

# INVESTMENT INFORMATION

## Sofala Capital



*Accessible and affordable housing finance for low income households*

**Sector:**  
Affordable Housing Finance

**Location:**  
South Africa, Zambia

**In portfolio since:**  
2018



*About: Sofala Capital invests in innovative housing finance companies, helping African families to build real and productive residential assets that impact their lives for the better.*

### OUR ROLE

**Committed capital:**  
**£1.6 million**

**Instrument**  
**Debt, Equity & Returnable Grants**

## OUR INVESTMENT

- Only 1 in 3,000 Africans qualifies for a home mortgage. Most African families are forced to use their monthly savings to build a home incrementally – often a 4 to 8 year process, during which families often live in temporary or informal structures, with serious implications for family security, education outcomes, health and other poverty-related measures.
- FSDAi provided early-stage catalytic funding to launch – alongside private investors – a mortgage finance holding company, pioneering novel models in incremental housing finance for low-income households in South Africa and Zambia.
- Our investment was made via underlying investments in Ibuild Home Loans (IBL) South Africa (a township home building finance company) and Zambia Home Loans (ZHL) an incremental mortgage finance company.
- FSDAi's pathfinding investment helped to catalyze and 'crowd in' subsequent investment from additional investors, including Shelter Afrique, Bank of Zambia, National Housing Finance Corporation, and HABITAT, alongside individual private investors into IBL and ZHL.

## MARKET DEVELOPMENT

- Through this investment in Sofala Capital, FSDAi sought to demonstrate new models – from secured housing finance to Rent-To-Own products – for affordable housing that could be replicated in other markets to meet the huge global affordable housing finance gap (estimated at £650 billion annually).
- It also sought to mobilize local bond finance to mortgage companies.

## IMPACT TO JUNE 2022

**3,195**

Quality sustainable  
jobs created

**2,485**

People reached through  
construction of 710 homes

**472**

Additional people earning  
rent from completed  
houses



*FSD Africa's has enabled more than 600 financially excluded South African and Zambian families to build their own homes. In so doing, these families are creating their own long-term, upward economic trajectory*



**Michael Waller, CEO, Sofala Capital**  
**30 September 2019**

### INVESTEE CONTACTS

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