

**DECLARATION OF THE MEMBERS OF THE AFRICAN UNION FOR HOUSING FINANCE (AUHF)
FOLLOWING THE ANNUAL GENERAL MEETING HELD IN KIGALI, RWANDA ON 4 NOVEMBER 2021¹**

We, the members of the African Union for Housing Finance, having met with colleagues from the public, private and NGO sectors from 20 countries over two days, and having held our 37th Annual General Meeting in Kigali, Rwanda and over a virtual platform on 4 November 2021, express our commitment to work together in leveraging our diverse capacities, charting new frontiers in the delivery of affordable housing across our continent and in our countries.

We note:

1. The need for affordable housing is acutely felt in the cities and towns across Africa, where over 80% of urban households live in inadequate housing. 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. The Covid19 pandemic has had a particular impact on the housing sectors in our countries, with government resources strained, businesses decimated and households pushed deeper into poverty. Coming out of this, we understand the imperative for efficiency and effectiveness of our efforts: we have to do much more with much less.
3. The impact of climate change is particularly felt by low income households living in inadequate housing. The delivery of affordable housing must reduce this impact. At the same time, housing itself contributes to the sustainability of our planet – how it is delivered and the services it consumes. These factors must be actively considered so that the impact of housing on the environment, as it is delivered and managed over time, is minimised.
4. Increasingly, governments are recognising the centrality of housing to their broader economic and social development goals, and are championing this in their policies and programmes. This creates useful opportunities for the private sector to engage.
5. In the context of historically low growth figures in countries across the continent, investment in affordable housing, the infrastructure which supports it and the manufacturing sector that provides the products to deliver it, creates an important and strategic opportunity to change the narrative and drive growth domestically, from within.

We appreciate that there are significant capacity constraints in both the public and the private sectors undermining the optimal performance of the affordable housing sector. At the same time, we appreciate that there are critically unrecognised capacity opportunities, which should be leveraged. Specific capacity issues demanding attention are:

¹ The African Union for Housing Finance held its 37th Conference and Annual General Meeting at the Marriot Hotel in Kigali, Rwanda, from the 2nd – 4th of November, 2021. Presented with the support of the CDC, Altair, Habitat for Humanity TCIS, Access to Finance Rwanda, CPF, RSSB, IFC Edge, Century Real Estate, Reall, 14Trees, iLima Foundary, Zambia National Building Society, KCB Bank Rwanda, DND Developers, UDL developers, the meeting attracted 89 delegates from over 60 companies and across 11 countries, to participate in-person in Kigali. In addition, 678 delegates from 50 countries participated over the two days of the conference through the virtual platform. The conference theme, **‘New FrontierS in Affordable Housing in Africa’** focused on the innovations and initiatives that are being introduced by practitioners across the continent, to address the post-Covid19 reality of constrained resources and the need to do more with less. A special focus was given to the current state, challenges and opportunities for the affordable housing sector in Rwanda. Videos of the presentations and panel discussions are available on the [AUHF YouTube Channel](#). Presentations are available on the [AUHF website](#).

MEMBERS IN THE FOLLOWING COUNTRIES:

**BOTSWANA, BURKINA FASO, CAMEROON, CÔTE D'IVOIRE, EGYPT, eSWATINI, FINLAND, GHANA, GUINEA, KENYA,
MALAWI, MOZAMBIQUE, NETHERLANDS, NAMIBIA, NIGERIA, RWANDA, SEYCHELLES, SOUTH AFRICA, TANZANIA,
THE GAMBIA, TOGO, UGANDA, UNITED STATES, ZAMBIA, AND ZIMBABWE**

1. Land and infrastructure capacity

- Land assembly, titling and management systems are inconsistently available and regularly inefficient
- Lack of underlying infrastructure (given constraints in municipal infrastructure financing) means that developments include bulk in their overall project cost
- Opportunities for densification cannot be easily realised given the structure of existing supply chains and the inadequacy of existing infrastructure services

2. Construction and management capacity

- Few developers have the capacity to build more than 500 units at a time, consistently over years
- Houses that are formally built are far out of reach of the majority of households
- The majority of housing across the continent is delivered by households and small scale builders – these are unrecognized by policy, regulation and finance, yet their collective capacity to deliver is significant
- Small scale landlordism plays a particularly important role – often driven by women, this offers income earning opportunities for low income households, while also meeting an affordable housing need

3. Municipal capacity

- Development controls are structured to engage with large scale developers, overlooking and in some cases obstructing the collective capacity of small scale suppliers
- Persistent delays in statutory approvals put pressure on the delivery process, ultimately compromising the affordability of the output and sometimes undermining the viability of the effort
- Capital budgets are insufficient to address the infrastructure and service delivery deficits, shifting the responsibility for delivery to the developer (or household) undermining affordability

4. Financial sector capacity

- Macro-economic factors including the cost and availability of long term finance have created thin mortgage markets with limited capacity to grow
- Lenders maintain a narrow focus on vanilla products that overlook the diversity of demand and fail to deal with informality
- Very limited construction finance has the consequence of most developments being financed with savings. This shifts the risk to the households financing the development process – a risk they are often not well equipped to manage.

5. Capacity of existing settlements

- Rapid, unplanned urbanisation is putting particular pressure on our cities, and the surrounding environment, where the need for quality housing is the most acute. Eighty percent of urban population have no access to formal housing while more than half live in slums.
- Rental is the dominant form of tenure in most African cities, with tenants occupying inner city, often derelict buildings. This existing infrastructure is an important contributor to supply, as are the resident tenants an important contributor to effective demand. Following years of neglect, however, the quality of this housing and its concomitant services, is poor. This requires explicit policy and regulatory support.

6. Household capacity

- 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.
- The majority of households face serious affordability constraints, and it is estimated that an additional 30 million Africans fell into extreme poverty this past year as a result of the pandemic. Household incomes are derived from a wide range of sources, many informal. While these are difficult to quantify, they are an important resource contributing towards overall affordability.
- Individual, household-led housing construction is a substantial and important effort that deserves recognition and would benefit from support that focuses in particular on quality and long term management considerations.

All of these issues are exacerbated by the lack of accessible and accurate data and market intelligence to support decisions taken by actors across the housing value chain. The data gap 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 pending resolutions of the **COP26** will have a particular impact on how we construct and manage our built environments, housing in particular.
2. The continued 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.
3. The opportunity to be found in the **Housing Compact for Africa**, further driving the commitments of the New Urban Agenda.
4. 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.
5. The parameters and intent of international guidelines such as **Basel 3 and 4**, 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 champion the delivery and management of affordable housing as a central economic development strategy, by actively creating an enabling environment for investment in affordable housing. We urge our governments to:

1. **Pursue macro-economic policy, financial regulation and taxation conducive to long term, local housing investment**, whether for ownership or rent, with a particular emphasis on the affordable market.
2. **Streamline key statutory and administrative processes** on which housing delivery depends, especially at the local level, and commit to explicit targets for reducing the time and cost of these processes.
3. **Recognise and support the capacities of small scale suppliers** as key players in the affordable housing sector, ensuring the realisation of quality while driving the affordability imperative.
4. At the same time, **implement measures to support the delivery of affordable housing at scale**, by larger developers, attending to specific value chain blockages that undermine their delivery in the current context.
5. **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, and the development of information systems on available parcels/plots of land for housing development & purchase land where available.
6. **Invest in bulk infrastructure** in particular support of residential development and in situ upgrading, drawing also on off-grid solutions to address immediate services deficits.
7. **Expand policy and regulatory attention to accommodate and promote rental and rent-to-own models**, particularly focused on low income households and affordable housing.
8. **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 for affordable housing.
9. **Champion the collection and dissemination of available statutory and administrative data** relevant to housing investment through the creation of specific workstreams and data platforms that bring this information into the public domain.

We also encourage/invite/urge international development finance institutions and other development agencies to support the growth of the affordable housing sector, recognising the potential systemic impact of their interventions and investments. Specifically, we encourage the DFI community to:

1. **Commit to the principle of Open Access**, making data and market intelligence arising from their own investments in affordable housing available for analysis, supporting the development of a culture of market transparency, with particular emphasis on affordable housing.

2. **Invest in the development of the information infrastructure** necessary to support investment in affordable housing, providing support to governments at the national and local levels to develop and maintain housing data banks for better estimates of housing demand and supply (disaggregated by SES, geography, type of housing), while also supporting non-governmental institutions established with a mission to put information into the public domain.
3. **Make early stage, venture capital investments in start-up initiatives** with a strong business case, as they exist along the housing delivery, management and financing supply chains. In this, to especially recognise and support small scale providers, tracking and sharing the performance of these with a view to crowding in the attention of a wider array of investors.
4. **Promote and require an affordable green standard** that addresses local climate-related and urbanisation pressures, as well as the need for long-term maintenance and management. 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. **Blend their capital in support of increasing the participation of local capital** in affordable housing, stimulating an increased recognition of affordable housing as an investment class in local capital markets.
6. **Align their strategies and investments** in specific geographic markets to ensure meaningful impact, promoting an holistic approach to fixing the housing value chain challenges across markets.

We commit ourselves, as the African Union for Housing Finance, to:

1. **Supporting our members through the creation of opportunities to network, share experiences, and learn** from one another, together identifying the bottlenecks, crafting the solutions and engaging in the opportunities in affordable housing across the continent and in our respective countries
2. **Promoting market transparency and the development of the information infrastructure** necessary for the affordable housing sector to grow, joining the Affordable Housing Investment Alliance and promoting the Open Access initiative and the Data Agenda for Affordable Housing in Africa.
3. **Raising the profile of affordable housing among the investment community**, connecting investors with investments through our conferences, meetings and other engagements; **among the international community**, ensuring the inclusion of affordable housing in the declarations and agendas of the African Union and other key representative bodies; and **among our governments**, engaging directly with our member country ministries, promoting the opportunity for affordable housing in our national economies
4. **Driving the conversation towards real affordability on the demand side, and the recognition and support of smaller scale players on the supply side who**, often under the radar of formal policy and administrative programmes, recognising and profiling the diversity of housing approaches, whether rental or ownership, free-standing or high-rise, and the role of all players.
5. **Building the capacity of our membership through focused capacity building and training initiatives**, contributing to the availability of professional development opportunities across the continent.
6. **Tracking these commitments** with clearly defined key performance indicators, to which we will each contribute, and will report back on these at our next AGM.

As individual organisations involved in the financing and delivery of housing across Africa, we are committed to work together in leveraging our diverse capacities, charting new frontiers in the delivery of affordable housing across our continent and in our countries. Specifically, we will:

1. 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
2. Recognise climate change as the key challenge facing us as we seek to deliver better housing environments. In this, we must mainstream green and climate responsive interventions so that they are truly affordable, and intentionally structure portfolios to quantify social impact/ environmental sustainability returns as central key performance metrics.
3. Raise the bar on quality, developing and mobilising innovative construction techniques and other technologies to optimise the housing value chain, scale delivery and access to capital, delivering sound

customer service that extends into management and maintenance of our housing over time, all without compromising on affordability

4. Diversifying the breadth of products and services we offer so that we increasingly target lower down market, as well as clients with less formal sources of income. We will prioritise affordability in our efforts, including leveraging emerging green and energy efficient systems to enhance affordability;
5. Leverage local – in capital raising, in construction, in the delivery of building materials, building local finance and supply chains for housing, to maximise economic recovery and build our local economies.
6. Promote market transparency, by actively sharing our experiences and progress – both successes and challenges – contributing to the increased availability of data and market intelligence that supports the housing finance sector.
7. 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;

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 4 November 2021

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
Mildred Mutesa, Managing Director, Zambia National Building Society
David Akinin, CEO, Atenu Developments, Namibia
Christian Agossa, Director General Caisse Régionale de Refinancement Hypothécaire de l'UEMOA

On behalf of the following active members of the AUHF

1. Access to Finance Rwanda
2. Arch. Abdelrahman Tarek Katar, Rwanda
3. Atenu Developments, Namibia
4. Block Solutions Oy, Finland
5. Botswana Housing Corporation
6. Caisse Regionale de Refinancement Hipothecaire de l'UEMOA (CRRH-UEMOA)
7. CBZ Bank Limited, Zimbabwe
8. Central Africa Building Society (CABS), Zimbabwe
9. Easy Housing Concepts BV, Netherlands (Mozambique)
10. EchoStone Plc, Nigeria
11. Empowa, Seychelles
12. Family Homes Funds, Nigeria
13. Federal Mortgage Bank of Nigeria
14. Financial Sector Deepening Kenya
15. FBC Building Society, Zimbabwe
16. First National Bank - Home Finance, South Africa
17. Gap Solutions, South Africa
18. Genius Investment, Ida, Mozambique
19. Habitat for Humanity International, Pan African
20. Haggai Mortgage Bank, Nigeria
21. Home Finance Guarantors Africa Reinsurance, South Africa
22. IBuild Global Inc, Pan African
23. iLima Foundary, Pan African
24. International Housing Construction Show, Nigeria
25. Jobomax (previously The American Builders in West Africa)
26. Kado Partners LLC, Cameroon
27. Kenya Mortgage Refinance Company
28. National Housing Finance Corporation, South Africa
29. Nigeria Mortgage Refinance Company
30. Property KRO, Côte d'Ivoire
31. Reall, Pan African
32. Select Advisors Limited, Pan African
33. Shelter Afrique, Pan African
34. Social Housing and Mortgage Finance Fund, Egypt
35. SOLUTI Finance East Africa Ltd, Uganda
36. Steward Bank Limited, Zimbabwe
37. Swaziland Building Society
38. Tanzania Mortgage Refinance Company Ltd
39. TUHF Limited, South Africa
40. Zambia National Building Society
41. Zambian Home Loans
42. ZB Building Society, Zimbabwe
43. Honorary Member: Mr Chimutsa Colin
44. Honorary Member: Ms Sharon Trail
45. Mr. Kura Chihota, Zimbabwe
46. Mr. Pegdwende Jacques Tiendrebego, Côte d'Ivoire
47. Mr. Stephen Wanjala, Kenya