

# Sofala Capital



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 INVESTMENT

- 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.
- Our pathfinding investment helped to catalyse 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.

Accessible and affordable housing finance for low-income households



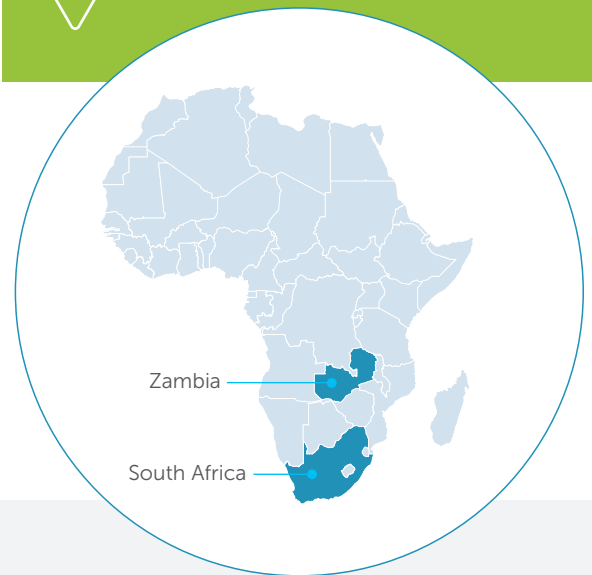
**Sector**  
Affordable housing



**In portfolio since**  
2018



**Countries covered**



**Our role**

**COMMITTED CAPITAL:**

**£1.6 M**

**INSTRUMENTS**

**Debt, Equity & Returnable Grants**



## MARKET DEVELOPMENT

- 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 – this is 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.
- 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 mobilise local bond finance to mortgage companies.

*“FSD Africa Investments 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



## 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

### INVESTEE CONTACTS

Sofala Capital, Silverberg Terraces,  
Steenberg Office Park, Tokai, Cape  
Town, 7945

[info@sofalacapital.com](mailto:info@sofalacapital.com)

### FSD AFRICA CONTACTS

Riverside Green Suites (Palm Suite),  
Riverside Drive,  
Nairobi, Kenya

[FSDAi-info@fsdafrica.org](mailto:FSDAi-info@fsdafrica.org)



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