

CONSTRUCTION

The Guardian
PROPERTY WATCH
 DISCOVER INFORM INSPIRE

BARCLAYS BECOMES 28TH MORTGAGE LENDER

By Property Watch Reporter

Barclays Bank Tanzania has joined another 27 lenders to provide mortgage services in the country by officially launching a secured product yesterday.

The bank said the mortgages will be offered at an interest rate of 19 per cent. The loans are specifically for the acquisition of finished or readymade houses and equity release.

"This secured product is offered to salaried customers and has a maximum ticket size of 500m/-," Barclays said in a statement.

The latest Tanzania Mortgage Market Update report says there were 26 mortgage lenders at the end of last year compared to 19 in 2014. The 27th entered the market in the first quarter of this year, when total lending by the banking sector for the purposes of residential housing reached 374.5bn/-.

Currently there are 56 banks doing business in the country.



Barclays Bank Tanzania Marketing Manager, Joe Bendera (C) speaking to reporters during the launch of mortgage lending portfolio in Dar es Salaam yesterday. Others the Bank's officials. (Photo by Halima Kambi)

According to the central bank's report, the mortgage market registered a slightly higher growth rate of 4.2 per cent during the first quarter of 2016 as opposed to only one per cent recorded in fourth quarter of 2015.

As at December 31, 2015, total lending by banks offering mortgages amounted to 359bn/- billion, which was equivalent to US\$ 166.5 million. The Bank of Tanzania said that factors attributed to this increase included the increased

awareness on mortgage loans among borrowers as a result of various public awareness campaigns by banks.

Increased competition was also a decisive factor as new lenders entered the market, the Bank of Tanzania added.

Speaking to journalists at the Barclays Bank Tanzania head offices, the Head of Products & Business Strategy, Oscar Mwamfwagasi, said the loan will be secured by the property acquired.

"We would like to inform all our exist-

ing and new customers of the mortgage loan product which will enable them to own a property within the urban residential areas that the loan will then be secured by property being purchased," he noted.

Mwamfwagasi further stated that customers would enjoy flexible payment periods of up to 20 years.

"The mortgage loan's tenure will range from a minimum of one year to a maximum of 20 years. In order to qualify one would need to route at least six months' salary via Barclays account or submit a minimum of 12 months bank statement for review on non-Barclays customer applications. Customers would be required to cover Life and Property Insurance together with the transfer costs" Mwamfwagasi commented.

He also said that Barclays Bank Tanzania enables its customers to achieve their ambitions in a right way by listening to their needs. "We always put our customers at the centre of all we do".