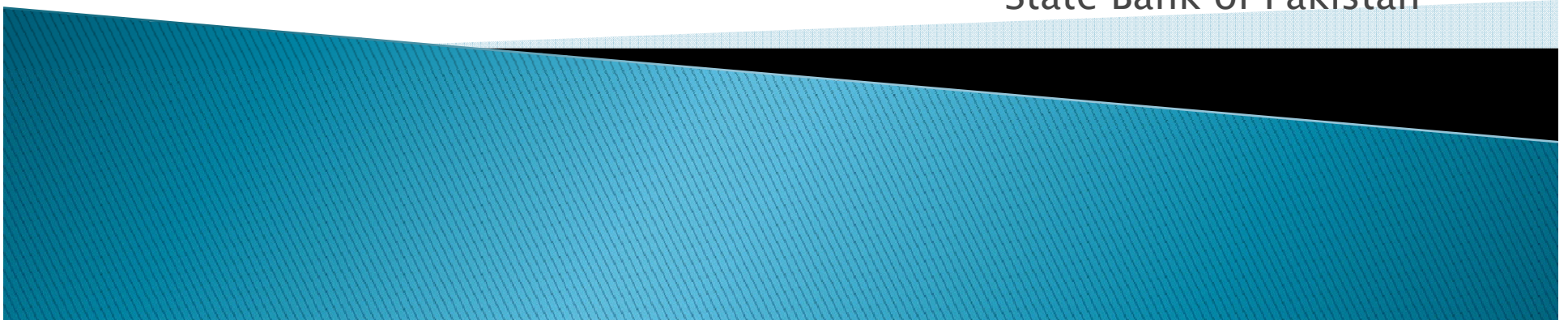


Pakistan Housing Finance Sector

Challenges and Opportunities

Kamran Shehzad
Deputy Governor
State Bank of Pakistan



2. Geographical Location of Pakistan

North: China
South: Arabian Sea
East: India
West: Afghanistan and Iran

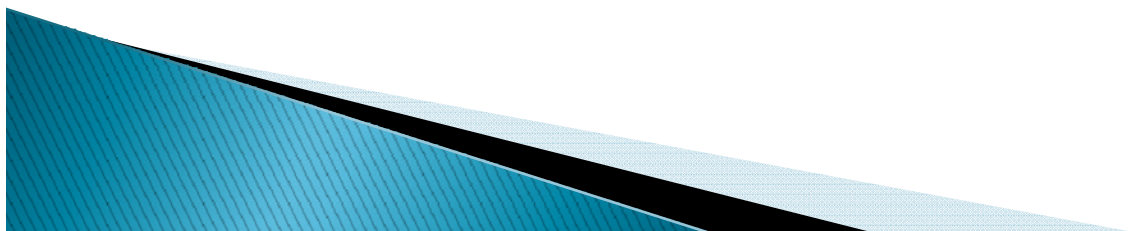
Latitude: $30^{\circ}00'$ North of the Equator

Longitude: $70^{\circ}00'$ East of Greenwich



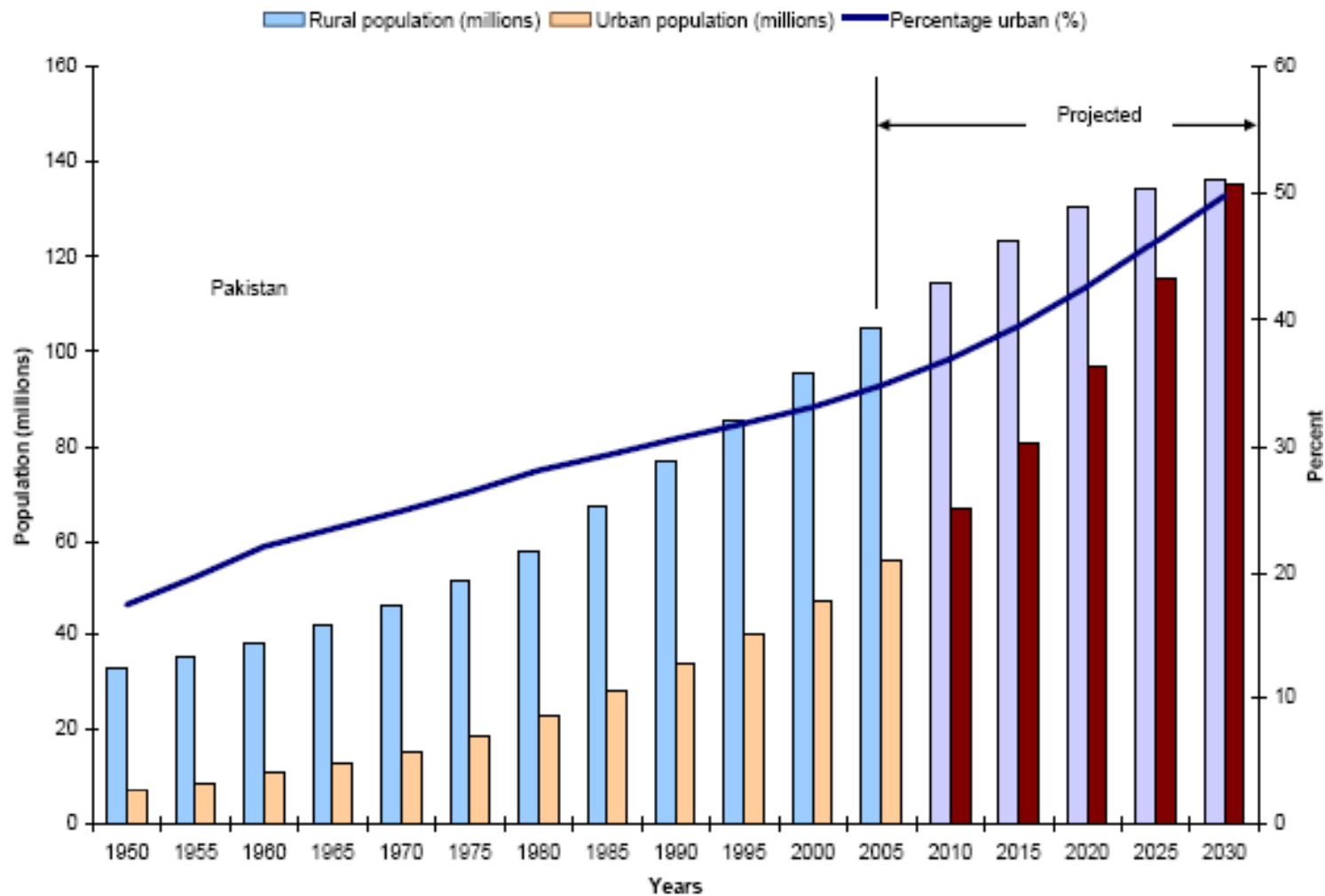
3. Pakistan's Key Stats

Sr. No.	Description	Stats
1	Population	161.15 million (2005)
2	Population Density	206/ km ²
3	Urban Population	35% of Population
4	Projected Growth of Population	2.41%
5	Housing Backlog	7 million units
6	Annual Increase in Housing Backlog	300,000 units
7	Room Density	3.5 persons/ room
8	Per Capita Income	\$1027
9	GDP (FY07-08)	\$167,306 million
10	Housing Finance as % of GDP	0.7



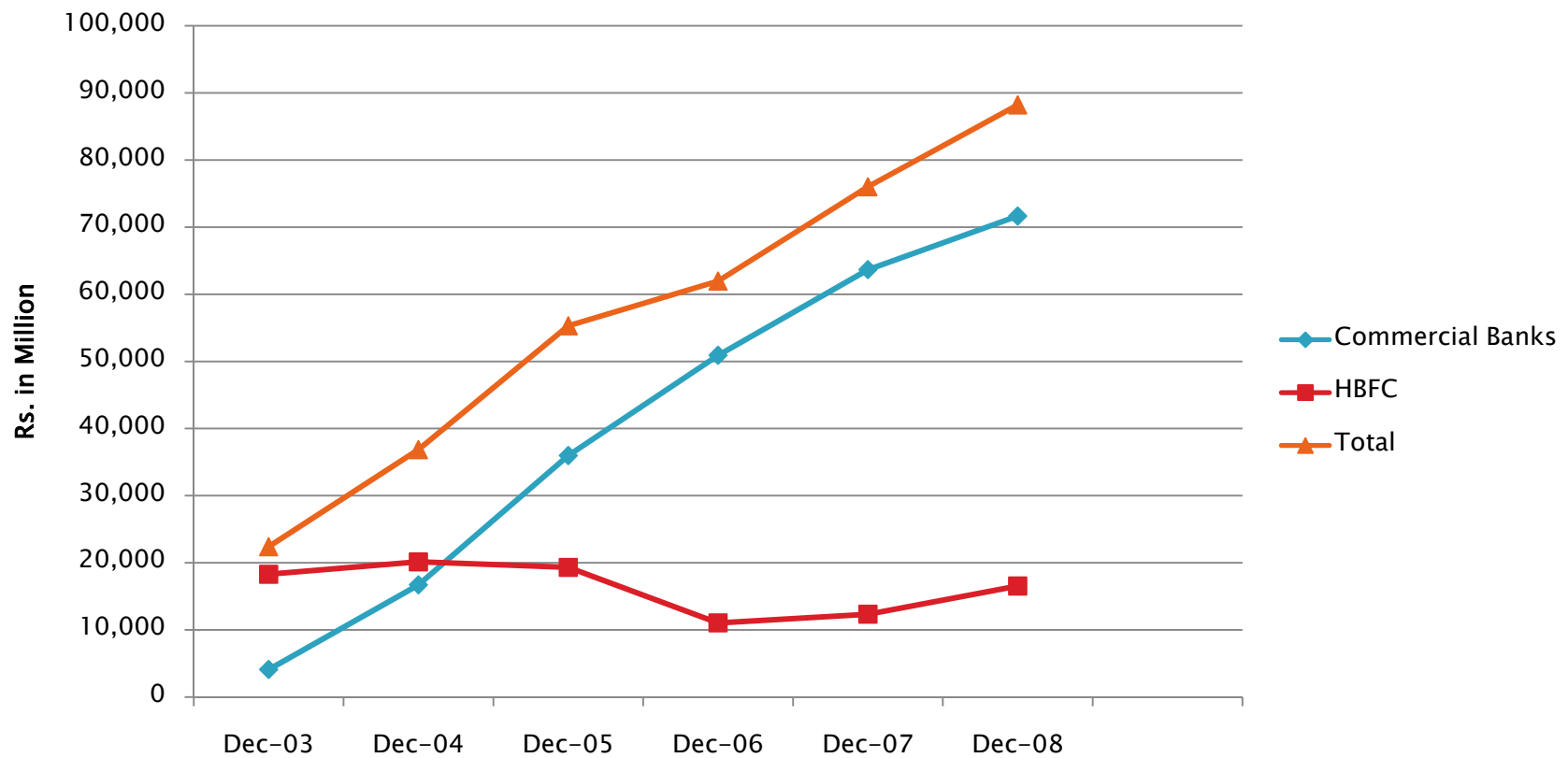
4. Pakistan's Stats Cont'd

Trend of Urbanization



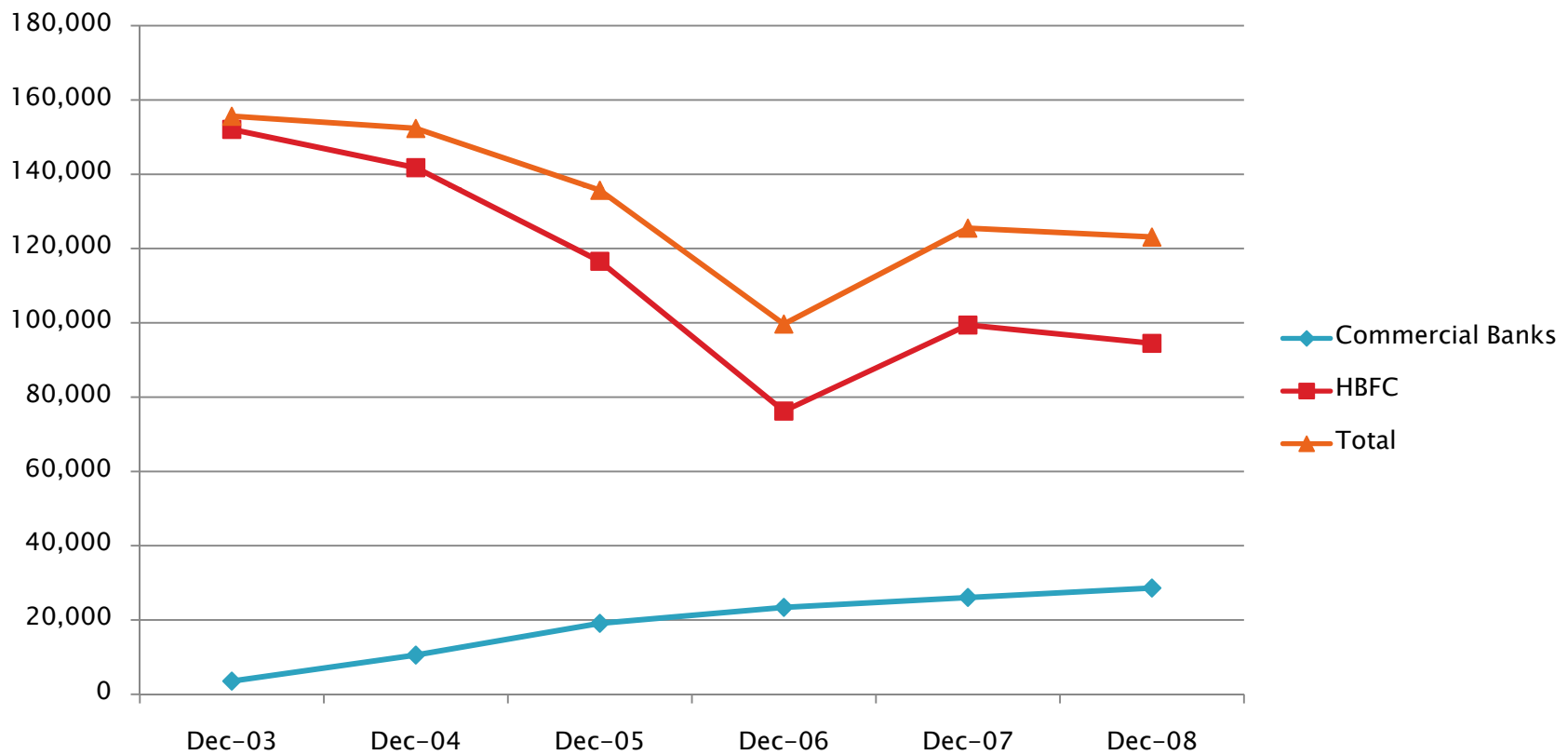
5. Housing Finance (Graphical Illustration)

Fig:1 Gross Outstanding in Housing Finance



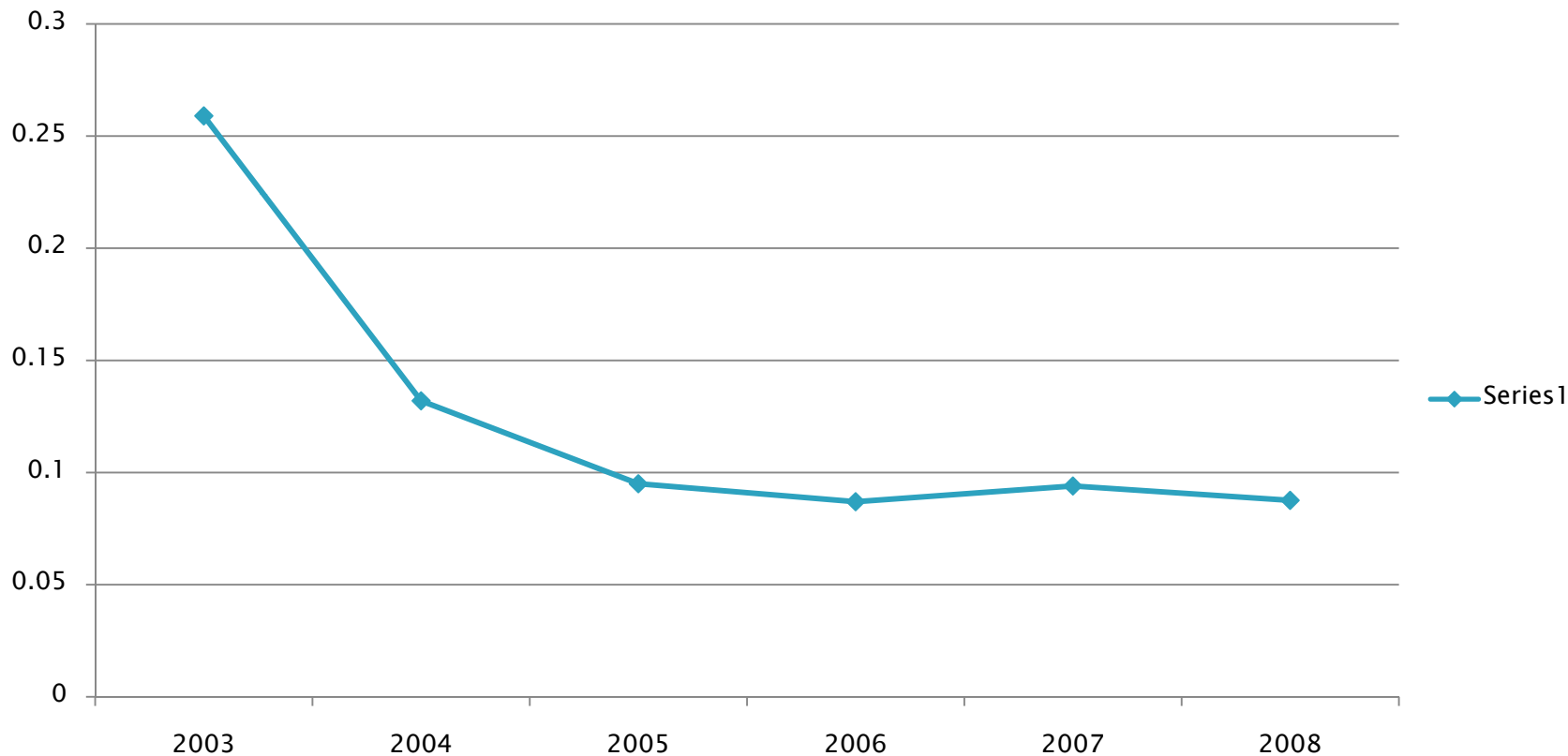
6. Housing Finance (Graphical Illustration cont'd)

Fig:2 Number of Borrowers



7. Competition within Banking Sector (Housing Finance Context)

Herfindahl Concentration Index



8. Achievements of State Bank of Pakistan

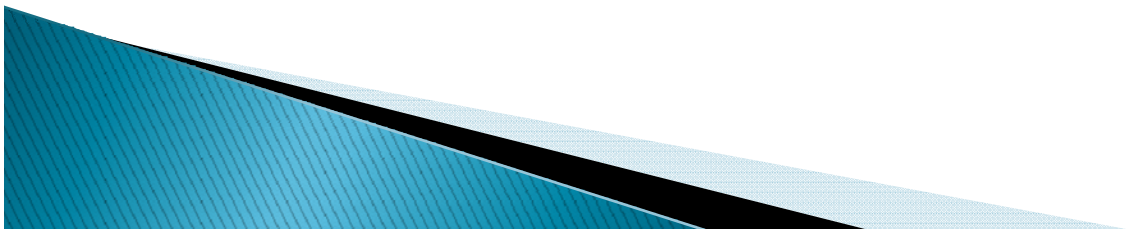
- ▶ **Establishment of a Housing Advisory Group (HAG).**
 - HAG has identified impediments in the growth of housing finance and has come up with key recommendations.
 - Dissemination of recommendations made by the Group, to concerned stakeholders.
 - Initiated the implementation of recommendations.
- ▶ **Capacity Building of Mortgage Bankers**
 - Initiative launched in cooperation with the International Finance Corporation (IFC).
 - Approximately 200 bankers have been trained in the mortgage business so far.



9. Initiatives Taken/Planned by State Bank of Pakistan

- ▶ **SBP and World Bank common initiatives**
 - Establishment of a Mortgage Refinance Company (MRC).
 - Restructuring of the House Building Finance Corporation Ltd.(HBFC Ltd).
 - Establishment of a real estate market observatory.

- ▶ **Strengthening of the Credit Information Bureau (CIB)**
 - Up gradation of CIB to e-CIB.



Thank you!

Kamran Shehzad
Deputy Governor
State Bank of Pakistan

