



### PROGRESS SO FAR:

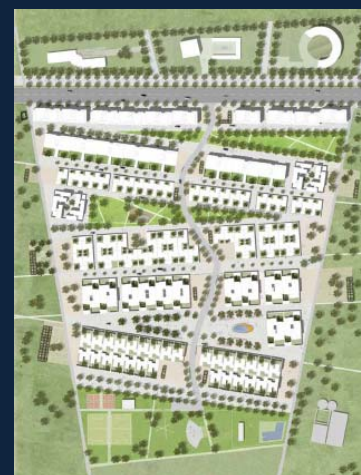
- Acquiring 1500 acres land with present market value of \$30 Million
- Project design & detailed feasibility study is underway.
- Received a letter from OPIC (Overseas Private Investment Corporation) that declares their intent to fund our program with the following:
  - 65% of construction fund (ca. \$125 M) US-government loans
  - 75% of mortgage fund (75% of retail sales price of the house)
  - No personal guarantee required
  - Allows for stacking of loans
  - Allows project phasing
- Have received a letter from FMO (Netherlands Development Finance Corporation) that declares their intent to fund our program with the following:
  - 100% of infrastructure financing
  - 15 year term
  - Return through innovative mechanisms (allows removal of infrastructure costs from the Construction fund)
- Have received a grant from each, the US Trade & Development Agency (USTDA) and FMO to carry out the feasibility study and design of the project.
- Have access to OPIC's political risk guarantee that protects the investment against losses due to war, civil strife, expropriations, transfer restrictions and breach of contract.

**Part of the New Kabul Project, a City for 3 Million people**

*IHF's project is part of the New Kabul project, which will be home to more than 3 million people. A city with modern access to infrastructure and services and built per state of the art urban design concepts.*

# Afghanistan Housing & Mortgage Initiative

**A 10,000 unit environmentally sound mix use community for 70,000 people in the outskirts of Kabul offered with 20-year mortgage**



## Housing: The Greatest Need In Afghanistan

Following nearly 3 decades of war, civil war and destruction, housing is considered one of the top priorities of returning refugees, resident population and newly established households. Based upon growth rates, and without a concerted building effort, millions of houses will be needed to meet the ever increasing demand. At present, the following housing challenges exist:

- Shortage of more than 1 million housing units.
- More than 70% of the units in Kabul consist of informal housing, without any infrastructures such as roads, sewage, water supply, electricity, etc. The government plans to relocate the population to better planned housing with adequate infrastructure.
- More than 57% of the population is under the age of 18.
- Iran is in the process of expelling more than 1 million refugees, who are expected to settle down in urban centers across Afghanistan, thus enhancing the strain on existing housing conditions.

- Pakistan has expressed its intentions to expel more than 2 million Afghan refugees over the next 3 years. Most of these refugees will return to urban centers, thus further increasing the strain on Afghanistan's housing condition.

Lack of housing is expected to be a significant cause for increased poverty, low quality of life and civil unrest over the next decades. The government has recognized this significant social issue and has taken steps to encourage construction of housing complexes in various parts of the country. Some private investors have also built high rises in Kabul and other provinces. However, because of lack of a mortgage program, those houses have been left mostly unoccupied. The most significant projects are in the outskirts of Kabul city. One such project is the creation of a new city, called "New Kabul", for which the master plan has been developed and formal work has already started. This new city is located north of Kabul and expected to house a population of more than 3 million. The government has also committed to provide land to developers that will invest in providing adequate housing.



## International Home Finance & Development, LLC (IHFD)

### Mission Statement:

In many parts of the world, the housing stock is inadequate to meet the needs of rapidly growing populations and increasing urbanization. In addition, home ownership is a primary means of achieving financial security and social stability. The lack of mortgage financing in much of the world presents an insuperable obstacle to increasing the supply of housing and widening opportunities for home ownership. The mission of IHFD is to ensure that more affordable housing for low- and moderate-income households becomes a reality in various parts of the globe, adequate and affordable mortgage home financing means and assistance is provided to those that require it, and improved economic opportunities for these citizens are brought about.

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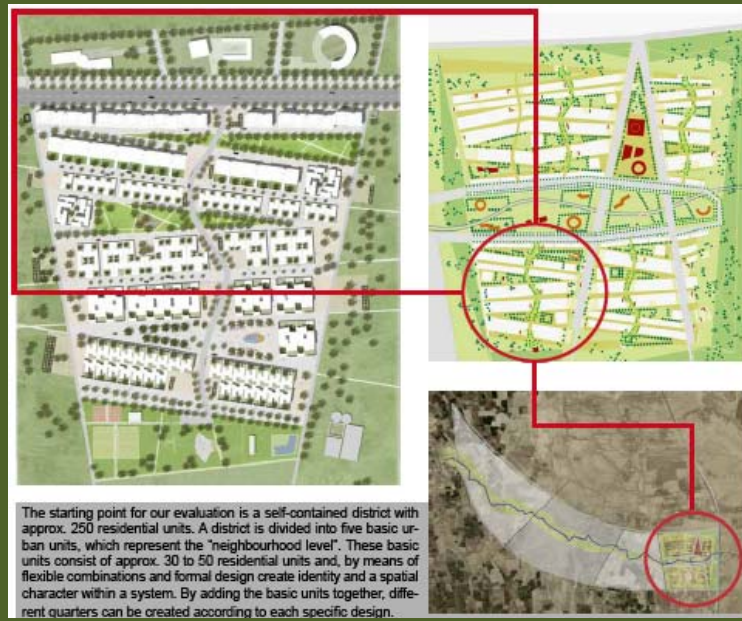
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## HOME OWNERS' ASSOCIATIONS ENSURE SUSTAINABLE LONGTERM MANAGEMENT OF THE COMMUNITY

### Home Owners Manage Their Own Community

Homes are built in clusters of 200 units and sub-clusters of 20-30 units. Each cluster is then organized into a Home Owners Association (HOA). Every home owner pays a monthly HOA fee, as part of their monthly mortgage payment. The HOA fees are used to cover the cost of operations of the HOA. The HOA has full time staff and is responsible for management the common spaces shared within these clusters. HOA regulations and bylaws shall govern the operation and management of the HOA.

All HOAs in the community shall then be organized into a parent HOA, which shall ensure that the quality of life throughout all of the HOA's remain comparable. IHFD through its dedicated staff shall be responsible for ensuring that all HOAs are equipped with the proper capacity to manage their communities efficiently and to maintain a minimum standard of living for the home owners and residences of the city.



The starting point for our evaluation is a self-contained district with approx. 250 residential units. A district is divided into five basic urban units, which represent the "neighbourhood level". These basic units consist of approx. 30 to 50 residential units and, by means of flexible combinations and formal design create identity and a spatial character within a system. By adding the basic units together, different quarters can be created according to each specific design.

## Building Sustainable Communities in Afghanistan

*Making homes affordable and accessible to young middle income households is the aspiration of every responsible developer. With this project IHFD will be a pioneer in providing affordable homes for middle*

International Home Finance & Development, LLC (IHFD) has designed a project to build a 10,000 unit strong mixed use housing community comprising 5,000 apartments, 3,000 townhouses and 2,000 high end single family dwellings in the outskirts of Kabul City and offer them with 20 year Sharia compliant mortgage to middle and higher income households. IHFD is in the process of negotiating the acquisition of more than 1500 acres of land through the Deh Sabz City Development Authority (DCDA) for implementing the project. The people of Afghanistan are familiar with 20 to 30 year mortgage programs. The Karte-Mamourin project was built in the 1950s by Ministry of public works for their employees and sold with 30-year mortgages, while the Micro-Rayan project was built in the 1970s for the general public with 20-year mortgages. The houses will be built within a full service community that offers power, sewer, water supply, roads and other infrastructural needs. The community will provide waste management, education, healthcare and income generation services through a network of facilities and centers within the community. The creation of commercial and industrial parks will further enhance employment, entrepreneurial and commercial enterprise opportunities for the residents and will positively contribute toward sustainable development of the community. To implement such a challenging and forward looking project, a series of strategic partnerships have been established with government ministries, national and international NGOs, international corporations, local construction companies and businesses, international agencies and governmental, intra-governmental and non-governmental donors as well as local and international financial institutions. The apartment homes and town houses shall be affordable enabling middle income households to own a home in 20 years. IHFD will require an investment of \$50 Million to initiate this promising and rewarding project. Construction shall be in 4 phases with the first phase financing the investments of the second phase and so on.

## BUILDING ENVIRONMENTALLY SOUND COMMUNITIES

IHFD will build only green communities. These are communities that primarily use environmentally sound technologies in construction. These communities use renewable energy such as wind, solar and biogas for meeting its energy needs. The sewage system enables environmentally sound recycling of waste water for irrigation purposes. Solid waste management system follows responsible recycling systems. The city has significant percentage of green spaces and minimum flow of traffic through residential areas. The communities are socially friendly and supportive of low to middle income households by offering affordable homes, while enabling a good mix of income levels to prevent ghetto building. Social involvement and grass root management of the communities enable democratic governance.



## SHARIA COMPLIANT MORTGAGE

*Culturally viable options are made available to home buyers*

*Using the Murabaha and the Ijara system, IHFD will offer the houses and apartments with 2—year Sharia compliant mortgage to the home buyers. Thus profitability shall be ensured while culturally viable financing of the home buying experience is facilitated.*

*IHFD's dedicated home mortgage company, named International Home Capital, LLC, shall purchase the homes from the developing arm at whole sale prices and mark them up to be sold with 20-year term loan. Thus the transaction will be a Sharia compliant transaction of good (home) against cash.*

*In the Ijara model, the home buyer is allowed to rent the home but pay a certain percentage to International Home Capital, LLC above the market rental fee to cover the cost of purchase of the home in 20-years.*

*These systems have been successfully introduced in other countries but will be launched in Afghanistan for the first time.*