

A look into housing finance in Africa

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Newsletter

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## **FINANCING HOUSING IN AFRICA**

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### **HOUSING SECTOR RESPONSES TO THE COVID-19 PANDEMIC IN AFRICA**



Governments, companies, and NGOs all over Africa are putting forward support activities to assist and implement measures to oversee the different dangers and challenges that the COVID-19 pandemic has created for their citizens, clients and companies. The African Union for Housing Finance (AUHF) has undertaken research on COVID-19 by conducting a survey on the reactions of housing sector specialists to the COVID-19 pandemic in April 2020. More than 100 housing practitioners have been invited to take part in the study, and of those, 26 responses have been received from associations in 12 African countries. Of the organizations included within the study, nineteen were members of the African Union for Housing Finance (AUHF). The objective of the survey was to get a fundamental understanding of the different strategies' associations are utilizing to oversee the impacts of the pandemic in their countries.

Results from the study showed that the measures taken by the organizations were pointed at diminishing the effect of COVID-19 on their credit books, study participants from nine countries detailed executing grace periods, and study participants from eight nations provided special instalment facilities on a case-by - case

basis. Nine of the 12 nations that study participants had lock downs executed, with 6 nations presenting uncommon relief funds for sectors. The larger part of survey participants across countries revealed that the central bank's common measure was the reduction of policy interest rates. In response to COVID-19, national or local government has put in place different measures that effect on the operations of the survey participants, and from these, having a special fund for targeted sectors was a common measure utilized over the different countries.

The respondents highlighted the common steps they would like to see their government take to combat COVID-19's impacts on their work, clients, and colleagues. Moreover, the respondents have distinguished the various dangers they are most concerned about in connection to the COVID-19 pandemic and identified the most concerns that should be tended to in a current and post-COVID-19.

*We thank all the participants for sharing information on how they are contributing to the ongoing conversations on COVID-19 aimed at supporting the housing sector. We encourage all AUHF members and housing practitioners to share their experiences and reactions to the COVID-19 pandemic. For more information, please contact: [auhf@housingfinanceafrica.org](mailto:auhf@housingfinanceafrica.org) or [vanessa@housingfinanceafrica.org](mailto:vanessa@housingfinanceafrica.org)*

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## **NIGERIA HOUSING SECTOR RESPONSE TO THE COVID-19 PANDEMIC**



The world is responding to a new virus recognized as Coronavirus Disease 19 or COVID-19. COVID-19 swiftly spreads from person-to-person contact and it can continue to be alive and contagious for many days on surfaces. COVID-19 has resulted in our hospitals and health care system being strained by way of increased number of critically ill people. Aside from the human cost, the Covid-19 pandemic is anticipated to have large negative outcomes on the global economy. Across the continent, governments are using economic policy tools at their disposal to fight the effects of corona virus on the economy.

The [Nigeria Mortgage Refinance Company](#) (NMRC) is one of many Nigerian corporations and firms that

have issued communications and taken particular motion in response to the pandemic. On 24 March, the NMRC issued a reputable assertion on COVID-19, and on those grounds has shared healthcare guidelines and suggestions to clients and stakeholders by digital channels and social media platforms. The NMRC's Business Continuity Plan consists of measures taken to enhance the protection of employees, clients and stakeholders while making sure continued service delivery.

Employees have been encouraged to invest time in their personal and professional development during this time via attending free webinars and registering for online training platforms. NMRC is additionally participating with a multitude of stakeholders by raising over US\$2.7m for a Health Workers Fund for scientific personnel posted to COVID-19 disease control centers throughout Nigeria. The NMRC is scaling up and lobbying the implementation of its existing market interventions to respond to COVID-19. This would help its mandate of promoting home ownership whilst deepening the principal and secondary loan markets. COVID-19 presents an uncomfortable challenge for organisations and practitioners involved in Africa's housing sector. However, there is an opportunity to forge new partnerships and design more innovative products that will benefit the majority of the housing population that need it the most.

*We thank our AUHF member, the Nigeria Mortgage Refinance Company, for sharing information on how they are contributing to the ongoing conversations in Nigeria aimed at supporting the housing sector. We thank the NMRC for also sharing their protocols, policy documents, and posters that they have used in this period to communicate about the COVID-19 pandemic with their clients and stakeholders. These documents are available on CAHF's website, as well as on the NMRC page on the AUHF website. We encourage all AUHF members and housing practitioners to share their experiences and reactions to the COVID-19 pandemic.*

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## **What Has Data Got To Do With The Housing Sector In Nigeria**

The [Housing Development Advocacy Network](#) held a webinar as part of efforts to examine trends and reshape the housing sector in Nigeria. The webinar on "**The Crisis in Perspective: Affordable Housing Post COVID-19**" was organized as a virtual video conference on the 11th May 2020. This webinar was greatly attended by key participants within the housing finance sector.

Mr. Taofeeq Olatinwo from the [Nigerian Mortgage Refinance Company \(NMRC\)](#) and Mrs Kecia Rust from [CAHF](#) were speakers in the zoom webinar discussing the relation of data to the housing sector in Nigeria.



From the webinar Dr Roland Igbinoaba identified that precise data enables developers of government and estate to create houses for a definite group of people who have already demonstrated their ability to afford the particular type of houses and desired locations.

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## COVID-19 PANDEMIC AND HOUSING FINANCE LEADERSHIP

The [Housing Development Advocacy Network](#) held a webinar as part of efforts to Stir up a discussion on the impact of Covid-19 and how the housing sector and its market are adapting to this unfortunate pandemic. . The webinar on "**Covid-19 Pandemic and Housing Finance Leadership**" was organized as a virtual video conference on the 15th May 2020. This webinar was greatly attended by housing sector stakeholders, public officials and the general public.



participants included Mr Kehinde Ogundimu from [Nigerian Mortgage Refinance Company \(NMRC\)](#), Mr Femi Adewole from [Family Homes Fund](#), Mr Adedeji Adesemoye from [Federal Mortgage Bank of Nigeria](#). The webinar gave a lot of insights on the home ownership opportunities, packages and mortgage products of the Federal Mortgage Bank of Nigeria (FMBN), Family Homes Funds, NMRC and about interventions from the Central Bank of Nigeria. it also revealed details about ongoing partnerships and housing projects being executed by these institutions across the country.

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## **THE CENTER FOR AFFORDABLE HOUSING FINANCE IN AFRICA FACILITATED THE WRITE UP OF THE FOLLOWING BLOG PIECES FOR THE HOUSING FINANCE SECTOR:**

[Unpacking the potential impact of the Covid-19 pandemic on the South African economy and the housing sector](#) This blog by [Keith Lockwood](#) sets out an approach to considering the impact of the Covid-19 pandemic on the South Africa economy, and asserts the importance of housing construction in developing a response.

[Blog: Nigerian housing sector responses to the COVID-19 pandemic: Nigeria Mortgage Refinance Company](#) This blog by [David Chiwetu](#) (CAHFs Research Manager for West and Central Africa) identifies the cross-cutting responses from housing sector practitioners who face the challenge of instituting measures to manage the various risks and challenges associated with an evolving context of COVID -19

[Blog: TSC Case Study 6: Small estates threshold makes deceased estates dead capital](#) On the 28th of April



2020, the TSC joined with [Khaya Lam](#) and other civil society organisations in writing an appeal to the Minister of Justice to raise the small estates threshold to R600 000. This case study by [Illana Melzer](#), lead consultant at [71point4](#), and [Jessica Robey](#) provides background information in support of that appeal.

[Covid-19 and housing – strategies for resilience in South Africa](#) This blog by [Illana Melzer](#), lead consultant at [71point4](#), and [Kecia Rust](#) discuss the need to focus on specific interventions for South Africa's affordable housing market to make households more resilient in the face of the covid-19 pandemic.

[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.

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## AUHF MEMBER NEWS

[Shelter Afrique](#), through its foundation, the Shelter Afrique Foundation has donated Sh1 million to the Kenya Medical Research Institute (KEMRI) towards the purchase of the Coronavirus disease (COVID-19) testing kits to boost the government's mass testing efforts. Read more, [click here](#)



[National Building Society \(NBS\)](#) has introduced a diaspora mortgage plan to enable Zimbabweans living outside the country to buy residential stands at zero deposit with an interest rate of 8 percent. According to [Allafrica](#) article of 14 May 2020, this package was designed to enhance affordability of real estate products by Zimbabweans abroad looking at investing back home. Read more, [click here](#)



[EchoStone](#), recently completed a community of 252 houses. This affordable housing community is the first in Nigeria, and among the first in Africa, to achieve EDGE Advanced certification at the final construction stage. Read more, [click here](#)



Amid the impact of coronavirus in mortgage and housing sector, the [Federal Mortgage Bank of Nigeria \(FMBN\)](#) is considering a 180 and 360 days moratorium to existing



loan beneficiaries under its projects. Read more, [click here](#)

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## NEWS ACROSS AFRICA

### EAST AFRICA

In Tanzania, the Tanzanian Government has finalized a recently approved proposal for a review of the National Housing Policy to make it better and more compliant with changing technologies and meet current and future needs. According to [AllAfrica](#) article of 8 May 2020, it is expected that the collection of views and improvement in the proposed draft of the National Housing Policy will be completed in June 2020. Read more, [click here](#)

### WEST AFRICA

In Senegal, social services have stepping up support and housing for highly vulnerable homeless children during the covid-19 pandemic. According to [Reuters](#) article of 27 April 2020, social services have increased the number of children they are able to accommodate, helping to protect over 40,000 street children from unhygienic living conditions on the street and the disease itself. Read more, [click here](#)

In Nigeria, as high prices of building materials increase construction costs and dampen the expectations of quality homes, stakeholders have reiterated their call for the establishment of a National Housing Commission (NHC), which will set guidelines for monitoring and assessing housing policy as well as the country's sector. According to [property news](#) article of 2 May 2020, the inability to balance the annual rise in households and housing needs with a corresponding increase in newly constructed homes, as well as its adverse effect on the nation

### NORTH AFRICA

In Sudan, the Eastern Sudan Lawyers' Association has called for the stop to illegal housing, "that forms the basis for many crimes" in the region. According to the [AllAfrica](#) article of 22 May 2020, the formation of an independent investigation committees and the establishment of special courts in Red Sea state, Kassala, and El Gedaref will help deal with community violence in the region. Read more, [click here](#)

In Egypt, despite the outbreak of the new corona virus, the Egyptian government has undertaken its plans to eliminate slums, which are considered to be the main problem impeding the country's societal development. According to [Arab world news](#) article of 22 May 2020, the project consists of 11,000 housing units, 3 service facilities, including an educational facility, 6 mosques, including two of 800 square meters and 4 small mosques, and a hospital for the treatment of residents, in addition to a church, a youth center, a post office, and a center for recreational activities. Read more, [click here](#)

### SOUTHERN AFRICA

In Zimbabwe, the Harare City Council began demolishing illegal structures across the capital city in an effort to remove all illegal structures. According to [News24](#) article of 26 April 2020, although the share of informal economy employment was 76% of total employment, business operations would have to follow approved procedures and look for accommodation at areas reserved for such kind of businesses.

<p>and its people, has influenced the call to establish the NHC. Read more, <a href="#">click here</a></p>	<p>Read more, <a href="#">click here</a></p> <p><b>CENTRAL AFRICA</b></p> <p>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 <a href="#">AllAfrica</a> news article of 23 May 2020 11.5 billion Kwanzas has been put aside to complete these projects. Read more, <a href="#">click here</a></p>
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## 2020 LIST OF UPCOMING EVENTS

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**WEST AFRICA PROPERTY**  
INVESTMENT SUMMIT

**25-26 November 2020**  
Eko Hotel, Lagos  
*West Africa's Property Gathering*



**AFRICA PROPERTY**  
INVESTMENT SUMMIT

**30 September - 1 October 2020**  
Sandton Convention Centre, Johannesburg  
*Africa's Leading Real Estate Gathering*

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This is the monthly newsletter for AUHF. The AUHF is an association of fifty 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.

website: [www.auhf.co.za](http://www.auhf.co.za) | linkedIn: [African Union for Housing Finance](#) | twitter: [AUHF\\_Housing](#)

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