

Africa is facing housing crisis, Shelter Afrique says

- *Majority of African countries are finding themselves with huge housing backlog*
- *Demand for housing in Africa is rapidly outstripping supply and with increased rural urban migration, containing the situation is emerging to be one of the greatest challenges*
- *The Pan-African housing financier is calling for a stronger public-private-partnership to address the shortage*

Nairobi - April 3, 2019: Majority of African countries are facing a housing crisis as a result of high population growth, increased urbanization and low supply of affordable housing across the continent, the Pan-African housing development financier, Shelter Afrique, has said.

Speaking in Nairobi at the inauguration of Karibu Homes, a low-cost housing project financed by the organization, Shelter Afrique Chairman Daniel Nghidinua said the situation is compounded by lack of affordable housing finance, high cost of urban land and weak tenure security, rising construction costs, and rapid growth in slums, and has called for a stronger public-private-partnership to address the shortage.

“These high growth rates have given rise to a surge in the demand for urban infrastructure and housing in urban areas. Unfortunately urban planning and investment in housing are often lagging behind resulting in housing deficits. The surge in demand for housing in turn has driven up housing prices and often pushed quality housing out of reach for the majority, especially the poor, low, and middle-income households,” Mr. Nghidinua said.

Huge backlog

Shelter Afrique Managing Director & CEO Andrew Chimphondah said several countries in the continent are facing huge housing backlog, adding that urgent action was needed to stave-off the crisis.

“It doesn't matter which country you are referring to any more. Uganda is facing an annual deficit of 1.6 million housing units, Kenya 2 million housing units, Tanzania 3 million housing units, South Africa 3 million housing units, and Nigeria 17 million housing units – wherever you go, it's a crisis and it is incumbent upon us to heed the call to action,” Mr. Chimphondah said.

Mr. Nghidinua noted that even though the housing backlog was a challenge, it wasn't insurmountable, adding that Shelter Afrique was committed to affordable housing for all in Africa and that the organization was keen on forging smart partnerships aimed at creating growth with scale.

“We believe this challenge represents an opportunity for coordinated actions and investments by various governments, private sector players, and communities across the continent. Through smart partnerships we want to focus on the lower end of the affordable housing market chain to be able to address this housing crisis,” Mr. Nghidinua said.

In a recent report, the UN Habitat blamed the huge housing deficits in Africa to poor response of governments to the issue, ignorance by governments on the housing issue, land delivery systems, urban planning and poor organization of construction sectors in most African countries. The report also stated the continent requires 4 million housing units per year to cover its housing needs.

Notes to Editors

About Shelter Afrique

Shelter Afrique is the only pan-African finance institution that exclusively supports the development of the housing and real estate sector in Africa.

By meeting the needs of the continent's rapidly growing urban population, our work has a direct and positive impact on the lives of many.

A partnership of 44 African Governments, the African Development Bank (AfDB) and the Africa Reinsurance Company, Shelter Afrique builds strategic partnerships and offers a host of products and related services to support the efficient delivery of affordable housing and commercial real estate. These include project finance, institutional lending, equity investments & joint ventures, trade finance, and social housing. We also offer practical advice and technical assistance to a wide range of industry stakeholders.

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