



Thinking Beyond the Obvious: Owner Driven Construction

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Meet Ed & Gina

Family Size:
4-6 members

Occupations:
Agriculture, self-owned business
or daily labor

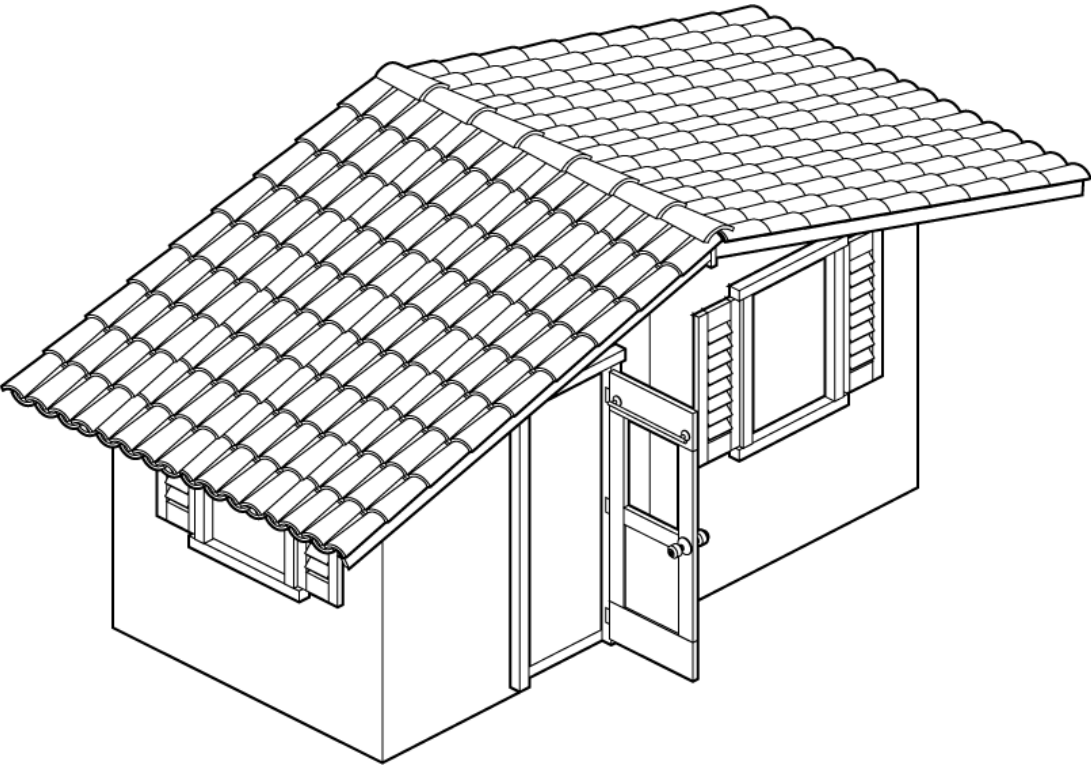
**Monthly
Income:**
USD 300-500

Housing Need

Home Improvement
Priorities:

- **Roof Repair**
- **Toilet**
- **New Room**

Home-Owner Challenges

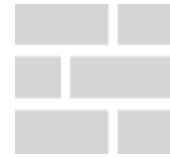


Access to Housing Finance



Lack of access to affordable financing for home improvements and repairs

Availability of Materials & Services



Lack of access to affordable, sustainable housing products

Information Flows and Social norms



Social Norms influence households' decision making that often leads to suboptimal construction choices

Our Mission



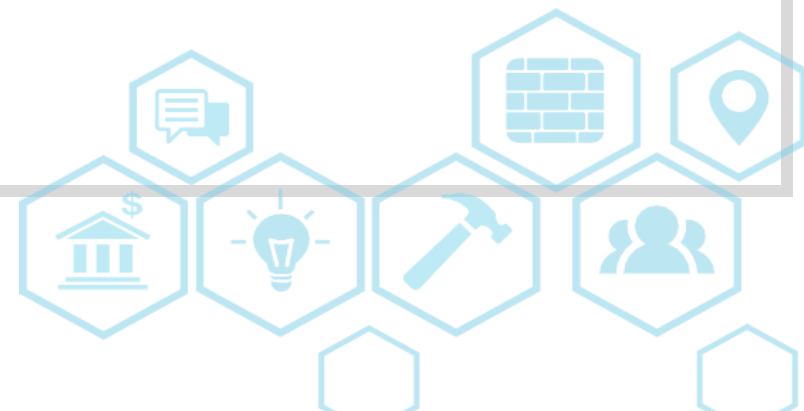
Terwilliger Center for Innovation in Shelter

Market-Based Approaches

Achieve large scale impact by supporting companies to serve low-income households

Facilitator

Catalyze sustainable changes in housing markets through advisory services and capital





Philippines

MARKET POTENTIAL on the next three (3) years

88%
plans to
improve their



85%
interested to loan
through **Microfinance**





Philippines

Preferred LOAN FEATURES

LOAN SIZE

\$900

LOAN TENURE

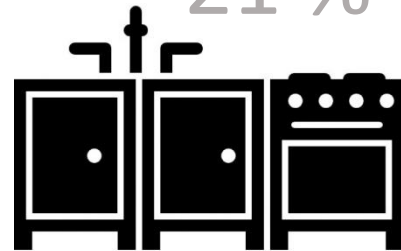
24 months

INSTALLMENT SIZE

\$40

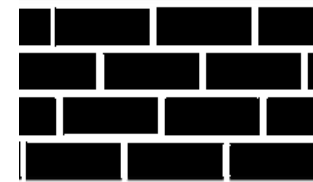
INTENDED LOAN UTILIZATION

21 %



Kitchen

20 %



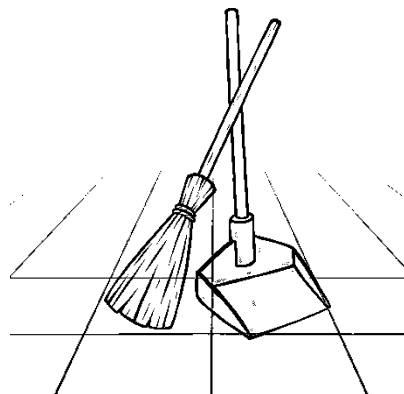
Wall

18 %



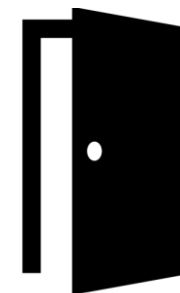
Roof

14 %



Floor

14 %



Room

11 %



Toilet



Philippines






Housing Microfinance Potential

- Significant opportunity exists among existing as well as new customer base
- Role of financial institutions serving the low-income segment is critical

\$1.56 Billion

Market Potential
among existing
Microfinance Borrowers

Required Behavior Change for MFI

Attributes		Existing		Target
	Target market segment	Existing clients only	➔	Existing clients and New members
 	Loan appraisal	Simple Loan Proposal	➔	Basic technical knowledge on HMF Cost estimation tool Field validation
 	Product features: Loan size Loan term	\$300 12 months	➔	Stand-alone product up to ~ US\$ 950 24 months/36 Months



Philippines

Is finance enough?



Quality gaps
exist in home
construction



Material
access not
a problem

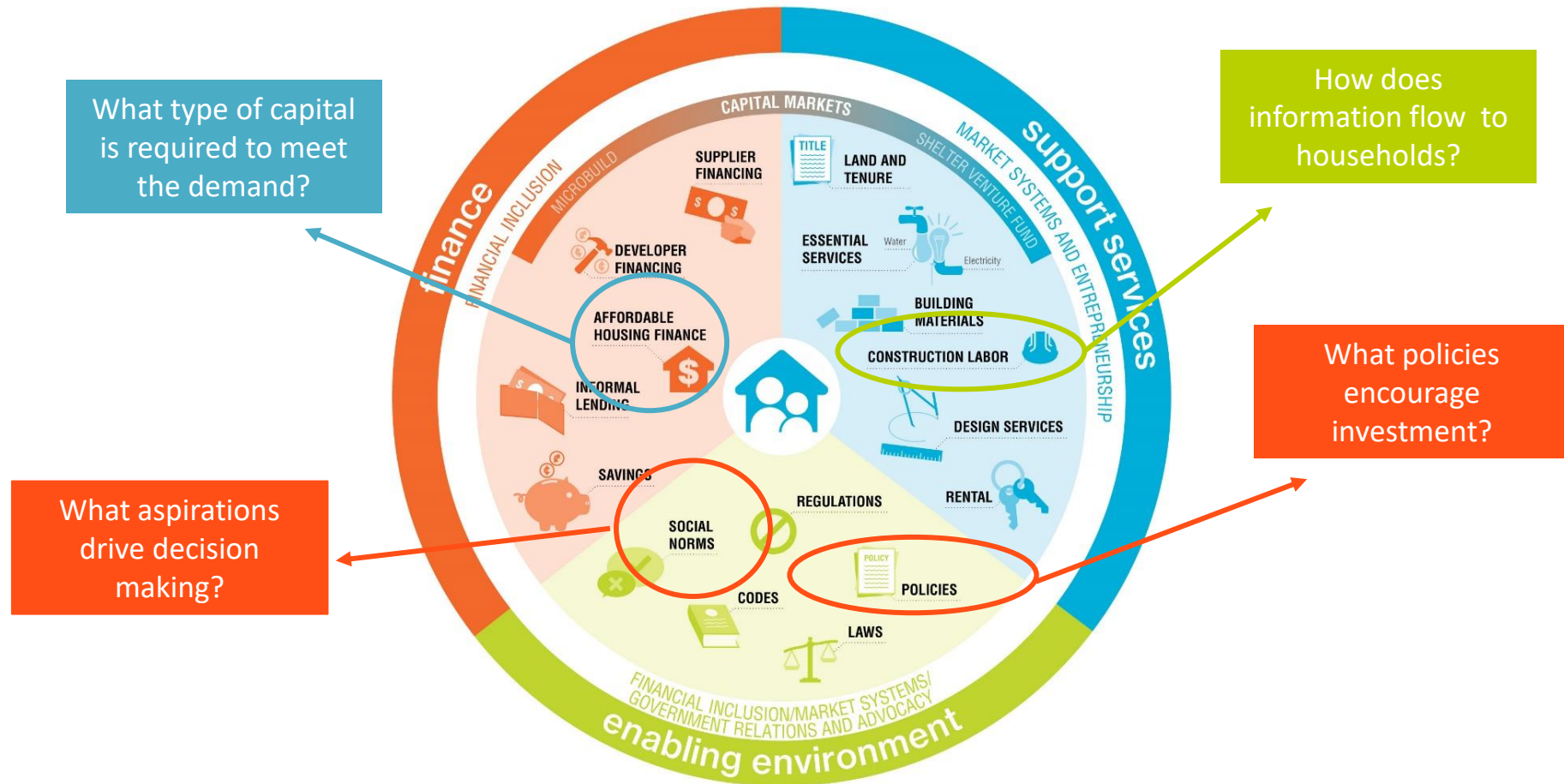


Information
flows and
Influences



Labour:
Unskilled and
semi-skilled
workers

Housing Market Systems



What can we do



Look
**beyond
the obvious**



Use
**market
forces**



Change
behavior

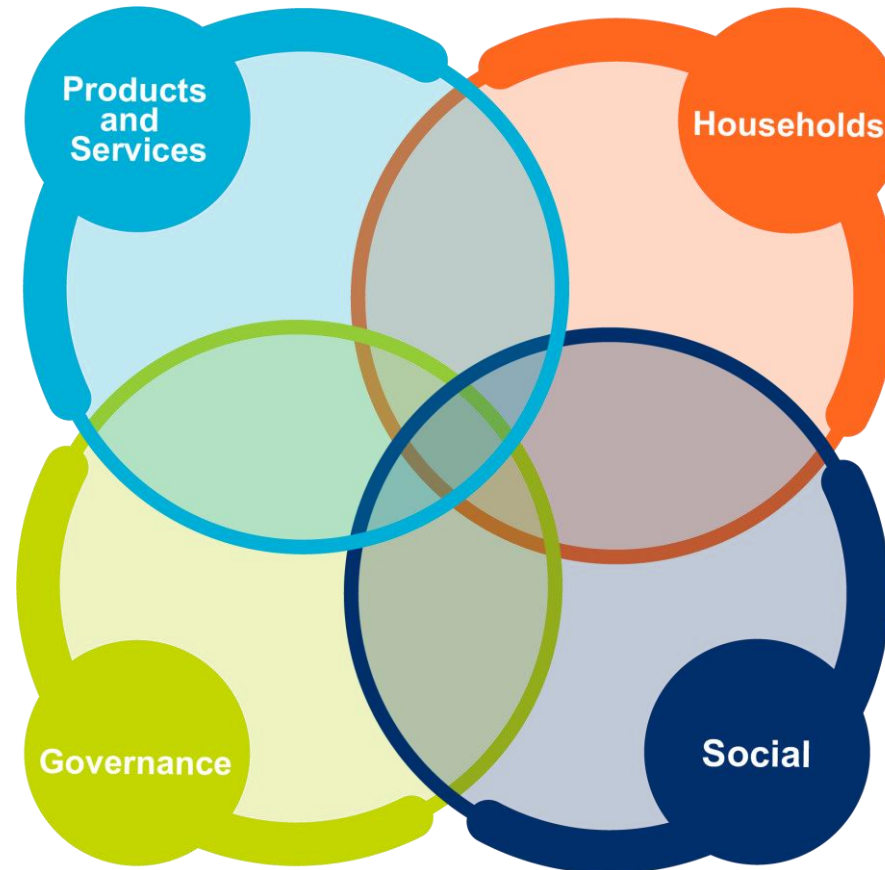
Theory and Practice

Interactions between norms and other factors sustaining harmful practices

Owner-Driven Construction

- Design
- Tools
- TVET
- Customers
- Financial Products

- Certification
- Registration
- Codes
- Policies
- Local Government
- Social Insurance



- Beliefs
- Knowledge
- Skills
- Attitude

- Associations Referrals
- Aggregators
Coops
Companies

Source: Adapted from Cislighi, B; Heise, L (2018) Theory and practice of social norms interventions: eight common pitfalls. Globalization and health, 14 (1). p. 83.

Social Norms

People make decisions based on what they believe is expected of them

Social norms heavily influence the home building decisions & practices of low-income households

Defining Social Norms



Interaction



Collective behaviors



Determinant

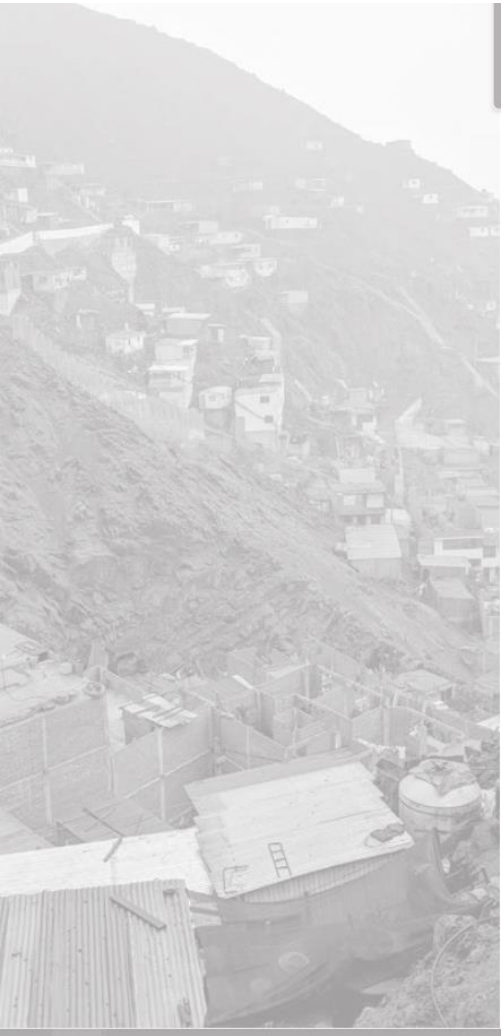


Insights from **social norms and housing** **decision-making** research

India & Peru



India



Men are head of households



Powerless to natural disasters



Distrust on innovation



Vastu Principles followed



Appearance matters most



India

Possible Interventions

1



Educate women on construction technology

2



Help uptake of **disaster resilient building practices** through Microfinance

3



Partner with construction material suppliers



Peru



Women begin home construction



Masons hired based on loyalty & reputation



Fatalistic to disaster resilience



Masons are conduit of information

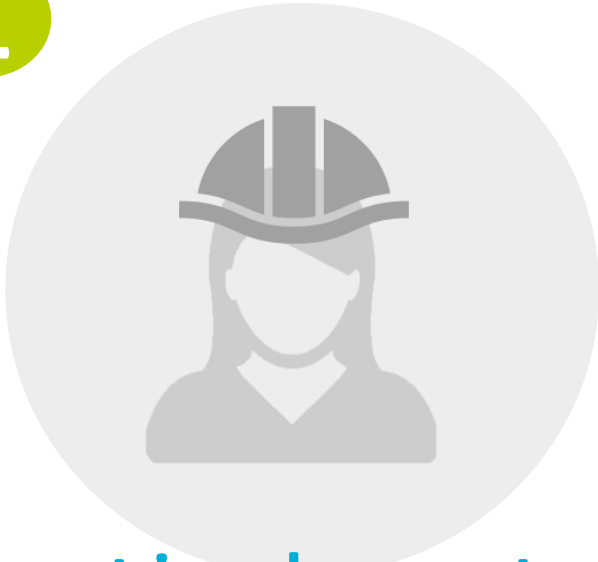




Peru

Possible Interventions

1



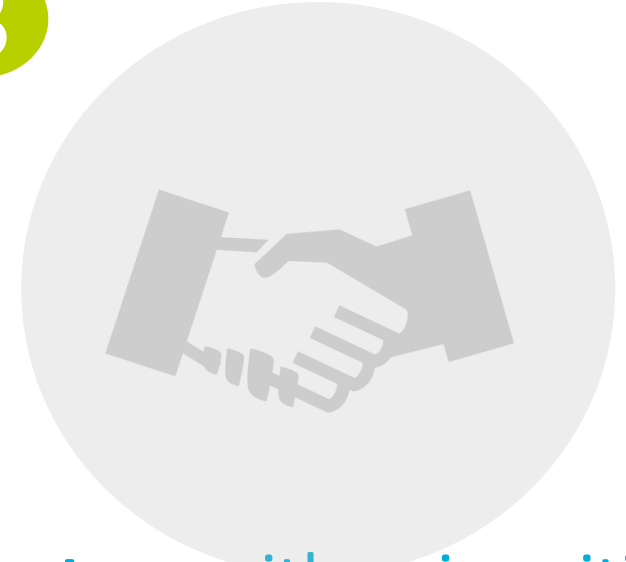
Target involvement of Women in home construction

2



Promote professional mason work as career

3



Partner with universities & professionals for internships

THANK YOU!

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