AUHF ACADEMY

Housing Microfinance Series (HMF) Webinar Session 1:

Understanding Housing Microfinance in the African Context

Facilitated by:



Chongo Bezant
CEO, Symbiotics
Capacity Building

symbiotics
capacity building



Stephen Wanjala
Founder & CEO
HDFC Africa

HDFC (Africa) Ltd

African Union for Housing Finance

AUHF ACADEMY · HOUSING MICROFINANCE SERIES · WEBINAR 1 OF 3

Understanding Housing in Microfinance African Context

27 May 2026 · 14:00 CAT / 15:00 EAT

Hosted by the African Union for Housing Finance (AUHF)

Presented by: Bezant Chongo, CEO — Symbiotics Capacity Building

With input from: Stephen Wanjala ,ED— Housing & Development Finance Consultants(Africa)

Africa's Housing Finance Reality

1.4bn
new homes needed across Africa by 2050

60%
build homes incrementally over time

< 5%
of urban households can access a mortgage

60–80%
Informal Urban Residents

Welcome to the AUHF Academy Housing Microfinance Series

Scaling Housing Microfinance in Africa — 3-Part Series · May–July 2026

1 Understanding Housing Microfinance

21 May 2026

Definition, scope, African context, client profiles, incremental housing logic



2 Institutional Readiness & Product Design

18 June 2026

Entry pathways, product design, underwriting, operational requirements



3 Scaling from Pilot to Portfolio

16 July 2026

Capital, MIS, regulatory, strategic scaling and investment readiness



+ Synthesis Session: 21 October 2026 · AUHF Annual Conference, Lusaka, November 2026

Today's Agenda

Understanding Housing Microfinance in the African Context

01	**The African Housing Challenge** Urban growth, the housing deficit and the mortgage gap	5 min
02	**What is Housing Microfinance?** Definition, scope and the HMF spectrum	15 min
03	**Clients & Providers** Low-income households, incremental builders, who delivers HMF	12 min
04	**Why HMF? The Strategic Case** Market opportunity, demand drivers, positioning for institutions	15 min
05	**Discussion & Q&A** Participant reflections — how does housing demand show up in your portfolio?	20 min

01 | The African Housing Challenge

Scale, structure and the mortgage gap

Africa's Housing Reality

Scale, structure and the systemic gap

1.4bn

New homes needed across Africa by 2050

< 5%

Of urban households can access a mortgage

60%

Build homes incrementally over time

70%

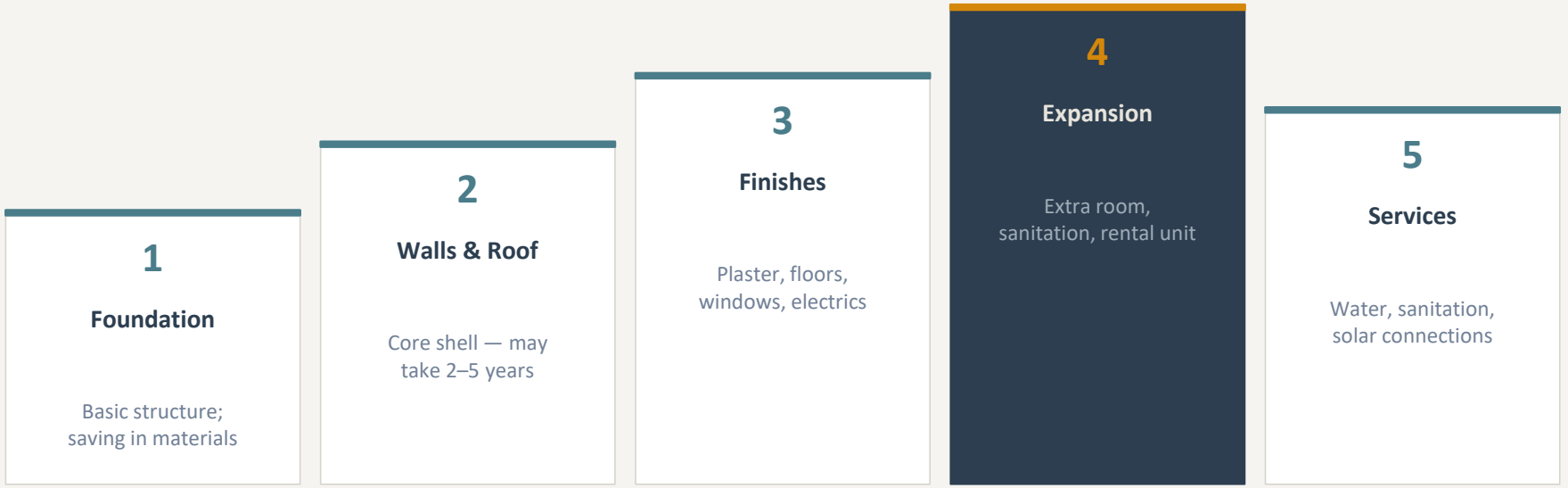
Of urban workers in the informal economy

What this means for financial institutions:

- Mortgage-only strategies leave the vast majority of households unserved
- Demand for housing finance exists, but presents differently within bank and mortgage portfolios vs non – banks (such as MFIs and SACCOs)
- Incremental construction logic requires different products: shorter tenors, smaller amounts, simpler collateral

How African Households Actually Build

Incremental construction: the dominant model — and an opportunity for institutions



Implications for product design:

- Loans are needed at each stage — not as a single large lump sum
- Loan sizes USD 250–5,000, tenors 6–60 months; repayment from current income

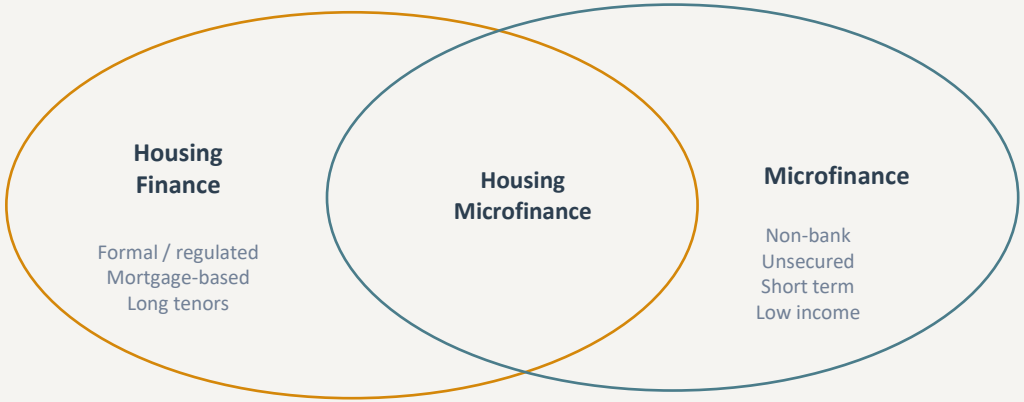
02 | What is Housing Microfinance?

Definition, scope and the HMF spectrum

Defining Housing Microfinance

> *"…any micro financial tool to support investment in the components of housing, including land purchase or access, provision of or improvement to services, full or incremental house construction, renovation or maintenance."*

Daphnis & Ferguson, Housing Microfinance: A Guide to Practice, Kumarian Press



HMF Characteristics	
Clients:	Low–mid income, informal earners
Providers:	MFIs, banks, SACCOs, specialist HFIs
Collateral:	Substitutes: savings, guarantors, land
Tenors:	6–60 months (vs 20–30 yr mortgages)
Loan size:	USD 250–5,000 (incremental stages)
Underwriting:	Current income, not future projections

HMF vs Enterprise Lending vs Mortgage Finance

How housing microfinance differs — and why it requires a dedicated product approach

	Enterprise Microfinance	Housing Microfinance	Mortgage Finance
Impact on client	Income stream	Asset base (+ income)	Asset base
Loan size	USD 50–1,000	USD 250–5,000	USD 10,000+
Tenor	3–12 months	Up to 60 months	5–30 years
Repayment basis	Future income	Current income	Employment income
Collateral	Group guarantee	Collateral substitutes	Mortgage / title deed
Client profile	Microentrepreneurs	Low-income households	Formal sector workers
Africa access	Widespread	Limited but growing	Very limited (<5%)

03 | Clients & Providers

Who needs HMF — and who can deliver it?

Who are the Clients?

Demand exists — but it is often invisible within existing portfolios

1

Existing MFI / SACCO clients

- Economically active, irregular income
- Already borrowing for enterprise — housing demand is adjacent
- Known credit history reduces origination risk

2

Informal sector workers

- Traders, artisans, smallholder farmers
- Creditworthy based on cash flow — not payslip
- Majority of Africa's urban population

3

Low-income urban households

- Renting or occupying unfinished homes
- Demand to improve: room, sanitation, roof
- Cannot access mortgage — but can service HMF

Key insight: Housing-related borrowing demand likely already exists within your institution's portfolio — even if not formally structured as a housing product.

Who Can Deliver Housing Microfinance?

Entry channels and institutional considerations — from NGOs to commercial banks

01

MFIs with strong institutional capacity

Diversification — expand into housing using existing client relationships

Req: Solid internal controls, MIS upgrade, loan officer incentives for housing loans

Africa examples:
Many MFIs in Kenya(Juhudi Kilimo,KWFT,SMEP,BIMAS
Tanzania(FINCA)
Uganda(UGAFODE,Pride,Opportunity,FINCA
Bank,Letshego,Hofokam,Encot)

02

Regulated MFIs & SACCOs

Upscaling — deposits reduce cost of funds; savings can serve as collateral

Req: Supervisory compliance, governance standards, adequate liquidity

Africa examples:

SACCOs in Kenya, Uganda and Tanzania are proving Housing loans as Personal Development loans.

03

Commercial banks (downscaling)

Entering low-income segments via dedicated low-risk housing products

Req: Strategic alignment with social goals; TA to adapt underwriting processes

Africa examples:

Housing Finance Bank Uganda and NBC Tanzania,

04

Specialist HFIs & NGOs

TA and subsidised products — often the first mover enabling broader market entry

Req: Partnerships with regulated lenders required for portfolio growth

Africa examples:

NACHU (Kenya),NHFC / NURCHA (South Africa)

04 | Why HMF? The Strategic Case

Opportunity, demand and positioning for institutions

Why HMF — Barriers to Be Addressed

Understanding barriers clarifies why a specialised product is necessary

1. Affordability & Construction Costs

- Building standards often require more than households can afford at once
- Unit costs of inputs vary significantly across African markets
- Informal construction sector adds uncertainty to cost estimates

2. Legal Rights & Tenure

- Land rights and tenure security remain unresolved for many households
- Property rarely meets formal mortgage collateral requirements
- Low enforceability of collateral rights in many jurisdictions

3. Financial Constraints

- Limited long-term financing available at institutional level
- FX exposure where local currency instruments are scarce
- Capital adequacy rules restrict unsecured longer-tenor lending

4. Infrastructure Gaps

- Inadequate bulk services in peri-urban and informal settlement areas
- Limits demand for improvement loans where basic services are absent
- Government capacity constraints slow serviced land delivery

The Strategic Case for Institutions

HMF as a viable, strategic product line — not a social side note

Portfolio Diversification

Housing loans typically have different risk profiles from enterprise lending — providing natural diversification and reducing portfolio concentration

Client Retention & Loyalty

Housing is deeply personal. Clients who improve their home through your institution develop stronger loyalty and longer relationships

Revenue Generation

HMF products generate strong yields. Larger loan sizes and longer tenors can improve portfolio revenue per loan officer

Mission & Impact Alignment

Access to shelter is fundamental. HMF directly advances SDG 11 (Sustainable Cities) and SDG 1 (No Poverty)

Unmet Demand Within Portfolio

Research consistently shows existing MFI clients have significant unmet housing needs. The demand is already inside your institution

Ecosystem Positioning

Early movers in HMF build institutional reputation, attract TA funding and DFI investment as the HMF ecosystem matures in Africa

Affordability & Repayment Logic in HMF

The underwriting shift that makes housing microfinance work

Conventional Mortgage Logic

- ✗ Formal employment (payslip) required
- ✗ Future income projected over 20–30 years
- ✗ Title deed as primary collateral
- ✗ Rigid income-to-debt ratio requirements
- ✗ Excludes informal sector workers
- ✗ Serves < 5% of African households

Housing Microfinance Logic

- ✓ Cash-flow based underwriting — current income assessed
- ✓ Short-to-medium tenors (up to 60 months)
- ✓ Collateral substitutes: savings, guarantors, land rights
- ✓ Flexible income verification for informal earners
- ✓ Serves low-to-middle income households
- ✓ Scalable across 70%+ of Africa's working population

Showcase of HMF at work – 1 client's journey in Kenya

1.



2.



3.



4.



05 | Discussion & Reflection

20 minutes — Participant Reflections

Q 1 How does housing-related demand currently present itself in your institution's portfolio — as consumer loans, business loans, or something else?

Q 2 What assumptions or internal policies may be limiting a more deliberate housing microfinance approach?

Q 3 Which client profile described today most closely matches the demand you are seeing on the ground?

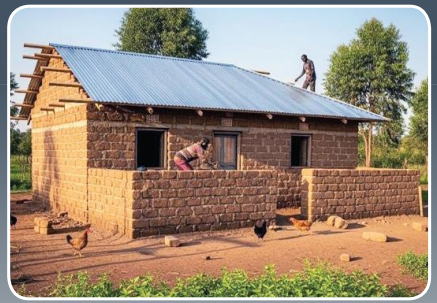
Facilitator: Bezant Chongo, SYCB · Discussant: HDFC

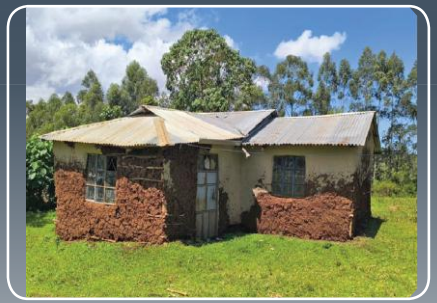










What's Next in the Series

Webinar 2 & 3 — from concept to implementation to scale

Webinar 2 · 18 June 2026

Institutional Readiness, Product Design & Operational Requirements

Led by: HDFC (with input from SYCB)

- Entry pathways for MFIs, regulated MFIs and banks
- Product design: loan terms, collateral substitutes, underwriting
- Governance and supervisory considerations
- MIS, branch-level operations, staff incentives
- Role of partnerships and construction TA

Webinar 3 · 16 July 2026

Scaling Housing Microfinance from Pilot to Portfolio

Led by: SYCB & HDFC jointly

- Capital and liquidity constraints for portfolio growth
- Regulatory parameters for unsecured / longer-tenor lending
- Portfolio performance and risk management
- Funding structures and investment readiness
- From isolated pilots to systemically embedded portfolios

Resources & Further Reading

Organisations and publications to support your housing microfinance journey

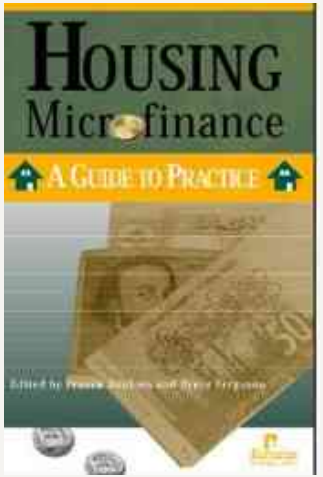
Funding & Technical Assistance

- Symbiotics Capacity Building (SYCB)
- Habitat for Humanity International (HFHI)
- Swiss Capacity Building Facility (SCBF)
- MicroBuild Fund
- IFC / World Bank Housing Finance

Data, Market Research & Knowledge

- Centre for Affordable Housing Finance in Africa (CAHF) — cahf.co.za
- FinMark Trust — FinScope surveys across African markets
- CGAP Housing Microfinance resources
- African Union for Housing Finance (AUHF) — auhf.co.za

Daphnis & Ferguson, Housing Microfinance: A Guide to Practice (Kumarian Press)



Thank You

Questions? We welcome your reflections.



Contact Details

Bezant Chongo

CEO, Symbiotics Capacity Building

Bezant.chongo@symbioticsgroup.com

4 Loop Street, Studio 502, Cape Town 8001, South Africa

Tel (+)27 21 425 5119 · symbioticsgroup.com

Co-presenter: Stephen Wanjala,

ED, Housing & Development Finance Consultants(Africa)

swanjala@hdfcafrica.com

Tel (+254 722 894949

Hosted by: African Union for Housing Finance

Recordings and supporting materials will be available through the AUHF knowledge repository following this session.