Angolan Government creates a sovereign guarantee fund to build housing

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The Government has set up a public fund to ensure the implementation of the national housing construction program, but still has to raise the necessary bank financing.

A decree signed by President José Eduardo dos Santos, on August 25, for the creation of the Fund for Housing Assets Development (FADEH) with the aim to "boost the sector" and "create a more efficient and sustainable management model" for the state in economic and financial terms. This fund as defined in the decree, will take over the public real estate assets, such as housing, business premises and plots of land for construction, under the supervision of the Ministry of Finance. "The FADEH must mobilize bank financing to obtain the necessary resources to finance housing projects with sovereign guarantee [a State guarantee of loans to raised]," reads the document. The amount necessary for its implementation of this fund was not revealed.

In late 2014, as part of a social policy for the housing sector, the Angolan State, handed over the delivery of construction management and sales of housing, to the company Imogestin. The Angolan President also announced in 2014, the launch of the second phase of construction of the urban housing complex of Kilamba, a city built from scratch 30 kilometers south of Luanda that will eventually provide for 90,000 units. Considered one of the largest projects of its kind in Africa, the City of Kilamba, opened in July 2011, and has completed the first phases of the project with 20,000 apartments built. The Master Plan of the Kilamba City, whose construction is done by Chinese companies, covers an area of 54 square kilometers and includes the construction of 710 buildings, 24 kindergartens, nine primary schools, eight secondary schools and 50 kilometers of roadways.

These new housing complexes, built from scratch in various parts of the country, are integrated in the National Housing Plan and is targeted, especially for civil servants. The Government’s announcement suggests that this new mechanism intends to control housing financing and make it more affordable.