



Unlocking local potential:

Improving the health and wellbeing of families with children by stimulating an affordable, accessible and environmentally responsible housing demand and supply chain.

PROJECT GOAL: \$ 42.7M

MATCHING CONTRIBUTION:

14% ~ \$6M ~ IKEA Foundation;
21% ~ \$9M ~ Overseas Private Investment Corporation;
2.5% ~ \$1.1M ~ Habitat for Humanity International;
59% ~ \$25M ~ Micro Finance Institutions - matching capital;
3.6% ~ \$1.6M ~ AKK & MS Derive (private investors)

Over 1.6 billion people around the world live in inadequate housing. In India specifically, the total housing shortage is 63 million units, what makes the role of local markets critical. Habitat aims to make the market for housing solutions in India and Kenya work more effectively to meet the demands of low income people. This project therefore aims to help 37,500 families in India and Kenya through mobilizing capital over the 5 years for affordable shelter finance products. The IKEA Foundation is supporting this program with almost \$6M and Habitat is also matching the program with \$1.1M what will enable us to leverage capital of \$41.7M, whilst in parallel analyzing the gaps and constraints in the housing supply chain of products and services.

Project Summary

Overall objective: Habitat aims to catalyze both the demand & supply side of the affordable housing market to achieve a vibrant housing ecosystem in India & Kenya.

Specific objective: To accomplish this, Habitat will focus on improving access to client responsive/driven products, services, & financing so that low income households can create a healthy home for their children.





Project Background:

Over 70 percent of the world’s population has no access to formal market housing solutions — those marked by formal construction and a mortgage loan from a bank. This vast majority of people left out of formal systems must build their home in stages with savings or informal financing. Habitat’s MicroBuild Fund fills in this gap and invests in the innovation and growth of services that meet the financial and nonfinancial needs of these people as they build and improve their homes incrementally for their families. Within this project implemented in India and Kenya Habitat sees itself as an enabler, bringing together the private sector, NGOs, universities & the government to respond to the challenges in affordable housing & poverty alleviation.

Estimated results

- **R1 ~ Access to Affordable Shelter Finance in India & Kenya:** the goal is to provide access to affordable finance by stimulating the housing microfinance market. By mobilizing at least \$41.7M of capital over the 5 years for affordable shelter finance products in Kenya and India, at least 75,000 people will be helped with housing solutions within 5 years and many more beyond.
- **R2 ~ Provision of Advisory Services & Impact Evaluation to the Investment partners:** Engagements begin with a client assessment that evaluates the MFI’s operations, governance, leadership, management information systems and commitment to housing. Additional research is done on client demand for housing finance. The impact evaluations will help to determine the outcomes of improved availability of housing finance products and improve the understanding of HMF products & services.
- **R3 ~ Housing Value Chain Analysis in India & Kenya** to better understand the gaps and constraints on the market preventing the availability of low cost, client focused and environmentally friendly products and services.

Final beneficiaries

This project will enable about 75,000 people (of which approximately 45,000 would be children) to gain access to decent shelter & basic amenities such as water, sanitation, & energy technologies. On top of this the MFIs matched capital will mean an additional almost 22,500 households within the grant period resulting in 187,500 people improving their living conditions, with thousands more benefiting beyond the life of the grant.

Main activities

- A significant infusion of capital to make catalytic investments to scale access to affordable housing related finance in India.
- Technical assistance to financial institutions in India that work with the poor to design, pilot & scale housing related loan products, & to conduct impact evaluations of improved access to housing finance.
- Housing value chain analyses to identify market actors & understand access to essential services, building materials, construction labor, & finance in India & Kenya to use this knowledge to develop a program that expands the availability, accessibility & affordability of client and climate centered products & services.

