

ENGAGING THE HOUSING VALUE CHAIN FOR GROWTH

33rd Africa Union for Housing Finance
Conference. Kampala, Uganda.

MORTGAGE LIQUIDITY FACILITIES APPROACHING THE CAPITAL MARKETS

**TALKING POINTS BY:
PROF. CHARLES INYANGETE
MD/CEO
NMRC, NIGERIA**



THE HOUSING VALUE CHAIN

NMRC – BACKGROUND

NMRC – DISRUPTING NIGERIA'S HOUSING VALUE CHAIN

FUNDING GAP

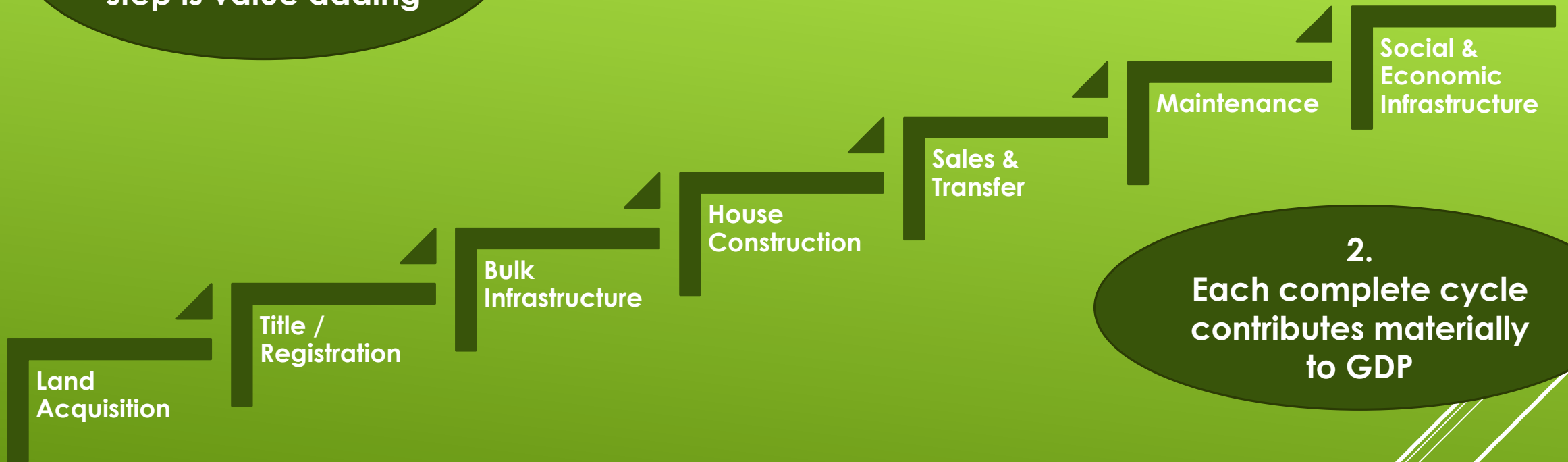
AFRICA STOCK EXCHANGES

NMRC – HOUSING ECONOMIC MODEL

OUTLINE



1.
Each progressive
step is value adding



2.
Each complete cycle
contributes materially
to GDP

THE HOUSING VALUE CHAIN

- ▶ Nigeria Housing Finance Program – A World Bank / Federal Government of Nigeria program to deepen primary and secondary markets
- ▶ Nigeria Mortgage Refinance Company (NMRC) - is a component of the NHFP established to issue bonds, raise capital from the capital market, and on-lend to refinance conforming mortgage portfolio of primary mortgage lenders
- ▶ NMRC was established in 2013, obtained Central Bank of Nigeria (CBN) operating license in February 2015, and in line with it's N440billion Bond issuance program mandate, issued its first corporate bond in 2015.

NMRC BACKGROUND

NMRC linked the housing sector to the capital market. N8billion bond issued and disbursed

- ▶ NMRC published **Uniform Underwriting Standards** for the formal sector. This is now adopted as industry standard by regulators and operators.
- ▶ The NMRC draft **Mortgage and Foreclosure Law** (MOU executed with four States) has been passed into law by Kaduna State. The law introduces timely and efficient foreclosure processes for investors
- ▶ The NMRC **Housing Market System** (Africa's premier housing market system) was commissioned in February 2017 earning the company the ***Most Innovative Mortgage Institution in Nigeria BusinessDay 2017 Award***.
- ▶ The NMRC has **\$1bn Securitisation** agreement with Cantor Fitzgerald

NMRC – DISRUPTING NIGERIA'S HOUSING VALUE CHAIN

NMRC has enhanced housing market transparency, efficiency, resilience etc.

Challenges

- ▶ Nigeria Population : **185m est.**
- ▶ Nigeria Housing Deficit : **17 – 24 million est.**
- ▶ Housing Funding Gap : **\$363Billion / N132Trillion est.**

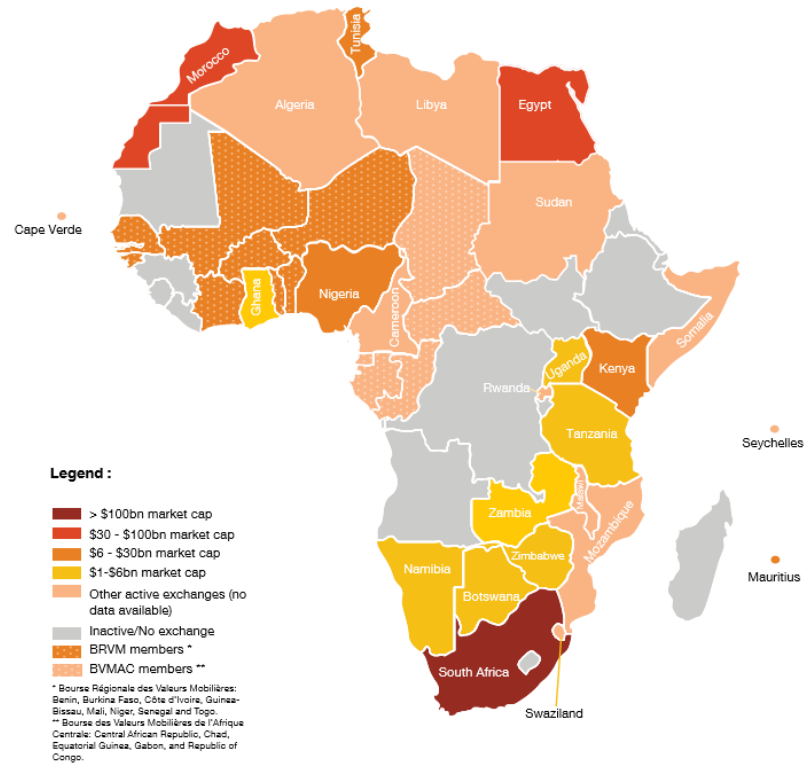
Opportunities

- ▶ Nigeria Stock Exchange Market Capitalisation (13/10/17) : **N12.7 trillion**
- ▶ Pension Funds (available for Investments in Real Estate/Housing Securities): **N2Trillion est.**

NMRC leverages long term funding from the capital market to facilitate affordable home ownership

FUNDING GAP..

Overview of African stock exchanges at 31 December 2016



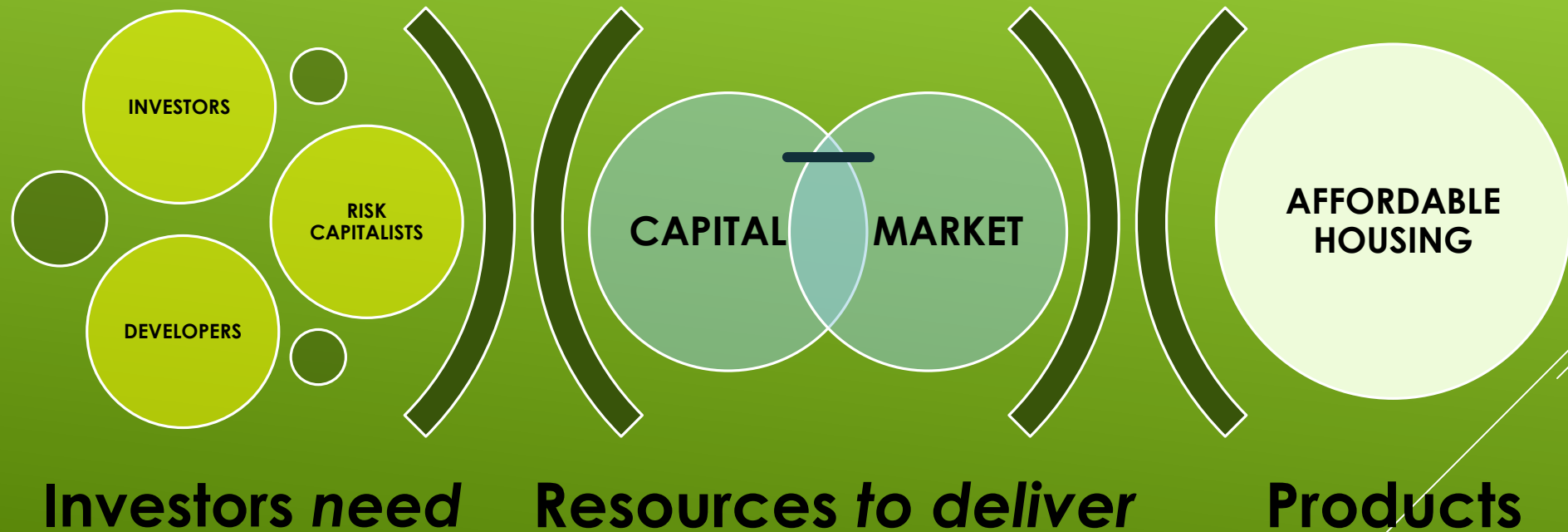
Sources: World Federation of Exchanges, Thomson Reuters

Market Resilience is key to sustainable funding.

AFRICA STOCK EXCHANGES

ACCESS TO LONG TERM FUNDING

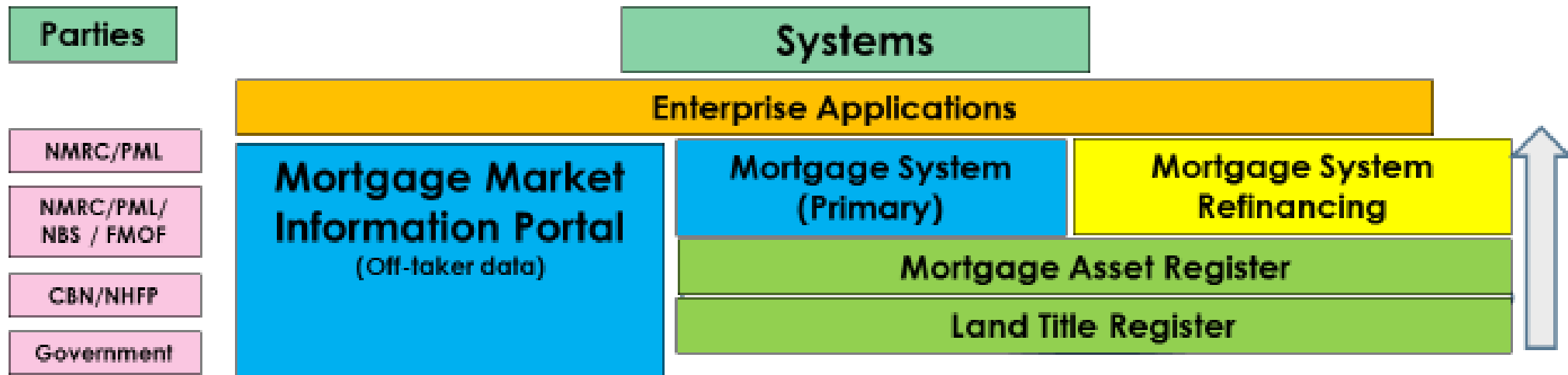
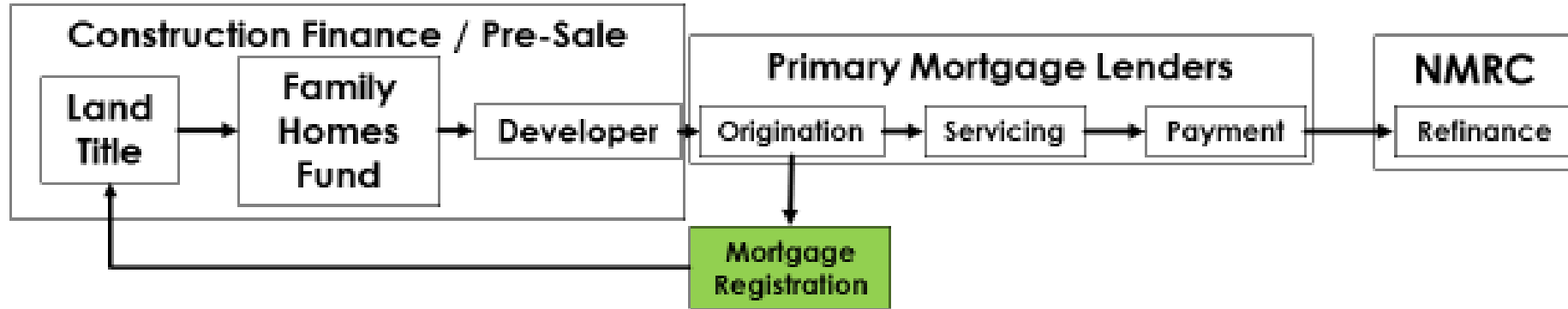
NIGERIA MORTGAGE REFINANCE COMPANY



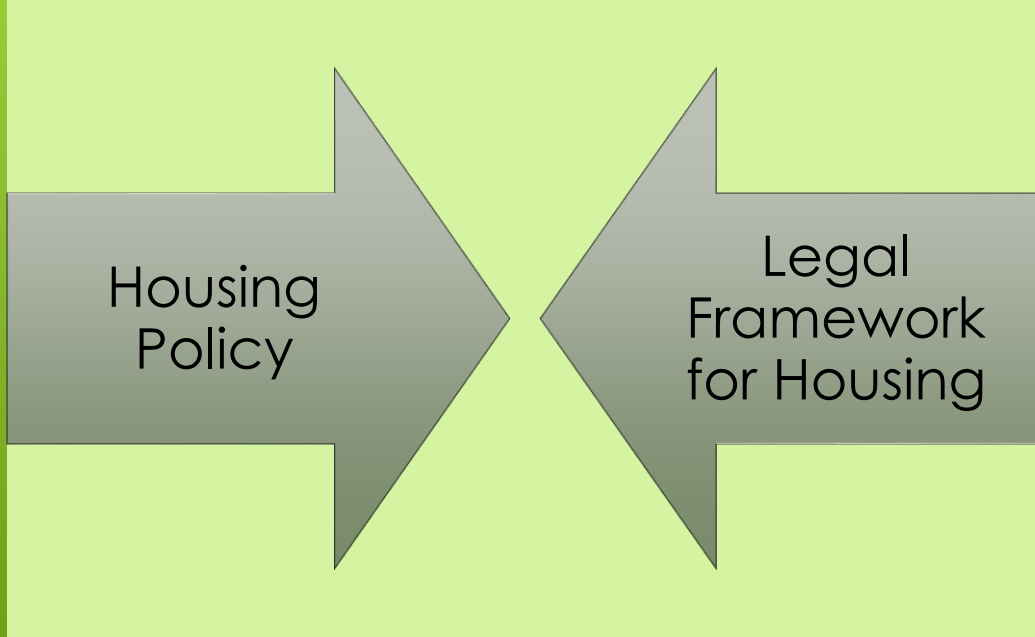
THE NMRC MORTGAGE MARKET SYSTEM (MMS)



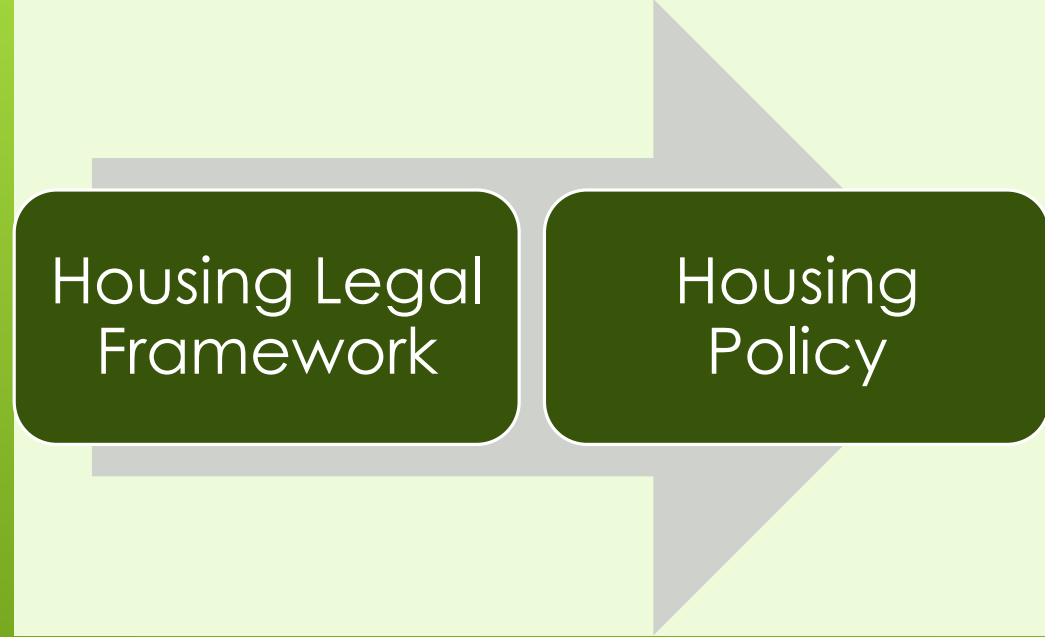
Consolidating
Fragmented
Market



Constraints to Growth



Catalysts for Growth



NMRC HOUSING ECONOMIC MODEL

NMRC Housing Economic Model is an innovation-driven approach to creating a sustainable housing sector

If the currency of the future is data, you can bank on NMRC to maximise capital market potentials to facilitate affordable housing, leveraging on leading edge technology.

THANK YOU