

REDUCING CONSTRUCTION COSTS AND PROVING THE INVESTABLE PROPOSITION OF AFFORDABLE HOUSING



THE COST OF DEVELOPING AND CONSTRUCTING DECENT HOMES FOR PEOPLE ON LOW INCOMES MUST BE SIGNIFICANTLY LOWERED TO UNLOCK AFFORDABLE HOUSING ON A GLOBAL SCALE.

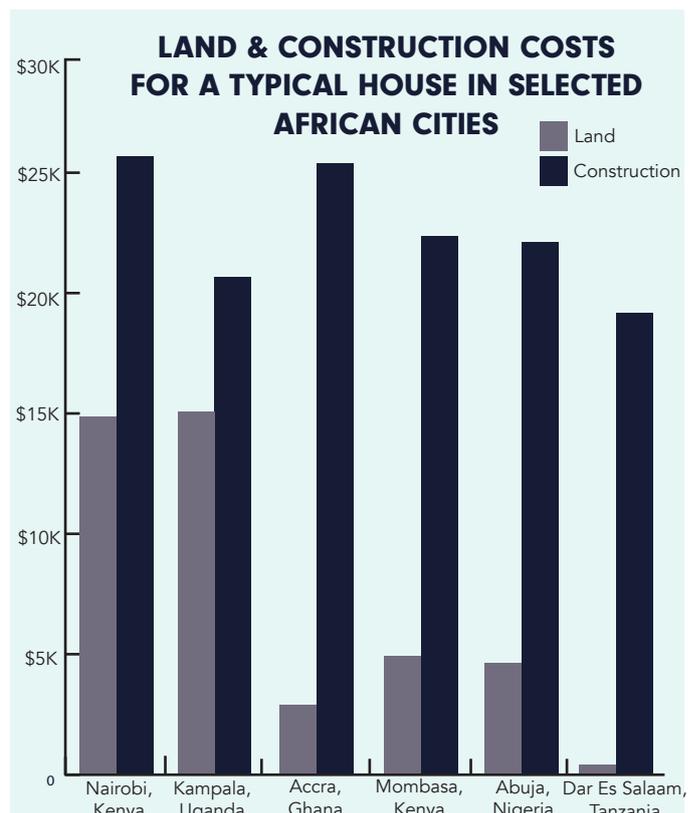
WHY IS IT A GLOBAL PRIORITY?

Two billion people worldwide will need new housing by 2030, representing a huge opportunity for commercially viable poverty reduction. Yet developing and constructing serviced, permanent housing is often prohibitively expensive, especially in Africa and Asia. Materials, land, labour and technical expertise are very costly, locking low-income families into a cycle of poor quality, self-built housing. Reall is challenging these conventions by delivering the \$10K house across Africa and Asia, at scale.

CONSTRUCTION COSTS: THE GLOBAL CONTEXT

The vast global demand for housing is an opportunity to transform construction sectors, while stimulating job creation and economic growth.

But affordable housing cannot be unlocked at scale without the availability of building and construction materials at an appropriate specification, quality, and price. Materials are a key aspect of housing costs across Africa and Asia, especially in countries that rely on imports. Inefficiencies in the construction process and expensive labour further compound these costs. New techniques, materials, models, partnerships and policies are needed to ensure housing markets work for people living on low incomes. This is also a unique opportunity to mitigate climate change by pioneering new green energy solutions which are resilient and sustainable.



CONSTRUCTION COSTS: REALL'S BREAKTHROUGHS

- 1 **AFRICA & ASIA** Delivered housing to low-income families at less than \$10K per home across Africa (Angola, Kenya, Nigeria, Tanzania, Zimbabwe) and Asia (India, Nepal, Pakistan and the Philippines).
- 2 **NIGERIA** Facilitated the cheapest newly built house by a private developer in the whole of Africa in 2019 at only \$8,040, evidenced by the Centre for Affordable Housing Finance in Africa (CAHF).
- 3 **MALAWI, NEPAL, THE PHILIPPINES** Streamlined supply chains and reduced reliance on imports by establishing brick factories in Malawi, Nepal and the Philippines.
- 4 **AFRICA & ASIA** Created over 80K jobs through Reall-supported housing construction in Africa and Asia. Every house we build creates five additional jobs.

CONSTRUCTION COSTS: REALL'S STRATEGY

THE \$10K HOUSE

Reall are pioneering the commercially viable \$10K home for people living on low incomes in Africa and Asia. This is a substantial reduction compared to typical housing construction costs and established notions of 'affordability', and is a provocative challenge to the entire global construction industry.

INNOVATIVE MATERIALS & CONSTRUCTION TECHNOLOGIES

Reall lowers waste and reduces reliance on imports in construction, supporting its housing developer partners to implement materials and technologies that are more cost-effective and climate-smart. This includes

prefabricated modular units, stabilised soil bricks, and cement alternatives. More broadly, Reall leverages partnerships to promote sustainable construction through improvements in energy efficiency and building sustainable, affordable supply chains. This is vital to efficiently deliver housing, and to green the whole value chain.

CAPACITY & SCALE

Many housing developers in Africa and Asia operate informally with limited project management skills. This often results in delays and overruns, increasing risk in the sector as a whole. Through its investments and technical assistance, Reall promotes professional and financially sustainable developers with the ability

to deliver affordable housing sustainably and at scale.

MARKET TRANSFORMATION

Throughout Africa and Asia, property development is slowed by political and regulatory environments. Dysfunctional procedures and policies create delays and add costs, and there is a direct correlation between the time taken to obtain a construction permit and the final cost of a house.

Reall advocates for reforms that can streamline and improve construction, such as improving approval time frames, introducing building codes and safety standards, digitising land cadastres, and tackling corruption.