



REPUBLIC OF GHANA

MINISTRY OF FINANCE

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PRESS RELEASE

FOR IMMEDIATE RELEASE

MINISTERS OF STATE EMBARK ON FACILITY TOUR OF HOUSING PROJECTS AT TEMA

Accra, Monday, 19th October, 2020 - The Minister for Finance, Hon. Ken Ofori-Atta and Minister for Works and Housing, Hon. Samuel Atta Akyea today embarked on a working visit to the Tema Development Corporation (TDC) affordable housing enclave and Adom City Estates in Tema Communities 26 and 25 respectively.

2. They inspected on-going renovation works and interacted with Nurses and Teachers occupying completed blocks under the rent to own scheme.

3. The objective of the tour is to observe and launch the success achieved during the 2-year pilot phase of the schemes and indicate Government's commitment to use the model developed to enable an accelerated residential construction and rent-to-own schemes in the country.

4. The National Housing and Mortgage Fund (NHMF) was set up to pilot two schemes; the National Mortgage Scheme (NMS) and the Affordable Housing Real Estate Investment Trusts (REITs) (Rent-to-own) Scheme.

5. Under the National Mortgage Scheme (NMS), mortgages are being underwritten at rates of 10%-12% by the participating banks namely, GCB Bank Limited, Stanbic Bank Ghana Limited and Republic Bank Ghana Limited.

6. This intervention has reduced mortgage rates by over 60%, compared to the average market rate of 28%. In addition, based on the building specification, the starting price for houses are GHC140,000 and GHC90,000 for standard two-bedroom and one-bedroom respectively.

7. The Affordable Housing REITs is promoting the rent-to-own scheme with only monthly rent payments and after a period, the occupant has the option to own it. The rent-to-own scheme will eliminate the burdened two (2)-year rent advance system. This is designed to give low income workers the opportunity to rent and eventually own homes. The focus will be on apartments and inner-city rehabilitation.



8. The goal is for the Affordable Housing REITs is to provide the off-take for the rest of the TDC affordable housing units in the enclave, to provide more decent homes through the Rent-to-own Scheme to Ghanaians, upon completion by TDC.

9. This is one of the success stories of the National Mortgage and Housing Finance Initiative (NMHFI). The monthly rents under this initiative are GHC525 and GHC625 for standard two-bedroom and three-bedroom apartments respectively, compared to the market average price of GHC650 and GHC850 in the neighbourhood.

10. “Government will use this framework, the Affordable Housing REITs, to revive the affordable housing concept and complete many of the abandoned housing units across the country. The Affordable REITs will become the off-taker of the properties for the rent-to-own scheme”, the Ministers noted.

11. The National Mortgage Scheme (NMS) is working with Republic Bank to procure 21 Blocks (150 Units) of the renovated Asokore Mampong Affordable Houses developed by SSNIT for the Ghana Medical Association (GMA) among others.

12. *We wish to also commend other private developers including; Blue Rose Construction, Yabah Ventures, Waterstones, Devtraco, among others, who are also working with the National Mortgage Scheme and GCB REITs to develop more affordable houses across the country,” they added.*

13. The Ministry of Finance and Ministry of Works and Housing are collaborating to speed up work on delivery of houses under the National Mortgage Scheme (NMS) and the Affordable Housing REITs (Rent-to-own) Scheme and to promote investors interested in developing affordable houses in the country which will be a major priority during the Government’s next term. **END**

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THE NEWS EDITOR