



SHELTER AFRIQUE 42nd ANNUAL GENERAL MEETING

**Construction and Housing
Directorate**

APRIL 2023



Presentation outline



BACKGROUND



CHALLENGES IN THE SECTOR



MAJOR ACHIEVEMENTS



ADVOCACY



SHELTER AFRIQUE
Financing Affordable Housing for Africa

Political will

A NEW VISION SINCE 2012

HIGHER GDP GROWTH RATE

PSE (Plan Sénégal Émergent) :

- Housing: One of the six (6) pillars driving economic growth
- **TWO** flagship projects:
 - Accelerating the provision of social housing;
 - Development of a Construction Ecosystem.

Social Housing Supply Acceleration Project

One of the first projects to be launched as part of the first Priority Action Plan (PAP I, 2014-2018) of the PES

Construction Ecosystem Project

2nd phase of the project: Zero Slum Program (PROZEBID) aims to improve the living conditions of nearly 30% of the urban population by 2035.

HOW?

1.ACCELERATING DELIVERY OF HOUSING

2.PROVIDING CREDIT ENHANCEMENT FOR HOME BUYERS

Demographic profile

01

A population of 13,508,715 people, with a population growth of 2.5%.

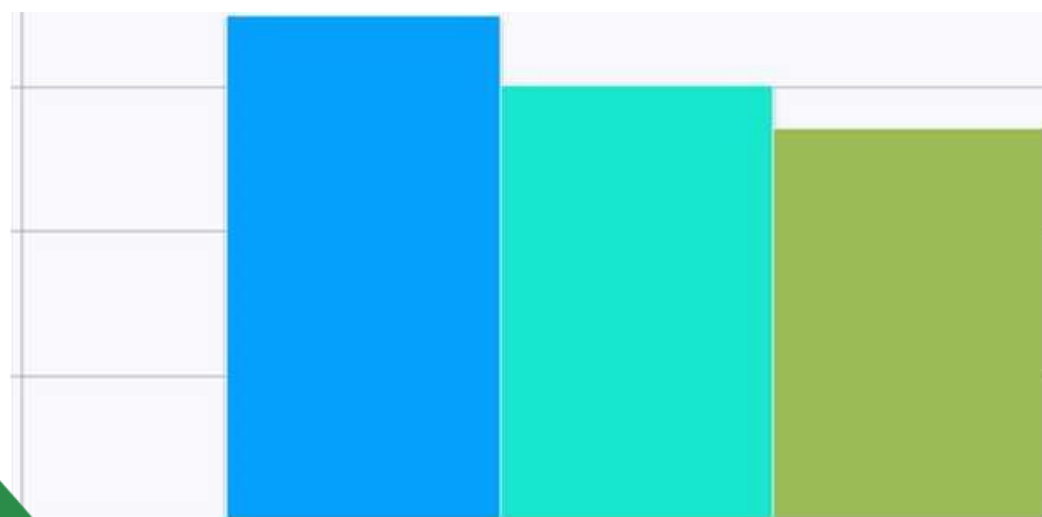
02

Urbanization rate: 45.2% in 2013, up from 40.7% in 2002

03

Projections: 52.5% in 2030

60 ■ Projection 2030 - 2013 - 2002



April

Implications

**Overall deficit in Senegal
322,000 housing units**



**Additional demand
12,000 units**



CHALLENGES IN THE SECTOR

LAND TITLING



Limited land titling security

- Only 5% of Senegal's land is registered (taken from a paper by Mr. Assane Diagne, researcher at "Initiative Prospective agricole et rurale" (IPAR))
- Less than 10% of Senegalese have a regular land title (Moustapha Sourang, Chairman of the Land Reform Commission, October 2016)



Complex land and title procedures

Involvement of several entities (municipalities, local governments, central government, concession holders, decentralized services, etc.), significantly increasing the time required to issue permits.

Example: Minimum time required to obtain a building permit is 3 months.

CHALLENGES IN THE SECTOR

LAND DEVELOPMENT



No public developer (like SCAT-URBAN from 1988 to 2003).

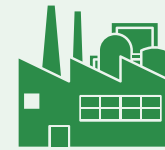


No involvement of contractors in the financing of roads and utilities, which represent more than 30% of the cost of housing delivery.

Example: The construction of roads and utilities is estimated at CFAF 528 billion, source: Document Inter.min Finances et du Budget- Economie PlanCoopération-Urbanisme Logement et de l'Hygiène Publique. March 2021

CHALLENGES IN THE SECTOR

PRODUCTION



Inability of developers to conduct large-scale real estate operations

- Total housing production in Senegal: less than 5000 units/year.
- Average of 100 housing units delivered per year per developer.



Construction techniques unsuitable for large-scale production

With the current brick-by-brick method, we need 4 months to build a house.

Example: With 20 approved developers using this method, we can only deliver 6,000 housing units/year, compared to a target of 20,000 units/year.



Finishing materials mainly imported



Increasingly scarce skilled labour

CHALLENGES IN THE SECTOR

FINANCING

Low percentage of households with access to banking services

In Senegal, access to banking services is close to 20%. To address this, stakeholders are calling for people to save more money by changing their lifestyle..

A predominant informal sector

- (9 out of 10 workers are informally employed and 97% of businesses are in the informal sector) source: Diagnosis of the informal economy in Senegal. Geneva, International Labor Office, 2020

Limited availability of longer-term financing for 20-25 year mortgages

No hire-purchase or operating lease programs available





MAJOR ACHIEVEMENTS

LAND TITLING



Urban clusters



Guidelines on verticality and condominiums



Establishment of a One-Stop-Shop



DUP

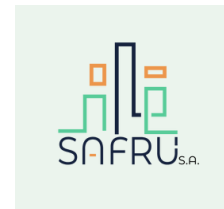


ZAC



MAJOR ACHIEVEMENTS

LAND DEVELOPMENT



Establishment of SAFRU



MANDATE OF SAFRU

- Conducting all preliminary and operational studies and carrying out all administrative procedures associated with project development, design and implementation;
- Developing and enhancing the value of land sites, including the construction of real estate, housing, public facilities, and urban development activities and services;
- Managing the land and securing the release, by any means, of the movable and immovable property and securing all the necessary rights for the implementation of its projects;
- Ensuring that the land developed is sold to implement the real estate programs.

MAJOR ACHIEVEMENTS

PRODUCTION

- Revitalizing the state-owned developers by financing a factory to produce construction panels with SICAP through the FHS
- Extensive workforce training program with 3FPT
- A training program for the workforce on the industrialization process delivered by selected developers
- Development of a construction ecosystem supporting large-scale production using local materials
- Integrating the EDGE label in the 100,000 homes project



MAJOR ACHIEVEMENTS

FINANCING



Establishment of FHS to enhance the solvency of the informal sector by providing a buyer's guarantee;



Establishment of KAJOM CAPITAL hire-purchase company



MANDATE OF FHS

Mandate

1. Providing guarantees for loans to first-time buyers of social housing with low or irregular incomes
2. Providing interest rate subsidies
3. Financing the various components of the 100,000 homes project

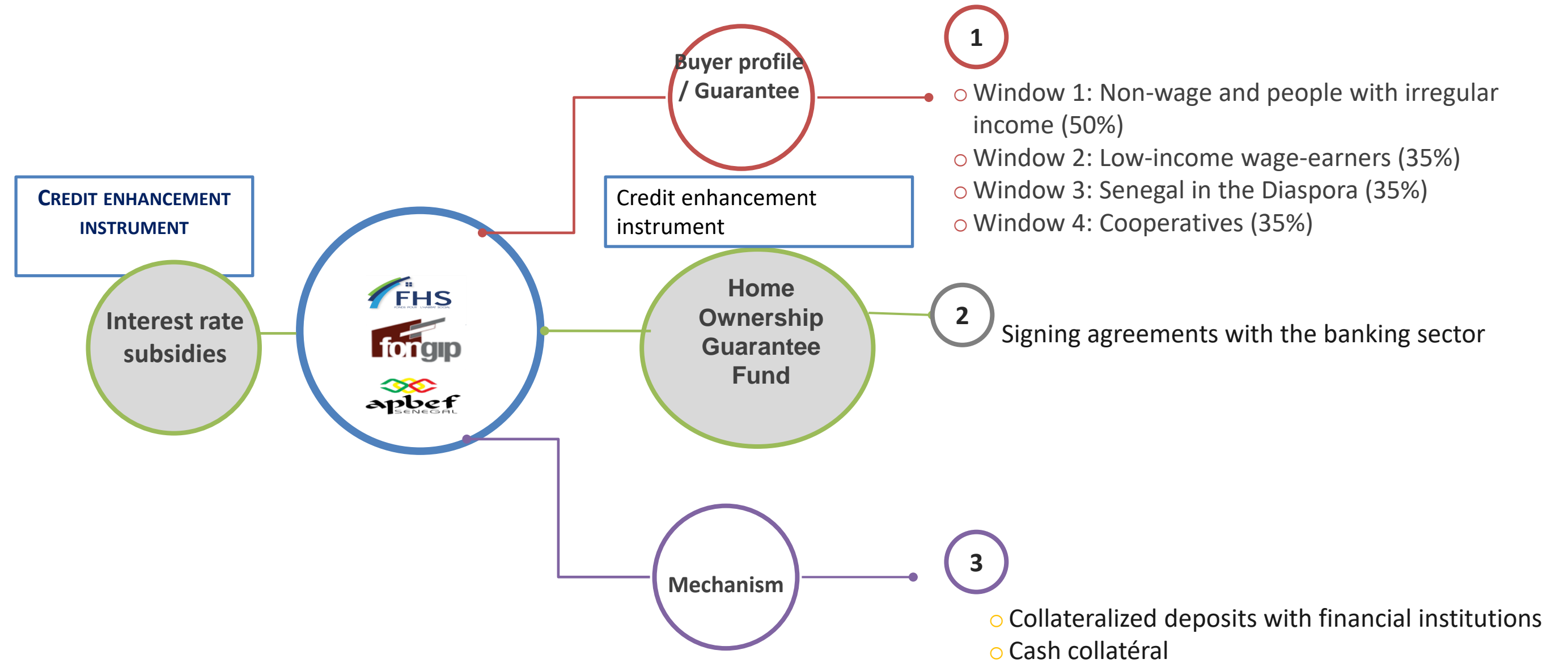


Resources

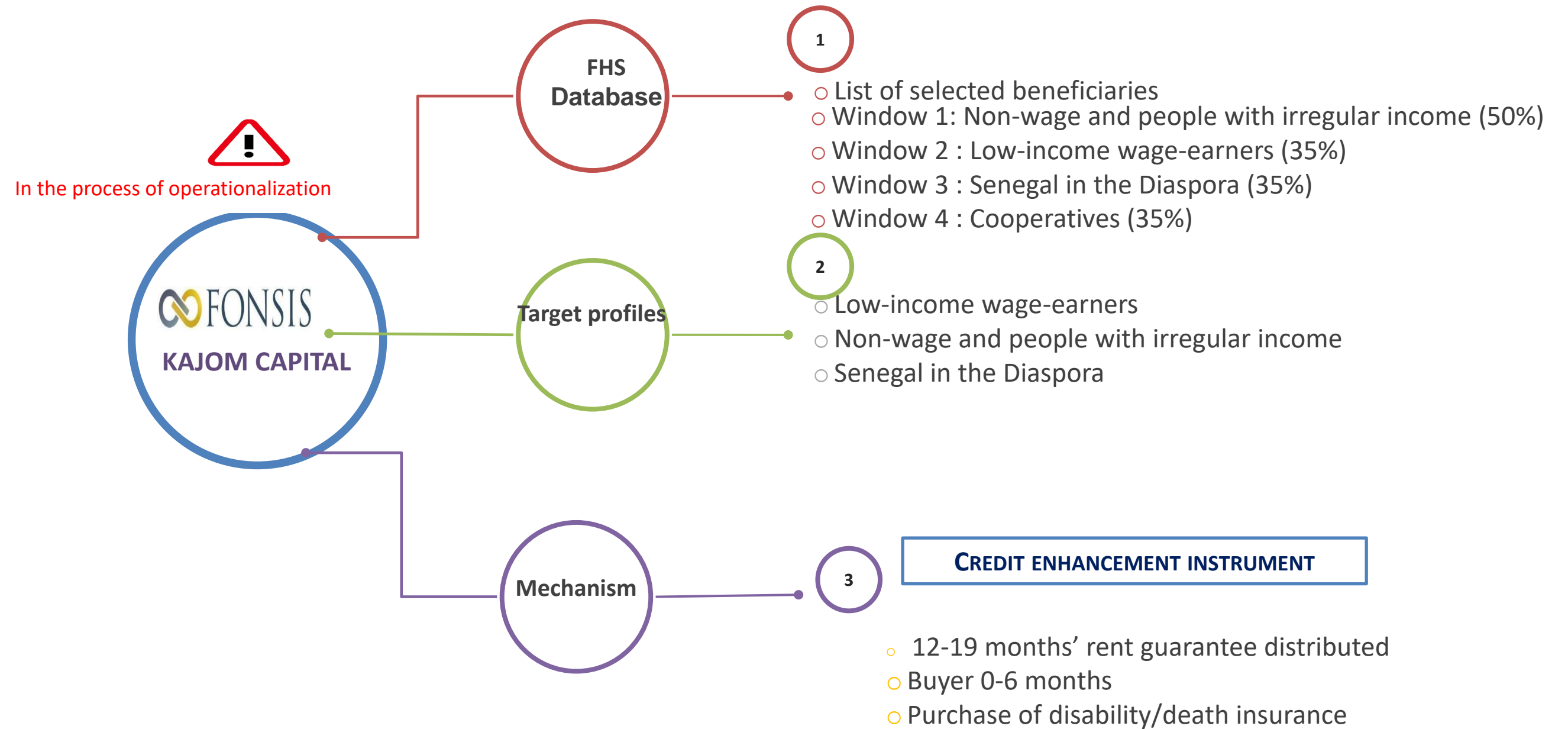
Parafiscal tax on cement and other building materials

Raising funds

MORTGAGE LOANS



HIRE PURCHASE



ADVOCACY

- Establishing a certification and classification system for building construction companies
- Developing an African strategy for the construction industry market
- Enhancing the training of stakeholders by establishing a research and certification center (national reference laboratory)
- Establishing a housing data collection system
- Increasing funding for affordable housing





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THANK YOU

APRIL 2023

