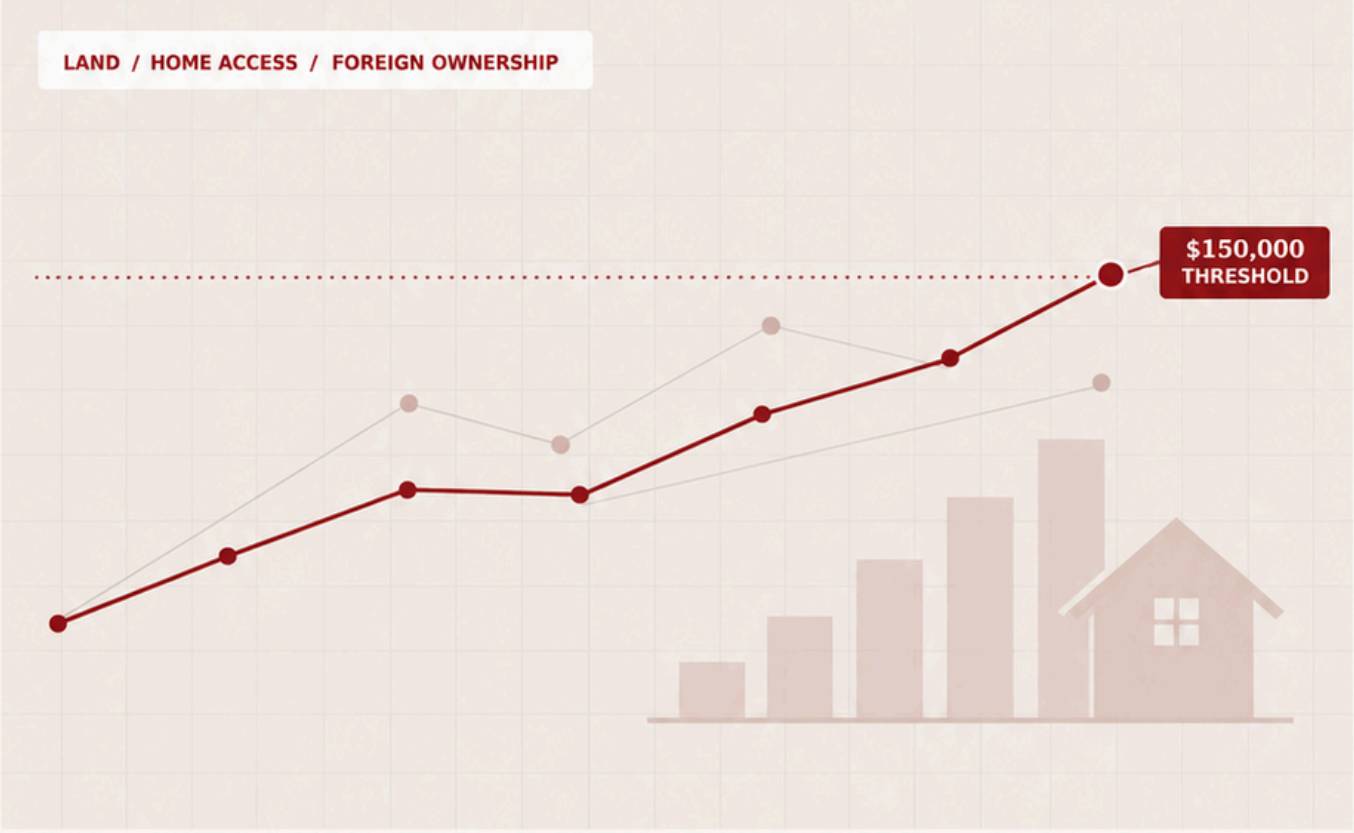
ENERGY / INFRASTRUCTURE / THE PROPERTY CORRIDOR

ENERGY & INFRASTRUCTURE BRIEF / NOVEMBER 2026

The Narrow Door

$150,000

The new ticket to own a home in Addis: One house, no local mortgage, on land the state still owns.



01

THE NUMBERS BEHIND THE NARROW DOOR

Ethiopia has opened residential ownership to foreign nationals, but on terms that make the entry price, the land and the exit matter more than the law's headline.

$150,000	13,101	Br 30B	Br 100B
Minimum a foreign national must put up for one Addis Ababa house; $120,000 in most regions, $100,000 in Afar, Benishangul-Gumuz, Gambela	**Average Br per sqm at Addis Ababa's eighth land auction round, about 30% above the new Br 10,108 grade-one cap**	**Housing debt the Addis city administration still carries, mostly to the Commercial Bank of Ethiopia; the mayor says it blocked new bank loans**	**Proposed capital of the first Mortgage Refinancing Company, with at least $200M from the IFC; ownership and timetable undisclosed**
Ministry of Urban and Infrastructure Directive No. 1147, Aug 2026; Dablo, 23 Sep 2026; FSX Business, 12 Aug 2026	*Addis Fortune, 18 Feb 2026*	*The Reporter, 16 May 2026*	*Prime Business Africa, 3 Sep 2026; Capital, 27 Sep 2026*

DATA INTEGRITY NOTE: *Sources differ and the differences are shown. Deposits: Dablo (via LEX Africa, 23 Sep 2026), FSX Business (12 Aug 2026) and Birr Metrics say purchase funds are converted to birr and held in a blocked account; Ethio Negari says foreign currency. The brief follows the three. The directive is numbered 1147/2026 (Dablo) and 1147/2018 (Birr Metrics, Ethiopian calendar). A five-year permit in one headline is the visa term; the acquisition permit lasts one year. The domestic financing ban rests on two law-firm summaries (5A Law Firm via Mondaq, Oct 2025; Birr Metrics) and is absent from Dablo's summary. Early drafts allowed up to five properties (Addis Fortune, May 2025); the law says one. National Bank directive numbers after FXD/01/2024 cited by Mondaq are unverified and not used. No public count of foreign purchases was found. The 1.2M-unit housing gap is single-source (Addis Fortune, Jul 2025) with no stated scope; the mayor's 166,000 units under construction does not reconcile with its parts (about 142,000) and is not used. The Br 13,101 average is reported alongside the eighth round without stating whether it covers all plots or only the 134 sold above benchmark. The Br 9.4M flat price is a listing asking price. The Br 161.9 per US$ rate (2 Nov 2026) is from Trading Economics, not the National Bank. Kenya and Rwanda rules come from law-firm commentary (2021 to 2024), not statute text.*

02

TWO FINDINGS THAT REFRAME THE CASE

THE LAW IS NARROWER THAN THE HEADLINE

Proclamation No. 1388/2025, in force since its publication in the Federal Negarit Gazeta on 2 October 2025, lets a foreign national own one residential house, with Ministry authorisation, to live in or lease to individuals. The buyer gets registered ownership of the structure only; the land stays state-owned on long-term lease (Constitution, Art. 40(3)). Domestic financing is barred, subsidised condominiums and cooperative housing are excluded, and Ethiopian-origin diaspora holding the yellow card sit outside the "foreign national" definition (5A Law Firm via Mondaq, 2 October 2025).

THE LAND, NOT THE LAW, SETS THE PRICE

Foreign buyers can only take property on land allocated through public bidding, and homes on non-competitive allotment land may be ineligible (5A Law Firm, October 2025). That ties foreign demand to the one market the state prices. Addis Ababa lifted its grade-one land benchmark from Br 2,218 to Br 10,108 per sqm, 4.6 times; the average price at the eighth auction round was Br 13,101 and one Kolfe Qeranyo plot cleared at Br 156,080 (Addis Fortune, 18 February 2026). On a 150 sqm plot, the size of one plot Fortune cites, that is about Br 2.0M (about $12,100) of land at the average and Br 23.4M (about $145,000) at the Kolfe price, nearly the whole $150,000 ticket (InfoPlate illustration, Br 161.9 per US$).

03

THREE MORE FACTS ON THE RECORD

- **The exit is the unwritten clause:** Repatriation of rent and sale proceeds sits under the National Bank of Ethiopia's foreign exchange framework, and the Ministry was still to work out with the central bank how property-linked funds leave the country when the directive appeared (FSX Business, 12 August 2026). Banks are "not required to accept repatriation requests that do not match the approved foreign exchange documentation" (5A Law Firm). Buyers convert dollars at the prevailing rate, now Br 161.9, about 5.7% dearer in birr than a year ago (Trading Economics, 2 November 2026).
- **Locals cannot borrow either:** A Capital contributor illustrated a Br 5M home carrying about Br 85,000 a month over 20 years, roughly a 20% rate (InfoPlate calculation), against Br 15,000 to 20,000 monthly rent (opinion, 26 October 2025). The city itself still owes about Br 30B on housing, and the mayor says that blocked new bank loans (The Reporter, 16 May 2026).
- **The mortgage fix is announced, not built:** The National Bank and the IFC signed a cooperation framework on 3 September 2026 for a wholesale Mortgage Refinancing Company with Br 100B of capital, about $620M at today's rate, and at least $200M from the IFC; ownership, governance and timetable were not disclosed (Prime Business Africa, 3 September 2026; Capital, 27 September 2026).

04

ANALYSIS: WHO PRICES THE DOOR

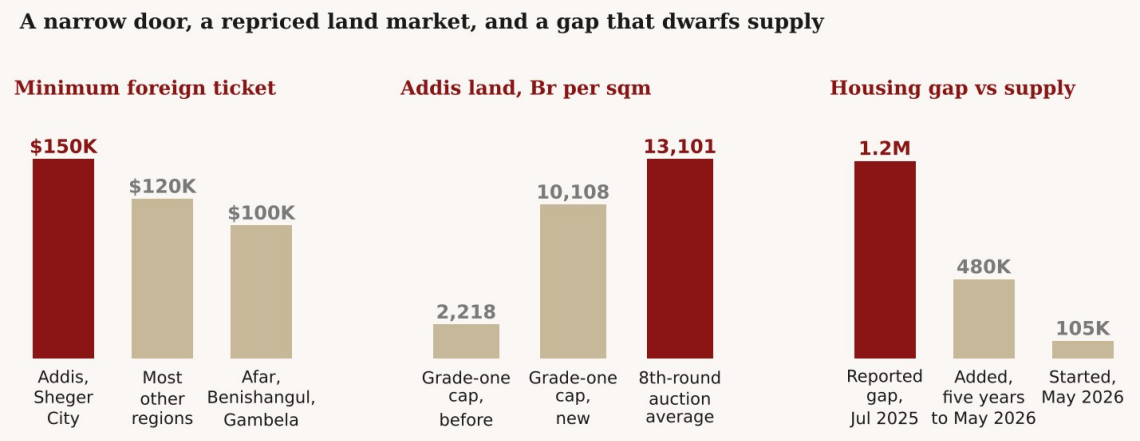


Figure 1: Minimum foreign purchase by location; Addis Ababa land benchmark and auction prices per sqm; reported Addis housing gap against supply. The gap is a stock that excludes new demand; additions and starts are the mayor's figures and cover public and private supply. Source: Ministry of Urban and Infrastructure Directive No. 1147 (Aug 2026) via FSX Business and Dablo; Addis Fortune (13 Jul 2025; 18 Feb 2026); The Reporter (16 May 2026).

A Dollar Door Into a Birr Asset

The structure of the purchase is the signal. A foreign buyer deposits dollars through a bank, the funds convert to birr at the prevailing rate and sit in a blocked account released only on Ministry authorisation (Dablo, September 2026; FSX Business, August 2026). Whatever its intent, the design moves foreign currency into the banking system at the prevailing rate and leaves the buyer holding a birr asset whose convertibility terms are still to be written down. The segment looks thin: $150,000 is about Br 24.3M, roughly 2.6 times the average Addis flat asking price of Br 9.4M (Addis Fortune, May 2025; asking prices, not transactions). Parliament's committee chair said the law would not significantly raise foreign ownership (Addis Standard via AllAfrica, July 2025).

The Land Is the Swing Price

Foreign demand lands on auction-allocated plots, and the city has just repriced them. The new schedule, which also governs collateral valuations and lease recalculations, widened categories from 18 to 30, and 134 plots across eight of 11 districts sold above the revised benchmarks in the eighth round (Addis Fortune, 18 February 2026). The corridor programme's second phase covers 132 km and 2,817 hectares (Addis Fortune, date not shown; Addis Insight, October 2024). For a developer or a foreign buyer, the land line, not the Proclamation, decides whether a Br 24M house pencils.

Supply Is a Balance-Sheet Problem

Addis Fortune put the city's housing gap at nearly 1.2 million units in July 2025. The mayor reports about 480,000 units added over five years including private projects, about 96,000 a year, against a 100,000-a-year target (The Reporter, 16 May 2026). At either pace the stock gap takes about 12 years to clear before any new household formation (InfoPlate arithmetic). Private developers account for about 55,000 of the roughly 105,000 houses now started, so they are the marginal supplier and the natural seller to a foreign buyer. They also carry the new land prices.

The Counter-Argument and the Rwanda and Kenya Benchmark

The optimistic case is real: a regulated dollar inflow at the prevailing rate, a new buyer segment for developers who supply about half the pipeline, and a registered route to ownership. The structural risks sit in the same design. The exit rules are unpublished, the one-house cap and price floor limit volume, and speculation worries are live: a Capital contributor describes buildings standing "half-empty as speculative assets" (26 October 2025), while the city's debt limits how fast it can supply. Faster land repricing could also reach local buyers who cannot use the foreign route, an effect InfoPlate cannot size from current data.

Rwanda is the closest comparator: a foreigner may hold a plot for a single-family residential house, with leases up to 99 years and freehold only by presidential order (The New Times, April 2022, a lawyer's commentary). Kenya allows non-citizens leasehold up to 99 years and bars agricultural land (Bowmans, November 2021; Shikana Group, February 2024). None of these sources describes a minimum purchase price, a blocked purchase account or a ban on local financing, so on the evidence reviewed Ethiopia is the most restrictive of the three on money, while all three rest on leasehold. On mortgages, Tanzania's refinancing company took lenders from 3 in 2010 to 31 in 2025 and maturities from 7 to 25 years; Egypt's ran 2008 to 2011 and disappointed, for want of macro stability and institutional bond buyers (Capital opinion, 27 September 2026).

05

EDITOR'S OUTLOOK

Grade the foreign-ownership law a calibrated opening, not a demand shock. At about 2.6 times the average Addis asking price, with no local credit and one house per buyer, it reaches a thin, dollar-funded, high-end segment, and its binding constraints are an unpublished exit and a state-priced land market. For capital, the actionable exposures are developers holding auction-allocated land, and the design of the mortgage refinancing company, which matters more to local buyers than the law does to foreign ones.

InfoPlate's diaspora edition (Week 21) examined the diaspora's $7.1 billion; this law leaves that segment outside its foreign-buyer regime, so the door it opens is not the diaspora's. Watch the Ministry's first count of permits and owners; National Bank rules on repatriating rent and sale proceeds; the refinancing company's ownership and timetable; the next Addis land auction against the revised benchmarks; and the 100,000-a-year housing target against the 96,000 pace. Week 35 turns to Digital Ethiopia and Fayda ID.

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