

Press Release

TMRC and CAHF WORK TOGETHER TO DEEPEN UNDERSTANDING OF HOUSING FINANCE IN TANZANIA

19 March 2018

The Tanzania Mortgage Refinance Company Limited (TMRC) and the Centre for Affordable Housing Finance in Africa (CAHF) jointly committed to deepening understanding of the housing finance market in Africa, and in Tanzania in particular, through the signing of a Memorandum of Understanding (MoU) on future cooperation, this week. Both organisations have committed themselves to cooperate in applying their knowledge to advance public and private initiatives to increase access to housing finance, especially to the lower and middle income housing market, and to improve the functioning of the housing market in Tanzania.

The focus of this partnership is specifically on Tanzania. TMRC's focus is limited to Tanzania and CAHF has identified Tanzania as a priority country in terms of its three-year strategy which extends to 2021.

A key strategic focus area for both CAHF and TMRC is to develop data platforms and analytical frameworks to enable effective, data-driven policy and decision-making in support of affordable housing markets in Tanzania.

The strategic intent of the partnership between TMRC and CAHF is to collaborate in support of effective, data-driven policy and decision-making in Tanzania's housing market. This will involve the sharing of data and methodologies, as well as the joint commissioning of research and analysis, on the role of housing in the Tanzanian economy, the functioning of Tanzanian property markets, the performance of Tanzania's mortgage market, as well as other issues to be explored in the course of the partnership.

In signing the agreement, Mr Oscar Mgaya, the Chief Executive of TMRC, outlined that the collaboration would begin with four initiatives:

- Data exchange towards the mutual development of databases to support analytics for the development of Tanzania's mortgage market
- Building a Housing Economic Model for Tanzania (or for a specific State or city as a first step)
- Mortgage market analysis: data analysis to assess mortgage access, performance and profitability in Tanzania.

Over the course of the collaboration, additional initiatives may also be identified. Both TMRC and CAHF recognise the mutual advantages of collaboration with each other and with the broader network of organisations operating in Africa's housing sector, given their overlapping objectives and programmes. This MoU represents one of several such partnerships in which both TMRC and CAHF contribute to and facilitates joint initiatives and shared learning opportunities in areas of mutual interest.

TANZANIA MORTGAGE REFINANCE COMPANY LIMITED (TMRC) <http://www.tmrc.co.tz>

Tanzania Mortgage Refinance Company Limited (TMRC) is a specialized private sector financial Institution that provides long-term funding to financial institutions for the purposes of mortgage lending. It has the objective of supporting financial institutions to do mortgage lending by refinancing Primary Mortgage Lenders' (PMLs') mortgage portfolios. This type of lending is also known as wholesale or secondary market lending. TMRC is neither taking deposits nor lending directly to individuals. It refinances mortgage loan portfolios rather than extending mortgage loans to individuals and caters to banks rather than individual borrowers.

TMRC's Vision is to become the preferred secondary market intermediate for mortgage financing in Tanzania. Its Mission is to expand home ownership in Tanzania by providing long term financing to primary mortgage lenders. TMRC motto is "home ownership through financial intermediation" guided with its Core Values of Teamwork, Integrity, Passion and Efficiency.

TMRC is committed to improving the state of market intelligence for Tanzania's mortgage market, and as such is working hard to promote data and information in cooperation with the Bank of Tanzania. As the TMRC works with its members in the development of Tanzania's mortgage market, it is championing and collecting, relevant and timely data on Tanzania's housing sector. TMRC is a central player in Tanzania's growing housing sector, working with both lenders and developers to address the gaps in the housing value chain.

THE CENTRE FOR AFFORDABLE HOUSING FINANCE IN AFRICA (CAHF) <http://housingfinanceafrica.org>

The Centre for Affordable Housing Finance in Africa is a not-for-profit company with a vision for an enabled affordable housing finance system in countries throughout Africa, where governments, business, and advocates work together to provide a wide range of housing options accessible to all. CAHF's mission is to make Africa's housing finance markets work, with special attention on access to housing finance for the poor. CAHF pursues this mission through the dissemination of research and market intelligence, supporting cross-sector collaborations and a market-based approach. The overall goal of CAHF's work is to see an increase of investment in affordable housing and housing finance throughout Africa: more players and better products, with a specific focus on the poor.

CAHF's work covers four main areas: (1) understanding housing markets, (2) monitoring housing sector performance, (3) exploring innovation in housing finance, and (4) supporting housing finance market development. As part of this approach, CAHF regularly undertakes and commissions research; develops market intelligence on country and regional housing markets; hosts forums, strategy discussions, and workshops; and participates in local and international conferences and debates on housing finance.

Since its formation, CAHF has come to be known as the most comprehensive and up to date source of information on housing finance in Africa. Its research and other material is regularly used by investors, lenders, pension funds, and other financiers; legal practitioners, researchers and academics; policy makers and other housing finance practitioners to scope and pursue the opportunities for extending access to housing finance across Africa. As a thought leader in the sector, CAHF is a respected advocate for financial inclusion in housing finance in Africa. CAHF's work is supported by FSD Africa and UKaid, the French Development Agency, the South African National Treasury and other funders.

A key area of CAHF's work is its Citymark programme. Primarily focused on South Africa at this stage, Citymark takes deeds registry data framed as indicators at the neighbourhood level and considers market size, value, activity and performance on a segmented basis that highlights affordable housing in particular. The programme offers its analysis through a business intelligence platform that policy makers and housing sector practitioners use to explore local level property market activity.

More broadly, CAHF is actively engaged in the collection, analysis and sharing of data that promotes investment in affordable housing across Africa. All of this is available on CAHF's website: www.housingfinanceafrica.org.