

# MOZAMBIQUE

Affordable housing in Mozambique:  
Market shaping indicators



Centre for Affordable  
Housing Finance  
in Africa

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See CAHF’s yearbook at:

<https://housingfinanceafrica.org/resources/yearbook/>

View Reall’s Data Dashboard at: <https://www.reall.net/dashboard>



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<sup>1</sup> This report is an extension of the profile of Mozambique prepared for CAHF’s 2020 Housing Finance in Africa Yearbook. Domingos Machava Kasaija was the original author of the profile. Maria Nkhonjera has extended the report further, providing additional detail. <https://housingfinanceafrica.org/resources/yearbook/>

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### 1. Introduction

The Centre for Affordable Housing Finance in Africa (CAHF)<sup>2</sup> has been operating as an independent think tank in South Africa since May 2014, pursuing its mission of making Africa's housing finance markets work. Supported by the French and UK governments, as well as other funders and partners, CAHF's work extends across the continent. CAHF brings information to the marketplace to enable stakeholders in the public and private sector to make policy and investment decisions in favour of improved access to affordable housing. CAHF's emphasis is on the role that finance plays in realising this, and champions market intelligence—data, market analytics and research—to stimulate investor interest and to support better policy. CAHF is highly networked and engages with stakeholders at the local, national, regional, continental and global levels to support the realisation of investment towards affordable housing in Africa.

CAHF monitors the progress and performance of African housing markets, and publishes this in its flagship publication, the Housing Finance Yearbook, every November.<sup>3</sup> The production of the Yearbook is an intensive effort and draws on the participation of local, in-country consultants, who track and present the current state of their local housing markets in short profiles, one for each of the continent's 54 countries. This year, CAHF partnered with Reall to develop extended reports for six countries, reflecting the fruits of more focused data gathering, as part of our overall Housing Finance Data Agenda for Africa, presented by Reall under the Market Shaping Indicators name<sup>4</sup>.

Supported by the UK and Swedish governments, Reall<sup>5</sup> is a market innovator and impact investor in affordable housing for the bottom 40 percent of the income pyramid in Africa and Asia. Headquartered in the UK and possessing over 30 years' experience in the sector, Reall's priority focus is in Kenya, Nigeria, Uganda, India and Pakistan, with a wider footprint that includes Ghana, Mozambique, the Philippines, and Zimbabwe. Reall and its network of in-country partners specialize in affordable housing and end-user financing solutions, while also tackling systemic political, regulatory, and financial barriers through strategic brokering interventions. By evidencing the cross-cutting developmental impact of housing (contributing to 16 of 17 SDGs) and demonstrating the commercially viable investable opportunity, Reall leverages private sector actors and resources to transform markets and accelerate delivery at scale.

The driving principle behind the Data Agenda is that market intelligence and data is fundamental market infrastructure for the housing finance sector. A key constraint undermining private sector participation and good policy engagement in affordable housing finance is the availability of data and market intelligence to facilitate risk-taking and decision-making. By providing market intelligence that makes the case for investment in underserved markets, we can support a better policy environment and increased private sector activity in affordable housing markets. In this way, we catalyse scale interventions.

This report highlights the progress and performance of Mozambique's affordable housing market in 2020. Mozambique is a country in which CAHF has engaged substantially, together with local partner Financial Sector Deepening (FSD) Mozambique. This report extends the original profile for Mozambique with data collected through the Data Agenda/Market Shaping Indicators process, and the experiences of Reall in working particularly with Casa Real. The original text, as published in the 2020 Yearbook: Housing Finance in Africa, was written by Domingos Machava. Maria Nkhonjera has extended the report to include additional information.

<sup>2</sup> See CAHF's website: <https://www.housingfinanceafrica.org>

<sup>3</sup> See <https://housingfinanceafrica.org/resources/yearbook/>

<sup>4</sup> The Data Agenda for Africa is a joint initiative of CAHF and its partners 71point4 and Reall. For more detail, see <http://housingfinanceafrica.org/projects/a-housing-finance-data-agenda-for-africa/> and <https://www.reall.net/dashboard/msi>

<sup>5</sup> See Reall's website: <https://www.reall.net/>

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### 2 CAHF in Mozambique

CAHF has been working with Mozambique as a priority country since 2015, given the growing need and opportunity to expand access to housing finance products and affordable housing. CAHF has developed a productive relationship with FSD Mozambique, through which various programmes of work have been driven. In 2018, CAHF published a Housing Investment Chronicles (HIC)<sup>6</sup> report which formed the basis for understanding household investment decisions in Mozambique, drawing attention to incremental housing construction and leveraging informal mechanisms to finance homes. CAHF is using the findings of the HIC to explore supporting housing microfinance product development in Mozambique. More recently, CAHF, in partnership with FSD Mozambique conducted a Rental Study<sup>7</sup> that sought to understand and quantify rental markets in Mozambique. The results of this study shows a strong potential demand for rental housing, while there is an undersupply of decent and affordable rental units. With the sector receiving minimal policy support, the study reinforces the need for increased government interventions and regulation of rental markets. Together with the yearbook profile, CAHF's research in Mozambique is an important input into the broader Data Agenda work in Mozambique—identifying key gaps in housing market data that would help create a better understanding of the housing ecosystem, for more targeted interventions and policy.



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RENTAL UNITS**

*Casa Real's Reall-funded affordable housing project in Beira*

<sup>6</sup> See CAHF and FSD Mozambique (2018). Housing Investment Chronicles: Mozambique. <http://housingfinanceafrica.org/app/uploads/HIC-Mozambique-Final-.pdf>.

<sup>7</sup> Carrilho, J. (2021). Profiling and understanding the residential rental market in Mozambique. CAHF.

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### 3 Reall in Mozambique

Reall's work in Mozambique began in 2017, which formed the basis of its partnership with Casa Real in Beira.<sup>8</sup> In recognising the demand and supply side challenges characterising the housing market, Reall partner, Casa Real established itself as an affordable housing development company in Beira, Mozambique – a city hard hit by the 2019 and 2021 tropical cyclones. Since 2018, Casa Real has leveraged various partnerships to bring innovative and quality affordable homes to Beira's low and middle income households (**Box 1**). This is despite several unsuccessful (private and public) affordable housing initiatives and an unfavourable end user financing environment in Mozambique.

Casa Real has navigated the Mozambican market and leveraged partnerships to demonstrate that quality, resilient housing can be both affordable and commercially viable in Mozambique. A key challenge for the country is scaling delivery at a sustainable rate to reduce the housing backlog. Understanding both demand and supply side constraints and the cooperation of market players, as Casa Real illustrates, is critical for addressing the bottlenecks along the value chain and bringing affordable housing to market in Mozambique. In 2020, CAHF documented Casa Real's journey to deliver affordable and resilient housing in Beira.<sup>9</sup>

#### BOX 1 - Casa Real Housing Development Company in Beira, Mozambique

Casa Real was incorporated in 2018 as a not-for-profit housing development company. Prior to its establishment, Casa Real undertook a market study to understand Beira's housing situation – demand and supply side challenges, focusing on lower income groups earning between US\$72 and US\$280 per month.

With an initial capital injection from Reall, Casa Real developed its first 10 pilot homes. These homes served to prove the affordable housing concept, test the market and establish relationships with suppliers and key stakeholders, including the Beira Municipality and Netherlands Government. In its first project phase, Casa Real aims to complete 200 units in Beira, through private sector housing finance schemes. Remarkably, Casa Real signed an MoU with Absa Mozambique in September 2019, emerging as the first bank to actively enter the market and commit to providing end user finance to Casa Real's clients.

Even with the challenges of climate vulnerability in Beira, Casa Real's structures withstood the destruction of the tropical cyclones in 2019. With some damage to its roofing sheets, the company built in cyclone resistant construction techniques, which will now be incorporated into all their structures. More recently, Cyclone Eloise brought severe flooding to the City of Beira and again, Casa Real homes weathered the storm.

Casa Real's business model centres on designing, building, and selling houses that people can afford. The project is therefore modelled on an incremental building approach and leverages mixed income housing typologies to cross subsidise its basic starter home of US\$10 000.

Reall has been crucial in enabling Casa Real's affordable housing work in its initial years of operations. The investor disbursed a grant of £250 000 to Casa Real for the construction of an additional 30 basic units delivered at the end of 2020 and approved a further £240 000 loan for another 29 units by the end of March 2021. Casa Real aims to scale its housing delivery and offtake to at least 500 units annually by 2023

<sup>8</sup> We send our condolences to the family, friends, and colleagues of Mayor Daviz Simango (Mayor of Beira) who passed away on 22 February 2021. Mayor Simango was a supporter of affordable housing and instrumental to Casa Real's work in Beira

<sup>9</sup> See CAHF (2020). Affordable and climate resilient building: A case study of Casa Real in Beira, Mozambique. [http://housingfinanceafrica.org/app/uploads/Final-case-study\\_formatted.pdf](http://housingfinanceafrica.org/app/uploads/Final-case-study_formatted.pdf).

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### 4 Overview – Mozambique’s housing sector in 2020

The 2017 Population and Housing Census records approximately 4.8 million formal residential dwellings in Mozambique, and in 2020, 4 017 formal houses were reported to have been built. With a rising population, notably in Mozambique’s main urban city (Maputo) the delivery of housing has generally not kept up with demand. In 2018, UN-Habitat estimated that 77.2 percent of the country’s urban population lived in slums, informal settlements or inadequate housing.

The Government of Mozambique’s housing policy is focused on providing better and affordable housing solutions to the lower income population. However, government, through the Fund for Housing Promotion (Fundo de Fomento a Habitação - FFH) struggles to meet its objectives due to the high costs involved. More than 90 percent of the population is categorised as low income and, as a result, do not have access to housing loans.<sup>10</sup> The country therefore has limited options for housing loans, and the FFH is the only government institution that promotes low income housing. Only the middle and high income households, which account for approximately five percent<sup>11</sup> of the population, can afford housing loans. The majority of families build their own houses incrementally, and this is always dependant on financial availability.<sup>12</sup> Approximately 80 percent of the houses in Mozambique are self-built.<sup>13</sup> These houses are built with low quality materials, particularly in the rural areas and near cities, and as a result, the houses are more vulnerable to natural disasters that constantly plague the country.

In March 2020, the Government launched a new housing project called Renascer (Reborn), focusing on the low income segment. The goal of the project is to build 300 houses in rural and urban areas of Maputo, Nampula and Cabo-Delgado provinces, for those who cannot access decent housing through the market.<sup>14</sup> Other provinces may be included at a later stage. Renascer forms part of the “Habita” 10-year housing project which focusses on institutional coordination, different income segments, housing standards, land mobilisation, provision of basic infrastructure, materials construction, technical assistance and end user financing. The government is looking to financiers, investors and donors to support its mobilisation of financial resources by 2024. However, even with this initiative, there is still a lot to be done to provide affordable housing to the lower income population. In addition, due to the impact of cyclones Idai and Kenneth in 2019, causing massive destruction in central and northern Mozambique, several housing projects are being developed in those areas to help the severely affected population.

While there are increasing efforts on the continent to open up housing finance through establishing mortgage refinance facilities, there is no work being done in this area in Mozambique.

## THE DELIVERY OF HOUSING HAS GENERALLY NOT KEPT UP WITH DEMAND

<sup>10</sup> Bank of Mozambique (2020). Financial Stability Report. 30 June 2020. [http://www.bancomoc.mz/fm\\_pgTab1.aspx?id=379](http://www.bancomoc.mz/fm_pgTab1.aspx?id=379) (Accessed 28 July 2020). Pg. 21.

<sup>11</sup> Allen, C. and Johnsen, V. (2008). Mozambique and the constraints of the housing market development and financing. [http://housingfinanceafrica.org/app/uploads/Moz\\_Portuguese.pdf](http://housingfinanceafrica.org/app/uploads/Moz_Portuguese.pdf) (Accessed 29 July 2020). Pg. 24.

<sup>12</sup> Allen, C. and Johnsen, V. (2008). Mozambique and the constraints of the housing market development and financing. [http://housingfinanceafrica.org/app/uploads/Moz\\_Portuguese.pdf](http://housingfinanceafrica.org/app/uploads/Moz_Portuguese.pdf) (Accessed 29 July 2020). Pg. 1 and pg. 24.

<sup>13</sup> UN-Habitat. (2018). Mozambique housing profile.

[https://unhabitat.org/sites/default/files/documents/2019-05/housing\\_profile\\_mozambique\\_pt.pdf](https://unhabitat.org/sites/default/files/documents/2019-05/housing_profile_mozambique_pt.pdf) (Accessed 26 August 2020). Pg.15.

<sup>14</sup> Fund for Housing Promotion. (2020). Official launch of project Renascer.23 March 2020.<https://ffh.gov.mz/noticias-eventos/lancamento-oficial-do-projeto-renascer> (Accessed 17 August 2020).

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### 5 Macro-economic context

Mozambique is a developing country located in Southern Africa, with approximately 50 percent of the population living below the poverty line (Table 1). The country's Human Development Index's global rank is 181 out of 189, putting it in the low human development category. Gross domestic product (GDP) per capita (US\$503) has remained steady in recent years, as has its unemployment rate of 25 percent.

**Table 1:** Enabling and economic related indicators:

Indicator	Value	Year	Source
<b>Enabling Environment</b>			
Human development index (HDI) country ranking: Global	181/189	2017	UNDP
Ease of doing business index rank: Global	138/190	2020	World Bank
Corruption perceptions index rank: Global	149 /180	2020	Transparency International
<b>Economic Environment</b>			
Yield on 10-year government bonds	9%	2016	HOFINET
US\$ exchange rate (1 US\$ = x LCU)	70.07	2020	Xe currency convertor
PPP conversion factor	22.52	2020	World Bank
GDP per capita in current local currency units	MT35 245	2019	World Bank
GDP growth rate	2.22%	2019	World Bank
Unemployment rate	25%	2019	World Bank
Inflation rate (CPI)	2.78%	2019	World Bank
Percent of total population below national poverty line	46.1%	2017	World Bank
Gini coefficient index	45.7	2017	UNDP

Over the past four years, the Mozambican economy has not had satisfactory growth when compared to 2015<sup>15</sup>, when the annual growth rate was at eight percent, mainly driven by the exploitation of natural resources, specifically natural gas and mineral coal. Between 2016 and 2019, the annual growth rate was three percent a year,<sup>16</sup> which was one of the lowest ever recorded. With the impact of COVID-19, the Central Bank (Bank of Mozambique) expects an annual growth rate of under 2.2 percent (registered in 2019)<sup>17</sup> but does expect a recovery from 2021. On 30 March 2020, Mozambique declared a State of Emergency for 30 days as part of a series of measures to contain the pandemic, and extended the period several times. A lockdown was not enacted. To reduce the impact of the pandemic on the economy, and also to maintain control over consumer prices, the Central Bank adjusted the policy rate and the prime rate in line with the economic outlook and inflation. The current rates are 10.25 (from 11.25 percent) and 15.9 percent respectively.<sup>18</sup> Inflation was 2.78% in 2020 (Table 1) and expected to remain at a single digit in 2021.<sup>19</sup>

<sup>15</sup> This low growth came as a result of a hidden debt scandal worth US\$2 billion, in 2013/14 which had a knock on effect on the economy.

<sup>16</sup> National Statistics Institute (INE). (2020). GDP from a production perspective 2020. [http://www.ine.gov.mz/estatisticas/estatisticas-economicas/contas-nacionais/anuais-1/pib-na-optica-de-producao/pib-na-optica-de-producao-2020/at\\_download/file](http://www.ine.gov.mz/estatisticas/estatisticas-economicas/contas-nacionais/anuais-1/pib-na-optica-de-producao/pib-na-optica-de-producao-2020/at_download/file) (Accessed 30 July 2020).

<sup>17</sup> Bank of Mozambique. (2020). Financial Stability Report. 30 June 2020. [http://www.bancomoc.mz/fm\\_pgTab1.aspx?id=379](http://www.bancomoc.mz/fm_pgTab1.aspx?id=379) (Accessed 28 July 2020). Pg.14.

<sup>18</sup> Bank of Mozambique. (2020). Taxa de Juro (interest rates). [http://www.bancomoc.mz/fm\\_pgtab1.aspx?id=105](http://www.bancomoc.mz/fm_pgtab1.aspx?id=105) (Accessed 7 October 2020). Bank of Mozambique. (2020). Economic outlook and inflation. June 2020.

<sup>19</sup> [http://www.bancomoc.mz/fm\\_pgtab1.aspx?id=105](http://www.bancomoc.mz/fm_pgtab1.aspx?id=105) (Accessed 28 July 2020). Pg.6.

Bank of Mozambique. (2020). Economic outlook and inflation. June 2020.

[http://www.bancomoc.mz/fm\\_pgtab1.aspx?id=105](http://www.bancomoc.mz/fm_pgtab1.aspx?id=105) (Accessed 28 July 2020). Pg.6.

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The Central Bank made a line of credit of US\$500 million available to commercial banks to reduce the impact of the pandemic. In addition, it also reduced the commercial banks statutory reserves for default loans.<sup>20</sup> Through the National Investment Bank (BNI), the Government launched the BNI COVID-19, a funding program with preferential rates for small and medium enterprises affected by the pandemic. The interest rates vary from five to 12 percent and are lower than commercial bank rates of 18 to 21 percent.<sup>21</sup> While minimum wages were not revised,<sup>22</sup> the Government decided to reduce water and electricity tariffs by 10 percent and suspended value added tax (VAT) on basic products such as soap, sugar and cooking oil to mitigate the impact of COVID-19 on low income households.<sup>23</sup>

In northern Mozambique (Cabo Delgado), terrorist attacks continue to severely impact the population. This insurgency is linked to the discovery of offshore gas, which is important for increasing growth prospects in Northern cities (Tete, Pemba, and Nampula). In many districts, houses have been burned, and people beheaded and abducted. This has resulted in destruction and displacement.<sup>24</sup> Over the past two years, the attacks have resulted in the deaths of at least 700 people and caused a humanitarian crisis impacting 211 000 people.<sup>25</sup> This scenario accentuates the housing deficit in the country.

# IN NORTHERN MOZAMBIQUE, TERRORIST ATTACKS CONTINUE TO SEVERELY IMPACT THE POPULATION

<sup>20</sup> Bank of Mozambique (2020). Economic outlook and inflation. June 2020. [http://www.bancomoc.mz/fm\\_pgtab1.aspx?id=105](http://www.bancomoc.mz/fm_pgtab1.aspx?id=105) Pg. 25.

<sup>21</sup> National Investment Bank. (2020).

<https://www.bni.co.mz/banca-de-desenvolvimento/linha-de-credito-bni-covid19/> (Accessed 29 July 2020).

<sup>22</sup> Club of Mozambique. (2020). Mozambique: Covid-19 brings minimum wage negotiations to a halt. 17 April 2020. <https://clubofmozambique.com/news/mozambique-covid-19-brings-minimum-wage-negotiations-to-a-halt-watch-157992/>.(Accessed 17 August 2020).

<sup>23</sup> Government of Mozambique. (2020). Electricity of Mozambique reduces electricity bills in 10 percent to all consumers. <https://www.portaldogoverno.gov.mz/por/Imprensa/Noticias/Electricidade-de-Mocambique-reduz-em-10-a-taxa-de-energia-para-todos-os-consumidores> (Accessed 17 August 2020).

<sup>24</sup> Letter of Mozambique. (2020). Terrorists attack again in Cabo Delgado. 29 September 2020.

<https://cartamz.com/index.php/politica?start=6> (Accessed 3 October 2020).

<sup>25</sup> DW. (2020). Cabo Delgado: Population running from attacks in Mocimboa da Praia. 27 June 2020.

<https://www.dw.com/pt-002/cabo-delgado-popula%C3%A7%C3%A3o-em-fuga-ap%C3%B3s-novos-ataques-em-mocimboa-da-praia/a-53967475> (Accessed 3 October 2020).

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### 6 Demographic context

Mozambique has a population of approximately 30 million people (a 33 percent increase over the last 10 years). Nationally, there are approximately 6.3 million households in Mozambique, and of these, 38 percent make up urban households (Table 2). The average household size has not changed significantly over the last ten years - the average household size was 4.4 in 2017, compared to 4.8 in 2007. Mozambique's urbanisation rate (4.4 percent) is higher than that of the Southern African region (3.1 percent) as a whole. The country's urbanisation and population growth rates (2.9 percent) continue to put pressure on housing needs.

**Table 2:** Demand related indicators:

Indicator	Value	Year	Source
Population size	30 366 036	2019	World Bank
Population size - Maputo	1 191 613	2020	World Population Review
Population growth rate	2.91%	2019	World Bank
Urbanisation rate	4.4%	2019	World Bank
Total number of households	6 389 018	2019	C-GIDD
Total number of urban households	2 407 279	2019	Reall
Average household size	4.4%	2017	Population and Housing Census
Average Bottom 40 household size	4.2%	2011	Demographic & Health Survey

**THE COUNTRY'S URBANISATION AND POPULATION GROWTH RATES CONTINUE TO PUT PRESSURE ON HOUSING NEEDS**

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### 7 Land & infrastructure

In Mozambique, all land belongs to the Government, therefore, it cannot be sold, pledged, or mortgaged against.<sup>26</sup> Access to land is granted through an official document that concedes the right to use and exploit a specific land or plot, the Land Use and Exploration Rights (Direito de Uso e Aproveitamento de Terra – DUAT), which is issued to both individuals and companies. In 2018, the Government approved a new Property Registration Act replacing the previous one in force since 1967. The new law was established to increase the efficiency and quality of public services by installing electronic platforms for notaries and land registry offices as a way of bringing services closer to companies and citizens.<sup>27</sup> On 16 June 2020, the President launched an official hearing to review the national land policy, seeking to adjust it to the current social and economic dynamics and stimulate private investments. However, sole proprietorship of land and natural resources will remain with Government.<sup>28</sup>

With respect to land titling, the government launched the Terra Segura/ Secure Land project in 2015, together with the World Bank and other stakeholders to ensure the massive acquisition of DUAT's (right to use and benefit from land), and under this programme over 470 000 DUAT's have been issued (**Table 3**). Mozambique ranks low (7.5) in the World Bank's quality of land administration index, which measures five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. According to the World Bank, registering a property typically involves eight steps, takes 43 days and costs five percent of the property value, though this does not specifically refer to residential property. In contrast, from Casa Real's experience, registering a property takes more time (60 days) and involved six steps. In Mozambique, preparing a sale and purchase agreement is the procedure that takes the longest to complete. This process involves complicated administrative requirements, managed through a lawyer. Overall, Mozambique's global ranking for registering property is 136 out of 190 countries, indicating an environment that is not very conducive for property registration.

# IN MOZAMBIQUE, ALL LAND BELONGS TO THE GOVERNMENT

<sup>26</sup> Law 19/97 of 1 October. Land. [https://www.sheltercluster.org/sites/default/files/docs/lei\\_terras\\_mocambique.pdf](https://www.sheltercluster.org/sites/default/files/docs/lei_terras_mocambique.pdf). (Accessed 7 July 2020). Article 3. Pg. 2.

<sup>27</sup> TTA, Attorneys. (2019). New Building Registry Act. January 2019.

[https://www.plmj.com/xms/files/v1\\_antigos\\_antiores\\_a\\_abr2019/newsletters/2019/janeiro/Novo\\_Codigo\\_de\\_Registo\\_Predial\\_de\\_Mocambique.pdf](https://www.plmj.com/xms/files/v1_antigos_antiores_a_abr2019/newsletters/2019/janeiro/Novo_Codigo_de_Registo_Predial_de_Mocambique.pdf) (Accessed 28 July 2020). Pg. 1.

<sup>28</sup> The President Office. (2020). The President speech on the hearing to the law of land review. 16 July 2020.

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Table 3: Land assembly, title and infrastructure-related indicators:

Indicator	Value	Year	Source
<b>Land assembly</b>			
Percent of land for residential development acquired from the private sector (Reall partner)	0%	2020	Casa Real
Total number of residential properties with a title deed	477 786	2020	Presidency of the Republic of Mozambique
Number of procedures to register a residential property (Reall partner)	6	2020	Casa Real
Time to register residential property (days) (Reall partner)	60	2020	Casa Real
Residential property registration procedure that takes the longest to complete	Lawyer prepares the draft sale and purchase agreement	2020	World Bank
Number of procedures to register property	8	2020	World Bank
Time to register property (days)	43	2020	World Bank
Cost to register property (% of property value)	5%	2020	World Bank
World Bank DBI Quality of land administration index score (0-30)	7.5	2020	World Bank
<b>Land infrastructure</b>			
Transport as a percent of household expenditure	18%	2020	National Institute of Statistics
Percent of total households without access to basic drinking water services	44%	2017	World Bank
Percent of Bottom 40 households without access to basic drinking water services	86%	2011	Demographic & Health Survey
Percent of total households without access to basic sanitation services	71%	2017	World Bank
Percent of Bottom 40 households without access to basic sanitation services	96%	2011	Demographic & Health Survey
Percent of total households without access to basic electricity	73%	2017	World Bank
Percent of Bottom 40 households without access to basic electricity	100%	2011	Demographic & Health Survey

Households spend 18 percent of their budgets on transport, and this spend often reflects the distance and accessibility between dwellings and city centres (**Table 3**). Poor service delivery is commonly experienced by Mozambique's urban dwellers. More than half of Mozambican households have no access to basic sanitation and electricity services and 44 percent are without access to basic drinking water. While the government's 10-year housing project (see section 8) may improve the availability of land and basic infrastructure, the provision of sufficient and quality services is limited for many households who self-build.

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### 8 Housing construction & investment

Apart from the FFH, created in 1995 with the objective to make housing affordable for all social segments, there are few legally established housing providers. There are public private partnerships dedicated to the construction of houses, and agents that undertake the selling and rental process, however, most households rely on self-construction. The Government, through the FFH, designed several housing projects but only a few were implemented (such as the Intaka and Vila Olímpica projects) and mostly benefited the middle and high income class. The Zintava apartments cost MT3.6 million (US\$51 000) and MT4.2 million (US\$60 000).<sup>29</sup> The FFH built 4 017 houses and divided 13 176 plots.<sup>30</sup>

The “Habita” 10-year program was established in 2019 to ensure decent housing solutions to Mozambican households and together with the FFH program aims to build 44 265 houses by 2024, of which 60 percent are to be allocated to the low income segment that earns between MT4 266 (US\$60) and MT21 333 (US\$301)<sup>31</sup> a month. As part of the same program, the Minister of Public Infrastructure, Housing and Water Resources, Joao Machatine, recently launched the “Renascer” project in Maputo province, district of Manhica, with the objective of building 300 houses for the low income segment in rural and urban areas of Maputo, Nampula and Cabo-Delgado provinces.<sup>32</sup> The project is estimated at MT240 million (US\$3.3 Million).<sup>33</sup>

The project targets government employees and young people in early career stages, and the houses will be built on the land of the beneficiaries, followed by a monthly payment of between MT1 500 (US\$21) to MT2 800 (US\$40) a month, for 20 years without any interest.<sup>34</sup> The project is being implemented in partnership with the city councils and a few districts.<sup>35</sup> For the first phase 30 low income homes were built for young citizens, in the municipality of Manhica.<sup>36</sup> The second batch of 22 houses were completed in February 2021 in Nampula province.<sup>37</sup> There are plans for additional houses to be constructed in Maputo City and Cabo-Delgado Province. Meanwhile in Beira, the municipality is developing a project with the aim of building 25 000 houses in Maraza, on a 400 hectare plot. The Dutch government funded the project with €200 000,<sup>38</sup> set to be used on land embankment and infrastructure. The construction will be carried out by the private sector, who will invest in affordable housing models for low income households.

Despite the FFH's objective to provide affordable housing for low income households, many housing projects developed through public private partnerships benefit only the middle and high income segments,<sup>39</sup> such as the Intaka project and, more recently, the 240 apartments in Zimpetos Olympic Vila, a partnership with Macau Charlestrong group.<sup>40</sup> The private sector does not invest in the construction of houses due to high interest rates from the banks. The Central Bank policy seeks to reduce the high interest rates of commercial banks, however, to little or no effect.<sup>41</sup>

<sup>29</sup> Government of Mozambique. (2020). Ministry of Housing demands transparency in the selling of the Zintava project houses. <https://www.portaldogoverno.gov.mz/por/Imprensa/Noticias/Machatine-exige-transparencia-na-venda-de-imeveis-em-ZINTAVA> (Accessed 17 August 2020)

<sup>30</sup> Fund for Housing Promotion. <https://www.ffh.gov.mz/> (Accessed 17 August 2020)

<sup>31</sup> Ministry of Public Infrastructure, Housing and Water Resources. (2019). Habita Housing Program Mozambique. Pg. 20 and pg. 38.

<sup>32</sup> Fund for Housing Promotion. (2020). Official launch of the Renascer Housing Program. 23 March 2020. <https://ffh.gov.mz/noticias-eventos/lancamento-oficial-do-projeto-renascer> (Accessed 17 August 2020).

<sup>33</sup> Interview with Marcos Matandalasse, Fund for Housing Promotion, 18 August 2020, Maputo, Mozambique.

<sup>34</sup> Matias, E. (2020). Mozambique: housing for the low income segment. 12 March 2020. DW Mozambique. <https://www.dw.com/pt-002/mo%C3%A7ambique-casa-pr%C3%B3pria-para-cidad%C3%A3os-de-baixa-renda/a-52741255> (Accessed 17 August 2020).

<sup>35</sup> Interview with Marcos Matandalasse, Fund for Housing Promotion, 18 August 2020, Maputo, Mozambique.

<sup>36</sup> Ministry of Public Works, Housing and Water Resources (2020). More low income homes reach younger people in Vila Municipal Da Manhica. <https://www.mophrh.gov.mz/?p=2444> (Accessed 15 March 2020).

<sup>37</sup> Ministry of Public Works, Housing and Water Resources (2021). More youth houses in Nampula province. <https://www.mophrh.gov.mz/?p=2559> (Accessed 15 March 2020).

<sup>38</sup> Noticias newspaper. (2019). Launch of the project to build 25 thousand houses for young population. 12 December 2019. <https://jornalnoticias.co.mz/index.php/beira/95005-arranca-construcao-de-25-mil-casas-para-jovens-na-cidade-da-beira> (Accessed 17 June 2020).

<sup>39</sup> Clubofmozambique. (2020). NGO says Mozambican social housing policy is elitist. 3 July 2020. <https://clubofmozambique.com/news/ngo-says-mozambican-social-housing-policy-is-elitist-164715/> (Accessed 17 August 2020).

<sup>40</sup> Fund for Housing Promotion. (2020). Olympic Vila II. 20 August 2018. <https://www.ffh.gov.mz/projectos-e-novidades/projectos-disponiveis/vila-olimpica-ii> (Accessed 17 August 2020).

<sup>41</sup> Massarongo, F. (2013). Why commercial banks do not reduce the interest rates in line with the Central Bank rates? Reflexões. [https://www.iese.ac.mz/lib/publication/livros/des2013/IESE\\_Des2013\\_6.BanComTaxRef.pdf](https://www.iese.ac.mz/lib/publication/livros/des2013/IESE_Des2013_6.BanComTaxRef.pdf) (Accessed 25 August 2020). Pg. 1.

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## Affordable housing in Mozambique: Market shaping indicators

Table 4: Construction and investment related indicators

Indicator	Value	Year	Source
Size of cheapest, newly built house by a formal developer or contractor in an urban area (square metres)	26.6	2020	Casa Real
Cost of standard 50kg bag of cement (local currency units)	MT450	2020	CAHF
Number of households living in dwellings built using durable building materials (walls and roof)	1 058 250	2011	Demographic & Health Survey
Number of people per sleeping room in formal urban dwellings	2.2	2011	Demographic & Health Survey
Number of people per sleeping room in informal urban dwellings	2.4	2011	Demographic & Health Survey
Number of people in Bottom 40 per sleeping room, in informal dwellings	2.67	2011	Demographic & Health Survey

Most houses are built incrementally, and approximately 80 percent are self-built.<sup>42</sup> Construction labour costs in the metropolitan area of Maputo is MT180 (US\$2.50) per m<sup>2</sup> and the construction cost is MT19 500 (US\$275).<sup>43</sup> Recently, construction costs have increased significantly due to the pandemic, mainly due to most construction materials being imported. Data from 2000 showed that 60 percent of construction materials were imported.<sup>44</sup> Updated information was unattainable, however, the cost of imported construction material remains high.

In line with the Constitution, which grants the right to housing,<sup>45</sup> and due to the absence of projects that provide housing for the low income segment, the Government is preparing tax benefits for importing housing construction materials.<sup>46</sup> The cost of a standard 50kg bag of cement increased from MT360 (US\$5.10) in 2019, to MT450 (US\$6.40) in 2020 (Table 4). This is compared to Kenya (US\$5.45), Tanzania (US\$6.04), Uganda (US\$7.50) and Nigeria (US\$5.83).

# MOST HOUSES ARE BUILT INCREMENTALLY, AND APPROXIMATELY 80 PERCENT ARE SELF-BUILT

<sup>42</sup> UN-Habitat. (2018). Mozambique real estate profile.

[https://unhabitat.org/sites/default/files/documents/2019-05/housing\\_profile\\_mozambique\\_pt.pdf](https://unhabitat.org/sites/default/files/documents/2019-05/housing_profile_mozambique_pt.pdf) (Accessed 26 August 2020). Pg. 15.

<sup>43</sup> Email exchange with Manuel Pereira, Mondego Group SA, 11 August 2020, Maputo, Mozambique.

<sup>44</sup> UN-Habitat. (2018). Mozambique housing profile.

[https://unhabitat.org/sites/default/files/documents/2019-05/housing\\_profile\\_mozambique\\_pt.pdf](https://unhabitat.org/sites/default/files/documents/2019-05/housing_profile_mozambique_pt.pdf) (Accessed 6 August 2020). Pg. 15.

<sup>45</sup> Government of Mozambique. The Constitution. Article 91. <https://www.portaldogoverno.gov.mz/por/content/download/194/1138/version/2/file/constituicao.pdf> (Accessed 17 August 2020).

<sup>46</sup> Arante, E. (2020). Government working on fiscal incentives for housing construction material. 1 October 2019. O País. <http://opais.sapo.mz/governo-prepara-incentivos-fiscais-na-importacao-de-material-de-construcao-para-habitacao> (Accessed 7 August 2020).

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## Affordable housing in Mozambique: Market shaping indicators

### 9 Sales, transfer and rental

In Mozambique, providing housing to the low income population is part of the fundamental housing policy strategy. However, in reality, most of the population is excluded due to high costs and strict requirements to access finance.<sup>47</sup> There is no housing market platform where financiers, promoters, builders, brokers and clients meet and interact.<sup>48</sup> Real estate activities are concentrated in the capital, and housing is mostly available to middle and high income households.

#### 9.1 End user financing

Currently Mozambique has 19 banks, eight microbanks, eight credit cooperatives, three electronic money institutions, one financial lease institution and one investment company. Most of the companies are based in Maputo, with branches in almost all provinces.<sup>49</sup> Despite a significant number of banks, the market share is concentrated. The Central Bank data from June 2020 shows that the Mozambique International Bank (BIM), Commercial and Investment Bank (BCI) and Standard Bank have a combined share of 66 percent.

Despite the expansion of financial services and the number of banks operating in the country, financial inclusion remains a challenge. Only five percent of the adult population borrowed formally in 2017 (**Table 5**). Data from the 2019 FinScope Consumer Survey shows that 79 percent of the population does not have a bank account and, among them, 22 percent have access to financial services through non-banking mechanisms, 11 percent rely on informal mechanisms and 46 percent are completely excluded.<sup>50</sup> Most banks have a housing credit line, which includes the options of purchase, rehabilitation and construction. Most housing credit benefits middle and high income groups, mostly made up of government and bank employees that have easier access to finance than the lower income segment. Mortgage market growth has been low (accounting for less than a percent of GDP). In 2017, housing finance was only 2.97 percent of the total loan book.<sup>51</sup>

The FinScope Survey showed that most of the adult population (52 percent) had a monthly income below MT5 000 (US\$80) which does not cater for all the basic needs such as food, health, education and housing. The Survey also stated that 19 percent of the adult population worked in agriculture,<sup>52</sup> which is the sector with the lowest minimum wage, at MT4 390 (US\$62) compared to MT12 760 (US\$181) in banking and insurance. The average price of the cheapest, newly built house, MT700 700 (US\$10 000), is affordable to 4% percent of urban households through widely available finance products, and is constructed by Reall partner, Casa Real, in Beira (Table 5). However, Casa Real's tenant purchase scheme significantly widens the population that these homes are affordable to. This is compared to a typical price of what is considered a relatively affordable home in Mozambique, MT2 659 000 (US\$37 947), which is affordable to only 1.5% of the population. Houses built under the FFH's Intaka Project (see section 8) are also costly and unaffordable, with an average price of MT2.6 million (Us\$37 000).

<sup>47</sup> Ministry of Public Infrastructure, Housing and Water Resources. (2019). Habita Housing Program Mozambique. Pg. 6.

<sup>48</sup> O País. Special Supplement. (2015). Real estate opportunities. 30 June 2015. O País.

[http://www.betar.pt/upload/pdf/pdf\\_1437131744.pdf](http://www.betar.pt/upload/pdf/pdf_1437131744.pdf) (Accessed 20 June 2020). Pg. 6.

<sup>49</sup> Bank of Mozambique (2020). Banking system. [http://www.bancomoc.mz/fm\\_instituicoes.aspx](http://www.bancomoc.mz/fm_instituicoes.aspx) (Accessed 28 July 2020).

<sup>50</sup> Finscope (2019). Mozambique finscope consumer survey report.

[http://finmark.org.za/wp-content/uploads/2020/07/Mozambique\\_Survey-2020-07-311.pdf](http://finmark.org.za/wp-content/uploads/2020/07/Mozambique_Survey-2020-07-311.pdf). (Accessed 7 July 2020). Pg.30.

<sup>51</sup> UN-Habitat. (2018). Mozambique housing profile.

[https://unhabitat.org/sites/default/files/documents/2019-05/housing\\_profile\\_mozambique\\_pt.pdf](https://unhabitat.org/sites/default/files/documents/2019-05/housing_profile_mozambique_pt.pdf) (Accessed 26 August 2020). Pg. 62.

<sup>52</sup> FinScope. (2019). Consumer survey mozambique 2019 report.

<https://finmark.org.za/finscope-consumer-survey-mozambique-2019-report-english/> (Accessed 10 August 2020) Pg.20.

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## Affordable housing in Mozambique: Market shaping indicators

Table 5: Sales, transfer and rental-related indicators:

Indicator	Value	Year	Source
<b>Finance</b>			
Proportion of adult population that borrowed formally	5%	2017	World Bank
Number of mortgage providers	17	2018	Bank of Mozambique
Value of residential mortgages outstanding to GDP	0.7%	2019	Bank of Mozambique; World Bank
Value of residential mortgages outstanding (local currency units)	MT6.7 billion	2020	Bank of Mozambique
Highest LTV on a residential mortgage	90%	2019	Central Bank of Mozambique
Maximum residential mortgage term	25	2020	Central Bank of Mozambique
Prevailing residential mortgage rate	20%	2020	Bank of Mozambique
<b>Affordability</b>			
Price of the cheapest, newly built house by a formal developer or contractor in an urban area (local currency units)	MT700 700	2020	Casa Real
Percent of urban households that can afford the cheapest, newly built house	4%	2020	CAHF; C-GIDD
<b>Ownership</b>			
Percent of total households that own their dwelling	90%	2017	Population & Housing Census
<b>Transactions</b>			
Number of formal estate agents	850	2020	Ministry of Industry and Commerce

A mortgage is typically long-term with maturity of 12 to 25 years. For most commercial banks operating in the country, access to housing finance requires a minimum guarantee of 100 percent and a loan-to-value not more than 100 percent.<sup>53</sup> Clients must have a down payment of 10 to 30 percent (typically 20 percent). The normal interest rates for housing loans varies from 16 to 23 percent. In 2020, the prevailing mortgage rate was 20 percent (**Table 5**). These high rates from commercial banks on housing loans are linked to an inherent market risk<sup>54</sup> and therefore the banks proceed with caution, effectively excluding the majority of low income households from accessing the formal housing finance market. Mozambique is estimated to have only 600 outstanding mortgages.

Those with formal employment and income that qualify for banking loans often opt for short term loans capped at MT1 500 000 (US\$21 210), and up to a five year term, with an interest rate of 16 to 27 percent. Despite the amount being enough to build a modest house, very few people have the capacity to pay for such a loan due to the fact that loan payments cannot be higher than 30 percent of the borrower or household income.

<sup>53</sup> Bank of Mozambique (2018). Notice 9/GBM/2018. Loan to guarantee (ltv) and loan to income ratio (DTI). 24 October 2018. [http://www.bancomoc.mz/fm\\_pgtab1.aspx?id=8](http://www.bancomoc.mz/fm_pgtab1.aspx?id=8) (Accessed 28 July 2020). Pg. 7.

<sup>54</sup> Interview with Arlindo Langa, Mozabanco, 21 August 2020, Maputo, Mozambique.

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## Affordable housing in Mozambique: Market shaping indicators

Central Bank data shows that, despite the impact of the pandemic on the economy, the amount of housing credit by private banks reduced by only one percent between the first half of 2019 to the same period in 2020, from MT50 210 793 (US\$709 994) and MT49 829 754 (US\$704 606)<sup>55</sup>. Disaggregated data on credit for construction, purchase or rehabilitation of housing is not available.

The 2019 KPMG survey noted that, as at December 2018, the credit default in the entire banking system was approximately seven percent.<sup>56</sup> The Central Bank stated that the real estate sector has an impact on the quality of banking assets and general financial stability, given that a part of the credit default is linked to real estate, under the assumption that a part of the funds are intended for housing and other durable assets. The housing market has proven to be a key element when measuring costs of potential credit defaults in the financial sector.<sup>57</sup>

With the pandemic, there has been increasing loan defaults, interruptions to economic activities, wage reductions and an increase in unemployment.<sup>58</sup> To cope with the impact of the pandemic, and avoid defaults, banks have been renegotiating debts with clients, granting a grace period of three to six months, extending loan term periods and reducing interest rates.<sup>59</sup> In addition, the Central Bank has made available a line of credit line to help commercial banks.

### 9.2 Property markets

The Mozambican housing market is limited and real estate offers are not compatible with the income of most households, making it extremely difficult to access housing markets.<sup>60</sup> Most real estate activities are in Maputo, and in prime areas, mainly in the Marginal Av., expanding to the metropolitan area. The Unique Service Counter (Balcão de Atendimento Único – BAU), an entity under the Ministry of Industry and Commerce, has 850 registered companies (real estate agents), all in Maputo (see **Table 5**). This number represents 96 percent of all country agents.<sup>61</sup>

Mozambique's DUAT system is inflexible and makes land expensive in the informal market, particularly in the expansion areas of the metropolitan part of city. This is the main challenge that young people face, finding and buying land in the informal market to build a house.

Nationally, ninety percent of the Mozambican population own a house (**Table 5**), and only 6 percent live in rental housing.<sup>62</sup> At city level though, the demand for rental is significant, with over 23 percent of Maputo's households (approximately 54 000 households) renting a house in 2017. While most of the population cannot afford the costs associated with buying an adequate house, the rental market is typically dominated by high income individuals, mainly investors and expatriates. With COVID-19, the housing market is now subject to changes,<sup>63</sup> especially due to the fact that currently supply is greater than demand.

<sup>55</sup> Bank of Mozambique (2020). Database for housing financing. [http://www.bancomoc.mz/fm\\_pgLink.aspx?id=222](http://www.bancomoc.mz/fm_pgLink.aspx?id=222) (Accessed 28 July 2020). Exchange rate at 25 August 2020. US\$ 1 = MT70.72, Bank of Mozambique.

<sup>56</sup> KPMG (2019), bank survey 2019 <http://www.amb.co.mz/index.php/publicacao/pesquisa-do-sector-bancario/43-pesquisa-do-sector-bancario-novembro-2019/file> (Accessed 15 July 2020). Pg. 25.

<sup>57</sup> Bank of Mozambique (2020). Financial Stability Report. 30 June 2020. [http://www.bancomoc.mz/fm\\_pgTab1.aspx?id=379](http://www.bancomoc.mz/fm_pgTab1.aspx?id=379) (Accessed 28 July 2020). Pg.21.

<sup>58</sup> Sebastião, E.(2020). Mozambique: COVID-19 increases unemployment rates in Sofala. 8 May 2020. DW Mozambique: <https://www.dw.com/pt-002/mo%C3%A7ambique-covid-19-faz-aumentar-desemprego-em-sofala/a-53373891> (Accessed 26 August 2020).

<sup>59</sup> Interview with Arlindo Langa, Mozabanco, 21 August 2020., Maputo, Mozambique.

<sup>60</sup> Ministry of Public Infrastructure, Housing and Water Resources. (2019). Habita Housing Program. Pg. 20.

<sup>61</sup> Email exchange with Calvino Bingo, Ministry of Industry and Commerce -BAU, 21 August 2020, Maputo, Mozambique

<sup>62</sup> National Statistics Institute (2019). Official results of the IV general population census. 29 April 2019.

[http://www.ine.gov.mz/iv-rgph-2017/mocambique/apresentacao-resultados-do-censo-2017-1/at\\_download/file](http://www.ine.gov.mz/iv-rgph-2017/mocambique/apresentacao-resultados-do-censo-2017-1/at_download/file) (Accessed 17 August 2020). Pg. 54.

<sup>63</sup> Mozambique Realestate Magazine. (2020). COVID-19 Impact on Realestate. <https://realestate.co.mz/download/131265/> (Accessed 1 August 2020). Pg. 6.

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## Affordable housing in Mozambique: Market shaping indicators

### 10 Maintenance & management

Most of Mozambique's low income population do not have access to finance due to the absence of assets and property in their name to be used as collateral, along with the absence of steady, long term employment. Although unsecured microcredit supports the incremental construction process of low income households, overall the loan amounts of Mozambique's eight microbanks and microfinance institutions (MFI's) are low and mainly channelled to rehabilitation or construction of houses and require other guarantees apart from the house, with a maturity of six months to three years. MFI's also have higher rates than commercial banks. Improvements to dwellings is only one percent of household expenditure, and given poor housing conditions in Mozambique's main cities, this signals the limited resources at the disposable of most Mozambicans (Table 6).

Table 6: Maintenance and management-related indicators

Indicator	Value	Year	Source
<b>Home improvements</b>			
Improvements to dwellings as a percent of household expenditure	1%	2020	National Institute of Statistics
<b>Finance</b>			
Number of microfinance providers	8	2020	Central Bank of Mozambique

**MOST OF MOZAMBIQUE'S  
LOW INCOME POPULATION  
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### 11 State of housing data

Information on housing finance can be sourced from several institutions such as FFH, the Central Bank, INE and commercial banks. However, these institutions do not have specific and detailed reports and data on housing finance. The Central Bank has financing information per banking institution for housing construction, market shares, interest rates, and more, and the information is available on the institution's website. Banks do not provide detailed information due to compliance and reputational risk. The INE provides detailed information through surveys and general population census. The FFH provides information of ongoing housing projects, house prices, payments, and more. Lastly, the DUAT and property registration information can be found on municipal councils and registry offices, however, the information is superficial and barely updated.

As suggested, macro level indicators for Mozambique are largely accessible from government entities and multinational institutions. However, despite existing legislations governing housing related data, there are critical gaps in housing sector data. There are key data concerns for housing construction related indicators – some data must be collected through direct correspondence and is not available on the respective websites of government entities. This increases reliance on private entities, who are not legally required to host data in the public domain. Some housing supply data also needs to be sourced directly from private companies or developers, which only reflects a selected and not a nationally representative sample. The gaps in housing construction indicators impairs understanding of access to finance, housing adequacy and living conditions, the cost breakdown of the housing construction value chain and the contribution of housing to the economy. Significant data gaps relating to sales, transfer, and rental of residential properties, further limits understanding of access to finance, home ownership, mortgage credit, housing affordability and property transactions. There is also a lack of downloadable and regularly updated or released data hosted by private entities.

Supporting an agenda for data reporting and sharing in Mozambique's housing ecosystem, requires concerted coordination and collaboration between market players at the highest level. First, the Bank of Mozambique is well positioned to leverage its network of mortgage and other finance providers to publicly host data related to access to finance. Second, it would be useful for INE to disaggregate some of its real estate data to establish the contribution of residential property to Mozambique's economy. Third, the Ministry of Public Works, Housing and Water resources (MOPHRH) should be encouraged to centralise housing-related data collected from private housing and construction companies. Furthermore, the Land Registry could develop an electronic database which hosts publicly accessible property transaction data.

#### 11.1 Policy and regulatory framework governing data for housing

Different market players are regulated by legislations that govern the collection, production, and dissemination of housing related data in Mozambique.

Legislation most relevant to developers/ builders are the Private Works Licensing Decree (2004) and Procurement Regulation Decree of 2005. The latter creates a supervision unit responsible for creating and managing a centralised supplier registry database of public work contractors.

Four regulations govern the activities of banks and other lenders. The Bank of Mozambique Act (1992) establishes the Bank of Mozambique, and is responsible for providing monetary, financial, and foreign exchange statistics. In supervising the activities of credit and financial companies, the Bank of Mozambique, through the Credit Institutions and Financial Companies Act (1999) requires the centralisation and submission of all elements of information concerning degree of liquidity, credit risk and compliance with legal and regulatory rules. The Agency for Promotion of Investment and Exports (Apiex) is the implementing authority of the Regulation of Investment Act (2009) and disseminates information on investment opportunities and sources of major investments in Mozambique. The Securities Market Code Act (2009) supervises the securities market. The stock exchange is required to disclose sufficient and timely information on transactions, the admission, suspension, and exclusion of securities, annual reports, and annual accounts to the Bank of Mozambique.

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In the public sector, the National Statistical System Act (1996) establishes the National Institute of Statistics (INE) as the authority responsible for the overall coordination, collection, and dissemination of official statistical information through surveys (household budget and expenditure surveys), censuses (population and housing census), and elaboration of national accounts, economic, social and demographics data. The Land Act (1996) and Land Law Regulation Decree (1998) require various entities to submit data to the National Land Cadastre relating to land tenure and title. The Territorial Planning Act (2017) makes for the provision of data relating to rural and urban spatial plans and land use, special zoning, characteristics of infrastructure networks and services, and population densities, while the demarcation of land parcel documents and topographic surveys are supervised by the National Directorate of Geography and Cadastre, through the Regulation of Activities of Sworn Surveyors Decree 15 (1993).

## 12 Looking forward

The Mozambican housing market is growing and will continue to grow with the ongoing natural gas project in Palma, Cabo-Delgado, which will attract several investors. Tete is growing off the back of coal mining, while the port city of Nacala and the biggest city in Northern Mozambique—Nampula, all offer unique opportunities for real estate development in the low, middle and high income segments. In the capital, downtown Maputo will be restructured to become a business and tourist centre, including the Marginal Av., with new hotels, commercial and residential buildings. However, the big opportunity in the Maputo area is Catembe, across the estuary, which has just been opened up by the new Maputo-Catembe suspension bridge.

The high demand for low income housing is a huge opportunity for Mozambique. However, this segment of the market is still vastly ignored. The private sector is planning to build 25 000 affordable houses in Maraza, Beira. The construction process is already underway, and it is being managed by the Beira Municipal Council. It is also an opportunity for commercial banks to contribute, offering competitive interest rates to both contractors and borrowers.

The review of the national land policy is ongoing and the new law is expected to overcome some of the constraints. Mozambique's 10-year housing project (Renascer) offers a promising opportunity for the private sector at large (the construction industry, financiers and investors) to participate in the development of Mozambique's housing landscape. Housing construction could also drive post-COVID recovery and growth. With the exploitation of natural gas in Cabo-Delgado, Mozambique should return to a high growth rate making it feasible for the Government to improve public services and infrastructure. However, political stability, military conflict in the centre, terrorist attacks in Cabo Delgado, natural disasters and good governance will remain a challenge.

**THE MOZAMBICAN HOUSING  
MARKET IS GROWING  
AND WILL CONTINUE TO GROW**

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## Affordable housing in Mozambique: Market shaping indicators

### Further reading:

Bank of Mozambique <http://www.bancomoc.mz/>

Casa Minha <https://www.casaminha.co/our-product>

Casa Real <https://www.casareal.co.mz/>

CAHF [http://housingfinanceafrica.org/app/uploads/Final-case-study\\_formatted.pdf](http://housingfinanceafrica.org/app/uploads/Final-case-study_formatted.pdf)

CAHF Mortgage and Housing Affordability Dashboard

<http://housingfinanceafrica.org/documents/calculating-mortgage-and-housing-affordability-in-africa/>

Club of Mozambique. <https://clubofmozambique.com/>

DHS Program <https://dhsprogram.com/data/available-datasets.cfm>

Financial Sector Deepening (FSD) Mozambique <http://fsdmoc.com/>

Genius Investments <https://www.ggroups.info/>

Fund for Housing Promotion <https://www.ffh.gov.mz/>

MOPHRH <https://www.mophrh.gov.mz/?cat=92>

National Statistics Institute <http://www.ine.gov.mz/>

National Investment Bank (BNI) <https://www.bni.co.mz/>

Reall Data Dashboard – Market Shaping Indicators <https://www.reall.net/dashboard/msi/>

UN Habitat Mozambique <https://unhabitat.org/mozambique>

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