

Affordability and Housing Delivery in Africa

What and How ?

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Demographic Pattern & Urbanization in Africa: Facts & Figures

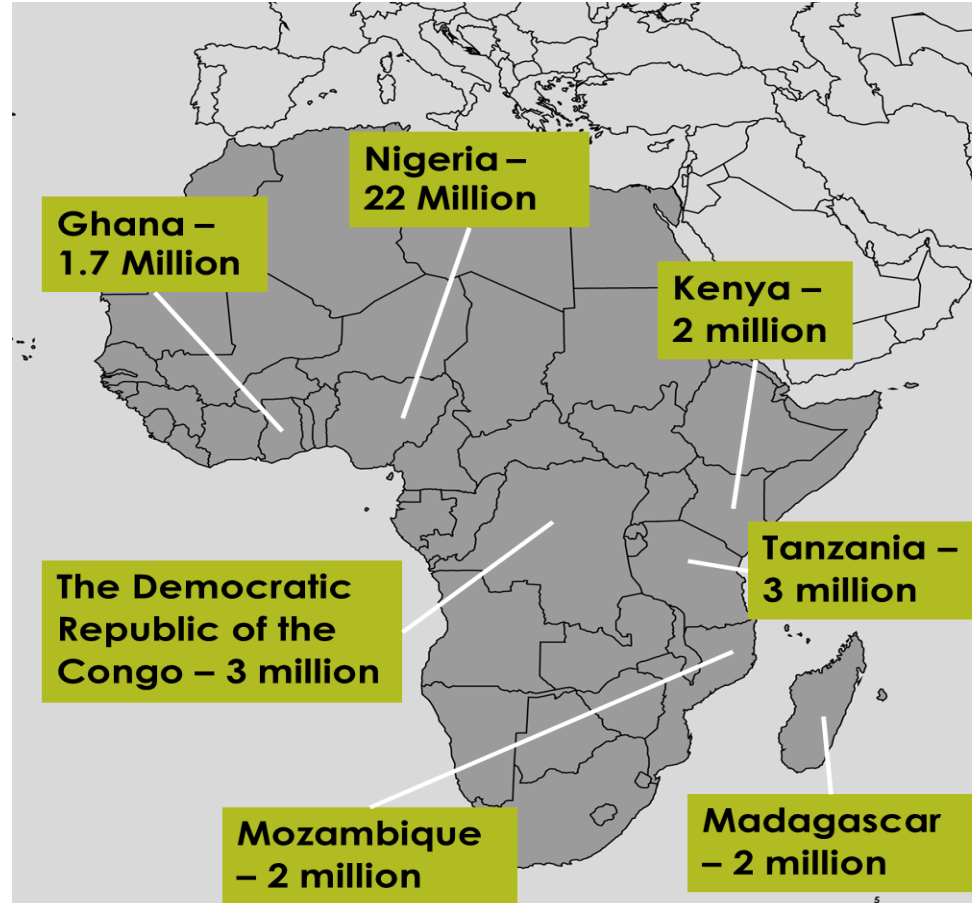
- According to the 2017 Drivers of Migration and Urbanization in Africa report by the United Nations, Sub-Saharan Africa (SSA) is often regarded as the world's fastest urbanizing region.
- Urban areas in the region currently contain 472 million people, and will double over the next 25 years.
- https://www.youtube.com/watch?v=SyX_F-6xixw&t=23s
- The global share of African urban residents is projected to grow from 11.3 percent in 2010 to 20.2 percent by 2050. Source: UN (2017)



Housing Deficits in Africa

- Taking into account the exponential population growth rate in African cities and the ever growing need for decent and affordable housing in the region, which stands at a current deficit of **57 million units**;
- Thereby the development and implementation of all-inclusive, **sustainable and effective affordable housing delivery strategies** becomes pertinent.

Source: Bah et al (2018)



Global & Regional Strategies for Solving Affordable Housing Challenges in Africa

- UN SDG's
- UN New Urban Agenda
- African Union (AU) Agenda 2063



SDG 11 - Sustainable Cities and Communities

- Cities are hubs for ideas, commerce, culture, science, productivity, social development and much more.
- Common urban challenges include congestion, lack of funds to provide basic services, **a shortage of adequate housing**, declining infrastructure and rising air pollution within cities.
- There needs to be a future in which cities provide opportunities for all, with access to basic services, energy, **housing**, transportation and more.



Source: UN SDG Knowledge Platform (2016)

UN New Urban Agenda

- The New Urban Agenda was adopted at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) in Quito, Ecuador in 2016.
- The New Urban Agenda seeks to promote the development and implementation of inclusive, innovative and integrated urban development including urban renewal and **low-cost housing projects**.

Delineating a New Urban Agenda

Promoting a new urbanization model that:

Is universal and adaptable to different national circumstances;

Respect, protect and promote human rights;

Ensures equality and inclusive urban growth;

Addresses the environmental, social and economic objectives of sustainability in an integrative manner;

Promotes the empowerment of civil society, expanding democratic participation and reinforcing collaboration;

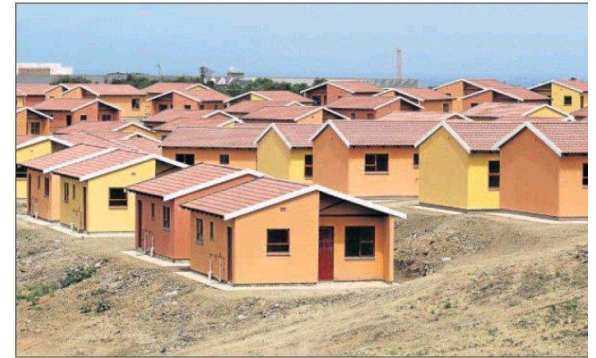
Promotes green cities and environmental sustainability;

Facilitates innovations to enable learning and knowledge sharing;

Promotes a global data revolution.

AU Agenda 2063

- The African Union in 2013 initiated the Agenda 2063, which is aimed at transforming the African continent into a global powerhouse of the future.
- A major component of the agenda is **decent and affordable housing** which is expected to propel African cities to become hubs for economic and social development.



Challenges of Affordability in the African Housing Delivery Context



62%

Sub-Saharan African currently lives in what can only be described as Slum Dwellings



\$97 Billion

The combined value of the housing shortage of Africa's first and second largest economy, Nigeria and South Africa respectively



Only 15%

of Africans can afford to buy a house or qualify for a mortgage.

Mortgage Penetration in Selected African Countries (% of GDP)

Namibia - 20%



Nigeria - 0.58%



Cameroon - 0.5%



Uganda - 1%

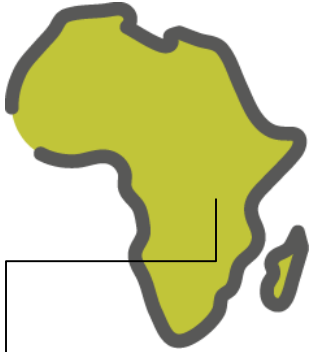


Challenges of Affordability in the African Housing Delivery Context (contd.)

- Nigeria has a low homeownership rate of 25%, lower than that of Indonesia (84%), Kenya (73%), and South Africa (56%).
- Mortgage finance therefore remains a very small percentage of Nigeria's GDP, at 0.58% in comparison to the UK (80%), USA (77 %), and South Africa (31%).
- Mortgage finance in Namibia = 20%, Botswana = 2.3%, Senegal = 2%, Rwanda = 1.2%, Algeria = 1.2%, Uganda = 1%, Cameroun = 0.5%
- As a result of the high cost and limited production of affordable housing in Nigeria, 51 percent of Nigerians live in rented accommodation, 40 percent of whom are paying between N20 000 (US\$55.56) and N100 000 (US\$222.22) yearly.
 - With the majority of the population forced to rent and low regulatory monitoring regarding rentals, landlords and estate agents dictate the market.

Source: CAHF 2018

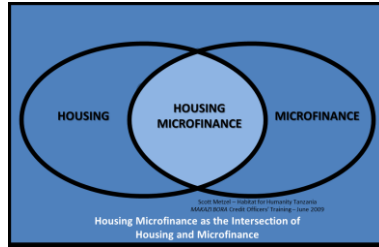
Meet Shelter Afrique



- **Headquarters** : Nairobi, Kenya
- **Authorised Capital** : \$1bn
- **Number of Projects completed** : 17,572
- **Cumulative Loan Approvals (2019)** : \$1.174bn

- **Shelter Afrique has been enabling new housing supply (and demand) in Africa for 36 years;**
- The Company for Housing and Habitat in Africa (Shelter Afrique) is a Pan-African institution that exclusively supports housing and urban development in Africa.
- A partnership of 44 African Governments, the African Development Bank (AfDB) and the Africa Reinsurance Company (Africa-Re).
- Shelter Afrique builds strategic partnerships and alliances; It also provides financial solutions and related services to support the supply side and demand side of the affordable housing value chain.

Shelter Afrique Products and Services



Institutional Lending:

- Lines of credit
- Corporate loans
- Credit guarantees

Housing Microfinance in collaboration with Habitat for Humanity :

- Establishment of Housing Microfinance Fund for Africa
- Capacity Building in Housing Microfinance
- Technical Assistance Facility

Public Private Partnerships (PPP's):

- Pre-development Advisory Services
- Project Implementation

Centre of Excellence (CoE):

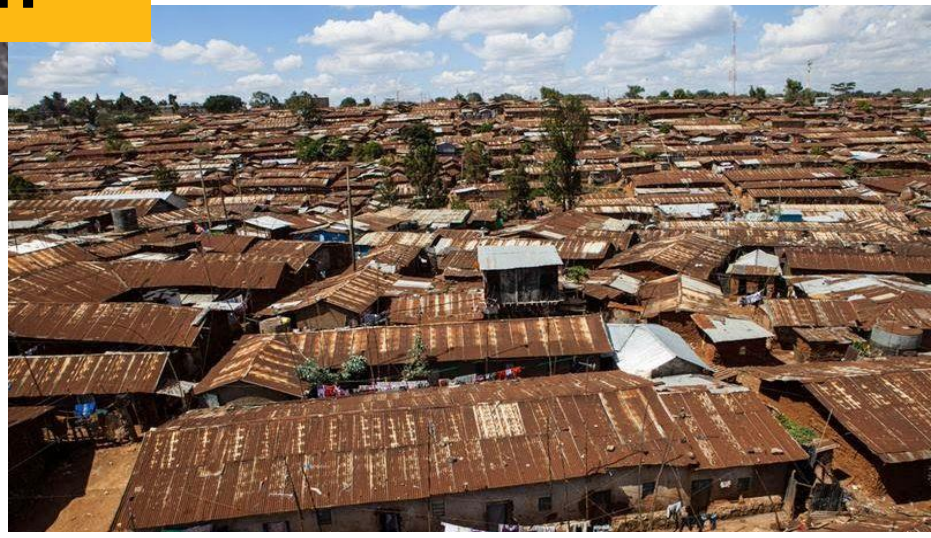
- Research & Development
- Training & Capacity Development
- Advisory

Kibera, Nairobi



From

Ajgunle, Lagos



Shelter Afrique Projects



To



Karibu Homes, Nairobi

Richland Homes, Nairobi



Shelter Afrique Initiatives to enhance Housing Affordability in Africa

- Investments in Mortgage Refinance Companies
 - Nigeria Mortgage Refinance Company
 - Kenya Mortgage Refinance Company
 - CRRH – UEMOA, Togo
- Rental Housing Promotion Initiative
 - Student housing development in Kenya
- Pan-African Slum Eradication Program
 - Slum upgrading program in Uganda

Thank You