

no-one has considered the needs of the 'missing middle' — the 3,7m households that can afford a house between R130 000 and R500 000."

The households in this band cannot afford the luxury offerings of high-end residential housing, nor do they qualify for subsidies. And yet, if anything, this market segment is set to grow with the effect of changing market dynamics. "Simply put, South Africans will require literally hundreds of thousands of affordable housing units near urban employment sites, and this demand is unlikely to diminish any time soon," Stroebel says.

Not even in the face of softening markets? "Especially under present market conditions," she says. She points out that the economic downturn, perversely, works in favour of mid-income households in search of housing. "As with any other commodity, the greater the demand, the higher the price," she says. "Just 10 months ago, the industry was dominated by developers all seeking the same land, while banks were all targeting the same developers. This, inevitably, drove land prices ever higher."

That's before the land was serviced and top structures built, with the result that

## A global force

**Just as it has done** in many other parts of the world, International Housing Solutions is set to have a huge effect on SA's housing industry.

The company has its roots in a joint venture between Eurocape, a property development and investment company in Ireland, and Municipal Mortgage & Equity (MuniMae) of the US. Internationally, IHS has gained noteworthy experience in the US and UK housing markets.

IHS's experience in the international

R960 000 was considered an average house price — well beyond the reach of the midrange buyer. "Though the market's turn has proved painful for many, it has brought down the premium paid for land — which means that low or mid-income households are faced with more options and opportunities.

"All told, we feel our confidence in SA has been handsomely repaid, and we're

arena, along with the pedigree of its parent companies, ensures it is well placed to answer SA's housing challenges. Eurocape, for example, has a track record of investment in this country, having contributed funds to the regeneration of the Cape Town inner city through the support of projects like the renowned Mandela Rhodes Place.

MuniMae, meanwhile, has gained an enviable reputation as one of the leading sponsors of affordable housing investments in the US.

"Our learning overseas is being applied in SA to great effect," says IHS MD Soula Proxenos. ■

more pleased than ever by the country's prospects," says Proxenos.

"We have raised more than US\$220m, from foreign and domestic investors, for the recently launched SA Workforce Housing Fund. These investors share our enthusiasm for the prospects of SA and the financial rewards that are possible for servicing the low and moderate residential market." ■