



Centre for Affordable
Housing Finance
in Africa



Investment can't happen without information: efforts in building the data landscape for affordable housing

9th Global Affordable Housing Conference
31 May – 2 June, Washington DC

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31 May 2023

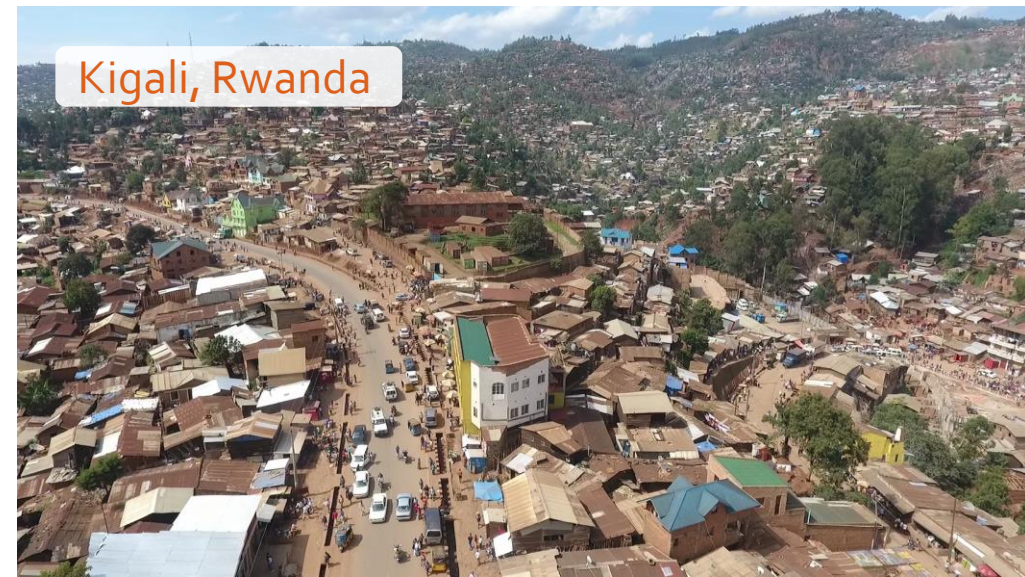


Cities are built the way they are financed – Bertrand Renaud, 1984

and are being built, every day, across Africa, by households and builders of all types and capacities, from individuals to corporations. How can we understand this activity in support of quality, sustainable, affordable housing delivery that attracts investment?



Nairobi, Kenya



Kigali, Rwanda



Maputo, Mozambique



Abidjan, Côte d'Ivoire



Natureville Homes, Kenya

CAHF has been tracking the basics since 2010

CAHF's Yearbook on Housing Finance in Africa documents the housing finance context of all 54 countries, collecting and presenting basic data and information, with precise referencing, to show the breadth and diversity of housing finance systems and habits across the continent.

First edition: 2010

This year: 14th edition, to be launched on 31 October 2023 at the AUHF Conference in Windhoek, Namibia.

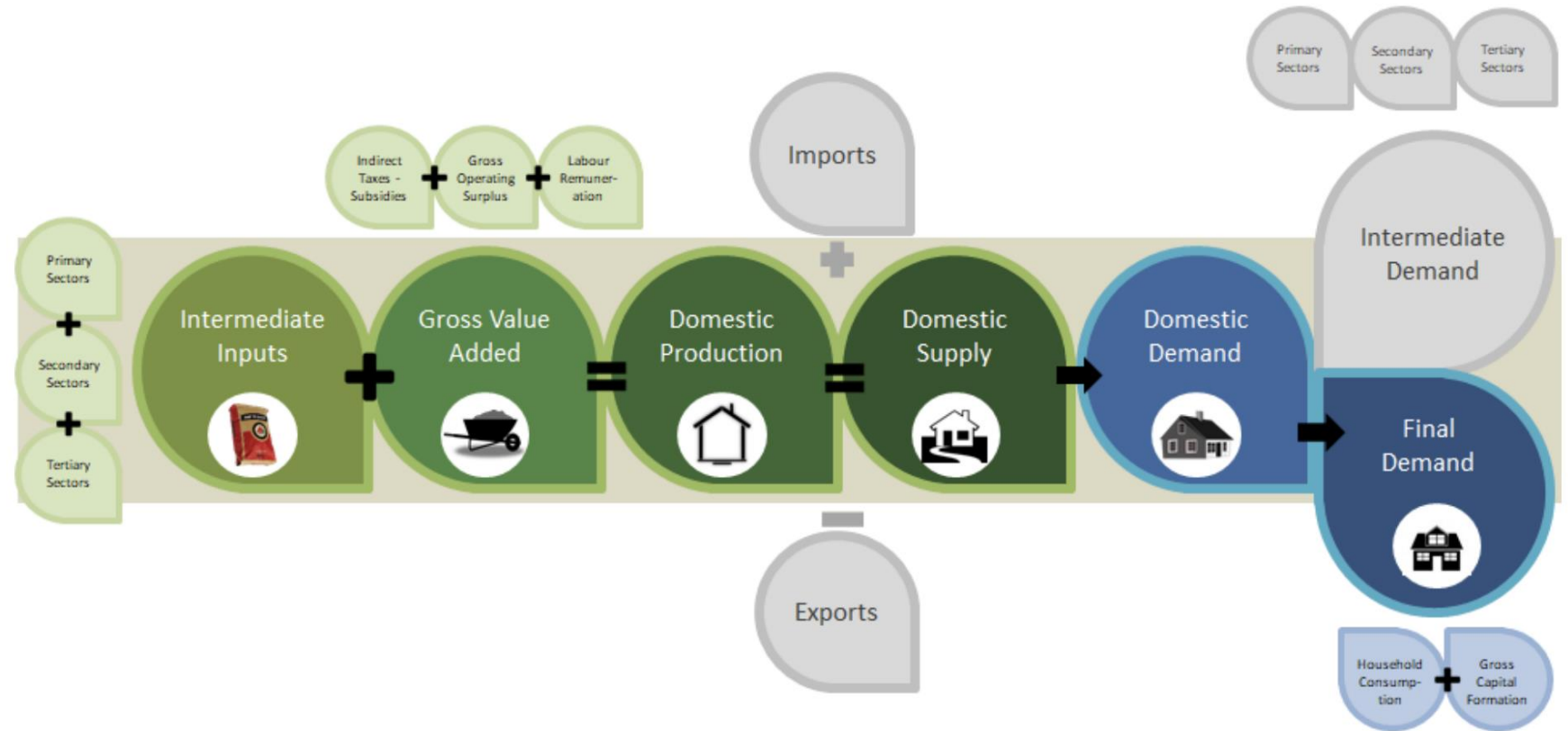
<https://housingfinanceafrica.org/resources/yearbook/>



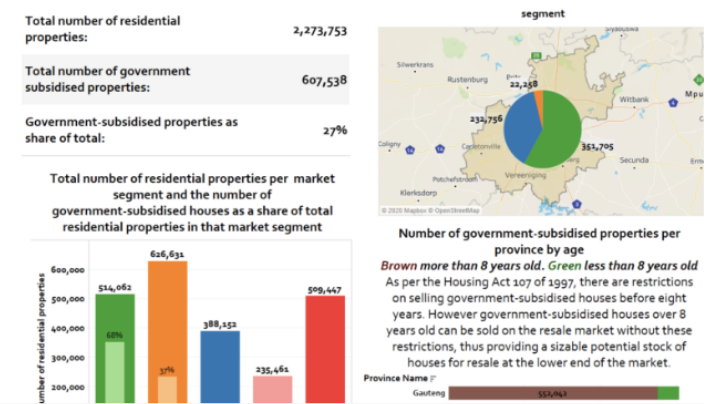
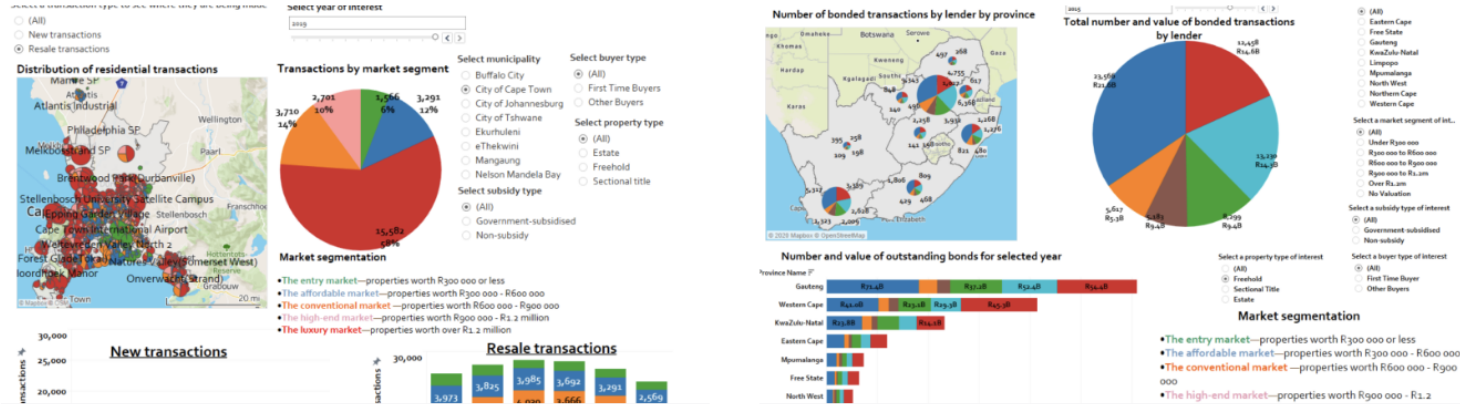
We've then dived deeper into key questions. As our methodologies evolve, we can better quantify what is really happening on the ground.

The Housing Economic Value Chain studies explore the impact of housing on the economy, considering materials value chains, labour markets, formal and informal delivery activity, of housing built for ownership and rental, and then calculate the percent contribution to GDP and the estimated number of jobs created.

Figure 10: The Housing Economic Value Chain



We've explored property market performance using Deeds Registry Data in South Africa



Citymark South Africa: Overview of housing stock and transactions by metro (2012-2021)

This dashboard offers an overview of the stock and transactions for the South Africa's eight metro municipalities from January 2012, up to the end of December 2021.

30th June 2020

<https://housingfinanceafrica.org/documents/citymark-south-africa-eight-metro-municipalities-deeds-data-dashboard/>

Citymark South Africa: Mortgage lending at national, provincial, metro and sub-place level (2012-2021)

In this dashboard on mortgage lending, we look at the supply of mortgage loans by lending institutions in each of the eight metros.

30th June 2020

<https://housingfinanceafrica.org/documents/citymark-south-africa-mortgage-lending-at-national-level-and-eight-metro-municipalities-sub-place-level-2008-2018/>

Citymark South Africa: Government-subsidised housing at national and provincial level (2012-2021)

This dashboard focuses exclusively on government-subsidised housing in South Africa at national and provincial level, for the period January 2012 to end of December 2021.

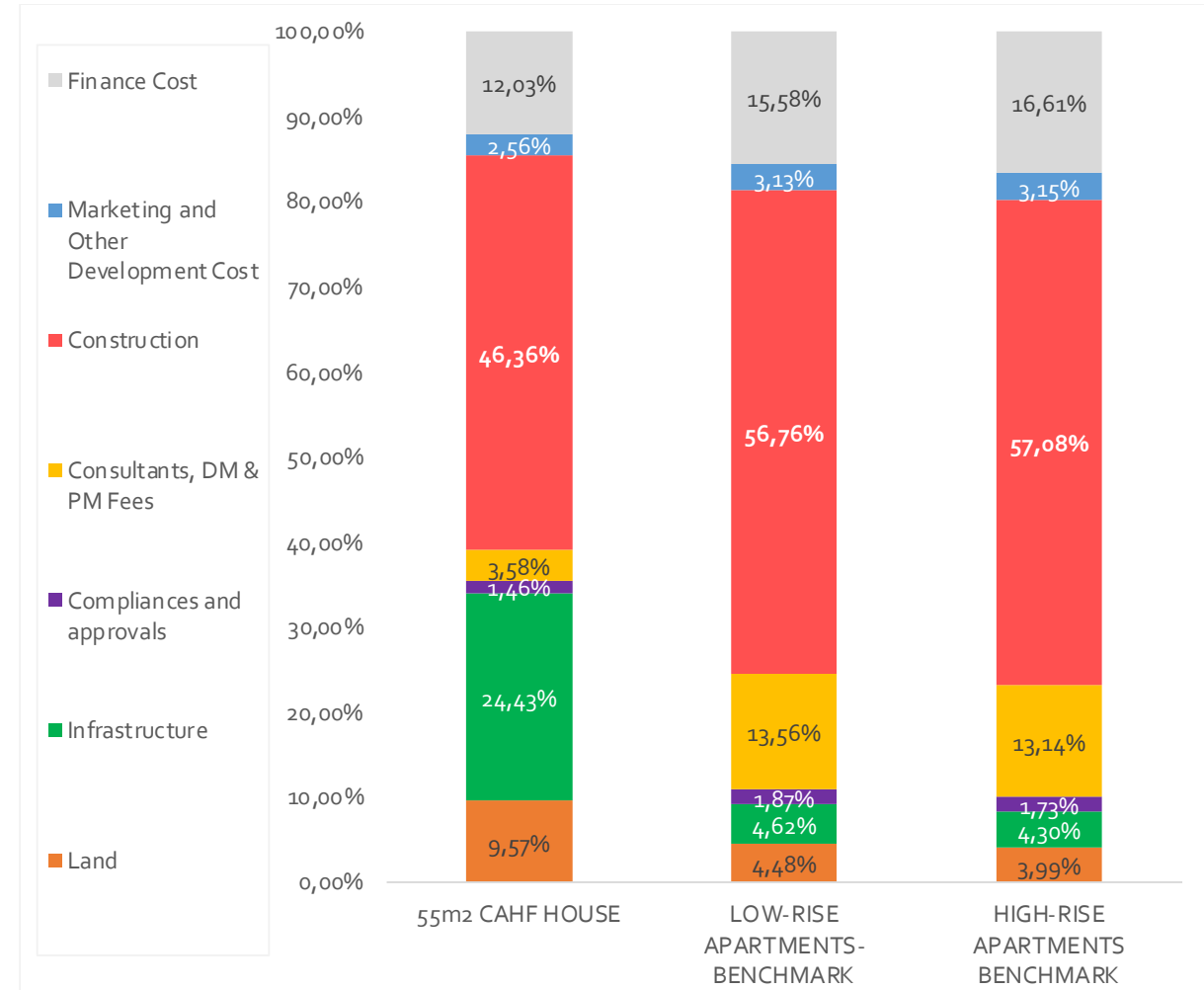
30th June 2020

<https://housingfinanceafrica.org/document/s/citymark-south-africa-government-subsidised-housing-stock-and-transactions-national-2008-to-2018/>



And we've explored benchmarking with fictional BoQs in hypothetical developments to test sensitivities and highlight areas for attention

COST ELEMENTS	DESCRIPTION	TOTAL DEVELOPMENT COSTS (KES)	IN UNITED STATES DOLLAR
55m ² individual plot house	Per dwelling unit	3 954 067	\$32 429
	Per m2 of net sales area per unit (55m ²)	71 892	\$590
Low-rise apartments	Per dwelling unit	3 015 486	\$24 731
	Per m2 of net sales area per unit (44m ²)	68 534	\$562
High-rise apartments	Per dwelling unit	3 269 856	\$26 818
	Per m2 of net sales area per unit (44m ²)	74 314	\$609



<https://housingfinanceafrica.org/documents/housing-development-cost-benchmark-report-for-kenya-2022/>



Recently we've explored the landscape for housing data across eight countries and engaged with public sector agencies Kenya and Nigeria to address gaps

<https://housingfinanceafrica.org/projects/a-housing-finance-data-agenda-for-africa/>

	Kenya National Bureau of Statistics	Central Bank of Kenya	Kenya Ministry of Land & Physical Planning / National Land Commission	County governments (including Nairobi)	Private Sector	DFIs / NGOs
Unlock	Extract and analyse household data to close data gaps, esp. Integrated Household Budget Survey	Regularly collate and republish succinct housing and housing finance related statistics published by the CBK			Extract and analyse data collected by industry bodies with emphasis on the affordable sector.	Analyse new DHS data when it becomes available
Disseminate	Produce a digital dashboard for inclusion on the KNBS website, drawing in data from across KNBS surveys, explicitly speaking to the Affordable Housing Programme	Ensure timely publishing of data. Extract mortgage data in a separate publication so it is easier to access.	Publish indicators & reports on residential transfers (including raw land sales, registration and sale of new units and residential resale transactions).	Disseminate indicators and reports on turnaround times from application to decision for planning submissions, as well as cost of compliance related to applications and permitting	The KMRC has undertaken extensive analysis on mortgage lending. This analysis (aggregated for the sector as a whole) should be shared more widely	
Disaggregate	Make raw data available for household level analysis of income, housing circumstances, etc.	Transactions data generated by lenders & credit bureaus could significantly improve public understanding of credit access and performance	Generate and publish key indicators off the pending National Land Management System. Especially make available underlying transactions data so that third parties can augment and add value to the data	Make available detailed data on units completed to enable analysis of activity in the affordable segment of the market	Encourage donors to create more comprehensive and standardised data gathering protocols and templates for projects they fund	
Gather	Gather and publish data from municipalities other than Nairobi. Refine household survey questionnaires to respond to housing-investment relevant information needs	Systematically gather data on LTV, loan term, interest rates and fees, number of loans granted per annum. Gather and publish data on mortgages disseminated by SACCOs			Where DFIs fund affordable housing developments, they should request that developers submit comprehensive and standardised data in line with clear protocols and templates (as with NGOs) – participation in the Open Access initiative	



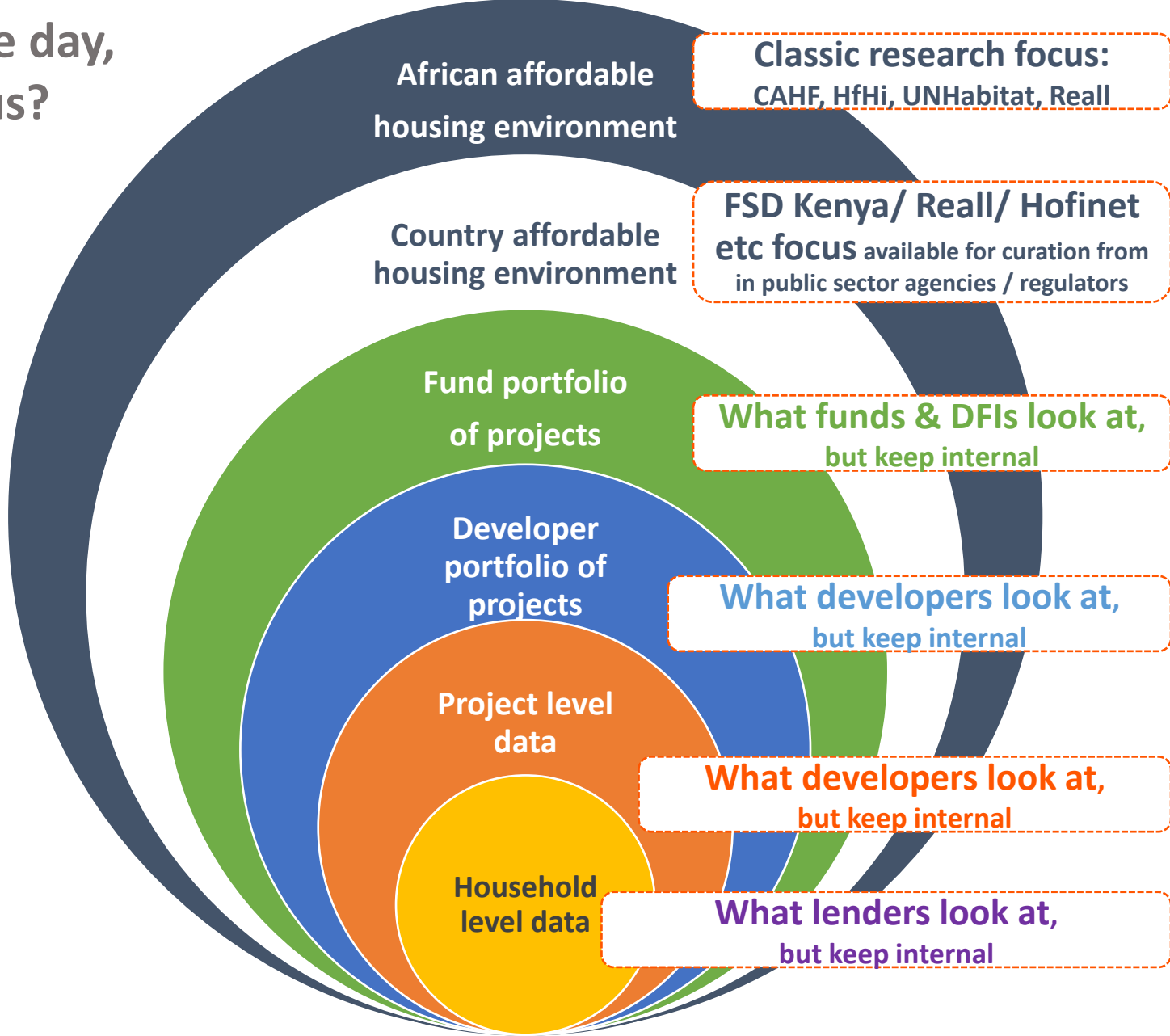
CAHF But at the end of the day,
HF what does this tell us?

Although data is fundamental to the investment decision, good quality, focused data is very difficult to come by. Investors, developers, all highlight the difficulty of accessing data that gives an accurate picture of the affordable housing investment opportunity and its risks. Key data questions relate to the nature of the **product**, its composition and associated costs; the **process** followed, including steps, time and cost, and the blockages that arise and the implications these have on overall affordability; details relating to **people**, the target market, their affordability, other financial pressures, housing needs; etc.; the **performance** of the investment, whether this is a worthwhile venture, how it might be improved, etc; and finally good **practice**.

CAHF, Reall, FSDKenya, HfHi, FSDA, AfD, the World Bank Group and others all do important work providing high level data to the market. **It is at the micro-level – at the level of the project or the Fund, or at the level of the household – that there is very little data in the public domain.**

As a result, there is very little information to frame a view on product, process, people or performance – and as such, investors and other market players are reticent to engage because they can neither quantify the opportunity nor the risks.

<https://housingfinanceafrica.org/projects/open-access-initiative/> and <https://housingfinanceafrica.org/projects/a-housing-finance-data-agenda-for-africa/>



High level market information is increasingly available, but key gaps remain. These could be addressed by public sector players and DFIs, and are the focus of CAHF's Data Agenda for Housing in Africa

Opaque, limited availability; unstandardized collection, incidental



This micro-level data is kept from the public domain because of its supposed commercial value, and the fear that sharing will undermine the competitiveness of the players. The challenge therefore is to harvest / liberate / and assemble this data in ways that support market development without undermining commercial competitiveness.



The Open Access initiative invites developers and financiers to share: live data collection, produced as 'useful outputs' and enabling advocacy process to overcome blockages.
Benefit to developers = showcasing and benchmarking



Data collected through housing delivery & management process

5. Practice
Shared background research & input to standardised templates

Advocacy for the Project & the sector

1. Product

- Detailed breakdown of product cost and income inputs relating to project identification, development cost data (project inception, land, obtaining rights and permits, infrastructure costs, building construction and professional fees, housing and other building construction costs, indirect construction site costs, other development costs), property operating and maintenance costs, property operating income data and gross revenue data.
- Collected twice: at proposal stage and at the end of the investment
- **Benchmarking, analysis of efficiencies, identification of subsidies, interrogation of environmental (green) components, contribution towards life cycle costing**

2. Process

- Detailed project delivery tracking of costs and time by value chain/ work stages
- Statutory standards vs. actual experience
- Relevant legislation and institutions involved at each step
- Regulatory experience (procedures, approvals, fees)
- **Collected live, throughout the project implementation process**

3. People

- Household data, housing history, household income & assets, transport to work and school, basic monthly household budget, housing financing, satisfaction
- **Enabling demand segmentation by employment, income, transport, etc.**
- Collected during sales, at occupation and then annually where possible

4. Performance

- Financial structuring, feasibility, budget vs. actual
- **ESG indicators**
- Maintenance / sinking fund costs
- Ease of Defaults, performance analysis
- Gross / Net Yields
- Collected on completion and derived from product, process and people data



Project design

- Market survey checklist & format
- Typical demand survey questionnaire
- Land-pre-assessment checklist
- Typical professional services procurement documents, services agreements, professional indemnity etc.
- Feasibility study structure and format

Initiation

- Example term sheet
- Income and expenditure statement

Housing delivery value chain

- Typical offer to purchase / deed of sale forms
- Example layout plans and reports used in environmental and town planning applications
- Detailed building plans
- Typical services installation contract procurement and contract forms

Legal documentation

- Redacted legal agreements
- Maintenance contracts
- TPS agreement
- Homeownership Association agreements etc)

Software

- Property management software

Research

- Feasibility / market studies
- Demand side analyses
- Environmental Impact Assessments

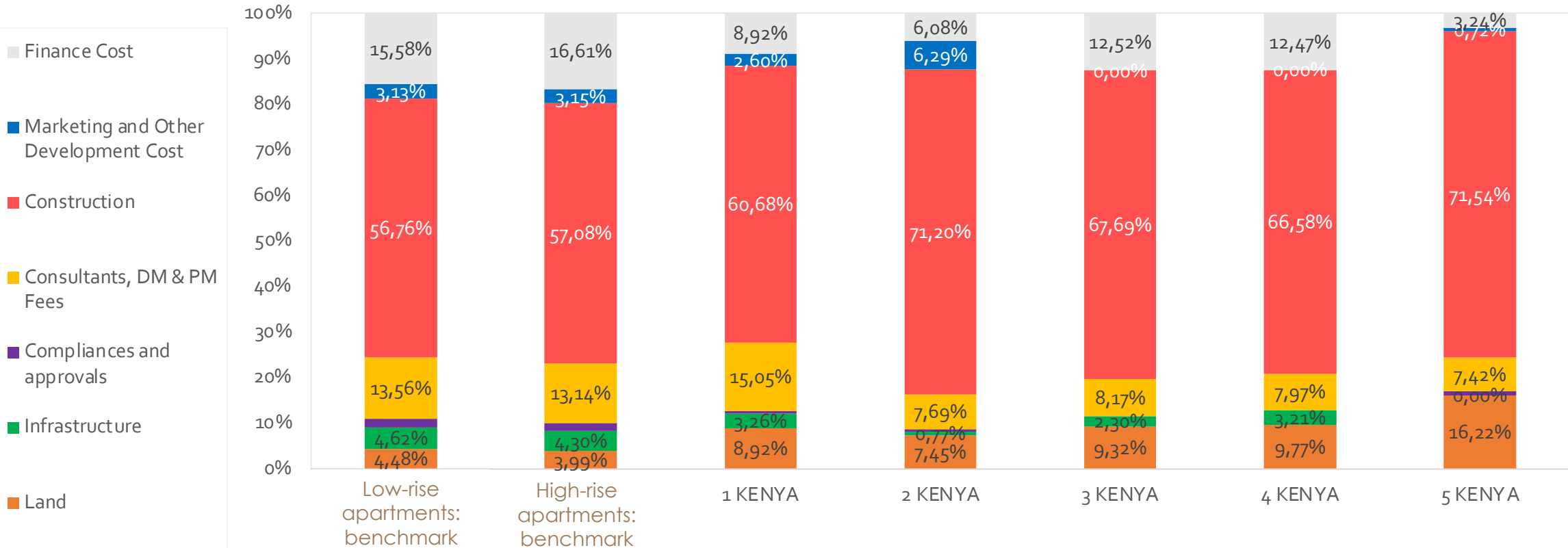


Affordable Housing Investment Alliance

- Quarterly or biannual participation /active sharing
- Signatory to issue of common concern
- Project-related advocacy on key value chain blockages
- **AHIA Portal for broad based sharing of material, lessons, networks, etc.**



Working with developers who are happy to share, we have been moving from the hypothetical to the real



<https://housingfinanceafrica.org/documents/using-development-cost-benchmark-report-for-kenya-2022/>

Developer	1 KENYA	2 KENYA	3 KENYA	4 KENYA	5 KENYA
Average Size per Unit	Studio - 20sqm One Bed - 40sqm Two Bed - 55sqm	Studio - 20sqm One Bed - 30sqm Two Bed - 41sqm	One Bed - 35sqm Two Bed - 50sqm	One Bed - 41sqm Two Bed - 58sqm	One Bed - 45sqm Two Bed - 54sqm
No. of Units	400	137	232	232	143
Size of Land	1 acre	0.5 acres	1.2 acres	0.8 acres	1 acre
Efficiency	82.90%	76.11%	75.85%	87.50%	85%
Parking Ratio	Not given	Not given	0.6	0.4	1.5

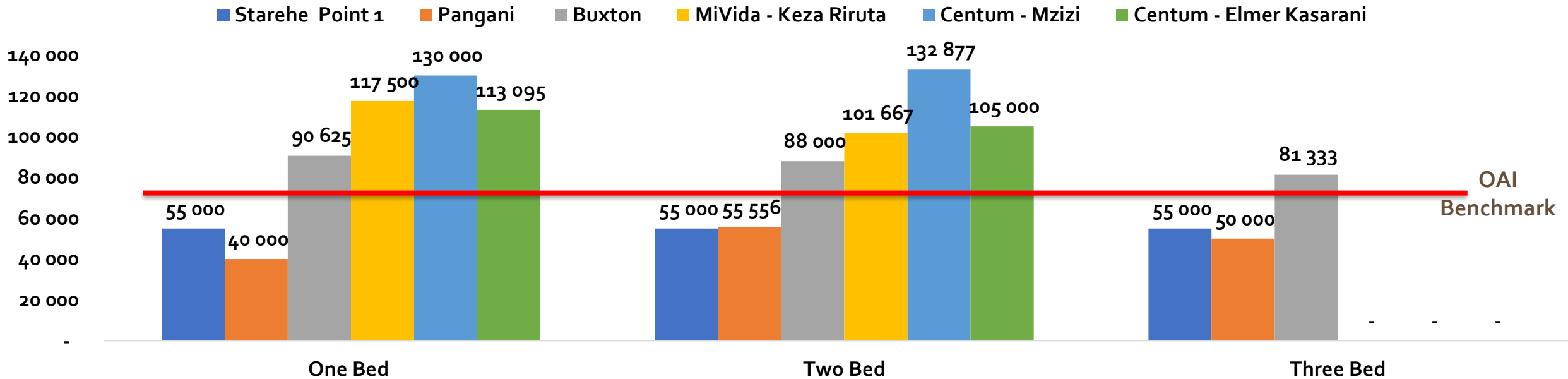


Working with developers who are happy to share, we have been moving from the hypothetical to the real



Affordable Housing has become an ambiguous phrase with a different definitions between public and private sector. **But at this stage, we can only make price comparisons and not cost comparisons**

Selling Price/Square Meter



Unit Price		One Bed	Two Bed	Three Bed	
Starehe Point 1	Public	1 815 000	1 815 000	1 815 000	Private Public
Pangani		1 000 000	2 500 000	3 000 000	
Buxton		2 900 000	4 400 000	6 100 000	
MiVida - Keza Riruta	Private	4 700 000	6 100 000	-	
Centum - Mzizi		6 500 000	9 700 000	-	
Centum - Elmer Kasarani		4 750 000	6 300 000	-	

Source: Boma Yangu Portal and Project Websites

Sneak peak at the Nairobi Metro Area Dashboard (currently live in Beta mode)

housingfinanceafrica.org/documents/housing-developments-in-the-nairobi-metropolitan-area-kenya-beta/

HOUSING DEVELOPMENTS IN THE NAIROI METROPOLITAN AREA, KENYA (BETA)

Projects and units in selected area
Total developers building in Dagoretti: 2

Projects in the selected area
Dagoretti

Select an area of interest: Dagoretti

Year collected: 2019 2021

Project Status: (All) Complete Ongoing Planned Stalled

In the year 2021, in Dagoretti, there were a total of 9 developments comprising of 596 units. Data was collected in 2019, 2021 and is ongoing. That said, the views are *not* cumulative – look at both options to properly understand the dynamics in an area.

Access the full dataset

Number of developments: 7
Total Units: 531

Development details in the selected area
Dagoretti, 2021

Select number of bedrooms

- 2022 data to be released in a new & improved dashboard, shortly
- Annual collections planned with ongoing submissions permitted
- This offers an important opportunity for developers to showcase their developments
- All data accessed from the public domain
- Fingers crossed: we do this in Nigeria with REDAN



On this journey, CAHF has learned that we cannot collect data alone – partnerships are critical, in collection, analysis, dissemination and learning. The public good of information is the responsibility of and benefit for all players: public, private, NGO and DFI



Over time, the Open Access Initiative (OAI) intends to draw in all the players in the housing ecosystem: each contributing their experience in data, insights and practice.

This will address information asymmetries in the housing market, offering benchmarking data for the respective markets, regional and continent-wide comparisons and shining light on key areas for policy attention.

Basic principles

- Standard, accepted definitions – solid metadata
- Consistent framework for collection
product | process | people | performance | practice
- Consistent delivery of outputs: timely, relevant, clear
- Confidentiality of inputs, Open Access to outputs
- Spirit of experimentation, testing, refining, experimenting again



We can't do this alone – we must mobilise the entire industry – but how? Our panel:



Dr Muhammad Gambo

- The value of **data as a public resource** – a public good. What is the argument?
- Where is **the line between Open Access, market transparency, and market competitiveness?**



Michael Kanui

- How can we improve the data landscape for affordable housing? What should be our **priorities**: public sector administrative data? Private sector data? Macro data? Micro, project level data? Do we have to prioritise or do we do it all at once?



Dao Harrison

- How do we **sustain these efforts?** How do we address the need for funding?
- What impact does open data have on a developer's **ability to target affordable housing?** (, this one is for you)



Drs Marja Hoek-Smit

- Is there an opportunity for **twinning arrangements** where one country might assist another in its data efforts?

CAHF MOOC. Making Housing Markets Work in African Cities: the role and opportunity of finance



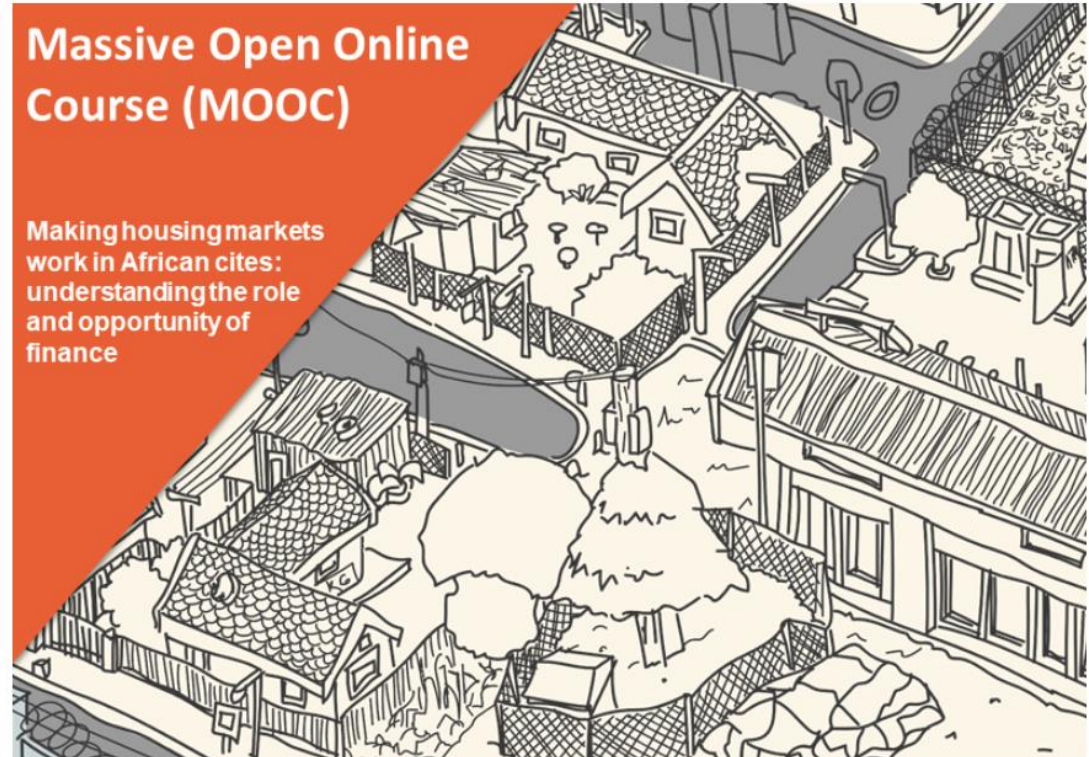
A free massive open online course (MOOC)

Housing finance in Africa matters. The lack of adequate and affordable housing requires action.

Because how housing is financed impacts on what housing we build, it impacts on how we build housing, and it affects how housing supports our lives and livelihoods. Many households across Africa do not have a home to comfortably stay in, let alone work in. There are innovative approaches that can make a positive difference to housing on the continent.

This MOOC tackles key questions around affordable housing through an in-depth exploration of housing finance in African cities:

1. How does housing impact the economy?
2. What is the demand for and affordability of housing?
3. What are housing supply networks?
4. How are the steps to constructing, maintaining and transacting housing financed across African settlements?
5. What are the innovative financial instruments?
6. How can these be expanded down-market?



For more information contact luther@housingfinanceafrica.org