



## **THE BANK OF PUNJAB AND REALL UK SIGN MOU FOR PROMOTION OF LOW COST HOUSING IN PAKISTAN**

With a housing backlog of 9 million homes and an annual housing shortfall of 270,000 homes, the need in Pakistan is huge. Besides the shortage of available housing, inflation and the rising trend in prices make home ownership even further out of reach for the average Pakistani each year. Housing finance in Pakistan is notably underdeveloped, only 1,500 new mortgages are extended annually, and the large majority of these are offered to borrowers living on middle and higher incomes.

Promotion of Low Cost Housing is a key pillar of the Bank of Punjab's strategy and mission. As part of its mission to promote and provide low cost housing in Pakistan, the Bank of Punjab and Reall Limited, UK have signed a Memorandum of Understanding. The MoU was signed by Mr. Patrick Domingos-Tembawa, Director of Operations and Investment, Reall Limited and Mr. Asif Riaz, Group Head Retail & Priority Sectors Lending, the Bank of Punjab.

Reall are innovators and investors in affordable housing funded by the UK Aid and Swedish International Development Agency (SIDA) and work with local developers in Asia and Africa to create scalable low cost sustainable housing projects. Reall has been operating in Pakistan since 1992 but since 2014, has invested around £20million in the Pakistan affordable housing sector. Through Ansaar Management Company (AMC) headed by Jawad Aslam, Reall has financed housing projects in Faisalabad, Lahore, Multan and Peshawar and Reall is now investing in two additional new partners. EPL, a Lahore-based firm headed by Raza Khan delivering mid-rise high-quality affordable housing and ModulusTech, a Karachi-based green build-tech start-up headed by Nabeel Siddiqui

Under this MoU, the Bank of Punjab has joined hands with Reall to finance builders and developers of low cost housing projects for speeding up and scaling the supply of affordable homes in the country.

The Bank will also provide loans to the prospective low income buyers of these housing units at subsidized rates under the State Bank of Pakistan's Mark-up Subsidy Scheme for Low Cost Housing as part of the

Government's agenda to promote the Housing & Construction Industry and provide affordable living to the masses.

Mr. Zafar Masud, President & CEO of BOP said on the occasion that this alliance will go a long way in promoting the efforts of SBP and NAPHDA/GoP in extending mortgage financing for low cost housing to the much needed borrowers in the informal sector. This collaboration will not only help in achieving the affordable housing inventory requirement but also gaining the expertise in this sector from the best in the world.

Reall's Head of Operations, Ms Emma Ahmed, stated in response that it is a great privilege for Reall to work with the Bank of Punjab to develop the affordable housing ecosystem in Pakistan. Together we will prove the viability of lending to the informal sector, and deliver sustainable affordable housing at scale in a way that is deeply impactful and genuinely commercially viable. This will transform the affordable housing market for the better in Pakistan, while setting out a blueprint for other markets across the globe. Together, we can unlock a huge untapped market opportunity for the private sector and improve the life chances of millions of people on low incomes.