

A look into housing finance in Africa [view this email in your browser](#)



Newsletter

FINANCING HOUSING IN AFRICA

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HOUSING MICROFINANCE: AN OPPORTUNITY FOR AFFORDABLE HOUSING SOLUTIONS IN MOZAMBIQUE



The Centre for Affordable Housing Finance in Africa (CAHF) has reported extensively on the constraints of the mortgage market, noting that within the cities across the African continent, the overwhelming majority of housing is constructed incrementally by households themselves. The Republic of Mozambique is an excellent example of this, and at the same time demonstrates the requirement for targeted housing finance products. This is something that CAHF's research manager [Maria Nkhonjera](#) unpacks in a blog that reflects on affordable housing solutions in Mozambique.

This blog was inspired by the work done by CAHF in partnership with [Financial Sector Deepening \(FSD\) Africa](#) and [Financial Sector Deepening \(FSD\) Mozambique](#) to explore the likelihood of developing a [Housing Microfinance \(HMF\)](#) in Mozambique. The aim is to capacitate a financial organization in Mozambique that will develop an effectively managed, demand-driven, reasonable HMF product. The expected outcomes are to help in clarifying the institutional development and funding needs for the delivery of a [Housing Microfinance](#) product by an existing financial services provider, and to realise the development

of latest tools, specific to HMF lending, that may be employed by alternative financial services providers seeking to maneuver into this area.

The [2016/17 State of Housing Microfinance](#) Survey reinforces the relevance of HMF as a viable financial product within the broader housing finance market, and its usefulness for lower income populations. The blog identifies that Housing microfinance comes in several forms and involves grouping the housing value chain to bring a package of financial and non-financial services to a focused target market.



Drawing from CAHF's [Housing Investment Chronicles](#) the blog notes the common approaches taken by several to finance their homes in Mozambique which includes a mix of accumulated household savings, earnings from informal savings teams ('Xitiques'), and in-kind donations. It further identifies that although housing production is undertaken by public and private sector establishments in Mozambique, most housing is self-built.

Mozambique encompasses a massive population with low, informal, and irregular incomes and unsurprisingly, the blog finds that accessing formal finance for housing is not common for the bulk of Mozambicans and less than one percent of households were found to have a housing loan or a mortgage credit product at a bank. Furthermore, existing underwriting criteria and lending structures of microfinance institutions (MFI's) and small banks giving varied housing loans means access to unsecured housing loan products is limited because of an absence of affordability and savings.

The blog concludes by noting that designing and developing a product that considers borrower capacity, suits the needs of the poor and leverages existing informal finance mechanisms could be a practical way of responding to the growing housing finance needs in Mozambique.

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[click here to access full blog](#)

2020 Housing Finance in Africa Yearbook



Centre for Affordable Housing Finance in Africa

The flagship publication of CAHF, the [Housing Finance in Africa Yearbook](#), is a highly-respected source of information on the state of the housing finance sector on the continent, targeted for housing finance practitioners, investors, researchers and government officials. 2020 will mark our 11th edition, which will be launched in November 2020—containing 55 country profiles and 5 regional articles, and published simultaneously in English and French.

The **Housing Finance in Africa Yearbook** provides a current update of practice and developments in housing finance in Africa, reflecting the dynamic change and growth evident in the market in each country and region. While the general aim of the Yearbook is to offer a broad overview of housing finance and housing development in Africa, special emphasis is placed on the key challenge of housing affordability and access to housing processes for low income households, as well as the critical need for housing products and finance that are explicitly targeted at the income profiles of the majority. Given the unprecedented impact of the COVID-19 pandemic, this year we have asked profile authors to write country profiles with a COVID-19 lens looking at risk, recovery and resilience measures in the housing sector.

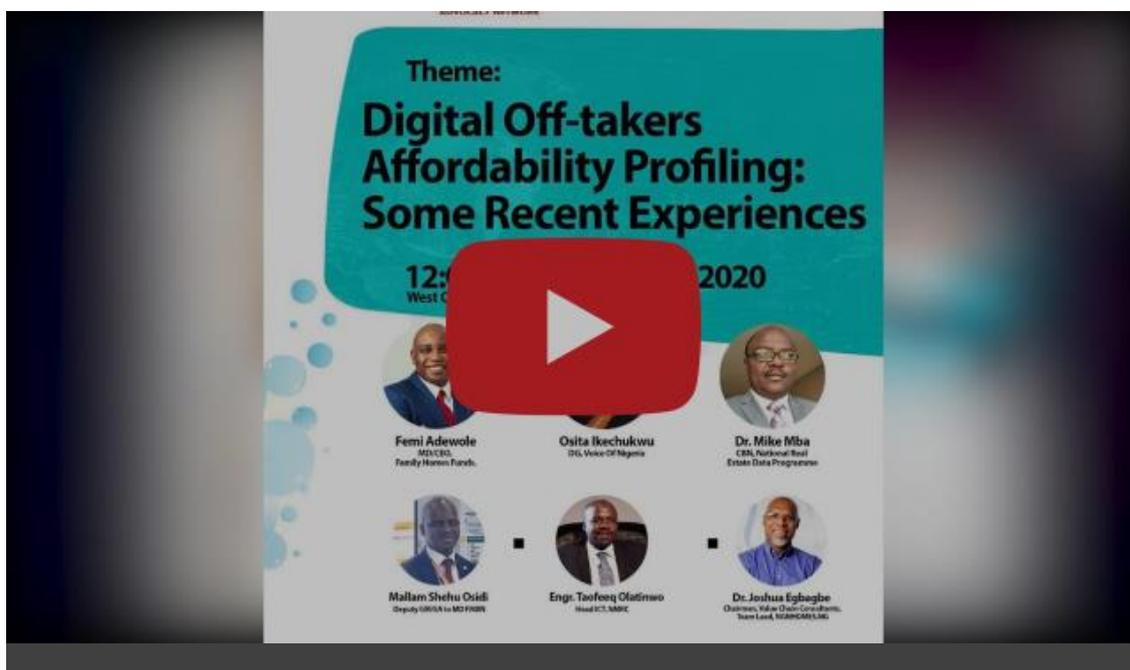
CAHF recently put out a call for proposals for authors for the country profiles with a deadline for 29 June 2020. Authors for country profiles will be appointed early in July. CAHF has asked AUHF members to participate in the process this year by submitting organisational data and country developments for the authors to include in the profile write ups. The write up and data collection process for the Yearbook process will be between July and September 2020 and we look forward to engaging with members on issues raised through the process. The Yearbook will be launched at the AUHF Conference in November 2020.

[Click here for previous yearbooks](#)

Webinar: Digital Off-Takers Affordable Profiling, Some Recent Experiences

The [Housing Development Advocacy Network](#), owners of Housing Television and Housing Development Programme on AIT and TVC hosted a webinar on May 28, 2020 on the theme: **Digital Off-takers Affordability Profiling: Some Recent Experiences**. Panelists included (AUHF member) Arc. Femi Adewole - MD/CEO, [Family Homes Fund](#), (AUHF member) Mallam Shehu Osidi - Deputy GM/SA to MD/GEO of the [Federal Mortgage Bank of Nigeria](#), (AUHF member) Engr. Taofeeq Olatinwo - Head

ICT, [Nigerian Mortgage Refinance Company \(NMRC\)](#), Dr. Mike Mba - CBN, National Real Estate Data Programme and Festus Adebayo - moderator, amongst others.



The webinar focused on the importance of looking at the gaps in the value chain of affordable housing. In the webinar, Joshua Sixtus Egbagbe, MD Value Chain Consult argued that the housing industry has to take a moment to look at the dynamics around affordable housing delivery in Nigeria because Covid-19 has changed the game. He also encouraged other organisations to go fully digital as an industry. Not just to go digital, because off-takers must also understand affordability through profiling.

CAHF Webinar series on Housing Finance in Africa: Focus on Central Africa

Inspired by the 2019 Yearbook on housing finance in Africa, CAHF held a webinar (conducted in French) on the 19th of June 2020. Panelists for the webinar included CAHF's [Housing Finance in Africa Yearbook 2019](#) authors for Central Africa region: [Dr. Christian L. Nguena](#) and [Dr. Frank NM Banze](#). In addition, the panel included guest speakers from United Nations Human Settlements Program (UN-Habitat): Mr. Oumar Sylla, Acting Director for the Regional Office for Africa and Dr. Claude Meutchehe Ngomsi, Programme Management Officer. The discussion was moderated by CAHF's Francophone Programme Manager, [Olivier Vidal](#).

The webinar examined the main trends influencing the housing sector in the region, highlighting the specific problems and opportunities of member countries of the Central African Monetary Union. The webinar included a lively discussion on the availability and accessibility of housing data and the implications of COVID-19 in the region's housing sector.

[Click here to view webinar presentations](#)

CAHF FACILITATED THE WRITE UP OF THE FOLLOWING BLOG PIECES FOR THE HOUSING FINANCE SECTOR:

[Basel III global regulation and potential effects on access to finance in Africa](#). This blog by [Pierre Valère Nketcha Nana](#) builds on a [consultancy work](#) done for CAHF. It explores the actual impact as well as the perception of the new regulations among African financial institutions.

[Blog: Housing Microfinance: An Opportunity for Affordable Housing Solutions in Mozambique](#) (As indicated in the lead article for this newsletter), this blog by [Maria Nkhonjera](#) (CAHF's Research Manager for the Southern African Region) unpacks the journey of many Mozambican households documented in CAHF's [Housing Investment Chronicles](#). The chronicles illustrates the common approaches taken by many to finance their houses. It also highlight that accessing formal finance for housing is not common for the majority of Mozambicans.

[TSC Case Study 7: Regularising an informal cash sale after 12 years](#). Since its opening in July 2018, the [Transaction Support Centre \(TSC\)](#) in Khayelitsha has logged 112 cases with title deed problems due to past informal cash sales. This case study by [Illana Melzer](#), lead consultant at [71point4](#), and [Jessica Robey](#) demonstrates this it is possible to regularise some informal transactions that have taken place in the past.

[Cytonn Research: Using Pension Funds for Housing Purchase in Kenya](#). [Cytonn Investments](#) have published [an analytical paper](#) on May 10, 2020 discussing the Retirement Benefits Authority's (RBA) new regulations, and the implication of these shifts in regulations on Kenya's affordable housing sector. This report highlight key changes in regulations by the RBA.

[Urbanisation and housing in the face of weather risks in Africa: The case of Abidjan, Côte d'Ivoire](#). This article by [Jean Philippe Ado](#) and [Juliette Rey](#) attempts to provide an analysis of the legal and regulatory measures taken to increase the resilience of the Abidjan district to the risk of flooding. It also offers recommendations that could be implemented by the Ivorian authorities to enhance the flood risk management initiatives and measures already undertaken.

[To view all CAHF's recent blogs, please click here](#). In addition, they regularly collect [news articles](#) on the current affairs and development of the housing finance sector across Africa.

AUHF MEMBER NEWS

iBUILD was named “Best C2C Housing Market Disruption Tool” for Wealth & Finance International’s 2020 Fintech Awards. Read more, [click here](#).



TUHF creates impact through scale by assisting entrepreneurs in the inner cities of South Africa. Read more, [click here](#)



At the recently held webinar titled ‘Affordable housing post Covid-19’ , Mr Femi Adewole, the MD/CEO of Family Homes Funds called on stakeholders in the affordable housing sector to change its narrative in order to attract the right funding. Read more, [click here](#)



The Managing Director and Chief Executive Officer (MD/CEO) of the Federal Mortgage Bank of Nigeria (FMBN), Mr Architect Ahmed Musa Dangiwa, has said the bank’s board and executive management team remain committed to achieving the core components of a strategic road map to increase the bank’s capacity to promote access to affordable housing for Nigerians. Read more, [click here](#)



NEWS ACROSS AFRICA

EAST AFRICA

In Kenya, six banks which include Equity Bank, KCB, NCBA, Stanbic Bank, Absa and Housing Finance have committed Sh335 billion in mortgages to fund the Affordable Housing Programme (AHP) for low-cost housing scheme. According to [Daily Nation](#) newspaper article of 18 June 2020 the partnership will help potential homeowners, especially in the low and middle-income segments, to overcome the financial hurdles to home ownership. Read more, [click here](#).

In Uganda, construction technology such as buying ready made products such as prefab houses or ready mix concrete has helped reduce hidden costs extensively. According to [Daily Monitor](#) newspaper article of 17 June 2020, other advanced methods Ugandans can adopt include interlocking bricks, for construction of walls, which do not need cement and

SOUTHERN AFRICA

In Namibia, the Eenhana town council has made available serviced land at Ekolola suburb for low income earners who are willing to construct formal housing units. According to [the Namibian](#) newspaper article of 21 June 2020, priority will be given to first time buyers in order to ensure equity and fairness, thereafter the council would then allocate land to any other person who qualifies for it. Read more, [click here](#).

In South Africa, a Human Settlements Development Bank will be developed that will leverage both public and private sector financing to aid in housing delivery. According to [BusinessTech](#) article of 18 June 2020, the ultimate goal of the bank

sand paste for bonding and using waffles to construct slabs rather than normal concrete and iron bars Read more, [click here](#).

WEST AFRICA

In Benin, a Peoples Democratic Party (PDP) governorship aspirant in Edo, Engr Gideon Ikhine, has promised to provide affordable housing for the residents if elected. According to an article in the [Vanguard](#) newspaper article of 29 May 2020, Ikhine made the promise while interacting with his supporters and journalists. Read more, [click here](#)

In Ghana, the Ministry of Works and Housing, Ministry of Finance and State Housing Company Limited (SHCL) have completed discussions on affordable housing projects. According to [Business Ghana](#) article of 25 June 2020, 312 housing units are 90 percent complete and plans are far advanced towards completing the remaining 1,272 housing units. Read more, [click here](#).

In Côte d'Ivoire, a landslide swept away a hamlet of about 20 houses in Anyama, in the northern suburbs of Abidjan on 18 June, causing 16 deaths and affecting 52 families. According to [Relief web](#) article of 25 June 2020, Ivorian Minister of Solidarity and Social Cohesion called on the inhabitants to leave the risky areas during this rainy season to avoid further tragedies. Read more, [click here](#).

NORTH AFRICA

In Egypt, President Abdel Fattah el-Sisi recently removed the last restrictions on foreign ownership of land and property in Egypt, in an effort to buoy the housing market. He also allowed the government, the biggest landowner in Egypt, to use its land for public-private partnership schemes. according to [Global property](#) newspaper article of 25 June 2020, house prices are being undermined by the vast amount of new construction. Read more, [click here](#)

would be to construct an additional 500,000 housing units by 2024. Read more, [click here](#)

In Zimbabwe, the Harare City Council has come up with a new Human Settlements Policy aimed at restoring the city's control over its land bank and full control of land activities within its jurisdiction, and also for the formulation of the development agenda in terms of land use. According to the [Herald](#) newspaper article of 28 June 2020, the policy is anchored on the country's Vision 2030 of achieving an upper middle income economy, and draws from the United Nations Habitat Agenda 1996. Read more, [click here](#).

In Mozambique, as the number of COVID-19 cases in Mozambique increase, there is a continued alert for the spread of the disease in resettlement sites, which host over 100,000 people who were displaced by 2019's twin cyclones Idai and Kenneth. According to [Reliefweb](#) article of 2 June 2020, the residents of resettlement sites are especially vulnerable; they are living in temporary shelters where social distancing is difficult, and they have limited resources to implement recommended prevention measures. Read more, [click here](#)

CENTRAL AFRICA

In Angola, the Director of the Office for Studies, Planning and Statistics of Lunda Sul announced the construction and equipment of 22 schools, four health posts and nine houses for public workers and infrastructures for housing public offices in the municipalities of Cacolo, Dala, Muconda and Saurimo. According to [AllAfrica](#) news article of 23 May 2020 11.5 billion Kwanzas has been put aside to complete these projects. Read more, [click here](#)

2020 LIST OF UPCOMING EVENTS



IFC and World Green Building Council webinar:
Investment Readiness for Green Buildings Finance in Africa



This is the monthly newsletter for AUHF. The AUHF is an association of fifty-nine mortgage banks, microfinance institutions, building societies, housing corporations and other entities involved in the mobilisation of finances for the development of shelter and housing on the African continent. The AUHF is a non-governmental association and has a presence in sixteen countries across Africa.

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