

Affordable Housing – Anne Marie Notes

Introduction

During the Covid 19 pandemic many African countries went into lock down and people were asked to stay at home. When over 60 percent of African urban households, or 238 million people (UN Habitat), live in slum conditions, we have to question the assumption that a home provides a place for health safety and well-being.

COVID 19 put a spot-light on the crisis Africa faces in providing access of most of its people to adequate shelter *that provides safe water and sanitation facilities, sufficient living area that is not overcrowded; structural quality / durability of dwellings; as well as security of tenure.*"

Not only is housing a human right, but it is also an asset and contributor to GDP. The construction, maintenance and transacting of housing (which includes both sales and leases) contributes substantially to economic growth and job creation, which can have very tangible local impacts. Research on the impact of housing on the economies of Kenya, Rwanda, Nigeria, Uganda, Ghana, Tanzania, and South Africa, found that its contribution to GDP can be as high as 14 percent of the total economy, taking both housing construction and rental into account. If housing production were to be increased as a key economic recovery strategy post the pandemic, this would have a significant impact on GDP overall

Housing is also central to achieving all SDG Goals. Quoting the work of the Centre on Affordable Housing, *"while housing is explicitly articulated in Target 11 of the Sustainable Development Goals (SDGs), it is a key component of sustainable development across all of the goals. Good housing drives access to basic services, contributes towards inclusive growth, and supports the development of a sustainable future, with a direct impact on the factors that contribute or mediate the effects of climate change. Investment in affordable housing will therefore have a profound and direct impact on at least 14 of the SDGs."*

Not only is it about the types of financial products offered by the market to access housing, it is also about the availability of housing stock that is affordable, and provides good access to clean water, sunlight, space and greenery, while permitting ease of social and economic life.

International Housing Solutions, IHS for short, seems to have figured this out. They finance the development of energy efficient, affordable housing communities that permit access to the infrastructure that allows for safe, healthy, and productive lives for all. IHS' pioneering investment models has led to the disruption of affordable housing markets in Southern Africa

FSD Africa Investments is pleased to be supporting access to affordable urban housing markets through its investments. We believe finance for housing is a key pillar for economic growth and well-being. We are confident that our investments in this area, and our support for the CAHF Open Access platform will address some of the critical factors that prevent financial markets from playing a bigger role in affordable housing.