

A look into housing finance in Africa
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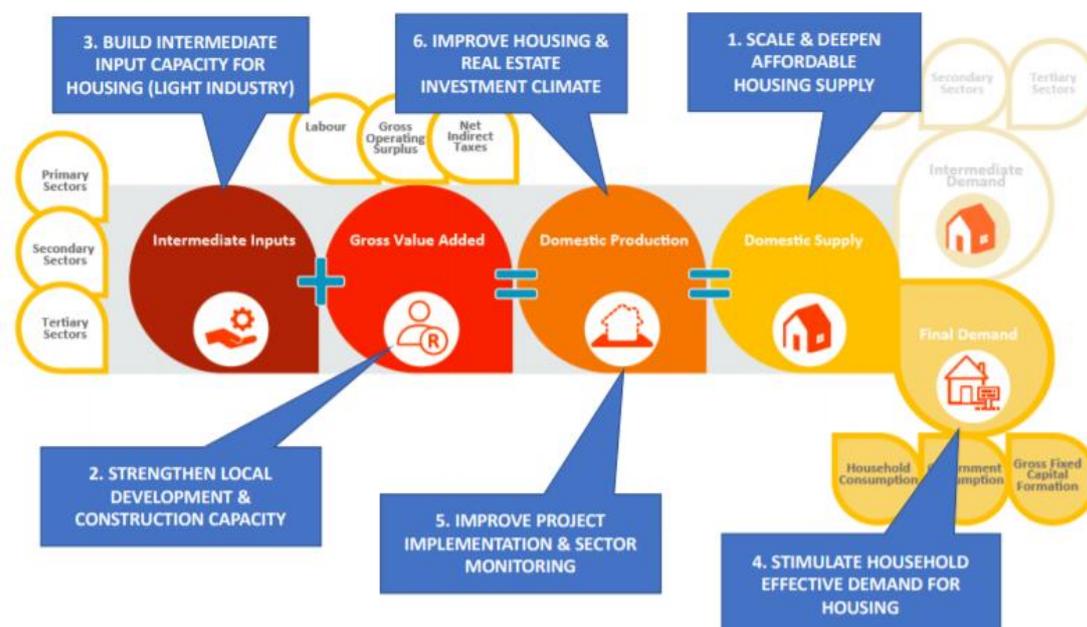


Newsletter

FINANCING HOUSING IN AFRICA

ISSUE 74: August 2020

HOUSING ECONOMIC VALUE CHAIN AND HOUSING COST BENCHMARKING ANALYSIS



As part of its [Housing and the Economy project](#), CAHF published three new reports by [David Gardner](#), [Jacus Pienaar](#) and [Keith Lockwood](#) assessing [Uganda](#), [Nigeria](#) and [Tanzania](#)'s affordable housing sectors. The reports use CAHF's Housing Cost Benchmarking and Housing Economic Value Chain Modelling methodologies to analyse the Ugandan, Nigerian and Kenyan housing market. The reports provide an overview of the structure of housing supply and demand for housing and determine the contribution of housing construction and rental activities to Uganda's, Tanzania and Nigeria's economy.

Further, they provide a basis for comparing the costs of constructing housing in the three countries in

relation to housing costs in other African countries. These analyses are used to identify key areas of the housing system that can be improved to maximise the potential production of owned and rented housing that better matches the demand profile of urban and rural households. Comparing the cost of a typical 55m2 house in Kampala against major cities in five African countries, the cost benchmarking shows that the cost in Dodoma is US\$60 689, and Kampala has the third-highest construction cost (US\$58 596) after Pretoria, South Africa (US\$40 199) and Lagos, Nigeria (US\$52 103).

The in-depth analysis of Uganda's, Nigeria's and Tanzania's housing economy and market through CAHF's Housing Economic Value Chain and Housing Cost Benchmarking methodologies proposes six generic areas of interventions that must be targeted by future strategy in order for the housing sector to keep pace with increasing urbanisation. These six intervention areas are useful in making housing and real estate sectors more productive in any country.

We thank the [Nigeria Mortgage Refinance Company \(NMRC\)](#), [Tanzania Mortgage Refinance Company \(TMRC\)](#) and [Financial Sector Deepening Tanzania \(FSD Tanzania\)](#) for their support and partnership in conducting this research.

Please click on the links to view the [Uganda](#), [Nigeria](#) or [Tanzania](#) report.

WEBINAR - ZIMBABWE : PLAYING CATCH UP

AUHF member Mr Washington Moyo, of the National Building Society (NBS), presented at the API Summit Preview webinar: Zimbabwe: Playing Catch on 20 August 2020. The webinar was a discussion on what the Zimbabwean real estate sector needs to do to overcome challenges to be on par with its regional peers. It also gave insights into expected rentals, yields and returns for the next 12 months.



[To learn more of this webinar, click here](#)

WEBINAR - KENYA'S AHP: IS IT A REALITY OR SHOULD WE ADJUST EXPECTATIONS

Ms [Kecia Rust](#), head of the AUHF Secretariat presented at the [virtual East Africa Property Investment Summit](#) organised by API on 30 July 2020. The [presentation](#) provides an overview of the Kenyan Affordable Housing Programme

promises and progress to date, and then explores what this means in a post-COVID-19 context. The presentation draws on data from our analyses of [Kenya's housing economic value chain](#).



[Click here to view full presentation](#)

RECENT BLOGS

[Rental Housing Markets In Africa And COVID-19: What Impact Does The Pandemic Have On These Markets And What Measures Are Needed To Ensure Their Resilience?](#): This blog in [English](#) and [French](#) explores rental residential markets in Africa with a focus on the owner-tenant relationship. It highlights the impact of the COVID-19 pandemic on rental markets and explores solutions and measures, drawing from measures taken in industrialised countries that have attempted to reduce the negative effects of this pandemic. - by [Jean Philippe Ado](#)

[Basel III global regulation and potential effects on access to finance in Africa](#): This blog in [English](#) and [French](#) summarises key insights around the likely impact of the latest changes in regulations (Basel III). To view the full report, please click [here](#). - by [Dr. Pierre Valere Nketcha Nana](#)

[TSC Case Study 8: In retrospect - a first-time homeowner's journey & the FLISP subsidy](#): This blog details a case study of a first-time homeowner who approached the Transaction Support Centre in Khayelitsha, South Africa, to seek assistance in making a retrospective Finance Linked Individual Subsidy Programme (FLISP) subsidy application. - by [Jessica Robey](#)

[Nigerian housing sector responses to the COVID-19 pandemic: Nigeria Mortgage Refinance Company](#): This blog shares the key initiatives and cross-cutting responses of the [Nigeria Mortgage Refinance Company](#) in instituting measures to manage various risks and challenges associated with COVID-19. - by [David Chiwetu](#)

[TSC Case Study 8: In retrospect - a first-time homeowner's journey & the FLISP subsidy](#): This blog details a case study of a first-time homeowner who approached the Transaction Support Centre in Khayelitsha, South Africa, to seek assistance in making a retrospective Finance Linked Individual Subsidy Programme (FLISP) subsidy application. - by [Jessica Robey](#)

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

[Nigeria Mortgage Refinance Company \(NMRC\)](#) and House Africa signed a pact to consolidate collaboration towards implementing Nigeria's first Digital Property Verification & Valuation System that is designed to make land bankable, increase access to credit & reduce turnaround time for mortgage transactions. Read more, [click here](#).



[American Homebuilders of West Africa](#), announced the successful first close of its convertible promissory note capital raise. This expansion round, like the two previous capital gains of the company, attracted investment from both corporate investment funds and individuals, including the first former AHWA customer to complete a home purchase. Read more, [click here](#)



[Family Homes Fund \(FHFL\)](#) is currently collaborating with the Government of Niger to build 1200 homes for the state's civil servants. Read more, [click here](#)



[First National Bank \(FNB\)](#) is extending credit life benefits to customers to protect them against the financial impact of COVID-19. Read more, [click here](#).



NEWS ACROSS AFRICA

EAST AFRICA
In Kenya, the informal Settlements Improvement Project (KISIP2) set to improve the living conditions of informal settlements and its residents received US\$150m from World Bank Group. According to [ESI Africa](#) news article of 18th August 2020, the project's particular focus on socio-economic inclusion will help mitigate the immediate economic impact of COVID-19 by urgently linking vulnerable people from informal settlements to government programs aimed at reducing poverty and vulnerability. Read more, [click here](#)

In Uganda, a decision to clear a cultural land lease at Lwada Village has drawn protests from leaders of the clan. According to [AllAfrica](#) news article of 17 August 2020, the disputed land is important to the community of Buganda because it helps clans by tenant rent collection. Read more, [click here](#)

WEST AFRICA
In Nigeria, the State Government is preparing a new home ownership scheme for young professionals between the ages of 25 and 35 with the goal of reducing the state's housing deficit. According to [Africa Housing News](#) article of 17 August 2020, developers supporting vertical building with renewable energy concepts will also be awarded a Building Fund under this scheme. Read more, [click here](#)

An international construction company has recently begun building project on an ecological city in Yagma. The project will include 158 "medium, luxury and high-rise" housing units. According to [AFRIK21](#) news article of 6 August 2020, , it will cost EUR 60,000 to become a homeowner in the bioclimatic city of Yagma. Read more, [click here](#)

In Liberia, the town in Lofa County has been recognized by the Liberian government as being Liberia's first city to legalize ownership of its land. According to [AllAfrica](#) news article of 20 August 2020, the people of Lofu County are now in a position to obtain a title deed for the 3,500-acre land on which they have lived and farmed for over four centuries. Read more, [click here](#)

In Ghana, the Ghana Real Estate Developers Association has protested about the inability of successive governments to set up a National Housing Authority following the establishment of a National Housing Policy in

NORTH

AFRICA

In Sudan, over 20 000 houses have been completely destroyed due to the continuing heavy rains and floods and an additional 20 000 have been damaged. According to [CGTN](#) news article of 18 August 2020, the collapse of the Bout Earth Dam in Blue Nile State on July 29 could impact 100 000 people's access to clean water in the middle of the COVID-19 pandemic. Read more, [click here](#)

Since the Egyptian Ministry of Local Development (MLD) suspended construction licenses for six months in provincial capitals and major cities with high population densities in May, cement demand has decreased by 20%. According to [Cemnet](#) news article of 16 August 2020, the decision of the MLD included prohibiting construction works, extending, raising or modifying works for private housing, and stopping the completion of construction works for buildings. Read more, [click here](#)

In Morocco, the purchasing of residential properties in Morocco has increased marginally as a result of the reduction to 1,5% of the main interest rate of Bank Al-Maghrib this year. According to [Moroccan world news](#) article of 7 August 2020, as of June, the middle class has been very active in the search for apartments, lots of land, and small villas. Read more, [click here](#).

SOUTHERN

AFRICA

In Namibia, the National Housing Enterprise, together with partners such as the Government Institutions Pension Fund (GIPF), the Shack Dwellers Federation and Build Together delivered 16 464 houses, which is 82% of the targeted 20 000 new houses. According to [AllAfrica](#) news article of 10 August 2020, not all houses are occupied because of different factors such as affordability, shoddy workmanship and uninstalled municipal services. Read more, [click here](#)

In South Africa, the Limpopo department of cooperative governance, human settlement and traditional affairs has suspended the implementation of a multi-million rand shack-housing project in Tubatse, Burgersfort after it was discovered that the shacks had no water supply,

no ablution facilities and no sewerage infrastructure that goes with the houses. According to [the Citizen](#) news article of 17 August 2020, the Department stated that the primary objective of the project was to de-congest residents in an effort to observe social distances in order to mitigate the spread of COVID-19 during the peak of the pandemic. Read more, [click here](#)

CENTRAL AFRICA
In Angola, the National Demining Institute (INAD) cleared 20,000 square meters of arable land in three communes in the province of Zaire as part of a mine clearance program. According to [AllAfrica](#) news article of 21 August 2020, in 2019 alone , approximately 9,891 different explosive devices had been removed and destroyed in the region, including 635 bombs, 17 anti-personnel mines, one anti-tank and 9,238 different types of ammunition. Read more, [click here](#)

2020 LIST OF UPCOMING EVENTS



36TH ANNUAL AUHF CONFERENCE & AGM- (3-5 November 2020)

Africa's premier affordable housing conference has moved online for 2020.

This year's African Union for Affordable Housing Finance (AUHF) Virtual Conference will be held online and feature 5-days of premium content and networking, as well as an interactive virtual expo.

The AUHF Conference is well known as the premier affordable housing conference on the African continent. Growing every year in size, content and reputation, the conference attracts local and international delegates, all specialists in affordable housing. This year's African Union for Housing Finance Virtual Conference will take place under the theme, **“Investing in the SDGs: Finding a market opportunity in affordable housing”**.

Taking place from 02-06 November 2020, the Conference will provide a high-quality and seamless experience for investors, developers and professionals looking to connect across time zones, share ideas and build towards achieving the SDGs in the post COVID-19 future.

11th ANNUAL API VIRTUAL AFRICA PROPERTY INVESTMENT SUMMIT

WEBINAR
FRANCOPHONE AFRICA: A COTE D'IVOIRE AND SENEGAL REAL ESTATE MARKET UPDATE & REVIEW
10 SEPTEMBER | 14:00 CAT

MODERATORS:
 Ivan Comet (Manager, PwC, UK), Tasiiri Ngom (Principal, SERTIM, Senegal), Nicolas Mwaou (Executive, DEXIA L, Congo), Nkomo Dongo (Principal, ACTIS, DRC)

6th WEST AFRICA PROPERTY INVESTMENT SUMMIT VIRTUAL
25 - 26 NOVEMBER 2020

LIVE SESSIONS | NETWORKING | VIRTUAL EXPO

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Duration	3 weeks
Dates	March-April 2021

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11th ANNUAL API VIRTUAL AFRICA PROPERTY INVESTMENT SUMMIT
28 SEPTEMBER - 02 OCTOBER 2020

ROI RESILIENCE OPPORTUNITY INNOVATION | CO-LOCATED WITH: **4TH AFRICA PROTECTED FOREST FORUM**

LIVE SESSIONS | NETWORKING | VIRTUAL EXPO

AFSIC **Investing in Africa**
5 - 7th May 2021
 Park Plaza Westminster Bridge, London



In line with AUHF arears policy all membership fees must be paid before **30 September 2020**. This will enable the Secretariat to provide members with the required services and benefits as outlined in the membership policy throughout the financial year. Members who are not current on their accounts by 1 October 2020 will lose benefits, and will face having their membership revoked.

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.

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

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