HOUSING FINANCING
-A PUBLIC-PRIVATE PARTNERSHIP -

“HOUSING POLICE IN MOZAMBIQUE – MAIN CHARACTERISTICS “

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9TH SEPTEMBER
OUTLINE

1. Housing in Mozambique
2. Institutional Framework
3. New Territorial Management Tools
4. Housing Financing
1. HOUSING IN MOZAMBIQUE

1976: Income from Builds nationalization (property)
- The State became the only body with legal authority for property renting in the country;

1987: Implementation of the Economic Regeneration (PRE);

1991: Adoption of Act 5/91 of 9 January, that liberalized real estate activity and authorized the disposal of State Property;

The State played the regulator and facilitator role in the housing promotion.
1. HOUSING IN MOZAMBIQUE

Housing policy model became unsustainable because of the charged prices for property rental;

1995: Establishment of the Fund for Housing Foment

1999: Establishment of the Housing and Urbanism National Directorate

The housing deficit created over the years was a result of:

- Large number of people excluded from access to a decent house;

- Visible quantitative and qualitative housing needs, especially in urban areas and in low-income people segment;
2. Institutional Framework

- Mozambique does not have an approved Housing Policy

  ✔ **MOPH**: formulation of policies, guidance and supervision of housing and urbanism practice;
  ✔ **MICOA**: territorial planning and ordering;
  ✔ **Municipalities**: management of urban soil and implementation of housing and urbanism policies;
  ✔ **Provincial Governments**: implementation of territorial planning;

- The real housing demand is met by efforts coordination among local governments, municipalities, private and largely by citizens themselves.

- The Mozambican housing market is still at an early stage;

- The housing supply has been partially guaranteed from self-building efforts;
2. Institutional Framework

- The **Housing and Urbanism National Directorate (DNHU)** mandate is to develop and implement policies on housing.

- The **Fund for Housing Finance (FFH)** is focused on promoting affordable housing access.

- The **Territorial Planning and Ordering National Directorate (DINAPOT)** develops planning and ordering policies.
3. NEW TERRITORIAL MANAGEMENT TOOLS

**Land Law 18/97**
“The Land is state property and can not be sold or otherwise alienated, mortgaged, or pledged. “

**DUAT** = Right of Use and the Land Use.
• According to customary practices
• After the occupation of good faith for 10 years Order

**AUTHORIZATION - TITLE-REGIST** "The lack of title does not imply the absence of law."

**Regulation of the Land Law (16/98 Decree)**
Art. 2: "This Regulation applies to areas not covered by the areas under the jurisdiction of municipalities that have municipal registration services."

**Regulation of Urban Land (Decree 60/2006)**
Art. 2: “Applies to human settlements organized by a planning scheme”
Art. 21: "Urbanization is a prerequisite to granting the right to use and improvement of land in areas covered by this Regulation."
4. HOUSING FINANCING

- Comercial Banks
- Microfinance Institutions
- Fund for Housing Foment

MORTGAGE/CONSTRUCTION LOAN
## 4. HOUSING FINANCING

### Housing Financing Resume

<table>
<thead>
<tr>
<th>Implementation Index</th>
<th>2005-2009</th>
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<tr>
<td>Number of local authorities (Counties and Municipalities) assisted on basic urbanization financing</td>
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<td>No. of urbanized plots</td>
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<td>Number of local authorities (Counties and Municipalities) assisted on housing construction financing</td>
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<tr>
<td>No. of Built Houses</td>
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<td>Number of provinces assisted on funding the rehabilitation, expansion and completion of housing</td>
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<td>No. Low Income Credit</td>
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<tr>
<th>Plan</th>
<th>Execution</th>
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<td>410</td>
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</table>

Nota: Data by March 2009
4. HOUSING FINANCING

- Commercial banking serves high income class, with an annual Interest rate average of 18%;

- Two (2) microfinance institutions provide housing loan;

- The Government has very low investment ability (subsidized resources) on social housing;

- The prevailing constraints in the context of public sector financing derail development programs and qualitative deficit in particular;

  The constraints listed here could be resumed on fragmentation, discontinuity and disarticulation of housing policies (Government, Municipalities, Private Sector, Citizens and others)
THANK YOU VERY MUCH