

Boost for housing development in Zimbabwe

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BancABC Wednesday signed a \$7 million line of credit with regional financial institution Shelter Afrique that is expected to revive mortgage finance and property development in the country.

The deal comes a day after ABC Holdings, the bank's parent company, unveiled a \$50 million trade finance credit line from the African Export-Import Bank to promote and facilitate trade in the group's operations.

BancABC expects to start disbursing the funds before the end of the month.

BancABC managing director Hashmon Matemera said the facility would support government efforts of providing houses to middle and low-income earners.

"The package is mainly geared to fund new mortgages and support housing delivery in the country as we play our role in housing delivery.

"This line of credit is very important to both BancABC and the government, particularly at this time of liquidity challenges," Matemera said.

He said the country had short-term loans that had a repayment period of 90 days and the loan from Shelter Afrique was a positive development. Shelter Afrique managing director Alassane Ba said this was the company's first entrance in the market and the loan forged a strategic alliance between Shelter Afrique and BancABC.

"The line agreement we are signing today paves the way for Shelter Afrique to increase its support for property development and mortgage financing in Zimbabwe," he said.

"Shelter Afrique will continue to seek similar partnership arrangements and opportunities with financial institutions in Zimbabwe as part of its mandate to support housing development in its member countries."

He said with a supply backlog estimated at over one million housing units, Zimbabwe like other countries on the continent, required significant investments in the housing sector.

"The proceeds from the line of credit will go towards providing mortgage finance to potential home owners in Zimbabwe. Such finance will go a long way in improving the extreme shortage of housing supply in Zimbabwe," Ba added.