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Financing access to property through the hire-purchase mechanism: KAJOM CAPITAL

SYNOPTIC SHEET	
Rationale	<ul style="list-style-type: none"> ● Over the last decades, the Senegalese property market has suffered a major crisis due to a significant shortage of housing units and a rise in market prices coupled with limited financing options and low household incomes ● In this context, Kajom Capital launched an investment vehicle that aims at facilitating access to property to Senegalese households through an innovative rent-to-own scheme ● Kajom Capital provides an alternative to mortgage loans by fostering an inclusive approach with direct impact as it allows both formal and informal workers with low/irregular incomes to acquire property ● Kajom Capital's objective over the next 3 years is to finance the acquisition of 21,000 social, economic and mid-level housing units through rent-to-own contracts of up to 12 years
Operating Model	<ul style="list-style-type: none"> ● Signing of rent-to-own contracts between Kajom Capital and customers for pre-identified housing units ● Acquisition by Kajom Capital of housing units from certified developers ● Delivery of turnkey houses to customers and beginning of rent collection by Kajom Capital ● Transfer of ownership from Kajom Capital to tenant at the end of the lending period or when tenant fully pays the amount due
Sponsors	<ul style="list-style-type: none"> ● FONSIS ● Fonds de l'Habitat Social (FHS) ● International Finance Corporation (IFC)
Allocation Strategy	<p>Kajom Capital will operate on three main segments:</p> <ul style="list-style-type: none"> ● Social housing units : 30% of the portfolio (in relation with the flagship Programme "100.000 logements", the housing component of the Plan Senegal Emergent) ● Economic housing units: 20% of the portfolio ● Middle – standing housing units: 50% of the portfolio
Key Figures	<ul style="list-style-type: none"> ● Target Fund Size: Euro 648 million to be financed ● 21,000 housing units to be financed in the short term ● 147,000 people to be impacted
Expected collaboration	<ul style="list-style-type: none"> ● Sponsorship of the vehicle through co-investment
Execution timeline	<ul style="list-style-type: none"> ● First financial closing : Q3 2022 ● Signing and financing of first rent-to-own contracts : Q4 2022