



A HOME
FOR
HUMAN
POTENTIAL

Real

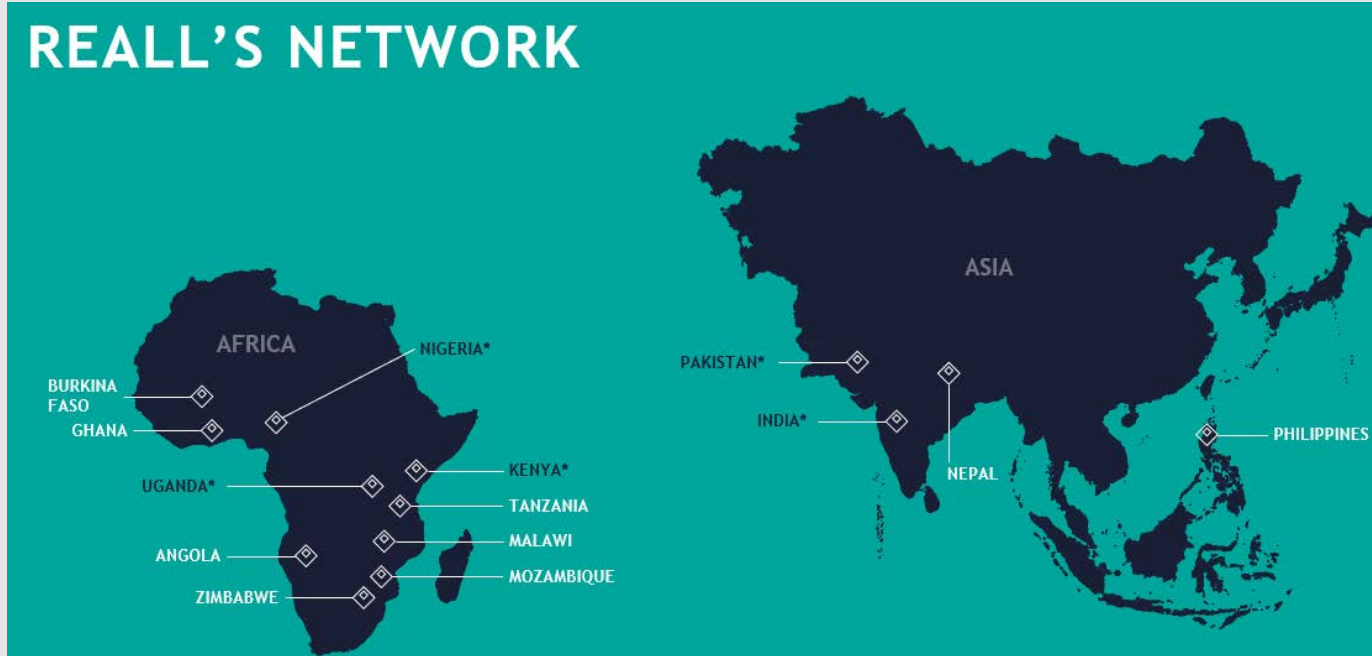
INVESTING IN
AFFORDABLE
HOUSING: MEETING
THE INNOVATION &
FINANCE CHALLENGES

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FCDO GLOBAL FUTURE CITIES
PROGRAM. JOINT FORUM WITH
DHSUD, PHILIPPINES
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WE ARE BUILDING A HOME FOR HUMAN POTENTIAL

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

Over **3,500,000** people reached through Reall projects, including:



Over **730,000** people living on low incomes having been empowered to improve, develop or own their own home



Almost **1,300,000** people gaining security from threat of eviction



Over **450,000** people benefitting from improved water provision



Over **1,100,000** people benefitting from improved sanitation

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

Real A HOME FOR HUMAN POTENTIAL

JULY 2021

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



REAL 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 places 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/2016/09/2016-09-28-sdgs-adopted>

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>

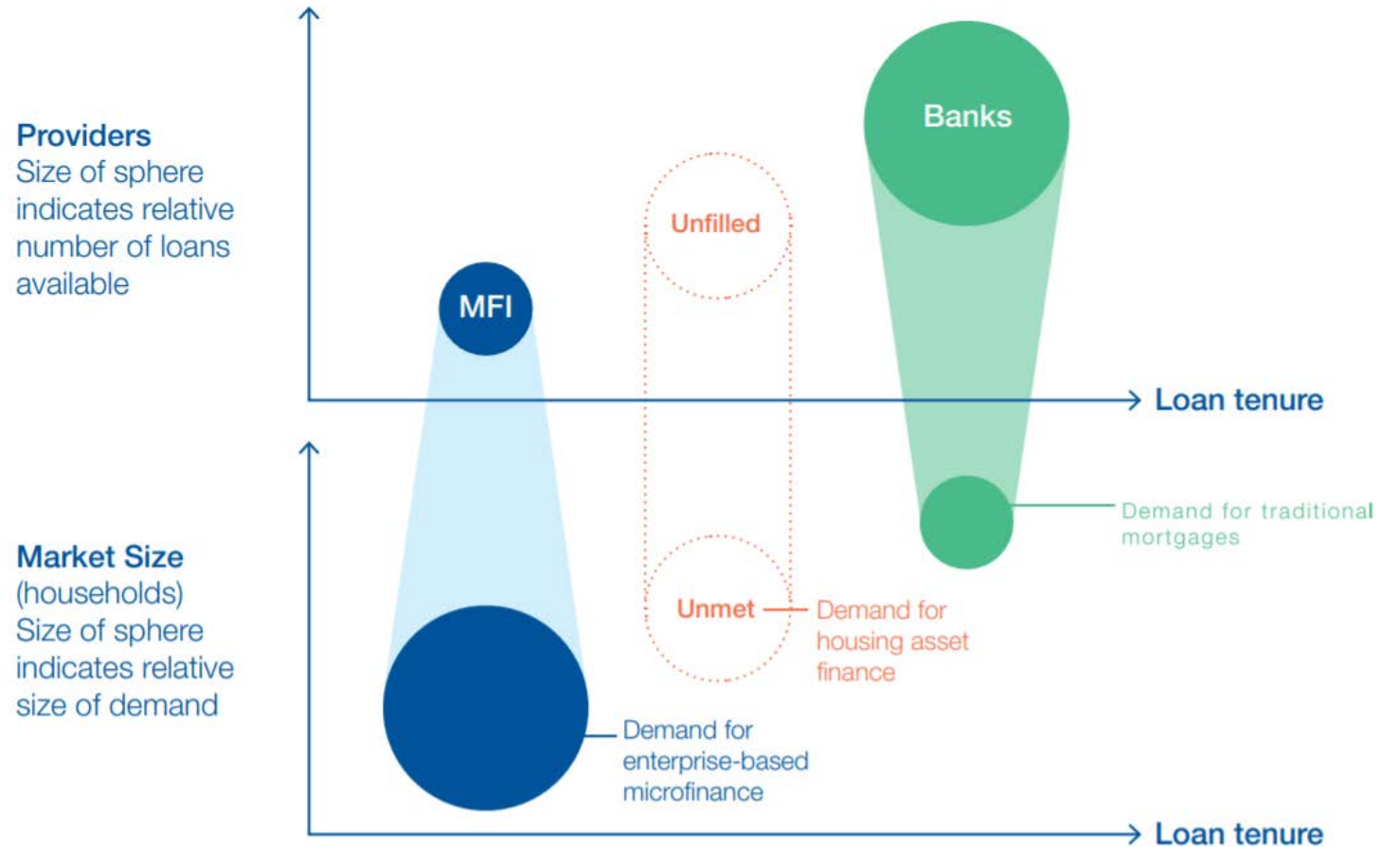
3. United Nations (UN), 'SDG 17: High-level political forum on sustainable development (HLPF) Concept note', (2021) <https://www.un.org/sustainabledevelopment/hlpf-concept-note/>

4. United Nations (UN), 'SDG 17: High-level political forum on sustainable development (HLPF) Concept note', (2021) <https://www.un.org/sustainabledevelopment/hlpf-concept-note/>

5. Along with justice, 'peace', 'partnership', and 'justice' <https://sdgs.un.org/content/2016/09/2016-09-28-sdgs-adopted>

6. SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development. <https://sdgs.un.org/content/2016/09/2016-09-28-sdgs-adopted>

BANKING ON AFFORDABLE HOUSING



Source: Affordable Housing Institute

BANKING ON THE POOR

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



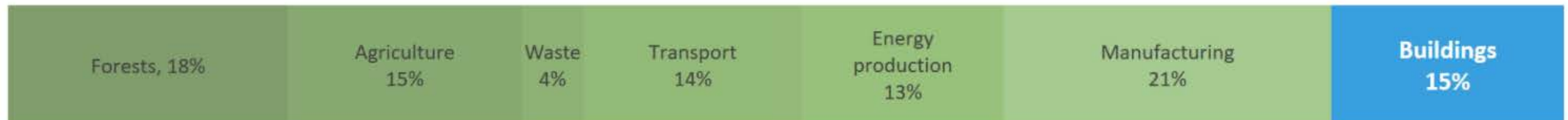
THE NEED FOR GREEN BUILDINGS

BUILT ENVIRONMENT IMPACTS

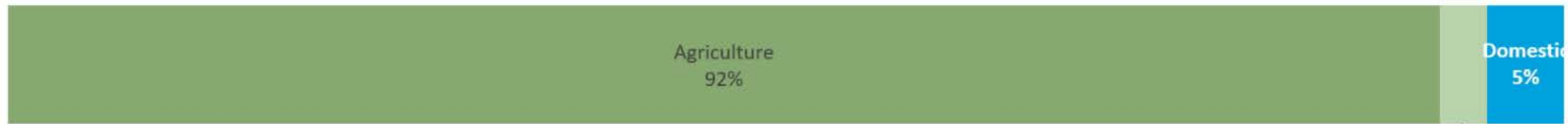
35% of Global Energy Consumption 2010



15% of Global GHG Emission 2010



5% of Global Water Use 2010



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

Industry
3%



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 AS URBAN TRANSFORMATION

- 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

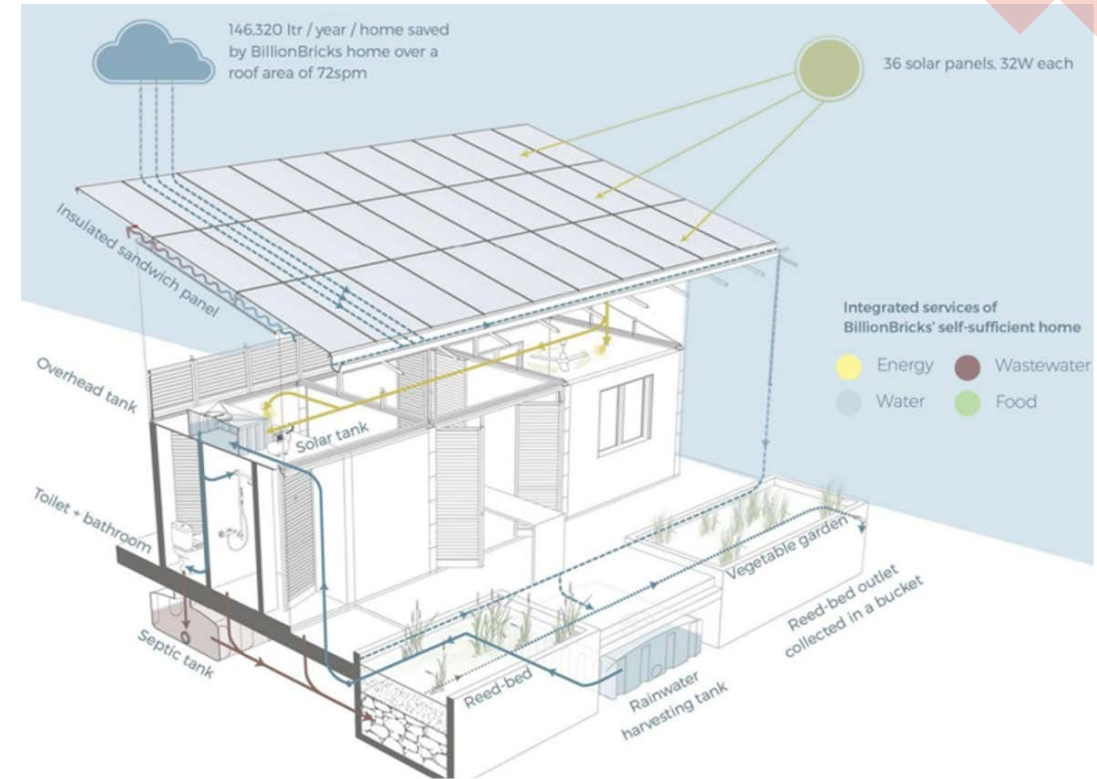


REALL IN THE PHILIPPINES: LINKBUILD

- 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.
- Need to innovate in All aspects – design, technology, end-user finance, process efficiencies, implementation

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.





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