



## ECONOMIC ASSOCIATION OF NAMIBIA HOUSING SYMPOSIUM



*An eco-system for affordable housing finance: A blended approach...*

30 March 2022



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## General Components of Eco-System

1. Suitable Terrain/Land
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MANAGEMENT SERVICES



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INVESTMENT PROPERTY FUND



# Eco-System in the Delivery of Affordable Housing



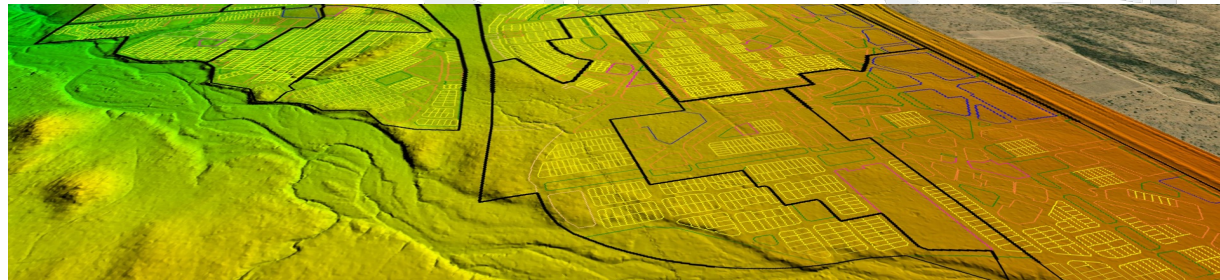
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Basic requirements for financial viability of affordable housing



# 1. Suitable Terrain/Land

- Land Cost
- Topography
- Geology







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## 2. Proximity to existing bulk supply networks

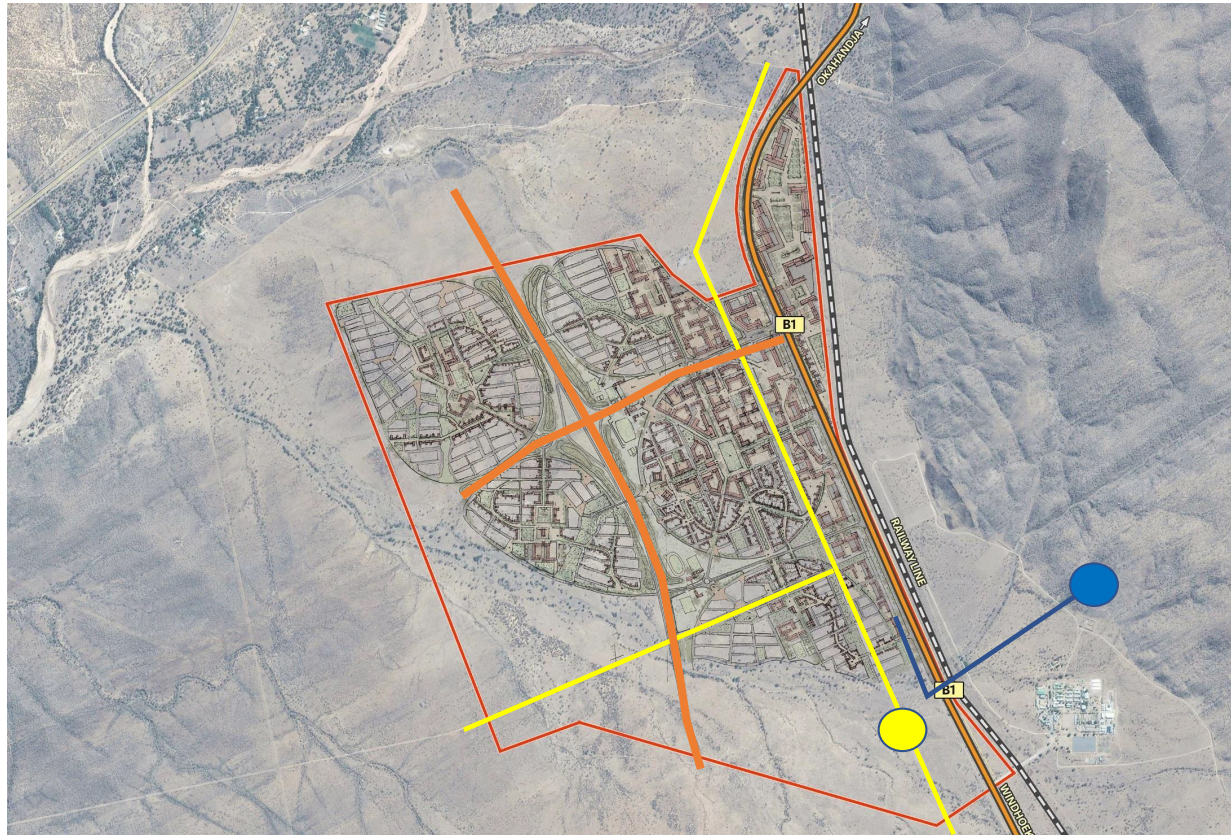


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- Water
- Sewerage
- Energy
- Drainage
- Transportation – Roads/Railways/Airports
- Improved utilization of resources – efficient and just use
- Collaborative approach by stakeholders (i.e. GRN, SOEs, Regulatory Agencies)



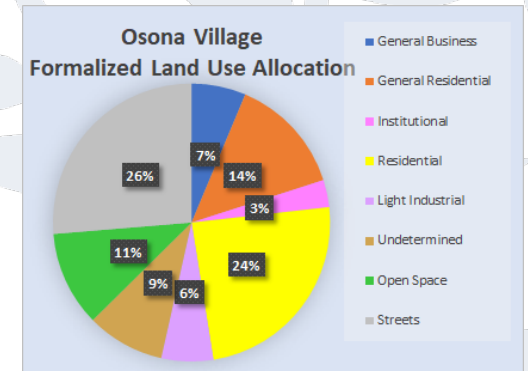
## 2. Proximity to existing bulk supply networks...(cont.)





### 3. Formalization program

- Optimization in town planning – relative land use allocations, density
- Accelerated procedures for statutory consents
  - Role of Local Authorities
  - Limit in number of erven per township
- Bulk supply of formalized land – large master plan, land bank



Land Use	Number of Erven	Total Area (m <sup>2</sup> )
General Business	76	438686
General Residential	276	948208
Institutional	32	218598
Residential	3915	1675759
Light Industrial	66	418785
Undetermined	20	629099
Open Space	158	765562
Streets	39	1818988
<b>Total</b>	<b>4567</b>	<b>6913685</b>

## 4. Construction Program

- Incremental capacity development of bulk components
- Servicing of erven in small batches
- Always order/install just in time
- Infrastructure Cost Optimization use of Turnkey Contract (i.e. Fidic Silver Book Contract)







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## 5. Effective Management

- Transition from control by developer to control by local authority (community)
- Development standards (site development approvals) and efficient municipal maintenance to protect property values/investment
- Utilize diverse **local SMEs** for building of houses

## 6. Financing

- Affordable ROI due to
  - key investors with priority of Social Impact
  - ESG Compliance
- Patient Capital
  - Due to time elements of land formalization and municipal infrastructure
- Intermediate mortgage funding for sectional title developments
- End User Bond Finance by commercial banks and mortgage originators



## 7. Multiplier Effect

<b>PIPF Direct Economic Impact</b>			
<b>Investment Region</b>	<b>Exposure (N\$)</b>	<b>Registered Home Bonds Value (N\$)</b>	<b>Financial Economic Multiplier</b>
Coast	14,000,000.00	115,700,000.00	8.264
North	9,000,000.00	142,500,000.00	15.83
Okahandja	90,000,000.00	869,000,000.00	9.66

Thank You for Your Attention.

