Housing Finance for the Informal Sector

Submitted By: Empowa



Organization Profile

Organization Name: Empowa

Organization Type: Private sector

Website: https://empowa.world

Practice Details

Country(ies): Mozambique, Kenya, Nigeria

City(ies): Beira, Nairobi, Abuja

Start Year: 2021 **Ongoing:** Yes **End Year:** N/A

Main Adequate Housing Components:



Housing Thematic Areas:

- Housing Affordability & Financing
- Housing & Informality
- Housing & Climate Adaptation
- Technology & Digital Solutions in Housing

Relevant SDGs:



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Problem & Context

Empowa addresses the lack of affordable housing finance for the 1.6 billion people earning informal incomes. Traditional finance systems and mortgage models exclude these populations due to insecure and variable incomes, lack of credit history, and rigid collateral requirements. This issue is most acute in emerging markets, where urbanization and housing demand are growing fastest. Empowa emerged to bridge this gap by using blockchain technology to create transparent, accessible, and scalable affordable financing solutions that empower underserved communities to build and own climate-smart homes.

Solution Developed

Empowa addresses the housing finance gap by enabling affordable, rent-to-own housing solutions for low-income families excluded from traditional finance. It partners with local developers and uses blockchain technology to transparently fund housing projects through digital, impact-linked investments. The target beneficiaries are informal and unbanked households, particularly in emerging African markets.

Empowa's core objectives are to:

- Enable access to affordable, climate-smart housing finance for underserved communities.
- Create a scalable, replicable model for housing finance in emerging markets.
- Attract global capital by providing digital investment instruments.
- Its innovations include:
- Technological: Blockchain for immutable, traceable, low-cost financing and decentralized record-keeping.
- Financial: Rent-to-own models that align with informal incomes.
- Institutional: Ecosystem-building with developers, cooperatives, and local authorities to reduce delivery risk.

Empowa combines technology with social and institutional innovation to unlock housing finance where it was previously impossible.

Implementation

Empowa's solution involved several key actions: identifying local developers, co-designing affordable, climate-smart housing, implementing a rent-to-own financing model, and raising offtake financing capital. Empowa built a digital platform to track funding, housing delivery, and payments ensuring transparency and investor confidence. Community engagement at the local level ensured homes met real needs, and data collection supported ongoing iteration.

Key actors included:

- Local Developers (e.g., Casa Real in Mozambique): led construction and delivery.
- Empowa: coordinated financing, technology, and ecosystem development.
- Impact Investors: funded projects via Empowa's blockchain platform.
- Government Bodies: engaged to support land access and regulatory alignment.
- NGOs and Development Partners: supported technology building.

Timeline:

- 2021: Solution design and platform development.
- 2022: First pilot launched in Beira, Mozambique.
- 2023–2025: Scaling framework developed and strategic partnerships expanded across Africa.

Resources included initial capital raising, grant funding for assistance in technology development, and partnerships with local affordable housing developers. These enabled a low-cost, scalable model tailored for high-impact delivery in emerging markets.

Enablers & Obstacles

Key drivers of Empowa's implementation included strong partnerships with trusted local developers, the use of blockchain technology for transparent, low-cost funding and data recording, and community engagement to ensure solutions met real needs. A clear, scalable financing model and alignment with global impact investors also enabled progress.

Obstacles included skepticism of blockchain, informal markets and financial innovation. These were addressed by working closely with investors, local property developers, building data and getting third party research validation on progress and success.

Results & Impact

Empowa's pilot in Beira, Mozambique delivered finance for more than 30 climate-smart homes through a rent-to-own model, benefiting over 180 people—primarily low-income, informal workers without access to traditional housing finance. Households now live in durable, cyclone-resistant homes with secure tenure, enabling improved health, safety, and dignity.

Quantitative results:

- 100% of households were previously unbanked.
- 50% of rent-to-owners were women, enhancing gender equity.
- Repayment rates exceeded 95%, proving affordability and viability.
- Over 300 metric tons of CO_2 emissions avoided through sustainable building materials and solar integration.

Qualitative impacts:

- Families reported improved security, mental well-being, and environmental stability. For most, this was their first experience of formal housing ownership.

Broader impacts:

- Empowa's model demonstrated that inclusive, tech-enabled finance can unlock private capital for housing finance. Local economies benefited through job creation in construction and services. Environmentally, the use of sustainable materials and solar reduced ecological footprints. Long-term, Empowa is laying the groundwork for scalable, climate-resilient housing ecosystems that empower marginalized communities across Africa.

Replication & Scale Up

Empowa expanded beyond its Beira pilot in Mozambique into several new markets across Africa:

- Kenya (Nairobi) – Partnered with Nairobi Securities Exchange to develop a financial product for investment into rent-to-own finance for the informal market and supported a further 56 homes.
- Nigeria – Formalized cooperation with national housing co-ops, and developers to digitize co-op housing finance.

Key replication enablers:

- Technology for scale.
- Data as proof of success.
- Local partners for local delivery.
- Institutional partnerships for credibility.

Empowa has laid the foundations for scale using technology to support the entire affordable housing finance ecosystem: households, local property developers, housing cooperatives and capital providers. Empowa technology enables both local and international investors to invest in a housing financial product that provides both impact and market-related returns while meeting the needs of millions of underserved households in emerging markets. The challenge is to use the system and data to attract global impact investment into the affordable housing finance space in these markets.

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Policy Uptake

This housing practice is a new or innovative practice that is not yet adequately or fully integrated into formal policy frameworks.

Policy uptake requires complex discussion and is dependent on jurisdiction, but addressable based on need and existing requirements.

Expanded into Kenya (56 homes, Nairobi Securities Exchange partnership) and Nigeria (digitizing co-op housing finance).

Key challenge: attracting global impact investment at scale.

Lessons & Takeaways

There is constant adaptation and revision of the approach based on jurisdiction, data and learnings.