Poznan Social Housing Investment Facility
Anna Harasimowicz
Vasco Amaral Cunha
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The project

• Construction of approx. 1,000 social and municipal housing units and refurbishment of existing apartments and of community healthcare centres in the City of Poznan

• Energy savings of approx. 3,100 MWh per year

• Project Cost: PLN 358m (EUR 85m)

• EIB Loan: PLN 178m (EUR 42m), 25Y tenor under Social and Affordable Housing Investment Platform

• Promoter: ZKZL, Poznan’s municipal social housing company

• Implementation period: 2017-2022
Location of new apartments

- **Hulewiczów**: approx. 47 units
- **Biskupińska**: approx. 120 units
- **Kopanina**: approx. 188 units
- **Opolska**: approx. 280 units
- **Nadolnik**: approx. 71 units
- **Bernata**: approx. 60 units
- **Darzyborska**: approx. 235 communal units and 50 social units
Location of refurbished apartments

- Wierzbięcice 14 – 14b
- Śniadeckich 6/6A
- Sikorskiego 24 – 25
- Kilińskiego 4
- Kilińskiego 5
- Wrocławska 20 / Podgórna 18
- Różana 12 / Żupańskiego 12
- Górna Wilda 80
The need for investment (I)

• The need to improve and increase the social and communal housing offer in Poznan (Development Plan for the City of Poznan 2030)

• 2,300 applicants on waiting list as of the beginning of 2017
The need for investment (II)

• The need to ease the overcrowding rate, to reduce urban sprawl and migration and to increase the efficient use of urban resources

• The need to reduce energy consumption and improve living conditions
The need for adequate financing and assistance

- Social and communal housing regulatory framework
- Regulated rents and eligibility criteria
- Need for assistance to structure the project
- A sector based on investments funded by public / municipal funding
- Long tenors to allow affordable rents
- Repayment based on cash-flow generation capacity
The Promoter

• ZKZL, a municipal company, is in charge of managing the municipal housing stock in Poznan

• Started as budgetary unit in January 2000 and became a commercial company in May 2013

• ZKZL manages approx. 14,000 apartments, a total area of over 935,000 m², 70% of which residential

• 168 employees as at 31 December 2016

• Its main activity is managing and leasing municipal residential and commercial units
ZKZL: new constructions

Nadolnik

Darzyborska
ZKZL: refurbishments (I)
ZKZL: refurbishments (II)
The financing structure

• One loan to ZKZL supported by a tailored-made security package

• Availability period in line with implementation calendar

• Grace period on capital until the end of construction

• Public services contract with the City of Poznan, but no municipal guarantee

• Financial ratios established on the basis of a financial model covering the amortisation period of the financed assets (60 years)
The advisory services (I)

• Financial advisory services for purposes of financial modelling and structuring of the transaction

• Legal advisory services for purposes of drafting and negotiating the public services contract

• Advisory services allowed ZKZL to structure the project and to ensure adequate financing

• Adapted approach that resulted in a personalised project structure and accelerated financing by the EIB and other lenders
The advisory services (II)

- Approach by ZKZL and first contacts in April 2016
- Definition of the scope of assistance and procurement
- Formal engagement of consultants in December 2016
- Kick-off meeting in January 2017
- Signature of finance contract in January 2018
The conclusions

✓ ZKZL is an excellent example of synergy of different possibilities offered by the EIB

✓ A project soundly structured and adequately financed

✓ Investment started in 2017

✓ New and improved housing for nearly 3,000 people

✓ Less 66% of energy use and less 2,500 tonnes of CO₂ emissions per year
Thank you for your attention

Contacts:
Anna Harasimowicz
anna.harasimowicz@zkzl.poznan.pl
Vasco Amaral Cunha
v.amaralcunha@eib.org