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- 1** Remain on mute if others are speaking or presenting
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UK FCDO-DHSUD Global Future Cities Programme Housing Forum

November 25, 2021 | 10:00 AM to 12:00 PM



Foreign, Commonwealth
& Development Office

UN HABITAT
FOR A BETTER URBAN FUTURE

UKBEAG

UK Built Environment Advisory Group

1. WELCOMING



‘Five’ Key Thematic Areas

1. **Integrated & Inclusive Planning**
2. **Governance & Collaboration**
3. **Evidence-based Design & the Effective use of Data**
4. **Project Finance & Procurement**
5. **Implementation & Enforcement, Monitoring & Evaluation**
6. **Leadership & Change Management**



2. SESSION OUTLINE

1. WELCOMING AND FRAMING

2. SESSION OUTLINE

3. BRIEF PROJECT OVERVIEW

3.1 CEBU CITY AFFORDABLE HOUSING

3.2 CEBU CITY RESPONSE

3.3 NEW CLARK CITY

3.4 BCDA RESPONSE

3.5 DISCUSSION AND Q & A

4. LAND VALUE READJUSTMENT AND CAPTURE

4.1 DISCUSSION AND Q & A

5. AFFORDABLE HOUSING FINANCE

6. ROUNDTABLE DISCUSSION

7. KEY TAKEAWAYS AND NEXT STEPS

3. BRIEF PROJECT OVERVIEW



Global Future Cities Programme

Cebu City and New Clark City Interim
Affordable Housing Strategies

28 October 2021



Affordable Housing Classification

Classification	Housing category	Price range (in PhP)
Affordable housing	Socialised:	
	•House and lot package	Up to 610,000 (\$12,000), maximum loan 580,000 (\$11,500)
	•Condominium unit	Up to 799,999 (\$15,800), maximum loan 750,000 (\$14,800)
	Economic	800,000 (\$14,800 to 1,699,999 (\$33,600)
Market housing	Low cost	Up to 610,000 (\$12,000), maximum loan 580,000 (\$11,500)
	Medium cost	Up to 799,999 (\$15,800), maximum loan 750,000 (\$14,800)
	Open market	
	•Upscale	6,000,000 (\$118,600) to 7,999,999 (\$158,000)
	•Luxury	8,000,000 (\$158,000) and above

- Established household incomes needed to afford the above house prices
- Determined percentiles according to the projected household income distributions
- Estimated that affordable housing would be for about 70% of households—50% for economic housing, and 20% for socialised.
- Economic housing afforded by households with income between PhP 14,000 and PhP26,500 per month in Cebu.

3.1 CEBU CITY AFFORDABLE HOUSING STRATEGY AND INTEGRATED URBAN DEVELOPMENT



Cebu City and Province

Population growth and housing demand, 2020 to 2040

	LOW PROJECTION				TOTAL	HIGH PROJECTION				TOTAL
	2020-25	2025-30	2030-35	2035-40	2020-40	2020-25	2025-30	2030-35	2035-40	2020-40
Period Demand:										
Open market housing	867	905	945	986	3,703	1,155	1,290	1,459	1,649	5,553
Medium-cost housing	867	905	945	986	3,703	1,155	1,290	1,459	1,649	5,553
Low-cost housing	3,468	3,622	3,779	3,942	14,811	4,620	5,160	5,834	6,596	22,210
Economic housing	8,671	9,054	9,449	9,856	37,030	11,550	12,899	14,585	16,490	55,524
Social housing	2,601	2,716	2,835	2,957	11,109	3,465	3,870	4,376	4,947	16,658
Assisted housing	867	905	945	986	3,703	1,155	1,290	1,459	1,649	5,553
Total Period Demand	17,341	18,107	18,898	19,713	74,059	23,100	25,799	29,172	32,980	111,051
Affordable housing	12,140	12,676	13,228	13,798	51,842	16,170	18,059	20,414	23,087	77,736

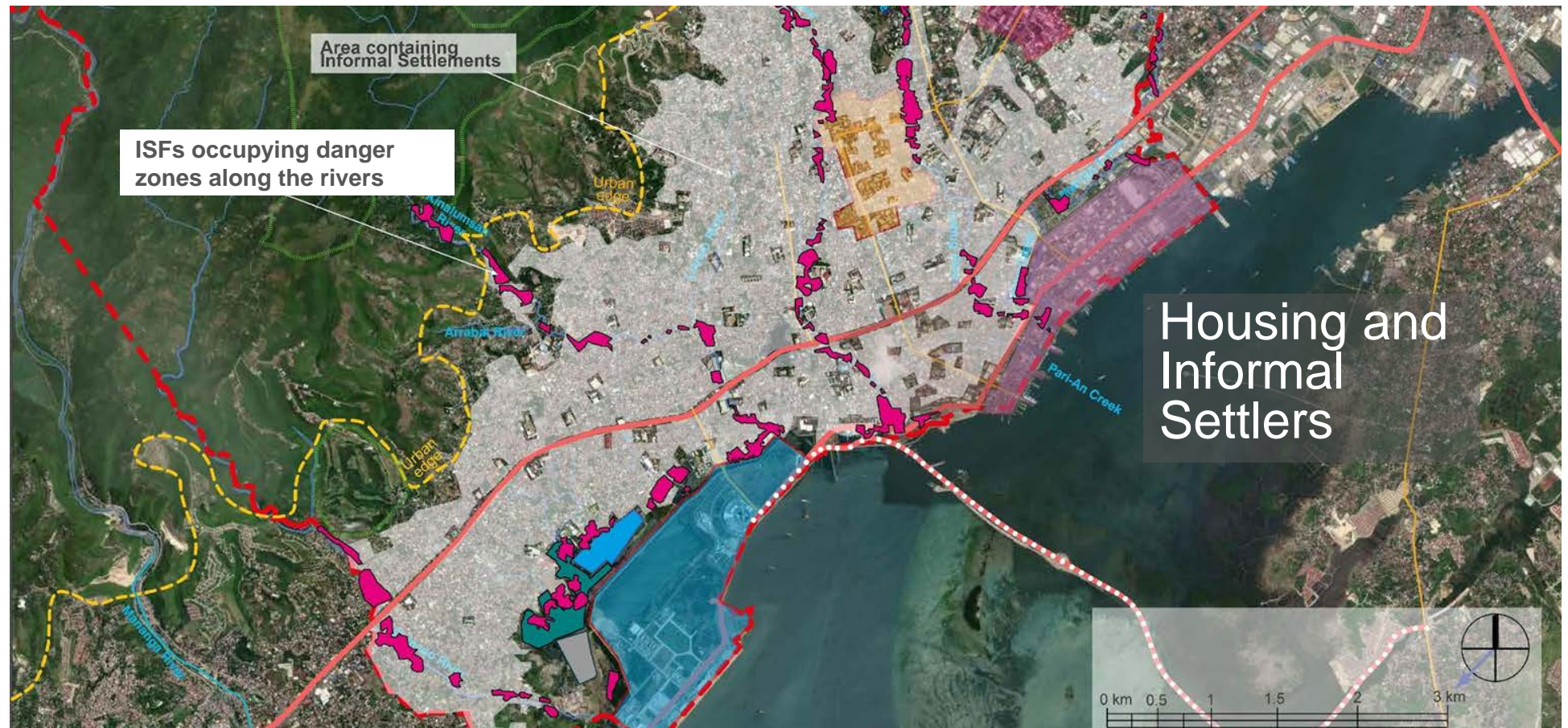
There were various documents that were reviewed which included:

- Cebu City Local Shelter Plan (LSP)
- Comprehensive Study for Metro Cebu Integrated Flood Control and Drainage System Master Plan
- Presidential Proclamations and the number of Homeowners' Associations

These provided estimates for informal settlers in 31 urban barangays.

Fundamental summary:

- **Total households 2020** – between 231,000 to 236,000
- **Total number of informal settler families** – between 87,000 and 129,000 households out of this estimates



Characteristics of Informal Settlers

Survey of 457 vulnerable households living in danger zones taken from the SSIA)



Housing & utilities – double-up households were prevalent, some lived in danger zones, some were facing eviction, and some households were facing possible relocation due to land needed for infrastructure. There were evident issues in power and water supply.



Income – most of the households earn from elementary occupations and incomes ranged from PhP 7,500–PhP 10,000 per month.



Employment – 67% were in elementary occupations (e.g., vendors, laundry workers, construction workers, drivers). 22% in sale services and accounting, 4% in clerical support occupations, 2% were skilled, 1% were technicians, 1% in plant and machinery, and 3% were professionals.



Satisfaction & Ownership – 51% were satisfied and 1% very satisfied with their housing. 30% were dissatisfied while 18% were very dissatisfied. Those living in danger zones—61% were satisfied or very satisfied, while 39% were dissatisfied or very dissatisfied.

Strategic Analysis of Cebu's Housing Problem



Drivers of demand

The demand for housing is driven by five (5) factors- demography, economics, finance, behaviour, and government regulations and policies



Demographic

- Natural increase in population
- Migration to/from the city
- Household size & formation
- Age structure



Economic

- Jobs
- Income
- Affordability
- House prices
- Rental levels



Financial

- Interest rates
- Mortgage underwriting criteria
- Availability of construction & end financing
- Household savings



Behavioural

- Tastes
- Fashion
- Expectations
- Lifestyle



Government

- Regulations
- Policies
- Land availability
- Demand of constituents for better service
- Desire to improve competitiveness index ranking

SWOT Analysis

STRENGTHS

- Emerging political will to tackle the housing problem
- Available sites
- Pro-poor policies
- Tried and tested low-income housing programs
- Presence of HOAs and housing NGOs.

WEAKNESSES

- Low incomes of population
- Limited savings
- Land encroachment
- Relocation policy—far from original location
- Lack of appropriate affordable housing delivery vehicle
- Delayed local shelter plan
- New household suppression—newly married families living with parents

OPPORTUNITIES

- Functioning housing finance system
- Emerging approaches to urban renewal & informal settlements upgrading
- Working with private developers
- Partnerships with CSOs
- Rental housing programs
- Community land trusts
- Self-built, incremental housing

THREATS

- Vulnerability to hazards and climate change
- Job losses & unemployment
- Increasing house prices & rentals
- Affordable housing shortage crowding out the urban poor
- Misguided public policies
- Increasing shortage of available land in built-up city area
- Inflation in food and other prices that limit spending on housing

Problem Analysis

Effects

- Proliferations of blighted areas
- Overcrowding of existing housing stock
- Congested cities and urban sprawl
- Increasing exposure to environmental health risks

Core problem

- **The low- and middle-income housing affordability gap and the growth of informal settlements**

Principal causes

- Increasing demand for affordable housing
- Inadequate supply of affordable housing
- Institutional, policy and capacity deficiencies



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MISSION

What the city is doing now to achieve its aims

Goal for housing (draft local shelter plan)

“To provide decent, affordable and disaster risk resilient and climate change adaptive shelter that has adequate facilities towards formation of a liveable and socially responsible residential community”

Identifies informal settlers to be the primary beneficiary of the City Government’s shelter program.

VISION 2040

What the city wants to achieve and when

Cebu City vision (draft local shelter plan):

“Cebu City is a globally competitive and ecologically balanced city where people are safe, healthy and have equitable opportunities for success and happiness.”

The vision for the affordable housing strategy should reflect the common aspirations of stakeholders.

The draft vision for the AHS for discussion is:

“healthy, sustainable homes in vibrant communities that meet increasing levels of demand, reduce inequalities, improve wellbeing for all age groups and solving the housing problem of all informal settler families by 2040.”

Strategic Directions to Achieve the Vision

How we get to where we want to be



Values

The vision is underpinned by values that form the basis of the supporting implementation strategies:

Choice	Affordability	Sustainability and Resilience
<ul style="list-style-type: none">• Must override all; beneficiaries have the right to select the housing and tenure option they see as most appropriate to their circumstances	<ul style="list-style-type: none">• Proposed interventions are afforded by the targeted households, where measures are introduced to improve household incomes	<ul style="list-style-type: none">• Promotion of green, energy-efficient, low carbon, natural disaster, climate resilient, eco-friendly and quality development• Ecological balance is maintained through integrated and sustainable land use planning; appropriate level of services and amenities are provided to improve the quality of life, while fiscal sustainability of all interventions is achieved
Inclusion	Participation and Consultation	Sustainable Development Goals
<ul style="list-style-type: none">• A gender-sensitive and inclusive approach is adopted to address the specific needs of different stakeholders, particularly the vulnerable groups, such as the poor, women-headed and IP households, and ensure that no citizen is left homeless	<ul style="list-style-type: none">• Equal engagement of stakeholders through the adoption of a citizen-focused, participatory approach, where beneficiaries are properly consulted over policies, programs and projects that impact on their lives	<ul style="list-style-type: none">• Residential development and livelihood opportunities that contribute to the attainment of SDGs



Objectives

Translating the **vision** into specific, measurable, achievable, relevant and time-bound **outcomes and output targets** expressed as key performance indicators (KPIs).

Four objectives are suggested:



To reduce the affordable housing gap by 2030 and eliminate it entirely by 2040



To ensure a “slum-free” Cebu City by 2040 and maintain this status beyond



To eliminate the institutional, policy, and capacity deficiencies within the city government that discourage the provision of affordable housing



To address the underlying barriers to housing of the more vulnerable sectors (women, youth, elderly, PWDs, IPs) among the informal settlers

Five Outline Strategies and Their Sub-strategies

Strategy 1: Setting the context, and establishing priorities and partnerships

- Identifying the target market, engaging communities, and establishing priorities
- Adopting the cost recovery and minimizing subsidies
- Building partnerships

Strategy 2: Eliminating the affordable housing gap by increasing the supply of resilient, low carbon, affordable, social and assisted housing

- Unblocking land for development
- Linking with the housing finance system
- Promoting alternative tenure forms within a comprehensive house construction and improvement program
- Building materials and construction technology
- Providing alternative typologies for resilient and affordable housing

Strategy 3: Eliminating the affordable housing gap by stimulating demand

- Increasing household incomes
- Creating job opportunities through a major house construction program
- Encourage household and community-based savings

Strategy 4: Improving informal settlements to ensure a slum-free Cebu City

- Securing land tenure for informal settlers
- Improving municipal infrastructure and basic urban services within informal settlements
- City-wide, site-specific urban redevelopment program

Strategy 5: Improving city governance

- Gearing Cebu City up for effective housing delivery
- Fully ensure the implementation of current legislation
- Reducing regulation—fast track land use approval and permitting
- Scaling up and creating incentives for efficiency and innovation
- Integrating gender equality and social inclusion in urban development and housing
- Integrating green, resilient and sustainable features within housing developments
- Integrating resettled families within planned residential developments

The Citywide Shelter Programme and Its Financing



Implementation as an **integrated programme**

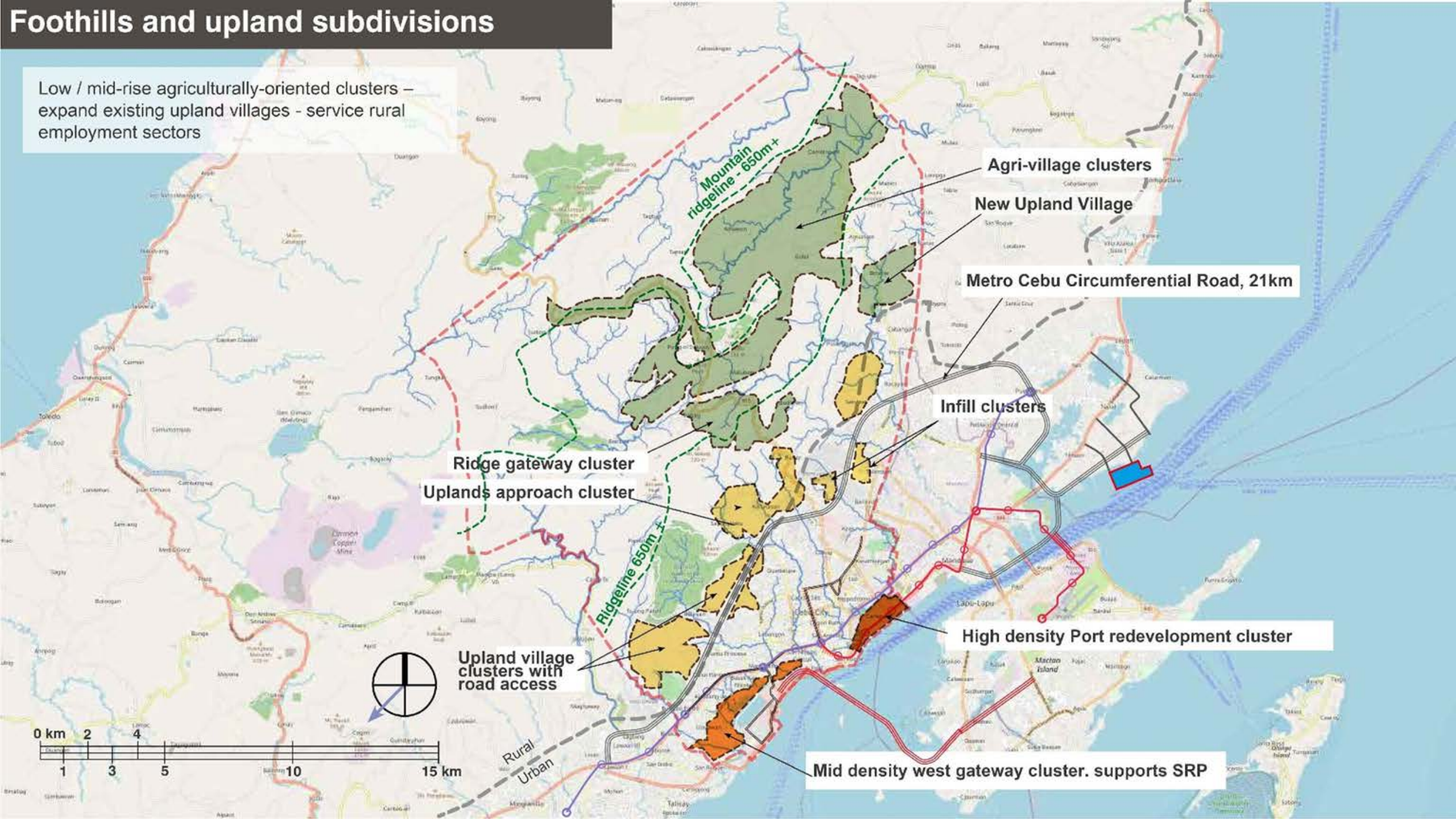
Five housing programmes are recommended:

1. **New affordable housing** to satisfy the demand resulting from new household formation
2. **Relocation and resettlement program** for informal settler families living in danger areas, those on land needed for public infrastructure, and those displaced as result of de-densifying downtown informal settlements
3. **Informal settlements redevelopment**
4. **Informal settlements upgrading**
5. **Rural or upland settlements improvement**



Foothills and upland subdivisions

Low / mid-rise agriculturally-oriented clusters – expand existing upland villages - service rural employment sectors



Units required by 2040

Cebu City Housing Programmes

Program	Low projection	High projection
1. New housing	74,060	111,051
1.1 Open market program	22,218	33,315
1.2 Affordable housing program	51,842	77,736
1.2.1 Economic housing	37,030	55,525
1.2.2 Social housing	11,109	16,658
1.2.3 Assisted housing	3,703	5,553
2. Resettlement program	21,889	32,589
3. Informal settlement redevelopment program	22,346	33,269
4. Informal settlement upgrading program	32,637	48,591
5. Rural settlement improvement program	9,810	14,606
6. Other programs ^{1/}	16,724	22,301
Total	177,466	262,407

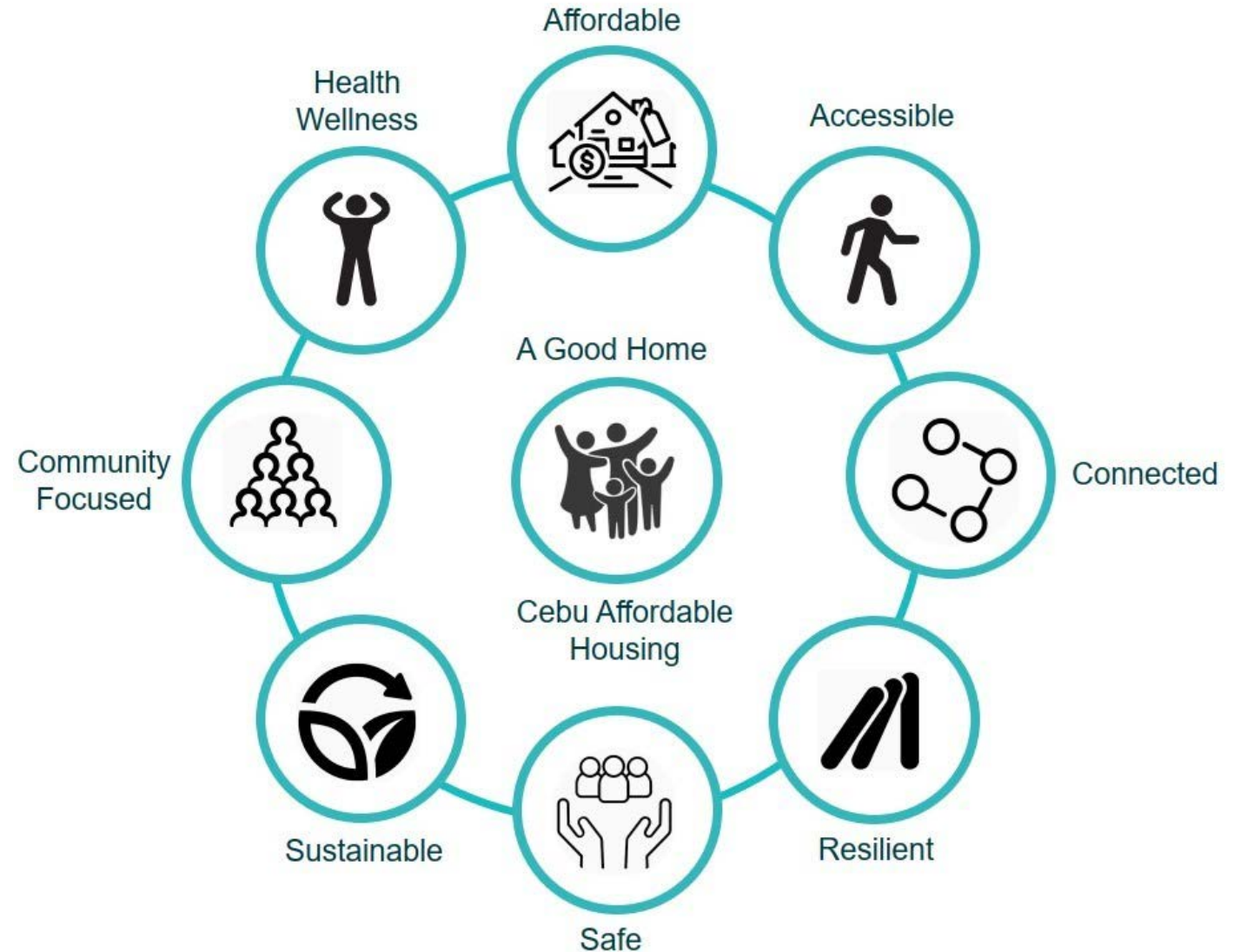
Housing Typologies – Sustainable Model Village



The **basic principle** for the housing and settlement typologies is to **transform low-rise informal settlements into communities with variety**.

The expensive high-rise solutions close to the city centre or low-rise housing far from the city centre are to be minimised for the target market. There are **three options for site definition**: (i) low rise with high land coverage, (ii) high rise with low land coverage, (iii) mid-rise with mid coverage.

Affordable housing is more than just housing—it is about being able to afford a location close to all services: schools, shops, transport, workplaces, green space, and health and community facilities. Trees are needed, somewhere to sit and play is required, security is a concern, and some space should be flexible and available for a variety of uses.



Affordable Housing Strategy for CEBU

A Sustainable Model Village



PROGRAM:

- ECONOMIC HOUSING (50%)
6 STOREY
- OPEN MARKET HOUSING (30%)
18 STOREY W/PODIUM CARPARK
- SOCIAL HOUSING (15%)
6 STOREY
- MAISONETTE (SOCIAL HOUSING)
BI-LEVEL DUPLEX
- ASSISTED HOUSING (5%)
6 STOREY
- MIXED-USE
6 STOREY
- SHOPHOUSE (3 STOREYS)
- COMMUNITY CENTER
- KINDERGARTEN

KEY SPACES:

-  TOWN SQUARE
-  PEDESTRIANIZED STREET
-  COURTYARD

Affordable Housing Strategy for CEBU

Low-rise Model Village



PROGRAM:

- SINGLE STOREY (25%)
FAMILY HOUSE
- TOWNHOUSE (45%)
25M2 & 50M2
- SOCIAL HOUSING (30%)
4 STOREY APARTMENT
- SHOPHOUSE (2 STOREYS)
- COMMUNITY CENTER
- KINDERGARTEN

KEY SPACES:

- TOWN SQUARE
- PEDESTRIANIZED STREET
- POCKET GARDEN

Implementation Arrangement

Actions to support implementation

1. Promoting policy coherence
2. Participatory affordable housing program implementation and management
3. Enhancing local bureaucracy—for urban planning and settlements
4. Enhancing inter-local government cooperation (metropolitan) for affordable housing
5. Strengthening enforcement and compliance



- Establish an **arms-length, not-for-profit entity** to deliver the city government's housing objectives and protect the public interest
- Strengthen the **Local Housing Board**
- Rationalise **planning, housing, and urban poor affairs**

Arms-length housing entities

Affordable housing finance facility

- Company limited by guarantee
- Funded by developers—proceeds under the balance housing; Cebu City, and NGOs,
- Prepares projects for financing
- Finances the development of affordable housing for sale or rent
- Provides development loans to social housing developers
- Links with housing finance sector for mortgage financing
- Manages rental, stock through home-owners/community associations
- Retains all surpluses

Affordable housing development & management company

- Government limited liability corporation
- 100% owned by Cebu City
- Prepare affordable housing, urban redevelopment and informal settlements upgrading projects.
- Project development—contracted
- Sales and mortgages—link with housing finance sector
- Undertake estate management of rented properties
- Return a dividend to the city

The next steps

- Approve the AHS by Local Housing Board and later by the Sangguniang Panlungsod.
- Finalise the institutional governance and implementation arrangements.
- Use the strategies to inform the revised CLUP and LSP.
- Adopt and define the proposed priority development areas.
- Initiate further technical and feasibility studies and detailed designs for key projects, piloting the housing programs.

3.2 CEBU CITY RESPONSE



3.3 NEW CLARK CITY PILOT CITY AFFORDABLE HOUSING STRATEGY



New Clark City

Affordable Housing Strategy



Affordable Housing Strategy

Purpose

The first low-carbon eco-district in Southeast Asia

New Clark City is to become a prime centre of economic activity, not only locally in Central Luzon, but also regionally across Southeast Asia.

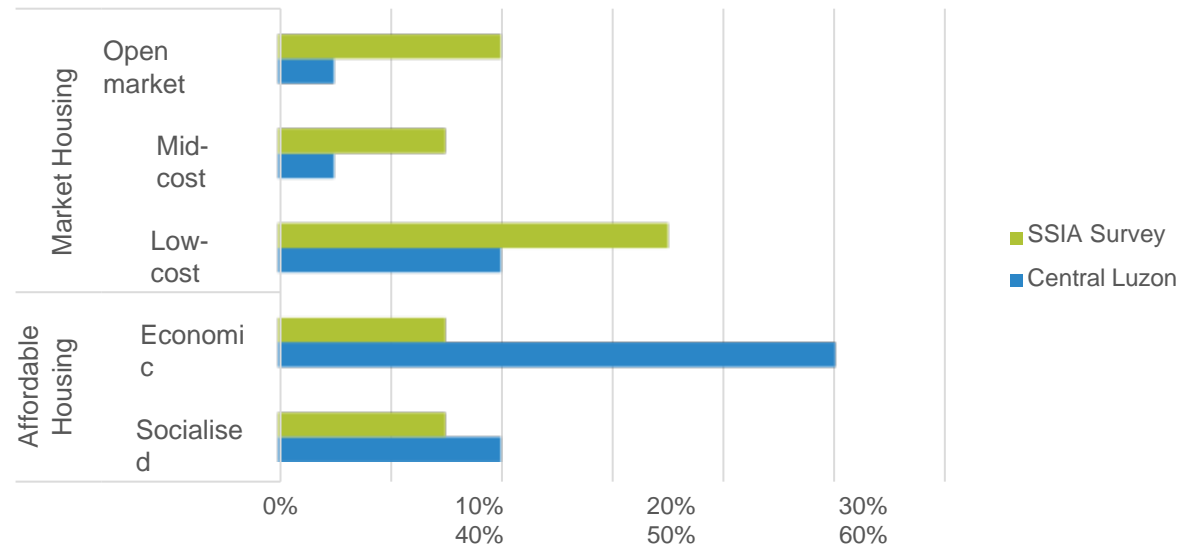
Map



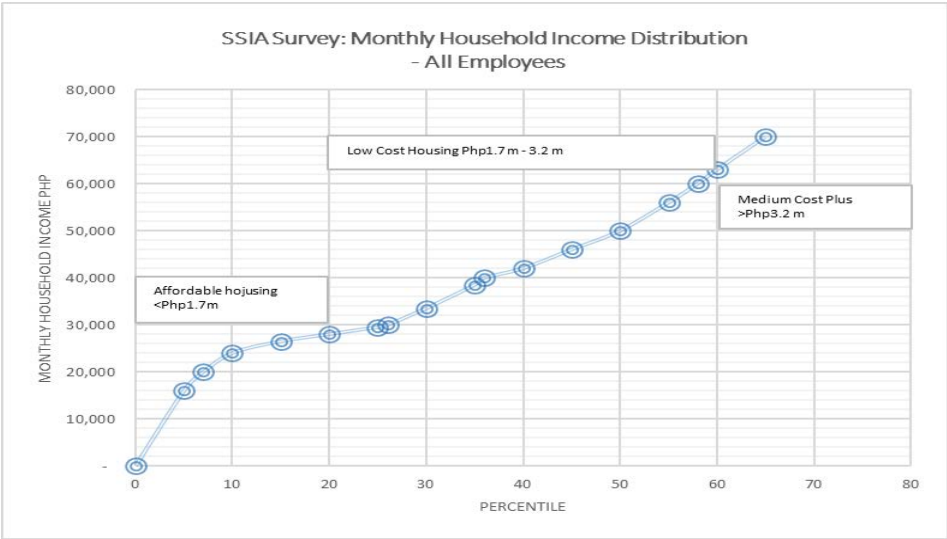
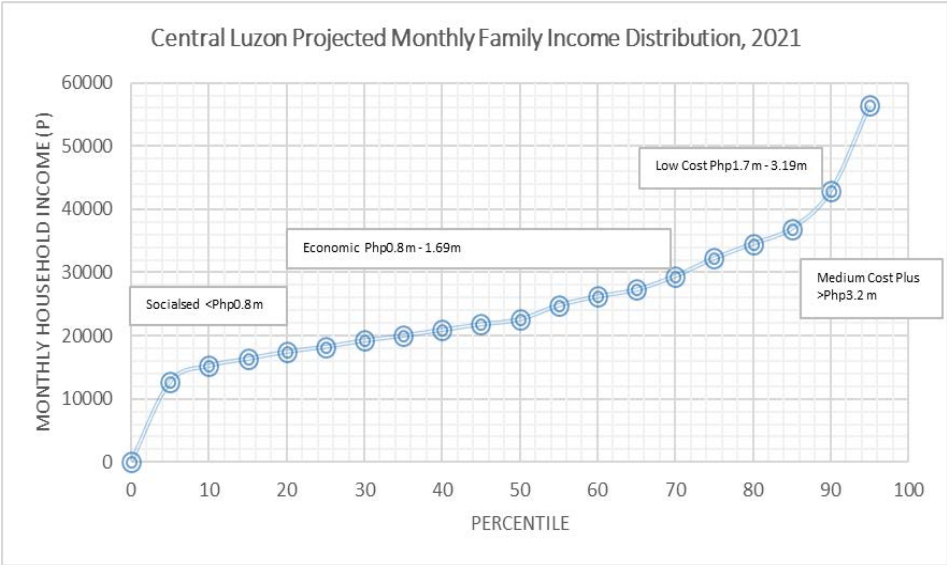
Source: BCDA website

Breakdown of Housing Demand - Range

Proportion of the Market by Housing Category



Classification	Housing Category	Central Luzon	SSIA Survey
Affordable housing	Socialised	20%	15%
	Economic	50%	15%
Market housing	Low cost	20%	35%
	Medium cost	5%	15%
	Open market	5%	20%



Housing demand – master plan and adjusted master plan

- Two projections were made for NCC population, based on the approved masterplan and the adjusted master plan
- Adjusted population figures:
 - 2022 = 1% of master plan figure
 - 2025 = 50% of 2022 population
 - 2030 = 75% of 2030 population
 - 2035 = 90% of 2030 population
 - 2030 = 100% of 2035 population
- Projections based on night-time population (residents) and day-time population (employment)
- High and low projections were made

Area	Projection	Popula- tion 2040	Total housing demand (units)	Affordable housing demand (units)		
				Socia- lised	Economic	Total affordable
NCC's Approved master-plan	Night-time:					
	Low	787,955	179,131	35,826	89,566	125,392
	High	787,955	187,131	28,149	28,149	56,298
	Daytime:					
	Low	1,417,320	313,824	156,912	62,765	219,677
	High	1,496,336	364,251	54,638	54,628	109,275
NCC's Adjusted master-plan	Night-time:					
	Low	650,599	147,904	23,242	23,242	46,484
	High	650,599	154,946	29,581	73,952	103,533
	Daytime:					
	Low	1,211,504	268,252	46,703	46,703	93,407
	High	1,279,045	311,357	53,650	1,345,126	187,776
Clark Freeport Zone	Low	1,622,066	205,889	34,360	34,360	68,721
	High	1,712,497	229,068	41,180	102,949	144,129

Affordable housing demand and costs, 2022-2040

Adjusted master plan — New Clark City

- Total demand is between 148,000 and 155,000 new units—night-time based total demand is between 268,000 and 311,000, day-time based population.
- Affordable units between 46,000 and 104,000 (night-time population); 93,400 to 187,800 (daytime population)
- Total cost is between PhP234 and 400 billion, of which affordable housing would be PhP53 to 118 billion for night-time population.

Area	Estimate	Number of Units			Costs (in PhP Billion)		
		Total	Affordable	Non-affordab	Total	Affordable	Non-afforda
NCC night-ti	Low	147,904	103,533	44,371	234.47	117.66	116.81
	High	154,946	46,484	108,462	400.32	52.83	347.49
NCC day-tim	Low	268,252	187,776	80,476	425.25	213.40	211.85
	High	311,356	93,406	217,950	804.43	106.15	698.28
CFZ	Low	205,899	144,129	61,770	326.41	163.80	162.61
	High	229,067	68,720	160,347	591.82	78.10	513.72

Drivers of housing demand

Employment requirements

- From locators within:
 - NCC
 - CFZ

Housing support for the locators of:

- NCC
- CFZ

Economic development of NCC and CFZ

- Jobs
- Income
- Affordability
- House prices
- Rental levels

Wages & salaries

- Government employees whose offices are relocated
- Private sector locators

Resettlement requirements

- Project affected families
- Incomes
- Employment opportunities

Indigenous Peoples requirements

- Culture
- Lifestyle
- Employment

Housing for those moving out of Metro Manila

- Result of the pandemic
- Work-from-home becomes the norm;

New housing demand from residents

- Angeles City
- Bamban Municipality
- Capas Municipality
- Mabalacat City

SWOT Analysis

Strengths

- EOI 119 establishes a National Government Administrative Centre in NCC
- Available land for housing, already under the jurisdiction of Bases Conversion Development Authority (BCDA) and Clark Development Corporation (CDC)
- Commitment of BCDA/CDC to affordable housing
- Functioning housing finance system
- Private developer interest in participating with BCDA/CDC
- BCDA/CDC commitment to PPPs
- Housing within master planned communities
- Proposed Aeta ethno-botanical school

Weaknesses

- NCC development requires the relocation of some families, including farmers
- Limited residential estate management capacity of BCDA/CDC
- Inability to grant freehold title to potential buyers
- Lack of familiarity with the target market
- No baseline reference for NCC or CFZ housing
- EOI 199 does not indicate the timing of the relocation of government offices
- No home finance framework for IPs

Opportunity

- Economic linkages with and stimulated by the international airport
- Available incentives because of the designation of NCC/CFZ as special economic zones
- Attractive location in Central Luzon - road, rail, airport and, with Subic, a seaport
- Partnerships with PagIBIG fund and commercial banks
- Partnerships with civil society organisations
- Housing for workers in Capas, planned as the tourism and agro-industrial capital of Tarlac province
- New forms of land tenure
- Granting leasehold and usufruct
- Partnerships for vocational and skills training
- Private developers have knowledge of dealing with or selling to target market
- Impact of pandemic pushing people to live outside Metro Manila

Threats

- Displacement of and land claims by IP
- Government agencies do not relocate to NCC as planned
- Private sector locators do not take up sites according to the expected program outlined in the NCC and CFZ master plans
- Competing affordable housing developments by the private sector outside the boundaries of NCC/CFZ offering freehold tenure
- Natural disasters and climate change—lahar, flooding, earthquakes, droughts, etc.
- Impacts of Covid-19 on incomes and livelihood
- Difficulty in financing housing under leasehold tenure
- Potential opposition from advocates of IP rights
- Unfavourable legal opinion of OGCC on BCDA's right to grant 75 year leases
- Pag-IBIG reluctance to accept leasehold without official approval
- Changing officials as a result of 2022 elections

Problem Tree

Core Problem

Difficulty to match affordable housing supply with the potential demand from employees of public and private locators, and to rehouse project affected persons because of the development of NCC and CFZ

Causes

- Weak knowledge and capacity to formulate and implement an affordable housing strategy and program
- Inadequate resources for implementing an affordable housing program
- Absence of an affordable housing strategy in the NCC and CFZ master plans
- Master plan population targets missed
- Lack of familiarity with appropriate models for affordable housing
- Minimal experience of rental housing
- Lack of consultations with potential target market, particularly the vulnerable groups, including indigenous people
- Absence of a comprehensive resettlement program for households and IP communities affected by the overall NCC/CFZ development
- Sustainable finance framework from construction to turnover is lacking
- Legal restriction on the alienability of the land

Effects

- Insufficient housing for employees in NCC and CFZ;
- Informal settlements may form close to industrial and commercial areas
- Businesses do not find it attractive to locate in NCC/CFZ;
- Increasing pressure on family budgets for other essential needs
- Displacement of households from residences and agricultural lands, and IP communities from ancestral or customary lands impacting on cultural heritage
- Risk of social exclusion of affected IP families
- Uncertainty of private developers to participate



Strategy Formulation

Mission and Vision for the Strategy

Vision 2040

Adequate, resilient, affordable, low carbon and quality housing within safe, sustainable and inclusive communities for households of all age groups moving into NCC/CFZ, including the housing needs of project-affected families and indigenous peoples' communities by 2040

Mission

Building quality, affordable housing in mixed-use communities under various tenure options in collaboration with LGUs, partnerships with the private sector, and in consultation with stakeholders

Values

The vision is underpinned by values that form the basis of the supporting implementation strategies:

Choice

- Must override all; beneficiaries have the right to select the housing and tenure option they see as most appropriate to their circumstances

Affordability

- Proposed interventions are afforded by the targeted households, where measures are introduced to improve household incomes

Sustainability and Resilience

- Promotion of green, energy-efficient, low carbon, natural disaster, climate resilient, eco-friendly and quality development
- Ecological balance is maintained through integrated and sustainable land use planning; appropriate level of services and amenities are provided to improve the quality of life, while fiscal sustainability of all interventions is achieved

Inclusion

- A gender-sensitive and inclusive approach is adopted to address the specific needs of different stakeholders, particularly the vulnerable groups, such as the poor, women-headed and IP households, and ensure that no citizen is left homeless

Participation and Consultation

- Equal engagement of stakeholders through the adoption of a citizen-focused, participatory approach, where beneficiaries are properly consulted over policies, programs and projects that impact on their lives

Sustainable Development Goals

- Residential development and livelihood opportunities that contribute to the attainment of SDGs

Objectives of the Strategy

The desired outcomes provide the bases for monitoring the progress of the strategy and program and ensure that the needs and concerns of stakeholders, including women, children, IPs, and other vulnerable groups are properly and adequately addressed.

The following objectives are suggested:

- To encourage the provision of quality housing that is affordable to the target market—employees of private sector locators and relocated government offices, according to projected employment growth to 2040.
- To ensure appropriate and humane relocation of project affected families and IP displaced because of the development of NCC and CF; that cultural heritage is kept intact during relocation of households from residences and agricultural lands, and IP communities from ancestral or customary lands and that affected IPs remain fully integrated in their communities
- To ensure that disadvantaged groups, particularly IP, older persons and those with disabilities have housing tenure security and a stable livelihood.
- To ensure that informal settlements do not form close to industrial/commercial areas
- To promote green, resilient and low carbon, gender-responsive and socially-inclusive, residential development within sustainable neighbourhoods
- To eliminate the institutional, policy and capacity deficiencies within BCDA and CDC regarding the planning, programming, implementation and management of affordable housing.
- To encourage a sustainable partnership with the UK.

Six Outline Strategies and Their Sub-strategies

Strategy 1: Defining the target market, housing needs and establishing priorities and partnerships	<ul style="list-style-type: none"> • Identifying the needs of the target market • Adopting the cost recovery and minimizing subsidies • Building partnerships • Engaging communities
Strategy 2: Attracting resources to implement affordable housing	<ul style="list-style-type: none"> • Linking with the housing finance system • Adopting innovative financing mechanisms • Seek funding from international financing agencies • Partnering with neighbouring local governments to increase housing supply for their residents
Strategy 3: Appropriate models of resilient and affordable housing	<ul style="list-style-type: none"> • Providing alternative typologies for affordable housing • Promoting alternative tenure forms for housing • Promoting the use of local building materials and construction technology • Maximise the use of latest green construction technology to promote resilient housing • Encourage household and community-based savings
Strategy 4: Matching employment and livelihood with housing	<ul style="list-style-type: none"> • Ensuring appropriate and affordable housing for employees of government offices located in CFZ or relocating to NCC • Ensuring appropriate and affordable housing for employees of private sector locators in CFZ and NCC • Creating job opportunities through the construction activities within NCC and CFZ • Increasing household incomes
Strategy 5: Adopting an equitable and sustainable approach to resettlement of households and IP communities affected	<ul style="list-style-type: none"> • Preparing, approving and implementing an appropriate and equitable resettlement policy and compensation framework • Integrating resettled families within planned residential developments • Providing farm lots for farmers displaced because of the development of NCC and CFZ
Strategy 6: Improving the capacity of BCDA and CDC to formulate, implement and monitor an affordable and resilient housing strategy and program.	<ul style="list-style-type: none"> • Gearing up BCDA/CDC for effective housing delivery • Ensuring the Implementation of current legislation • Reducing regulation—fast tracking land use approval and permitting • Scaling up and creating incentives for efficiency and innovation • Building on the status of NCC and CFZ as pioneering projects in the Philippines

Housing approach to meet demand

In planning new communities, BCDA and CDC:

1. Assign appropriate density ranges relating to location, existing building form and massing and accessibility to transport
2. Make optimal use of sites in areas of good public transport and community facilities
3. Provide an appropriate mix of housing types, sizes and tenures in Eco districts
4. Constantly review and adhere to development controls

The pilot housing project establishes the benchmark for new residential communities.



Implementation

Outline arrangements

The adoption of:

1. **Whole government approach**
National, sub national government and state entities according to essential functions to promote the strategy
2. **Whole of BCDA approach**
Different organisational units with functions directly or indirectly related to affordable housing
3. **Possible NCC Parks, Estate Management and Affordable Housing Corporation as a subsidiary company to BCDA**
4. **Locate the sustainability unit in the subsidiary, and invite CDC to participate in the capital build up of the subsidiary and assume similar functions for CFZ**


Project Structuring

Three structures were considered:

	Incorporated JV	Unincorporated JV	Pure-lease agreement
Maximum period	Fifty (50) years (renewable as necessary)	Fifty (50) years (renewable as necessary)	Ninety-nine (99) years
Governing law	BCDA Joint Venture (JV) Guidelines	BCDA Joint Venture (JV) Guidelines	Government Procurement Reform Act (GPRA) (RA 9184)
Governing contract	Joint Venture Agreement and Articles of Incorporation/By-Laws of Joint Venture company	Joint Venture Agreement	Service Contract
BCDA contribution	Project land	Project land	Project land for long-term lease
BCDA return	Share in dividends	Lease revenue (fixed/variable)	Lease revenue (fixed/variable)
Developer contribution	Develop, operate, and maintain the site; infuse cash whenever necessary	Develop, operate, and maintain the site; infuse cash whenever necessary	Develop, operate, and maintain the site; infuse cash whenever necessary
Developer return	Share in dividends	Net amount after lease payment	Net amount after lease payment

The next steps

- Submit the strategy and its supporting programs and priority actions to the Board of BCDA and CDC for approval;
- Seek government approval to sell residential land freehold or under long-term leases
- Discuss and agree the strategy with the Municipalities of Bamban and Capas and the Cities of Angeles and Mabalacat; and
- Start the implementation of the affordable housing pilot project in NCC as a model for other residential developments.



**“We cannot move forward
if we allow the past to
hold us back.”**

3.4 BCDA RESPONSE



3.5 DISCUSSION AND Q&A



4 LAND READJUSTMENT AND VALUE CAPTURE





Unlocking land for housing

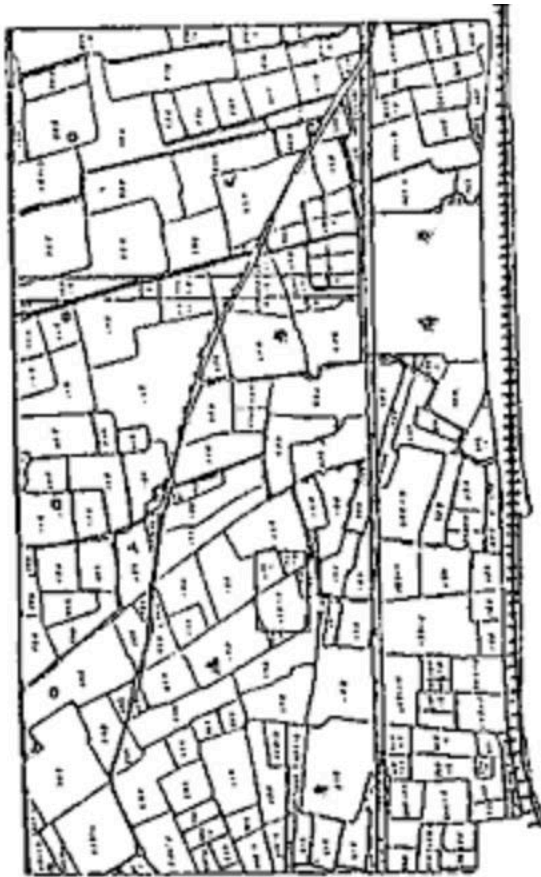
Astrid R.N. Haas
DHSUD Housing Forum
28th October 2021

Land Value Capture: An Overview

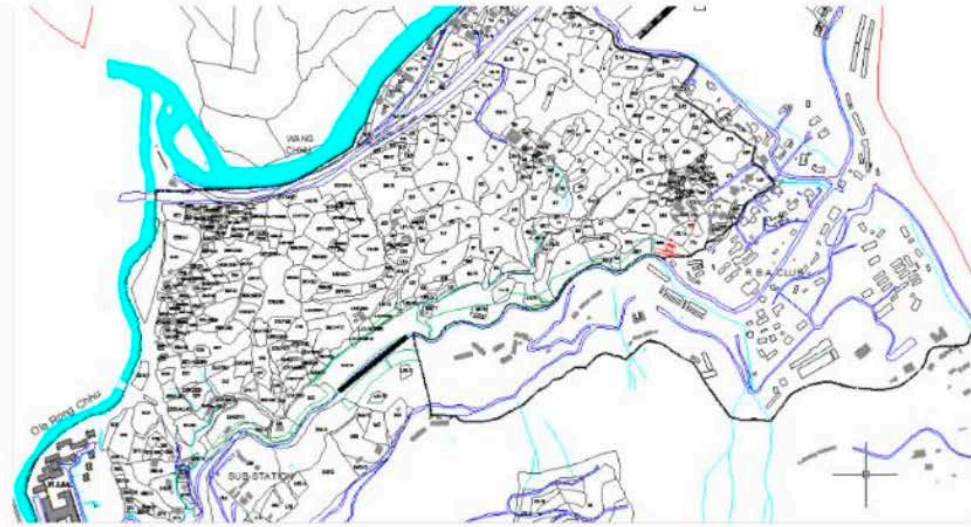
<u>Direct</u>
Betterment contribution
Land readjustment / Land Pooling / Land sharing
Land Leading (public)
Land Value Tax – incl progressive
Land Value Increment Tax
Participation in Plusvalías
Impact and development charges and fees
Charges to Building rights, OODC – PLD
Urban Operations, ZACs etc
Certification of Additional Potential
Construction Bonds (CEPACs)



<u>Indirect</u>
Property tax
Special districts – BIDs
Expropriations
Exactions
Tax Increment Financing – TIF
Linkage Operations
Transfer of development Rights (TDR)
Land Banks – Territorial Reserves
Declaration of Priority Development
Pre-emption Rights
Negotiations for Special License

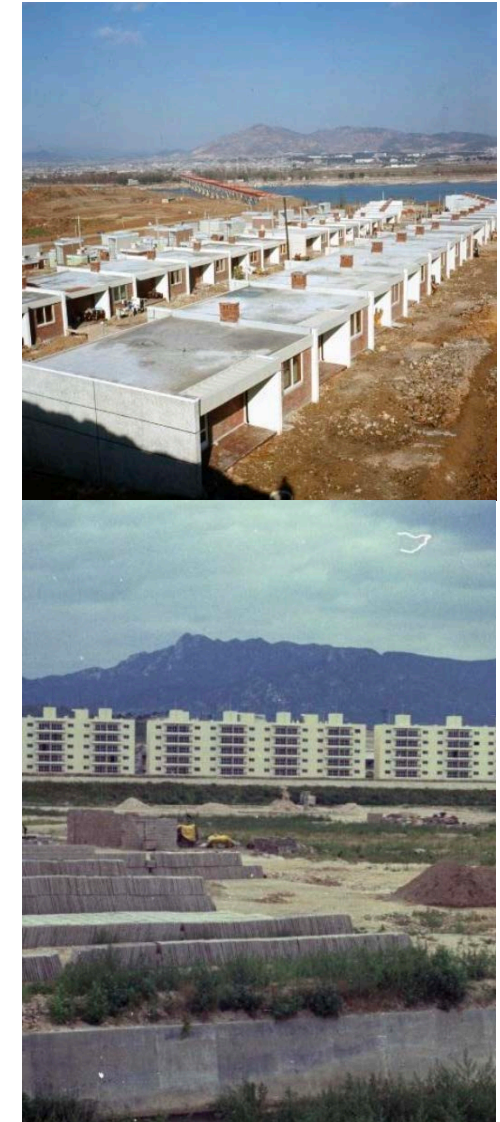
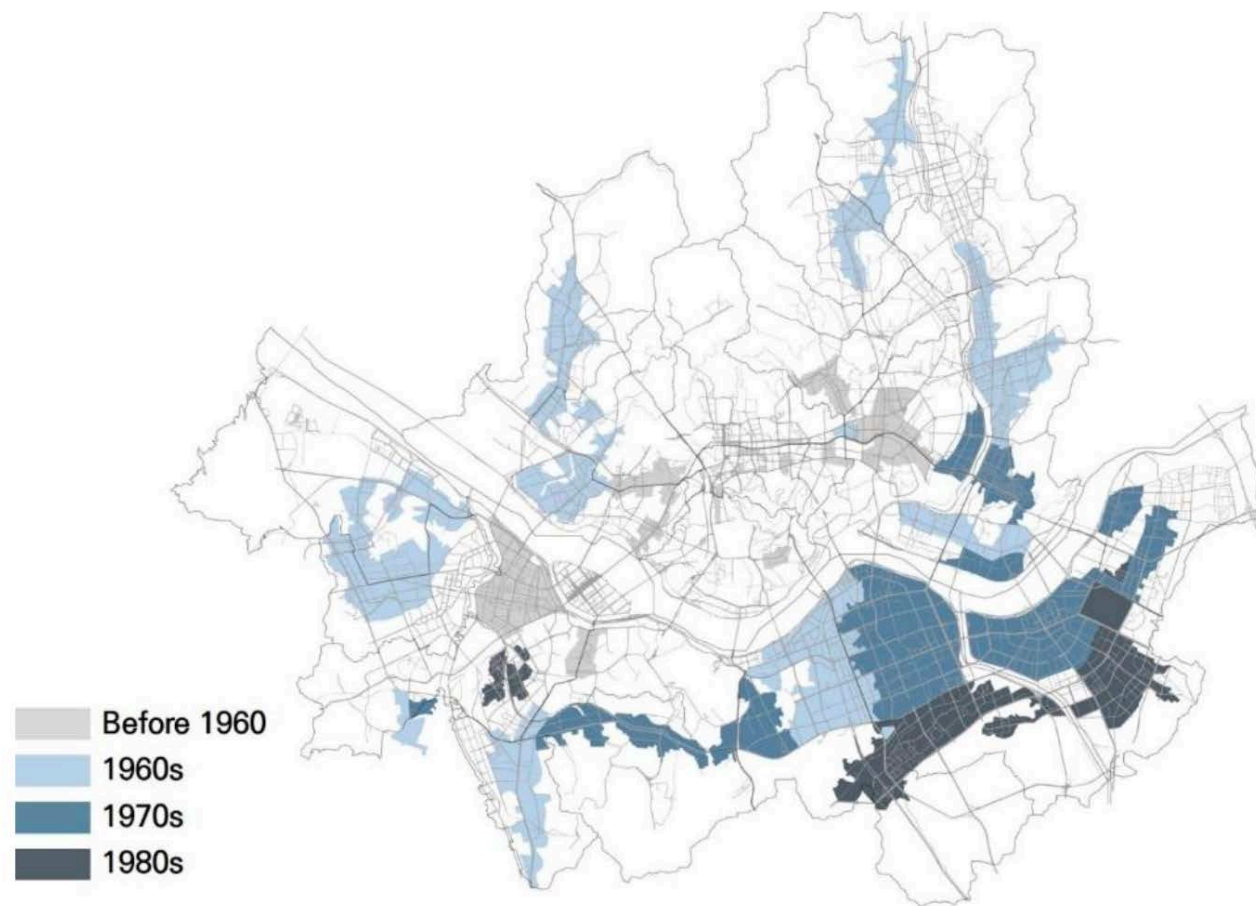


- Consolidation of multiple small parcels that help the better design and servicing of land.
- Occupants and/or owners of the land transfer their land and titles to the authority to develop and then receive another serviced parcel of land, close to the original.
- The area of land that they receive back, is adjusted for its higher value and the fact that some of it can then be sold to recover the development costs.

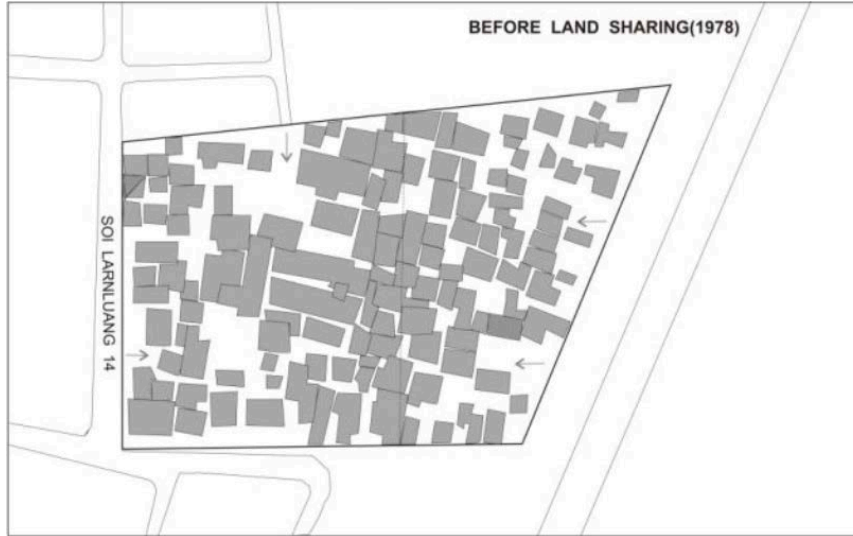




- Assembling land parcels for urban expansion and urban redevelopment.
- Alternative to compulsory acquisition
- Owners of land give up a certain portion of their land for servicing in lieu of increased land values
- Maintain the original titles to the rest of land







- Particularly for parcels that are occupied by squatters who currently do not have rights.
- Densification of one part of land through housing and then regularisation of rights of occupiers
- Other part of the land can then be developed for commercial purposes increasing the value of land for the owners.

Name	No HH (before land sharing)	Plot Size in rai (1 rai = 0.16 ha)	Land owner	Negotiation period	Outcome	Involved organisations	Final ratio of land for settlers
Rama IV	1900	53	CPB	4 years	8-storey buildings with 20 year leasehold	NGOs, Thai Army, NHA	35%
Wat Lad Bua Kaw	300	10	Private	5 years	Self-help housing with freehold tenure	NHA, Thai Army	20%
Manang-kasila	>400	10	Treasury	3 years	Raw-houses with leasehold	NHA, Credit Union Cooperative	42.50%
Klong Toey 70-Rai	2500	70	PAT	3 years	Self-help housing, flats with leasehold	NHA	-
Sengki	216	15.7	KPB	10 years	Self-help housing and freehold	NHA, NGOs	53.33%

Source: World Bank

4.1 DISCUSSION AND Q&A



5 AFFORDABLE HOUSING FINANCE BY REALL





Reall

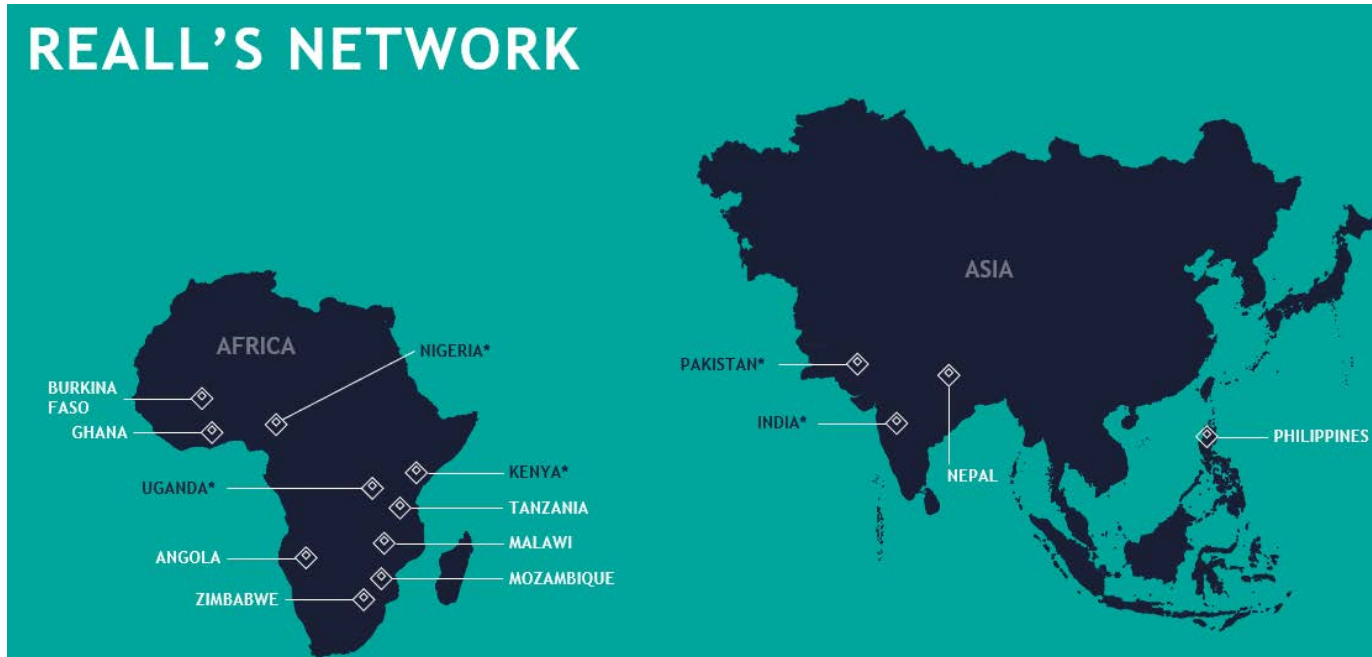
A HOME
FOR
HUMAN
POTENTIAL

INVESTING IN
AFFORDABLE
HOUSING: MEETING
THE INNOVATION &
FINANCE CHALLENGES

Dr Donovan Storey
*Head of Global Policy &
Influence, REALL, UK*

FCDO GLOBAL FUTURE CITIES
PROGRAM. JOINT FORUM WITH
DHSUD, PHILIPPINES
28 OCTOBER 2021

REALL'S NETWORK



OUR STRATEGY

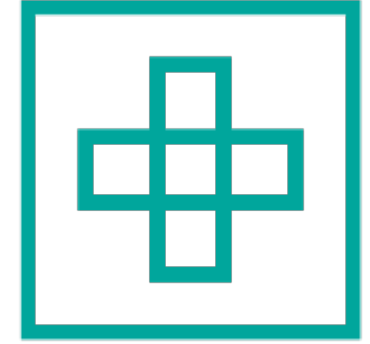
BUILD

Prove we can build commercially and environmentally viable houses for bottom 40% of the income pyramid.

BROKER

Take proof-of-concept build work & make strategic political, regulatory & financial interventions to generate access to climate-smart affordable housing at scale.

Our impact in numbers



The Challenge

- ❑ Globally 1 billion+ living in slums/slum conditions – those seeking decent & affordable shelter will be 3 billion in 2050
- ❑ Affordability crisis: global 'affordable housing gap' (2025) 440m HH/200m in Global South
- ❑ A public & private sector failure
- ❑ A development 'success': where does poverty eradication lead to? (Reall's own pathway)
- ❑ Concurrent challenges: land, services, climate/resilience, access to finance, formal/informal binaries
- ❑ Solutions must take place in a narrow affordability space: creative & connected



investing in place

- ❑ Meeting local housing challenges through investing in local solutions & changemakers
- ❑ Supporting holistic and inclusive communities: building homes not houses
- ❑ Supporting 'placemaking'
- ❑ Investing in policy: brokering change that can be scaled

investing in people

- ❑ The Bottom 40% are 'locked-out' of investing in their housing futures
- ❑ Need/Finance Mismatch: closing gaps between finance, housing & people
- ❑ AH as an entry point to inclusion, accessibility & empowerment of the most vulnerable
- ❑ Working at intersections of SDGs & Paris Agreement

Reall A HOME FOR HUMAN POTENTIAL

JULY 2021

ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS THROUGH AFFORDABLE HOUSING IN AFRICA AND ASIA



REALL IS PIONEERING COMMERCIALLY VIABLE SOLUTIONS FOR CLIMATE-SMART AFFORDABLE HOUSING IN URBAN AFRICA AND ASIA.

CLIMATE-SMART HOMES OFFER A DOORWAY TO ACHIEVING 16 OUT OF 17 OF THE SDGs. THERE IS THEREFORE AN URGENT IMPERATIVE TO INTEGRATE AFFORDABLE HOUSING WITH THE SUSTAINABLE DEVELOPMENT AGENDA.

OVERVIEW

With only ten years to go to achieve the 2030 Agenda for Sustainable Development,¹ many of the Sustainable Development Goals (SDGs) are off track – a situation that has been compounded by the Covid-19 pandemic.²

The pandemic has triggered the worst economic recession since 1930 and the combined social, economic, and health impacts of Covid-19 have outpaced any other major crisis in recent history. As an ongoing global crisis, Covid-19 will undoubtedly set back years of progress made against the Goals and disrupt development progress and funding activities for the decade to come.³ An additional 257 million people could be pushed into extreme poverty by 2030 due to the severe long-term impacts of the coronavirus pandemic, bringing the total number to more than a billion.⁴ Extreme poverty, hunger, unemployment, inequality and violence are rising; education has been disrupted; men, women and children are confined to their homes in many parts of the world, while new phases of the pandemic are unfolding. The poorest and most vulnerable people and countries have inevitably been hit the hardest.

New solutions are urgently required to get the SDGs back on track – and these must be underpinned by a re-commitment to the foundations of 2030 Agenda, namely integration, innovation, and collaboration.

Integration – working and learning across the 17 Goals

The SDGs are by their very objectives and targets integrated and indivisible, yet too often efforts to achieve them focus only on individual goals and targets. To realise the 2030 Agenda vision, stakeholders must embrace SDG interconnectivity and focus on implementation which combines goals and actions. Lessons learned on co-benefits should be evidenced and shared to enable further successes and avoid replication of failure. Improving data availability, comparison and reporting is key to this, as lack of data has important consequences on resource allocation and prioritisation.

Innovation – scaling up action and investment

Even before the Covid-19 pandemic, there was a recognition that 'business as usual' was not enough to achieve many of the SDGs by 2030. Innovative partnerships are now even more

urgently needed to tackle the global crisis the 2030 Agenda seeks to address. Many of these solutions represent a massive economic opportunity to promote GDP growth, job creation, financial sector deepening, generate revenue and support climate change mitigation and resilience. Governments, the private sector, and civil society all have an important role to play, especially with catalytic funding to drive innovative and scalable solutions and actors.

Collaboration – embracing unusual partnerships

Partnership is at the very core of the SDGs. It is one of the five pillars underpinning the 2030 Agenda as outlined in the Preamble⁵ but is also the objective of Goal 17.⁶ Everyone – be it governments, civil society, private sector, investors or UN institutions and other multilateral bodies – has a part to play. In doing so, there is a need to actively seek out new and innovative partnerships that go beyond traditional spheres and actors. Instead of ambition being shackled by business-as-usual, integration, innovation, and partnership are essential to meet the urgent challenge of realising the ambitious and transformative 2030 Agenda.

1. Adopted in 2015 by all United Nations (UN) Member States, the 2030 Agenda for Sustainable Development provides a shared blueprint for both people and planet by the means of 17 Sustainable Development Goals (SDGs). The SDGs are integrated and indivisible, and together to achieve the three dimensions of sustainable development: the economic, social, and environmental. https://sdgs.un.org/content/2016-09-20/2016-09-20_2030_agenda

2. United Nations Development Programme (UNDP), 'The Impact of the COVID-19 Crisis on the Sustainable Development Goals', (2020) <https://www.undp.org/publications/covid-19-impact-on-sustainable-development-goals>

3. United Nations (UN), '2021 high level political forum on sustainable development (HLPF) Concept note', (2021)

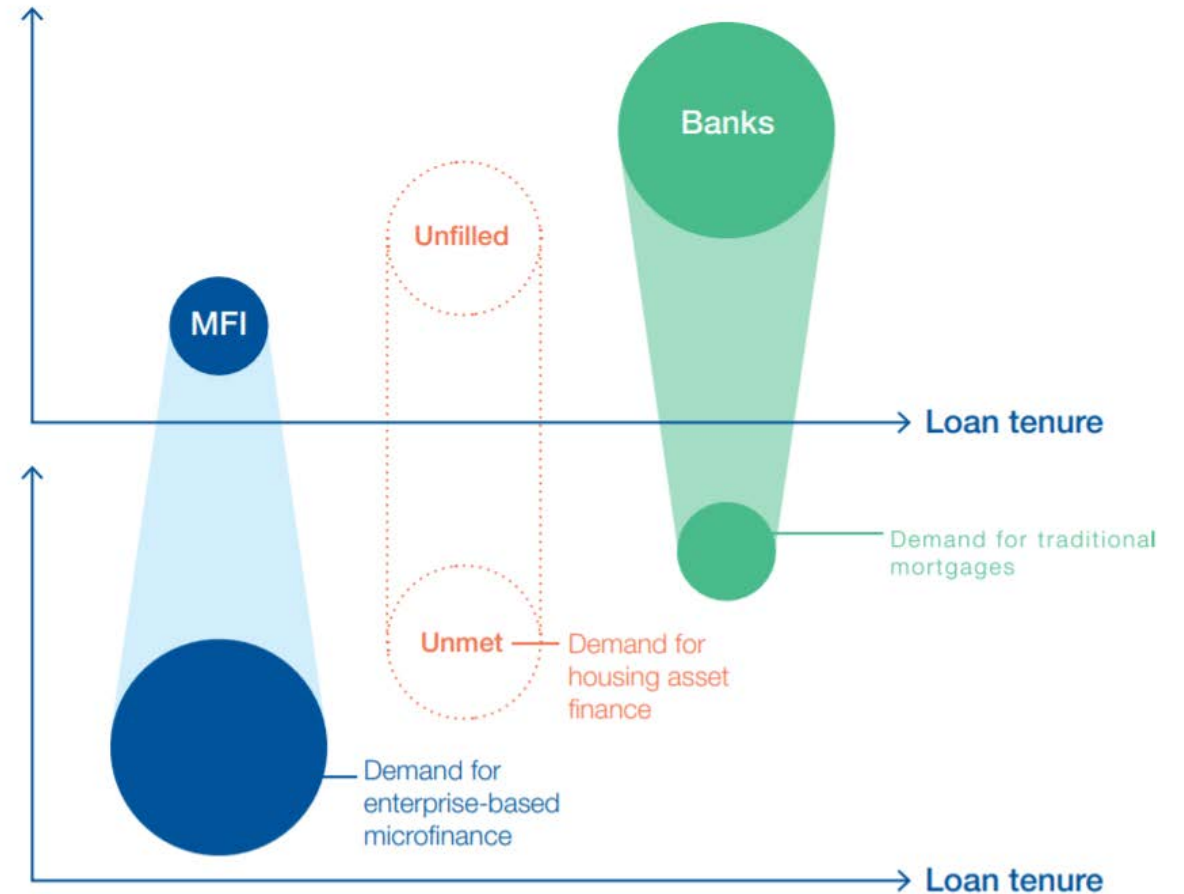
4. United Nations (UN), 'COVID-19 will see one billion more people in extreme poverty, new UN development report finds', (2020) <https://www.un.org/press/en/2020/covid19-report-2020-09-22>

5. Along with people, planet, prosperity, and peace. https://sdgs.un.org/content/2016-09-20/2016-09-20_2030_agenda

6. SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development. https://sdgs.un.org/content/2016-09-20/2016-09-20_2030_agenda

Providers
Size of sphere
indicates relative
number of loans
available

**Market Size
(households)**
Size of sphere
indicates relative
size of demand



Source: Affordable Housing Institute

Innovative tools are needed which enable poorer and vulnerable communities to access finance and achieve credit worthiness

Banking systems need to 'reach down' to fund/invest in affordable and green housing solutions at scale

Need to go beyond conventional lending systems to link people to finance

National initiatives which support greater focus on an enabling policy environment for AH should be learnt from and replicated



Investing in the planet

REALL PARTNERSHIPS

MODULUSTECH

FLAT-PACKED ECO HOUSING THAT PRODUCES A 50TH OF THE CARBON OF CONVENTIONAL CONSTRUCTION

ModulusTech are offering technical environmental solutions to the global housing crisis through their flat-packed prefabricated housing products. These can be constructed in a matter of days and operate off-grid with their own renewable energy and water purification systems.

LOCATION:
PAKISTAN

PARTNERSHIP ESTABLISHED:
2020

TARGET MARKET:
VULNERABLE AND MARGINALISED PEOPLE



WHY WE PARTNERED

Reall found strong alignment with ModulusTech's innovative product, which offers excellent green credentials alongside significant affordability and extremely fast delivery.

ModulusTech's bespoke eco housing can be applied to single houses, double-storey new builds and refurbishment of existing structures. Their panel design allows housing units to be erected in a matter of days, meaning that homes are delivered in a fraction



Our solutions to the (housing) crisis must not lay the foundations of future (climate) crises

Investing in climate-smart materials, infrastructure & communities (NBS)

Meeting health & resilience needs + 'locking in' a sustainable built environment

Mainstreaming innovation: Investing in a low-carbon future



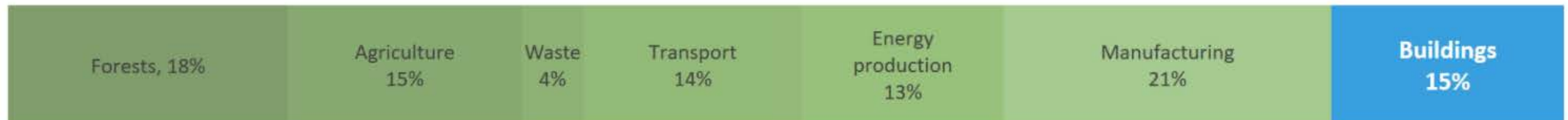
THE NEED FOR GREEN BUILDINGS

BUILT ENVIRONMENT IMPACTS

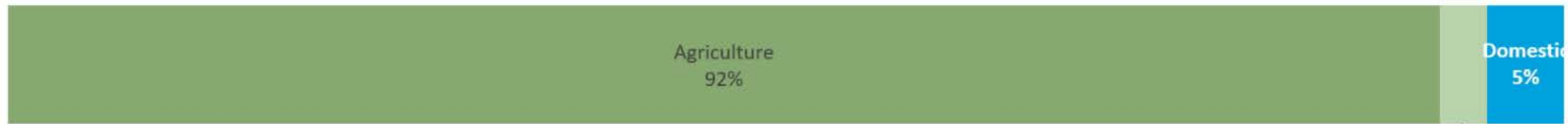
35% of Global Energy Consumption 2010



15% of Global GHG Emission 2010



5% of Global Water Use 2010



Source: UNEP, Source: International Energy Agency: Transition to Sustainable Building

Climate-smart standards & finance

- EDGE standard for green buildings. Saving at least 20% across energy usage, water usage, embodied energy in project
- Reall increasing proportion of EDGE certified homes, working with developer partners to specify EDGE as minimum requirement. Engaging with IFC to boost capacity and roll-out EDGE to sector
- Targeting innovative green construction partners: modular construction, waste reduction, alternative materials & tech.
- Embedding clean energy solutions within affordable housing projects (e.g. solar collectors for heating water)
- Working to unlock and mobilise green finance, including collaboration with IFC to engage local banks on green mortgages



Interventions for housing reform

Buildings and infrastructure

- Affordable resilient building materials
- “Green” building materials
- Affordable and available piped water
- Networked sanitation (or sanitation that does not require water)
- Stormwater drainage

Services

- Municipal waste collection
- Primary healthcare
- Primary education

Land

- Legal land title (not necessarily individual and/or freehold)
- Urban green space
- High population densities

Transport

- Paved access roads
- Non-motorised transport networks (cycle lanes and pavements)
- Urban rail and bus networks
- Electric vehicle infrastructure

Energy

- New clean energy (decentralised small-scale / centralised large-scale)
- Expanded electricity distribution
- Smart metering
- Energy efficient appliances

- Affordable Housing (AH) represents a \$17 billion investment opportunity which remains blocked but potentially transformative
- Several countries have recently made affordable housing a national priority (Pakistan, Kenya) but regulatory barriers remain significant for affordable and climate smart at scale incl finance access
- A lack of data & knowledge hinders broader investment in AH: public & community finances are insufficient to meet need

Investments — Reall to Affordable Housing Partners



Loans
\$ 58,700,000



Grants
\$ 22,500,000

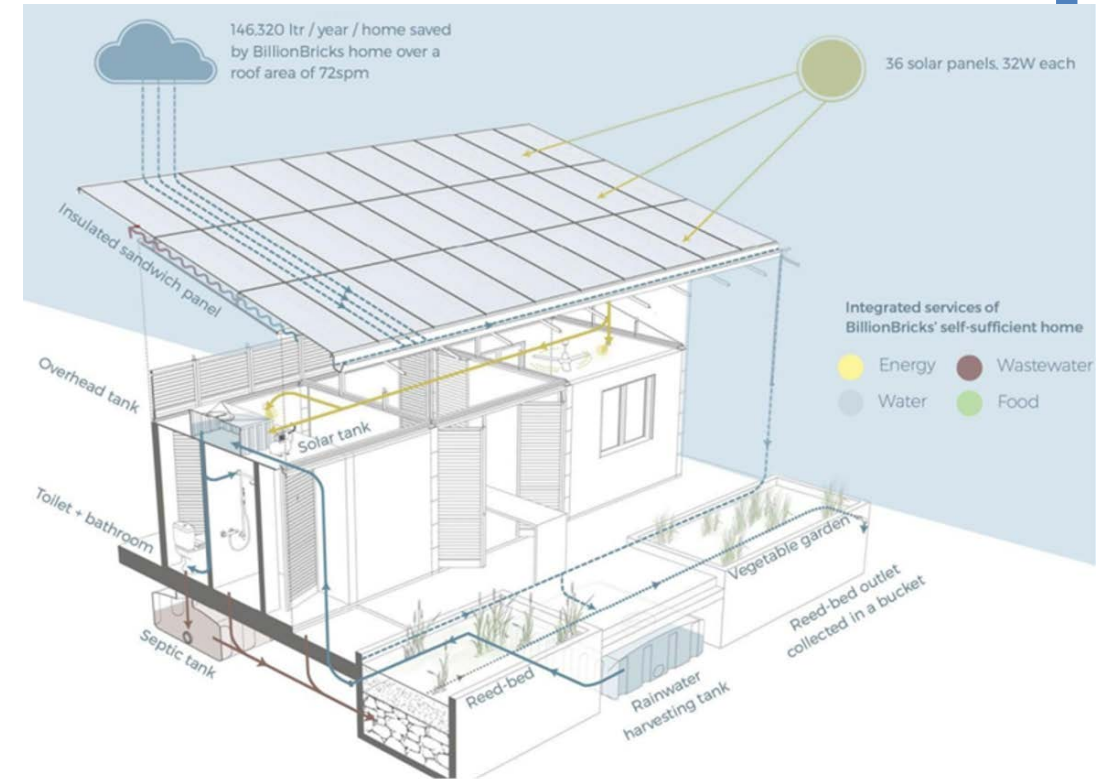


REALL IN THE PHILIPPINES

- LinkBuild formed 2014 to undertake the socialized housing program delivery function
- In 2015 a microfinance NGO (CAMFI) formed to serve as the in-house end-user finance facility, primarily for the housing and livelihood financing needs of HPFPI communities
- PACSII, HPFPI, TAMPEI, LinkBuild, and CAMFI, work in partnership under 'Philippine Alliance'
- Promotes and implements approaches that are:
Transformative and community-led; Climate-focused & sustainable; Inclusive in provision of AH & settlement development.

BILLIONBRICKS | DELIVERING GREEN ENERGY TO HOUSES AT AFFORDABLE PRICES

- A for-profit social business, BillionBricks + Reall tackle housing affordability, energy access and climate change collectively
- A self-financing home = integrated solar roofing system provides off grid energy to low-income households
- Carbon positive houses: produces 4X energy used: Additional energy generates additional income
- The units additionally harvest 100% of all rainwater collected
- Combination of prefabricated and local materials
- BillionBricks is designing a 125 housing-unit development in the Philippines.



www.reall.net



5.1 ROUNDTABLE DISCUSSION



6 KEY TAKEAWAYS AND NEXT STEPS

