



FROM BACKLOG TO BREAKTHROUGH

New Blueprints for Unlocking
Housing Access



Executive Summary



The Philippines faces a housing backlog of 8.25 million units as of March 2025, with projections showing this figure could swell to 22.6 million by 2040 if left unaddressed.

Behind these numbers are millions of families whose everyday lives are shaped by the lack of secure, affordable, and accessible homes. Consider the young couple with regular employment in the city but who cannot afford a house near their workplace, or the jeepney driver making a steady daily income but with little access to reliable information on financing options. These are reflections of a larger system that no longer aligns with how Filipino families live and earn today.

The current housing system was built for a different economic reality.

Affordability, accessibility, financing models, and information flows were designed around stable, formal employment different from today's service sector-driven and largely informal workforce.

The challenge is not only to build more homes, but to redefine how access is delivered. The way forward calls for a cross-sector approach to developing new blueprints that treat land as essential access infrastructure, empower local ecosystem players as enablers of delivery, and simplify the path to ownership through technology and adaptive financing.

This paper sets out these ideas as a foundation for collective action, calling on collaboration across disciplines and sectors to refine and scale them. **Taken together, these shifts chart a path to move the housing agenda from chronic backlog to a real breakthrough.**



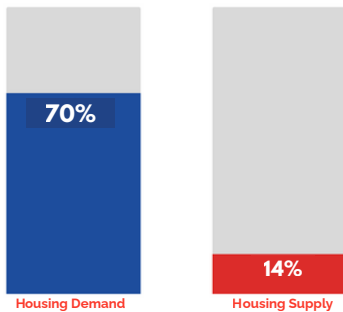
A Crisis of Access, Not Just Supply

Supply alone does not capture the texture of the housing challenge. While new units are added every year, **millions of families remain locked out**. The current system was designed for a narrow demographic of formally employed, middle-income households. However, that model does not reflect the reality of most Filipino earners today.



The Affordability Mismatch

Affordability is the clearest starting point. The average annual household income in the Philippines is ₱353,230 or a little over ₱29,000 per month, according to the Philippine Statistics Authority's 2023 Family Income and Expenditure Survey¹. This means that a typical Filipino family can only sustainably afford homes priced at around ₱1.5 million.



Housing Supply Fails to Match Market Affordability

Around 70% of Filipino families can only afford homes below ₱1.5 million, but only 14% of available housing falls within the socialized housing range².

But socialized and economic housing supply, which is what majority of Filipinos can afford, remains limited. Housing costs in urban centers are rising faster than household incomes, putting homeownership out of reach for many working families. The Urban Land Institute reported that condominiums in Metro Manila are priced at 19.8 times the median income³, making home attainability in the capital more constrained than its Asian counterparts.

LHOOPA INSIGHT



96% of Lhoopa buyers with an average monthly income of ₱20,000 can only finance homes below ₱1 million.

¹ Philippine Statistics Authority, *2023 Family Income and Expenditure Survey*.

² Department of Human Settlements and Urban Development, *List of Projects with License to Sell*.

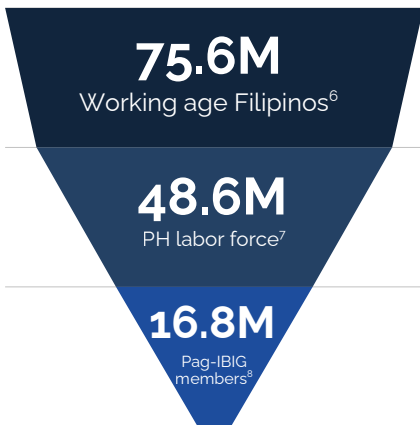
³ Urban Land Institute, *2025 ULI Asia Pacific Home Attainability Index*.



The Accessibility Mismatch

Affordable housing supply remains scarce, and where units are available, they are often far from employment hubs. In Metro Manila, for example, low-cost housing projects are located about 13 to 30 kilometers away from key urban centers⁴, translating into long commutes and added transport costs for households.

Limited access to financing further compounds the barriers to homeownership. According to the Bangko Sentral ng Pilipinas, around 44% of Filipinos remain unbanked⁵, and while limited, data suggests that the informal sector is still prevalent in the country. Without payslips or formal credit histories, many families are excluded from bank financing.



Most Filipinos Fall Outside the Country's Primary Home Financing System

Pag-IBIG provides the most accessible path for low-to-middle-income earners, but participation is only at about 17 million active members, compared to an estimated workforce of 48 million.

This illustrates how ownership pathways remain unclear for those outside the system, underscoring a structural inclusion gap in both access to financing products and awareness of existing programs.

⁴ PIDS, [Measuring Housing Affordability in the Philippines](#)

⁵ Bangko Sentral ng Pilipinas, [Financial Inclusion Survey](#)

⁶ World Economics, [Philippines' Working Age Population](#)

⁷ Philippine Statistics Authority, [Labor Force Survey](#)

⁸ Mindanao Times, ["Pag-IBIG Fund hits milestone P1.14 trillion in H1 2025"](#) (August 31, 2025)



The Information Gap

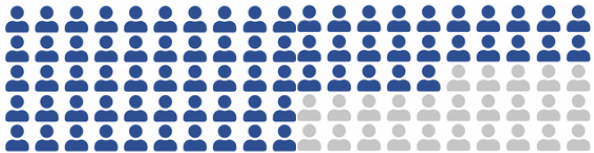
With limited information, many households remain long-term renters or resort to informal arrangements with low security.

75% of Lhoopa homebuyers entered the process without prior knowledge of affordable housing pathways available to them. This shows that even households with consistent income and purchasing power are underserved by the current system.

LHOOPA INSIGHT

3 of 4
homebuyers

had no prior knowledge on
housing pathways



The good news is that momentum for solutions is building. Affordable housing is now a clearer priority for government, with both housing agencies and private sector advancing programs and leveraging technology to expand access. **There is a growing alignment of focus across sectors, which if sustained, can close these gaps and move more families from aspiration to achievable homeownership.**



Why a Breakthrough is Possible Now

Despite the severity of the backlog, the last few years have shown significant progress. Policies, financing innovations, and digital tools are starting to reshape the housing landscape in ways that make access possible for more people.



The Philippine government has embedded housing more deeply into its infrastructure agenda, implementing Executive Order 34 in 2023 to mobilize idle land for housing use and declare the Pambansang Pabahay Para sa Pilipino (4PH), a flagship program to provide affordable homes and lower monthly amortization costs for Pag-IBIG members.

EXPANDED 4PH PROGRAM⁹

Housing options:



Vertical and horizontal housing



Rental housing (by NHA)



Mortgage housing

Application routes:

1. Developers
2. DHSUD
3. Pag-IBIG
4. LGUs

**Pag-IBIG special offers
for low-income earners**

3%

fixed rate for the
first five years on
socialized housing
loans

4.5%

promotional rate for
house-and-lot
packages up to
₱1.8M

Digitization of Government Systems

Technology and digitization are making financial transactions faster and more transparent. The rollout of a digital National ID system and electronic Know-Your-Customer (e-KYC) mechanisms simplifies the onboarding process to reduce manual paperwork and multiple in-person visits, improve verification accuracy, enhances security to mitigate risks of fraud, and lowers administrative and operational overhead costs.

The Home Development Mutual Fund is also adopting digital solutions. Its Virtual Pag-IBIG platform now integrates with the National ID authentication system, removing redundant steps and giving members faster, more secure access to records, savings, and contributions¹⁰.

⁹ UP CIDS, *More Modalities, Still Limited Reach for the Poorest? A Preliminary Assessment of the Expanded 4PH Social Housing Program*

¹⁰ PSA, *Virtual Pag-IBIG Integrates with National ID for More Secure, Streamlined Transactions for Members*



Faster Delivery Through AI and Mobile Technology

For developers, investors, and government, **artificial intelligence (AI)** is reshaping how real estate decisions are made, turning what used to be fragmented, manual processes into data-driven systems. For a hyperlocal housing market like the Philippines, AI can analyze land characteristics, infrastructure proximity, and demographic data to identify where developments are both viable and socially impactful. It also supports risk assessment by mapping exposure to natural hazards such as floods and earthquakes, critical factors in the Philippines where disaster resilience is a priority. Lhoopa's AI-enabled technology, for instance, analyzes thousands of data points, from land conditions and market demand to infrastructure access and climate risk, to identify where affordable housing can be developed at scale and with higher precision.

Mobile technology also offers a new way for housing ecosystems to operate. What once relied on slow, centralized coordination can now move in real-time through digital platforms that connect local players directly to supply. Lhoopa's mobile apps for brokers and contractors illustrate this shift. Through these tools, brokers can view and sell active property inventories within their locality, while contractors can access construction projects and track progress digitally.

Lhoopa's apps for local ecosystem players such as brokers, agents, and contractors allow faster processing and turnover:



These examples do not solve the housing crisis in themselves, but they represent a clear shift. The system is starting to adapt. The opportunity now is to accelerate these breakthroughs by aligning government reforms with private sector innovation and local-level delivery.



Blueprints to Unlock and Scale Access

Unlocking housing access requires land in the right locations, efficient frontline partners, and systems that make homeownership simpler and more inclusive.



Treat Land as Foundation of Opportunity

Land sits at the center of housing, mobility, and livelihood. But its value depends on availability in the right locations and at the right price. When government, developers, and experts work together to allocate and use land where people live and work, it generates clear economic and social gains: lower transport costs, better job matches, improved access to services, and greater financial resilience for households.

Strengthening land policy can begin with the strategic use of **Floor-to-Area Ratios (FAR)**. FAR sets the maximum allowable floor area relative to land size, guiding how density is distributed within a city.

Global applications show that technical instruments like FAR are not merely regulatory tools. When coordinated across government, private developers, and local planners, they can make cities more connected, reduce household costs, and expand access to both housing and livelihood.

GLOBAL LESSONS

FAR for Inclusive Urban Growth



Chicago uses FAR bonuses to unlock private investments in affordable housing and public spaces.

São Paulo applies flexible FARs to concentrate housing near transit hubs, driving access to jobs and transport.



Tokyo and **Yokohama** use FAR as part of a wider planning system that balances compact growth and livability.

MATURE CITIES

Incentivizing developers to build housing in transport-linked areas

EMERGING CITIES

FAR bonuses for new developments close to job clusters

Shaping Inclusive 4PH Cities

Local governments can drive equitable urban growth by incorporating FAR flexibility into 4PH planning.



Empower the Access Ecosystem

Digital innovation is closing long-standing gaps in the housing ecosystem. Real-time access to listings, buyer eligibility, and financing data enables brokers to guide clients more effectively, while digital permitting and project tracking help contractors deliver faster and with greater transparency. These improvements strengthen trust across the system, shorten turnover cycles, improve buyer confidence, and accelerate delivery.

Empowering brokers and contractors is not only about efficiency but also about inclusion. When frontliners are equipped with data and clear coordination channels, they become active partners in expanding access to housing. The next step is to scale these gains through integrated data systems and sustained collaboration among government, developers, and technology providers. When local actors are connected and trusted, they turn housing programs from policy commitments into real, measurable outcomes for families.

Stronger Digital Tools for Network Partners

Real estate frontliners thrive when tech supports their access to information



REAL-TIME INFORMATION

allows efficient transactions, project management, and monitoring



SMOOTHER SALE CLOSING

through tech-enabled systems that automate processes



FASTER PROJECT DELIVERY

brings housing to communities at scale in the soonest possible time

Digitization
drives efficiency,
transparency,
and trust across
the system.

For government systems, digitization enhances monitoring and transparency, advancing the national agenda for e-governance. For investors, it mitigates operational risks by enabling traceable, data-backed performance across the housing value chain. For families, it facilitates faster homeownership by streamlining processes and reducing friction throughout each transaction.



Simplify the Homeownership Journey

Simplifying the homeownership journey means making the process easier to navigate, finance, and understand. The implementation of Housing One-Stop Processing Centers (HOPCs) is a strong start. With continued digitization of verification and documentation, these centers can make transactions faster, more transparent, and easier to track for both buyers and developers.

Efficiency, however, works best when matched with financial inclusion. The 4PH Program and Pag-IBIG already provide affordable financing for qualified members, while emerging fintech solutions offer potential to serve families without formal credit histories. Aligning these innovations with government programs can create a more inclusive and accessible financing ecosystem.

Simplification also requires clarity. Community education efforts, such as the homeownership caravans and roadshows led by national housing agencies, show how coordinated outreach helps families understand their financial capacity and available ownership pathways. Expanding these partnerships with private and technology partners can make information more accessible, processes more transparent, and homeownership more achievable for millions of Filipinos.

Simplifying Homeownership: From Process to Access

PROCESS EFFICIENCY

Shorten housing document processing time

- HOPCs
- Digital verification and automation

FINANCIAL INCLUSION

Expand access for low- to middle-income buyers

- Pag-IBIG and 4PH
- Fintech models expanding credit eligibility

INFORMATION ACCESS

Broaden understanding of homeownership pathways

- Housing caravans
- Public-private information and education campaigns



The backlog, if left unresolved, will triple within the next two decades. But the opportunity to change the system is already here.

When families find a permanent place to call home close to where they live and work, resources are better allocated and quality of life improves. Given that the lack of affordable housing is correlated with measurable effects on chronic stress and overall quality of life, the system needs to be further strengthened to secure access to financial resilience, community cohesion, and improved workforce participation.

The way forward is to build a system of access where land is treated as infrastructure for opportunity, financing adapts to include more underserved communities, local players are empowered as trusted frontliners for delivery, and technology is leveraged to simplify the journey.

From backlog to breakthrough, the housing industry in the Philippines and similar markets can move from incremental progress to systemic change. Homeownership will not just be a privilege for the few, but a path to stability for the majority.



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Lhoopa is a property technology company enabling affordable homeownership for underserved families. We integrate technology, financing, and local networks to simplify and accelerate the path to owning a home.

For inquiries and partnerships, reach out to:
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