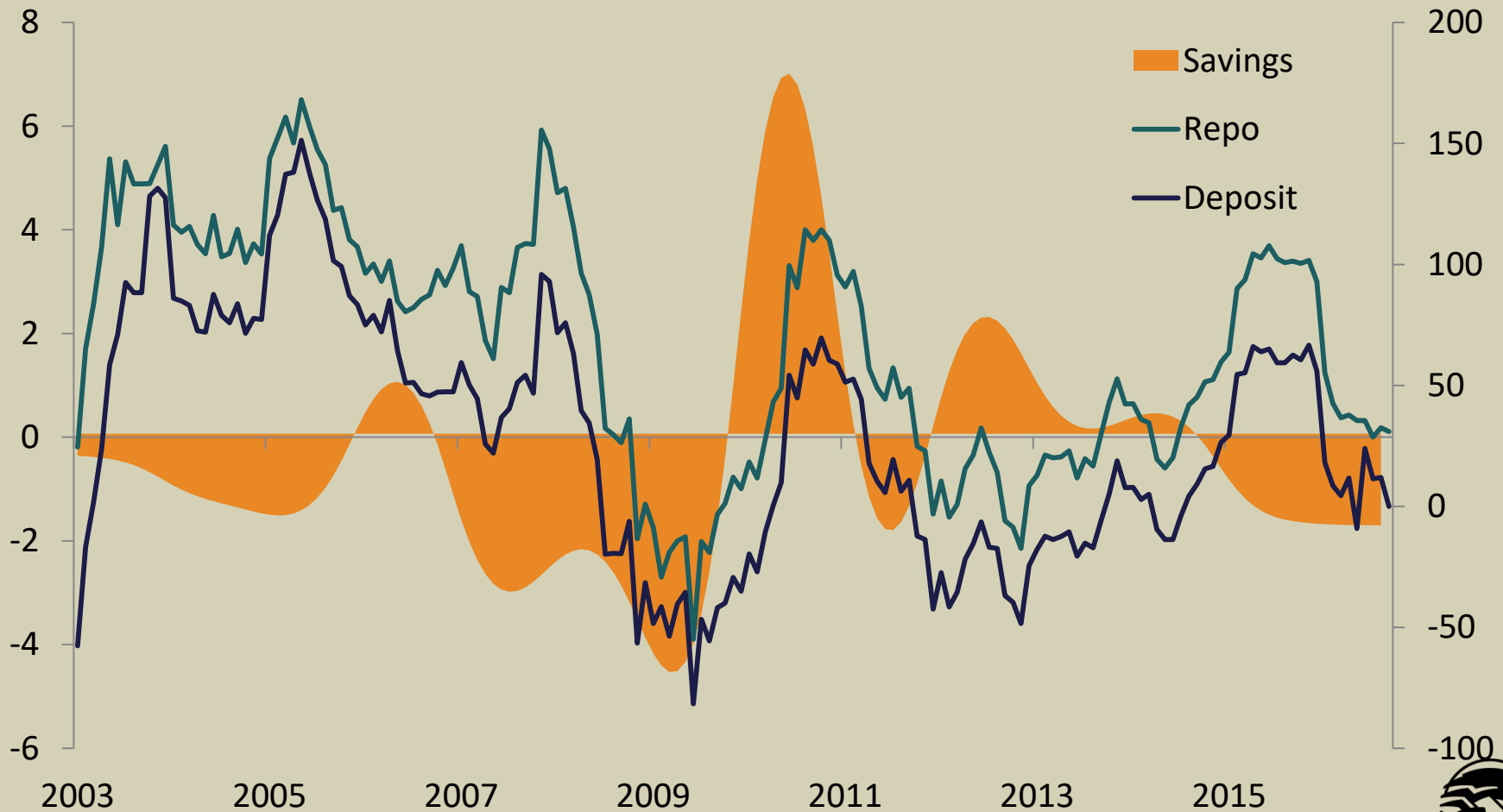
## Interest rates may lift further



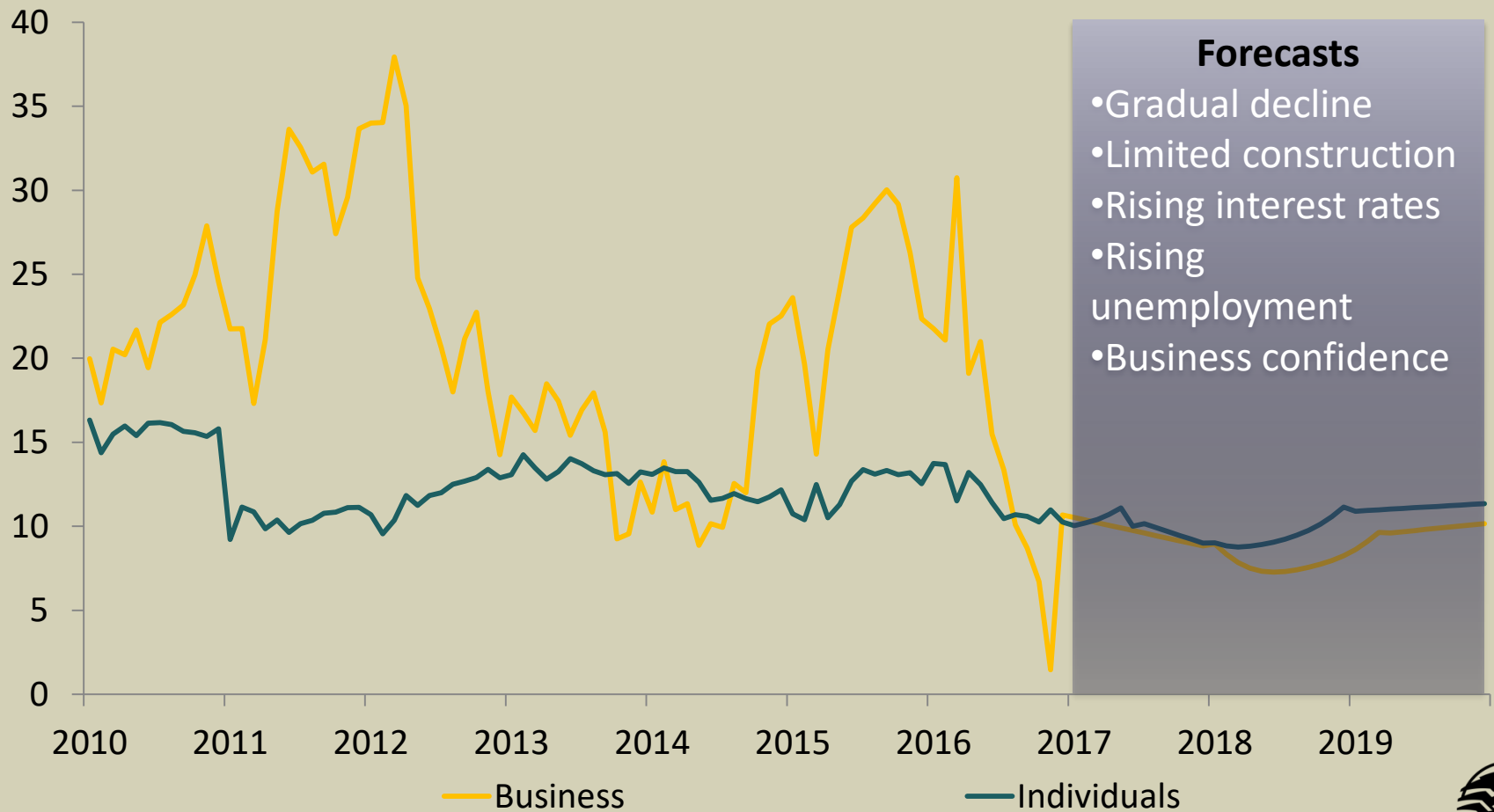
## Rising DTI a concern



# Consumers Tapping Into Savings



# Mortgages



# Summary

- Falling household size
- Rising housing demand
- Weak housing delivery (4.9% pa)
  - NHE
  - Tipeeg
  - Mass housing
  - Harambee prosperity plan
- Rising improvised housing (14.2% pa)

A modern, multi-story building with a dark facade and large windows is illuminated at night. The building features the logos of FNB, RMB, and WesBank on its left side. The sky is a deep blue, and streetlights in the foreground create a warm glow. Palm trees are visible in the foreground.

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# House Price Index



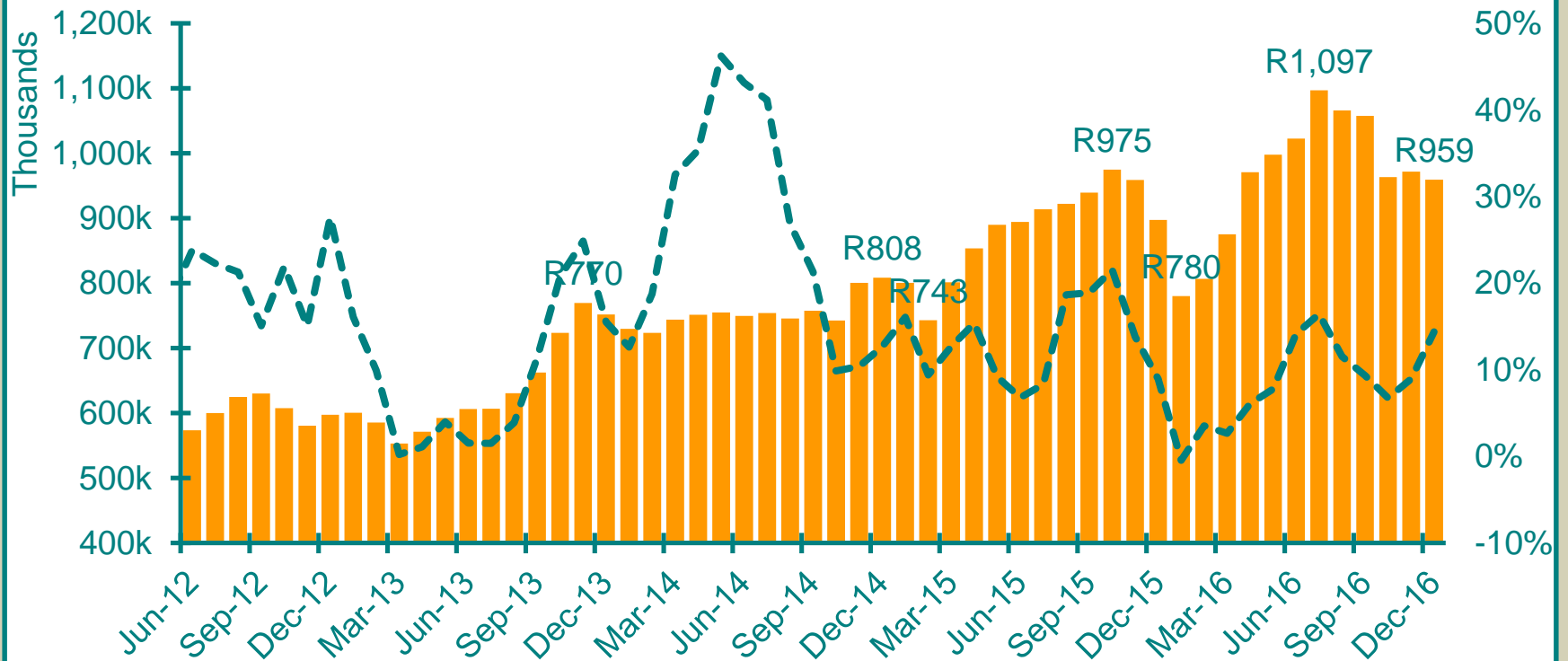
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# Index Methodology

- Collect from Deeds Office
  - Hard copy
  - Bonds
    - Bonded value
  - Exclusions
    - Further bonds
    - Transactions under N\$100k (2007)
    - Cash transactions
    - Sectional bonds
    - Rehoboth transactions
- 60,672 Data points
- Use medians because of high income inequality
- Weight by area (2007)
- Supported by quarterly EAS

# FNB House Price Index

## Overall House Prices

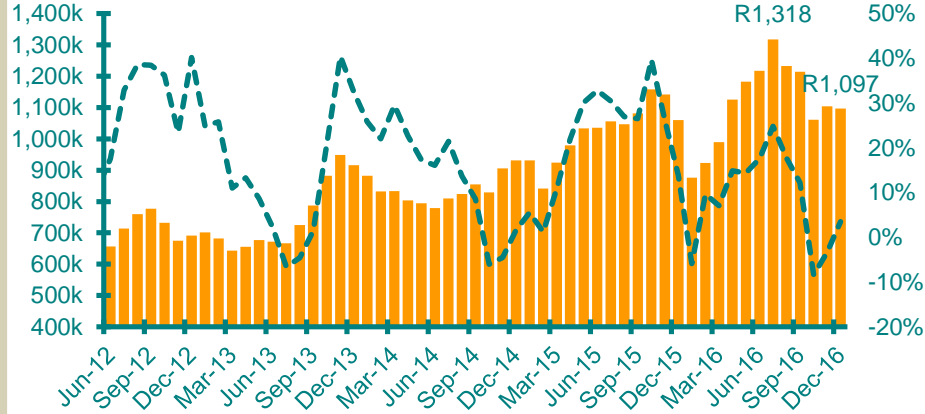




# Regional Downward Trend

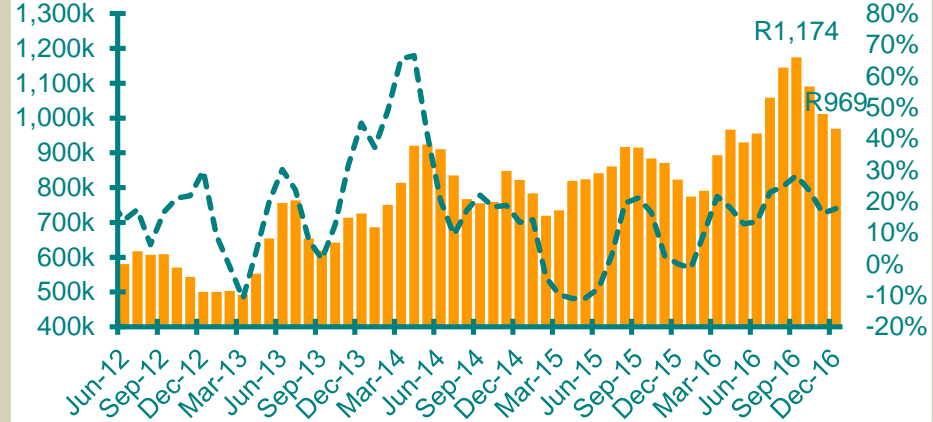
## Central Property Market

### Central House Prices



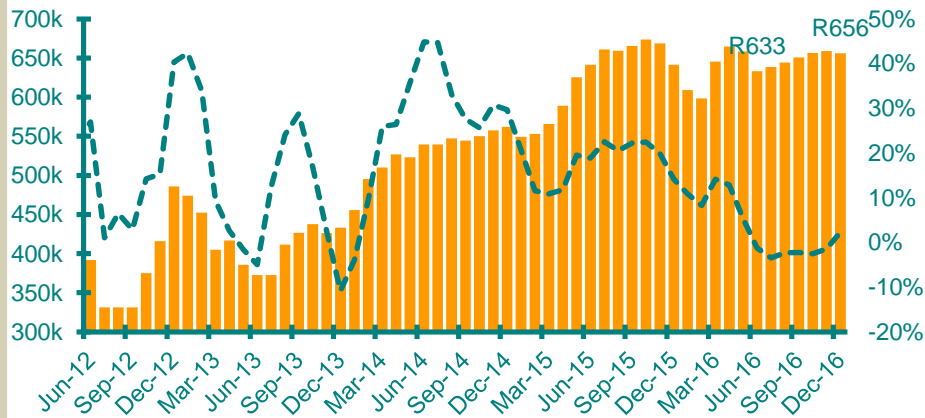
## Coastal Property Market

### Coastal House Prices



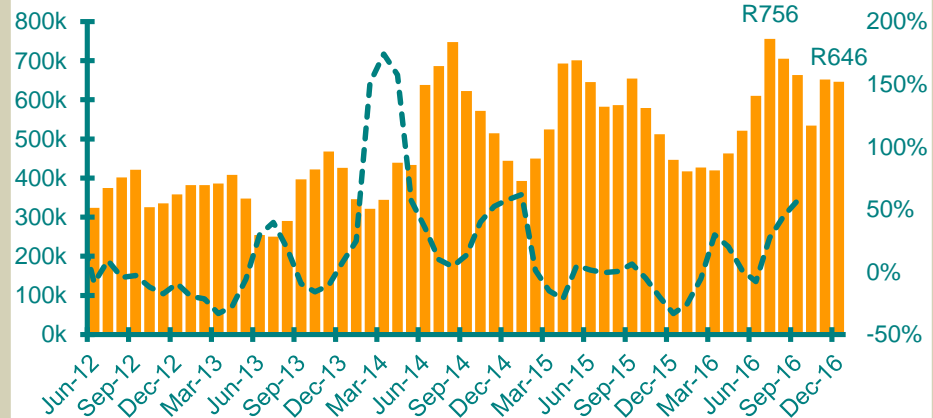
## Northern Property Market

### Northern House Prices



## Southern Property Market

### Southern House Prices



A photograph of a modern, multi-story building at night. The building's facade is dark with vertical panels and large windows. On the left side of the building, the logos for FNB, RMB, and WesBank are illuminated. The sky is a deep blue, and streetlights in the foreground create a starburst effect. Palm trees are visible in the foreground.

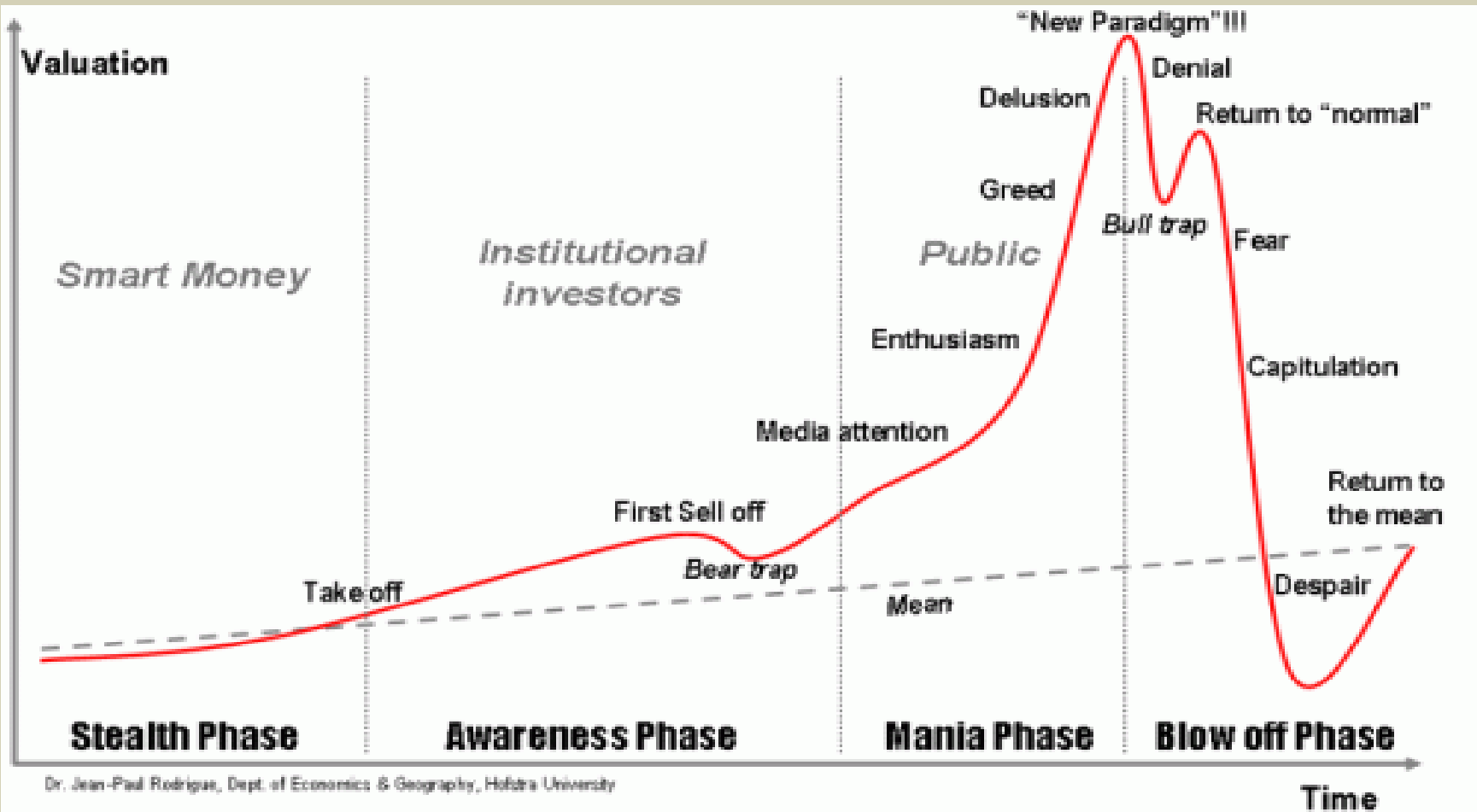
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# Housing Bubbles



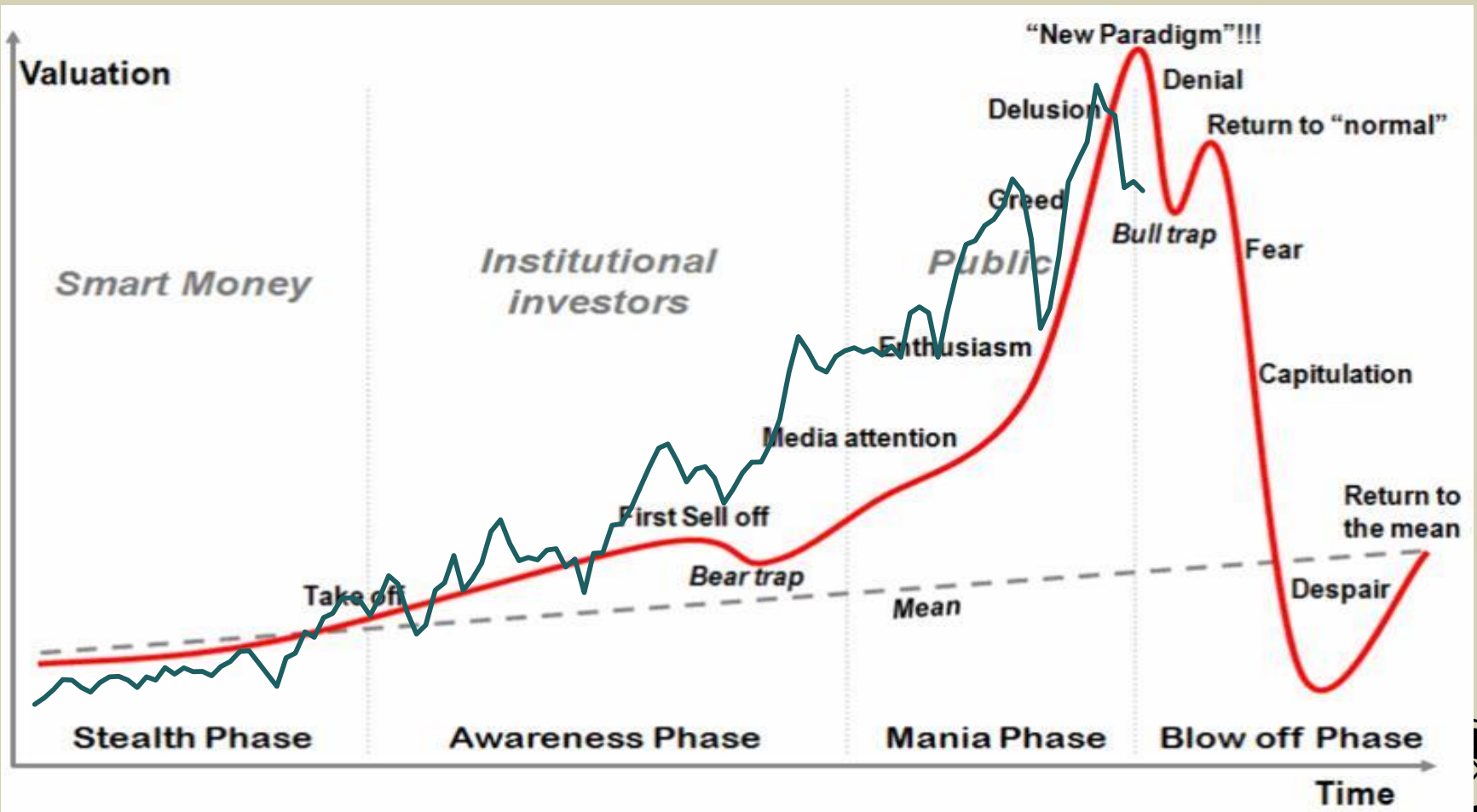
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# Jean-Paul Rodrigue Bubble Model



Dr. Jean-Paul Rodrigue, Dept. of Economics & Geography, Helder University

# Where Are We On The Bubble Curve



# Easily misleading.....

- Household indebtedness
- Slowing economy
  - Fiscal consolidation
  - Commodity prices
- Negative employment growth
- Falling disposable income
  - Negative employment growth
  - 150bps rise in interest rates
  - High interest rates
- **Increased supply outstanding**
- Change in policy environment
  - BoN deposit requirements on secondary properties
- **Poor banking sector liquidity**
  - **Securitization creeping into the market**
  - **The last straw in the housing bubble of 2007**

# The Way Forward

- **Densification**
- **Increase housing delivery**
  - **Social segment (82,000 units)**
    - Inclusionary developments
    - Government subsidies
    - Under the SDFN model
  - **Low income segment (42,000 units)**
    - Inclusionary development
    - Scaled up SDFN structure
    - 50% Government subsidy on top structure
  - **Middle income segment (9,000 units)**
    - Core housing
    - 100% commercial basis
- **Cost government N\$7.9bn to implement**



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