

Innovation in Housing Finance

How to unlock sufficient capital for the housing industry
so that everyone can afford a home?

Housing Backlog

Nigeria	~ 20 - 30 million homes
India	~ 15 - 30 million homes
USA	~ 3 - 7 million homes
China	complex
South Africa	~ 2 - 4 million homes
Africa	~ 50 - 200 million homes
Global	~ 400 - 800 million homes

affecting about **1.5 - 3 billion people**



Citra

- **Founded 2016**
- **Over 75 Employees**
- **Over 260 homes delivered in Cape Town**
- **Over \$ 500 million worth of enquiries in past 9 months**
- **Enquiries for over 11,000 homes**
- **Active in South Africa, Namibia, US, Switzerland, and Germany**
- **Developed award winning, advanced Citra Building Technology**

Citra **develops, designs, and builds** homes and estates with its own world leading building technology.

At Citra, we believe that we can help to eliminate the **global homes shortage** through **technology** leadership delivered by the first **reliable housing brand**.



Citra Advantages

- **High Speed:** 3-4 weeks to build.
- 60% less labour, made for automation.
- **Cheaper** than South African social housing equivalent.
- 50% less energy and carbon emissions in the lifecycle.
- 5 x better thermal than South African standard.
- **Design freedom** makes homeowners proud.
- Extremely durable: Estimated 7.5 billion years life span*.
- 2 hours fire rating.
- Hurricane proof.
- Superior earthquake resilience.
- Steel free, timber free, non-toxic.
- 60% reduced concrete.



eHomes Affordable Development, Cape Town - Photographed 2023

* The sun is projected to burn the earth in about 7.5 billion years.

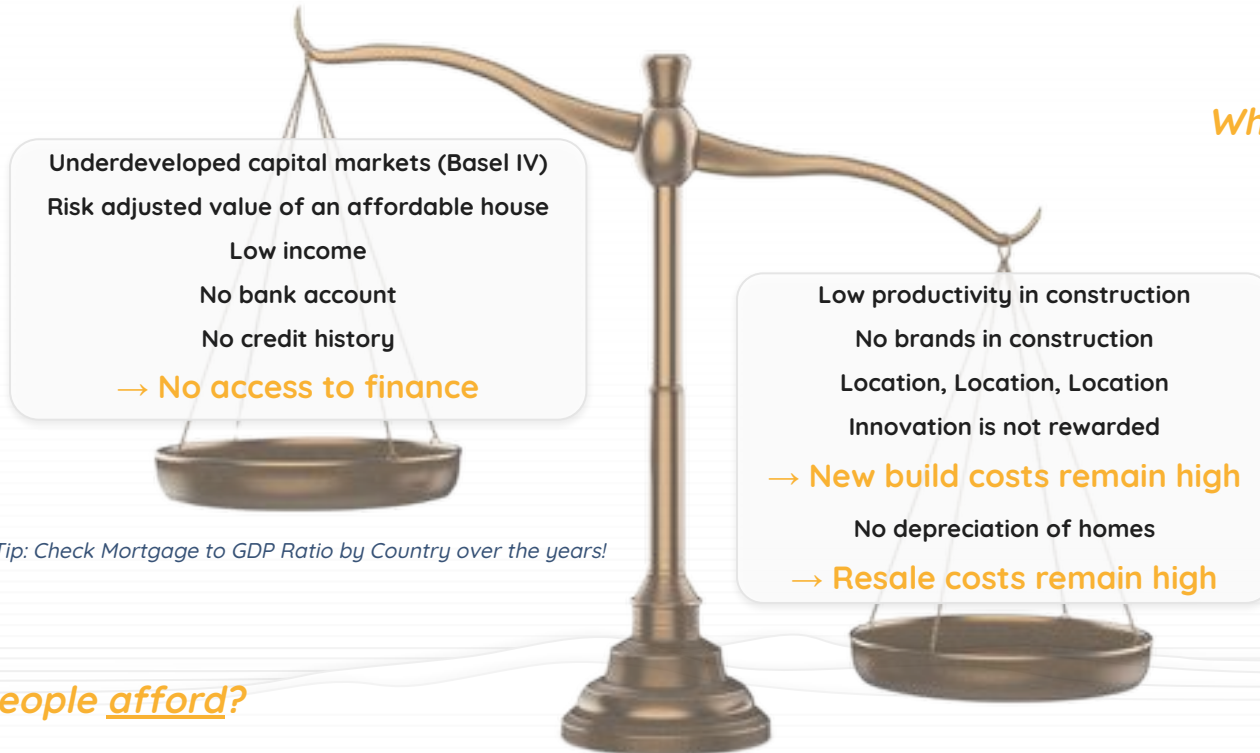


eHomes Affordable Development, Cape Town - Photographed 2023



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Possible Root Causes of the Housing Shortage



Underdeveloped capital markets (Basel IV)

Risk adjusted value of an affordable house

Low income

No bank account

No credit history

→ No access to finance

Low productivity in construction

No brands in construction

Location, Location, Location

Innovation is not rewarded

→ New build costs remain high

No depreciation of homes

→ Resale costs remain high

Tip: Check Mortgage to GDP Ratio by Country over the years!

Supply

What does it cost?

Demand

What can people afford?

Innovative Finance Solutions for Affordable Housing

Developers

Buyers

Developer: How to Access Construction Loans?

Affordable Housing Developer's Conundrum

- Low margins (~ 12%)
- Banks require up to 100% pre-sales
- Buyers don't buy off plan

Consequences

- Slow delivery
- Inflation and holding costs kill margin
- Few developers active in the sub R1.2m space

Proposed Solution

Pre-Sale Guarantee

- Faster delivery
- Better client satisfaction
- Increase RoE up to 4x



Buyer: How to get a Home Loan?

Affordable Housing Buyer's Conundrum

- Insufficient savings
- Low credit score

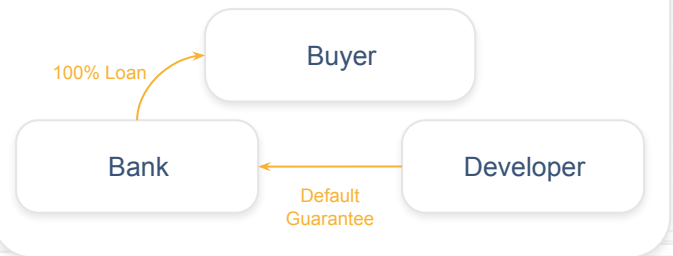
Consequences

- Buyer
 - No or expensive home loan
 - Stuck in inadequate housing
- Developer
 - Low conversion rate
 - Pressure on margins
 - Slow delivery

Proposed Solution

Developer Backed Home Loan

- Higher conversion rate
- Potentially higher margins
- Buyer: Lower interest rate



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so that **everyone** can afford a **home?**

Collaboration & Innovation

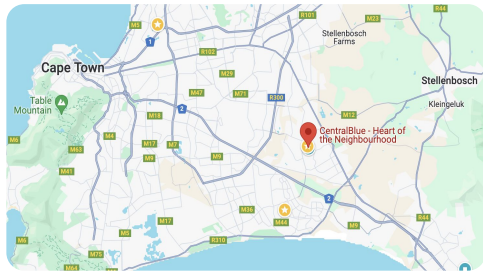
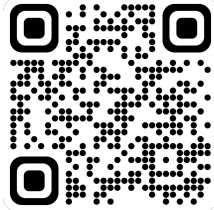


Thank you

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eHomes Construction Site in CentralBlue, Cape Town, South Africa - Photographed 2021