SHELTER AFRIQUE

Capital market solutions for housing
Leveraging international and domestic resources to support affordable housing

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Shelter Afrique Local Currency Bond Issuance Program

Medium Term Note Program

- Naira 200 Billion (US$500 Million)
- Approved in Oct 2021
- FIRST TRANCHE
  - Issued Apr 2022
  - Naira 46 Billion (US$110 Million)
- 5y and 7y
- Pricing
- No Credit enhancement
- Oversubscribed

Transaction Processing

- Local Currency
- Professional Advisors
- Due Diligence
- Structuring
- Regulatory approvals and waivers
- Documentation
- Marketing and roadshow.
- Pricing & allocation.

Challenges

- High Interest Rates
- Liquidity Constraints
- Market Volatility
- Regulatory Environment
- Currency Risk

Lessons Learned

- Approval process (SEC, Pencom, Naicom)
- Volatile interest rate environment
- Market absorption capacity

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Integrated approach across the housing finance value chain

**Policy Reforms**
- Foreclosure
- Collateral Registration
- Access to Land Title registration
- City Planning & Building Regulations
- Infrastructure & Services

**Market Enablers**
- Mortgage Regulations
- Market Studies
- Business Plans Feasibility Studies
- Structuring Funding Solutions

**Primary Market**
- Mortgages
- Green CL/LAP/R&R/Top-up
- Micro-housing Incremental
- Rent To Own Rental
- Structuring Funding Solutions
- Guarantees RSF

**Capital Markets**
- Liquidity Facilities
- Bridge to Bond
- Sustainability Bond (Green/Social)
- Covered Bond
- MBS/CMO
- REIT

- KMRC MTN
- CRRH Eurobond
- NMRC Sukuk
- SLB/Step-down structures
- IFRS/ISSB
- FAHARI I-REIT
- D-REIT and I-REIT
- Acorn Student Accommodation (ASA)
Our Products

Employer Staff Housing Fund (ESHF)

- **DFI** - Development Finance Institution
- **P&I** - Principal & Interest
- **Purch** - Purchase
- **MBS** - Mortgage-backed security
- **TPS** - Tenants Purchase Scheme
- **SLA** - Service Level Agreement
- **G-DFIs** - Government DFIs (e.g., World Bank, AfDB, AFD, DFID, KfW, SIDA, CIDA, etc.)
- **P-DFIs** - Private Sector DFIs (e.g., IFC, Proparco, CDC, EIB, DEG)

**Members**

- **Employee 1**
- **Employee 2**
- **Employee 1**
- **Employee 2**

**Saccos**

- **Employee 1**
- **Employee 1**
- **Employee 2**

**Employer 1**

- **Employer 2**
- **Employer 3**

**Employer 1**

- **Employer 2**
- **Employer 3**

**Voluntary**

- **Shares**
- **Loan Certificate**

**HOS**

- **Sale of mortgages**

**Banks**

- **Cooperation Agreement**

**Developer 1**

- **Developer 2**
- **Developer 3**

**Shelter Afrique Funds**

- **Equity**
- **Shareholder’s Loan**

**Government of Kenya**

- **Debt or Grant**

**Private Sector Investors**

- **e.g., Employers, Banks, Pension Funds, insurance Cos**

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- **e.g., IFC, Proparco, CDC, EIB, DEG**

**G-DFIs**

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**Bond/REIT issuance**

- **Bond/REIT purchases**

**Government Servicing Agreement**

- **Mortgage Servicing Agreement (MSA)**

**Sale of mortgages**

- **MSA**

**Ports of call**

- **DFIs** e.g., World Bank, AfDB, AFD, DFID, KfW, SIDA, CIDA, etc.

- **P-DFIs** e.g., IFC, Proparco, CDC, EIB, DEG
Thank you.