

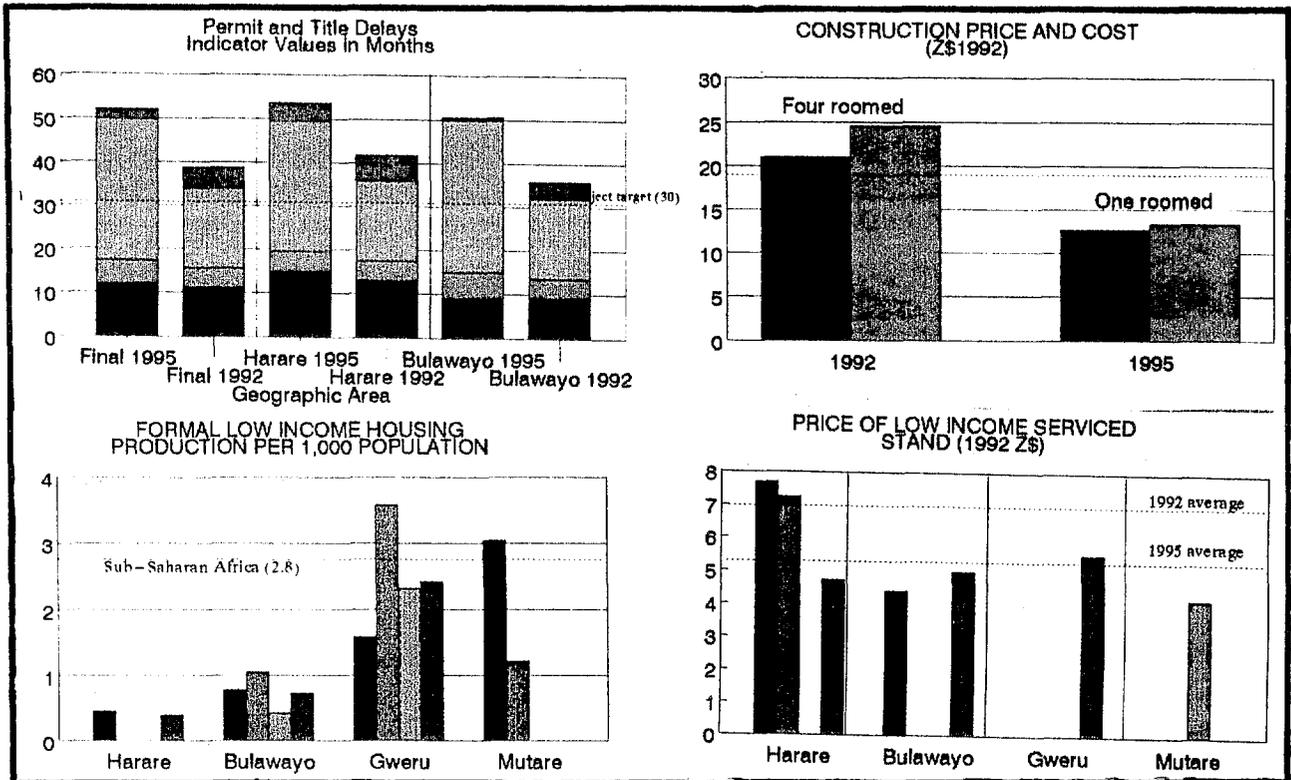
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Government of Zimbabwe
Ministry of Public Construction and National Housing

United States Agency for International Development
Mission to Zimbabwe

**ZIMBABWE PRIVATE SECTOR HOUSING PROGRAM
MONITORING AND EVALUATION INDICATOR UPDATE**

August 1996



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**MONITORING AND EVALUATION INDICATOR
UPDATE FOR THE ZIMBABWE PRIVATE
SECTOR HOUSING PROGRAM
SURVEY FINDINGS**

August, 1996

Prepared for :

**Ministry of Public Construction and National Housing, Government of Zimbabwe
and
U.S. Agency for International Development Mission to Zimbabwe**

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CONTENTS

EXECUTIVE SUMMARY	ES-1
1 INDICATOR DATA COLLECTION	0
1.1 Background to the Indicator Update	0
1.2 Indicator Definitions and Coverage	0
1.3 Land Development Module	1
1.3.1 Number of Low Income Serviced Stands ..	1
1.3.2 Price of Low Income Serviced Stand	5
1.3.3 Permit and Title Delays	5
1.3.4 Note on Land Registration Coverage	5
1.4 Low Income Shelter Finance Module	6
1.4.1 Number of Low Income Mortgages	6
1.4.2 Mortgage-to-Deposit Difference	6
1.4.3 Credit-to-Value Ratio	6
1.5 Construction and Building Materials Module	6
1.5.1 Construction and Infrastructure related Employment	6
1.5.2 Construction Price and Cost	7
1.5.3 Formal Low Income Housing Production ..	7
1.5.4 Down-Market Penetration	7
1.5.5 Price-to-Income Ratio	8
2 FINDINGS	8
2.1 Land Development Indicators	8
2.1.1 Number of Low Income Serviced Stands ..	8
2.1.2 Price of Low Income Serviced Stands	10
2.1.3 Permits and Title Delays	13
2.2 Low Income Shelter Finance Indicators	18
2.2.1 Number of Low Income Mortgages	18
2.2.2 Mortgage -to-Deposit Difference	22
2.2.3 Credit-to-Value Ratio	24

2.3	Construction and Building Materials Module	26
	2.3.1 Construction and Infrastructure Related Employment	26
	2.3.2 Construction Price and Cost	29
	2.3.3 Formal Low-Income Housing Production . .	31
	2.3.4 Down-Market Penetration	33
	2.3.5 Price-to-Income Ratio	35
3	WORK COMPLETED UNDER THE CONTRACT	37
	3.1 List of Contacts	37
	3.1.1 Central Government Agencies	37
	3.1.2 Local Authorities	37
	3.1.3 Private Sector	38
	3.2 Data Sources Identified	38
	3.3 Time and Effort Required for Each Indicator	40
	3.4 Logistical Considerations	41
	3.5 Recommendations for Future Indicator Up Dates	41

Annexes

1. Intermediate Values for Various Indicators
2. Standard Data Collection Forms for Indicator Nos. 1.1, 2.1 and 3.3

ZIMBABWE PRIVATE SECTOR HOUSING PROGRAM EXECUTIVE SUMMARY

The United States Agency for International Development (AID) in conjunction with the Government of Zimbabwe (GOZ), is funding a five-year, US\$ 77.68 million Private Sector Housing Program (PSHP). It is a multi-faceted program that seeks to remove policy constraints and other obstacles to the provision of affordable housing in the construction, land development and housing finance sectors. The program's basic objective is to put in place a system that will ensure that steady production of low-cost houses and increased levels of home ownership by low income households in Zimbabwe's urban centers.

A monitoring and evaluation (M&E) system has been developed for the PSHP. It serves two related objectives. Firstly, it seeks to track progress towards achieving the end of project status (EOPS), i.e. meeting the program purposes. Secondly it measures the broader impact of the program on the shelter sector. The M & E system currently in place specifies empirical, quantified measures for each of eleven indicators in three sectors : a land development module, low income shelter finance and a construction and building materials module. Data for each of the indicators are collected in different centers, depending on whether the values are likely to vary substantially from center to center or whether they represent a national value.

Values for three of the indicators have been collected from all of the 23 program participating local authorities. Four of the indicators have been collected in six urban centers - the four cities (Harare, Bulawayo, Mutare and Gweru - representing 73 percent of the national urban population) and two smaller but rapidly growing urban centers (Bindura and Chiredzi). Of the remaining four indicators, data has been collected in Harare and Bulawayo (two indicators), Harare only (one indicator) and one indicator has a national value.

The Tables overleaf summarize the values for the eleven indicators in 1992 (baseline) and in 1995 in relation to the Program targets.

The Program has scored considerable success to date in:

- increasing the number of low income stands which are serviced every year;
- reducing the reducing the real costs of servicing low income stands;
- increasing the number of construction and infrastructure related jobs generated in the economy;
- reducing the construction price and cost of minimum shelter units;
- improving the down-market penetration ratio i.e. reducing the price of formal dwelling units in relation to household incomes and allowing poorer households entry into the housing market.

It is either too early or data reliability is not adequate, to judge the success of the Program in :

- sustaining a high number of mortgages issued each year to low income households;
- increasing the number of low cost houses completed and occupied;
- substantially reducing the median dwelling unit price as a ratio to household income and having an impact on the currently high levels of occupancy of the formal housing stock.

Finally, the Program has as yet failed to :

- reduce the unacceptably lengthy times involved in obtaining permit and title approvals;
- reduce the mortgage-to-deposit difference.

The poor performance of both indicators pose considerable risk to the sustainability of the Program's achievements.

**SUMMARY OF MONITORING INDICATORS -
LAND DEVELOPMENT MODULE**

INDICATOR	PROGRAM TARGET	BASELINE VALUE 1992	1995 VALUE	COMMENT
Land Development Module:				
1.1 No. of low income serviced stands	45,400 stands over life of Program: 9,080 program-related stands per year	3.09 stands per 1,000 population in six centers (6,517 stands)	4.44 stands per 1,000 population in six centers 4.12 stands per 1,000 population in all 23 centers	No. of low income serviced stands in all 23 PSHP centers increased from 8,311 in 1992 to 13,022 in 1995. Challenge will be to sustain the level of delivery. Work is in progress (1996) on 45,200 Program-related stands.
1.2 Price of low income serviced stand	47% reduction in cost of "habitable stand" on baseline	Z\$6,025 (Harare and Bulawayo average)	Z\$4,849 (Harare and Bulawayo average) Z\$4,959 (six centers average)	17.7% reduction in real costs achieved as a result of reduced minimum stand sizes. Read in conjunction with Indicator 3.2, the Program target seems achievable.
1.3 Permit and title delays	25% reduction on baseline to 30 months	40.3 months	52 months	Indicator value has worsened by 29 percent. Land development delays in Zimbabwe are now double those in sub-Saharan Africa and four times the world wide average. Delays are primarily in town planning and Surveyor General approvals with no sign of improvement or commitment to improve on the part of the latter authority. Ongoing delays must be seen as a serious threat to the Program.

**SUMMARY OF MONITORING INDICATORS -
LOW INCOME SHELTER FINANCE**

INDICATOR	PROGRAM TARGET	BASELINE VALUE 1992	1995 VALUE	COMMENT
Low Income Shelter Finance Module:				
2.1 No. of low income mortgages	43,200 low income mortgages through the Program; an average of 8,640 program-related mortgages per year	Total 10,700 low income mortgages to value of Z\$129.16 million of which 6,033 in number were Program-related.	15,962 low income mortgages to value of Z\$202.04 million of which 6,046 were Program-related.	A total 10,548 low income mortgages on average were issued each year 1992 through 1994. The number increased to 15,962 in 1995, back to the high levels achieved in 1988/89. The target is being achieved overall although Program specific mortgages in 1995 were only 70% of target. In 1995, 16.4% of mortgages issued by two Building Societies were to women headed households (which comprise 20% of the urban population).
2.2 Mortgage to deposit difference	15% improvement to -3%. (The sub-Saharan Africa median value is +3%)	-9.98%	-11.6%	Indicator shows little sign of improvement. GOZ has set in place a number of regulatory measures and subsidies to ensure that some affordable mortgages are issued, but demand for low-income mortgages probably well-exceeds supply.
2.3 Credit to value ratio		187.03 (adjusted)	169.37	Indicator's high value may signal a high degree of access by low income households to mortgage finance. However the value is of doubtful reliability due to lack of information on value of backyard shacks and the informal settlements just beyond the municipal boundary (together comprising 50% of Harare's population).

8

**SUMMARY OF MONITORING INDICATORS -
CONSTRUCTION AND BUILDING MATERIALS MODULE**

INDICATOR	PROGRAM TARGET	BASELINE VALUE 1992	1995 VALUE	COMMENT
Construction and Building Materials Module:				
3.1 Construction and infrastructure related employment	5,000 Program-related fulltime jobs (non-Program specific)	2,278 jobs in Harare and Bulawayo	7,686 jobs in Harare and Bulawayo (non-Program specific)	Jobs increased three and one third from 1992 to 1995. Program target is being achieved mainly as a result of Program-related policy changes in low income housing sector as a whole. Direct Program-related employment not yet available.
3.2 Construction price and cost (Z\$1992)	10% reduction on baseline	Cost: Z\$20,944 Z\$419/m ² Price: Z\$24,527 Z\$491/m ²	Cost: Z\$12,619 Z\$895/m ² Price: Z\$13,356 Z\$947/m	Baseline value has decreased by 40% primarily as a result of reduction in minimum shelter unit size from 50m ² to 14m ² and strong competition between mid-sized contractors.
3.3 Formal low income housing production	10% increase in annual production. (Average 2.8 per 1,000 population in sub-Saharan Africa)	0.77 low income houses per 1,000 population	0.6 low income houses per 1,000 population	Indicator value has shown no sign of improvement and is primarily constrained by prohibitively expensive permit and titling delays and a related lack of serviced land. Likely to improve as more stands are serviced in 1996.
3.4 Down market penetration	Reduction to 1.9	2.7	1.3 (all households) 2.5 (female hholds)	EOP target achieved due to reduced size of minimum permitted shelter unit and greater competitiveness among contractors. However DMP target for female headed households is still not achieved. Reliable household income data is six years out of date and is not available disaggregated by income percentile.

INDICATOR	PROGRAM TARGET	BASELINE VALUE 1992	1995 VALUE	COMMENT
3.5 Price-to-income ratio	No target set by Program	Superstructure : 9.8 Dwelling Unit : 2.6	Superstructure : 9.3 Dwelling Unit : 2.4	Low value may indicate affordability but large variation between superstructure-price and dwelling unit-price indicates undesirably high levels of overcrowding, little change as yet by the Program.

10

1 INDICATOR DATA COLLECTION

1.1 Background to the Indicator Update

The United States Agency for International Development (AID) in conjunction with the Government of Zimbabwe (GOZ), is funding a five-year, US\$ 77.68 million Private Sector Housing Program (PSHP). It is a multi-faceted program that seeks to remove policy constraints and other obstacles to the provision of affordable housing in the construction, land development and housing finance sectors. The removal of policy constraints is expected to lead to increased levels of home ownership by low-income households in Zimbabwe's urban centers.

The PSHP funding comprises US\$25 million cash transfers, US\$50 million Housing Guaranty (HG) loans and US\$2,68 million technical assistance. The U.S. dollar resources are being utilized to achieve policy changes that will strengthen the construction industry, improve the land delivery system and expand the mortgage financing system. The program's basic objective is to put in place, a system that will ensure the steady production of low-cost shelter solutions.

A monitoring and evaluation (M&E) system has been developed for the PSHP. It serves two related objectives. Firstly, it seeks to track progress towards achieving the end of project status (EOPS), i.e. meeting the program purposes. Secondly it measures the broader impact of the program on the shelter sector. The M & E system currently in place specifies empirical, quantified measures for each of eleven indicators¹. As the Program's implementing Ministry and primary member of the Interministerial Committee, the Ministry of Public Construction and National Housing (MPCNH), holds responsibility for tracking much of the data required to derive the indicator values. Additional information and data are collected, albeit in an as yet unsystematic way, by the key stakeholders in the Program - the 23 participating local authorities, the four participating building societies, the Ministry of Finance, Economic Planning and Development (MFEPD) and the Ministry of Local Government, Rural and Urban Development (MLGRUD).

As part of the PSHP technical assistance components, AID has commissioned the Indicator Update to provide assistance to the MPCNH in updating, collection, compilation and formatting of Program data and housing sector information.

1.2 Indicator Definitions and Coverage

The M&E System tracks a total of 11 key indicators in three sectors : a land development module, low income shelter finance module and a construction and building materials module. Data for each of the indicators are collected in different centers, depending on whether the values are likely to vary substantially from center to center or whether they represent a national value.

Values for three of the indicators have been collected from all of the 23 program participating local authorities. Four of the indicators have been collected in six urban centers - the four cities

¹ Guidance has been provided on standardized definitions of each indicator, frequency of collection, worksheets for derived indicators and format of data presentation in : PADCO, Inc and Plan Inc "Zimbabwe PSHP Monitoring and Evaluation System - Data Collection Plan and Base Survey and Findings" June and Nov. 1994 respectively. Originally the M&E included a Land Registration Coverage indicator which was dropped after the Baseline Survey as being of little analytical value.

(Harare, Bulawayo, Mutare and Gweru - representing 73 percent of the national urban population) and two smaller but rapidly growing urban centers (Bindura and Chiredzi)². Of the remaining four indicators, data has been collected in Harare and Bulawayo (two indicators), Harare only (one indicator) and one indicator has a national value.

Tables 1.1, 1.2 and 1.3 overleaf provide a descriptive summary of each of the indicators, giving its definition, rationale for collection and measure as well as its geographic and time-series coverage and sources of information. Only the geographic coverage and sources of information (and obviously the time-series coverage) have changed slightly since the 1994 baseline survey was carried out. The indicator definitions remain fixed so as to enable a trend analysis of specific indicator values throughout the life of the Program. In the case of five of the indicators, data has been disaggregated to a greater degree than was carried out during the Baseline.

1.3 Land Development Module

1.3.1 Number of Low Income Serviced Stands

The indicator measures progress toward achieving a Program output of 45,400, serviced stands. Data were collected in all 23 PSHP urban centers for the years 1992 through 1995. The data were collected from each of the local authorities by means of a postal questionnaire, supplemented by telephone interviews and personal visits (60% of cases) to the local authority.

The indicator definition focuses on the provision of stands to households of less-than-median income. Data is not kept by local authorities by household income, but rather by residential settlement density (high, medium and low density areas, assumed to house low, medium and high income households respectively).

The indicator value is therefore representative of stands serviced within different residential areas of each center, with emphasis on the numbers of serviced stands in high density areas as a percentage of all residential stands serviced in a particular year in the center. As planning standards and urban structures change in Zimbabwe, this assumption will tend to diverge from the indicator definition - high density condominium - type developments are being built in high income/low density areas and there is a high rate of downward raiding in the high density/low income areas by middle income families as the supply of middle income housing is severely constrained in all centers.

During the current Indicator Update, data collected for the indicator is assessed as generally reliable. However, local authorities tend to report on the number of stands serviced before survey has been completed and registered. As the stands are not yet ready for transfer they cannot be included in the indicator value until survey has taken place.

2

The Baseline survey carried out in 1994 restricted data collection to the four urban centers of Harare, Bulawayo, Mutare and Bindura. Coverage has increased in 1996 so as to obtain a wider sample frame as well as to provide insight into different conditions and operating environments in different centers.

**Table 1.1 : Monitoring and Evaluation System – Zimbabwe Private Sector Housing Program
Land Development Module, 1995**

NAME OF INDICATOR	DEFINITION	OUTPUT/TARGET	RATIONALE FOR COLLECTION	MEASURE	GEOGRAPHICAL COVERAGE	TIME SERIES	SOURCE(S)
1. Number of Low Income Serviced Stands	Number of stands per 1000 population that are serviced and sold or ready for sale to families of less – than – median income	Additional 45,400 serviced stands made available for low income families over life of Program	Measures PSHP impact on global stand production	Number of stands serviced and ready for transfer – no. of stands – no of low income stands – no of PSHP stands (by gender)	All 23 PSHP centers	1992 – 1995	Participating local authorities
2. Price of Low – Income Serviced Stands	Price of an unsubsidized serviced stand that meets current minimum standards where the primary/bulk infra – structure is in close proximity to the site and where the terrain of the site is not extrordinarily constrained : (i) total price (ii) price per square meter	Average price of a habitable stand (stand plus wet block plus slab) reduced by 47% to Z\$9,600 (1992 Z\$) progress towards target reflected in part by indicator; read in conjunction with construction price and cost indicator	Increased affordability of minimum stand requirements	Stand selling price and cost	Six key urban centers (Harare, Bulawayo, Mutare, Gweru, Bindura, Chiredzi)	1992 – 1995	Private contractors and local authorities
3. Permits and Title Delays	The median length in months to obtain approvals, permits, and titles for a medium – sized (50 – 200 unit) residential development that is permitted	Reduction by 25% from baseline levels, to 30 months average delay	Indicates problems in administrative systems and procedures	Estimated time to obtain approvals, permits, and title (in months)	Harare, Bulawayo	1992 for base year and 1995	Private developers; local authorities, Surveyor General's Office

**Table 1.2: Monitoring and Evaluation System – Zimbabwe Private Sector Housing Program
Low–Income Shelter Finance Module, 1995**

NAME OF INDICATOR	DEFINITION	OUTPUT/TARGET	RATIONALE FOR COLLECTION	MEASURE	GEOGRAPHICAL COVERAGE	TIME SERIES	SOURCE(S)
1. Number of Low–Income Mortgages	Number of mortgages that are extended by financial institutions to households of less–than–median income: (i) total per year, (ii) Program–related	Additional 43,200 low–income mortgages over life of Program	Measures PSHP performance	Number of approved building society mortgages	All 23 PSHP centers where available – No & \$ amount of residential mortgages – No & \$ amount of low inc. residential mortgages – No & \$ amount of PSHP mortgages (dissagregated by gender) – Percent mortgage financing going to low income households	FY 1992–1995	Participating Building Societies
2. Mortgage–to–Deposit Difference	Average percentage difference between interest rates on mortgages in both commercial and govern–ment financial institutions and the interest rate on one–year deposits in the commercial banking system	Increase to –3, an improvement of 15 percentage points over baseline conditions	Indicates costs, profits and subsidies in housing loans	Difference between mortgage rate and one year deposit rate	National	FY1992–1995	Reserve Bank of Zimbabwe
3. Credit–to–Value Ratio	Ratio of mortgage loans for housing to total investment in housing (in both the formal and informal sectors)	No target proposed	Indicates the extent to which formal housing finance is used in development of the housing stock	Ratio of mortgage loans to housing investment	Harare	FY 1992, 1994 1995	Harare Dept of Works, building plan approvals; real estate agents; Form BS4 from building societies

**Table 1.3: Monitoring and Evaluation System – Zimbabwe Private Sector Housing Program
Construction and Building Materials Module, 1995**

NAME OF INDICATOR	DEFINITION	OUTPUT/TARGET	RATIONAL FOR COLLECTION	MEASURE	GEOGRAPHICAL COVERAGE	TIME SERIES	SOURCE(S)
1. Construction and Infrastructure–Related Employment	Number of jobs that are generated by low–income stand and superstructure related construction: (i)total per year, (ii) Program related	5,000 construction related jobs created over life of Program	Measure PSHP performance	Jobs generated from stand, superstructure, and allied services where one "job" is assumed to equal one person–year of employment	Harare, Bulawayo	1992 for base year; 1995	Local authorities privat contractors CSO
2. Construction Price and Cost	Present price and cost in constant Z\$(labor, materials, infrastructure within stand) of a 4 room finished house, built to current minimum superstructure and infrastructure standards; (i) total costs; (ii) cost/sq metre	Construction costs decreased by up to 10% in 1992 prices	Indicates increased affordability of minimum superstructure standards, improved construction techniques, and alternative materials	Similar units currently under construction or from bills of quantities, indexed by the Consumer Price Index (CPI)	National urban average based on six key urban centers	1992 for base year, 1994, 1995	Private builders; CSO Building Materials Price Index Reserve Bank
3. Formal Low–Income Housing Production	Total number of new, single–family, semi–detached houses and flats approved per year by local authorities in areas deemed as high density	Volume of low income houses increased by 10% per annum	Accelerated reduction in housing need	Production of approved units	All 23 PSHP centers	1992–1995	Certificates of Occupation and Building Plan approvals from participating local authorities
4. Down–Market Penetration	Ratio of lowest–priced (unsubsidized) formal dwelling unit produced by private sector (no less than 2% of annual housing production) and the median annual household income	Reducing from base year levels to 1.9	Indicates ability of private sector to provide affordable housing for low income households	Price of lowest priced formal dwelling unit in relation to annual household incomes (disaggregated by percentiles)	Six key urban centers	1992–1995	Private builders; CSO Incomes, Consumption, Expenditure Survey
5. Price to Income Ratio: (i) House super structure (ii) Household dwelling unit	(i) Ratio of the median price of house superstructure and the median annual household income (ii) Ratio of the median price of a household dwelling unit and the median annual household income	No targets proposed	Indicates general affordability of housing	Median price and median annual household income – House superstructure price to income ratio – Household dwelling unit price to income ratio	Harare, Bulawayo	1992,1995	Real estate agents; socioeconomic surveys newspapers; local authorities

In the past, the gender of the stand allocatee was not recorded. Since 1992 all stands are now registered in both spouses' names in the case of married applicants and the gender of the head of household in the case of single applicants. The number of stands allocated to single-headed households tends to be low³.

1.3.2 Price of Low Income Serviced Stand

The indicator measures progress being made toward reducing in real terms the average cost of a habitable stand. The targeted Program impact is a 47 percent reduction in cost from the 1992 baseline value.

Values for this indicator have been collected in the six key urban centers. Data were of an acceptable quality. Indicator values are based on "as-built" costs of a recently serviced high density housing area. In most centers, the Town and City Councils solely carry out land servicing (sub-contracting out some works to the private sector). Recently in Bulawayo a private contractor has assumed full responsibility for land servicing. It was the costs of this project which were used to measure the indicator value in Bulawayo.

All councils subsidize one or more components of land servicing. An effort has been made estimate the true servicing costs of land across all centers by assuming a nominal amount for those components which are subsidized by local authorities⁴.

1.3.3 Permit and Title Delays

The indicator tracks the time required to obtain approvals, permits and titles for a new residential subdivision. The Program targets a 25 percent reduction from base year conditions (to a 30 targeted month delay period).

In the base year (1992), 47 percent of the indicator value was attributed to delays in cadastral survey. As survey records for the whole country are approved in only Harare and Bulawayo, data have only been collected for this indicator in Harare and Bulawayo in 1995. Values were obtained from actual written registers and sources rather than from interviewed sources to the extent practicable.

1.3.4 Note on Land Registration Coverage

The Land Registration Coverage indicator is defined as the percentage of an urban area covered by a land registration system that allows for buying, selling, long-term leasing and mortgaging of land. The indicator is intended to reflect government's ability to provide secure tenure and to assure use of land as collateral for a mortgage.

Given the gross margin of error in the value of the indicator in the base year, it has been dropped from the current M & E update of the Program.

³ See Plan Inc. Zimbabwe : "Gender Analysis of the Zimbabwe Housing Guaranty Program", prepared for USAID/Harare, May 1996

⁴ Many of the assumptions made for assessing the amounts are derived from : Plan Inc. (Pvt) Ltd "Chiredzi Low Cost Housing Study - Report of Findings" prepared for USAID/Zimbabwe, May 1994.

1.4 Low Income Shelter Finance Module

1.4.1 Number of Low Income Mortgages

The indicator measures progress toward achieving the Program output of financing 43,200 low-income mortgages.

The indicator tracks both the number and value of low income residential mortgages. The data were sourced directly from the building societies (currently four in number) for the period 1992 through 1995. For the first time in 1995, some of the data (particularly with respect to HG-sourced loans) are available broken out by gender. The data was also disaggregated to some extent by the four main cities and by province. In future years it would be desirable for the data to be disaggregated by each of the 23 participating urban centers. In 1995 the indicator value is with respect to all low cost housing mortgages (less than Z\$ 35,000) as direct Program-related mortgages are only now starting to be issued.

The data is considered reliable but took the societies many weeks to collate. The societies do accurately track the total number and value of mortgages on their books but have to calculate the new mortgages issued each year for the indicator value. A standardized reporting format used by all Building Societies would assist in the timely tracking of the indicator over future years.

1.4.2 Mortgage-to-Deposit Difference

The indicator tracks progress toward achieving an improvement of 15 percentage points over the base year value (i.e. to -3 percent) of the ratio of mortgage loan deposit interest rates to interest rates obtainable on one-year NCD's.

National values derived from Reserve Bank of Zimbabwe published quarterly reviews have been collected, covering the fiscal years 1991/92 to 1994/95. The data is considered reliable.

1.4.3 Credit-to-Value Ratio

The indicator measures the amount of housing investment which is mortgage financed. It measures both the availability and acceptability of mortgage finance for housing investment. Data were collected in Harare only, based on registers kept by the Municipal building inspectorate and by secondary source research reports, particularly in the case of informal sector built shelter. The data quality is dubious with respect to housing investment in the informal sector (informal settlements and back-yard shacks) which tends to distort the final indicator value.

1.5 Construction and Building Materials Module

1.5.1 Construction and Infrastructure-related Employment

The indicator measures success at achieving the Program output of creating the equivalent of 5,000 full-time jobs.

Values for the indicator were gathered in Harare and Bulawayo for the year 1995, based on the intermediate values of the number of low income stands serviced and the number of formal low-income houses built. In 1995 the indicator value is based on all low cost housing development as direct Program development is still in its early stages.

The data quality is considered reliable.

1.5.2 Construction Price and Cost

The indicator reflects movement toward the targeted Program impact of a 10 percent reduction in real terms in building constructions cost.

The data were collected in the six key urban areas for 1995. Price continues to be more easy to define and collect from secondary sources although larger contractors were able and willing to divulge a ball-park difference between the two values. The data obtained is considered reliable.

1.5.3 Formal Low Income Housing Production

The indicator gauges movement toward the targeted Program output of achieving a 10 percent increase in the volume of annual low income housing production.

Data were collected in all 23 Program centers for the period 1992 through 1995. A broader time-series based on published secondary sources is also analyzed. The local authorities which provided the information tend to only provide data with respect to houses built by the public sector. By ensuring that the data are derived from either registers of certificates of occupation or building plan approvals, private sector construction is also monitored. The data collected is generally reliable.

1.5.4 Down-Market Penetration

The indicator demonstrates reductions in the cost of low-income housing relative to median annual household income, towards the targeted Program impact value of 1.9 (being the average for countries of Zimbabwe's income group).

Values were calculated for 1994 or 1995 (depending on data reliability) in the six key urban centers. The intermediate value of urban households median income was derived from AID Program criteria. Whilst the value for the larger cities is assessed to be reliable, the value in smaller centers may be less reliable because of the paucity of household income data and variations between regions and cities. It is known from official statistics for example, that wages in Harare are 10 percent higher than in Bulawayo. The variation has not been taken into account in calculating the value in Bulawayo.

Reliable household income data disaggregated by income percentiles are also not available. The information would be useful to gauge the impact of the Program on lower than-median income percentiles. The indicator value is however calculated for men-headed and women-headed households for which national data have been documented.

1.5.5 Price-to-Income Ratio

The indicator compares the median price of housing (both superstructure and dwelling unit) to the median household income as a measure of general affordability of housing.

Values were calculated in 1995 for the six key urban centers. The possible variations in household incomes between centers (as discussed in section 1.5.4) have not been taken into account.

The number of households (i.e. number of dwelling units) per stand were based on estimates by informed local authority officials and is considered generally reliable, particularly in the smaller centers.

2 FINDINGS

2.1 Land Development Indicators

2.1.1 Number of Low Income Serviced Stands

<u>Definition:</u>	Number of residential stands that are serviced and <u>sold or ready for sale</u> ⁵ to households of less-than-median income, per year per 1000 population.
<u>Data Disaggregation:</u>	Number of residential stands Number of low income residential stands Number of PSHP stands (disaggregated by gender).
<u>Geographical Coverage</u>	Twenty three PSHP centers.
<u>Time-series:</u>	1992 to 1995
<u>Sources:</u>	Local Authorities
<u>Indicator Value</u>	Base year, 1992: 3.09 1995: 4.44

⁵ i.e. Stands which are serviced with approved cadastral survey.

**TABLE 1.1 NUMBER OF LOW INCOME SERVICED STANDS
PER 1,000 POPULATION 1992 - 1995**

INDICATOR VALUE BY CENTER								
YEAR	FINAL VALUE (Weighted average of 6 Centers)	HRE	BYO	GWERU	MUTARE	BINDURA	CHIREDDZI	23 PSHP CENTERS
1992	3.09	1.07	6.72	5.21	2.30	0	4.74	3.07
1993	1.66	0.87	2.34	0	7.61	0	0	1.77
1994	3.08	0.75	4.08	5.29	18.54	0	0	2.53
1995	4.44	4.74	3.41	0	5.82	29.21	11.15	4.12
FOUR YEAR AVE.	3.07	1.86	4.14	2.63	8.57	7.30	3.97	2.87

NOTE

1. 1993 values for Harare and Bulawayo are slightly lower than Baseline Study (PADCO, 1994) because a population growth rate of 6.0% and 5.3% p.a. respectively has been used. The Baseline Study used only 3.13% (natural population growth rate) between 1992 and 1993.

Analysis

In the base year 1992, a total of 6,517 residential stands in high density areas were serviced and ready for sale in the six key urban centers. This represented 3.09 serviced stands per 1,000 population. Between 1992 and 1993, stand servicing levels declined to an average of only 1.66 stands per 1,000 population. In 1994 and 1995 the trend appears to be improving with stand servicing levels in the six key urban centers being 3.08 and 4.44 per 1,000 population respectively.

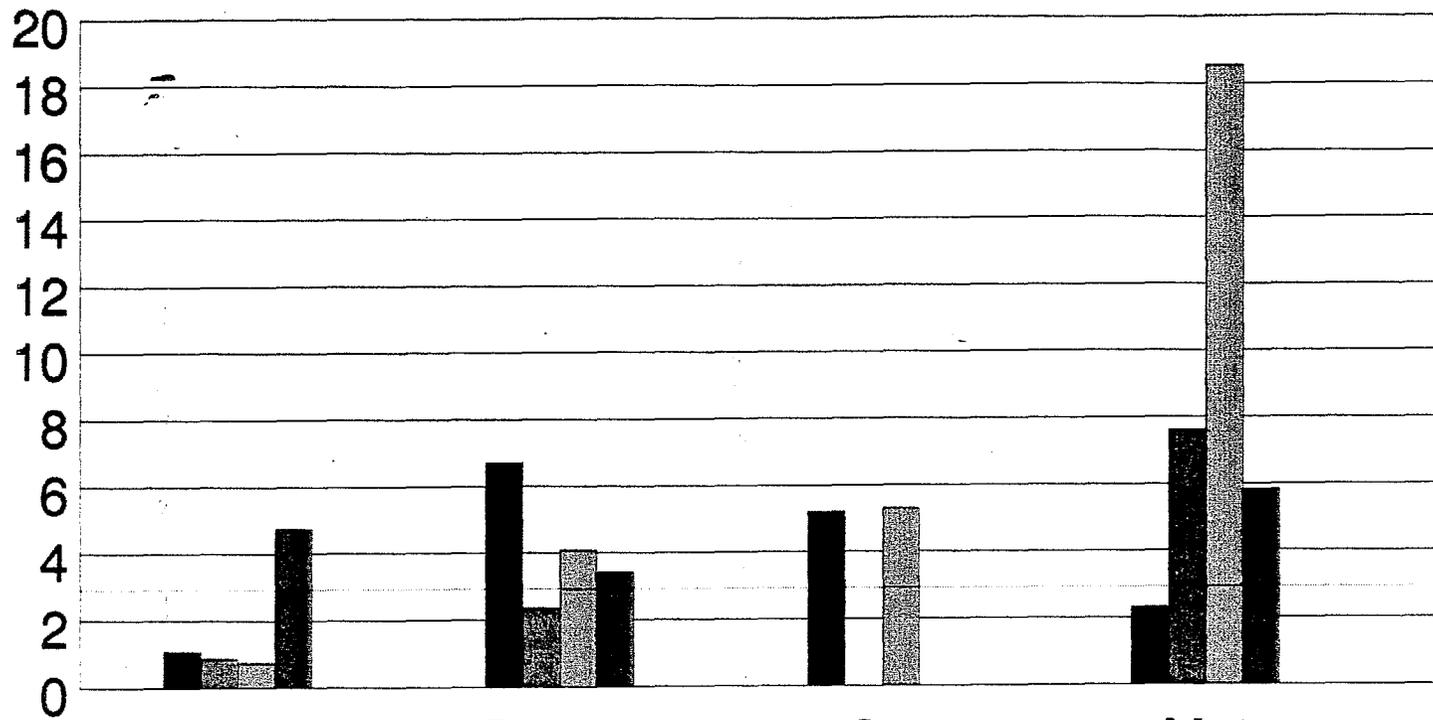
One of the planned PSHP outputs is an additional 45,400 serviced stands made available to low-income families over the five-year life of the Program. Meeting the target will require servicing an average 9,080 low income stands per year across all urban centers. Early indications are that the target has been met overall in 1995 (13,022 low income stands were serviced). The challenge will be to sustain the rate of delivery which is nearly double the average deliveries achieved from 1992 to 1994.

In its early stage, the Program impact has been positive both directly and indirectly through policy reviews. In 1995, the number of stands serviced directly from Program-sourced funds was not available. However in 1996, work is in progress on 45,200 stands.

A number of program related policy changes, in particular the encouragement of private sector

NUMBER OF SERVICED LOW INCOME STANDS PER 1,000 POPULATION

INDICATOR VALUES



FOUR MAIN CITIES

■ 1992 ▨ 1993 ▩ 1994 ■ 1995

▨ Four year average

involvement in land servicing and housing delivery, are making an impact in 1995. This is reflected for example in the increased number of stands serviced for middle and high income families. For example, 4,182 stands were serviced in Harare in 1995 compared to only 245 stands in 1994 for the higher income segment of the market.

Preliminary indicators of Program-related policy changes with respect to removing gender bias in the allocation of stands are also encouraging. During the 1980's an average of only 6 percent of stands in high density suburbs serviced using HG loans were allocated to female headed households, although 20 percent of all urban households are headed by women. In 1995 12,5 percent of mortgages allocated by building societies were recorded as allocated to women and all stands allocated to married men are now registered jointly in the names of both spouses.

2.1.2 Price of Low Income Serviced Stands

<u>Definition:</u>	Price (in 1992 Z\$) of an <u>unsubsidized</u> serviced stand that meets current minimum standards where the primary/bulk infrastructure is in close proximity to the site and where the terrain of the site is not extraordinarily constrained.	
<u>Data Disaggregation:</u>	Price of stand.	
<u>Geographical Coverage</u>	Six key urban centers.	
<u>Time-series</u>	1992 - 1995	
<u>Sources:</u>	Private Contractors; MPCNH, Local Authorities; Reserve Bank.	
<u>Indicator Value</u>	Base Year 1992: Harare/Bulawayo average declared Z\$5,325 Harare/Bulawayo average actual Z\$6,025 ⁶	
	1995 (1995 Z\$) Harare/Bulawayo average actual Z\$10,304 Six centers average (unweighted) actual Z\$9,626	
	1995 (1992Z\$)⁷ Harare/Bulawayo average actual Z\$4,849 Six centers average actual Z\$4,959	

**TABLE 1.2: PRICE OF LOW INCOME SERVICED STAND,
1992 - 1995 (1992\$)**

⁶ The stand price in 1992 included some subsidies. Assuming that City of Harare and City of Bulawayo provide similar levels of subsidy in 1995 as in 1992, then the average price in 1992 would have been higher than reported in the Baseline study.

⁷ Deflator ratios for 1995 Z\$ to 1992 Z\$ vary widely in official statistics, for example: Civil Engineering Price Index (3.22), Building Materials Price Index (2.8). The deflator has therefore been linked to the US\$ exchange rate for Zimbabwe \$ spot transactions (middle rate) (assumes US inflation constant over the period). Source: telephone interview, Reserve Bank of Zimbabwe

INDICATOR VALUE BY CENTER							
YEAR	FINAL VALUE unweight- -ed (average of 6 centers)	HARARE	BULA- WAYO	GWERU	MUTARE	BINDURA	CHIREDDZI
1992	6,025	7,658	4,391	--	--	--	(9,170) (based on 1990 actual)
1993	6,202	7,230	--	--	4,174 ⁽¹⁾	--	--
1994	9,559	--	--	--	--	9,559 ⁽²⁾	--
1995	4,959	8,028 (300m ²) 4,710 (105m ²)	4,987 (pvt.cont 200m ²) 5,184 (council 200m ²)	5,510 (300m ²)	N/A	4,627 (200m ²)	--

Notes

- (1). Subsidy unknown
- (2). Assumes 35% subsidy as provided in 1995

Analysis

Data for the indicator was derived from as - built costs (private contractors) or actual selling prices (local authorities)⁸.

Servicing of land continues to be dominated by local authorities. The authorities provide a number of cross-subsidies in the servicing prices, in particular below market price for raw land, town planning services, senior staff costs and contract contingencies. In order to compare the price of land serviced by the private sector with that serviced by local authorities, as well as to assess the sustainability of local authority servicing functions, the subsidies have been identified and prorated. This was not vigorously undertaken in the baseline study. Therefore, the 1992 costs presented in Table 1.2 are now slightly higher than the local authority declared prices found in the baseline study report.

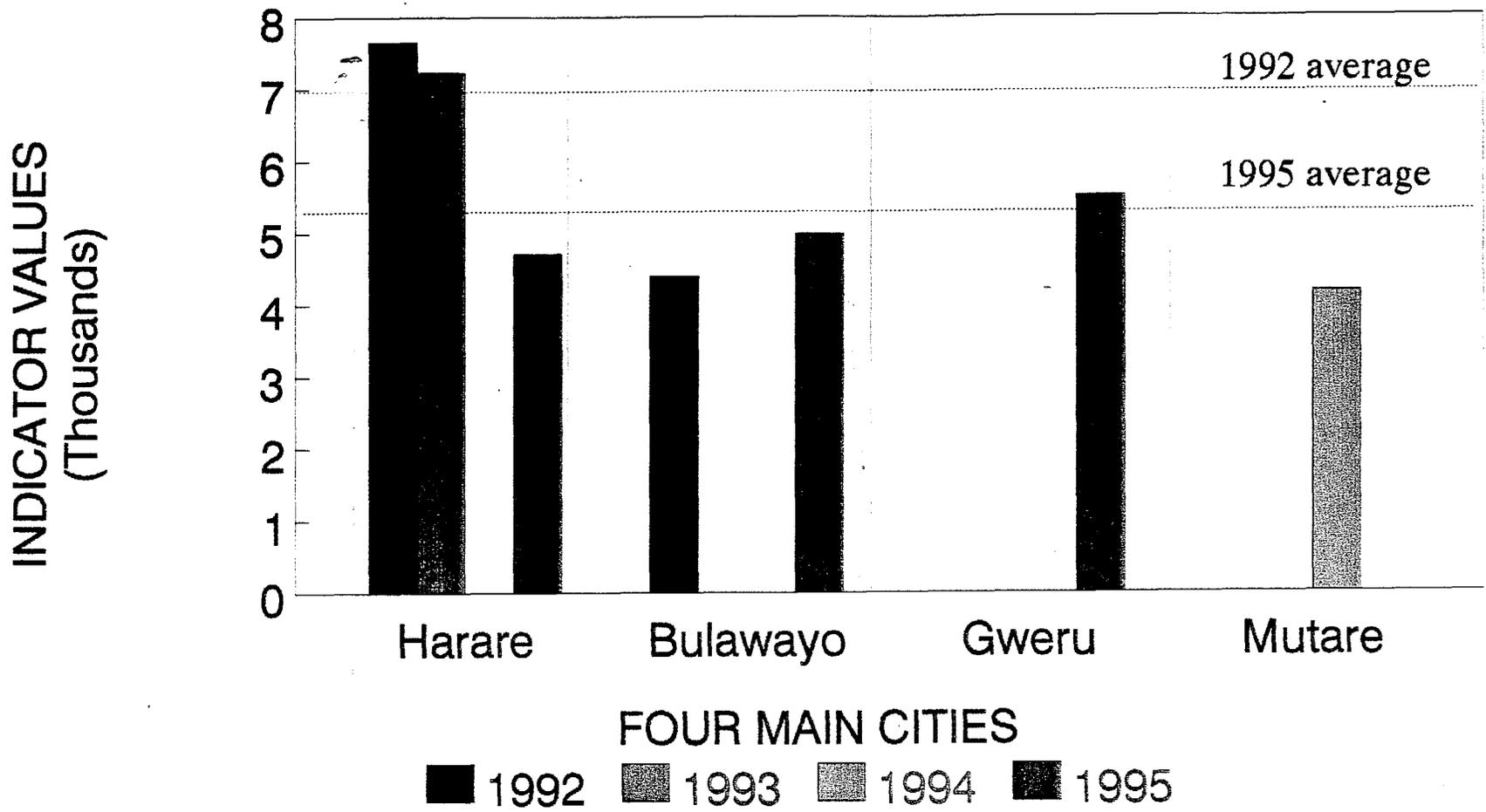
To compare changes in the indicator value over time, all figures are given in 1992 Z\$. A number of possible deflator ratios are available - with large variations between the ratios. For example:

1990 1995

⁸

1995 costs were based on the following project areas: Kuwadzana 3 and Kuwadzana 4 (Harare); Cowdray Park and Engawini 1 (Bulawayo); Mkoba 19 (Gweru); Chikanga and St Josephs (Mutare); Chipadze Extension (Bindura); and Tshovani (Chiredzi - 1990 project).

PRICE OF LOW INCOME SERVICED STAND (1992 Z\$)



26

Civil engineering price index	1.00	3.22
Building materials price index	1.00	2.8
Z\$ spot transactions to US\$	1.00	1.6986

The CEPI, tracked by CSO, is potentially the most useful ratio but the items used within the basket is not weighted and the resultant total index is skewed. The BMPI is relevant to cost increases in superstructure construction and not directly relevant to infrastructure inputs. The ratio finally used is pegged to US dollar exchange transactions. No attempt has been made to extract the US local inflation rate which is assumed as relatively constant over the period and unlikely to have had a notable impact on the (small) Zimbabwean economy⁹.

The price of a low income serviced stand measures movements in a number of variables related to the Program, including a potential lowering of prices due to increased competition between suppliers; potential increased technological efficiency as a result of increased availability of construction materials, plant and equipment; and a potential lowering of prices in response to policy changes in the minimum permitted standards of plot size and servicing level.

When the baseline data was collected in 1992, no private contractors were involved in servicing land for low income housing. In 1995 an increasing number of private contractors are undertaking land servicing. The value assessed for 1995, shows that private contractor servicing prices are extremely competitive with those of local authorities. One of the arguments against breaking the monopoly of local authorities in servicing land for low income housing has been that the profits charged by the private sector will push the price of stands up, beyond the reach of low income households. The 1995 prices do not appear to support this argument. Private contractors interviewed stated that they were servicing land at cost in order to provide more stands on which they could construct housing - their primary business activity.

The construction industry has overcome a number of constraints over the 1992 to 1995 period. For example, the initial placing of plant and equipment on OGIL schedules and eventual unrestricted access to imports was a result of Program policy advice. However, real prices have still escalated due to the unfavourable macro-economic climate, in particular the high national inflation rate (the Producer Price Index rose 77.4 percent from 1992 to 1995). In both Harare and Bulawayo, the cost of servicing the same sized 300m² stand has increased in real terms from 1992 to 1995 by 5 percent (Harare) and 13.6 percent (Bulawayo - 200m² stand).

Nonetheless, the real price of a minimum sized serviced low income stand has declined by 17.7 percent in all centers (38.5 percent in Harare) due to the halving of permitted stand sizes from 300m² to 150m².

The targeted Program impact is for a 47 percent reduction in the cost of a "habitable stand". A habitable stand comprises a serviced stand plus a wet-block and a one-room slab. Achievement of the target appears to be possible particularly when read in conjunction with indicator number 3.2 (construction price and cost).

2.1.3 Permits and Title Delays

Definition

Median length in months to obtain approvals, permits and titles for a medium sized (50 - 200 units) residential subdivision in an area on the urban fringe where residential development is permitted.

⁹

Telephone interviews with economists at the Reserve Bank of Zimbabwe and Zimtrade.

25

Data Disaggregation

-

Geographical Coverage

Harare and Bulawayo

Time-series:

1992, 1995

Sources:

Local authorities' registers; Surveyor General's registers;
professional consultants' records.

Indicator Value

1992	Harare	41.65 months
	Bulawayo	35.75 months
	Average	40.3 months
1995	Harare	53.5 months
	Bulawayo	50.5 months
	Average	52 months

**TABLE 1.3 PERMITS AND TITLE DELAYS
INDICATOR VALUES IN MONTHS : 1992, 1995**

CENTER	LAYOUT PLAN PREPARATION AND APPROVAL	INFRASTRUCTURE DESIGN AND CONSTRUCTION	CADASTRAL SURVEY & APPROVAL	BUILDING PLAN APPROVAL	TOTAL
Bulawayo 1992 1995	9 9	4.5 6.0 (pvt. contractor)	18.5 35.0	3.75 0.50	35.75 50.50
Harare 1992 1995	13 15	4.5 4.5	18.4 30.0	5.75 4.00 ¹	41.65 53.50

Note:

1. Based on building plan approvals register for high density areas for months January through November 1995

Analysis

Assuming that certain minimum standards are maintained, a decline in the indicator value is desirable so as to allow developers to build housing more rapidly, in larger quantities, and consequently at more affordable prices.

In 1992 the average time required to approve, permit and title a new medium-sized residential subdivision was a lengthy three years and four months. By comparison the average of sub-Saharan African countries surveyed by the World Bank/UNCHS was just under two years (23 months).

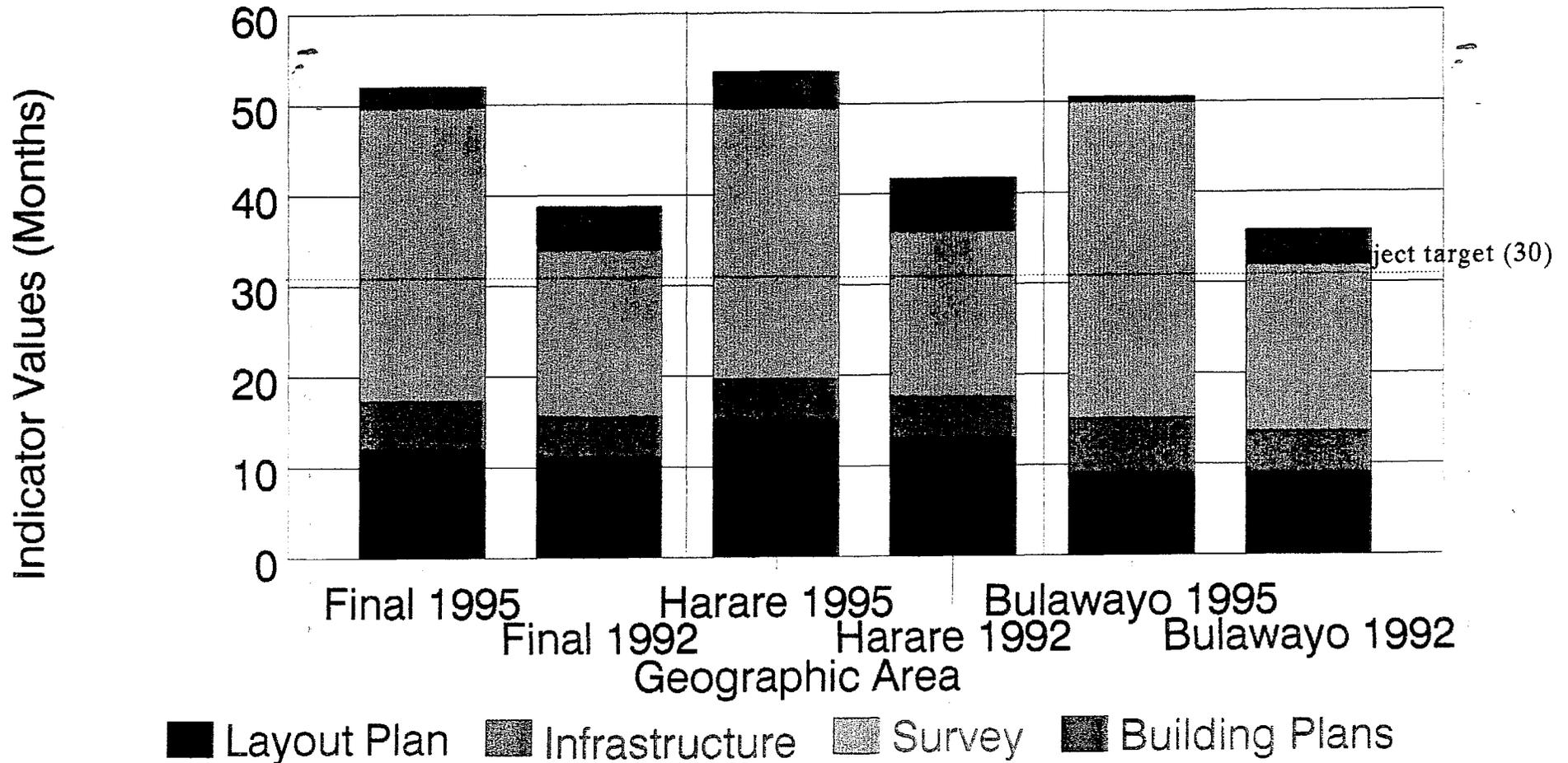
The end-of-Program target was to reduce the value of the indicator by 25 percent, to 30 months. In 1995, the indicator has increased by an average 29 percent, to an average delay of four years and four months.

The delays in land development in Zimbabwe are now more than double that of countries in sub-Saharan Africa and four times the average 13 months for countries reporting worldwide. Delays are so severe as to be identified as one of the major constraints on the production of shelter, particularly at affordable levels and pose a serious threat to the Program.

Disaggregated, the indicator value reflects delays in four main activities of shelter delivery:

- (i) layout plan preparation and approval
- (ii) infrastructure design approval and construction
- (iii) cadastral survey and approval
- (iv) building plan preparation and approval.

Permit and Title Delays Indicator Values in Months



Layout plan preparations and approvals continue to represent close to one third of the delays in the process. The main reasons cited by local authority officials and private land surveyor and town planning consultants were:

- (a) Inadequate attention to field condition details when plans are prepared by planners resulting in the need to amend plans that have been approved but are found to be unworkable on the ground¹⁰.
- (b) Inadequate attention to sub-division permit details by local authorities¹¹ requiring that the permit be returned for amendments before cadastral survey can be initiated.
- (c) Requirement that the same plan be approved by three different planning authorities: the local authority itself, the Provincial Planning Office and the Provincial Planning Office's head office, the Director of Physical Planning. (In the case of Urban Councils' Section 160 approvals, the Ministry of Local Government, Rural and Urban Developments' approval is also required, even though both the PPO and DPP are in the same Ministry). However the problem has recently been addressed in that the Provincial Planning Office may now approve layouts of up to 500 stands without reference to the Director of Physical Planning.

Infrastructure design, approvals and construction are generally reported as not being a major cause of delay in land development. The indicator value did increase in Bulawayo from 1992 to 1995 when work was being undertaken by a private contractor. The contractor reported that this was due to an initial lack of adequate consultation with the City Council over its requirements. The value may be anticipated to decline in future.

Building plan approval times have declined from 1992 to 1995, particularly in Bulawayo. The value for the indicator in Harare was derived entirely from plans approved in the high density, low income suburbs where a large number of plans submitted are of standard types. There is obviously room for improvement in the indicator in Harare. For example, in Bulawayo, if there are problems with the plan, the applicant is called in to the local authority's office and the plan is immediately amended in a mutually agreed manner. Similarly, Kwekwe Council recently publicized that it will process development and building plan submissions within two weeks.

Cadastral survey approval delays have almost doubled over the past three years and continue to be the be the major constraint on land delivery.

Tables 1.3 (a) and 1.3 (b) below illustrate the extent of the problem. The data are derived from the Surveyor General's office in Bulawayo but data of similar magnitude prevail in the office in Harare.

**TABLE 1.3(a) : SURVEYS LODGED AND APPROVALS
PENDING, 1980 - 1995**

¹⁰ Land surveyors working off an approved layout plan are only permitted a five percent margin of error. If roads or stands are located on rock outcrops, erosion channels and similar the plan may have to be amended and re-approved.

¹¹ Common examples given in interviews included inaccuracies in stand numbering, stand numbers omitted on roads, incorrect endowment percentages applied.

YEAR	NO. SURVEYS LODGED	NOT YET APPROVED AS AT FEB 1996	COMMENTS
1980	147	--	
1981	109	--	
1982	152	--	
1983	100	--	
1984	91	--	
1985	85	--	
1986	154	--	
1987	167	--	
1988	187	--	
1989	183	--	
1990	220	--	
1991	233	--	
1992	216	--	Of which 57 were on Dispensation Certificates
1993	273	22	Of which 147 were on Dispensation Certificates
1994	348	789	Of the 69 approved, all are for one and two stands only
1995	800	289	Of the 11 applications approved, all are for one and two stands only

For the past two years, the only surveys that have been approved have been for one or two stands at a time. Municipal layouts for large low income areas (for example, Cowdray Park) are given priority but all other surveys can anticipate a three year delay in approval (compared to the three month delay experienced in 1993 when AID-funded external examiners were hired on short-term contracts in the office).

Table 1.3(b) disaggregates the approval times at various stages within the S.G's office.

**TABLE 1.3 (b): EXAMPLE OF DELAYS WITHIN
SURVEY APPROVAL PROCESS
SURVEY LODGED**

SURVEYOR GENERAL'S OFFICE ACTIVITY	GWERU T/SHIP	BULA- WAYO	KWEKWE (8 STANDS)	BULA- WAYO (94 STANDS)	BULA- WAYO (256 STANDS)	KWEKWE (296 STANDS)
Received	29.1.93	8.3.93	20.9.94	24.3.93	13.3.93	29.3.93
Drawing Office Noting	3.2.93	8.3.93	22.9.94	31.3.93		31.3.93
To Examiners	8.3.93	23.3.93	20.10.94	15.3.93		15.4.93
Junior Ex-approval	2.8.93	28.7.94	20.10.94	19.8.94		19.10.93
Senior Ex. approval	-	8.8.94	31.10.94	29.8.94		
Final Ex. approval	5.8.93	19.8.94		2.9.94		
Return to Surveyor (for amendments)	8.12.95	19.1.96		29.11.95		12.5.94
Approved	31.1.96	23.1.96	3.11.94	12.1.96	6.7.93 (AID L. Surveyor)	29.6.94

By disaggregating the approval times within the Surveyor General's office, delays appear to be occurring at two main points : initial approvals being undertaken by the Junior Examiners (Survey Technicians - checking scales, dimensioning, etc); and returning checked diagrams back to the private surveyor for amendments and then waiting for him to resubmit for final approval. This final step typically takes 12 months or more.

Over the past year, experienced private surveyors have been given permission by the Surveyor General to undertake Final Examiner approvals on certain applications. The private surveyor is paid by a private developer or local authority to examine an application outside of the "first-in, first-out" (or perhaps more appropriately the "last-in, last-out") queue system which is clearly in need of revision. In such instances, the final examination and approval can be undertaken on a 200+ stand residential layout in approximately two weeks. However, it appears that Junior Examiners, recognising that private developers are willing to pay a premium for survey approval, are now taking longer and longer to carry out Junior Examinations in anticipation of private payments to complete their tasks.

Clearly, unless a fast-track approval system (which has been seen to be possible and was proposed by the AID - surveyors in 1993), is institutionalized within clear-cut Departmental Guidelines, cadastral approval delays will continue to increase. The valves for this indicator pose a serious constraint to the entire Program unless resolved in the short term¹².

2.2 Low Income Shelter Finance Indicators

¹²

Of the 15,000 stands serviced under the Urban II program by the end of 1995, only 1,100 have been surveyed and can be transferred resulting in huge losses to local authorities which cannot on-sell the stands until titling is approved. (Interview with World Bank Consultant).

2.2.1 Number of Low Income Mortgages

<u>Definition</u>	Number of new mortgages that are extended by financial institutions to households of less-than-median income : (i) total per year, (ii) Program-related.
<u>Data Disaggregation</u>	<ul style="list-style-type: none">- Number of new residential mortgages and total dollar amount- Number of new low income residential mortgages and total dollar amount- Number of new PSHP mortgages and total dollar amount.- Percent of mortgage financing going to low-income households (by gender).
<u>Geographical Coverage</u>	All 23 PSHP participating urban centers.
<u>Time-series:</u>	1992 to 1995
<u>Sources:</u>	<p>Building Societies for numbers of mortgages. No institutionalized reporting system was in place at the end of 1995. The Societies each had to collate the required information by special request. The level of disaggregation requested was not available.</p> <p>Ministry of Finance for value of mortgages reported in monthly returns (BS4 Forms).</p>
<u>Indicator Value</u>	<p>1992: No. low income mortgages: 10,700 value low income mortgages Z\$129,155,000</p> <p>1995: No. low income mortgages: 15,962 value low income mortgages: Z\$202,035,000</p> <p>The number and value of low income mortgages as a percent of all residential mortgages, disaggregated by the four cities is given in Tables 2.1 (a) and 2.1 (b) overleaf. Mortgages extended under the PSHP are only beginning to have an impact in the current financial year. The gender disaggregation of PSHP mortgages is being recorded by two of the four building societies. PSHP mortgages and a limited gender disaggregation are given in Annex 1, Tables ANX 2.1 (a) and ANX2.1 (b), being the mortgage issued by institutions from 1992 to 1995.</p> <p>In 1992, of the 28, 453 residential mortgages issued across the country, 37.6 percent (14.8 percent by value) were for low income families. The indicator value had risen to 48.46 percent of all mortgages (still 14.8 percent by value) in 1995.</p>

TABLE 2.1(a) : NUMBER OF RESIDENTIAL MORTGAGES 1985 – 1995

YEAR	FINAL VALUE TOTAL NUMBER			INDICATOR VALUE BY GEOGRAPHIC AREA (1)									
	ALL RES. MORTGAGES	LOW INCOME		HARARE		BULAWAYO		GWERU (2)		MUTARE		ALL OTHER CENTERS (3)	
			NO	%	ALL	LOW INC.	ALL	LOW INC.	ALL	LOW INC.	ALL	LOW INC.	ALL
1985	4,166	0	0										
1986	4,811	0	0										
1987	8,395	3,641	43.5										
1988	9,365	4,600	49.1										
1989	11,614	5,351	46.1										
1990	N/A	5,534											
1991	N/A	1,220											
1992	28,453	10,700	37.61	15,112	3,738	8,072	4,358	85	73	1,287	627	3,015	1,791
1993	27,153	10,415	38.36	14,452	3,647	7,717	4,217	93	70	1,213	610	2,836	1,619
1994	27,338	10,528	38.51	14,537	3,612	7,819	4,400	234	180	1,167	591	2,733	1,545
1995	32,942	15,962	48.46	19,523	8,162	8,329	4,803	249	182	1,822	1,148	3,091	1,667

Notes

- (1). Value excludes data for Building Society No. 3 because data only available for 1995.
(All Building societies' data is used in the Final Value column.)
- (2). Excludes Building Society No. 2
- (3). Includes Gweru for Building Society No. 2.

TABLE 2.1 (b) : VALUE OF RESIDENTIAL MORTGAGES 1985 – 1995 (Z\$000)

YEAR	FINAL VALUE TOTAL NUMBER			INDICATOR VALUE BY GEOGRAPHIC AREA (1)									
	ALL RES. MORTGAGES	LOW INCOME		HARARE		BULAWAYO		GWERU (2)		MUTARE		ALL OTHER CENTERS (3)	
		Z\$	%	ALL	LOW INC.	ALL	LOW INC.	ALL	LOW INC.	ALL	LOW INC.	ALL	LOW INC.
1985	N/A	0	0										
1986	145,270	21,500	0										
1987	190,576	36,400	14.8										
1988	323,810	54,400	19.1										
1989	N/A	N/A	16.8										
1990	N/A	N/A											
1991	N/A	N/A											
1992	871,860	129,155	14.8	607,142	42,433	140,025	47,932	1,926	1,076	28,003	8,637	66,864	25,073
1993	904,575	126,920	14.03	660,074	41,576	128,632	47,266	2,296	1,757	24,079	8,635	60,548	23,751
1994	1,068,405	133,355	12.48	759,800	43,863	171,061	51,912	4,063	2,027	27,971	8,463	71,321	22,956
1995	1,363,207	202,035	14.82	953,471	55,300	218,204	69,323	8,817	6,284	67,012	41,556	85,909	29,572

Notes

- (1). Value excludes data for Building Society No. 3 because data only available for 1995.
(All Building societies' data is used in the Final Value column.)
- (2). Excludes Building Society No. 2
- (3). Includes Gweru for Building Society No. 2.

Analysis

The time series data for the indicator over the past ten years show the effectiveness of the introduction of PUPS-legislation in the latter-half of the 1980's¹³. For the first time, the country's Building Societies extended mortgage finance to low income households in 1987. Legislation required that 25 percent of portfolios be committed to the low income segment of the market. In reality, between 43 to 49 percent of lending went to low income mortgages.

However, the number of low income mortgages issued declined sharply in the early 1990's from 5,534 in 1990/91 to 1,200 in 1991/92. (See the Baseline Study Report for an explanation of this). The PSHP Project Paper calls for an end-of-project output of 43,200 new low income mortgages. Achieving that output during the life of the five year Program requires that an average 8,640 low-income mortgages be extended per year.

The indicator value from 1992 through 1995 shows that the target can be achieved. The number of mortgages from 1991 to 1992 increased nearly ninefold from 1,220 to 10,700 - 24 percent above the Program's annual average target. By 1995, the number of low income mortgages once again increased by 49,2 percent to 15,962. This represents an increase back to the high levels achieved in 1988/89.

In 1995, 6,033 Program-related mortgages were issued, representing 70 percent of the annual target. It is anticipated that the number of Program-related mortgages will continue to increase.

The percentage of low income mortgages by value has not shown as dramatic an increase as by number. In 1992 the average low-income mortgage was Z\$12,070. In 1994 it was Z\$12,667 (Z\$8,279 in 1992 terms) and in 1995 it was still Z\$12,657 (Z\$7,451 in Z\$1992 terms). The average low income loan declined in real terms by 38 percent from 1992 to 1995, in part reflecting a lowering of minimum housing standards with associated cost reductions (see indicator number 3,2). However it may also reflect a decrease in real wages and related affordability levels of low income households over the past four years¹⁴.

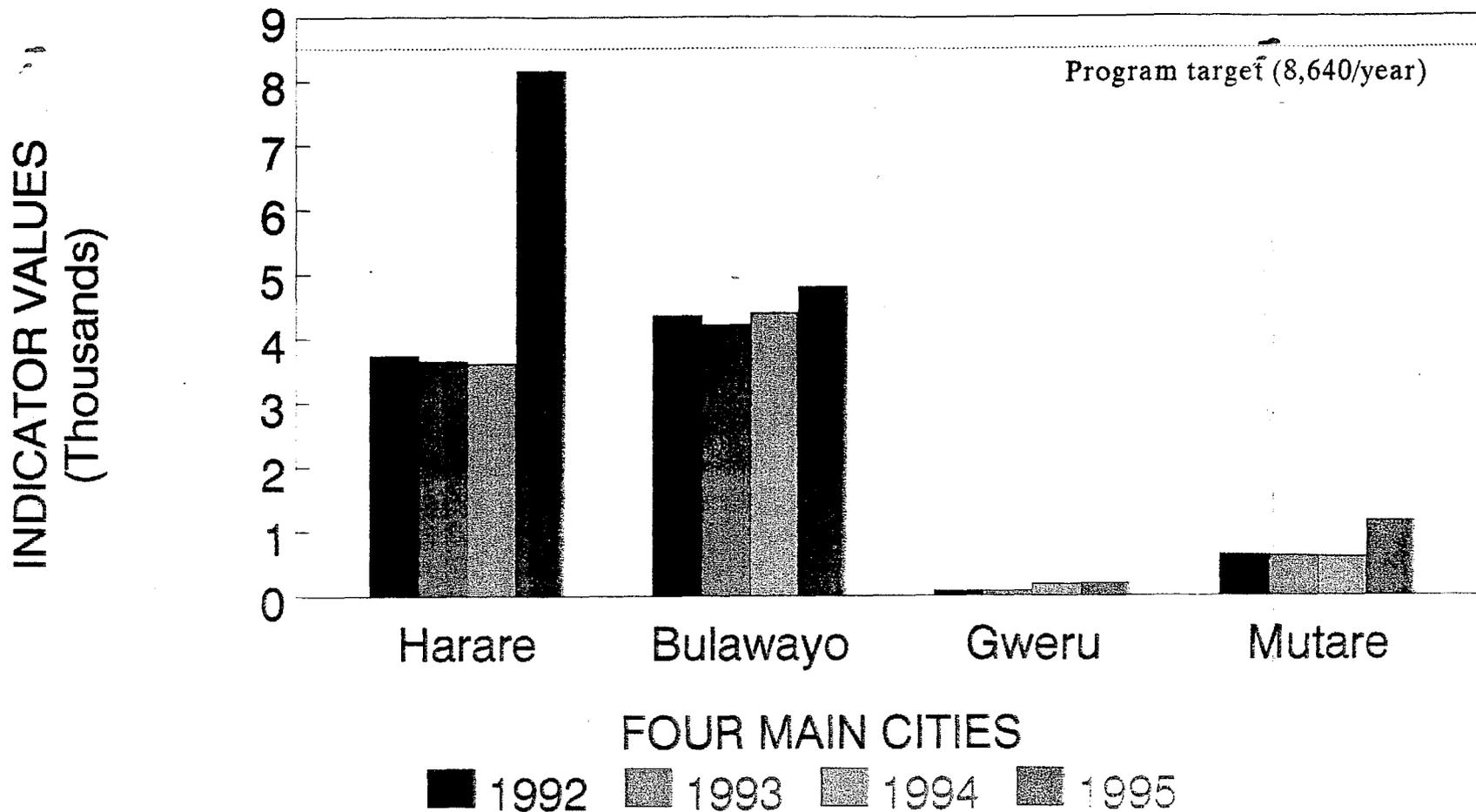
Data disaggregation by gender is not readily available from Building Society sources. The data assessed to be reliable (from only two of the four building societies for 1995) is not sufficient to provide a clear insight into the ratio of mortgages being extended to male and female - headed households. On the information that is available, in 1995, 20 percent and 16 percent of the number of mortgages issued by Building Societies numbers 1 and 2 were extended to female headed households (and 24.5 percent and 8.2 percent by value). This is close to the 20 percent of all urban households which are female headed (according to national census data), and is a marked improvement on the low six percent of female-headed households who were allocated plots under HG/001A and 001/B. However, as under the previous HG Program, only a low percent of loans are being extended to female-headed households in Harare (only 12.1 percent in 1995).

The tracking of this indicator can yield a wealth of information about the Program. The indicator is also an intermediate value for a number of the other indicators. However as yet, only one of the Building Societies has institutionalized data recording for the indicator. None

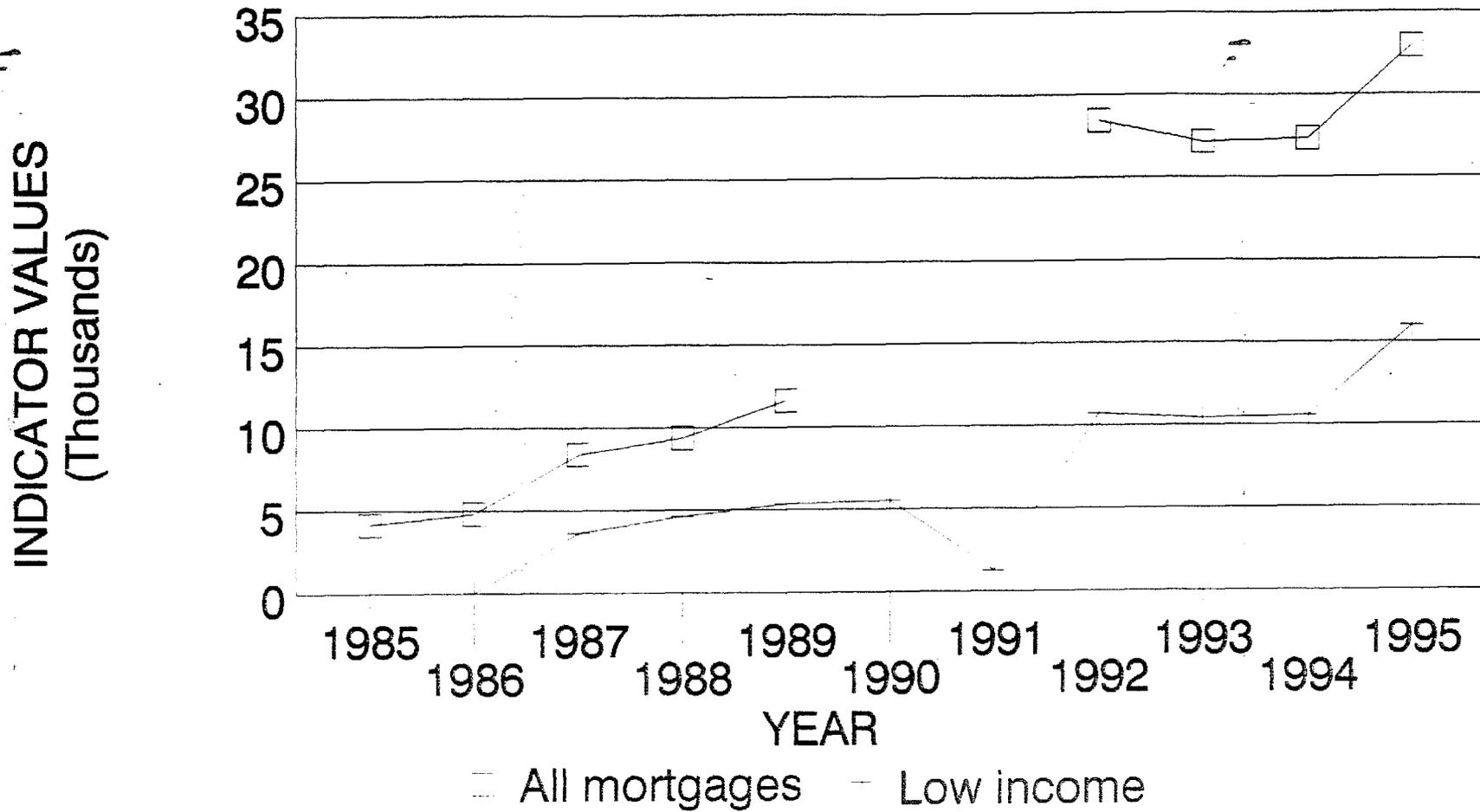
¹³ In terms of which, 25 percent of all Paid Up Permanent Shares deposits with Building Societies are targeted for low-income (less than Z\$35,000) mortgages.

¹⁴ A recent gender assessment of the AID/HG funded housing program implemented in the 1980's found that 54 percent of women-headed households claimed to be economically and employment-wise worse off in 1995 than they were ten years ago. (Plan Inc. 1995).

NUMBER OF ALL LOW INCOME RESIDENTIAL MORTGAGES, 1992 - 1995



NUMBER OF RESIDENTIAL MORTGAGES ISSUED NATIONALLY, 1985 - 1995



are collecting the data to the level of disaggregation (by center and gender) which is required by the monitoring system. There are also major discrepancies between the data submitted for this study and the monthly returns made to Ministry of Finance with respect to the value of mortgages issued. A clear example of this is as follows :

According to the returns submitted by the Building Societies for the purposes of this monitoring study, the total residential mortgages issued by all Societies in 1994 was Z\$1,068 million. However according to Ministry of Finance statistics (Form BS4), the total value of residential mortgages issued in 1994 was Z\$157.8 million. Similarly, data reported for 1995 was Z\$1,363.2 million versus Z\$396,55 million respectively. This of major concern for the monitoring system.

2.2.2 Mortgage -to-Deposit Difference

<u>Definition</u>	Average percentage difference between interest rates on mortgages in both commercial and government financial institutions and the interest rate on one-year deposits in the commercial banking system.	
<u>Data Disaggregation</u>	National value	
<u>Geographical Coverage</u>	National	
<u>Time-series</u>	1992 to 1995	
<u>Source</u>	Reserve Bank of Zimbabwe	
<u>Indicator Value</u>	1991/92	- 9.98%
	1994/95	-11.6%

TABLE 2.2: MORTGAGE TO DEPOSIT DIFFERENCE, 1992 - 1995

YEAR	BUILDING SOCIETIES		NATIONAL HSG FUND (MPCNH)	12-MONTH NCD RATE	MORTGAGE TO DEPOSIT DIFFERENCE
	12 MONTH %	CLASS "C" %	%	%	%
1991/92 ⁽¹⁾	15.0	17.0	11.0	30-35	-9.98
1992/93 ⁽¹⁾	15.5	22.25	11.0	34-38	-18.17
1993/94 ⁽²⁾	15.85	19.5	12.25	29.28	-11.0
1994/95 ⁽²⁾	15.85	19.5	12.75	29.30	-11.6

Notes

- (1). Data includes loans extended through National Housing Fund.
- (2). Data excludes loans extended through NHF as the information is not available.

Analysis

In a well-functioning housing market, the value of the mortgage-to-deposit difference indicator should be positive and only slightly higher than deposit rates¹⁴. For the housing finance sector to be sustainable, lending institutions (the four Building Societies) must be able to earn a reasonable return on their investments in mortgages. A key sign of sustainability is the mortgage-to-deposit difference indicator. The mortgage finance market in Zimbabwe is more distorted than in other countries in sub-Saharan Africa (where the median value in 1992 was +3) or in other countries in Zimbabwe's income group (where the 1992 median value was +7).

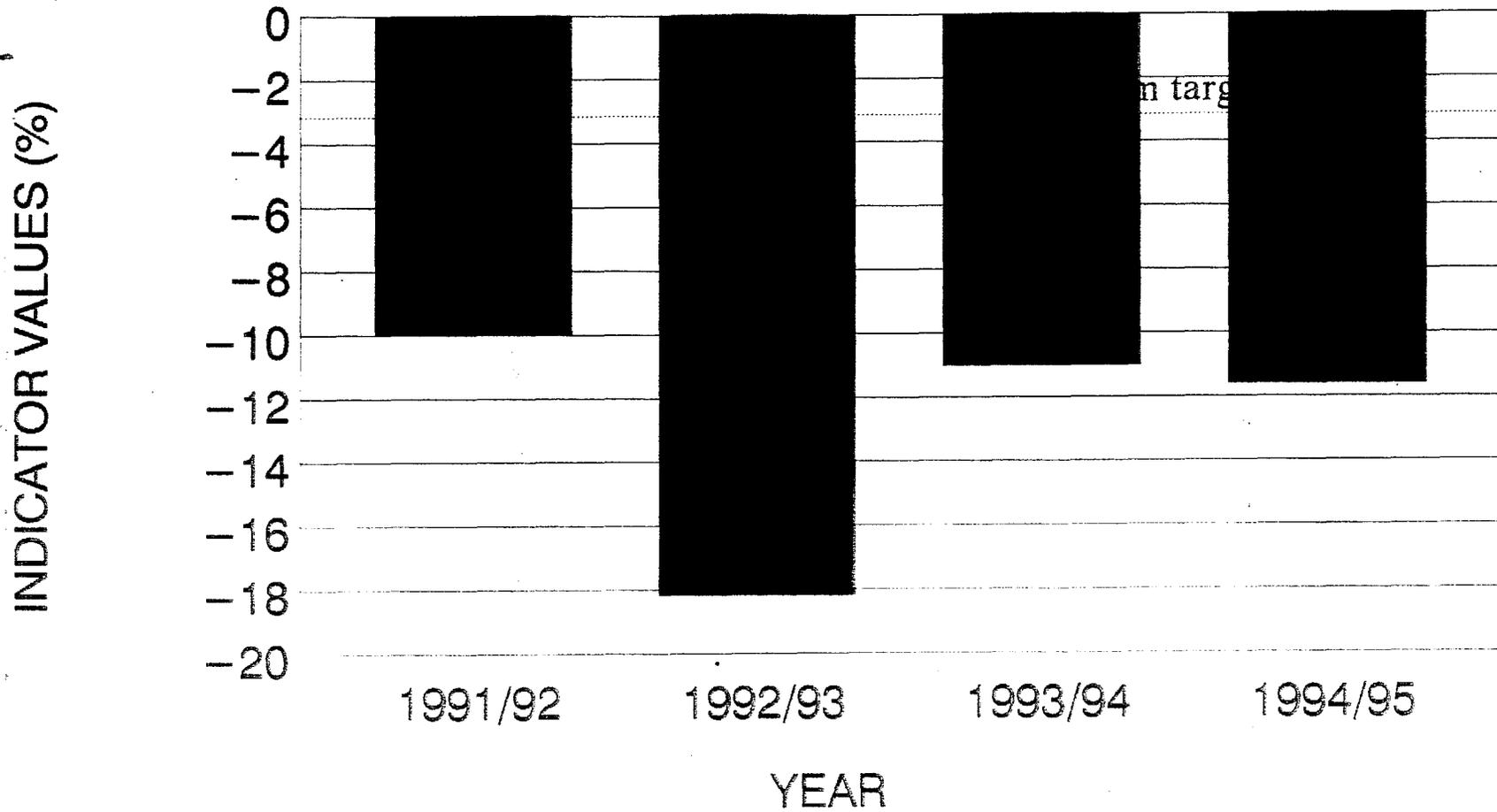
The 1992 baseline survey concluded that the Zimbabwe housing finance sector was unsustainable. In FY 1991/92 the indicator value was -9.98 and it then dropped dramatically to -18.17 in FY 1992/93. Over the past two financial years, the indicator has shown little sign of achieving even a modest positive value. It remained at negative levels of -11.0 and -11.6 in 1993/94 and 1994/95. As long as inflation rates remain high (18.7 percent in 1994/95 and 24.6 percent in 1995/96) the indicator value is unlikely to improve.

In order to ensure that lending institutions do invest in at least some housing mortgages and at an affordable rate, the GOZ has set a number of regulatory measures for example: interest rate ceilings on low income mortgages and a limit on the number and type of financial institutions that can offer mortgages. Furthermore, GOZ offers a number of subsidies to the Building Societies to issue low income mortgages - for example, the issuance of tax-free paid-up permanent shares. GOZ itself offers highly subsidised mortgages through the National Housing Fund.

¹⁴

IBRD/UNCHS "The Housing Indicators Program"; Volume III Preliminary Findings, 1992

MORTGAGE TO DEPOSIT DIFFERENCE



47

The Baseline Study Report noted that the demand for low-income mortgages may far exceed supply under the present conditions. An important variable is the actual demand for mortgages among low income households. Program and GOZ policy assumes that if mortgages are affordable, low income households will demand them. However, there is some attitudinal survey data available both in Zimbabwe¹⁵ and regionally¹⁶ which indicate a degree of reluctance toward long term borrowing (with associated interest repayments) on the part of low income households. This element is tracked obliquely in the Program through the credit-to-value ratio.

2.2.3 Credit-to-Value Ratio

<u>Definition</u>	Ratio of mortgage loans for housing to total investment in housing in both the formal and informal sectors.
<u>Data Disaggregation</u>	Total mortgage loans Total investment in housing
<u>Geographical Coverage</u>	Harare
<u>Time series</u>	1992, 1995
<u>Sources</u>	Ministry of Finance City of Harare Building Inspectorate and Department of Housing and Community Services CSO Estate Agents
<u>Indicator Value</u>	1992: 187.03 1995: 169.37

¹⁵ of D. Patel "Evaluation of Kuwadzana Housing Program"
Plan Inc. "Gender Analysis of Zimbabwe Housing Guaranty Program", 1996.

¹⁶ of John Burrow and Partners in joint venture with Euroconsult "Swaziland Urban and Industrial Infrastructure Project: Land and Housing Market Study".

**INDICATOR 2.3 : CREDIT-TO-VALUE RATIO
HARARE, 1992 AND 1995**

YEAR	TOTAL RESIDENTIAL MORTGAGE LOANS Z\$000	TOTAL NEW INVESTMENT IN HOUSING Z\$000	CREDIT-TO-VALUE RATIO
1992	607.142	324,620	187.03 ¹
1993	660.074	N/A	-
1994	759.800	N/A	-
1995	953,471	562,949	169.37

Notes

1. The value of the indicator calculated in the Baseline Study was 32.59 percent. The difference is due to the difference in total residential mortgage loans reported in 1992 and as reported in 1996 for 1992.

Analysis

The indicator represents the ratio of mortgage loans to total investment in housing. World Bank economists have argued that the higher the value the better, as it signals that there is a high degree of access to long-term mortgage finance by households. However, there is a danger in viewing the indicator in isolation from the mortgage-to-deposit difference and low-income mortgages indicators which both indicate that there are clear constraints still imposed on a freely-functioning mortgage market in Zimbabwe.

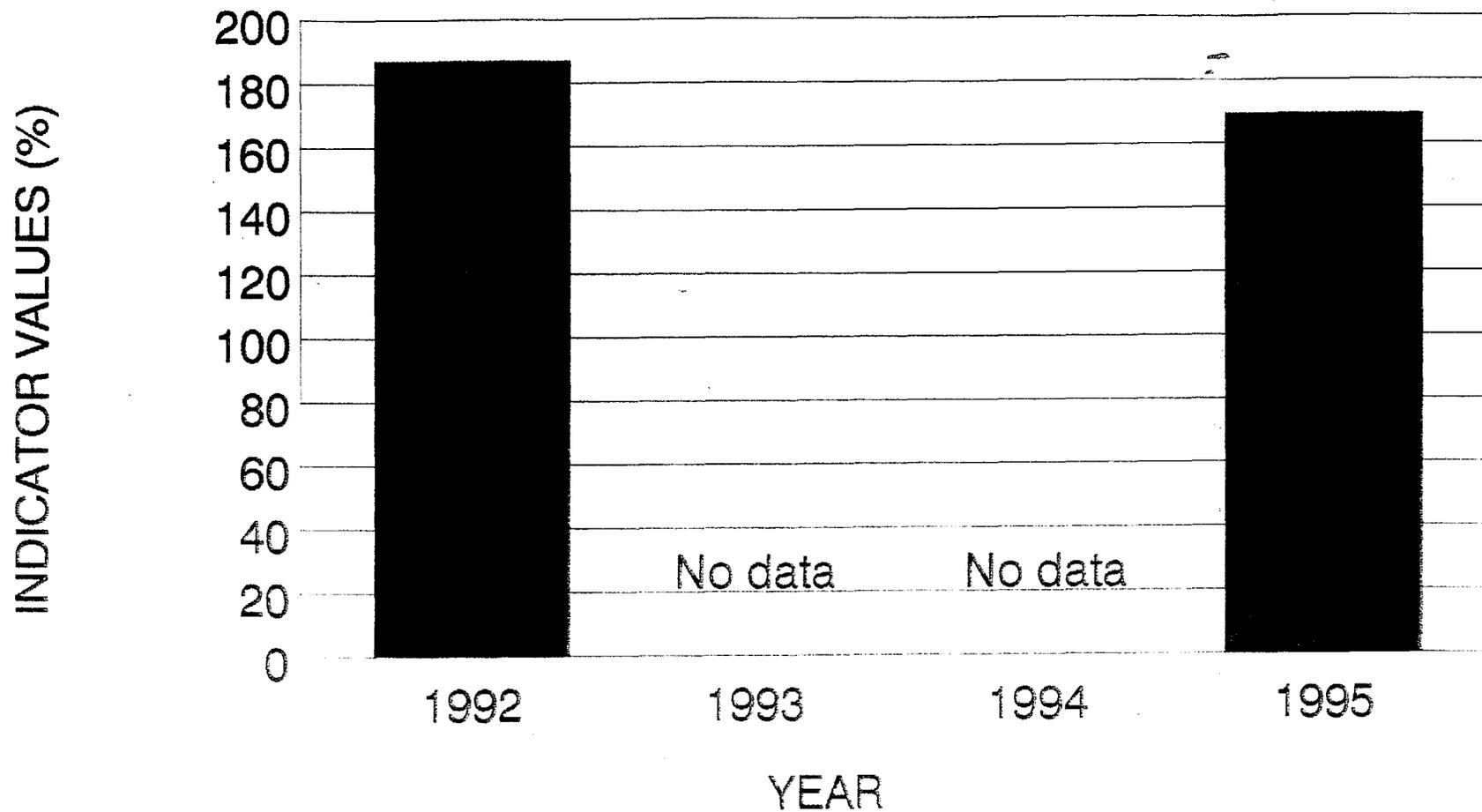
The Baseline value for the indicator was previously reported as 32.59. However, to allow for comparison with the 1995 figure, more recently available data on mortgage loans issued in Harare have been used. As a result, it appears that the indicator value was 187.03 in 1992 and 169.37 in 1995. The apparent high values for the indicator should be treated with caution.

The high values for the indicator in Harare might well be a consequence of two contributory variables. On the one hand, it is known that approximately 40 percent of Harare's high density population live in tangwenas (backyard shacks). However, the local authority keeps no reliable estimate of the actual number of dwellings in existence or of how many new tangwenas are built every year (in particular new and not replacement stock).

Secondly, informal settlement is rigorously controlled within the municipal boundary. An estimated 10 percent of Harare's total population live in informal squatter settlements, immediately outside the municipal boundary.

Both of these factors serve to distort any estimate of the real value of new investment in housing stock, resulting in a definite but difficult to quantify, underestimation of the value. The

CREDIT - TO - VALUE RATIO,
1992 AND 1995 (Harare only)



credit-to-value ratio is artificially inflated under these conditions. The overall reliability of the indicator must be questioned until estimates on total investment in housing can be improved.

2.3 Construction and Building Materials Module

2.3.1 Construction and Infrastructure Related Employment

<u>Definition</u>	Number of jobs that are generated by low-income stand and superstructure related construction.
<u>Data Disaggregation</u>	Total per year Program related
<u>Geographical Coverage</u>	Harare Bulawayo
<u>Time series</u>	1992, 1995
<u>Sources</u>	Local authorities CSO "Quarterly Digest of Statistics"

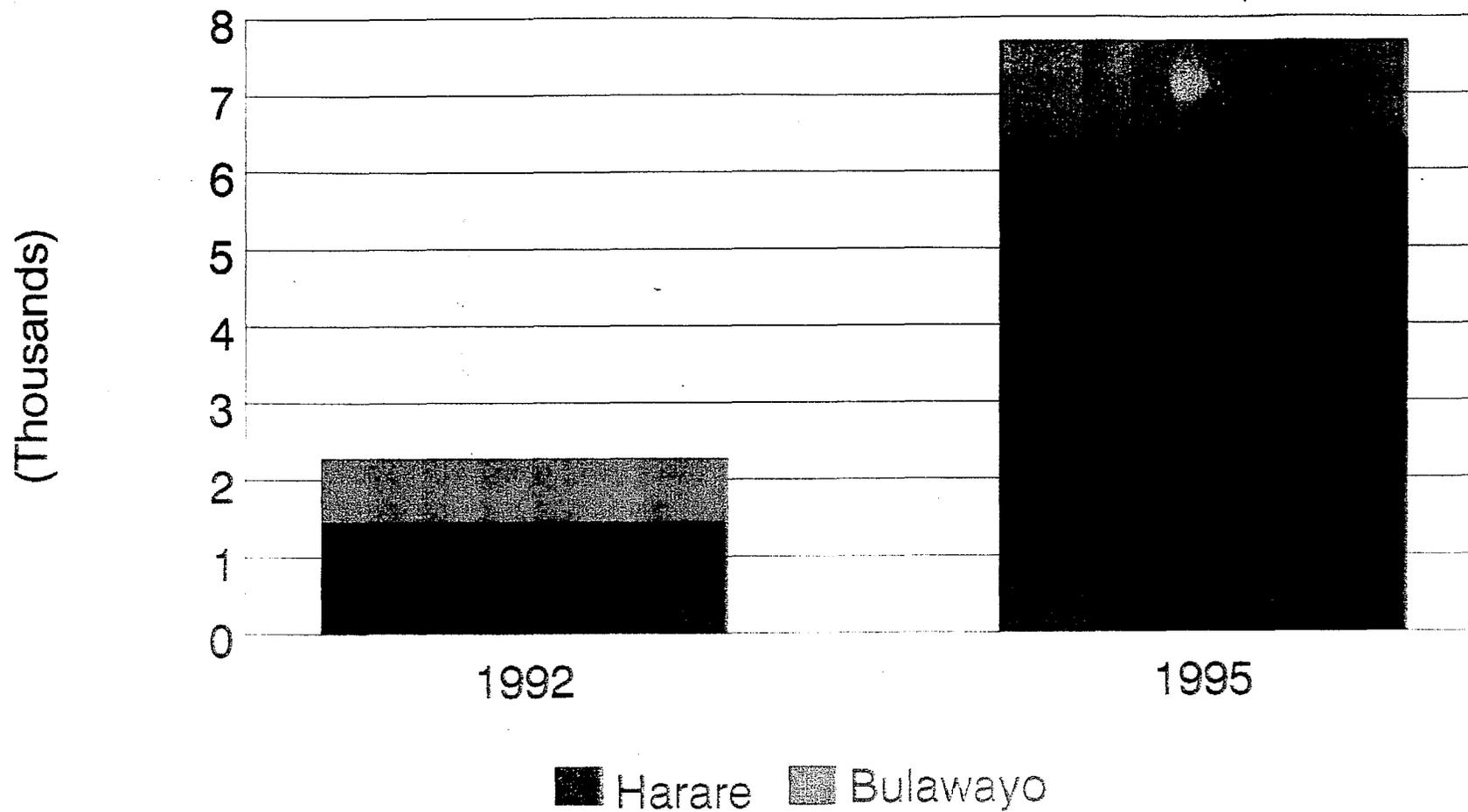
Indicator Value

**INDICATOR 3.1 : CONSTRUCTION AND INFRASTRUCTURE
RELATED EMPLOYMENT FROM LOW INCOME HOUSING,
HARARE AND BULAWAYO, 1995**

CENTER	(a) INFRASTRUCTURE EMPLOYMENT = a) 20% total infrastructure costs attributable to labour b) Average yearly wage rate	(b) SUPERSTRUCTURE EMPLOYMENT = a) 33% total superstr. costs attributable to labour b) Average yearly wage rate	MULTIPLIER EFFECT = a) Total person years superstr. employment b) 1.6 (p.yrs in allied sectors)
Bulawayo	a) Total infrastructure costs attributable to labour = $[(813 \times \$8,471) + (1664 \times \$8,805)] \times 20\%$ <p style="text-align: right;">Z\$4,307,689</p> b) Average yearly wage rate $= Z\$10,462$ a)/b) = 412 jobs	a) Total superstructure costs attributable to labour = $[(180 \times \$16,850) + (275 \times \$45,000) + (67 \times \$25,000)] \times 33\%$ <p style="text-align: right;">Z\$5,637,390</p> b) Average yearly wage rate $= Z\$10,462$ a)/b) = 539 jobs	a) Total person years of superstructure employment = <p style="text-align: right;">539 yrs</p> b) Person years generated in allied services and industries = <p style="text-align: right;">337 yrs</p>
Harare	a) Total infrastructure costs attributable to labour = $[(5613 \times \$13,637) + (1100 \times \$8,000)] \times 20\%$ <p style="text-align: right;">Z\$17,068,896</p> b) Average yearly wage rate $= Z\$10,575$ a)/b) = 1,614 jobs	a) Total superstructure costs attributable to labour = $[(478 \times \$51,420) + (320 \times \$25,000) + (950 \times \$65,000)] \times 33\%$ <p style="text-align: right;">Z\$31,128,490</p> b) Average yearly wage rate $= Z\$10,575$ a)/b) = 2,944 jobs	a) Total person years of superstructure employment = <p style="text-align: right;">2,944 yrs</p> b) Person years generated in allied services and industries = <p style="text-align: right;">1,840 yrs</p>

45

LOW INCOME SHELTER RELATED
EMPLOYMENT, 1992 AND 1995



97

1992 Totals:

Bulawayo	<u>833 jobs</u>
Harare	<u>1,445 jobs</u>
Two cities total	<u>2,278 jobs</u>

1995 Totals:

Bulawayo = a+b+c = 412 + 539 + 337 =	<u>1,288 jobs</u>
Harare = a+b+c = 1,614 + 2,944 + 1,840 =	<u>6,398 jobs</u>
Two cities total	<u>7,686 jobs</u>

Percent of Totals that are Program-related:

Reliable data is not yet available for 1995.

Analysis

The number of jobs created in low cost residential construction and related services in 1995 is three and one third times the number created during 1992. It has not been possible to disaggregate directly Program-related jobs, but the Program has clearly already had a marked impact not only in direct servicing of stands and construction of houses but also in facilitating the involvement of the private sector in low income housing supply. The Program initially targeted the creation of 8,000 jobs in construction and infrastructure related employment each year over the life of the Program. Throughout the low-income housing sector, the target is close to being achieved, although in 1995 directly Program-related jobs are not yet a significant proportion of the total.

However, given that the per unit costs of both serviced stands and superstructures is also targeted to reduce over the Program, this will affect achieving the required employment output. This has already become apparent in 1995 in Bulawayo where both stand servicing costs and minimum superstructure costs are considerably lower than in Harare. The Baseline Study therefore recommended a reduction in the target to 5,000 jobs per year. The lower target does appear to be achievable.

2.3.2 Construction Price and Cost

<u>Definition</u>	Present price and cost in constant Z\$ (labor, materials, infrastructure within stand) of a four roomed finished house built to current minimum superstructure and infrastructure standards.
<u>Data Disaggregation</u>	Total cost Cost per square meter
<u>Geographical Coverage</u>	Six key urban centers
<u>Time series</u>	1992, 1995
<u>Sources</u>	Building contractors

Indicator Value

1992 (50m²): Cost Z\$20,944 or Z\$419/m²
Price Z\$24,527 or Z\$491/m²

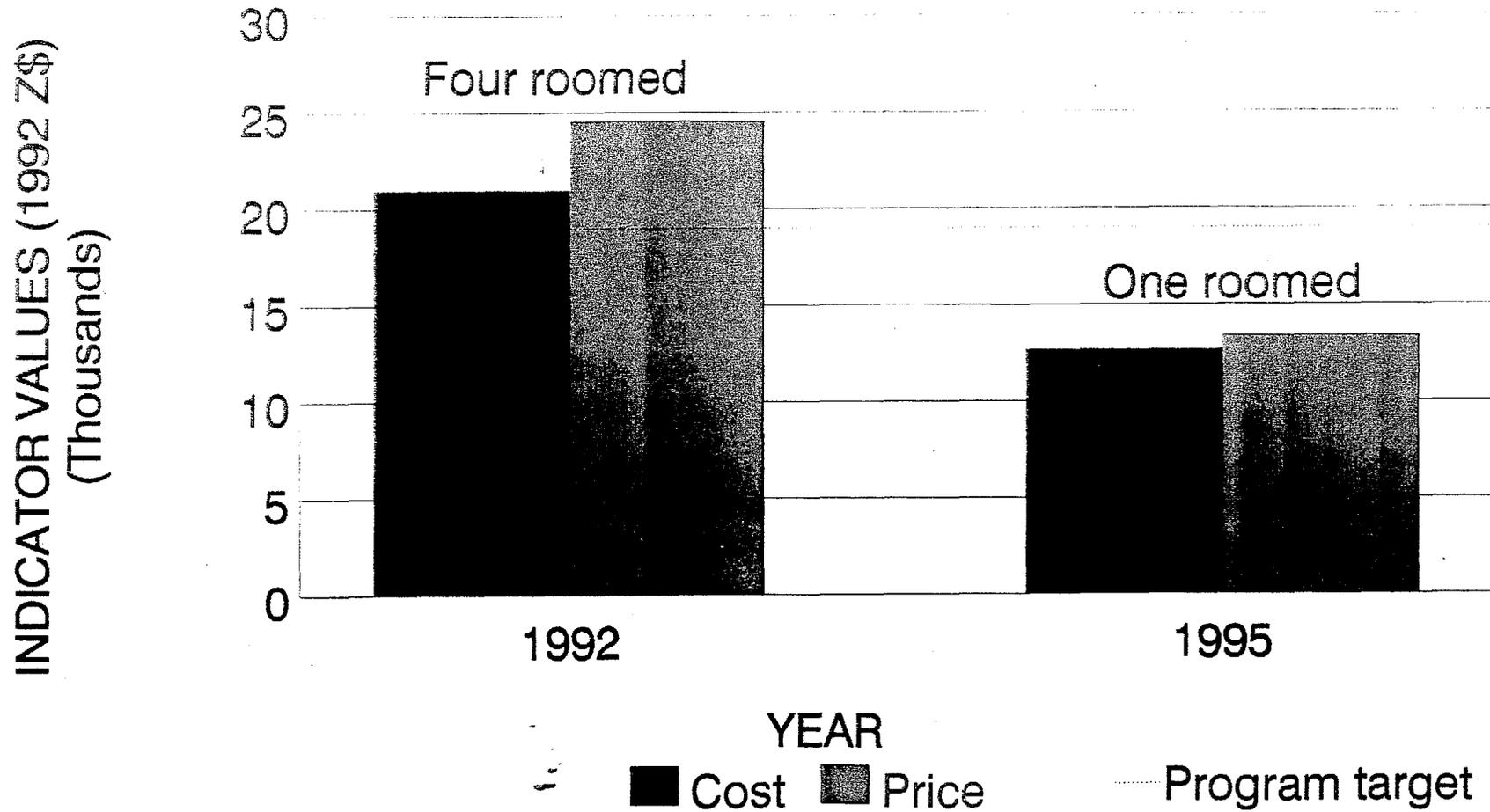
1995 (14.1m²): Cost Z\$12,619 or Z\$895/m²
Price Z\$13,356 or Z\$947/m²

48

INDICATOR 3.2 : CONSTRUCTION PRICE AND COST (Z\$ 1992)

CENTER	4 - ROOMED HOUSE			1 - ROOMED HOUSE		
	TOTAL COST	TOTAL PRICE	FLOOR AREA OF UNIT	TOTAL COST	TOTAL PRICE	FLOOR AREA OF UNIT
Bindura 1992	-	\$20,909	50m ²			
1993	-					
1994	-					
1995	\$30,943		56m ²	\$19,422	\$19,422	11.1m ²
Bulawayo 1992	\$19,000	\$19,000	50m ²			
1993	-					
1994	\$17,325	\$17,325	50m ²			
1995	-			\$10,540	\$11,561	15.6m ²
					\$13,175	
Chiredzi 1992	-			\$12,223	\$12,223	21m ²
1993	-			\$12,890	\$12,890	21m ²
1994	-					
1995	\$20,909	\$20,909	62.5m ²			
Gweru 1992	-					
1993	-					
1994	-					
1995	\$24,909	\$27,675	50m ²	\$7,894	\$11,345	15.6m ²
					\$11,276	
Harare 1992	\$27,059	\$37,883	50m ²			
1993	-					
1994	\$28,369	\$38,374	50m ²			
1995	-					
Mutare 1992	\$16,772	\$20,317	50m ²			
1993	-					
1994	-					
1995	-	\$40,309	50m ²	\$8,887		11m ²
FINAL VALUE			50m ²			
1992	\$20,944	\$24,527	\$419/m ² -C	\$12,619	\$13,356	14.1m ²
1995			\$491/m ² -P			\$895/m ² -C \$947/m ² -P

CONSTRUCTION PRICE AND COST (Z\$1992)



Analysis

Over the past three years, a great deal of diversity has evolved in the size and cost of housing being built for low income families. In 1992 the minimum sized standard house was four rooms with internal plumbing (plinth of 50m²). In late 1994 the minimum permitted standard was reduced by GOZ to one room and a wet block. One and two roomed houses are now the typical size house being built in Bulawayo and Gweru where there is also strong competition between contractors (both large and small), although larger four roomed units are still commonly built in Harare.

As a result of the reduction in the permitted floor area, the price of housing has declined markedly. In Bulawayo in 1992, the average size house was 50m² and cost \$19,000 (built by the Council). In 1995 the average size house is only 15.6m² and is priced at between \$12,890 to \$12,223 (in 1992 \$) - a reduction of 32 percent.

However, the per square metre price has slightly more than doubled. A number of reasons for this are that in 1992 housing was predominantly built by the City Council, which subsidized construction (for example in not charging senior staff salaries, low financing costs, and similar). The private contractors building in 1995 do not subsidize the houses. Secondly, the smaller units being built in 1995 still have the same indoor plumbing as the larger four-roomed units and this tends to push up per square metre costs. Finally, private contractors charge a profit element, ranging from 15 to 25 percent. In Gweru, where there is strong competition between large contractors, the profit element is a lower 10 percent. One finds the cheapest formal sector housing units in the country built in this city.

In other centers, notably Harare and Mutare, smaller units are said to be unpopular with housing consumers and four roomed houses continue to dominate the market. Both these cities experience severe over-crowding of the housing stock and households seem to prefer to buy larger houses in anticipation of being able to rent out three or more rooms to lodgers. Profit mark ups in Harare continue to be a high 26 percent in 1995 (compared to 28.6 percent in 1992) because demand far outstrips supply.

The average in all six centers for which reliable data were available¹⁷ shows a reduction by 39.8 percent in the cost of the average housing unit and a reduction by 45.6 percent in the price of the unit. These marked reductions (the Program targeted a 10 percent reduction in prices and costs), are primarily a result of reduced minimum sizes of houses and increased competition in the sector between contractors.

2.3.3 Formal Low-Income Housing Production

<u>Definition</u>	Total number of new, single family semi-detached units and flats approved per year by local authorities in areas defined as high density.
<u>Data Disaggregation</u>	--
<u>Geographical Coverage</u>	All 23 participating PSHP centers.

¹⁷

Chiredzi and Mutare have been excluded from the final indicator value in 1995.

Time-series 1992 to 1995

Sources Local authorities

Indicator Value 1992: 0.77/1,000 population
1995: 0.60/1,000 population

**INDICATOR 3.3(a) : FORMAL LOW INCOME HOUSING PRODUCTION, UNITS
BUILT IN 23 CENTERS, 1992-1995**

CENTER	1992	1993	1994	1995	1995/96 (HG/001B)
Beitbridge	2	2	23	4	35
Bindura	2	69	10	24	60
Bulawayo	480	689	289	522	180
Chegutu	n/a	n/a	n/a	n/a	
Chinhoyi	0	6	0	0	
Chipinge	202	25	20	17	30
Chiredzi	391	391	391	391	55
Chitungwiza	n/a	n/a	n/a	n/a	
Chivhu	n/a	n/a	n/a	n/a	
Gwanda	51	36	46	30	
Gweru	201	482	329	360	75
Harare	528	n/a	n/a	478	1,270
Kadoma	38	106	123	14	55
Karoi	0	40	30	61	35
Kwekwe	n/a	n/a	n/a	n/a	76
Marondera	106	40	60	116	60
Masvingo	105	172	192	162	80
Mutare	399	168	n/a	n/a	80
Norton	n/a	n/a	n/a	n/a	
Nyanga	0	0	15	20	30
Redcliff	70	56	34	20	40
Rusape	n/a	n/a	n/a	n/a	40
Ruwa	78	302	188	275	40
Victoria Falls	10	8	46	78	40
Zvishavane	n/a	n/a	n/a	n/a	35

**INDICATOR 3.3(b) : FORMAL LOW INCOME HOUSING PRODUCTION, UNITS
BUILT PER 1,000 POPN.**

YEAR	FINAL ⁽¹⁾ VALUE	HARARE	BULA- WAYO	GWERU	MUTARE	BINDURA	CHIREDDZI
1992	0.77 ⁽²⁾	0.44	0.77	1.57	3.04	0.09	18.52
1993	1.48	n/a	1.05	3.58	1.21	3.1	17.58
1994	0.75	n/a	0.42	2.32	n/a	0.43	16.7
1995	0.60	0.38	0.72	2.41	n/a	9.71	15.86

Notes

- (1). Final weighted average excludes Chiredzi - data from the town seems extraordinarily high. In each year, average is for centers for which data is available.
- (2). Final weighted average is higher than Baseline Study value (0.6) due to inclusion of Gweru.

Analysis

Formal low income housing production has shown no improvement over the past four years. As reported in the Baseline Study, the estimated formal sector production worldwide is 4.8 units per 1,000 population. Production in sub-Saharan Africa is 2.85 per 1,000 population. Production in Zimbabwe as a whole and Harare in particular (which has approximately 57.3 percent of the population of the five centers) is only 21 percent of average production levels achieved in sub-Saharan Africa.

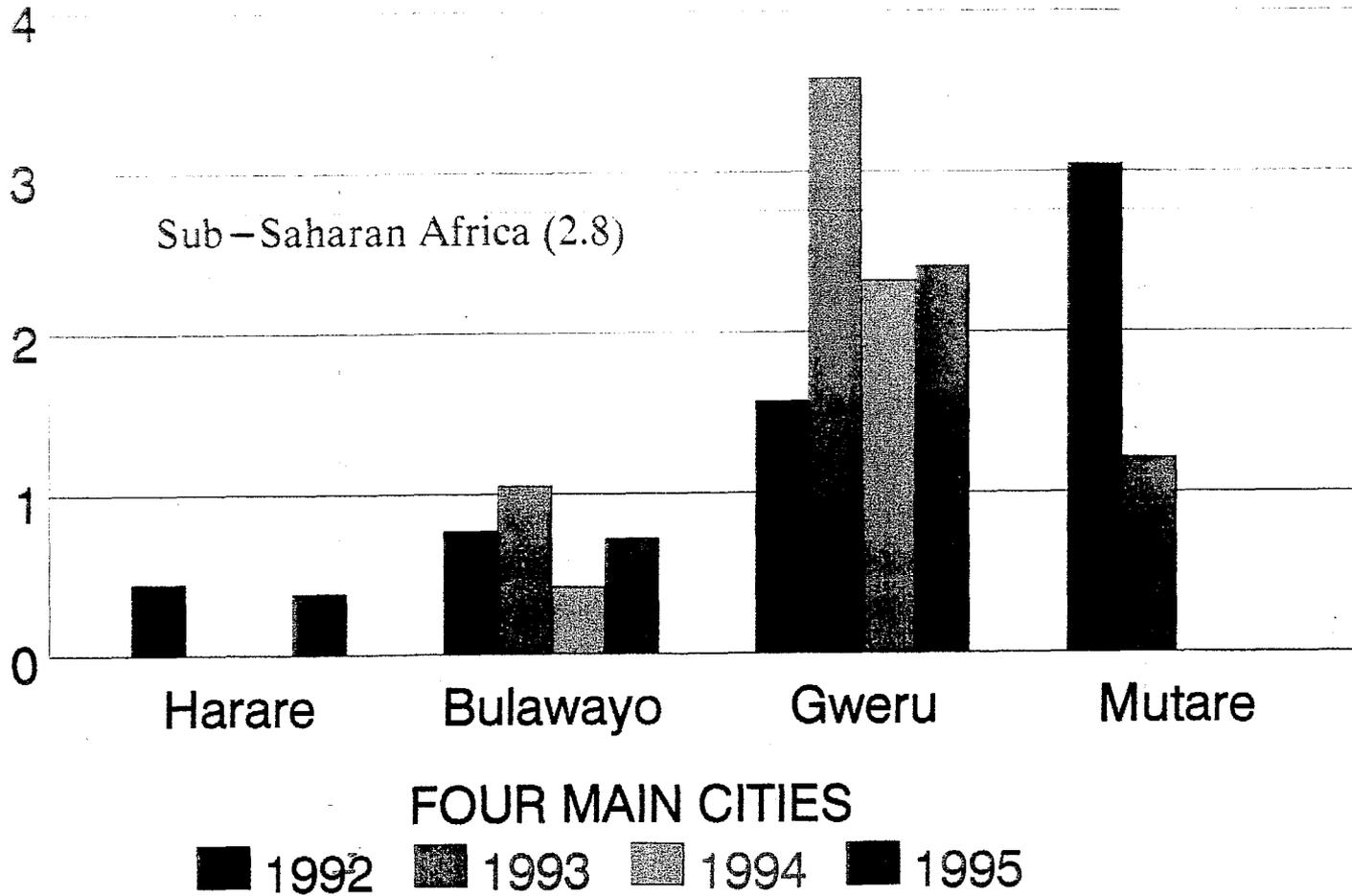
Although the analysis of other indicators has pointed to relative availability of mortgage finance and to growing competitiveness within the construction industry, the primary constraint facing formal housing production appears to be the low numbers of serviced stands which are only recently starting to show signs of improvement. As long as permit and titling delays (on average 52 months) are not significantly reduced (by at least 50 percent), the financing of formal housing production will not be forthcoming and production levels will remain well below the Program target of a 10 percent annual increase.

2.3.4 Down-Market Penetration

<u>Definition</u>	Ratio of lowest-priced (unsubsidized) formal dwelling unit produced by the private sector (not less than two percent of annual housing production) and the median annual household income.
<u>Data Disaggregation</u>	Income percentiles Gender
<u>Geographical Coverage</u>	Six key urban centers.
<u>Time-series</u>	1992, 1995

FORMAL LOW INCOME HOUSING PRODUCTION PER 1,000 POPULATION

INDICATOR VALUES



Sources

Building Contractors
CSO

Indicator Value

Final Value Harare and Bulawayo:¹⁸ 1992 : 2.7
 1994 : 3.3
 1995 : 1.3 (all households)
 2.51 (female headed households)

INDICATOR 3.4 : DOWN-MARKET PENETRATION, 1992 - 1995

CENTER	LOWEST PRICED FORMAL PRIVATE SECTOR D.U.	DOWN-MARKET PENETRATION	
		All HHH	Female HHH
Bindura 1992 1993 1994 1995	\$28,850 ¹	2.003	4.007
Bulawayo 1992 1993 1994 1995	\$25,400 \$34,000 \$17,172 ³	2.6 2.8 1.19	n/a n/a 2.39
Chiredzi 1992 1993 1994 1995	\$14,000 \$31,058 ²	1.16 2.16	n/a 4.31
Gweru 1992 1993 1994 1995	\$16,750 ³	1.16	2.33
Harare 1992 1993 1994 1995	\$25,447 \$40,000 \$18,890	2.7 3.3 1.31	n/a n/a 2.62
Mutare 1992 1993 1994 1995	\$13,200 (est)		

- Notes: 1. Two rooms
 2. Four rooms
 3. One room

18

The final value for the indicator assumes the median income in 1995 as Z\$1,200 per month. Incomes in smaller centers are likely to vary greatly from the median income in the largest cities. In the formal sector, even in Bulawayo, wages are known to be lower than Harare.

SS

Analysis

The indicator value has shown significant improvement (reduction) since the Baseline Study in 1992. The target of 1.9 (for all households) by end-of-Program has been achieved.

The indicator has improved due to the reduced minimum permitted size of house which is now being built. A further contributory factor has been the entry into the construction sector by a number of middle-sized contractors.¹⁹ The companies have lower overheads than the large contractors and better in-house management skills than small contractors. They are filling a niche by being able to construct large volumes of houses in "project" areas with only small unit-cost profit mark ups (see indicator 3.2).

Although a further marked reduction in the indicator seems unlikely over the remainder of the Program, further small decreases may be achievable as competition between and efficiency within contractors continues. However, there will also be pressure for the cost of the same minimum sized unit to increase, due to the impact of HIV-infection amongst the workforce. One mid-sized contractor advised that approximately 20 percent of its workforce is off sick at any one time, primarily due to AIDS-related illnesses. This overhead is likely to increase over time.

NOTE:

It has not been possible to disaggregate the down-market-penetration indicator by income percentiles because of the dearth of data available on household incomes. The Central Statistical Office carries out an Incomes, Consumption and Expenditure Survey every five years (1990/91 and 1995/96) but its data are not presented by income percentiles, and nor are they published until five to six years after the field survey has been carried out. Zimbabwe continues to experience high rates of inflation (20 - 26 percent per year) and an increasing percentage of the urban population is finding employment in the informal sector. Under such conditions, the extrapolation of out-of-date national data can lead to wide margins of error. Updating the estimated median income by means of primary data collection rather than estimated adjustments is urgently required to continue to adequately track this and the price-to-income ratio indicators.

Household incomes by gender of head of household are similarly not available by income percentiles from national statistics. However, a City of Harare study of incomes of households on the waiting list (a limited and biased sample of all urban households) found that the median income of female headed households in December 1995 was Z\$600 per month - only one half of that of all households. Indications are that even with the revised minimum standard of housing, the down-market-penetration for women headed households remains poor and has not yet achieved the Program target of 2.0.

2.3.5 Price-to-Income Ratio

Definition

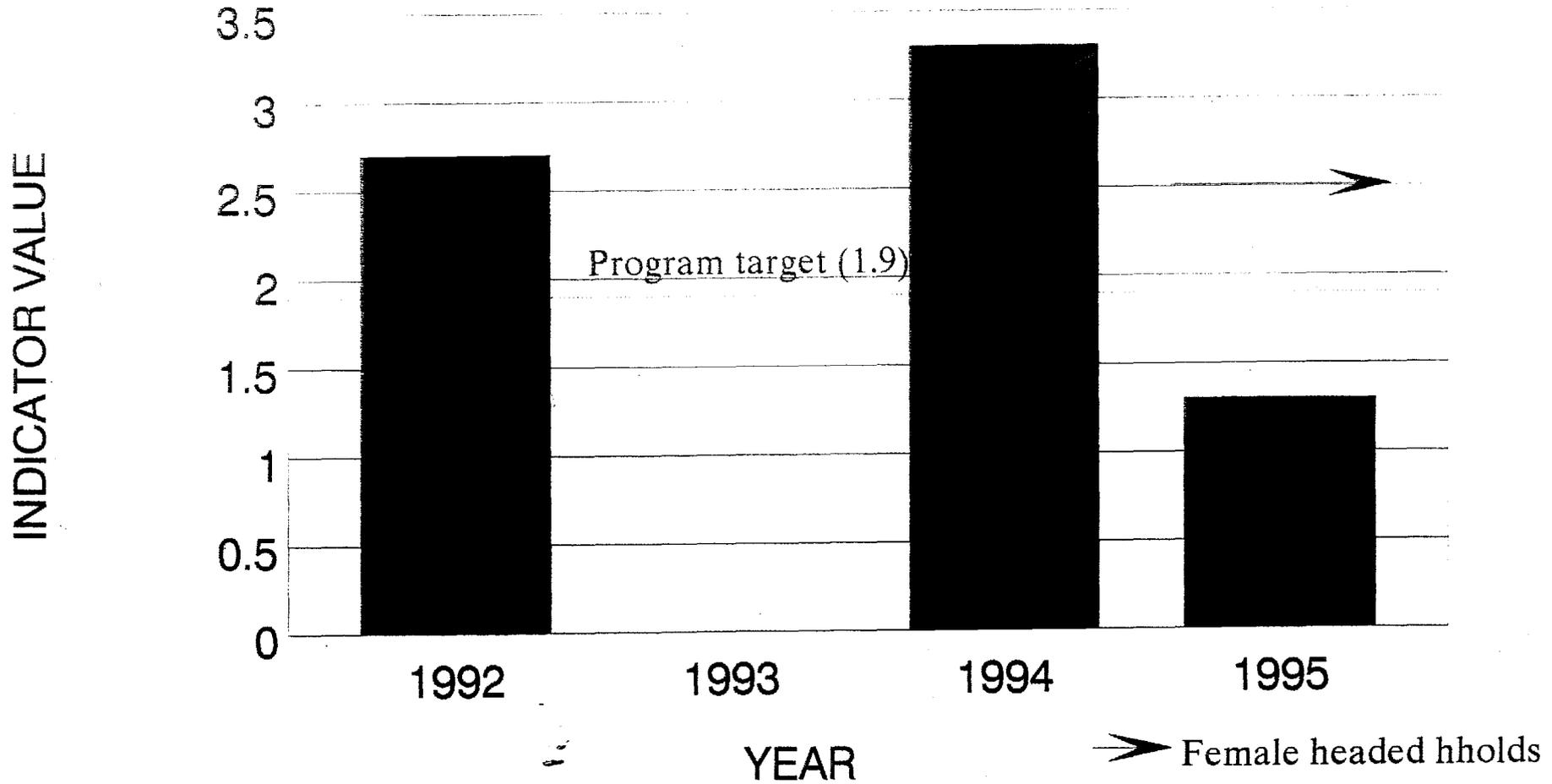
(i) Ratio of the median price of house superstructure and the median annual household income.

(ii) Ratio of the median price of a household dwelling unit and the median annual household income.

¹⁹

For example A.P Glendwining in Bulawayo and Gweru, Technic Construction in Gweru and Masvingo, Club Construction in Harare and Ruwa.

DOWN MARKET PENETRATION
(HARARE AND BULAWAYO)



Data Disaggregation House superstructure price to income ratio
Household dwelling unit price to income ratio.

Geographical Coverage Six key urban indicators.

Time-series 1992, 1994, 1995

Sources Local Authorities
Estate Agents

Indicator value: 1992: House superstructure price-to-income : 9.8
Dwelling unit price-to-income : 2.6

1994: House superstructure price-to-income : 9.3
Dwelling unit price-to-income : 2.4

INDICATOR 3.5 (a) : HOUSE SUPERSTRUCTURE PRICE-TO-INCOME RATIO

YEAR	FINAL VALUE	HARARE	BULA-WAYO	GWERU	MUTARE	BINDURA	CHIREDDZI
1992	9.8	9.8	4.7	--	--	--	--
1994	9.3	9.3	3.8	--	--	--	--
1995	--	N/A	N/A	--	0.64	1.9	3.33

INDICATOR 3.5 (b) : HOUSEHOLD DWELLING UNIT PRICE-TO-INCOME RATIO

YEAR	FINAL VALUE	HARARE	BULA-WAYO	GWERU	MUTARE	BINDURA	CHIREDDZI
1992	2.6	2.6	3.0	--	--	--	--
1994	2.4	2.4	2.4	--	--	--	-
1995	--	N/A	N/A	--	0.47	2.18(?)	1.24

Analysis

Reliable data on housing stock are almost impossible to obtain from the larger City Councils. Where the housing units in different areas are kept by different sections²⁰.

However, despite the difficulty in tracking the indicator it is important and it also obliquely

²⁰

The Treasurers should have a total number but have been unable to extract the information.

reflects overcrowding of dwelling units. It is desirable for local authorities to establish systems to monitor their total housing stock (disaggregated by type) as a more reliable future planning tool than the housing waiting lists currently used.

The data indicate that the median household in Harare must pay 9.3 times its annual income to purchase the median priced house. Although no international values are available for comparison the cost of housing does appear to be unacceptably high in Harare.

The household dwelling unit price-to-income ratio in Harare is only one quarter that of the superstructure price-to-income ratio. This indicates not so much that housing is affordable as that there are high levels of over-crowding of the existing housing stock (average of four households per superstructure in Harare compared to only 1.5 households per superstructure in Bulawayo).

Ideally, the gap between two ratios should decline over time and the values of both should decrease, as an indication of both affordable and available housing.

3 WORK COMPLETED UNDER THE CONTRACT

3.1 List of Contacts

3.1.1 Central Government Agencies

Central Statistical Office	Mr Mapeta
Ministry of Economic Planning and Development	Chief Executive Officer
Ministry of National Housing and Public Construction	Mr Chuma Mr Makuwe Mr T Ritzau
Reserve Bank	Chief Executive Officer
Surveyor Generals Office, Harare	Chief Executive Officer
Surveyor General's Office, Bulawayo	Mr P.R Cheharawe

3.1.2 Local Authorities

Beitbridge	Chief Executive Officer
Bindura	Mr Makoni
Bulawayo	Mr M Ndubiwa Mr I Magagula Mr N Ncube Mr J Ndebele Ms Babbage Mr D Nyoni Mr P. Sibanda
Chegutu	Chief Executive Officer
Chinhoyi	Chief Executive Officer
Chipinga	Mr Inggs

Chiredzi	Chief Executive Officer Mr B van der Linde
Chitungwiza	Mr Mudungi
Chivhu	Chief Executive Officer
Gwanda	Mr Mlilo
Gweru	Mr Nemachena
	Mr Nanthambwe
Harare	Mr Moyo
	Ms Fologwe
Kadoma	Chief Executive Officer
Karoi	Chief Executive Officer
Kwekwe	Mr W Chihambakwe
	Mr Zowa
Marondera	Ms S Mhlanga
Masvingo	Chief Executive Officer
Mutare	Chief Executive Officer
Norton	Chief Executive Officer
Nyanga	Chief Executive Officer
Redcliff	Chief Executive Officer
Rusape	Chief Executive Officer
Ruwa	Ms J Makombe
Victoria Falls	Mr Maphosa
Zvishavane	Chief Executive Officer

3.1.3 Private Sector

A P Glendanning	Chief Executive Officer
Beverly Building Society	Ms Nyakupfuka
Brian Colquhoun, Hugh O'Donell & Partners	Mr M Chenga
Bulawayo Land Surveyors	Mr Good
Central Africa Building Society	Ms Jarvis
	Ms Bgwani
Founders Buildings Society	Mr Matinyare
J C Reeler Land Surveyors	Ms Bonzo
Ncube Burrow	Mr J Reeler
Plan Inc. Zimbabwe	Mr D M Ncube
Redfern Mullett	Ms C Butcher
Steward Scott ncl.	Mr G Mullett
Technic Construction	Mr M Norman
Zimbabwe Building Society	Dr B Moore
Zimtrade	Mr Mutamba
	Mr M Humphrey

3.2 Data Sources Identified

CSO	"Population Census - National Report, 1992"
-	"Incomes Consumption and Expenditure Survey, 1990/91"
-	"Inequality Among Households"
-	"Building Material Price Index"

-	"Civil Engineering Price Index"
PADCO Inc/Plan Inc.	"Zimbabwe Private Sector Housing Programme - Monitoring and Evaluation System", Volume 1 : Data Collection Plan; Volume 2: Baseline Study, 1994.
Plan Inc. Zimbabwe	"Chiredzi Low Cost Housing - Lessons of Experience", 1994
-	"Gender Analysis of Zimbabwe Housing Guaranty Program", prepared for USAID/Harare, 1996.
Reserve Bank	"Quarterly Digest of Statistics"
-	"Monthly Report"

3.3 Time and Effort Required for Each Indicator

TABLE 3.1: ESTIMATED TIME AND EFFORT TO CALCULATE VALUES FOR EACH INDICATOR

INDICATOR	TYPE OF SOURCE a) Secondary data b) Own questionnaire c) Personal interviews	STATE OF DATA COLLATION a) Regularly collated b) Special requirement	EFFORT REQUIRED a) Easy b) Average c) Difficult	COMMENTS
1.1 No Stands	b) c)	b)	b)	Lengthy time to collate
1.2 Price Stand	c)	a)	b)	Consistency needs attention
1.3 PATS	a) c)	b)	b)/c)	Consistency needs attention
2.1 No. Mortgages	a) b) c)	a) b)	c)	Very lengthy time to collate
2.2 Mortgage-deposit difference	a)	a)	a)	--
2.3 Credit-value ratio	a) c)	b)	c)	Currently available data unreliable
3.1 Employment	c)	b)	c)	Needs attention in different towns
3.2 Price and cost	c)	b)	b)	Consistency needs attention
3.3 Housing produciton	b) c)	b)	b)/c)	Lengthy time to collate
3.4 Down market penetration	a) c)	b)	c)	Currently available data on incomes limited and not very reliable

3.4 Logistical Considerations

Regular data collection in the required formats is not being kept for most of the indicators. The monitoring researchers therefore need an input over some months to allow time to request data, follow up, check consistency, follow-up, draft fiscal collation, follow-up, etc.

Overall, there appear to be no major logistical constraints other than that adequate time and budget allocation must be made to visit the majority of the participating centers.

3.5 Recommendations for Future Indicator Up Dates

Overall the monitoring and evaluation exercise is not an easy undertaking. Almost all indicators rely on a number of intermediate values and careful attention needs to be paid to definitions of data requests to ensure consistency. As yet, regular data collection in the required format is not being systematically collected by either local authorities or the Building Societies.

A number of measures are recommended to facilitate future updates:

- (i) Local authorities in the 23 participating urban centers and the four Building Societies should be issued with standard data collection forms on which to record, on a monthly cumulative basis, the annual achievement of three direct Program outputs :
 - number of new low income serviced stands serviced (disaggregation required);
 - number of new low income housing units constructed;
 - number of new low income residential mortgage loans issued.

Sample standard data collection forms which could be used for the purpose are provided in Annex 2.

- (ii) The six key urban centers should be requested to keep track of the additional data requirements needed as intermediate values, in particular;
 - total housing stock (disaggregated) (Indicator 3.4);
 - new investment annually in housing stock (disaggregated) (Indicator 2.3).
- (iii) Meetings should be held at the Director of Works and of Housing and Community Services levels in the City of Harare to more fully appraise the City of the Monitoring and Evaluation System and to formally request continued co-operation from its officials (in particular Engineering - Special Projects and the Building Inspectorate) in support of future updates. Values for more indicators are gathered in Harare than in any other center.
- (iv) All 23 participating local authorities should be encouraged to develop and keep updated a reliable data base on total housing stock (disaggregated) not only for the purposes of the M&E system but also as a more reliable means of quantifying current housing demand than the presently kept housing waiting lists.
- (v) Until the present data base on existing total housing stock in Harare (in particular informal development) is improved, the credit-to-value ratio indicator is unreliable. AID should consider funding an attitudinal survey on the indicator. Alternatively, it should undertake the establishment of a reliable housing stock data base for Harare based on an air photo survey completed by field checking. (The results could also be usefully compared to housing waiting list information and used as a pilot project meas to monitor housing demand).

- (vi) The CSO should be approached to, on the one hand process and release incomes data in more timely manner and on the other hand to provide income percentile (by gender) disaggregation of the national urban income data.
- (vii) In future M & E updates, additional person-time inputs should be provided for in the D.O. budget, in particular :
 - additional days for the Research Assistant to follow up data collection requirement with local authorities and Building Societies;
 - additional days for the Urban Specialist to analyze the data and prepare the written report with accompanying tables and graphs.

ANNEX 1

INTERMEDIATE VALUES FOR VARIOUS INDICATORS

**Table ANX1 PSHP Centers: No of Serviced Residential Stands
and Population, 1992 – 1995
(Intermediate Values)**

	LOW INC STANDS	1992 ALL STANDS	POPULATION	LOW INC STANDS	1993 ALL STANDS	POPULATION @ 5.3%	LOW INC STANDS	1994 ALL HOUSING	POPULATION % 5.3%	LOW INC STANDS	1995 ALL STANDS	POPULATION @ 5.3%
BEITBRIDGE	0	0	11,596	0	0		0	0		10	42	
BINDURA	0	0	21,167	98	0		0	0		0	722	
BULAWAYO	4175	404	621,742	157	1530		123	2819		174	2477	
CHEGUTU	N/A		(30,191)									
CHINHOYI	60	0	43,054	0	0		41	294		0	251	
CHIPINGE	0	527	11,582	387	0		0	0		4	60	
CHIREDDI	0	100	21,116	0	0		0	0		0	275	
CHITUG.	0	0	274,912	0	0		0	0		0	0	
CHIVHU	N/A		(6,909)									
GWANDA	0	0	10,565	0	0		0	40		71	180	
GWERU	88	667	128,037	12	0		0	751		0	0	
HARARE	?	1273	1,189,103	?	1090		200	1005		4,182	6,713	
KADOMA	190	125	67,750	30	263		38	0		158	600	
KAROI	0	0	14,763	0	140		0	0		0	0	
KWEKWE	N/A		(75,425)									
MARONDERA	0	464	39,394	0	0		148	0		109	108	
MASVINGO	0	578	51,743	24	0		0	0		91	500	
MUTARE	0	302	131,367	69	1053		?	2700		?	892	
NORTON	N/A		(20,405)									
NYAN GA	0	100	3,442	0	0		0	0		0	0	
REDCLIFF	0	0	29,959	0	0		0	0		0	202	
RUSAPE	N/A		(13,920)									
RUWA	87	0	1,447	0	960		195	0		205	0	
VIC. FALLS	0	0	16,826	0	0		0	0		0	0	
ZVISHAVANE	0	0	15,824	0	0		0	0		80	0	
TOTAL	829	8,311	2,705,379 (2,852,229)	69	5036	2,848,754	745	7,600	2,999,748	5,084	13,022	3,158,735

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Note: Read in conjunction with Table ANX2

19

TABLE ANX2 : KEY URBAN CENTERS – NUMBER OF SERVICED RESIDENTIAL STANDS, 1992 – 1995
(INTERMEDIATE VALUES)

INDICATOR	YEAR	INDICATOR INTERMEDIATE VALUE					23 PSHP CENTERS	
		HARARE	BULAWAYO	GWERU	MUTARE	BINDURA		CHIREDDZI
Total No. Serviced Residential Stands								
	1992	7+1,273	4,579	755	302	0	100	9,140
	1993	7+1,090	1,687	12	1,122	98	0	5,105
	1994	1,250	2,933	751	2,700	0	0	8,345
	1995	10,895	2,651	0	892	722	275	18,106
Number Low Income Serviced Residential Stands								
1992:								
No. Stands		1,273	4,175	667	302	0	100	8,311
Population		1,189,103	621,742	128,037	131,367	21,167	21,116	2,705,379
Stands/1,000		1,07	6,72	5,21	2,30	4,74	4,74	3,07
1993:								
No. Stands		1,090	1,530	0	1,053	0	0	5,036
Population		1,260,449	654,694	134,823	138,330	22,289	22,235	2,848,764
Stands/1,000		0,87	2,34	0	7,61	0	0	1,77
1994:								
No. Stands		1,005	2,810	751	2,700	0	0	7,600
Population		1,336,076	689,393	141,969	145,661	23,470	23,414	2,999,748
Stands/1,000		0,75	4,08	5,29	18,54	0	0	2,53
1995:								
No. Stands		6,713	2,477	0	892	722	275	13,022
Population		1,416,241	725,931	149,493	153,381	24,714	24,655	3,158,735
Stands/1,000		4,74	3,41	0	5,82	29,21	11,15	4,12
1996 Work in Progress								
HG/001B		1,413	813	185	200	130	120	4,149(2)
PSHP		8,657	5,000	1,500	4,667	1,575	500	45,201

Notes:

1. Population growth rates based on Table 10.9, CSO 1992 National Census. 5.3% pa (Harare 6.1% pa)
2. 1995/96 HG001B comprises 6,989 stands. Remainder are in smaller centers (eg. Surugwi, Mt Darwin and Mazowe).

TABLE ANX3 : PRICE OF LOW INCOME SERVICED STAND, 1995 (1995Z\$)
(INTERMEDIATE VALUES)

LAND DEVELOPMENT COMPONENT	INDICATOR VALUE BY CENTER							
	HARARE		BULAWAYO		GWERU	MUTARE		CHIREDCI
	K3(300m2)	K4(150m2)	Private	Council (200m2)	(700 x 300m2)	(892 x 300m2)	(722 x 200m2)	(300m2 in 1990)
Unimproved land value	\$900/std		\$450 – \$900/std	\$500/std	\$2/std*	\$2.975 mill. whole site	\$2/m2*	\$400/std*
Town Planning Layout	\$75/std		Included	\$25/std	\$47/std*	0*	0*	0*
Cadastral Survey	\$300/std		Excluded*	\$400/std	\$300/std	\$450/std	\$5,297/ha	0(in ILV)
Engineering Design	0 (in infra)		Included	0 (in infra)	0 (in infra)	0*	\$13,588/ha	0*
Local Roads and SWD	\$4,967		Included	\$3,357/std	}		\$61,381/ha	\$900/std
On-site Sewerage	\$2,008		Included	\$1,031/std	} \$5,985/std		} \$46,423/ha	\$900/std
On-site Water	\$2,490		Included	\$2,159/std	}		}	\$265/std
Off-site Infrastructure	0		0	0	0		\$65,867/ha	0
Tower Lighting	\$984		0*	\$71/std	\$466/std		\$5,115/ha	0
Senior Staff (10%)	\$302* (2.7%)		Included	0*	\$740/std (10%)		5%*	0*
Contingencies (15%)	\$1693 (15%)		Included	0*	0		\$40,921/ha*	0*
TOTAL PRICE								
Declared	\$12,709	\$8,000	\$8,000	\$7,044	\$8,138	N/A	\$5,822	\$6,500 (1990)
Actual	\$13,637 (7.3% S. Staff)	N/A	\$8,471	\$8,805 (+25%)	\$9,359 (15%)		\$7,869 (+35%)	\$8,450 (1990)

Notes

Prices as declared by Council or Developer

* Indicates declared price is subsidized. Actual cost to be estimated

TABLE ANX4 : LOW INCOME MORTGAGES (NUMBER) BY INSTITUTION, 1992 - 1995
(INTERMEDIATE VALUES)

CENTER YEAR	TOTAL RESIDENTIAL MORTGAGES					LOW INCOME MORTGAGES					PSHP MORTGAGES				
	1	2	3	4	TOTAL	1	2	3	4	TOTAL	1	2	3	4	TOTAL
HARARE															
1992	136	14,976	N/A	0	15,112	20	3,718	N/A	0	3,738					
1993	191	14,261	N/A	0	14,452	39	3,608	N/A	0	3,647					
1994	298	14,239	N/A	0	14,537	77	3,535	N/A	0	3,612					
1995	427	14,294	530	4,200	19,451	234	3,501	155	4,272	8162	163M / 13F	13M / 3F	-	4200M	16
				+72	+72							289M/42F			4707
Sub Total	1,052	57,770			63,552	370	14,362		4,272						
BULAWAYO															
1992	122	7,950	N/A	0	8,072	50	4,308	N/A	0	4,358					
1993	115	7,602	N/A	0	7,717	61	4,210	N/A	0	4,271					
1994	71	7,748	N/A	0	7,819	27	4,373	N/A	0	4,400					
1995	143	7,782	164	240	8,329	91	4,379	93	240	4,803	78M / 11F	49M / 13F	-	240M	391
Sub Total	451	31,082			31,937	229	17,270		240						
GWERU															
1992	85		N/A	0		73	-	N/A	0	73					
1993	93		N/A	0		70	-	N/A	0	70					
1994	234		N/A	0		180	-	N/A	0	180	61M / 11F	-			72
1995	107		30	112	249	70	-	-	112	182	50M / 12 F	-	-	112M	174
Sub Total	519					393	-		112						
MUTARE															
1992	50	1,237	N/A	0	1,287	12	615	N/A	0	627					
1993	41	1,172	N/A	0	1,213	16	594	N/A	0	610					
1994	54	1,113	N/A	0	1,167	22	569	N/A	0	591					
1995	285	1,066	171	300	1,822	267	527	54	300	1,148	201M / 66F	2M / -	-	300M	2
Sub Total	430	4,588				317	2,305		300			3M / -	-		570
ALL OTHER CENTERS															
1992	0	3,015	N/A	0	3,015	0	1,701	N/A	0	1,701					
1993	0	2,836	N/A	0	2,836	0	1,619	N/A	0	1,619					
1994	0	2,733	N/A	0	2,733	0	1,545	N/A	0	1,545					
1995	0	2,844	112	135	3,091	0	1,524	8	135	1,667		47M / F2	-	135M	49
Sub Total	0	11,428				0	6,389		135			60M / 9F	-		204
TOTAL															
1992	393	27,178	882(est)1	0	28,453 (est)	155	10,342	203(est)	0	10,700(est)					
1993	440	25,871	842(est)	0	27,153(est)	186	10,031	198(est)	0	10,415(est)					
1994	657	25,833	848(est)	0	27,338(est)	306	10,022	200(est)	0	10,528(est)					
1995	962	25,986	1,007	4,987	32,942	62	9,931	310	4,987	15,962	492M / 102F	388M / 64F	-	4,987	6046
TOTAL	2,452	104,868	N/A			1,309	40,326		10,046						

Notes

1. Figures by this Society are collated manually in each center and it was unwilling to collate the data historically. Therefore, the 1992 - 1994 data for the Society are estimated as 3.1% share of all mortgages and 1.9% of low income mortgages (the same proportions as in 1995)..

69

TABLE ANX5 : LOW INCOME MORTGAGES (VALUE) (Z\$000) BY INSTITUTION, 1992 - 1995
(INTERMEDIATE VALUES)

CENTER	YEAR	TOTAL RESIDENTIAL MORTGAGES					LOW INCOME MORTGAGES					PSHP MORTGAGES				
		1	2	3	4	TOTAL	1	2	3	4	TOTAL	1	2	3	4	TOTAL
HARARE	1992	6,385	600,757	N/A	0	607,142	765	41,668	N/A	0	42,433					
	1993	12,607	647,467	N/A	0	660,074	965	40,611	N/A	0	41,576					
	1994	30,300	729,500	N/A	0	759,800	2,196	41,667	N/A	0	43,863		274M / 75F			
	1995	47,598	905,873	27,904	1,890	953,471	8,053	42,417	2,940	1,890	55,300	2928M / 416F	6,650M / 809F		273M	
BULAWAYO	1992	6,465	133,560	N/A	0	140,025	1,369	46,563	N/A	0	47,932					
	1993	4,221	124,411	N/A	0	128,632	1,373	45,893	N/A	0	47,266					
	1994	8,591	162,470	N/A	0	171,061	696	51,216	N/A	0	51,912					
	1995	7,791	194,486	7M483	8,444	218,204	2,378	56,328	2,173	8,444	69,323	2149M / 332F	11244m / 230F		8444M	
GWERU	1992	1,926	-	N/A	0	1,926	1,076	-	N/A	0	1,076					
	1993	2,296	-	N/A	0	2,296	1,757	-	N/A	0	1,757					
	1994	4,063	-	N/A	0	4,063	2,027	-	N/A	0	2,027	1303M / 112F				
	1995	3,636	-	702	4,479	8,817	1,805	-	0	4,479	6,284	974M / 343F	4479M			
MUTARE	1992	2,261	25,742	N/A	0	28,003	308	8,329	N/A	0	8,637					
	1993	686	23,393	N/A	0	24,079	161	8,474	N/A	0	8,635					
	1994	3,106	24,865	N/A	0	27,971	853	7,610	N/A	0	8,463		44M			
	1995	10,053	27,020	4,139	25,800	67,012	7,837	7,059	860	25,800	41,556	5978M / 1859F	83M		25,800M	
ALL OTHER CENTERS	1992	-	66,864	N/A	0	66,864	-	25,073	N/A	0	25,073					
	1993	-	60,548	N/A	0	60,548	-	23,751	N/A	0	23,751					
	1994	-	71,321	N/A	0	71,321	-	22,956	N/A	0	22,956	-	977M / 48F			
	1995	-	76,363	3,477	6,069	85,909	-	23,258	245	6,069	29,572	-	2937M / 225F		6069M	
TOTAL	1992	17,037	826,923	27,900(est)	0	871,860	3,518	121,633	4,004(est)	0	129,155					
	1993	19,810	855,819	28,946(est)	0	904,575	4,256	118,729	3,935(est)	0	126,920					
	1994	46,060	988,156	34,189(est)	0	1,068,405	5,772	123,449	4,134(est)	0	133,355					
	1995	69,078	1,203,742	43,705	46,682	1,363,207	20,073	129,062	6,218	46,682	202,035	12029M / 2950F	15,393M / 1264F			

**TABLE ANX6 : DISAGGREGATION OF MORTGAGES (Z\$000's)
(INTERMEDIATE VALUE)**

To 30/6/92

LENDER	TOTAL MORTGAGES	NON-RESIDENTIAL	RESIDENTIAL	SOURCE
Building Society 1	1,083,366	276,852	806,514	B54 Forms From Registrar of Banks
Building Society 2	326,407	36,645	289,762	
Building Society 3	607,882	124,495	483,424	
NHF	383,334	0	383,334	
TOTAL			1,963,033	

To 30/6/93

LENDER	TOTAL MORTGAGES	NON-RESIDENTIAL	RESIDENTIAL
Building Society 1	1,158,767	318,252	840,515
Building Society 2	331,160	54,235	276,925
Building Society 3	645,793	124,713	521,081
NHF	436,334	0	436,334
TOTAL			2,074,855

To 30/6/94

LENDER	TOTAL MORTGAGES	NON-RESIDENTIAL	OTHER RESIDENTIAL	LOW RESIDENTIAL
Building Society 1	10,713,106		6,693,250	1,135,397
Building Society 2	5,847,794		2,031,273	70,460
Building Society 3	2,962,517		2,306,380	192,692
Building Society 4	24,175		24,175	N/A
NHF	N/A		N/A	
TOTAL	19,547,692		11,005,078	1,398,549

To 30/6/95

LENDER	TOTAL MORTGAGES	NON-RESIDENTIAL	OTHER RESIDENTIAL	LOW RESIDENTIAL
Building Society 1	14,631,373		8,398,153	2,433,859
Building Society 2	7,567,678		5,170,685	738,866
Building Society 3	4,231,897		3,037,279	522,790
Building Society 4	311,049		293,534	
NHF	N/A		N/A	
TOTAL	26,741,997		16,899,651	3,695,515

**TABLE ANX7 : CREDIT-TO-VALUE RATIO
(INTERMEDIATE VALUE)
NEW INVESTMENT IN HOUSING IN HARARE MUNICIPAL BOUNDARY, 1995**

TYPE	PRICE RANGE OF HOUSES Z\$	NUMBERS	INVESTMENT Z\$
Squatter (1)	100 - 500	280	84,000
Flats			1,695,685
High Density (2)			79,837,621
AID/Kuwadzana 4	40,000	4,128	165,120,000
Low/Medium Density (2)			316,211,660
Institutional			-
TOTAL			562,948,970

Notes

1. The new investment is restricted to within the Harare municipal boundary. Due to rigorous development control by the local authority, the new investment is artificially constrained. In December 1994, only 839 people lived in informal squatter settlements within the municipal boundary, compared with 110,000 people in settlements immediately outside the boundary.
2. Values sourced from Building Plans approved as only practical register available. Excludes any investment in tangwenas as no reliable estimates appear to exist.

**TABLE ANX 3.3 : KEY URBAN CENTERS :
FORMAL LOW INCOME HOUSING PRODUCTION 1992 – 1995
(INTERMEDIATE VALUE)**

INDICATOR YEAR	INDICATOR INTERMEDIATE VALUE					
	HARARE	BULAWAYO	GWERU	MUTARE	BINDURA	CHIREDZI
Number Low Income Serviced Residential Stands 1992:						
No. Houses	528	480	207	399	2	391
Population	1,189,103	621,742	128,037	131,367	21,167	21,116
Houses/1,000	0.44	0.77	1.57	3.04	0.09	18.52
1993:						
No. Houses	N/A	689	482	168	69	391
Population	1,260,449	654,694	134,823	138,330	22,289	22,235
Houses/1,000	N/A	1.05	3.58	1.21	3.10	17.58
1994:						
No. Houses	N/A	289	329	N/A	10	391
Population	1,336,076	689,393	141,969	145,661	23,470	23,414
Houses/1,000	N/A	0.42	2.32	N/A	0.43	16.70
1995:						
No. Houses	478	522	360	N/A	24	391
Population	1,416,241	725,931	149,493	153,381	24,714	24,655
Houses/1,000	0.38	0.72	2.41	N/A	9.71	15.86
1996 Work in Progress HG/001B	1,270	180	75	80	60	55

Notes:

1. Population growth rates based on Table 10.9, CSO 1992 National Census. 5.3% pa (Harare 6.1% pa)
2. Chiredzi data needs verification.

ANNEX 2

**STANDARD DATA COLLECTION FORMS
FOR INDICATOR NOS. 1.1, 2.1 AND 3.3**

aid16rpt/piza/19.8.96

Indicator 1.1 : Number of Serviced Residential Stands

Number of residential stands that were serviced, surveyed and sold/allocated/ready for sale.

YEAR	Total Number of New Residential Stands Serviced and Surveyed		Number of New Stands Serviced and Surveyed using USAID Funds	
	Low & Medium Density Suburbs	High Density Suburbs	Male Headed Household Beneficiaries	Female Headed Household Beneficiaries
1992				
1993				
1994				
1995				

75

Indicator 2.1 : Formal Low Income Housing Production

Total number of new houses constructed of single detached (single family), semidetached, flats, completed (i.e. Certificate of Occupancy issued OR water/sewerage connection fee paid) in high density areas

Year	New Single Detached Units in High Density Areas	New Semidetached Units in High Density Areas	New Flats, Hostels, etc. in High Density Areas (each dwelling unit)
1992			
1993			
1994			
1995			

Indicator 3.3 : Number and Value of New Residential Mortgages

CENTER	TOTAL NEW RESIDENTIAL MORTGAGES		LOW INCOME NEW MORTGAGES		PSHP(USAID) NEW MORTGAGES			
	NUMBER	VALUE Z\$	NUMBER	VALUE Z\$	MALE HEADED HOUSEHOLD BENFICIARIES NUMBER	MALE HEADED HOUSEHOLDS BENFICIARIES Z\$	FEMALE HEADED HOUSEHOLDS BENEFICIARIES NUMBER	FEMALE HEADED HOUSEHOLDS BENEFICIARIES Z\$
Beitbridge 1992 1993 1994 1995								
* Bindura 1992 1993 1994 1995								
* Bulawayo 1992 1993 1994 1995								

11

Chegutu 1992 1993 1994 1995								
Chinhoyi 1992 1993 1994 1995								
Chipinge 1992 1993 1994 1995								
* Chiredzi 1992 1993 1994 1995								
Chitungwiza 1992 1993 1994 1995								
Chivhu 1992 1993 1994 1995								

82

Gwanda	1992							
	1993							
	1994							
	1995							
* Gweru	1992							
	1993							
	1994							
	1995							
* Harare	1985							
	1986							
	1987							
	1988							
	1989							
	1990							
	1991							
	1992							
	1993							
	1994							
	1995							
Kadoma	1992							
	1993							
	1994							
	1995							
Karoi	1992							
	1993							
	1994							
	1995							

Kwekwe	1992							
	1993							
	1994							
	1995							
Marondera	1992							
	1993							
	1994							
	1995							
Masvingo	1992							
	1993							
	1994							
	1995							
* Mutare	1992							
	1993							
	1994							
	1995							
Norton	1992							
	1993							
	1994							
	1995							
Nyanga	1992							
	1993							
	1994							
	1995							

Redcliff	1992								
	1993								
	1994								
	1995								
Rusape	1992								
	1993								
	1994								
	1995								
Ruwa	1992								
	1993								
	1994								
	1995								
Victoria Falls	1992								
	1993								
	1994								
	1995								
Zvishavane	1992								
	1993								
	1994								
	1995								
TOTALS									