

IFC, ADB, and HDFC Investments Invest in Maldives to Make Housing Affordable and Accessible

IFC and ADB will each invest \$4.5 million, and HDFC Investments Limited will invest \$3.75 million. IFC and ADB will also provide a \$7.5 million loan each to support the project.

New Delhi, Delhi, July 28, 2008 /[India PRwire](#)/ -- IFC, a member of the World Bank Group, the Asian Development Bank, and HDFC Investments Limited, a subsidiary of Housing Development Finance Corporation Limited, India, are investing in Maldives to help reduce the country's severe housing shortage. The equity and loan investment package will enable privatization of Maldives' Housing Development Finance Corporation Plc, a government-owned housing finance institution, and transform it into a commercially viable, private sector-led company.

The equity component of the package totals \$12.75 million. IFC and ADB will each invest \$4.5 million, and HDFC Investments Limited will invest \$3.75 million. IFC and ADB will also provide a \$7.5 million loan each to support the project.

There is an urgent need for housing in Maldives, which faces a growing population and pressure on limited land resources. HDFC-Maldives was established by the government in 2004 to provide long-term mortgage financing.

Raheema Saleem, Managing Director of HDFC-Maldives, said, "Safe, affordable housing is a basic necessity. Without a decent place to live, people cannot be productive members of society, children cannot learn, and families cannot thrive. As we grapple with the housing crisis, measures need to be taken to ensure that bottlenecks are eliminated on a meaningful scale."

Paolo Martelli, IFC Director for South Asia, said, "IFC's financial sector investment and advisory interventions in Maldives aim to help local financial institutions improve capacity and access to domestic and international funding. This project will provide an opportunity for home ownership for middle- and lower-income borrowers on a commercially viable, sustainable basis."

Christine Engstrom, ADB's Senior Investment Specialist for Private Sector Operations, said, "Housing is in a chronic shortage in Maldives due to scarcity of land and limited long-term financing for mortgages. With our support and close cooperation between the government and shareholders, HDFC-Maldives will be able to address the shortage by improving access to mortgage financing."

Renu Sud Karnad, Joint Managing Director of HDFC-India, said, "It is our privilege to bring 30 years of our experience in mortgage finance to Maldives. With this cooperation, HDFC can provide consultancy services and technical assistance in housing finance to all countries of the South Asian Association for Regional Cooperation."

IFC has also helped the Maldives Monetary Authority set up the country's first leasing company and is in the process of helping set up a credit information bureau.

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