

A look into housing finance in Africa

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Newsletter

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## FINANCING HOUSING IN AFRICA

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### EXPLORING THE ROLE OF TECHNOLOGY IN RESIDENTIAL PROPERTY MARKETS


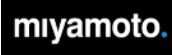


Construction costs are often the largest component of the overall cost of housing supply in the SSA region, according to [benchmarking data from the Centre for Affordable Housing Finance in Africa \(CAHF\)](#), varying between 36.5 and 70.9 percent. So, a key affordability question is: can we build houses at a lower cost than we do now?

In the past, technical advancements such as steel and reinforced concrete allowed for the construction of larger and taller apartment buildings while lowering per-unit costs. Today, new technology, whether found in the delivery of especially modular building materials or in more effective approaches to programme management, is creating new opportunities for affordability.

As housing sector practitioners seek to meet the demands for affordable housing, many are approaching the challenge with tech. Their efforts are transforming how we build across the continent, ushering in a new age in which construction materials, apps, and technologies produced and built on the continent are used in innovative ways.

Many AUHF members are at the forefront of leveraging technology to tackle affordable housing challenges and achieve target eleven of the UN's Sustainable Development Goals. For example:

-  [The Nigeria Mortgage Refinance Company \(NMRC\)](#) has collaborated with HouseAfrica to launch [PropVat, a blockchain-based digital land and property title authentication and verification framework](#) that will enable individuals and organizations such as financial institutions to authenticate, verify, or confirm the value of any property or land in Nigeria, thereby increasing the amount of money available.
-  [iBuild Global](#) is the first fintech app of its kind to provide a tool that streamlines and handles the functions of all construction stakeholders. The use of technologies, including an integrated mobile wallet, geo-tagging, and credibility checking has given the construction industry a sense of transparency that it didn't have before. In partnership with [Miyamoto International](#), iBuild Global has developed a technology that can digitally diagnose disasters and speed up the recovery process. Read more, [Click here](#)
-  [EchoStone Nigeria](#) has developed a high-quality concrete (CLC) and reusable panel formwork that eliminates the need for heavy-lifting equipment while also replacing steel, aluminum, plywood, and cinder blocks, improving the housing distribution process' performance.

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 With its Block-module, an eco-friendly device made of biocomposite, a mixture of fibres and recyclable plastics from traceable sources, [Block Solutions Oy](#), created a whole new eco-sustainable way of constructing houses. The block-architecture module's is very light, mobile, and adaptable.
- 
[Miyamoto International](#) is a leading construction and engineering company that specializes in earthquake design for new and existing buildings and resilient process engineering that protects critical infrastructure and mitigates environmental risk.
- 
[14Trees](#) is using 3D printing to create low-carbon homes and schools on a wide scale. The walls of its concept house were printed in 12 hours, against approximately four days using conventional methods. They also developed durabrick bricks, which are made from a combination of soil and cement, packed in a mold, and allowed to cure naturally rather than being fired – a method known to be saving up to 14 trees per house.
- 
 The Excellence in Design for Greater Efficiencies (EDGE) Green Building Certification Framework was established by the [International Finance Corporation \(IFC\)](#). The [EDGE](#) certification program aims to reduce the building sector's environmental footprint in three fields, especially in developing countries: direct energy use, water use, and building material environmental effects.

Furthermore, at the [36th AUHF Virtual Conference and AGM 2020](#), various experts from across the continent participated in panel discussions centred on technology on:

- Resolving Land Titling Challenges With Blockchain Technology: Experiences From South Africa: Click [here](#) to access the recording of the presentation and panel discussion.
- The Future of Proptech in Affordable Housing in Africa: Click [here](#) to access the recording of the panel discussion.
- Proptech Masterclass: Click [here](#) to access the recording of the Masterclass.

To learn more about the AUHF members, [click here](#)

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## SHELTERTECH AFRICA ALUMNI COMMUNITY EVENT

**Habitat for Humanity®**

**Terwilliger Center for Innovation in Shelter**

**SHELTERTECH AFRICA ALUMNI COMMUNITY EVENT**

23rd February 2021  
16.00 hours EAT

**VIRTUAL EVENT ZOOM**

The Value of Corporate Networks in Scaling business in the Affordable Housing Sector.



AUHF member [Habitat for Humanity's Terwilliger Center](#), [Pangea Accelerator](#), the [Centre for Affordable Housing Finance in Africa \(CAHF\)](#), [Broll Property Group](#) and AUHF member [Reall](#) held a virtual event of the ShelterTech Africa Alumni community on scaling business in the affordable housing sector on the 23rd February 2021.

The ShelterTech Africa community is a co-creation and stakeholder-driven community led by the Terwilliger Center for Innovation in Shelter, Habitat for Humanity. The ShelterTech community seeks to extend support and networking opportunities to entrepreneurs and innovators to facilitate housing markets to better meet the needs of affordable housing in Africa.

The purpose of the event was to amplify the ongoing ShelterTech partners onboarding process while providing value to the alumni community business.

To learn more about this event, [click here](#). To view the discussion, click below.



## WEBINAR SERIES ON HOUSING FINANCE IN AFRICA North Africa



The latest edition of the African Housing Finance Yearbook produced by the Center for Affordable Housing in Africa (CAHF) was launched at the **36th AUHF Conference and AGM** in November 2020. It offers an up-to-date overview of the developments in each country's sector over the past

Housing Finance in Africa Yearbook **2020 YEARBOOK**

**Yet even the cheapest newly built house remains unaffordable to the majority of households in Africa.**

- COVID-19 further challenges housing affordability despite drop in interest rates in many countries.
- Lockdown has brought building material shortages and increased prices for materials.
- CAHF tracks **cost of bag of cement**: In 2020, it is below US\$10 in many countries.
  - US\$30 in Eritrea, Mauritania and Sudan
- Suggests a policy and delivery response that focuses on the local manufacturing of building materials, and investment in infrastructure

### Housing affordability

PERCENT URBAN HOUSEHOLDS WHO CAN AFFORD THE CHEAPEST NEWLY BUILT HOUSE (2020)

Proportion of urban households who might afford the cheapest (in US\$) newly built house by a private developer, given current mortgage financing arrangements.

US\$ exchange rate (1 July 2020).

Source: CAHF research and calculations, 2020. Income data from CGDD, 2019.

CAHF Centre for Affordable Housing Finance in Africa

Post the AUHF conference, on the 25th of February 2021, CAHF held a webinar reflecting on new housing and housing finance developments in North Africa, with a special emphasis on Algeria and Morocco based on its Housing Finance in Africa Yearbook on the 25th February 2021. The webinar was offered in French, and panelists included Mounia Tagma, International consultant in housing policy, Olivier

Hassler, Independent housing finance consultant (former World Bank expert in the Financial and Private Sector Development), Thierno Birahim Niang, Statistician Economist Engineer and Author of Algeria's profile in the 2020 Housing Finance Yearbook, Jean Pierre Schaefer, expert in housing economy and urban development and Mounir Kabbaj, Deputy director responsible of commercial development and marketing, BOA Morocco.

Thierno Birahim Niang started of the session by sharing with stakeholders the latest developments in the North African housing finance value chain. He also shared on the interconnectedness of affordable housing, economic development and social inclusion. Focusing specifically on housing finance and housing policies, the panelists highlighted the main trends affecting the housing sector in both Morocco and Algeria. They also shared the new trends that they have observed in 2020 amid the COVID-19 crisis.

To view the 2020 Housing Finance in Africa Yearbook, [click here](#)

**To view the country profile for Morocco, click here**

**To view the country profile for Algeria, click here**

To view the webinar recording in French, [click here](#):




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## FROM THE INDUSTRY: RECENT BLOGS AND REPORTS

[The Housing Economic Value Chain - The case of Côte d'Ivoire](#). This paper outlines the findings from a pioneering methodology (an economic value chain study) developed by CAHF that has been used to describe, quantify and compare the impact of housing on the economy of Côte d'Ivoire.-by [David Gardner](#), [Jacus Pienaar](#), [Keith Lockwood](#). AUHF member [Property Kro](#) is now working with CAHF to organise a launch of the report including a webinar open to the public. For more information please contact Marine Cavaillon on [marine@housingfinanceafrica.org](mailto:marine@housingfinanceafrica.org)



[Profiling and Understanding the Residential Rental Market in Mozambique](#). This research was commissioned by the Centre for Affordable Housing Finance in Africa (CAHF) in partnership with Financial Sector Deepening Mozambique (FSDMoç), to highlight the importance of Mozambique's rental market and to support the development of a research and data agenda that supports the sector. The key objective of the research was to explore and quantify the residential rental market, focusing on the affordable market. -by [João Z. Carrilho](#).

[Macroeconomic leading indicators of listed property price movements in Nigeria and South Africa](#). This article published by the University of the Free State in South Africa aims to identify macroeconomic leading indicators that influence changes in the listed property price movements in South Africa and Nigeria. This serves to improve the quantitative approaches to investment appraisal in emerging markets of sub-Saharan Africa. - by [Benita Zulch](#), [Joseph Yacim](#), [Kevin Wall](#), [Oladeji Jonathan D.](#), The University of the Free State.

[Better Loans for Better Homes: A New Assessment Tool Helps Microfinance Institutions Increase Their Housing Impact](#). The majority of housing in developing countries is self-built and incremental, and homeowners often seek financing from microfinance institutions (MFIs). However, this form of construction process, according to this study, can result in serious quality and structural issues, as well as raising the lending risk for MFIs. This study speaks about how a new evaluation method, developed by AUHF member Habitat for Humanity International's Terwilliger Centre, that will help lenders better understand and manage risk. - by [Naeem Razwani](#), [Jitendra Balani](#) and [Olivia Nielsen](#).

[Cornerstone of Recovery: How housing can help emerging market economies rebound from COVID-19](#). This study released by an AUHF member [Habitat for Humanity](#) on World Habitat Day demonstrates how developing economies battling to recover from the COVID-19 pandemic could be seriously underestimating how much their housing sectors contribute to GDP and, as a result, losing opportunities for economic and social revival. - by [Arthur Acolin](#), and [Marja Hoek-Smit](#).

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

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## MEET OUR NEW MEMBERS

### [Egyptian Mortgage Federation \(EMF\)](#)

Established in 2015 under the supervision of the Egyptian Financial Regulatory Authority (FRA), the EMF currently has 28 members involved in the development of the mortgage finance industry in Egypt. Their objective is to improve the performance of the sector and to align itself with the strategic objectives of the Financial Regulatory Authority; to create inclusive financial systems and to improve the competitiveness of the national economy.

### [Reall](#)

Reall is an investor and innovator of affordable housing in Africa and Asia. They develop, refine and share innovative housing models that unlock the political will, capital investment and end-user financing needed to create the conditions for hard-working families to be secure in their homes. Their goal is to build an affordable housing movement that will improve the life chances of 100 million people in urban Africa and Asia by 2030.



## INTERESTED IN BECOMING A MEMBER OF THE AUHF?

The AUHF membership is sitting at 43 companies from across 18 countries, all focused on promoting housing finance on the African continent. Be part of this significant body of affordable housing influencers and join the AUHF!

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 housing. As an industry body, AUHF promotes the development of effective housing finance markets and affordable housing across Africa, working in the interests of both our members and the industry as a whole. In serving its members and realising its goal of effective housing finance markets and delivery of affordable housing in Africa, the AUHF pursues five main activities:

1. **Networking and investment support;**
2. **Capacity building and training;**
3. **Lobbying and advocacy, and**
4. **Information collection and dissemination.**
5. **Showcasing Membership to the Wider Public & Investment Community;**

For more information about AUHF please visit our website: [www.auhf.co.za](http://www.auhf.co.za). Apply to Become a Member of the AUHF, register on our [website](#) or download the application form [here](#). We would be delighted to have your organisation as a member, collaborating with us to make housing finance markets effective, and the delivery of affordable housing effective across Africa.

## AUHF MEMBER NEWS

[iBuild](#) in partnership with [Miyamoto International](#) developed a technology that can digitally diagnose disasters and speed up the recovery process. Read more, [Click here](#)



Pan-African Housing Financier [Shelter Afrique](#) will finance the building of 3,000 social housing units in Cameroon in an attempt to help alleviate the country's 2.5 million-unit social housing shortfall, according to recent government estimates. Read more, [click here](#).



The [Federal Mortgage Bank of Nigeria \(FMBN\)](#), was able to deliver a total of 789 additional housing units of affordable housing stock under its estate development, cooperative housing development

and ministerial pilot housing scheme windows. Read more, [click here](#).

[The Kenya Mortgage Refinance Company \(KMRC\)](#), has extended credit to mortgage lenders totaling Sh2.76 billion, accounting for around 7% of the fund's overall capital pool. Read more, [click here](#).




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## NEWS ACROSS AFRICA

### EAST AFRICA

In Kenya, a developer is seeking government approval to construct 1,959 residential apartments comprising two and three-bedroom houses in Kiambu County's Migaa Golf Estate which has the advantage of proximity to Nairobi. According to [Business Daily](#) news article of 8 March 2021, given that this is the region with the largest supply shortage, affordable housing is becoming more appealing as one of the few development areas in the market. Read more, [click here](#).

In Malawi, the Minister of Lands is currently reforming all land-related legislation to close any gaps that could occur in order to resolve Malawians' questions about land. According to the [Malawi24](#) news article on 22 March 2021, the minister will also ensure that plots are only given to those who can show they have the financial means to construct houses on them. Read more, [click here](#)

In Rwanda, the City of Kigali started work to turn the capital's Central Business District, into a more desirable green and recreational public space. According to [The New Times](#) news article of 18 March 2021, the Urban Planning Code proposes allocating at least 5% of urban residential areas to public spaces and services. Read more, [click here](#)

In Uganda, the Physical Infrastructure Committee has been tasked with reviewing the Real Estate Agency Bill 2020. This comes after the Ministry of Finance refused to issue a certificate of the bill's financial effect. According to [Capital FM](#) news article of 4 March 2021, if the bill becomes law, it will streamline and help the country's real estate development. Read more, [click here](#)

### NORTH AFRICA

In Libya, according to the president of the Libyan Contractors Union, it will take an estimated 450 billion dollars over the next five years to reconstruct the country after ten years of wars and civil wars. According to a [Libyan Express](#) News article of 22 March 2021, Construction would take at least three million qualified employees during the rebuilding period. Read more, [click here](#).

In Morocco, the UN Population Fund's (UNFAP) representative expressed its support for Morocco's upcoming general population and housing census, which is scheduled for 2024. According to the [Morocco World](#) news article of 22 March 2021, the Fund's collaboration with the Kingdom has resulted in the introduction of large initiatives and the completion of many others, with the kingdom's advanced regionalization model being cited as exemplary and likely to be repeated in other countries. Read more, [click here](#)

In Egypt, the Central Bank of Egypt (CBE) has unveiled a new real estate program aimed at low- and middle-income individuals, offering 30-year loans with a 3% interest rate. According to the [Ahran online](#) news article of 20 March 2021, loans made under the initiative could also be used for registered units, and units in emerging urban areas around the country. Read more, [click here](#)

### SOUTHERN AFRICA

In South Africa, cabinet supported the tabling of the Housing Consumer Protection Bill in parliament. The bill proposes transformational reforms in the house-building sector, including modifications such as extending housing consumers' protection and additions to an existing residence. According to



**WEST AFRICA**

In Nigeria, officials have wrecked hundreds of businesses and homes in waves of violent forced evictions on the lagoons and islands that surround the state's major city's rivers, displacing thousands of mainly poor citizens. According to [The Guardian](#) news article of 12 March 2021, residents are accused by the port authority and navy units that carry out the evictions, of either extracting oil from the pipes that flow under the waters, thereby depriving the state's reserves of income, or turning a blind eye to the crime. Read more, [click here](#)

In Togo, Shelter-Afrique and the Togolese government will build 3,000 affordable housing units in Lomé. According to [Togo First](#) news article on 2 March 2021, This comes at a time when the housing deficit in Togo's capital has increased dramatically over the last decade as a result of population growth and rapid urbanization. Read more, [click here](#)

In Burkina Faso, a property developer claims they were granted the right to develop the farmland of residents in Boassa village, as part of a government drive to increase affordable housing across the country. According to the [Reuters](#) news article of 4 March 2021, locals claim they are being abused by developers, and the government is doing nothing to intervene, while the government pushes to develop rural land for housing with the help of property corporations. Read more, [click here](#)

[BusinessTech](#) news of 12 March 2021, the proposed changes provide a legislative basis for initiating the process of assigning common land to individuals or societies whose land tenure is legally precarious. Read more, [click here](#).

In Zimbabwe, the Zimbabwe National Organisation of Associations and Citizen Trust (ZNOART) has compiled a list of protocols that home buyers should follow to prevent being duped when purchasing residential land. This occurs at a time when many residents have been duped for years by land barons who sell them unlawfully bought residential lots. According to [Pindula](#) news of 7 March 2021, hundreds of houses have recently been demolished across the region, with local councils claiming that they were constructed on undesignated areas such as wetlands and leisure areas. Read more, [click here](#).

**CENTRAL AFRICA**

In Cameroon, because of the new rent scheme, the Cameroon Real Estate Corporation (SIC) has already seen a XAF60 billion sales deficit. According to the [Investir au Cameroun](#) news article of 11 March 2021, the technical commission for the reconstruction of state-owned corporations even recommended that such rentals be raised because they hinder the development of the corporation. Read more, [click here](#).

**2020 LIST OF UPCOMING EVENTS**

UPCOMING SUMMITS 2021			
<p><b>EAST AFRICA PROPERTY INVESTMENT SUMMIT</b></p>	<p><b>AFRICA PROPTech FORUM</b></p>	<p><b>API AFRICA PROPERTY INVESTMENT SUMMIT</b></p>	<p><b>WEST AFRICA PROPERTY INVESTMENT SUMMIT</b></p>
<p><b>EAPI SUMMIT</b></p> <p>09 &amp; 10 June Kempinski Hotel Nairobi *Hybrid</p>	<p><b>AFRICA PROPTech FORUM</b></p> <p>07 September Sandton Convention Centre, Joburg *Hybrid</p>	<p><b>API SUMMIT</b></p> <p>08-09 September Sandton, Convention Centre, Joburg *Hybrid</p>	<p><b>WAPI SUMMIT</b></p> <p>26 &amp; 27 November Lagos *Hybrid</p>

**Africa Property Investment (API) Events will be holding Live (Hybrid) Summits in 2021**

API Events will hold hybrid summits that have both live in-person and virtual attendees who can engage

and interact with the content, sessions, sponsors and networking opportunities at the same time. This involves the East Africa Property Investment Summit, Africa Proptech Forum, AUHF Conference and West Africa Property Investment Summit. To learn more about the events, visit API's website [here](#).



## 37th ANNUAL EXECUTIVE HOUSING FINANCE COURSE





As part of the implementation of the Arrears Policy, there will be consequences for non-payment by members after 3 months (30 September), members who are not current on their accounts will have their membership placed on hold. After 6 months (31 December) members in arrears will find their membership revoked. Their organisational details will be removed from the website and all the member benefits will be removed.

Apply to Become a Member of the AUHF, register on our [website](#) or download the application form [here](#).

This is the monthly newsletter for AUHF. The AUHF is an association of fifty-nine 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](http://www.auhf.co.za) | linkedIn: [African Union for Housing Finance](#) | twitter: [AUHF\\_Housing](#)

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