

Industries of the Future

Social Property and Finance



Lack of access to housing and financial services creates poverty and inequality. Housing is a fundamental human right, with vulnerable groups such as the elderly often in particular need. Furthermore, access to finance remains a challenge, with the bulk of the world's population outside the banking system. Government efforts to tackle these issues are creating new investment opportunities.

The challenge

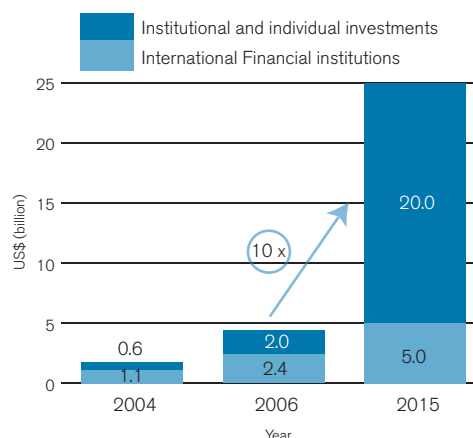
- The majority of the low-income population in developing countries do not have access to even basic financial services. In the Asia and Pacific region alone, more than 300 million households suffer from lack of access to financial services.¹
- In the US it is estimated that over 40 million people do not have access to financial services.² Two million adults living in 1.3 million households in the UK do not have access to any kind of bank account.³
- In 2008, around 90,000 homeless families are in temporary accommodation in Great Britain – double the number of families living in temporary accommodation in 1997.⁴

Markets & drivers

Governments throughout the world are focusing efforts on resolving these problems in innovative ways, through a mix of increased expenditure, regulation and public service outsourcing through the creation of public-private partnerships.

- The UK government plans to invest £8bn in affordable housing. At least 70,000 affordable houses a year are due to be built by 2011, including 45,000 social housing homes, more than double the amount built in 2004.⁵
- In the UK, 74% of new housing is being built on brownfield land, up from 57% in 1997.⁶
- Microfinance is the provision of financial services to low income clients or those living in poverty. The microfinance sector worldwide has a total outstanding loan volume of US\$25bn. However, the demand for microcredit is estimated to be US\$250bn, ten times the amount lent so far.⁷

Chart 1: Global microfinance loan volume



Source: Deutsche Bank Research, 'Microfinance: An emerging investment opportunity', 19 December 2007



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“ Better access to finance not only increases economic growth, but also helps fight poverty, and reduces income gaps between rich and poor people. ”

Asli Demirgüç-Kunt World Bank, 13 November 2007

Investment opportunities

The Social Property & Finance theme focuses on companies whose goods and services promote financial inclusion, property for social benefit, access to housing and regeneration. This includes companies in the following sub-themes:

- **Access to housing** – facilitating access to affordable or social housing; providing finance or property to organisations delivering socially beneficial services
- **Access to finance** – enabling access to financial services for traditionally excluded sections of society
- **Regeneration** – regenerating communities and local economies

Examples of companies within the Social Property & Finance theme are:

- **Eaga (UK)** delivers residential improvements in the environmental, energy efficiency and social justice arenas
- **Sirius Real Estate (Germany)**, a property investment company providing workspaces for small and medium-sized enterprises in Germany
- **Bellway Plc (UK)**, a property developer active in brownfield development in urban areas

Notes:

- 1 Asian Development Bank, 'Low-income households' access to financial services', October 2007
- 2 <http://www.iadb.org>
- 3 HM Treasury, 'Financial inclusion', December 2007
- 4 <http://www.poverty.org.uk>
- 5 UK Department for Communities and Local Government, 'Housing green paper', July 2007
- 6 http://news.bbc.co.uk/1/hi/uk_politics/6947138.stm
- 7 Deutsche Bank, 'Microfinance: An emerging investment opportunity', 19 December 2007

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