INFRASTRUCTURE, HOUSING & SME FINANCE DEPARTMENT

Quarterly Housing Finance Review

January-March 2012

The Infrastructure, Housing & SME Finance Department of State Bank of Pakistan presents its Quarterly Housing Finance Review for the quarter ending December 31, 2011.

This review contains data on housing finance, collated on a periodic basis from public sector banks, private banks, foreign banks, DFIs and House Building Finance Company Limited (HBFCL). It portrays trend of different parameters like disbursements, outstanding and recoveries. Some news pertaining to housing & housing finance are also presented in it.

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Disclaimer:

IH&SMEFD acquired housing finance data for the first time through Data Acquisition Portal (DAP 4), to prepare this review,. Therefore, there might be minor discrepancies in data. However, the data was filtered through strong checks to ensure its reliability.

Contents

State of Housing Finance

In Pakistan, rapid urbanization has become a challenge for increasing number of people. Studies indicate that lack of finance from a formal source is primarily a supply-side problem. Most of the housing finance is arranged through personal resources. The formal financial sector caters to only 1 to 2 percent of all housing transactions in the country, whereas the informal lending caters up to 10-12% of such transactions. Presently, the formal financial sector provides housing support through two major sources namely the Government owned House Building Finance Company Limited (HBFCL) and private commercial banks.

The property development industry suffers from low public confidence. Financial weaknesses and the absence of clear, uniform and fair business practices have affected its credibility contributing to the reluctance of financial institutions in providing development and construction finance. There is a strong need to strengthen the property titling and land administrative procedures including improvements of the legal provisions, standardization of processes, and computerization of all relevant revenue records. These steps will enhance the financing by the formal sector. Weakness in the existing legal framework also impedes the financing opportunities of the formal financial sector. Though the Financial Institution Recovery Ordinance, 2001 empowers the financial institutions in case of default to foreclose a mortgage property without recourse to the court of law, lack of full implementation of the recovery law in its letter and spirit dilutes its effectiveness in protection of rights of the respective parties, i.e., the financial institutions, mortgagors, landlords and tenants, thus needing a major improvement.

Although the regulatory framework for land registration and transfer regime exists in Pakistan, the process by which land is acquired and registered is cumbersome at times, because of number of institutions and registration procedures required to execute property transactions. Land records are manually maintained leading to errors and omissions and resultantly they have modest commercial value for the mortgagee financial institutions especially in rural and some urban areas. The lack of efficient and reliable system of ascertaining the bona-fide of property titles has forced banks to limit the access of housing finance to a certain number of urban localities within the urban centers.

National and local master plans for town planning and housing facilities are either inadequate or poorly enforced, which lead to inefficient allocation of land and uncontrolled urban development. Lack of transparency and accountability in the planning process also give opportunities to land grabbers/mafias to have valuable inside information as to future infrastructure developments or to be able to influence such plans so that value of its land increases. Over-restrictive building codes and laws on subdivision limit the efficient use of urban land and increase the price to consumers, especially in zones having relatively higher prices of lands in high land price zones. Moreover, the large scale projects often get delayed due to failure of utility companies in connecting new housing developments in time.

The “property valuers” have professional conduct requirements that were established by SBP and the Pakistan Banks’ Association (PBA), whereas majority of real estate builders and developers are working as sole proprietorships or partnerships with limited capital and informal corporate governance structures. Absence of sound governance structure within the housing developer industry creates lack of good practices, illegal construction, unreliable building permits, and legally unprotected advance purchase of units that are required to be built in future. The unstructured and unsupervised nature of business of real estate brokers/ agencies, which could serve as natural arrangers for the provision of financial services, is also a significant constraint to the provision of housing and housing finance. Consequently, it is difficult for financial institutions to verify the character, capital, and capacity of potential clients. Risk assessment and portfolio valuation is also fragile, which is another factor for the lenders’ extreme caution for transaction initiated by these venture. As a result, financial institutions are reluctant to enter this market, which in turn causes scarcity of finance and constraints in the supply of housing. In the absence of the formal arrangements between the housing developers/real estate agents etc and financial institutions, the protection of individual purchasers remains limited as the market is dominated by cash transactions with limited availability of systematic information in a transparent manner. Without using a strong regulatory authority to enforce corporate governance and allied standards for this stratum of business entrepreneurship, the quality of availability of housing facilities across population spectrum will not improve.

At present, 27 commercial banks, House Building Finance Company Limited (HBFCL), one DFI and two microfinance banks are catering to housing finance needs. HBFCL is the only specialized housing bank in the country, which has been providing housing finance to public since 1952. Commercial banks entered the mortgage business during 2003 contributing very small share in the housing finance system. Although HBFCL's share in the total housing finance has reduced in absolute terms, it is still the only institution that continues to cater to the lower-middle and low-income groups and enjoys the largest customer base. Recently microfinance banks have also started serving the lower-middle income groups.

After demonstrating a promising growth trend till 2008, the housing finance sector has recently been showing a declining trend. The gross outstanding reported by banks and DFIs (including HBFCL) as on March 31, 2012 was Rs. 58.55 billion declined by Rs. 6.88 billion as compared to Rs. 65.43 billion as on March 31, 2011 (a decline of 10.52**%**) and Rs. 59.38 billion at the end of December 31, 2011. The total number of outstanding borrowers has also decreased from 94,497 to 89,261 since March 31, 2011; showing a fall of 5.54% which was 2.34% decline when compared to December 31, 2011.

Approximately 766 new borrowers were extended house finance during the quarter (Jan-Mar, 2012), accounting for Rs. 1.61 billion of new disbursements. HBFCL accounted for 47.78% of these new borrowers and contributed 18.36% of the new disbursements equivalent to Rs. 296 million.

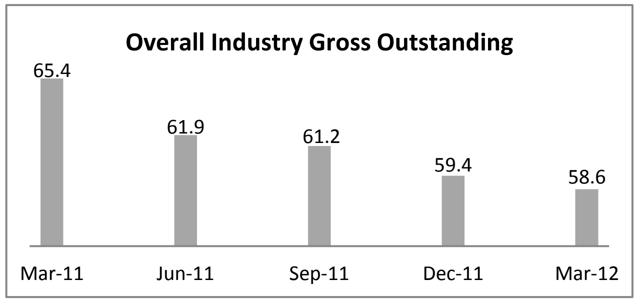
Financing for outright purchase continued to dominate financing for construction and renovation by comprising almost 56% share in gross outstanding portfolio. Outstanding portfolio for construction and renovation was 32% and 11**%** respectively.

Non-performing loans have increased from Rs. 18.93 billion (March 31, 2011) to Rs. 20.12 billion (March 31, 2012); a 6.3% increase over the year. The stock of NPLs as on December 31, 2011 was Rs. 19.07 billion. However; this rise in NPLs is not unique to housing finance and is only depicting the overall increase in NPLs of all sectors witnessed in the banking industry during the past year.

Major Trends

Gross Outstanding

Figure 1 (amount in Rs. Billion)



The total outstanding finance as on March 31, 2012 of all banks and DFIs stood at Rs. 58.6 billion, as compared to Rs. 59.4 billion as on December 31, 2011, showing a decrease of Rs. 0.8 billion (1.34%). Compared to the position as of March 31, 2011, outstanding of all commercial banks and DFIs collectively decreased by 11.93%.

Banking sector-wise total outstanding on quarters ending March 31, 2011 & 2012 are shown in Figure 2. Of the total outstanding as on March 31, 2012, commercial banks accounted for Rs. 45.28 billion; a 11.82% decline since quarter ending March 31, 2011. Private banks reported Rs. 28.4 billion followed by Islamic banks at Rs. 8.7 billion, public sector banks at Rs. 7.9 billion and foreign banks with Rs. 0.3 billion. The outstanding loans of HBFCL were Rs. 13 billion; down by 5.23% over the last year. Other DFIs have a meager share of Rs. 0.2 billion in outstanding loans.

Figure 2

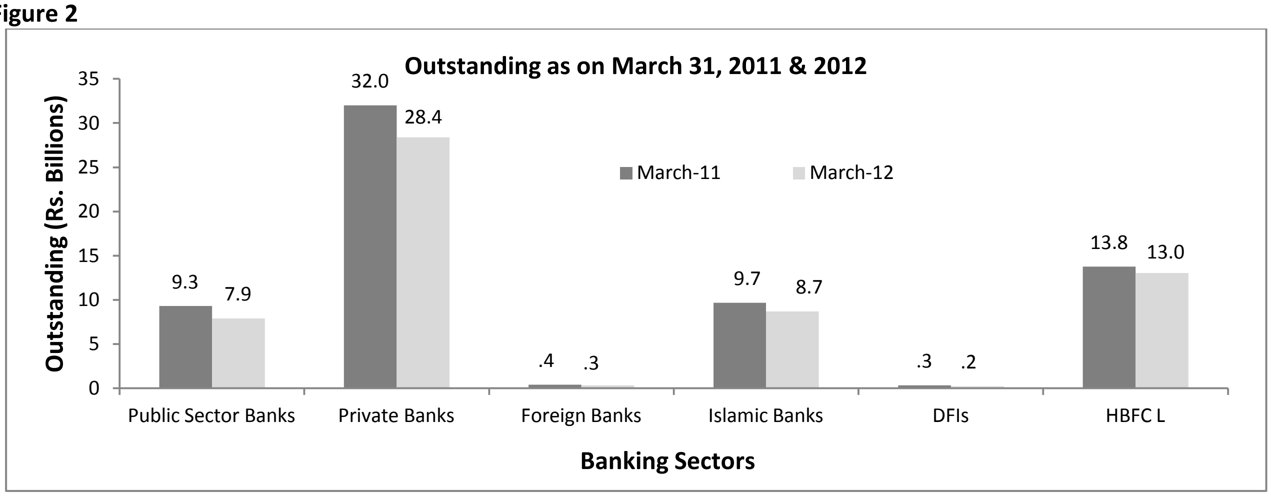
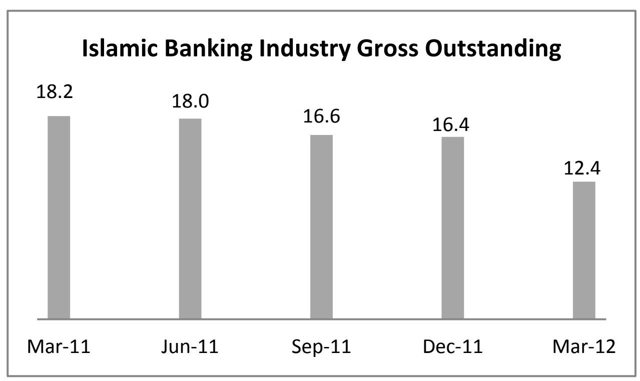


Figure 3 (amount in Rs. Millions)



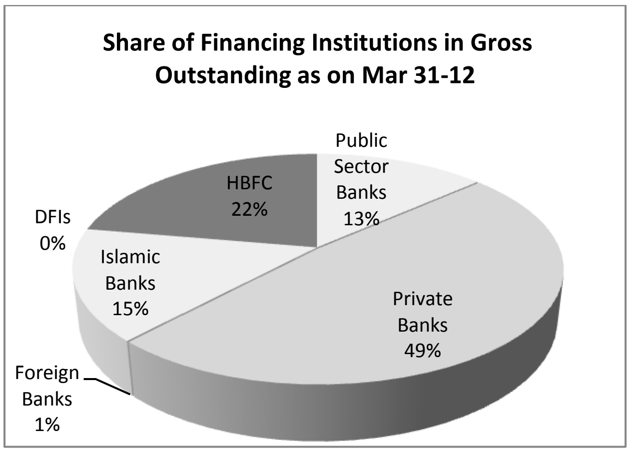
The total outstanding housing finance as on March 31, 2012 of Islamic Banking Industry (05 Islamic Banks & 12 Islamic Banking Divisions of Conventional Banks) stood at Rs. 12.4 billion. Compared to quarter ending December 31, 2011 (Rs. 16.4 billion), outstanding of Islamic banking Industry decreased by 24**%** as shown in Figure 3**.**

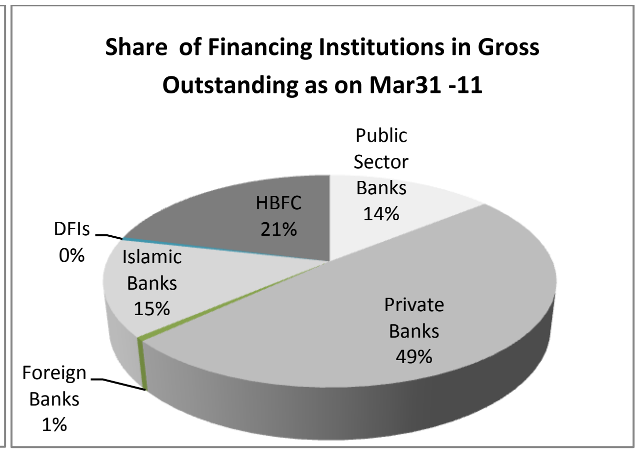
Of the total outstanding Islamic housing finance, Islamic banks accounted for Rs. 7.3 billion (1.4% decrease over the last quarter Oct-Dec - 2011). IBDs of conventional banks posted Rs. 2.86 billion (a 1.6% decline since quarter ending December 31, 2011).

Share of Banks

The overall market share (based on gross outstanding) of commercial banks (excluding DFIs) has shown slightest change of 1% decrease since last year, as 78%. In comparison to the quarter ending Jan-Mar 2011, there was a decline of 1% in overall market share of commercial banks (excluding DFIs). Within commercial banks, the share of Public sector banks in the total outstanding decreased by 1% from 14% to 13% and the share of HBFCL in the total outstanding increased by 1% from 21% to 22% over the year. The share of Private Sector Banks, Foreign Banks & Islamic Banks remained unchanged as 49%, 1% and 15% respectively over the year as shown in Figure 4.

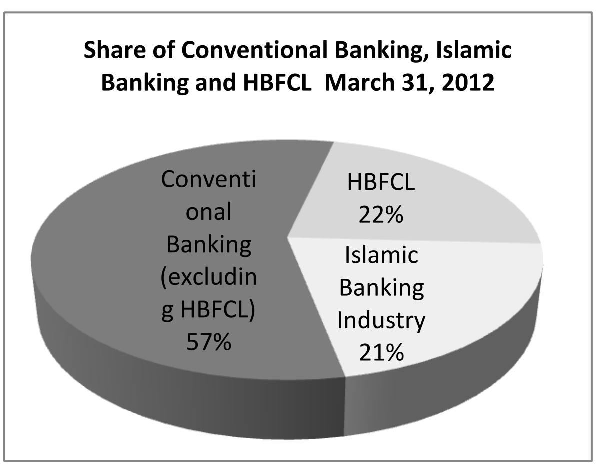
Figure 4: Share of Banks in Total Outstanding





The share of Conventional Banking (excluding HBFCL), Islamic Banking Industry and HBFCL in the total outstanding was 57%, 21% and 22% respectively on March 31, 2012 (Figure 4.1). IBDs (12 windows) and Islamic banks (05 banks) have 70% and 30% share (remained unchanged over the year) in housing finance portfolio of Islamic Banking Industry (Figure 4.2), which shows that conventional banks also consider the Islamic mode of financing an important part of their business strategy.

Figure 4.1: Share of Islamic Banking Industry & Conventional Banking in Total Outstanding.



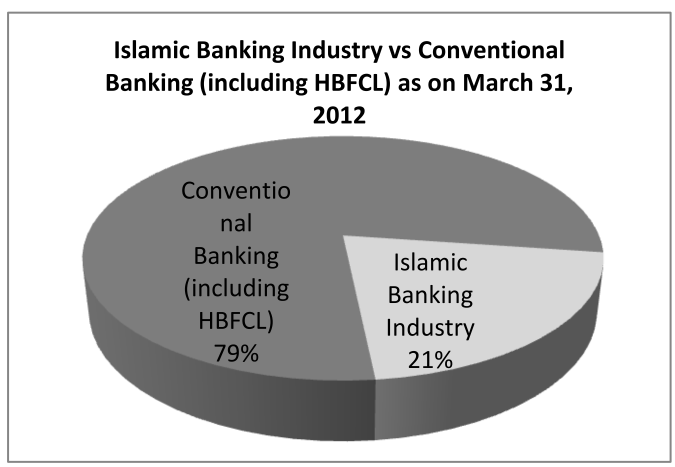
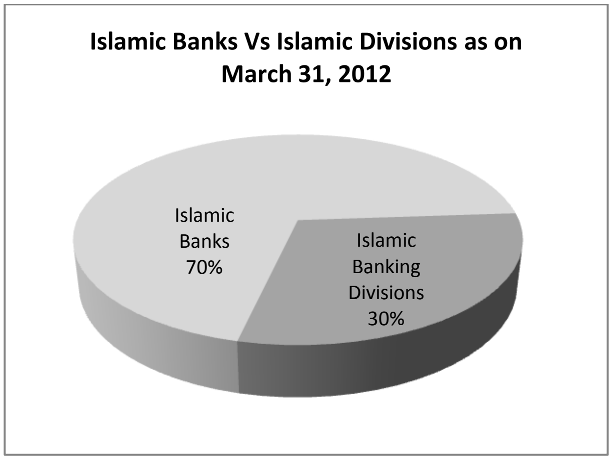
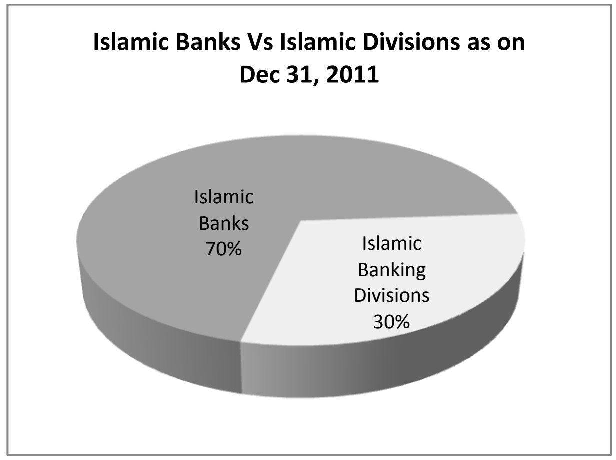


Figure 4.2: Share of Islamic Banks and Islamic Banking Divisions within Islamic Banking Industry in Total Outstanding.





Non-Performing Loans (NPLs)

NPLs have increased from Rs. 18.9 billion (March 31, 2011) to Rs. 20.1 billion (March 31, 2012); a 6.35% increase during the year. The stock of NPLs as on December 31, 2011 was Rs. 19.1 billion, showing an increase of 5.24% during a quarter (Oct-Dec, 2011) as shown in Figure 5. Figure 6 shows a comparison of existing NPLs status of different banking sectors with last year. Figure 7 compares NPLs as a percentage of outstanding portfolios at the end of quarters on December 31, 2011 and December 31, 2010. NPLs as a proportion of total outstanding have witnessed an increasing trend over the last twelve months. This overall rise in NPLs is primarily due to rising inflation and high interest rates.

Figure 5: (amount in Rs. Billions)

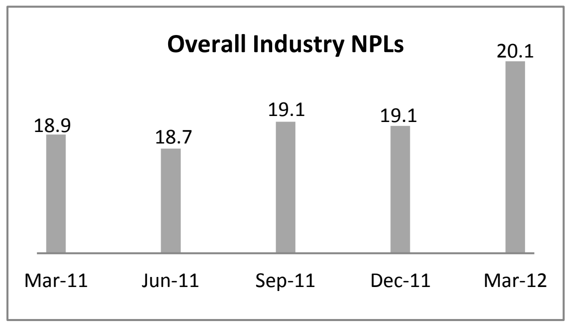
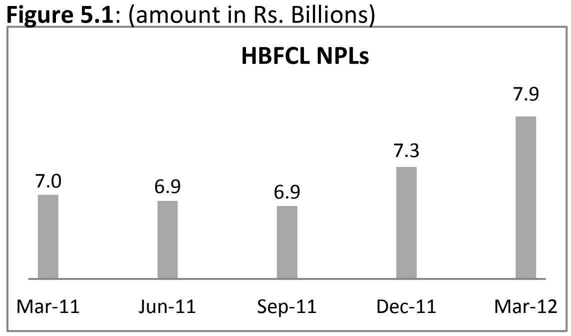


Figure 5.1: (amount in Rs. Billions)



HBFCL's NPLs have increased from Rs. 7 billion to Rs. 7.9 billion during the year; a 12.85% increase as shown in figure 5.1. Although growth of its NPLs remains relatively low in absolute terms when compared to some of the other banking sectors, its percentage share in its total outstanding, however, is the greatest, as 61% of its total outstanding constitutes NPLs (Figure 7). HBFCL's percentage share in total NPLs is 39.42%.

Excluding HBFCL, NPLs for all banks and other DFIs have increased by 2.21% over the year from Rs. 11.93 billion to Rs. 12.19 billion. The percentage share of NPLs that all banks and other DFIs (excluding HBFCL) constitute is 61% in total NPLs, compared to a 63% as on March 31, 2011.

Among banks, non-performing finances (NPFs) of Islamic banks witnessed a decrease of almost 8% during the year, from Rs. 1.5 billion to Rs. 1.4 billion. Their NPFs constitute 16%, as on March 31, 2012, of total outstanding, which was 15% on March 31, 2011. NPLs of the public sector banks have decreased from Rs. 2.1 billion to Rs. 2.0 billion (a decrease of 4.76%) which are 25% of total outstanding as on March 31, 2012. Private banks' NPLs have increased by 6.17%, from Rs. 8.1 billion to Rs. 8.6 billion which is 30% of their total outstanding as against 25% on March 31, 2011. NPLs of foreign banks as a percentage of their outstanding portfolio increased from 30% at the quarter end Jan-Mar 2011 to 54% as on March 31, 2012. NPLs of DFIs (excluding HBFCL) have increased from Rs. 109 million to Rs. 112 million, over a year, a 2.7% increase with 51% of their total outstanding classified as NPLs as on March 31, 2012.

Figure 6

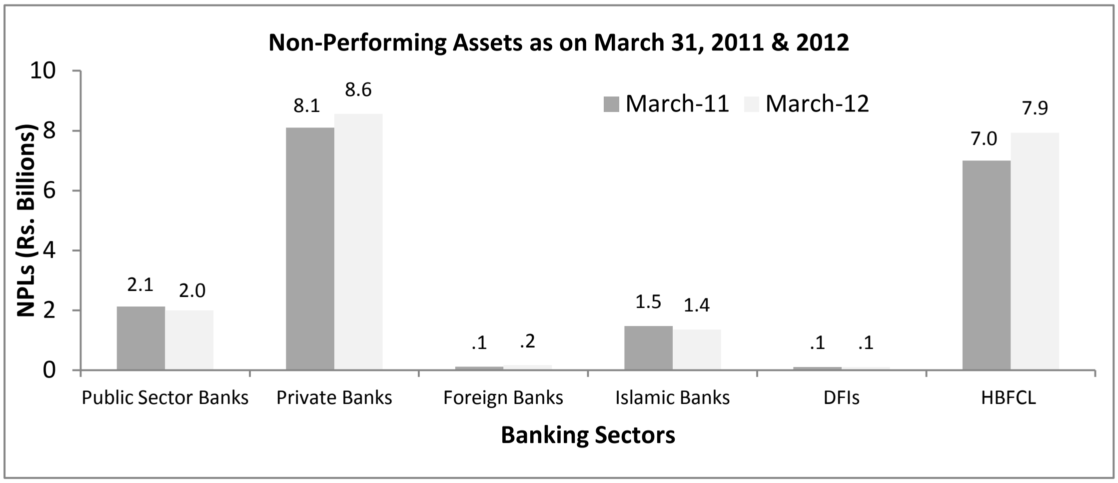


Figure 7

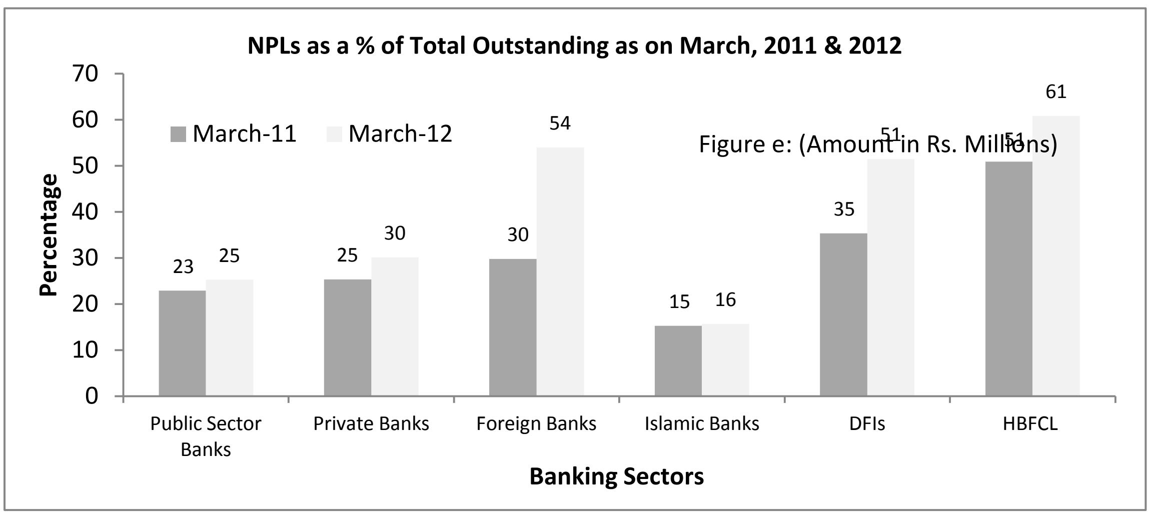
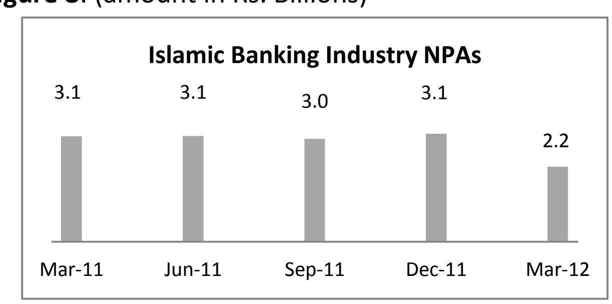


Figure 8: (amount in Rs. Billions)



Non-Performing Finances (NPFs) for Islamic Banking Industry (IBs & IBDs) were reported as Rs. 2.2 billion on March 31, 2012, which were Rs. 3.1 billion at the end of last quarter (Oct-Dec, 2011) showing a decrease of 30%.

Number of Borrowers

Total number of outstanding borrowers decreased from 94,497 to 89,261 since March 31, 2011; a decline of 5.54%. As shown in Table 1, there is a decrease in no. of borrowers in each category except Private Banks and Foreign Banks.

Table 1

Banks/DFIs	March – 12			March – 11		
	No. Active Borrowers	No. of Borrowers classified as NPLs	Total O/s Borrowers	No. Active Borrowers	No. of Borrowers classified as NPLs	Total O/s Borrowers
Public Sector	5,213	1,000	6,213	5,911	1,059	6,970
Private Banks	10,925	2,228	13,153	9,678	2,241	11,919
Foreign Banks	41	153	194	53	22	75
Islamic Banks	2,305	267	2,572	2,540	291	2,831
DFIs	76	11	87	103	12	115
HBFCL	15,727	51,315	67,042	21,468	51,119	72,587
Total	**34,287**	**54,974**	**89,261**	**39,753**	**54,744**	**94,497**

Table 1 shows number of borrowers that has been classified as NPLs as a percentage of total borrowers. In terms of numbers, approximately 61.59% of total borrowers of housing finance borrowers have been classified as non-performing. However, this is primarily due to HBFCL's number (51,315) of non-active borrowers, classified as non-performing, which accounts for 76.54% of its total borrowers. Thus, excluding HBFCL in such an analysis will be important as it caters to 75.10% of the total borrowers in housing finance sector which accounts for only 22% of total outstanding portfolio. Thus, by excluding HBFCL, 16% of total borrowers of housing loans have been classified as non-performing.

Disbursements

Fresh disbursements to the tune of Rs. 1.61 billion (Figure 9) were made to 766 borrowers during the quarter ending March 31, 2012 (Table 2). Private Banks extended new disbursements with Rs. 888 million followed by Islamic banks with Rs. 407 million, public sector banks with Rs. 15 million and foreign banks with Rs. 6 million. HBFCL's fresh disbursements for the quarter were reported to be Rs. 296 million. Among commercial banks, the number of new borrowers totaled 400, with private banks serving 290 borrowers and Islamic banks 98 customers. HBFCL extended loans to 366 new borrowers during the reporting quarter.

Figure 9: Amount in Rs. Billions

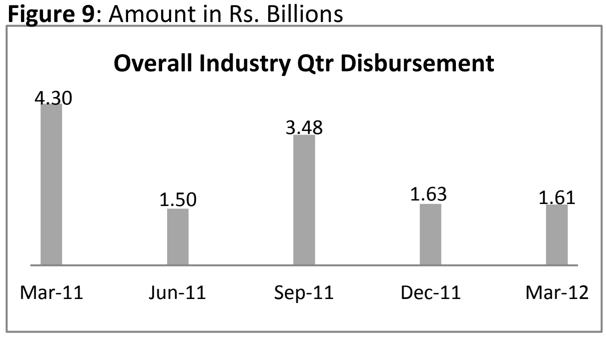
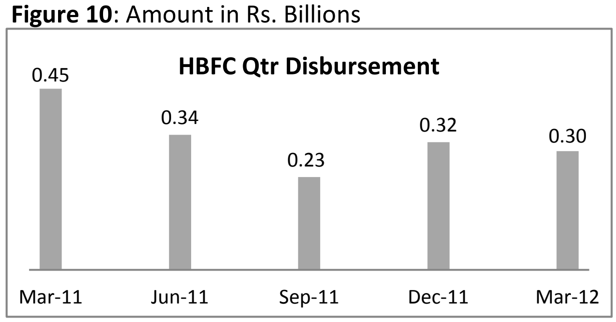


Figure 10: Amount in Rs. Billions



Fresh disbursement for Islamic Banking Industry was Rs. 717 million to 141 new borrowers during the quarter ending March 31, 2012. This includes new disbursements of Rs. 310 million to 43 customers by IBDs of conventional banks.

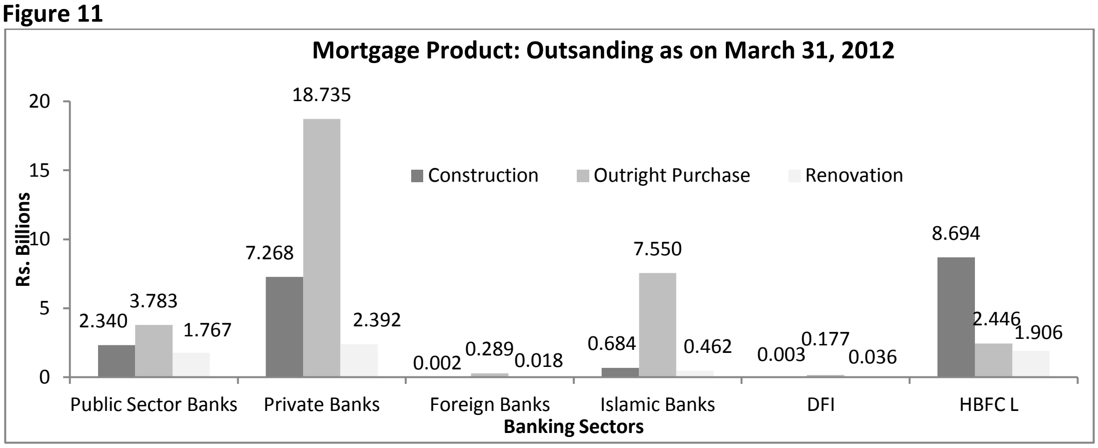
Table 2

New Disbursements during the quarter ending Dec 31 2010		
	Amount (Rs. Millions)	**No. of Borrowers**
Public Sector Banks	15	9
Private Banks	888	290
Foreign Banks	6	3
Islamic Banks	407	98
All Banks	**1,316**	**400**
DFIs	-	-
HBFCL	296.0	366.0
Total	**1,612**	**766**
Islamic Industry	**717**	**141**

Products Category-Wise Share

The biggest share of housing finance continued to be attracted towards outright purchase (Figure 11).

Figure 11



The outstanding for outright purchase stood at Rs. 32.98 billion as on March 31, 2012; a 56% share in total outstanding of Rs. 58.56 billion. This is followed by the construction category where outstanding reported at quarter-end stood at Rs. 18.99 billion and that of renovation stood at Rs. 6.58 billion. Active portfolio shows that private banks have taken a lead in financing for two sectors; outright purchase 57% and renovation 37% but HBFCL has taken lead in financing construction category i.e. 47%.

Analysis of Loan Variables adopted by Banks/DFIs & HBFCL

Tables 3 & 4 summarize loan variables across all banking sectors including weighted average interest rate, average maturity period, Loan-to-Value ratio (% financing by banks) and average loan size.

Weighted average interest rate

The overall weighted average interest rate was 15.8% at the end of the current quarter. Highest weighted average profit rate was reported by Foreign Banks 17%, followed by Islamic banks 16.2%, HBFCL 16%, Private Banks 15.3, while public sector banks average came to 14%.

Average maturity periods

Average maturity period of outstanding loans as on March 31, 2012 came to 12.3 years. HBFCL's average maturity period is reported to be 13 years, while that of Private Banks is 11.7 years. Table 3 shows that among commercial banks, Islamic Banks have extended housing loans for an average tenure of 10.4 years followed by Public Sector Banks with 10.2 years and Foreign Banks with 9.8 years.

Loan to Value ratio (LTV)

The percentage of financing (Loan to Value ratio) extended by banks and DFIs decreased during last year (Table 4) from 46.6% to 39%. Average LTVs of commercial banks have decreased from 48.5% to 38.1%. The average LTV for HBFCL has decreased from 44.7% to 39.8% over the year.

Average loan size

Average loan size for disbursements made during the quarter ending March 31, 2012 is Rs. 3 million for all banks, except HBFCL. The average loan size for HBFCL is reported to be Rs. 2.1 million for the reporting quarter. Private Banks reported an average financing size of 4.2 million, Foreign Banks as well as Islamic Banks Rs. 3.7 million, Public sector banks 2.1 million. The housing finance market is still inclined towards lending to high income groups.

Table 3

	Weighted Average Interest Rate (%)					Average Maturity Period (Years)				
	Mar-12	**Dec-11**	**Sep-11**	**Jun-11**	**Mar-11**	**Mar-12**	**Dec-11**	**Sep-11**	**Jun-11**	**Mar-11**
Public Sector Banks	14.0	15.7	16.5	17.2	16.8	10.2	8.1	5.9	10.1	13.2
Private Banks	15.3	15.8	16.4	17.1	17.1	11.7	11.7	10.6	13.2	13.0
Foreign Banks	17.0	16.8	16.3	15.6	14.1	9.8	8.6	16.0	17.5	20.0
Islamic Banks	16.2	16.7	17.1	17.0	17.3	10.4	9.9	12.2	10.7	12.2
All Banks	**15.6**	**16.1**	**16.7**	**17.0**	**16.9**	**11.5**	**10.4**	**10.5**	**12.3**	**13.2**
DFIs	-	-	-	-	16.8	-	-	-	-	-
All Banks & DFIs	**15.6**	**16.1**	**16.7**	**17.0**	**16.9**	**11.5**	**10.4**	**10.5**	**12.3**	**13.2**
HBFCL	16.0	16.0	17.4	17.5	17.5	13.0	14.1	13.5	12.7	13.5
Total Average	**15.8**	**16.0**	**17.0**	**17.3**	**17.2**	**12.3**	**12.2**	**12.0**	**12.5**	**13.4**

Table 4

	Loan to Value Ratio					Average Loan Size (Rs. Millions)				
	Mar-12	**Dec-11**	**Sep-11**	**Jun-11**	**Mar-11**	**Mar-12**	**Dec-11**	**Sep-11**	**Jun-11**	**Mar-11**
Public Sector Banks	46.7	30.6	35.2	31.7	49.6	2.1	1.4	3	0.8	2.5
Private Banks	33.8	36.5	57.8	44.6	49.4	4.2	3.9	2.7	4.7	4.5
Foreign Banks	47.0	47.1	49.0	63.4	65.5	4.0	1.7	1.9	2.5	2.4
Islamic Banks	43.5	43.6	45.4	39.7	42.2	3.7	1.7	2	1.9	2.1
All Banks	**38.1**	**37.3**	**48.8**	**42.6**	**48.5**	**3.8**	**2.4**	**2.5**	**3.2**	**3.5**
DFIs	-	-	-	-	-	-	-	-	-	-
All Banks & DFIs	**38.1**	**37.3**	**48.8**	**42.6**	**48.5**	**3.8**	**2.4**	**2.5**	**3.2**	**3.5**
HBFCL	39.8	42.9	38.7	42.8	44.7	2.1	1.3	1.3	1.9	1.2
Total Average	**39.0**	**40.1**	**43.7**	**42.7**	**46.6**	**3.0**	**1.8**	**1.9**	**2.5**	**2.3**

Housing Finance Business of Microfinance Banks:

Gross Outstanding

The total outstanding housing finance as on March 31, 2012 of Micro Finance Banks (MFBs) stood at Rs. 174.4 millions, which was Rs. 174.4 millions at the end of December 31, 2011, remained almost unchanged over the last quarter.

Number of Borrowers

Total number of outstanding borrowers increased from 2,634 to 2,883 since March 31, 2011; an increase of 9.45%.

Non-Performing Loans

NPLs for MFBs have increased from Rs. 1.62 million (Dec-31, 2011) to Rs. 1.72 million (Mar-31, 2012); showing an increase of 6.17% over the last quarter. NPLs of MFBs arising out of housing finance business are around 1.01% of their outstanding housing finance portfolio.

Mortgage to GDP Ratio:

While calculating mortgage to Grand Domestic Product (GDP Nominal), following figures were taken in to account.

- Outstanding finances of Commercial Banks, DFIs and Micro finance banks were equal to Rs. 75.57 Billion as of March 2012.
- Amount of finance availed by employees of the Commercial banks and DFIs was Rs. 58.55 Billion as of March 2012
- Nominal GDP for year 2010-11 was Rs. 18100[1] Billion

Mortgage to GDP Ration= Total Mortgages/ GDP

Mortgage to GDP ratio in Pakistan remained below 1% and to be exact it was 0.74% as of March 2012.

Conclusion

The quarter ending March 31, 2012 depicted a decrease 10.52% (Rs. 6.88 billion) as compared to quarter ending March 31, 2012, in overall outstanding portfolio of housing finance industry. NPLs of the housing finance portfolio display a rising trend and banks continue to show signs of cautious lending amidst decreased affordability of the borrowers due to inflated prices of property/houses, labor and construction material. Another reason hindering the growth of housing finance in Pakistan is reluctance of banks for lending beyond certain big cities. However, number of banks are disbursing small amounts i.e. form Rs. 1 million to Rs. 1.5 million which is very positive sign for mortgage industry. Average loan size has increased while LTVs and maturity periods have decreased over the last year. However, the lack of a conducive institutional framework and secondary mortgage market and high interest rates are still the major

[1]For Nominal GDP: http://tribune.com.pk/story/180824/economic-survey-2010-2011-pakistan-failed-to-meet-growth-target/

constraints towards the growth of housing and housing finance sector which is one of the potential key drivers of the economy.

Initiatives and Achievements

Recognizing the importance of housing sector in boosting the domestic economy, following initiatives have been taken by SBP to further develop market based mechanisms and enhance the flow of credit to this priority sector.

Implementation of Housing Advisory Group's Recommendations

As part of its earlier efforts, SBP had established a Housing Advisory Group (HAG) with an intention to conduct a thorough analysis of the existing regulatory and policy framework affecting housing finance. The HAG made number of recommendations stressing on the need to enhance access of financial services for the development of housing sector. These include reforms in legal and regulatory framework, establishment of secondary mortgage market, development of market intelligence, provision of affordable/low income housing finance products. SBP disseminated the recommendations to the concerned stakeholders and is currently coordinating with Provincial Governments, Association of Mortgage Bankers (AMB) and Association of Builders and Developers (ABAD) for implementation of some of the key recommendations. IH&SMEFD is continuously in consultation with Federal and Provincial governments by making presentation on HAG recommendations and holding meetings with them for the implementation of HAG recommendations. During the quarter from Jan – Mar 2012, IH&MSEFD made presentation on HAG recommendation to the Provincial Government of Baluchistan.

Automation of Housing Finance Quarterly Data

Software has been developed to acquire online housing finance quarterly data from banks through Data Acquisition Portal (DAP4). The development of this software has eliminated the need for submission of housing finance quarterly data in paper form and would also help in ensuring data accuracy. Quarterly housing finance data of quarter Jan- Mar 2012 has been submitted by banks through DAP 4.

Capacity building Program

In addition to initiatives taken to institutionalize housing finance, SBP realizes that a simultaneous development of human capital will play a critical role in ensuring sustainability of housing finance. A training program on the topic “Issues in Housing Finance” was held in Quetta to create the awareness regarding the housing finance in the underdeveloped markets.

Learning from International Experiences:

IH&SMEFD officials attend the conference on “Growth with Stability in Affordable Housing Markets” jointly organized by National Housing Bank (NHB) of India and Asia Pacific Union for Housing Finance (APUHF) at New Delhi, India. The prevailing scenarios of underdeveloped countries of Asia Pacific were discussed in detail along with the way forward to flourish the housing finance.

News on Housing Finance

HBFCL, ABAD meet to explore cooperation in housing sector

http://pakobserver.net/detailnews.asp?id=137661

While highlighting the significance of ABAD's role in the development of the housing sector, Managing Director and CEO, HBFCL, Mr Azhar Jaffri, said “In order to address the burgeoning housing shortage in the country, it is essential that key players such as ABAD and HBFCL join hands and work together to address the challenges faced by the housing sector in Pakistan. It is indeed a great opportunity for us today that both organizations have come together for a common cause."

China limits mortgage loans for foreigners

http://www.telegraph.co.uk/finance/personalfinance/offshorefinance/9066684/China-limits-mortgage-loans-for-foreigners.html

China's top economic planner, the **National Development and Reform Commission** (NDRC), stated that it will no longer approve medium and long-term loans to banks if they intend to use such borrowings to fund mortgages taken out by foreigners. Chinese authorities introduced a host of measures last year to try and prevent speculative bubbles in the property market. Curbs included bans on buying second homes in some cities and raising the minimum deposit as well as property taxes.

China Central Bank Pledges Housing Market Support as Curbs Bite: Economy

http://www.bloomberg.com/news/2012-02-07/china-central-bank-to-aid-home-buyers-to-balance-crackdown-on-speculators.html

China's central bank pledged support for first-home buyers as a crackdown on real-estate speculation threatens to trigger a property slump in the world's second- biggest economy.

Officials will increase support for construction of affordable housing and ensure that "loan demand from first-home families" is met, the People's Bank of China said on its website yesterday evening.

Decent housing is every citizen's right

http://www.pakistantoday.com.pk/2012/02/10/news/national/decent-housing-is-every-citizen%E2%80%99s-right-gilani/

ISLAMABAD - Addressing the ground-breaking ceremony of Kurri Housing Scheme, prime minster Gilani said the state was responsible to explore all available options to provide people housing. He said government servants deserve respectable living and the PHA affordable housing scheme was a good step in this direction. He said, "The present scheme at Kurri aims at providing residences to serving and retired civil servants on ownership basis at reasonable prices. It has been conceived by leading designers and professionals."

Expanded financing for affordable housing urged

http://www.chinadaily.com.cn/business/2012-02/21/content_14655168.htm

BEIJING - China is encouraging local governments to make full use of their financing vehicles in 2012 in an effort to boost financial support for low-income housing projects, the country's top economic planner said Monday. China has vowed to build 36 million affordable housing units during the 2011-2015 period in a bid to meet the demand of low income families, as well as take some heat out of the runaway property market. In 2011, it started construction of 10 million units.

Pakistan's Anwar Plans Lending Boost to Bolster Economic Growth

http://www.bloomberg.com/news/2012-03-04/pakistan-s-anwar-plans-lending-boost-to-bolster-economic-growth.html

Pakistan's central bank aims to spur lending to small companies, farming and housing in the next three years to boost growth in an economy where government borrowing has curbed credit and kept interest rates elevated.

"These three areas have to be stimulated and will become engines of growth," Governor Yaseen Anwar, 60, said in an interview at the State Bank of Pakistan in Karachi on March 2. He forecast the economy will expand by 3 percent to 4 percent in the year ending June.