

Tajdid Capital



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Afghanistan has experienced war for 49 years of its 100 year history

Out of Kabul's estimated 7 million residents, **4.9 million**
live in impermanent, structurally unsound housing

Photo Credit: Ahmad Jamshid/AP

A soldier in a blue uniform, seen from behind, is running through a field of rubble and debris. The ground is covered in dirt, trash, and broken pieces of what might have been buildings. In the background, there are more piles of rubble and some skeletal remains of structures. The overall scene is one of devastation and displacement.

A lack of safe, secure, and affordable housing has stymied Afghanistan's economic progress

the UN built **499**
units in 2015

Yet, **50,000 more**
Afghans have been displaced
since 2015

At the current rate, it will take nearly
370 years to safely and
sustainably house the remaining
population of displaced Afghans

Photo Credit: AP



Kabul is the world's 5th fastest growing city

50% of Afghanistan's
urban population is in Kabul

Afghanistan's national income **doubled**
between 2004 to 2013

Still, some homes house **20+** people

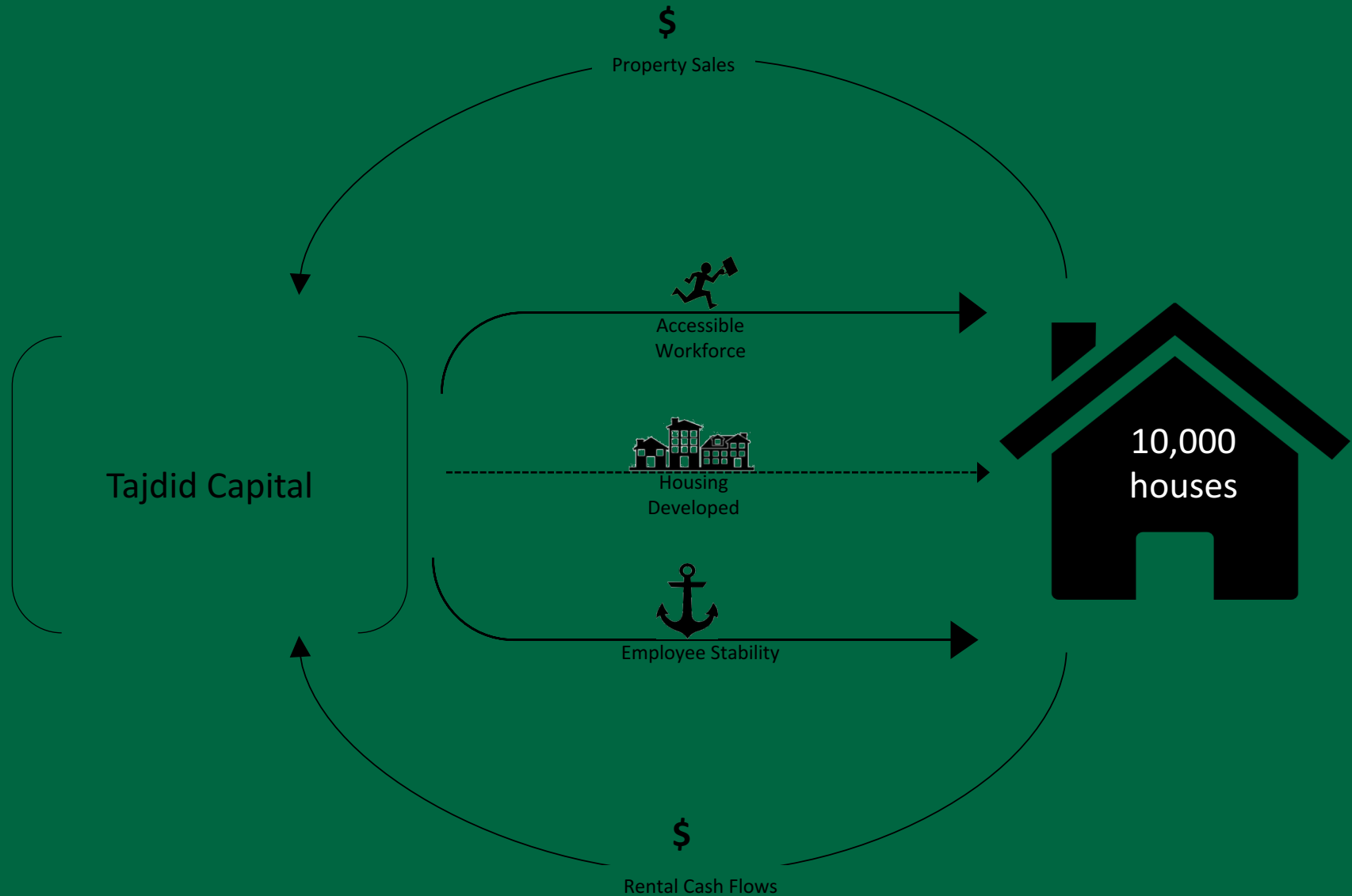
Photo Credit: Al Jazeera

Acquire unclaimed shipping containers and upcycle them into sturdy, sustainable modular housing units for displaced Afghans



Photo Credit: UNHCR/S

Tajdid Capital's Role



Making it Work: Implementation

Step

Strategy

- | | |
|----------------------------|--|
| 1) Acquire Land | Acquire plots from Afghan government at below-market rates |
| 1) Acquire Containers | Acquire containers from U.S. Military |
| 2) Refurbish and Transport | Partner with local developers to refurbish and transport homes to Kabul and then, Kandahar |
| 3) Facilitate Rent-to-Own | Execute contracts with Kabul Economic Zone partners to facilitate a rent-to-own scheme |
| 4) Pay Investors | Distribute rental income from residual cash flows to investors |

Investment Criteria



U.S. Military Containers Left From War

Strong, corrosion-resistant containers with limited current use



Expensive to Address

92,566 twenty-foot shipping containers on the ground, cost \$6bn to inspect, upgrade, and ship



Location

Proximity to Kandahar and Kabul (city centers)
easy to repurpose, transport, and rent



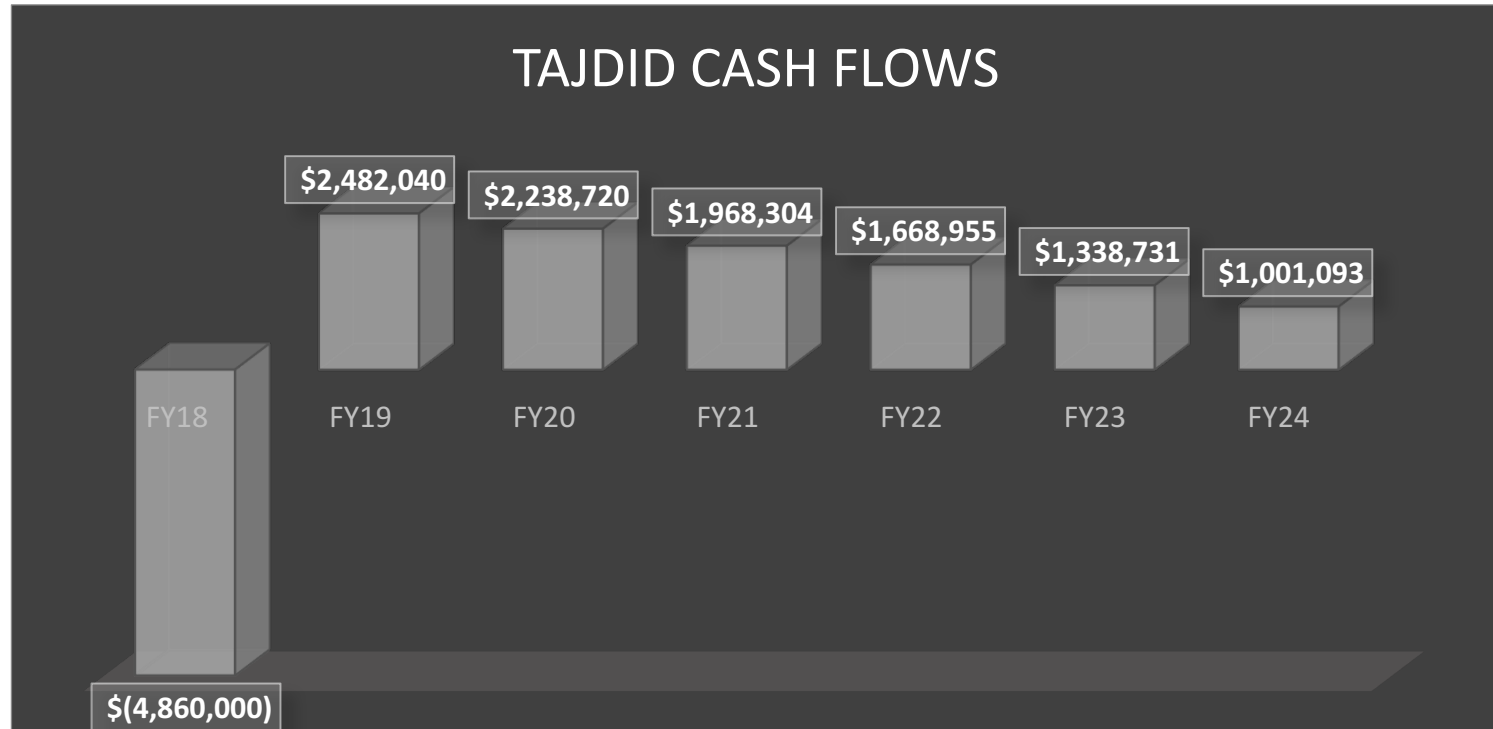
Fund Sources and Uses

| SOURCES & USES OF FUNDS | | | | | |
|-------------------------|--------------------|------------------|--------------------|--------------------|-------------|
| <u>Sources</u> | <u>Uses</u> | | | | |
| | Acquisition Price | Working Capital | Loan Issuance Fees | Total | % |
| Senior Debt | \$2,700,000 | - | - | \$2,700,000 | 55% |
| Investor Equity | \$1,800,000 | \$360,000 | \$27,000 | \$2,187,000 | 45% |
| Total | \$4,500,000 | \$360,000 | \$27,000 | \$4,887,000 | 100% |

Key Assumptions:

- Acquisition cost of \$4.5M for 60,000 containers
- 55% of acquisition cost is levered with loan financing (15% rate)

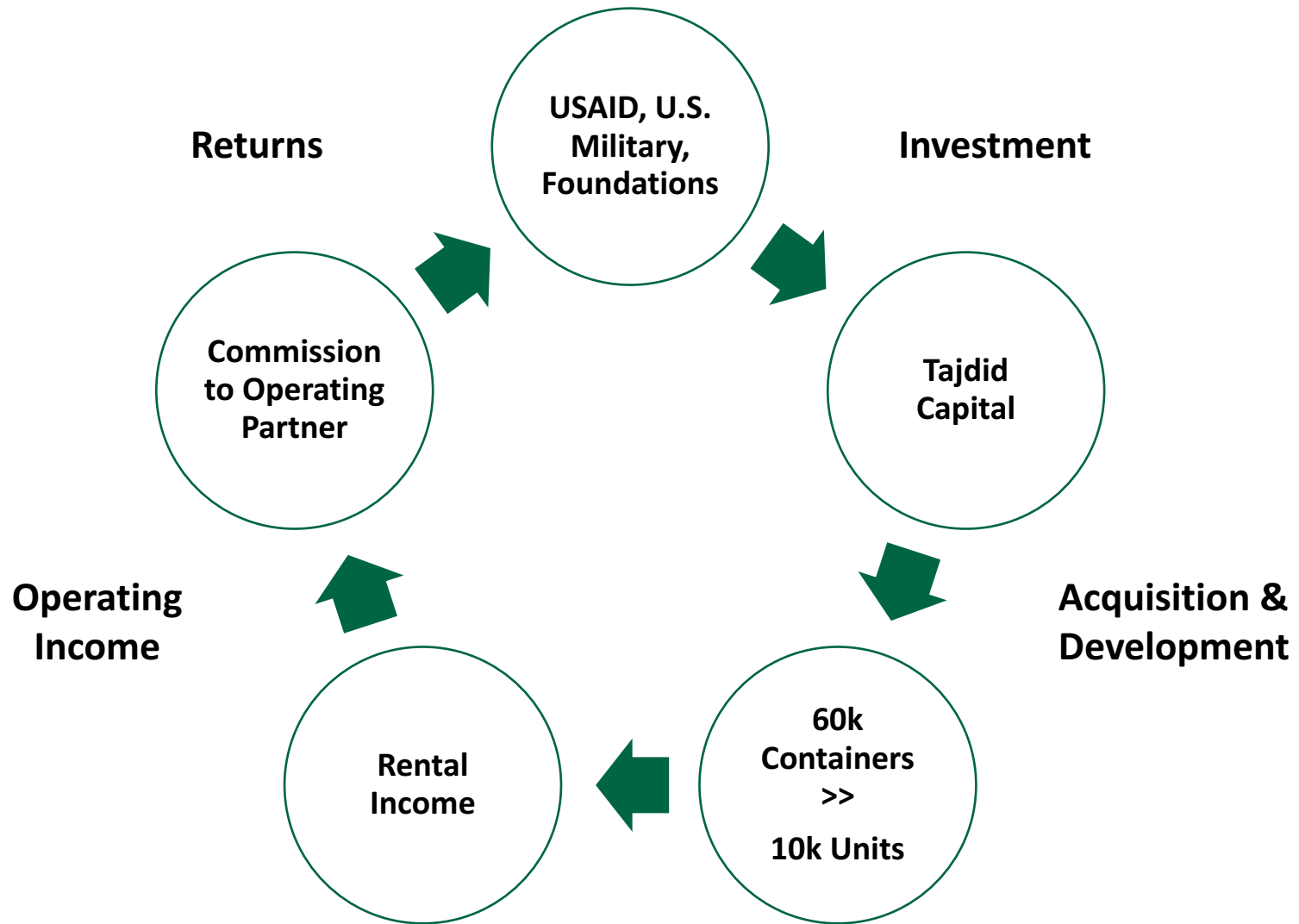
Cash Flows



Key Assumptions:

- 30% commission on rental fees goes to operating partner
- 60,000 containers convert to 10,000 units (2,400 sq. feet/ unit)
- Total Rent per unit is \$450

Flow of Funds



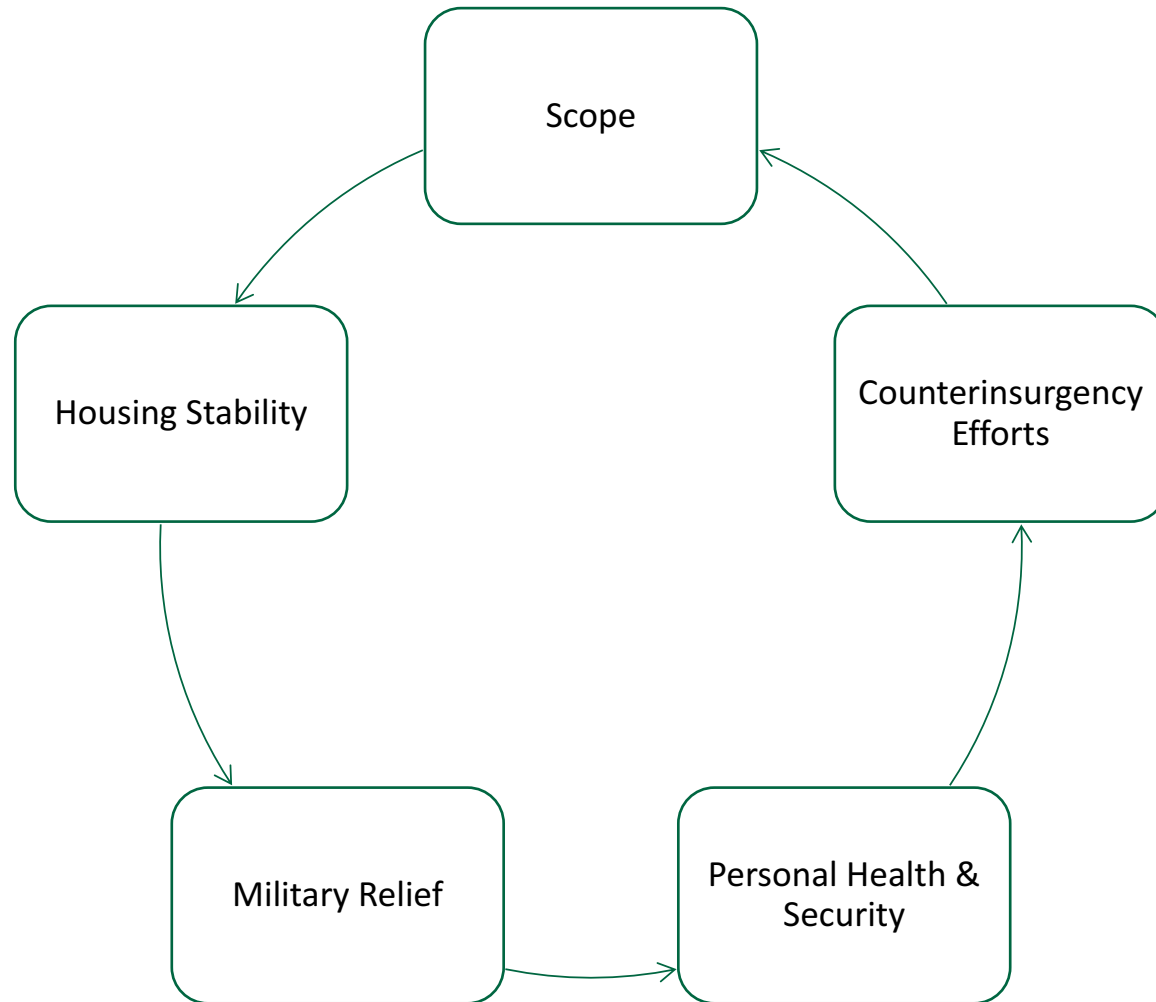
Fund Profile

| Strategy | Opportunistic |
|----------------------------|--|
| Target CoC Return: | 2.71x |
| Sources of Earnings: | Current Income + Realized Capital Appreciation |
| Holding Period: | 5 Years |
| Financial Leverage: | 60% |
| Building Type: | Distressed Assets → Modular Housing |
| Acquisition Cost per Unit: | \$450 USD |
| Exit Price per Unit: | \$26,854 |

Investment Risks and Mitigation

| Risks | Mitigation Strategies |
|-------------------------------------|---|
| Hostile enemy activities | Partnerships with COIN operations and local businesses |
| Regulatory and business environment | Established relations with incumbents and government entities |
| O&M | Contractual agreement with expat companies and government organizations |
| Currency and market risks | U.S. Dollar denominated contracts with institutional players |

Impact Model



Many Thanks



SHARED_STUDIOS