

# EMPLOYEE HOUSING IN PAKISTAN: AMC AND SCIL



**REALL PARTNER, AMC, HAS ENTERED A MEMORANDUM OF UNDERSTANDING WITH ONE OF PAKISTAN'S MOST SUCCESSFUL CONGLOMERATES TO PROVIDE AFFORDABLE HOUSING FOR ITS WORKERS IN FAISALABAD.**

## THE CONTEXT

Pakistan's growing economy means that better paid, more secure work, is becoming increasingly available to people on low incomes. As a result, workers are migrating to urban areas by the day in search of better prospects for themselves and their families. Provisions for affordable homes are not equipped to meet this demand, and the situation is compounding.

## THE CHALLENGE

Little, if any, shelter awaits these workers, as Pakistan is facing a shortage of nine to ten million housing units, accompanied by the smallest mortgage-debt to GDP ratio in South Asia. Meanwhile, inflation and rising prices make home ownership an increasingly distant reality for the average Pakistani. Only 1500 mortgages are extended annually, and the large majority of these are offered to middle and upper-class borrowers.

## THE OPPORTUNITY

AMC, Reall's partner operating in Pakistan, recognised workers on low-incomes as a group in need of decent and affordable homes. Skilled workers with stable incomes are consistently found to be reliable re-payers of mortgage loans. AMC has taken significant steps to realise this opportunity, undertaking a partnership which will supply housing to factory workers in Faisalabad.

## THE COLLABORATION

In June 2018 AMC entered into an agreement with Sitara Chemical Industries Limited (SCIL), one of Pakistan's most successful conglomerates. Impressed by the quality and affordability demonstrated in the first phase of AMC's Ada Johal project, SCIL recognised the value in securing AMC's homes for its employees.

## THE INTERVENTION

Phase 2 of AMC's Ada Johal project will include 225 affordable housing units designed especially for SCIL staff. A mix of three, two and one-bedroom units will be available, as well as a smaller one-bedroom unit, proposed by SCIL to offer an even more affordable housing option for staff and their families. SCIL will run a repayment plan via salary reductions.

## THE IMPACT

This project sees a Reall Partner invest in, and advocate for, an unrepresented demographic, ensuring decent homes for low-income factory workers and their families. The fantastic initiative will demonstrate to housing developers, industrialists and the banking sector, the viability of providing employee housing schemes to the industrial sector, of which few - if any - other examples exist in Pakistan.

## IMPACT DASHBOARD - BUILDING A HOME FOR HUMAN POTENTIAL

**225**

UNITS PLANNED

**1125**

PEOPLE SERVED

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Pakistan's housing need <b>9-10 MILLION HOMES</b>	Life expectancy at birth <b>66</b>	Percentage of urban population without basic sanitation <b>25%</b>
Pakistan's population <b>200 MILLION</b>	Pakistan's GDP <b>300 BILLION</b>	Mortgage debt ratio to GDP <b>0.23%</b>
Faisalabad urban growth <b>82,000 PER YEAR</b>		

## PAKISTAN



## REALL'S INTERVENTIONS



### CAPITAL AND FINANCE

Reall has invested £1.6M into AMC to fund this project.



### TECHNICAL AND OPERATIONAL ASSISTANCE

For the Sitara scheme, Reall has supported AMC with improvements to their sanitation systems, supplied flood mitigation designs, and provided recommendations for organisational improvements.



### POLICY AND ADVOCACY

This project will demonstrate to housing developers, industrialists and the banking sector, the viability of providing employee housing schemes to the industrial sector.



### EVIDENCE AND KNOWLEDGE SHARING

Pioneering projects set a great example of what can be achieved. Following the project's success, we expect to pursue similar schemes in Pakistan and across the Reall network.

Collaborate/Partner

Find out more at [www.reall.net](http://www.reall.net)