

Social Sustainability in Housing

September 2025

AGENDA

1) What is Social Sustainability

2) Why is it Important

3) IFCs approach to Social Sustainability:

- Underlying Principles of the Pillar advisory housing tool
- Sustainability approach to investment

WHAT IS SOCIAL SUSTAINABILITY?

1) **Satisfaction of Welfare Requirements:**

- Meets residents' emotional and physical needs.
- Availability of infrastructure, public services, social amenities
- Social networking, protection and security.
- Daily life: Access to employment hubs, commercial and economic vibrancy, inclusiveness.

2) **Conservation of Resources & the Surroundings:**

- Conserving natural resources in the development's surroundings, and creating a healthy, pollution-free environment,

3) **Harmonious Living Environment:**

- Building quality/layout/design and neighbourhood compatibility

4) **Form of Development:**

- Development adaptability and efficient use of land help reducing social inequalities
- Flexible design meets changing needs and social objectives.

5) **Availability of Open Spaces:**

- Access to and quality of nearby open spaces for recreation and social congregation.
- Contributes to health and wellbeing.

WHY IS IT IMPORTANT?



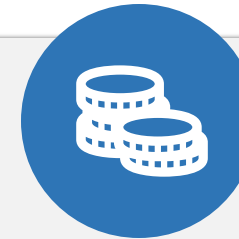
Residents

- Good quality home in a good location
- Access to affordable services and amenities
- Sense of community and belong
- Overall good quality of life: safety, security, healthcare, employment/education opportunities, inclusivity, gender impacts.



Housing Developers

- Enhanced reputation and brand value
- Lower marketing costs
- Positive impact on sales
- Demonstrable social impact



Financial Institutions/Investors

- Reduced risk of loans and investments
- More bankable developers/projects
- Higher resale value
- Build goodwill by investing in socially impactful projects

WHY IS IT IMPORTANT?

Example:

In Mexico, affordable housing developments in the outskirts of cities, **far from employment opportunities and poorly connected to infrastructure, led to social distress and a massive deteriorating vacant housing stock.**

In Mexico, it is estimated that there are **6 million vacant homes**, of which many are abandoned.



WHY IS IT IMPORTANT?

SOCIAL AND ECONOMIC DEVELOPMENT BENEFITS: ALIGNMENT WITH SDGs



Safe and affordable housing, basic services and enhanced human development opportunities for low-income individuals.



Housing that offers access to affordable healthcare, green spaces and recreation.



Inclusive and equitable education and promote lifelong learning opportunities for all.



Developments that prioritize spaces that are safe and accessible to woman and their children.



Ensure availability and sustainable management of water and sanitation for all.



Access to affordable, reliable, sustainable and modern energy for all.



Promote sustained, inclusive and sustainable economic growth and employment opportunities, as well as promoting site proximity and multi-modal transport.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



Housing that caters to the needs of all in terms of unit design, services, amenities and transport.



Developments that are inclusive, safe, resilient and sustainable.



Developments that include energy efficient technologies, lighting and boilers, as well as green spaces.

To support the **development of successful, good quality housing** developments, where residents actually want to live, IFC created a Social Sustainability framework.

IFC's **Pillar Social Sustainability Assessment Tool** assesses a housing development's social sustainability credentials against good practice international benchmarks

Key concepts that determine Social Sustainability (described in previous slides) are consolidated into **5 Social Sustainability Outcome Areas**.

Affordability

Local Economy
and Services

Personal Safety,
Health and
Wellbeing

Resilience to
Natural Hazards

Green Living

AFFORDABILITY

- Affordability helps create disposable income and creates a **platform of stability and** enhances opportunities.
- **Affected by costs and income**, but also by the **quality of housing and the environment in which it is located**, and other factors such as:
 - **Regulatory environment:** A favourable regulatory environment that incentivizes housing investment can improve affordability.
 - **Financial provisions and support:** Attractive payment plans and access to financial products and services makes homes more affordable to residents.
 - **Daily life:** Expenditure on social amenities and services (education, healthcare, utilities, transport, etc) can undermine income and influence affordability.

LOCAL ECONOMY AND SERVICES

- Development process creates **new jobs, increases spending in the economy, acts as a source of revenue for localities**, and adds to long-term economic growth.
- **Jobs are created by employing construction workers and the firms.** After construction, **new occupants spending money on local goods and services** boost local businesses' revenues which lead to employment opportunities.
- **Builders purchasing construction materials from local suppliers** or using architectural or construction-related services boost local economic growth
- **Proximity to job opportunities** also has positive impacts on employment and poverty levels.
- The **easy access to employment hubs** improves housing accessibility and, by extension, housing quality
- **Easy access to basic social services and amenities** creates thriving and sustainable communities.



Photo: IFC



HEALTH, PERSONAL SAFETY AND WELLBEING

- **Poor quality housing can contribute to** unsanitary living conditions that affect overall physical and mental health.
- The **safety and security** of housing, the community, and the neighbourhood **can have impacts on physical and mental well-being, and quality of life.**
 - ✓ **Does a development include crime prevention measures** – CCTV, well lit side walks, access to safe public transport, etc.
 - ✓ **Secure housing and the surrounding neighbourhood** enhances safety and wellbeing for all, and especially female residents.
- **Inclusive Design.** Is there provision for accessible design – wider doorframes, lowered door handles, lowered side walks, etc.?
- **Green spaces:** Have green spaces and parks been included in the masterplan, offering opportunities for recreation and social interaction?



Photo: Paraíso Central & EDGE

RESILIENCE TO NATURAL HAZARDS

Cross-cutting subset of social sustainability; **considerations related to climate adaptation:**

- **Informed Site Selection:**
 - Project location in an area with minimal risks from climate hazards such as flooding, landslides, seismic risk, etc.
 - Site hazards are rigorously assessed with expert consultation.
- **Environmental Risk Assessments:** Ensuring environmental risk is rigorously assessed and adaptation measures are included in project design, such as appropriate building materials and raised housing/walkways.
- **Emergency Response Arrangements:**
 - Ensuring the site plan is designed to readily allow access for emergency services to all areas of the development.
 - Development has an emergency response plan including arrangements such as evacuation plans, congregation points, alarms, fire extinguishers, fire doors and exits, etc.



Photo: GFDRR World Bank

GREEN LIVING

Cross-cutting subset of social sustainability; **considerations related to climate mitigation**

- **Less use of private vehicles:** Location is within short walking distance (1km or 15 mins) to employment centers, education facilities, retail facilities, public parks, healthcare facilities, public transport connections.
- **Natural absorption of CO2:** Green spaces are interspersed throughout the development and trees/vegetation is planted along main access and mobility routes throughout the project site.
- **Logistics/transport efficiencies:** Use of local workforce and building materials to reduce emissions related to transport of people and materials.
- **Use of renewable energy:** For example, LED lighting, solar thermal systems for heating, etc.
- **Efficient unit design:** For example, adequate natural light to reduce electricity consumption and natural airflow/ventilation to minimize the use of ACs/fans or other cooling devices.



Photo: Vinte & EDGE

SUSTAINABLE FINANCE PRODUCTS

Sustainable Finance products



Green Loans/
Bonds



Blue Loans/
Bonds



Social Loans/
Bonds



Sustainability
Linked
Loans/ Bonds

“Use of Proceeds” - Green / Blue / Social / Sustainability

- A loan or bond that **exclusively finances “Eligible Green Projects”**
 - Follows the **Green Bond/loans Principles**
 - Issuers **must report annually on use of proceeds and the impact** achieved
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- A loan that exclusively finances **investments that protect oceans & water, supporting SDGs 6 and 14**
 - Follows the **IFC “Blue” taxonomy** that specifies activities that address: (i) protection of marine ecosystems and (ii) water management
 - **Issuers must report annually** on use of proceeds and the impact achieved
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- A loan that exclusively finances **investments that address or mitigate a specific social issue and/or seek to achieve positive social outcomes including for, but not limited to, a target population(s).**
 - Follows the **Social Loans/Bonds** principles
 - **Issuers must report annually** on use of proceeds and the impact achieved

“Target Driven” - Sustainability-Linked Financings

- **General purpose loan linked to defined KPI with targets to meet** during tenor of IFC loan
- Targets must be **ambitious compared to Business as Usual or regulatory targets**, have a defined baseline and have predefined Observation Date(s) that that would trigger the incentives and or penalties.
- **Borrower reports annually** on progress using agreed KPIs

Photo: Vinte & EDGE

EXAMPLES OF SOCIAL PERFORMANCE INDICATORS: SUSTAINABILITY LINKED LOAN/BOND



Customer Access & Affordability

Underserved customers reached (#, %)
Products sold or solutions developed to expand access for underserved segments (#, %)
Beneficiaries of capacity building programs (#)



Diversity

Women in the workforce (%)
Women in Management or Technical Roles (%)
Gender pay gap (\$)



Community

Local employees in workforce (%)
Local employees in management positions (%)
Community investment (\$)
Beneficiaries of health/education programs (#)



Just Transition

Upskilling workers (#, \$)
Jobs preserved during transition (#, %)



Working Conditions & Occupational Health & Safety

Lost Time Incident Frequency Rate
Absenteeism
Staff Turnover



Supply Chain

Procurement from diverse or locally-owned MSME suppliers (\$, #)
Beneficiaries of supplier capacity building programs (#)

IFC SELECT SUSTAINABLE FINANCE TRANSACTIONS

 Africa: South Africa  Industrial Development Corporation Green Bond: \$111M The inaugural sustainability bond for IDC and the first listed instrument of such type on Johannesburg Stock Exchange by a non-bank institution 2025	 Africa : Senegal  Sococim Low Carbon Cement (Vicat) Green Loan Package: EUR120M A Loan, EUR120M B Loan For the replacement of part of clinker lines with a new fuel-efficient one, using up to 70% of alternative fuels and boosting energy efficiency 2023	 Africa: Morocco / West Africa  CIMAT / CIMAF Green Loan: \$50M A loan Funding of the long-term decarbonization program of one of the leading cement manufacturers in North and West Africa 2023	 LAC: Brazil  Votorantim Cimentos Sustainability-linked loan: \$150M Support to the company's decarbonization roadmap and investment plan implementation, including co-processing and efficiency upgrades 2023
 Africa: South Africa  Growthpoint Properties Green Bond: \$118M A loan Participation in a sustainable debt program of a leading real estate developer and operator in South Africa, with all assets certified under Green Star standard 2023	 Indonesia and Philippines  Ascott SLB Sustainability-Linked Bond: \$115M A loan Decarbonize 3 serviced residences in Southeast Asia, in Indonesia and in the Philippines to achieve 40.5% reduction in electricity consumption by 31 December 2028 2022	 Africa: South Africa  Redefine Properties Green Bond: \$44M First green bond of a leading property development and management company to support long-term decarbonization of building portfolio, including green building certification 2022	 Asia / Multi-country  IVL Blue Loan Package: \$150M A Loan, \$150M B Loan Bottle-to-bottle recycled PET, resource efficiency and renewable energy 2021

Key



Manufacturing



Agribusiness and Forestry



**Green building / Tourism,
Retail and Property**

THANK YOU!