

## THE NEXT FRONTIER IN AFFORDABLE HOUSING: ALTERNATIVE BUILDING TECHNOLOGIES

The AUHF's 30th Anniversary Conference & AGM were held at the International Convention Centre in Cape Town, South Africa from 17-19 November. Site visits and a trade exhibition of products and services ran alongside these events.



Recognising that housing delivery is not reaching the scale, sustainability or affordability levels that the pressures of urbanisation demand in Africa, the AUHF brought together investors, lenders, developers, practitioners and policy makers to explore new technologies and innovative practice for scaled up delivery of affordable and sustainable housing on the continent. The Conference attracted 109 delegates, 54 of them members of the AUHF, from 19 countries - Angola, Botswana, China, Germany, Ghana, Italy, Kenya, Lesotho, Namibia, Nigeria, Russia, South Africa, Swaziland, Tanzania, The Gambia, the UK, the USA, Zambia and Zimbabwe.

Presentations can be downloaded from the AUHF website: <http://www.auhf.co.za/conference/next-frontier-affordable-housing-alternative-building-technologies/>.

The AUHF conference is also highlighted on the Africa China Urban Initiative website: <http://urban-africa-china.angonet.org/content/2014-african-union-housing-finance-conference>.



*FINANCING HOUSING in Africa is a monthly publication of the African Union for Housing Finance for its members. Please submit material for inclusion to Kecia Rust, at [kecia@housingfinanceafrica.org](mailto:kecia@housingfinanceafrica.org).*

### AFRICAN UNION FOR HOUSING FINANCE

The AUHF is an association of now thirty-nine mortgage banks, building societies, housing corporations and other entities involved in the mobilization of

finances for the  **Group: African Union for Housing Finance**

Twitter: [@AUHF\\_Housing](https://twitter.com/AUHF_Housing)

## From Mangochi in 1984 to Cape Town in 2014: A 30-year odyssey of housing finance in Africa



A pictorial history projected onto a screen formed the backdrop to a Gala Dinner to mark the AUHF 30<sup>th</sup> birthday. Chairperson Collin Chimutsa opened the event:

*"Today we are celebrating history and the success story of the African Union for Housing Finance. Thirty years ago, a visionary group of men and women came together and made a bold decision to form the African Union for Housing Finance.*

*With a clear vision of the provision of affordable housing, I am sure the founders were cognisant of: (a) The challenges that lay ahead, be it inadequate funding, regulatory environment, impact of social/political environment, rate of urbanization, levels of poverty etc., and (b) The long term nature of the process and more importantly, the capacity of the then and future generation in meeting the challenges.*

*Can we imagine we are in year 1984, in Africa, with no internet, no websites, no cell phones, no social media, presentations being done on overhead projectors etc.? Can we contrast this to today - and measure the intensity of the challenges mentioned?*

*It is the challenge to this generation to maintain the focus and keep an eye on the ball. There is no doubt that we have achieved a lot but also it is clear that the challenges remain too many. This is the challenge to us the members of African Union for Housing Finance, the Governments and other stakeholders.*

*Let's continue with the fight, the fight to provide affordable housing. I hope we all see the light shining in the next 30 years – and hear the voice celebrating the 60 years of the African Union for housing Finance saying: We have made it - the majority of Africans - if not all - have decent housing.*

*Happy 30<sup>th</sup> birthday, colleagues. I thank you.*



### In the news

This month in African housing & finance

#### Southern African News

There are still about two million households in **South Africa's** urban areas alone that live in sub-standard housing conditions. Approximately 3.5 million (24% of South Africa's household population) earn too much to qualify for fully subsidised housing and too little to afford an entry-level bonded home. Speaking at the Banking Summit in Johannesburg (hosted by the **Banking Association of South Africa**), Housing Development Agency CEO Taffy Adler said that a radical revision of the housing finance system is required to address the backlog. This includes making housing investment in inner city areas, transport hubs and development corridors a priority; supporting a spread of housing types with different tenure arrangements, and fostering mixed use activities and land development.

Meanwhile in **Zimbabwe** the government has announced that housing cooperatives have not resolved Zimbabwe's ballooning national housing crisis and the scheme will be abandoned soon after current projects have been completed. Housing co-operatives emerged more than a decade ago as a strategy to alleviate the housing shortage in Zimbabwe after local authorities failed to provide adequate accommodation. More than 2 600 housing cooperatives are registered with the government, 1 200 of which were allocated land. The government intends to pursue a public-private partnership model in the future. Source: <http://www.financialgazette.co.zw/govt-to-abandon-housing-cooperatives/>.

#### East African News

**Kenya's** Moi University, which comprises of 30,000 students, plans to build 15,000 hostel units worth over ksh 9 billion. AUHF member Shelter Afrique will finance the project while Aengus Investment Properly will be the contractor. In addition to the hostels, a shopping complex, sporting facilities, swimming pools, extra cottages, WiFi hotspots, and facilities for visitors and parent will be constructed. Source: [http://www.kenyafidelityhousing.com/kenyan-universities-taking-real-estate-seriously/?utm\\_content=bufferb6997&utm\\_medium=social&utm\\_source=twitter.com&utm\\_campaign=buffersthash.xlhzHwaM.jH7OoDwg.dpbs](http://www.kenyafidelityhousing.com/kenyan-universities-taking-real-estate-seriously/?utm_content=bufferb6997&utm_medium=social&utm_source=twitter.com&utm_campaign=buffersthash.xlhzHwaM.jH7OoDwg.dpbs)

In **Tanzania**, where the government is raising funds at 13-15% (before risk), high interest rates are undermining efforts to attract local funding for housing.

The European Investment Bank has extended a Shs 45 billion credit line (EUR13 million) to **Uganda's Housing Finance Bank**, for lending to SMEs. Source: <http://www.independent.co.ug/business/business-news/9476-european-investment-bank-supports-ugandas-housing-finance-bank->

#### West African News

Education and housing are priorities in the 2015 budget presented by the Lagos state Government in **Nigeria**, on 4 December. Out of a total budget of N489.69 billion, N49.03 billion has been set aside for housing and community amenities. Source: <http://3investonline.com/lagos-2015-budget-housing-and-commodity-receives-n49-03-billion>.

Several schemes have been launched to promote affordable home ownership, provide job opportunities, and create improved socio-economic conditions for Nigerians: the **Nigeria** Mortgage Re-finance Company (NMRC); the 66,000 Mortgages Programme, and the 10,000 Affordable Home Ownership Scheme. Enabling environment schemes to enhance access to land have also been initiated. A review of titling and property registration processes is part of this.

#### Photos from the AUHF's 30<sup>th</sup> anniversary Conference and AGM





## IUHF Celebrates its 100<sup>th</sup> anniversary

The AUHF's 30<sup>th</sup> anniversary celebrations followed hot on the heels of the IUHF's 100<sup>th</sup> anniversary conference held in Munich a couple of months earlier. More than 130 participants from 40 countries attended the September conference – among them 11 delegates from Africa. Conference topics were particularly relevant for emerging countries.

Speakers in the first session discussed advantages and drawbacks of funding instruments like contractual savings systems, covered bonds and mortgage backed securities. Furthermore, the role that specialised housing lenders can play was elucidated with the example of the Indian market. Regulatory developments in the field of housing finance were the next topic. Here, Cas Coovadia from the Banking Association South Africa stated that developed and developing environments face similar challenges with respect to housing finance regulation, but that markets with affordability constraints and a housing supply backlog may face particularly negative consequences due to the regulatory burden. The last session explored the linkages between the housing finance market and the wider economy. In particular, the speakers discussed how progress in the housing finance market depends on the development of the economy and financial market. Furthermore, policies, institutions and instruments that have stabilising effects on the housing and housing finance market were identified. The session was concluded by two promising country examples – Malaysia and Mexico.

## UPCOMING EVENTS

- **24-25 March 2015:** Africa GRI, Hyatt Regency, Johannesburg, South Africa <http://10times.com/africa-gri>
- **25-26 March 2015:** 5<sup>th</sup> Annual Africa Banking & finance Conference: AUHF members get a 50% discount! For information contact Ruth: [abfc@aidembs.com](mailto:abfc@aidembs.com)
- **15-17 April 2015:** 6<sup>th</sup> Annual Affordable Housing Projects, Singapore <http://affordablehousingprojectslse.marcusevans.com/event/details.asp?eventID=>
- **13-14 May 2015:** Housing for Africa Conference and Expo, Sandton, South Africa <http://www.hypenica.com/events/concrete-and-construction-events/housing-for-africa-conference-and-expo>
- **17-19 June 2015:** Marcus Evans 2nd Annual City Development conference, Cape Town, South Africa: <http://citydevelopmentafricalse.marcusevans.com>

## RECENT TWEETS



Challenge: how much do our construction costs have to drop to make our housing affordable to 80% of the population? [@AUHF\\_Housing](#) Conference



[@DWAngola](#)

Real estate increasingly important in Chinese outward FDI: 3.67% of all in 2013. A peak high. Opportunity to grow this in Africa?



For b/g info: [@SAIIA\\_info](#) paper by [@AnaAlvesCD](#) "Oil for Housing" [http://www.saiia.org.za/doc\\_download/507-oil-for-housing-chinese-built-new-towns-in-angola ...](http://www.saiia.org.za/doc_download/507-oil-for-housing-chinese-built-new-towns-in-angola...) [@keciarust](#) [@urbanchinafrica](#) [@DWAngola](#) [@AUHF\\_Housing](#)



CITIC planning 54 000 total housing units in Angola as part of Angola Natl Reconstruction Programme [@DWAngola](#) [@AUHF\\_Housing](#)



[@moladi](#)

Real source of market promise isnt wealthy few: its the billions of aspiring poor who are joining the market economy for 1st time



[@AUHF\\_Housing](#) conference

We have to find a product that fills the gap between the slum and the first house.

[@moladi](#) Hennie Botes speaking



This is interesting: crowd funding for property in Africa? Can it work?

[https://www.linkedin.com/pulse/article/20141126100127-71806913-diary-of-a-property-investor-in-africa ...](https://www.linkedin.com/pulse/article/20141126100127-71806913-diary-of-a-property-investor-in-africa...) also <http://www.propertyinvestorafrica.com>