



**KGID
2025**

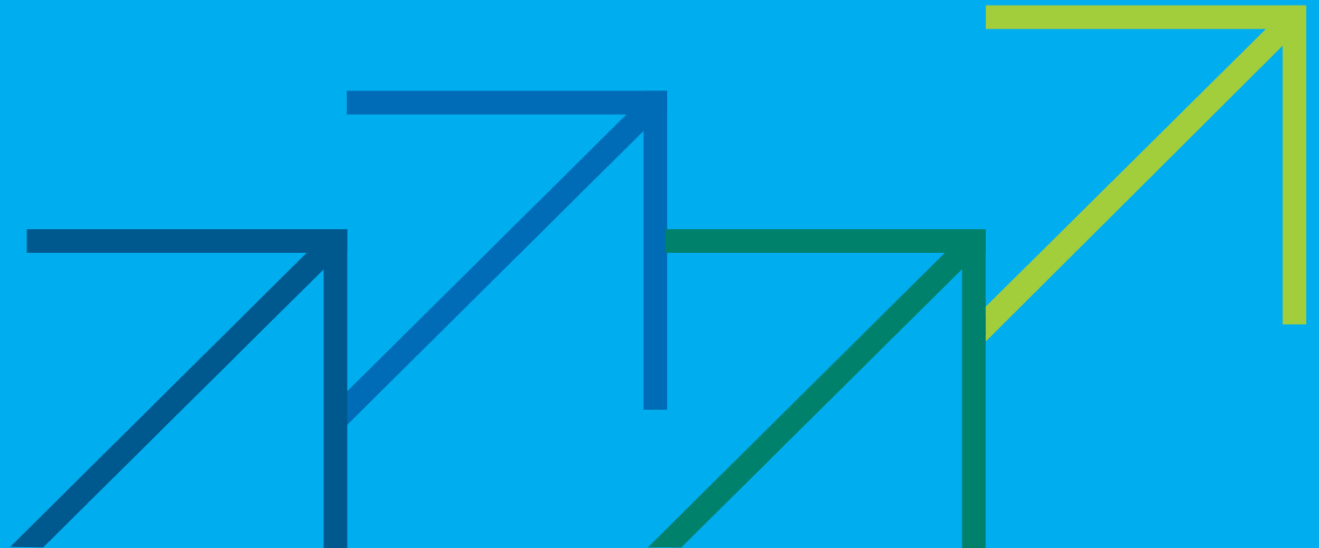
**Green Growth:
The Path to
Sustainable Jobs**

Housing: A Development Imperative and Opportunity

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1

HOUSING AS A DEVELOPMENT IMPERATIVE

2

WBG APPROACH TO THE HOUSING SECTOR

3

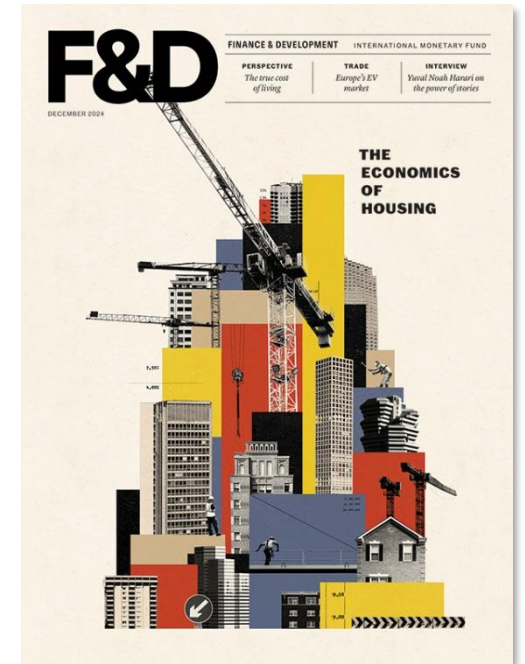
OVERVIEW OF THE KGGTF GRANT

Why is housing a development imperative?



A Top Policy Issue

Achieving housing quality, safety, and affordability is a top policy issue in most nations across the world due to **the critical role that the housing sector plays** in the economy, household wealth, and social welfare



"At the root of the current affordability crisis: demand far exceeds supply, with adverse implications for economic mobility, productivity, and growth." – IMF

HOUSING SECTOR PLAYS A KEY ROLE IN A SIGNIFICANT NUMBER OF SDGS...



Better housing conditions increase quality of life

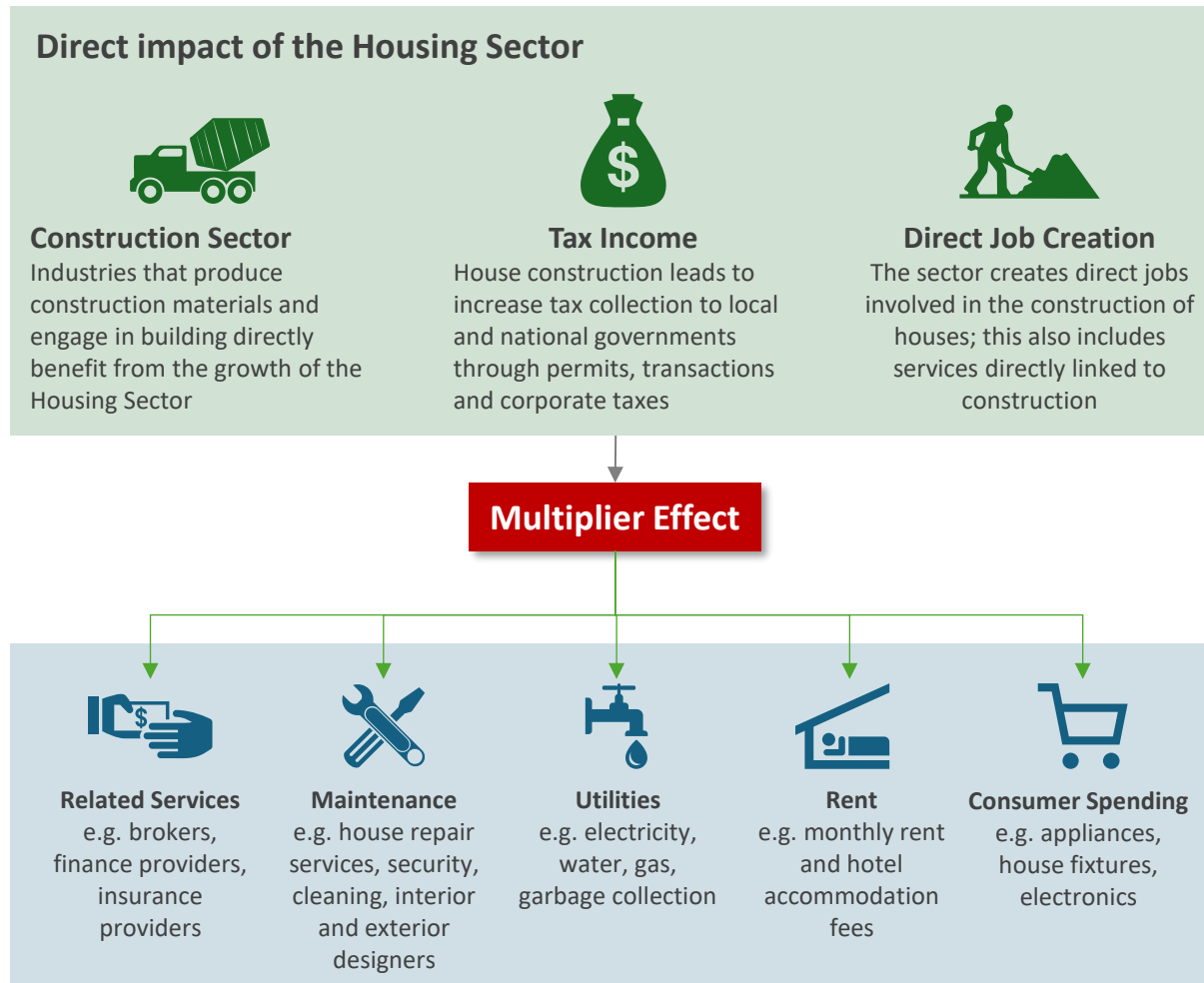
Healthy housing is shelter that supports a state of complete physical, mental and social well-being. It does so by providing shelter from the elements and facilitating comfortable temperatures, adequate sanitation and illumination, sufficient space, safe fuel or connection to electricity, and protection from pollutants, injury hazards, mold and pests.

Sustainable buildings improve the resilience of cities

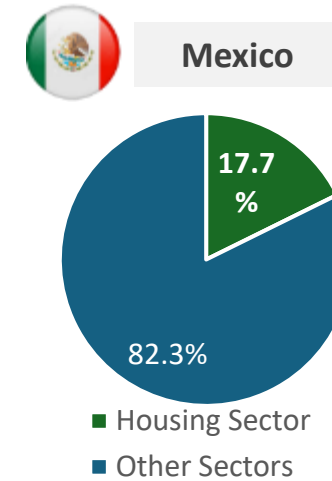
Making cities safe and sustainable means ensuring access to safe and affordable housing, and upgrading slum settlements. Sustainable building design, climatic and cultural adequacy of housing can improve the impact of housing in the urban environment, on climate change, and on city resilience.

HOUSING IS IMPORTANT FOR ECONOMIC GROWTH AND JOB CREATION

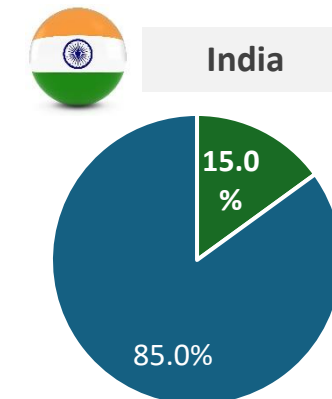
Housing Sector has both Direct and Multiplier Impacts



Contribution to GDP



In Mexico, the Housing Sector contributed to **17.7%*** of GDP in 2017/18...

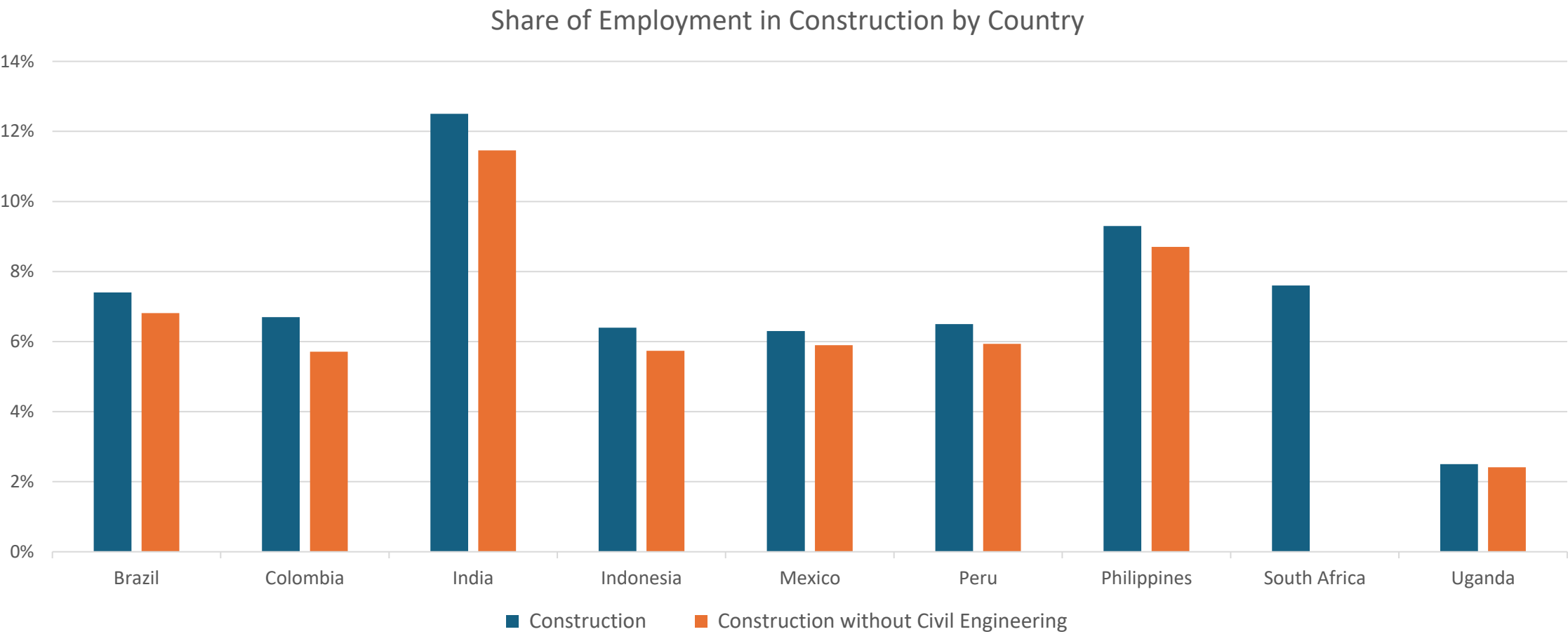


..while in India it contributed to **15.0%*** of GDP in 2016/18

*Note: Contribution to GDP is comprised of consumption (~10 to 12%) and investment (~4 to 6%). See Acolin, A. and Hoek-Smit, M.C. (2020) Cornerstone of Recovery: How housing can help emerging market economies rebound from COVID-19 [online], Habitat for Humanity: Terwilliger Center for Innovation in Shelter.

BUILDING CONSTRUCTION IS ONE OF THE LARGEST EMPLOYMENT SECTORS

Absorbs Unskilled Labor at Relatively High Wages



Source: ILO, ILOSTAT data explorer
(2025: Mexico; 2024: Brazil, Colombia, India, Peru, South Africa; 2023: Indonesia, Philippines; 2021: Uganda)

KEY TRENDS



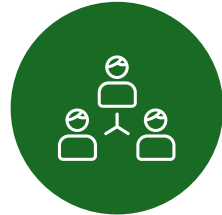
URBANIZATION & GROWING NEED

Cities will need to accommodate an additional 2.5 billion people by 2050, with close to 90% of this increase taking place in Asia and Africa. Families are becoming smaller, more mobile, and are living separate from their extended families.



COMPACT AND EFFICIENT CITIES (?)

Densification as more people move to cities. Due to the need for better connect jobs and housing, need for stronger link between land use, transport and housing systems.



TECHNOLOGY

Innovative construction methods coupled with the alternative materials may make housing more affordable and accessible to lower income earners. AI and block chain may significantly transform transactions and processes.



CLIMATE-INFORMED BUILDINGS

Increasing frequency of disasters (floodings, urban heat, etc.) and GHG emissions from buildings require a change in construction methods and offers a chance to secure emission cuts at a low cost and lock in energy and water savings for decades.



INNOVATIONS IN HOUSING FINANCE

Fintech companies are making the finance process more efficient and changing the reach of, and manner in which, consumers access mortgages and micro-finance.

MANY CHALLENGES



70%

of land in emerging economies is unregistered



74%

of people in low-income countries live on less than \$2 per day



1.6 billion

people struggle to secure adequate housing, a third of urban residents

SUPPLY

- Access to land/titles
- Developers lack financial & technical capacity
- High cost of building materials
- Lack of infrastructure services

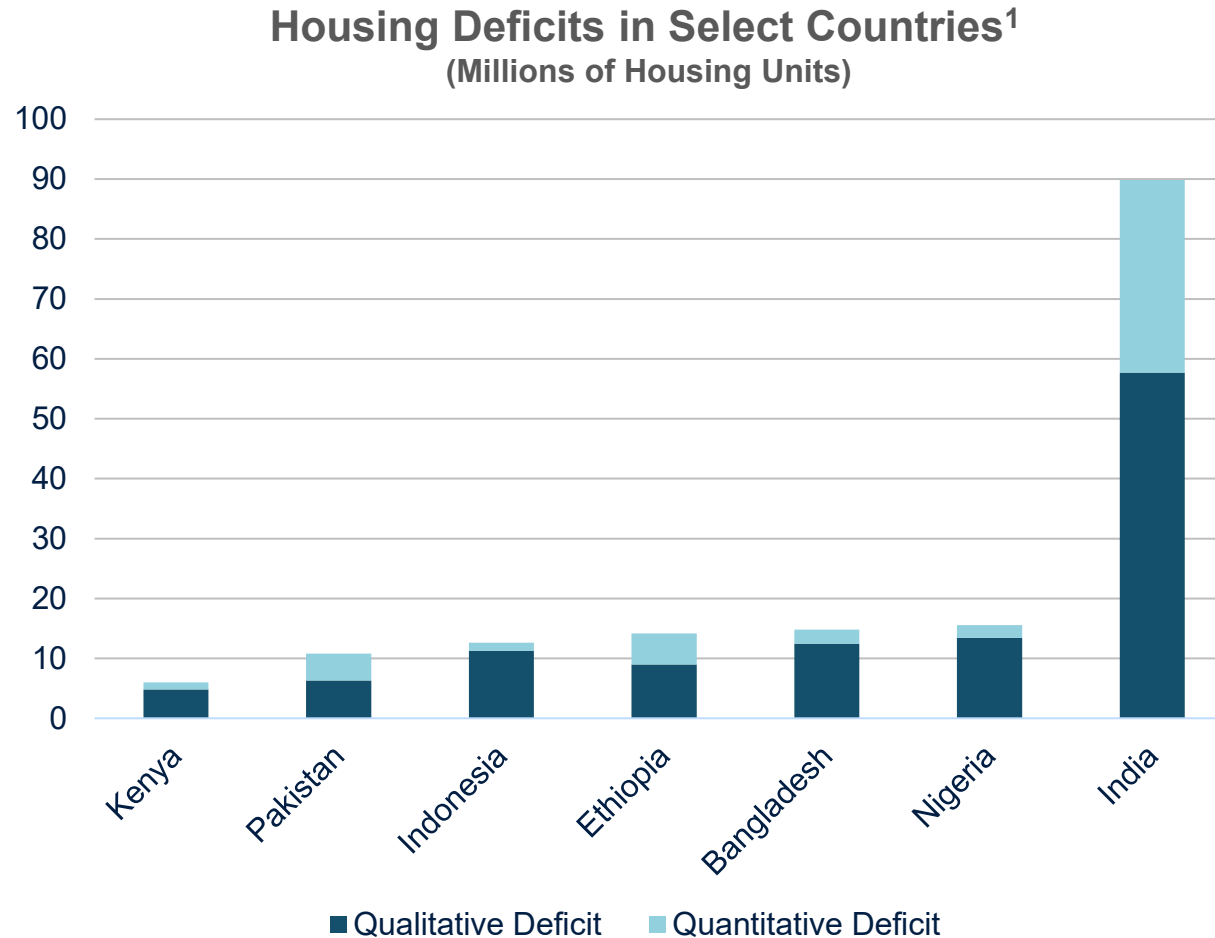
DEMAND

- Low purchasing power
- Inaccessible mortgage financing
- Lack of adequate rental housing market

AFFORDABILITY

- Set to deteriorate as interest rates continue to climb

AS A RESULT, MOST DEVELOPING COUNTRIES FACE HUGE HOUSING DEFICITS



Quantitative Deficit

- Cohabitation: Difference between the total number of households and the total number of occupied housing units.
- Unrecoverable dwelling: Dwellings that must be replaced due to their poor condition.

Qualitative Deficit

- Building condition: Condition of dwellings and usually considers the materials used in the walls, roof and floor.
- Access to services: Availability of basic public services inside the dwelling.
- Tenure: Households that do not have secure tenure of the land and/or dwelling.
- Overcrowding: When the number of people residing in a household exceeds the capacity of that housing unit - measured as people per room, people per bedroom, or square meters per person.

How does the WBG support the housing sector?



THE WBG HAS A COMPREHENSIVE APPROACH TO ENGAGE ACROSS THE ENTIRE HOUSING VALUE CHAIN



Government Support

Access
to land

City
Planning
and building
regulations

Infrastructure
and services

Development
and Building
Materials

Smart
Incentives

Developer
finance

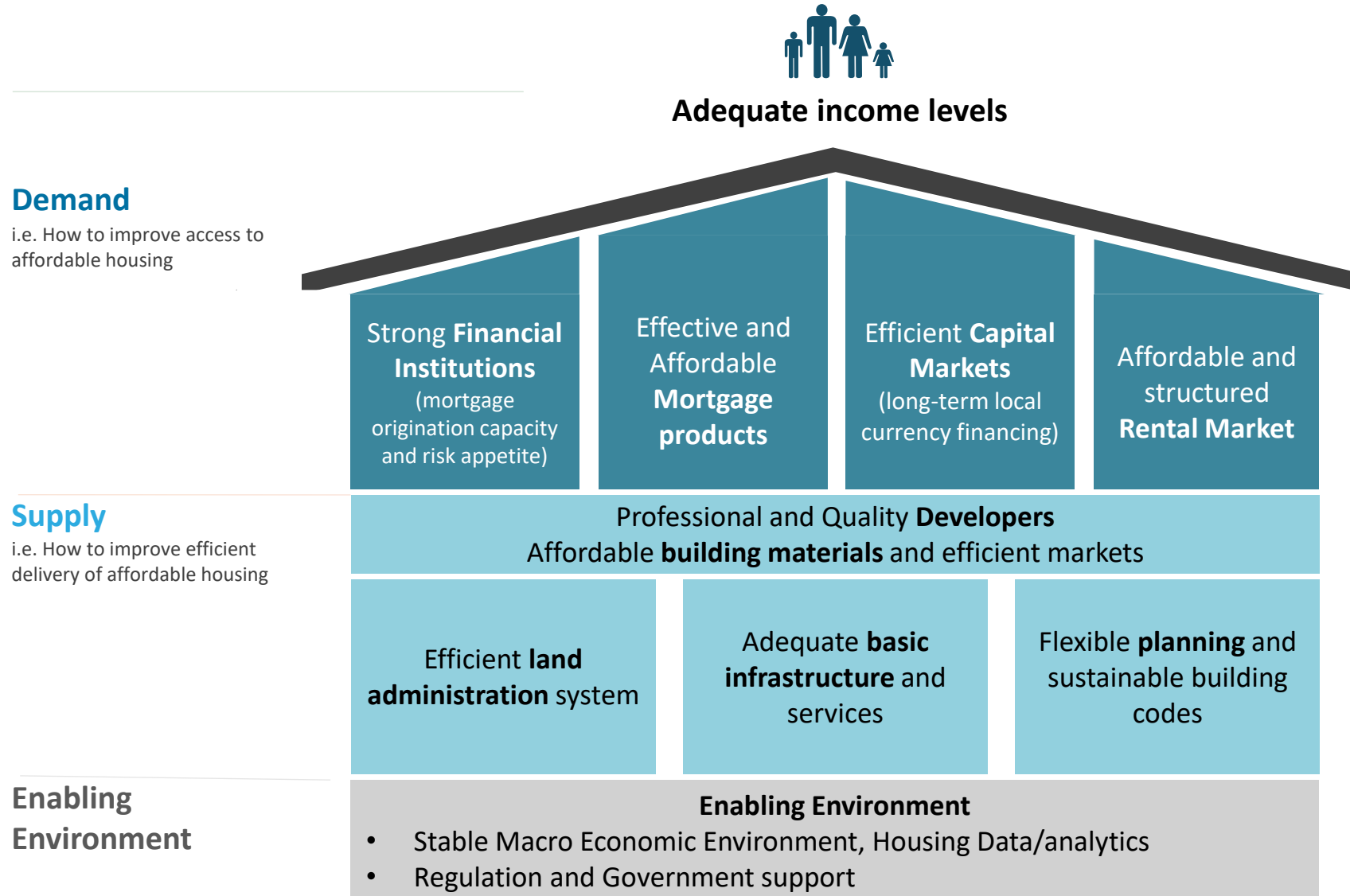
End-user
finance



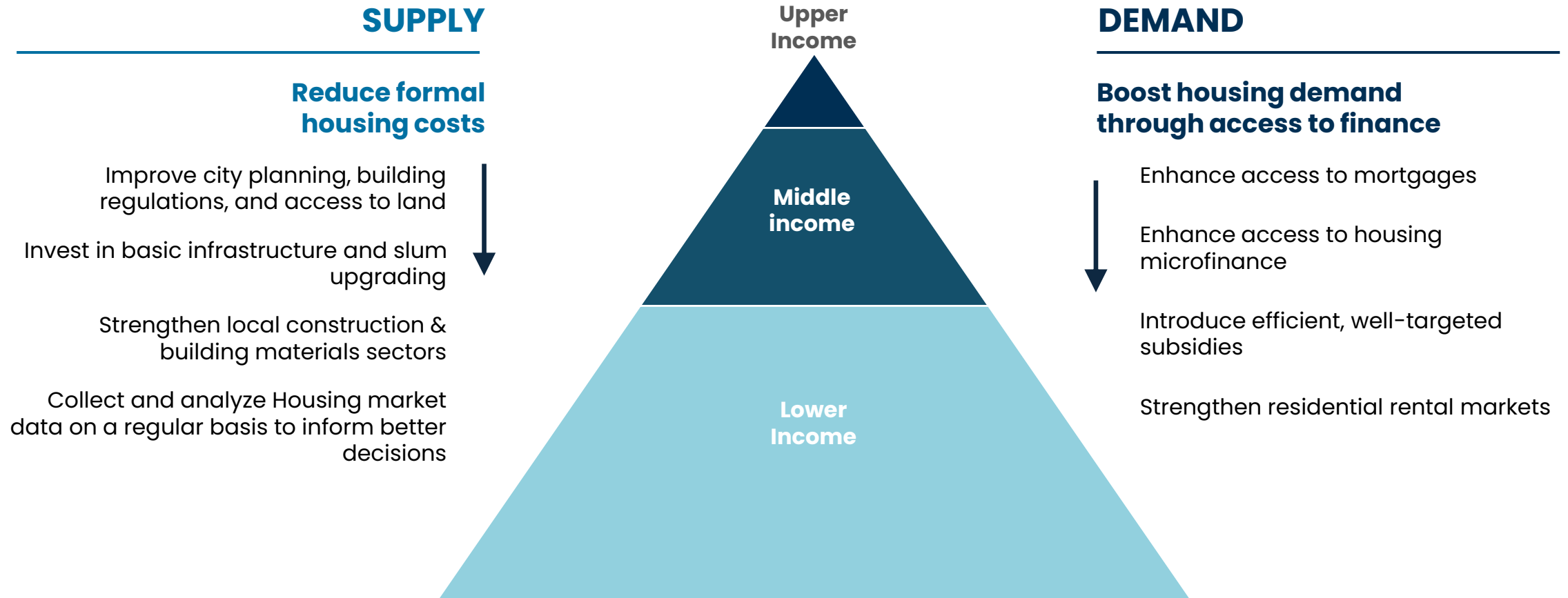
Private Sector Support

WB/IFC Climate Business

TO DEVELOP A WELL-FUNCTIONING AND EFFICIENT HOUSING SECTOR THE FOLLOWING **BUILDING BLOCKS ARE ESSENTIAL**

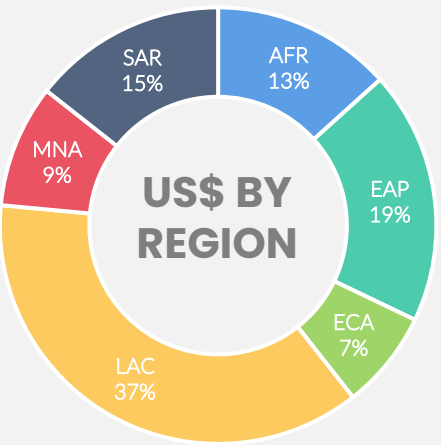


THE OBJECTIVE IS TO REDUCE HOUSING COSTS AND EXPAND FINANCING SO THAT AFFORDABILITY IMPROVES

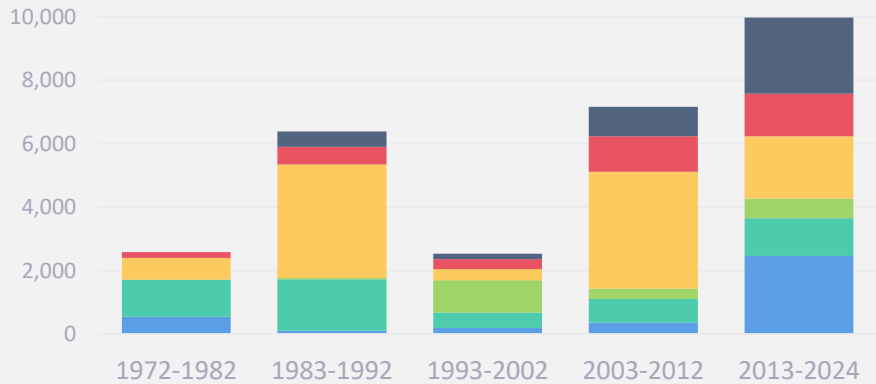


SNAPSHOT: 50 YEARS OF WORLD BANK HOUSING SUPPORT

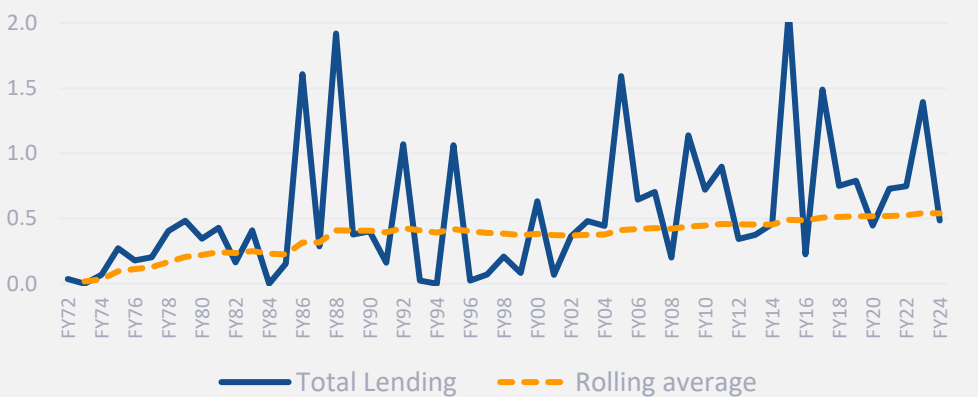
US\$29 BILLION OF FINANCING TO 101 COUNTRIES THROUGH 309 PROJECTS



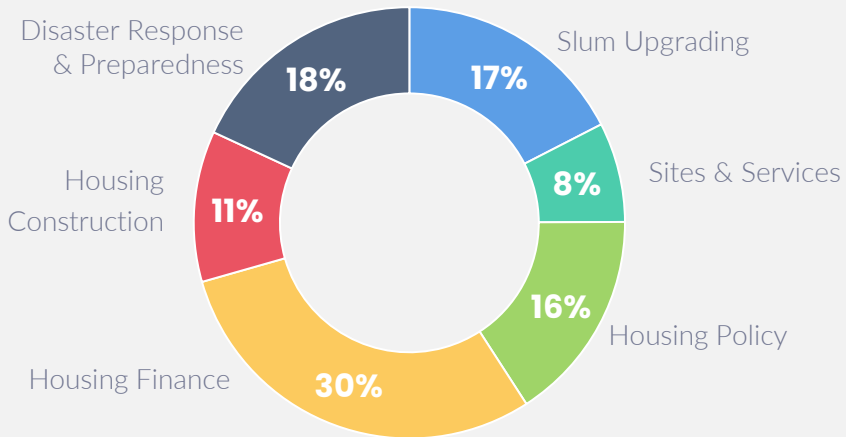
HOUSING LENDING APPROVED BY REGION (millions 2015 US\$)



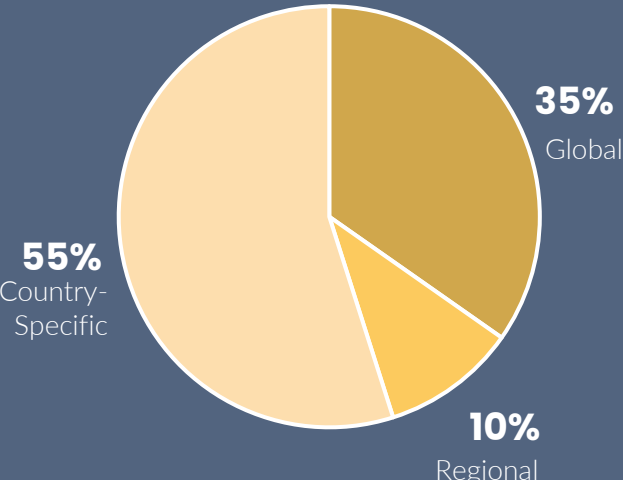
HOUSING LENDING APPROVED PER FISCAL YEAR (billions 2015 US\$)



HOUSING LENDING APPROVED BY CATEGORY

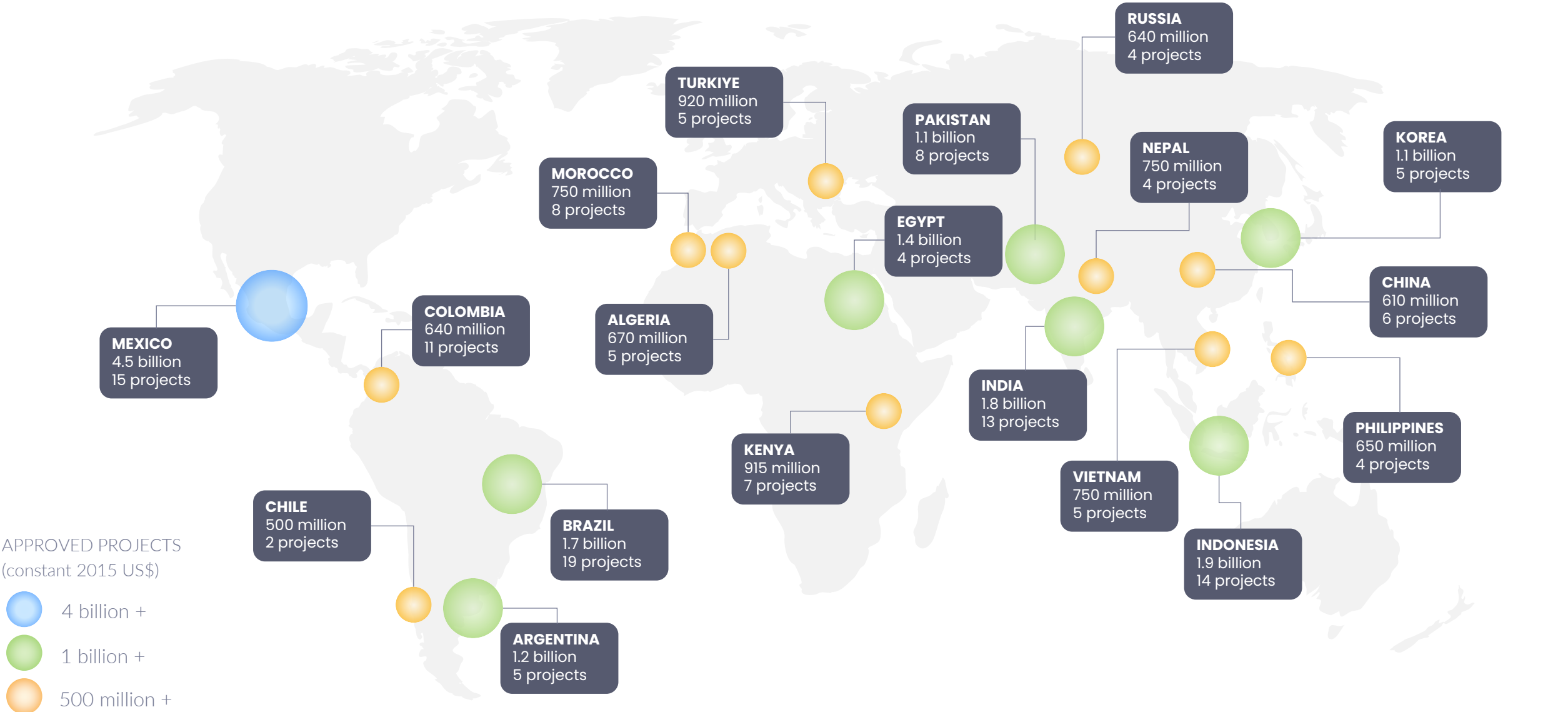


350+
HOUSING
PUBLICATIONS



LARGEST HOUSING SECTOR BORROWERS

1972 - 2024



SNAPSHOT: RECENT WORLD BANK HOUSING OUTCOMES

FY 2014–2024: \$7.8 BILLION COMMITTED TO TRANSFORM GLOBAL HOUSING MARKETS



18 million people

with improved living
conditions through
slum upgrading



2 million families

provided housing
solutions



750,000 units

reconstructed after
natural and man-
made disasters



US\$ 1.6 billion

private capital
leveraged

IFC Housing Finance: Where are we Active?



\$17.2Bn
IFC committed in EM
cumulatively since 1999
in Housing

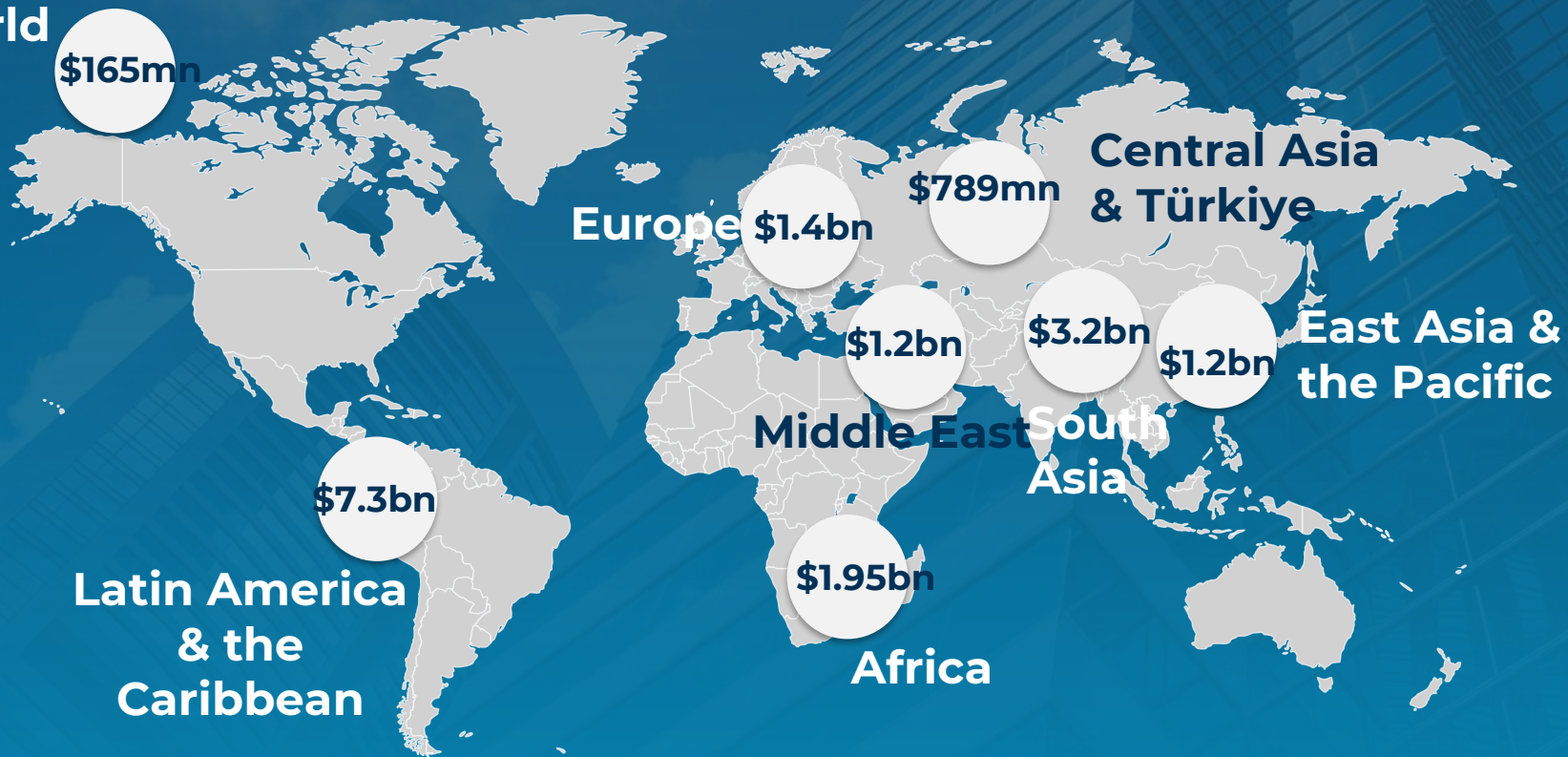


\$5.7Bn
IFC Housing Finance
Total Outstanding
Exposure FY25



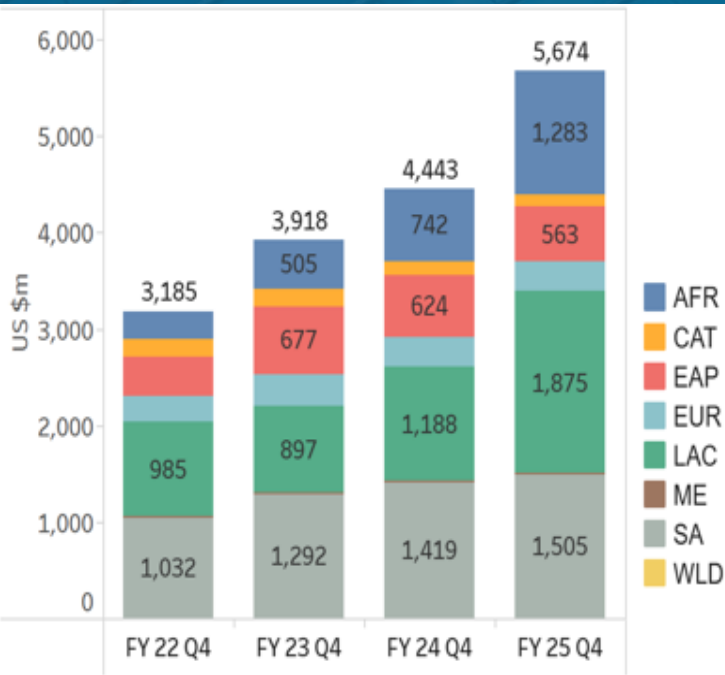
8.6%
Of IFC is Housing Portfolio
Exposure

World



Total IFC Housing Exposure by Region over 57 projects

IFC Housing Exposure by Region FY22-25



KGGTF: Scaling Up Green Affordable Housing



KGGTF Grant: Scaling Up Green and Affordable Housing

The grant objective is to increase access to green affordable housing at scale in selected countries. The proposed activity would catalyze public and private interventions to address bottlenecks that limit the scale and replicability of the provision of affordable housing.

1 Development of WBG Joint Methodology

- Development of a methodology to generate buy-in for priority public and private interventions to increase the supply of green affordable housing.
- Methodological note:
 - Baseline diagnostics needed
 - Approaches to dialogue, knowledge exchange, intervention prioritization, and collaborative operational design
 - Joint products that could be replicated for scale-up of impact and WBG support

2 Pilot implementation of the Joint Methodology

- Application the joint methodology from Activity 1 in two priority countries – Kenya and India.
- Includes:
 - Housing market analyses
 - High-level dialogue
 - WB-IFC knowledge exchanges
 - Collaborative operational design.
- Final outputs will be roadmaps for implementing priority public and private sector interventions to achieve green affordable housing goals.

3 Knowledge Exchange in Korea

- November 10–14, 2025
- Study Tour on Urban Development and Housing Guarantees for Kenya & India
- Collaboration with:
 - Korea Land & Housing Corporation (LH)
 - Housing & Urban Guarantee Corporation (HUG)
 - International Contractors Association of Korea (ICAK).
- Program includes technical sessions, site visits, and peer-to-peer knowledge sharing activities.

Thank you!
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