Steps Away From Home

Submitted By: Chilean Chamber of Construction

Organization Profile

Organization Name: Chilean Chamber of Construction Foundation

Organization Type: Private sector

Website: https://fundacioncchc.cl/

Practice Details

Country(ies): Chile

City(ies): Entire country

Start Year: 2015 **Ongoing:** Yes **End Year:** N/A

Main Adequate Housing Components:



Housing Thematic Areas:

- Housing Affordability & Financing
- Social Housing
- Housing Rights & Social Inclusion
- Housing Policy, Legislation & Governance

Relevant SDGs:



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Problem & Context

The construction worker is particularly vulnerable in terms of finding a housing solution since his salary, above the limits of the social policy, means he is not eligible for state housing subsidies and their type of contract prevents him from accessing private credit to buy. This led to a particularly vulnerable situation, with 22% of them present overcrowding in their houses, 29% shares house with another household, and 68% are not owners, presenting some kind or insecure tenure.

Solution Developed

The practice address this issue from two sides, first an expert social assistant makes and evaluation and gives orientation to the worker so they can know their situation and the alternatives that arise to access a house from the public policy and/or the market. Then there is a stage of permanent support to help create the necessary savings needed to buy a house. And finally there is a subsidy, given by the CChC (USD 1.200 ap) to the worker once they get the house, so they can afford any expense or to cover any previous debt. Accessing a house can be difficult to some vulnerable groups or people that doesn´t know how the system works and what´s necessary to det to the goal. This practice focus particularly on that issue, giving orientation, support, and helping the households financially to address the different challenges in their way home. The most unique approach comes from having focus on the accompaniment given to the construction workers from begin to end of a process that could take years.

Implementation

This practice is financed by two ways, first the construction company member of CChC, pays a once a time fee per worker (USD17) so they can be part of the program, and then CChC Foundation takes on and makes all the support during several years until the workers gets a house; in that moment CChC provides and additional USD 1.200 subsidy. To facilitate the access to credit, CChC has partnered with BancoEstado to give custom made credits to construction workers. The main actors involved are the Chilean Chamber of Construction and it´s Foundation (private construction sector association), and the construction companies members of CCHC.

Enablers & Obstacles

There is a real need to give housing access to specifically targeted groups, construction workers being one of them, thus the need to develop a custom made program to facilitate workers reaching their objective. Most of the obstacles comes from the difficulties in operating the system and to sort all of the requirements needed, particularly formal employment and credit history and scoring, as construction workers has a high rotation index.

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Results & Impact

From 2015 on the practice has made possible for 3.088 workers and their families to become owners (1.534 in Santiago, 1.554 in the rest of the country), reaching an average of 400 new owners per year. A private assessment showed that the practice improves in 28% the chances to get to become a house owner, with a social ROI over 10%. The practice focus on a particularly excluded group, allowing them to find a way to access a home with secure tenure and meeting all habitability requirements. It has become a proof that a private sector led initiative can be successful providing housing solutions for their own workers.

Replication & Scale Up

As is developed, replication would require a private sector investment and prioritizing over other social needs. As a private association of housing providers, the housing situation of construction workers, came naturally but this might not be as relevant in other cases.

Better understanding of a housing policy that is going through important changes, more effort on saving promotion and good financial behavior and sorting new difficulties from the banking sector. Even without the final subsidy, this practice can be replicated and scaled up with little resources needed, being a helpful tool to address the housing challenges from excluded groups.

Policy Uptake

This housing practice is a new or innovative practice that is not yet adequately or fully integrated into formal policy frameworks.

Is a private sector led initiative, that works with the programs and instruments of the housing policy, but not having any particular benfit.

Lessons & Takeaways

The most important lesson is the relevance of permanent support to vulnerable groups from begin to end of the process as is a long, exhausting and complicated process, that can discourage many people to continue. Points to improve can arise from a better and stronger link to public policy and a closer work with the private banking sector as, over 90% of the workers need to ask for a credit to pay their home.