



A Review of the Data Landscape in Nigeria's Housing Ecosystem



Centre for Affordable
Housing Finance
in Africa

A focus on the Central Bank of Nigeria

Data is critical in the development of any sector. It informs policy decisions by government as well as investment decisions made by private sector participants including funders and developers. In light of this, the Data Agenda is core to the missions of CAHF, Reall and 71point4, which all look towards working housing finance markets in Africa. The Data Agenda seeks to identify and disseminate available data and to encourage provision of additional data where data gaps exist, to support better investment decision-making for affordable housing.

Regulators that authorize activity and regulate the participants within the housing and housing finance value chains generate vast amounts of data as a natural consequence of their oversight activities. Legislation that empowers the state and regulators to collect data (or compels data submissions directly) can drive efficiencies and generate more complete data. To the extent that regulated entities comply, data collection underpinned by legislation overcomes the challenges of data representativity, uniformity, and vintage.

Central banks are as important to a country's housing data landscape as the statistics bureau. These entities collect data from various financial institutions (e.g., commercial banks, developmental financial institutions, community banks, microfinance banks, etc.) by means of statutory returns that must be completed by regulated entities on a regular basis (typically monthly). While there are some differences across countries, most central banks will collect data on credit extension, book value and performance of debt broken down by credit product and market (household vs corporate vs government). In some cases, the central bank may collect data on rates charged for loan products, although this may not cover mortgages.

Established as Nigeria's monetary authority, The Central Bank of Nigeria (CBN) is governed by the Central Bank of Nigeria Act of 2007. The Banks and Other Financial Institutions Act (BOFIA) was promulgated in 1991, and was amended in 1997, 1998, 1999 and 2002. The objectives of the CBN are primarily to promote monetary stability and a stable financial environment and to act as an economic and financial advisor to the government. In addition, the CBN hosts comprehensive real estate sector, government finance, financial and external sector time series data in its statistics database alongside publications and reports.

A Call to Action

A recent review of the landscape of housing data in Nigeria identified key data gaps that may inhibit the sector's growth and ability to attract investment. The CBN has a critical role to play in addressing key data gaps related to credit extension and the impact of the housing sector on Nigeria's economy in particular. There is an opportunity to focus on addressing the data gaps below:

- **Housing-related Credit Extension** - Data on *value and number of credit extended and credit outstanding* for a given year for mortgages, microfinance, construction finance by income bracket, and isolating residential.
- **Government Expenditure** - Data on *government expenditure on bulk infrastructure, construction of houses, rental of houses (residential/individuals)*.
- **Macroeconomic Data** - *National accounts data for housing sector* specifically (production accounts, input-output tables, supply and use tables (annual)) and *Building materials cost index* (from weekly prices); other macroeconomic data including bond yields.

About Nigeria's housing data landscape

A full report, "A Review of the Data Landscape in African Housing Ecosystems: Nigeria" — a joint initiative of the **Centre for Affordable Housing Finance in Africa**, **71point4** and **Reall**, interrogates the availability and quality of housing-relevant data required to populate a set of priority indicators that characterise activity along Nigeria's Housing Value Chain.

The review identified gaps in Nigeria's housing data landscape. To view the complete Data Landscape report and all the recommendations in detail, go to: <https://housingfinanceafrica.org/documents/a-review-of-the-data-landscape-in-african-housing-ecosystems-nigeria/>.

The Central Bank of Nigeria has a critical role to play in Nigeria's data landscape.

The CBN hosts substantial real estate sector, government finance, financial and external sector time series data in its statistics database alongside publications and reports. The CBN's interest in Nigeria's housing sector focuses on *tracking house prices for monetary policy purposes*; and *enhancing mortgage financing within the sector*.

Macroeconomic data

The CBN website holds a wide range of macroeconomic data:

- GDP, CPI, and other real sector statistics
- Government finances including federally collected revenue distributions, outstanding domestic and external debt, and state government expenditure
- Balance of payments, international investment and reserves, external trade, foreign exchange, & other external sector statistics

Financial sector data

In compliance with The Banks and Other Financial Institutions Act (BOFIA), mortgage banks are required to submit annual audited financial statements to the CBN, as well as monthly returns containing schedules of loans and receivables. Information submitted as part of these returns require a per customer view, including customer name and account number, amount granted, date granted, purpose of loan, collateral value, interest rate, amount outstanding, and classification of customer (watch list, sub-standard, etc.). Other information requested as part of these returns includes, amongst others, an analysis of credit by sector and loan type.

National Real Estate Data Collation Management Programme

In 2017, the CBN Statistics Department in collaboration with REDAN kick-started the inter-agency collaboration that gave birth to the NRE-DCMP (with 14 organizations). CBN's support towards the housing data platform includes data on the *Quarterly Housing Conditions of Households*; *Quarterly Residential Property Price Index*; *Quarterly Financial Inclusion & Access to Mortgage Services*; *Weekly Retail Prices of Building Materials*.

Key CBN reports with useful data relevant to housing investment include:

- Financial Stability Report (Annual)
- Half Year Economic Report (Biannual)
- Quarterly Statistical Bulletin
- Occasional Paper No. 74 (August 2020) provides an assessment of the performance of the National Housing Fund in Nigeria – the data in this report could presumably be tracked on an ongoing basis and published on the CBN or Housing Markets Information Portal website.

These are all available on www.cbn.gov.ng. Data can be downloaded from the CBN database in excel format for a selected frequency (i.e. annually, quarterly, monthly) and time period. The Central Bank of Nigeria Statistical Database can be accessed here: <http://statistics.cbn.gov.ng/cbn-onlinestats/Default.aspx>

A gap that could easily be filled by the CBN is the publication of time-series data on the number and value of mortgage loans, segmented by real estate sector loan types, and illustrated spatially, by state and/or city. Deeper dive data from primary mortgage banks, setting out number and value of real estate mortgage loans (also as a percentage of the full mortgage portfolio), as well as loan performance, segmented by loan type (residential, home equity, construction/home developers), and showing market concentrations across the full portfolio of lenders, would be helpful further.

Key next steps

Nigeria has a rich administrative data landscape that can offer valuable insights on the state of the housing market. Much of this is locked in other databases or reports and would be usefully shared with a housing-specific purpose. There is an opportunity for the CBN to make **high value interventions that unlock, disseminate, disaggregate and gather data**.

| Unlock | Disseminate | Disaggregate | Gather |
|--|--|--|---|
| Republish succinct housing and housing finance related statistics. | Opportunity to disseminate data on residential lending activity and mortgage loan performance. | Transactions data generated by lenders & credit bureaus could significantly improve public understanding of credit access and performance. Separating out residential from other real estate lending would be extremely helpful. | There is an opportunity to create more comprehensive and standardized data gathering protocols and templates for government funded housing initiatives. |

CAHF looks forward to the National Housing Data Centre becoming the home for the Housing Market Information Portal, which has to date been hosted by the NMRC. For more information, please contact David Chiwetu at CAHF –

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