



Centre for Affordable  
Housing Finance  
in Africa

## Microfinance for affordable housing, soon a reality in the DRC

The Democratic Republic of Congo has a housing deficit estimated in the millions of units. According to [UNDP](#) projections on population growth in the DRC, this deficit will only grow larger given the average annual population growth rate estimated at 3.1%, fueled by a fertility rate of 6.30 infants per woman.

Indeed, the Congolese population could double in the next 25 years, going from 77.3 million to nearly 132 million. This rapid population growth is in contrast to the slow progress of urban housing development and has led to the development of slums in suburban areas. More than 40% of the Congolese population live in cities and this number could reach 60% in the next 20 years. This situation poses enormous challenges for urban planning and creates opportunities for the housing market. For example, Kinshasa city represents an estimated 54.4% of the overall deficit, or 140,000 housing units to be built per year.

Despite this market opportunity, banks and microfinance institutions do not yet offer housing products that meet the needs of low-income populations and micro-entrepreneurs. This discrepancy is largely due to lack of expertise and knowledge of the market by local actors all along the construction materials value chain, non-existence of long-term funding, absence of appropriate risk-sharing mechanisms, as well as a weak national political context.

In order to bring sustainable and lasting solutions to these market constraints, [ELAN RDC](#) is coordinating with specialized institutions providing technical assistance services for inclusive housing finance, including [Habitat for Humanity's Terwilliger Center for Innovation in Shelter](#) and the [Center for Financing Affordable Housing in Africa \(CAHF\)](#). These joint efforts aim to develop new solutions to facilitate the development of the housing finance segment for micro, small and medium-sized enterprises and low-income households in the DRC, in collaboration with local financial institutions.

In October 2017 in Kinshasa, ELAN RDC and Habitat for Humanity's Terwilliger Center for Innovation in Shelter tested the market response and the financial sector's appetite to finance affordable housing, by inviting financial institutions and donors to reflect on the feasibility of the initiative at a forum on microfinance for housing.

As a result of the forum, ELAN RDC, Habitat for Humanity's Terwilliger Center for Innovation in Shelter and CAHF agreed to deepen their understanding the needs of the population through market research and an evaluation of the capacity of financial institutions active or interested in inclusive housing financing in the DRC.

Habitat for Humanity's Terwilliger Center for Innovation in Shelter and the CAHF bring to the DRC their accumulated international expertise in markets similar to the DRC, with the aim of developing a lasting strategy for financing affordable housing for all, based on local conditions.

ELAN RDC, Habitat for Humanity's Terwilliger Center for Innovation in Shelter and CAHF will work closely with other market actors to meet these challenges and develop financial and non-financial solutions to expand the housing finance market.