

Kenya Mortgage Refinance starts selling first bond to boost home ownership

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Kenya's first mortgage refinancing company is selling a 10.5bn shilling (\$93m) medium-term note, whose proceeds will be lent out to commercial banks to increase affordable home ownership, the company said on Friday, 4 February.



Source: John Williams © [123RF.com](#)

President Uhuru Kenyatta pledged to boost housing ownership levels upon re-election in 2017. He set a goal of providing 500,000 new affordable homes by the end of this year and made it one of his top four priorities.

The non-deposit-taking Kenya Mortgage Refinance Corporation (KMRC), which is jointly owned by commercial banks, savings cooperatives and the state, said it was offering 1.4bn shillings as the first tranche of the bond.

The note will have a tenor of seven years, with amortisation and a fixed rate of 12.5%, KMRC said in a statement. The first tranche will be on sale until 18 February.

Note to be listed for trading next month

Allotment will be announced on 22 February, and the note will be listed for trading on the Nairobi Securities Exchange on 14 March, the mortgage firm said.

The government set up KMRC in 2018, part of the push to boost home ownership in the East African nation, to issue mortgage-backed bonds and other instruments.

In 2019, the mortgage refinance firm received a \$250m loan from the World Bank, and another €90m (\$100.51m) from the African Development Bank.

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