



Soula Proxenos, managing director of International Housing Solutions



Elize Stroebel, country director of IHS South Africa



Donna Oosthuysen of Citi

IHS receives R150 million for affordable housing development

International Housing Solutions (IHS), which launched a South Africa Workforce Housing Fund with R1,7 billion in capital, has received R150 million additional investment from Citi in South Africa.

The South African Workforce Housing Fund, which is managed by IHS, was set up to invest in housing for rent and sale to low and moderate-income families to meet the growing demand for affordable housing in the country.

Soula Proxenos, managing director of IHS says its global funding includes US\$95 million from a North American pension fund and a US foundation endowment, as well as up to US\$80 million in participating debt from the US. Overseas Private Investment Corporation (OPIC) in addition to R210 million from the Development Bank South Africa. The latest investment from Citi adds further capital which could fund an estimated 30 000 homes in South Africa.

Donna Oosthuysen of Citi says the funding is for equity financing in South African projects in areas where gaps or backlogs in economic development and job creation have not been adequately addressed by financial institutions and is part of the group's commitment to empowerment in South Africa.

"By joining hands with IHS we can assist in various roles of financier, advisor, partner, implementer and integrator and

help mobilise finance and expertise for development projects that are aligned with the intent of the Financial Sector Charter."

Elize Stroebel, country director of IHS SA, says South African based developers have had difficulties in obtaining equity finance to make large-scale affordable housing developments viable – for both themselves and home buyers.

"This has acted as a big impediment to the involvement of the private sector in affordable housing.

"To bridge this gap, IHS involves equity investors, amongst others. We are committing our own capital, as well as that of international and domestic investors like DBSA and Citi, to help finance affordable housing projects in the form of equity," she says.

Stroebel says the downturn in the property cycle has created excellent opportunities for lower income housing.

"We have a number of fantastic developments under way including the Greatermans rental project in downtown Johannesburg which is set to launch soon, as well as projects in Springvalley in Pretoria and Carnival City in Gauteng which are both set to come on stream in the next few months". ■