Centre for Affordable Housing Finance in Africa

Habitat for Humanity® Zambia

Ministry of Infrastructure, Housing and Urban Development

Bricks and Jobs

How Much Can Housing Grow Zambia's Economy?

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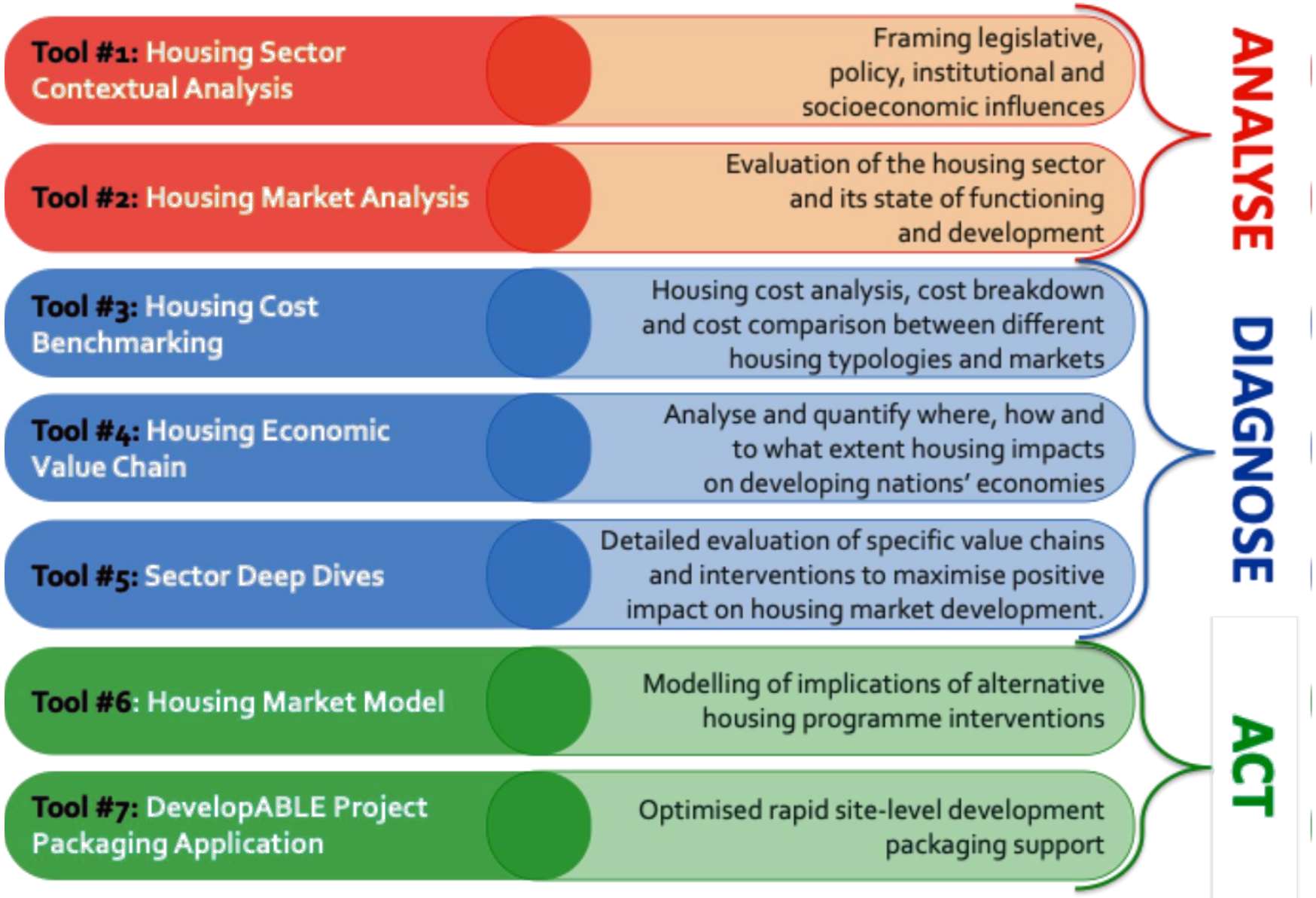


How much can housing grow Zambia's economy?

1. What does it mean to study the housing value chain?
2. Headline results
3. Understanding the constraints
4. 10 findings call for broad reform
5. Who does what? And when?



1. What does it mean to study the housing economic value chain?

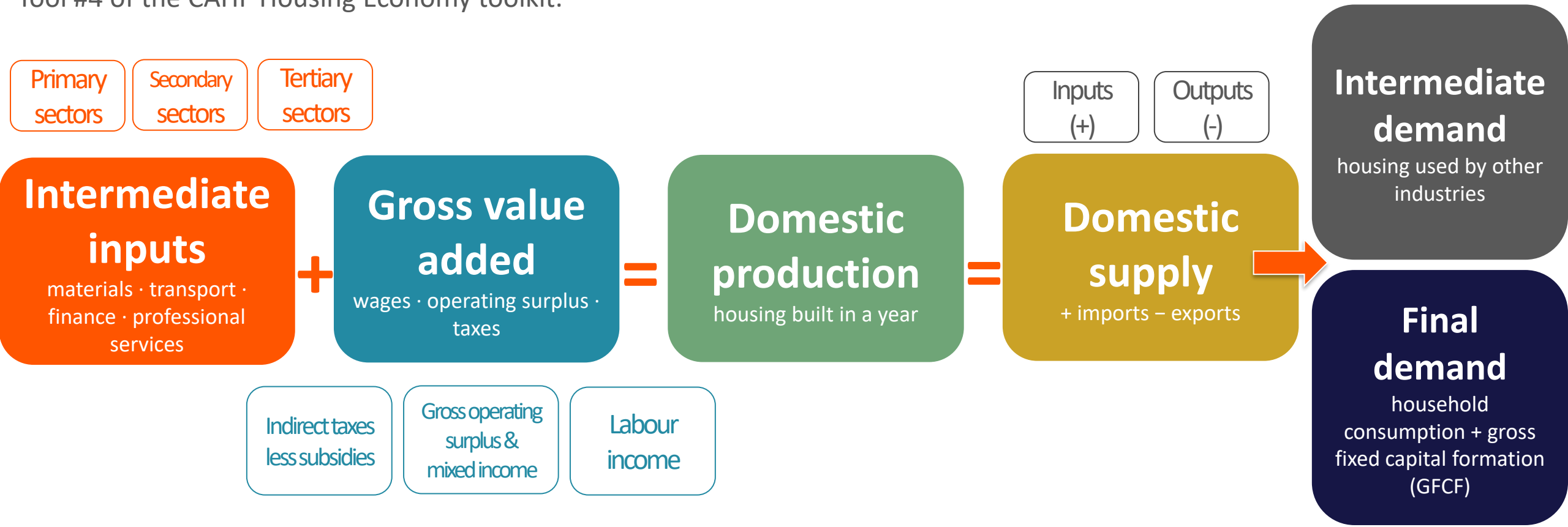


The Housing Economy Toolkit

To access the full library of studies in the **Housing in the Economy Programme**, visit https://housingfinanceafrica.org/projects/housing-and-the-economy/

1. What does it mean to study the housing economic value chain?

Tool #4 of the CAHF Housing Economy toolkit.



Sources: CAHF Housing in the Economy toolkit, Tool #4 (HEVC); Analytical Report, Client Final Draft V7.8 (4 Nov 2026), Annexure G. No model figures on this slide.

2. Headline Results: Housing is one of Zambia's largest economic channels

ZMW 39.3 bn
GDP-equivalent contribution (GVA), 2023 prices

7.1 %
of Zambia's GDP

227,500
job-years of employment · 17.5 % formal (≈ 39,800)

Gross value added (ZMW bn, 2023 prices)



Employment (job-years)



Housing's GDP share next to the sectors national strategy usually talks about



Housing GFCF of ZMW 43.5 bn at 2024 prices = ZMW 37.8 bn at 2023 prices (CPI 2024 = 15.0 %).
Housing supports about 5.7 % of Zambia's 3.98 million employed persons (LFS 2023) — fourth after trade, agriculture and manufacturing.

Sources: HEVC Model V1.3 (October 2026; 2021 SAM, 2023 prices); sector shares and employment share: Analytical Report, Client Final Draft V7.8 (4 Nov 2026) § 10.1 (ZamStats 2024; LFS 2023 Table 5.4).

2. Headline Results: most of the value stays in Zambia — but there are leaks

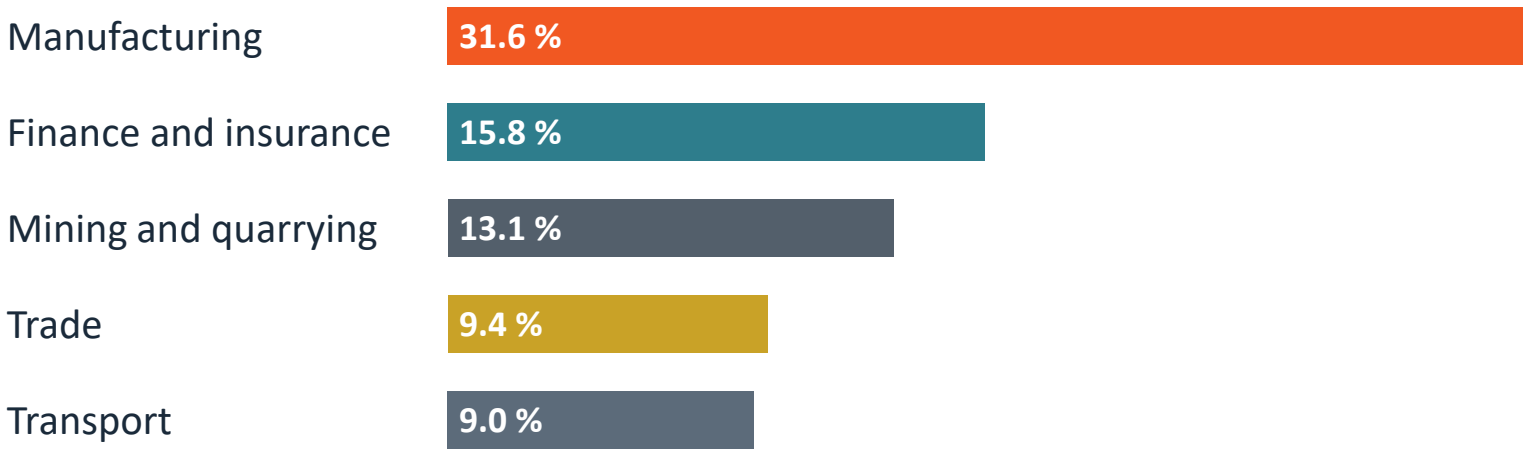
ZMW 37.8 bn
housing investment (GFCF), 2023 prices

→

Direct value added
ZMW 21.8 bn
labour income ≈ 84 % (≈ ZMW 18.4 bn)

Intermediate inputs
≈ ZMW 16 bn
about 28 % of the material inputs imported

What construction's supply chain is made of — share of indirect requirements (2021 SAM)



Import-substitution targets : steel reinforcement and sections (40–60 % imported), electrical fittings and wiring, plumbing fixtures and sanitary ware, specialist finishes; lifts and mechanical plant are fully imported.

Import leakage: ZMW 9.7 bn

of intermediate demand across the whole chain is met by imports

Localisation can grow GDP impact further

Lowering the materials import share by 7 points raises total GVA from ZMW 39.3 to 39.8 bn and employment from 227,500 to about 231,000 job-years. Domestic content by typology: 60 % (ten-storey tower) to 85 % (traditional house); 92–95 % for serviced and traditional sites.

Sources: HEVC Model V1.3 (imports 28 % of material inputs, leakage 9.7 bn, sensitivity −7 pp, indirect-requirement shares — Subchain E.1); VA share 0.58 and labour share Analytical Report, Client Final Draft V7.8 (4 Nov 2026) § 10.1–10.2 and Annexure C; sensitivity and domestic content § 10.4, § 7.4 and Annexure B (HCB). ≈ ZMW 16 bn is derived (37.8 − 21.8).

2. Headline Results: multipliers – for every kwacha, for every house

The economic multiplier

ZMW 1 ▻ ZMW 1.79

This becomes ZMW1.83 once households spend their wages

Jobs per ZMW million of final demand

2.18
direct jobs

4.00
With supply chain

6.01
With household re-spending

The “CAHF Standard” house (52 m², about ZMW 1.1 million at 2024 prices) **generates about ZMW 1.75 million of Zambian output (2023 prices) and supports about 5.8 job-years across construction, suppliers and consumer spending**.

A serviced site (ZMW 115,000) generates about ZMW 0.18 million and 0.6 job-years – until a house is built on top of it… and this is how 86% access housing…

Sources: HEVC Model V1.3 (imports 28 % of material inputs, leakage 9.7 bn, sensitivity −7 pp, indirect-requirement shares — Subchain E.1); VA share 0.58 and labour share Analytical Report, Client Final Draft V7.8 (4 Nov 2026) § 10.1–10.2 and Annexure C; sensitivity and domestic content § 10.4, § 7.4 and Annexure B (HCB). ≈ ZMW 16 bn is derived (37.8 − 21.8).

3. Understanding the constraints: it is finance more than construction capacity

Demand side: households are outside the formal system

- 68.4 % of households cannot finance a complete house through any mortgage product;
- only 2 % of surveyed households have ever accessed formal housing finance;
- collateral rules exclude about 98 %;
- 66 % of the workforce is informally employed;

Supply side: a small, short, expensive market

- About 7,400 mortgages outstanding (≈ ZMW 10 bn); mortgage debt about 1.8 % of GDP (2023);
- commercial rates 22–28 % over 10–15 years (ZNBS 16–21 % over 25–30 years, 1,195 loans);
- housing micro-loans ZMW 5,000–50,000 at 25–42 % over 3–7 years.

Why the market stays small

- Banks fund long mortgage assets from short deposits;
- there is no long-term capital-market instrument for housing;
- incomes are undocumented and collateral unregistered;
- few products are designed for informally employed households.

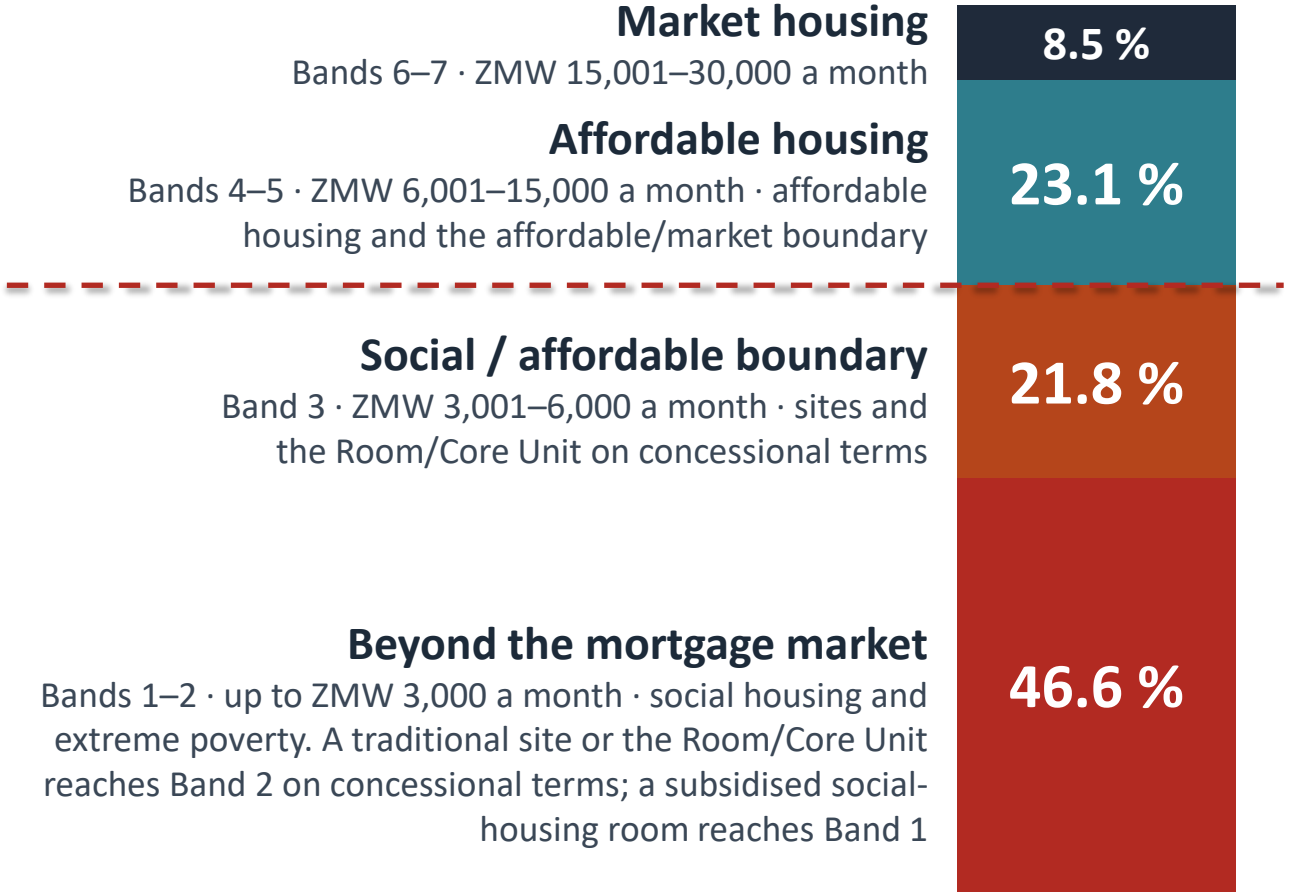
Yet the production system already delivers about 148,000 units a year — 86.5 % of them incrementally.

Construction capacity is not the bottleneck; finance that fits incremental building is.

Sources: HfH Zambia / MicroSave Consulting, Barriers to Access and Usage of Housing Finance in Zambia, April 2024 (N = 681); Analytical Report, Client Final Draft V7.8 (4 Nov 2026) § 5.2–5.5 (CAHF 2024 Yearbook; Bank of Zambia). Non-model figures.

3. Understanding the constraints: 68.4 % of households cannot finance a complete house through a mortgage, even on concessional terms

DEMAND % of Zambia's 4.34 million households, by household income band (2024) (93.3% of Zambians earning less than ZMW30,000)



At market terms:

0 % access	1-Bed Detached needs about ZMW 30,400 a month, just above the Band 7 ceiling of ZMW 30,000
≈ 2.8 %	Core House (ZMW 340,000)
≈ 54 %	Room / Core unit (ZMW 90,000) · NAPSA/NHF terms (12 %, 20 years)

Serviced sites (ZMW 115,000) and traditional sites (ZMW 55,000), financed incrementally on concessional or guaranteed terms, are the most realistic affordable products for the majority.

Sources: Gardner, D. (2026) Analytical Report (5 Nov 2026), Table 5.1, § 5.5; Affordability dashboard (Suite V2.2). Bands: CAHF working estimate (Mar 2026) from LCMS/LFS 2022 and Census 2022, to 2024. Complete house = 1-Bed Detached and above; repayments ≤ 30 % of income. Infographic: CAHF_ZAM_HE_Infographic_AffordabilityCliff_ClientFinal_20261111.

4. Ten findings call for broad reform

1 Housing is an economic driver
ZMW 39.3 bn
7.1 % of GDP · ~228,000 job-years
→ Mainstream housing in national economic planning and the 9th NDP

2 Need outstrips formal supply
148,000
new households a year · <20,000 formal units
→ Scale delivery through every channel — formal, incremental, social

3 Affordability is the binding frontier
68.4 %
of households (Bands 1–3) below ZMW 6,000 a month
→ Design around sites, rooms and incremental building

4 Land and services are the entry point
ZMW 115,000
titled, serviced 350 m² plot · 92 % local
→ Service land before release; fund trunk services publicly

5 Finance architecture is missing
7,400
mortgages · about 1.8 % of GDP
→ A wholesale liquidity vehicle; guaranteed incremental finance

6 People build Zambia's housing
86.5 %
of units informal or incremental
→ Support incremental builders rather than replace them

7 Import substitution is actionable
28 %
of materials imported · ZMW 9.7 bn leakage
→ Localisation targets; upstream materials manufacturing

8 Roles and structures need realigning
4
ministries share housing functions
→ Clarify mandates; reorient the NHA; coordinate via the HSWG

9 A new role for the private sector
Thin
developer capacity · no housing capital-market instruments
→ Crowd in developers, lenders and investors

10 A sector statistics only partly see
2.96
measurement gap (ZMW 43.5 bn vs 14.7 bn)
→ Housing Observatory, annual HEVC report, inclusion indicators

Sources: Gardner, D. (2026) Analytical Report (5 Nov 2026), Ch 3, 5, 7, 10–13, 16, as condensed in the Synthesis Report Ch 1–8. Impact at 2023 prices; costs at 2024 prices. Infographic: CAHF_ZAM_HE_Infographic_EvidenceToStrategy_ClientFinal_20261111.

4. Ten findings call for broad reform: a focus on housing finance

1. **Regulate for incremental products**
   A Bank of Zambia / ZNBS circular enabling incremental, stage-disbursed and rent-to-own housing finance products, issued within 6 months of adoption (immediate).

2. **Pilot an incremental housing credit guarantee**
   A 12-month BoZ/ZNBS-managed scheme with participating MFIs — ZMW 100 m facility, 500 loans (immediate).

3. **De-risk MFI stage-disbursed loans**
   A ZMW 50 m Bank of Zambia de-risking facility with five participating MFIs (short).

4. **Co-lend and co-design with MFIs**
   ZNBS/MFI co-lending and product co-design for incremental and affordable housing, with Zambian Home Loans as a co-lender — ZMW 100 m portfolio (short).

5. **Open DFI co-financing windows**
   Joint housing-finance investment windows with IFC, DBSA and AfDB — US$ 200 m co-financed (short).

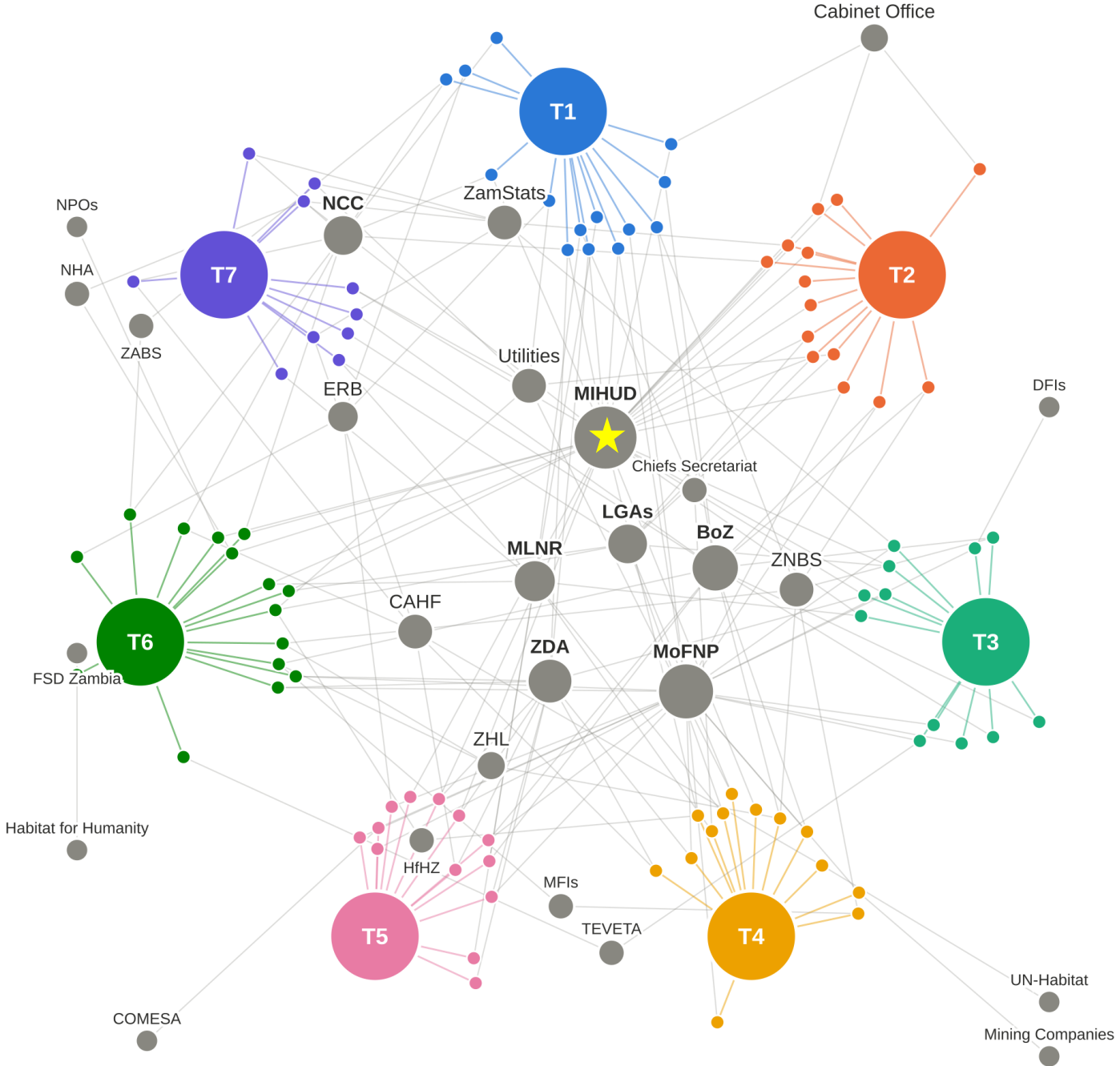
6. **Designate the wholesale mortgage liquidity vehicle**
   An options study chooses the vehicle — a new Mortgage Refinance Company or an enhanced-mandate ZNBS refinancing window — designated within 18 months of adoption; then a ZMW 1 bn LUSE-listed, pension-eligible refinancing bond once it is operational (short - medium).

7. **Protect consumers in the new products**
   A gazetted framework covering rent-to-own, stage loans and public-private-community schemes (T1 · short).

8. **Publish the data**
   Expand BoZ housing-finance statistics to MFI, cooperative, informal and stage-disbursed lending; an annual portfolio transparency report by income band, geography and product (short).

Sources: Analytical Report, Client Final Draft V7.8 (4 Nov 2026) Chapter 12 (CP3) and Table 16.3 (CP3, 17 actions); Table 16.6 (CP6: BoZ ZMW 10 bn housing credit facility aligned to the BoZ Strategic Plan 2024–2027). Horizons relative to adoption, not milestone quarters.

5. Who does what – and with who: coordination will be critical



Themes

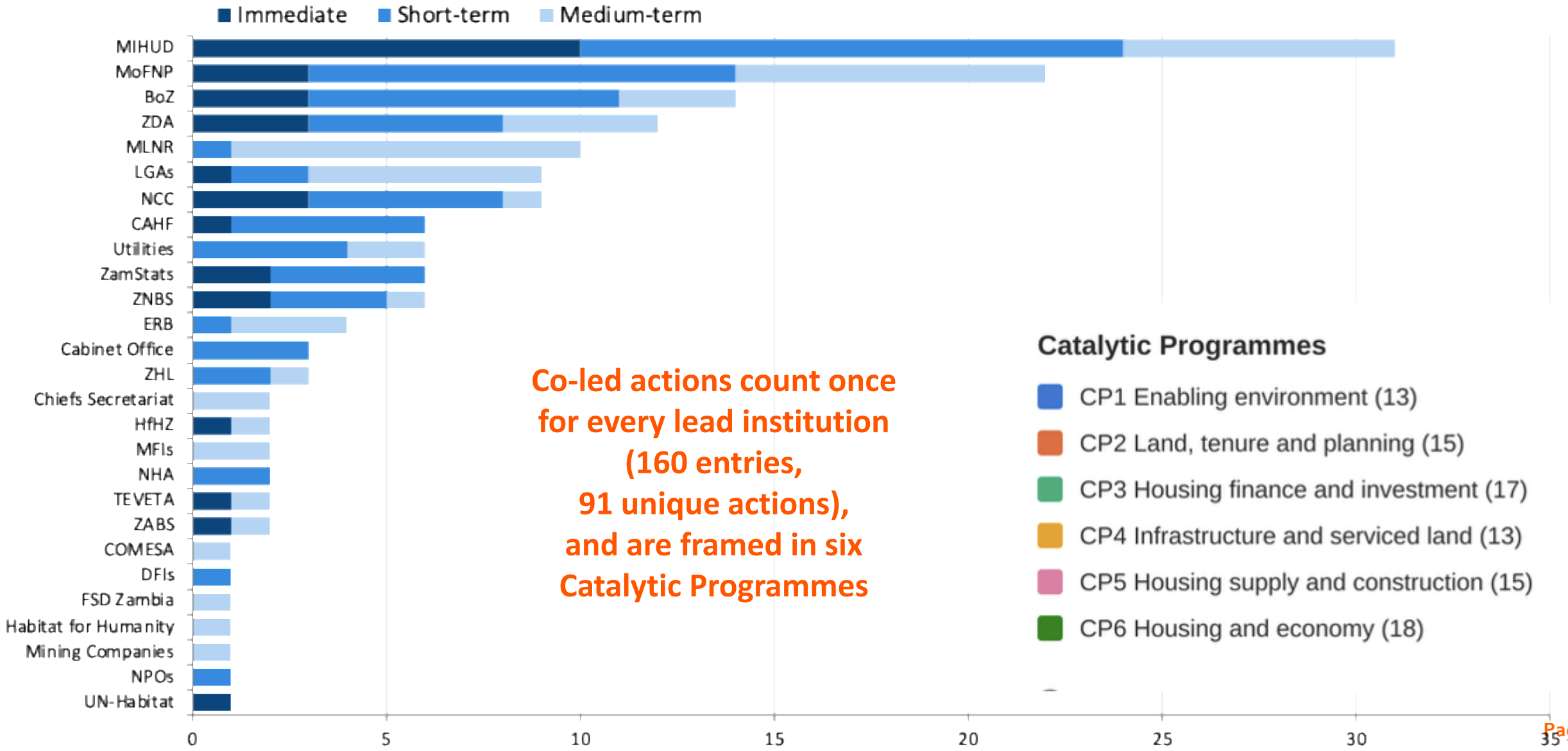
- T1 Legislation, policy and regulation (14)
- T2 Institutional reform and governance (14)
- T3 Public finance and fiscal instruments (12)
- T4 Partnerships and coordination (13)
- T5 Private capital and market development (13)
- T6 Incremental housing, supply and production (15)
- T7 Data, evidence and monitoring (10)

Lead institution (size = actions)

Action (91 in total)

Co-led actions link to every lead.

5. Who does what – and when – everyone is involved and it starts now



5. Who does what – and when – Quick wins

1	**National Housing Forum**	MIHUD	First forum within 3 months of adoption; quarterly thereafter; annual accountability report
2	**Housing in the 9th NDP**	MIHUD / MoFNP	Chapter included in the forthcoming 9th NDP at its adoption; housing KPIs in MoFNP annual review
3	**Housing Sector Working Group**	MIHUD	HSWG operational within 3 months of adoption; quarterly meetings
4	**Standards Sprint**	NCC / ZABS	Updated codes gazetted within 6 months of adoption; 5 ABT systems approved
5	**Incremental Finance Pilot**	BoZ / ZNBS	ZMW 100m guarantee facility; 500 loans by 6 months after adoption
6	**Serviced-land Pilot Zones**	MIHUD / LGAs	500+ plots serviced before construction; 2 zones by 24 months after adoption
7	**Single-window Approvals**	LGAs / MIHUD	Desks operational within 6 months of adoption; approval time <90 days
8	**Housing Observatory**	MIHUD / ZamStats / NHA	Observatory live within 120 days of Housing Act commencement (about 16 months after adoption); quarterly bulletins; annual SoH Report from 24 months after adoption

serviced-land programme targeting 3–5 pilot zones in secondary cities at study-benchmarked costs of ZMW 115,000 per plot

THANK YOU!

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Ministry of Infrastructure, Housing and Urban Development

Habitat for Humanity® Zambia

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Centre for Affordable Housing Finance in Africa

Established in 2014 after incubation phase (2010-2014 within FinMark Trust) www.housingfinanceafrica.org

Vision: An enabled affordable housing finance system in countries throughout Africa, where governments, business and practitioners work together to provide a wide range of housing options accessible to all.

Mission: To make Africa's housing finance markets work, with special attention to access to housing finance for the poor, **through the dissemination of research and market intelligence, the provision of strategic support, and ongoing engagement in both the public and the private sector; supporting increased investment, cross-sector collaborations and a market-based approach.**

Goal: To see an increase of investment in affordable housing and housing finance throughout Africa—more players and better products, with a specific focus on the poor.

African Union for Housing Finance

Established in 1984 with eleven members www.auhf.co.za

Member-based, industry association of mortgage banks, building societies, housing corporations, Development Finance Institutions and other organisations involved in the mobilisation of funds for shelter and housing on the African continent. As an industry body, the AUHF promotes the development of effective housing markets and the delivery of affordable housing across Africa, working in the interests of the members and the industry as a whole. The AUHF is governed by a board of industry leaders elected every two years at its Annual General Body.

AUHF Vision

An enabled and productive housing finance sector across Africa where governments and the private sector work together to develop and maintain efficient and effective housing markets and access to adequate and affordable housing for all.

AUHF Mission

To support its members in realising their vision, **through networking and deal facilitation, information collection and dissemination, lobbying and advocacy, and capacity building and training.**

The Centre for Affordable Housing Finance in Africa (CAHF), based in South Africa, acts as the Secretariat of the AUHF.