

An Alternative Affordable Home-Financing Model

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SMR Strategy

26.10.2023

China's Evergrande files for bankruptcy

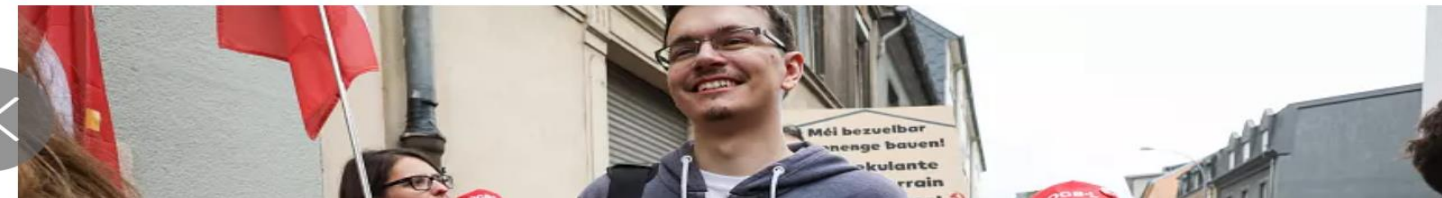
By Samantha Delouya, CNN

🕒 3 minute read · Updated 8:30 PM EDT, Thu August 17, 2023



🏠 > News > Business

Europe's housing crisis: Portugal, Turkey, and Luxembourg struggle to find solutions



European house prices drop for the first time in almost a decade



FORTUNE

Goldman is back with a 16-years-later look at the housing market crash of 2008 —and finds affordability is even worse right now

17

Sydney Lake

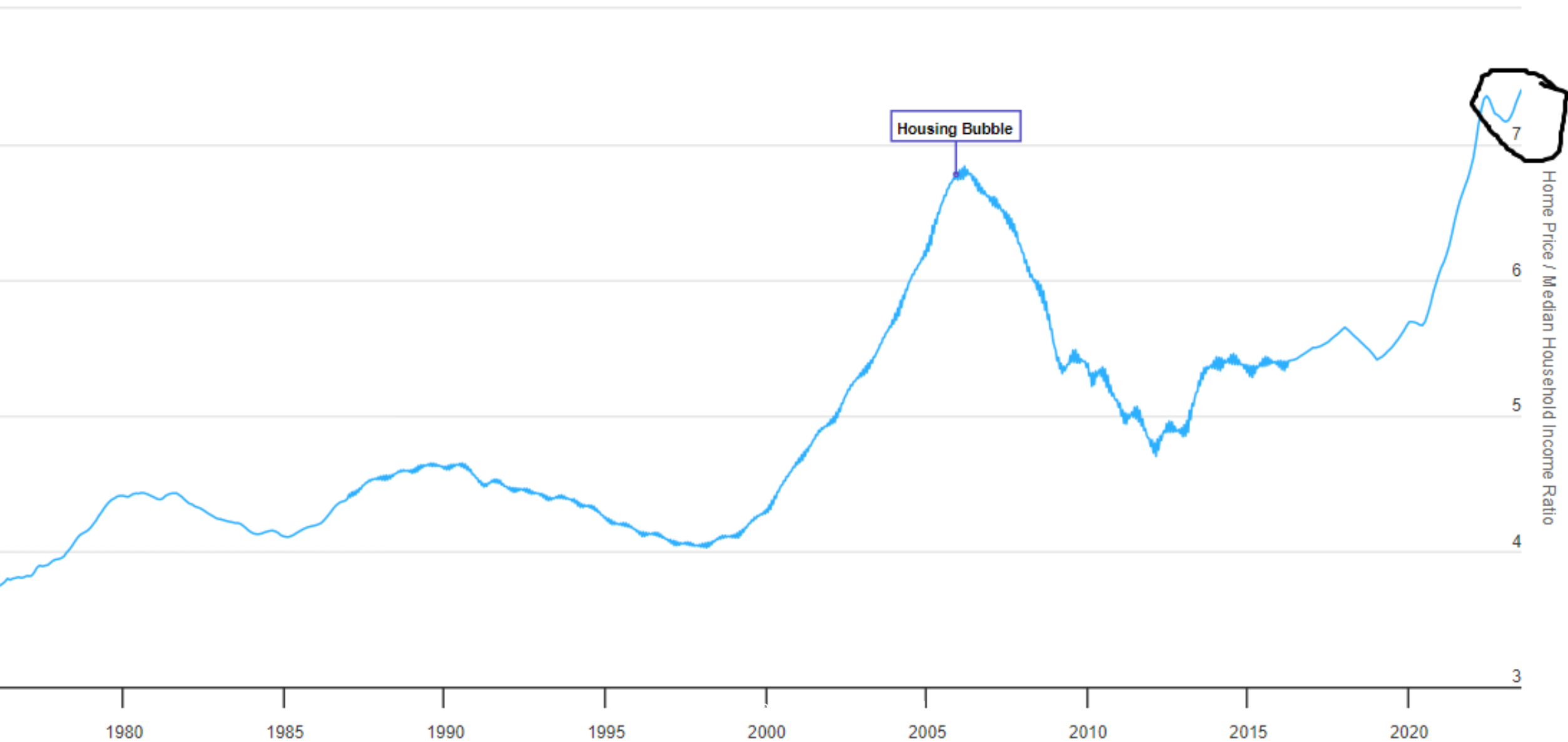
October 12, 2023 · 4 min read



Home Price / Median Household Income Ratio



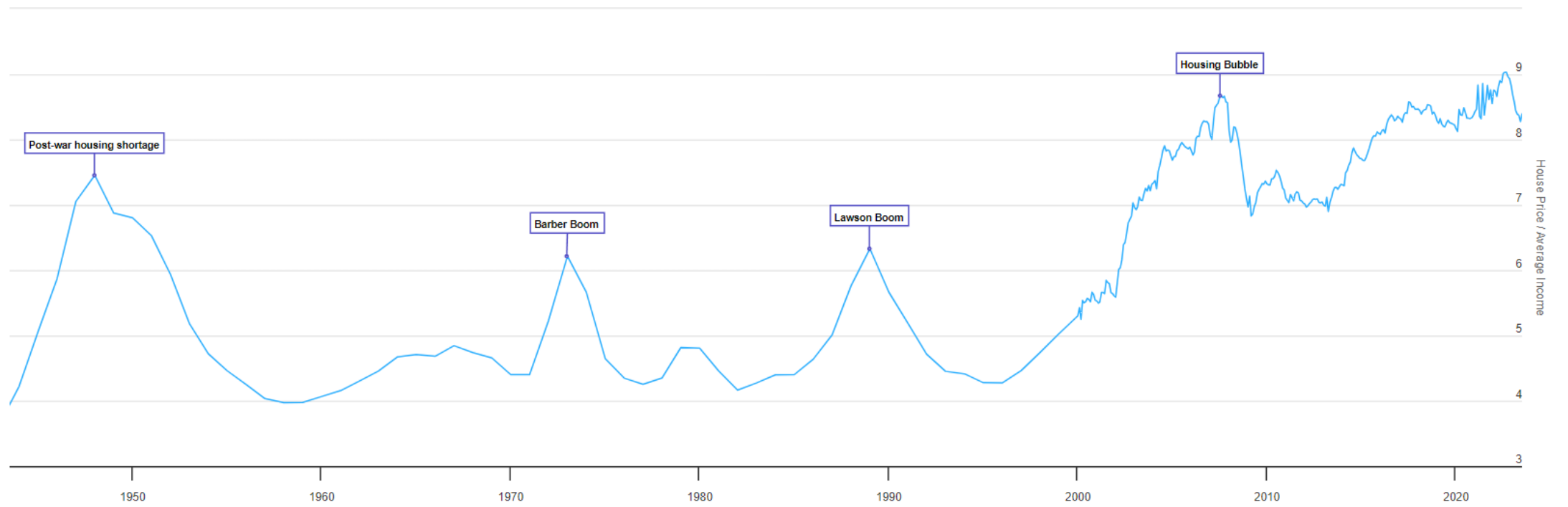
1 Jul 1953 → 1 Jul 2023



UK House Price / Average Annual Income Ratio

Zoom 10y 15y 30y 50y **80y** All

1 Jul 1943 → 1 Jul 2023



Countries with Top Homeless People (WPR, 2022)

Country	Homeless ▼
Nigeria	24,400,000
Pakistan	20,000,000
Egypt	12,000,000
Syria	6,568,000
DR Congo	5,332,000
Bangladesh	5,000,000
Colombia	4,943,000
Afghanistan	4,660,000
Philippines	4,500,000
Yemen	3,858,000
Indonesia	3,000,000

Habitat for Humanity specifically recommends:

- **The UN must continue and strengthen efforts to address adequate and affordable housing.** The number of people living in slums continues to grow. Approximately 1.6 billion people around the world are being denied the basic human right of adequate shelter. The world's ability to meet the housing needs of the global urban population is currently outpaced by the rate of urbanization.

Pension Funds (Visualcapitalist.com, 2022)

Rank	Fund	Market	Total Assets
1	Government Pension Investment Fund	 Japan	\$1.7T
2	Government Pension Fund	 Norway	\$1.4T
3	National Pension	 South Korea	\$798.0B
4	Federal Retirement Thrift	 U.S.	\$774.2B
5	ABP	 Netherlands	\$630.4B
6	California Public Employees	 U.S.	\$496.8B
7	Canada Pension	 Canada	\$426.7B
8	National Social Security	 China	\$406.8B
9	Central Provident Fund	 Singapore	\$375.0B
10	PFZW	 Netherlands	\$315.5B

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U.S. fund data are as of Sep. 30, 2021, and non-U.S. fund data are as of Dec. 31, 2021. There are some exceptions as noted in the graphic footnotes.

Pension Funds (Türkiye) (PMC, 2023)

IPS Summary Data

18.10.2023

Number of Participants:

8.475.240

Total Fund Size:

635,0 billion TL

AES Summary Data

18.10.2023

Number of Participants:

7.253.844

Total Fund Size:

49,8 billion TL

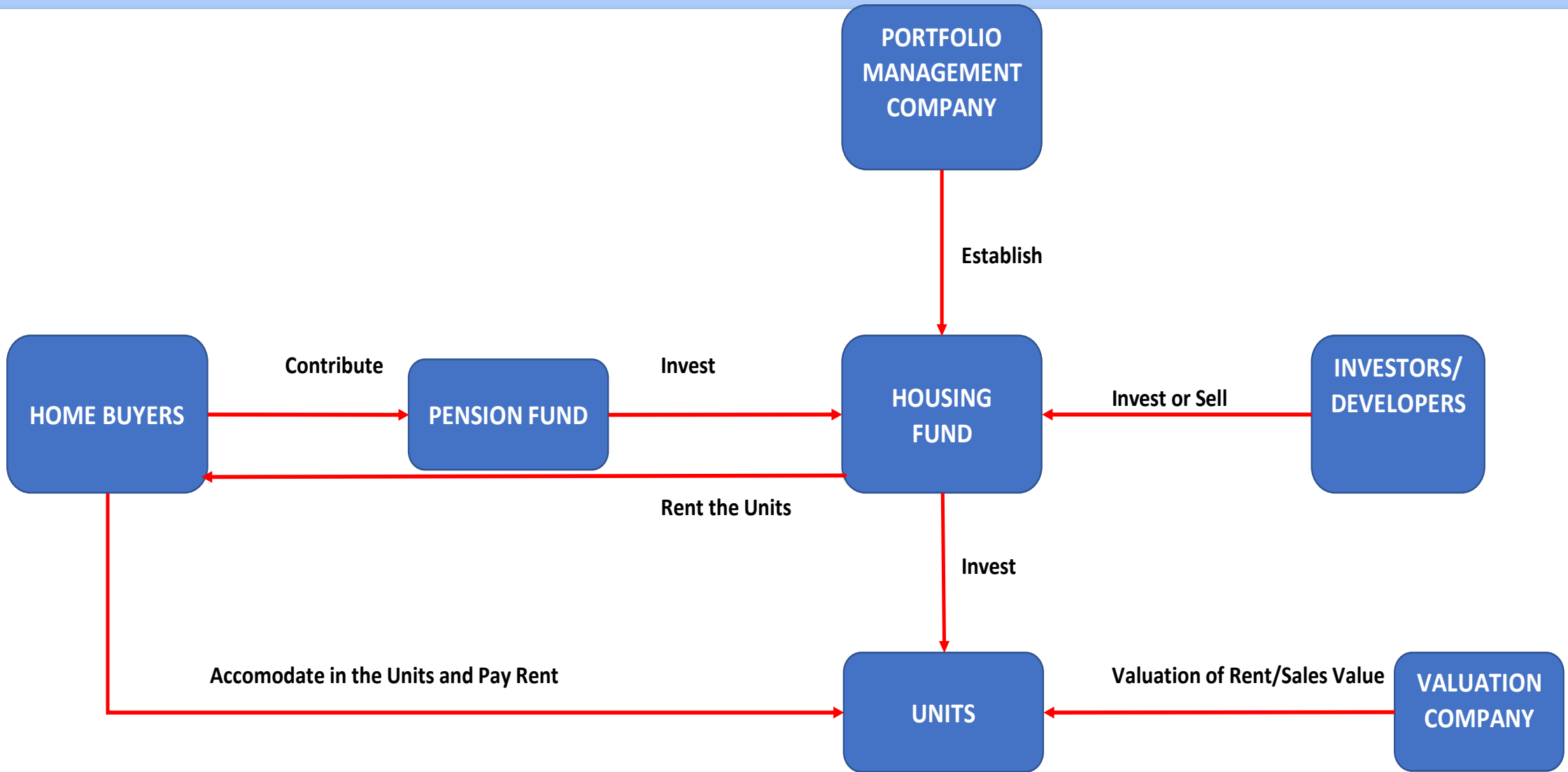


Figure 7.11. An Alternative Interest-Free Home Financing Model (Modified from Sümer, 2021)

Policy Recommendations

Use the money of people to finance the needs of people

Use asset-backed capital market instruments instead of debt instruments

Use pension funds, sovereign wealth funds, insurance funds as the primary source of financing and include banks as the secondary financing source

Instead of increasing the mortgage loans, focus on sharing and partnership (co-ownership) economy approach

Make sure the real estate capital market instruments talk to each other (REITs-REIFs-Real Estate Certificates, Sukuk, etc.)

Create a real estate investment ecosystem

For more..

