

**DECLARATION OF THE MEMBERS OF THE AFRICAN UNION FOR HOUSING FINANCE (AUHF)
FOLLOWING THE ANNUAL GENERAL MEETING
HELD VIRTUALLY ON 5 NOVEMBER 2020¹**

We, the members of the African Union for Housing Finance, having met with colleagues from the public, private and NGO sectors from 73 countries over five days, and having held our 36th Annual General Meeting over a virtual platform on 5 November 2020, express our commitment to **supporting the realisation of the Sustainable Development Goals through investment into the delivery of affordable housing.**

We note:

- 1. The COVID-19 pandemic has brought into sharp focus the extreme inadequacy of housing occupied by the majority of urban households across Africa.** Families living in overcrowded homes that are poorly built, with inadequate access to water and sanitation services, and with insecure tenure rights, are severely compromised in their ability to participate in the economy, in society, and to manage the very many threats that arise with increasing frequency. Perhaps more than ever, it has become clear that **the quality, affordability and availability of housing sits at the centre of our ability to achieve at least fourteen of the Sustainable Development Goals.**
2. While governments have shifted their budgets to address the immediacy of the COVID-19 pandemic, **the economic impact of the lockdown has been dramatic**, putting further strain on resources, both financial and human. As our economies contract and poverty spreads, we understand the imperative for efficiency and effectiveness of our efforts: **we have to do much more with much less.**
3. **Housing must be a cornerstone of our economic recovery strategies in a post COVID-19 world.** We have learned very many lessons in the course of managing the pandemic that stand us in good stead as we look forward towards a period of recovery. In particular, technological applications have brought us closer, and improved our ability to manage the intersection of the formal and informal in our housing economies. As we become familiar with our new, post-COVID world, we need to take these lessons with us in our efforts to address our housing challenges.

We appreciate:

- 1. Rapid, unplanned urbanisation is putting particular pressure on our cities, and the surrounding environment, where the need for quality housing is the most acute.** With an estimated 60 percent of urban households in Africa living in slums, the lack of access to basic services needs explicit support through regeneration and in situ upgrading efforts. The focus of SDG Target 11 is a call to action for us all, in the public and private sectors, and in the development community.
- 2. Rental is the dominant form of tenure in most African cities, and yet it lacks explicit policy and regulatory support.** The capacity of this sector, much of which is informal, and the quality of housing that it provides, can be improved and scaled through the development of an enabling policy framework that supports the efforts of the small scale landlord in particular.

¹ The African Union for Housing Finance held its 36th Conference and Annual General Meeting on a virtual platform, from the 2nd – 6th of November, 2020. Presented with the support of the African Development Bank, the CDC, IFC Edge, iLima Digital Foundary, iBuild Global, Land Afrique and REALL, the meeting attracted 689 delegates from over 340 companies and across 73 countries. The conference theme, **‘Investing in the SDGs: Finding a Market Opportunity in Affordable Housing’** focused on the opportunities offered by housing in realising the Sustainable Development Goals, and the key efforts by market players to drive housing investment across Africa. Videos of the presentations and panel discussions are available on the [AUHF YouTube Channel](#). Presentations are available on the [AUHF website](#).

3. **With the majority of housing being delivered by households and micro builders, the potential, latent capacity of what has been called the ‘informal’ sector, is a source of supply that can no longer be overlooked.** We must recognise the ‘massive small’ potential of Africa’s housing sector, and accommodate the approach in the regulatory and policy frameworks that guide building activity, as well as in the products and services that we deliver.
4. **The economic opportunity in the housing sector is significant and offers very real potential for our post-COVID recovery strategies.** Across the continent, housing construction, rental and housing services contribute as much as 16 percent to GDP, while creating both formal and informal employment opportunities. Our ability to grow to the scale required, however, requires that we adapt our approaches and make use of the evolving technological landscape. Innovation in industrial construction, blockchain application to land titling, green housing and value chain reprocessing offer the opportunity for African economies to show leadership in mainstreaming housing process that reduce cost, and improve quality and speed to market, driving transparency and sustainability. At the same time, creative short-term stimulus measures around housing, in the areas of land, housing finance, subsidies for construction and home improvement, and the rental market, can make a significant impact on economic recovery, particularly when directed at housing for low-income households.
5. **The lack of accessible and accurate data and market intelligence to support decisions taken by actors across the housing value chain is a serious constraint,** both to our ability to stimulate investment and delivery, and to developing creative responses to our challenges. Every participant in the housing and finance sectors, whether public or private, or in the development community, creates data. It is our collective responsibility to share this in support of the enabling environment in which we operate.

And we acknowledge:

1. The centrality of the **Sustainable Development Goals (SDG)** and the **New Urban Agenda (NUA)** , together with **Agenda 2063**, in our efforts to promote investment in affordable housing. Grateful for the continued commitment from the global community and our individual governments to address the challenges of inequality and climate change by creating conditions for sustainable, inclusive and sustained economic growth, we see our role for engaging productively with the products and services we deliver into the affordable housing sector.
2. The United Nations-supported **Principles of Responsible Investing**, which encourage investors to incorporate environmental, social and corporate governance goals into investment practices across asset classes, are well addressed through an investment focus on affordable housing.
3. The parameters and intent of international guidelines such as **Basel 3**, and accounting standards, such as **IFRS9**, are important frameworks which should guide the development of our housing finance markets.

We call on governments at the regional, national, state or provincial, and local levels to embrace housing as a central post-COVID economic recovery strategy, by actively creating an enabling environment for investment in affordable housing.

We urge our governments:

1. **To address the key blockage created by inefficient and poorly regulated land markets, through explicit attention to land titling and registration mechanisms that build tenure and collateral security.** In this, we highlight the opportunity for governments to adopt digital technologies in support of greater efficiencies and transparency, but note this does not replace the need for efficient and effective processes that establish trust among all parties in land markets.
2. **To promote and engage in productive public-private-non-profit partnerships that enable the full housing delivery value chain and the active participation by parties at each link in that chain.** Government should give specific attention to the assembly and delivery of well-located land, bulk infrastructure, and productive transport networks.

3. **To commit to explicit targets for reducing the time and cost of key statutory and administrative processes** on which housing delivery depends, especially at the local level. This includes timely and transparent processing of development and zoning approvals, occupation inspections, infrastructure connections, and services clearances.
4. **To pursue macro-economic policy, financial regulation and taxation conducive to long term, local housing investment**, focusing explicitly on interest rates and inflation targets, as well as other measures that lower maturity premiums and credit risk premiums, and leverage the utilization of collateral value. **These measures, as well as explicit attention to local long-term, local capital** (pension funds, institutional investors) will further stimulate investment and the availability of affordable housing finance on a sustainable basis.
5. **To support the Data Agenda for Africa**, agreeing on mortgage lending and other housing-related reporting standards to enable cross-country comparability, making public all data collected as part of the regulatory process in the housing and finance sectors, and explicitly supporting principles of data transparency and regular reporting.

We also encourage/invite/urge international development finance institutions and other development agencies specifically:

1. **To increase the priority of housing within their wider development agendas and funding streams, due to the centrality of housing to social and economic progress.**
2. **To invest in testing and establishing new, blended financing models explicitly focused on the particular nature of affordable housing**, that manage risk sustainably, enable the realisation of acceptable returns, and effectively shift especially local investor focus towards affordable housing.
3. **To make early stage, venture capital investments** in start-up initiatives with a strong business case, and track and share the performance of these to support the attention of more commercial investors on affordable housing.
4. **To promote and require an affordable green standard that addresses local climate-related and urbanisation pressures.** This includes promoting affordable green financing; establishing and promoting green building codes and incentives; and demonstrating confidence in green, alternative building and other technologies by supporting their market entrance.
5. To recognise and support with capital and technical assistance, **a diversity of housing financing mechanisms**, including housing microfinance, rent-to-own schemes, homeownership savings plans, SACCO lending for housing, homeowner led construction and other end user finance products, the critical need for construction finance, affordability supports and risk management interventions, and capital market development in support of affordable housing.
6. **To invest in the development of the information infrastructure necessary for investment in affordable housing, by supporting the Data Agenda for Africa.** This will include investment in strong data and market analytics systems, and active market tracking and longitudinal analyses that support a growing understanding of the housing financing dependencies and which track market growth and progress. Critically, this will also involve sharing the performance data of their own investments.

We commit ourselves:

1. **As an African Union for Housing Finance, to:**
 - a) Actively engage governments and regional bodies in the pursuit of cross cutting interventions that support the growth of affordable housing markets post COVID-19, promoting effective and mutually beneficial public-private partnerships between players in the housing value chain to unlock capital and deliver affordable housing.
 - b) Support AUHF members in developing appropriate responses to the challenges and opportunities presented by COVID-19 within the contexts of their businesses, embracing the SDG's and

leveraging housing to support the larger goals of poverty reduction, gender inequality and environmental sustainability etc.

- c) Develop innovative ways to finance the delivery, sale and rental of affordable housing. We recognise the opportunities to be found in new technologies which enable better underwriting of informal incomes, expanding access to housing finance for underserved households. In this, we commit to encourage lenders to proactively push the mortgage frontier downwards and to scale up housing microfinance.
- d) Motivate for the adoption of viable and promising alternative building or financial technologies that have potential to scale the delivery of affordable housing and the policy frameworks that support its implementation.
- e) "Make housing visible" by engaging and encouraging different players in the housing ecosystem to collect and share data in both formal and informal housing markets, utilising robust evidence-based success stories and best practices in different geographies to demonstrate the viability and replicability of affordable housing projects. In this, we commit to supporting and implementing the Data Agenda for Africa.
- f) promote and drive effective professional development among our members through the provision of training and capacity building opportunities;
- g) provide our members with opportunities to network with one another, share information and build capacity towards improved housing finance systems in Africa, through the delivery of conferences, seminars, workshops, member exchanges and other mechanisms;
- h) grow our membership base, in order to facilitate the affordable housing conversation among the breadth of practitioners involved on both the demand and supply sides of affordable housing; and

2. As individual organisations involved in the financing and delivery of housing across Africa, to:

- a) Work collaboratively towards **achieving and attaining the SDGs**, particularly SDG11, actively seeking and designing relief and response measures that address the impact of COVID19, climate change and other emergencies, to support households in their realisation of quality, affordable housing outcomes
- b) Recognise **climate change** risk as a new financial risk and begin to understand how to price in and manage this risk through the products and services that we deliver.
- c) Intentionally structure portfolios to balance **financial and non-financial (social impact/ environmental sustainability) returns**.
- d) Develop and mobilise **innovative construction techniques and other technologies** to optimise the housing value chain, scale delivery and access to capital.
- e) Leverage local materials and labour in housing construction, building local supply chains for housing, to maximise economic recovery and **build our local economies**.
- f) Lobby and advocate for, and actively participate in the **increased availability of data and market intelligence** that supports the housing finance sector.
- g) Actively seek projects and investments, and to develop products and services, that **respond to the breadth and diversity of demand** at the base of the income pyramid, prioritising affordability in our efforts, including leveraging emerging green and energy efficient systems to enhance affordability;
- h) Uphold **ethical business practices**, championing the Principles for Responsible Investing and tracking our performance with respect to environmental, social and corporate governance metrics. In the delivery of products and services to our clients we are committed to sound and effective consumer education to support their sustainable entry into the property market;

- i) **Track these commitments** with clearly defined key performance indicators, to which we will each contribute, and will report back on these at our next AGM.

Conclusion

The AUHF and its members look forward to working with governments and other stakeholders, in our respective cities, countries, and across the continent, in driving investments in Africa's housing sector so that we realise real housing affordability and economic recovery across the continent.

Signed on 5 November 2020

AUHF Board of Directors:

Andrew Chimphondah, CEO, Shelter Afrique - Chair

May Abdelhamid, CEO, Social Housing and Mortgage Finance Fund, Egypt – Vice Chair

Kehinde Ogundimu, CEO, Nigeria Mortgage Refinance Company - Treasurer

Mfundo Mabaso, Growth Head, FNB Home Finance, FirstRand Bank Limited, South Africa - Secretary

Oscar Mgaya, CEO, Tanzania Mortgage Refinance Company

Christian Agossa, Director General Caisse Régionale de Refinancement Hypothécaire de l'UEMOA

David Akinin, CEO, Atenu Developments, Namibia

Mildred Mutesa, Managing Director, Zambia National Building Society

On behalf of the following active members of the AUHF:

1. American Homebuilders of West Africa
2. Atenu Developments, Namibia
3. Caisse Régionale de Refinancement Hypothécaire de l'UEMOA (CRRH-UEMOA)
4. CBZ Bank Limited, Zimbabwe
5. Central Africa Building Society, Zimbabwe
6. David Lahu, Individual member
7. Echostone, Nigeria
8. eSwatini Housing Board
9. Family Homes Fund, Nigeria
10. FBC Building Society, Zimbabwe
11. First National Bank Ghana
12. FNB Home Finance, FirstRand Bank Ltd
13. FSDKenya
14. GAP Solutions, South Africa
15. Genius Investment, Ida, Mozambique
16. Habitat for Humanity International
17. Haggai Mortgage Bank, Nigeria
18. Home Finance Company of the Gambia
19. Home Finance Guarantors Africa Reinsurance Limited
20. Homelink (Pvt) Ltd, Zimbabwe
21. Kenya Mortgage Refinance Company
22. National Housing Finance Corporation, South Africa
23. Nigeria Mortgage Refinance Company
24. Property KRO
25. Select Advisors Limited
26. Shelter Afrique
27. Social Housing and Mortgage Finance Fund in Egypt
28. SOLUTI Finance East Africa Ltd
29. Steward Bank Limited
30. Swaziland Building Society
31. Tanzania Mortgage Refinance Company Ltd
32. TUHF Limited, South Africa
33. Watumishi Housing Company, Tanzania
34. Zambia National Building Society
35. Zambian Home Loans
36. ZB Bank Limited, Zimbabwe
37. 14Trees Ltd.