



Senate Economic
Planning Office

Housing Sector *At a Glance*

June 2006

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With the population growing at an annual rate of 2.32 percent, demand for shelter is also expected to increase. Given this, government policy makers are bent on providing more shelter assistance and pursuing strategies to encourage more private sector participation in housing production. In fact, “jumpstarting” the housing construction sector is likewise seen by government as a major economic growth contributor that can help poverty alleviation efforts.¹

Below are some major indicators of housing demand and affordability and the housing sector’s performance:

Housing Demand

Ø In terms of geographical location, 52 percent of this housing need can be found in Regions III and IV and the National Capital Region; the Visayan and Mindanao areas, meanwhile, own 21 percent and 23 percent, respectively.

Table 1. Housing Need, 2005-2010

Region	Total Need
Philippines	3,756,072
National Capital Region	496,928
Cordillera Autonomous Region	40,416
Region I	156,626
Region II	111,094
Region III	461,368
Region IV	828,248
Region V	173,855
Region VI	226,455
Region VII	290,616
Region VIII	115,252
Region IX	135,717
Region X	117,668
Region XI	263,952
Region XII	111,847
Autonomous Region of Muslim Mindanao	147,574
CARAGA	78,456

Source: HUDCC (as cited in the MTPDP 2004-2010)

Table 2. Housing Need, 2005-2010

Category	Total
Housing Backlog	984,466
Doubled-Up Housing	387,315
Replacement/Informal Settlers	588,853
Homeless	8,298
Substandard (Upgrading)	186,334
New Households	2,585,272
Total	3,756,072

Source: HUDCC (as cited in MTPDP 2004-2010)

Ø According to the Medium Term Philippine Development Plan (MTPDP) 2004-2010, housing need in the country is estimated to reach a total of 3.75 million units by 2010. Demand for new houses, for the said period, is 2.6 million of the total while housing backlog accounts for almost a million.

¹ According to the MTPDP 2004-2010, the housing sector has a multiplier effect of 16.6 times. This means that “every P10 billion worth of housing units...contribute a total of P16.6 billion economic activity.”

Government Housing Accomplishments

2001-2004

- Ø For the period 2001-2004, the government was able to provide only 827,437 housing units or 69 percent of the target 1.2 million. This was only 23 percent of total housing backlog of 3.6 million for the period.
- Ø Of the total housing output for 2001-2004, 39 percent went to low cost housing packages and 61 percent to socialized housing packages.

Table 3. Government Housing Targets and Accomplishments, 2001-2004

Housing Package	Target Households 2001-04	Actual Accomplishments 2001-04 ²
Socialized Housing Packages (below P225,000)	880,000	501,419
Low Cost Housing Packages (P225,000-P2 million)	320,000	326,018
Total	1,200,000	827,437

Source: HUDCC (as cited in the MTPDP 2004-2010)

²2004 figures based on HUDCC accomplishment report for the 2005 State of the Nation Address (SONA) of the President

2005

- Ø According to the MTPDP 2004-2010, the government is expected to provide shelter assistance to 1,145,668 households for the period 2005-2010. This is 30 percent of the total housing need for this period.
- Ø For the period January to July 2005, the government was able to produce 48,182 housing units which is 23 percent of the 2005 target of 210,336 units.²

Table 4. Housing Targets, 2005-2010

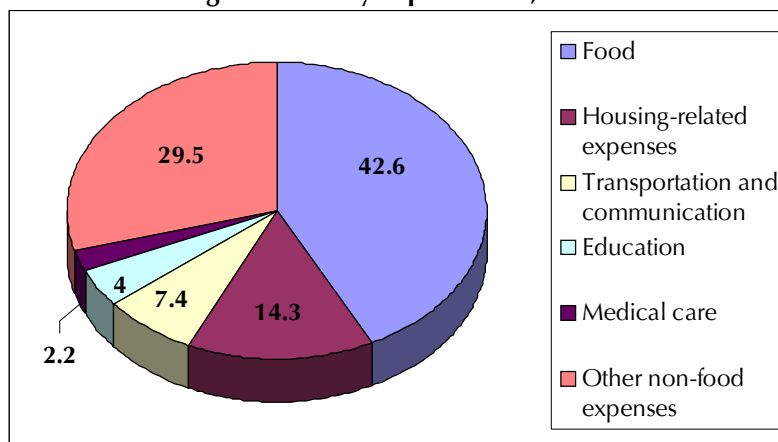
Housing Package	Number of Units	Percentage Share
Socialized Housing (below P225,000)	780,191	68.10%
Low Cost Housing (P225,000 - P2 million)	365,282	31.80%
Medium Housing (P2 million - P4million)	195	0.01%
Total	1,145,668	100.00%

Source: HUDCC (as cited in the MTPDP 2004-2010)

Housing Affordability

- Ø Based on the 2003 Family Income and Expenditure Survey (FIES), housing expenditures are the biggest non-food expense of a family. Housing-related expenses (rent, amortizations, and repairs) account for 14.3 percent of a family's expenditure.

Figure 1. Family Expenditures, 2003



Source: National Statistical Coordination Board

² Based on the latest accomplishment report of Housing and Urban Development Coordinating Council (HUDCC)