Press Release
Attention News Editors
For Immediate Release

CBA ADVANCES USD 35 MILLION LOAN FOR THE DEVELOPMENT OF AFFORDABLE HOUSING IN AFRICA

Nairobi, June 18, 2014… Commercial Bank of Africa has advanced a Kshs.3.08 billion (USD 35M) facility to Shelter Afrique, for the provision of affordable housing in select markets across Africa.

The loan is part of a USD 60M to be raised through a syndicated loan facility, to enable the pan-African finance institution that exclusively supports the development of housing and real estate, deliver on its mandate within the continent.

“Kenya has a dynamic mortgage industry, which is growing rapidly and becoming increasingly competitive. Nevertheless, mortgage lending is still accessible to only a minority of the population and this partnership between CBA and Amana Capital will play a key role in alleviating some of the structural financing inefficiencies encumbering Africa’s real estate growth.” said CBA Group Managing Director, Isaac Awuondo.

In East Africa and in Kenya specifically, the property market is responding to demand that has been created by the expanding middle class with disposable income and able to service their mortgages. However, affordable housing for Kenya’s majority population remains a challenge.

Speaking at the signing, Shelter Afrique’s Managing Director, Mr. Allasane Ba, noted, “Most of the population cannot afford housing built by formal developers, and as a result, address their housing needs independently and often informally. Therefore there is need for increased collaborative partnerships
to propel the real sector by providing affordable housing solutions. SHAF's core mission is to build homes and in essence build families and nations”.

Kenya's urban population is growing at a rate of 4.2% a year, putting pressure on its cities to provide housing for this growth. This shortage of supply has been a major contributing factor to the rise in property prices, although more recently an unbalanced supply across market segments has been observed, with broad supply to the upper middle income and high end market, but insufficient supply to the low and lower middle income segments.

CBA and other financial institutions backing SHAF’s housing projects will spur the development of affordable housing and turn the hopes of decent housing for all Kenyans become a reality.

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About Commercial Bank of Africa

Commercial Bank of Africa (CBA) is the largest privately-owned Kenyan bank with representation in Kenya, Tanzania and Uganda. As a Bank, our focus in addition to Corporate and Personal Banking business segments is now growing strongly towards focusing on innovative financial solutions targeted at the Small and Medium Business segment.

About SHAF

Shelter Afrique (SHAF) is the only pan-African finance institution that exclusively supports the development of the housing and real estate sector in Africa. A partnership of 44 African Governments, the African Development Bank (AfDB) and the Africa Reinsurance Company, Shelter Afrique builds strategic partnerships and offers a host of products and related services to support the efficient delivery of affordable housing and commercial real estate.