FOREWORD

Since independence in 1964, several attempts have been made to draw up a comprehensive Housing Policy but, until now, no such policy has ever been formulated. The housing policy I am presenting to the nation provides a comprehensive assessment of the housing situation in the country. It also provides a vision for the development of adequate affordable housing for all income groups in the country.

This housing policy is the culmination of nation-wide consultations spearheaded by a National Steering Committee comprising representatives from both the private and public sectors, chaired by Dr. G. A. C. Khonje, Commissioner of Town and Country Planning. As part of the consultative process, workshops were conducted in each province and interested persons from all walks of life and stakeholders were invited to attend. The workshops led to the National Conference on housing held at Mulungushi Conference Centre from 21st to 22nd March 1995.

This housing policy is essentially a people's policy. I would, therefore, like to take this opportunity to thank members of the Steering Committee and all those who participated, in one way or another and at one stage or another, in the formulation of this policy. It is my sincere hope that each one of us, individually and collectively, will give this document the attention it deserves and act on its recommendations.

I am certain that once the Government and the people of Zambia start implementing actions recommended in this policy document, people will start to see the beginning of a systematic provision of shelter to our population.
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1.0 INTRODUCTION

Housing is a basic social need after food and clothing and, as with the other basic needs; adequate housing is a pre-requisite to national socio-economic development. Its inadequacy can have a severe impact on the environment, health and the general well being of communities. In Zambia, inadequate housing is more pronounced in the low income groups which constitute the majority of the country's population.

The task facing Zambia in housing is mammoth. The country is not only faced with an enormous housing backlog, but it also lacks an effective housing delivery system. The imbalance in development between the rural and urban areas has also contributed to the housing problem by promoting migration into towns and cities at scales that cannot be sustained by the resources and infrastructure of the receiving centres. This trend has contributed to the creation of unplanned settlements, with their attendant poor living environment, and the poor and inadequate housing situation prevailing in the country.

Though several efforts have been made since independence in 1964 to draw up a housing policy, a comprehensive housing policy has not at any time been formulated. This document, therefore, provides a comprehensive assessment of the housing in Zambia and provides a vision for resolving the housing problem. It also spells out the roles of the various stake-holders in the housing matrix and their coordination for an effective housing delivery system, stressing private initiative whilst strengthening Government's role as the provider of requisite enabling environment for sustainable housing delivery.

This policy is the culmination of work by the National Steering Committee on Housing Policy which worked through a series of meetings and consensus-seeking provincial workshops and a national conference to prepare this document.

Implementation of this housing policy is 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 will also serve as a catalyst to the resuscitation of the currently moribund construction industry and the economy at large.
2.0 HOUSING AND MACRO-ECONOMIC PERFORMANCE

Because of the economic crises of the past decade, there is now in Zambia an increased urgency to correct economic distortions, created by year of economic mismanagement, and to improve long term prospects for economic growth. Although adjustment efforts started in the late eighties, it is only recent that the government has embarked on a more aggressive and comprehensive adjustment programme aimed at providing an enabling environment to stimulate private investment and improve productivity. To this end, government has taken macro-economic policy measures establishing parameters for national economic growth.

2.1 Economic Growth

Zambia is one of the African countries which have experienced declines in their per capita income over the last two decades. While its population growth rate has been recorded at 3.2 per cent during the 1980s and at 2.7 per cent in the 1990s, the Gross Domestic Product (GDP) declined at an average of 4.0 per cent during the period 1990-94.

2.2 Income Distribution

The national average of the disposable income of the majority of the people of Zambia has been eroded with changes in the structure of the economy. Money supply has been reducing over time in government efforts to curb inflation.

The National Disposable Income has on average increased by 7.7 per cent in nominal terms. However, the national per capita income has only increased by 2.0 percent. In real terms, both the national disposable income and the per capita disposable income must have declined drastically.

The Gross Fixed Capita Formation (GFCF) increased by 6.1 per cent from K209.3 million in 1993 to K22.0 million in 1994 in real terms.

1. GFCF excludes stocks which are always negative
The Gross Capita Formation (GCF) was K179.1 million in 1993 and K192.5 million in 1994, representing a decline of 12.6 per cent for 1993 and an increase of 7.5 per cent for 1994.

2.3 Employment

The economic reform programme has continued to have a negative impact on the employment situation. Formal sector employment has progressively declined since the inception of the Structural Adjustment Programme (SAP). In June 1993, about 520,000 persons were employed in the formal sector. By June 1994 this figure had declined to 502,000 because of redundancies. In 1994 about 7,600 persons in about 250 companies were declared redundant (CSO, 1995 Quarterly Report).

The largest employer in the formal sector is the private sector. In June 1994 the private sector accounted for 202,000 jobs or 40.2 per cent of all formal sector employees. Although the share of formal employment in the private sector has been declining in absolute terms, the proportion of private sector employment vis-à-vis the entire formal employment sector has been steadily increasing.

The parastatal sector is the second largest formal employment sector. In June 1994 this sector accounted for 149,000 employees or 29.8 per cent of formal employees. This figure represents a 6.8 per cent drop in employment within the parastatal sector.

Central Government is the next largest employer after parastatals. In June 1994 central government accounted for 133,600 jobs or 26.6 per cent of formal employment. This figure represented a 1.4 per cent increase over 1993. In local government the percentage of total employment has continued to decline from 4.2 per cent or 21,600 employees in June 1993 down to 3.5 per cent or 17,600 employees by June 1994. Local government is the smallest formal sector employer.

2.4 Investment

With low levels of real income among citizens, there is a corresponding low level local capital for investment. The position was worsened by government measures intended to curtail money supply in order to lower the rate of inflation.

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1. GCF is GFCF plus stocks. It is basically Domestic Investment.
Various instruments were used to mop out excess money. However, although, well intended, some of the measures taken, such as the decontrol of interest and foreign exchange rates, resulted in high interest rates which adversely affected the economy. It is anticipated that the situation will change for the better with the stabilisation of the economy and the enhanced performance of the housing sector.

2.5 Savings

Presently, personal, corporate and Government savings have shown a continuous decline in GDP resulting in a high propensity to consume. This trend has resulted in low funds being available for investment from the financial sector, in spite of a proliferation of commercial banks.

2.6 Fiscal Deficit

In 1994, government committed itself to improving the management of the economy. A strict fiscal policy was pursued and a cash budget introduced. The cash budget approach was not without problems. Revenue inflows did not always match expenditure patterns. These short-comings in the economy manifested themselves in all sectors.

The fiscal measures taken, minimised the printing of money which had been fuelling inflation. The creation of the Zambia Revenue Authority further improved the money supply situation. Nonetheless, a deficit of K26.7 billion in government domestic operations was registered in 1994 as against K 11 billion anticipated at the beginning of the year. Both revenue and expenditure exceeded the budget levels for the year (GRZ, 1994 Economic Report).

2.7 Inflation

For the most part of 1994, there was a marked reduction in inflation indicating a price adjustment process in the economy. The composite Consumer Price Index (CPI) shows that annual inflation averaged 35.2 per cent in 1994 compared to an average of 138.13 per cent in 1993 and 191.2 per cent in 1992. The declining trend in the annual inflation rate continued such that by May 1995 it had fallen to 26.8 per cent.
On a monthly basis, the rate of inflation declined from double digits in 1993 to single
digit rates and has maintained this trend for the most parts of 1994 and 1995. This trend is
attributed to the tight fiscal and monetary policies that have been introduced.

2.8 Policy Implication

An unfavourable macro-economic environment in which inflation, and interest rates are
high, adversely affects the performance of the housing sector. Housing finance and
building materials become expensive and unaffordable. Such a situation has a negative
impact not only on the quality of housing but also on the rate of housing output which, in
turn, adversely affects the construction industry and employment generation.

A favourable macro-economic environment engenders accelerated and sustainable
housing delivery. Accelerated and sustained housing delivery has a positive impact on the
construction industry and contributes to the economic growth of the country. Housing
construction in particular has the potential to create employment for skilled, semi-skilled
and unskilled personnel.
3.0 CURRENT HOUSING ISSUES AND CONSTRAINTS

3.1 Population

Good population management requires that population growth be well-matched to the available resources. It also requires that the spatial distributions of the population be well-related in location and concentration to areas with viable economic bases and employment opportunity. Such management is basic if the affected populations are to enjoy required levels of basic infrastructure such as housing and related social services.

In Zambia the demographic picture has been characterised by the following features:

(a) a rapid population growth rate of over 3.0 per cent since the 1960s which has resulted in the doubling of the population in less than 30 years from 3.4 million in 1964 to an estimated 9.0 million in 1995. The population is projected to reach 16.2 million by the year 2010 and 18.8 million by the year 2015;

(b) a significant urban population of about 39 per cent concentrated in Copperbelt and Lusaka which is growing at a rate of 2.6 per cent per annum and rural population of about 61.0 per cent which is in settlements spread over the rest of the country.

3.2 Existing Housing Situation and Rate of Supply

Pressure exerted on infrastructure and social services country-wide by rapid population growth (compounded in the cue of urban areas by migration from the country side for the urban areas), has been most felt in the housing sector than in any other sector as shown by the following statistics:

(a) out of the nation's 1.3 million housing units, only 403,000 units, or 31.0 per cent of the total housing stock, were formal and fully approved in 1990. The remaining 897,000 or 69.0 per cent of the housing stock were informal and poorly serviced or not serviced at all. About 11,000 of these informal or poorly serviced, housing stock, were not meant for use as housing units;
(b) approximately 36.0 per cent of the 1.3 million households in Zambia are supplied with piped water; about 38.0 per cent use wells or bore holes and about 26.0 per cent, use rivers or streams. About 17.0 per cent of households use flush toilets, about 54.0 per cent use pit latrines and about 29.0 per cent do not have toilet facilities at all;

(c) about 64.0 per cent of the nation's housing stock is in rural areas where the dispersed settlement pattern makes it difficult to provide basic, infrastructure and social services. Basic services are therefore generally poor or none existent. Of the remaining 36.0 per cent in urban areas, approximately 70.0 per cent of the dwelling units are equally poorly serviced;

(d) about 80.0 per cent of the nation's housing stock is owned by individuals; about 5.0 per cent by central government; 6.0 per cent by District Councils, about 6.0 per cent by parastatal organisations and 3.0 per cent by private organisations. Most formal housing, outside site and service schemes, is institutional and owned by councils, parastatals or central government. The bulk of institutional housing is occupied at heavily subsidised rentals. Due to poor finance and lack of budgetary allocations for housing, institutional housing stocks have not increased significantly and existing structures have not been well maintained; and

(c) taking into account all the homeless families and the need to replace substandard dwelling units, the current housing backlog stands at approximately 846,000 units. To clear the backlog over the next ten years requires a building rate of about 110,000 dwelling units per annum.

3.3 Access to Land and Land Tenure

Inappropriate laws relating to land tenure systems, inadequate budgetary allocations for provision of infrastructures and services and lack of affordable building materials are some of the constraints deterring housing delivery. Major constraints can be itemised as follows: -

(a) provisions of the Land (Conversion of Titles) Act 1975 retard housing development, especially with regard to land delivery;

(b) land alienation and Deed Registry procedures are highly centralised and cumbersome;
(c) inadequacy of serviced land; and

(d) the Rating system is been inequitable and tends to discourage investment in housing.

3.4 Infrastructure

Decent housing cannot be achieved without the simultaneous development of infrastructure services such as water supply, sanitation, roads, storm water drainage, electricity and others.

The inadequacy of infrastructure services has been caused by:-

(a) lack of adequate finances to develop and maintain these infrastructure services;

(b) lack of planning capacity and inability to implement land use plans;

(c) lack of co-ordination by local authorities and other service delivery companies to implement land-use plans; and

(d) inability of planning and local authorities to enforce planning and building regulations resulting in uncontrolled development. This trend has tended to produce sub-standard housing which has not included infrastructure services.

3.5 Legislation and Housing

The provision of housing has been hampered by the following legislative constraints:-

(a) the Rent Act 1972 in its present form and content discourages investors to invest in housing due to the over protection of tenants against evictions for any of breach of covenants;

(b) the National Housing Authority was created by Cap 426 of the Laws of Zambia to advise government on housing policy and to take an active role in the industry. Owing to lack of funding by central government, the National Housing Authority could not perform some of their major functions;
(c) all cities, municipalities and Provincial Planning Authorities have delegated powers to prepare development plans for their areas of jurisdiction every five years. A common feature of all the planning authorities is that they have out-dated development plans and if they have a recent one, it has neither been approved nor implemented. The effect of non-approval/implementation of development plans has retarded housing development in the country;

(d) a new form of land ownership known and referred to as "Sectional Title" did not exist in Zambia until late 1994. A sectional title makes it possible for any person to own a unit of accommodation such as a flat or house in a block of flats or in a housing scheme, respectively, thereby dispensing with the normal cadastral surveying; and

(e) the Land Act of 1975 centralised, among other restrictive provisions, the allocation of land in the country. By this statute, all land transactions must invariably involve the Commissioner of Lands. This has created delays in the allocation system.

3.6 Housing Standards

Some public health regulations and building bye-laws and other regulations are inappropriate and do not serve the needs of the majority of the population. This situation has greatly reduced activity in the housing sector.

Standards set for both the formal and upgraded informal housing sectors are in part outdated and counter-productive due to the following reasons:-

(a) restrictive construction and public health requirements;

(b) restrictive minimum development clauses; and

(c) inappropriate standards that hamper the adoption of simplified designs and more widespread use of local materials and technologies.
3.7 Building Materials

The availability of appropriate and affordable building materials is paramount towards the achievement of adequate housing.

Current conventional construction materials are not readily affordable for the following reasons:-

(a) employment of capital intensive technology in materials production and inappropriate construction technologies;

(b) prohibitive prices of most building materials caused by high input costs and in most cases, high transportation costs;

(c) inappropriate standards and bye-laws that reduce the range of approved materials and building technologies;

(d) inadequate and uncoordinated research, development and promotion of low cost and appropriate building materials; and

(e) lack of affordable finance for small scale building materials’ production and procurement.

3.8 Housing Finance

In the past Government has failed to formulate a comprehensive and coherent national housing policy. As a result, there has been no framework for a consistent approach to housing finance. In fact, investment in housing dropped from about 3.0 per cent of GDP in 1969 to less than 0.5 per cent by 1992. This figure is well below the United Nations and World Bank minimum of 5.0 per cent of GDP. The problem of housing finance and its effect on housing can be summarised as follows:-

(a) a large majority of the Zambian people cannot afford to pay the economic rent or price for a decent house;

(b) building costs and finance charges have rocketed beyond the effective demand levels of market forces;
(c) property rates on housing have grown totally out of step with peoples' incomes;

(e) only a few employers have availed house loans at subsidised interest rates and only to their own employees (e.g. ZSIC, ZNPF, ZCCM, GRZ, commercial banks, etc.);

(f) low cost houses have been regarded as high risk business both in transferability and security of tenure;

(g) public sector, local authority and employer housing has attracted relatively cheaper rentals which have discouraged private investment in this sector;

(h) the slow land delivery system for housing has prevented private sector finance houses from releasing loans to this sector at acceptable rates;

(i) the housing market in Zambia has become a disparate mix of uncoordinated bodies and actors with no significant impact on the housing scene;

(j) there is no housing finance capital market to ensure easy flow of key requisites for house building or home ownership; and

(k) the Government has played an insignificant role in the mobilisation of housing finance.

3.9 Institutional Housing

The majority of the work force in the country is housed in institutional houses. The tying of housing to employment is viewed as an unnecessary burden on employers who are not in business of providing housing for their employees. The following have been identified as major problems and constraints towards housing delivery caused by institutional housing:-

(a) most institutional houses, particularly those belonging to the government and local authorities, are in a deplorable state of repair due to lack of proper maintenance and care;
(b) institutionally provided housing is not only discriminatory but also creates a false sense of comfort and security to the employee which reduces the individual's propensity to build his own house. This creates a dependency syndrome which may ultimately lead to destitution;

(c) subsidised rentals are disincentives to maintaining and increasing housing stock while the sale of such unproductive houses would free capital for more housing development; and

(d) employer provided housing tends to distort the existing national housing market.

3.10 Informal Housing

Informal housing, i.e. houses built without formal guidelines and outside the context of comprehensively conceived layout plans, comprises three categories of houses, namely; squatter, upgraded squatter and traditional houses. At present informal housing constitutes 69 per cent of the nation's housing stock of 1.3 million dwelling units. In a situation where land delivery for formal housing development is slow, and where not much deliberate effort is put in place to facilitate housing development, informal housing has been the inevitable vacuum filler with perhaps a more positive than negative impact on the housing stock. The following are the main characteristics of informal housing: -

(a) housing units are owner-built and may not conform to any standard in design, construction materials and workmanship;

(b) lack of security of land tenure; and

(c) low levels of infrastructure and social services provision.

3.11 Housing for the Disadvantaged

The extended family system in Zambia which allows or expects family members to take care of the disadvantaged groups has for decades tended to cushion and hide the problem of housing for the disadvantaged. However, specific problems related to housing the disadvantaged people have been identified as follows: -
(a) existing housing institutions catering for the disabled and aged do not adequately meet the housing needs of this section of the population;

(b) existing infrastructure has not been maintained due to lack of funds rendering such housing unfit for human habitation;

(c) most buildings in the country were designed without due consideration for the disabled;

(d) institutional housing for the disadvantaged groups are mostly located far from facilities and amenities; and

(e) lack of data on the disadvantaged has hampered the development of housing for the disabled.

3.12 Rural Housing

Rural housing is not a particular type of housing. Rather, it is a location dimension referring to houses in a rural setting. Rural housing comprises the following three categories of houses:-

(a) those built with conventional building materials to conventional housing standards;

(b) those built with mix of conventional and traditional building materials and not necessarily to any recognised standard; and

(c) those built with traditional materials to individual norms.

Common problems shared by the three types of rural houses are: -

(i) lack of housing-related infrastructure (water supply, sanitation electricity) and services (solid waste management) and supportive social services like health and education facilities;

(ii) dispersed settlement pattern which makes the provision of basic services very costly and unattainable;
(iii) lack of sustainable local economic bases to support infrastructure development;
(iv) virtual relegation by Government of rural areas to fend for themselves; and
(v) cultural beliefs and traditions which deter improvement to housing, such as witchcraft.
4.0 NATIONAL HOUSING POLICY GOALS

4.1 Policy Goal

The main goal of this housing policy is to provide adequate affordable housing for all income groups in Zambia.

4.2 Objectives

To achieve the above goal the following objectives must be attained: -

(a) an allocation of a minimum of 15 per cent of the national annual budget to housing to support a sustainable housing development programme;

(b) making serviced land available for housing development and streamlining the land allocation system;

(c) streamlining of building standards regulations and other controls so that they accord with the capabilities, needs and aspirations of the various sections of the population;

(d) encouraging the production and use of local and affordable building materials;

(e) assisting the poor to acquire decent shelter through alleviation of their affordability problems;

(f) fostering housing areas that are functional, healthy aesthetically pleasant and environmentally friendly; and

(g) the preparation of a national housing implementation strategy.
5.0 HOUSING POLICY IMPLEMENTATION APPROACH

The measures outlined below are intended to change the pattern of housing development in Zambia and restore growth of the housing sector. By providing a framework for sustainable housing development, this housing policy is also providing a mechanism for ensuring that limited resources are put to their optimum use and thus also address poverty alleviation.

This National Housing Policy emphasises the process of housing delivery by a clear understanding of the dimensions of housing problems and the priority that should be given to shelter in overall socio-economic development. It helps define the technical, financial and administrative framework needed to carry out housing programmes. It also identifies agents, public and private, responsible for implementation.

5.1 Housing Finance

Progressive macro-economic policies should lead, all things being equal, to economic growth, job creation and greater affordability for rental housing and house purchase. The main principles to be followed will be: -

(a) to put housing in a central position in national policies alongside health and education;

(b) to mobilise housing finance from the public sector, the private sector and from international agencies;

(c) to give positive incentives to individuals and institutions to invest directly into housing or directly through an approved housing finance system;

(d) to develop mechanisms to assist vulnerable groups;

(e) to seek avenues for the creation of seed capital to assist private sector financial institutions involved with housing;

(f) to encourage individual home ownership; and

(g) to develop a secondary mortgage market.
To obviate and remove financial constraints and in order to realise the set of principles in this policy, the following measures will be taken: -

(i) establish a financial mechanism for mobilising relatively cheap housing finance from a wide variety of agencies and capital markets for funding building societies or similar housing finance institutions and generally to be the centre of a co-ordinated specialised housing finance system;

(ii) encourage and support the establishment and funding of specialised housing finance institutions (building societies);

(iii) promote the establishment of savings co-operatives from household groups to create loan funds for home ownership;

(iv) direct or encourage statutory pension funds, commercial banks, insurance houses and similar institutions through incentives to invest a percentage of their funds into housing development;

(v) direct employers and employees to subscribe prescribed amounts of money into a fund for housing development;

(vi) encourage all employers to channel their finance for staff housing loans through and for administration by specialised housing finance institutions like building societies;

(vii) provide appropriate bonds and guarantees as an incentive for housing finance institutions to lend for housing development to the lower income categories in less preferred areas;

(viii) establish a mechanism for regulating and supervising housing finance institutions to ensure adherence to laid down ratio requirements and security of members' funds;

(ix) review taxation on building materials and components with a view to bringing costs down; and

(x) review the system of fees, levies and duty between developers and mortgagees, on the one hand, and "first time home owners", on the other, with a view to minimising costs.
5.2 Land Delivery

The provisions of this section on land delivery will relate to the national policy on land, its tenure, distribution and infrastructure development. Priority will be to: -

(a) encourage the provision of adequately serviced land with secure tenure to all income groups, especially the poor and the vulnerable;

(b) encourage the provision of serviced subdivisions for the development of housing estates for sale or rent;

(c) encourage community effort in providing infrastructure facilities during upgrading programmes; and

(d) encourage the preparation of township layouts that are functional and economical.

5.3 Home Ownership

Government strongly supports the principle of home ownership as a means of providing security, stability and economic power to the family unit and as a basis for the development of economically strong and motivated communities.

5.3.1 Rent Control

Investors in housing are strongly motivated by profit considerations. The development of rental housing may be stifled if it is not an economic proposition for entrepreneurs. Although the non-availability of rental housing may increase the demand for the development of housing for both owner-occupation and for rent the net effect of rent control is to significantly slow down the rate of housing development.

Removal of rent control stimulates investment in housing. Rent Control is not necessary in a free market economy.
5.3.2 Withdrawal of Tied Housing

Employers should not be obliged by law to provide housing to their employees. Notwithstanding the provisions of this clause, employers unable to provide their employees with accommodation or housing loans shall pay their employees an appropriate housing allowance.

Government will for the foreseeable future continue to provide employer housing for specific institutions, such as customs and immigration departments, hospitals, etc.

5.3.3 Site and Service

Given the high proportions of urban and rural population without adequate housing, support will be given to the principle of assembling and allocating land for making available site and services schemes. These schemes will include the provision of a minimum level of basic services like potable water, sanitation, drainage, street lighting, refuse disposal and community services appropriate in urban and rural areas.

5.3.4 Squatting and Settlement Upgrading

The principle of a discretionary approach to settlement upgrading is supported whereby settlement upgrading programmes adopt self-help and community participation approaches in the provision and maintenance of the infrastructure.

Communities will be encouraged to articulate their shelter needs through residents’ assemblies.

5.4 Budding Standards and Bye-Laws

Building and construction standards will be revised so that they become functional and performance based rather than prescriptive. Their flexibility will reflect the affordable principle by all income groups.

To ensure that developers comply with minimum approved building standards, the principle of reinforcing building inspectorates in all local authorities will be supported through training and encouragement.
5.5 Local Building Materials

The development and use of local building materials for the manufacture of building components will be actively promoted. To this end the following measures will be taken:-

(a) encourage research in improving the quality of local materials presently in use so as to extend the projected life span of structures;

(b) encourage the private sector to manufacture affordable building materials through tax incentives;

(c) fund demonstration programmes aimed at popularising the use of local building materials;

(d) encourage training programmes for the youth and the unemployed in the manufacture of local building materials;

(e) encourage the setting up of small scale building manufacturing industries to serve local communities;

(f) encourage the use of local materials on Government-funded construction programmes; and

(g) prohibit the use of hazardous building materials.

5.6 Infrastructure Development

(a) Government supports the principle that provision of infrastructure services, such as water, roads, street lights and sanitation, stimulates housing production by the public and private sectors;

(b) Government will, for purpose of housing development, support the provision of infrastructure services operated on a sustainable basis with regard to fixed investment, operation and maintenance. It shall be mandatory that all land within townships be provided with basic services prior to allocation; and

(c) Government will create an enabling environment to enhance the provision of basic services in rural areas for housing development.
5.7 Rural Housing

Rural housing policy is aimed at improving living conditions in villages, agricultural schemes, commercial farming areas and rural centres.

Having regard to the distinguishing features of the rural landscape, the housing strategy will emphasise: -

a) skills development for upgrading house structures in villages;

b) provision of basic services like potable water, access roads and sanitation programmes;

c) demonstration housing programmes at village level to popularise the, construction of durable but locally customised house structures; and

d) production of guidelines to commercial farmers for decent housing for their workers.

5.8 Impact on Building Industry

The building industry has played a vital role in the Zambian economy because of the large construction component in past development projects. The public and private housing development programmes therefore will endeavour to ensure a steady stream of work to the private and popular sector.

The choice of technology in the construction of housing will be made on the basis of the following preference criteria: -

(i) the use of locally manufactured or processed building materials, especially where their production process is high in labour content;

(ii) building processes which encourage adoption of appropriate technologies and combine the use of semi-skilled and unskilled labour; and

(iii) the use of mechanical plant machinery where this is proved to provide a cheaper and efficient service without compromising job opportunities.
The award of contracts from the public sector will include small contractors with proven threshold levels of resources and technical skills necessary for the job at hand with appropriate management and financial responsibility capacities.

5.9 Employment

Housing investment and its multiplier effect will make a significant contribution to the domestic economy particularly in the low income sector by:

(a) providing appropriate technology for low income housing which is labour intensive thereby creating employment for the unskilled, semi-skilled and the informal sector generally. With relatively low capital requirements low income housing will facilitate market participation by local small firms; and

(b) providing housing investment linkages to other domestic industries in building materials, plant, electrical appliances and household furnishings thereby creating further employment opportunities.

5.10 Legislative Base

The legislative authority to enforce the goals and principles of the policy, and adopt housing development strategies and programmes, will involve changes to existing legislation. The following pieces of legislation will need to be reviewed and appropriate amendments made to facilitate the realisation of the goal of this policy:

(i) The National Housing Authority Act, Cap 426, gives the National Housing Authority, a body corporate and player in the delivery of housing, the sole responsibility for the management of the housing portfolio, including policy. There is a clear need to review this legislation for it to accord with the prevailing socio-economic structure which allows for competing actors in the supply of goods and services;

(ii) The Housing (Statutory and Improvement Areas) Act, CAP 44 1. This Act provides for the control and improvement of housing in Statutory Housing Areas and in Improvement Areas. It also provides for the issuance, of certificates of title and occupancy licences which give security of tenure. Major weaknesses to the legislation lie in its restrictions to individual and private sector participation in housing schemes.
In addition, this Act precludes other laws from applying to areas of its jurisdiction. Necessary amendments are required to bring the Act in line with market oriented housing delivery mechanisms;

(iii) The Land (Conversion of Titles) Act, CAP 289 and subsequent amendments. This Act provides for administration and alienation of land. This piece of legislation requires immediate review for an efficient land administration system;


(v) The Public Health Act providing for Building Regulations and standards;

(vi) The Town and Country Planning Act, CAP 475, providing for land use planning and standards;

(vii) The Land Survey Act (cadastre);

(viii) The Land Acquisition (Compulsory Acquisition with Compensation or the Public Interest;

(ix) The Building Societies Act (Housing Finance);

(x) The Employment Act (Tying housing to employment);

(xi) The Rent Act (Rent Control); and

(xi) The Rating Act.

Necessary reviews and amendments are needed to these pieces of legislation so that they may provide a conducive, enabling legal environment for sustainable housing development.
5.11 Institutional Framework

Current institutional arrangements in the housing sector are fragmented, inconsistent and characterised by a lack of clearly defined roles and lines of accountability. Several administrative divisions of Government are responsible for housing. Parastatals, private developers and individuals are also having prominent roles in the sector.

This policy aims at rationalising existing institutional arrangements and capacities in order to improve efficiency and ensure enhanced and sustainable housing delivery to cope with population needs and demands.

5.11.1 Ministry of Local Government and Housing

In order to provide the necessary institutional support for housing development, it is proposed that the housing portfolio receives the attention it deserves in the central government structure. For some time now the Ministry of Local Government and Housing has not paid due attention to housing in the country. The functions of the Ministry of Local Government and Housing will need to be reviewed to include the following: -

(a) to determine, prepare, monitor and evaluate the performance of the national housing policy and national housing development strategy;
(b) to facilitate a systematic and appropriate increase of the national apportionment of the State budget to housing;
(c) to initiate the establishment of a funding framework for housing;
(d) to be responsible or over-seeing and co-ordinating activities of national statutory and facilitating institutions (e.g. National Housing Authority, NGOs);
(e) to monitor national, provincial and local performance of homing delivery;
(f) to promote gender issues in shelter development; and
(g) to account to Parliament for the performance of the housing sector against set targets, and efficiency parameters.
5.11.2 National Housing Authority

The National Housing Authority (NHA) is a statutory body which was created by an Act of Parliament and has the mandate to advise Government on matters pertaining to housing. Currently, the National Housing Authority is the sole institution given power under the law to deal in housing matters, including housing policy. Obviously, there is need to amend the National Housing Authority Act to bring it in line with current reform thinking.

Therefore, the National Housing Authority will, among other functions, perform the following functions and roles:

(a) promote home ownership through provision of affordable shelter;
(b) promote technical assistance to local authorities in the housing sector;
(c) construct, manage and maintain housing estates; and
(d) undertake research and development on low-cost housing.

5.11.3 Local Authorities

It is recognised that the process of physical planning and housing is very much a local government matter. The role of local authorities in enabling the provision of housing to all segments of the population in areas under their jurisdiction is of paramount importance. The following functions are envisaged to be performed by local authorities within the decentralised structure:

(a) to create capacity in order to provide the necessary services;
(b) to set local housing delivery goals;
(c) to create and allocating land for housing purposes; and
(d) to provide and maintain infrastructure services intended to open up land for housing development;
(e) to enforce building standards;
(f) to regulate land-use and control development;
(g) to plan for development (physical planning) in areas under their jurisdiction for those councils with Planning Authority powers;
(h) to set up and manage upgrading and site-and-service schemes;
(i) to provide community and recreational facilities in residential areas;
(j) to construct low-cost housing for sale and/or rent at economic rates; and
(k) to allocate land.

5.11.4 Private Sector Developers

The role of the private sector in housing development will be as follows:

(a) to participate effectively in the construction of housing for all categories of the population either for sale or rent;
(b) to participate effectively in the manufacturing and supply of building materials in the housing construction sector;
(c) to participate effectively in infrastructure development for housing estates;
(d) to positively encourage members of communities to improve their living environment through community participation in projects; and
(e) to encourage joint ventures between the public and private sector, in housing development.
5.11.5 **Financial Institutions**

Given limited state resources, the mobilisation of private credit for housing purposes is a central aspect of Government approach to housing. Financial institutions will perform the following roles and functions:-

(a) establish mechanisms for the creation of seeding finance to assist private sector investors involved in housing;

(b) provide mortgage finance for housing development and house purchase;

(c) develop a secondary mortgage market.

5.11.6 **Community and Co-operative Housing Development**

Community based and co-operative housing development has proved a viable option for delivery of cost-effective and affordable housing, while creating mixed income communities. Community based organisations should, therefore, perform the following roles and functions: -

(a) encourage community savings for housing needs of individual members;

(b) help members acquire land for housing development;

(c) acquire common land and prepare project design brief for members’ housing development;

(d) establish proper book-keeping and accounting systems; and

(e) encourage community participation in the development of neighbourhoods.

5.11.7 **Local Planning Authorities**

The role and functions of Planning Authorities are to ensure that land for housing is identified and planned for in good, time and that appropriate planning standards are in place for a quick and efficient development of housing.
6.0 CONCLUSION

Shelter provision is a key sector in any economy and should therefore be viewed as an economic investment rather than being viewed solely as a social service. Any housing policy only serves to provide a planning mechanism for the establishment of housing development strategies that are appropriate to the prevailing socio-economic situation.

A good housing policy, therefore, is only as good as it is implementable. Thus, however noble the goals and objectives of the housing policy, it will remain an illusion as long as the necessary financial, institutional and human resources are not applied for its realisation.

It is imperative, therefore, that the political will which will be exercised to adopt this housing policy should be sustained so that the policy can be implemented.