

Rental Housing in Zambia

An Option for Improving National Housing Conditions



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Introduction

Through the government policy of 1996, all the public housing namely; council, government, and parastatal houses have since been sold to the respective sitting tenants. This move has empowered many and denied others of adequate housing (NHA 2005).

Those denied include graduating students and new employees, newly formed households, migrants, temporary residents, and those who have difficulty in building their own homes especially female headed households. Also included are those that refuse owner occupation because rental housing often provides them with a superior form of shelter in the short term (Habitat 1995).

The author of this report hopes that rental housing, especially that which is provided for and built by established institutions in Zambia should be revived because there are so many tenants who should not simply be ignored. And that if given a more positive approach rental accommodation might actually improve housing conditions.

This report aims to stimulate interest for encouraging rental housing to the Government (as a policy maker), the National Housing Authority (as a major housing provider), all the financial institutions and building societies, and the prospective tenants. It is aimed at bringing to light that rental housing is constituting a large component of the housing stock in Zambia and that strategies

need to be developed now in order to create more housing opportunities and better living conditions for all (Habitat 1995).

1 Shelter Situation Analysis

1.1 Basic General Data

Zambia is a landlocked country in south-central Africa which covers a total surface area of 752, 614 km². It is surrounded by Angola, Zaire, Tanzania, Malawi, Mozambique, Zimbabwe, Botswana, and Namibia. The country is mostly a plateau that rises to 2,434 m (8,000 ft) in the east. There are nine provinces namely; Central, Copperbelt, Eastern, Luapula, Lusaka, Northern, North-Western, Southern and Western Provinces.

Early humans inhabited present-day Zambia between one and two million years ago. Today the country is made up almost entirely of Bantu-speaking peoples. Empire builder Cecil Rhodes obtained mining concessions in 1889 from King Lewanika of the Barotse and sent settlers to the area soon thereafter. The region was ruled by the British South Africa Company, which Rhodes established, until 1924, when the British government took over the administration.

From 1953 to 1964, Northern Rhodesia was federated with Southern Rhodesia (now Zimbabwe) and Nyasaland (now Malawi) in the Federation of Rhodesia and Nyasaland. On Oct. 24, 1964, Northern Rhodesia became the independent nation of Zambia. In the 1980s and 1990s, declining copper prices and a prolonged drought hurt the economy.

Demographic facts and figures (July 2008) indicated that the population stood at 11,669,534 people. The age structure distribution from 0 to 14 years was 45.4% male to 54.6% female, and 15 to 64 years was at 52.3% male to 47.7% female. Above 65 years it was 2.4% male and 97.6% female. Health indicators such as infant mortality rate were 100.96 deaths per 1,000 live births and life expectancy at birth 38.59 years (CIA 2008).

Economically, the country depends on copper and cobalt mining. Copper accounts for approximately 80% of the national export earnings. However, the export earnings declined due to unfavourable copper prices at London Metal Exchange (LME) in 1975. The decline has resulted in the poor performance of the

real sectors of the economy that mainly rely on imported raw materials and equipment (CSO 2000).

1.2 Shelter Related Fact and Figures

The 2000 Census gave a total of 1,768, 287 housing units, which were classified as traditional, mixed, conventional flat, conventional house, mobile house, part of commercial building, improvised/make shift, collective/institutional, unintended and others. The most common type of housing unit in Zambia is traditional housing constructed with mud-brick walls and this type constituted a 62.4 % of the total housing units. Rural areas have the highest percentage falling at 86 % whilst urban areas have 14 % as traditional housing. The majority of housing units in Lusaka Province (82%) and Copperbelt Province (64%) are conventional (CSO 2000). Even with the above quantity of housing units having been recorded, a backlog of 846,000 units had been noted by 1996. This backlog has continued to grow and it is estimated to be at above 1.0 million (NHA 2005).

In terms of occupancy, above 78% of housing units in Zambia were occupied by a single household and 1.9% were shared. About 6% of households lived as one household in many housing units and 5.5% of households lived in non-residential structures. Those living in housing units with one living room only constituted 77% while 18.3% lived in housing units with no living room at all.

A detailed analysis of the housing stock with regard to status of tenure shows that there are houses purchased, mortgaged, freely acquired, inherited, and self built in Zambia. Of these houses 80 percent are self-built, 12 percent purchased, 4 percent are acquired freely and 2.7 percentages are inherited. Until 2005, mortgaging has been rare in Zambia (CSO 2005).

Table 1: Method of acquisition of housing units in Zambia.

Residence Province	Total units(No.)	Purchased (%)	Mortgaged (%)	Freely Acquired (%)	Inherited (%)	Self Built (%)	Other (%)
Zambia	1,467,446	12.0	0.5	4.0	2.7	79.9	0.8
Rural	1,118,313	2.4	0.3	4.2	2.0	90.6	0.6
Urban	349,133	42.9	1.3	3.4	4.9	45.9	1.5
Central	144,653	7.8	0.3	2.9	2.3	86.1	0.6

Copperbelt	199,214	47.4	1.0	3.1	4.3	43.1	1.3
Eastern	231,008	2.1	0.2	3.5	2.2	91.5	0.5
Luapula	147,830	7.9	0.4	4.9	2.3	84.0	0.5
Lusaka	113,416	22.1	1.7	4.0	6.0	64.4	1.7
Northern	232,019	5.3	0.3	4.5	1.7	87.7	0.5
North-west	99,882	2.6	0.3	6.2	1.9	88.2	0.9
Southern	162,156	7.2	0.3	2.8	2.0	87.2	0.7
Western	137,268	1.8	0.6	5.7	2.6	88.2	1.1

Source: 2000 Census of Population and Housing in Zambia.

Table 1 shows that almost 91% of houses in rural areas are self built compared to 45.9% in urban areas. It can also be seen that there is very little difference in percentages of housing units purchased and self built in urban areas. Mortgaging though not common is higher in urban than rural areas.

According to the 1996 National Housing Policy, the performance of housing sector has been adversely affected by unfavorable macro-economic situation, characterized by high inflation and interest rates. Housing finance and building materials are very expensive and unaffordable. Such a situation has a negative impact on the quality of housing and the rate of housing output and in turn adversely affecting the construction industry and employment generation. However, the census of 2000 shows that the total number of housing units has increased over the 10 years from 1,321,062 in 1990 to 1,768,287 in 2000.

Another detailed analysis of the housing stock with regard to status of tenure shows that many units were rented out. And the data collected on rental types, a question was asked to find out if the occupied housing unit was rented from the employer of any of the household members or not (CSO 2005).

Table 2: Housing unit by rent status residence and province Zambia.

Residence Province	Total units(No.)	Rented from employer (%)	Not rented from employer (%)	Total (%)
Zambia	740,762	6.6	94.4	100
Rural	93,616	15.9	84.1	100
Urban	647,146	5.3	94.7	100
Central	39,725	9.4	90.6	100

Copperbelt	172,056	7.6	92.4	100
Eastern	29,677	8.0	92.0	100
Luapula	20,533	10.2	89.8	100
Lusaka	361,209	3.3	96.7	100
Northern	32,709	12.9	87.1	100
North-west	13,333	13.0	87.0	100
Southern	58,132	13.7	86.3	100
Western	13,388	13.5	86.5	100

Source: 2000 Census of Population and Housing in Zambia.

1.3 Housing Policy

From 1964 to 1995, there existed no comprehensive National Housing Policy. It was only in 1996 that one was formulated to provide a vision for the development of adequate and affordable housing for all income groups in the country. The housing policy was drawn up after a comprehensive assessment of the housing situation in the country through a consultative process with many people and many stakeholders throughout the country. The actions recommended in the policy document when implemented would lead to a systematic provision of shelter to all people (MLGH 1996).

The main goal of the housing policy was to provide adequate and affordable housing for all income groups in Zambia. To achieve this goal the following objectives were to be attained:

- an allocation of a minimum of 15 percent of the national annual budget to housing to support a sustainable housing development programme;
- making serviced land available for housing development and streamlining the land allocation system;
- streamlining of building standards, regulations and other controls so that they accord with the capabilities, needs and aspirations of various sections of the population;
- encouraging the production and use of local and affordable building materials;
- assisting the poor to acquire decent shelter through alleviation of their affordability problems;

- fostering housing areas that are functional, healthy, aesthetically pleasant and environmentally friendly; and
- the preparation of a national housing implementation strategy.

It was envisaged that implementation of this housing policy would be a starting point for Zambia's sustainable march with the rest of the world towards "shelter for all" by the year 2010. Implementation of this policy would also serve as a catalyst to the resuscitation of the moribund construction industry and the economy at large (MLGH 1996).

2 Organisation

National Housing Authority (NHA), the organization in which the author of this report is employed as an architect, was established in 1971 by an Act of Parliament Cap 426 of the Laws of the Republic of Zambia to make better provision for the development and control of housing through out the Republic.

Among the specific functions include:

- to make recommendations and proposals to Government with regard to formulation of policy on housing.
- to undertake, support and encourage research into all aspects of housing, with particular emphasis on low cost housing development.
- to provide consultancy services in all fields associated with housing development. These include town planning, land surveying, architecture, engineering and quantity surveying services and;
- to develop, manage and control housing estates.

The activities of the authority are co-ordinated by the Board of Directors whose membership is drawn from private and public institutions. The board is responsible for corporate policy formulation. The Chief Executive Officer heads the management and is assisted by six directors responsible for consultancy; construction; finance, real estate management marketing and sales; social housing; and infrastructure; and legal/administration respectively. These are supported at the implementation level a by a multi-disciplinary team of professionals, technicians and tradesmen (NHA 2008).

National Housing Authority has had funding problems and with limited resources is only able to create about 300 housing opportunities per year against a requirement of 100,000 per annum and consequently the authority is ever inundated with requests for more housing either for rent or outright purchase (NHA 2005).

Working as an Architect in the Consultancy Division of the authority, the author carries out two major tasks;

- to design the various house types that would be adopted for construction
- to timely supervise the construction of the houses.

3 Shelter Problem

Housing is recognised world wide as a basic need. Inadequate housing can have negative impact on the environment, health and the general well being of individuals and communities. And as seen in the preceding chapters, the housing need in Zambia is high and growing. Equally the housing demand (housing need with capacity to pay) is very high and growing (NHA 2005).

The UNCHS (Habitat) acknowledges that despite the years of effort and financial expenditure that so many governments have spent in trying to expand homeownership, rental housing still constitutes a large component of the housing stock in many countries. While the incidence of renting varies considerably across the world, rental housing accommodates a significant share of families in some countries; including two of the world's most developed societies, Switzerland and Germany. In Zambia, the bulk of it is in the informal sector since that which was provided for formally by the councils, parastatals and other manufacturing companies have since been sold.

Table 3 shows that tenants and other non-owners outnumber homeowners in some of the world's major cities, including Amsterdam, Berlin, Cairo, Kumasi, Los Angeles, Montreal and New York. Other cities include Brussels, Stockholm, Geneva and Zurich (Rental Housing 2003).

Table 3: Housing Tenure for selected cities, percent (1994-2001).

City	Country	Year	Ownership	Renting	Other
Africa					
Alexandria	Egypt	1996	38	62	
Cairo	Egypt	1996	37	63	
Addis Ababa	Ethiopia	1998	38	60	
Kumasi	Ghana	1998	26	57	
Kisumu	Kenya	1998	14	82	
Tripoli	Libya	1995	67	34	
Lagos	Nigeria	1998	49	49	
Cape Town	South Africa	1996	55	44	
Johannesburg	South Africa	1996	55	42	
Pretoria	South Africa	1996	63	35	

Source: *Rental Housing; UNHABITAT (2003)*.

It has also been pointed out that the government home empowerment policy of 1996 in which all the public housing namely; council, government, and parastatal houses, were sold to the respective sitting tenants empowered many and denied others of adequate housing. Those denied include graduating students and new employees, newly formed households, migrants, temporary residents, and those who have difficult in building their own homes especially female headed households. Also included are those that refuse owner occupation because rental housing often provides them with a superior form of shelter in the short term (Habitat 1995).

Even though the statistics upon which this report was based are of the 2000 Census of Population and Housing of Zambia, there are valid and notable reasons to believe that vast numbers of especially urban families live in rental accommodation. The City of Lusaka, in Zambia, for example, was found to have 96.7% as tenants living in informally built accommodation. Therefore organizations mandated and interested in housing delivery need to develop an in depth thought about this housing submarket, given this size.

4 Proposal for Change and Improvement

Due to various reasons, few governments in developing countries have been successful landlords. And If governments are reluctant to become involved either directly or indirectly in rental housing, then as a first measure of change and

improvement, an environment conducive to commercial involvement should be produced that would involve attracting large scale private investors in the arena. In other words, *policies* favouring rental housing would have to be made .

In the 1996 National Housing Policy, a proposal was been made to remove The Rent Act of 1972. and whether this has been enacted by Parliament or not, the Private Landlord is already demanding economic rentals from the tenants. What is of interest is the formula used for calculating these economical rentals. As there remains silence on the part of authorities, landlords are dreaming of any figures that befits their liking and tenants are paying. In the unplanned settlements landlords rental accommodation is being found in the backyards. Some cases are available where landlords have rented out “spare bedrooms” in their former Council houses. The practice is gaining ground because it has proved to be a source of income.

While private landlords have made individual improvements by receiving an income from rentals, institutions like NHA could undoubtedly change and improve the corporate balance sheet as well as the national housing stocks and conditions. Other financial institutions working with NHA would be guaranteed of substantial profits because of economic rentals.

In conclusion, it should be noted that every home-owners prefers property built on ground. This means that cities will experience serious horizontal growth requiring unmanageable lengths of sewer lines, electrical lines etc. It is therefore, important to realize that direct investment in rental housing will help reduce sub urban sprawl and illegal forms of land invasion (Habitat 1995).

This report is aimed at encouraging all stakeholders in the housing sector to take a positive look at rental accommodation. It is certainly not arguing that tenants should be prohibited from becoming homeowners. What it is elaborating is that the balance of advantage is currently slanted far too much in favour of homeownership. It is reminding all stakeholders that renting offers many people definite advantages at particular points in their lives. It may also offer the only real answer to temporary set backs like unemployment or divorce. There is absolutely no contradiction between being a tenant today and wanting to be a homeowner tomorrow.

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