

US fund eyes African market

OPPORTUNITY: *Good prospects in SA for housing funds*

A US-BASED private equity fund plans to double its investments in South Africa by year-end as it seeks investment opportunities across Africa during the global economic downturn.

International Housing Solutions (IHS) is a private sector fund targeting lower to middle-income earners and doesn't partner with government except in certain projects.

The fund shares in the profits of housing projects by giving money directly to private developers, allowing them access to bigger bank loans at reduced borrowing costs.

SA offers some of the better prospects to specialist housing funds because millions live in tin and iron shacks.

Active in SA since 2006, IHS has injected R500 million into building affordable houses and hopes to invest in other African countries. Affordable housing projects could offer big profits.

"International investors, who are under-exposed here, are very attracted to the opportunities that affordable housing in Africa presents," Soula Proxenos, IHS managing partner, said.

"We hope to find projects in Africa, mostly in South Africa, where we will invest in excess of R1,5 billion in the next 18 to 24 months... and we intend launching a successor fund that will be pan-African, in the region of about \$400 million." – Reuters.

