Q: Are you a micro-finance institution focused on financing sustainable housing for the low income population?

Demand for housing remains highest for individuals living at the bottom of the pyramid (BoP) across SHELTER-AFRIQUE member countries. However, these individuals are always excluded from home ownership particularly through the formal mortgage market due to the associated perceived credit risks. Financing options for this income group remains scarce and largely informal.

In the absence of accessible financing options, most lower income families end up building incrementally based on their needs and available resources. This progressive building process may be carried out over several years and may entail acquiring land, building an initial structure and following with a series of expansions and improvements. We intend to make this more feasible through our Housing Micro-Finance Product.

The product is designed for beneficiaries who want to use the funds accessed for housing provision. The housing microfinance loans represent relatively small sums, borrowed for a much shorter term than a mortgage to match both the income streams of low-income clients and the construction costs of their incremental building steps.
Product Design

Our Housing Micro-Finance Product is designed to:

• Provide local micro-finance institutions with funds for on-lending to individuals in the bottom of the pyramid to support them in taking steps towards home-ownership.

• Provide specialized Impact Investment Funds with financial resources aimed at supporting either micro-finance institutions or other organized groups at the bottom of the pyramid to support them in taking steps towards home-ownership.

• Provide technical assistance and advisory services to Micro-Finance Institutions to support their capacity building process in housing projects structuring, appraisals and implementation management etc.

Principal Terms & Conditions

1. This product shall only be directed towards affordable housing initiatives;

2. The product is designed for institutions that have strong financial records as well as other parameters such as infrastructure in place (people, systems, and processes, capacity), corporate governance and other risk-acceptance criteria

3. Institutions eligible for this product must have been in existence for a minimum of five years and must have unqualified financial statements for at least the past 5 years;

4. The facilities must have senior or equal status with other similar debts;

5. Where applicable, each line of credit granted to eligible Micro-Finance Institutions shall have a component for Technical Assistance & Advisory to support needs for capacity building activities.

Take the Next Step

To apply for financing from Shelter Afrique, please submit a formal written application letter stating your requirements.

Applications will be processed on the basis of the following: a comprehensive business plan (including financial projections) drawn up by or on behalf of your company; detailed technical information such as site layouts and architectural plans; well defined off-take arrangements or a clear-cut marketing plan; audited financial statements for the past three years (or since inception if shorter); current year latest management accounts; plus, detailed profiles of senior management.

To be eligible, your company must hold a valid title to the project land, free of any encumbrances, and should demonstrate strong corporate governance.

If you would like to find out more about our Housing Microfinance, or to submit a proposal with supporting documents, please write to:

Shelter Afrique Centre
Longonot Road, Upper Hill,
P.O.Box 41479 - 00100
Nairobi, Kenya
info@shelterafrique.org
Tel: +254 20 497 8000

Abuja Regional Office
Plot 1129, Muhktar El-Yakub’s Place,
Beside Metro Plaza, Central Business District
Abuja, Nigeria
P.O.Box 20 251, Area 10, Garki, Abuja
Tel: +234 9 291 0757

Abidjan Regional Office
Riviera 3, Carrefour Mel Theodore,
Boulevard Arsène Usher Assouan
Abidjan, Côte d’Ivoire
For further details, please visit www.shelterafrique.org

Shelter Afrique 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 Corporation, Shelter Afrique builds strategic partnerships and offers a host of products and related services to support the efficient delivery of both affordable housing and commercial real estate. These include project finance, institutional lending, equity investments and joint ventures, trade finance, and practical advice and technical assistance to a wide range of industry stakeholders.