

Africa's housing crisis: conference outlines remedies

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Despite having 3% of the population earning an income viable for mortgage and 10.8% earning between US\$10-20 per day, the UN Habitat says about 40.3% of Africans still live in slums. Inadequate and overcrowded dwellings, mostly without clean water, electricity and proper sanitation, line the streets of major cities as the population grows, banks close their doors on the poor and corruption infests the housing sector.

"A key area of attention must be the housing of this growing population. Developers face challenges, including the complexity of the development process, access to finance and infrastructure," says the Centre for Affordable Housing Finance in Africa (CAHF) in its 2011 Yearbook.

"With these and other difficulties, Africa's mortgage market is tiny but there is certainly room for growth."

Delegates who attended the three-day African Union for Housing Finance (AUHF) conference held last week in Sandton, Johannesburg, South Africa, pledged their commitment to the development of sustainable housing finance markets to address the broad spectrum of needs in each of their countries and regions throughout Africa.

Pressure on urban infrastructure

But, with the continent now experiencing the world's fastest economic growth and highest urbanisation rate - 14 African cities had populations of over three million in 2010 and 50% of Africans expected to live in cities in 2030 - they would have to move fast enough to lay a solid foundation to match these trends, which are said to be putting an increasing pressure on urban infrastructure.

Africa's collective GDP (gross domestic product) is US\$1.6 trillion (roughly equal to Brazil or Russia's), and is expected to reach US\$2.6 trillion in 2020.

The conference underlined the following serious challenges, among others, facing the continent's housing sector:

- The availability of serviced land for housing: cadastral systems in many African countries are only just developing.
- The backlog in land titling undermines the development of mortgage markets, which rely on the underlying security of land tenure to facilitate affordable finance.
- Municipal capacity constraints seriously undermine housing development processes at all affordability levels in many African cities: whether expressed through insufficient infrastructure investment and maintenance, or inefficient building approval processes, or poor land administration processes.

- Housing affordability: in each African country, the percentage of the population below the poverty line is significant.

Given the seriousness of the situation and perhaps frustrated by the state of housing in Africa, the AUHF members pledged to work together, and with and other stakeholders, whether in public or private sectors, to promote the realisation of sustainable human settlements across Africa.

"We are committed to the development of appropriate housing and housing finance products, which are affordable to our populations, and contribute effectively towards adequate housing across our nations," the joint communiqué issued on Friday read.

"We will promote consumer education and financial literacy so that households can participate effectively in their housing processes.

"We will also put in place an integrated delivery approach in which the development of housing occurs within a sound planning framework that includes the delivery of infrastructure services, and social and economic amenities."

AUHF also pledged to establish and consolidate the existing, institutions throughout the housing supply chain that are sustainable and robust, and provide a professional development and training across the spectrum of the housing value chain.

AUHF delegates came from South Africa, Namibia, Gambia, Rwanda, Botswana, Tanzania, Nigeria, Zimbabwe, Mozambique, Ghana, Kenya, Malawi, Uganda, Mauritius and Swaziland.

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Issa Sikiti da Silva is a winner of the 2010 SADC Media Awards (print category). He freelances for various media outlets, local and foreign, and has travelled extensively across Africa. His work has been published both in French and English. He used to contribute to Bizcommunity.com as a senior news writer.

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