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KSA: NEW MORTGAGE FINANCE COMPANY WITH \$ 533 MILLION CAPITAL



The Islamic Corporation for the Development of the Private Sector (ICD), a member of the Islamic Development Bank Group, announced that its accumulated SR 500 million [\$133 million] for the new home financing company that is expected to begin operations in the coming July. Mr. Khaled Al-Aboodi, CEO of ICD, announced that approximately SR 500 million [\$133 million] has been provided after the Public Investment Fund's [part of the Ministry of Finance] approval and confirmation for the provision of SR 400 million [\$107 million] representing approximately 20% of the capital of SR 2 billion [\$533 million]. The Islamic Corporation for the Development of the Private Sector (ICD), a member of the Islamic Development Bank Group, is currently attracting founding sponsors for the new home financing company and are scheduled to close remaining investments by the end of February 2010. The CEO of ICD announced that he is currently meeting with a number of potential investors especially major real estate businesses in Saudi Arabia and some of the trade families to convince them to enter into the company. He confirmed what makes this company unique is its administration that is handled in full by Capitas – the American company specialized in real estate and real estate financing. Considering the set up of a company with a very high capital prior to the official announcement of the real estate finance mortgage law, Mr. Al-Aboodi commented that they are continuing with the project. After conducting, a number of studies that confirmed the success of the project based on the market's need for residential housing units in Saudi Arabia even before the announcement of the new regulations / laws; because they will be depending on financial support that is approved by Sharia and will be implementing the project in various regions of the Kingdom. The coming period will witness inclusion of the founders interested in taking part in the IPO for the company's capital for the company's launch by the end of 2010. The new Mortgage Finance Company is working on the development of designing new programs and products for ease of home ownership by building bridges between the real estate development companies and the buyers.