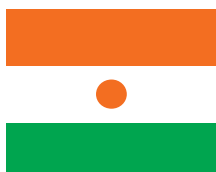


Niger

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Overview

Niger Republic is a mainly rural country. Agriculture therefore remains a priority for Niger as part of its strategy to strengthen and accelerate economic growth. The country is one of the largest producers and exporters of uranium and oil in the world. In spite of its resources, Niger continues to be one of the least developed countries in the world. Plans to develop the nation and gear it towards economic growth are under way. The Economic and Social Development Plan (Le Plan de Développement Economique Et Social, PDES 2017-2021) provides for numerous projects to accelerate economic growth and modernise the country. PDES is the five-year plan of the Sustainable Development and Inclusive Growth strategy (La Stratégie de Développement Durable et de Croissance Inclusive).¹ PDES also details a number of infrastructure projects, among which is the Cotonou-Niamey-Ouagadougou railway, a pipeline for exporting crude oil and the Salkadama power project.

Niger enjoys relative political stability since the peaceful presidential and parliamentary elections in 2016, in spite of external threats along its borders, including conflicts in Mali and Libya, and religious conflicts such as Boko Haram in Nigeria. Economic outlook is favourable, with real gross domestic product (GDP) growth projected at 5.3 percent in 2019 and 5.7 percent in 2020.² In 2018, real GDP was estimated at 5.2 percent up from 4.9 percent in 2017 due to the agricultural sector's strong performance. At the same time, consumption grew by 4.5 percent and investment by 11 percent compared to 2.4 percent in 2017. Niger's GDP composition has a consistent combination, with agriculture taking up 43.4 percent of GDP in 2018, followed by services at 35 percent, industry at 14.9 percent, and a fiscal deficit estimated at 5.9 percent of GDP.³

Niger's economy continues to show progress, as illustrated by the different urban infrastructure programmes realised under President Issoufou Mohammadou to modernise the country and transform many of its regional capitals into modern cities. The programme includes the transformation of Niamey, the capital, into a modern city; and Zinder Sabula, Maradi Kolia, Dosso Sogha. In 2019, a new airport was unveiled, major roads were completed, and presidential hotels, commercial buildings and official residences were constructed to host dignitaries during the African Union Summit in July 2019 in Niamey.

In 2019 Niger was elected to the United Nations Security Council. Niger also organised the 35th African Union Summit and witnessed the outcome of

KEY FIGURES

Main urban centres	Niamey
Exchange rate: 1 US\$ = [a] 1 July 2019	580.15 CFA Franc (XOF)
1 PPP\$ = [b]	218.20 CFA Franc (XOF)
Inflation 2018 [c] Inflation 2019 [c]	3.0 2.4
Population [b]	22 442 948
Population growth rate [b] Urbanisation rate [b]	3.7% 4.3%
Percentage of the total population below National Poverty Line (2017) [d]	28.7%
Unemployment rate (% of total labour force, national estimate) (2017) [d]	0.3%
Proportion of the adult population that borrowed formally (2017) [b]	2.8%
GDP (Current US\$) (2018) [b]	US\$9 240 million
GDP growth rate annual [b]	5.2%
GDP per capita (Current US\$) (2018) [b]	US\$412
Gini co-efficient	n/a
HDI global ranking (2017)[d] HD country index score (2017) [d]	189 0.354
Lending interest rate (2017) [b]	5.14%
Yield on 2-year government bonds	n/a
Number of mortgages outstanding	n/a
Value of residential mortgages outstanding (US\$)	US\$24 million
Number of mortgage providers [g] Prevailing mortgage rate [f]	5 7.4%
Average mortgage term in years Downpayment	n/ n/a
Ratio of mortgages to GDP	0.26%
What form is the deeds registry? [e]	Paper
Total number of residential properties with a title deed [h]	52 000
Number of houses completed [h]	100
Number of formal private developers/contractors	n/a
Number of formal estate agents [i]	27
Cost of a standard 50kg bag of cement	4 350 XOF (US\$7.50)
Price of the cheapest, newly built house by a formal developer or contractor in an urban area (local currency units) [h]	7 500 000 XOF
Size of cheapest, newly built house by a formal developer or contractor in an urban area [h]	45m ²
Average rental price for this unit in an urban area (local currency units)	n/a
Number of microfinance loans outstanding	n/a
Number of microfinance providers [f]	40
Number of housing construction loans outstanding	n/a
Number of providers of construction finance	n/a
World Bank Ease of Doing Business Rank [e]	143
Number of procedures to register property [e]	4
Time (in days) from application to completion for residential units in the main urban city [e]	91

NB: Figures are for 2019 unless stated otherwise.

[a] Coinmill	[f] Central Bank of West African States (BCEAO)
[b] World Bank World Development Indicators	[g] Niger Housing Bank
[c] IMF World Economic Outlook Database	[h] Ministry of Urban Planning and Housing
[d] UNDP: Human Development Reports	[i] Niger Chamber of Commerce
[e] World Bank Doing Business 2018	

diplomatic relations with the launch of the operational phase of the African Continental Free Trade Area Agreement (AfCFTA). Niger has also undertaken reforms to improve its business environment and created one-stop-shop outlets for starting and registering a business. These efforts have improved Niger's Ease of Doing Business ranking to 143 out of 190 in 2019 compared with 144 place in 2017.

Access to basic services remains a challenge. Poverty is a concern with 28.7 percent of the population living below the national poverty line in 2017. With a growing, predominantly young population of 22.44 million inhabitants in 2018 and a fertility rate of 6.1 children born per woman,⁴ one of the highest in the world, Niger needs to urgently plan to meet the needs of its growing population. High unemployment rates, especially among the youth, and a galloping urbanisation rate (4.27 percent) is adding to the economic and social challenges. Some of the measures to eradicate poverty include the promotion of youth entrepreneurship

through the National Strategic Framework for the promotion of Entrepreneurship in Niger; and the promotion of economic and social housing through the presidential programme for housing.

Access to finance

Market penetration of formal financial services is progressing with a major new entrant to the market, La Banque De l'Habitat Du Niger (BHN), which opened for business on 15 December 2018. BHN is a mortgage bank. The bank's mission is to promote and develop mortgage finance in Niger. In less than one year of operation, BHN opened its first agency in Maradi, one of the main economic regions of the country.

Niger's formal financial sector is regulated by the West African Economic and Monetary Union's (WAEMU) central bank, La Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO). As of December 2018, Niamey had 12 commercial banks, with branches concentrated in some of the other big cities. In 2011, the agriculture bank, Bagri, was established with branches in most of the regional capitals of the country. The capital Niamey also boasts two financial and advisory institutions, three mobile remittance providers⁵ and 40 microfinance institutions (MFIs).⁶ Four major banks, Société Nigérienne de Banque (Sonibank), Bank of Africa, Ecobank and Banque Atlantique dominate the market with deposits estimated at CFA558 billion (US\$962 millions) out of CFA876 billion (US\$1.510 billion) in October 2016, representing 67 percent market share.⁷ The market penetration for financial services, however, remains extremely low in Niger with 15.5 percent of adults who are 15 years old and above having a bank account compared to the average of 42.6 percent in Sub-Saharan Africa.⁸ In 2019, 27 active financial service providers (FSPs) registered with the online repository Mixmarket. These 27 FSPs disbursed a total of US\$55 million to 259 000 borrowers and held (US\$34 million) in deposits from 255 000 consumers in the country.⁹

Prior to 2000, the government of Niger offered housing loans and subsidised homes to government employees through a public and private-owned credit and loan institution known as Crédit du Niger (CDN) and through a government-owned housing development company called Société Nationale d'Urbanisme et de Construction Immobilière (SONUCI). SONUCI is still operational but CDN was liquidated and replaced in 2011 by BHN, which was incorporated with capital worth CFA10 billion (US\$17.2 million) together with Caisse Nationale de Sécurité Sociale, the national pension fund, which is the majority shareholder at 25 percent. Other shareholders include the Niger government with 20 percent, Société du Patrimoine des Mines du Niger with 20 percent, Société Nigérienne des Produits Pétroliers with 20 percent, Banque Ouest Africaine de Développement with 8.25 percent, La Nigérienne d'Assurances et de Reassurances with 0.5 percent, and private Nigeriens holding 0.5 percent. BHN offers housing loans to developers and individuals who qualify for a mortgage loan according to BHN criteria. The bank offers preferential interest rates to developers and, until August 2019, the average interest rate was eight percent.¹⁰ As of 2018, commercial banks in Niger offered housing loans, including loans with employer-provided collateral and have initiated partnerships with developers in the housing industry. In most cases, down payment requirements are a minimum of 10 percent and a maximum of 30 percent of the loan amount. The interest rate is usually between eight percent and 10 percent with mortgage terms of seven to 20 years.¹¹

The government has approved the creation of a National Housing Fund (Fonds National de l'Habitat, FNH) to increase access to housing finance, however the fund is yet start operating. FNH, which will act as a guarantor, is expected to have an impact on interest rates and mortgage maturity terms. Hopefully, the fund will result in an interest rate reduction and an increase in maturity terms.

Apart from BHN and other commercial banks, private but informal housing developers use private capital to build houses for rent to both low income and high income households. Additional forms of housing finance include personal savings, remittances and family assistance. The financial market is still highly dominated by the informal sector; however, further data is unavailable. As with most WAEMU countries, long-term lending remains elusive. Nevertheless, there are opportunities for developing national and regional mortgage banks and credit bureaux.

Availability of data on housing finance

The data on housing in Niger is collected by different institutions: the national central bank (BCEAO Niger), the ministry in charge of housing, the ministry of finance, the national city council, Banque d'habitat du Niger; BHN, commercial banks, the Association of Bankers, (Association professionnelle des banques et établissements financiers), the Chamber of Commerce (Chambre de commerce d'industrie et d'artisanat du Niger) and the National Institute of Statistics (Institut National de la Statistique du Niger, INS) which also conducts the general census, Recensement Général de la population et de l'habitat.

Data collection is cumbersome. INS and BCEAO publish a variety of periodical reports on the economy and the banking industry. However, few reports on housing finance are produced.

Affordability

Approximately 73.9 percent of the country's population earns below CAFI 798 (US\$3.1) a day, which makes even the smallest mortgage unaffordable. Most Nigeriens cannot afford homeownership; access to mortgage finance is limited and when available, interest rates and loan terms make the cost of borrowing high. In spite of the government's efforts to promote access to affordable housing, implementing of these programmes has been slow. Mortgage bank BHN was instituted in 1998, developed in 2011, but only became operational in December 2018. The FNH was also instituted in 1998 and approved by the government on 5 December 2017.¹² In addition, construction of the Presidential programme of 25 000 housing units, announced in 2016, is yet to materialise.

The delays in implementing housing projects contribute to lack of adequate and affordable houses. The last project implemented since 2009 was Sary Koubou and costs CFA7.5 million (US\$12 928)¹³ a unit. Most of the population living in the capital rent their homes from informal housing promoters that build them and SONUCI. Rents vary according to quality and location and range from CFA150 000 (US\$258) to CFA800 000 (US\$1 379) for middle and upper income housing in Niamey. Other forms of renting include the popularly known "rooms" or "room and parlour" arrangements found all over urban centres in Niger, ranging in price from CFA30 000 (US\$52) to CFA90 000 (US\$155) a month.¹⁴ At present, no company or institution provides rentals on a large scale, including SONUCI, which used to do so in the past.

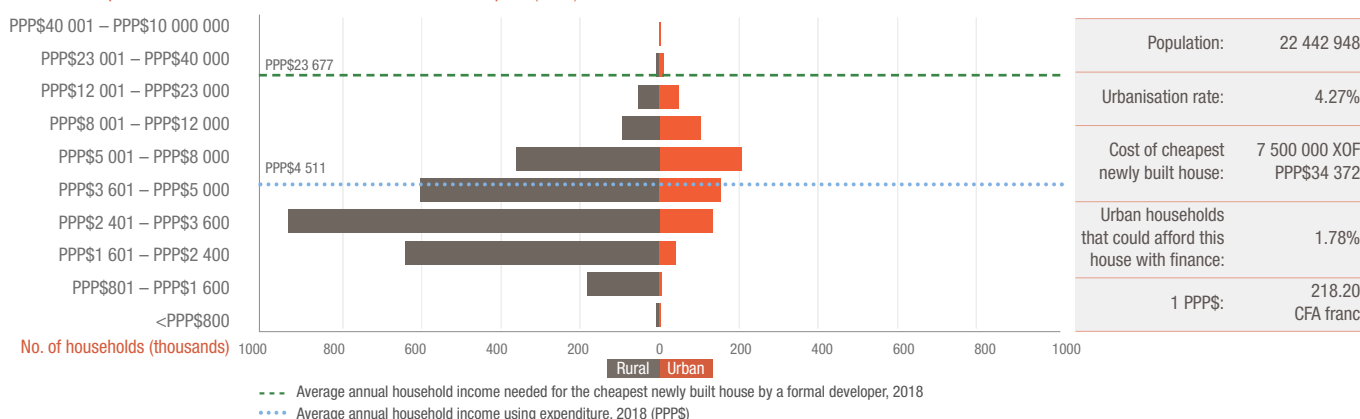
Housing supply

The last national census was in 2012 and the data are outdated. The 2012 census indicated that there are approximately 2.5 million households in Niger; with 436 295 living in urban areas and approximately two million in rural areas.¹⁵ According to the local press, the latest estimate in the demand for housing is 40 000 units while supply is at 11 420 units. The demand for housing in Niamey is 5 000 units.¹⁶ Housing backlogs in Niger are a reality with demand far exceeding supply. In recent years, the combination of economic growth, population growth and rapid urbanisation has escalated demand, resulting in higher rental rates especially in Niamey and other urban centres.

There are no recent statistics on the number of registered companies in the construction industry, with only those registered with the chamber of commerce identified (27),¹⁷ and this is because the sector is dominated by informal enterprises. The majority of those enterprises function in the roads and urban infrastructure sector. The few formally registered companies in the real estate sector focus on land acquisition from traditional proprietors and servicing the land into plots. This is probably due to their financial capacity. Currently there are no investment banks and the first mortgage bank started operating in December 2018. Before the (Sheida) law, only the government could service land into plots and own land permanently. Since then (2006), private enterprises do acquire land, service land into plots and sell the serviced plots to potential homeowners who build their homes incrementally. The majority of potential homeowners finance these purchases with savings and loans. BHN will finance a client with a regular income who qualifies for a loan to purchase or construct a house.

NIGER

Annual income profile for rural and urban households based on consumption (PPP\$)



Source <https://www.cgidd.com/C-GIDD, 2019>

The most popular MFI scheme consists of initial savings over three-to-five years for land acquisition, after which a loan is granted according to the client's income and the land title. These loans in most cases are insufficient, leaving homeowners to build their homes over time.

Housing stock can be classified into three principal categories based on the material used for construction: construction with mud and straw, and ceilings of wood (maison en terre cuite / banco); construction with mud and plaster with cement, and corrugated iron sheet for the ceiling (maison en semi dur); and construction with cement, concrete and stone, and corrugated iron for the ceiling (maison en dur) modern homes. Modern homes represent 34 percent of housing in urban areas.¹⁸ This situation is changing rapidly; traditional houses are being replaced by modern ones in all the urban centres. The average cost of construction for modern houses depends on the geographical location, the size of the land, the plan and the quality of the materials used. In the capital, housing stock is predominantly constructed with durable materials, cement and concrete.

Since 1960, the government has been the main producer and financier of housing and continues to play a major role. Government homes are sold to government employees only. More recently, the government introduced policies to facilitate both public-private partnerships and land access for developers. From 2000 to 2012 the government constructed 145 housing units in Niamey, funded by the People Republic of China at a cost of CFA1.7 billion (US\$2 930 260), and another 174 units in the Sary-Koubou project in Niamey, financed by the government for CFA2 billion (US\$344 365¹⁹), providing one- to four-bedroom houses. Each unit was constructed on 200m² – 400m² of land and delivered in 2016. The government also provided serviced land to civil servants in compensation for unpaid salaries. About 12 600 civil servants effectively benefited from the scheme and became landowners.

According to the Minister of Lands, Urban Planning and Housing, Waziri Maman, housing remains a priority even though the programme to construct 25 000 units is yet to be implemented due to external factors such as security shocks and the decline in oil commodity prices. As part of government efforts to resolve housing backlog, Niger has signed contracts with private companies for a total of 7 550 units to be built. A Chinese construction company is expected to build a further 25 000 units with guarantee obtained from BHN and "Fonds de Solidarité Africaine".²⁰ Other efforts include digitalisation of data and land information to secure the right of tenure, and the setting up of FNH.²¹

Property markets

Niger's property market is dynamic. Construction is going on all around the country with hotels, commercial outlets, residential buildings and petrol stations being built. Property prices have risen steadily over the past decade given the increase in demand for houses and commercial properties. However, supply of residential and commercial units is insufficient with reforms being implemented to promote the market, especially to meet the needs of low income households.

The land market is also dynamic in terms of price, ownership patterns and tenure security change. Land prices are escalating, and ownership patterns are increasingly becoming complicated since reforms to allow the allotment of land by private developers. The government has introduced other reforms to promote the property market and protect investors, such as digitising information for land title deeds.²² The geographic institute that produces maps will also be modernised and reinforced to produce accurate plans and landmarks.

Although the housing market is predominantly informal, opportunities exist in every sector of the market. House prices range according to geography, architectural plans and amenities. Rents vary between CFA400 000 (US\$689) and CFA2 000 000 (US\$3 447) for upper-end villas, mainly for expatriates and businesses. Rents for mid upper classes are CFA150 000 (US\$259) and above. The rents in popular areas range between CFA30 000 (US\$52) and CFA100 000 (US\$172). Housing stock in these markets is privately owned and only a few resales are done and to some extent following an informal pattern. A new villa with three bedrooms, one kitchen and one bathroom on 400m² of land in "francophonie" or Bobiel²³ is approximately CFA30 million (US\$51 710).²⁴

The Niger Republic improved its performance in the 2019 World Bank Doing Business ranking by considerably reducing the number of days to register a property to 13 days. The country ranks 143 out of 190 economies in terms of the Ease of Doing Business, 158 in dealing with construction, and 111 in registering property. Four procedures are required to register a property. The cost of registration is 7.6 percent.²⁵

Policy and regulation

Niger's National Policy and Regulation on Land (La loi N° 98-56 du 29 décembre 1998, Politique Nationale en Matière d'Habitat)²⁶ was adopted on 29 December 1998. The law defines the procedures for housing finance and the approach to promoting housing development. These include creating a national housing fund scheme, creating a national research centre to promote construction materials and technology, and transforming (Crédit du Niger; CDN) into a housing finance bank. The housing finance bank has been established and is now operative. The creation of FNH was approved in 2017.²⁷ Two important laws were approved in 2017 and 2018: Loi 2017-20 du 12 Avril 2017, enacted on 12 April 2017,²⁸ which deals with construction permits and the amendment of Loi 2001-032 du 31 Décembre 2001 of 31 December 2001, which aims to update and take into consideration issues such as climatic change and regional land planning (UEMOA).

The Public Private Partnership Act promulgated in 2012 on the development of urban infrastructure for housing is working well, as demonstrated by the increased number of housing project agreements signed between the government and investors between 2017 and 2019. The public private partnerships are significant for both private developers and government alike because of the requirements for long-term financing.

Opportunities

The Niger Republic offers opportunities for housing development and mortgage finance solutions due to housing supply required to bridge the housing backlog. This is critical in the urban areas. The combination of high rates of urbanisation, the country's changing demographics, and favourable economic outlook together position the country for investment opportunities.

Niger is rich in mineral resources, limestone and gypsum, which is used in making cement. A new cement factory, Malbazar Cement Company, created with a production capacity for 650 000 tons was inaugurated in March 2019. This addition to the housing finance ecosystem is significant because it will decrease housing construction costs. This growth in the cement industry will not only increase production and reduce costs but also generate employment, revenues for the government and accelerate the development of urban infrastructure and housing.

Niger's property market is in its embryonic stage and offers investment opportunities in all sectors of the market: retail construction; residential development; and commercial, industrial and hospitality construction in the country's urban centres. Affordable houses and "célibatérium"²⁹ with rents between CFA30 000 (US\$52) and CFA100 000 (US\$172) are in high demand and incentives are being created to stimulate this segment of the property market. The country's housing and finance ecosystem is ripe for investors that can address the need for affordable housing.

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²⁹ Popular single room or a room and parlour found in the popular modest income neighbourhoods.