



FT/IFC TRANSFORMATIONAL BUSINESS AWARDS 2016 WINNERS PROFILE

Profile: Imperial Homes Corporation and Enfinity, Philippines

Shortlisted: Achievement in Low-Carbon Urban Transformation

FT/IFC TRANSFORMATIONAL BUSINESS AWARDS 2017

Catalysing Finance and Disruptive Technologies to Boost Sustainable Solutions

In this series, we profile the winners and commendedes of the 2016 FT/IFC Transformational Business Awards to share how they are delivering sustainable solutions and making a difference in their markets, countries and communities.

Population Growth Drives Housing Shortage

By 2050, the world's population is projected to skyrocket to 8.5 billion people, with most of the growth taking place in urban areas in Africa and Asia. This poses unprecedented challenges for the emerging economies already struggling to meet people's most basic needs such as food, clean water and affordable housing.

A 2014 report by the McKinsey Global Institute found that the affordable housing gap now stands at \$650 billion a year and the problem is projected to grow worse if urban populations continue to expand. Replacing today's inadequate housing and building additional units would require \$9 trillion to \$11 trillion in construction costs alone, and coupled with land, these numbers may rise to \$16 billion.

Housing is not only a lifestyle factor. Studies suggest that families that lack affordable, decent housing have substandard health outcomes and children who do less well in school or drop out earlier. Add in higher unemployment and underemployment rates, and providing affordable housing to low-income groups becomes a clear development goal. Achieving it in a manner that does not harm the environment or drive up the pollution numbers is the challenge that the public and private sectors must join forces to resolve.



2016 FT/IFC Awards Finalist Working to Meet Demand

Philippines, like many countries in Asia, suffers from an acute housing shortage driven by the exponential population growth, increased urbanization, economic inequality and extreme climatic events. The government estimates that the current deficit stands at almost 4 million homes, and 6.2 million need to be built by 2034 to meet the demand. Imperial Homes Corporation, a finalist of the 2016 FT/IFC Transformational Business Awards in the "Achievement in Low-Carbon Urban Transformation" category, is doing its part in addressing the country's housing issues by building affordable solar-powered communities in Greater Manila and other areas of the country.

Via Verde - the country's first grid-connected solar powered community of low-cost houses - represents IHC's vision of affordable green communities that embrace solar energy to promote sustainable urban development. Compared to conventionally built houses, IHC-designed homes consume 32% to 42% less energy, 20% to 28% less water and 26% to 38% less building materials - which means substantial savings for the homeowners, who can put extra funds toward their children's education or healthcare.



FT/IFC TRANSFORMATIONAL BUSINESS AWARDS 2017

Catalysing Finance and Disruptive Technologies to Boost Sustainable Solutions

Every house in Via Verde and similar IHC communities comes with a grid-connected solar solution with lithium batteries that saves on electricity consumption, avoids carbon emissions, and increases reliability of power supply by limiting outage risks triggered by utility maintenance and blackouts. These solutions can be bought together with the house, with the cost more than offset by energy savings over the life of the loan. Alternatively, they can be leased to solar-powered multifamily communities, with 10% to 15% savings on electricity costs compared to the existing utility tariffs.

The utility companies, already stretched thin by trying to meet growing customer demand, are also indirect beneficiaries of IHC's approach. Because the customers with solar power solutions minimize their demand during daytime peak time of 10 am to 3 pm, utilities can manage their limited resources more flexibly, and avoid dispatching expensive and pollution-heavy peaking plants.

Green Makes Sense

IHC's commitment to sustainability is evident in every feature of its communities. Designed with green open spaces for recreation and play, the houses are built with raw materials with lower embodied energy to minimize the carbon footprint and mitigate the effects of climate change. Cement panel boards, commonly used by the company in low-cost housing, consume only a quarter of power used to manufacture conventional fiber boards. They are also fire, water and termite resistant, consume less paint, and offer a stronger defense against earthquakes and typhoons. And they also take less effort to install, which translates into savings on labor and a lower final cost to consumer.

IHC also offers customers several financing options in partnership with both government and major private funding institutions to ensure that communities remain affordable for the low-income market. The company - which has been building homes in the Philippines for the last thirty years - was recognized by IFC and the World Bank as the country's first EDGE-certified builder.

EDGE (Excellence in Design for Greater Efficiencies) is a voluntary certification system that helps simplify and reduce the cost of green buildings, making them more accessible to all. EDGE promotes resource efficiency through building designs that reduce energy, including the energy used in making construction materials, and water. To qualify for EDGE Design Certification, companies must use the EDGE software to prove their building design will reduce energy, water, and embodied energy in building materials by at least 20 percent compared to conventional buildings.

Philippines are heavily dependent on fossil fuel. In 2014, 72% of the country's electricity demand was powered by traditional fuel, with only 28% sourced from renewable energy. A community of 5,000 IHC homes saves 7,200 tons of CO₂ emissions, and can avoid using \$9.22 million worth of fossil fuel-generated electricity. Extrapolated to the Philippines' housing backlog of 3 million units, the avoided cost of electricity can grow to as much as \$2 billion annually while reducing the country's carbon emissions by about 2.23% per year.



FT/IFC TRANSFORMATIONAL BUSINESS AWARDS 2017

Catalysing Finance and Disruptive Technologies to Boost Sustainable Solutions

By offering sustainable, low-carbon, affordable housing solutions to the Philippines' low-income consumers, IHC contributes to solving the country's acute housing crisis while saving energy and reducing environmental damage. As the company scales up construction of its affordable solar-powered communities, more low-income Filipinos will be able to find housing that neither breaks the bank nor harms the environment.

FT/IFC Awards Nomination Helps IHC Open Doors, Connect with Investors

"Our work helps low income earners in the Philippines save 24-30% of their electricity costs when they buy solar-powered homes from IHC. These savings translate to an estimated \$12-15 per month – which can be used for education, healthcare and other pursuits to improve their quality of life," said Emma Imperial, IHC President and Chief Executive Officer.

"We were very excited to win the nomination," she added. "It helped us with our outreach to banks and potential investors, and I've included news of our nomination in Disrupt 2, a book I've co-authored with other Filipina women leaders to help empower women globally. As women, we need to learn to let the world know that there is something we contribute that can help the world globally."



A partnership of The Financial Times, one of the world's leading business news organizations, and IFC, a member of the World Bank Group and the largest global development institution focused on the private sector in emerging markets, [FT/IFC Transformational Business Awards](#) is a major global program that recognizes ground-breaking, long-term private sector solutions to key development issues. The awards, now in their thirteenth year, are open to all financial and non-financial private sector organizations. The 2017 judging panel is co-chaired by Michael Skapinker, Associate Editor at the Financial Times, and Nena Stojiljkovic, IFC Vice President, Global Client Services. [Click here to learn more and apply.](#)

[2016 FT/IFC Transformational Business Awards Ceremony](#)

The 2017 FT/IFC Awards are now accepting applications from the forward-thinking organizations and municipalities. Log into the Awards website to learn more and apply.

live.ft.com/transformationalbusiness