

REALL IN NIGERIA



A HOME
FOR
HUMAN
POTENTIAL

Reall

INTRODUCTION

Reall are innovators and investors in climate-smart affordable homes.

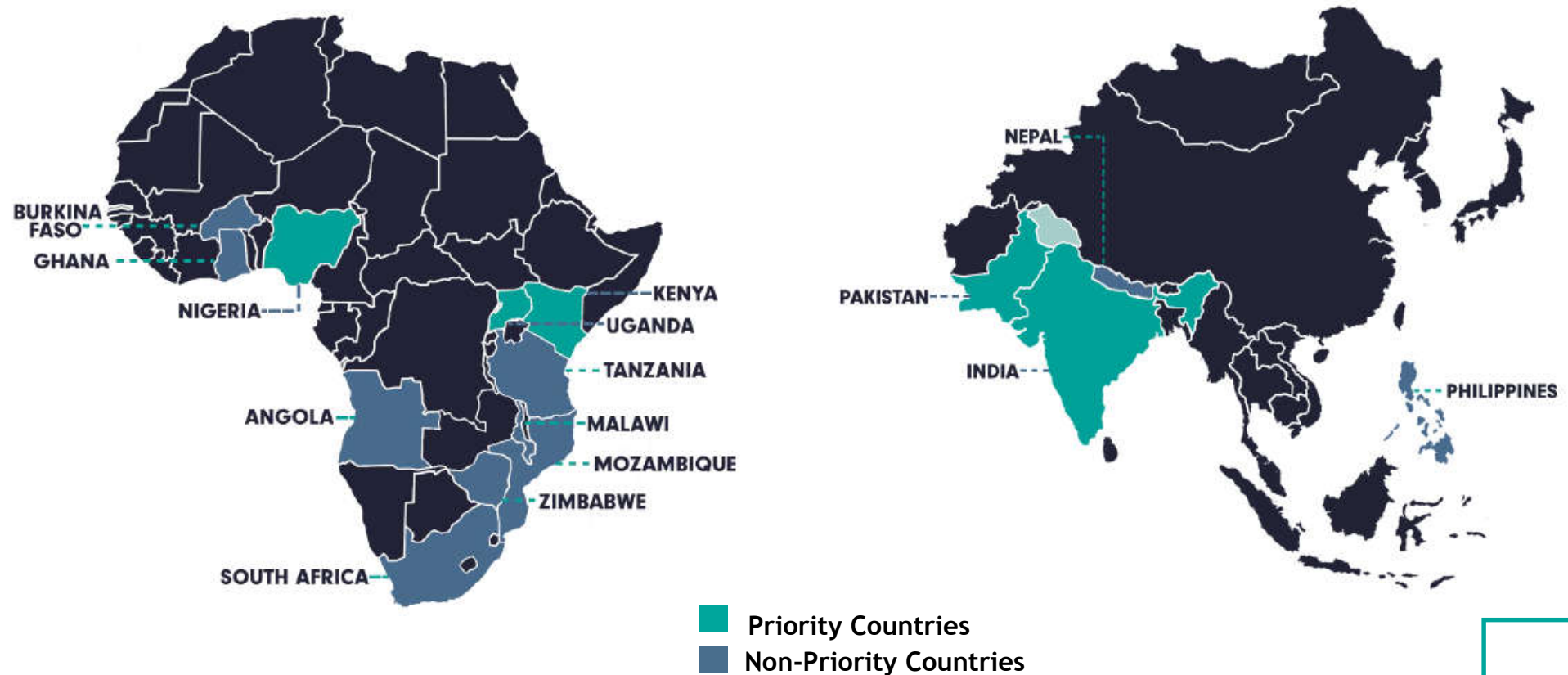
Reall develops, refines and shares innovative housing models that unlock the political will, capital investment and end-user finance needed to create the conditions for hard-working families to secure their own home.

Reall's strategy is to get affordable homes built at scale by targeting investments, generating ideas and championing evidence. This accelerates the flow of capital and the availability of end-user finance, leading to catalytic commercial, economic and socially sustainable change.

Reall is building an affordable homes movement that will improve the lives of 100 million people across Africa and Asia by 2030.

GLOBAL IMPACT

Reall is working in 15 countries in Africa and Asia



REALL'S TRACK RECORD IN NIGERIA

Since partnering with Reall in 2014, the Millard Fuller Foundation continues to deliver the opportunity for Nigerian families to secure homeownership, whilst combatting a national urbanisation rate of over 4%.

Reall has secured delivery of over 500 housing units at the Grand Luvu sites, situated on the outskirts of the city of Abuja, Nigeria – investing a total of over \$4 million.

On the Grand Luvu sites, Reall and the Millard Fuller Foundation have pioneered the Most Affordable Home in Africa – awarded in 2019 and 2020 by the Centre for Affordable Housing Finance (CAHF), with homes costing just \$8,040.

The homes delivered on this project have been named the 'Most Affordable Housing Project in Africa', for 3 consecutive years, awarded by The Abuja International Housing Show.



REALL'S TRACK RECORD IN NIGERIA

The Millard Fuller Foundation established an integral relationship with The Family Homes Fund (FHF) – a World Bank backed initiative promoted by the government of Nigeria – who have purchased all units on the Grand Luvu site to deliver them to low-income families.

The Millard Fuller Foundation's in-country projects have also generated jobs for over two thousand people.

At the recently held 15th Abuja International Housing Show, Reall was proud to announce that its partner, The Millard Fuller Foundation has hit the construction landmark of one thousand affordable homes.

Reall is currently undertaking due diligence of other developers in Nigeria and hopes to have more partnerships approved soon.



KEY PROJECT DATA

N° OF UNITS - 908

N° OF UNITS FUNDED DIRECTLY BY REALL - 492

TOTAL FUNDING PROVIDED BY REALL - \$4,038,818 (USD)

AVERAGE UNIT COST - \$8,040 (USD) @ \$251/m²

UNIT DESCRIPTION - Studio apartments, 1 and 2-bedroom single storey house with kitchen, living room and bathroom

AVERAGE UNIT SIZE - 32m²

DEVELOPER - Millard Fuller Foundation



OUR EXPERIENCE IN NIGERIA

- Our response to Coronavirus – Recover, Rebuild and Recover - We have funded the construction of 280 homes and 70 serviced plots in the last 12 months.
- End-user finance – The high cost of mortgage finance leading to unsustainable and unaffordable housing. Longer term financing is required to deepen affordability.
- The location effect on a project – We seek to work in urban locations, with adequate infrastructure. There is a need for government partnerships for service delivery.

The MFF projects set an excellent example, demonstrating how high-quality housing equipped with water, sanitation and energy can be affordable for the bottom 40 percent of earners.

REALL AS AN INVESTOR IN AFFORDABLE HOUSING



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REALL INVESTMENT STRATEGY



Local Partners: Reall always works through local partners and does not undertake projects directly in its countries of operation.

Instrument: Usually loans occasionally equity. Between 3 and 5 year development loans. Occasionally invest in equity either in an SPV created for a project or directly in partner organisations.

Interest rate: Commercially viable but below market rate rates set case-by-case

Currency: Predominantly local currency

Process: Using Reall's 8-step Assurance Framework covers entire investment lifecycle. Proposals subject to rigorous due diligence, ensuring business plans will generate return. Assessment at Concept Phase and Full proposal phase.

FOCUS ON FOUR MARKETS

Reall operating since **2014**,
invested **\$4.4m** in **492** homes.
In 2019 won an award for most
affordable house from a private
sector developer in Africa (at
\$8,040 per home).

NIGERIA

Reall operating since **1992**,
and pursuing a commercial
approach since 2014.
Funded projects in Faisalabad,
Lahore and Peshawar,
investing **\$21m** in **4K** homes.

PAKISTAN

Reall operating since **1992**,
and pursuing a commercial
approach since 2000.
Invested **\$6m** in constructing
8k homes, creating **33k** jobs &
housing **33k** people.

INDIA

Reall operating since **1991** and
pursuing a commercial
approach since 2005. Invested
\$14m in **2.5k** homes, creating
10k jobs & housing **7k** people.

KENYA



INVESTMENT EVALUATION - SOME KEY POINTS

Commercial viability

- Projected ROI & IRR
- Delivery risks & mitigations
- Partner track record
- Political / economic environment

Affordability & target client

- Unit price affordable to bottom 40% of income bracket, demonstrated using local income data

End user finance availability

- Mortgage financing
- Rental solutions
- Incoming

Efficiency of capital

- Effective capital utilization (e.g. recycling)
- Cost savings
- Managing default risk

Exit: Exit solutions must have been considered. A strong plan for sale is key.

Local Investors: Confidence derived from other investors

Risk Share:

Exchange Rate Consideration: Currency stability, mitigation options

Strong Development Partner: Subject of Due Diligence Process

Impact

- Number of people directly benefiting
- Indirect benefits (e.g. job creation)
- Climate smart building and carbon footprint mitigation (EDGE)
- Quality of design
- Product lifespan, warranty and maintenance strategy
- Innovations

Climate Smart : Source of funds. Funds may be more readily available

Placemaking: Building Communities where people want to live.

IT'S NOT JUST A HOUSE, IT'S A GENDER-EMPOWERING, GDP-BOOSTING, HEALTH-IMPROVING, CLIMATE CHANGE-FIGHTING ENGINE FOR HUMAN POTENTIAL

The unique power of affordable homes to deliver against Sustainable Development Goals

