Industrialized Social Housing Challenge

Submitted By: Chilean Chamber of Construction



Organization Profile

Organization Name: Chilean Chamber of Construction - Cintaxis Consortium

Organization Type: Private sector

Website: www.cchc.cl

Practice Details

Country(ies): Chile

City(ies): Santiago

Start Year: 2023

Ongoing: Yes

End Year: N/A

Main Adequate Housing Components:



Housing Thematic Areas:

- Housing Affordability & Financing
- Social Housing
- Housing Policy, Legislation & Governance
- Technology & Digital Solutions in Housing

Relevant SDGs:



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Problem & Context

Chile face a 930.000 homes shortage (CChC, 2024), most of which (over 40%) lives in other family member´s houses. Although Chile has had a strong housing policy for decades now, the amount of solutions delivered every year does not align with the demand, increasing the deficit every year. The main problem is that we are producing to few houses in an extremely lengthy process, that takes an average of seven to ten years to materialize and, in most cases result that the beneficiary family must relocate to other areas of the city (or country), breaking their support and social networks, diminishing their opportunities for a better quality of life. Trying to address this situation the government had promote the industrialization in social housing through 3D models, but this solutions has not proven successful due to a lack of a strong business model that generates the necessary links between the developer and/or constructor and the industrialized house supplier.

Solution Developed

In this context the CChC called during 2023 for an innovation challenge aiming to connect the industrialized housing supplier with the developer, to form a consortium to provide the needed solutions. 17 consortiums postulated with their housing, solution, applying different industry led solutions from concrete, to wood or paneling. The focus was to solve the relation between two strategic partners in housing provision, that historically hasn´t worked together. To make this possible we provided mentorship, in alliance with a technological center on construction (CTEC), so the different participants can develop the model in terms of building solution, but also as an effective and scalable business model. The solution was an industruialized model for a three story/three units "pequeño condominio" (little condo) to solve the overcrowding for a group in their already own land, that meets all the requirements to get a public subsidy.

Implementation

To make this possible, the CChC gathered members from universities (mentorship), the public sector (Housing Ministry and local governments), NGO (partner), and private companies, to work together and involve the different points of views needed in a project like this; we developed and active campaign to promote this initiative. The challenge was developed between 2022 and 2023, since the we have been working with local govrments to build this solution and offert to the community as a transitory solution for urgent relocation (victims of domestic violence) or temporary shelter for families whose houses are being rebuilded through little condo projects. The CChC donate two of the houses (USD150k) and the winner consortium the third.

Enablers & Obstacles

Pequeños Condominios is an excellent solution for families with overcrowding situation that live in inner city areas, and can´t or won´t relocate. Since our focus was to promote and massify this kind of solutions through technology, different actors came together making the challenge a success, and allowing to open a line of work to improve the existing public program. The obstacles have been mostly on the side of the implementation, due to the political timing (local elections in 2024) and longer than expected times to sort the burocracy of getting a building permit. In broader terms, this applies to households that already own the land and have all the legal situation cleared, so there is role for the local governments supporting families to have everything about land tenure legalized.

Results & Impact

17 participant consortiums (51 companies), showing the interest of the private sector to answer the call on industrialization, a project fully developed and funded , and a business model developed that can scale up this kind of solutions. The main impact is to benefit lower income household presenting overcrowding and living in inner city areas, offering a solution that allow them to stay together with their networks but with the necessary dignity, habitability and secure tenure of their houses.

Replication & Scale Up

The model is fully replicable in any chilean city (an evaluation made by Universidad de Chile, estimates around 280.000 lots that can have this kind of solutions), and also abroad, as address a critical issue in housing deficit as overcrowding.

The main driver is to have a public policy that is coherent with the business model needed for the participant private companies (builder / industrialized supplier), but the model can be completely scaled up in any country facing similar situation. On key driver is to get to the potential beneficiaries to know the program and the offered solutions to minimize initial distrust.

Policy Uptake

This housing practice has informed or been partially integrated into policy discussions, strategies, or pilot-level policy instruments.

The housing policy in Chile, already have a Pequeños Condominios program, but with very limited success due to the restrictions and requirements asked to all parties. The challenge allow to more active participation from the private sector offering to deliver more houses in less time.

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Lessons & Takeaways

Mostly related to the implementation phase, particularly having a secure land plot to build the winner pilot.