

*Preview of Housing Finance Systems in Four
Different African Countries: South Africa,
Nigeria, Ghana and Tanzania.*

By

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Introduction

This article mainly focuses on the overview of the African housing finance systems. The aim of the paper is to provide a preview of housing finance systems in four different African countries; to reveal the generic nature and scope of housing finance in these respective states.

As it is known, shelter is one of the basic needs of human survival in addition to food and clothing. For any developing country, the provision of shelter is of paramount importance to low and moderate- income households. Ferguson (2000) notes that surveys of low-income households in developing countries typically show that housing has a higher priority than education and healthcare. However, finance for housing has received very little attention over the years.

With the increase in population and the migration of people from rural to urban areas in search for often non-existence greener pastures, it has become more pertinent that Governments find ways of providing housing either directly or through support to others to do so. Derban, et al. (2002) argued that one of the main reasons why finance for housing has received little attention is the large capital that is needed to buy or rent a house.

The provision of housing is subject to the performance of macro-economies within which the various housing finance systems are located. This article therefore, reports and classifies main trends of housing finance systems in four different countries in Africa: Nigeria, Ghana, Tanzania, and South Africa. Each of these has shown some unique activity in the housing finance system.

Firstly, it should be borne in mind that the housing finance system consists of three markets: the primary mortgage market, the secondary mortgage market, and the capital market. In the primary mortgage market, mortgages are created and funds are loaned directly to borrowers. In the secondary mortgage market, lenders and investors buy and sell existing mortgage loans and mortgage-backed securities (MBS). In the capital market, investors buy and sell long-term investment vehicles such as MBS, stocks, and bonds. By investing in mortgages and MBS, capital market investors help increase the flow of funds available for mortgage lending.

Housing Finance in South Africa

Economic Background

Economic growth in South Africa has been relatively stable in the post apartheid period after stagnation in the 1980s. This was mainly due to the international economic sanctions and political instability. However, in the year 2000, a 3.0 % economic growth was recorded*. This was the fastest growth since 1996, buoyed by:

*A strong recovery in household consumption spending; and
An increase in exports of over 7% in real terms.*

According to Statistics South Africa report, the South African economy grew by 3% last year, compared to 2.8% expansion recorded in 2001. Housing delivery in South Africa is somewhat hampered by large-scale unemployment in the formal sector. The high level of unemployment

* Source: South African Reserve Bank

has a negative effect on demand for and investment in housing. According to the Labour Force Survey (LFS) the official unemployment rate is currently standing at 30.5 percent and the expanded rate of unemployment is 41.8 percent. However, the government can take some pride from the fact that since 1994 over 1.46* million housing units have been built thereby ensuring that 7 million disadvantaged South Africans have a place that they now call home. Despite this, about 1.6 million units in South Africa still have to be built.

Policy Orientation and Housing Delivery

The focus of South Africa's current housing policy has been on delivering owner-occupied housing. Section 26 of the Constitution of the Republic of South Africa, 1996, states that everyone has the right to have access to "adequate housing"[♦]. South African housing policy is therefore strong in its commitment to achieve a holistic concept of adequate housing by supporting citizens to achieve this vision incrementally.

These principles are further entrenched in the Prevention of Illegal Eviction from Unlawful Occupation of Land Act (1999), the Interim Protection Against Land Rights (1996), the Rental Housing Act (2000), and the Housing Consumer Protection Measures Act (1999). In the Housing Act, priority is accorded to the poor and addressing special needs. All households earning R3 500 per month or less qualify for subsidy assistance. One of the significant housing subsidy schemes that is being implemented by government is the Peoples Housing Process (PHP).

The Peoples Housing Process is underpinned by the principle of self-building. The Department of Housing's White Paper sets out a National Housing Strategy, along with key substantive approaches to housing delivery and a list of interventions. To ensure that delivery occurs, and that problems of the poor to have access to credit are dealt with, the Government will soon be approving the Community Re-investment Bill (to compel Banks' lend to the low and moderate income earners). This follows hot on the heels of the Home Loan and Mortgage Disclosure Act (2000). In addition, the government has also raised its capital subsidies. Please see the table below:

Table 1: Subsidy Allocation

Income Group	Subsidy Amount
R0-R1500	From R16000 to R20300
R1501-R2500	From R10000 to R14900
R2500-R3500	From R5500 to R8200

Source: Department of Housing

The Housing Finance System

Lack of finance is one of the major problems when it comes to housing delivery. Access to credit for housing purposes has been identified by the Government as a cornerstone in a sustainable housing delivery process. The Government recognizes the need for attracting housing investments from sources outside the state, and that housing has to be provided within a normalized market and thus attract maximum private investment. South Africa's housing market is characterized by four key market segments:

* Source: *Housing in Southern Africa, February 2003*

♦ Adequate housing is measured by certain core factors: legal security of tenure, the availability of services; materials, facilities and infrastructure; affordability; habitability; accessibility; location and cultural adequacy (Mabogunje 2002).

Table 2: four key market segments identified in the South African Housing Market

Segment 1	Segment 2	Segment 3	Segment 4
<i>Formally employed, middle to high income</i>	<i>Formally employed, low income</i>	<i>Informally employed, low income</i>	<i>Informally employed or unemployed, low income or no income</i>
<i>Regular income of more than R3500/month with access to collateral and security</i>	<i>Regular income of between R1500 to R3500/month, with access to collateral and security.</i>	<i>Irregular income between R800 and R3500/month, with limited collateral and security</i>	<i>Income below R1500</i>
<i>Can access conventional mortgage housing finance</i>	<i>Require small and medium loans for housing</i>	<i>Require small unsecured loans, typical from group lending schemes</i>	<i>Fully subsidized market</i>

In South Africa the housing finance system has had little impact on the low-income segment of the population. Attempts to expand credit into this market through micro-loans have been characterized by initiatives that have yet to demonstrate some form of success. The financial sector in South Africa consists of many banks, a number of specialized finance companies and a large number of the so-called alternative lenders. The following range of institutions and institutional types make up the South African housing finance system:

Large banks, (ABSA, Standard, Nedbank, First Rand); small banks, (African Bank, Peoples Bank, Cashbank, Unibank, Teba Bank, etc); micro lenders, (1 334 enterprises registered with the MFRC); Social Housing Institutions, (Greater Germiston Inner City Housing, Johannesburg Housing Company, Cope Affordable Housing, etc); Provincial Development Corporations (Ithala Development Finance, Mpumalanga Housing Finance, North West Housing Finance); NGOs (Utshani Fund, Habitat for Humanity, Urban Sector Network); Government Institutions (NHFC, NURCHA, NHBRC, Servcon) and some other institutions including Fund administrators.

Through the Record of Understanding signed in October 1994 between the Government and the Association of Mortgage Lenders, the Government pledged to normalize the low-income housing market and the financial institutions formally agreed to re-enter the market. As a result, a number of institutions were established:

The Mortgage Indemnity Fund (MIF), was launched in June 1995 as a wholly government owned company to encourage formal financial institutions to lend in areas where they had stopped doing so. The MIF closed in May 1998 as it was only to operate for a three-year period and it never paid a claim.

Servcon is another institution set-up in June 1995 to stimulate lending in the low-income housing market and deal with the historical problems, particularly that of non-payment. It was established to manage some 14000 properties repossessed by the banks, where they had been unable to obtain vacant possession. Servcon has so far reduced the number of these non-performing loans in the lower income-housing sector by 49.5%.

The National Housing Finance Corporation (NHFC), was formed in 1996 by the Government to increase housing delivery. The NHFC aims at encouraging increased and sustained involvement of formal financial institutions in the low-income housing market through risk sharing ventures with these institutions. It supports the growth of the emerging alternative lending sector by providing credit in markets where the formal banking sector is not yet engaged since these emerging alternative lenders lack adequate capacity and sustainable access to funding.

To date, the NHFC has mobilized and disbursed more than R1.4 billion to the low and moderate-income households. The NHFC is playing a significant role in the Presidential Job Housing Pilot Project, and was instrumental in the formation of the Micro Finance Regulatory Council (MFRC).

The National Urban Reconstruction and Housing Agency (NURCHA), was established in May 1995. The NURCHA's mission is to focus on releasing finance from lending institutions who regard the housing sector as a high-risk area for lending. It does this by offering guarantees to financial institutions or developers through which risks on loans made to projects are shared. By end of 2000, NURCHA had paid R901 750 in claims to banks.

The National Homebuilders Registration Council (NHBRC) was founded in 1995 to protect consumers and to regulate homebuilders, as well as to raise construction standards. Since inception, more than 88 851 homes have been enrolled under their Defects Warranty Scheme. The Scheme aims to protect the consumer against shoddy workmanship in the home building industry. From 2002, even the RDP houses had to have the protection of the NHBRC warrantee and for this the beneficiaries have been asked to pay R2479.

Despite these concerted efforts by the government to try to solve the problems in the low-income housing market, the formal banking sector still finds it too risky to act in the market. The established institutions have not succeeded in normalizing the market. The reason for the failure may be that the institutions have not been operating long enough and that they just need more time before sufficient results can be seen. There is still an acute shortage of houses in the country and the reluctance and unwillingness by traditional financial institutions to grant loans to low-income earners exacerbates the situation. A sophisticated and effective housing finance system however exists for the middle and upper income segments of the housing market.

Housing Finance in Ghana

Economic Background

Ghana like many other developing countries is plagued by population growth rates of about 4% per annum, high rural-urban migration and low-incomes for the majority of the population. The agricultural sector is the dominant sector in the Ghanaian economy in terms of its GDP, employment, and foreign exchange earnings. The country's economic performance in the 1990's has been good. Real growth in GDP has averaged 4.37% from 1990 through 1993. The financial sector has also been restructured. Inflation however has been a problem.

In 1990, annual inflation topped 37% before dropping significantly to just over 10% in 1992. However, in 1993 inflation shot up to almost 25% rising to about 70% in 1995 and then declined to 13.8% at the end of 1999. The GDP per capita stood at about \$350 in 2000. Ghana joined the league of the Highly Indebted Poor Countries (HIPC) due to high foreign debt burden.

Policy Orientation and Housing Delivery

The unstable political climate of the early 1980s in Ghana crippled the housing market, as people were afraid to build. The years were also characterized by Government's lack of resources to provide appropriate housing. Ownership of property, especially houses, is a very important aspect of the Ghanaian tradition. Houses do not only provide shelter, but also serve as a measure of social standing and prestige. Despite this high importance placed on houses and property, the Ghana Real Estate Developers Association (GREDA) (1998) notes that only 5% of those who want to own a house can do so from their own resources. Others (60%) would need some form of financial assistance and the remaining 35% are not capable of owning and building a house in their lifetime.

It is estimated that given the combined effect of the level of housing deficit from previous years and the rate of population growth, Ghana needs 1.2 million housing units by the year 2005. To achieve this target, some 133,000 new housing units must be delivered annually. However, only 25,000 units are produced annually, leaving an unsatisfied annual demand of 108,000 units. Between 1990 and 1998, the Social Security and National Insurance Trust (SSNIT) provided over 30,000 blocks of flats. In fact, in November 2002, at the Stakeholders Workshop in Ghana, the government was asked to adopt "Social Housing" as an option to address the country's housing needs, especially for the poor majority.

The Housing Finance System

The banking system in Ghana did not escape the economic decline and political instability of the 1970s and 1980s. General lack of confidence in the banking system by the public, the banks' inability to engage in venture capital, high default rates, widespread fraudulent practices and lack of expertise to properly appraise projects were some of the problems facing the banking system (Hanson, 1999). A few banks in Ghana offer mortgages to High Net Worth customers. The First Ghana Building Society (FGBS) has so far been unable to provide mortgage financing on a sustained basis. Home Finance Company Limited (HFC) has turned out to be the dominant housing finance institution in Ghana, providing a wide range of mortgage financing on a sustained basis to a broad spectrum of customers.

The HFC was originally conceived to operate as a secondary mortgage institution providing sustained housing finance in a two-tier housing system. A two-tier mortgage financing system in Ghana was based on the following assumptions: that there would be strong Central Government support for HFC given the acute housing shortage; that the creation of HFC as a secondary mortgage institution would be the catalyst to jump start primary mortgage lending by banks after their restructuring.

The newly restructured banking system would be insulated from significant risk through an arrangement whereby the primary institution would bear only 10% default risk, with Government bearing the remaining 90%. HFC was thus to bear no default risk. The operation of the mortgage market has turned out differently as only one primary institution has been active in the market. Financial institutions supposed to operate in the primary market do not consider the commission of 1.5% p.a. attractive enough.

This is in spite the fact that they would not invest their own funds and bear only 10% default risk. Most households in Ghana use their own savings, sweat equity, barter arrangements and remittances to build their houses. The commercial financial institutions provide very little support to low and moderate-income households in the form of mortgages. Where has it done so, it has favoured the owner occupied and new dwellings and offers very limited support to the rental and incremental housing development.

The traditional mortgage lender is limited in its ability to serve low and moderate-income households. The payment-income ratio is too high. Transaction costs in lending to this market are usually high and small loans are unprofitable and riskier for a commercial lender. Ferguson (1999) notes that incremental building process is the only building strategy that works for low and moderate-income households. In Ghana, the incremental building process is used largely. Empirical evidence from the micro-finance institutions around the developing world supports the argument that shorter loans are better for the poor. Mortgage loans are usually for longer terms of up to twenty years.

Housing Finance in Nigeria

Economic Background

Nigeria is the most urbanized country and has the largest population in sub-Saharan Africa. The long years of military rule in Nigeria had a devastating effect on the Nigerian economy. Economic planning was haphazard, policies distorted, and implementation processes undermined. In addition, corruption, fraud and general mismanagement became the order of the day (Mudasiru, 2001).

The economy is essentially mono-product: oil and agriculture. Agriculture accounts for over 43% of the GDP. Nigeria is major a supplier of crude oil, producing about 2 million barrels per day. Nigeria is also an influential member of the Organisation of Petroleum Exporting Countries (OPEC). Sales of oil account for more than 90% of the nation's total foreign earnings. The population employed in the Agricultural sector is about 56%.

The Naira/Dollar exchange is N111.7/US\$. The major trading partners of Nigeria are the USA, UK, and Germany. When the Obasanjo administration took office in May 1999, it immediately took decisive steps to put in place an enabling environment for democracy, regaining international respectability and credibility and putting the economy on the path to sustainable growth and development.

The large government spending, together with the buoyant oil sector, appears to have given a temporary boost to the economy (real GDP grew by an estimated 3.8 percent in 2000, but macroeconomic stability has come under serious threat). Inflation, as measured by the twelve-month increase in the consumer price index, rose from 0.2 percent in December 1999 to 18 percent in March 2001. The Naira exchange rate was stable as the dollar exchanged for N92.00 to a dollar as the last quarter of 1999. However, the later part of 2000 witnessed a drastic increase in the exchange rate, a dollar was exchanged for N135.00, a decrease of about 50 percent in the value of the Naira.

Policy Orientation and Housing Delivery

The national housing policy was launched in 1991 in response to the global strategy for shelter, Agenda 21. It is aimed at achieving sustainable human settlement development. However, the country's housing development policies are skewed in favour of those in the middle and upper income bracket. Proposed housing developments for the poor are either not sufficient, or hijacked by the rich since most poor cannot afford the cost of acquisition. The production of housing in Nigeria is primarily a function of the private market. Approximately 90% of urban housing is produced by private developers.

With an estimated population of 123 million as quoted in the World Bank figures, Nigeria needs to produce 720,000 housing units per annum based on an estimate of 9 dwelling units a year per 1,000 of population. Rent in major cities is about 60% of an average workers disposable income. This is far higher than the 20-30% recommended by the United Nations. The urban poor live as tenants in overcrowded and dilapidated slums or as squatters in dilapidated structures.

Three major reasons for the inadequate housing supply in Nigeria: (i) The shortage of qualified and experienced tradesman has made it impossible for the Nigerian building industry to meet the demand for housing; (ii) Difficulty in acquiring land for new construction; and (iii) Public housing has not been able to meet the housing demands of Nigerians.

The Housing Finance System

Prior to the colonial era, many methods of housing finance were adopted in Nigeria. Amongst these were, Village development scheme, Social club contributions, Loans from traditional

moneylenders etc. All these methods were successful in the provision of finance for housing and its delivery in the traditional setting.

However, with the growing complexity in economic activities, these methods faded away and were replaced by modern methods. According to Nubi (2000), there are two sources of finance - Formal and Informal. The formal sector comprises institutions operating within the statutory guideline stated by Federal Government. Among these are:

Federal Mortgage Bank of Nigeria (FMBN), started in 1977 and provides long-term credit facilities to mortgage institutions in the country; provides long term loans to individual and property developers for house building; provides a saving facility and carries out research on mortgage finance.

Commercial Banks, retail bankers, which only lend on short-term basis because they have to meet withdrawal requests at the short notice. According to the Nigerian writers, this has not been compatible with housing finance, which requires long-term finance. This has limited their success in housing finance.

Specialized Development Banks, established to grant long-term finance for up to 25 years for industrial, commercial, agricultural and housing development. Other institutions in the formal sector include *Insurance Companies and Pension/Provident Funds*.

The Informal sector includes, Corporate Bodies, Developers/Contractor Financed etc. Most informal sector transactions are not taxed nor are they registered in the national income accounts.

Some informal sector finance sources are as follows: Personal or Family Savings, Individual moneylenders and, Voluntary Housing Movements. The history of housing finance in Nigeria has however been an appalling one. Nigeria is characterized by lack of saving habit. Amongst inhabitants, many lost their savings to distress and liquidated banks creating a big distortion in the savings culture. The call for both Voluntary Savings and Compulsory Savings generated little interest in Nigeria.

The cost of urban land is a big discouragement to the urban poor. Only marginal land, with no title document and infrastructure at the periphery to the cities is available for the poor to build on. Cost of land and documentation account for about half of what is required for housing development. The absence of large real estate development companies with access to the relevant technology and financial muscle to develop affordable houses on mass scale for the urban poor is a drawback to the Nigerian housing finance delivery system.

The gap between income and shelter cost in Nigeria is very wide. This has eliminated the low-income earners from the housing market. High cost had been attributed to the following: Rising cost of building materials, inflation rate in the economy, fees of professionals involved in housing finance, excessive profit of contractors etc.

Housing Finance in Tanzania

Economic Background

Tanzania's economy is heavily dependent on agriculture. During 1996-1999, agricultural exports accounted for around 56 percent of total merchandise exports. Major agricultural exports are: cotton, tea, tobacco, cashew nuts, and sisal. The major industries in Tanzania are consumer industries like breweries; soap and textile manufacturers and the major minerals are gold and diamonds. Mining and tourism are growing rapidly with the liberalization of the economy. Tanzania Gross Domestic Product (GDP) at constant 1992 prices recorded an average rate of 4.0 percent per annum during 1996-1999. Tanzania's economy grew by 5.9% last year, and the Finance Minister Basil Mramba predicted 6.3% growth this fiscal year.

Policy Orientation and Housing Delivery

The inadequacy in the shelter delivery system in Tanzania to cater for the urban population has led to an extensive development of squatter or unplanned settlements. Studies conducted in 1995 under the Urban and Housing Indicators Programme indicated that about 70 percent of urban population lived in unplanned settlements and that about 60 percent of the urban housing stock is to be found in these settlements. The gap between the supply and demand for housing has been widening with time. It is now estimated that the deficit in Tanzanian urban centres is about 1.2 million housing units.

Lack of appropriate policies on housing development have contributed to overcrowding in housing and poor housing conditions. Among them are those, which concern the acquisition of building plots, land title, building permit, housing credit facilities and the operation of the main stakeholders in housing development. Housing shortage in Tanzania is further fuelled by the lack of formal housing credit facilities.

The Housing Finance System

Under the shelter policy, financial institutions lending for housing were to be responsive to the needs of low-income groups in both rural and urban areas. It was envisaged that new financial institutions might be created to increase lending opportunities. The Tanzania Housing Bank (THB) was created in 1973 and became the sole source of formal housing finance. It was only marginally able to lend to low-income groups and over the years, lending declined in real terms as both building costs and interest rates increased. The THB was liquidated effective from August 1995. There is currently no formal source of financing for shelter development in Tanzania. Main problems associated with housing finance in Tanzania are:

- *There is a near complete lack of formal mortgage housing finance facilities in the country and this has made house construction a difficult process for many households especially those in the low income categories;*
- *Government allocation of the national budget to housing has been generally low and is declining; and*
- *There is lack of capacity for housing development both at national and local levels.*

In Tanzania due to the government policy in the past to put more emphasis on the participation of the public sector in the economy, the private sector played a passive role. This passivity affected the industries that support the development of the housing sector. The central government has not pushed for housing to be a priority alongside health and education in Tanzania nor has it instituted machinery for mobilizing finance from all sectors for housing finance. The absence of long-term finance has an adverse effect on the social economic aspects of the country.

Table 3: Key Differences and Similarities

<i>Similarities /Differences</i>	<i>South Africa</i>	<i>Ghana</i>	<i>Nigeria</i>	<i>Tanzania</i>
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Banks	Many Banks but no deep outreach	Few Banks: Offer Mortgages to Upper Income Groups	Modernised Banking Lend mostly on short term basis to High Net Worth Customers	Non-existent
Non Banks	Yet to demonstrate scale delivery	Active but insufficiently capitalized	Main lenders but with very little success	Only THB which had some marginal success
Economic Indicators	Stable economic growth characterized by cyclical fluctuations	Poor economic performance confirmed by continuous rise of inflation	Up until 2000 when a 3.8 real GDP growth rate witnessed, CPIX rose from 0.2% in 1999 to 18% in 2001	Fast improving, a 5.9% econ. growth recorded in 2002 & 6.3% growth speculated for this yr.
Housing Backlog	1.6 million units still have to be built	1.2 million units need to be provided by 2005 @the rate of 133,000 p/y.	With a pop. of 123 million, many of whom with inadequate housing, 720,000 units to be built every yr to counter backlog	Acute housing shortage confirmed by overcrowding, 1.2 million housing units needed in urban centres
Affordability	Lack of affordability driven by unemployment and by skewed incomes	Triggered by high default rates and lack of confidence in the banking sector by the public	Large gap between income & shelter and commercial banks only lend on short term basis, those on long term require large deposit	Lack of affordability is fuelled by the absence of formal credit facilities
Key Blockages	Informal employment Low income Lack of suitable stock & suitable land Lack of private capital	Absence of large real estate and only one dominant housing finance institution	Difficulty of acquiring land for new construction and lack of public subsidized housing	No govt. support and inappropriate policies

Challenges and Concluding Remarks

Housing finance has to be seen in the context of the national economy and more specifically the national financial system. The state of housing operations in Africa reflects to some extent the state of the economies. It is not likely that the housing problem can be solved without solving the economic problem. In Ghana for instance, the banking sector did not escape the economic decline and political instability. Most of the banks in Ghana offer mortgages to high net worth customers. The First Ghana Building Society, and the HFC which is the dominant housing finance institution, have made a very little progress in dealing with the country's acute housing shortage.

Different from that of Ghana, the Nigerian housing finance system appears modernized but the drawback to housing delivery is hampered by the cost of urban land as well as the absence of large real estate developers with financial muscle to develop affordable houses on scale. Unlike South Africa, the situation in Tanzania is affected by the lack of appropriate policies to deal with backlog of housing the poor. It is evident from the research that (Ghana, Tanzania and probably Nigeria to a certain extent) the blockage to housing delivery is largely contributed by the lack of formal credit facilities to cater for the poor and lack of focus on housing. In cases

where these are available, only the upper end of the market is able to access credit. In South Africa government is dealing with this form of discrimination through appropriate policies. Even though specialized institutions established by the government to partner with banks for affordable housing delivery have yet to demonstrate substantial progress, South Africa is leading by example through its capital subsidy scheme for the poor, and by encouraging and compelling financial institutions to serve the low-and moderate-income market through appropriate policies. If these policies are implemented a large pool of funds could be made available to cater for the low-income earners.

The generic problem that eliminates low-income earners from the housing market is affordability. The gap between income and shelter cost is very wide. If the cost of constructing new houses is not within reach of low-income earners, then revitalizing the existing stock can be an alternative mechanism to improve housing. Incremental housing is implemented in South Africa and Ghana through micro-finance for housing. In Tanzania and Nigeria, it is almost non-existent because micro-finance is a fairly new concept. Micro-finance in certain quarters has been regarded as a successful instrument in lending to the poor for them to spent those loans on home improvements and expansions.

One would have expected incremental housing to be at gross scale in Nigeria as retail bankers mostly lend on a short-term basis arguing that they have to meet withdrawal requests at the shortest notice. Obviously for them servicing transactions with low profit margins would not worth taking the risk. It is clear that the current state of housing finance in all of these countries outside South Africa require a comprehensive approach by Governments as without adequate will by the State home ownership by low-income groups will remain a distant dream. The production of housing should not be the primary function of the private market, as is the case in Nigeria, but that of the state.

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