# Asia-Pacific Housing Forum 6
# Housing at the Center
# September 4-7, 2017

# Highlights and recommendations report



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# Introduction



A multi-country event across five locations, the sixth edition of the Asia-Pacific Housing Forum gathered more than 1,400 experts and practitioners in discussing and sharing practical and scalable solutions for affordable housing in the region. The timing of the Forum is especially opportune, following the adoption of the 2030 Agenda for Sustainable Development and New Urban Agenda in 2015 and 2016, respectively. Both are crucial milestones that helped shape how housing challenges must be addressed in the sphere of sustainable development.

Since then, the recognition of affordable and sustainable housing as a sector that can stimulate the economic and social growth of urban areas has presented new opportunities and challenges. Shelter organizations often lack funding and institutional support for their activities. Complex regulations, red tape and inflexible laws are among the major roadblocks to achieving impactful results in the communities where those organizations operate.

This report presents the main findings of the Asia-Pacific Housing Forum in Hong Kong and the preliminary events in Cambodia, India, the Philippines and Indonesia. It also unveils key trends in affordable housing that will serve as a useful reference for tackling challenges and leveraging opportunities in multi-stakeholder partnerships and the advancement of housing programs and services.

# The Sustainable Development Goals and New Urban Agenda indicators must be integrated into organizations' strategic plans

In committing to the Sustainable Development Goals, world governments undertook to ensure access to adequate, secure and affordable housing for all by 2030. Under Goal 11 (sustainable cities and communities), specific targets track the impact of housing-related indicators on slum upgrading, affordability and disaster mitigation, among others. Subsequently, the New Urban Agenda provides a spatial framework for the delivery of the SDGs within urban areas. The NUA not only builds on Goal 11 but also addresses wide-ranging urbanization and human settlements issues. Dialogue and cooperation between multi-stakeholders including business, government and civil society are required to deliver the New Urban Agenda. The two global agreements are important milestones in highlighting the catalytic impact of housing in decreasing poverty, reducing inequality and building resilience against economic and natural disasters.

At the same time, rapid urbanization around the world and in the Asia-Pacific region has a great impact on global sustainable development. While cities fuel socio-economic development, they are also home to significant concentrations of the poor and marginalized. Urban population growth has not been matched by growth in housing units or equitable access to land. Several factors contribute to the lack of affordable housing: high demand and low supply, increase in construction costs, high capital costs in many countries and increasing land prices. Poorly formulated policies, rigid markets and regulations, uncertain political priorities and the lack of understanding of housing complexities also play a part in widening the housing gap.



In addition to accommodating the influx of new residents, cities must offer consistent economic opportunities, ensure basic services and infrastructure, adequate management and planning. To align with SDG 11, governments and public authorities have to develop and implement innovative city designs that allow space for the growth of affordable housing. Yet, many Forum participants recognize that ineffective implementation of regulations affects the development of functioning communities. While governments have the authority to create and modify legislation for the benefit of vulnerable populations, policy enforcement is still lacking. Governments that neither have the resources nor the capacity tend to overlook priorities. A widely discussed theme throughout the Forum was the need for partnerships and a multi-sector approach to support the implementation and maintenance of community coordination initiatives.

With housing at the center of the sustainable development agenda, it is imperative for governments to implement robust housing policies and regulatory frameworks in cities. A facilitating environment can thus be fostered to generate a multiplier effect in low-income communities through developing local businesses, creating jobs, expediting the regularization of property rights and other factors that promote sustainable growth.

Low-income households can also be included as stakeholders through the development of affordable market solutions. These solutions range from increasing the supply of locally sourced, environmentally friendly materials for housing construction and adaptation to creating a portfolio of financial services catering to the economically marginalized.

As demonstrated by various speakers at the Forum, this renewed vision of housing presents valuable opportunities for organizations from the public and private sectors to focus on a multi-dimensional approach to tackle issues at the local and national levels. Similar coordination is also proposed at the sectoral level with infrastructure providers (transportation, water and sanitation) cooperating in the development of residential and mixed-use areas on the outskirts of major cities in Asia-Pacific.

In terms of infrastructure, the provision of clean water and safe sanitation is essential for the development of healthy living environments and is linked to poverty reduction, social well-being and sustainable livelihoods. In the Asia-Pacific region, home to half of the world's urban population, almost one in three urban dwellers resides in slums. Scarcity or poor quality of water and inadequate sanitation take a huge toll on public health, affecting children in particular, economic and educational opportunities and even food security.
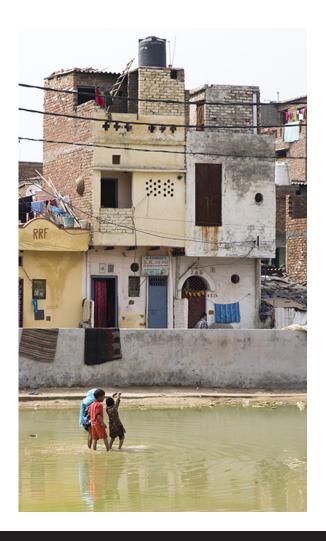
To attain the recommended Sustainable Development Goals indicators, the lives of one billion slum dwellers must be transformed and slum upgrading provides for socio-economic integration for those in harsh living conditions. Civil society organizations have been engaged in filing the gaps when governments don't have the capacity to operate, by coordinating the demands of local communities, and channeling funds and advocating for more efficient and inclusive policies.

Drivers of change for each sector are required no matter what the solution may be. Partnerships must not only address social challenges but all partners have to be clear about each other's interests and agenda to achieve effective collaboration with lasting transformation.



*"We need to realize that cities are the center. Having the SDG 11 is an important step in reinforcing the relationship between government and development organizations."*

**– Laxman Perera**
**Human Settlements Officer,**
**UN-Habitat**

# B.

# Public, private and civil society cooperation is key for housing issues to be addressed in Asia-Pacific

At the Asia-Pacific Housing Forum, representatives from the private sector shared their views on existing global efforts for sustainable development. Before the adoption of the Sustainable Development Goals and New Urban Agenda, the last few decades have seen a shift in the visions and values of corporations, giving way to expressions such as 'shared value,' where financial gains are reinvested for the social benefit of a wider number of stakeholders, customers and the communities where companies operate.

The shared value strategy has gained a lot of traction, allowing corporations not only to create business opportunities while addressing societal issues, but also to develop strategic partnerships with civil society and nonprofit organizations that are based on common values and goals.

Multi-sectoral partnerships between public, private and people (civil society) organizations are increasingly common in housing, infrastructure and sanitation projects. However, experts at the Forum highlighted the importance of truly strategic partnerships that are built on long-term objectives and developed beyond traditional donation models. For this to happen, partnerships must be rooted in achieving common goals and setting well-defined roles.

In the field of affordable housing, nonprofit organizations play an important role in promoting viable economic models of affordability and community-based solutions for improved housing services. Studies on local business environment and its potential provide ideas for partnerships between nonprofit and private sector organizations. Overall, private stakeholders expect to be engaged meaningfully, to add value and generate measurable impact through civil society initiatives that, in turn, have to demonstrate innovative and efficient working models that support low-income families' entry into permanent housing. Strategic partnerships also leverage the concept of knowledge-sharing and direct involvement of corporations' talent and employees in investing their time in solving housing challenges.

Businesses have further opportunities to align their social responsibility missions with the Sustainable Development Goals by investing in existing projects and potential business lines that are economically sustainable and socially responsible. The combined private-civic effort can also strengthen the capacity of local governments to implement the New Urban Agenda and support countries' efforts in achieving SDG indicators.

*"Shared value: what it means is co-creating and aligning the strategic goals of both organizations that will advance our common interest and to result in impact."*

**– Jonathan Reckford
CEO, Habitat for Humanity International**

On their part, the public sector plays an important role in setting up legal frameworks, drafting legislation and supporting the operation of multi-sector partnerships. Governments not only provide the legal guarantee for development work, but also have the mandate to deliver small- to large-scale infrastructure projects. In turn, civil society organizations often operate in a more localized spectrum, supporting individual communities in community development, housing construction and sanitation needs. An example that was highlighted at the Housing Forum was the creation of public-private-people partnerships in short- and long-term rebuilding efforts after disasters.

From an investment perspective, impact investing for housing is still a relatively new concept with a few pilot projects being carried out across the Asia-Pacific region. To make it compelling for investors, the adoption and commercialization of affordable housing technology (appropriate construction materials, smart systems) needs to be incorporated into the traditional value chain and market development models. Private businesses are just starting to understand that the traditional value chain model can also generate social impact, while social enterprises and owners of affordable housing technologies need the opportunity to connect with investors to scale up their ideas and educate the market. With the proper enforcement of local regulations, an entire construction ecosystem can be set up to attract more investments in the sector. To attract and sustain investments, existing and future initiatives must strike the right balance between financial returns and social impact.

## B.1     Technology and innovation driving affordability

Innovation plays an important role in bridging the gap between ideas and resources for affordable housing. Traditionally, the housing sector is further removed from technology and startups. At first glance, the material- and capital-intensive housing business provides fewer incentives for individuals or small-scale operations to succeed.

Yet some organizations have thrived in finding technological solutions with the aim of scaling up the mainstream use of alternative materials that are climate-resilient and cost-effective in low-income housing markets. Locally sourced bamboo and coconut byproducts, which have been treated and processed via modern techniques, have been used to build improved, resilient housing in several rural communities across Asia. Other organizations have helped families to access recycled materials and training, allowing them to generate additional income by building and commercializing solar lamps. The use of locally sourced materials keeps project costs low while building sustainable business models.

Furthermore, technological advancements in the last decade have enabled nonprofit organizations in particular to access large amounts of data about communities' practices and behaviors, as well as spatial information that tracks environmental changes and potential hazards over time. Increasingly, good quality, reliable data is valuable for the civil society to coordinate their demands and support governments in making informed policy decisions. Geospatial technology also plays a role in educating the public and fostering behavioral change for more sustainable habitats.

The concept of smart cities is closely related to their capacity for aggregating data and using it to monitor and provide intelligence for local authorities to develop efficient social projects and services. The collection and the use of data pave the way for major collaboration between private and civil society organizations to support vulnerable families in slums and low-income settlements. Examples presented at the Housing Forum included that of aerial mapping organization SkyEye. In the Philippines, it partnered with several nonprofit organizations and local government units to provide visual data on areas vulnerable to disasters. SkyEye's drones map areas and gather information that organizations can quickly access with the aim of improving coordination before or after a disaster strikes. One suggestion was for businesses to sponsor the use of technology that enables nonprofit organizations to collect and analyze the data which, in turn, is shared with community groups and governments for further action.

Another example came from Bangladesh where the geographic information system technology was used to map slum areas in Dhaka. With access to such information, organizations like Habitat for Humanity Bangladesh can engage with the mapped communities to understand and address their needs, and develop plans and initiatives to improve their access to better shelter, education and health. Such technology also facilitates government allocation of resources and communities' involvement in their urban development plans.

Innovation and technology are not a 'cure-all' solution for poverty and housing challenges but are important catalysts for multi-sector collaboration in meeting low-income housing needs. Built upon the shared principles and targets set out by the Sustainable Development Goals, partnerships in technology and innovation will play a fundamental role in enabling countries to fulfill the 2030 Sustainable Development Agenda and beyond.

# Resilience is at the heart of sustainable cities in Asia-Pacific

The advancement of policies and systems that foster resilience in cities in the region was among widely discussed topics with speakers and participants debating on different approaches. The emphasis on Sustainable Development Goal 11 in promoting better urban planning and management demonstrated the participants' wish for sectoral organizations to implement measures that allow cities to absorb natural, social and economic shocks and setbacks with minor impact.

For delegates at the Housing Forum, community empowerment is at the heart of resilience in low-income locations across Asia-Pacific. Organizations that work hand-in-hand with grassroots leadership are better equipped to assess the vulnerabilities, understand the needs and meet the demands of local communities by coordinating with local authorities in shelter and land policies.

Supporting underprivileged groups in exploring new income-generating activities helps diversify livelihoods and engages communities in self-sustaining economic activities. Recognizing marginalized groups as important stakeholders and enabling them to enter into the urban participatory process through public debate is key to the advancement of resilience at all social levels.

For many slum dwellers who comprise the majority of a city's population, their poor living conditions including health hazards can be improved and their resilience increased through slum upgrading. It is not possible to transform slums into sustainable and adequate urban clusters in the short term, but minimum living standards should be assured for slum communities who can call on their governments to prioritize improvements.



*"Construction integrates expertise and learning, building together with the villagers. It bridges spiritual values and fosters resilience."*

**- Sharon Chow, CEO, Wu Zhi Qiao (Bridge to China) Charitable Foundation**

Evidence suggests that basic demands by slum communities revolve around the development of roads, accessibility and transportation systems to the city center, reinforcement against extreme weather events and attention to elderly inhabitants. The disorganized growth of slums after decades of poverty and decline poses complex challenges in adequately meeting basic needs while providing decent shelter for hundreds of thousands of inhabitants.

Hence, urban development, especially in relation to slums and low-income housing on the fringe of cities, should prioritize strict policies: adoption and reinforcement of regulations on building standards, orientation on public interventions, capacity building for organizations in the construction sector and skilled workers, and a long-term vision that can guide urban legislation with the objective of tackling inequalities. Once again, it was noted at the Forum that public participation was required in the formulation of policies and legislation, and community involvement was fundamental to successful change.

While land ownership and tenure formalization can foster resilient communities and cities, participants noted that tenure is a complex subject with different meanings and forms across locations. Informal settlers often have to go through a long and convoluted process to obtain formal tenure. First, institutional recognition and support is required in moving toward tenure formality and access to finance, for business activities or home improvement. In many cases, civil society organizations will work with communities to guide them toward tenure formalization and how to tap into existing opportunities.

Furthermore, tenure issues are frequently related to existing gender imbalances. Experts at the Forum shared their experiences in supporting gender-balanced policies and highlighted the barriers to women's access to housing and property rights. In Asia-Pacific, where customs and traditions still dictate women's access to property, one must also consider other factors such as education, status in the household and the existence of formal legal systems that can support women. For women to advance in taking the lead in housing issues, gender responsiveness should be included in housing policies, rights, legislation and in their implementation.

## C.1    Resilience through access to finance

In all the Asia-Pacific Housing Forum events, microfinance was cited as an effective means of credit for individuals and families to build their homes incrementally. More importantly, financial inclusion is improved through the provision of microfinance services for people who don't have access to mainstream banking and finance products.

However, there are numerous challenges in providing access to finance to the underserved. First, low-income communities often rely on informal and un-banked sources of income. A burdensome regulatory environment that is still based on complex policies and technical aspects often prevents the development of efficient housing products for low-income markets. In addition, families are less inclined to invest in home improvements given the lack of secure tenure. Finally, many microfinance providers still maintain a traditional focus on the development of small businesses, leading to a lack of suitable housing loan products.

Nonetheless, several organizations are leading the way in providing housing microfinance loans and services to low-income communities, especially in locations affected by natural disasters and climate change. They also support communities by providing capacity building and construction advice for families wanting to do home repairs, creating a solid case for microfinance business opportunities and generating a dynamic economic ecosystem.

Ultimately, for microfinance to become a viable medium to support improved and affordable housing, certain mechanisms must be put in place. Industry leaders must develop and introduce flagship housing products to set an example for other players in the market. Secondly, organizations need to raise the awareness and understanding of microfinance products and services, as the increase in borrowers and clients will increase the efficiency of microfinance operations and potentially decrease interest rates of financial institutions. Lastly, experts at the Forum called for policies that incentivize the expansion and commercialization of pro-poor products and services, especially those that support individuals to accelerate their own process of building a more resilient future.

*"Institutions really felt the appreciation and the need of the clients in their darkest times. Housing is a basic need; by providing this need to the clients it automatically increases resilience."*

**- Kamrul Tarafder
President and CEO
ASA Philippines**

The Forum also called on youth to be engaged in creating resilient cities and communities. As a strategic partner of the Asia-Pacific Housing Forum, the International Federation of Red Cross and Red Crescent Societies presented the PASSA for Youth methodology. The participatory method of disaster risk reduction related to shelter and settlement safety has been adapted to enable youth to be change agents.



The toolkit provides young people living in vulnerable conditions with an understanding of existing risks to their homes and communities, and trains them to improve their overall living conditions in relation to disasters and other social or economic threats. Through PASSA Youth, young people can become important stakeholders in formulating housing policies, and they can be empowered to create positive changes in their communities toward improved and resilient shelter.

Volunteering serves to engage youth in supporting affordable housing causes while allowing for partnerships with private sector organizations. Through different online and offline channels, organizations can raise the awareness of tech-savvy young people about their causes and build volunteer loyalty. Young people may feel affordable shelter is an issue that is too big and costly to mobilize supporters and advocate for change. As such, opportunities abound for organizations in the housing sector to build up the youth in presenting their ideas before public and private stakeholders, and for authorities to recognize the role of young people and their impact as future community leaders.

# Conclusion



The discussions and debates that took place during the 6th Asia-Pacific Housing Forum are not exhaustive. They provided a glimpse into the prevailing themes that had surfaced in the last few years on how housing could be a major driver and contributor to sustainable development, ranging from poverty alleviation to economic development and resilient societies.

Across the main themes, participants agreed that there isn't a perfect solution for the housing crisis in Asia-Pacific. Long-term sustainable development can only be achieved via multi-sector collaborations. Governments can seek valuable inputs from the private and civic sectors in the formulation of housing and urban policies. Meanwhile several businesses and civil society organizations have started exploring opportunities in the low-income market segments with innovative and economical housing products and services. Partnerships, along with the consolidation and sharing of expertise and best practices to tackle housing challenges in the region, are contributing to more consistent approaches and a shared consensus of how to operationalize efforts toward sustainable societies.

At the Housing Forum, participants called for:

- Better integration of local and national housing policies, taking into consideration the guidelines from the New Urban Agenda and the indicators of the Sustainable Development Goals;

- Increased understanding of the capacities and drivers of public, private and civil society sectors in exploring collaboration opportunities;

- Widespread use of technology and innovative thinking models to more efficiently monitor and address housing needs of low-income populations;

- Strengthening of vulnerable populations at the community level by engaging them in policies and projects that foster resilience; and

- Recognition of the multiple mechanisms (secure land tenure, access to financial services and youth empowerment) that can contribute toward the creation of resilient communities in the region.

As a multi-sector conference, the Asia-Pacific Housing Forum will continue to provide the platform for all stakeholders to voice their opinions, promote understanding and ignite action that will empower more people through shelter and transform societies in years to come.

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