European Bank Injects R2bn Into SA Housing

ubuntumagazine.co.za. November 9, 2013. The European Investment Bank (EIB), Europe's long-term lending institution, has agreed to provide a further R2 billion (EUR €150 million) for investment in affordable and social housing in South Africa.

The new programme will be managed in South Africa by four local partners – two public development finance institutions and two commercial banks – who have already identified a pipeline of development projects that would deliver approximately 23,800 new housing units.

The first of the four loan agreements were signed in Johannesburg by Pim van Ballekom, European Investment Bank Vice President responsible for sub-Saharan Africa and South Africa, and representatives of Nedbank. Funding provided by the EIB to the four South African institutions will enable public and private developers to increase engagement in the affordable and social housing sector.
"Support for increased provision of affordable and social housing is essential for further economic and social integration in South Africa. The European Investment Bank's second programme reflects the goals of the country's National Development Plan 2030. Building on the success of the previous engagement; it uses the same model of fruitful cooperation with local public and commercial banks to help stimulate financing for building new homes and upgrading existing ones across the country.
We recognise the special importance of improving housing for low-income South Africans as crucial to helping South Africa achieve economic and social integration and development objectives." said Pim van Ballekom, European Investment Bank Vice President. The European Investment Bank's engagement reflects the 2012 Financial Sector Code committing South African banks to promote a transformed, vibrant and globally competitive financial sector that reflects the demographics of South Africa and to direct investment into targeted sectors of the economy such as social and affordable housing.

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