



**Terwilliger Center for
Innovation in Shelter**

**every
one**

deserves a decent
place to live.

Habitat's Terwilliger Center

Building and expanding inclusive housing markets

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Housing: core to achieving sustainable development

Integrated part of goals



Direct impact



Indirect impact

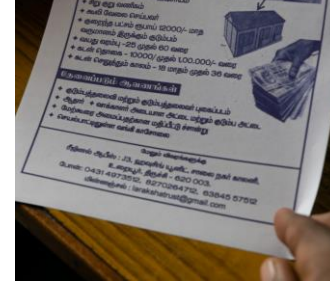


Since 1976, Habitat has helped more than

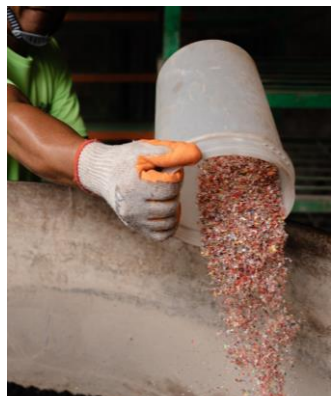
59
million
people

build or improve the place they call home.





Why innovate?



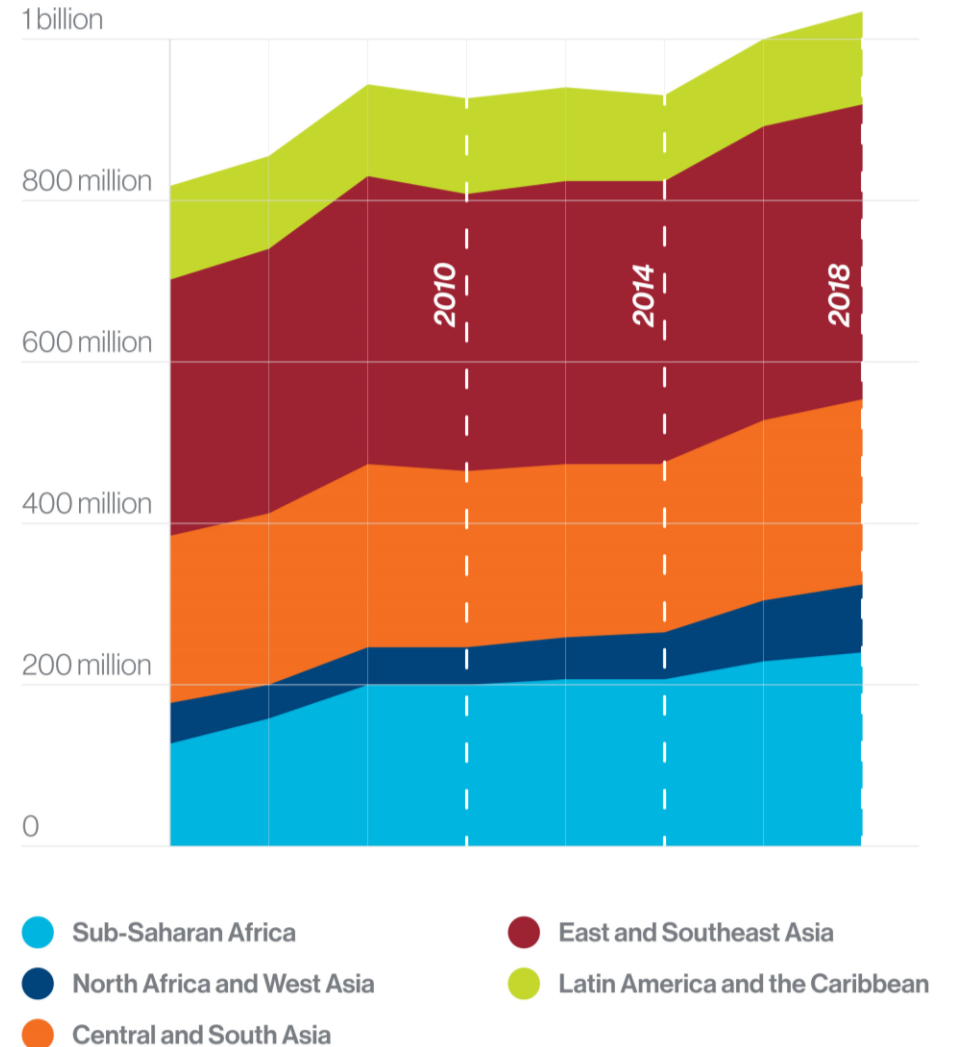
The number of people living in inadequate housing is growing.

Globally, nearly **1 in 4** urban residents live in poor housing conditions.*

This trend will continue because of population growth; lack of jobs, training and education; climate change; and the increasing number of disasters.

**Source: 2020 Habitat for Humanity International SDG Goal 11 Progress Report*

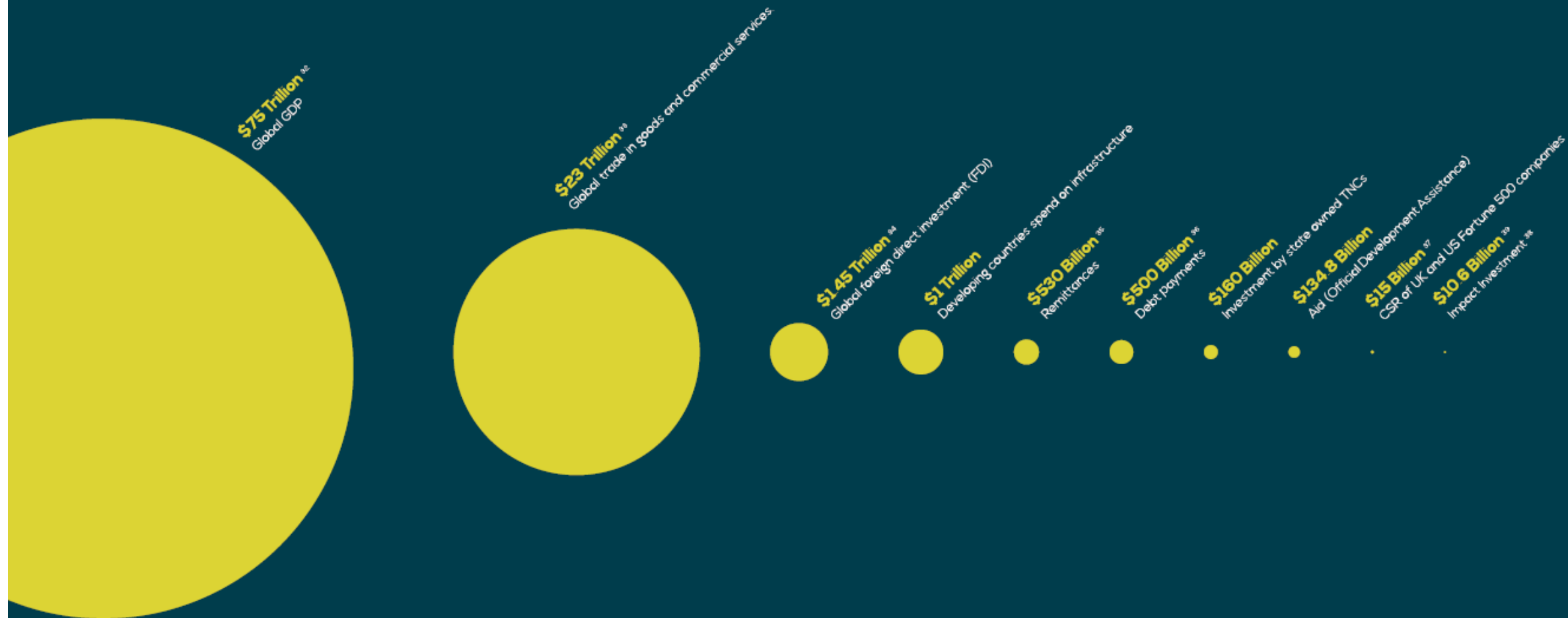
Number of people living in slums



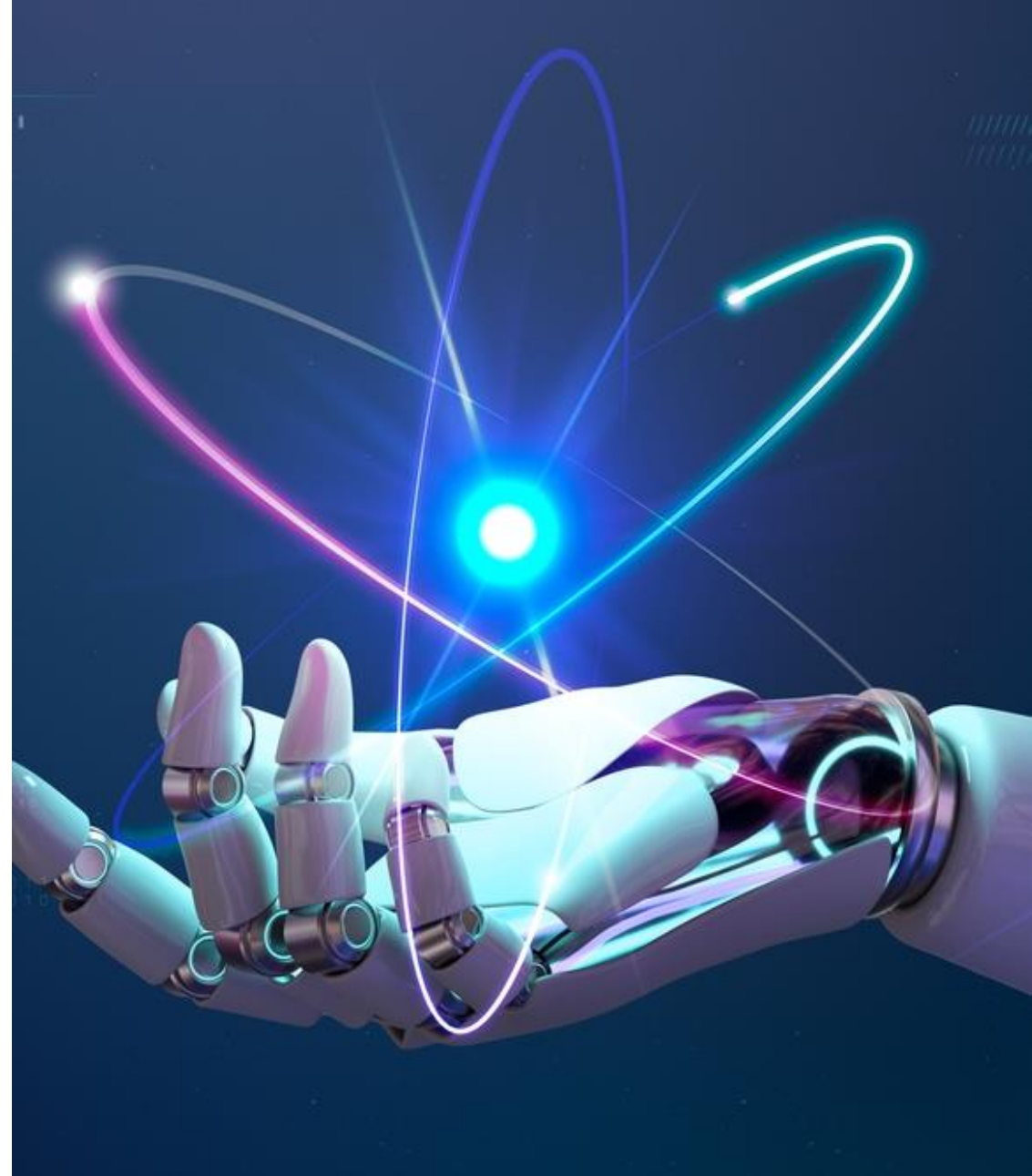
The Relative Scale of Global Financial Flows ³¹

The relative scale of global trade, investment, remittances, aid, debt, CSR activity and impact investment sheds some light on the means and mechanisms we have at our disposal for delivering more sustainable and equitable global development.

“Think Global, Trade Social”, British Council 2015

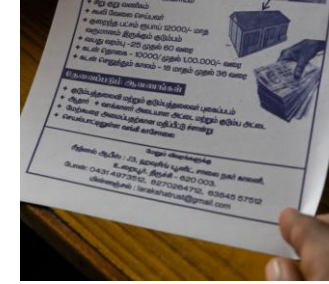


Change brings opportunities and threats

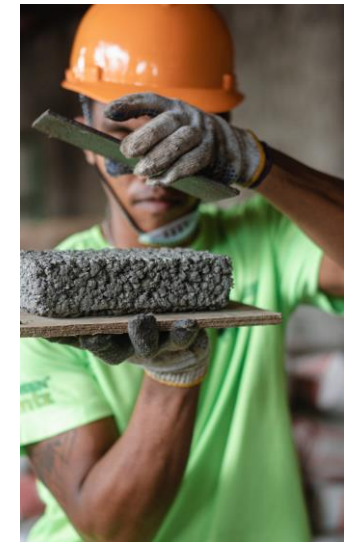


**40%
of CO2
emissions
worldwide
come from the
construction
sector**





What does this innovation look like?



The housing market system



What is a housing market system?

The web of individuals, businesses and institutions that:

- Create, sell or use construction materials.
- Provide the peripheral support services and enabling environment that fuel and regulate the housing industry: cement trucks, bank loans, municipal regulators, etc.

Ed and Gina's story



Can you loan money to low-income households for housing purposes?

Microfinance institutions serve an estimated 200 million low-income clients representing a US\$70 billion global lending portfolio.

MFIs allocate less than 2 percent of their funds to housing.

10-20 percent of the loans borrowed for microenterprises are diverted for housing purposes.



Impact to date

\$1.22 billion

ADDITIONAL CAPITAL MOBILIZED
BY INVESTEES TO GROW THEIR
HOUSING PORTFOLIOS

41%

Eastern Europe
and the Caucasus

3%

Africa and the
Middle East

31%

Asia-Pacific

25%

Latin America
and the
Caribbean

\$230.2 million

TOTAL DISBURSED
+ RENEWALS

\$100 million

ORIGINAL FUND
CAPITALIZATION



62

institutions
(total)



33

countries



18

active
investments

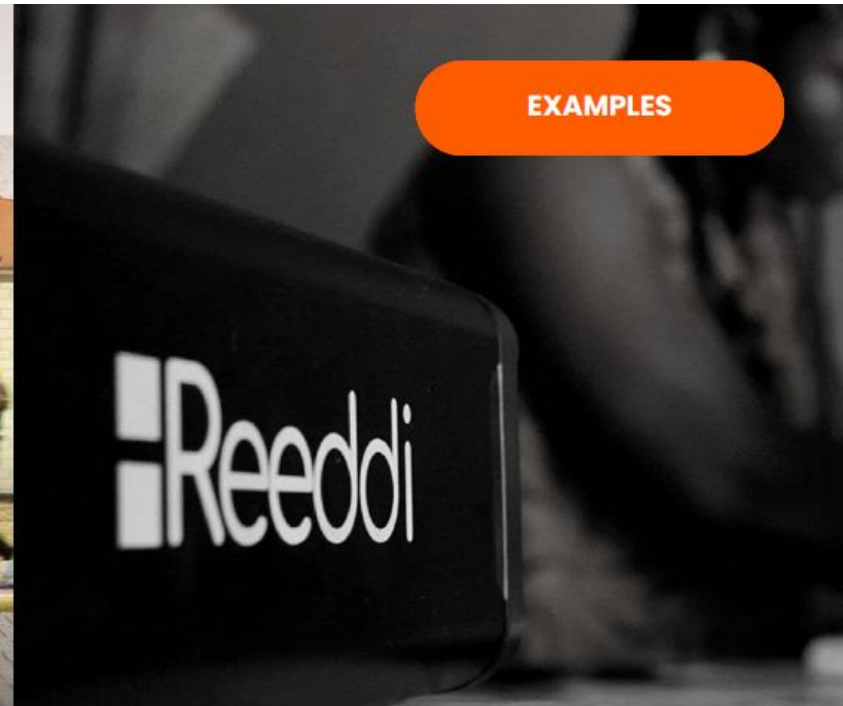
Can we grow a wave of new sheltertech ventures growing products?

Housing is dominated by large, risk averse companies who are not connected with the needs of low-income households

Most of the World's poorest are incrementally building their own homes. Yet most investors still think of affordable housing as the work of the public sector and large developers



Preeti and her niece are among the millions of low-income households who have been able to improve the livability of their homes thanks to new products and housing innovations spurred by the Terwilliger Center for Innovation in Shelter.



EXAMPLES

Billion Bricks

BillionBricks builds partially prefabricated Net-Zero homes with solar rooftops that are energy-efficient and affordable.

The first BillionBricks community will be launched in the Philippines, spanning 1,600 homes and 13 MW of electricity generation capacity. BillionBricks recently closed a \$2.4M seed round.

Kubik

Builds low-carbon, ultra durable buildings that remove plastic waste from the environment. These homes are better insulated and more affordable.

Kubik's technology turns hard-to-recycle plastic waste into affordable building materials, removing 45,000 kg of plastic waste from landfills every day.

Recently closed a \$3.3M seed round to scale up production in Ethiopia.

Reeddi

Reeddi provides clean, reliable, and affordable electricity to households and businesses operating in the energy-poor region currently serving 3,000 households in Nigeria and growing fast.

It saves users more than 30% of their energy expenses, while also allowing them to consume energy anytime and anywhere effectively and efficiently.

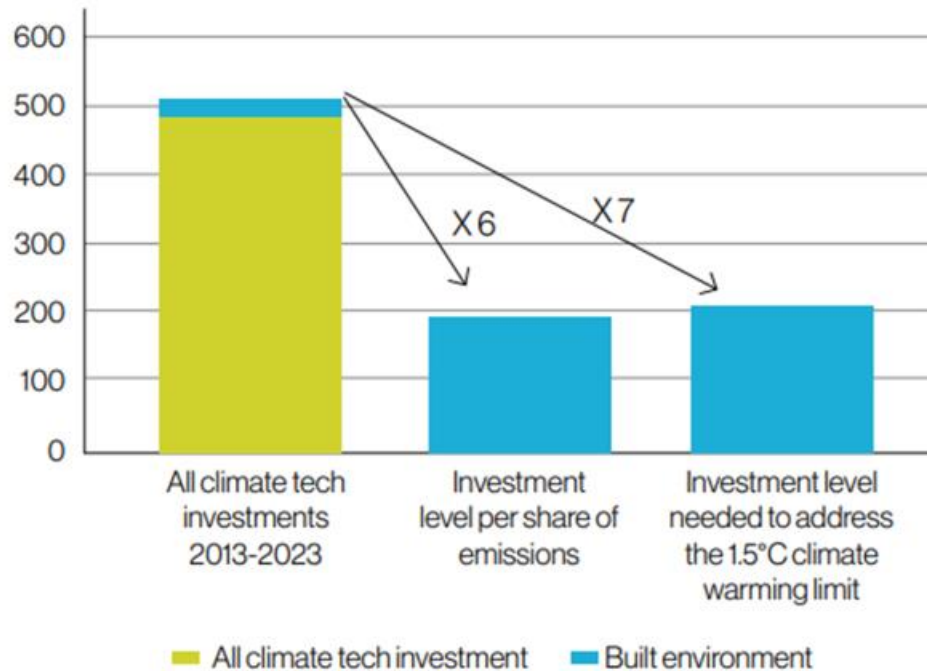
prize

PROJECT
LUMKANI

The challenge of informal settlement fires

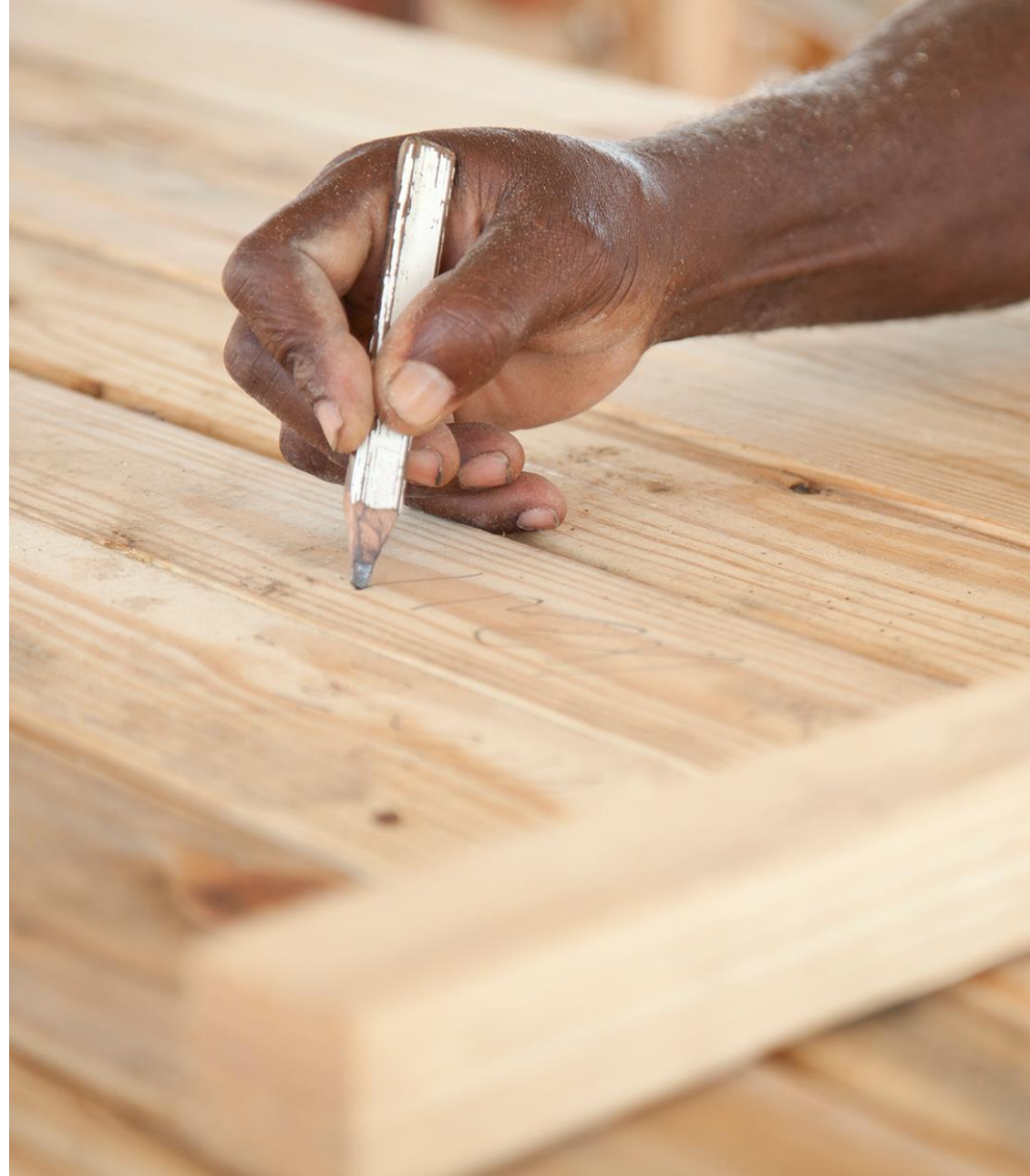
Investing in sheltertech is an overlooked opportunity for climate investors

Figure 2. Climate tech investments in the built environment

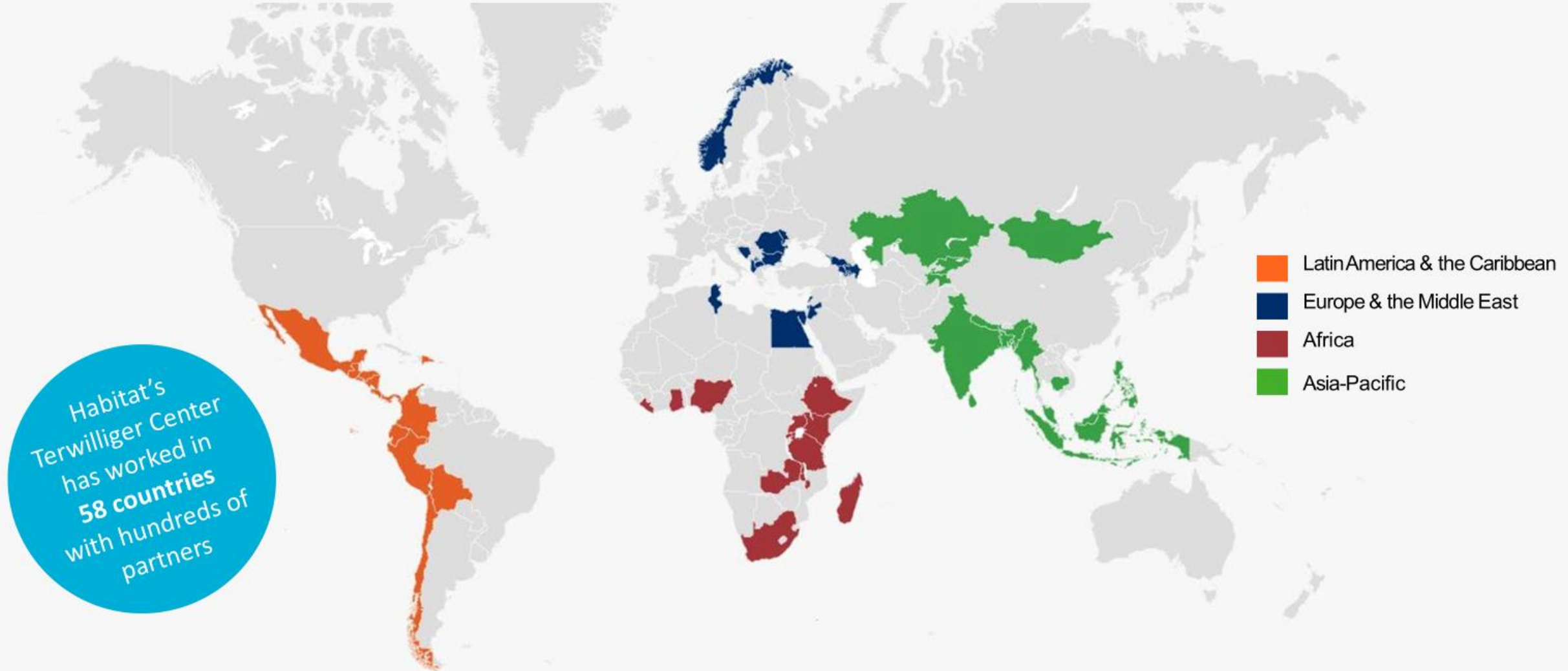


What does this all mean for Ed and Gina?

- Through **MicroBuild**, we may have been able to provide capital to their local microfinance institution, so they could get a loan to rebuild quickly and more safely
- Through our **sheltermtech** work, they may have bought a product that was designed for them, such as a home solar kit or a roof that is better insulated from extreme heat
- We also work with a huge range of other market partners



Since 2017, the Terwilliger Center has helped
over **43 million people** access
improved housing products, services, and financing.



Any questions?



We are pioneering ways to **increase financial access for low-income households** and build a more inclusive housing market.



Affordability

Invest capital in local financial institutions to be disbursed to customers as housing microloans, not handouts.



Formal lenders

Engage formal lending institutions to design, develop and test new lending products.



Customers

Empowering low-income families to access client-centric products and services.



Expertise

Research and share best practices for financial tools, including digital services, supporting the “base of the pyramid.”



Entrepreneurs and enterprises

Invest in entrepreneurs and enterprises that are developing or seeking innovative financial products and housing solutions.



New financial products

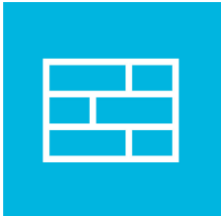
Create new financial products such as low-interest mortgages or microloans for home repairs.



Innovation capital

Provide seed funding to support new solutions that will increase uptake of financial services for housing.

We are **making housing safer** and more **accessible for low-income households.**



New products

Host accelerators and other programs to support entrepreneurs focused on sustainable housing and construction products.



Seed funding

Invest in startup products and services to develop and scale **new and innovative** housing products.



Corporate co-ventures

Engage global companies to create shared value and prototype product solutions.



Safety

Ideate and test new informal and formal education and certification programs to improve construction safety and quality.



Incubator labs

Incubate solutions to influence consumer behavior, construction decisions and building practices at the country and regional levels.



Best practices

Share best practices with global partners.

We are filling the leadership void and increasing innovation in the affordable housing sector.



Events and convening

- Regional and global symposiums.
- Workshops, seminars, roundtables, etc.



Creating a network

For innovators, policymakers, advocates and industry leaders to connect to like-minded leaders.



Corporate co-ventures

Engaging global companies to create and prototype product solutions through Corporate Innovation Studios.



Expertise

- Financial inclusion.
- Informal labor markets.
- Consumer preferences.
- Consulting hub.



Promoting innovation

Catalyzing the adoption of pro-poor housing innovations.



Influencing media

Advising media companies to develop content relevant for low-income homebuilders.

Thought leadership and systemic change

Reaching millions in Kenya

“Edutainment” show examines housing quality and affordability

The Terwilliger Center partnered with a Kenyan media company, NGM, to pilot a new edutainment program. The show, *Tujenge, Build It Better*, identifies and tackles housing challenges, with the objective of changing behaviors among households and market actors. The show imparts knowledge, skills and decision-making practices that result in increased availability, access to and use of quality, affordable housing solutions.

- About 1 million viewers tuned in for each of the five pilot episodes.
- The station extended the pilot to a full 13-episode season.
- Episodes were viewed an additional 496,641 times on social media.
- Firms and partners featured on *Tujenge* experienced a significant spike in inquiries; one company with a digital marketplace had 273 new sign-ups and 164 leads for construction loans after it was featured.



On the set of an episode of *Tujenge, Build It Better*, viewers learned about making concrete bricks from recycled plastic waste.

SPOTLIGHT: Financial access and equity

Safely improving homes through increased access to microfinancing in India.

MicroBuild with AVIOM

Few banks and financial lending companies offer microloans or financial products that are specifically designed for low-income households.

We pair advisory services with capital to reach more families with reliable financing, including through MicroBuild — the world's first housing-focused microfinance investment vehicle. The Terwilliger Center lends to local microfinance institutions that, in turn, provide small loans to families to make home improvements.

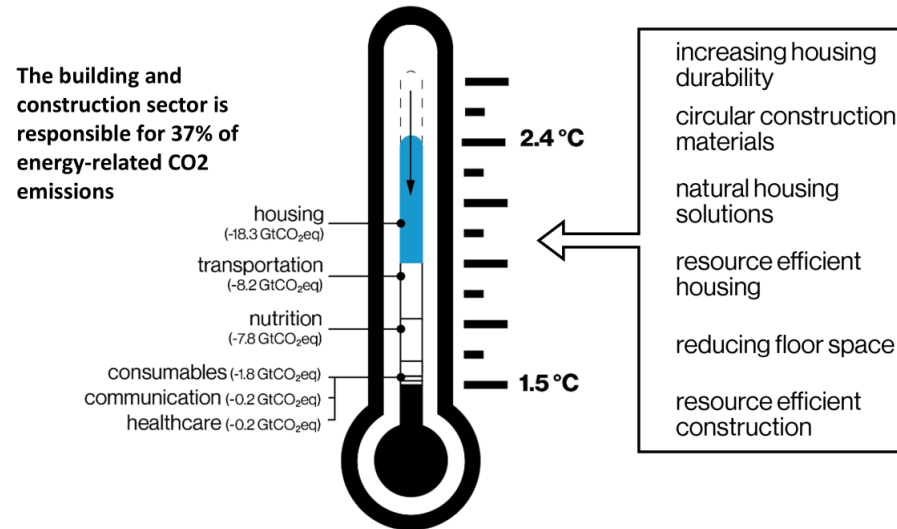
Key points

- The average loan with new products designed through MicroBuild is US\$500-\$3,000.
- This approach creates a more equitable pathway to financial access and lending.



After exhausting most their savings to purchase a plot of land, Narajeen and her husband were able to build their home with a housing loan from AVIOM. "The contrast between our old home and the new one we're building is remarkable," she explains. "Our lives have taken on a new dimension, with a place where my children and I can thrive"

The problem and the solution: Housing can reduce emissions by 18.3 Gt



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