INTRODUCTION

• In the past, Banks have preferred investing in:
  • High yield government debt
  • Large and high quality corporate accounts
  • Consumer loans with short maturities

• As a result, Mortgage Debt Outstanding (MDO) is only US$100 million in an economy whose GDP is US$ 11 Billion (2007).
PLAYERS IN THE MARKET

• DFCU BANK LTD
  • Mortgage Market since 2002
• Housing Finance of Uganda (HFCU)
  • State-owned
  • Access to Government Funding
• Stanbic Bank
• Standard Chartered Bank

STATISTICS

• Shortage of Housing Units: 522,000 units (in 2004)
• Projection for year 2035: 1,018,000 units in Kampala
• Annual need: 377,000 units (in 2004)
• Housing Finance Mechanism covered only 0.2% of total supply of housing.
DFCU MORTGAGE FINANCE

• HOME LOANS
  • OWNER-OCCUPIER (67%)
  • BUY-TO-LET
  • EQUITY RELEASE
  • LAND LOAN

• COMMERCIAL PROPERTY LOANS
  • CONSTRUCTION FINANCE
  • COMMERCIAL MORTGAGES
  • REAL ESTATE DEVELOPMENT

FEATURES OF DFCU MORTGAGE FINANCE

• In Ugandan Shillings (UGX)
• In US$ - targeting Ugandans in Diaspora
• Loan amount of up to 80% of the property value
• Purpose (Construction, purchase, renovation)
• Insurance cover for the property
• Flexible repayment options
• Period – up to 20 years
CHALLENGES

- Lack of Long-Term Funding / Secondary Market
- Inadequate Stock of Well planned Houses
- Significant delays at the land registry
- Lack of trust in the authenticity of titles
- Lack of infrastructure support
- Supply of Construction Materials
- Mortgage/land law
- Delayed court process
- Underwriting standards – no regulations

FUTURE PROSPECTS FOR MORTGAGE FINANCE

- Long Term Saving Avenues:
  - NSSF/Insurance Companies
  - Unit trusts
  - Capital Markets
  - Bond Issue

- Emerging Property Developers

- Government Plan to Improve Land Registry