

HOUSING FINANCE INTERNATIONAL

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Housing news from the African Union for Housing Finance

↳ By Thandiwe Dhlamini, Coordinator, African Union for Housing Finance (AUHF)

The African Union for Housing Finance has been growing steadily and now represents 58 members across 24 countries, currently incorporating 21 members in Southern Africa, 2 in North Africa, 12 in West Africa, 10 in East Africa, 2 in Central Africa and 11 International members. Members include commercial and mortgage banks, building societies, microfinance banks and institutions, prop-tech companies, housing development corporations, and other institutions and professionals involved in the mobilisation of funds for shelter and housing. As an industry body, the AUHF promotes the development of effective housing finance markets, and the delivery of affordable housing across Africa, working in the interests of both the members and the industry as a whole. Across this diversity, the AUHF community is driving innovative responses to the housing challenges across Africa.

In July 2022, AUHF member, Africa International Housing Show (AIHS)¹ hosted Africa's premium affordable housing and construction show, in Abuja in the Federal Republic of Nigeria. The 16th Africa International Housing Show themed, "Housing for All: The Role of Governments in Creating an Effective Enabling Environment" was held from the 24th -28th of July 2022. Attendees included various government officials and local and international housing and construction experts. Nigeria needs 28million houses to bridge Nigeria's housing deficit².

Speaking at the AIHS, Mr Femi Adewole (CEO of AUHF member, Family Homes Funds³) emphasised that Nigeria's housing challenges can

only be tackled through harmonisation of all housing programmes and strategic collaboration between public and private stakeholders. The founder and convener of the AIHS, Mr Festus Adebayo echoed the need for government regulations to enable the environment to stimulate ideas on affordable housing and support investments. The speakers and participants at the show made a unanimous plea for more strategic engagement between the private sector and the governments in supporting the development of infrastructure to enable productivity and ease of business for the private sector financing and developing housing across Africa. A communique issued at the end of the 16th Africa international housing show includes detailed resolutions and recommendations to all stakeholders in the housing and housing finance sector- see <https://www.africahousingnews.com/full-text-of-the-16th-aihs-2022-communique/>⁴

In the same month, AUHF member Shelter Afrique held its 41st Annual General Meeting and Symposium in the resort town of Victoria Falls, Zimbabwe from 24th to 29th July 2022. Ministerial delegates and representatives from the organisation's shareholders as well as other sector players were in attendance, both in person and virtually, to deliberate the state of the organisation and how to take Shelter Afrique forward in a manner that upholds the member countries' interests and deepens the continent's housing sector. The theme for the Symposium was "Climate Change and the Built Environment", the impacts of the built environment on climate and vice versa were discussed with recommendations for green resilient building. The continent's leading experts on climate and the built en-

vironment including Dr Olufunso Somorin, Yvonne Nzomo, Papa Odenyi Quansah and Wale Odufalu shared their insights and led the dialogues on how the building industry can also contribute to this revolution.

Shelter Afrique⁵ is supporting the Zimbabwean affordable housing sector through access to finance. US\$63million was released by Shelter Afrique for the delivery of affordable houses in Zimbabwe. In an interview with Herald, National Housing and Social Amenities Minister Daniel Garwe explained that as a shareholder of Shelter Afrique, Zimbabwe has benefited from a loan facility that has been extended to local banks including AUHF members Commercial Bank of Zimbabwe (CBZ)⁶, ZB Bank⁷, FBC Building Society⁸ and Central African Building Society (CABS)⁹. Some of the housing developments financed by this loan include the Hopely Housing development programme where 4000 houses are being built in Bulawayo, and a 3000-unit development in Dzivarasekwa, located in the city of Harare. Through Shelter Afrique, the government has also managed to source funding for the construction of plants to manufacture green construction materials in Zimbabwe, which is also a great contribution to addressing the issues of climate change¹⁰.

Mobilisation of funds to support institutions providing finance for affordable housing is key in the efforts to ensure access to affordable housing infrastructure development across the continent. In realising its mandate to provide financing for housing and urban infrastructure projects, Shelter Afrique is also taking huge strides in availing finance across its member states. In Nigeria, Shelter Afrique extended a loan of US\$19.5million (approx. N8

¹ <https://www.auhf.co.za/international-housing-construction-show/>

² <https://guardian.ng/property/stakeholders-look-for-enabling-environment-for-investors-in-housing/> ³ <https://www.auhf.co.za/family-homes-funds/>

⁴ <https://www.africahousingnews.com/full-text-of-the-16th-aihs-2022-communique/>

⁵ <https://www.auhf.co.za/shelter-afrique/>

⁶ <https://www.auhf.co.za/cbz-bank/>

⁷ <https://www.zb.co.zw/>

⁸ <https://www.auhf.co.za/fbc-building-society/>

⁹ <https://www.herald.co.zw/us63-million-for-construction-of-eco-friendly-houses-availed/>

¹⁰ <https://www.herald.co.zw/national-housing-programme-accelerates/>

billion) to Mixta Real Estate PLC¹¹ to co-finance Mixta's affordable residential project investments and for debt refinancing¹². In September, Shelter Afrique lent US\$ 18.5million to Maison Super Development a real estate development company in the Democratic Republic of Congo (DRC). In a press release on the 20th of September, Shelter Afrique mentions that the 5-year facility will be used to finance residential and commercial real estate projects in Lubumbashi and Kolwezi¹³. Shelter Afrique also offered credit worth US\$11.4million to finance 285 mortgages in DRC.

Collaboration amongst stakeholders is another key practice critical in addressing the housing challenges in Africa. The AUHF community continue to work on strengthening and initiating strategic relationships to support their efforts. AUHF members Tanzania Mortgage Refinance Company (TMRC)¹⁴ and Habitat for Humanity International¹⁵ signed a Memorandum of Understanding on the 17th of August 2022. The MOU focuses on housing microfinance for the lower-income Tanzanians and those working in the informal sector who wish to build, purchase, or upgrade their homes. This collaboration is said to be a key to realising TMRC and HFHI's commitment to expanding access to homeownership for all families including the lower end of the market¹⁶. Through this partnership, Habitat's Terwilliger Centre will provide technical support to TMRC to assist in piloting new housing loan products backed by TMRC investments.

In Nigeria, AUHF member, the Federal Mortgage Bank of Nigeria (FMBN)¹⁷ and Nigerians In Diaspora Commission (NIDCOM)¹⁸ have partnered to launch a homeowner's scheme for Nigerians working abroad. In an address at the National Diaspora Day, 2022 celebration held in Abuja, Nigeria, FNMB Executive Director Lumka Mustapha explained that this initiative was necessary following tales of woe from Diaspora Nigerians, who have been swindled or defrauded by agents, friends and relatives while trying to acquire homes in Nigeria¹⁹. This scheme would help Diaspora Nigerians to take loans and buy their homes. It is often difficult for diaspora Africans to painlessly build or renovate their homes remotely and

such initiatives will help Africans who have relocated in pursuit of a better life and wish to come home to comfortable homes someday.

Another Nigerian AUHF member, Family Homes Funds Limited (FHFL), signed a Memorandum of Understanding with the Nigeria Institute of Quantity Surveyors (NIQS)²⁰ to develop the capacity of FHFL staff on costing and cost management of construction projects. This partnership will ensure that FHFL projects will adhere to all structural regulations ensuring the integrity of the buildings. The president of NIQS, QS Shonubi called on the Managing Director of Family Homes Funds, Mr Femi Adewole to ensure that FHFL only accept Bills of Quantities signed and sealed by a Registered Quantity Surveyor from developers seeking funding from the Affordable Housing Funds²¹. This comes after a number of buildings have been seen to collapse across Nigeria.

The AUHF and its member Altair International²² co-hosted a 4-part webinar series: Rent to Own as a mechanism to enable affordable home ownership – exploring the potential for African economies. The following topics were discussed in the 4 sessions.

- Session 1: Why Rent-to-Own and how to make it a success?

Listen to the recording here:

<https://www.youtube.com/watch?v=diwIbTKMSA&t=124s>

- Session 2: Analysing different models of Rent-to-Own

Listen to the recording here:

<https://www.youtube.com/watch?v=2PJejOLq0>

- Session 3: The financing and legalities of Rent-to-Own

Listen to the recording here:

<https://www.youtube.com/watch?v=zOHtHRIiDgE&t=444s>

- Session 4: Rent-to-Own Case Studies from Africa

Listen to the recording here:

<https://www.youtube.com/watch?v=0QQUGwt01zM>

To encourage engagement among stakeholders in affordable housing, the AUHF co-hosted a Public Seminar in Namibia on the 19th of September. The Seminar was co-hosted in partnership with new AUHF member, Letshego Namibia²³ and AUHF member, Atenu Developments²⁴. Under the theme "Supporting Affordable Housing in Namibia and Africa Region", participants from both the private and public sectors involved in housing development, academic research, and housing development gathered to share their experiences, concerns and ideas around addressing the challenge of affordable housing in Namibia. A lot of work still needs to be done, and it can only be done through dynamic public-private partnerships.

Looking forward, the AUHF is holding its 38th Annual Conference and Annual General Meeting from 28-30 November²⁵. The conference will be held live in Cairo, with a virtual platform for those unable to travel. Overall, the conference will reflect on the theme of a green urban future for affordable housing. We believe this is an excellent opportunity to showcase progress on affordable housing on the continent, while also creating a platform for vibrant debate. The conference connects international, African, and regional stakeholders to Africa's fast-evolving affordable housing sector. To register for the conference and for more information on the conference, reach out to the AUHF Secretariat by writing to thandiwe@housingfinanceafrica.org or visit the conference website: www.auhfconference.com

¹¹ <https://mixtafrica.com/>

¹² <https://www.shelterafrique.org/en/newsroom/view/shelter-afrique-approves-usd19-5-million-credit-line-to-mixta-afrique-for-affordable-housing-projects-in-nigeria-2?title=0>

¹³ <https://www.shelterafrique.org/en/newsroom/view/shelter-afrique-extends-usd-18-5-million-corporate-loan-to-msd-for-housing-projects?title=0>

¹⁴ <https://www.auhf.co.za/tanzania-mortgage-refinance-company-ltd/>

¹⁵ <https://www.auhf.co.za/habitat-for-humanity-international/>

¹⁶ <http://ardenkitomaritz.blogspot.com/2022/08/tanzania-mortgage-refinance-company-to.html>

¹⁷ <https://www.auhf.co.za/federal-mortgage-bank-of-nigeria/>

¹⁸ <https://nidcom.gov.ng/>

¹⁹ <https://guardian.ng/property/fmbn-nidcom-partner-on-diaspora-housing-scheme/>

²⁰ <https://niqs.org.ng/>

²¹ <https://www.thisdaylive.com/index.php/2022/09/20/niqs-family-homes-to-sign-mou-on-training/>

²² <https://www.auhf.co.za/altair-international/>

²³ <https://www.letshego.com/namibia>

²⁴ <https://www.auhf.co.za/atenu-developments/>

²⁵ <https://www.auhfconference.com>