

**AFRICAN UNION for HOUSING FINANCE  
[AUHF] in partnership with the NIGERIA MORTGAGE  
REFINANCE COMPANY [NMRC]**

**AUHF 2016 ANNUAL CONFERENCE  
HOUSING & AFRICA'S GROWTH AGENDA**

**WELCOME NOTES**

Prepared by: Professor Charles G. Inyangete  
Managing Director/CEO NMRC & Board Member AUHF

14 September, 2016

# Content

- Protocol
- Affordable Housing Market Backdrop
- Concerns about affordability
- Complexity of Affordability
- Some Questions
- AUHF
- NMRC
- AUHF 2016 Conference Programme Highlights
- Concluding Remarks

# Protocol

- *The Honourable Minister power, works and housing*
- ***Governors of States of Nigeria here present***
- *The AUHF Chairman Oscar Mgaya*
- *The Board Members of the AUHF*
- ...
- *Distinguished Ladies and Gentlemen*

## Welcome

- On behalf of the Boards of Directors of the co-hosts the AUHF and NMRC, I am delighted to welcome you to our nation's capital city Abuja.

## AFFORDABLE HOUSING MARKET BACKDROP

- The need for **Affordable Housing** globally is **400m** units, Africa..., Nigeria estimated at **17m** units
- The **challenge today** – **96m** urban households are **financially overstretched**; **235m** urban households live in **substandard housing**. By 2025, **106m** additional low income households will face the challenge of affordable housing affecting **1.6bn** people about one-third of the urban population. (*Source McKinsey*)
- Solution lies with a **comprehensive urban plan** and delivery of not only **affordable homes** but also **sustainable new communities**. We will only succeed in building homes by building sustainable communities.
- There is **no one size fits all solution** to the continent's affordable housing crisis
- Any solution to affordable housing has to maintain the dignity of the members of the community. We need to build homes that are durable and will last a long time.

## Concerns about affordability

- There are serious concerns about affordability and the real challenge is to get the solution to what is affordable
- On the continent most people want their own front door on the ground floor with a garden and space for the children to play
- Affordability does NOT mean substandard housing

# Affordability – Complex Problem

- The affordable housing crisis is a complex problem.
- We need to address both **affordability** and **accessibility** together.
- This has been likened to getting on and off a moving escalator. *To paraphrase David Lammy* – We do not only need to sustainably build affordable housing, we also need to create an escalator that can provide access to that housing – where people can get on and then later get off the escalator so that other people can get on in their place.

# Questions about affordability

There are many questions that we need to answer in the course of this AUHF conference which include *inter alia*:

- How can we intervene in the housing market to bring about affordability?
- How can we use technology to bring down the cost of housing to improve affordability?
- What can we do to support **access** to affordable housing?
- What is the role of policy makers, the government, and subsidies in providing solution to the housing crisis?
- How do we build vibrant sustainable communities?

# AUHF

- The AUHF is a member association of mortgage banks, building societies, housing corporations and the like working on the mobilisation of funds for shelter and housing, with the overarching goal of promoting housing finance on the African continent.
- The AUHF currently has 55 members from 15 countries: Botswana, Ghana, Kenya, Mauritius, Namibia, Nigeria, Rwanda, Seychelles, South Africa, Swaziland, Tanzania, The Gambia, Uganda, United States of America, Zambia and Zimbabwe.
- The Centre for Affordable Housing Finance (CAHF) in Africa serves as the Secretariat of the AUHF
- The AUHF is committed to promoting Housing Finance in Africa



# NMRC – Vision & Mission

- The NMRC is a private sector-driven mortgage liquidity facility with the public purpose of promoting home ownership in Nigeria by raising long-term funds through the capital market to provide affordable housing finance to Nigerians.
- NMRC's vision is to be the **dominant housing partner in Nigeria.**
- Its mission is to **breakdown barriers to home ownership** by providing **liquidity, affordability, accessibility** and **stability** to the housing market in Nigeria.

# NMRC MANDATE

- **Promote wider spread of home ownership/ accessibility and affordability in Nigeria**
- Long-term Development of Nigeria's capital market

# The Role of NMRC

- Key role of the NMRC is to **leverage funding** for **mortgage refinancing** –
- Provide **liquidity** for the mortgage market
- Improve **affordability** – reduce mortgage rates, extend mortgage terms, lower deposits
- Enhance **standardization** of aspects of the market – e.g. Underwriting Standards
- Introduce **new products**
- Accelerate the creation of **new mortgages**
- **Affordable housing for Nigerians**

# NMRC HIGHLIGHTS

- **Uniform Underwriting Standard** – industry standard for mortgage origination
- **New Debt Instrument** (Bond Issue) – *Increase capital market access – Supplying long-term debt*
- **Refinancing** – *Deepen mortgage coverage – providing liquidity to secondary mortgage market*
- **Mortgage Market Infrastructure** – Rolling out a technology platform for the mortgage market
- **Mortgage Market Information Portal** – Building a national mortgage market information portal

# AUHF 2016 Conference Programme

## **Housing & Africa's Growth Agenda**

- **Public Private Partnerships to enable growth in affordable housing delivery**
- **Growing Africa's mortgage market**

## *Housing investment marketplace – with investors*

- **Harnessing opportunities on the demand side –**  
*Experience of overcoming housing affordability challenges*
- **Growing the capacity of housing microfinance**
- **Priming the housing sector to foster greater growth**
- **Housing Microfinance Academy**

# Concluding Remarks

- ... a well-functioning housing market can be a vital economic sector and a potential source of job creation.
- “Countries can expand access to adequate housing and improve the quality of existing stock by ... addressing constraints for (**affordable\***) housing suppliers, and improving access to (**affordable\***) housing finance”. **World Bank 2015** – *Stocktaking of the Housing Sector in Sub-Saharan Africa Challenges and Opportunities*)
- **\*affordable** is added for emphasis

- The extent of inequality created by the crisis of affordable housing on the African continent is too high a price to pay and we must find solutions to providing access to sustainable affordable housing finance.
- The NMRC is responding to its vision to be the dominant housing partner in Nigeria, by providing liquidity and access to affordable housing finance in Nigeria.



● THANK YOU