THE COST OF IMPROVING VULNERABLE HOUSING

Recommendations for Investments in Housing Resilience from an Analysis of Global Project Data.¹

By 2030, 3 billion people are expected to be living without access to adequate housing.²

We can change this by improving existing housing.

Improving vulnerable housing...

- is highly cost-effective when compared to new construction.

$133/m²

The average cost of improving existing housing.

$588/m²

The average cost of new construction.

23%

Improving existing housing cost on average 23% of the average cost of building new housing.

- is a cost-effective way to support safe densification.

- should extend beyond disaster mitigation, based on what homeowners need and want.

While the primary objective for all designs was to reduce housing vulnerability through Disaster Mitigation Measures, over 40% of spending was in other areas. This shows significant demand among homeowners for a range of home improvement measures.

People choose to spend money for home improvement on:

- Structural Condition Repairs
- Habitability Upgrades
- Disaster Mitigation Measures
- Finishings and Growth

13% 14% 57% 16%

...is more cost-effective before a disaster.

In the Philippines, incremental Risk Reduction improvements ($72/m²) were found to be affordable for lower income clients of microfinance institutions. However, subsidies and grants are still needed to make home improvement affordable for the poorest households.

...is more cost-effective after a disaster.

Relative to new construction costs, there was no increase in the cost of mitigating against both earthquakes and high winds versus only earthquakes; both cases were on average about one-quarter the cost of new construction for the corresponding locations.

...should go beyond making repairs, to include protection against future risks.

Preventative measures after a disaster can protect the investment for a low additional cost: An additional investment of 30%—beyond the cost of repairing major damages incurred from the disaster—can ensure the whole home is resilient against future threats.⁴

...should be made accessible to all income levels.

Relative to new construction costs, there was no increase in the cost of mitigating against both earthquakes and high winds versus only a single earthquake; both cases were on average about 4½ the cost of new construction for the corresponding locations.

...should take advantage of the high efficiencies of mitigation against multiple hazards.

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Read the full study here.

¹ This study was based on home improvement designs and implementation across 14 countries in Asia, the Caribbean, Latin America and the Pacific Islands.
² A total of 2680 home improvement designs and implementations were included in the analysis.
³ UN-Habitat estimate
⁴ Based on data from the Sint Maarten post-hurricane (Irma) recovery program.

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