

The Global Housing Foundation: A Social Housing Programme For Urban Slums



*Mipim 2009 - A Market With Great Development Potential? - L To R - Gerard W Bakker (Global Housing Foundation) - Julian Josephs (Immediate Past World President - Fiabci - Usa) - Nathalie Depetro (Mipim Horizons)
Credits : @ Mipim 2009*

At the twentieth edition of [MIPIM](#) 2009 — the world’s premier real estate summit held in Cannes, France — the Global Housing Foundation ([GHF](#)), a non-profit and official Non-Governmental Organization launched a concentrated fund-raising campaign along with its partners International Real Estate Federation (FIABCI) and Merrill Lynch. MIPIM announced it will be putting its networking platform at the GHF’s disposal to aid the growth and expansion of their work; a promising and reassuring sign from the heart of the real estate sector that action is being taking at all levels to fight the escalating problem of the world’s urban slums.

The GHF was founded by the late René Frank — FIABCI Honorary Deputy President, — in 1999 to house the world’s working poor, in response to the challenge from the United Nations Commission on Human Settlements (UNCHS) as to why the private real estate industry didn’t do more to help the housing crisis. The GHF has since formalized an agreement with [UN-HABITAT](#) and Merrill Lynch to provide a programme from local banks in developing countries to originate and sell long-term mortgage loans for the working poor to purchase their own homes. The GHF got to work straight away in 1999 in Nicaragua, within a year the first new houses were built in Managua. Today GHF is building houses in Central America, Latin America, Africa and Eastern Europe and is on track to build 25,000 houses in Central America alone by 2010. The UN recognizes GHF as the most promising private initiative currently underway.



Nicaragua @ The Global Housing Foundation - New House @ The Global Housing Foundation

THE SOCIAL HOUSING PROGRAMME

The aim of the GHF social housing programme is to provide affordable and adequate housing in urban slums, which are densifying rapidly in emerging countries.

Tim Wilkens, president of the GHF delivered a clear message at MIPIM “There are 1.2 billion homeless people in the world and amazingly 400 million of them have full time jobs, it’s these people – the homeless working poor that we are aiming to help”.

The social housing programme is targeted towards families that earn between USD 35 – 125 per week with an average household of five family members, the homes are designed to be approximately 50m² in size and equipped with running water, electricity, a septic tank, a bathroom and a kitchen area.

The Micro-mortgage program provides low cost — USD 55 – USD 120 per month depending on the country – sustainable homes by facilitating access to loans for families who can’t afford to buy a house but can manage to repay a 15-30 year mortgage. The program has been organized to operate with little or no subsidy.

HOW IT WORKS

The GHF leverages the expertise and resources of the private real-estate community to build new housing in inner city slums. The foundation’s role is to seek local banks and developers, approve properties offered, select candidate homebuyers and coordinate the entire operation.

To start with the GHF requires local cities or municipalities to supply sites at low cost, then with assistance from the UN-HABITAT they select local (or international) contractors to build the homes, according to established specifications, at an agreed fee or profit. Local banks are then called upon in each country to provide affordable loans or micro-mortgages at agreed upon rates, lenders then sell their loans to Merrill Lynch UN HABITAT under a loan securitization programme. Past president of the FIABCI, Julian Josephs, underlined at MIPIM that the GHF is an initiative born with a conscience and therefore transparency is a key priority in all business relationships with stakeholders.



Before @ The Global Housing Foundation - After @ The Global Housing Foundation

CREATING WORK IN THE ECONOMICAL DOWNTURN AND ALLEVIATING SUBSTANDARD LIVING CONDITIONS OF THE URBAN POOR

Nathalie Depetro, director of MIPIM Horizons, said “it’s essential that people should have the right to their own home, so to accelerate this process, MIPIM is putting its networking platform at the disposal of the Global Housing Federation”. The GHF will in fact be pitching social housing projects for emerging economies at the second edition of MIPIM Horizons that will take place in Cannes in November 2009.

Together the industry knowledge of the real estate sector FIABCI, financial expertise of Merrill Lynch, and the commitment of UN-HABITAT creates an innovative system of house ownership, offering tangible solutions to the appalling living conditions of billions of slum dwellers worldwide by promoting socially and environmentally sustainable urban development.

In a time when global financial crisis is making itself felt in the real estate sector the GHF Social Housing programme can also generate work within the industry, both by creating job positions and/or getting people back to work. Countries are continuing to invest in the programme, and with the continued support of Merrill Lynch the Foundation is confident that the program can survive the credit crunch.

The environmental and social repercussions of the program are numerous; the building of adequate housing in densely populated, poverty-stricken areas brings with it a string of local benefits: community spirit and local workforces, the up-start of small or family run businesses that provide services to and around the neighbourhoods, the reduction of crime and violence, improved sanitary conditions, and with the title vested in the name of the female family member the protection of women’s rights that are often overlooked or non-existent in urban slums.