



AFFORDABLE HOUSING
FINANCE & INVESTMENT
S U M M I T



AHFIS 2025

Reimagining Affordable Housing Finance

By

CHARLES G. INYANGETE, PhD.

Founder & CEO Innovative Risk & Investment Solutions (IRIS) Ltd
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MODULE 1

SETTING THE CONTEXT: REIMAGINING AFFORDABLE HOUSING FINANCE



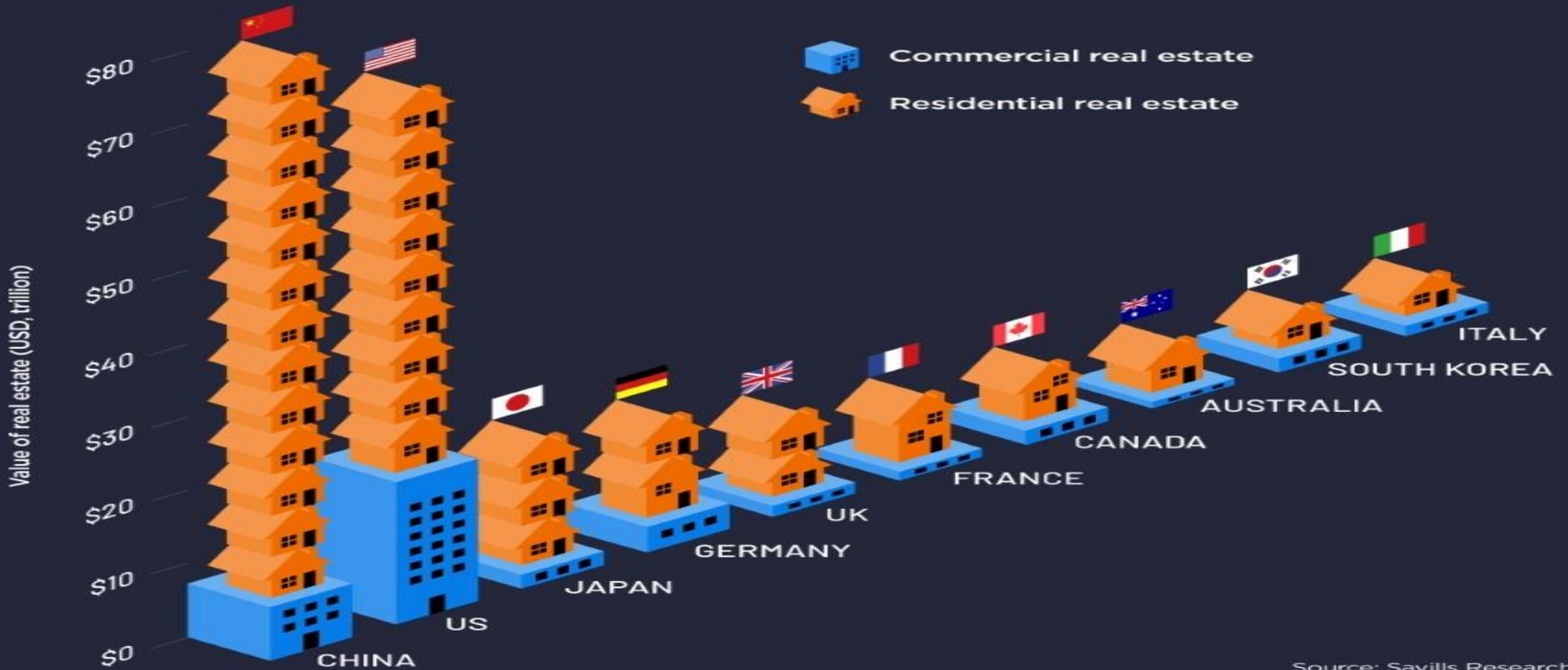
REAL ESTATE IS THE WORLD'S LARGEST STORE OF WEALTH



Source: Savills Research, and Savills Research using IMF, Bank for International Settlements, World Federation of Exchanges, World Gold Council



THE 10 MOST VALUABLE REAL ESTATE MARKETS



Source: Savills Research

REIMAGINING AFFORDABLE HOUSING FINANCE: PROACTIVE APPROACH



- Macro challenges and generative Artificial Intelligence (AI) are pushing global finance providers to **reimagine** their **investment strategies**.
- In order to **Reimagine Affordable Housing Finance** – We must **Aim Higher** and **Move Faster** in order to achieve **Sustainable Affordable Housing Finance**.
- Calls for **New Ownership Structure(s)** and a **Revisit of Repayment Structure(s)** (*frequency and seasonal cycle*) and **New Financing Instruments**.
- **Requires** – Reorganizing the global finance architecture for the future – The current Global Financial System is **Inefficient, Insufficient and Unfair**

Real world examples: How Finance Functions apply AI to deliver faster, insights, stronger controls and measurable results.

- McKinsey survey of 102 CFOs across industries and global regions show:
- 44% of respondents said they use gen AI for over 5 use cases in 2025, up from 7% in 2024;
- **Investment in AI tools growing** – 65% of respondents said their organizations will **increase AI investments in 2025**, in 2023 it was 25%;
- **Note of Caution** – **Tangible value of AI remains illusive**, only 5% of AI pilots have translated to meaningful P&L impact.
- Poor outcomes largely due to **pilot breakdowns under real world conditions**.



Reimagining Affordable Housing Finance

Definition & Context



What Does “Affordable Housing Finance” Mean?

- Refers to systems of **funding, investment, credit, and repayment** arrangements that make **housing accessible and sustainable for low- and moderate-income households**.
- **Key global benchmark:** Housing costs (including rent or mortgage, utilities & maintenance) should not exceed roughly **30% of household income**.
- **In Nigeria, the definition remains implicit:** costs exceeding **30% of household income** are often deemed unaffordable.



Why “Reimagining”?

- Conventional mortgages remain **inaccessible to most Nigerians** due to **high interest rates, informal incomes, land constraints and risk perceptions**.
- There’s a need for **innovative, inclusive options**—such as **microfinance, rent-to-own, sukuk, institutional funding, and green mortgages**—aligned with local incomes and climate priorities.



Context in Nigeria & Africa

- **Nigeria’s 20–28 million** housing deficit is hindered by limited finance. New efforts like **MOFI’s 9.75% mortgage** scheme are emerging, while globally, **institutional capital, blended finance and alternative repayment models** are helping close housing gaps.



What Reimagining Affordability Requires

- Align finance products with **local income patterns and cash flows**.
- Integrate **sustainability and climate resilience** to cut lifecycle costs.
- Expand access through **low down-payments, long tenors, and alternative finance (e.g., sukuk)**.
- Mobilize pension, **institutional, and diaspora capital with risk-reduction mechanisms**. **New Disruptive models and New Approach – Building & Finance**.



High Land and Infrastructure Costs:

Expensive land prices and infrastructure development (e.g., roads, water systems) raise housing costs, making them inaccessible to many.

Lack of Housing Data:

Absence of reliable demographic and housing statistics hampers effective planning and policy development.

Multiple Taxation:

Investors face numerous taxes (income tax, development levies, property tax), increasing overall costs and discouraging investment in housing.

Bureaucratic Processes:

Lengthy legal and legislative procedures for land acquisition and titling (e.g., acquiring a Certificate of Occupancy can take years).

Urbanization Pressure:

Rapid rural-to-urban migration and population growth exacerbate housing deficits in urban areas.

Currency Devaluation:

Depreciation of the Naira inflates costs for imported building materials, driving housing prices higher. **The Naira is worth about 11% of its value in November 2014, 89% devaluation against the USD.**

High Interest Rates:

Mortgage interest rates ranging from 6% for FMBN, 9.75% for MOFI/MREIF which are more affordable to **15% to 25%** that are unaffordable for most middle- and low-income earners.

Rising Material Costs:

E.g, the cost of a 50kg cement bag increased from ₦2,650 in 2018 to btw ₦10,000 - ₦12,500 in 2025

Underdeveloped Mortgage Sector:

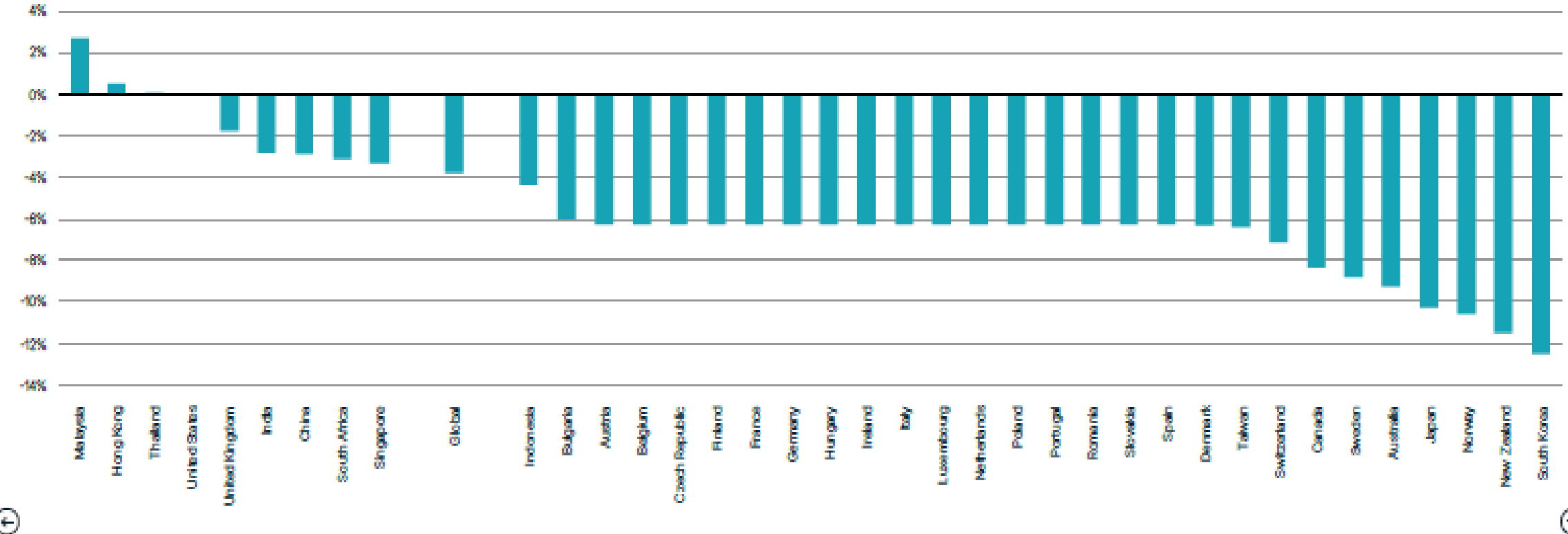
Current mortgage products unsuitable for lower-income groups without access to housing finance.

CURRENCY IMPACT ON REAL ESTATE: LOCAL CURRENCY VS US DOLLAR - 2024



CHART 9: Currency Impact by Individual market in 2024, local currencies vs. US dollar

Based on latest available data as of December 2024. Source: WM Refinitiv, MSCI



Source: MSCI (2025)



MODULE 2

Examining Affordable Housing Finance Extant & New Models



Financing Shortfall at a Glance

- Mortgage loans outstanding in Nigeria represent less than 1% of GDP (about 0.6% as per the World Bank).
- One report shows Nigeria's ratio of outstanding mortgages to GDP at 0.5% in 2021.
- In contrast: **South Africa has 30% mortgage-to-GDP; Kenya 2.2%.**
- The estimated housing deficit is huge — for example, reports estimate 20-28 million units.

Consequences

- **Home ownership remains low (25% in many urban areas in Nigeria)** due to limited financing options and high costs.
- Many households resort to informal construction, renting, or living in inadequate conditions due to a lack of access to affordable housing finance.
- The **financing gap directly slows delivery of the needed housing units, worsening the housing crisis.**

Key Constraints in Housing Finance

- Mortgage interest rates of **18–27% make repayments unaffordable.**
- Loan tenors are often under 10 years, raising monthly costs.
- Many **households have informal or irregular incomes, limiting mortgage access.**
- Weak land titling and property data reduce eligibility and investor confidence.
- **High construction costs inflate housing prices and reduce affordability.**
- Limited long-term funding (e.g., pension or institutional capital) weakens the housing finance ecosystem.

Implication for Reimagining Finance

- To close this gap, there is an **urgent need to reimagine affordable housing finance** by **housing design and technology innovation** and **redesigning financial models** to **match the realities of Nigerian households, incomes, and market conditions**—and unlock capital at scale.









Why New Models Are Needed

- Traditional mortgage systems serve less than 1% of Nigeria’s population due to affordability and access issues
- The challenge: How to mobilize affordable long-term capital, reduce interest costs, and **expand inclusion** for **low- and middle-income households**.


Key Takeaway

Making housing finance affordable **requires redesigning systems** to **fit how people earn, save, and spend** – through **flexible payment structures (Daily, Weekly, Seasonal), non-interest models, cooperatives, and technology-driven inclusion**

Model	Concept	Affordability Mechanism
 Rent-to-Own Schemes	Rent contributes towards home ownership.	Spreads payment, avoids large down payments.
 Cooperative & Micro-Housing Finance	Savings groups pool funds for home ownership.	Builds local capital, no collateral required.
 Non-Interest/Sukuk Mortgages	Sharia-compliant products avoid interest.	Expands access for Muslims & ethical investors , avoids interest.
 Blended Finance Frameworks	Combines public, private, and development finance.	Public funds de-risk private investment.
 Green & Sustainable Housing Finance	Integrates energy-efficient design into financing.	Reduces lifecycle costs for owners.
 Digital & Fintech-Enabled Housing Finance	Uses technology to assess creditworthiness, automate lending.	Reduces transaction costs, expands inclusion.


- Concept:** Tenants pay monthly rent that counts toward eventual home ownership – a “lease-purchase” arrangement.

Why It Works: Reduces upfront barriers (no down payment), gives occupants equity over time, and suits informal or inconsistent earners.

Lagos State Scheme

Offers apartments with 5% initial payment and 10-year repayment tenure, suitable for low- and middle-income earners.



FMBN Scheme

Provides homes nationwide with 5% equity payment and up to 30-year repayment tenure, ideal for NHF contributors.



Mixta Africa Scheme

Allows 5% upfront payment, up to 3 years of renting, and conversion to ownership in Lagos and other estates.



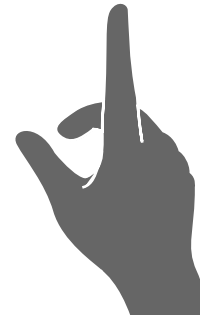
Legrande Properties Scheme

Offers homes in Alexandra Courts, Ibeju-Lekki, under rent-to-own terms for NHF contributors.



Federal Government Initiative

Expands FMBN's framework nationwide for public servants and urban workers with flexible payment over long-term tenure.





Benefits

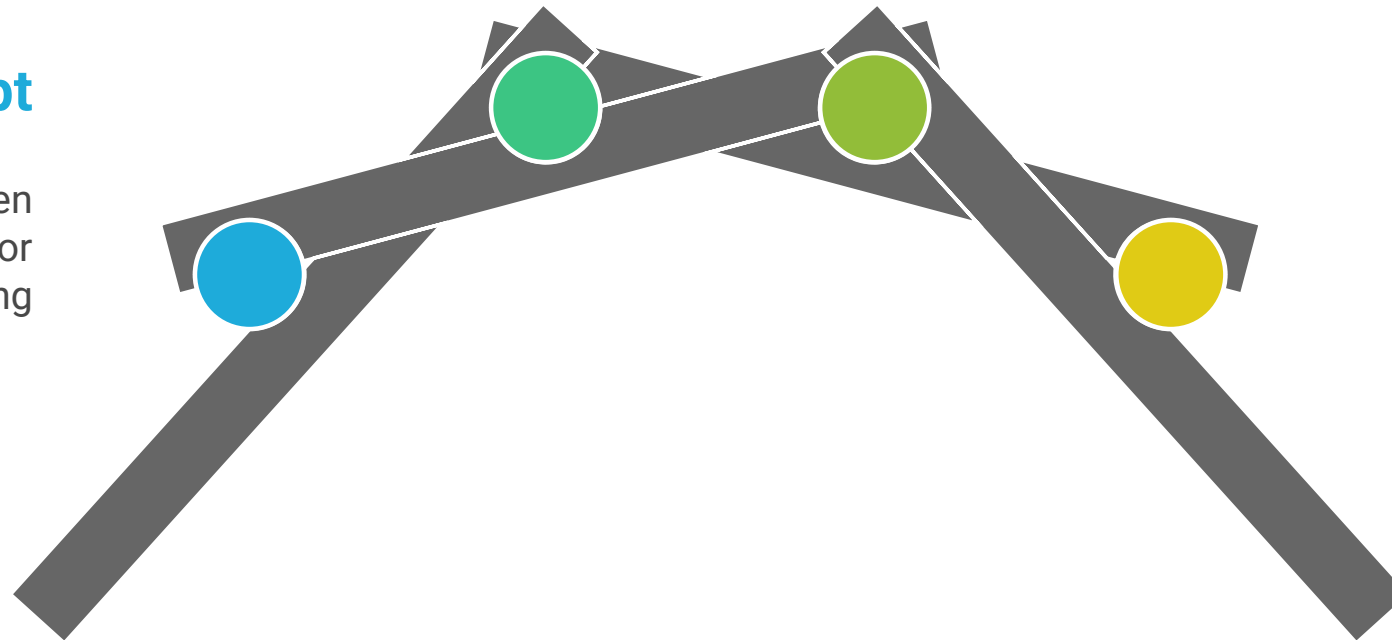
Builds trust, reduces bank reliance, aligns with income

Examples

FHA Cooperative Model and NACHDEF in Nigeria

Concept

Community-driven resource pooling for housing



Global Link

Cooperative Bank of Kenya provides tailored loans



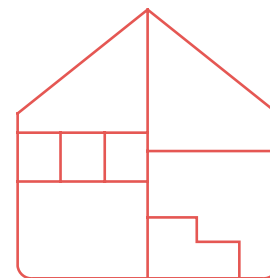
Concept

Mixes public funds, concessional loans, and private capital to finance affordable housing while de-risking investors.



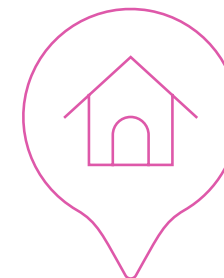
Why It Works

Government absorbs early-stage risk; private sector drives efficiency and delivery.



Example

Family Homes Funds Limited (FHFL) – a Nigerian PPP that combines federal capital with private developer financing to build affordable homes.



Regional Example

Kenya's Affordable Housing Programme combines World Bank, AfDB, and domestic developer funding.



Concept

Integrates energy-efficient design and renewable technologies into housing loans, lowering lifetime costs.

Benefits

Reduces utility bills for homeowners, increases property value, and attracts ESG investors.

Example

Mixta Africa delivers IFC-EDGE-certified affordable homes under green finance frameworks.

Support

IFC's Green Building Market Transformation Programme encourages African developers to access climate finance.



FINTECH & PROP-TECH HOUSING FINANCE



Concept

Technology-enabled credit scoring, digital mortgage processing, and crowdfunding for housing.



Benefits

Reduces transaction cost, improves risk assessment, and includes informal earners.

Kwaba Nigeria

Enables rent-to-own and digital micro-mortgages in Nigeria.

ShelterTech Africa

Supports PropTech solutions for affordable housing in Africa.



Economic & Financial

- **Mobilize long-term, low-cost capital** (e.g., mortgage liquidity facilities institutional investors) for affordable repayments.
- **Promote lifecycle cost reductions** through energy-efficient and low-maintenance housing.
- **Use diverse financing models** (incremental, cooperative, non-interest) to serve various income groups.

- **Align housing designs** with household income patterns and informal employment realities.
- **Ensure secure tenure, inclusive communities,** and access to essential services to sustain home value.
- **Incorporate user needs and preferences** to prevent project abandonment.



Social & Community

- Apply **green building standards, local materials,** and passive design to cut energy use and emissions.
- **Build resilience to floods, heat, and other shocks for durable, affordable homes.**
- **Integrate housing** with water, transport, and utility infrastructure to avoid hidden costs.



Environmental & Built-Environment

- Establish **clear legal frameworks for land, building regulation, finance, and alternative housing models.**
- Strengthen transparency and accountability in institutions to reduce project risks.
- Build capacity among developers, financiers, and regulators for sustainable housing delivery.



Institutional & Governance

Takeaway - A sustainable affordable housing finance system must be diverse, inclusive, and resilient—driven by innovation, supported by strong institutions, and backed by collaborative public–private partnerships



MODULE 3

Affordable Housing Finance – Need For A Transformative & Sustainable Agenda

THE NEED FOR INNOVATIVE INTERVENTION AFFORDABLE HOUSES BY DESIGN: FRACTIONAL OWNERSHIP



- Real Estate Investments are notoriously **illiquid** and **inaccessible**.
 - Constitutes a **massive hurdle** for real estate **developers** and **investors**
 - **Manually intensive infrastructure** calls for **innovative intervention**
 - **Digitally representing the ownership** of real estate using blockchain distributed ledger (ie. **TOKENIZATION**), middlemen processes can be **automated**, **liquidity** can be **increased**, **capital requirements** can be lowered, and **transparency** can be improved.
 - Lowers the expenses of real estate issuers and **broadens the scope of potential investors**.
 - **Affordable by Design** - Design of **entry level houses** as **self-contained apartments** or **Bed-sits**. Essentially One open space with demarcations of areas for sleeping, kitchen, shower & WC (enclosed)
 - **Design Efficiency** can deliver say **4 units** to accommodate **4 distinct occupiers** on the same floor area that would otherwise be for **One 3-bedroom house**
 - After 911 key buildings in **New York** in the **Lower Manhattan** area near the **Stock Exchange** were repurposed as **apartments / bedsits** for **young people**;
 - **Implication** – **More affordable housing** units and more housing units. A house of 4 units using building technology innovation can be delivered at **N15 million** which is **N3.75 million per Bed-sit**. It is also suitable for providing student accommodation.
- Fractional Ownership** – Multiple ownership of the **same “house / building”** on the **same plot purpose-built** for multiple occupiers similar to current block of flats / apartments;
- **Physical Fractional Ownership** – The unit is apportioned into shares –each occupier owns a fraction (unit title)
 - **Digital Fractional Ownership** – **Tokenization** – Issue of tokens to represent ownership – this extends the concept much further.



Modular and Prefabricated Construction: Using factory-assembled components to build faster and at scale. Companies like **Moladi** Housing Systems and VBHC (India) design modular units that increase efficiency and reduce costs

01

3D Printing: Automating construction processes to save time and material costs. For instance, Shanghai-based WinSun has used 3D printing to build entire structures.

02

INNOVATIONS IN CONSTRUCTION

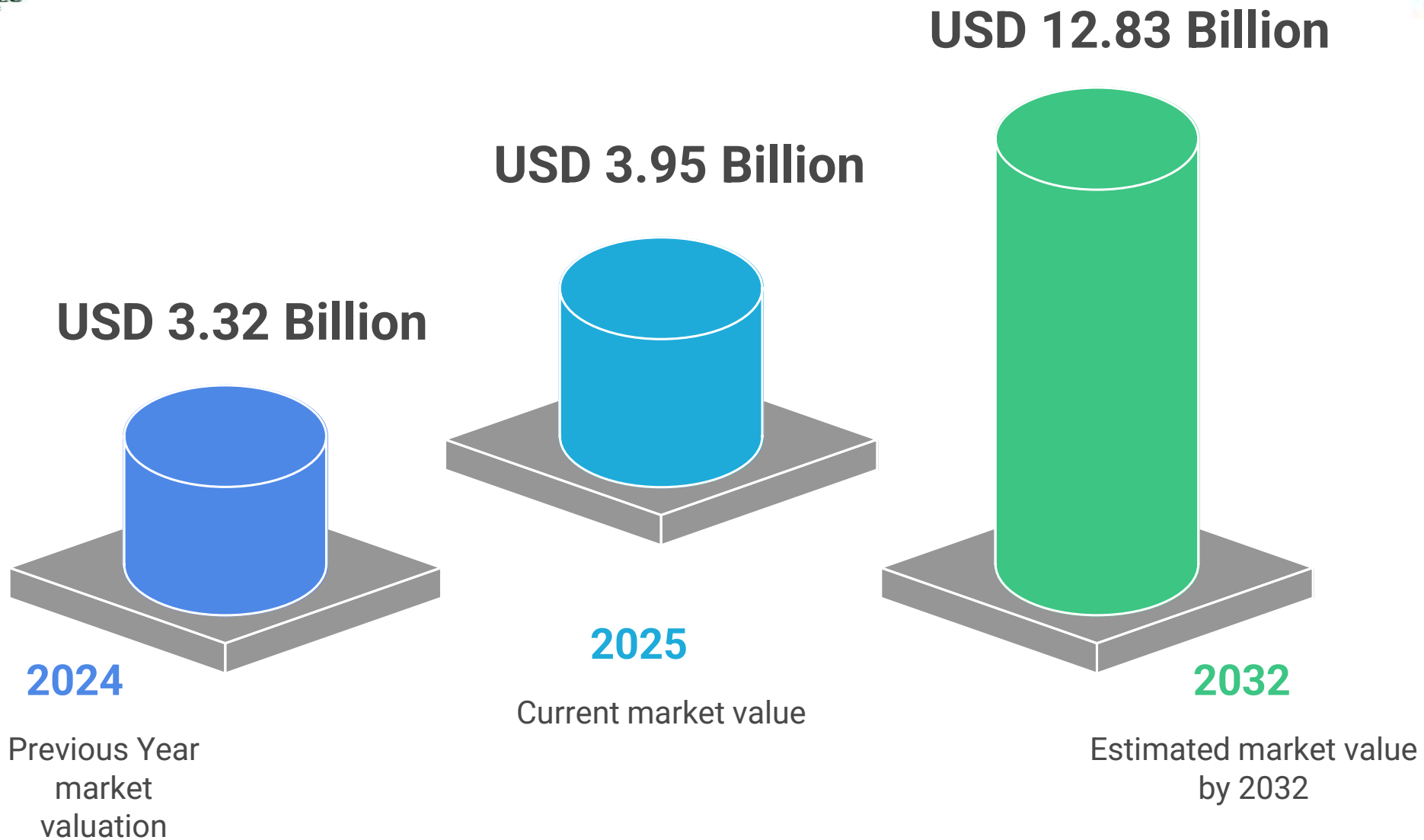
03

Upcycling: Involves repurposing existing materials, such as shipping containers, industrial scraps, or discarded building materials, to create affordable and sustainable housing option.

04

Technology Adoption: Leveraging building-information modeling (BIM) tools, IoT for on-site monitoring, and advanced automated equipment (e.g., bricklaying robots) to boost productivity and reduce errors.

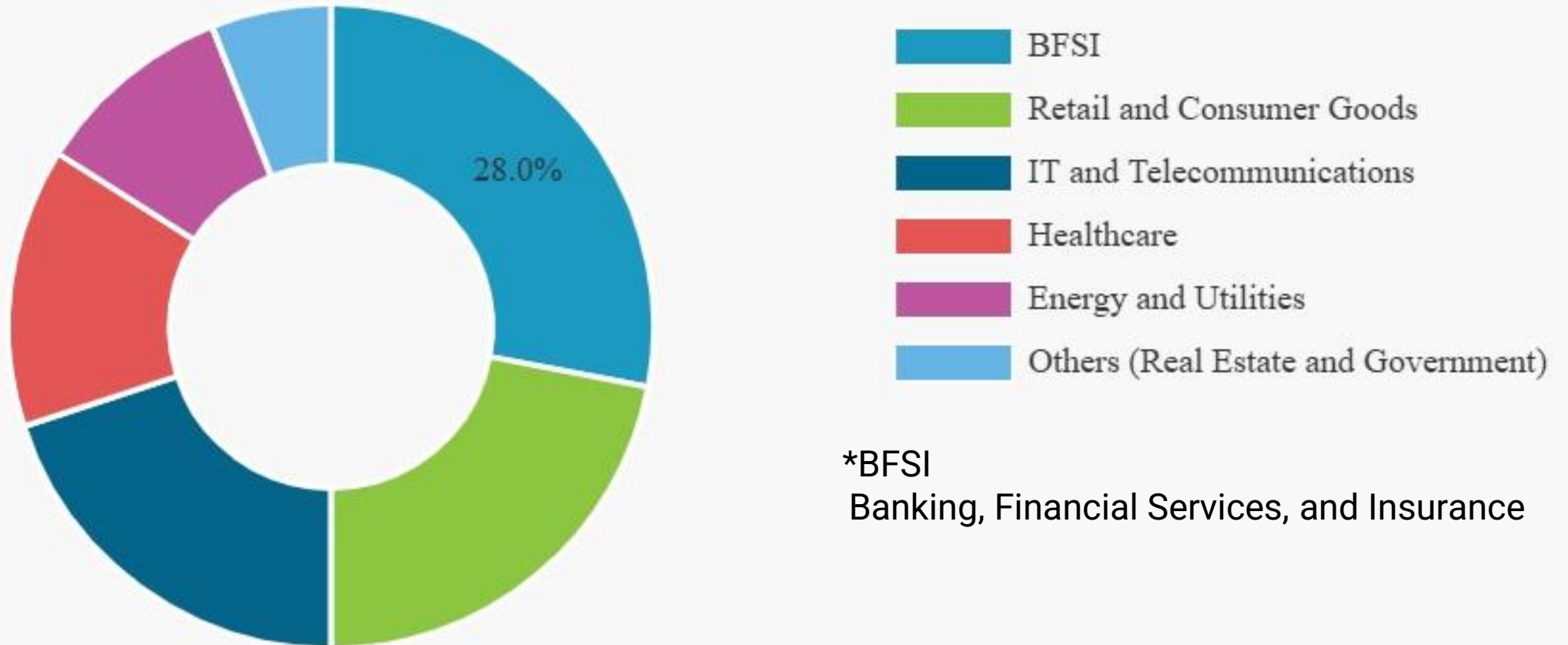
GLOBAL TOKENIZATION MARKET GROWTH



CAGR of 18.3% during the forecast period



Global Tokenization Market Share, By End-Users, 2024

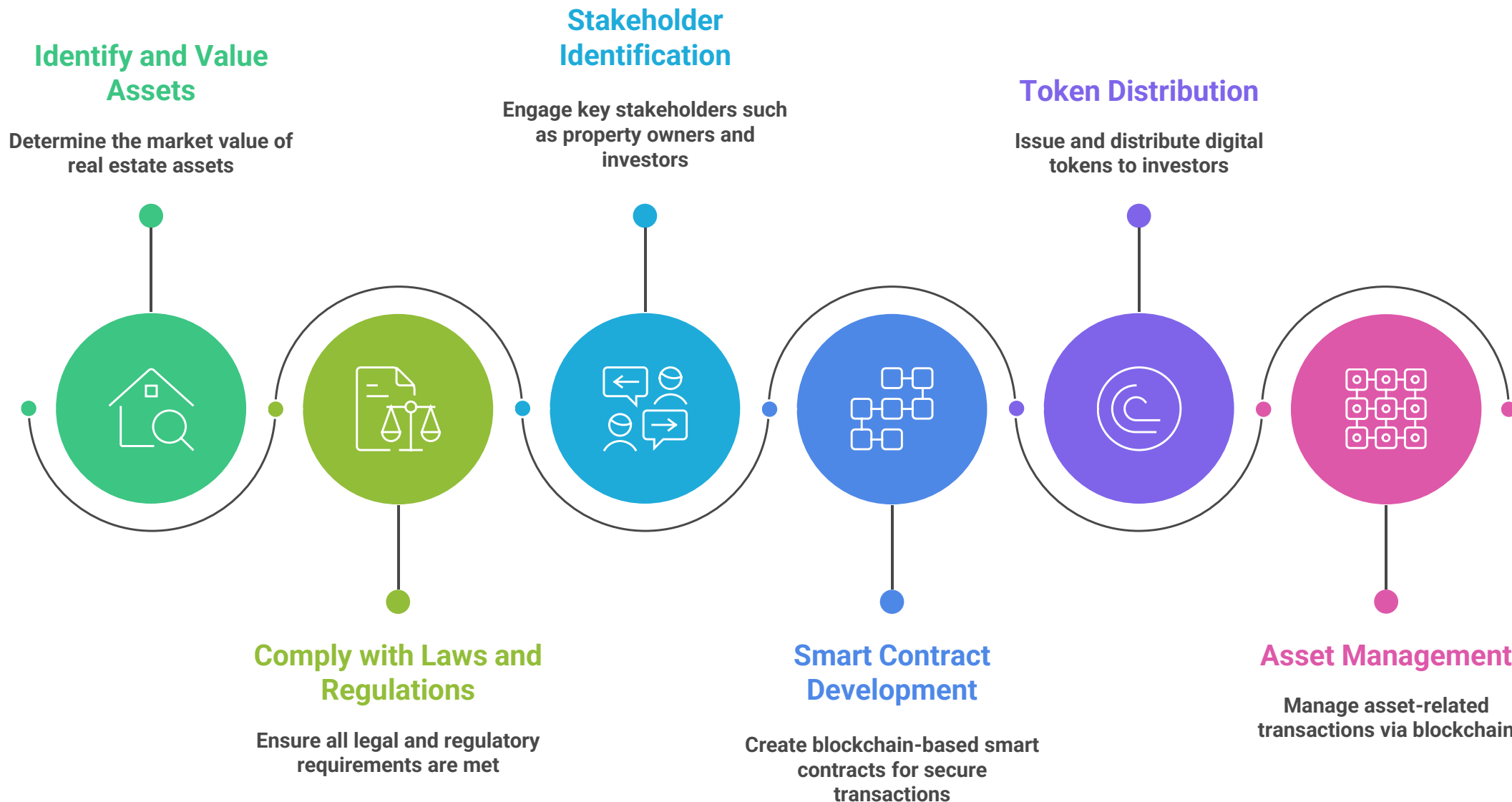


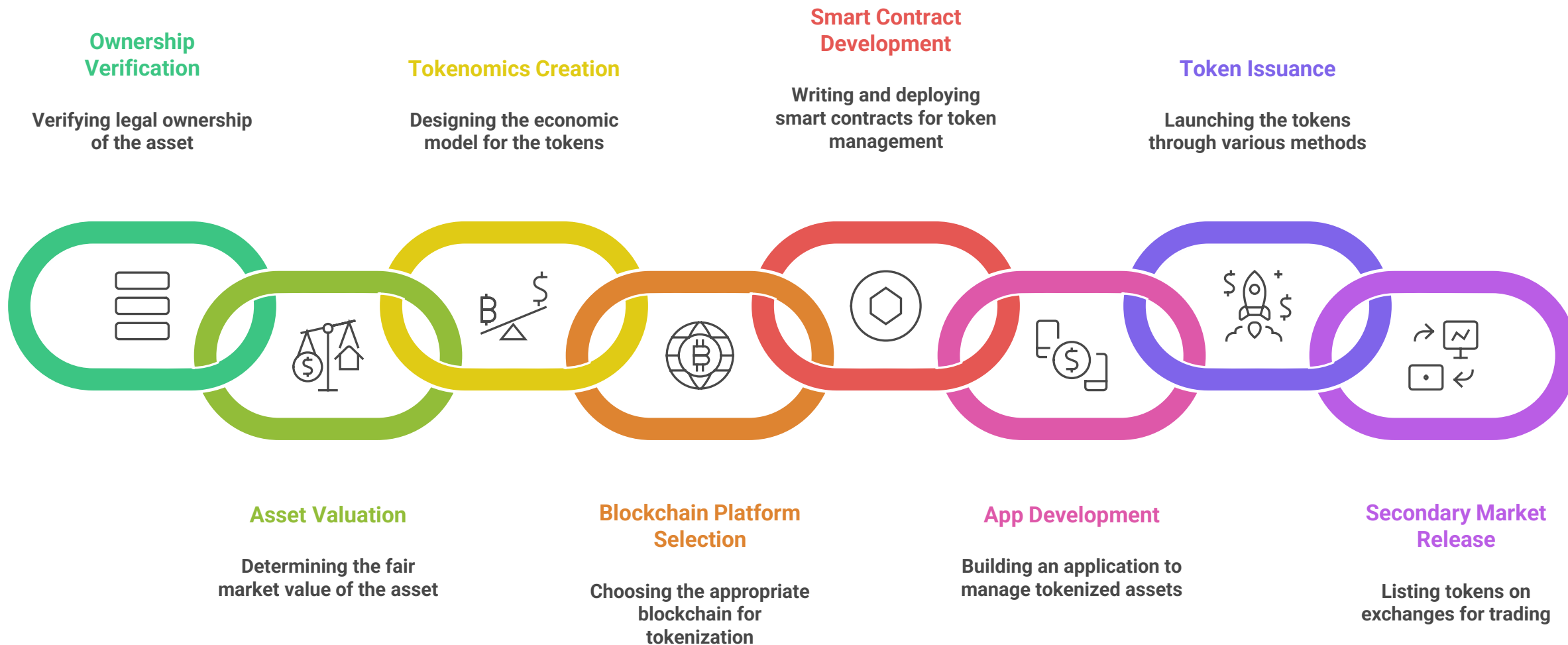
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REAL ESTATE TOKENIZATION PROCESS







Security and Transparency

Blockchain ensures secure and transparent transactions

International Accessibility

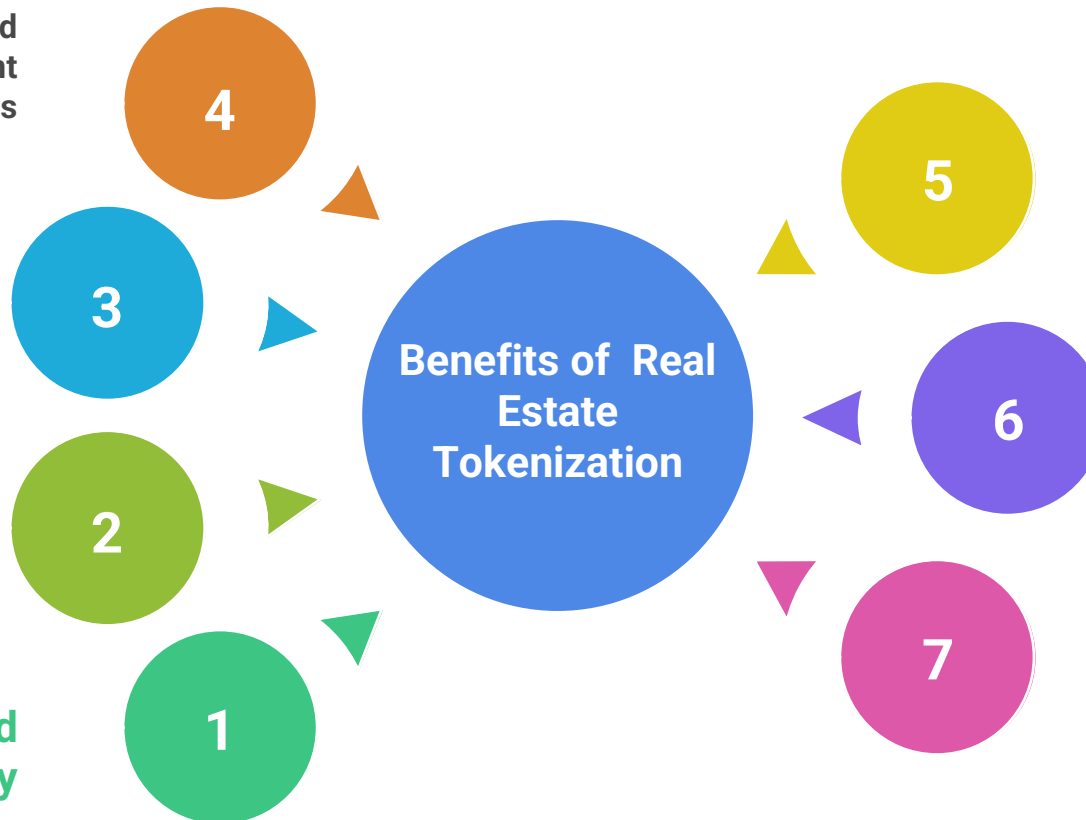
Global participation in real estate markets

Fractional Ownership

Owning portions of high-value properties

Improved Liquidity

Faster buying and selling of real estate shares



Transaction Efficiency

Streamlined processes with reduced costs

Portfolio Diversification

Investing across various asset classes and locations

Higher Accessibility

Making high-quality assets available to retail investors



- Highly **inefficient transfer and record-keeping processes** plague real estate investment markets.
- **Inefficient administrative infrastructure** gives rise to a manual and highly cumbersome asset, stakeholder, and compliance management, produces sizable expenditures.
- Estimates suggest that administrative work (stakeholder management, property data, trade capture, settlement, collateral management, and other back-office processes) represents **50-75%** of an issuer's total operating costs.
- **Compliance Costs** – Tokenization can **reduce global financial crime costs** by **30% to 50%** with potential **savings estimated** at between **\$45.8 billion to \$76 billion** annually.
- **US Housing Market** - Moody's Investor Service projects that tokenization could save \$1.7 billion annually in expenses in the U.S.
- Roland Berger finds that tokenization of equity could lead to gains of **EUR 4.6 billion by 2030** in post-trading processes
- **Overall Economic Savings:** Moody's - Full-scale tokenization of **real-world assets (RWA)** can **yield gross economic savings of up to \$2.4 trillion** annually across various assets and between **\$31 billion and \$130 billion by 2030**



- Another problem of current real estate markets is the **lack of liquidity**.
 - **Only 1% of the world's real estate assets being traded on national stock exchanges.**
 - It can take up to 2 years of planning for real estate investment trusts (**REITs**) to get listed on public exchanges while costing **3% to 10%** of the market value of the trust's assets.
- KPMG** shows that real estate transactions
- can take anywhere from **6 months to 2 years**, and transaction fees usually range from **1% to 3%** of the asset value
 - **Tokenization** of real estate assets provides a **solution to the liquidity** issues afflicting real estate markets by
- Provides **cost-effective secondary markets** for matching buyers with sellers and settling real estate deals.
 - **Digital asset exchanges** could **facilitate near instant transaction** times while offering greatly reduced trading and listing fees.
 - Digital asset exchanges are **open 24/7** whereas most conventional exchanges are open **5 days a week** during at set times.
 - **Blockchain-based exchanges** for digital assets could greatly improve the liquidity of real estate assets.



- **Tokenization** - Real estate tokenization the process of **digitally representing the fractionalized ownership** of real estate assets on a **distributed ledger**.
- In practice - **securitizing real estate assets** in an (SPV) and
- Tokenizing an instrument issued by SPV (often shares or bonds) in the form of digital tokens on a blockchain.
- Tokenization- an emerging trend of representing the ownership or rights to a single property or a portfolio of properties on a distributed ledger.
- **Tokenization, *inter alia*, allows for the automation of middlemen processes, increased liquidity, lowered barriers to investment, and improved transparency.**

Examples of tokenization in Africa

- **Fractional Ownership– Lagos State** residential real estate (N173 trillion about \$11 billion) this is larger than the MCAP of the Nigeria Stock Exchange at N146.1 trillion underpins launch of tokenization initiative.
- **South Africa** in 2024 a private school network Die MOS Inisiatief raises R100 m through 10-year floating rate bond issued on Mesh Trade blockchain platform. **(65.5% of R100 m raised came from retail investors)**
- Africa has 1.1 billion registered mobile money accounts (more than half of the global total) with **\$1.1 trillion** in mobile money transactions in 2024 (**Frank Mwiti 2025**).
- Channeling part of the \$1.1 trillion into investment-grade instruments would expand the market's depth – Tokenization offers this opportunity.



CHART 4: Market size by portfolio type

Based on latest available data as of December 2024. Source: KTI (Finland), MSCI



Source: MSCI 2025



In this report, we analyzed the size of the professionally managed real-estate market in 2024. We summarize our findings as follows:

The size of the professionally managed global real-estate market contracted by 4.1% year-over-year to USD 12.5 trillion, largely due to global currencies weakening versus the U.S. dollar.

The currency change in 2024 had a negative impact of -3.7%.



U.S. market



The U.S. market shrank by around 1%

as the investors continued to address the challenges of higher interest rates.

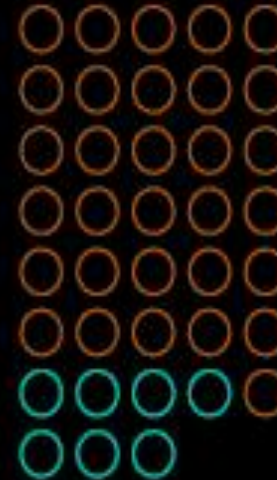
The Americas contributed 42.7% of the global market size in 2024

while EMEA and APAC contributed 30.7% and 26.6% of the market, respectively.



Of the 38 markets analyzed, 31 decreased in size

while six grew and one was little changed relative to 2023.



In terms of portfolio types, the unlisted market represented about USD 7.7 trillion (61% of the global market)

and the listed market USD 4.8 trillion. Of the commingled fund universe, which dominates the unlisted market, core funds accounted for 37.0%.



Offices constituted the largest share of the global professionally managed market at 27.2%

In spite of a decline in share by 1.6 percentage points over the previous year.



This report provides transparency on the size of the global real-estate market. The analysis provides a deeper understanding of the relative size of real estate across markets and portfolio types, helping investors with strategic decision-making and portfolio allocation.

Source: MSCI (2025)

MODULE 4

ROADMAP & RECOMMENDATION FOR REIMAGINING AFFORDABLE HOUSING FINANCE – THE CURRENT APPROACH

Strategic Vision

To **reimagine affordable housing finance**, Nigeria and other African nations need to move away from project-based interventions to **systemic, scalable financial ecosystems** — **leveraging innovation, blended finance, and inclusive policy reform**



Strategic Vision

To **reimagine affordable housing finance**, Nigeria and other African nations must move from **project-based interventions to systemic, scalable financial ecosystems** — leveraging innovation, blended finance, and inclusive policy reform

Strengthen Policy and Regulatory Frameworks

01

- Align national housing, urban development, and finance policies to support affordable and green housing.
- Create clear frameworks for non-interest and cooperative housing finance, including Sharia-compliant mortgage regulations.
- **Example:** Nigeria's National Housing Policy (2021) highlights multi-stakeholder finance mechanisms
- Institutionalize Housing Finance Policy Councils at state and federal levels to coordinate implementation.

Develop Dedicated and Diversified Housing Finance Instruments

02

- Introduce **Housing Bonds, Sukuk, and Blended-Finance** Facilities to pool long-term low-cost capital.
- **Example:** Nigeria's ₦100 billion Sovereign Sukuk funded infrastructure that enabled housing access
- Expand micro-mortgages and rent-to-own products tailored to informal sector earners.
- Incentivize banks and development finance institutions to design concessional housing finance products, backed by partial risk guarantees.



Strategic Vision -

To reimagine affordable housing finance, Nigeria and other African nations must move from project-based interventions to systemic, scalable financial ecosystems — leveraging innovation, blended finance, and inclusive policy reform



Strengthen Public–Private Partnerships (PPPs)

03

- Establish **State–Federal PPP** frameworks to leverage private capital and technical expertise for **large-scale affordable housing**.
- **Federal government** to **de-risk housing projects** through **land provision, infrastructure, and tax incentives**.
- Scale up **Family Homes Funds (FHFL)** as a national **PPP model** for affordable housing delivery.

Promote Innovation and Inclusion

04

- Use **Fintech and PropTech** platforms to **reduce transaction costs** and improve **access to credit**.
- Example: **Kwaba** digital housing platform facilitates **rent-to-own** and **micro-mortgage** solutions (**kwaba.africa**).
- Support **data-driven** housing market systems to better **match financing supply and demand**.
- Develop **financial literacy programmes** for homebuyers and cooperatives to ensure **repayment sustainability**.



Strategic Vision

To reimagine affordable housing finance, Nigeria and other African nations must move from project-based interventions to systemic, scalable financial ecosystems — leveraging innovation, blended finance, and inclusive policy reform

Integrate Green and Resilient Housing Finance

05

- Link affordable housing finance to green construction standards (IFC-EDGE, LEED) to reduce long-term costs and emissions.
- Encourage tax incentives or interest rate rebates for green-certified affordable housing projects.
- **Mobilize climate finance** (GCF, AfDB, World Bank) for low-carbon housing development across Africa.

•Build Institutional and Technical Capacity

06

- Train financial institutions, state housing corporations, and cooperative societies on affordable housing finance models.
- Establish national training centres for green building and non-interest housing finance.
- Promote peer-learning exchanges with global leaders such as India, Brazil, and Malaysia on sustainable housing finance.

Takeaway - *A sustainable affordable housing finance system must be diverse, inclusive, and resilient—driven by innovation, supported by strong institutions, and backed by collaborative public–private partnerships.*

MODULE 5

GLOBAL & AFRICAN CURRENT BEST-PRACTICES IN AFFORDABLE HOUSING FINANCE

Purpose; To identify successful models from around the world that Nigeria and African governments can adapt to scale up affordable housing delivery through innovative financing, partnerships, and policy alignment.



India – Public-Private Microfinance and Subsidy Integration



Model

- The Pradhan Mantri Awas Yojana (PMAY) combines government subsidies, mortgage interest subventions, and private developer participation to deliver low-cost housing.

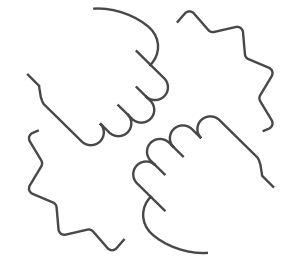
Financing Approach

- Subsidized interest rate for low-income buyers through Credit Linked Subsidy Scheme (CLSS).
- Mobilization of private capital and housing microfinance institutions (HFIs).

Impact

Over 12 million homes sanctioned by 2024.

Kenya – Mortgage Liquidity Facility & Blended Finance



Model

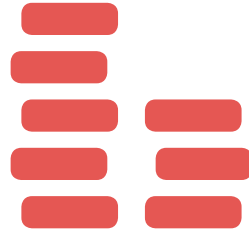
- Kenya Mortgage Refinance Company (KMRC) provides long-term liquidity to local lenders, reducing mortgage rates from 14% to about 9%.

Partners

World Bank, IFC, Shelter Afrique, and Kenya's National Treasury are partners in this initiative.

Impact

Increased access to long-term, low-cost mortgage financing for low and middle-income earners.



Model

Cagamas Berhad provides mortgage refinancing and issues Islamic housing bonds to support affordable and Sharia-compliant housing finance.

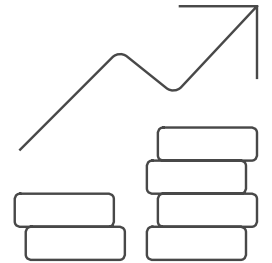
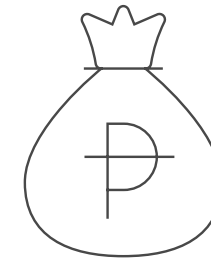
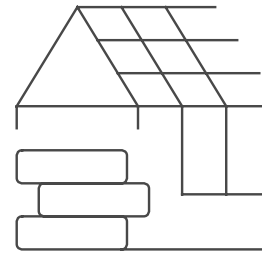
Mechanism

Government-backed secondary mortgage market with dual conventional and Islamic windows.

Impact

About 2.2 million homes
US\$150 billion in mortgage funding by 2022.

South Africa – Public-Private Partnership and Housing Subsidy Framework



Model

Breaking New Ground (BNG) program integrates subsidy-based public housing, social rental units, and private developer participation.

Instrument

Housing subsidies through the Reconstruction and Development Programme (RDP). Tax incentives for private sector participation in affordable housing.

Outcome

Over 3.5 million housing units delivered since 1994.



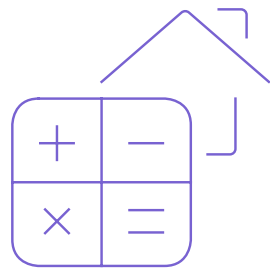
Brazil – National Social Housing Fund



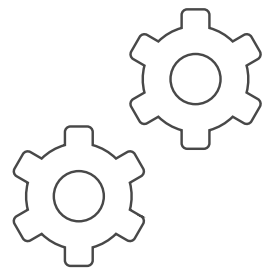
Model
leverages the Fundo de Arrendamento Residencial (FAR) and Caixa Econômica Federal bank to deliver social housing.

Financin
Cross-subsidization – higher income earners indirectly finance lower-income groups. Interest rate subsidies and long-term loans.

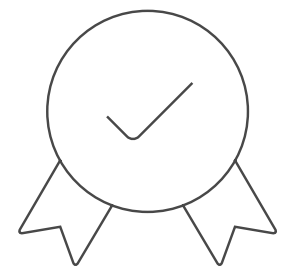
Impact
More than 5.5 million homes have been built since 2009.



Model
provides credit lines, equity investments, and PPP advisory to member states for large-scale housing finance.



Mechanisms
Blended finance is used through development banks and private investors.



Outcome
Over \$1 billion has been financed in 44 African countries.



Focus Area	Global Best Practice	Adaptation Strategy for Nigeria
 Long-term financing	KMRC, Cagamas	Strengthen NMRC, and Sukuk
 Subsidy targeting	PMAY (India), FAR (Brazil)	Combine grants with affordable loans
 PPP frameworks	South Africa (BNG)	Incentivize developers via land swaps
 Green and resilient housing	IFC EDGE	Integrate sustainability incentives in finance

Aligning Nigeria's Affordable Housing Finance Vision with the SDGs and Agenda 2030



Global Alignment Context

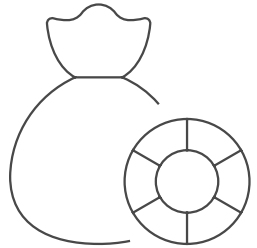
Affordable housing finance is central to achieving the **United Nations Sustainable Development Goals (SDGs)** – especially **SDG 11 (Sustainable Cities and Communities)**, which calls for “**access for all to adequate, safe and affordable housing and basic services**”. It also supports **SDGs 1, 7, 8, 9, 13, and 17**.

HOUSING AND SDG LINKAGES



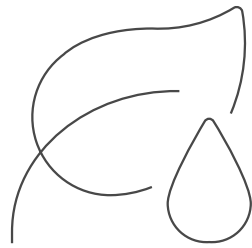
<p>SDG 1 - No Poverty</p> <p>Homeownership and rental security create long-term wealth and reduce vulnerability. FHFL offers assisted home-ownership financing targeted at low-income households.</p> 	<p>SDG 8 - Decent Work & Economic Growth</p> <p>Housing construction stimulates jobs and SME supply chains. Over 40 trades benefit from local housing programs.</p> 	<p>SDG 11 - Sustainable Cities & Communities</p> <p>Integrated housing programs foster inclusive urban growth. National Housing Programme targets 300,000 affordable units nationwide.</p> 	<p>SDG 17 - Partnerships for the Goals</p> <p>PPPs, blended finance, and development partnerships mobilize resources. AfDB and World Bank housing projects leverage public-private funding.</p> 
<p>SDG 7 - Affordable & Clean Energy</p> <p>Green building finance cuts utility costs and emissions. IFC EDGE housing projects reduce energy use by ≥ 20%.</p> 	<p>SDG 9 - Industry, Innovation & Infrastructure</p> <p>Mortgage liquidity facilities and fintech expand access to credit. NMRC and Kwaba digital platforms innovate housing finance.</p> 	<p>SDG 13 - Climate Action</p> <p>Green mortgages incentivize resilient, low-carbon housing. Nigeria's Sovereign Green Bonds finance climate-smart infrastructure.</p> 	

Nigeria's National Housing Policy & SDG Alignment



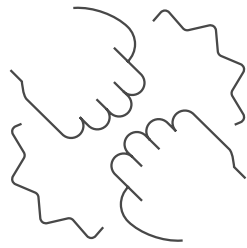
Inclusive Finance

Promotion of inclusive finance models (cooperatives, non-interest, and micro-finance).



Sustainability Integration

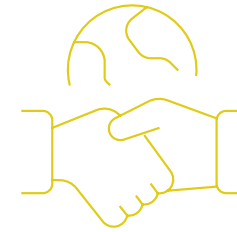
Integration of sustainability and climate resilience into design and finance.



Coordination Strengthening

Strengthening State-Federal coordination in land and infrastructure provision.

Regional and Continental Synergy



Africa Union's Agenda 2063

Aspiration 1 calls for a high standard of living through affordable housing.



AfDB's High 5s Strategy

Aims to improve the quality of life in Africa, including affordable urban housing.

Takeaway - Nigeria's housing finance strategy, when aligned with SDGs and continental agendas, becomes more than an economic policy — it's a pathway to social equity, climate resilience, and sustainable national development.



MODULE 6

REIMAGINING CREDIT RATING FOR AFRICA

MISPRICING OF AFRICA'S CREDIT:

TIME FOR RESET OF CREDIT RATINGS



- The **Global Financial Architecture** (FINANCIAL SYSTEM) is **INEFFICIENT**, **INSUFFICIENT** and **UNFAIR**;
- Creates **disincentives** to **deploy capital** in EMDEs,
- **Low Credit Ratings Create mispricing of risks and assets in Africa –**,
- **Uses outdated risk models with bias and broken assumptions**
- Creates barriers to investing in **Affordable Housing**.
- **Credit rating agencies and investors need to modernise**
- World Economic Situation and Prospects (WESP) 2025 report calls for **bold international cooperation** to address **Africa's development challenges**.
- Louder calls for reforming the **GLOBAL FINANCIAL ARCHITECTURE** to provide greater support for developing countries.



20-year cumulative default rates by origination year and region
(%)

Loan origination years:	1983–2019	1983–2020	1983–2021
Infrastructure	5.4	5.0 ↓	4.5 ↓
Africa	1.1	1.8 ↑	1.1 ↓
Middle East	1.2	2.2 ↑	2.0 ↓
Western Europe	4.6	4.0 ↓	3.6 ↓
Asia	5.9	5.2 ↓	4.7 ↓
North America	6.8	6.6 ↓	5.4 ↓
Oceania	7.3	10.1 ↑	9.2 ↓
Latin America	10.3	10.5 ↑	10.1 ↓
Eastern Europe	11.8	11.8	11.2 ↓

Source: Moody's (2023a). Data as of 2021.

Source: *Global Infrastructure Monitor 2023*



- Based on Moody's Analysis (see above slide) - Africa and the Middle East experienced the lowest default rates at **1.1%** and **2.0%** respectively, and
- The highest recoveries in private infrastructure debt.
- This runs counter to conventional wisdom on debt to Africa.
- Increasing evidence indicate that **credit to Africa is mispriced** with **excess risk-premium** and **return expectations** based on **perceptions** rather than **fundamentals**.
- The **African Union** is set to launch its own credit ratings agency, the **Africa Credit Rating Agency (AfCRA)** this year (**2025**) to help challenge the establishment with additional transparency for African sovereign ratings.
- **The mispricing of Africa's credit is a serious and insidious obstacle stifling development across nations on the continent.** Charles Inyangete, PhD,
- African countries are increasingly struggling to pay down external debt while borrowing has grown at a faster pace than most could generate revenue from exports,
- Analysis from a UN agency show that as a percentage of GDP, external debt rose to around 29% in 2022 from 19% in 2010.
- But debt growth has seriously outpaced that of export revenue in most countries.
- **External debt nearly doubled as a share of export revenue to 140% in the same period.**
- "The imbalance between debt and exports has made it more difficult for Africa to service its external debt as its ability to obtain foreign currency has grown at a rate lower than its debt-servicing costs,"
- UN Conference on Trade and Development analysis also showed that 17 African countries had spent more on interest payments to external private creditors than they received in fresh disbursements in 2023.



Moody's	S&P	Fitch	DBRS
Aaa	AAA	AAA	AAA
Aa1	AA+	AA+	AA (high)
Aa2	AA	AA	AA
Aa3	AA-	AA-	AA (low)
A1	A+	A+	A (high)
A2	A	A	A
A3	A-	A-	A (low)
Baa1	BBB+	BBB+	BBB (high)
Baa2	BBB	BBB	BBB
Baa3	BBB-	BBB-	BBB (low)
Ba1	BB+	BB+	BB (high)
Ba2	BB	BB	BB
Ba3	BB-	BB-	BB (low)
B1	B+	B+	B (high)
B2	B	B	B
B3	B-	B-	B (low)
Caa1	CCC+	CCC+	CCC (high)
Caa2	CCC	CCC	CCC
Caa3	CCC-	CCC-	CCC (low)
-	D	D	D



- ILLUSTRATION

AFRICA CREDIT MISPRICING IMPACT (SAVINGS)

COUNTRY / MDA	DEBT [R] & [N] BUDGET 2025	DEBT [\$] & BUDGET 2025	SAVINGS [\$] & NO. OF TIMES 2025 BUDGET	AS % OF DEBT	S&P / FITCH CREDIT RATING	ADJUSTED IMPLIED RATING	RATING CLASS SHIFT
SOUTH AFRICA - NATIONAL (2024/2025)	5,690,000,000,000	323,663,253,697	3,000,000,000	0.93%	BB-	BBB	4
NIGERIA - ALL DEBT (MARCH 2025)	149,388,996,790,000	97,238,520,022	901,293,418	0.93%	B-/B	BB	4
NIGERIA - EXTERNAL DEBT (March 2025)	70,632,112,850,000	45,975,020,029	426,137,532	0.93%	B-/B	BB	4
NIGERIA - DOMESTIC	78,756,883,940,000	51,263,499,993	475,155,886	0.93%	B-/B	BB	4
NIGERIA - FED MIN OF HOUSING BUDGET 2025	148,100,000,000	96,482,085	9				
BUDGET 2025 VS EXTERNAL DEBT MISPRICING	148,100,000,000	96,482,085	4				
BUDGET 2025 VS DOMESTIC DEBT MISPRICING	148,100,000,000	96,482,085	5				
CREDIT MISPRICING (SAVINGS) IMPACT ON HOUSING	NEW HOUSING UNITS INITIATED						
FEDERAL MINISTRY OF HOUSING BUDGET -2025	177,400						
ALL NATIONAL DEBT MISPRICING FUNDS - 9 TIMES 2025 BUDGET	1,657,193						
EXTERNAL DEBT MISPRICING FUNDS - 4 TIMES 2025 BUDGET	783,532						
DOMESTIC DEBT MISPRICING FUNDS - 5 TIMES 2025 BUDGET	873,661						

Source: Computed and Compiled by Charles Inyangete with Data From Various Sources - Nigeria's Debt Data - Debt Management Office (DMO) March 2025



Funding Source	Fund Size (USD)	Likelihood of Investing
Nigeria Pensions (PFAs)	AUM -N 20.22 Trillion (USD 15.73 billion), May, 2025	High (Seed Fund)
Global Sovereign Wealth Funds	USD 13.2 trillion AUM in 2024	Medium
Global Private Wealth Markets	USD 16.36 trillion market size in 2024	Low to Medium
Global Pensions Funds Assets	USD 58.5 trillion in 2024	Medium
Global Climate Finance Funds	USD 2 trillion in 2024** World Bank USD 42.6 billion	Medium to High
Development Finance Institutions	USD 80 billion in 2021*** IFC is largest at USD 56 billion	Medium to High
Global NGOs	USD 331.66 billion in 2024	Medium to High
Global Foundations	USD 173.88 billion in 2024 & USD184.49 billion in 2025	Medium to High
Global Sustainable Finance Sustainable Bond Issues	USD 8.2 trillion in 2024+ > USD 1 trillion in 2024	Medium to High
Multilateral Agencies – Top 10⁺⁺ EIB support for construction, renovation & energy efficiency of homes for low-income families and vulnerable groups. Housing Action Plan – Aim to build 1.3 million housing units over 5 years African Dev. Bank – \$2 billion in 2024 – equity in Shelter Afrique \$8.2m and \$10m in Kenya's Dhamana respectively, \$1bn in ABSA Social bond	<ol style="list-style-type: none"> 1. European Investment Bank – Euro 587.2 billion 2. World Bank Group USD 283 billion 3. Asian Development Bank USD 153.9 billion in 2024 4. Inter-American Dev. Bank USD 115.8 billion in 2024 5. European Bank for Reconstruction and Development Euro 62 billion in 2024 6. African Development Bank USD 34.5 billion in 2024 7. Asian Infrastructure Investment Bank USD 26.6bn in 2024 8. Islamic Development Bank USD 24.5 billion in 2024 9. New Development Bank USD 17.7 billion in 2023 10. Central American Bank for Economic Integration USD 10.9 billion in 2023 	Medium to High High Low Low Low High Low Medium Low Low

MODULE 7

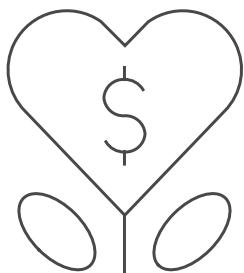
CONCLUSION AND RECOMMENDATIONS

REIMAGINING AFFORDABLE HOUSING FINANCE: CHARTING A SUSTAINABLE PATH FOR NIGERIA

Nigeria's housing finance system must transition from traditional debt-based models to inclusive, innovative, and sustainable mechanisms that empower low- and middle-income earners.

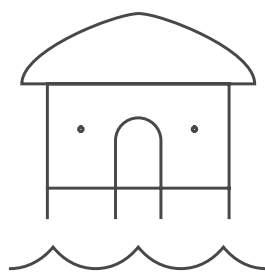
This transformation is vital for achieving national housing goals, SDG 11, and the Africa Union's Agenda 2063 aspirations.

Strategic Actions



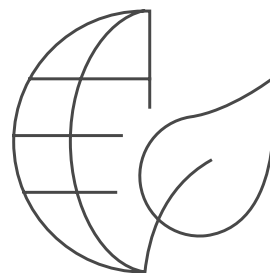
Diversify Funding Sources

Expand access to green bonds, sukuk, diaspora bonds, and pension funds for housing finance.



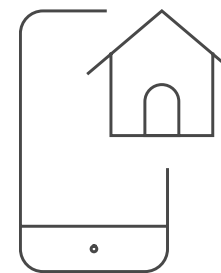
Enhance Mortgage Liquidity

Strengthen NMRC, FHFL, and micro-mortgage schemes for low-income earners.



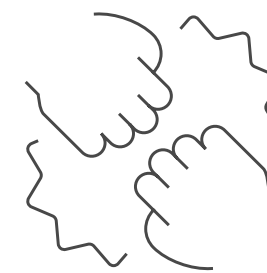
Integrate Sustainability

Promote green building standards (IFC EDGE, LEED) and climate-linked finance.



Digitize Housing Finance

Scale proptech platforms for credit scoring, mortgage payments, and digital inclusion.

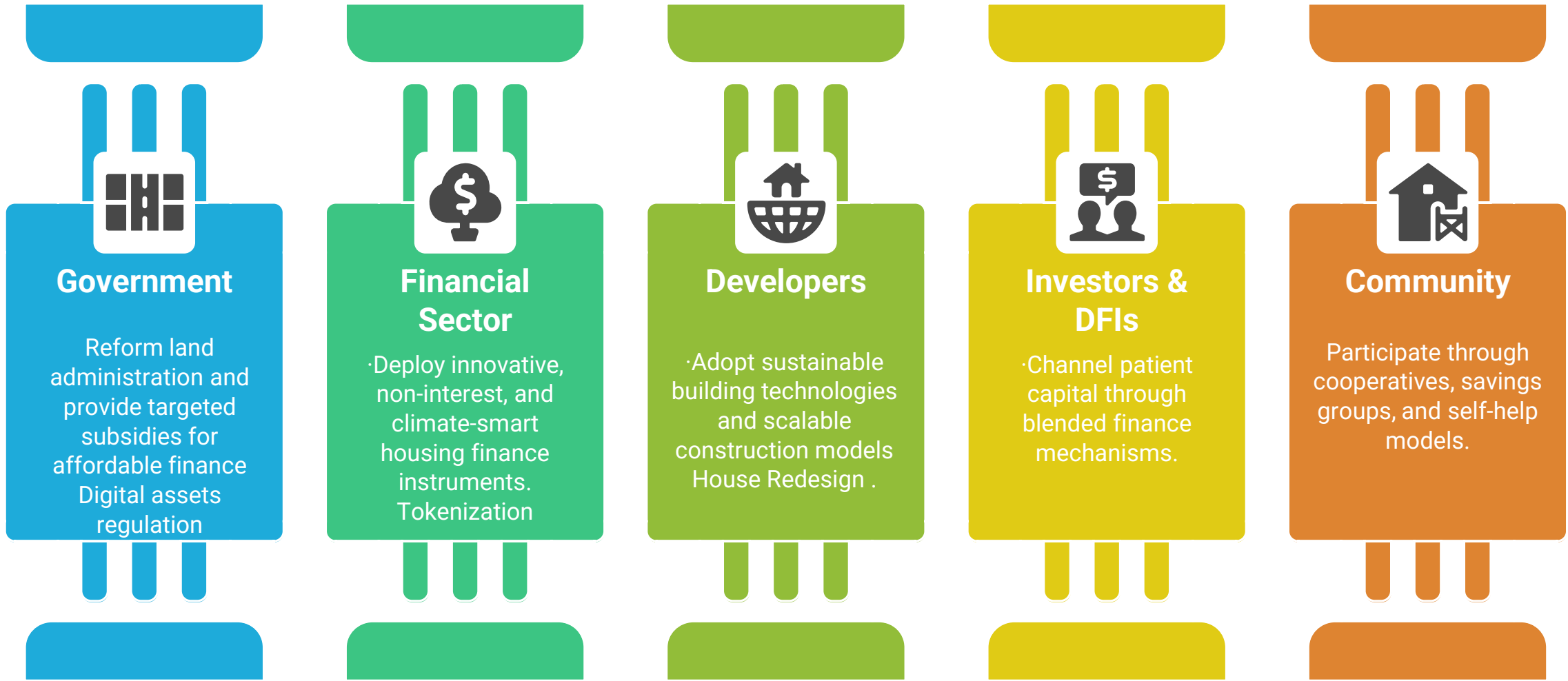


Strengthen Public-Private Partnerships

Foster PPP frameworks that share risk and leverage private capital.



MULTI-STAKEHOLDER CALL TO ACTION





Tokenization is a critical step in the journey of reimagining affordable Housing finance to harness the **Investment Opportunity**—and meet **Challenge** of affordable housing in Nigeria and the continent.

The prospect of filling a **gap of 20+ million housing units in Nigeria** alone may seem daunting to policy makers, but it is a **massive opportunity for the private sector in partnership with the public sector.**

- The investment associated with building the housing needed to close this gap is huge but the **avenues for raising funds for the construction of new houses in Nigeria exists**, it requires the **will, desire** and **commitment** to do so.