



HOUSING BRIEFING DOCUMENT

HOUSING DEVELOPMENT IN ZAMBIA WITHIN THE FRAMEWORK OF
ACHIEVING SUSTAINABLE DEVELOPMENT GOAL (SDG) 11

PREPARED BY:

RESEARCH:

Esther Nchimunya Nyemba (Researcher), with the support of **Bernadette Deka** (Executive Director)

TECHNICAL REVIEW:

Salim Kaunda (Head of Research and Analysis) , **Akabondo Kabechani** (Head of Monitoring & Evaluation) and **Chileshe Chaunga** (Researcher)

EDITORIAL TEAM:

Brian Sambo Mwila (Communication Specialist) **Layout and Design**

Melody Simukali (Head of Communication and Grants) **Editorial**

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ABBREVIATIONS

NHA	National Housing Authority
PPPs	Public Private Partnerships
SDGs	Sustainable Development Goals
ZIPAR	Zambia Institute of Policy Analysis and Research



SUMMARY

The quest for development, with a focus on Sustainable Development Goal (SDG) number 11 is unique because it deals with cross cutting issues of space, living conditions and functions of the local government. SDG number 11, aims to make cities and human settlements inclusive, safe, resilient and sustainable. However, this paper focuses on one of its targets that concentrates on housing development and planning. This target entails the provision of sustainable and affordable housing to citizens and the upgrading of slums. It further requires integrated and sustainable participatory urban planning for better cities and human settlements. To achieve this, the paper will analyse various legislation that have been put in place to foster housing development in Zambia.

INTRODUCTION

As Zambia works towards achieving Sustainable Development Goals (SDGs), attention should also be towards SDG 11, with reflection on how achievements of this particular goal can impact people's living conditions. This goal has unique targets that the country should strive to achieve which have a focus on the effective use of land for housing development, access to sustainable and affordable housing¹ and an enabling policy environment for housing development.

SDG number 11 sets to achieve inclusive, safe, resilient and sustainable cities and human settlements by 2030. Zambia's ratification of the SDGs comes at the time when the country is experiencing rapid urbanization. Zambia has been viewed as one of the most urbanized countries in Sub-Saharan Africa; this urbanization however has come with some challenges in the housing sector such as inefficiencies in the housing market, housing infrastructure lagging behind required stocks and low levels of living standards.

The inability of the urban development dynamics in the housing sector to cope with increasing urban housing demand has led to the shortage of affordable decent housing and poor infrastructure for social service delivery (water, sanitation and waste management). This shortage has over the years resulted in the continuous development of unplanned settlements in the periphery of major urban towns and cities. The realization of **better housing and urban planning will lead to Zambia achieving SDG number 11** through the enhancement of effective urban service delivery to urban population and acceleration of economic growth.

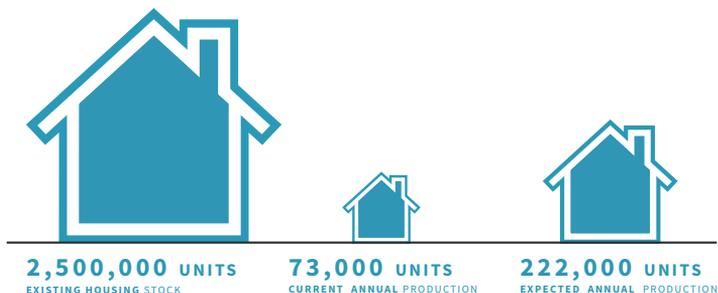


MAP OF ZAMBIA

1. 11.1 by 2030 ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

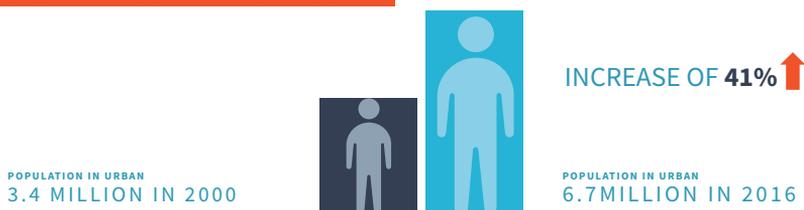
SITUATIONAL ANALYSIS OF HOUSING IN ZAMBIA

Currently like any other urbanizing country, the Zambian housing sector is experiencing challenges of shortages in decent and affordable housing and the growth of unplanned settlements. These shortages are mostly attributed to inefficiencies of the housing market to meet the housing demand, lack of sustainable housing finance and population increase. According to a study conducted by *Zambia Institute of Policy Analysis and Research (ZIPAR)* in 2014, **Zambia has a housing stock of 2,500,000 units and an annual housing production of 73,000 units which is below the expected annual production of 222,000 units per year. The current housing production has led to a housing deficit of 1,539,000 as at 2014 and failure to increase housing production might lead into a deficit of 3,328,904 units by 2030.**



This housing shortage especially in urban areas over the years has been worsened due to the post-independence rural-urban migration. According to the Central Statistics Office, **Zambia's population in urban areas has over the recent years increased drastically from 3.4million people in 2000 to 6.7million in 2016.** This growth shows a 41% increase in the urban population. In urban areas the hindering factors to housing development include, limited capacity of sustainable public-private partnerships to deliver affordable housing, prohibitive land prices and lack of financing mechanisms. These challenges are more pronounced among the low income urban households, con-straining them from formal ownership of decent housing.

ZAMBIAN POPULATION IN URBAN AREAS



Furthermore, in order to understand the dynamics of the shortages of housing in the country, it is important to look at the pre-and post-independence policies in the provision of housing in the country. It should be noted that before and immediately after independence, the Central Government, private sector and parastatal companies had the mandate to provide housing for employees therefore a few people owned houses. In the 1990s all the state owned houses and those built by the National Housing Authority were sold under the Presidential Housing Initiative. The sold stock did not manage to build new housing units because the money realised from the sale of the housing units was not enough to build more units and this led to the introduction of housing allowance for all employees. With the given background on the housing situation in the country, the following are the various legislations that have been put in place to address the housing challenges.



LUSAKA - ZAMBIA



The housing development policy environment in Zambia is still in its infancy stage with most of its legislation under review or recently implemented. Zambia has over the years developed policies and Acts to foster the development and supply of low cost affordable housing for its population especially in urban areas but these policies have yielded little results due to high land prices and costly building materials. The following are among legislation that support the housing sector in Zambia; Housing Policy, Urban and Regional Planning Act, Legislation on Land, as well as the establishment of National Housing Authority (NHA).

1. Housing Policy



54 years after independence, Zambia's housing sector does not have a functional Housing Policy to provide guidance for the sector's development. In order to address the shortfalls of the housing supply, the government formulated a Housing Policy in January 1996. The main goal of the policy was to provide adequate housing for all income groups.

The goal of the policy was to be achieved through some of the following notable objectives:

- An allocation of 15% of the annual National Budget for the support of sustainable housing development;
- Making available serviced land for housing development that meets the needs and capabilities of various income groups of the population;
- Encourage the use of local and affordable building materials which will enable low income households acquire decent shelter; and
- Promote housing areas with functional, healthy and environmentally friendly systems.

Upon the adoption of the policy, several gaps were recognised and suggestions were made for its review and amendments. The policy was later reviewed in 2007 to provide for the active participation of the private sector through Public-Private Partnerships (PPPs) to improve housing supply.

In 2015, the review of the policy began with expectations that the new policy would be a better blue print for housing development and responsive to challenges of access to land, housing finance, social services and technological options that have for a long time been hindering the housing sector from functioning effectively. Secondly, the reviewed policy would further enhance the creation of an environment that is suitable for the participation of both the public and private sector in the provision of affordable housing.

Currently, the housing sector lacks a functional policy and implementation strategy to guide its development other than the Urban and Regional Act of 2015. The absence of the required Housing Policy has posed a challenge in the planning and development of the sector, as the Urban and Regional Planning Act provides for planning of settlements, required social services and it does not provide for the type of houses to be built.

Furthermore, lack of constant financing for housing development as provided for in the 1996 Policy has led to low housing production in the country and serviced land for housing development. It was suggested that the first batch of housing units that were built and sold under this policy were undervalued the money realised from their sale was not enough to continue the housing development and the 15% annual budgetary allocation was not fully implemented.

2. Urban and Regional Planning Act



Zambia's settlement planning and development is governed by the Urban and Regional Planning Act No, 3, 2015, this Act replaced the Colonial Town and Country Planning Act CAP 283 and the Housing (Statutory) Improvement Areas CAP 194.

The Urban and Regional Planning Act despite not having an operational strategy provides for the following in its implementation:

- Development, planning and administration of principles, standards and requirements for urban and regional planning processes and systems.
- Provide a planning framework, guidelines, systems and processes for urban and regional planning.
- Establish a transparent, accountable, participatory and inclusive process for urban and regional development that allows for the involvement of all players in the housing sector in the planning, implementation and operation of human settlements.
- Ensure sustainable urban and rural development by promoting environmental, social and economic sustainability in development initiatives and controls at all levels of urban and regional planning; ensure uniformity of law and policy with respect to urban and regional planning.
- Establish procedures for integrated urban and regional planning in a devolved system of governance so as to ensure multi-sector cooperation, coordination and involvement of different levels of ministries, provincial administration, local authorities, traditional leaders and other stakeholders in urban and regional planning.

Currently, the Act has not attained full implementation due to lack of urban and regional planning regulations. The regulations are supposed to provide for the operationalisation of the Act, but since its adoption only few parts of the Act have been operationalised while others which are new can only be operationalised through a regulatory framework. Such parts include the provision for local authorities to be planners for their areas. Section 13 of the Act stipulates that; “local authorities shall for the purpose of this Act be designated as planning authority for its area by the minister through a statutory instrument, to regulate, control and plan for development, use of land and provision of services as required by the area”. The advantage of this provision if fully operationalised will foster quick delivery of development that is currently hindered by bureaucracy. Planning for land for housing, service delivery and infrastructure are done at provincial level.

3. Legislation on Land for Housing Development

Urbanization has posed challenges in land development for housing and infrastructure development such as, cost of land, illegal conversion of land use and inaccessibility, as well as the cumbersome procedures of acquiring land especially for low income households. Land has a direct relationship to housing development; it is difficult to achieve housing development without land development.

The land to housing relationship exists in terms of land tenure, distribution and land development, as well as land affordability. Currently, land in Zambia has an economic market value unlike in the past. The lack of a coherent national land policy throughout the 50 year long post-colonial era has contributed to the indiscriminate use of land and poor land development practices that have for a long time needed correction.

Land use management, valuation, as well as development functions are carried out by Ministry of Local Government under the Urban and Regional Planning Act 2015, while land administration is guided by the Land Act No 29, 1995. The Land Act provides for the continuation of the leasehold tenure and the vesting of land in the hands of the presidency. The Act further provides for the statutory recognition and continuation of the customary tenure. Land administration in Zambia is under two tenure systems namely; statutory (state) and customary (traditional). Finally, the Act has provided for the conversion of customary land into statutory tenure (leasehold tenure) and the establishment of a Land Development Fund.

It is assumed that land for housing development should be provided for in the Land Act, but it instead provides for land tenure and land titling. Land for development has been planned for by local Authorities, who develop and service the land for sale to the general public as provided in the 1996 Housing Policy. But in the recent years the council and other private land sellers have been selling unserviced land to the general public.

The other flaw of the Land Act has been its lack of pro-poor provisions and in most cases it favours the private sector. The non-specification on land tenure for foreigners who in recent years have occupied huge pieces of land meant for Zambians is one of other notable weaknesses of the Act. Furthermore, the land tenure system provided for in the Land Act has continued to exclude other sections of society from enjoying their property and land rights. The customary land tenure system has continued to treat occupants under its system as mere occupants, where their property and land are not legal, thus the need for a policy to provide for the existing gaps in the sector.

4. National Housing Authority

National Housing Authority (NHA) is a statutory body that the government established in 1971 through an Act of parliament to address public housing challenges. At its establishment, the NHA was given various mandates to carry out and below are the notable ones;

- **Provide housing for the country** and clear unplanned settlements.
- **Make recommendations and proposals** to the Minister of Local Government with regard to the formulation and implementation of Government policy on housing.
- **Make reports** on current and future housing requirements.
- **Carry out research** of building materials and techniques that promote cheap housing and advise local authorities on the preparation of the programmes for construction of houses and to carry out such projects.

Since its existence for over 30 years, the NHA has faced a lot of challenges in its operations, among them are lack of sustainable cheap financing for the provision of social housing. The high interest rates have translated into the provision of expensive housing units that the Authority has been selling at market prices which are not affordable to most Zambians.

The photos below depict the various housing units that characterize the housing sector in Zambia



PHOTO: John laing Township in Lusaka



PHOTO: Behind SOS Village Lusaka



PHOTO: National Housing Authority Houses in Mandevu



PHOTO: Misisi Township in Lusaka



PHOTO: Senior Township in Ndola



PHOTO: Police Housing Camp in Chelstone

1. Lack of fully functional legislation to support the sector

The housing sector is characterized with lack of functional legislation in relation to land and housing. Firstly, the country lacks a national land policy which has led to poor land development practices such as land grabbing, land encroachment and continued building of infrastructure in unplanned areas. The land sector is governed under an Act which provides for the recognition of existing land tenure system, creation of land development fund and a land tribunal. In its provisions, the Land Act does not provide a comprehensive road map for land meant for housing and other infrastructure development which has led to the continued expansion of unplanned settlements in the urban periphery.

The housing sector has lacked comprehensive legislation for its development. For instance, since late 1990s the housing sector has lacked a principle policy to provide for its development while the 1996 policy has undergone review twice in 2007 and 2015. In order to cushion the housing situation, the Government has created a Ministry specifically for Housing and Infrastructure Development. It is expected that the created Ministry completes and implements the Housing Policy which will provide a clear roadmap for housing finance and development. A policy on housing will enable the recognition of housing as an important socio-economic fundamental right for all income groups.

2. Limited access to finance

Zambia's housing sector faces a challenge of limited finance for its development, the provision of finance from both Central Government and financial sector is limited. While the National Housing Policy of 1996 has been in existence for a long time with amendments over the years, its provision of the 15% of the budgetary allocation to the sector has not been fully realised through the Central Government. Secondly, the mortgage market is small composed of a few commercial banks and micro financial institutions giving out mortgages. There are challenges that citizens face when accessing mortgages, lack of title deeds for those who live in unplanned settlements, secondly, while the mortgage sector has experienced some steady growth in recent years, it is still expensive to access a mortgage because of high interest rates range between 14-17% which is expensive for most of the citizens.

3. Distortions of the estates property market

The emergence of real estate agents in the Zambian property market has led to distortions

in the markets such as lack of general organisation in the sector. These distortions have been worsened by the withdrawal of local authorities' role in the determination of rentals ever since the government sold all the state-owned houses to sitting tenants and the lack of inclusive financial instruments such as mortgages for purchasing properties such as housing and land. The existing free market policies in the country has led to property buyers lacking some form of protection against exploitation from both sellers and agents in the real estate market. With such distortions, there is need for regulations in the fledging market.

RECOMMENDATIONS

1. Housing for low to moderate income households

With few exceptions the problem of housing affects the poor who are unable to afford proper housing at prevailing market prices and qualify for housing finance from financial institutions. Thus policies to improve the housing situation in Zambia must focus on the delivery of low cost housing to satisfy the needs of low to medium income households.

2. Housing Policy

In any housing development, it is vital to have clear guidelines on how a country can meet housing needs. It is clear from the increasing number of people living in unplanned settlements and the conditions of these settlements that there have not been successful housing policies implemented over the years. According to the World Bank (1999), policies are a key driving factor for the increase in supply of housing and that resources allocated to housing can only be translated into improvements of poor housing conditions and lagging supply for housing especially for the urban poor. It is expected that the Ministry of Housing and Infrastructure Development finalizes the policy which is in its final phases of development for implementation.

3. Private sector participation in the housing sector

The most important element in the housing sector like any other sector is the drive to improve housing through private sector participation. It is in this view that the policy environment in the housing sector should foster the promotion of the greater participation of the private sector. This will entail the reduction in the role of the Government in housing provision but not limited to the provision of appropriate guidelines of standardization, conducive environment for private sector participation and provision low cost housing.

4. Housing Financing

It is evident from the shortage of housing in the country that the 1996 Housing Policy did not meet the desired outcome due to failure to adhere to budgetary allocations to the sector (15% of the annual budget), as well as the failure of the Presidential Housing Initiative to sustain itself through income generation. Therefore, the new policy should be able to have a sustainable financing strategy that will not entirely depend on the National

Budget due to various existing budgetary constraints but on other sources such as Public-Private Partnerships and Housing Levy for those in formal employment.

5. Incentives for private sector participation

Existing tax policies and investor incentives in the sector need to be improved in order to minimize the various investment risks that entrepreneurs in the housing sector are exposed to such as exchange rate fluctuations and calamities that come with climate change to enable their full participation in the provision of decent affordable housing in the sector.

6. Land for Housing Development

The realization of proper and sustainable housing development requires the availability of serviced land. Constraints exist in the housing sector in the acquisition of land or land use meant for housing development which include; slow and bureaucratic public land allocation system and illegal allocation of land. The provisions of the Land Act 1995 are clear and categorical that no unauthorized persons should be allowed to demarcate and sell land. It is this view that the law should be stiffened to actualize the provisions of the Land Act. Secondly, the Ministry of Local Government in collaboration with the Ministry of Lands and Natural Resources and Ministry of Housing and Infrastructure Development should work together to ensure quick and effective provision of title deeds and sale of serviced land in order to enhance land tenure and reduction of encroachment of land meant for housing development.

7. Land Policy

In order to achieve sustainable housing there is need for a Land Policy to provide for land needed for housing development. The Land Policy should be able to enhance equitable access to land and a secure land tenure system for the citizens. The policy should further provide for a clear roadmap on who is eligible for the 99years land tenure system and its applicability to Zambian citizens and foreign nationals. This is an urgent requirement emanating from the rate at which foreigners are occupying large pieces of land at the expense of poor citizens and the need to secure land for future generations. At its validation stage, it is expected that Ministry of Lands and Natural Resources fastens the process for actual implementation.

8. Research and Development

As a service to the housing sector, the Ministry of Housing and Infrastructure Development in conjunction with NHA should undertake annual housing assessment studies to identify the level of demand and the types of housing on demand. This will guide proper planning for housing and provision of right housing units for the right people. Research and Development in the housing sector should be carried out to assess cheap and durable indigenous building materials. Building materials in Zambia constitute a large proportion of about 85% of the total housing cost and 5% of these materials are imported resulting in building being expensive.

CONCLUSION

Zambia has for a long time been facing significant shortage of housing, particularly in the urban areas. Both the Government through its statutory bodies and the private sector have lagged behind in providing the scale of decent housing at affordable costs, resulting in the majority of the housing stock developed by owners mostly in unplanned settlements. The participation of the private sector in the housing sector should be enhanced through the provision of serviced land by local municipalities for the promotion of affordable housing which will benefit the public. Lastly, there is need for the Government to promote the production and use of locally produced building materials which will enhance the reduction in the cost of building. With the current legislation and commitment shown by the Government through various legislations and projects for the provision of housing for Zambians, the country will score some significant achievements towards SDG 11 targets.

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Correspondence on this Briefing Document can be sent to:
info@pmrczambia.net

Policy Monitoring and Research Centre (PMRC)
Plot No. 36C Sable Road, Kabulonga, Lusaka, Zambia
Private Bag KL 10
Tel: +260 211 269 717 | +260 979 015 660

www.pmrczambia.com

