



Beatrice, MFF's first female mason...

Reducing the Cost of Developing Affordable Housing in Nigeria

Introduction



“MFF seeks collaborative and innovative partnerships...”

- The Millard Fuller Foundation (MFF) is the Nigerian affiliate of the Fuller Center for Housing Inc. based in GA, USA – an organization founded by Millard Fuller, founder of Habitat for Humanity International.
- MFF seeks to provide on a sustainable basis, affordable housing for all people in need by promoting collaborative and innovative partnerships with individuals & organizations.
- MFF is currently working in Nigeria with 5 main partners:
 1. The Fuller Center for Housing Inc. (www.fullercenter.org)
 2. Selavip International (www.selavip.org)
 3. Reall UK (www.reall.net)
 4. Family Homes Funds (www.familyhomesfunds.com)
 5. GIZ (www.giz.de)
- MFF is advocating for greater inclusion to develop the affordable housing market
- MFF is working to prove the affordable housing market as a veritable destination for investment, with its attendant potential for social impact.

AFFORDABLE HOUSING
~~HOUSING~~ FOR ALL BY
YEAR ~~2000~~ 2050

What is Affordable Housing?



*“Truly
‘Affordable
Housing’ should
be affordable to
the median
income in a given
locality...”*

- ‘Affordable housing’ is a term used to describe dwelling units whose total housing costs are deemed "affordable" to those that have a ‘median’ income.
- The median income is the income level that divides the society into 2 equal parts.

AFFORDABLE HOUSING IN NIGERIA

- According to the Center for Global Development (CGD), the average household income in Nigeria in 2004 was about N50,000 (\$330) per annum or N4,000 per month!
- For urban Nigeria, the average household income is about N18,000 per month.
- For urban housing provision we should be looking at a maximum monthly rental of N6,000 per month as the basis on which all truly affordable urban housing projections and planning should be done.

INCOME CLASSIFICATION OF NIGERIAN ADULT POPULATION (2014e)



Sources: AfDB, RenCap 2011, KOMG BICSS, KPMG Analysis

What is Affordable Housing in Nigeria?



Truly Affordable House Values based on differing interest rates:

N667,000

N500,000

N393,000

0% Interest Rate from NGOs		Interest: 0%
HOUSE VALUE	N667,000	Principal: 100%
DEPOSIT (10%)	N66,700	
PRINCIPAL (90%)	N600,300	
INTEREST (10 YRS)	NONE	
TOTAL REPAYMENT	N600,000	
MONTHLY REPAYMENT	N5,000	

6% Interest Rate from FMBN		Interest: 25%
HOUSE VALUE	N500,000	Principal: 75%
DEPOSIT (10%)	N50,000	
PRINCIPAL (90%)	N450,000	
INTEREST (10 YRS)	N150,000	
TOTAL REPAYMENT	N600,000	
MONTHLY REPAYMENT	N5,000	

18% Interest Rate from Open Market		Interest: 54%
HOUSE VALUE	N393,000	Principal: 46%
DEPOSIT (30%)	N117,900	
PRINCIPAL (70%)	N275,100	
INTEREST (10 YRS)	N324,900	
TOTAL REPAYMENT	N600,000	
MONTHLY REPAYMENT	N5,000	

HOW DO WE REDUCE CONSTRUCTION COSTS?

How Do We Minimize Costs?



The Fuller Housing Estate, Luvu showing blocks of 4 units



A happy family at the Fuller site



Houses built through a mortgage bank arrangement



Social housing constructed by The Millard Fuller Foundation has brought changed lives to many families.

www.fullercenter.org

Promote Greater Inclusion

www.reall.net



400-unit Grand Luvu Housing Estate, Luvu-Madaki, Masaka



400-unit Grand Luvu Housing Estate, Luvu-Madaki, Masaka



SATCHETIZATION

FULLER CENTER PARTNERSHIPS:
SELAVIP INTERNATIONAL



“A simple house today is better than a better house tomorrow”.



Dry wall construction by Nigerite/ Etex Group



Selavip-sponsored housing



Social housing constructed sponsored by Selavip & Etex Group

www.selavip.org

Recognize Informal Sector Activities



NAOMI (TEACHER) & FAMILY