

A look into housing finance in Africa

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Newsletter

FINANCING HOUSING IN AFRICA

ISSUE 69: March 2020

AUHF NOTE ON COVID-19

As of 30 March 2020, the [Worldometer](#) confirmed more than 723,287 cases of COVID-19, with 33,993 deaths and 151,801 recovered across the globe. In the wake of this pandemic, the AUHF urges all members to please take precautionary steps to keep safe and healthy. Please visit the [World Health Organisation](#), [National Institute for Communicable Diseases](#) and [Department of Health Covid -19 Online Resource & News Portal](#) for more information

We urge all members to share with the secretariat any market initiatives being put in place in their jurisdictions relating to forbearance, government support programs for housing or mortgage payments, mortgage hardship funds, freezes on foreclosures/evictions, Central Bank support measures as they relate to mortgage markets or any other relevant programs by either governments of lenders.

MEMBER NEWS ON COVID-19

In its efforts to secure bridge funding during the economic downturn from the COVID-19 pandemic, [Habitat for Humanity International](#) has worked in collaboration with other leading nonprofits to lobby Congress to support measures that aid nonprofits and the people the organizations serve. Read more, [click here](#)



[IFC](#) is helping companies and workers duric the COVID-19 pandemic by deploying \$8 billion in fast-track financing to support economies and protect jobs. According to Vivek Pathak, IFC's Regional Director for East Asia and the Pacific, helping the private sector continue to operate and retain staff will help lessen the burden COVID-19 is exacting on people across the region. Read more, [click here](#)



The [Family Homes Funds Limited](#) FHFL, has disbursed about N50 billion in funding for building of affordable houses for Nigerians and in the

process, creating 1.5m jobs. According to the General Manager of FHFL, Mr Enesi Makojut, their Affordable Housing Fund has seen to the delivery of over 2,159 completed houses ready for occupation and over 11,000 houses committed to construction financing in under 3 years of operations. Read more, [Click here](#)



Real Estate Developers Association of Nigeria (REDAN) remind the Federal Government to recapitalise the [Federal Mortgage Bank of Nigeria \(FMBN\)](#), to the tune of N500 billion. According to Dr. Aliyu Wammako, the Federal Government needs to look into the challenges of housing development and the underlying responsibilities of the FMBN in providing affordable houses for Nigerians. Read more, [click here](#)



AUHF MEMBER NIGERIA MORGAGE REFINANCE COMPANY STRATEGIC WORKSHOP



[click here to watch video](#)

[African Union for Housing Finance](#) member, [Nigeria Mortgage Refinance Company](#), and the [Centre for Affordable Housing Finance in Africa](#) co-hosted a strategic workshop on housing data on 4 February 2020 in Abuja. The workshop served as a platform to engage on a data-led approach to unlocking investment opportunities along Nigeria's housing value chain. The presentations emphasised the need for accurate data gathering, processing and application to support Nigeria's housing sector.

AUHF MEMBER PROPERTY KRO WEBINAR ON WEST AFRICA REGION

AUHF member [Property KRO](#) based in (Cote d' Ivoire) facilitated a webinar for CAHF in West Africa. The webinar shared information on the country profiles from the CAHF Housing Finance Yearbook for 2019 for countries in the region as well as the work of Property KRO. The webinar was held on 28 February 2020 and was attended by housing practitioners representing national housing banks, the private sector, development banks and donors. The discussions were led and moderated by [Olivier Vidal](#), head of CAHF's Francophone program and [Jean Philippe Ado](#), CAHF research manager for West and North Africa. Panelists for the webinar

were [Thierno Birahim Niang](#), [Edwin Assogbavi](#), [Dr Youssouph Keita](#) (2019 CAHF Yearbook authors for Senegal, Guinea, Togo and Guinea-Bissau) and Williams Bella (the Managing Director of [Property KRO](#)). The webinar demonstrated how useful and cost effective these kinds of discussions are for networking and information sharing and will be used to greater effect in the future to facilitate engagements amongst AUHF members. Thank you to Property KRO for creating the opportunity.



[Click here to see webinar](#)

MEET OUR NEW MEMBER

SOLUTI Finance East Africa Limited (Formerly known as Stromme Microfinance (EA) Ltd) is one of the leading wholesale finance company in East Africa. With a track record of over 25 years of providing both financial and non-financial services to its partners in Uganda, Kenya and Tanzania through a partnership model.

SOLUTI's Vision is "a world free from poverty" and its Mission is to "be a leading, locally based wholesale finance company that provides sustainable, market responsive financial solutions and technical assistance to organizations in the Eastern Africa region. They enhance access to financial solutions to low income people to grow their businesses, create new jobs and improve their livelihoods.

We welcome SOLUTI Finance East Africa Limited into our housing finance community and look forward to sharing their experience in micro-finance with our members.

For more information view their website www.stromme-mfea.com



Our secretariat, the Center for Affordable Housing Finance in Africa, commissioned the following research for the benefit of our members:

[Blog: Cross-Subsidisation in the Republic of Sudan: A Tool for Amplifying Investment into Affordable Housing:](#) This blog by [Christopher Feather](#) focuses on the cross-subsidisation mechanism in the Republic of Sudan, which was highlighted in the Sudan [country profile](#) authored by [Kalamu Consulting](#) in CAHF's [latest yearbook](#). This blog elaborates on the approach, and assesses the technique's potential to strengthen investment in affordable housing.

[Blog: Innovations in Backyard Rental: Models for the 2020s:](#) This blog by [Adrian Di Lollo](#) identifies the multi-faceted challenges and complexities of backyard rental development in South Africa. The blog summarises initiatives by various entities to promote backyard rental.

[Blog: Home Ownership Savings Plans in Kenya:](#) This blog by [Miriam Maina](#) discusses a series of focus notes published by Cytonn Research on Home Ownership Savings Plans in Kenya.

[Blog: Estimating the number of outstanding mortgages in Malawi:](#) This blog by [Maria Nkhonjera](#) unpacks an innovative approach to estimating the number of outstanding mortgages where data is not readily available from government, private or international sources.

[Blog: The Role of Mortgage Insurance as a Credit Risk Management Tool:](#) This blog by [David Chiwetu](#) discusses the potential of mortgage insurance to aid mortgage lenders to lend down-market and develop products for low income households.

[Blog: Climate Change and Resilient Housing: Lessons for Mozambique:](#) This blog by [Maria Nkhonjera](#) and [Nonhlanhla Mathibela](#) discusses the importance of resilience after the effects of Cyclones Idai and Kenneth. The blog identifies key lessons that can be learnt from efforts to build resilience in [Mozambique](#) and elsewhere on the continent:

[To view all CAHF's recent blogs, please click here.](#) In addition, they regularly collect [news articles](#) on the current affairs and development of the housing finance sector across Africa.

A TRANSFORMATIVE SOLUTION TO THE CHALLENGE OF URBAN EXPANSION IN MAPUTO - THE CASA MINHA PROJECT

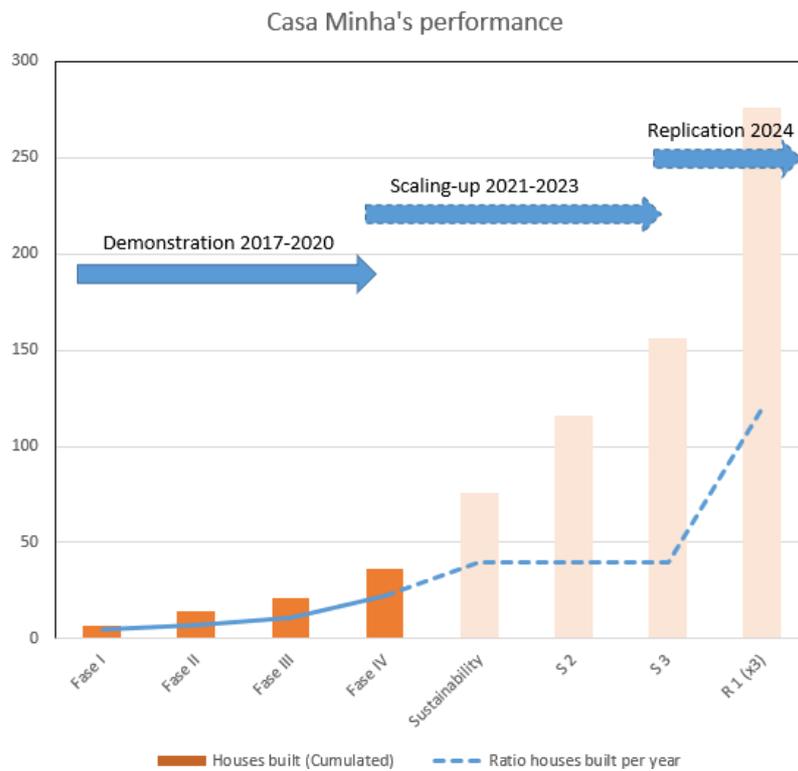


The Centre for Affordable Housing Finance (CAHF) in Africa visited the Casa Minha project in Mozambique in

order to understand the Casa Minha model and their challenges. Casa Minha is an innovative social business that builds various typologies of modular homes targeted at middle and upper middle-income urban Mozambicans. Casa Minha’s first community campaign took place in December 2016 in quarterao 31. At that time only 4 out of 60 resident families confirmed their interest to participate in the project. The aim is to transform and densify the current built environment by replacing the existing structure with two, modular two-storey buildings which can be adapted incrementally to meet different needs and generate an income for the original household.

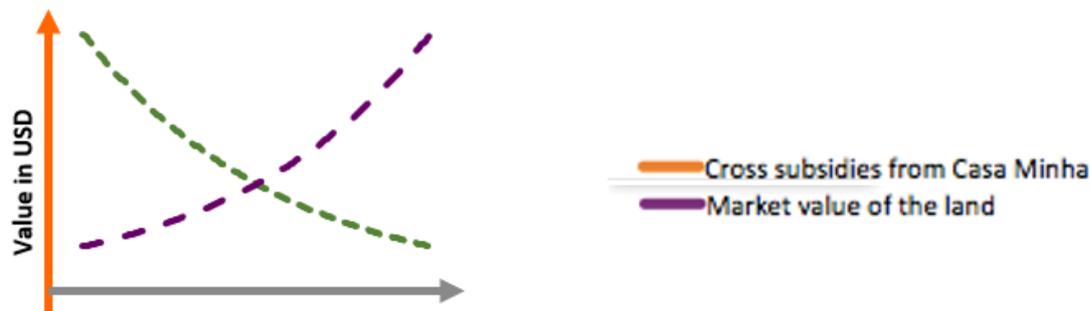
The company is entering its second phase of construction. The first phase of the Casa Minha project constructed 20 homes in a geographically contiguous area as a demonstration of the transformative impact of well-designed homes on the living standards of a community. And in 2018, Casa Minha finalized its first 7 houses representing a sample of different architectural models the project proposes to residents, home buyers and investors. Casa Minha seeks investment from various sources and aims to build up a heterogenous base of finance combining future residents, impact investors, crowdfunding and long-term investors.

As the first 20 homes are completed, the Casa Minha team works closely with the municipality and community leaders to identify communal spaces that can be reserved for public services such as crèches, parks, sports fields and markets in order to integrate those essential spaces into the architecture of the changing neighborhood.



The Casa Minha model is based on a blend of concepts:

- o Densification: Optimising the use of private and public spaces.
- o Supply in exchange: Residents supply land in exchange for a modern and resilient house.
- o Cross-subsidisation: Over time, as the market value of land increases, their cross-subsidy reduces (see figure below).



Casa Minha understands that their houses are not cheap. It is not a social housing business, but a social business that targets the middle and upper middle-income urban population. One of their biggest challenges has been getting the community to understand the model and changing perceptions in the neighbourhood. Casa Minha requires social assistance with the process of negotiating with communities. This has taken a lot of time and resources but has created a living space more suited to meeting households needs. Casa Minha also works to ensure the development of literacy programs, social cohesiveness and lower crime rates in the neighbourhood.

Market surveys indicate that clients are interested in “payment modalities” but Casa Minha can only work with clients that can mobilise their own finances and pay up-front for the development of their house. Casa Minha would require support to their buyers, through innovative finance schemes. Casa Minha takes all the risk, and this has allowed them to explore the parameters in terms of challenges and opportunities. They are currently developing a document titled “2020: Challenges and opportunities for institutional investors in Mozambique.”

Today, Casa Minha Nosso Bairro has become a community of Maputo citizens that share the dream of making Polana Caniço the reference for a sustainable lifestyle, affordable, walkable, in the midst of a mixed neighborhood, at human scale.

For more information visit their website on <https://www.casaminha.co/> or speak to CAHF’s Maria our Research manager for Mozambique at maria@housingfinanceafrica.org

NEWS ACROSS AFRICA

EAST AFRICA

In Kenya, according to the [Business Daily](#) newspaper article of 5 March 2020, the government has proposed in its 2020 draft Budget Policy Statement, to contribute public land — at no cost, towards affordable housing. This comes after census findings that show that approximately 10 million Kenyans live in slums and only 10 percent of Kenyans living in urban areas own their homes, while the majority live in informal settlements. To read more, [click here](#)

In Kenya, a petition against the Attorney-General in its own interest and on behalf of the women of Kenya was made. According to [Economic & Social Rights Review in Africa](#) article of March 2020, the petitioners alleged that section 7 of the Matrimonial Property Act (MPA) of 2013

NORTH AFRICA

The World Bank announces its intention to donate \$500 billion in aid to Egypt to improve access to housing for low-income households. According to a report of [IOL newspaper](#) article of 24 March 2020, this initiative to date has assisted 287,600 households. Read more, [click here](#)

In Egypt, the housing ministry has executed 9,680 units of the social housing project in Sadat City. According to [ZAWYA newspaper](#) Salah Hassan Deputy Executive Director of the Social Housing Mortgage Finance Fund (SHMFF) reported that in Badr City, the ministry has been constructing 79,968 units in the social housing project. Read more, [click here](#)

SOUTHERN AFRICA

In South Africa, Balwin Properties has, together with financial services provider Absa, launched

violates or threatens the fundamental rights and freedoms of women, including their rights to property, equality and nondiscrimination, and is thus unconstitutional. Read more, [click here](#)

WEST AFRICA

In Ghana, the housing deficit is estimated at about 2.1 million despite the many housing projects: Kpone, Borteman housing projects, the Sangleme housing projects scattered across the country. According to an article by [Graphic Online](#) of 5 March 2020, these houses have not been occupied despite the dire need for housing in Ghana for varied reasons including serious controversies, chief of which is political and in other instances, corruption. Read more, [click here](#)

In Nigeria, top housing sector advocacy group – Housing Development Advocacy Network (HDAN) has commended ongoing efforts by the Governor of Lagos state, and the Minister of the Federal Capital Territory, Abuja, in tackling the Coronavirus pandemic that has become a major threat in Nigeria. According to [Leadership](#) newspaper article of 26 March 2020, the Group's President, Festus Adebayo, Decent affordable housing is key to good health, and without it the spread of any disease is inevitable. Read more, [click here](#)

South Africa's first green home loan – the Absa Eco Home Loan. According to a report by [Engineering News](#) newspaper of 13 March 2020, the company is minimising their environmental footprint while saving on utility costs over the long-term. Read more, [click here](#)

CENTRAL AFRICA

Finance organisation, the Private Infrastructure Development Group's Emerging Africa Infrastructure Fund (EAIF), last year garnered \$242-million worth of new loan commitments towards projects in Gabon. According to [Engineering news](#) article of 2 March 2020, this funding helps create clean, safe and affordable accommodation for 5 000 students. Read more, [click here](#)

2020 LIST OF UPCOMING EVENTS

In light of the circumstances caused by Covid-19 (coronavirus), and the subsequent 30-day suspension on all international events by the Kenyan Government, API Events has rescheduled the East Africa Property Investment (EAPI) Summit to 29 & 30 July 2020, Radisson Blu, Upperhill Nairobi. The two-day meeting focuses on the East African region real estate industry and showcases innovative solutions and technologies being adopted by practitioners.



In light of the disruptions and concerns caused by

the Covid-19 Novel Virus (coronavirus), API Events has rescheduled the BotsReal Investment Forum, originally set to take place on 13 May 2020, to a later date this year. The [BotsReal Property & Infrastructure Forum](#) is a conference on the Botswana real estate and built environment industries.



API AFRICA PROPERTY INVESTMENT SUMMIT
 30 September - 1 October 2020
 Sandton Convention Centre, Johannesburg
 Africa's Leading Real Estate Gathering

ZAMREAL
 ZAMBIA'S PROPERTY FORUM
 23 July 2020
 Taj Pamodzi, Lusaka
 Zambia's Leading Real Estate Conference

ZIMREAL
 PROPERTY INVESTMENT FORUM
 22 July 2020
 Meikles, Harare
 Driving Zimbabwe's Real Estate Sector Forward

MOZAMREAL
 Mozambique's Investment Forum
 (Real Estate | Construction | Infrastructure | Logistics)
 1 July 2020
 Radisson Blu Hotel & Residence, Maputo
 Mozambique's Premier Investment Forum

ABFC 22nd - 23rd April 2020 Nairobi, Kenya
 Africa Banking & Finance Conference
 Winning practices - Re-Thinking Business Innovative Strategies

AHIS 2nd Edition Affordable Housing Investment Summit Africa
 Powered By **gob**
 27th & 28th May - 2020 Lagos, Nigeria

WESTAFRICA PROPERTY INVESTMENT SUMMIT
 25-26 November 2020
 Eko Hotel, Lagos
 West Africa's Property Gathering

Wharton University of Pennsylvania
 June 1-12, 2020
INTERNATIONAL HOUSING FINANCE PROGRAM
 A comprehensive executive course in housing finance focused on emerging markets



This is the monthly newsletter for AUHF. The AUHF is an association of fifty mortgage banks, microfinance institutions, building societies, housing corporations and other entities involved in the mobilisation of finances for the development of shelter and housing on the African continent. The AUHF is a non-governmental association and has a presence in sixteen countries across Africa.

website: www.auhf.co.za | linkedIn: [African Union for Housing Finance](#) | twitter: [AUHF_Housing](#)

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