

WORLD  
URBAN  
FORUM



Unlocking Housing Solutions: A Global Perspective  
Housing Policy Practices and Tools to Enable the Supply of  
Affordable Housing Options and Access to Housing Finance



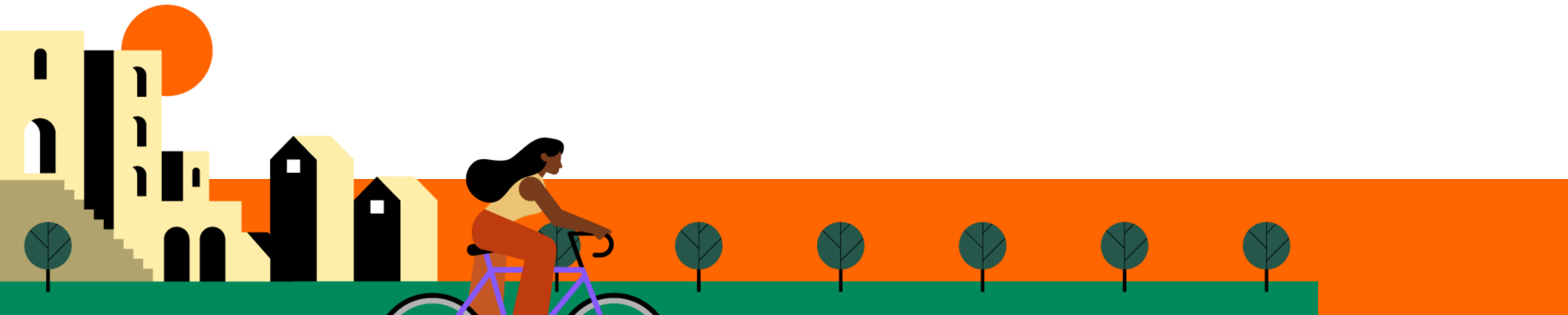
# Housing Finance along the value chain: tools and practices

Wednesday, 6 November 2024

Multipurpose Room 10

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International  
Federation for  
Housing and  
Planning



IHS  
Making cities work  
*Ezopus*



# Cities are built the way they are financed — Bertrand Renaud, 1984

and are being built, every day, across Africa, by households and builders that traditional lenders don't recognise and that their loan products don't target. How can the actors on the inside address the blockages and leverage all the opportunities?



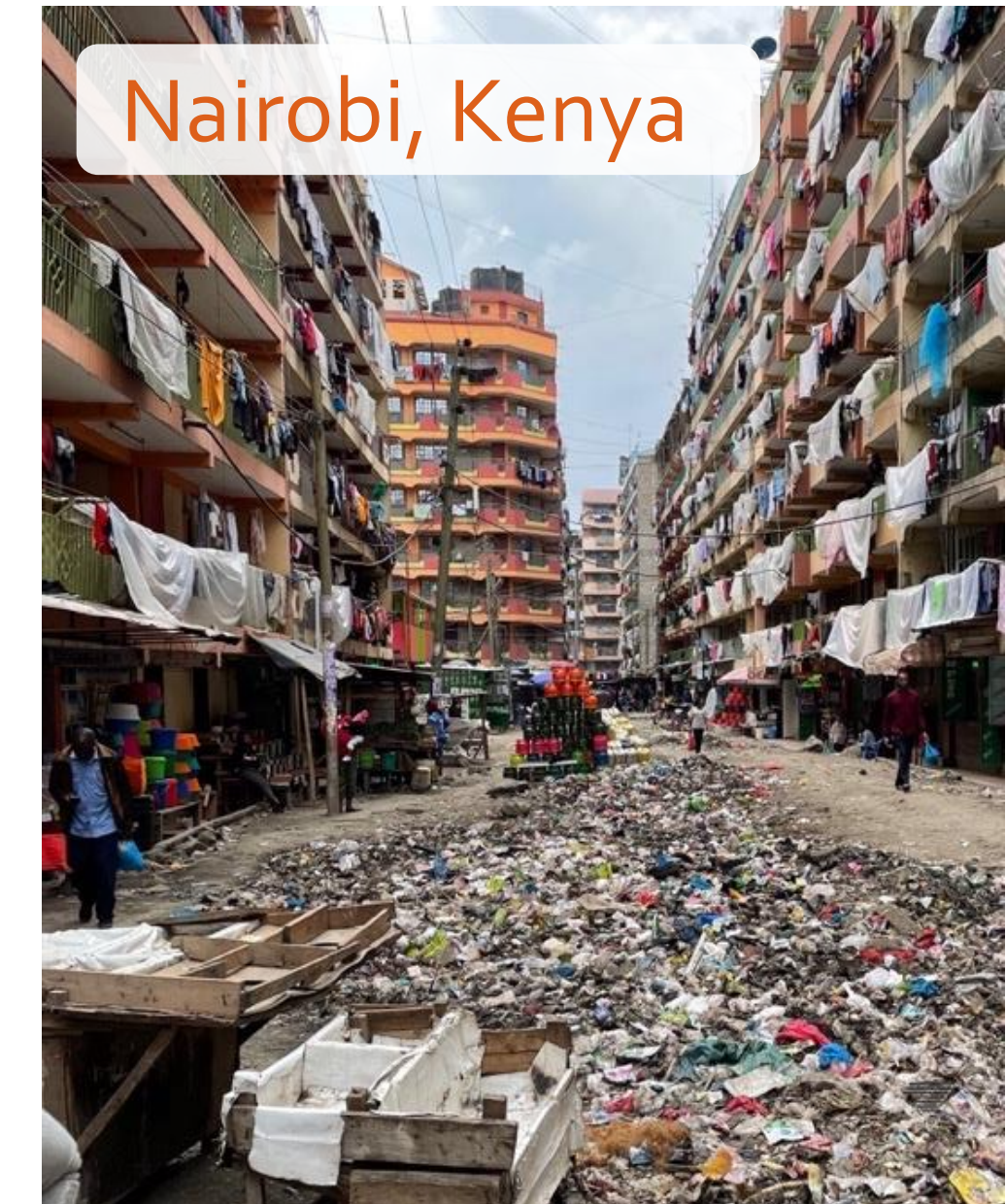
Nairobi, Kenya

**WHAT IS GOING ON?**

Why do people live there?  
What has shaped their choices?

Why are investors putting their money there? What are they getting out of it? What are the drivers? What are the constraints? Are there barriers to entry?

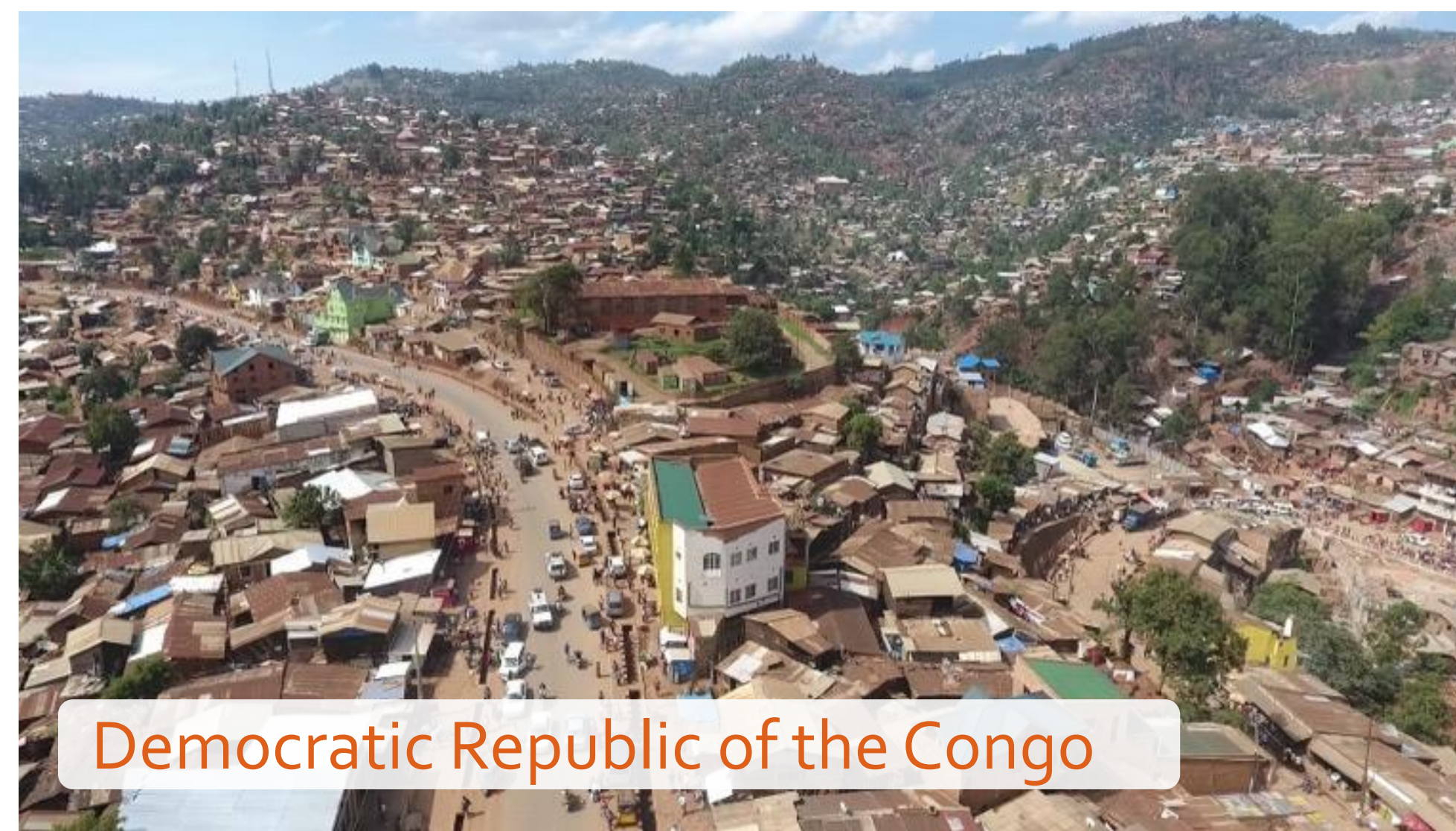
Where is the city??



Nairobi, Kenya



Maputo, Mozambique

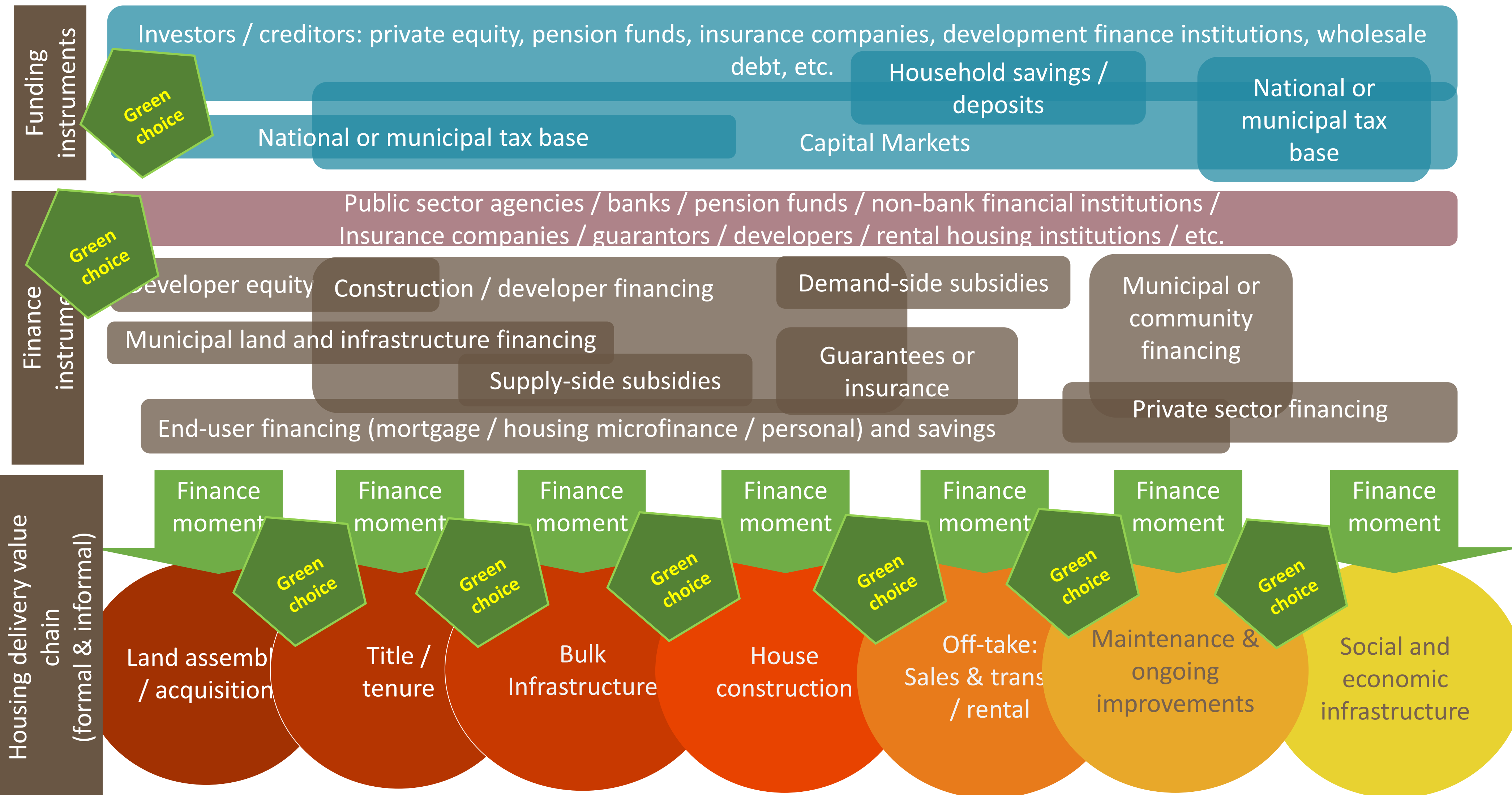


Democratic Republic of the Congo



Abidjan, Côte d'Ivoire

# Everyone plays their part along the value chain – housing delivery and housing finance intersect at key finance moments. Lately we are also thinking about the green choice



## EFFICIENCY & TRUST

On what must each party trust in order to play their part?

What does each party bring to the framework to enable the activities of others?

Can these relationships be made **green**?

\* Note: different market segments will engage in different housing processes involving different value chains and different finance moments – this diagram is purely illustrative.



# TOOLS

Understanding the ecosystem



**1.**

Dissect the value chain & identify the blockages

**2.**

Explore the demand side

**3.**

Chart out the supply side

**4.**

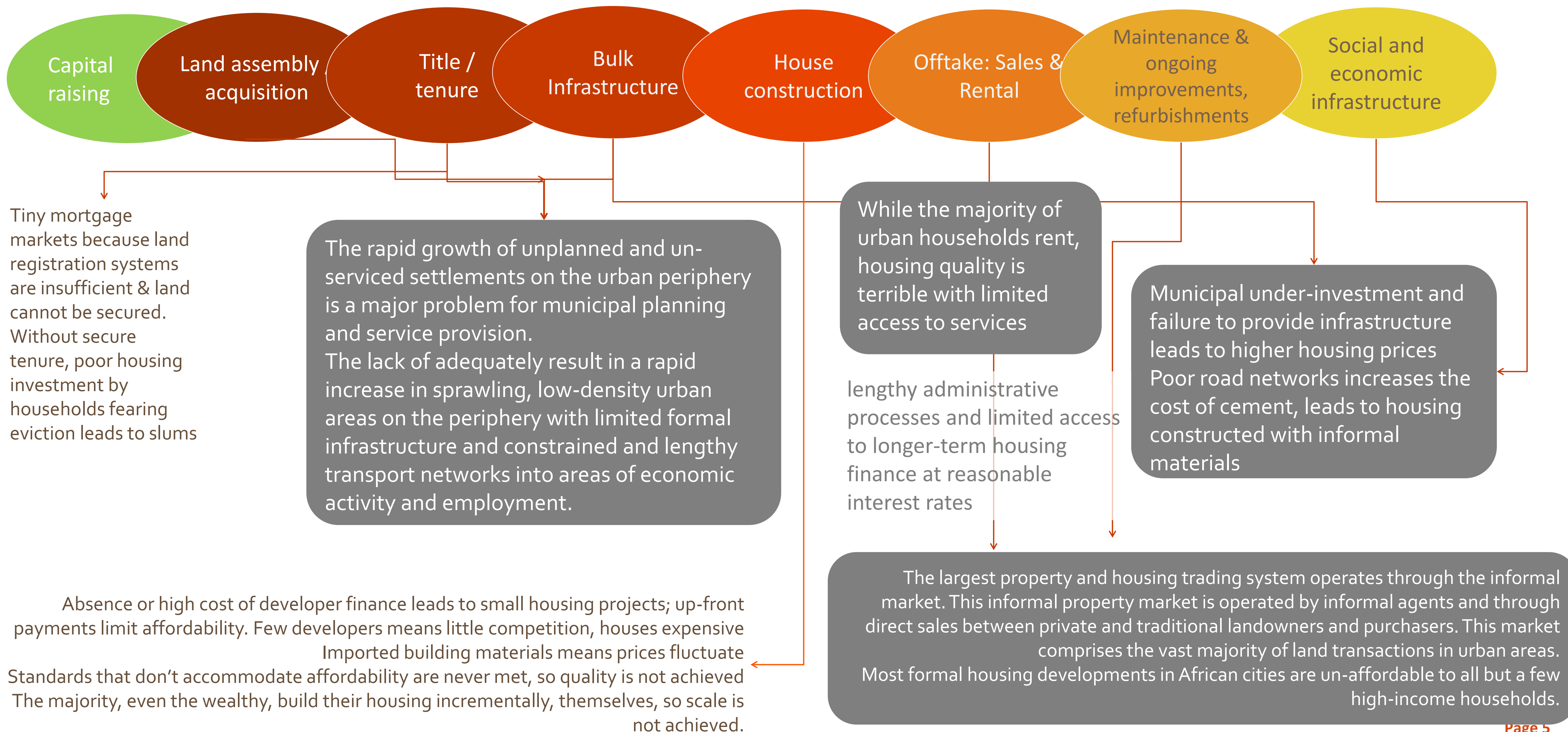
Observe what is already on the ground



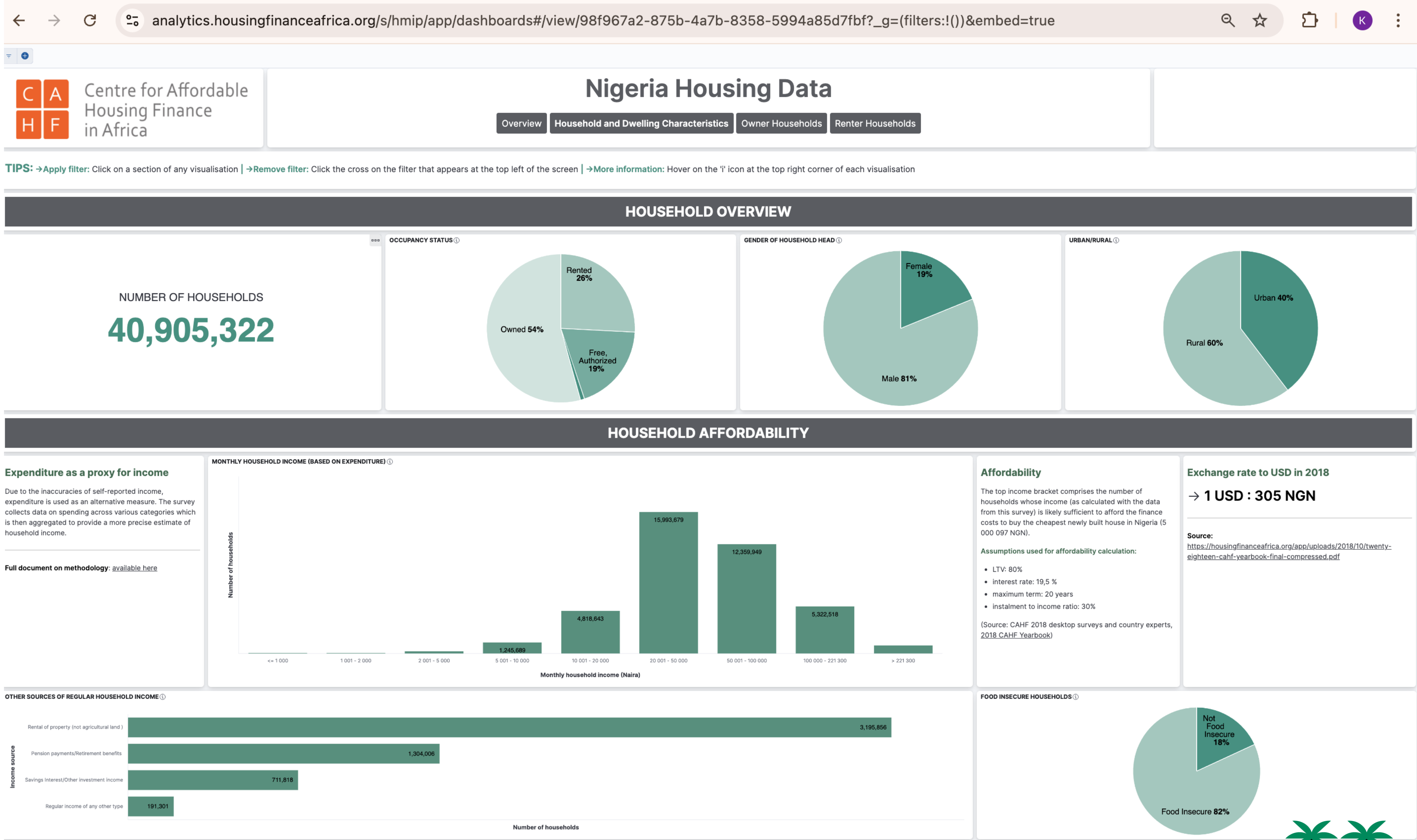
# 1. Dissecting the value chain. Weak links undermine quality housing



outcomes, scale delivery and compromise housing affordability. Bad experiences create an overall pessimism that goes against further, serious investment.



# 2. Explore the demand side



<https://housingfinanceafrica.org/documents/nigeria-housing-data-dashboard-2/>

[https://analytics.housingfinanceafrica.org/s/hmip/app/dashboards#/view/3387646d-659a-45a3-b26f-3f3da76c38eb?\\_g=\(\)&embed=true](https://analytics.housingfinanceafrica.org/s/hmip/app/dashboards#/view/3387646d-659a-45a3-b26f-3f3da76c38eb?_g=()&embed=true)



# 3. Chart out the supply side

<https://housingfinanceafrica.org/documents/housing-developments-in-the-nairobi-metropolitan-area/>



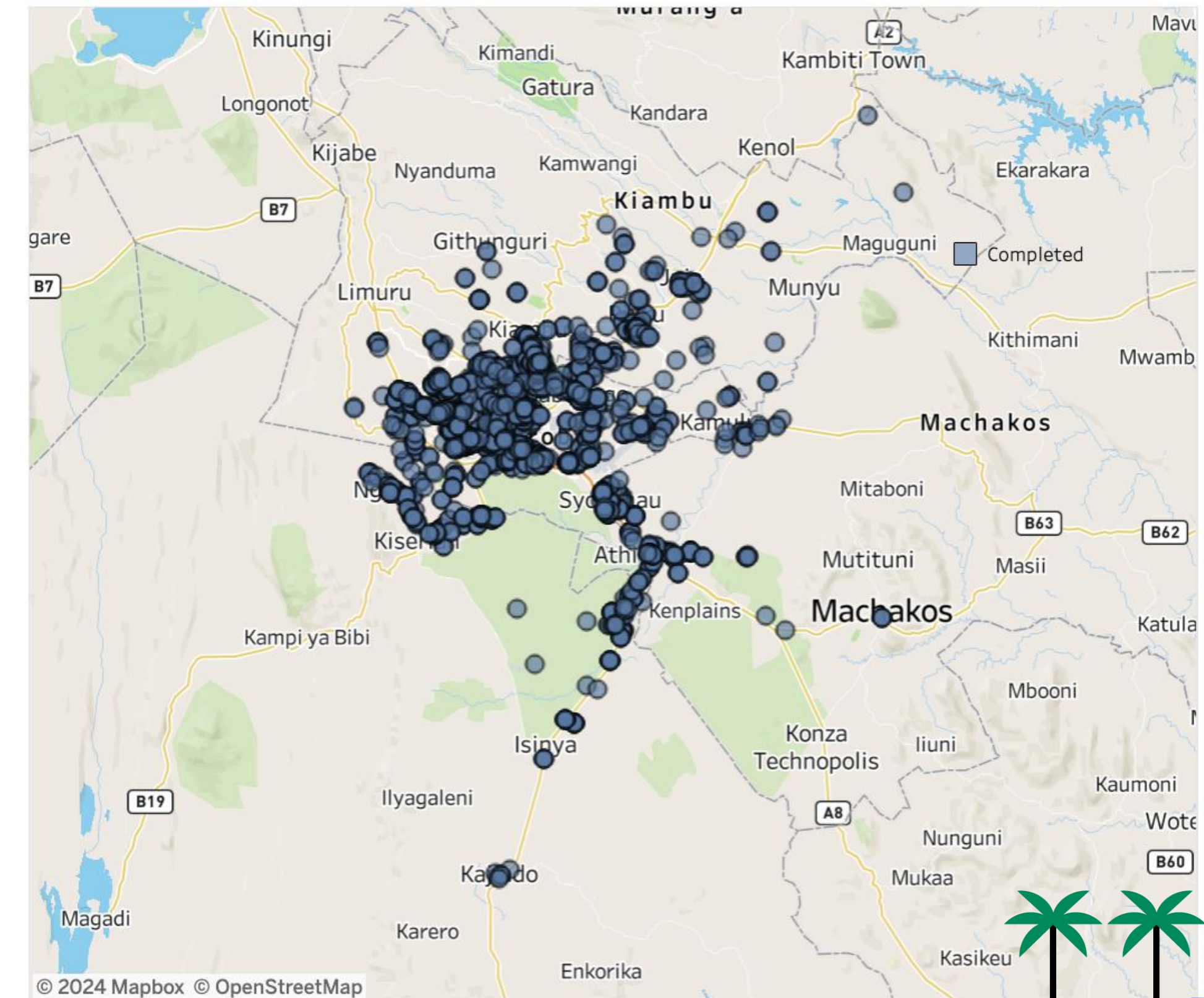
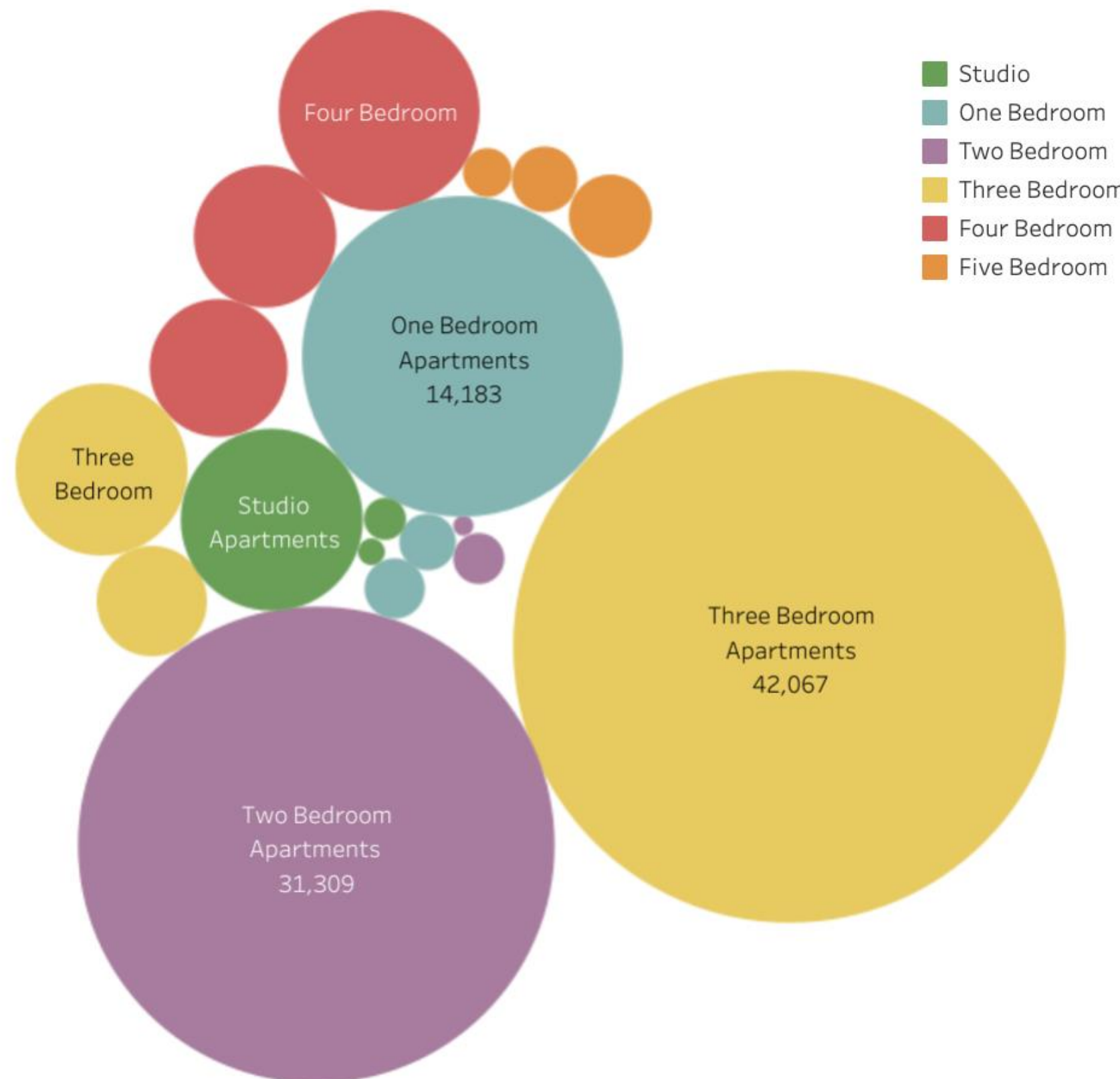
Year Data Collected: (All) | Location: (All) | Project Status: (All) | Unit Type: (All) | Type of Development: (All)

Developer Model: (All) | Property Management Model: (All) | Main Water Source: (All) | Waste Disposal Mechanism: (All) | Has Water Recycling?: (All) | Has Solar Energy Source?: (All)

Government Supported Project: (All) |  Choose Property Detail to Filter | Unit Price: 0 | Enter from Unit Price: 400,000,000,000,000 | Search by Developer? | **RESET FILTERS**

?	1,199 Total	1,199 Completed	228 Ongoing	28 Planned	7 Stalled	5 No Data
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Filters selected :: Year data valid: All | Project status: None | Locations All | Typology: All | Type of development: All | Developer model: All | Property management model: All | Main water source: All | Waste disposal mechanism: All | Has water recycling?: All | Has solar energy?: All | Affordable housing project: All | Unit Price from Kes.0 to Kes.400,000,000,000,000 (No Limit)

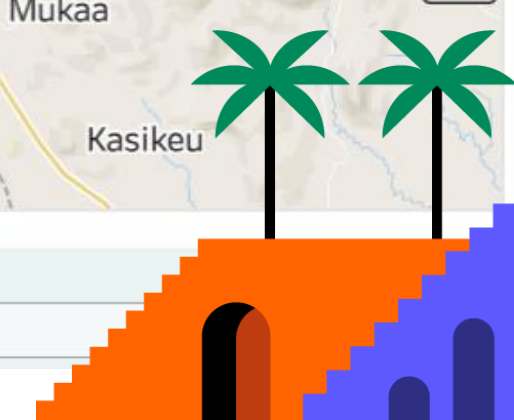


Select Chart by Unit Type

Median Rental Yield (Assuming 100% occupancy)

Select Chart by Development Type

Average Mortgage Install Per Dev Type









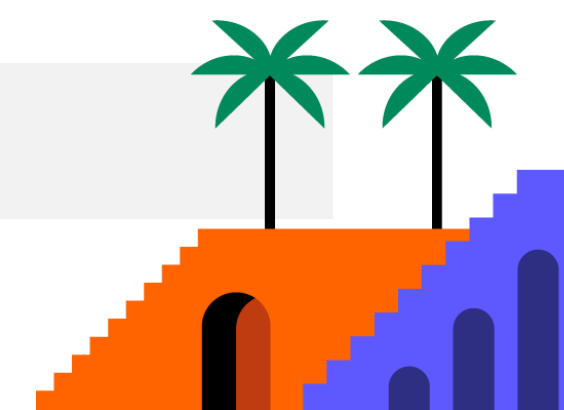
# 4. Observe what is already on the ground

In Rwanda 99% of households living in housing that was delivered either by themselves or small scale suppliers

SUBSTANDARD / INFORMAL

FORMAL

	Homeowner / incremental: rural + peri-urban	Backyard landlord / unplanned settlement : urban	Household Landlord : urban	Employee housing : urban	Small-scale developer : urban	Large-scale developer : urban
<b>SUB-MARKET</b>						
<b>SURVEY DEFINITION</b>	<ul style="list-style-type: none"> <li>Households in rural areas</li> <li>To identify 'peri-urban', households in urban areas where habitat type is "Isolated rural housing", "Unplanned clustered rural housing", or "Small settlement" have been included</li> </ul>	<ul style="list-style-type: none"> <li>Households in urban areas</li> <li>Live in "unplanned settlements"</li> <li>OR housing conditions are sub-standard; have a pit latrine without a slab, main source of water is not piped or from a public tap, walls are not cement bricks, oven fired bricks or mud bricks with cement)</li> </ul>	<ul style="list-style-type: none"> <li>Households in urban areas</li> <li>Household income is less than RWF 300,000 per month</li> <li>OR household income is above RWF 300,000 per month but there is no flush toilet or the walls are not made of oven fired bricks or cement bricks</li> </ul>	<ul style="list-style-type: none"> <li>Households in urban areas</li> <li>Housing is provided by employer</li> </ul>	<p><i>Small and large scale developers have merged due to their small size and difficulty in splitting them using the survey data</i></p> <ul style="list-style-type: none"> <li>Households in urban areas</li> <li>Must have a flush toilet</li> <li>Walls made of oven fired bricks, cement bricks or ABTs</li> <li>Household incomes must be over RWF 300,000 per month</li> </ul>	
<b>ESTIMATED HOUSEHOLDS</b>	~2.23 million	~0.38 million	~87,000	~1000	~10,500	
<b>% OF TOTAL HHs</b>	82%	14%	3%	0.04%	0.4%	
<b>% OF URBAN HHs</b>	9%	72%	17%	0.2%	2%	





# A reminder: the difference between official delivery figures and what<sup>9</sup> is actually happening on the ground is striking.

How can we “get real” about what is happening in their cities?

Sources: Census 2009 and Census 2019.

**3.67 Million (78%)**

urban households **rent** their primary dwellings in Kenya

Between 2009 and 2019, each year....

**158 000**

new urban **renter** households

vs

**39 000**

new urban **owner-occupied** households

**89%**

urban households rent from **private individuals**

Pipeline, Nairobi: 2003



Pipeline, Nairobi: 2022



The Kenyan government says that 50,000 residential units are being delivered per annum, entirely overlooking this significant delivery through the rental market. Targeted support in affordable neighbourhoods can **address qualitative backlogs** while an enabling environment can support the **development of new affordable rental units at scale** – but neither governments, nor DFIs, nor the private sector know how to see, and therefore engage in, this market.

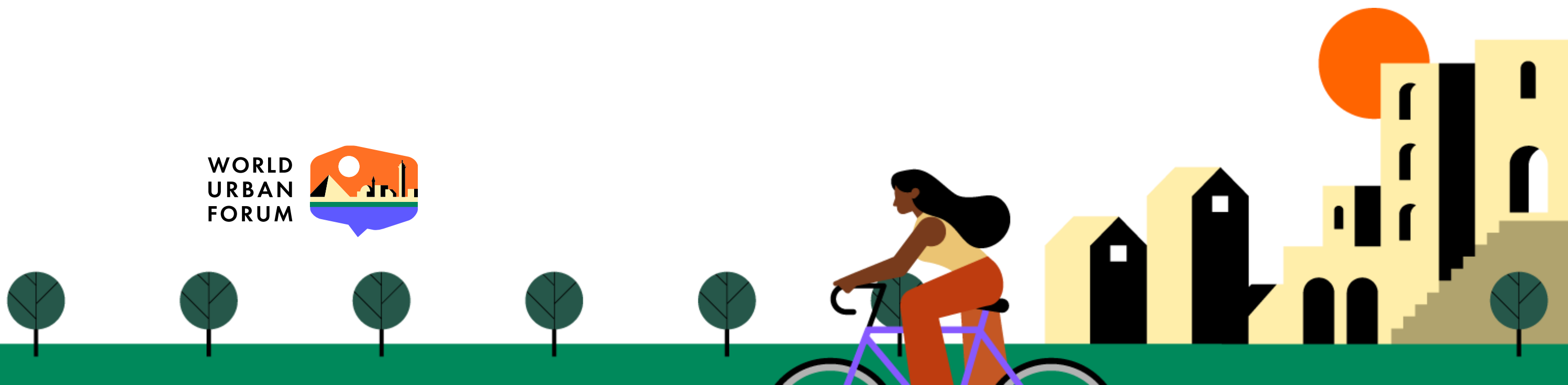
# Bringing the picture together

- 55 countries and territories
- Key data for each country
- Overview essay on a key theme
- Authors and partners from across the continent

<https://housingfinanceafrica.org/documents/2024-housing-finance-in-africa-yearbook/>

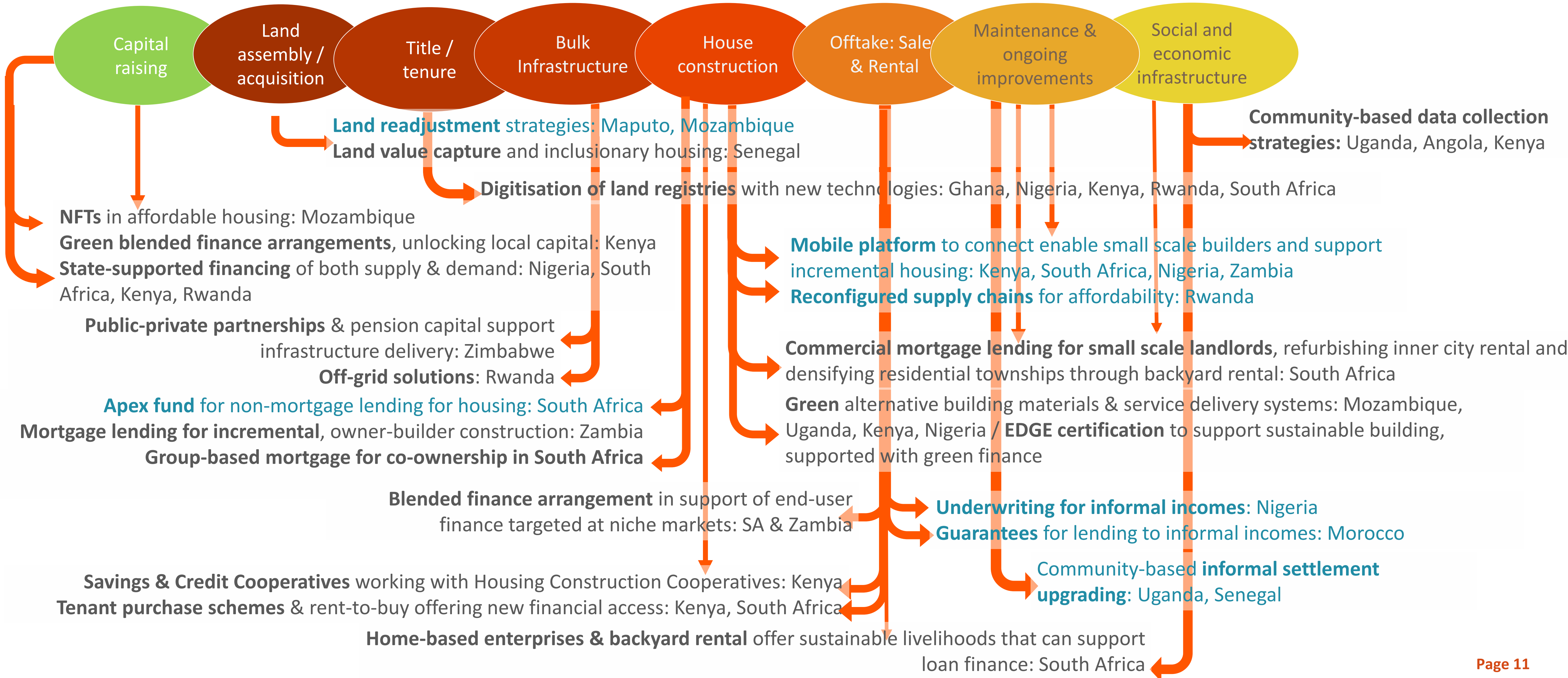


**HOUSING FINANCE IN AFRICA**  
A review of Africa's housing finance markets  
**2024 YEARBOOK – 15<sup>th</sup> EDITION**  
Published by the Centre for Affordable Housing Finance in Africa



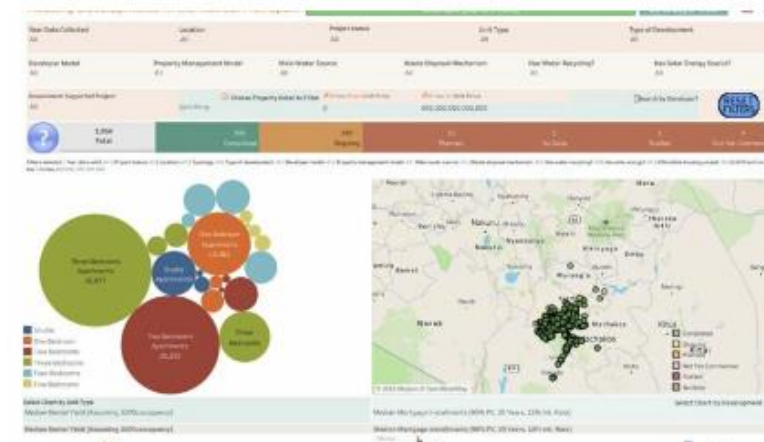
# 4. Observe what is already happening on the ground

**So, how do you stimulate a market and leverage the value chain?** Increasingly, there are points of innovation along the value chain, contributing to wider sector 'health' and improved affordability. These deserve attention – how can such efforts be mobilized?



# Dashboards

SEARCH ALL DOCUMENTS



## Housing Developments in the Nairobi Metropolitan Area

Kenya has an annual, estimated housing demand of 150,000 – 200,000 housing units, with an estimated housing supply of approximately 50,000 housing units annually. While ...

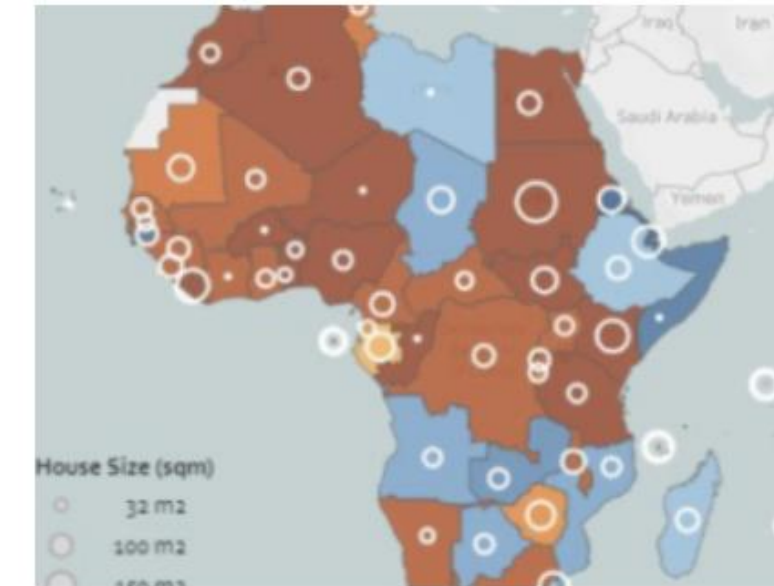
16th September 2024



## Nigeria Housing Data Dashboard

Using publicly available data from the Nigerian Bureau of Statistics, the Nigeria Housing Data Dashboard has been developed through the partnership between the Centre for Affordable Housing ...

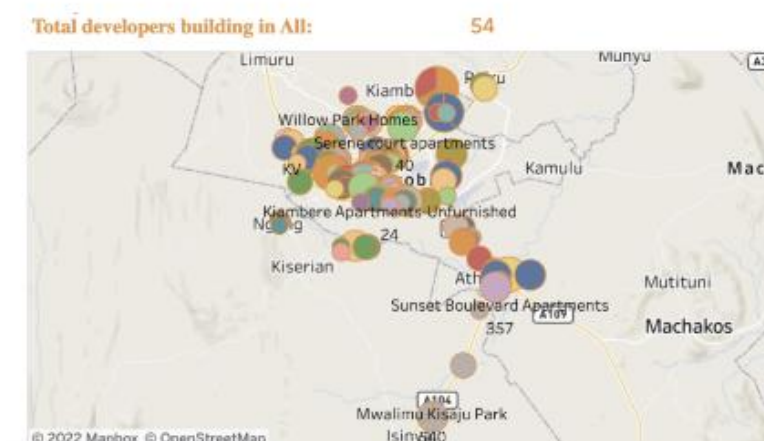
6th June 2024



## Housing and Construction in Africa: 2010-2023

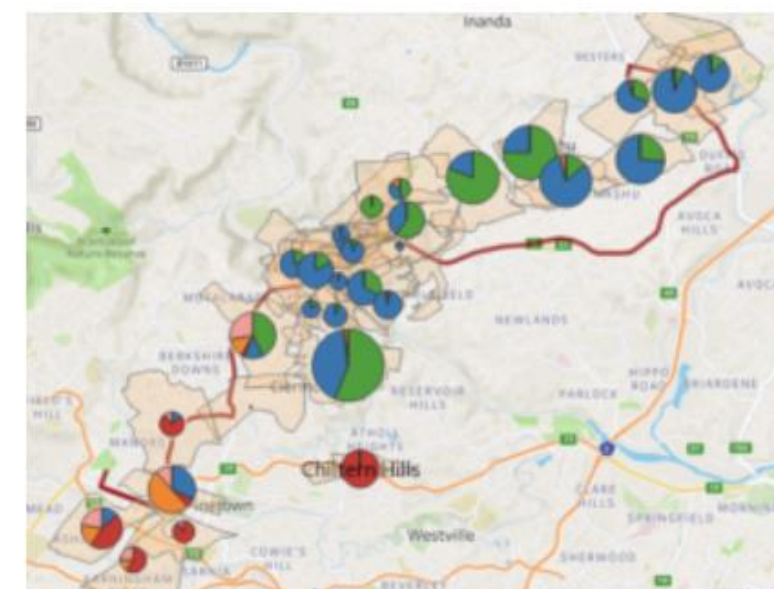
CAHF has been collecting data on house prices, construction costs, and income across Africa for the past thirteen years and publishing this in its Housing ...

1st December 2023



## HOUSING DEVELOPMENTS IN THE NAIROBI METROPOLITAN AREA, KENYA (BETA)

The population in the Nairobi Metropolitan Area, Kenya, was 10.4 million people, as per the 2019 National Census. Nairobi County alone has an annual, estimated ...



## eThekweni residential properties: Focus on C3 Transit Corridor and Durban Central

The performance of the residential property market has a direct impact on municipalities—



## Calculating Housing Affordability

In order for a project to be viable, developers must set a price for the housing unit that is both affordable for the households targeted, ...

# Thank you!

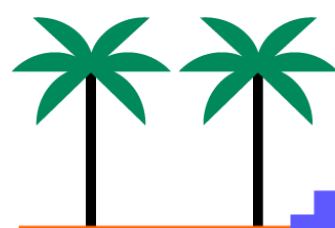
Kecia Rust

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[www.housingfinanceafrica.org](http://www.housingfinanceafrica.org)

# CAHF Dashboards

<https://housingfinanceafrica.org/document-type/dashboard/>



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