

Rent scheme benefits 1,492 tenants

• **GH¢19m disbursed to 6 regions**
— Housing Minister



• Francis Asenso-Boakye —
Minister of Works and Housing

By Michael Quaye

THE National Rental Assistance Scheme, set up to address the age-old challenge of rent advance payments, has disbursed GH¢19 million to support individuals to pay for rent advance in six regions.

The scheme, since March last year, has supported 1,492 beneficiaries as of January 31 this year.

On the average, the scheme

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supports over 200 beneficiaries a month with an average monthly rent of GH¢500 per beneficiary, renting for two years.

The Minister of Works and Housing, Francis Asenso-Boakye, who disclosed this to the *Daily Graphic*, said the rent assistance scheme was set to go nationwide after its successful implementation in six regions over the past year.

He said the current 1,492 beneficiaries of the

scheme were across the Northern, Bono East, Greater Accra, Eastern, Ashanti and Western regions.

Mr Asenso-Boakye said the government was committed to ensuring that every eligible Ghanaian could access the scheme and the flexible rental regime it provided.

He said the government had, accordingly, made a commitment to make annual budgetary allocations to support the expansion of the programme to the entire 16 regions after providing the initial seed capital.

The Vice-President, Dr Mahamudu Bawumia, launched the scheme on January 31, last year, to address the significant challenges in the middle to low income housing market in Ghana, which is in deficit of about two million.

The minister, who is also the Member of Parliament for Bantama, said the scheme "seeks to specifically address the age-long challenge of rent advance payments in the rental housing space".

"As governments, past and present, continue to institute policies to address other challenges in this housing sector, the current administration, through an already existing rental process of 'renting and subletting' instituted the National Rental Assistance Scheme which by all measures, is tackling and eliminating the need for rent advance for beneficiaries," he said.

He added that ultimately, the gains achieved through the implementation of the policy

would complement government's efforts to achieve Target One of the Sustainable Development Goal 11, which seeks to ensure access to adequate, safe and affordable housing and basic services by 2030.

Mr Asenso-Boakye said as a novel initiative, the scheme had emerged as "a viable solution to Ghana's rental housing challenge".

How scheme works

The scheme is intended to serve as a bridge between landlords and tenants to satisfy the interests of both parties, and minimise any

risks for them.

Those who apply to the scheme are expected to self-identify a property and notify the scheme through an online application process.

The applicant will have to submit a bank statement covering the most recent three months, payslips covering the most recent three months salaries, if the applicant is in the formal employment space or a mobile money transaction statement, and his or her Ghana Card.

Once the application is reviewed and approved, the scheme assesses the property and concludes all negotiations with the property owner, rents the property and sublets it to the applicant.

The applicant then pays the rent back in monthly instalments, with a 12 per cent annual interest.

The scheme has enrolled an average of more than 248 beneficiaries in each of the six regions where it is currently being implemented.

To qualify, the monthly rent of

the applicant's preferred accommodation must not be more than 30 per cent of the monthly income of the applicant.

Successes

The Scheme Manager, Richard Achampong, said in spite of teething challenges, the scheme had proven a major intervention to otherwise desperate members of the public.

The scheme, he said, had made maximum recovery from all beneficiaries, with none defaulting in redeeming their repayments even for a month.

"To date, beneficiaries of the scheme have all abided by the terms of their agreements with the scheme, and have all made the expected monthly payments back to the scheme," Mr Achampong said.

The scheme manager added that the scheme had had to strike out fraudulent applications filed with suspicious documents, including fabricated bank statements and payslips. "We have a robust system to ensure that applications that go through are fully deserving and without questions. Any slips that can cause any form of losses to the scheme would deny other people the opportunity to access the scheme," he added.

Beneficiaries

Four beneficiaries of the scheme, who spoke to the *Daily Graphic* separately, said it had been the best accommodation renting experience of their lives.

Stephen Nandi Nawugma, who works with a state agency, said the scheme "is a saviour for life beginners", indicating that "the seamless process is a relief unimaginable".

He said a year's advance for his current rent of GH¢700 a month for a two-bedroom apartment at Kasoa would have been difficult to find under the emergency condition he found himself.

"I was fortunate to have found

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the scheme just at the right time," he said.

Adama Ayuba and Akua Edem, both of whom work with private entities within the Tema enclave, said they initially doubted the scheme until they began the process.

"I didn't know where to turn when I was confronted with the accommodation issue about five months ago. The rent is GH¢500 a month, meaning I needed GH¢12,000 to pay a rent advance for the years the landlord was demanding," she said.

"They also scrutinised my background to check if I was genuine, and it didn't take long for them to complete the checks. When they were finally satisfied with everything, they paid for my accommodation, and I've a bank standing order that clears my month reimbursements" she added.

Ms Edem said the scheme intervened to retrieve her rent from a previous landlord, and when she found an alternative accommodation, the scheme paid for it, giving her the flexibility to repay the rent on a monthly basis.

A fourth beneficiary, who requested not to be named, said the scheme "is a real cushion" for the youth, citing his GH¢1,000 a month rent that needed GH¢24,000 for a two-year rent advance.

Scheme origin

The scheme was set up as a measure to contain the rent regime where property owners demand rent advance for between a year and three years from prospective tenants.

With an estimated deficit of two million housing units across the country,

accommodation renting has been a lucrative business for property owners but a crushing drain for tenants.

Limited land supply, the cost of capital, rising cost of building materials, dependence on high-priced imported building materials, displacement of residential functions for commercial land uses, and poor investment in infrastructure supply, among others, have all contributed to substantially drive up the cost of housing developments, limiting the supply of housing while outpricing a significant section of the populace.