

# SOLVING THE HOUSING DEFICIT AND AFFORDABILITY CHALLENGES - THE WAY FORWARD

A PRESENTATION TO THE NATIONAL WORKSHOP OF THE ASSOCIATION OF HOUSING CORPORATIONS OF NIGERIA

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# Key Themes

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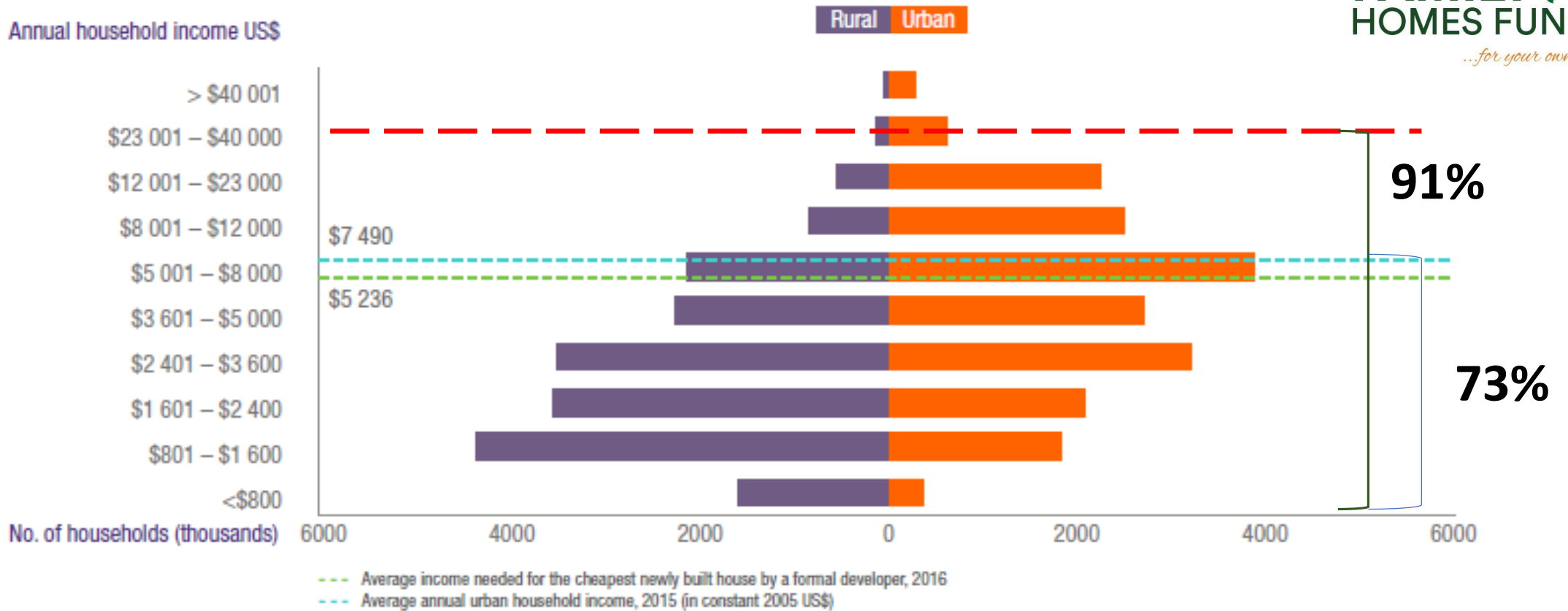


- **Defining** the Issues;
- What does **success look like?**
- Working **towards** success;
- **Two Key Thoughts** for the Way Forward

**[Defining The Issue:]**

## NIGERIA

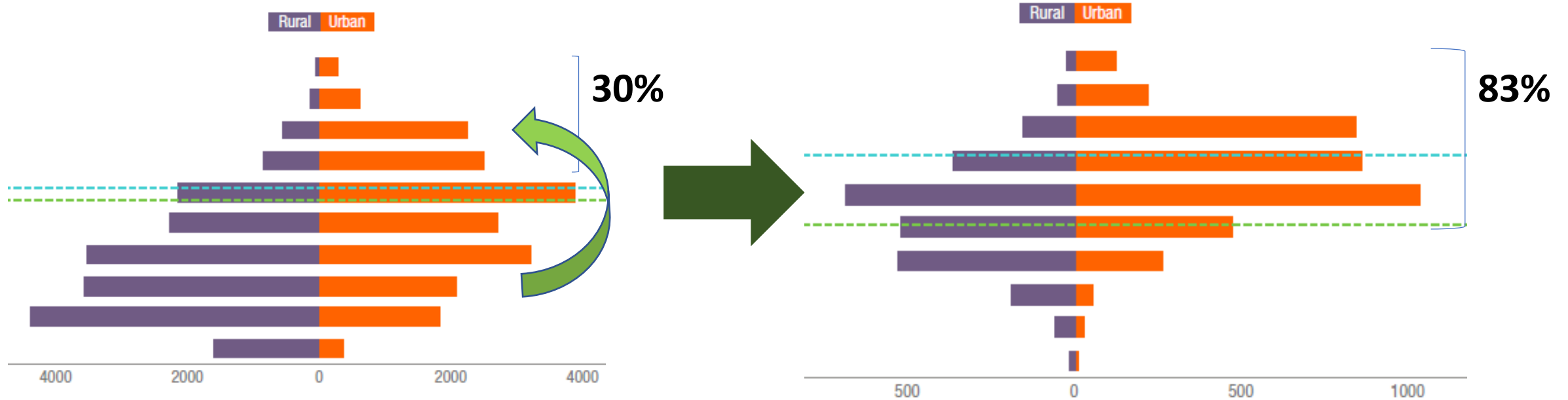
Annual household income US\$



# Deficit for Who ?

# Affordability for Who?

# What does SUCCESS look like?



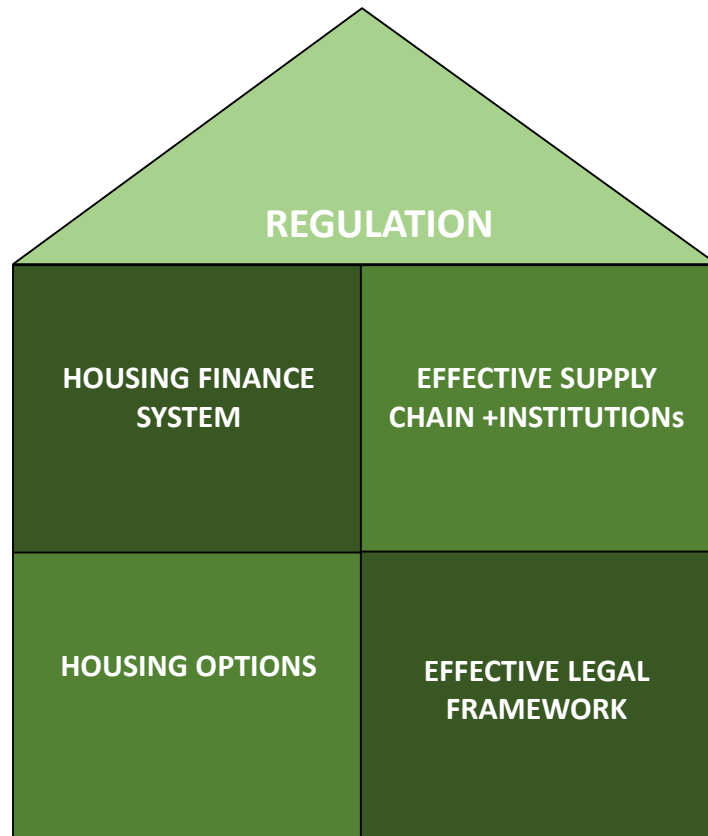
# Working towards Success

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# Way Forward .....Joint Up Thinking

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- No one size fits all
- Adopting a multiplicity of approaches
- Joint working amongst agencies, public and private

# Way Forward ....My Two Thoughts

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- **New Towns Programme**  
Building new urban extension towns on the edge of main cities.



- **Creating a Formal Rental (Market + Social) Tenure.**  
Significant potential to improve access to people on low income



# A New Towns Programme

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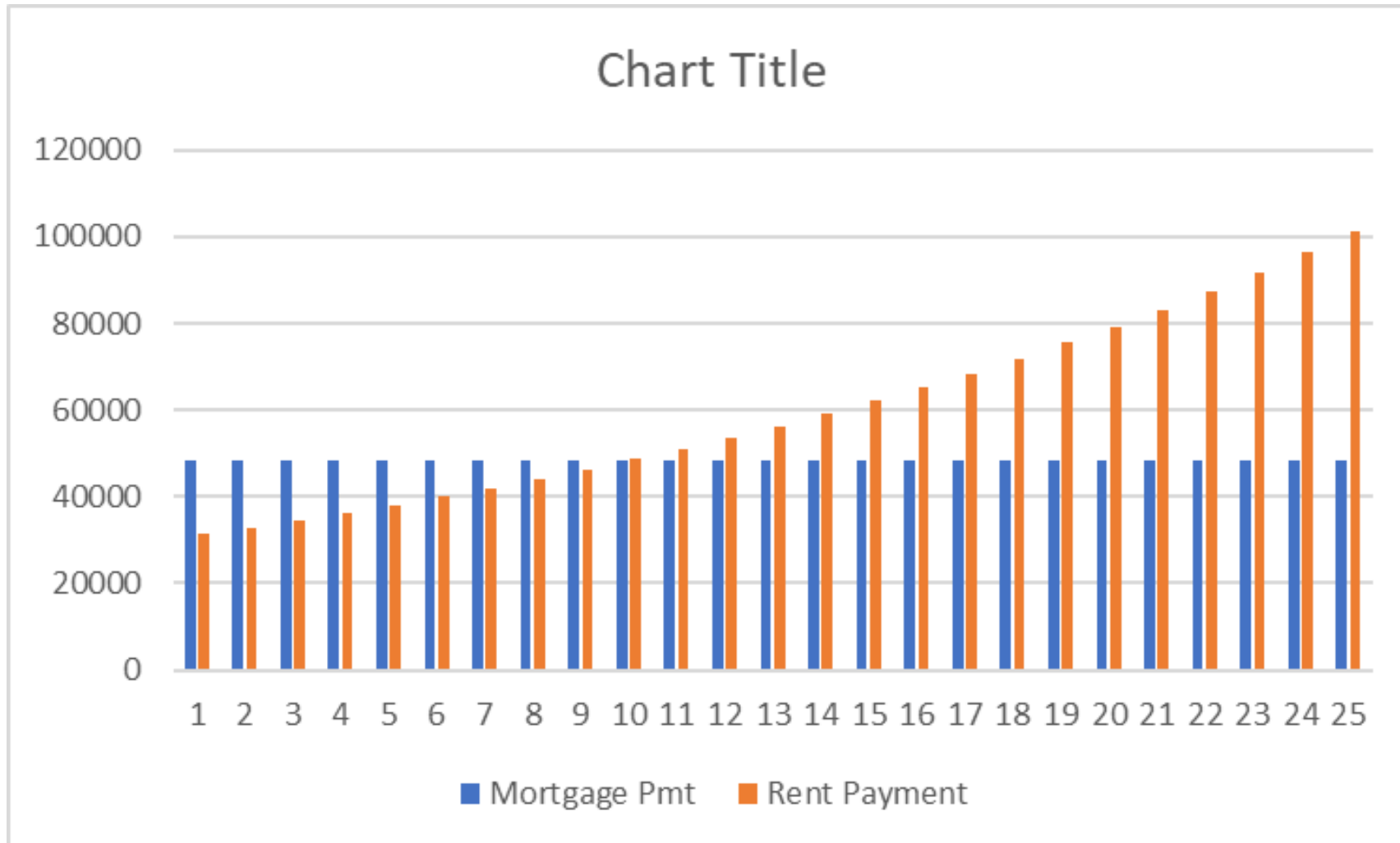
- Establish at least 6 new towns as satellites to our most pressured cities;
- Proactive plan for growth with provision for mixed tenures, mixed incomes jobs and employment and new technology;
- Laboratory for testing out the very wide range of ideas for managing housing supply and demand in a cohesive way;
- Financing New Towns?

# Formal Rental Housing Market

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- **We can do this now! About 87% of Nigerians living in urban areas are already renters, only informally;**
- **Biggest potential to reduce constraint on demand and release supply. Over 76% of informal new build into rent;**
- **Can be a quick win for meeting the housing need of people on low income who are largest proportion of the population;**
- **Hard Work (culture, institutions, financing, regulations, etc).**



# A Renaissance for Housing Corporations?

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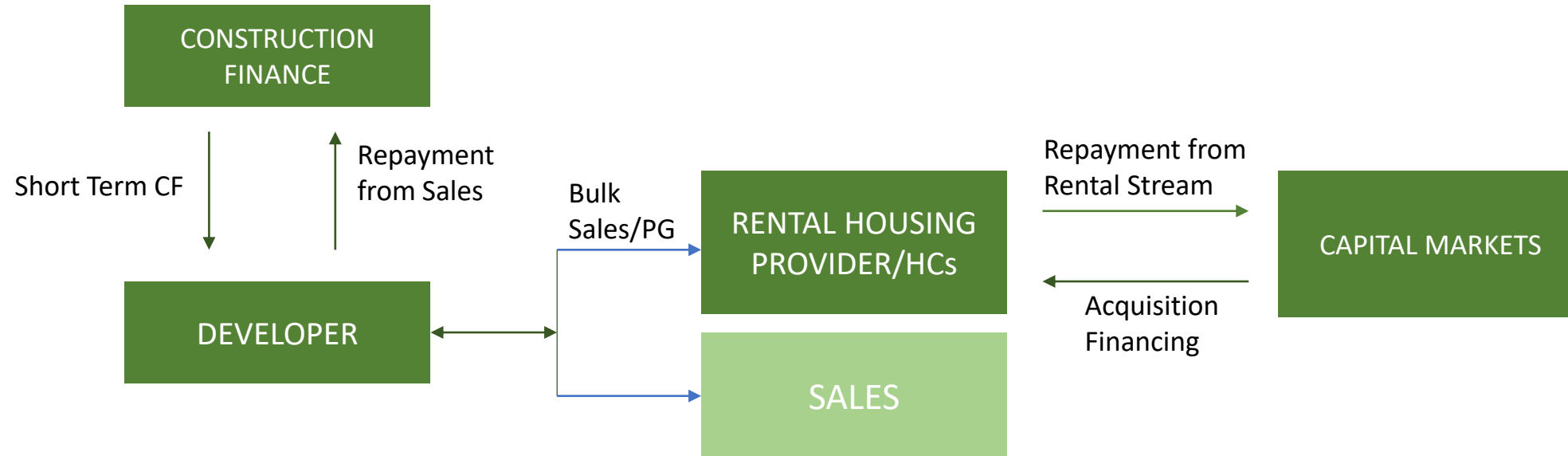


- I passionately believe that HCs are a critical part of the solutions especially for intervention in a formal rental housing tenure;
- Enabled HC's can provide off taker guarantees for large scale private developers. Acquisitions can be financed by capital market issuances, with initial deficit grants where required;



## **BUT**

- Reform is needed.
- Is it time to think about a different ownership structure for HCs?



Simplistic Transaction Flow for a Rental Housing Option including possible role for a reformed Housing Corporation



# It need not be, if we.....



- Commit to build at an unprecedented scale. A single minded large scale housing programme possibly on the back of new satellite towns is required. Current approaches while well intended are not sufficient.
- Give a bit more attention to developing housing solutions targeted at up to 90m Nigerians living on less than US\$1/day. This population (equivalent to the whole of West Africa) is too large to ignore;
- Recognise that the cost of investing in housing that is affordable to ALL sections of the population is MUCH lower than the cost of NOT investing or half hearted approaches;
- Build Institutions that provide a sustainable base for housing delivery. Renewed Housing Corporations can have a significant role to play here;
- Work Together.....



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