Habitat for Humanity®

Terwilliger Center for Innovation in Shelter

State of Investment in Affordable Housing

November 2017

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Author

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About the Terwilliger Center for Innovation in Shelter

Habitat for Humanity's Terwilliger Center for Innovation in Shelter facilitates more efficient and inclusive housing market systems, making affordable housing possible for millions more families. One of the Terwilliger Center's objectives is to mobilize the flow of capital to the housing sector, allowing financial institutions and other housing market actors to provide the products and services that low-income households need to build and expand their shelters. Efforts in this area include establishing the first impact investing fund dedicated exclusively to enabling housing microfinance, the MicroBuild Fund, and launching the Shelter Venture Fund, which facilitates investment in early stage companies with innovative solutions for affordable housing.

If you are interested in learning more about our work or accessing some of our publications, please check out our website, **habitat.org/TCIS**, or email us at **TCIS@habitat.org**.

Contents

About the report

Habitat for Humanity's Terwilliger Center for Innovation in Shelter is pleased to present the ***State of Investment in Affordable Housing***[1]. This publication is based on the results of a survey conducted among leading impact investors from Europe and the USA in emerging and frontier markets, with a particular focus on:

1) Investors' current activity in housing.
2) Plans for investments into the sector.
3) Opportunities and perceived risks from an investor's perspective.

iGravity, a specialized impact investment adviser, was mandated to conduct this study. This investor survey aims to provide better understanding of investors' exposure to and perception of affordable housing, and to identify opportunities and challenges to increase capital flow to the sector.

As advisers to financial service providers on the development and expansion of housing microfinance products, we have identified the lack of adequate capital available in the market for financial institutions as one of the main barriers toward the expansion of this portfolio.

This report does not intend to cover all outstanding investments in affordable housing. Our hope is that the results of this survey, based on a sample of investors, provides a snapshot of the current exposure of some of the leading impact investors. We hope the quantitative and qualitative methods of the survey provide insights that support the discussion about what is required to make more investment funds available in the market so that financing to improve the housing of low-income people can continue to expand.

The work of the Terwilliger Center will continue to focus on enhancing the supply and demand sides of housing market systems through a three-pronged approach:

1) Mobilizing the flow of capital to the housing sector.
2) Serving as a facilitator and adviser to the market actors.
3) Advancing the knowledge of housing markets by conducting research studies, producing publications and developing tool kits that foster impact in the affordable housing sector.

Executive summary

Although 80 percent of surveyed investors have some exposure to affordable housing in emerging markets, only 30 percent of those surveyed have decent exposure in the sector (over 5 percent of their portfolio). Currently, some key barriers to increased investment in the sector are the need for greater choice of products/vehicles/pipeline (45 percent of respondents) and a better track record/data series (24 percent of respondents). However, 50 percent of respondents expressed the desire to see affordable housing comprise 5-25 percent of their portfolio. In other words, there is a strong opportunity to increase the flow of capital into the sector. Further, 60 percent of investors in affordable housing say these investments are meeting or exceeding their expectations, and a further 20 percent say it is too soon to make a call, so there is a strong opportunity to catalyze this group of satisfied investors.

1. Affordable housing refers to housing solutions for those typically left out of the system of government safety nets or market-based solutions that lead to adequate housing, estimated to be 1.6 billion people around the world.

Summary of survey findings

1. There is significant interest and investment activity in affordable housing, with nearly 80 percent of the surveyed impact investors currently invested in affordable housing in emerging or frontier markets and 97 percent expressing a clear interest in new investment opportunities in the space.
2. About 4 out of 10 parties invested today in affordable housing mention an active and explicit interest in having exposure to this sector. However, most of the respondents are invested in affordable housing indirectly through their exposure to financial institutions with outstanding housing loan portfolios.
3. Investments in affordable housing are not new for many organizations. A total of 47 percent of respondents have been invested since 2010 or earlier.
4. About 60 percent of investors have an exposure to affordable housing that is up to 5 percent of their overall impact investment portfolio.
5. Investments in affordable housing are mostly in private debt and private equity, and are predominantly in Africa and the Middle East.
6. About 35 percent of the respondents are invested only in the supply side, i.e., companies providing core housing elements. Another 35 percent of investors are funding only the demand side of housing through investments in financial institutions, and the remaining 30 percent are invested in both the supply and demand sides.
7. Virtually all investors mention "social impact" (100 percent) as a key motivation to invest in affordable housing, followed by "diversification" (44 percent) and "financial return" (43 percent).
8. For the 20 percent of respondents not invested in affordable housing, reasons include "general lack of awareness about investment opportunities" and "not a sector focus" (33 percent).
9. Several risks and challenges are identified both at the sector level and on the supply side. Pipeline and lack of investable opportunities are consistently ranked as key bottlenecks for investors.
10. The large majority of investors express a clear interest in new investment opportunities related to affordable housing but ask for "greater choice of products/vehicles/pipeline" and "track record and longer data series on financial returns" to increase investment levels in the future.

About the survey

Methodology

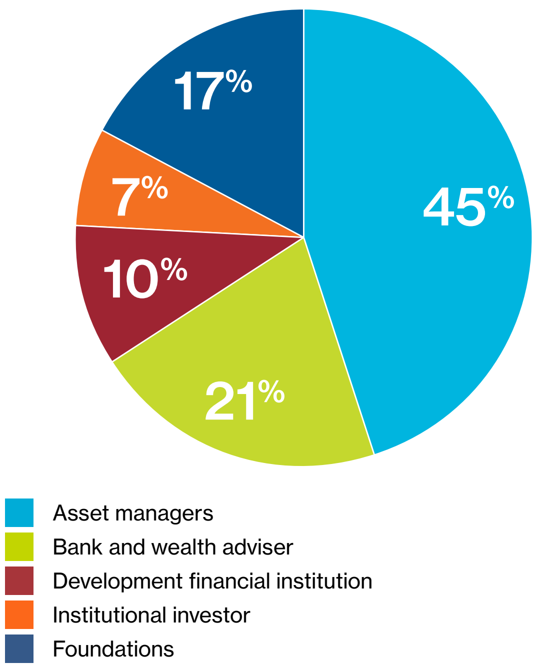
The survey combines quantitative and qualitative elements and includes 10 main questions (listed in Appendix 2). Current investors in affordable housing were asked 11 additional questions regarding their exposure.
The survey was posted on the SurveyGizmo platform, but all but two responses were collected through direct phone interviews between August and October 2017. Respondents were instructed to complete the survey with respect only to their impact investing portfolios.

Some of the respondents are invested in affordable housing in the United States or Europe but not in emerging and frontier markets, and although they have significant experience in the sector, they were considered as not being invested for this survey, consistent with the provided definition.

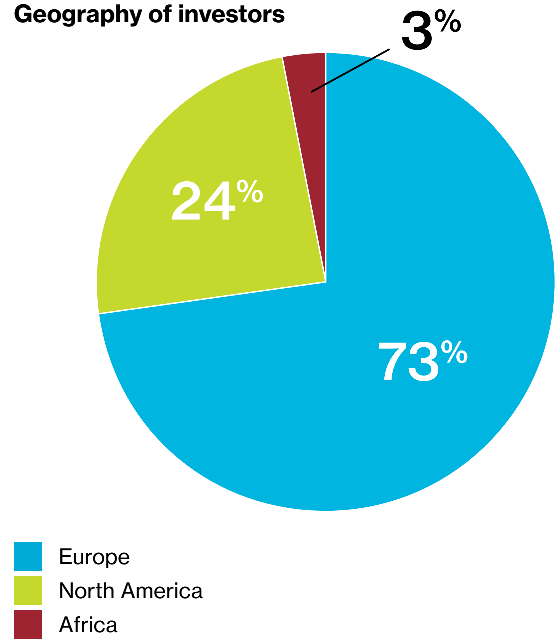
Sample attributes

This report captures data from 28 investors (the list can be found in Appendix 1. To ensure a representative sample, investors from different categories and geographies were included.

Type of investors



Geography of investors



Definitions

For the sake of this survey, the following definition of affordable housing has been provided:

Affordable housing refers to home improvement, small construction, medium construction (expansion), land acquisition or purchase, or secure tenure.

Investments in the supply of housing means investments in firms developing core housing elements for low-income households (at least 20 percent of business related to housing).

Investments in the demand of housing means investments in financial intermediaries financing the housing needs of low-income households (at least 20 percent of business related to housing).

Beneficiaries are exclusively people from low- and middle-income segments living in emerging and frontier markets.

Main findings

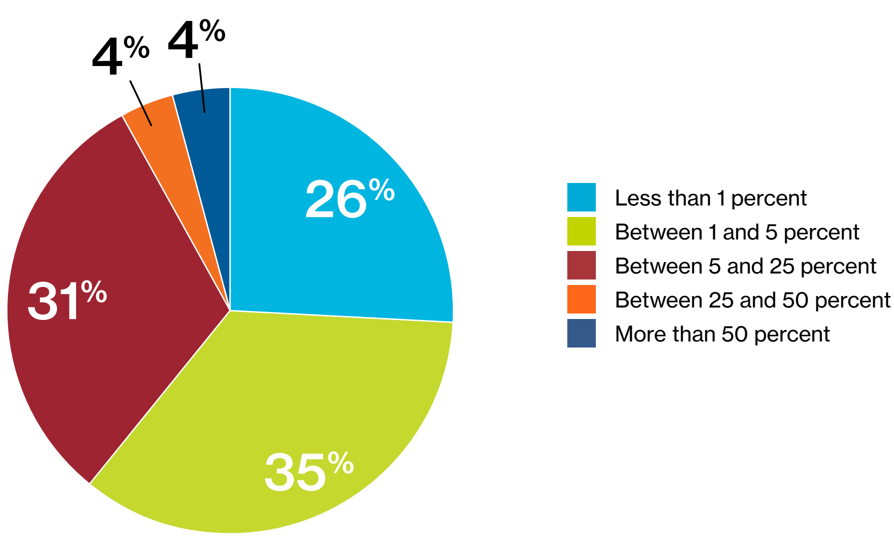
Exposure and allocation

A relatively large share – close to 80 percent – of the surveyed impact investors are invested today in affordable housing in emerging or frontier markets. About 4 out of 10 parties invested in affordable housing mention an active interest in gaining exposure to this sector. For many respondents, however, affordable housing is not a focus sector, and they are invested indirectly through their exposure to financial institutions that have outstanding housing loan portfolios. Overall, these investors seem to struggle in properly sizing their exposure to affordable housing, as this is not an active play but rather a byproduct of their investments in financial institutions. As one investor explains, "We see affordable housing as an opportunity, but it's not a focus right now, though we are invested through financial institutions. We are looking periodically at this as a potential sector, but we haven't done a lot partly because of limited resources and lack of experience in the sector, partly because we haven't had so far a clear investor lead."

The volume of outstanding investments in affordable housing varies quite a bit among the different actors, though several respondents did prefer not to provide a figure. Most investors have an exposure to affordable housing between US$5 million and $50 million, though there are a few with smaller and a few with larger portfolios.

When it comes to the relative allocation today, affordable housing makes up less than 1 percent of the overall impact investment portfolio for about 26 percent of investors, between 1 and 5 percent for a further 35 percent of investors, and between 5 and 25 percent for 31 percent of the investors. For the latter, the majority are asset managers.

Investor allocation to affordable housing in relation to overall impact investment portfolio
(in percentage)

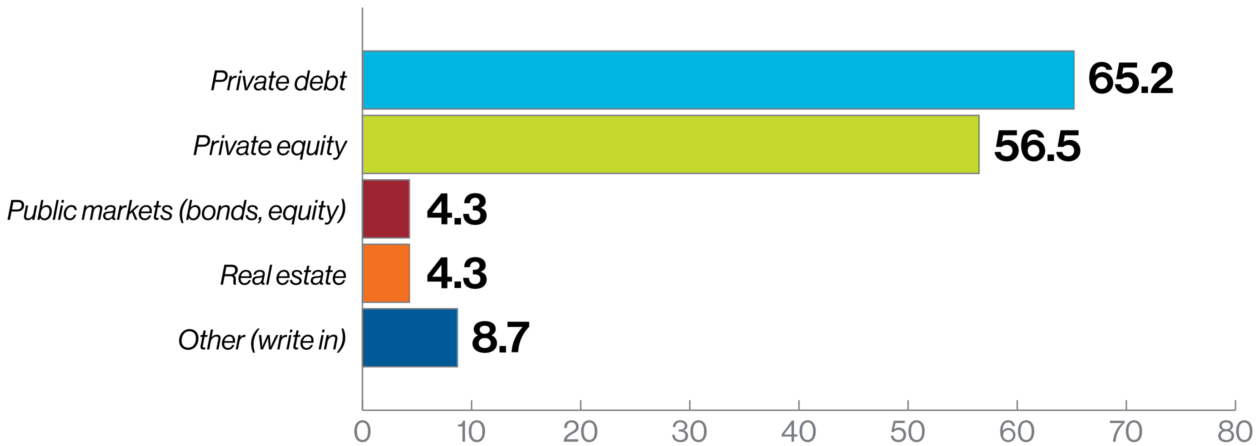


Underlying investments

One of the aims of the survey was to better understand the nature of the underlying investments, including asset classes, geographies and exposure to different segments of the housing value chain.

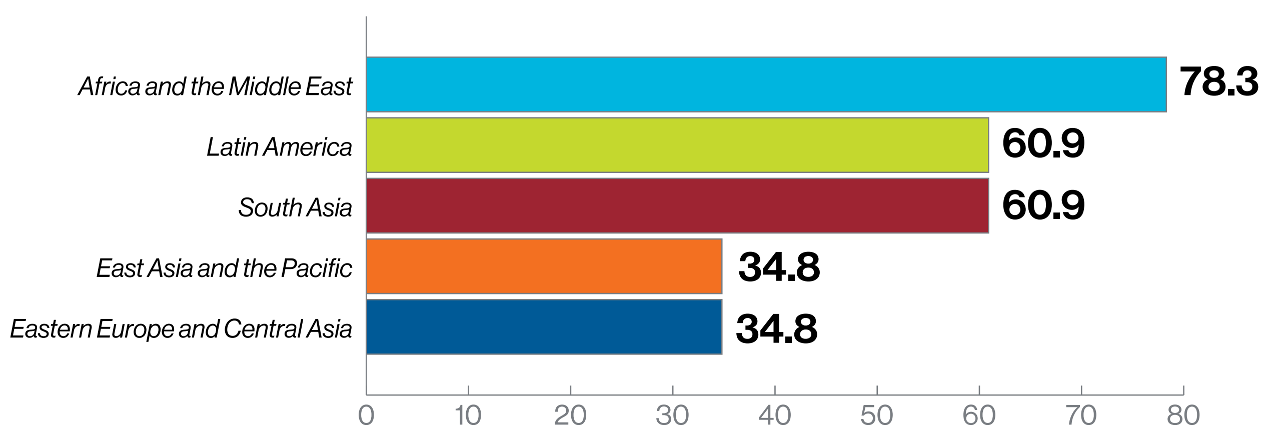
With regard to the asset class, almost all investors are exposed through private markets and have no exposure to listed securities. About 65 percent of investors are invested in **private debt**, and 56 percent are invested in **private equity** (multiple answers were possible for this question).

Invested asset classes *(multiple answers possible)*



With regard to the geography, the region with the highest amount of inflows in affordable housing from our respondents is **Africa and the Middle East**, where 78 percent of the investors have exposure. East Africa was explicitly mentioned a few times. Both **Latin America** and **South Asia** were each named by 61 percent of investors, showing that most institutions invest across different regions and that affordable housing is a global play.

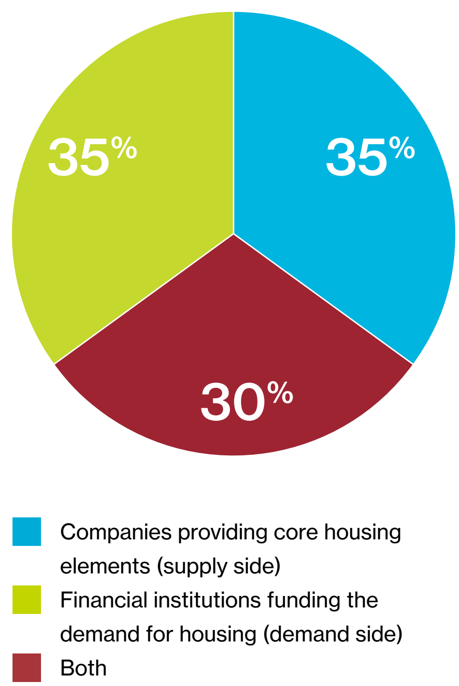
Invested geographies *(multiple answers possible)*



With regard to the affordable housing value chain, the demand side is defined as providing financial services to low-income populations so that they can meet their housing finance needs. The supply side covers companies providing core housing elements, ranging from housing developers to providers of auxiliary products such as roofs, toilets or renewable energy sources. **About 35 percent of the respondents are invested only in the supply side, i.e., companies providing core housing elements. About 35 percent of housing investors are funding only the demand for housing through investments in financial institutions, and the remaining 30 percent of respondents are invested in both the supply and demand sides**.

For investors with exposure to the supply side, about 47 percent are pursuing a **broader strategy and are invested in both housing developers** (e.g., project developers, construction companies, etc.) **and providers of housing products and services** (e.g., solar panels, roofing, toilets, etc.). Another 47 percent are invested only in housing developers, and about 7 percent are invested only in providers of housing products and services. For the latter, some investors mention an explicit focus on renewable energy linked to housing or on electrification of rural homes.

Invested underlying



History and motivations

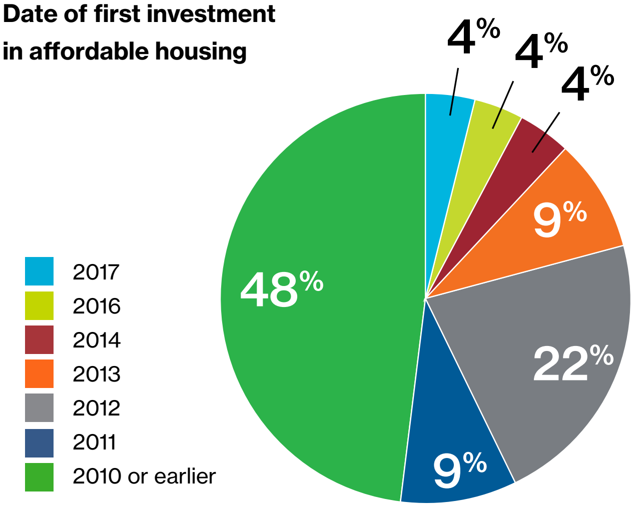
Investments in affordable housing are not new for many organizations. A total of 47 percent of current housing investors have been invested in affordable housing in emerging/frontier markets since 2010 or earlier. Interestingly, **about 87 percent have been invested in the space since 2013 or earlier, but only 30 percent of these investors have an exposure of 5 percent or greater in affordable housing**. About 4 percent made their first investment in affordable housing in 2017, and another 4 percent in 2016.

When asked about their motivation to invest in affordable housing, 100 percent of respondents mentioned "**social impact**," followed by "**financial return**" (43 percent) and "**diversification**" (43 percent), which are generally considered the key benefits offered by microfinance and impact investments.

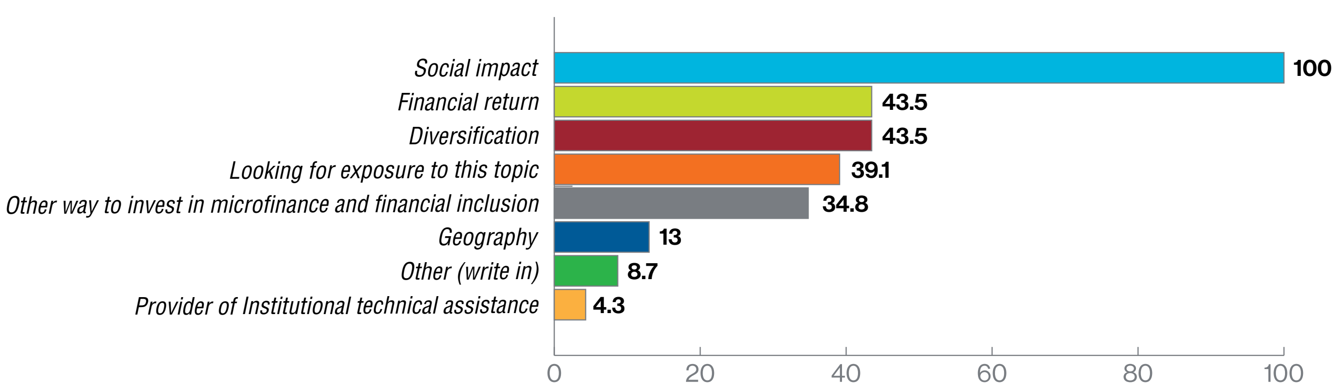
Other reasons mentioned include "**looking for exposure to this topic**" (39 percent), and "**other way to invest in microfinance & financial inclusion**" (35 percent).

For the respondents not invested in affordable housing, reasons include "not a sector focus" (33 percent), "general lack of awareness about investment opportunities" (50 percent) and "other reasons" (83 percent). Other reasons mentioned included "our investor base still hesitating," "no specialised knowledge available within the firm," "reputational risk considerations linked to unclear land rights/titles and illegal settlements," and "emerging markets not part of our strategy."

Date of first investment in affordable housing



Reasons for investing in affordable housing *(multiple answers possible)*



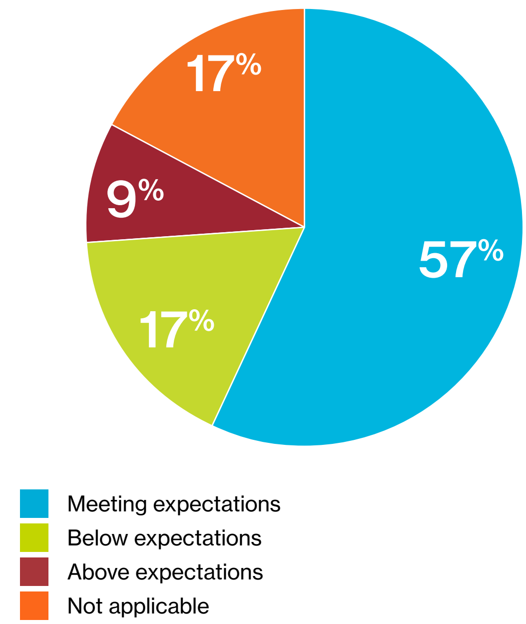
Financial and social performance

Financial performance

The overall perception of many investors is that affordable housing offers fewer risks yet lower returns than other investments, particularly on the demand side when investing in a diversified portfolio of financial institutions. Some investors compare affordable housing to a real estate play with a long-term investment horizon and stable returns. However, these investors also question whether the margins are high enough to attract more mainstream capital, as housing loans have longer tenors and come at a lower interest rate. Clearly there is a tension between keeping loans affordable to retail borrowers and moving margins up to attract more mainstream capital.

The **target financial return** for private debt in U.S. dollars varies among investors, with ranges that vary between 3 and 6 percent per annum for net returns and between 5 and 10 percent for gross returns, depending on whether the investor has a more commercial or social agenda. Several investors mention expectations of gross yields similar to or slightly lower than those of microfinance investments.

Current performance of housing investments relative to original expectations



With regard to the target financial return for private equity investments, investors mention 10 to 15 percent net internal rate of return and 15 to 20 percent gross IRR. When asked about the performance, over half of the investors (57 percent) state that their current portfolio of affordable housing investments is "**meeting expectations**." About 17 percent consider the performance to be "below expectations," and an additional 9 percent say it is "above expectations." For the remaining 17 percent, it is too early to make a statement.

What emerges is that the performance on the demand side – investments in financial institutions – is in line with the overall expectations. However, several investors mention that investments on the supply side are not meeting their original expectations. For example, according to some investors, investments in developers carry a much higher risk and returns are more erratic when compared with the rental market. One investor says, "The mistake is overestimating the demand ... while the demand is certainly huge, ultimately who can afford this is only a small segment. Then local developers are often not set up to do projects well, pace of getting permits is slow ... all of that delays the project, increases the costs and ultimately reduces performance."

When asked about the performance, over half of the investors (57 percent) state that their current portfolio of affordable housing investments is "**meeting expectations**."

Social performance

As mentioned above, social impact is mentioned as a key investment driver for all investors. With regard to social performance measurement and how investors track and measure their impact objectives in affordable housing, most apply their standard evaluation frameworks. Common performance metrics refer to IRIS, the catalogue of generally accepted performance metrics, and focus on output and include, for example, the number of housing loans disbursed; the number of beneficiaries reached (including an income breakdown); the number of housing units constructed, sold or populated; and gender-specific metrics.

A few investors, however, have developed more sophisticated and specific metrics. This includes measuring the **environmental impact of housing** through indicators such as CO2 emission reductions, water and energy consumption, number of beneficiaries equipped with solar panels, waste production, and the **quality of life for the broader community**. This perspective focuses not only on target groups and affordability, but also on how the housing project is embedded in the overall city plan, on whether the community has been involved in the planning phase, and on actual improvements of the community life, such as the addition of recreational areas. Indicators include work-home commute time; employability in the new area; access to schools, playgrounds and commercial facilities; and safety and perceived security in the neighbourhood.

Comparison with other sectors

To better understand the relative attractiveness of affordable housing compared with other areas, investors were asked to rank different sectors first according to the risk-return perspective and later from an impact perspective. This exercise obviously requires certain assumptions on the asset class and development stage of the firms, but the goal was ultimately to assess whether affordable housing is attractive to investors from both financial and social perspectives when compared with alternative impact investments.

Investors rank affordable housing consistently in the middle of the group, showing that it is an important sector for all investors from both financial return and social impact perspectives, though it is never the single most attractive category.

Sector ranking from a risk-return perspective in terms of attractiveness for an investor

Overall rank	Item	Score	Total respondents
1	Financial services	129	18
2	Energy	107	18
3	Health	92	19
4	Food and agriculture	87	18
5	Housing	87	19
6	Education	81	19
7	Water and sanitation	62	18
8	Land and property rights (e.g., GIS)	24	18

Sector ranking from an impact perspective in terms of attractiveness for an investor

Overall rank	Item	Score	Total respondents
1	Education	120	18
2	Health	108	17
3	Water and sanitation	75	16
4	Housing	73	16
5	Food and agriculture	72	15
6	Energy	68	15
7	Financial services	63	16
8	Land and property rights (e.g., GIS)	19	15

Challenges and risks

No investor mentions risk or challenges explicitly associated with investments in financial institutions on the demand side besides the low interest rate environment, which is not surprising when looking at the size and track record of microfinance investments.

However, several risks and challenges are identified both at the sector level and on the supply side.

Pipeline is consistently ranked as a key bottleneck for investors. As one investor says, "You can optimize for a lot of other things like risk, return and others, but pipeline is the real bottleneck." Several investors mention the supply side (providers of core housing elements) to be of most interest to them, but they see very few investable companies, as they are usually too small, of low quality and not investable.

Investors also point out that while the impact per person reached in affordable housing is undoubtedly huge, **the impact per dollar spent is low**. For a single investor, housing is perceived to be rather inefficient and capital-intensive, requiring a lot of money to achieve meaningful results.

The **need for dedicated and sector-specific expertise** on the investment side is repeatedly mentioned as a key constraint. Housing is considered a local business and specialty investment that requires the involvement of trusted local real estate specialists. In addition, the local nature of criteria like market pricing and regulation makes it difficult to work across different countries. As such, it demands specific expertise in housing in emerging and frontier markets and low-income households. Many investors feel underqualified and without the necessary resources, and so prefer investing in other sectors. "Real estate is local business; we don't have that local understanding of the market. For example, if I invest in real estate in a Sub-Saharan African country, who pays my rent? Tenants, government? How much will I gain if I sell the real estate? Is it a liquid market? What sort of returns can I have?" And: "I am not equipped properly – don't have the tools. We have identified other sectors."

At the macro level, challenges identified by investors include a weak, complex and/or unpredictable regulatory environment in certain countries, turbulences both political (e.g., approval delays from local authorities) and economical (e.g., currency devaluations for rental investments), and poor physical infrastructure (roads, etc.) that eventually increases project costs.

At the project level, investors highlight the lack of qualified local contractors (counterparty risk) and sometimes question the management capacity to execute projects (execution risk).

On the financing side, investors feel that more should be done to build financial markets that truly enable low-income households to buy affordable homes. Investors ask for more long-term (patient) financing sources, more concessional funding at scale, and the provision of working capital to housing developers. As one investor explains, "A lot of money is needed for only a few units, which makes it much more suited for concessional funding."

Other challenges and risks mentioned include property rights and land ownership, land availability, affordability of project (scale is essential), the sector's propensity toward corruption, public sector subsidies (inefficient/irrational), and reputational risks (land rights/titles unclear, illegal settlements).

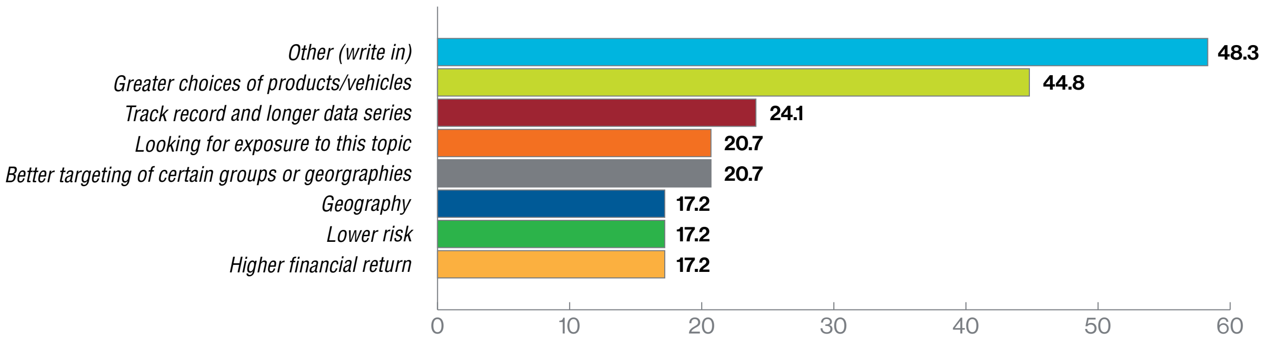
Opportunities

At 97 percent, the large majority of investors express a clear interest in investment opportunities related to affordable housing. Next to a massive unmet demand for affordable housing units to provide adequate shelter and decent living, investors see a massive trend toward urbanization in emerging markets that will require a huge new stock of environmentally friendly houses. Investors clearly recognize housing as an essential component in the path out of poverty and a fundamental building block for a well-functioning society. In addition to more macro and ethical considerations, investors mention diversification and an attractive risk-return profile as main drivers for new investments.

When investors were asked what would persuade them (or their clients) to increase investment levels in the future, almost 45 percent mentioned "greater choice of products/vehicles/pipeline," followed by "track record and longer data series" (24 percent). Affordable housing is a more recent strategy with a limited track record, but investors do consistently cite a lack of quality products. One investor explicitly mentions, "We need intermediaries to invest in; we need intermediaries that aggregate local investment opportunities. Where will we get good intermediaries?" Another says, "There is no fund supplying capital to developers existent yet, though looking at the business model of housing developers, it's challenging to create a fund around that because of their cash flows."

Interestingly, there seems to be a need for further development on the social impact side, as 21 percent mention "better targeting of certain groups and geographies," and 17 percent call for "better reporting on social impact." Some investors have emphasized that the story of why housing is relevant could be fleshed out better. Also, going down the income ladder when it comes to housing is intuitively important, though probably often financially not viable, according to some investors. Risk considerations matter as well, to a certain extent, though they don't seem to be predominant, with "lower risk" mentioned by 17 percent and "guarantee or other credit enhancements" mentioned by 21 percent. Overall, about 50 percent of the respondents mention "other," indicating more nuanced reasons pertinent to each organization's strategy and constraints. Feedback includes "Client (investor) demand," "Better understanding of housing markets," "Available capital," "Experienced fund manager addressing reputational risks," "Change in strategy/mandate," "More flexible concessional financing and better regulation (some markets do not even have tenancy law)."

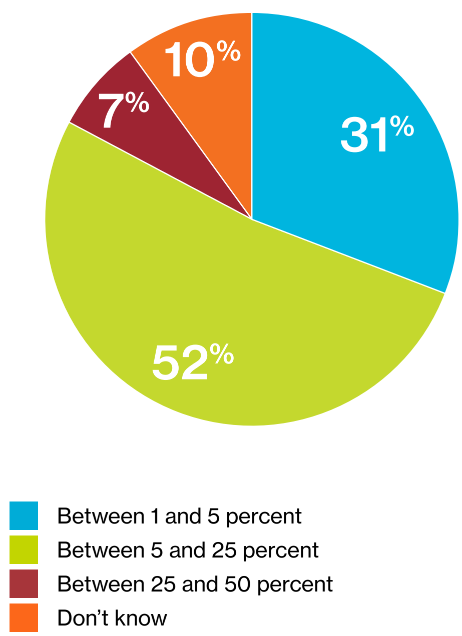
Elements that will persuade investors to increase investment levels in the future *(multiple answers possible)*



In the construction of a diversified impact investment portfolio following the Sustainable Development Goals framework, affordable housing should make up between 5 and 25 percent for over 50 percent of the respondents. For an additional 31 percent of respondents, housing should be between 1 and 5 percent of the total impact investment portfolio. If we compare these data with the current allocation to housing – remember, about 61 percent currently have an allocation up to 5 percent – there is clearly potential for more capital to flow into the sector in the years to come, provided enough quality investment opportunities are identified.

Several investors confirm that affordable housing allows for a diversification from their current portfolio and supports their development toward a multiasset class-inclusive business strategy.

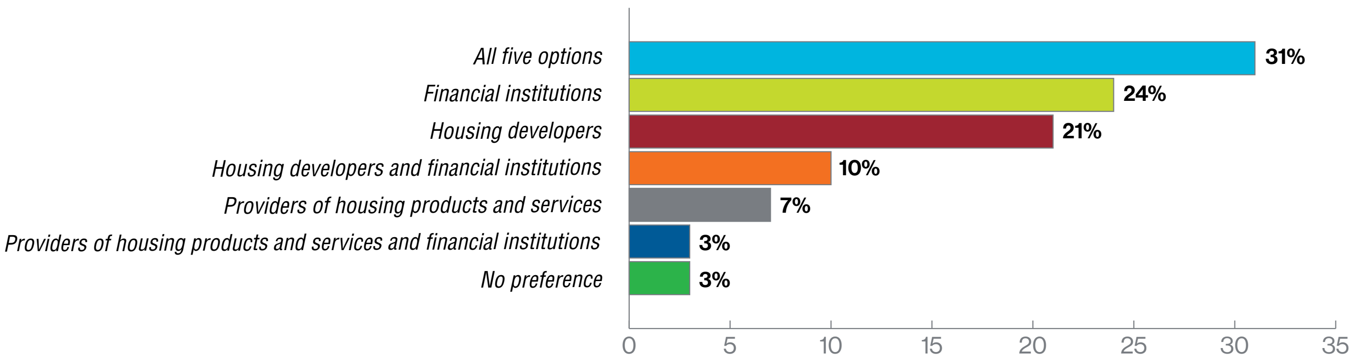
Thematic allocation to affordable housing in the construction of a diversified impact investment/ Sustainable Development Goals portfolio



Finally, investors were asked about their preferred investment strategy to increase access to affordable housing, but no clear consensus emerged.

According to 31 percent of respondents, all the strategies – "demand side: financial institutions," "supply side: housing developers" and "supply side: providers of housing products" – should be applied. For 24 percent of the respondents, the best strategy would be exclusively through financial institutions, and for an additional 21 percent, the best would be through housing developers.

Preferred investment strategy to increase access to affordable housing



Conclusions

The survey confirms that investment activity in affordable housing is relatively high, though allocated volumes as expressed in percentage of the outstanding impact portfolio are still fairly modest. Investors also express interest – in principle – in deploying more capital, provided some conditions are met, such as adequate deal and product flow, track record, and longer data series.

However, the survey also shows that risks are manifold and investors often do not feel properly equipped to invest in affordable housing. A key condition to increase the flow of capital to the sector seems to be the availability of dedicated research on the respective local housing markets, along with specialized housing expertise.

A strong regulatory framework with clear land and property rights is crucial for the success of the whole industry, but this needs to be combined with affordable financing solutions to open for a wider population. It is not a surprise that a key industry priority remains building financial markets that enable people to buy affordable houses. Investors do express concerns about the affordability of homeownership and going down the income ladder, where a huge portion of the low-income population resides. Yet, in many cases, this is not financially viable, and innovative strategies and business models are required.

There is also a need for specialty financing vehicles to serve, for example, the working capital needs of housing suppliers or to invest in local financial intermediaries and support them as they aggregate and finance the local housing value chain. It is also time to consider new structures like holding companies or special purpose vehicles, or SPVs, that are better suited than traditional private equity funds for the long and unpredictable timing between the development of the project and the sale of the assets.

Last but not least, there is a strong need for dedicated technical assistance to support the whole local housing value chain and build good developers, skilled construction companies, solid suppliers and sound financial institutions.

Appendix 1:

Investors participating in the survey

NAME	COUNTRY
Bamboo	Switzerland
BlueOrchard	Switzerland
Calvert Foundation	USA
CDC	UK
Credit Suisse	Switzerland
Finance in Motion	Germany
Ford Foundation	USA
Kois Invest	Belgium
Ikea Foundation	Netherlands
LGT	Switzerland
Lombard Odier	Switzerland
Mac Foundation	USA
MainStreet Partners	UK
Microvest	USA
Obviam	Switzerland
Old Mutual	South Africa
Omidyar Network	USA
OPIC	USA
Partners Group	Switzerland
Pury Pictet Turrettini	Switzerland
Quadia	Switzerland
Rancilio Cube	Italy
ResponsAbility	Switzerland
Sorenson Impact	USA
Symbiotics	Switzerland
Triodos	Netherlands
Triple Jump	Netherlands
1to4 Foundation	Switzerland

Appendix 2:

Survey questions

1. **Are you (or any of your clients) invested today in affordable housing?**
   a. Yes
   b. No
   c. Don't know

2. **If yes:**
   a. Volume and number of outstanding investments in affordable housing in emerging/frontier markets
   b. Since when are you invested in affordable housing in emerging/frontier markets?
   c. Your indicative allocation to affordable housing in relation to overall impact investment portfolio (in percentage):
      i. Less than 1%
      ii. Between 1 and 5%
      iii. Between 5 and 25%
      iv. Between 25 and 50%
      v. More than 50%
      vi. Don't know
   d. In which asset classes are you invested? (multiple answers possible)
      i. Private debt
      ii. Private equity
      iii. Public markets (bonds, equity)
      iv. Real estate
      v. Pay for performance
      vi. Others
   e. In which underlying are you invested today?
      i. Companies providing core housing elements (supply side)
      ii. Financial institutions funding the demand for housing (demand side)
      iii. Both
   f. On the supply side, in what type of companies are you invested today?
      i. Housing developers (e.g., project developers, construction companies, etc.)
      ii. Providers of housing products and services (e.g. ,solar panels, roofing, toilets, etc.)
      iii. Both

g. Why did you invest in affordable housing? (multiple answers possible)
   i. Looking for exposure to this topic in particular
   ii. Social impact
   iii. Diversification
   iv. Financial return
   v. Geography
   vi. Other way to invest in microfinance and financial inclusion
   vii. Provider of institutional technical assistance
   viii. Other
h. In which geographical area(s) are you invested? (multiple answers possible)
   i. Latin America
   ii. South Asia
   iii. East Asia & Pacific
   iv. Eastern Europe & Central Asia
   v. Africa & Middle East
   vi. Others
i. What is your target financial return for these outstanding investments? (Please answer only for your relevant asset classes)
j. How is the current performance of your investments relative to original expectations? Please explain the reason(s)
   i. Meeting expectations
   ii. Below expectations
   iii. Above expectations
   iv. N.A.
k. How do you measure and track your social impact objectives? What are the main KPIs? (open)

3. If not:
a. Why are you not invested? (multiple answers possible)
   i. Not a sector focus
   ii. General lack of awareness about investment opportunities
   iii. Lack of high-quality investment opportunities with track record
   iv. Lack of suitable exit options
   v. Too risky
   vi. Returns too low
   vii. Investment term too long
   viii. Impact proposition unclear
   ix. Others (specify)

4. **What will convince you (or your clients) to increase investment levels in the future? (multiple answers possible)**
   a. Greater choices of products/vehicles
   b. Better targeting of certain groups or geographies
   c. Higher financial return
   d. Track record and longer data series
   e. Lower risk
   f. Guarantees or other credit enhancements
   g. Better reporting on social impact
   h. None
   i. Other

5. **What is (or what would be) your preferred investment strategy to increase access to affordable housing?**
   a. Investing in companies providing core housing elements (supply side) – housing developers (e.g., project developers, construction companies, etc.)
   b. Investing in companies providing core housing elements (supply side) – providers of housing products and services (e.g., solar panels, roofing, toilets, etc.)
   c. Investing in financial institutions funding the demand for housing (demand side)
   d. All of them
   e. No preference

6. **From a combined risk-return perspective, please rank the following sectors in terms of attractiveness for an investor:**
   a. Health
   b. Education
   c. Food and agriculture
   d. Energy
   e. Housing
   f. Water and sanitation
   g. Financial services
   h. Land and property rights (e.g., GIS)

7. **From an impact perspective, please rank the following sectors in terms of attractiveness for an investor:**
   a. Health
   b. Education
   c. Food and agriculture
   d. Energy
   e. Housing
   f. Water and sanitation
   g. Financial services
   h. Land and property rights (e.g., GIS)

8. **In the construction of a diversified impact investment/Sustainable Development Goals portfolio, what should be the thematic allocation to affordable housing ?**
   a. Less than 1%
   b. Between 1 and 5%
   c. Between 5 and 25%
   d. Between 25 and 50%
   e. More than 50%
   f. Don't know

9. **What are the main challenges or risks you (or your clients) face for investing in affordable housing? (open)**

10. **Would you be interested in investment opportunities related to affordable housing, and why? (open)**

everyone

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Habitat for Humanity®

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