

A look into housing finance in Africa

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AFRICAN UNION FOR
HOUSING FINANCE

Newsletter

FINANCING HOUSING IN AFRICA

ISSUE 60

African Union for Housing Finance held its 3rd Annual Conference and AGM



17th – 19th October 2017 marked a special period for the **African Union for Housing Finance (AUHF)** as it held its 33rd Annual Conference and AGM in Kampala, Uganda. The Conference was a success, attracting over 250 delegates from 19 countries, and representing over 47 organizations and institutions from across the globe. This year's theme, *Engaging the housing value chain for growth*, was centered on the key links in the housing value chain that enable (or constrain) productive housing markets accessible to all, across the continent.

The meeting had a very impressive, content-rich [programme](#), subdivided into five interesting sessions including case studies from across the African continent and panel discussions that focused on the key links in the housing value chain.

The speakers included high-level professionals and experts working in the housing sector, who shared their experiences on housing. As well as Dignitaries who gave the Speeches to open the ceremony, namely: Honorable Ruhakana Rugunda, Prime Minister who delivered the [President's keynote speech](#) | Honorable Matia Kasaija, Minister of Finance Planning and Economic Development | [Mr. David G. Opiokello](#), Board Chairman of Housing Finance Bank Uganda Ltd | [Mr. Mathias Katamba](#), Managing Director of Housing Finance Bank Uganda Ltd. | Ms Debra Erb, Managing Director of Housing Programs for the Overseas Private Investment Corporation (OPIC) was the Industry Keynote Speaker.

The conference also included for the first time, an "[innovation elevator pitch](#)", whereby six institutions were each afforded six minutes to present their innovative work to make housing affordable. Delegates were invited to vote for the best pitch by allocating fictional investment dollars. The winner was the Millard Fuller Foundation of Nigeria, who presented on a [public private partnership towards affordable housing](#). All conference presentations, including the elevator pitch presentations and videos, have been loaded on to the AUHF website. [Click here](#) to access them, and also to view the conference [photographs](#).

On the 3rd day, the Conference included a [Housing Microfinance Workshop](#) which was co-hosted by [Terwilliger Center for Innovation and Shelter](#), [Habitat for Humanity International – Europe, Middle East and Africa](#), and the AUHF's 33rd Annual General Meeting, where members agreed on the [Kampala Declaration for Housing Finance](#).



AUHF Member institution representatives at the 33rd AGM

The conference closed with a site visit to housing projects around Kampala. The first half of the tour included [housing projects](#) with rental and for sale units delivered by the [National Housing Construction Company Ltd \(NHCC\)](#) and the second half comprised of a visit to apartment blocks with for sale units developed by [Universal Multi-purpose Enterprise group](#) – a private developer in Uganda.

Have you seen our latest publications launched at the conference?

- **Fact Sheet:** [The New Urban Agenda \(NUA\) 2017](#)
- **Issue Brief:** [Real Estate Investment Trusts \(REITs\) 2017](#)

- 2017 edition of [Centre for Affordable Housing Finance in Africa's Housing Finance Yearbook](#) which sets out the housing finance situation in 54 African countries, [download your own copy](#).
- The AUHF published its 3rd declaration, [Kampala Declaration for Housing Finance](#)



Capacity Building and Training Opportunities:

The African Union for Housing Finance creates the capacity building and training opportunities to enable its members to respond to the challenges and opportunities within the context of their businesses; supporting better engagement between the public & private sectors. Training sessions are open to both **AUHF Members** (for a discount), and the general public.

AFRICAN UNION FOR HOUSING FINANCE In Partnership with **IFC** International Finance Corporation WORLD BANK GROUP Presents:

Mortgage Product Design and Portfolio Management Training:
 “Building viable and sustainable housing finance operations across the value chain and to all income segments in Africa”

Supported by: Making Finance Work for Africa Centre for Affordable Housing Finance in Africa AUHF World Bank Group

6 – 8 February 2018
Abidjan, Côte d’Ivoire

AFRICAN UNION FOR HOUSING FINANCE

AFFORDABLE HOUSING STUDY TOUR
in South Africa

3 Cities: Johannesburg | Pretoria | Cape Town
05 – 10 March 2018

AFRICAN UNION FOR HOUSING FINANCE

Training & Capacity Building Programme in Harare, Zimbabwe:
 “Lending to borrowers with informal incomes...”

26 – 28 March 2018

In Partnership with: HDFC NMRC Nigeria Mortgage Refinance Company

Don't miss out on registering for these events – they offer a great opportunity to enhance your housing and housing finance knowledge and skills, as well as growing your network across Africa, in addition to building professional partnerships...

We hope you will make every effort to be there.

African Side Events:

The Ninth session of the [World Urban Forum](#) will take place from **7 to 13 February 2018** in **Kuala Lumpur, Malaysia**.

WUF9 is the key platform to discuss the implementation of the New Urban Agenda and the urban dimension of the Sustainable Development Goals.

It is the world's premier conference on urban issues, established in 2001 by the United Nations. WUF9 is one of the most



open gatherings in the international arena, for exchanging views and experiences on urban challenges.



The World Bank Group will hold its **8th Global Housing Finance Conference** creates awareness of the major challenges in developing or strengthening housing finance markets and seeks cooperation for better solutions. This year, the conference

will focus on innovation, new ideas and global experiences.

The biennial Global Housing Finance Conference, hosted by the World Bank Group, is the foremost global event for housing finance. The next conference (the 8th in the series) will take place in **Washington, DC on May 30 – June 1, 2018**.

The AUHF Secretariat wishes to organize African side events centered on the Kampala Declaration for Housing Finance and a platform for networking at the 2 above-mentioned international events. Should a member institution be interested to be part of this initiative please contact AUHF Coordinator.

Special and warm welcome to the following new Member Institutions:



First Housing Finance Limited (Tanzania)
Joined: 30 December 2016

First Housing Finance Limited is the first company in Tanzania that is dedicated to, and specializes in housing finance. It is registered as a mortgage bank, and is licensed by the Bank of Tanzania to engage in mortgage lending.



ZambianHOMELOANS

Zambian Home Loans (Zambia)
Joined: 07 March 2017

[Zambian Home Loans](#) (ZHL) is a mortgage lender that specializes in mortgage loans for the construction of homes / residential property for the Zambian population. ZHL is the first finance company in Zambia that specializes in mortgages for low and medium income groups.



Vizar Homes Limited (Nigeria)
Joined: 07 March 2017

[Vizar Homes Limited](#) is a mortgage origination services company which has expertise to assist households with planning ahead. They support first time home applicants through improved access to mortgages by using technology to drive mortgage education and contract savings.



Ghana Home Loans (Ghana)
Joined: 13 March 2017

[Ghana Home Loans](#) ("GHL") was initially a mortgage finance institution which operated under Bank of Ghana (BoG) supervision as a non-bank financial institution. It has over 10 years' experience in the mortgage industry, and has grown to become the leading and most trusted residential mortgage finance provider in Ghana. Recently GHL changed its name to **GHL Bank** after it received an approval from BoG to operate as a Bank that offers a full range of different banking services.



Madison Capital Limited (Zambia)
Joined: 18 September 2017

[Madison Capital Limited](#) is a real estate development arm of the Madison Asset Management Company (MAMCo). MAMCo is a subsidiary of the LSA Group of Companies which is Zambia's leading private sector diversified financial services group.



Haggai Mortgage Bank (Nigeria)
Joined: 09 October 2017

[Haggai Mortgage Bank](#) is a registered mortgage bank with an array of uniquely developed products specifically for the wide range of its clientele. The bank has consistently specializes in touching lives by providing quality mortgage services and homes.

SUMMARY OF AUHF EVENTS:

- 6 – 8 February 2018** | [Mortgage Product Design and Portfolio Management Training](#) | African Development Bank, Abidjan, Côte d'Ivoire (**US\$ 358 & free for all paid-up AUHF members**)
- 05 – 10 March 2018** | [Affordable Housing Study Tour](#) | 3 cities: Johannesburg, Pretoria, and Cape Town, South Africa (**US\$ TBC**)

3. **26 – 28 March 2018** | Training & Capacity Building Programme: "Lending to borrowers with informal incomes..." | Harare, Zimbabwe (**US\$ TBC & free for all paid up members**)

SUMMARY OF EXTERNAL EVENTS:

1. 20 – 21 February 2018 | [Financial Inclusion Summit for Practitioners in Sub-Saharan Africa](#) | Accra, Ghana
2. 10 – 11 April 2018 | [7th Annual Africa Banking & Finance Conference](#) | Lagos, Nigeria
3. 24 – 25 April 2018 | [EAPI Summit](#) | Nairobi, Kenya (**20% discount for all members**)
4. Investing in Africa
5. 2 – 4 May 2018 | [Investing in Africa](#) | Park Plaza, Riverbank, London
6. 30 May 2018 | [BOTSREAL Property Forum](#) | Gaborone, Botswana (**20% discount for all members**)
7. 30 May - June 01 2018 | [8th Global Housing Finance Conference](#) | Washington, DC
8. 16 – 19 July 2018 | [12th Abuja Housing Show 2017](#) | Abuja, Nigeria
9. 20 – 21 September 2018 | [API Summit & Expo](#) | Johannesburg, South Africa (**20% discount for all members**)
10. 10 October 2018 | [ZAMREAL Property Forum](#) | Lusaka, Zambia (**20% discount for all members**)
11. 28 – 29 November 2018 | [WAPI Summit](#) | Lagos, Nigeria (**20% discount for all members**)

[*Let us know of any events not listed above](#)

[*Click here for our updated events page](#)

WHAT HAVE OUR MEMBERS BEEN UP TO:

Tanzania's first Housing Finance company launched: 1st Housing to offer the lowest interest rates.

Author: Omar Msangi, CEO – First Housing Finance Company Limited

Tanzania's First Housing Finance Company (Tanzania) Limited (**AUHF Member**) - commenced operations on October 20, 2017. The company has been sponsored by Bank M Tanzania Plc. The following institutions are partners in establishing the mortgage finance company: the International Finance Corporation (IFC) (**AUHF Member**); Housing Development Finance Corporation



Limited (HDFC, the largest housing finance company in Asia), the Karimjee family and Mr. Sanjay Suchak. 1st Housing was issued a license by the Bank of Tanzania on 18th of July 2017 to commence Housing Finance business in Tanzania under the provisions of Banking and Financial Institutions Act, 2006 (Cap. 342 R.E. 2002). Initially 1st Housing was incorporated under Tanzanian laws on 13th of July 2016 and its paid-up capital stands at Tanzanian Shilling 21.80 Billion (US \$ 954,633,000).

Speaking at the launch, Mr Omar Msangi, the Chief Executive Officer of the company, articulated that Bank M partnered with renowned international partners like IFC and HDFC and reputed Tanzanian business families with a view to enter into this attractive housing finance segment in Tanzania. 1st Housing is the first dedicated Housing Finance Company in Tanzania with a focus on providing long term housing solutions to the citizens of Tanzania.

The CEO mentioned that 1st Housing aims to distinguish itself from the market by offering the lowest interest rates for mortgages in the country. The company has fixed its Prime Lending Rate (PLR) at 15%. This will be the rate at which 1st Housing will be lending to its prime customers. He said that 1st Housing, being the pioneer in the housing finance market, would begin operations by offering four new mortgage product: for purchase of a home, for improving an existing home, for extending an existing home and for refinancing existing home loans. Some of the products being offered are novel in the Tanzanian market. Another feature which would really set 1st Housing as the leader in the market would be the offer for giving mortgages with tenor up to 20 years. As per the CEO of 1st Housing, this feature is expected to make home loans very affordable in the management of monthly cash flows of home seeking families. Mr. Omar Msangi emphasized the customer focus of the company by stating that 1st Housing is coming to the market with a guaranteed turnaround time of 24 hours for processing of any application for mortgages.



Development Bank of Rwanda (BRD) has launched a countrywide campaign to identify potential bankable projects in priority sectors including: education, agriculture, energy, housing, exports and infrastructure. BRD has earmarked US \$707.3 million, which will be accessible through commercial banks and savings and credit cooperatives (SACCOs). The Rwandan the Government, the Private Sector Federation (PSF) and the Rwanda Social Security Board (RSSB) will oversee the implementation of this plan. **Read More:** <http://bit.ly/2ArG3fk>



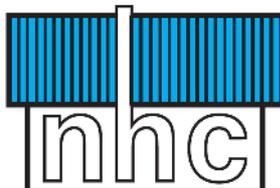
Home Loans (GHL) financed the first phase of the two thousand units' affordable housing project in Appolonia City in Accra, Ghana. This new city development is a multi-million dollar pilot project on six acres of land. This project is a partnership of GHL, Abraaj Group, local promoters, **International Finance Corporation (IFC)**, the Overseas Private Investment Corporation (OPIC), and Rendevour, the developer of Appolonia City, the Chiefs, elders and community of the Appolonia stool. **Read More:** <http://bit.ly/2AwvA0o>.



The Board of Directors of the African Development Bank Group (AfDB) has approved a US\$ 25 million in Kwacha equivalent to the **Zambia National Building Society (ZNBS)**. The Senior Loan will support ZNBS in building institutional capacity and financing affordable



The National Social Security Authority (NSSA) in Zimbabwe has underwritten US \$25 million mortgages through its banking unit, the **National Building Society (NBS)**. Also the institution has other housing projects in the pipeline targeting low to medium income earners. Which are expected to bring at least 1 000 new houses on the market by December 2017. **Read more:** <http://bit.ly/2AXOQa7>



The government in Kenya will build 8,000 houses in Mavoko on a 55-acre piece of land, with construction expected to kick off next month. This housing project is part of the government's plan for building 1 million houses within the next five years with a target of building 200,000 units every year targeting the middle class. Also the **National Housing Corporation**, a parastatal under the Ministry of Housing, is expected to contribute 6,000 houses to this ambitious target across 8 counties over the next three years. **Read more:** <http://bit.ly/2AULUe1>.

*****AUHF MEMBERS are encouraged to share news, articles, and photos to publish on our monthly newsletters. Please contact the AUHF Coordinator.**



Housing Finance Group is embarking on the construction of a residential estate through its subsidiary, Housing Finance Development and Investment. The project is estimated to cost Kenyan Shillings 3.3 billion (US \$31,484,600) in Komarock, Nairobi. The project will include 480 housing units ranging from one-bedroom, two-bedroom and three bedroom units with lifts in each apartment block, a children's play area, sufficient parking, borehole water and solar water heating. **Read More:** <http://bit.ly/2Au7LrI>



Federal Mortgage of Nigeria (FMBN) has ordered stakeholders to join the Bank in creating initiatives that will promote housing affordability for Nigerians. The Managing Director called for a framework to be developed for greater utilization of pension funds in housing finance. He added that government at all levels should live up to the responsibility of providing primary infrastructure for real estate development. **Read More:** <http://bit.ly/2AvnyVf>

IN THE NEWS - ACROSS AFRICA:

EASTERN AFRICA

In **Kenya**, most developers are challenged to enter the low cost housing space. Amongst other discouraging factors, developers grapple with how to deal with implications of time and cost overruns. As a result, they focus on the high-end market, whether their units are for sale or to let, because prices and rents can be easily adjusted to absorb the variations and provide the required margin. **Read more:** <http://bit.ly/2BAwnMR>

In **Uganda**, the Kenyan real estate investment firm called Cytonn, is planning to invest Kenyan Shillings Shs360.5bn (US \$100million) in commercial property and residential housing units targeting middle class population. The Chief Executive Officer said that Kampala is ranked as the most compelling market in terms of returns in the region amidst high construction and financing costs. **Read more:** <http://bit.ly/2zNCEV1>.

SOUTHERN AFRICA

In **Namibia**, some of the employees of Ohorongo Cement received their deeds of sale for land allocated to them by the Otavi Town Council. The Council allocated 30 serviced erven, sized at an average of

NORTHERN AFRICA

The **Moroccan** and **Chadian** Ministries involved in housing have come into a partnership agreement to develop and promote social housing with in their countries. This partnership also entails sharing know-how, expertise, information and good practice in land development and urbanism. **Read more:** <http://bit.ly/2jQy1mo>

In **Egypt**, official census data has revealed that a total number of 12.8 million units are vacant of which 4.6 million are fully constructed, 4.3 million units need to be finished, and 2.8 million units are closed due to the existence of another dwelling for the family. A construction boom has seen new housing developments mushroom around Cairo but their prices are out of reach for many. **Read more:** <http://bit.ly/2kno7wz> and <http://bit.ly/2jgQWzb>

WESTERN AFRICA

In **Ghana**, the government supports Rehoboth Properties, a Ghanaian owned real estate Company which intends on building affordable houses in Danfa, Greater Accra Region. The developer will construct 1,700 affordable housing units on an 81 acre land which comprises of one to three bedroom houses in a gated community, with underground drain and tarred roads. The government supports the company with an off-take agreement to enable them to put up more affordable housing units in the country. **Read more:** <http://bit.ly/2klzDZf>

375m², for an average cost of N\$26 000 (approximately US \$ 1,900). Furthermore, the company made N\$9 million (US \$658 467) available which will be used towards the purchasing of land, as well as cement contributions for the construction of employee houses. **Read more:** <http://bit.ly/2zR3aN9>

In **South Africa**, the JSE-listed residential property developer Calgro M3 has received a loan of ZAR387 million (US \$ 28 million) from Agence Française de Développement. The loan has been provided via the agency's private-sector financing arm, Proparco. The money will be used to build houses for people with low incomes in urban areas earmarked as priorities. **Read more:** <http://bit.ly/2jf3kb9>.

In **Nigeria**, a group of investors known as Ekabi, which will operate under the aegis of Society of Real Estate Developers of Nigeria (SOREDON) are mobilising US \$5 million initial funding for the development of affordable housing for Nigerians. The group would be partnering two foreign firms that have the expertise in real estate development, each from Germany and Italy, and some corporate members from Nigeria. **Read more:** <http://bit.ly/2zOxVIY>.

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This is the monthly newsletter for African Union for Housing Finance. The AUHF is a non-governmental association of 58 members from 16 countries across the African continent. Members include commercial and mortgage banks, building societies, microfinance banks/institutions, housing development corporations, and other institutions involved in the mobilisation of funds for shelter and delivery of affordable housing across the African sector.

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