



**Address by the Managing Director; Mr. James Mugerwa at the
Regional Office Breakfast Business Development Meeting**

Ladies & Gentlemen;

Let me begin by thanking you all for joining us here this morning; our purpose for gathering you here and meeting with you is two-fold. Firstly for those of you who do not know us well, we would like to introduce ourselves; introduce our products and services and share with you a bit of our history. The Director of Business Development, Mr. Mouhamadou Gueye, will be introducing Shelter Afrique to you shortly in a presentation

Secondly, we would also like to meet with you, discuss with you and understand your specific challenges to better tailor our products and services to you. It is for this second reason that we have anchored our discussions today on the theme "***Challenges of an adequate financing of the Real Estate Sector – Is there any credible option beyond the existing funding models***" It speaks to our objective of finding the most efficient and most effective ways to address the housing deficit not just in Nigeria but in the West African sub-region.

To provide you with a brief history, Shelter Afrique was created in 1982 by African governments, the African Development Bank (AfDB), African Reinsurance Corporation (Africa-Re) and CDC (UK's Development Finance Institution) with the mandate of mobilizing resources for housing development in Africa.

We began operations in 1985 and since then have developed a robust portfolio of projects and activities, acquired substantial operational experience and established Shelter Afrique as a credible housing finance institution.

Shelter Afrique's current shareholders include our 44 member countries, the African Development Bank (AfDB) and African Reinsurance Corporation (Africa-Re),

As part of our strategic plan to provide housing for all, we opted to establish a regional office here in Nigeria; we also expect that it will bring us closer to our markets in the sub-region. The regional office which began operations in February of this year will also serve Togo, Benin and Chad.

It is however no coincidence that we established operations in Nigeria in the same year that it was announced as Africa's largest economy. For years many analyst have been speaking on the potential and we are happy to be present when that potential is being realised.

We also take note reports that the manufacturing sector is showing new signs of life and that factories are running at 53 per cent capacity; with revelations like these and favourable government policies on housing we earnestly expect that Nigeria scales up on the value chain which will ultimately reduce the cost of construction.

While you can expect to hear more from my colleagues on our specific products and services, I think it is important to comment on our overall strategic view of the market. We are encouraged by the strong financial and banking system that has been put in place with various reforms over the years; we are also encouraged by efforts being made at the Federal and State level to tackle the issue of proper land registration and other housing issues. Notable is the Lagos Tenancy Laws which were enacted recently and clearly

define the relationship between tenant and homeowner. These are the kind of strong signals that make investors and developers keen about the Nigerian market.

From a purely business development perspective, Nigeria has a growing young population and an equally vibrant middle class with an estimated 16-18 million housing deficit; demand is billed to far outstrip supply for a long time.

Shelter Afrique is committed to the Nigerian housing market and to housing in the West African sub-region; we have signed two separate MoU's with the Zamfara State Government and the Real Estate Development Association of Nigeria respectively, for the development of affordable housing units. We were also involved with the creation of the Nigerian Mortgage Refinance Company [NMRC].

Since establishing the regional office we have approved the sum of \$16M and recently approved the same amount for Wema Bank and ARM. We are also currently exploring the possibility of floating a bond in local currency in the second quarter of 2015 to finance affordable housing.

It is our expectation that at the end of the proceedings today, you will come to see Shelter Afrique has an able and willing partner in addressing housing; we also hope that you will understand what we offer; our products and services and how best to take advantage of them. Please enjoy the morning

Thank You