



**Speech by the Managing Director, Shelter Afrique, Mr. James Mugerwa at the
Opening Ceremony of the 34th Annual General Meeting & Symposium, in Accra,
Ghana, June 2nd 2015**

Your Excellency; The President of the Republic of Ghana, Mr. John Dramani Mahama;

Members of the Executive & Parliamentary Branches of the Government of Ghana

Ministers & Head of Delegations of the 44 member countries;

Members of the Diplomatic Corps

The Chairman, Board of Directors, Management and Staff of Shelter Afrique;

Distinguished Guests;

Members of the Press Corps;

Ladies and Gentlemen:

Let me begin by expressing my pleasure that you have all found time to be here with us today. Here in this room we have delegates, experts, housing professionals from different countries within the continent and even those from Europe and the Americas; it is indicative of the priority the housing challenge in Africa is starting to receive.

For the longest period we in the housing industry have called for governments across Africa to lower the interest rates; we have called for governments to better regulate the real estate industry and show more interest. We have made these calls because we believe the dream of home ownership is one that should and can be realised by all.

Our mandate at Shelter Afrique is to provide affordable housing for all Africans and ultimately make housing finance and mortgages cheaper to access and indeed it is a challenge we pose to all African governments but we will be the first to admit that we are not quite there yet and while we continue to work on making finance cheaper and accessible we must acknowledge the reality that rental housing is prominent on the continent.

It is to that end that we in association with Agence Francaise de Developpment convened the first African Rental Housing Conference last year in Nairobi, Kenya. Today, we once again address rental housing, this year's theme "Developing Affordable Housing for Rent" follows from the conversation we started last year and moves onto how we can practically develop housing for rent.

Ladies and Gentlemen, I realise that some of you in the audience today have come as observers and may not be familiar with Shelter Afrique; Shelter Afrique is a Pan-African Finance Institution exclusively supporting the development of affordable housing and construction in Africa. We were formed over 30 years ago by the African Development Bank and African member states, today we have 44 member countries, most of whom are represented here today.

32 years is a long time to be doing anything, and in that time we have seen the housing market in Africa evolve, we have seen a shift in national housing policy, we have watched economies stabilise and populations swell, in the face of this we have had to redefine ourselves, find a way to be more effective in our partnerships and be relevant in our members states housing programmes.

It seems the more our member states focus on national housing institutions-a development we encouraged-the more the question becomes what is the benefit of a Shelter Afrique? In recent years that is a question that we have met with robust enthusiasm because it has afforded us the opportunity to redefine ourselves and redefine our relationships with our member states.

When we embrace the notion that no one organisation can solve the housing crisis on its own, and if we look to the very design of Shelter Afrique, member countries coming together to provide affordable housing, then it becomes clear that our mandate was never to be in competition with or supersede national housing initiatives but rather to support them, to become partners.

Ladies and Gentlemen, to this end, as national governments, mindful of the expected population boom and demographic shifts, begin to refocus on housing and make it a priority, we as an organisation have found new relevance and a new lease on the delivery of our mandate.

As countries navigate new housing demands and its corresponding policies we can offer technical advice, we can mobilise funds and we can develop Private Public Partnerships for the delivery of large scale projects. In recent times we entered into ambitious agreements with the Government of Uganda to develop over 4000 units, with the City of Kigali for a sustainable integrated neighbourhood for 2700 units. We will continue to find relevance as long as we find able partners.

In Ghana we have found relevance; Ghana joined Shelter Afrique in 2012 as the third largest sovereign shareholder and in that time we have developed a very keen mutually beneficial relationship. In a span of three years we have approved a total sum of USD44M and are currently considering a pipeline of another USD27M.

Ghana Homes Loans were our first client in Ghana and it is only fitting that they will be the co-sponsor for the symposium cocktail tonight. We have also developed relationships with Emerald Properties, Rehoboth Properties, Fidelity Bank, Unibank among others.

It is partly because of the promise and potential that Ghana has shown that we brought our Annual General Meeting and Symposium to Ghana this year.

Ladies and Gentlemen, today you will hear from different speakers during the symposium spanning 4 different continent, each speakers brings with them a novel

approach on Rental Housing and each at the core of their business harbours a belief that there are better, more affordable ways to provide affordable housing on the continent. It is for those reasons and a lot more that we have asked them to speak to us today and to present.

We will continue to view rental housing as a legitimate option for providing affordable housing. We are aware that in mentioning rental housing we automatically view it through cultural lenses where home ownership is the ultimate measure of success. However the truth for most Africans is that home ownership remains unattainable at their current stations, over 90 percent of Africans cannot afford to own their own homes.

That statistic in the face of growing deficits everywhere puts the need for new thinking and new approaches into sharp relief. The housing deficit in Ghana is estimated to currently stand at 1.7 million units and with a population boom that could see the country host 35 million by 2030, an estimated 170 Thousands units will be required in Ghana over a ten year period.

Going nearby to Nigeria the housing deficit is estimated to be 17 million units annually and an expected population boom that will see the country become the world's third most populated country ahead of the United States by 2050, the deficit is billed to double.

If these numbers reveal anything at all, it is the fact that we can no longer assume that home-ownership is the only way to bridge the gap and provide affordable housing for all. We must begin to address the fact that the housing deficit in Africa has to be approached with various solutions and Rental Housing is one of them; it is not entirely new, certainly in North America, Asia and Europe there are homes that are leased with the option to buy and several other tenant purchase schemes; we can design the same schemes here in Africa, schemes that speak to country specific trends and market trends.

We believe that a multi-pronged approach is what is needed to solve the housing deficit in Africa and as we make our case for rental housing we should also highlight the benefits; it offers great flexibility, the ability to choose housing that better fits the family budget, and the freedom from responsibility for home maintenance.

In making these arguments for rental housing we must also acknowledge that the rental housing sector currently has limits as well; there is no defined legal framework; there are no tenancy laws that detail the agreements between lessor and lessee and recourse or redress for aggrieved lessee's who more often than not are subject to arbitrary increases in their rent prices.

We acknowledge these limits but we are still confident that rental housing can be a legitimate method to stemming the housing deficit; It doesn't and it shouldn't take away from the dream of home ownership, we want to create awareness on an area we feel has long been neglected but has massive potential to bridge the housing deficit for all Africans.

I would like to personally convey my gratitude on behalf of the board and staff of Shelter Afrique to the government and people of Ghana for graciously agreeing to host us this year. We look forward to more areas of collaboration in the near future.

To all the delegates who have travelled far and wide to participate today, we welcome you to the 34th AGM & Symposium and thank you all for being a part of the programme today.

Thank You