



**Asia-Pacific
Housing Forum
Manila**



Organized by



BEFORE



AFTER

EXPERIENCES IN HOUSING FINANCE FOR RETROFITTING AND DISASTER-RESISTANT HOUSING



July 29-31, 2019 | Manila, Philippines

In the last decade,
more than 500,000
vulnerable people
died in earthquakes
and hurricanes

An aerial photograph showing a vast area of urban destruction. The ground is covered in a thick layer of rubble, including bricks, wood, and debris. Numerous small, multi-story buildings are visible, many of which are severely damaged or completely destroyed. Some buildings have collapsed, leaving only skeletal remains. The scene depicts the aftermath of a major disaster, such as an earthquake or hurricane, in a densely populated, low-income urban area.

5 million more
lost their homes

The world's
response has
been lackluster

Post-disaster recovery
doesn't fix the problem



Homeowners
struggle to get
financing

Governments
struggle to enforce
codes

By 2030, 3 billion
people will live in
substandard housing

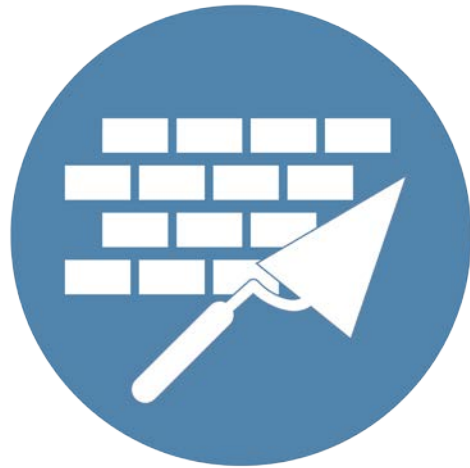


What if we shifted
the focus to making
houses safer...



Build Change

constructs resilient housing



strengthening
existing homes



building safe
new homes

Build Change

makes homes safer *now*



saving
lives



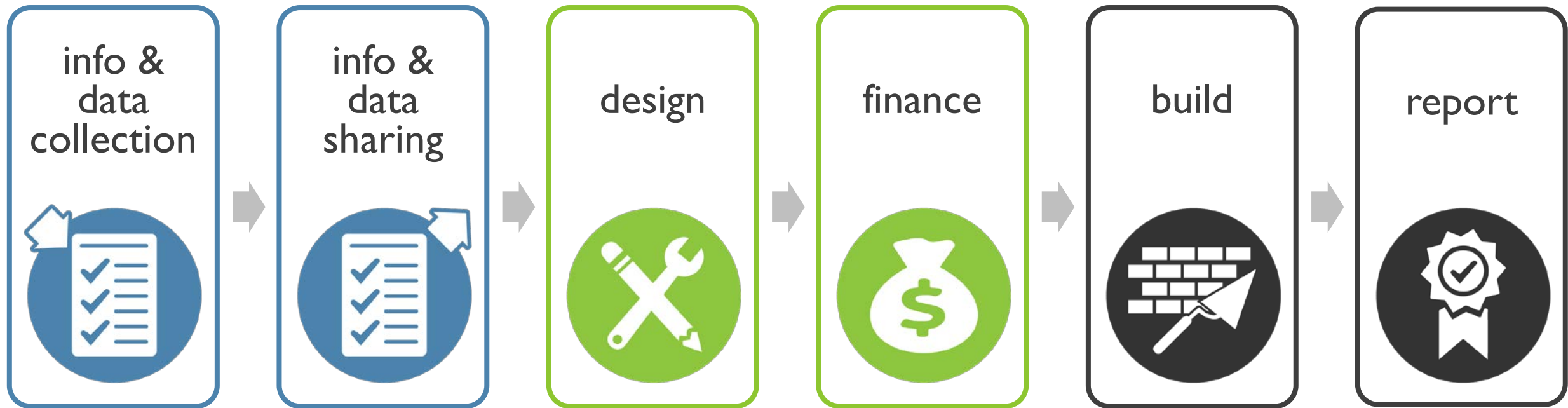
protecting
assets



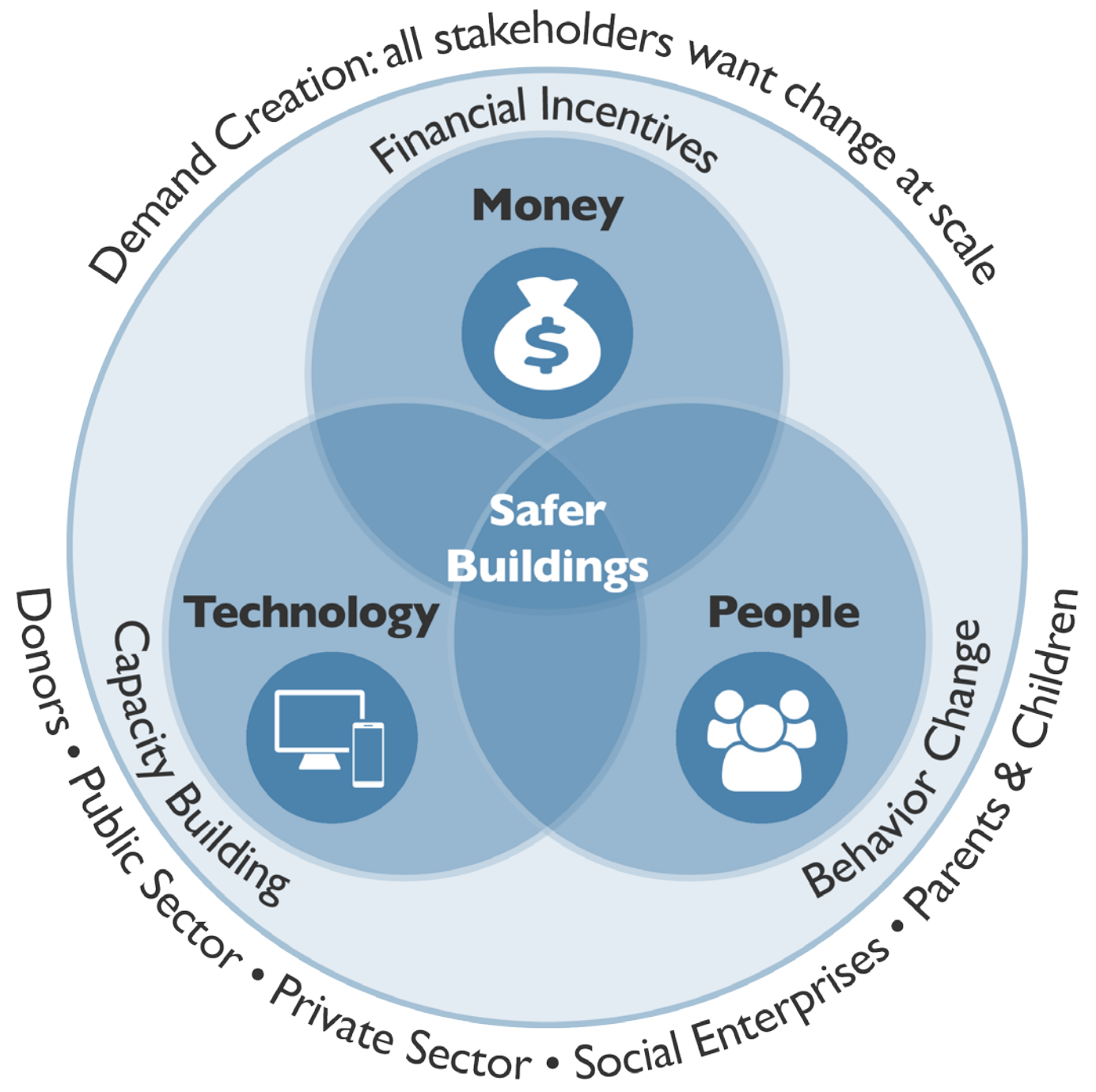
creating
opportunities

Build Change

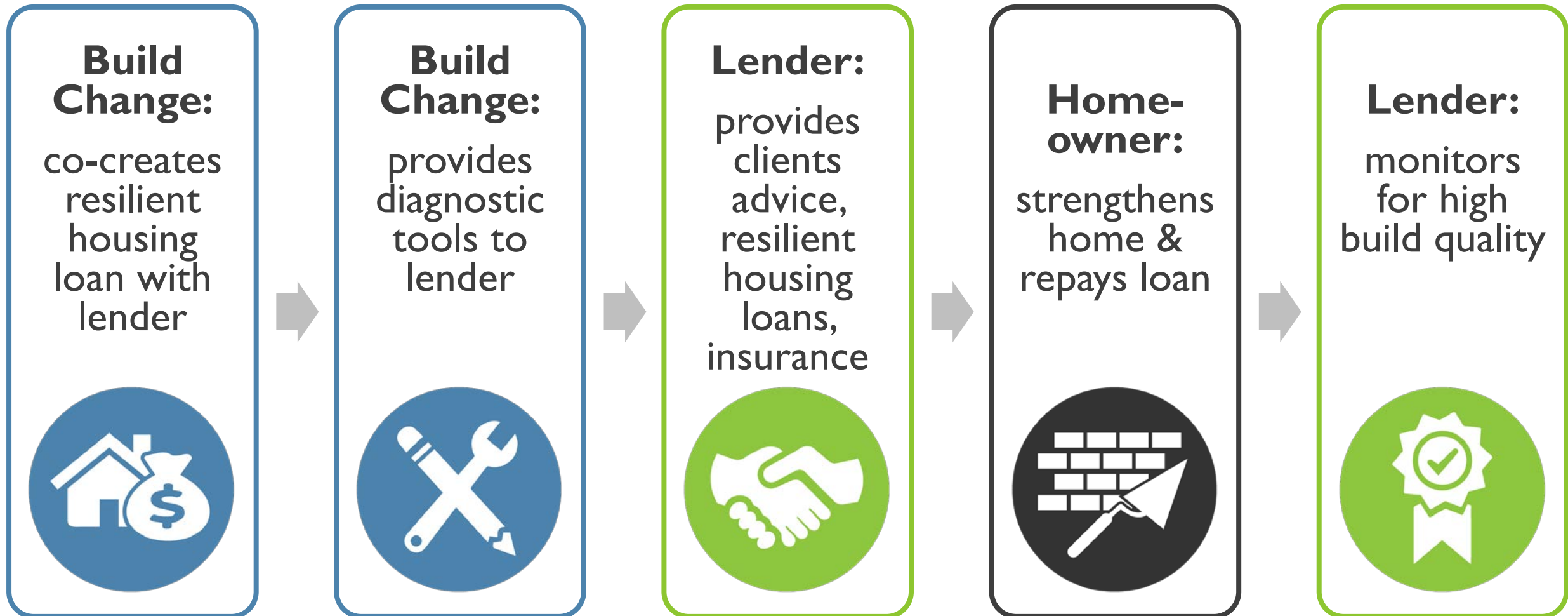
improves construction systems



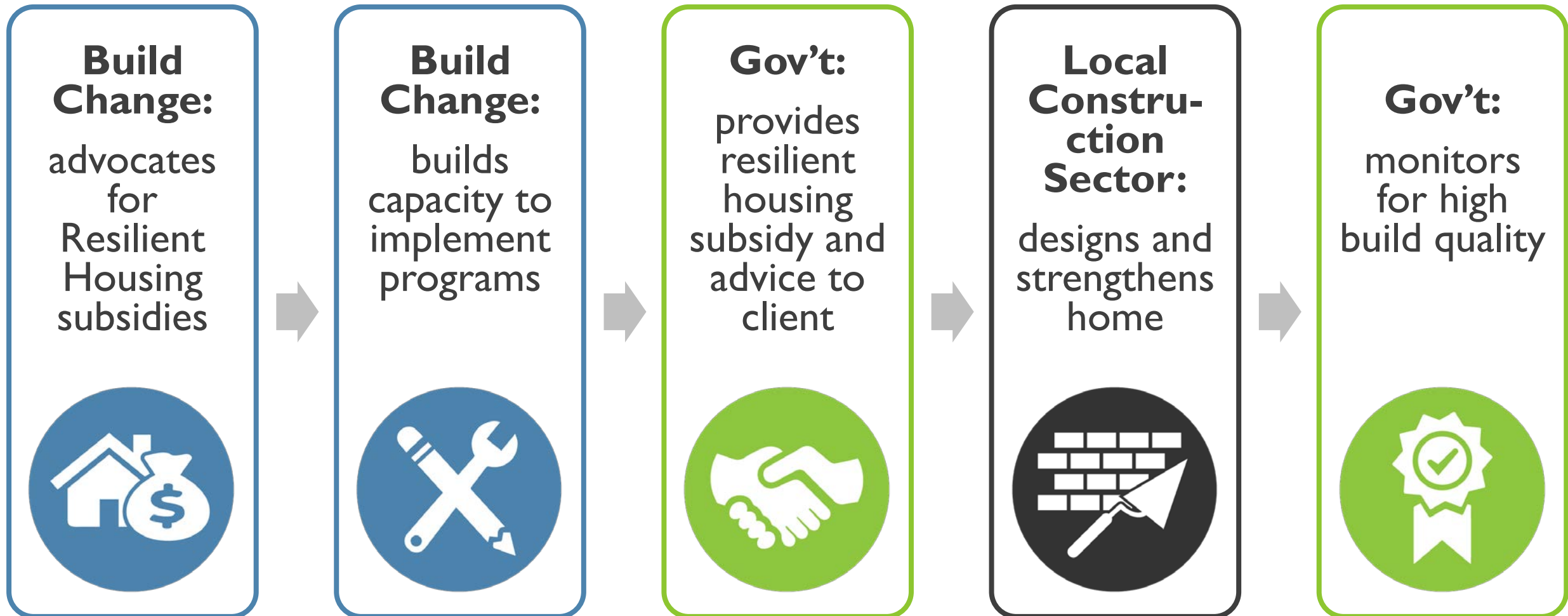
Build Change Theory of Change



How Build Change works with financial service providers



How Build Change works with government



Disaster Resiliency in Housing in the Philippines: Build Change Market Study of Residential Retrofit Financing

financing is a key constraint to retrofitting vulnerable households

87% of current microfinance clients want loans for resilient housing (Habitat for Humanity)

local governments and MFIs are ideally positioned to address this need

but, local government and MFIs face their own capital constraints

our use of local resources, mobile tech innovation, and continued iteration reduces cost and effort



DISASTER RESILIENCY IN HOUSING IN THE PHILIPPINES

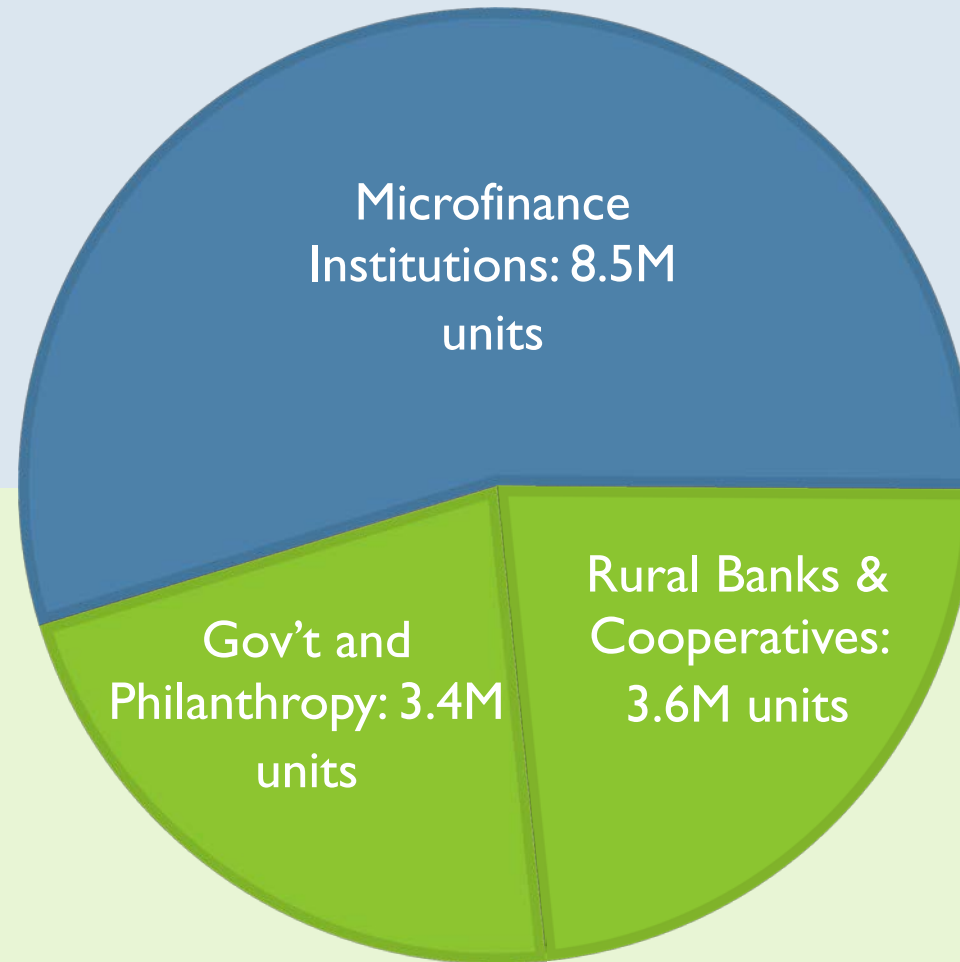
A MARKET STUDY OF RESIDENTIAL RETROFIT FINANCING

Final Report January 2019



The Philippines Market

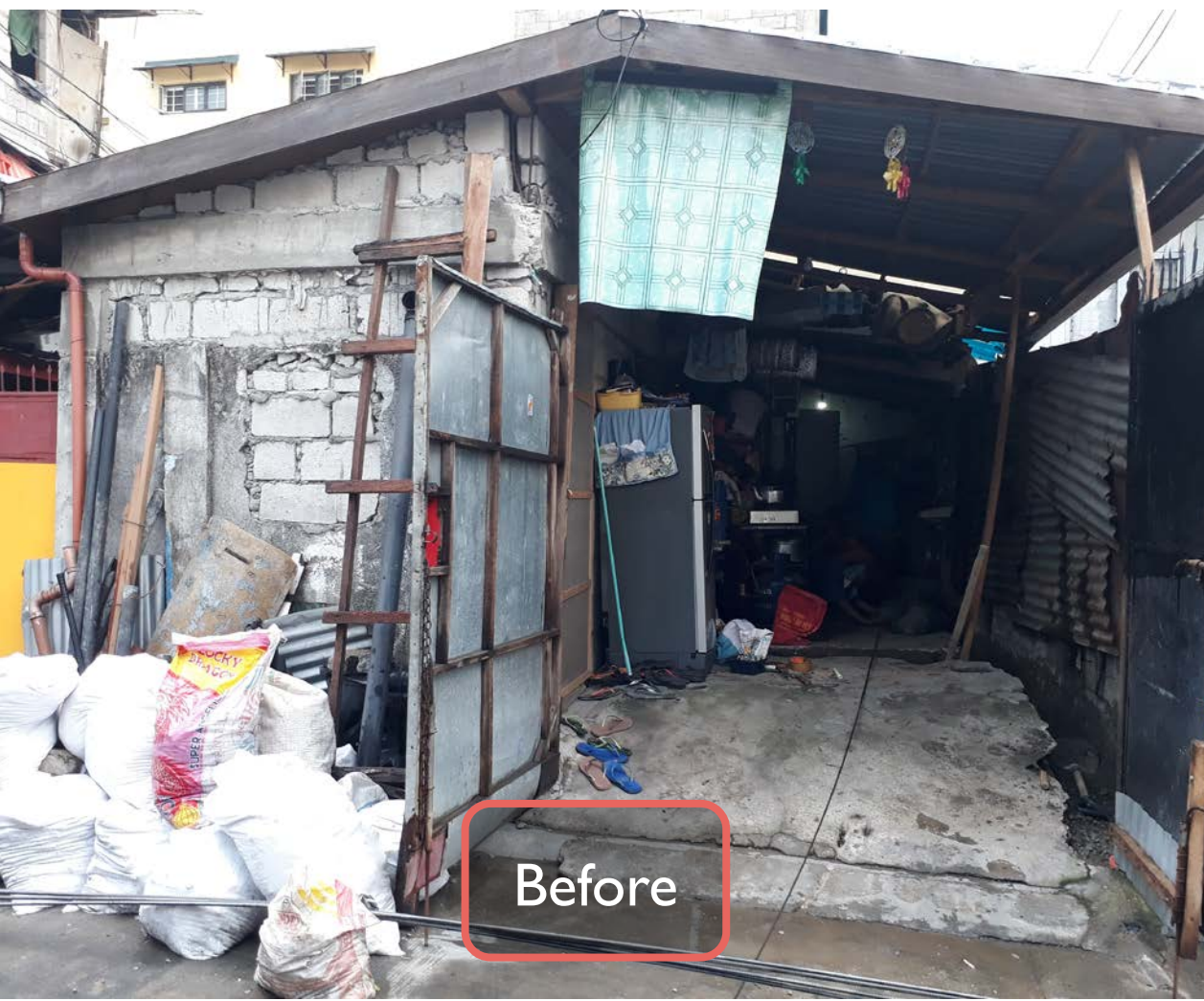
15.6 million vulnerable units



incremental strengthening

retrofitting & new construction

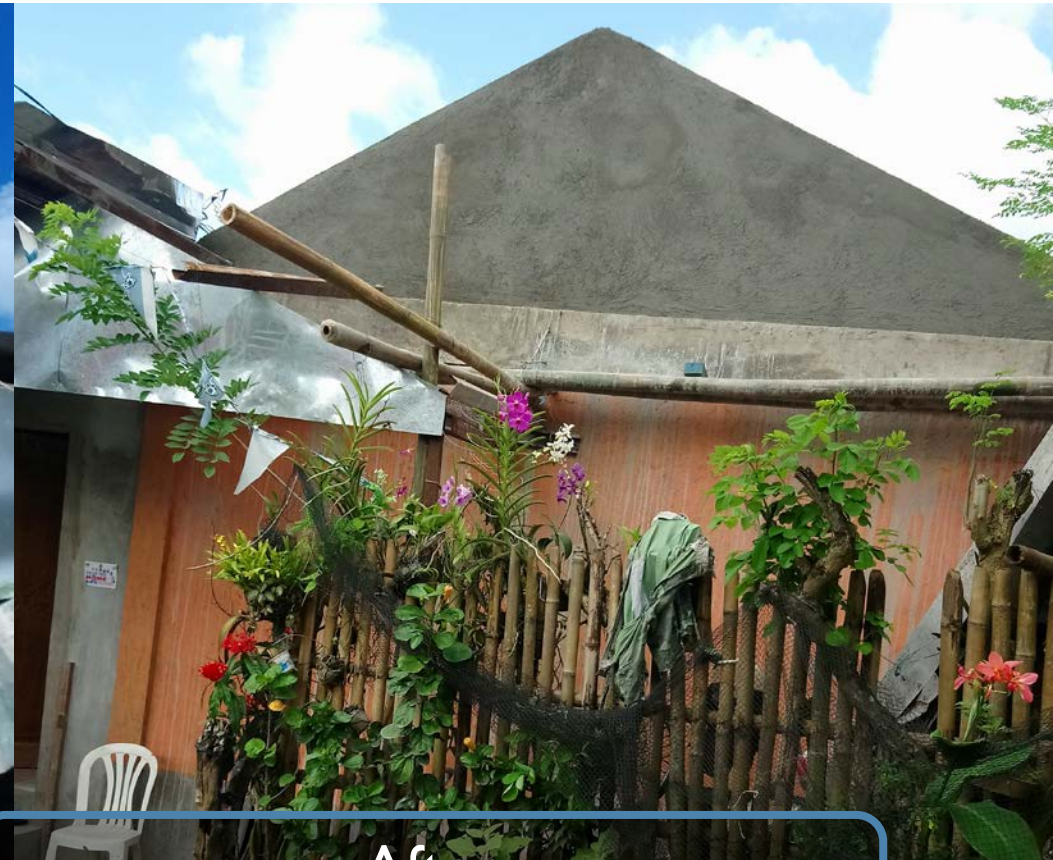
Build Change in action: Retrofitting



Build Change in action: Incremental Strengthening



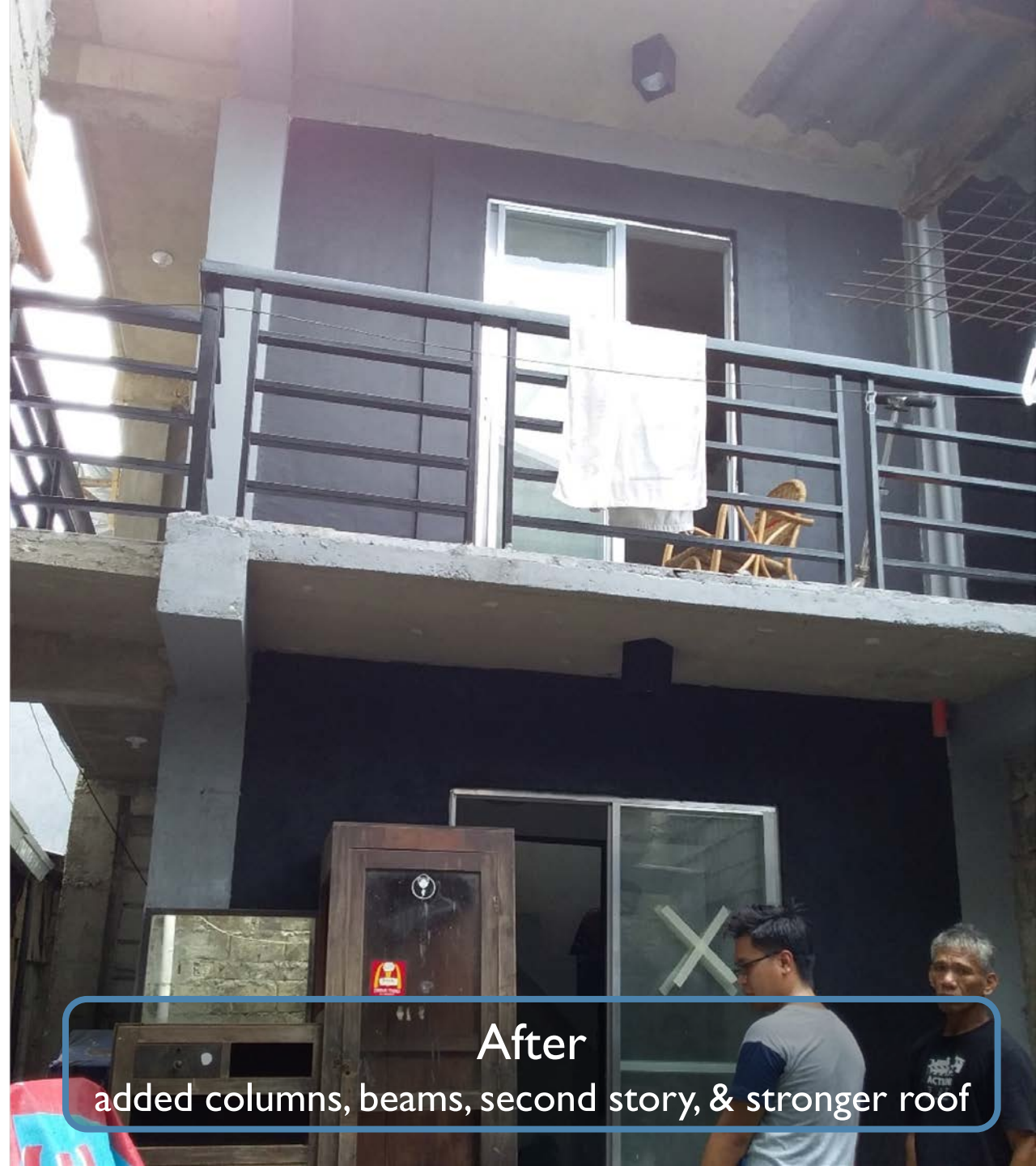
Before/During



After
Built ring beam, secured gable wall

Build Change in action

Futurefitting



Build Change Market Segmentation for Housing Retrofitting in Manila

Retrofitting, Futurefitting, or New Construction

- **Scope:** complete structural retrofit, adding new rooms or floors or new construction
- **Typical funder:** rural banks, cooperatives
- **Monthly household income:** more than Php 75,000
- **Average loan:** Php 250,000
- **Average weekly repayment:** Php 4,000
- **Typical loan duration:** 7–10 years

Incremental Strengthening

- **Scope:** strengthening beams & columns, tying roofs, plastering walls, etc.
- **Typical funder:** microfinance institution
- **Monthly household income:** Php 25,000–75,000
- **Average loan:** Php 50,000
- **Average weekly repayment:** Php 750
- **Typical loan duration:** 1–2 years

Subsidized Retrofitting or New Construction

- **Scope:** complete structural retrofit or new construction
- **Typical funder:** government or philanthropy
- **Monthly household income:** less than Php 25,000
- **Average construction cost:** Php 300,000–500,000
- **Nominal repayment:** Php 500 (if any)

The Way Forward



Money

Advocate for LGU and national government housing subsidies

Leverage existing private sector investment (MFIs, rural banks, coops)

Drive additional capital to government and private sector for Resilient Housing



The Way Forward



Technology

Affordable, appropriate solutions
using local materials and skills

Construction value chain efficiency
for scale

Universalize access, eg Build Change's
Tibay Balay app



The Way Forward



People

Raise awareness about disaster-resistant housing

Incentivize homeowners to strengthen their homes

Improve policies and processes to foster Resilient Housing



Thank you!



BUILD CHANGE

Kate Landry
Country Director
kate@buildchange.org