

OPIC Press Release



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OPIC BOARD APPROVES \$46 MILLION FOR HOUSING PROJECT IN ZAMBIA

WASHINGTON, D.C. – The board of directors of the Overseas Private Investment Corporation (OPIC) approved a \$46.3 million loan for a housing development in Zambia that will leverage \$80 million of new housing construction, generate 5,000 new homes and serve as a model for future housing projects in sub-Saharan Africa.

The project also represents significant progress toward fulfillment of the Bush Administration's African Mortgage Market Initiative, established in July 2003 to encourage the development of mortgage markets in sub-Saharan Africa.

OPIC will provide the loan to Houses for Africa Mortgage Finance Zambia, to facilitate mortgage financing for 5,000 new homes to be built in the Lilayi Housing Estate near Lusaka, the capital. The company is a joint venture between Nevada-based Houses for Africa Inc.; Pangaea Holdings LLC. of Wisconsin; and City Investments Ltd, a Lusaka, Zambia-based agricultural and real estate development company.

The Lilayi estate will provide electricity, water and sewage, telephone, trash removal and parking services, as well as stations for bus and taxi services. It will also feature a separate commercial and retail area with banking services on site, a school, clinic, green areas for recreation and a police post. The target buyers of the houses will be salaried workers and self-employed persons.

The [U.S. Agency for International Development](#) (USAID) will provide technical assistance in the enhancement of the title deeds registry system within the Zambian Ministry of Lands, which will ensure the timely delivery of certificates of mortgage and recording of mortgages.

OPIC Acting President and CEO [Ross Connelly](#) said the project would help Zambia address a critical housing shortage: the country's population growth rate for 1990-2000 was 2.9 percent, but the rate of increase of housing was less than one percent of the annual requirement of 600,000 units for urban areas. In particular, the high population growth rate and migration have resulted in the mushrooming of squatter settlements on Lusaka's periphery. Moreover, a recent study by USAID found that Zambia has virtually no retail mortgage market.

“Housing investment is a key component of economic development, both because housing is a basic social need and because private home ownership is often an important source of capital for entrepreneurship at the grass roots level. A fully functioning housing market, including clearly-defined titles to privately-owned property, is an important element in the construction of a dynamic market economy,” Connelly said. “That is why OPIC is confident the project can serve as a model for the development of the housing sector in other African countries.”

OPIC was established as an agency of the U.S. government in 1971. It helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers.

OPIC’s political risk insurance and financing help U.S. businesses of all sizes invest in more than 150 emerging markets and developing nations worldwide. Over the agency’s 33-year history, OPIC has supported \$164 billion worth of investments that have helped developing countries to generate more than 732,000 host-country jobs and \$13 billion in host-government revenues. OPIC projects have also generated \$69 billion in U.S. exports and created more than 264,000 American jobs.