

## 6<sup>th</sup> Global Housing Finance Conference

The World Bank and IFC held their 6<sup>th</sup> Global Housing Finance Conference, #housing4all<sup>1</sup>, this past May in Washington DC. Africans were well represented, and a number of AUHF members participated, including the Botswana Housing Corporation (Reginald Motswaiso and one other colleague); Shelter Afrique (Alassane Ba and Femi Adewole); Housing Finance Kenya (Frank Ileri); Home Loan Guarantee Company (Ethel Matenge-Sebesho); Trust for Urban Housing Finance (Roselyn Valloo); Azania Bank (Charles Singili and one other colleague); TMRC (Oscar Mgaya); as well as the AUHF's Secretariat, the Centre for Affordable Housing Finance in Africa (Kecia Rust).

Nigerian Finance Minister Dr Okonjo-Iweala gave an inspiring, keynote speech on the surprising insignificance of housing in the national economy.<sup>2</sup> Although Nigeria is Africa's largest economy, with a GDP of US\$150 billion, its housing and construction sector only accounted for 3.1% of the rebased GDP. With a population of nearly 170 million people, it is estimated that the demand for new construction is about 700 000 units per year – however the construction sector was building less than 15 percent of this annually (about 100 000 units). Dr Okonjo-Iweala said that in Nigerian cities such as Lagos, Abuja, Ibadan and Kano, housing demand was growing at 20 percent per annum. Certainly, Nigeria's mortgage market is growing rapidly, more than quadrupling in size in the five years between 2006 and 2011. By 2011, the size of the mortgage market was set at US\$1.42 billion. Still, this only accounted for about 0.5% of GDP.

In a separate presentation, Tanzania's Director of Housing in the Ministry of Lands, Housing, and Human

Settlements Development, Professor Nnkya, reported that in the three years during which time Tanzania had focused on supporting mortgage lending, the number of mortgage lenders had grown from two to 19.<sup>3</sup> Policy attention to a nation's housing sector can have a dramatic effect on construction activity and the role of housing in an economy. Christine Glover, from Old Mutual Investment Group<sup>4</sup> in South Africa, described investments that they had made to promote affordable housing, which had had wider growth and job creation benefits for the economy. Chinese developer CITIC<sup>5</sup> gave a presentation on their Kilima development, outside of Luanda, Angola. The highlight of their case was the capacity and logistics involved to realise scale delivery – the Kilima development comprised 20 000 units.

Other presentations at the conference focused on innovation on the supply side– affordability challenges across the continent mean that the majority of urban Africans cannot afford even the cheapest newly built house. When a house costing even as little as US\$15 000 is too expensive for very many urban residents, an entirely new approach is required. Eric Olsen, Executive Vice-President of Operations at Lafarge, presented on his company's affordable housing programme.<sup>6</sup> In Africa, the programme is in operation in Egypt, Nigeria, Morocco and Malawi, and involves the provision of an end-to-end service that provides access to affordable housing loans and construction technical assistance to use Lafarge's cement and other building products to construct housing incrementally. A network of retailers is developed and drawn into the programme, so that consumers can access products and services easily. In Malawi, the company has developed soil-stabilised bricks that draw on the benefits of local materials, making bricks and therefore the housing process, more affordable. Lafarge has also refined the packaging of its

<sup>1</sup>For access to all the papers presented at the conference, visit <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTFINANCIALSECTOR/0,,contentMDK:23575262~pagePK:210058~piPK:210062~theSitePK:282885,00.html>

<sup>2</sup>To view a video of the full speech, visit <http://live.worldbank.org/housing-for-all> The data set out in these paragraphs is drawn from Dr Okonjo-Iweala's speech. The transcript is available here:

[http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/6th\\_Global\\_Housing\\_Finance\\_CME\\_Keynote\\_Speech.pdf](http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/6th_Global_Housing_Finance_CME_Keynote_Speech.pdf)

<sup>3</sup>To access Professor Nnkya's presentation, visit [http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session6.2\\_TumfisuNnkya.pdf](http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session6.2_TumfisuNnkya.pdf)

<sup>4</sup>To access Christine Glover's presentation, visit [http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session5\\_ChristineGlover.pdf](http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session5_ChristineGlover.pdf)

<sup>5</sup>To view the CITIC presentation, visit [http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session5\\_HongBo.pdf](http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session5_HongBo.pdf)

<sup>6</sup>To view Eric Olsen's presentation, visit [http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session1\\_Eric\\_Olsen.pdf](http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session1_Eric_Olsen.pdf)



concrete to accommodate specific demand requirements in informal settlements.

The conference included very many additional presentations that offered useful insights to the housing context that practitioners face across Africa. Alassane Ba from Shelter Afrique<sup>7</sup> and Akon Eyakenyi from Nigeria's Ministry of Lands, Housing and Urban Development<sup>8</sup>, each gave a presentation on the role of government in affordable housing delivery.

**The AUHF is busy organising its next conference, focusing on alternative building technology for affordable housing construction.** This will be the AUHF's 30<sup>th</sup> anniversary AGM and Conference – the industry body was first registered in Kenya in 1984. Since then, it has grown to over 40 members from 17 countries across Africa. The 2014 Conference will take place in Cape Town, South Africa, from 17-19 November 2014, and will also include an exhibition. Please contact [Kecia Rust](#) if you wish to participate as a speaker or exhibitor, or if you need any information. Here is the [link](#) to the conference.

The AUHF is sponsoring a **10% discount** for its members to send delegates to the Housing Finance Course for Sub-Saharan Africa, being offered by the University of Cape Town in partnership with the Wharton School of Business of the University of Pennsylvania. **The course is running for its 3rd year in Cape Town, South Africa, from 5-11 October 2014.**

The course offers a comprehensive overview of the elements of housing finance systems and identifies the issues and constraints that prevent most housing finance systems in Sub-Saharan Africa from reaching their potential. The course identifies the preconditions for the success of housing finance systems and discusses the issues associated with key housing finance products such as mortgages, pension-backed finance, instalment sale finance and housing micro-finance. It then looks at how governments can improve the functioning of housing finance systems and how targeted interventions such as

state subsidies can improve access of lower income households to housing finance.

Participants may be from private housing finance institutions, government housing and finance agencies, and academic and international development institutions from both emerging market and established economies. Participants come from all over Africa, creating a vibrant environment for knowledge sharing and debate. Therefore, not only is it an excellent learning opportunity, with highly detailed course content, it is also a great networking opportunity given the diversity of participants and their geographies.

This is a credit-bearing short course affording 5 University of Cape Town Professional Development credits (50 notional hours of work) at a National Qualification Framework level 8 to successful delegates.

Up to ten subsidies are available to delegates sent by AUHF members. Please contact Tracy Kimberley [tracy.kimberley@gsb.uct.ac.za](mailto:tracy.kimberley@gsb.uct.ac.za) for more information or download the course brochure from [here](#).

### 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 development of shelter and housing on the African continent. The AUHF is a non-governmental association and has its presence in some sixteen countries across the continent of Africa. See [www.auhf.co.za](http://www.auhf.co.za)

**LinkedIn** Group: African Union for Housing Finance  
[@AUHF\\_Housing](#)

*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).*

<sup>7</sup>To access Alassane Ba's presentation, visit [http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session2\\_AlassaneBa.pdf](http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session2_AlassaneBa.pdf)

<sup>8</sup>To access Akon Eyakenyi's presentation, visit [http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session2\\_Akon\\_Eyakenyi.pdf](http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/Session2_Akon_Eyakenyi.pdf)



### In the news

This month in African housing & finance

#### Southern African News

The Development Bank of Namibia has made a call for local authorities and entrepreneurs to draw on its financial services to service land, build housing, and fund municipal infrastructure. The housing shortage in Namibia is exacerbated by limited finance for municipalities. The Housing Enterprise (NHE) has also launched a housing programme aiming to build 185 000 affordable houses by the year 2030. [11 June 2014, [NewEra](#)]

The government of Zimbabwe is targeting pension funds to help finance housing projects as part of efforts to reduce the housing backlog. The minister of Finance and Economic Development promises to use pension funds on housing projects in order to secure land. "Under Zim-Asset, the Government intends to reduce housing backlog through the provision of serviced land, strengthen public private partnerships and adoption of new building technology". [12 June 2014, [All Africa](#)]

#### East African News

The government of **Tanzania** through the National Housing Corporation (NHC) is set to construct three satellite cities in Kibada (Dar es Salaam), Safari City and Usa River in Arusha. The Tanzanian embassy held a meeting forum in Dubai in which they addressed international investors interested in housing development. The prospect for the satellite cities was discussed as one of the projects the government had initiated. [16 June 2014, [Business Week](#)]

In **Kenya**, the Union of Savings and Credit Co-operatives (Kuscco) is planning on investing money into building 120 housing units. The development is estimated at US\$ 9.1 million with construction expected to begin this year and it should take a year and a half to complete. Once the houses are sold the profits made will boost the SACCOS's revenue as well as give their members a chance to own homes at affordable prices and lower interest rates. [4 June 2014, [All Africa](#)]

#### West African News

An estimated 50 000 housing units are needed to curb **Gambia's** housing shortages by the year 2050. The Gambian government have realised the need for an agenda towards providing houses for the masses. This was discussed during an event organised by Shelter Afrique in which the minister of Lands and Regional Government gave a presentation on "Government Policies and Plan of Action for Housing for All under Vision 2020 and the Programme for Accelerated Growth and Employment (PAGE)". The minister stressed the importance of private-public cooperation. [3 June 2014, [All Africa](#)]

In **Nigeria**, President Goodluck Jonathan has announced that the ministry of housing will provide 500 000 housing units annually in order to reduce the country's housing backlog. The announcement comes after there has been public outcry about housing needs. Some experts within the housing industry are sceptical about whether or not there is capacity to build 500 000 houses on an annual basis. There are other experts who believe that the only way the Nigeria will be able to produce this amount of units is through using new construction technologies 'where you have buildings constructed through pre-cast components which are done off-site and then brought to site for assembly'. If the government of Nigeria is indeed serious about housing, others believe that, subsequent to the new construction technologies there should also be mortgage system that is strengthened in order to support mass construction. [15 June 2014, [All Africa](#)]

#### Member News

**Shelter Afrique** is tapping into housing co-operative societies to help the co-operative members access funding to houses. The pan African housing financier realised that many of these co-operatives help their members access only land and once that is achieved few of their members have the funds to then build a home. "Housing co-operatives usually buy land in bulk in areas where it is relatively cheaper and sub-divide for interested members at prices lower than market rates". Shelter Afrique's director of business development and operations further noted that most co-op member have difficulty in accessing bulk financing to build on their newly acquired land. As such, Shelter Afrique has



## Financing Housing in Africa

Issue 36: June 2014

entered into partnerships with some co-ops to help finance development of affordable housing for their members. [[The Star Kenya](#), 4 June]

The ministry of Finance in Namibia has released funds for the **National Housing Enterprise's** housing programme. The NHE received roughly US\$ 18.7 million with a further US\$ 30 million channelled to the Ministry of Regional and Local Government, Housing and Rural Development. The NHE will use the funds to expedite the mass housing scheme which they plan to hand over to government in August. [[All Africa](#), 27 June]

## UPCOMING EVENTS

- **3-7 August:** [International Union of Architects World Congress](#). Durban, South Africa.
- **18-20 August:** [Affordable Housing Africa](#). Cape Town, South Africa. This conference is supported by the AUHF and offers AUHF members a 10% discount. Contact [CindyC@marcusevanski.com](mailto:CindyC@marcusevanski.com)
- **26-28 August:** 4<sup>th</sup> [Affordable Housing Summit](#), Johannesburg, South Africa. A 15% discount for AUHF members – register with [Sachin.gowda@iqpc.com](mailto:Sachin.gowda@iqpc.com)
- **3 September 2014:** [Application Deadline, 2014 Housing Finance Course for Sub-Saharan Africa](#)
- **11- 12 September:** [Building The Future](#) - Event to mark the 100th anniversary of the IUHF, Munich, Germany
- **28 September - 01 October 2014:** [Call for Papers, International Housing Conference, Exhibition & Housing Awards](#), Lord Charles Hotel, Somerset West, Cape Town, South Africa
- **2-3 October 2014:** [Real Estate Unite](#) – Africa's Property Market, Lagos, Nigeria
- **5-11 October 2014:** [2014 Housing Finance Course for Sub-Saharan Africa](#), Cape Town, South Africa. Application deadline 3 September 2014. Discount for AUHF members
- **13-14 October 2014:** [Africa Property Investment Summit](#), Sandton, South Africa
- **19- 22 October:** [Planning Africa 2014](#). Durban, South Africa.

- **17-19 November:** 30<sup>th</sup> Anniversary AUHF Conference and AGM, New venue: **Cape Town South Africa**. For more information contact [kecia@housingfinanceafrica.org](mailto:kecia@housingfinanceafrica.org)

Visit <http://www.auhf.co.za/events/> for event details

## RECENT TWEETS



[@AUHF\\_Housing](#) : Accessing a house with only US\$1.14 in [#Kenya](#), Kitemoto Housing Co-operative Society did just that. [http://www.standardmedia.co.ke/lifestyle/article/2000121952/we-built-estate-by-saving-sh100-a-day ...](http://www.standardmedia.co.ke/lifestyle/article/2000121952/we-built-estate-by-saving-sh100-a-day...)



["@StandardKenya](#): Shelter Afrique secures Sh1.7b housing projects in Africa <http://bit.ly/1jIDIKp> [pic.twitter.com/tfJdJrFQIq](https://pic.twitter.com/tfJdJrFQIq)" [@AUHF\\_Housing](#)



CityMark is a new web-based dynamic dashboard delivering local housing market intelligence for SA's 9 major metros. [http://www.housingfinanceafrica.org/wp-content/uploads/2013/09/Citymark-Brochure-April-2014.pdf ...](http://www.housingfinanceafrica.org/wp-content/uploads/2013/09/Citymark-Brochure-April-2014.pdf...)



Retweeted [@PropertyWheel](#) : Entrepreneur interview: "The need for housing in Africa is much greater than what is currently available" <http://bit.ly/1nX0fHO>



Innovative employee housing approach by SA cement giant PPC promotes incremental housing [http://www.4-traders.com/news/PPC-Pretoria-Portland-Cement--commitment-to-empowering-employees--18654885/ ...](http://www.4-traders.com/news/PPC-Pretoria-Portland-Cement--commitment-to-empowering-employees--18654885/)