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Investing: Largest African Sustainability-Linked Real Estate Debt Arranged

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Investing



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Grit Real Estate Income Group has raised \$306 million in sustainability-linked debt in the largest real-estate industry transaction to date in sub-Saharan Africa (excluding South Africa). The lower rates on the term loan and revolving credit facility, which was arranged solely by Standard Bank, are linked to the Group's ESG, carbon-emissions reduction and gender-equality targets. The Group intends to utilize the proceeds both to replace existing debt and to fund a re-development project in Senegal.

Grit's CEO, Bronwyn Knight, stated: "By refinancing almost all of our existing debt exposures into a single sustainability linked facility, we are streamlining our loan management process and bolstering our commitment to our ESG targets, including carbon-emission reduction and gender equality."

Taking the Temperature: This deal is significant in continuing to show the growth of sustainability-linked financings in developing markets and, in particular, Africa which is on the front line from a climate challenge perspective and has lagged behind other markets demand-wise. Whilst 2022 has presented tougher market conditions for issuers across the board, banks in the region continue to increase their focus on offering a larger number of sustainability-linked and other green products however there remains significant room for growth – one would hope this transaction presents an opportunity for lenders to further promote this market to local participants.