



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



Centre for Affordable
Housing Finance
in Africa

A focus on the Federal Mortgage 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 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.

Lenders are vital to a country's housing data landscape. These institutions collect data that provide a picture of financial conditions for households, enables the analysis of monetary developments and the monitoring of financial sector stability. Critically, data on housing related credit extension allows for the ongoing tracking and monitoring of the housing sector. These institutions typically submit this data to the Central Bank by means of statutory returns that must be completed by regulated entities on a regular basis (typically monthly).

The **Federal Mortgage Bank of Nigeria (FMBN)** is the country's apex mortgage institution. Under the Federal Mortgage Bank of Nigeria Act of 1993, FMBN is mandated "to provide long-term credit facilities to mortgage institutions in Nigeria and encourage and promote the development of mortgage institutions at the rural, local,

State and Federal levels." The functions of the FMBN are to license and encourage the emergence and growth of the required number of viable secondary mortgage institutions to service the need of housing delivery in all parts of Nigeria. The Act enables the FMBN to collect, manage and administer the National Housing Fund in accordance with the provisions of the National Housing Fund Act.

A Call to Action

The FMBN Act (1993) gives the FMBN power to carry out research aimed at improving housing patterns and standards in both urban and rural areas of Nigeria. In addition, the FMBN has power to carry out research on mortgage finance activities and the building construction industry in Nigeria.

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. FMBN has a critical role to play in addressing key data gaps related to credit extension. There is an opportunity to focus on addressing the data gaps below:

- Data gathered through the collection, managing and administering of the **National Housing Fund**.
- **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).

About the research

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 Federal Mortgage Bank of Nigeria has a critical role to play in Nigeria's data landscape.

The FMBN plays a central role in the collection, managing and administering of the National Housing Fund. To this end, FMBN can support the growth of Nigeria's housing and housing finance sector through regular dissemination of data that tracks the ongoing performance of the NHF.

As of August 2023, FMBN reported that the number of mortgages were 24 654 amounting to ₦ 140.125 billion (US\$ 184.29 million). The average loan size for mortgages ranges from ₦5 million to ₦50 million (US\$6 576 to US\$ 65 758), while the average loan term ranges from 10 to 30 years. The loan-to-value ratio varies ranging from 70% to 90%. FMBN has a variety of product windows listed below:

Interest rates for mortgages range between 15-27% for commercial and Primary Mortgage Banks. The Federal Mortgage Bank of Nigeria (FMBN) through the NHF scheme grants mortgage loans with a minimum interest rate of 4% to accredited Primary Mortgage Banks (PMB). PMBs on-lend at 6% to NHF contributors with a maximum mortgage tenor of 30 years. Other homeownership financing products offered by FMBN include the :

Home Renovation Loan: a housing microfinance facility for home renovation of a maximum of N1 million (\$2,222) granted at 6% for a tenor of 60 months;

Rent to own: an easy pathway to homeownership based on a rental housing arrangement at 9% for a tenor of up to 30 years; and

NHF Construction Loan: a self home construction facility at 7% for a tenor of 15 years

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).

Key FMBN reports with useful data relevant to FMBN's activity in Nigeria's housing sector include:

- FMBN Scorecard 2017-2021

This is available here:

<https://www.fmbn.ng/documents/fmbn-scorecard-2017-2021.pdf> .

A gap that could easily be filled by the FMBN is the annual publication of key metrics tracking the National Housing Fund. This could include tracking the number of NHF registered contributors; mortgage loan applications and rejections; collections and loan disbursements; transaction turnaround times for key product lines; and number of housing units delivered and financed by NHF loans.

Another key gap is time-series data on the number and value of mortgage loans, segmented by FMBN's product windows, 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).

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 FMBN 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.

The National Housing Data Centre will become 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 – David@housingfinanceafrica.org



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