



NATIONAL REPORT ON HOUSING AND RESETTLEMENT IN ST LUCIA

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Civil, Structural & Forensic Engineering, Construction Management, Project Cycle Management, Land Development, Property Valuation, Agribusiness Consulting & Training Workshop Design and Delivery



NATIONAL REPORT ON HOUSING AND RESETTLEMENT IN ST. LUCIA

PREPARED ON BEHALF OF

**MINISTRY OF PHYSICAL DEVELOPMENT,
ENVIRONMENT AND HOUSING
GOVERNMENT OF ST. LUCIA**

BY

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REVISED APRIL 2007



GLOSSARY OF HOUSING-RELATED TERMS

Term	Description
<i>Contractor</i>	A person or company who agrees to furnish materials or perform services at a specified price, especially for housing construction work. <i>Source: American Heritage Dictionary of the English Language, Fourth Edition</i>
<i>Core Need</i>	Inability of a household to rent or purchase housing that is in reasonably good condition and has adequate floor without spending more than 30% of its income for shelter. ¹
<i>Developer</i>	A person or company who develops real estate, especially by preparing a site for residential use. <i>Source: American Heritage Dictionary of the English Language, Fourth Edition</i>
<i>Estimated Household Population</i>	All persons who reside in private households. This is the sum of the enumerated population (actual number of persons registered on 2001 Census visitation questionnaires) plus an estimate of persons belonging to existing households but who could not be contacted throughout the process of census enumeration. <i>Source: Government Statistics Department, MFPD, St Lucia</i>
<i>Expressed/ Effective Demand</i>	Demand for a good or service that has been registered, such as on a waiting list or by the action of a household, such as looking for housing ¹ .
<i>Household</i>	One or more persons living together and sharing at least one of the main daily meals. Traditionally, a household usually comprise a family (father, mother and children living together). However it is possible to encounter more than one family constituting a single household once they share common living arrangements. <i>Source: Government Statistics Department, MFPD, St Lucia</i>
<i>Housing</i>	A multi-dimensional commodity that includes physical shelter, the related services and infrastructure, and the inputs such as land and finance required to produce and maintain it. Housing also covers the solutions geared at improvement of the shelter and the environment in which it exist. <i>(Definition provided by Housing and Urban Renewal Department, Ministry of Housing, Urban Renewal and Local Government, St Lucia.</i>
<i>Housing Affordability</i>	The ability of a household to spend up to thirty percent of its annual income on the rent or purchase price of housing. ¹

¹ Centre for Affordable Housing - www.housing.nsw.gov.au



<i>Housing Rights</i>	The right to adequate housing in terms of: security of tenure; availability of services, materials, facilities and infrastructure; affordability; habitability; accessibility; location and cultural adequacy ²
<i>Housing Stress</i>	Inability of those households whose gross income falls in the bottom of the income distribution and who are paying more than 30% of their household income to meet their housing costs. ³
<i>Indigence Level</i>	The level below which there is an inability of households to satisfy basic food needs <i>Draft Report of the Assessment of Poverty in St Lucia by Kairi Consultants Limited, August 2006</i>
<i>Life cycle cost</i>	The total cost of owning, operating, maintaining, and disposing of a building over its predicted life span <i>Source: Lees's Building Maintenance management by Paul Woodsworth, Fourth Edition Blackwell Science.</i>
<i>Low-Income</i>	There is no standard definition for low –income, the tacit definition which has been adopted by the SLNHC and local financial intermediaries and is household annual income of \$30,000.00 or less.
<i>Performance Bond</i>	A condition of contract used to guarantee that in the event that a developer or contractor defaults, funds are available to finish the construction. <i>Source: Conditions of Contract Standing Joint Committee; Institution of Civil Engineers.</i>
<i>Poverty Line</i>	A measure of the monetary value of a lowest cost basket of goods that provide the minimum number of kilocalories needed for proper functioning by human beings on a daily basis. <i>Source: Draft Report of the Assessment of Poverty in St Lucia by Kairi Consultants Limited, August 2006</i>
<i>Private Dwelling Units/ Housing Units</i>	Single houses, flats, apartments, and part of commercial buildings and boarding houses (catering for less than six persons) in which private households reside. The essential features of a dwelling unit are “separateness” and “independence as separate houses, flats/apartments, townhouses, barracks and part of commercial buildings. <i>Source: Government Statistics Department, MFPD, St Lucia</i>
<i>Quintile</i>	A measure which divides a distribution into five equal parts. The first quintile (or lowest quintile) is the value that defines the upper limit of the lowest one-fifth of the cases, and so on. <i>Source: UNHRP- Working Paper No. 1 Background Report for Expert Group Meeting on Housing Rights Monitoring, Geneva 26-28, November 2003</i>

² UNHRP- Working Paper No. 1 Background Report for Expert Group Meeting on Housing Rights Monitoring, Geneva 26-28 , November 2003

³ Centre for Affordable Housing - www.housing.nsw.gov.au



***Resettlement/
Relocation***

The relocation or transplantation of individuals, households or entire communities to a new settlement or location (within St Lucia). The movement may be necessitated by an upheaval, for example, a natural disaster or the need to utilise land occupied by the affected persons for some alternative land use. *Source: Housing Section, Ministry of Housing Urban Renewal and Local Government*

Real Property

All the interests, benefits, rights and encumbrances inherent in the ownership of immovable property that encompasses land along with structures permanently affixed to the land, such as buildings *Source: American Society of Appraisers*

Sanitation

Sanitation is defined to include connection to a sewer or septic tank system, pour-flush latrine, simple pit or ventilated improved pit latrine with allowance for acceptable local technologies. *Source: UNHRP- Working Paper No. 1 Background Report for Expert Group Meeting on Housing Rights Monitoring, Geneva 26-28, November 2003*



ABBREVIATIONS AND ACRONYMS

ADEO	Archdiocese Enterprise Organisation
AHS	Average Household Size
AP	Assessment of Poverty
ARV	Annual Rental Value
BNTF	Basic Needs Trust Fund
BOSL	Bank of St. Lucia
BVR	Bel View Resorts
CARICOM	Caribbean Community and Common Market
CDB	Caribbean Development Bank
CDC	Commonwealth Development Corporation
CILI	CLICO International Life Insurance
COHRE	Centre for Housing Rights and Evictions
CPEC	Caribbean Regional Human Resource Development for Economic Competitiveness
CPDC	CLICO Property Development Company
CSCCU	Civil Service Co-operative Credit Union
CUBiC	Caribbean Uniform Building Code
CUC	Core Unit Construction
CWIQ	Core Welfare Indicators Questionnaire
DCA	Development Control Authority
ECCB	Eastern Caribbean Central Bank
ECFH	Eastern Caribbean Financial Holdings
EU	European Union
FCIB	FirstCaribbean International Bank
FG	Focus Group
FICS	Financial Investment and Consultancy Services
GDP	Gross Domestic Product
GNP	Gross National Product
GOSL	Government of St. Lucia
GSD	Government Statistics Department
HA	Housing Affordability
HCF	Housing Credit Facility



ABBREVIATIONS AND ACRONYMS (CONT'D)

HILP	Home Improvement Loan Programme
HQ	Housing Quality
HUDC	Housing and Urban Development Corporation
LHCF	Low-Income Housing Credit Facility
LRTP	Land Registration and Titling Project
MAFF	Ministry of Agriculture, Forestry and Fisheries
MCWTPU	Ministry of Communications, Works, Transport and Public Utilities
MDG	Millennium Development Goal
MEC	Ministry of Education and Culture
MFPD	Ministry of Finance and Physical Development
MHANS	Ministry of Home Affairs and National Security
MHLR	Ministry of Health and Labour Relations
MHURLG	Ministry of Housing, Urban Renewal and Local Government
MPDEH	Ministry of Physical Development, Environment and Housing
MSTHSFAYS	Ministry of Social Transformation, Human Services, Family Affairs, Youth and Sports
NCB	National Commercial Bank
NCLA	National Certification and Licensing Authority
NGO	Non-Government Organisation
NHPC	National Housing Policy Committee
NHRP	National Housing and Resettlement Policy
NIC	National Insurance Corporation
NIPRO	National Insurance Property Development and Management Company Limited
NP Ltd	Nationwide Properties Ltd
NRDF	National Research and Development Foundation
OECS	Organisation of Eastern Caribbean States
OHCHR	Office of the High Commissioner for Human Rights
PAC	PROUD Advisory Committee
PRF	Poverty Reduction Fund
PROUD	Programme for the Regularisation of Unplanned Developments



ABBREVIATIONS AND ACRONYMS (CONT'D)

PSRP	Public Sector Relocation Programme
RC	Roman Catholic
SALCC	Sir Arthur Lewis Community College
SDC	Southern Development Corporation
SDP	Shelter Development Project
SLBCG	St. Lucia Building Code and Guidelines
SLBS	St. Lucia Bureau of Standards
SLHA	St. Lucia Housing Authority
SLNDC	St. Lucia National Development Corporation
SLNHC	St. Lucia National Housing Corporation
SMFC	St. Lucia Mortgage Finance Company
SPA	Strategic Plan of Action
SSRF	Sites and Services Revolving Fund
STURF	Settlement and Tenantry Upgrade Revolving Fund
TAG	Technical Assistance Grant
UN	United Nations
UNCHS (UN-Habitat)	United Nations Centre for Human Settlements
UNDP	United Nations Development Programme
WASCO	Water and Sewage Company

CURRENCY EQUIVALENTS

The currency unit used in this Report is Eastern Caribbean Dollars (\$EC)

EC\$1.00 = US\$ 0.37; US\$ 1.00 = EC\$2.7169



Report on

National Housing and Resettlement in St. Lucia

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1.0 EXECUTIVE SUMMARY

The Government of St Lucia (GOSL), through the Housing Section of Ministry of Housing Urban Renewal and Local Government (MHURLG),⁴ initiated the process of policy formulation in 2003. Subsequently, GOSL, in collaboration with the European Union (EU), engaged the services of ECMC Ltd, a consulting firm, to prepare this Report as part of a larger assignment aimed at formulating a National Housing and Resettlement Policy (NHRP) and a related Strategic Plan of Action (SPA) for St. Lucia.

The purpose of this Report is to establish the context in which the proposed housing and resettlement policy is to be developed. Therefore, the Report presents a profile of housing and resettlement in St. Lucia over the past decade. More specifically, the Report describes and analyses (where data was available), the condition of the housing stock, changes in its inventory, housing demand and supply factors, and the housing delivery system. Despite the dearth of data, a preliminary assessment of the current housing deficit and future requirement was undertaken. The key housing issues which relate to and impact on housing in St. Lucia were then identified as a next step in the policy formulation process.

The quantitative and qualitative information used in preparing the Report were garnered through primary and secondary research. Literature reviews were conducted and published data collected from established sources. Interviews were held with key officials in both private and public sector institutions. Additionally, focus group (FG) discussions were conducted in four districts around the Island and consultations held with selected stakeholders in the housing construction sector in order to obtain their perception of the housing situation.

The Report is organised into eight main sections and summarised as follows:

1.1 Review of the Housing Stock

The 2001 Census Report, the only reliable source of housing data, indicates that the housing stock was 47,124. This implies a total formation of 14,045 households or an increase of almost 43% during the decade 1991 to 2001. The city of Castries, accounts for 40% of the households and combined, Castries and Gros Islet, represent 54% of the housing stock. Gros Islet's housing stock grew at the fastest rate of 3%. Overall, it appears that urbanisation has increased with a migration from the rural western parts of the Island, to the urban and northern areas.

The average household size decreased from 4 persons in 1991 to 3.2 in 2001. The use of building material in the outer wall of the housing stock changed from 54% being in timber in

⁴ Prior to 2007, The Housing Section formed part of the Ministry of Physical Development, Environment and Housing



1991 to about 40% in 2001; with an almost equal distribution between the use of concrete/blocks and timber. Based on the data for 2001, the housing stock was considered relatively modern, with almost 60% of housing units being less than 16 years. Approximately 80% of the housing stock was single detached houses and the homeownership rate was 75%.

Other indicators of housing quality suggested a general improvement in housing conditions between the two census decades. Approximately 78% of the housing stock had pipe-borne water; 53% had water closets; 87% had electricity as the main source of lighting and 85% used gas for cooking. Nonetheless, an analysis of the housing quality and housing rights indicate that there are regional disparities in housing quality and housing rights, particularly with respect to the availability of amenities predominantly in some rural districts.

In general, it should be noted that whilst the 2001 Population and Housing Census Report is by far, the most comprehensive information available on the housing stock, its usefulness in policy formulation and strategic planning for housing and resettlement may be limited as the data may now be out-dated. Thus, the collection of up-to-date and specific data on the condition of the housing stock may be required for successful policy formulation and implementation.

1.2 Housing Demand Characteristics

Currently, there is no reliable data on the level of housing demand in St. Lucia; however, based on the waiting list of the St. Lucia National Housing Corporation (SLNHC), it appears that demand for both owner-occupied and tenanted housing, far outstrips supply. Several demographic and economic factors influence the level of effective demand for housing; however, the quantification of their impact is difficult given the lack of reliable data. In particular, critical prerequisite data on one of the main determinants of housing demand - household income and its distribution among the income quintiles; also precise data on housing cost are not available.

According to the 2001 Census Report, the average monthly household income was estimated at \$3,200.00 and more than 50% of households earned \$2,400.00 or less. On the other hand, the SLNHC's sale price of an average house in 2001 was around \$160,000.00, indicating a house-price-to income ratio of 4:1 for the "average-income" group. An illustrative Housing Affordability Matrix indicated that at the lowest interest rate available (i.e. 6%, offered *only* by the St Lucia Mortgage Finance Company), and a maximum mortgage loan of about \$82,000.00, the very low-income groups – described as households having a "core need" – can barely afford to own an average size two-bedroom house of floor space (of 489 square feet), given current market rates.



A further analysis of housing affordability suggests that owner-occupied housing tends to be more affordable than renting and that overall, housing affordability is worsening, particularly in the two lowest income quintiles. Whereas it is difficult to determine the number and geographic location of households which lies within these two poorest quintiles, information from the most recent poverty assessment found that about 21% of households are living below the poverty line of \$424.00. Therefore, it can be reasonably assumed that these poor households are experiencing affordability problems, both in terms of owner-occupied housing and rental.

Overall, there is a need for more specific information on the housing market if the proposed NHRP is to be successfully implemented. In particular, market research through sample surveys should be conducted to more accurately determine the extent of those factors which influence housing demand, especially consumer preferences. Market research coupled with secondary data (on house prices, rents, mortgage loan by income groups, etc) collection both constitute part of a national housing information system, which is crucial for the development of the housing market.

1.3 Housing Supply

Reliable data on the historical and current housing supply is non-existent; however, the number of building applications processed by the Development Control Authority (DCA) - a rough indication of the minimum production of new housing units – was less than 700 in 2004. In general, the SLNHC – Government’s only housing developer, is the largest producer and supplier of housing, building an average of 50 new units over the past ten years and supplying around 370 rental units in 2004. However, this represents only 8% to 10% of the Island production, with the formal private sector accounting for circa 85% to 90% whilst informal sector activity, around 2% to 5%.

Although SLNHC is also the leading producer of low-income housing, its production performance indicates that low-income housing represents less than 30% of total production. However, approximately 70% of its housing applicants are classified as low-income. The SLNHC’s house prices, for both owner-occupied and tenanted houses are generally lower than market rates, partly due to government’s contribution, mainly through a significant reduction in the price of land. Whilst the SLNHC had increasingly adopted the dual strategy of mixed-income housing and price cross-subsidisation, its major challenge is to increase housing affordability for low-income groups and break-even on its operations.

Several other public sector programmes and projects such as the Shelter Development Project (SDP), Public Sector Relocation Programme (PSRP), and the European Union (EU) Low-income Housing Credit Facility (LHCF) have provided housing (in the form of vacant



serviced lots, infrastructure, and increased accessibility to housing finance), specifically targeted at low-income households. However, there is no comprehensive strategy for encouraging increases in the housing stock for “core need” low-income households.

The formal private sector consists of some ten developers and around 700 to 800 contractors, most of whom are medium and small in terms of their level of production. Private sector involvement in housing is generally limited to the middle to upper-income levels, and the production of mainly single family units. Over the past decade, there have been no private-public sector partnerships, reportedly due to the relatively higher business risks associated with housing, particularly for the low-income. In general, contractors’ technical and managerial skills are weak, resulting in poor quality and increases in housing production cost, particularly in the absence of a legally binding St. Lucia Building Code and mandatory construction standards.

Therefore, there is also a need for: reassessment of government’s strategies to increase private sector participation and partnerships in more affordable (owner-occupied and tenanted) housing; improvement of public sector institutional efficiencies; capacity building of housing contractors; regularisation and containment of squatters’ housing production and; increased collaboration on institutional/ special needs housing.

1.4 Factors Influencing Housing Supply

An analysis of the housing situation has revealed that several factors impact on the supply of housing. Chief among these are the availability and price of: land; critical building materials; labour and infrastructure. Other key factors include: the level of construction technology available and utilisable; enforcement of legally binding building codes and mandatory standards and; to a certain extent, the efficiency of the regulatory approval process. In particular, the unavailability of affordably priced raw lands is exacerbated by the current land tenure pattern and the high cost of infrastructure, both which tend to constrain private sector participation in housing. Thus, there may be a need to revisit the original objectives of the Land Registration and Titling Project (LRTP). The GOSL has identified some lands for housing and reactive satellite plans have been developed for specific communities. However, there is still a need for integrated land use planning at the national level.

The five most critical building materials – cement, masonry and concrete products, steel, timber and sand are all imported. Thus their availability and price on the local market is largely influenced by external (regional and international) market forces as well as by local importers’/ suppliers’ performances. In general, these five building materials have experienced price increases of up to 30% to 50% over the past five years. Likewise, average labour cost/ wages, albeit the increases in unskilled supplies have also increased. Essentially,



the construction boom (on the local, regional and international levels) has had a significant adverse impact on the availability and price of inputs, particularly labour and building materials. Additionally, the high investment cost of infrastructure significantly increases the final price of serviced lots, and ultimately affects the cost of housing provided by both private and public developers.

Traditional masonry and timber construction remain the predominant technology used despite the availability of more modern and efficient alternatives. This is largely due to the Island's steep topography and economies of scale in housing production. The DCA is already applying some of the requirements of the St. Lucia Building Code and Guidelines (SLBCG), however, it is not legally binding. Also, the absence of mandatory construction standards and inadequate regulation within the Industry had led to the generally weak performance of house producers, particularly contractors. Moreover, the regulatory planning approval process tends to be cumbersome, with lengthy delays which tend to limit private sector participation in housing supply. Therefore, continual monitoring and review of the factors that influence housing supply is necessary, in order to identify strategies aimed at addressing any constraints. In that regard, the accuracy and accessibility of up-to-date information on housing supply is key.

1.5 Current Deficit and Future Housing Requirements

Estimation of the current housing deficits and future requirements is critical as it provides a broad quantitative indication of the Island's physical housing needs, which in turn, could assist in the formulation of appropriate strategies. However, accurate projection of St. Lucia's housing deficits and requirements is a difficult exercise given the dearth of data. Nonetheless, an empirical method that utilised the rate of housing formation was used to forecast housing deficits and needs. The methodology, which comprised a two-step approach, was based on an adaptation of the Basic Housing Needs Assessment Model. It was found that the backlog of housing units at the end of 2006 was almost 4,000 and that the annual average future need over the next ten years (2008-2017) is approximately 2,100 units. However, it must be emphasised, that these estimates are as merely advisory and should be used with extreme caution.

Critical information to prioritise housing need by household income groups is not available, however, it is expected that the prioritisation will focus on households in the very-low to low-income groups; i.e. those described as experiencing "housing stress" or those having a 'core need' for housing. Overall, it must be reiterated, that successful implementation of the NHRP and related SPA will require up-to-date information on effective/ expressed housing demand. Therefore, it is recommended that specific market research be conducted to



determine the effective demand for housing by income group, district and choice of housing (starter, core, complete two or three-bedroom) as well as by special needs group.

1.6 Legislative and Institutional Framework

It was found that traditionally, GOSL's initiatives on housing, was largely undertaken in response to disasters. Endeavouring to adopt a more proactive approach, GOSL established statutory institutions through which several housing projects have been implemented. Over the years, policies have evolved and organisations re-structured to reflect GOSL's improved strategy towards housing. Additionally, GOSL has promulgated several policy instruments and commissioned various housing studies throughout the years.

A review of housing and shelter issues in the Caribbean region has indicated that most of the countries have experienced similar housing trends as well as challenges and constraints, although of differing intensities and magnitudes. Generally, Caribbean governments have adopted the role of "facilitator" in the housing process. At the international level, adequate housing is considered one of the most basic human rights and an enabling approach is advocated, whereby, governments are encouraged to develop supportive legislative, institutional and financial frameworks to improve housing.

A broad assessment of the legislative framework for housing in St. Lucia revealed an array of legal instruments and initiatives which essentially reflects the government's commitment to the development of housing. The SLNHC Act of 2001 is the main piece of legislation guiding GOSL's direct involvement in housing. Additionally, there are several policy instruments which are intended to provide an enabling and/ or regulatory environment for housing development in St Lucia. However, some of these instruments may require expert revision, update or coordination to allow for more effective administration and to foster increased private sector participation in the housing delivery system

The institutional framework for housing is characterised by both public and private sector organisations. The quasi-public organisations comprise the long-established SLNHC/ HUDC and SMFC; and the more recent NIPRO and SDC. The recent institutions perform some of the core functions of the SLNHC, implying duplication and possibly inefficiency of the housing effort. The other public sector institutions comprise government ministries and departments which provide the regulatory and administrative framework for housing delivery. Whilst the role of each Ministry is necessary, cumbersome and lengthy regulatory approval processes tend to increase private developers' level of business risks and consequently, limit their participation in the housing industry. In general, an inadequacy of financial and human resources are the main constraints to the efficient co-ordination, implementation and enforcement of the public sector's housing effort. Therefore



strengthening of regulatory and administrative framework will need to be considered in designing any strategy to improve the housing delivery system.

The private sector abounds with institutions that are involved either directly or indirectly in the delivery of housing services. Some of the most critical institutions include the financial intermediaries, which operate in a highly competitive business environment. However, these intermediaries are all characterised by certain eligibility for mortgage loans financing criteria which tends to limit formal participation by prospective (low-income) homeowners who do not possess a steady flow of income. Therefore more appropriate (public and private sector) mechanisms for financing low-income households must be leveraged, with particular emphasis on realistic eligibility criteria.

1.7 Key Housing Issues

The analysis of the existing situation has revealed that there are several cross-cutting constraints facing housing and resettlement. These include, inter alia, the: unavailability of land for housing, high cost of infrastructure; consumers' housing dilemma; increasing urbanisation; inadequate finance mechanisms for low-income housing; inadequacy of the administrative, regulatory and legislative framework; limited private sector involvement and inefficiency of house construction. These issues will therefore require careful consideration in formulating any strategy to address housing development in St Lucia. Further national consultations are essential to ensure the relevance and prioritisation of these issues, which will form the foundation for the formulation of the proposed NHRP and related SPA.

1.8 Towards a National Housing and Resettlement Policy

A strategic planning approach is being proposed for the formulation of the NHRP and related SPA. This approach involves a series of progressive steps; the first having been the preparation of this Report, which represents a situational analysis of housing and resettlement in St. Lucia. The next five steps comprise: developing the NHRP's vision, goals and objectives; sharing this vision with key stakeholders at a national consultation; developing strategies and action plans (i.e. the SPA) to implement the NHRP; continual discussions with stakeholders at another national consultation, followed by implementation, monitoring and evaluation of the NHRP and SPA. Ideally, the consultations should be held in form of workshops, with wide representation by all stakeholder groups, under the general guidance of a National Housing Policy Committee (NHPC). All stakeholders' comments and recommendations should be considered by the NHPC, and where applicable, incorporated into the strategic planning process. In general, the broad purpose of the Housing Policy will be to express GOSL's intention on housing development in St. Lucia.



2.0 INTRODUCTION

2.1 Background

During the past decade, GOSL has pursued a number of strategic interventions aimed at enhancing development of housing and resettlement on the Island. Some of these interventions include the PSRP, the SDP, the LHCF funded by EU, PROUD and the creation of the SLNHC. Notwithstanding, there was no explicit shelter policy or strategic plan that could provide a comprehensive framework for guiding the long-term development of the housing sector. Cognisant of this inadequacy, the GOSL, through the Housing Section of MHURLG, in 2003, initiated the process of policy formulation and planning for the housing sector by:

- Establishing a strategic framework to guide the development of housing and resettlement in St. Lucia.
- Planning to establish an appropriate database and information system to assist in identifying critical gaps and strategic national needs for continual improvement of a NHRP and a related SPA.

In continuing its efforts of policy formulation for housing and resettlement, the GOSL, through MHURLG, and in collaboration with the EU, engaged the services of ECMC Ltd in 2005 to undertake a consultancy entitled “*Formulation and Preparation of the National Housing and Resettlement Policy and a Related Strategic Plan of Action*” for St. Lucia. As part of the TOR for undertaking the assignment, ECMC Ltd was required to prepare a *National Report on Housing and Resettlement in St. Lucia*.

2.2 Objectives of the Consultancy

The main objectives of this part of the Consultancy were to:

- Conduct a situational analysis, which will inform and lead to the compilation of a national report on housing and resettlement in St. Lucia;
- Identify key issues that relate to and impact on housing and resettlement in St. Lucia and which must be considered in formulation of the NHRP and a related SPA.

The specific Scope of Works for the Consultancy was extracted from the Client’s TOR and is detailed in Appendix 1.



2.3 Purpose of the Report

The purpose of this Report is to present reliable information on the status of the housing and resettlement sector in St. Lucia, in an effort to provide a clearer appreciation of the context in which the NHRP is to be developed. Consequently, the Report provides an overview of the functioning, constraints and opportunities that exists within the various sub-sectors of housing in St. Lucia. In particular, the Report assesses the condition of the housing stock, highlighting the significant variations by regions/ districts, as well as formal and informal production of houses. The characteristics of housing demand are examined and the issue of housing affordability is discussed. In addition, information on the house-building industry is presented and the legal, policy and institutional environments are assessed.

Based on the information collected and knowledge of the housing situation, the Report identifies some of the key issues which need to be considered in formulating the proposed NHRP and sets out the broad outline of the way forward in developing a strategic action plan for housing and development in St. Lucia. Therefore, the Report is an important prerequisite step in the preparation of a policy document that will guide the development of the housing sector.

2.4 Methodology and Scope

In compiling the Report, an assessment of the historical and present status of housing and resettlement in St. Lucia was undertaken. This involved:

- (i) A review of documents and literature relevant to housing and resettlement in St Lucia (see Appendix 2 for list of documents reviewed);
- (ii) An analysis of the 2001 Census data, secondary data and an examination of legislation and policies and institutions related to housing;
- (iii) Meetings and interviews with key stakeholders in private and public sector institutions and NGOs (see Appendix 3 for list of meetings with key stakeholders);
- (iv) Consultations with communities through FG discussions in four carefully selected areas in order to gain a clearer understanding of housing problems, needs and choices in relation to people's aspirations and preferences (see Appendix 4 for transcripts of the discussions held). The FG discussions also serve to foster a participative and consultative approach and to increase publicity and feedback with respect to the NHRP formulation process;
- (v) Presentation of the findings of the draft Report to personnel of the MHURLG and to other key stakeholders in a workshop setting in order to obtain comments and recommendation for fine-tuning the Final Report.



In terms of scope, the Report focuses on, but is not limited to data and information on the housing sector over the past ten years.

2.5 Structure of the Report

The rest of this Report is organised into eight sections. Section 3 - Review of the Housing Stock, presents an overview of the housing stock in St. Lucia in an effort to facilitate a better appreciation of the condition of housing and the geographical context in which a housing policy is to be developed. Accordingly, the housing stock is analysed in terms of its growth and distribution to present a broad perspective of settlement and urbanisation patterns as well as other characteristics such as age, durability, access to amenities and tenure. Additionally, the key indicators of housing quality and housing rights are discussed and a proxy index has been developed for the former, in an effort to identify variations among districts.

Section 4 – *Housing Demand Characteristics*, identifies the key drivers of housing demand. It examines household income and demographic characteristics such as household size, structure and age. The issue of housing affordability and poverty are also discussed in relation to their influence on housing demand. Section 5 – *Housing Production*, examines the housing supply situation by assessing production activities undertaken by the various categories of housing producers viz: public, private/ commercial developer and contractor. Additionally, the informal sector activity is discussed. This Section also provides some information on the indicative building costs and production costs of housing.

The main factors influencing housing supply, is presented in Section 6 which discusses the various factors impacting on housing supply such as the ever important resource of land, its availability, price and use-planning. The price and availability of the other important factors such as labour and critical building materials are also examined. The section further highlights the level of technology utilised in the construction of houses, as well as the Building Code, construction standard and the regulatory approval process as factors which impact on the supply of housing.

Section 7 – *Current Deficit and Future Housing Requirements*, establishes the current shortfall in housing needs and presents an indicative quantitative estimate of the future housing requirements. In that regard, a conceptual model and approach to determining the deficit and requirements is presented. The section also broadly examines the issue of housing priorities. The legal, policy and institutional framework are presented in Section 8, which traces the evolution of housing policies and institutions in St. Lucia, then reviews the current policies and legislation which relate to housing. The institutional framework is also examined in terms of the roles of the main public and private sector institutions that are involved in housing and resettlement in St. Lucia.



The key housing issues are highlighted in Section 9. Accordingly, this section presents a preliminary discussion of the major issues which hinder the proper functioning of the housing sector and which must be addressed in developing a successful housing policy and action plan. Finally, Section 10 – *Towards a National Housing and Resettlement Policy*, sets out some of the priority areas of action to be considered in formulating the proposed Housing and Resettlement Policy and Strategic Plan of Action for St. Lucia. The Section also provides some information on the procedure for guiding the formulation of the Policy.



3.0 REVIEW OF THE HOUSING STOCK

3.1 General Characteristics

3.1.1 Existing Inventory

According to the 2001 Census Report, there were approximately 47,124 private dwellings⁵ in St. Lucia. This represents an increase of 14,045 or almost 43% more housing units between the years 1991 and 2001; essentially an average annual housing formation of 4% or roughly 1,400 units. As shown in Figure 3-1, an analysis of the housing stock over the past three decades indicate that its rate of growth has increased; from 14% during the 1970-1980 decade; to 33% for 1980 to 1991; to 42% for 1991 to 2001. Using an extrapolated average household size of 3.14, it was estimated that for the year 2004, there were approximately 51,731 housing units (see Appendix 5).

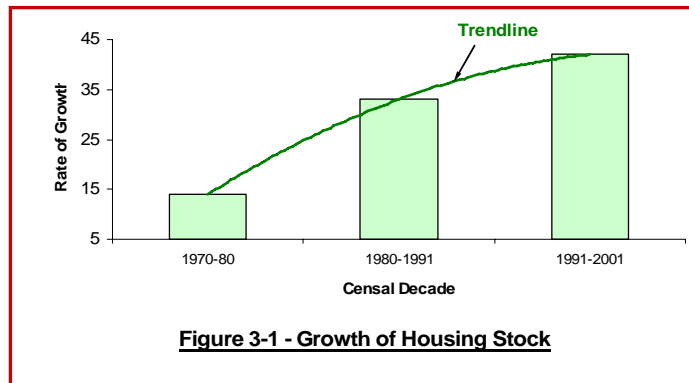


Figure 3-1 - Growth of Housing Stock

Whereas all regions/ districts experienced an absolute increase in the size of their housing stock during the period 1991 to 2001, relatively, Gros Islet recorded the highest growth (75%) and Soufriere, the lowest (6%) as illustrated in Figure 3-2. It should be noted that during the past decade, several housing projects⁶ have been undertaken in the Gros Islet district, essentially adding to that housing stock.

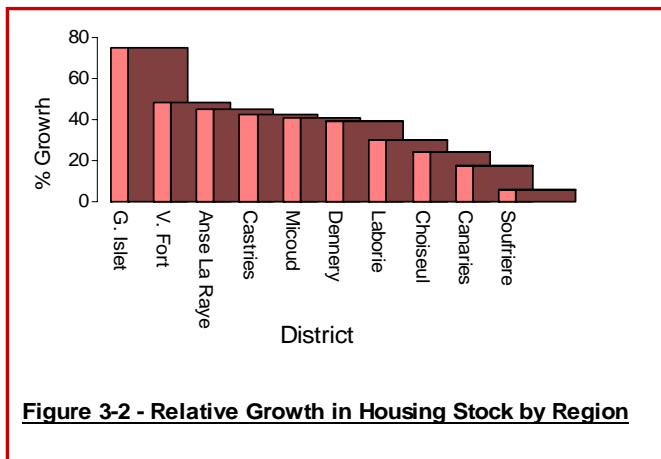


Figure 3-2 - Relative Growth in Housing Stock by Region

⁵ It should be noted that the 2001 Census Report recorded a total of 52,664 dwelling units which comprises private dwellings (single houses, flats, apartments, and parts of commercial buildings and boarding houses catering for less than six persons) as well as group dwellings (institutions and hotels).

⁶ For example the Beausejour Housing Projects (Phases I and II).



3.1.2 Housing Settlement Patterns

Castries accounts for the highest concentration of the housing stock – approximately 40% of all dwellings in both the 1991 and 2001 censuses as shown in Figure 3-3. This is followed by the Gros Islet district which has the second highest or almost 14% in 2001, compared with 11% in 1990. Micoud, Vieux Fort and Dennery (in the southern and eastern parts of the Island) continue to rank the third, fourth and fifth respectively, in terms of the number of housing units. Combined, these three districts represent a total of 28% of the housing stock for both 1991 and 2001 censuses.

However, the five western districts (Laborie, Choiseul, Soufriere, Canaries and Anse La Raye) now account for less (i.e 18%) of the housing stock in 2001, compared with 21% in 1991; Canaries remain the district with the lowest share of 1.3% of the housing stock. Thus, it appears that there is an increasing trend towards migration from rural western parts of the Island, to the urban and northern areas. This may be due to the increasing decline of the Banana Industry and the resultant movement of workers from the rural/agricultural areas to the urban areas where greater employment opportunities tend to exist. The geographic distribution of St Lucia’s households for the year 2001 is shown in Appendix 6.

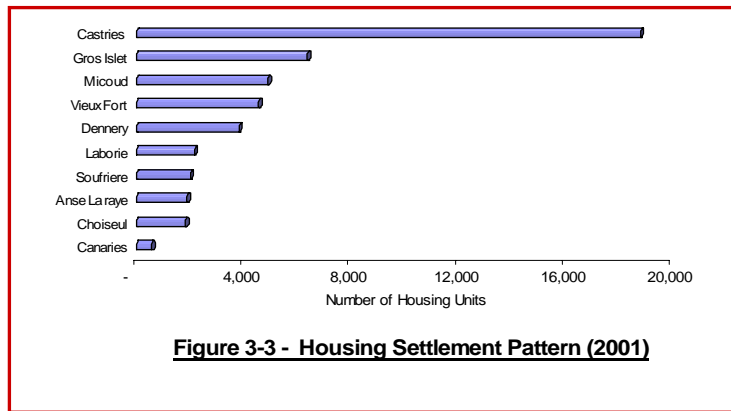


Figure 3-3 - Housing Settlement Pattern (2001)

3.2 Housing Condition

3.2.1 Materials Utilised in Outer Walls

Over the years, masonry products (concrete and concrete blocks) have steadily replaced wood as the materials used for construction of the outer walls of the housing stock. As shown in Figure 3-4, in 2001, the use of materials used in the outer walls of houses was now almost equally distributed between wood and masonry products – 41% and 39.9% respectively.

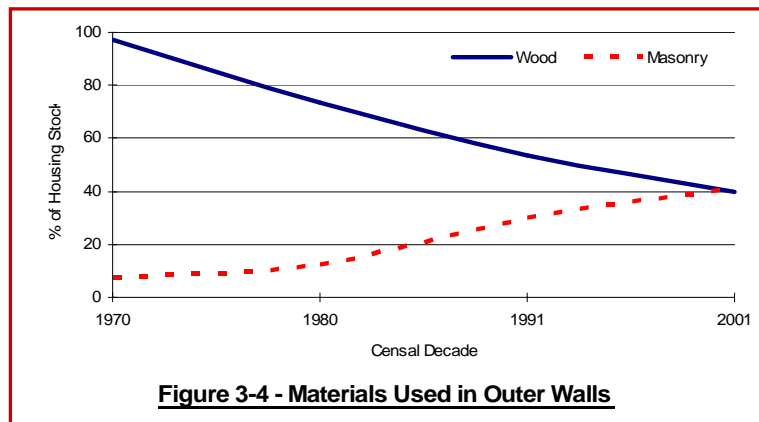


Figure 3-4 - Materials Used in Outer Walls



The Core Welfare Indicator Questionnaire (CWIQ) Survey of 2004 found that the shift from wood to masonry housing stock had continued, with 50% of the sample having masonry outer walls. Also, the Assessment of Poverty (AP) Report of 2006 revealed that plywood had been used to build the outer walls of 15.5% of dwelling units of all households. Further, the AP Report found that the proportion of households living in units with outer walls of plywood was increasing with declining household socio-economic status.

As shown in Table 3-1, the combined utilisation of wood and concrete in the construction of outer walls has increased slightly, whilst the use of other materials (most likely drywall and gypsum) albeit small, has doubled over the past census decade. The type of material used for roof covering was not recorded in the 2001 census; however, the CWIQ Survey found that 96% of the housing stock sampled used sheet metal.

Table 3-1
Materials used for Outer Walls of Dwellings

Type of Material of Outer Walls of Houses	% of Dwellings	
	Year 1991	Year 2001
Concrete/ Concrete blocks	29.7	41.0
Wood	53.5	39.9
Wood & Concrete	16.0	17.5
Other materials	0.8	1.6

*Data obtained from 2001 Population and Housing Census Report,
Government Statistics Department*

3.2.2 Water Supply

In 2001, roughly 58% of the housing stock had public water piped in-door, whilst approximately 20% had public water piped into their yard and almost 9% had access to public stand-piped water. The remaining 13% either had private catchments or other sources as their main supply of potable water. This represents an improvement over the past decade, as in 1991, about 48% of houses had public water piped indoor and 15% had access to public stand-piped water.

In terms of regional variation in water supply, Figure 3-5 shows that the two major urban areas - Castries and Gros Islet, had the highest percentage of houses with public water piped internally. This was followed by Laborie, Vieux-Fort, Micoud then Soufriere. Canaries was the region with the lowest percentage of dwellings with public water piped indoor.

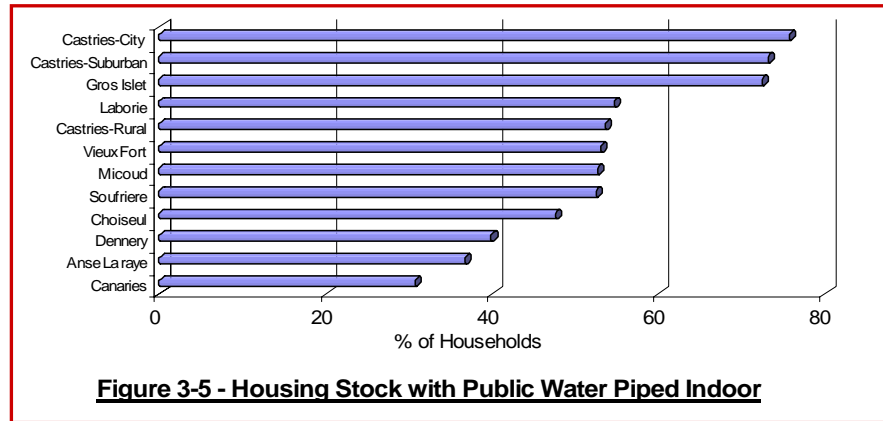


Figure 3-5 - Housing Stock with Public Water Piped Indoor

3.2.3 Access to Sanitation

In 2001, more than half of all housing units contained water closets (i.e toilets with septic tank or sewer connections); 35% had pit latrines and the remaining 12% had other forms of toilets or none. This marks a significant improvement in toilet facilities during the past decade; in 1991, the percentage of dwellings with pit latrines was almost 50%, whilst 38% had water closets (WCs). According to the CWIQ Survey, sanitation conditions improved, with 67% of the housing stock possessing WCs in 2004. Figure 3-6 shows that the main city and towns, i.e. Gros Islet, Castries, Soufriere and Vieux Fort had relatively more WCs in 2001; whilst the other regions such as Choiseul, Denney, Laborie and Micoud, had more pit latrine toilets. The high incidence of “none/other” toilet facilities in Canaries is cause for concern, about the quality of the housing stock in that district.

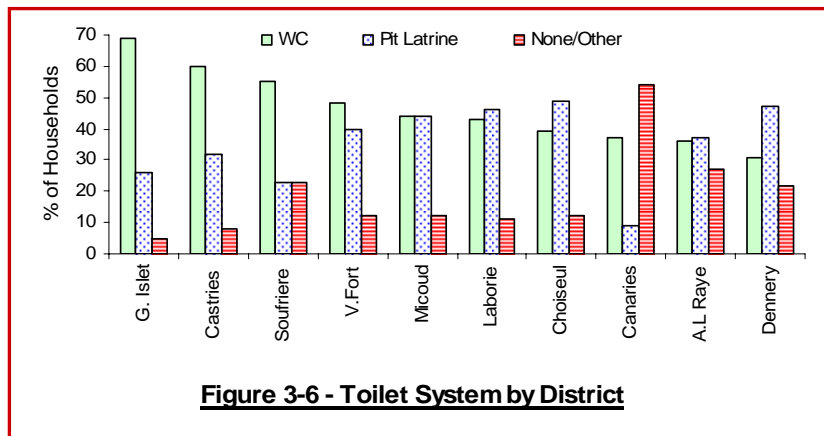


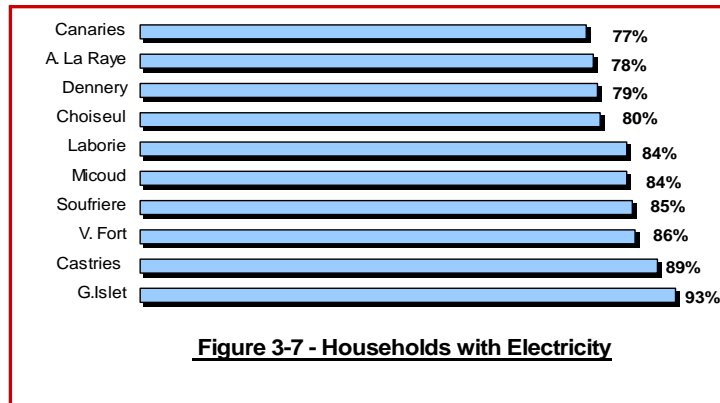
Figure 3-6 - Toilet System by District

3.2.4 Domestic Lighting Source

Approximately 87% of the housing stock used electricity as the main source of domestic lighting in 2001 compared with 76%, a decade ago. Based on the results of the CWIQ Survey, the use of electricity has further increased to 90% in 2004. The main city and towns (Castries, Gros Islet, Vieux Fort, Soufriere) including Laborie, had higher percentages of private dwellings with electricity, with Gros Islet having the highest. Figure 3-7 shows that as in the



case of access to sanitation, Canaries also had the lowest percent of housing units with electricity as their main source of domestic lighting.

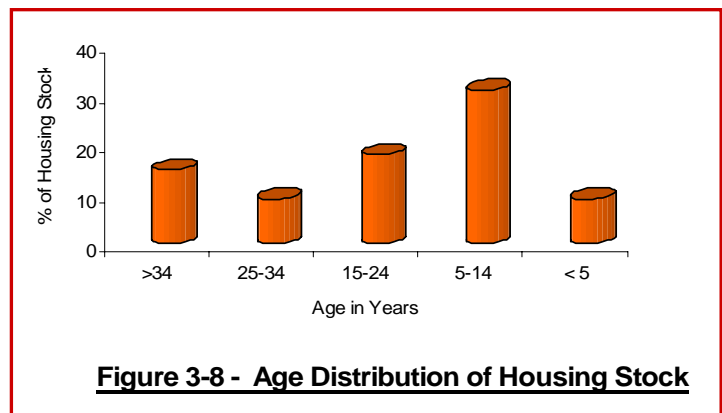


3.2.5 Main Cooking Fuel

In 2001, approximately 85% of all housing units used liquid propane gas as the source of cooking fuel whilst 12% used charcoal or wood. Ten years prior, about 69% used LP gas and 29% used charcoal or wood. The pattern of utilisation of gas for cooking by district was observed to be closely similar to that for electricity for domestic lighting. It is worthy to note that the CWIQ Survey reported that in 2004 conditions had improved, with 92% of dwellings using liquid propane gas.

3.2.6 Age of Housing Stock

Although a significant percentage of the households in the 2001 population census was unable to respond about the age of construction of their houses, from the data available it can be reasonably concluded that approximately one quarter of the housing stock is over 25 years old. Nonetheless, in 2001, cumulatively, almost 60% of houses was less than 16 years old and 15% was over 34 years old. This implies that overall, St. Lucia has a relatively modern housing stock.⁷ Figure 3.8, which illustrates the



⁷ Note that almost 19% of respondents did not know the age of construction of their house



age distribution of the housing stock, also indicates that the 1990's, was the period when the largest percentage (i.e. 31%) of the houses was constructed.

Data on maintenance of the housing stock at the national level are not available. However, given that the average life span of an adequately maintained house is approximately 50 to 60 years, it implies that at least 1% of the housing stock may need to be replaced annually due to obsolescence⁸.

3.2.7 House Ownership

According to the 2001 Census Report, almost 75% of the housing stock is privately owned whilst 17% is rented and 5% is rent-free. As demonstrated in Figure 3-9, the house-ownership rates have increased from approximately 64% in the 1970's. A reversed trend was observed for rented households. The CWIQ Survey of 2004 and the Assessment of Poverty Report⁹ of 2006 both reported a slightly larger share of 79% of privately owned housing units, with the rural areas having a higher ownership pattern. Comparison with other Caribbean and international countries suggest that St. Lucia's house-ownership rate is relatively high. For instance, in Trinidad and Tobago 74% of the housing stock was privately owned.¹⁰ Also, for the industrialised world, it is estimated that on average, two-thirds of all households are homeowners;¹¹ reportedly, Singapore ranks the highest with a home-ownership rate of 90%. The spatial distribution of home-ownership is shown in Appendix 7.

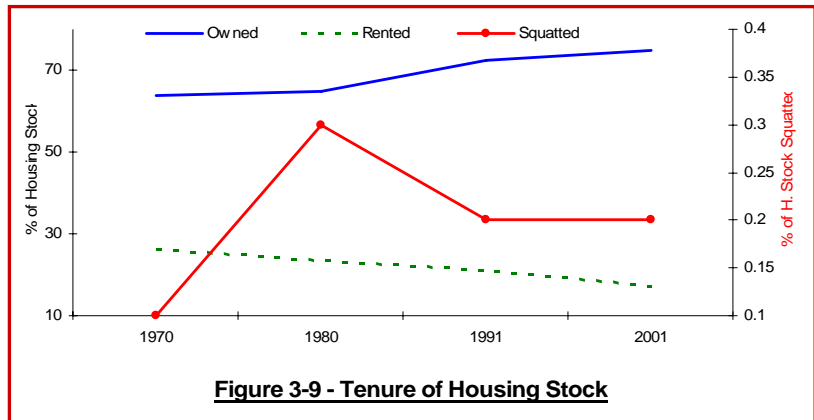


Figure 3-9 - Tenure of Housing Stock

Although land ownership by household, an indication of full security of tenure, was not specifically mentioned in the 2001 Census Report, the 2004 CWIQ Survey reported that about only 67% of houses claimed ownership of their house plot/ land. Whilst trend data is unavailable, the CWIQ Survey indicates that over 10% of privately owned houses are constructed on lands that are rented or illegally occupied.

⁸ Adapted from the Main Report of the Housing Needs Assessment Housing Study by Fordham Research UK, June 2006

⁹ Draft Report of the Assessment of Poverty in St Lucia by Kairi Consultants Limited, August 2006

¹⁰ Showing Trinidad and Tobago A new Way Home, Ministry of Housing, Republic of Trinidad and Tobago, 2002

¹¹ Improving Housing Markets, Michael Ball; <http://www.rics.org>



3.2.8 Composition of the Housing Stock

In 2001, approximately 80% of the housing stock was single detached houses, 9% was “part of a private house”, 6% constituted flats, apartments and condominiums whilst the remainder comprised business-residential buildings, duplexes, townhouses and barracks. The composition of the housing stock by type of houses is illustrated in Figure 3-10. This typology represents a slight shift in the composition of the housing stock a decade ago, when there were 3% more single detached houses and 3% less flats, apartments and condominiums. Essentially, the share of flats, apartments and condominiums as households has doubled within the last decade.

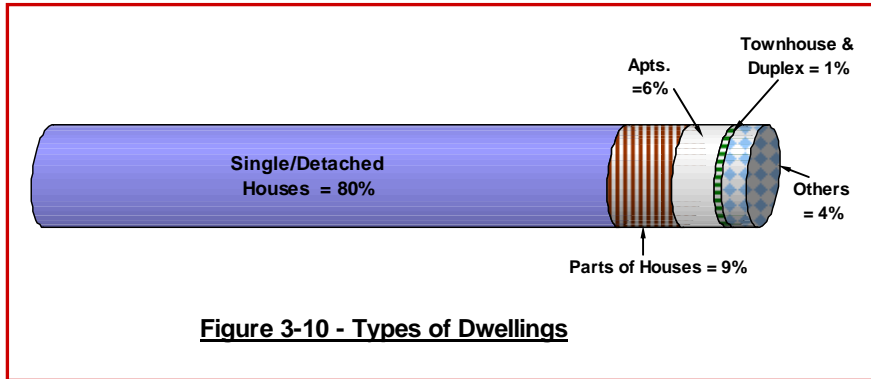


Figure 3-10 - Types of Dwellings

3.2.9 Housing Quality Index

In an attempt to quantitatively determine the quality of housing condition in St Lucia, six variables - outer materials of walls; main source of potable water; toilet system/ sanitation; domestic lighting source; main cooking fuel; tenure/ homeownership - were used in developing basic housing quality (HQ) indices¹² both at the national and regional/ district levels (see Appendix 8 for more details). As depicted in Figure 3-11, HQ indices were greater in the urban areas, with Gros Islet attaining the highest value, followed by Castries and Vieux Fort. Contrastingly, HQ indices were lower in the rural areas, the least being for Canaries, then Anse-La Raye, and Dennery; indicating a deficiency of the housing stock in those districts.

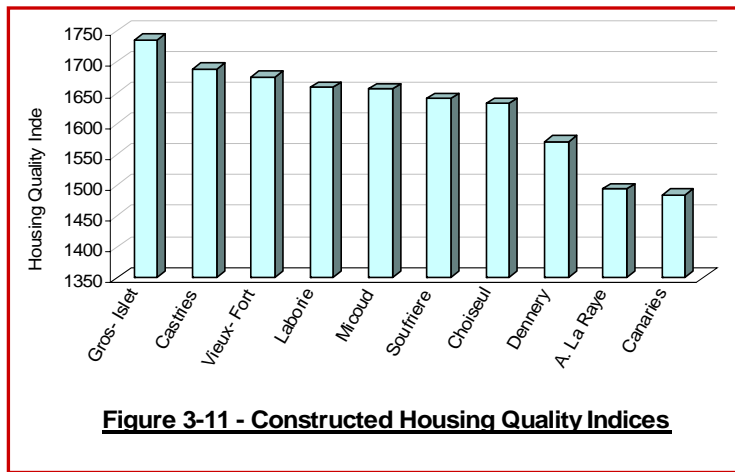


Figure 3-11 - Constructed Housing Quality Indices

These lower HQ indices can be largely attributed to lower sanitation scores of the respective districts. Contrastingly, Gros Islet and Castries had the highest HQ indices. The national HQ

¹² Based on methodology used by Emmanuel Fiadzo in Estimating the Determinants of Housing Quality: The Case of Ghana – Joint Centre for Housing Studies, Harvard University; June 2004.



index of 1,661 computed for the year 2001 improved to 1,759 for the year 2006 (i.e based on information obtained in from the Kairi AP Report of 2006).

3.2.10 Housing Right Indicators

The UNCHS and UNHRP have proposed the concept of “housing rights” indicators which would allow for quantitative analysis of the status of housing rights and thus facilitate a more comprehensive assessment of housing, both within and between countries. As in the case of housing quality, housing rights is a composite good which involves a number of variables which relate to: adequacy of housing; security of tenure; equality before the law; and non-discrimination, inter alia.

In an attempt to initiate the process of quantifying housing rights by district, five indicators of housing rights (within two broad groups of variables) were selected based on the availability of the data. As demonstrated in Table 3-2, there are regional variations in housing rights indicators, with the rural districts (particularly, Micoud, Laborie and Choiseul), possessing relatively higher values for ownership (security of tenure), but lower values for adequacy of housing (availability of amenities/ services).

Table 3-2
Housing Rights Indicators by District (2001)

District	Number per Thousand Households				
	Security of Tenure		Adequacy of housing (Availability of Amenities/ Services)		
	Owned	Rented	Potable Water	Sanitation	Electricity
Gros Islet	747	201	884	688	926
Castries	693	221	900	600	893
Soufriere	550	240	867	545	851
Vieux Fort	816	121	868	478	856
Micoud	842	85	875	439	842
Laborie	834	92	860	431	841
Choiseul	887	57	853	390	795
Canaries	611	264	842	366	771
Dennery	805	118	878	309	791
Anse La Raye	756	124	800	300	784
St Lucia	746	171	864	525	866

Data obtained from 2001 Population and Housing Census Report, Government Statistics Department



3.3 Conclusion

A review of the housing stock indicates a general improvement in housing conditions between the two census decades 1991 and 2001. Further, two socio-economic sample surveys (the CWIQ in 2004, and the AP in 2006), though not specifically focussed on housing, have suggested that the housing quality situation had improved since 2001. Nonetheless, an analysis of the housing quality and housing rights indicate that there are regional disparities in housing quality and housing rights, particularly with respect to the availability of amenities (for example sanitation) predominantly in some rural districts.

However, it should be noted that whilst the 2001 Population and Housing Census Report is by far, the most reliable source of comprehensive information available on the housing stock, its usefulness in policy formulation and strategic planning for housing and resettlement may be limited as the data may now be out-dated. Thus, the collection of up-to-date and specific data on the condition of the housing stock is a prerequisite for successful policy formulation and implementation.



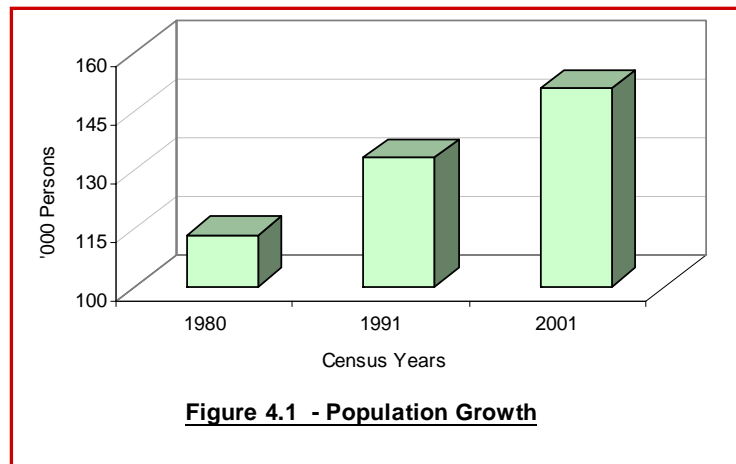
4.0 HOUSING DEMAND CHARACTERISTICS

It is widely believed that housing demand far outstrips supply in St Lucia. Currently, the demand for owner-occupied and tenanted housing appears to be relatively high based on SLNHC's waiting lists (about 1,000 for owner occupied housing in 2004). Housing demand is influenced by a number of factors such as demographic characteristics (household size, structure and age of the population, migration) and economic factors (household income and its distribution within the population; employment, wage rates, house prices (for owned and rented) and housing affordability, inter alia.

4.1 Demographic Characteristics

4.1.1 Household Population Size and Growth Rates

The estimated household population¹³ recorded in the 2001 Census was 157,490 persons. The trend in population, depicted in Figure 4.1, indicates a total growth of 18.4% between the census decades of 1991 and 2001. More recent information obtained from the GSD for the year 2004 revealed that the estimated household population was 162,434 with a growth rate of approximately 1.5 %.



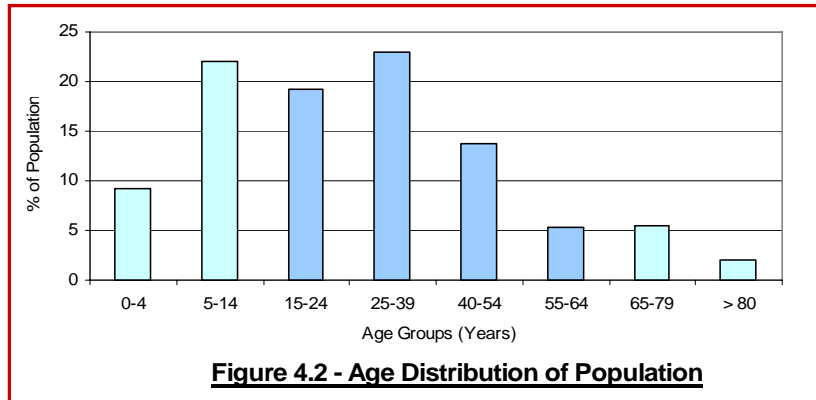
The geographic distribution of the household population (see Appendix 9) is closely linked to the housing settlement pattern. Approximately 40% of the household population lives in Castries – which experienced only 1% increase between the two censuses (1991 and 2001), but the largest absolute increase of 8,396 persons. Gros Islet is the second highest populated district, accounting for 13% of the household population. This district recorded almost 55% increase in household population between 1991 and 2001 – an average of over 5% annually. The household population in Anse La Raye, Vieux Fort, Micoud and Dennery all expanded, whereas, that of Canaries, Soufriere, Laborie and Choiseul contracted, with the latter recording the highest decline. These changes in population suggests a general migration pattern from rural to urban areas and consequently, implications for increased housing requirement in the urban and northern areas of St Lucia, as well as specially designed policy measures to address urbanization.

¹³The estimated household population excludes 580 persons living in non-private dwellings/ institutions and homeless people as well as 4,906 hotel guests, visitors and foreigners (diplomatic personnel etc).



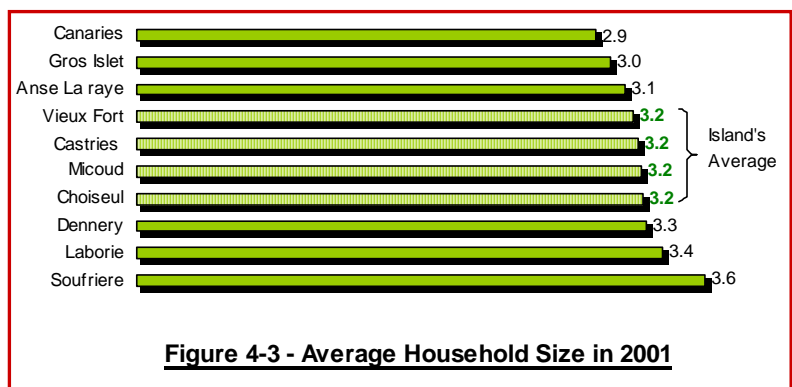
4.1.2 Age Structure of Population

As shown in Figure 4-2, in 2001, approximately 31% of the population was below the age of 15 years and circa 61% were between 15 and 64 years – i.e. the “working age”, whilst the remaining 8% was over 65 years old. This can be described as a relatively young household population. This overall age structure suggests a relatively high dependency ratio which creates additional burden in terms of the provision of housing as well as other social services. In 2004, there were 104,025 “working-age” persons. Changes in the age structure of the population ultimately influence the type of housing (number of bedrooms) required.



4.1.3 Household Size

The number of persons per household (or the average household size) has decreased from a national average of 4.0 persons in 1991 to 3.2 in 2001. In fact, the AHS in each district declined; this was more evident in most of the southern districts, especially Laborie, where the rate of decline (25%) was highest. However, Soufriere was an exception, with the lowest rate of AHS decrease; the absolute AHS was 3.6 - the highest in the Island. On the other hand, the northern and eastern parts of the Island were characterised by a lower AHS, with Anse La Raye, Gros Islet and Canaries maintaining their positions as the least populous household. As shown in Figure 4-3, Canaries had the lowest AHS of 2.9 persons in 2001.



The decrease in AHS implies that relatively more houses are required per capita to satisfy the Island’s housing needs. However, information on how much of the decrease in AHS (in effect, an increase in housing) was due to informal housing production is not available. Also, the composition of the AHS is unknown in terms of nuclear, extended families, single-parent, or one-person households. These would assist in identifying the nature of the demand for

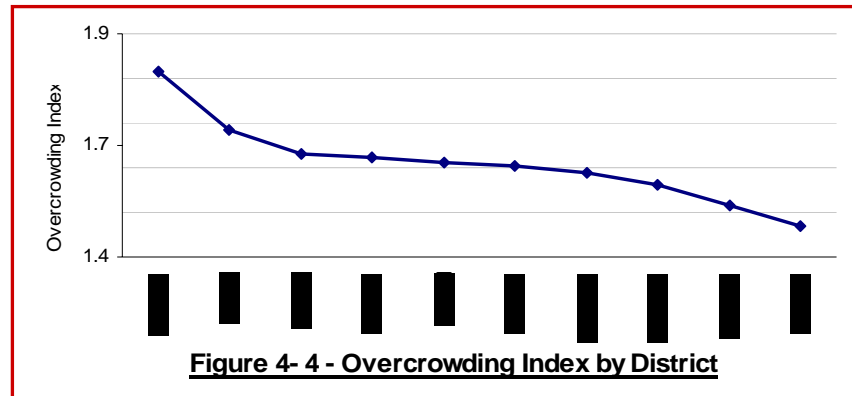


housing. It should also be noted that whilst two sample survey reports (the CWIQ Survey of 2004 and the Assessment of Poverty of 2006), both revealed higher average household sizes (AHS) of 3.4 and 3.6 persons respectively, the trend has been a gradual decline in AHS over the years.

4.1.4 Number of Bedrooms per Household

Approximately 35% of all households had two bedrooms per household; 3% each had either no bedrooms or five and more. According to the GSD, the median number of bedrooms per household in 2001 was two.¹⁴ The number of persons per bedroom can be used as a proxy indicator of overcrowding at the household level.¹⁵ Thus, given an average household size (AHS) of 3.2 persons and a median of two bedrooms per household in 2001, the average overcrowding index¹⁶ is

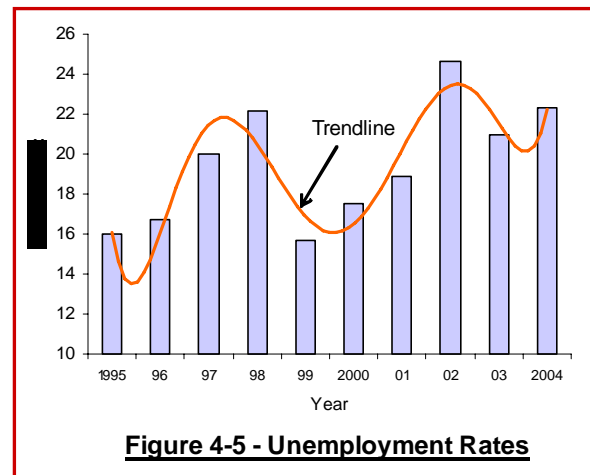
computed at 1.6. Overcrowding indices derived for each district indicates that Soufriere had the highest and Canaries the lowest as shown in Figure 4-4. Generally, the level of overcrowding at the household level influences the future demand for various types/ sizes of houses.



4.2 Economic Factors

4.2.1 Unemployment

As shown in Figure 4-5, unemployment levels during 1995 and 2004 show an upward though cyclical trend, with rates ranging from almost 16% in 1999 to as high as 25% in 2002, (i.e., the year immediately following the “911 terrorist attack”). Noteworthy however, is the fact that throughout the ten-year period, unemployment rates have consistently remained in the double digit



¹⁴ The 2006 Poverty Assessment Report found that the mean number of bedrooms per household was 2.5.

¹⁵ The CWIQ Report defined overcrowding as more than 2 persons per room.

¹⁶ The overcrowding index was computed by dividing the AHS by the median number of bedrooms per household.



figures. Whilst the unemployment rate for 2004 was an encouraging two and a half percentage points lower than the 10-year average of 20%, it is still considered relatively high. This large scale unemployment has the potential effect of reducing the demand for investment in housing. A map depicting unemployment status by district is shown in Appendix 10.

4.2.2 Household Income

There is no reliable information on *household* income and its distribution by income groups. Information from the GSD reveals that the average *personal salaried-income* in 2001 was \$1,600.00 monthly. Thus, the GSD concludes that with an estimated average of two employed persons per household, the average household salaried-income is approximately \$3,200.00 monthly. Nonetheless, the distribution of that household income by groups is not available.

In an effort to obtain a broad perspective of income distribution within the population, the distribution of personal income for the 2001 Census population by monthly income groups is presented in Table 4-1.

Table 4-1
Personal Income Distribution (2001)

Monthly Income (\$EC)	Cumulative % of Employed Persons
Less than 200	2.9
200 - 399	10.6
400 - 799	31.5
800 - 1199	51.2
1200 - 1999	69.7
2000 - 3999	85.2
4000 - 5999	88.9
Over 6000	91.2
not stated	100.0
Total	

Data obtained from Government Statistics Department

As shown in Table 4-1, cumulatively, more than 50% (or 25,712) of *persons* employed during the year 2001 earned personal incomes of less than \$1200.00 per month, essentially - almost the three lowest (poorest) income quintiles. This income of \$1,200.00 is approximately 25% below the average monthly income.



In terms of the nature and security of employment, Table 4-2 indicate that the computed monthly personal wage-income was highest in the electricity, gas and water supply industries and lowest in the agricultural sector. The education sector ranked the second lowest in computed wage-income.

Table 4-2
Monthly Income of Wage Earners by Major Industry

Industry	Income (\$EC)	
	Men	Women
Electricity, Gas & Water Supply	3,601	3,601
Construction	2,825	1,603
Transport, Storage & Communication	2,128	2,353
Real Estate, Renting & Business Activities	1,698	1,560
Manufacturing	1,662	1,037
Hotel & Restaurants	1,373	1,388
Personnel Services	1,349	948
Health & Social Work	1,192	498
Wholesale & Retail Trade	1,096	676
Education	556	714
Agriculture, Hunting & Forestry	362	274

Data obtained from Government Statistics Department

4.2.3 Savings and Investments

Private savings (within the commercial mortgage lending sector) as a percentage of GDP have shown an increasing trend over the nine-year period 1996 to 2004, reaching a peak of 89% in 2004. As highlighted in Figure 4-6, housing investments (as represented by housing loans), have also demonstrated an upward pattern over the nine years, though at a lesser rate than private savings. Although this situation indicates a growing propensity for savings than for housing investments, it also implies an increased availability of funds for investment in housing.

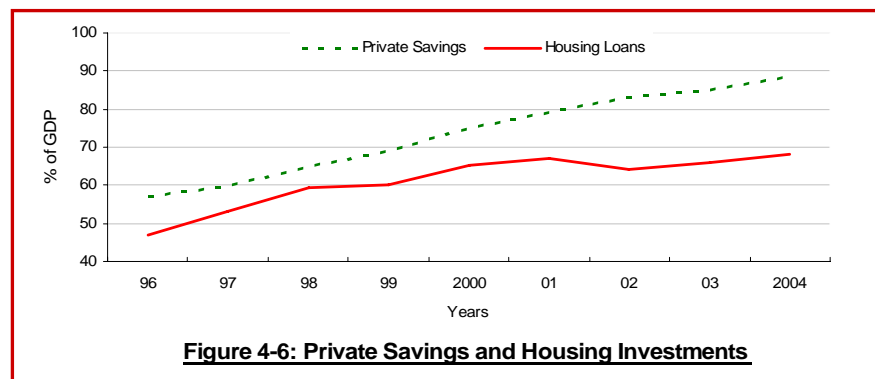


Figure 4-6: Private Savings and Housing Investments



4.2.4 Poverty

The poverty assessment¹⁷ of 1995 revealed that almost 19% of all households was poor – i.e. living below the poverty line¹⁸ of \$156.00. Also, the indigence level¹⁹ was around 5.3% for households. The CWIQ Survey in 2004 reported that around 7% of all households reported that they often or always had difficulty in satisfying the food needs of their households, whilst 19% had a problem, sometimes. The poverty assessment¹³ for 2005 found that poverty had worsened – with more than 21% of households considered poor – living below the poverty line of about \$424.00. However, indigence had declined considerably to 1.2% and inequality (in the distribution of income in the population) had also declined.

In terms of geographic distribution, poverty remained concentrated more in the rural than urban areas (see map in Appendix 11). For the 2005 assessment of poverty, it was found that Anse-la-Raye, followed by Soufriere, Choiseul, Laborie then Micoud recorded the highest rates of poverty. Additionally, Anse-la-Raye and Micoud had the highest levels of indigence.

Overall, this suggests that whilst households were increasingly meeting their basic food requirements and income distribution was becoming more equitable, conversely, households were getting poorer. Increasing poverty has adverse implications for housing affordability and consequently, has a negative effect on the level of housing demand.

4.2.5 Housing Affordability

The traditional/ international definition of housing affordability is the ability of a household to spend up to 30% of its annual income on housing. This 30% heuristic is based on international research which suggests that when the shelter costs of low-income households exceed 30% of their income, their consumption of the other basic needs (such as food, clothing, transportation, etc) decreases. Consequently, a household spending more than 30% of its income is considered to be experiencing housing affordability problems or have a *core housing need* or thus being under “*housing stress*.”

Reliable information on the cost of housing (owned and rented) as well as household income distribution is therefore an important prerequisite in determining housing affordability within a population. However, there is no established data set on households by income groups or the price of housing (sale price and rents). It should be noted that information on income distribution is also essential in developing projections of the level of capital required for any

¹⁷ Draft Report of the Assessment of Poverty in St Lucia by Kairi Consultants Limited, 1996 and 2006

¹⁸ The poverty line is based on a measure of the monetary value of a lowest cost basket of goods that provide the minimum number of kilocalories needed for proper functioning by human beings on a daily basis.

¹⁹ The level below which there is an inability of households to satisfy basic food needs



housing programmes that might be proposed as a part of a strategy to address housing problems.

Despite the lack of information, an attempt was made to broadly quantify and examine the two main parameters involved in the computation of housing affordability. In that regard, the price of housing (both owner occupied and rented) are examined vis a vis selected income levels and interest rates of mortgage lending intermediaries.

Cost of Housing

Owner-occupied

The price of a newly constructed house depends on a number of variables, some of the most critical being the cost of labour, materials infrastructure; the type of specifications used; quality of materials; location or neighbourhood including social site conditions and topography. Information obtained from GSD indicates that for the year 2003, the construction cost of a newly built house (i.e. excluding the cost of the land) ranged from \$120.00 and \$140.00 per square foot. Data collected from a private developer suggests that between 2003 and 2004, the unit construction cost for a newly-built house (with finishings²⁰ considered to be upper middle-income level), was approximately \$165.00.

Data collected for public sector housing (SLNHC) indicate that during 1990-2004, the sale price of a newly-built house (inclusive of land, infrastructure and overhead costs) was about \$80,000.00 to \$85,000.00 for a basic two-bedroom house (floor space of approximately 647 square feet on-columns). As shown in Table 4-3, the price had risen to \$95,000.00 in 2004 - essentially an increase of around 1.5% per year.

Based on GSD's average annual household income of about \$38,400.00 (for the year 2001) and an average house price²¹ of \$160,000.00, the house-price-to-income ratio (a broad indicator of affordability for owner-occupied housing), is about 4:1. This ratio is comparable with those of other countries.²² However, it is estimated that with increases in the price of both land and building materials during 2001 – 2004, the housing-price-to-income ratio would have worsened.

²⁰ With a floor area of 1,500 square feet; two bathrooms; ceramic tiling; shower-height tiling in the bathroom; closets, kitchen cupboards; a driveway and garage.

²¹ Average-income house of 800 sq. ft of floor space (3-bedrooms) at \$170.00/ sq. ft. and 5,000 sq. ft. of land at \$10.00/ sq. ft for the year 2004.

²² Source - Improving Housing Markets; Michael Ball, RICS Leading Edge Series Published May 2003



Table 4-3
Selected House Prices*

Concrete /Block-work House built by:	Floor Area (Square foot)	Estimated Cost (\$)	
		Pre 2004	2004 -2005
<u>Public Sector – SLNHC</u>			
2-bedroom-column	647	80,000 – 85,000	95,000
3-bedroom-on grade	864	94,000 – 110,000	125,000
<u>Private Developers</u>			
3-bedroom-2 bath-on column	1,086	160,000	180,000
3-bedroom-column	1,400	240,000	265,000

Data obtained from SLNHC and private developers:

* means excluding the cost of land

House Rents

House rents in St Lucia are generally market driven and depend on several factors such as location, quality of interior and exterior finishes, floor area and number of bedrooms. According to GSD's Household Budget Survey (2005), the average monthly rent is \$915.00. Table 4-4 which presents primary data collected in selected communities, indicates that there are wide variations in house rents within and between areas. In most cases, home-owners/ landlords have increasingly instituted a security deposit procedure whereby one or two months' rent is required in advance by the landlord.

Table 4-4
Indication of Monthly Rent for Selected Areas

Areas	Monthly Rent by Type of House (\$)			
	Single room (no in-door toilet and piped water)	With in-door toilet and piped water		
		1-Bedroom	2-Bedroom	3-Bedroom
Public Housing (SLNHC's rental units/ apartments)	Not applicable	105.00 – 400.00	205.00 – 600.00	380.00 – 800.00
Private Sectors:				
Castries	Not applicable	Not available	300.00 (minimum)	\$900.00 (minimum)
Gros Islet	50.00 (minimum)	200.00 (minimum)	275.00 (minimum)	700.00 (minimum)
Dennery	50.00 (minimum)	Not available	180.00 – 300.00	300.00 – 500.00
Soufriere	50.00 – 100.00	Not available	350.00 – 400.00	400.00 – 500.00

Data obtained from SLNHC and FG Discussions



Based on GSD's information, the house-rent-to-income ratio is about 1:3; i.e. on average, house rent is almost 30% of the average household income. This proportion appears high when compared with 21% for industrialised countries and 25% for other third world countries.²³ The heuristic for house rent is approximately 20% of the tenant's income. Thus rental housing in St. Lucia appears to be relatively more expensive than home-ownership.

Housing Affordability Matrix

In order to determine the ability of various income groups to (i) purchase typical (median priced) single-family homes using different financing options; and (ii) the GSD average house rent, two illustrative Housing Affordability (HA) matrices were developed. It should be noted that there is no specific categorisation of income bands in St Lucia. Consequently, for the specific purposes of developing the HA matrices, five broad income groups were used based on discussions with key institutional stakeholders. These five income groups are the: Very-low; Low; Middle; Upper Middle and High; however, for purposes of analyses, the last two upper income groups were not considered.

A basic assumption used in developing the HA matrices (presented in Tables 4-5 and 4-6) is that generally, households in the lowest part of the income distribution will experience housing affordability problems. The literature on housing usually categorises these households as having a "core housing need." Therefore, in the context of this Report, housing affordability problems is related to households with one of the following characteristics:

- a. Receiving GOSL assistance or disability benefits;
- b. Households at and below the poverty line of \$424.00²⁴.
- c. Gross household income is equal to or less than that \$2,500.00 monthly – the income generally considered as the tacit²⁵ cut-off level for low-income households.

The HA Matrix for owner-occupied housing (Table 4-5) indicates that:

- (i) Class 1 are those household either at or below the poverty line – earning \$500.00 monthly – i.e. who comprise the lowest income quintile (based on the AP Report 2005) cannot afford to purchase a house of adequate floor space given current prices;

²³ Improving Housing Markets; Michael Ball, RICS Leading Edge Series, May 2003.

²⁴ As established in the Kairi AP Report, 2006.

²⁵ This cut-off rate has been adopted by the NHC, GOSL and BOSL.



- (ii) At the lowest interest rate of 6% (which is offered **only** by the SMFC) and a maximum mortgage loan of about \$82,000.00, the very low-income bracket (Classes 1- 4) which could be described as households having a “core need” can barely afford to own an average size two-bedroom house of floor space (of 489 square feet), given current market rates;
- (iii) The standard or typical low-income household (i.e. Class 6 - earning \$2,500.00 monthly) would be able to “afford” a mortgage loan to purchase a two-bedroom house (595 square-foot house excluding the land) at a sale price of approximately \$110,000.00 at an interest rate of 8%, a 10% deposit/ equity (part of which could be in the form of the land on which the house is to be constructed), over a repayment period of 25 years. It should be noted that for all SLNHC's housing projects in the north of the Island, around 57% to 88% of housing applicants reported monthly household incomes less than \$2,500.00;
- (iv) Given GSD's average household income of \$38,400.00 annually (Class 8), the affordable housing mortgage loan which could be obtained is around \$120,000.00 and \$140,000.00 (at 10% to 8 % interest rate respectively, with a 10% up-front deposit/equity, a 1% transaction cost and a 20-year repayment period).



Table 4-5
Illustrative Housing Affordability Matrix – Owner Occupied Housing

Household Income Groups	Monthly Amounts (\$)			Maximum Affordable House Price (\$) at Interest Rates of:				Maximum Affordable House Size (Sq.ft.) at Interest Rates of:			
	Household Income (\$)	Affordable Payments	Est. House Expenses	6%	8%	9%	10%	6%	8%	9%	10%
Very Low-Income:											
Class 1 (near Poverty Line)	500	167	25	25,489	21,818	20,286	18,919	153	131	122	114
Class 2	1,000	333	50	50,977	43,636	40,571	37,838	306	262	243	227
Class 3	1,500	500	75	76,466	65,454	60,857	56,757	459	393	365	341
Class 4 (SMFC eligible)	1,600	533	80	81,563	69,818	64,914	60,541	489	419	389	363
Low-Income:											
Class 5	2,000	667	100	101,954	87,273	81,143	75,676	556	476	443	413
Class 6 (Cut-off Low-Income)	2,500	833	125	127,443	109,091	101,429	94,595	695	595	553	516
Middle Income:											
Class 7 (Av. Income)	3,000	1,000	150	152,932	130,909	121,714	113,514	765	655	609	568
Class 8 (Average Income)	3,200	1,067	160	163,127	139,636	129,829	121,081	816	698	649	605
Class 9	3,500	1,167	175	178,420	152,727	142,000	132,433	892	764	710	662
Class 10	4,000	1,333	200	203,909	174,545	162,286	151,352	1,020	873	811	757
Class 11	4,500	1,500	225	229,397	196,363	182,572	170,271	1,147	982	913	851
Upper-middle Income	> 4,500 < 6,000										
Upper-Income	> 6,000										

Data: (i) obtained from Government Statistics Department and (ii) developed by ECMC Ltd.

Notes to Table 4-5

1. Affordable payment is based on 30% of annual income
2. House expenses for utilities, taxes and insurance are estimated as 15% of annual income
3. Standard low-income as tacitly defined by SLNHC, GOSL and BOSL Ltd.
4. Very Low-income house price at \$150.00 per square foot
5. Average as defined by the 2001 Census Report
6. Low-income house price at \$150.00 per square foot
7. Middle-income house price at \$165.00 per square foot
8. Upper middle-income house price at \$180.00 per square foot



On the other hand, the HA Matrix for rented housing (Table 4-6) indicates that the average rent reported by GSD is almost 43% higher than the computed affordable rent of \$640.00 for the average household. It also indicates that based on the poverty line (2005), the lowest income quintile can afford to rents of \$100.00 or less.

Table 4-6
Illustrative Housing Affordability Matrix – Rented Housing

Household Income Group	Monthly Amounts (\$)	
	Household Income (\$)	Affordable Payments
Very Low-Income:		
Class 1 (near Poverty Line)	500	100
Class 2	1,000	200
Class 3	1,500	300
Class 4 (SMFC - eligible)	1,600	320
Low-Income:		
Class 5	2,000	400
Class 6 (Cut-off Low-Income)	2,500	500
Middle Income:		
Class 7 (Av. Income)	3,000	600
Class 8 (Average Income)	3,200	640
Class 9	3,500	700
Class 10	4,000	800
Class 11	4,500	900
Upper-middle Income	> 4,500 < 6,000	
Upper-Income	> 6,000	

Data obtained from (i) Government Statistics Department and (ii) developed by ECMC Ltd.

Based on the foregoing, a rough or indicative HA index - the ratio of average household income to the income required to qualify for a 90% mortgage loan to purchase an average-priced house can be computed. With an annual income of \$38,400.00, and an annual repayment of \$12,804.00 (i.e. \$1,067.00 per month), the indicative HA index is approximately 3.0.



4.3 Conclusion

While there are a number of demographic and economic factors which adversely or positively influence the level of effective demand for housing, the lack of reliable data hinders the quantification of their impact. In particular, critical prerequisite data on one of the main determinants of housing demand - household income and its distribution among the income quintiles - is not available. Additionally, precise data on housing cost is unavailable. Nonetheless, a crude analysis of housing affordability suggests that owner-occupied housing tends to be more affordable than renting and that overall, housing affordability is worsening, particularly in the two lowest income groups. Whereas it is difficult to determine the number and geographic location of households which lies within these two poorest quintiles, information from the most recent poverty assessment found that about 21% of households are living below the poverty line of \$424.00 (i.e. class 1 of the very low-income group identified in Tables 4-5 and 4-6). Therefore, it can be reasonably assumed that these poor households have been and are still experiencing housing affordability problems or housing stress, both in terms of owner-occupied housing and rental.

Overall, the foregoing underscores the need for more specific information on the housing market if the proposed NHRP is to be successfully implemented. In particular, market research through sample surveys should be conducted to more accurately determine the extent of those factors which influence housing demand, especially consumer preferences. Market research findings coupled with secondary data (on house prices, rents, mortgage loan by income groups, etc.) form part of a national housing information system which is crucial in the development of the housing market.



5.0 HOUSING SUPPLY

Reliable data on the supply of new housing units is unavailable; however, the number of building applications processed by the Development Control Authority (DCA) is a rough indication of the minimum production of new housing units. As indicated in Table 5-1, the DCA approved a total of 660 applications for residential buildings in 2004.

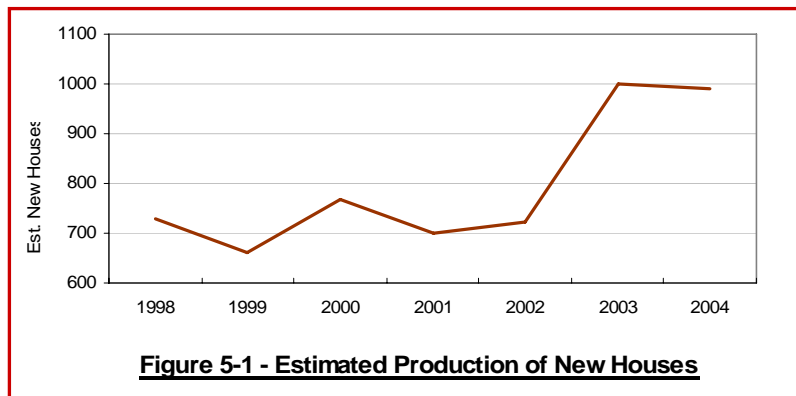
Table 5-1
Estimated Annual Production of Residential Buildings

Year	Applications Approved by DCA		New Housing Production per 1,000 Persons (adjusted*)
	Number	% Change	
1998	485	-	5
1999	440	-9	4
2000	511	16	5
2001	466	-9	4
2002	482	3	5
2003	666	38	6
2004	660	1	6

Data obtained from (i) DCA and (ii) developed by ECMC Ltd.

* Means figures adjusted by 50%

Assuming a 50% allowance for unapproved construction (and the possibility of more than one housing unit approved per building application), it is estimated that circa 990 new housing units were produced in 2004. This implies that an estimated six housing units were produced per 1000 persons in St Lucia. Figure 5-1 also demonstrates that overall, the production of new housing units has increased over the past seven years but in a fluctuating pattern. Production reached a peak in 2003.





During the past decade, housing production has been undertaken by the following three different types of producers:

- Public sector (SLNHC and other public sector programmes and projects)
- Private formal sector (developers and contractors)
- Informal contractors

Sector	% of Total Production
▪ Public	8 - 10
▪ Formal Private	85 - 90
▪ Informal	2 - 5

5.1 Public Sector Housing Production

The public sector's direct involvement in housing production is mainly through the SLNHC. Also, a few GOSL projects and programmes have provided housing, particularly infrastructure and related services.

5.1.1 The St Lucia National Housing Corporation

The SLNHC, an amalgamation of three public sector entities²⁶ in 2002, is GOSL's main organisation directly involved in physical housing production – i.e. the supply of serviced lots and/ or housing units to consumers. The SLNHC acquires its lands for housing from: (i) GOSL, which is able to obtain lands through the Land Acquisition Act; (ii) other public sector agencies such as the SLNDC and; (iii) private landowners. The SLNHC hires large and medium contractors²⁷ to produce its housing products (new houses and serviced lots) which are sold to middle and low-income consumers (households) at prices below market rates. Essentially, the SLNHC is a GOSL's only housing developer.

Production of New Housing

During the thirty-five year period (1971 to 2004), the HUDC/ SLNHC implemented around 29 housing development projects, 21 of which were located in the northern half of the Island (see Appendix 12). These projects yielded some 5,000 housing solutions (i.e. new houses and vacant serviced lots); approximately 20% of which were housing units (i.e. land and house packages) and the remaining 80% comprised serviced lots which was made available mainly in the southern part of the Island.

For purposes of analysis, the SLNHC/ HUDC's production has been delineated into three eras. During the first period (1971 to 1979), a total of four main housing projects were undertaken in Sans Souci, Entrepot, Ravine Chabot and Independence City, all in sub-

²⁶ Nationwide Properties (NP) Ltd; St Lucia Housing Association (SLHA) and the Housing and Urban Development Corporation (HUDC)

²⁷ See Table 5-4.



urban Castries. The second period, (1980 to 1992), involved the production of only serviced lots; 660 in the north of the Island (mostly in Reduit Park and Ciceron) and 685 in Micoud. Approximately 85% of the serviced lots were for low-income households. This high activity in low-income residential lots was largely due to GOSL's policy to:

- (i) Sub-divide, develop and sell illegally occupied lots to the squatters/ residents, particularly in Patience, La Ressource and Agard;
- (ii) Relocate squatters from Conway to Ciceron; almost 97% of the lots were sold to low-income households at about 50% of the going market rates.

The SLNHC recommenced production of new housing units at the beginning of the third period (1993 to 2004), when a total of 436 units were constructed, 90% of which were located in the north of the Island. In addition, 1,787 residential lots were sold. Table 5-2 shows that 117 new low-income housing units were produced during the third period i.e. approximately 27% of SLNHC's new housing units. In fact, this was the period when the most (or 70%) low-income housing units were produced. It was also during this period (in 2003) that the SLNHC was mandated to undertake government's second significant relocation/ resettlement project – the construction of 16 low-income housing units²⁸ at “Lennie Hill” in Soufriere consequent upon the passage of Hurricane Lenny.

Table 5-2
Type of Housing Produced by SLNHC/ HUDC (1993 to 2004)

Type of Housing	New Houses	Serviced Lots	Total Housing	% of Total Housing
Low	117	519	636	28
Middle	319	1268	1587	71
Upper-Middle	0	0	25	1
Total	436	1787	2248	100
% of Total Housing	19	79	100	

Data obtained from SLNHC

Overall, the SLNHC produced an annual average of 50 new housing units during the third period; representing an estimated 8% to 10% of the Island's annual production. It should be noted that during this period, the HUDC/ SLNHC increasingly utilised the dual strategy of mixed-income and price cross-subsidisation in undertaking its housing projects. For example, in 1998 and 2001, it implemented the Beausejour housing project (Phases 1

²⁸ A semi pre-cast floor slab (of about 500 square feet) was used to erect the structural timber frames



and 2), in which low-income detached single-family concrete/ wall housing units (both completed and *core-housing*²⁹) were constructed; with the price of the land being about 25% less than that sold to the middle or higher-income households. In that regard, the SLNHC/ HUDC introduced (in 2000) a new condition for the sale of its low-income housing, whereby, it retains an equity interest (of at least 27% for 25 years) in serviced lots sold to low-income households. This reduced housing cost also served to enhance targeted households' eligibility for specific mortgage-loans from BOSL Ltd as well as for other government's benefits such as exemption of stamp duties and property taxes.

Table 5-3 presents the estimated average prices for selected new housing units produced by SLNHC during the past ten years. In general, SLNHC's housing products are more affordable than the private sector's (see Table 4-3 also).

Table 5-3
Price of New Houses for Selected SLNHC Projects

Project / Type of House	Year	Price (\$)
<u>Carellie</u>		
▪ Concrete/ block-work - 2-bedroom	1995	100,000.00
▪ Concrete/ block-work - 3-bedroom	1995	150,000.00
▪ Concrete/ block-work - Duplex	1995	215,000.00
<u>Beausejour</u>		
▪ Concrete/ block-work - Core-House	1998	60,000.00
▪ Concrete/ block-work - 2-bedroom	2001	78,000.00
▪ Concrete/ block-work - 3-bedroom	2001	150,000.00
<u>Cresslands - Phase I</u>		
Timber (structural) - 2-bedroom	2003	55,000.00.
<u>Hewanorra Orchard</u>		
Timber (structural) - 2-bedroom	2000	53,000.00

Data obtained from SLNHC

The level of government's financial assistance involved in SLNHC's housing products is not readily available. However, it is considered to be substantial, particularly for new

²⁹ This involved the construction of houses containing the perimeter or external walls with the only internal walls being these around the washroom.



housing (i.e. housing units and/ or serviced lots) since: (i) SLNHC's lands, mainly acquired from GOSL, are sold at prices below market rates; (ii) the building materials used by SLNHC's contractors are provided at duty-free prices; and (iii) SLNHC developer's profit margin is reportedly below the going market rate (of about 10% of the final price of the product). It is worthy to note that the SLNHC does not receive government subventions.

The SLNHC has encountered a number of challenges during its housing production history; some of the more recent include:

- Serious problems experienced with the main contractor (EllisDon Corporation, an international construction company) for the Carellie Project (in 1995), resulting in an increase in the unit production cost of housing and consequently, in an overall financial loss to the SLNHC/ HUDC;
- Further, the Carellie Project which started in 1995, involved production of both single family (detached) and duplex housing units; however, consumer demand for the duplex was weak. The final duplexes were eventually purchased some five years later; all were transformed into single family units by their owners;
- Although the two-bedroom core-housing units produced under the Beausejour housing project were constructed using the same quality of finish on the exterior surfaces as the middle-income houses, the level of demand by low-income applicants was weak;
- The 15-acre, mixed-income/ price cross-subsidised Hewanorra Orchard housing project (in 2000) in Vieux Fort involved the construction of more affordable housing units consisting of structural timber walls erected on grade and on columns. However, consumer demand was weak and only five houses were eventually constructed using this technology. It should be noted here that timber houses attract extremely high insurance premiums and some companies even refuse to provide coverage for them.

Overall, during its 25 -30 years of production, the SLNHC/ HUDC constructed a total of about 167 low-income housing units, most of which were provided during 1997 to 2004. All low-income lots were sold at discounted prices, and in some cases, at less than half the market rates. However, low-income housing represents less than 30% of the SLNHC's total production, whereas, about 70% of its housing applicants are classified as low-income (i.e. earning a monthly salary of \$2,500.00 or less). Despite this disparity between production and demand, the SLNHC remains the largest housing producer which specifically targets low-income households.



In terms of its financial performance in housing production, the HUDC/ SLNHC experienced its highest gross profits (i.e. before repayment of the lands acquired from government) during 1989 to 1992, when it was mainly involved in producing serviced lots as compared with housing units. In 2000, the HUDC/ SLNHC recorded \$1.1 million in gross profit since 1996 and 1999, when losses totalled \$5.2 million and \$1.5 million respectively. Discussions with the SLNHC about its production performance over the years indicate that:

- a. The SLNHC supports the private-sector's view that it is relatively more expensive to build low-income housing units, particularly given the high price of land and infrastructure;
- b. Whilst most applicants for housing products are from the tacit low-income bracket³⁰, it is more difficult for them to qualify for mortgage loans from the typical lending institutions – suggesting housing affordability problems within that income group;
- c. The low-income applicants' perception/ expectation of low-income housing is high in relation to the production costs involved;
- d. Given the high cost of land and infrastructure, perhaps the most financial economic and socially desirable approach to produce low-income housing is the continued utilisation of the dual housing strategy of mixed-income and price cross-subsidisation.

Supply of Public Rental Housing

The most recent production of public rental housing was in 1999 when high rise multi-family housing units were constructed in Castries city. Upon its creation (merger with NP Ltd., SLHA and HUDC) in 2001, the SLNHC inherited a total of 459 public rental housing units (traditionally referred to as the CDC apartments) in the Castries city and La Clery). During the past four years, 16 of these units were demolished; the remaining 368 housing units comprise 190 single-bedroom; 161 two-bedroom and; 17 three-bedroom apartments. Overall, the SLNHC accounts for less than five percent of the Island's rental housing stock.

The SLNHC's rents (as displayed in Table 4-4) are considered to be comparatively lower than that of an equivalent property in the private housing market. Therefore, the demand for these units is high with a waiting list of almost 1,000 applicants. However,

³⁰ Annual household income of \$30,000.00 or less



discussions with the SLNHC indicate that the delinquency rate for payment of rent is high and rental income is low relative to maintenance costs.

5.1.2 Other Public Sector Housing Programmes/ Projects

A number of public sector programmes and projects have been implemented with the central objective of providing housing, specifically targeted at low-income households. These government interventions, usually financed in collaboration with external funding agencies, typically involve the provision of vacant serviced lots, infrastructure (roads, drains and footpaths) as well as increased accessibility to housing finance. Some of the more recent projects were/ are:

Public Sector Relocation Programme³¹

Quite apart from the 13 households that were relocated under the STURF/ PROUD project³², GOSL, has had to relocate/ resettle residents within various parts of the Island as a result of its economic development projects and the occurrence of natural and man-made disasters. In the case of relocation due to disasters, a large proportion of the affected households are within the low-income groups who tend to occupy lands susceptible to disasters. Between 1993 and 2004, the MFPD, through its Public Sector Relocation Programme (PSRP) has implemented or coordinated eleven such relocation/ resettlement projects. Under the PSRP, an estimated total of 350 affected households have been provided with assistance in the form of either: (i) serviced lots for rent or purchase at discounted prices and special repayment terms or; (ii) or a cash grant or; (iii) or a grant for building materials (see Appendix 13). Data on the cost of the PSRP to GOSL, or the social impact on the affected households is not readily available; however, relocation/ resettlement has generally resulted in an improvement in housing quality, particularly for low-income households.

It must be noted that all the relocation/ resettlement projects under the PSRP were implemented due to the impact of events (economic development or disasters) and not as a deliberate or strategic approach to housing development targeted at low-income groups. Relocation/ resettlement as a plan or strategy is generally not considered “best practise” in housing development and has not been widely utilised by other Caribbean countries. Instead, rationalisation, legalisation and containment of squatter settlements have been as the more feasible approach. While relocation/ resettlement as a deliberate housing

³¹ See paper on Achieving Housing Sustainability in Small Island Developing States: A Critique of the Key Housing Strategies in Saint Lucia by Joanna M. Raynold-Arthurton Housing Planner, St. Lucia, 2006.

³² See following sub-section (on the Shelter development Project) of this Report.



strategy is workable, the advantages and disadvantages must be comprehensively reviewed and extensively discussed. If resettlement is to be selected as a strategic approach to housing in St Lucia, then the following are absolute prerequisites:

- Determination of the level of government assistance to be provided to affected households;
- Identification and categorisation of the affected households into the various income groups;
- Identification of all areas to be resettled and their designation as Special Enforcement Areas.
- Establishment of criteria for the level of compensation to those households, with and without; (i) title, (ii) authorisation/ legal permission to reside; conduct legal business, cultivate lands, farm, etc.
- Establishment of the minimum benefits to accrue to the affected households.

Shelter Development Project

The Shelter Development Project (SDP), co-financed by CDB,³³ was a major public sector housing intervention and implemented in 2001. The SDP was aimed at improving the shelter conditions of low-income households on a sustainable basis. With an estimated cost of almost \$38 million, the SDP comprised four main housing sub-projects, viz: (i) the Settlement and Tenantry Upgrade Revolving Fund (STURF) - the first phase of GOSL's Programme for the Regularisation of Unplanned Developments (PROUD); (ii) Sites and Services Revolving Fund (SSRF); (iii) Core Unit Construction (CUC) and; (iv) the Home Improvement Loan Programme (HILP).

(i) Settlement and Tenantry Upgrade Revolving Fund

The main objective of STURF/ PROUD was to improve the tenure condition in squatter settlements on public lands. The Project involved the: provision of infrastructure (roads, drains, electricity and water); relocation of squatters where necessary; and legalisation of tenure in squatter settlements in six communities (Desbarra, Garrand, Piaye, Vieux Fort, Laborie and Ravine Poisson). The PROUD unit was created within the MFPD to implement STURF. The estimated cost of STURF was approximately \$10.4 million and 570 housing plots were planned to be surveyed/ rationalised for selling to the existing squatters at prices below market rates. Special arrangements were made with Bank of St Lucia³⁴ (BOSL) to provide mortgage loan financing for the squatters. Loan repayments

³³ See Appraisal Report on the Shelter Development Project – St. Lucia by Caribbean Development Bank October 2000

³⁴ In 2001, the St Lucia Development Bank was merged with the National Commercial Bank to form the Bank of St Lucia



by beneficiaries were to contribute to a revolving fund for financial sustainability of the Project. The GOSL had already identified further squatter settlements on public lands to be upgraded as future phases of PROUD.

An evaluation³⁵ of STURF (PROUD – Phase 1) indicated that by 2005, the actual number of lots made available for squatting had more than tripled and 1,900 low-income households were able to obtain serviced lots at reduced prices. Infrastructure was installed and only 13 households were relocated within the targeted communities in order to facilitate the rationalisation process. Though these unplanned developments were already occupied by well-established houses, the legitimate provision of land tenure led to more lots being formally identified by PROUD, effectively increasing the housing stock in the respective settlements. Thus overall, the quality of the housing stock in the squatter communities was improved and squatter were indeed highly satisfied with the Project benefits.

However, there were several areas of project implementation inefficiencies and the default rate on land loan repayments was high and less than 200 title deeds had been actually issued. Further, the Evaluation Report recommended that due to their similar mandates, the functions of PROUD Unit should be integrated with that of SLNHC's to allow improved efficiency, effectiveness and sustainability of the Project. The success of PROUD thus far, suggests the need to broaden the objectives of the Project to allow for rationalization along standard planning guidelines as opposed to simply upgrading tenantry. Also, strategies or actions must be undertaken to minimise future illegal occupation of public and private lands.

(ii) Core Unit Construction

Under the CUC sub-project, 100 starter/ core housing units are to be constructed for low-income households; priority is to be given to the neediest. As proposed in the SDP Appraisal Report, successful beneficiaries are required to make a small deposit before construction of the unit is completed. They will also be provided with plans for subsequent improvements of their houses and low-cost approaches to enhancing the facades in order to reduce the “institutional” appearance. The SLNHC, the implementing agency, is currently installing the housing infrastructure at Monchy, in Gros Islet – which is one of the SSRF project sites. Therefore, the actual construction phase of the core units has not yet commenced.

³⁵ Evaluation of Phase-1 of PROUD prepared by ECMC Ltd, for Ministry of Physical Development Environment and Housing May 2006



(iii) Sites and Services Revolving Fund

This consists of a revolving fund for financing infrastructural works (road building, water and electricity supply, etc) on GOSL/ HUDC sites including the CUC project site at Monchy. According to the SDP Appraisal Report, the strategy of price cross-subsidisation would be used to provide both low and middle-income housing. Also, recreational and social facilities are to be provided. The proceeds of sale of serviced lots (under the CUC sub-projects) would then be utilised to undertake similar infrastructural works at other sites.

(iv) Home Improvement Loan Programme

According to the SDP Appraisal Report, the HILP component was aimed at providing small loans to some 355 low-income households for home improvement purposes. The HILP funds were to be provided to the BOSL (as GOSL's agent) for on-lending to financial intermediaries such as the credit unions, NGOs, inter alia. In turn, these intermediaries would disburse small loans not exceeding \$15,000.00 (i.e. up to 90% of the investment cost involved), under specific terms and conditions to eligible households to be repaid over a maximum period of ten years; and loan repayments would not surpass one-third of the household's income. However, the HILP sub-project was not implemented. Discussions with some of the participating intermediaries suggested that the on-lending terms were not financially viable to them. Reportedly, the administrative charges were high; there were restrictions on the interest rates for on-lending to households; and BOSL was itself, involved in a similar and competing low-income housing product.

Low-income Housing Credit Facility

In 2003, GOSL allocated \$7.6 million towards housing credit aimed at assisting rural low-income households becoming housing property owners, eventually leading to the improvement and/ or construction of about 500 houses. The Low-income Housing Credit Facility (LHCF) was partly financed by grant funds from the EU and supported by loans from four participating local financial institutions. The EU grant element was restricted to households or individuals with an annual income of \$30,000³⁶ or less. The level of grant support was based on the following three categories and eligibility criteria of borrowers:

- (i) Those who owned the land and applied for loans to build, repair, extend or complete dwelling houses - grant support of up to 10% of the loan or a maximum of \$10,000.00;

³⁶ Apparently, a tacit cut-off income level to qualify as a low-income household; this level has been adopted by a number of organisations in St Lucia.



- (ii) Those who did not own land and who applied for loans to purchase an existing house or to purchase land to build a house - grant support of up to 20% of the loan or a maximum of \$20,000;
- (iii) Those who wish to acquire only land but were required to build their homes within three years - grant support of up to 25% or a maximum of \$30,000; the land could not be sold within seven years.

An evaluation of the LHCF³⁷ indicated that a total of 436 loans were approved under the LHCF grant. The average grant size was \$6,123.00 whereas commercial loans averaged \$38,000.00. The Evaluation concluded that ineffective communication may have been a contributing factor to the low participation of the lower income group within the established low-income level.

Other Enabling Projects

Two other initiatives - the Poverty Reduction Fund (PRF) and the Basic Needs Trust Fund (BNTF), though not specifically designed to facilitate housing development, have contributed significantly to housing production particularly for low-income households. The PRF provides basic infrastructure (such as drains and footpaths in poor communities) as well as housing assistance to community members in special circumstances such as fire victims and households in inhumane conditions. The BNTF also provides infrastructure such as water systems, drains and footpaths in poor communities.

5.2 Formal Private Sector

The formal private sector comprises a few developers (some of which are registered companies) and several large, medium, and small scale contractors. It is estimated that the formal private sector is responsible for providing around 85% to 90% of all new housing units and about 95% of the Island's rental housing which mainly consist of single-family units. There is no standard definition for large or medium scale contractors, for purposes of this Report, private house producers have been categorised on the basis of the size of houses built; the number of houses constructed simultaneously; and the type of business structure.

It is estimated that currently, there are about 10 private developers and around 700 to 800 contractors involved in housing production (see Table 5-4). Whereas private developers might be involved in the full range of housing production activities i.e. from acquiring the raw land to selling the finished housing units, contractors usually build housing units on

³⁷ Evaluation of Technical Assistance Grant (TAG) Schemes in St Lucia, Dominica and Grenada Prepared for the Quality Institute by Ajupa Associates; July 2006.



client-supplied lots. Also, private developers' housing products are targeted mainly at middle-income clientele, whilst contractors tend to build houses for all income-level groups.

Table 5-4
Characteristics of Housing Private Developers and Contractors

Type of Producer	Estimated Number	Features
Private developers	10	Provides serviced lots with or without houses; targeted at middle-income bracket; tend to build more than one house simultaneously; mobilise with own financing. Have obtained GOSL fiscal incentives for housing. Most are registered companies.
Contractors:	700- 800	Build houses according to clients' requests or for resale
▪ Large	40 - 50	Build mainly for upper to middle-income bracket; tend to build for more than one client simultaneously; may mobilise with own financing. Some are registered companies and business names. May supply serviced lots.
▪ Medium	300 - 350	Build mainly for middle-income bracket; may build more than one house simultaneously; client provides mobilisation fee.
▪ Small	350 - 450	Build mainly for low-income bracket; tend to build one house at a time; client provides mobilisation fee.

Based on information obtained from SLNHC and CDB's categorisation of projects

5.2.1 Private Developers

Private developers have been generally engaged in satellite projects throughout the Island, but primarily in the north, where currently, consumer demand for housing appears to be highest. During the past ten years, there have been circa five private housing developers who have produced a maximum of 30 middle-income housing units per project; these are listed in Table 5-5 and further information is provided in Appendix 14.



Table 5-5
Top Five Private Housing Developers (1996-2004)

Year *	Private developer	Location of Projects
1999	Bel View Resorts Ltd	Belle Vue, Gros Islet
1993	Archdiocese Enterprise Organisation	Morne Du Don, Castries
1990's	Leroy James Construction	Mainly in the south of the Island
1999	Timber Castles	Throughout the Island
1990	CLICO (regional company)	La Caye, Dennery

Source: *Housing private developers*

* means year started

Most private developers have been local companies with the exception of EllisDon Corporation, an international private developer/ contractor who was contracted by SLNHC in 1995 to build single-family and duplex housing units at Carellie in Castries, and more recently, CLICO, a regional firm. Reportedly, the relatively low level of production by local private developers is partly due to the relatively higher business risks (lower profit margins and higher marketing risks) associated with housing, particularly for low-income groups. Most private developers do not own the lands on which their housing projects are implemented. They usually enter into arrangements with landowners, whereby payment for land made upon sale of the serviced lot or house.

Box 2 Estimated Housing Production Cost Structure (St. Lucia)	
Item	% of Production Cost
▪ Raw Land	5 - 10
▪ Infrastructure	7 - 12
▪ Building Materials	35 - 45
▪ Labour	35 - 45
▪ Financing	5 - 10
▪ Management fee	5 - 15

Consultations with private developers indicate that there several problems confronting private sector housing production. These relate to:

- a. Land availability and acquisition;
- b. Lead times/ negotiation etc. and average time for construction of homes;
- c. Planning permission issue, delays and infrastructure/ utility services;
- d. Construction methodologies and use of sub-contracting;
- e. Consumer preferences/ demand with respect to location, type and size of house;
- f. House-building financing (retained profits or debt/ equity);
- g. Cost and benefits (level of profits) including the risks involved.



5.2.2 Contractors

The demise of the Banana Industry, the devastating effects of Storm Debbie (in 1994) and the relatively low entry barrier within the construction industry has led to a significant increase in the number of individuals offering services as construction contractors (after Storm Debbie, when a number of farmers were awarded contracts to repairs roads, bridges, drains and retaining walls). This inundation of construction industry with these “pseudo-contractors” has inevitably resulted in many unskilled and/or untrained individuals undertaking construction activities. This situation, coupled with the paucity of supervision and management skills that already existed in the Industry, only served to reduce the quality of the housing product and extend durations of construction activities/ projects.

It has also been observed that with the recent construction boom, skilled and semi-skilled construction labourers have turned into contractors - managers, who lack the requisite technical and managerial skills such as cost estimating, implementing of quality control measures, and general supervision on the construction site. The consequential effect has been poor quality and increases in production cost, particularly in the absence of a formal agreement between the contractor and house owner. This problem is further exacerbated by homeowners being swayed into accepting low cost estimates from the contractor, largely because of the latter’s inability to provide realistic price quotation for undertaking the construction activity.

Therefore, there is an obvious need for regulation in the house construction sector, even before certification of contractors is undertaken. During the past ten years, some level of regulation has essentially commenced at the SLNHC/ HUDC, with contractors being requested to pre-qualify for house construction services. By so doing, categories of contractors were developed and only those with the requisite abilities were hired to construct SLNHC housing units. This regulatory measure was supported by training workshops designed to enhance the contractors’ skills in the rudimentary construction practices and general construction management. Thus, at the national level, there is a need for capacity building of house contractors in order to enhance the overall housing delivery process.

5.2.3 Private Sector Interest and Government’s Response

During the past ten years, the SLNHC and the GOSL have been approached by private developers with proposals for housing production, particularly for the low-income groups. However, in most cases, these private developers have not demonstrated the willingness to undertake the business risks involved. Generally, the private developers’ proposed role was simply performing as the contractor – to build or co-ordinate



construction of the houses for the client, with minimal involvement in the full range of housing production activities. This approach by private developers is reportedly linked to the level of business risks and uncertainties that confront the private sector in the provision of housing, particularly for the low-income bracket. Some of these risks relate to the:

- Unusually long lead times in undertaking a housing development project and the potential increases in cost of inputs;
- Lengthy nature of the planning approval process;
- Uncertainty of delays with regard to provision of infrastructure (such as roads and utilities);
- Protracted nature of the time involved in completion of housing sales transactions.
- Large capital outlay associated with housing projects and relatively lower profit margins for low-income housing.

In the past, special arrangements were made for specific private developers contracted by SLNHC and GOSL under certain projects. In an attempt to promote increased private sector participation in producing more affordable housing, GOSL has, since the 1980's offered incentives which include:

- Up to 100% duty-free concession is granted in special cases to private developers/ contractors for house-building materials;
- Tax free concessions for private developers/ contractors who provide more than ten owner-occupied at less than \$150,000.00 (in the 1980's) and \$300,000.00 (in the 1990's) each and within a one-year period.

Based on discussions held with private developers who utilised the incentives, the duty-free concessions were generally beneficial and relatively simple to obtain. However, dissemination of information about the procedure involved in obtaining the tax-free concessions might have been inadequate. The partial success of these government incentives suggest the need to adopt a more comprehensive approach for encouraging private sector participation in providing for both owner-occupied and rental housing solutions for all income groups.

5.3 Informal Sector Activity

Housing production in the informal sector is characterised by a plethora of small (or petty) contractors illegally constructing (i.e. without DCA's approval), mainly timber housing units usually in squatter (unplanned or spontaneous) settlements. The high prevalence of squatter settlements has and continues to be a key feature of the housing market. It was estimated that



by the year 2000, there were at least 35 unplanned or “spontaneous” settlements dispersed throughout the Island (see Appendix 15), in which private citizens illegally occupy both private and public sector lands, predominantly the latter, for residential purposes. According to information obtained from the PROUD Unit, the inhabitants of these unplanned settlements are generally within the lowest income bracket. Most of these unplanned settlements tend to be characterised by a relatively high population density, low household incomes, insecurity of land tenure, high unemployment rates and inadequate provision of housing infrastructure and social amenities.

The majority of housing units in squatter settlements are constructed with timber; Plywood is usually used for both walls and flooring, whereas structural timber is used for the frame. Skilled labour required for undertaking the foundations and frame of these units are usually easily available within the immediate communities. To undertake the illegal construction the houses are typically built during weekends, when the regulatory approval agencies are closed. The contractors, workers and other individuals involved are obviously industrious and motivated to complete the construction expeditiously (as it is seen to be more difficult to demolish a completed house than to stop its construction).

Although informal sector activity results in an increase in the housing stock, there is need for rationalization of squatter production. In the past, Government has made a number of attempts to rationalise and regularise squatter settlements, PROUD being the largest and most recent. The lessons learnt from PROUD thus far, suggests the need for more comprehensive strategies for (i) rationalization along standard planning guidelines as opposed to simply upgrading tenantry or land reassembly; the strategy of land reassembly in squatter settlement will obviously result in greater costs, disruption and relocation and; (ii) containment of squatter settlement.

5.4 Institutional and Special Needs Housing

Specific data on the inventory and condition of institutional housing (the frail elderly, physically and mentally challenged, orphaned, indigent, homeless and incarcerated) is not available. Discussion with MSTHSFAYS indicates that the institutional housing stock comprises:

- Four special education centres;
- Eight homes for the frail elderly,
- Four orphanages;
- Two poor/ relief houses for the indigent;
- Three correctional facilities.



The Census Report indicated that the total population in institutional housing in 2001 was approximately 580 persons; 353 of which were identified as special needs and 227 were criminal offenders, implying approximately 3.0 persons per 1000 of the household population. Whilst this is a relatively small share, the Social Policy for Human Development in St. Lucia (2003) reported that the number of older persons living in poverty has grown significantly in recent years.

The majority of the special needs housing stock is located in the northern half of the Island and their production and management is usually sponsored by NGOs and civil society organisations with assistance from GOSL. Also, the Country Review of Social Protection in St. Lucia (2004) recommended the need to specially target the elderly and disabled by providing day care centres for the elderly. Further, the Social Policy has proposed a strategy of financial assistance and technical support for: public sector and civil society organisations involved in care of the elderly; services to persons living with disabilities, provision of shelters for homeless persons and decentralisation of selected social protection functions.

The issue of institutional housing is cross-cutting, stretching across several government agencies, particularly those involved in community development, criminal justice and housing development, as well as private sector groups. Therefore, close collaboration will be required to facilitate the provision of institutional, as well as emergency shelter that is accessible, safe and disaster resistant. Thus, there is a need for strategic approaches to ensure continual maintenance of the institutional housing stock particularly with regard to compliance with accessibility standards and adherence to building codes and guidelines.

5.5 Conclusion

The SLNHC, government's main housing producer, is the single largest local supplier of middle and low-income housing; both owner-occupied and tenanted. The price of SLNHC's products (both owner-occupied and tenanted) is lower than the private sector's as it involves GOSL's assistance through the land input. An analysis of SLNHC's housing production performance indicates that less than 30% of its products can be categorised as low-income. This disparity appears to be reinforced by the housing affordability problems of low-income groups. Whilst the SLNHC had increasingly adopted the dual strategy of mixed-income housing and price cross-subsidisation, its major challenge is how to increase housing affordability for low-income groups and break even on its operation.

Government programmes and projects have been largely targeted at low-income groups and improving the availability of housing services (finance, infrastructure, security of tenure and the quality of housing and serviced lots). However, there is no explicit and comprehensive



strategy for encouraging increases in the housing stock for “core need” low-income households.

There is also a need for: reassessment of government’s strategies to increase private sector participation and partnerships in more affordable (owner-occupied and tenanted) housing; improvement of public sector institutional efficiencies; capacity building of housing contractors; regularisation and containment of squatters’ housing production activities and; increased collaboration on institutional housing.



6.0 FACTORS INFLUENCING HOUSING SUPPLY

The previous section of this Report indicated that the annual supply/ production of new housing units was less than 1,000 in 2004. On the other hand, the rental housing stock in 2001 was approximately 8,000 units, 95% of which is supplied by the private sector. An analysis of the housing situation has revealed that there are several factors which influence the supply of housing. The main factors were identified as:

- Availability and Price of Land
- Availability of Critical Building Materials
- Price of Building Materials
- Labour Costs and Availability
- Availability and Price of Infrastructure
- Construction Technology Available
- Building Codes and Standards
- Efficiency of the Regulatory Approval Process

6.1 Availability and Price of Land

6.1.1 Land Supplies

With a total area of 616 kilometres (238 square miles) characterised by steep terrain, the impact of land supply on housing in St. Lucia is inevitably substantial and complex. Of a total of 61,360 hectares of land available in 1996, urban and rural settlements occupied almost 10% - i.e. roughly 5,700 hectares; approximately 36% was under forest and of the total land supply, whilst farming accounted for the remaining 54%. The continuing decline of the Banana Industry during the past decade has accelerated the transfer of farm lands to other economic activities. Subsequent population growth, housing sub-divisions and economic development (tourism, commercial and industrial), have placed increased pressures on land supplies.

Whilst there is little data on the current pattern of land utilisation, it is obvious that there are severe constraints on the supply of land for housing. Regional comparison indicates that in 2004, St. Lucia was a relatively populous island with about 307 persons per square kilometre³⁸ compared with 292 persons in 2001. According to the Government Statistics Department (GSD), Castries has the highest density of almost 771 persons per square kilometre and Soufriere, had the lowest, with 145 persons, and Gros Islet experiencing the most rapid growth in population density.

³⁸ Source United Nations World Population Prospects (2004 revision).



Information obtained from the Crown Lands Department of MFPD indicates that GOSL owns almost 20% of the land supply in St. Lucia, most of which is under forest. The majority of the residential lands are owned by the private sector; a considerable share of which is family-owned; thus transactions tend to involve disputes. A significant percentage of private lands are also held by a few large owners (registered companies and families). Additionally, there are a few medium-sized private-sector landowners who have been involved in land development activities during the past ten years.

The Land Registration and Titling Project (LRTP), which was implemented in 1984, had a considerable positive impact on the local land market in terms of land transferability and consequently, on land availability throughout the Island. Notwithstanding, there are still problems associated with family-land³⁹ tenure resulting in several large tracts of land remaining “locked” or unavailable for housing and economic activities. In some cases, GOSL, by means of the Land Acquisition Act, has procured family lands to implement various public sector projects and programmes. However, the purchase of family land by the private sector is rare, partly due to the constraints related to this type of joint ownership.

It has also been articulated that land speculation (views about future price movements) by owners is partly responsible for reducing its availability and consequently exerting an upward pressure on prices. Thus, against the constraints of a diminutive fixed quantity, utilisation pattern and complicated tenure, the supply and availability of land is the main underlying constraint to housing.

Land Use Planning

There is no national land use plan for the Island. In 1986, a land-use plan was prepared for the north-west region. In 1988, a land-use plan for South Castries was approved and enacted by Cabinet, but this soon became obsolete. Several other broad-based plans were developed and of these, only the Soufriere plan was approved in principle by Cabinet. In 1990, a National Land Use Strategy was prepared, however the methodology used in its preparation was debatable; the strategy was presented to Cabinet but no decision was made with regard to its adoption.

Notwithstanding, there have been some sporadic efforts at developing land use plans for some key communities and localities. Usually, these plans emanate from the need to guide the development process within a specific locality, which has evolved through the

³⁹ Land which has been left beneficially owned by a number of family members and most likely registered in the name of a long deceased ancestor.



introduction of infrastructure or the implementation of a capital project. Some of these plans developed by or at the behest of the MFPD include the:

- Dennery Land Use Plan;
- Cul De Sac Area Action Plan;
- Millennium Highway and Environs Action Plan;
- South Castries Land Use Plan;
- Northern Region Structure Plan;
- Beausejour lands (near the Cricket Grounds).

Government's Other Initiatives on Lands for Housing

In 1999, GOSL established a National Housing Committee, comprising officials of the MPDEH⁴⁰, Ministry of Finance, SLNHC/ HUDC, and BOSL/ NCB. The Committee's broad mandate was to develop a national strategy for housing in St. Lucia. The Committee's deliberations gave rise to the conceptualisation of SDP and creation of the SLNHC. As part of the SDP, lands in several areas were identified for housing development. In 2001 GOSL identified 40 parcels of land (totalling around 600 acres) for housing, some of which were already owned by the Crown and the others were to be acquired⁴¹.

In addition to an estimated 6,000 acres of GOSL's lands vested in the Southern Development Corporation (SDC) and the National Development Corporation (NDC) in Vieux Fort, almost 400 acres of GOSL's lands located in several areas throughout the Island (see Appendix 16 for details), have been earmarked for housing. In 2001, the GOSL initiated PROUD, an initiative to regularise and legitimise about 1,900 housing lots in six unplanned/ squatter settlements throughout the Island. Based on its approved projects, around 1,350 acres have been zoned for housing within PROUD's communities.

6.1.2 Price of Residential Land

Over the past ten years, land has increasingly become the most expensive housing production input. Whilst reliable database of land prices is not readily available, a snapshot of land prices during 2000 to 2004 indicates sharp increases for residential lands, particularly in the north-west, coastal areas and urban centres of the Island.

⁴⁰ Now the Ministry of Finance and Physical Development

⁴¹ Cabinet Conclusion No. 850 of 2001



Serviced Residential Land

The price of serviced residential land is directly influenced by the: cost of the raw land; geographic location; specific site topographic feature; quality of the infrastructure (roads, drainage etc); cost of basic services/ amenities (water and electricity) and prescribed planning conditions. Based on information obtained, the price of serviced residential lots in 2004, ranged from \$4.00 to \$25.00 per square foot, depending on regional location/ district; topography; scenery and other site specific attributes. In 2004, the price of serviced residential land in low to middle-income sub-divisions, sold by the private sector, varied from \$8.00 to \$12.00 per square foot for lots of 4,000 to 8,000 square feet. At the higher end of the market, and particularly in the northern part of the Island, residential serviced land was sold between \$12.00 and \$25.00 per square foot by the private sector for lots between 8,000 to 20,000 square feet. Generally, prices are higher in the urban and coastal areas.

It has also been observed that the price of land increases at a rate of about 5% to 10% annually. Land price increases have been largely attributed to decreasing availability/ supplies; rising demand as a result of economic development; land speculation; as well as population growth and the consequential increase in household formation. The rising cost of land has led GOSL/ SLNHC to adopt strategies to improve the affordability of housing through a reduction in the price of land sold to low-income households by the SLNHC.

Raw Land

In 1998, a private developer was able to purchase raw lands in Dennery at \$1.00 per square foot (this included the cost of relocating squatters); and in 2002, GOSL, acquired 40 acres of raw land in Monchy, Gros Islet at a similar price. In general, GOSL, through the Land Acquisition Act, is able to secure raw lands at lower prices than the private sector. In 2004, private sector sales transactions were at prices of \$3.00 to \$4.00 per square foot, for relatively large tracts of raw lands. Increasingly, it is becoming the norm for landowners to quote the sale price of large tracts of raw lands per smaller units (i.e. per square foot) instead of the traditional larger units (per acre). This pricing habit tends to exert more pressure on the final price of serviced land.

6.2 Availability of Critical Building Materials

The five most important building materials used to construct houses are imported and comprise cement, masonry and concrete products, steel, timber and sand. Other materials that have been used include plastics, gypsum board and plaster board.



6.2.1 Cement

With relatively more masonry houses being built, cement has become one of the most critical materials used in housing construction. The material is sourced from South America and other Caribbean islands and as shown in Figure 6-1, cement imports reached a peak of 79 tonnes in 2000; declined to 42 tonnes in 2003, then rose to 62 tonnes in 2004. During the past few years, there have been significant problems with the local availability of this imported material. Apparently, there was one main importer and several local distributors. Information from that importer suggested that the problem was

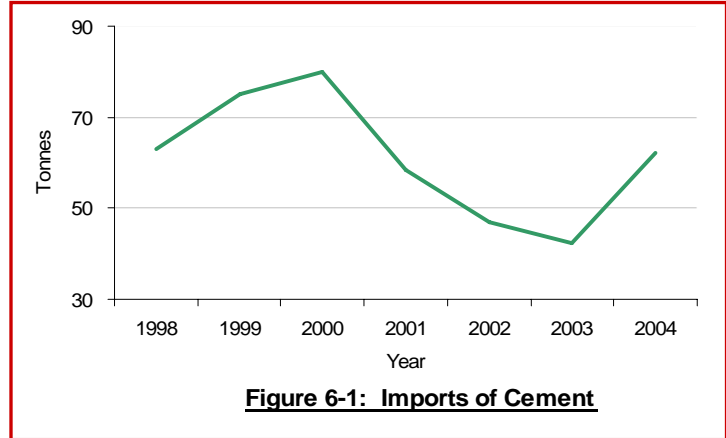


Figure 6-1: Imports of Cement

largely related to: (i) the low capacity of the shipping vessel usually available for transporting cement; (ii) the fact that the price of cement was controlled by GOSL; and (iii) the overseas supplier's terms which required that payment be made in full prior to shipment. Also, sporadic increases in demand by other sectors (tourism and public sector) have had an adverse impact on the local availability of cement for house building.

6.2.2 Masonry and Concrete Products

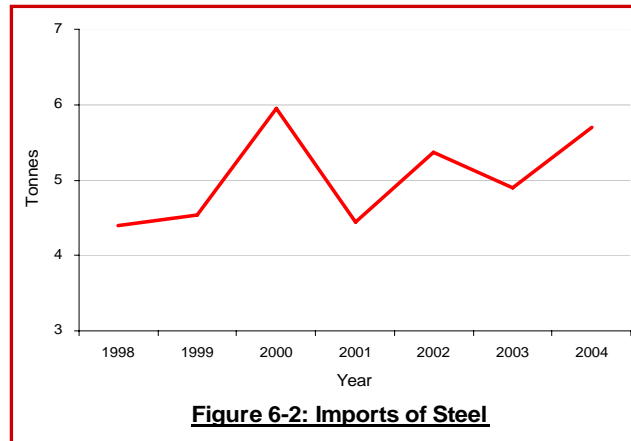
Masonry and concrete products (blocks, pre-cast concrete units and concrete pavers) have increasingly become the main building material in house construction. All masonry products are now produced locally and currently, there are three major factories (two located in the north and one in the south of the Island) that supply machine-compacted concrete blocks. Despite the adoption of the Concrete Block Standard by the St Lucia Bureau of Standards (SLBS) in 1997, there are still many small producers of concrete block throughout the Island that supply a significant portion of the housing sector. Data from the three main factories suggests a total daily capacity of 34,000 6-inch blocks. However, production, and consequently supplies usually depend on the availability of raw materials, particularly cement.

6.2.3 Steel

The use of steel (reinforcing bars and welded mesh) in housing construction has increased as relatively more masonry houses are now being built. Figure 6-2 indicates that imports of steel reached a peak of about 6 tonnes in 2000, but has fluctuated between

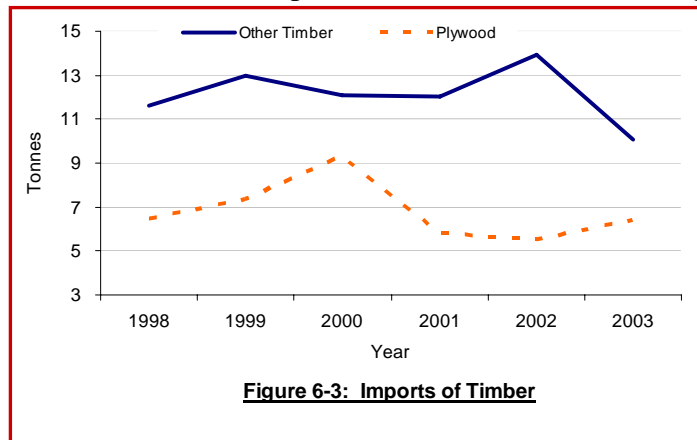


4.4 and 5.7 tonnes during 1996 and 2003. Over the past 10 to 15 years, steel was imported from Trinidad; however, in recent times, alternative sources have been used by local retailers. Steel is usually readily available except during periods of heavy construction on the Island. Since 1991, steel has been imported in rolls and is later cut for retailing by two companies (one each in the north and south of the Island). Consequently, availability is closely linked to their production performances.



6.2.4 Timber

As indicated in Section 3.2.1, the use of timber in house construction has been declining. In terms of availability, data on the production of local timber is not readily available; however local timber has been used in constructing houses in the rural areas as well as an architectural feature in some upper-income houses. All other timber used for house construction is imported and comprise mainly structural timber (Yellow Pine and Pitch Pine) and plywood sheets. Figure 6-3 indicates that imports of other timber (including structural timber) declined from 14 to 10 tonnes during the past six years, except in 2002 when the largest quantity reached 14 tonnes. On the other hand, plywood imports, which accounts for 50% of imports of all other timber has shown a slight increase since 2001. Timber is imported mainly from North and South America, the bulk being from the USA.



There are about five major timber importers/ suppliers and generally, supplies pre-2004 seem to have satisfied local demand. However, with the recent (local, regional and global) increase in construction activity, there have been problems with the ready availability of timber from local suppliers during the past two to three years. Additionally, it appears that all local importers use the same suppliers and shippers; therefore, once there is a shortage, its impact is ubiquitous throughout the Island.



6.2.5 Sand

Sand is an important fine aggregate in the production of concrete blocks and in the construction of houses. In the past, sand mined from local beaches was extensively used. However, the increasing economic importance of the tourism industry and environmental awareness has led to the promulgation of laws prohibiting mining of sea-sand. Consequently, sand has been imported from other Caribbean countries since the late 1990's. Specific data on sand imports are not available; however, the trend is expected to be similar to that of cement. Despite the ban on mining sea-sand, supplies during the past ten-year period can be described as generally satisfactory. Pumice, a naturally occurring material is also used as a fine aggregate in house building. However, the high shrinkage nature of Pumice and the coarseness of most of the imported sand make them unsuitable for plastering and finishing works.

6.3 Price of Building Materials

Reliable trend data on the prices of building materials is unavailable. However, a mini-survey of suppliers was undertaken to obtain retail prices. Table 6-1 provides a rough indication of the retail price of some key house building materials in St. Lucia before 2004 and during 2004-2005. It will be observed that in recent years, the price of all materials has increased significantly. For example, after a 10 to 15 year period of stagnancy, the price of cement increased by about 9% (i.e. from \$13.80 to \$15.00 per bag; indications are that the price of this critical material will experience further increases. For other materials such as treated timber, the price increase was about 7%, whereas steel and sand experienced increases of about 30% to as high as 50%. The price of sand moved from \$58.00 per cubic yard to \$85.00 - an increase of 47%.

Given the lack of reliable data, it is difficult to determine the impact of these price increases on the cost of new housing production. Based on industry knowledge, the cost of building materials is estimated at around 50% to 55% of the total construction cost for a typical two-bedroom concrete house, on-grade. Therefore, it can be reasonably deduced that the impact on the cost of production of a low-income house is considerable, as the unit price of a smaller low-income house is higher than that of a middle-income. Further, based on the technology currently utilised in St Lucia, it is estimated that the import content of a masonry house is considerable (around 70% to 75%), thus, price increases in regional and international markets could have a serious impact on the cost of building materials and consequently on the cost of house construction in St Lucia.



Table 6-1
Prices of Key Building Materials

Material	Unit		Average Prices (\$)	
			Pre-2004	2004-2005
Cement	94-pound bag		13.80	15.00
Treated lumber	Board foot		3.50	3.75
Plywood	Sheet- ¾-inch		90.00	105.00
Steel (12 millimetre bars)	Length		9.00	13.50
Welded mesh	Sheets	A-142	60.00	85.45
		A-98	50.00	65.80
Sand	Cubic yard		58.00-65.00	85.00
Pumice	Cubic yard		55.00	NA
Mixed aggregate	Cubic yard		48.00	63.00

**Source: Data obtained from a sample of suppliers; NA means not available*

6.4 Labour Costs and Availability

The gradual decline of the Banana Industry has released unskilled labour into the construction sector, thereby increasing the availability. Paradoxically, the increased availability has not resulted in a reduction of construction labour prices. The construction boom (within the local economy and the wider Caribbean region) has led to a growing scarcity of highly skilled housing labour over the past few years.

Information obtained from GSD, indicate that wage rates within the general construction sector have increased, from an average daily maximum of about \$110.00 in 1999 to approximately \$130.00 in 2003 – i.e. an average growth of about 5% annually. However, specific reliable information on labour cost in the housing sector by types of workers is not available. Therefore, a mini-survey was conducted to collect labour wage rates paid by a sample of building contractors throughout the Island. The information collected (and summarised in Table 6-2), suggests that labour costs for house construction have increased by about 19% between 2003-2004 and 2004-2005.

**Table 6-2****Labour Cost by Type of Worker**

Type of Worker	Daily Wages Rates (EC\$)	
	2003-2004	2004-2005
Labourer	40 - 50	55 - 65
Skilled Labourer	55 - 65	70 - 80
Carpenter	80 - 120	85 - 130
Mason	80 - 110	90 - 125
Painter	70 - 100	110 - 120
Tiler (per sq. yd.)	18 - 20	22 - 25
Steel Bender (Job)	75 - 110	NA*

Source: Data obtained from a sample of contractors throughout St Lucia

* Means not available

With increases in the price of building materials and labour, it can be deduced that based on the information obtained as well as knowledge of the construction sector, in general, the total cost of building a house has increased by about 8% to 16% between the pre and post-2004 periods.

6.5 Cost of Infrastructure

The cost of infrastructure (roads and drains) is estimated at around \$2.50 to \$6.50 per square foot of saleable land. This depends on a number of factors such as on location, topography, availability of utilities off-site, soil type, sewage system, etc. Another factor which has a serious impact, not only on cost of infrastructure but also on the supply of serviced lots by private developers, is a new requirement imposed by the DCA in 1993. The condition requires that all private developers post a 100 percent performance bond in order to obtain full approval for sub-divisions prior to implementation of the infrastructural works. Although the new measure was necessary to protect housing consumers from unscrupulous private developers (with regard to the poor quality of infrastructure provided), it is considered excessive and acts as a deterrent to private sector participation in the delivery of housing. Essentially, the 100% bond doubles the private developer's capital outlay and ultimately results in higher prices to the housing consumer as well as reduced availability of serviced lots. A less capital intensive alternative to the bond was proposed by a private developer in 1994 and accepted by DCA as a workable



option. However, the alternative involves approval from the various referral agencies (see Section 8.6) a process which can be extremely lengthy with consequential negative impacts on private developer's cost of infrastructure.

Additionally, the high investment cost of utilities significantly increases the final price of serviced lots provided by both private and public developers. For instance, in the case of the infrastructure charges levied by WASCO, developers are not awarded a rebate if connections are made off the water infrastructure to other sites belonging to other individuals or developers. Also, for new housing developments, developers may be required to bear an up-grade charge for impacting the Island's water infrastructure. In the case of road-works in new housing areas/ sub-divisions, the initial private developer fully bears the total outlay involved in providing infrastructure to and within the new site.

6.6 Construction Technology

For the purpose of this Report, the technology utilised in the housing sector can be grouped into the following three categories:

- Traditional masonry construction
- Conventional timber construction
- Prefabricated and Pre-cast systems

6.6.1 Traditional Masonry Construction

The utilisation of masonry construction technology is quickly becoming the norm in the housing production (see Section 3.2.1). External and internal walls are typically concrete block-work, six and four inches thick respectively. With the advent of gypsum board, there has been a slight move towards its use as a quicker and more light-weight material for internal walls, which is apparently less expensive.

The high durability, lower life-cycle costs and relative ease of house construction, has resulted in this technology being preferred over the traditional timber. Also, a key advantage of masonry technology over prefabrication is the ease with which alterations could be undertaken both during and after construction. However, the availability of raw materials is of major concern in the use of masonry technology. In particular, the shortages of sand have over the years have affected housing production negatively.

6.6.2 Traditional Timber Construction

As indicated in Section 3.2.1, conventional timber construction is gradually being replaced by masonry construction. The timber construction technology utilised usually involves



construction on wooden poles, block work foundation walls, or on a concrete slab on grade. The walls and floors are constructed differently, depending on income group. The very low-income groups would normally use three-quarter inch Plywood sheets as flooring and T1-11 grooved Plywood for the walls. The more financially endowed tend to use Tongue and Groove timber boards on the floors and Shiplap boards for the walls.

The main advantage of timber construction technology is the usability, cost-effectiveness, speed and flexibility of construction. It also allows greater use of unskilled labour. In fact, evidence has shown that the informal sector could complete a T1-11 Plywood house within a weekend. Notwithstanding, the higher life-cycle costs (particularly insurance premiums) are the main deterrent to the use of this technology.

6.6.3 Prefabricated and Pre-cast Systems

Although used in St Lucia since the early 1970's, prefabricated and pre-cast technology had not been widely used in building houses during the past decade. As indicated in Appendix 22, several types of prefabricated/ pre-cast systems have been used over the years, to shorten the duration and consequently the cost of construction. Although it has been argued that prefabricated and pre-cast technology results in cost savings and improves quality, these benefits have not been fully realised in St. Lucia, primarily because of the steep topography, economies of scale, and lack of flexibility in architectural design. The only system which would have a positive impact on the cost of housing is the Contec joists and blocks system, as it is not particularly affected by the Island's hilly topography.

6.7 Building Codes and Standards

6.7.1 Building Codes

Currently, there is no official or legally binding building code in Saint Lucia. The Caribbean Uniform Building Code (CUBiC), which was developed in the late 1970's, was not completed (but in use) and also not made official in St. Lucia. Over the last fifteen years, extensive efforts have been made in developing a building code for the OECS and individual Islands.

With support from the World Bank, the St. Lucia Building Code and Guidelines (SLBCG) document has been completed for over five years now but has not been legalised. The document contains two parts - (i) the Code and (ii) the Guidelines for smaller building construction. The Code focuses on conditions relevant to larger buildings and structures, particularly those requiring civil-engineering advice. The Guidelines makes specific reference to small buildings and provides design information



as per the requirements of the Code. It essentially allows technicians and artisans to design and construct structurally sound and disaster resistant housing without the need to undertake the rigorous engineering calculations required by the Building Code.

Although the SLBCG has not been made an official document, the DCA is already applying the requirements of the SLBCG in its appraisal of applications received for approval of buildings. However, this does not prevent applicants from using an alternative code in the design of a house or structure. As suggested, use of the SLBCG would result in disaster-resistant housing, thereby improving the overall quality of the housing stock and reducing losses in the event of natural disasters. However, it could retard the delivery process if not administered efficiently, as more approvals are required before occupying a completed house. Also, the absence of a legally binding St. Lucia Building Code has contributed to the poor performance of contractors.

6.7.2 Construction Standards

With the creation of the St. Lucia Bureau of Standards (SLBS⁴²) in 1991, the adoption of construction standards has provided the Island with an official means of enhancing the production of disaster-conscious housing. In 1997, the SLBS adopted the first construction standard - standard for hollow masonry blocks. However, the block-making industry is not regulated as the SLBS has not started routine inspections of plants or the testing of blocks. Thus, there are still several small producers throughout the Island that supply a significant quantity of concrete blocks which might not comply with that specified in the SLBCG and the SLBS standard. Inadequate regulation coupled with the lack of mandatory standards has also contributed to general inadequate performance of small contractors.

Currently, there are no mandatory standards or other technical specifications requiring local suppliers to identify the grade of lumber being sold. However, SLBS is in the process of adopting some critical standards on wood and wood products. In that regard, discussions have been held with suppliers about the labelling of Plywood sheets. Additionally, through the recently established Construction and Engineering Sub-Committee, the SLBS has adopted other construction standards whilst others are currently under review. A list of SLBS construction standards is presented in Appendix 17.

In another effort to improve the standard of construction and ultimately, of housing, the Caribbean Regional Human Resource Development for Economic Competitiveness (CPEC) programme has been involved in strengthening the skills of local artisans in

⁴² Formerly known as the National Standards Body



various construction principles through training courses facilitated by the Sir Arthur Lewis Community College (SALCC). However, these courses have ceased with the termination of the CPEC Programme. A further attempt at improving standards is currently being made through the creation of the National Certification and Licensing Authority (NCLA) whose proposed mandate is to regularise the Industry and provide licences to the various trades and contractors. The Project, which is funded by the EU and GOSL is administered by MHURLG.

6.8 Regulatory Approval Process

As previously mentioned, the DCA instituted a new requirement in 1993, whereby all private developers must post a 100 percent performance bond in order to obtain full approval of sub-divisions. Whereas this procedure was indeed necessary, it has effectively resulted in increased business risks to the private developer both in terms of capital outlay requirements, as well as the lengthening of the planning approval process for land sub-divisions. A less capital intensive alternative to the bond was proposed by a private developer in 1994. Although the DCA accepted this alternative, the approval process (which involves obtaining permission from several referral agencies - see Section 8.6), could be just as lengthy as the bond option.

Private developers who were interviewed in a sample survey, all complained about the inordinate delays caused by the referral agencies in obtaining the final approval after the infrastructure is reported complete. Indeed, there have been reported instances where DCA's approval process has taken twelve months. Discussions with the DCA intimate that the process of achieving final inspection by the MCWTPU is considered lengthy and the intention is to employ its own in-house engineers to facilitate a more efficient approval process. Other areas of concern are the extremely long period involved in:

- (i) The property conveyance process in obtaining the 100% bond which has an adverse impact on private developers' profitability;
- (ii) Obtaining the duty-free and tax-free concessions offered as governmental incentives to increase participation in housing production.

6.9 Conclusion

Reliable and up-to-date information on housing supply is not readily available. However, it appears that a myriad of factors influence the supply of housing, one of the most significant being the unavailability of affordably priced lands. This is exacerbated by the current land tenure pattern which acts as a constraint to private sector involvement in housing. Thus there



is a need for revision of the LRTP. Whereas GOSL has identified some areas for housing, and reactive satellite plans have been developed for specific communities, there is also a need for integrated land use planning at the national level.

Construction booms (on the local, regional and international levels) have had a significant adverse impact on the availability and price of inputs particularly labour and building materials. Additionally, the high cost of infrastructure and limited usability of modern construction technology also have cost implications for the increased supply of housing. The regulatory approval processes also act as constraints to private sector participation in increased housing supply. Additionally, inadequate regulation of within the Industry had lead to generally weak performance of house producers, particularly petty contractors. Therefore, continual monitoring and review of the factors and processes involved in housing supply is necessary, in order to identify solutions to address these constraints. In that regard, the accuracy and accessibility of data is key.



7.0 CURRENT DEFICIT AND FUTURE HOUSING REQUIREMENTS

Reliable data on historical or current supply or consumer demand for housing are not available. However, it is widely believed that the expressed demand for housing far outstrips supply. For the year 2000, GOSL estimated that the Island's total housing needs was around 1,921 to 2,200 housing units.⁴³

A review of the literature suggests that housing problems are never completely eliminated regardless of a country's level of economic development. This is largely due to the fact that as population, and consequently households continually increase, additional housing will always be required. Also, houses need to be replaced as they deteriorate and become obsolete. Further, as household incomes increase, consumer taste and preferences become more urbane; consequently, they rather live in the more enhanced geographic locations. Notwithstanding, credible estimates of housing deficit and requirements are essential, as they provide a broad indication of the extent of the housing problem.

Accurate quantitative assessment of housing deficit and requirements need reliable historical and current data and involves both normative and empirical judgement. The only reliable source of data which can be used in the estimation of housing needs for St. Lucia is the Population and Housing Census Reports.⁴⁴ However, there are a number of constraints in using this data; for instance:

- (i) A recommended methodology⁴⁵ for obtaining a rough quantitative indicator of housing deficit is to determine the number of households which exceed the number of dwellings. However, the information in the 2001 Census Report indicates that there were less (47,124) private households than (52,565) dwelling units.⁴⁶ This implies that there was an excess of over 5,441 dwelling units in 2001, suggesting an absence of housing deficit at that time;

⁴³ As noted in (i) *Achieving Housing Sustainability in Small Island Developing States: A Critique of the Key Housing Strategies in Saint Lucia* by Joanna M. Raynold-Arthurton Housing Planner, St. Lucia, 2006 and; (ii) CDB's Appraisal Report on the Shelter Development Project – St. Lucia October 2000.

⁴⁴ Published by the Statistics Department, Ministry of Finance, International Financial Services and Economic Affairs, St Lucia

⁴⁵ See *Recommendations for the Establishment of a Strategic Framework to Guide the Development of Housing and Resettlement in St. Lucia* by Pauline McHardy, June 2003.

⁴⁶ Additionally, the 2001 Census Report also identifies a total of 4800 housing/dwellings units as being vacant, 2165 as not being at home, 1526 as refusing to respond, 2314 as being closed and 83 deferred. Despite this resulting in a total of 3348 dwelling units more than that identified in the Census report, it is understood that there may be some level of double counting of those not at home and those refusing to participate. Notwithstanding, the data suggests that the total number of households in St. Lucia in 2001 may be far in excess of the 47,124 quoted in the Census. This is further exacerbated by the number of vacant dwellings being reported as over 10% of the occupied households. This is considered excessive for a developing country, as vacancies are usually estimated as 00% when establishing need. It is also relevant to note that the figure of 47,124 represents the number of households occupied when the 2001 Census was conducted.



- (ii) The Census' definition of household suggests that there may be more than one "nuclear family"⁴⁷ per household; however, the number of families per household was not captured in the Census;
- (iii) There is a lack of data on household income by the various income groups and by geographic region.

7.1 Current Housing Deficit

A review of the literature indicates that several methods have been recommended for estimating housing deficit and requirements. Also, given the fact that housing is a basic necessity of life, household population projection has been the main foundation for these methods. However, the following three methods (as described in Appendix 18) have been the most popular approaches used:

- (i) Housing Formation;
- (ii) Employment Growth;
- (iii) Headship Rate.

In view of the data constraints previously mentioned, the first method – which utilises the rate of housing formation - was selected as the most suitable approach to establish credible and policy-relevant estimates of housing deficit and requirements for St. Lucia. The Housing Formation method involves a two-step approach to derive the total annual need for housing. This can be diagrammatically summarised in an adaptation of the Basic Needs Assessments Model⁴⁸ for housing, as shown in Figure 7-1. The two steps are detailed in Appendix 19 and are as follows:

Step No. 1

Determine the projected rate of household formation (i.e. number of households required) during the ten-year planning period, by using the extrapolated average household size and population projections

Step No. 2

Make adjustments to the rate of household formation by:

- Estimating the backlog of existing housing needs (as at Census Year 2001) in order to calculate the housing stock at the end of that Census Year and consequently, at the start of the planning period;

⁴⁷ A nuclear family consists of a mother, father, and their biological or adoptive descendants living in a separate housing unit

⁴⁸ Adapted from the Main Report of the Housing Needs Assessment Housing Study by Fordham Research UK, June 2006



- Establish the amount by which the current housing supply falls short of a normative standard and allocate a percentage increase to progressively reduce the backlog;
- Determine the need for new/ additional housing required to satisfy the projected household population growth during the planning period.

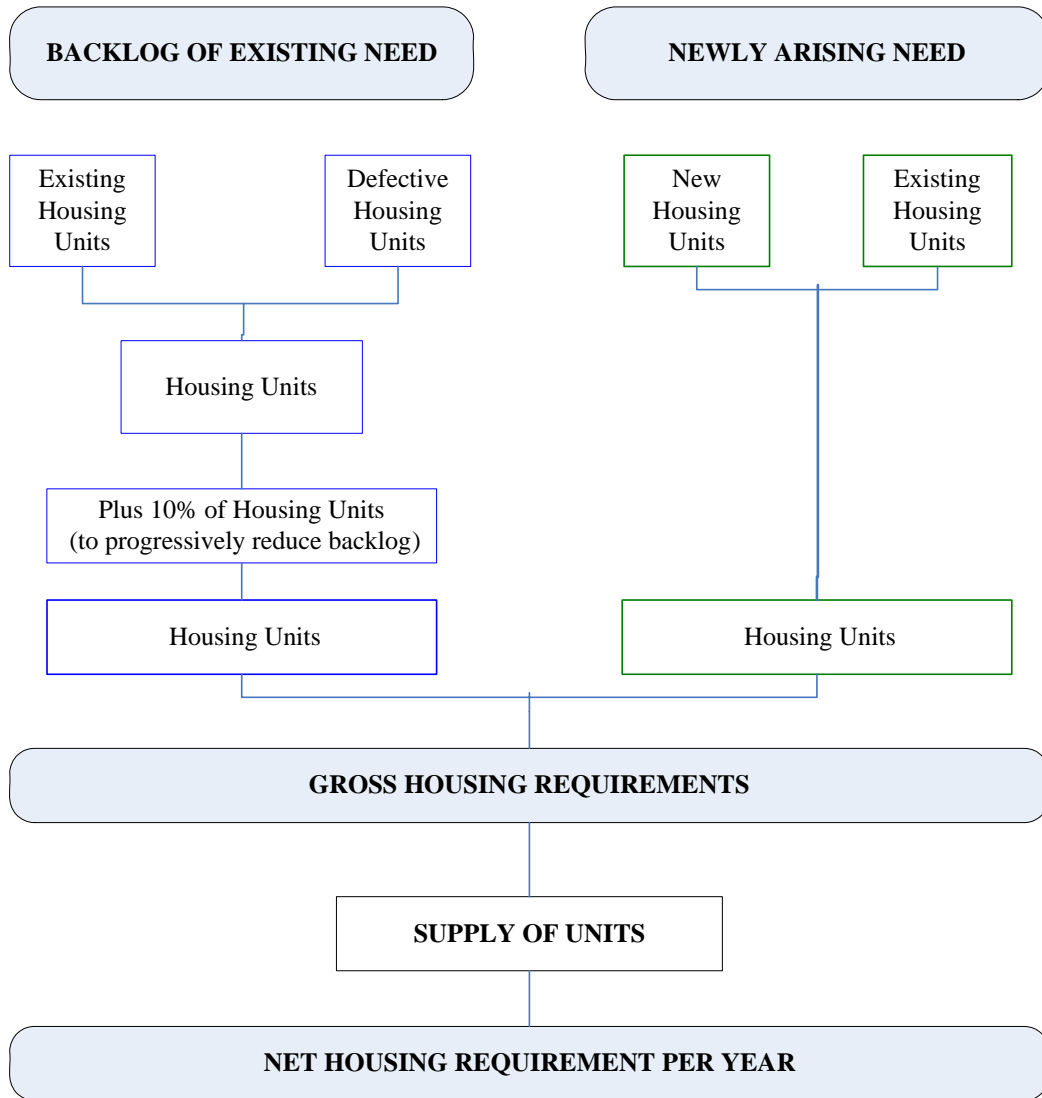


Figure 7-1
Typical Basis Needs Assessments Model For Estimating Housing Deficit and Requirements⁴⁹

⁴⁹ Adapted from the Main Report of the Housing Needs Assessment Housing Study by Fordham Research UK, June 2006



Using the 2-step approach, Table 7-1 shows that the total estimated current shortfall or deficit in housing up to the end of year 2006 is computed as 3,990 – i.e. the sum of the total annual housing needs from the beginning of year 2002 (in effect the end of the Census Year 2001), through to the end of year 2006.

7.2 Future Housing Requirements

Based on Figure 7-1 - the Typical Basis Needs Assessments Model for Estimating Housing Deficit and Requirements, the projected average annual number of housing units required during the planning horizon (years 2008-2017) is approximately 2,114 (i.e. the average of the sum of housing units during each of the years in the period 2008-2017 plus the Effective Housing Need of 5,888 units in year 2007) as shown in Table 7-1.

However, it should be noted here that the level of 2,114 housing units required during the planning horizon reflects the potential housing needs and not the level of effective or expressed demand for housing. Information on expressed housing demand by region/ district could be obtained through carefully designed market surveys.

With respect to geographic distribution, Table 7-2 shows that the concentration of households/ housing units was highest in Castries and Gros Islet in the north and Micoud in the south-east. However, the rate of formation of households/ housing units was highest in, Gros Islet in the north, Vieux Fort in the south and Anse La Raye in the west, which experienced the highest growth rates of 75%, 48% and 45% respectively. Although current data is unavailable, migration trends indicate growing urbanisation.

In terms of the qualitative dimension of the housing needs, the 2001 Census Report, concrete housing units indicated that (at least with their outer walls constructed with concrete blocks) appear to be the minimum quality that will be required. Also, with regard to the size of house required, the average number of rooms appears to be two. Again, information on the type and size of house required by income group, geographic location and type of tenure (rented or owned) could be obtained through housing market surveys.



Table 7-1
Projected Housing Requirements⁵⁰ – Years 2007 to 2017

Item	Year															
	2,002	2,003	2,004	2,005	2,006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1 Household population projection	159,133	160,620	162,434	163,282	164,853	166,635	168,600	170,442	171,610	173,383	176,185	178,216	180,136	182,122	184,174	186,298
2 Average household size	3.27	3.21	3.14	3.08	3.02	2.96	2.90	2.85	2.80	2.76	2.71	2.68	2.65	2.62	2.60	2.59
3 Recorded & required households	48,665	50,037	51,731	53,014	54,587	56,296	58,138	59,804	61,289	62,820	65,013	66,499	67,976	69,512	70,836	71,930
4 Backlog of existing need	487	500	517	530	546	563	581	598	613	628	650	665	680	695	708	719
5 Housing stock at end of period	49,151	50,538	52,248	53,544	55,133	56,859	58,719	60,402	61,902	63,448	65,663	67,163	68,656	70,207	71,545	72,649
6 Housing stock at start of period	47,275	49,151	50,538	52,248	53,544	55,133	56,859	58,719	60,402	61,902	63,448	65,663	67,163	68,656	70,207	71,545
7 Need for new construction/supply	1,876	1,387	1,710	1,296	1,589	1,726	1,861	1,683	1,500	1,546	2,215	1,500	1,492	1,552	1,337	1,105
8 Amount to progressively reduce backlog	188	139	171	130	159	173	186	168	150	155	221	150	149	155	134	110
9 Total need for new housing	2,064	1,525	1,881	1,425	1,748	1,898	2,047	1,851	1,650	1,701	2,436	1,650	1,641	1,707	1,471	1,215
10 Estimated construction of new housing	723	999	990	942	1,000											
11 Total annual need for housing	1341	526	891	483	748											
12 Shortfall up to 2006						3,990										
13 Effective need from 2007						5,888	2,047	1,851	1,650	1,701	2,436	1,650	1,641	1,707	1,471	1,215

Source: Data obtained from Government Statistics Department and analyses undertaken by ECMC Ltd.

⁵⁰ Notes to Table 7-1 as follows:

1. Household population projections – Source Government Statistics Department
2. Average household size (see Appendix 5)
3. Recorded and required households – Item no.1 above divided by item no.2
4. Backlog of existing need – An estimated 1.5% of item no.3
5. Housing stock at end of period – Sum of item no.3 and item no.4
6. Housing stock at start of period – Commencing year 2001
7. Need for new construction/ supply – Item no.5 minus item no.6
8. Amount to progressively reduce Backlog – An estimated 10% of item no.7
9. Total need for new housing – Sum of item no.7 and item no.8
10. Estimated construction of new housing – 2nd column of Table 5-1 increased by 50%
11. Total annual need for housing up to 2006 – Item no.9 minus item no.10
12. Shortfall up to 2000 - Sum of item 11 for years 2002 to 2006
13. Effective need from 2007 - item no.9 plus item no.12 for 2007; and item 9 or 13 from 2008 to 2017



Table 7-2
Distribution and Formation of Housing Units

District	% of Households (2001)	Average Formation of Housing Units (%) (1990 to 2001)
Castries	39.9	43
Gros Islet	13.6	75
Micoud	10.5	41
Vieux Fort	9.7	48
Dennerly	8.2	39
Laborie	4.6	30
Soufriere	4.3	6
Anse La Raye	4.0	45
Choiseul	3.9	24
Canaries	1.3	17
Total	100.0	4 *

Source: Government Statistics Department

* means average

However, housing requirements by region/ district can be influenced by government economic development policies. The Government has at its disposal, a number of policy levers which can be applied to influence future migration pattern and thus regional housing requirements. In this regard, the design of strategic action plans for housing in St. Lucia will need to consider appropriate policies and programmes specifically aimed at addressing to change the current rate of urbanisation.

7.3 Housing Priorities

Whilst information to determine housing priorities is not available, it appears that, based on the illustrative HA matrices (Tables 4-3 and 4-4), the segment in greatest need – i.e. households with a core housing need, are those lie within the low-income groups – i.e. monthly salary of \$2,500.00 and less. This is further supported by an analysis of applications for housing at the SLNHC which shows that more than 70% of all applicants earned a monthly salary of \$2,500.00 or less. Based on the illustrative HA matrices this also suggests that the focus should be on the two-bedroom house type.



Further, the information collected has shown that historically and currently, the private sector has been more involved in housing aimed at the higher-end income brackets (i.e. middle to upper-middle), where housing affordability problems tends to be less. Therefore, housing priorities should also focus on strategies to promote private sector involvement in the lower end (i.e. very low to low-income) housing production.

The need for institutional and emergency shelter is expected to increase with population growth and economic development. This important issue extends across several government institutions, particularly those involved in community development, correctional and housing, as well as private sector groups. Therefore, close collaboration will be required to determine quantitative estimates of the effective need for institutional and emergency shelter that is accessible, code compliant and disaster resistant.

7.4 Conclusion

Quantitative, qualitative and geographical determination of the housing deficit and requirements are essential in obtaining an indication of the extent of the housing problem. Currently, due to the paucity of data, very few methods could be used to derive estimates of housing deficit and requirements. Further, the latest available data is the 2001 Census. Therefore the estimates of housing needs presented in this Report, must be considered as merely advisory and thus used with extreme caution. It must be reiterated, that successful implementation of the NHRP and related SPA will require up-to-date information on effective (expressed) housing demand. Therefore, it is recommended that specific market research be conducted to determine the effective demand for housing by income group, district and choice of housing (starter, core, complete two or three-bedroom) as well as by special needs group.



8.0 LEGISLATIVE AND INSTITUTIONAL FRAMEWORK

Housing and resettlement in St. Lucia have been fashioned by a number of international, regional and national influences. At the national level, the legislative, regulatory and administrative frame framework reflects GOSL's commitments to developing housing and resettlement in St. Lucia. Additionally, a number of private sector institutions, particularly financial intermediaries significantly impact on the operation of the housing delivery system.

8.1 International and Regional Context

Globally, the right to adequate housing and shelter gained recognition since the adoption of Universal Declaration of Human Rights, an international legal instrument promulgated in 1948 by the United Nations (UN). In more recent years, housing and shelter has received growing attention through UNCHS/ UN-Habitat, one of whose main objectives is to improve the lives of slum dwellers in line with the Millennium Development Goals (MDG). The Habitat Agenda, UNCHS' main political document on housing and shelter, adopted by over 170 countries, propounds two main themes - "*Adequate shelter for all*" and "*Sustainable human settlements development in an urbanizing world*".

Additionally, the Habitat Agenda contends that any effort to improve housing must utilise an "enabling approach" that encourages governments to develop the supportive legislative and financial frameworks that will facilitate the formal and informal business sectors, NGOs, communities and individual households to participate most effectively to shelter development. The Centre for Housing Rights and Evictions (COHRE) contends that housing rights have more to do with political will, than with the logistics of actually providing housing to people. Also COHRE emphasises that while the physical structure of a house, including infrastructure, facilities and security of tenure are essential, these are mainly dependent on the affordability, availability and accessibility of land, building materials and whether governments make these conditions possible.

There is no specific law or convention on housing that St. Lucia has had to ratify; however, there are several international instruments which relate to housing and shelter, which St. Lucia has adopted or endorsed. These international commitments do not only reaffirm St Lucia's overall stance on housing and resettlement, but also provide a basis for strengthening the legal, policy and institutional frameworks for housing.

8.2 Regional Context

Similarly, it appears that there is no single housing policy instrument that has been universally applied to the provision of shelter in the Caribbean region. Each country has



implemented their own policies directed at specific circumstances. Nonetheless, most Caribbean countries have and continue to experience similar trends, characteristics, challenges and constraints in their housing sectors, albeit differing magnitude⁵¹. Consequently, many of the housing policy instruments implemented by Caribbean countries usually relate to the disparity between demand and supply of affordable housing; distorted land markets; informal urbanisation and settlement, over-crowded and dilapidated inner city housing, inadequacy of financing and the need for planning standards and regulations.

In general, Caribbean governments have adopted the role of “facilitator” in the housing process. Some of the larger Caribbean countries already have documented national policy statements, whilst others, like St. Lucia, are in the formulation stages. St. Lucia has and continues to participate in CDB’s various financing programmes for the provision of housing and shelter. Further, St. Lucia is an active partaker in housing consultations initiated by other Caribbean Islands in support for regional housing and shelter interventions.

8.3 Evolution of National Housing Policies

Government’s initiatives in housing and resettlement have traditionally taken place as a reaction to disaster events. The first public sector intervention in housing can be traced back to the British Moyne Commission⁵², which investigated the social and economic conditions of the people consequent to a strike in St. Lucia (and other civil disturbances in the other Caribbean colonies) around 1938-1939. In 1948 and 1955, public housing developments were undertaken immediately after the fire in Vide Boutielle, Castries and flooding of Soufriere respectively. Thereafter, GOSL began to adopt a less reactive approach to housing, which was partly due to illegal or squatter settlements on Crown lands.

In an attempt to develop a proactive approach to housing, several strategic interventions were pursued. As early as 1952, GOSL established statutory institutions to manage public sector housing and lands. In that year, the SLHA⁵³ was created to manage the rental of the public apartments which were constructed after the 1948 fire. The HUDC² was launched in 1971 as a statutory institution to implement public sector housing and land development projects, focussing on the low to middle-income brackets. A year later, the SLNDC was established, mainly to promote economic development in the south of the Island; however, in fulfilling its

⁵¹ Proceedings of the Housing Colloquium held in Trinidad in March 2006

⁵² Draft Report of the Assessment of Poverty in St Lucia by Kairi Consultants Limited, August 2006 and Moyne Papers on West India Royal Commission; Institute of Commonwealth Studies; website-<http://commonwealth.sas.ac.uk>

⁵³ Amalgamated with HUDC and NP Ltd in 2001 to form SLNHC



mandate, the SLNDC was involved in housing to the extent that it developed land for residential purposes.

In 1974, GOSL through the Ministry of Planning,⁵⁴ commissioned the United Nations Development Programme (UNDP) to undertake a study on housing under the Physical Planning Project to develop projections of demand for housing and residential land. About eleven years later, a Housing Review was carried out for St. Lucia (as part of six Caribbean Islands) by UNCHS through that same Ministry. The objective was to address GOSL's priority requirements on housing and shelter with emphasis on low-cost housing. The review also indicated that, as of October 1984, a national housing policy document existed but was not yet approved. In 1998, another consultancy study was undertaken through the French Mission for Cooperation and Development in the Lesser Antilles, in which St. Lucia's housing situation, was examined as part of a wider study involving other Caribbean islands.

In its continuing effort to provide low-income housing, GOSL, in 1996, constructed some 160 rental apartments under the Darling Road Development Project in Castries City. This intervention also involved the relocation of residents from Conway to Ciceron. In 1999, GOSL established a National Housing Committee, comprising representatives of the Ministry of Planning, Ministry of Finance, HUDC/ SLNHC, and NCB/ BOSL. Its broad mandate was to develop a national strategy for housing development in St. Lucia. The Committee's proceedings culminated in the conceptualisation of the Shelter Development Project and the creation of the SLNHC in 2000 and 2002 respectively.

In 2003, GOSL, through MPDEH, recruited a Housing Consultant to provide advice on the establishment of a framework to guide the development of housing and resettlement in St. Lucia. The framework which was developed, served to advance the policy formulation process.

8.4 Recent Policy Initiatives

The recent thrust in housing is based on the principle that GOSL will not intervene in any area that is adequately provided for by the private sector.⁵⁵ This approach has been reflected in various policy initiatives which have been articulated in Throne Speeches, annual Estimates of Expenditure, Social and Economic Reviews, Cabinet memoranda and decisions,

⁵⁴ The Ministry of Planning Personnel Establishment and Training at that time

⁵⁵ A Critique of the Key Housing Strategies in St. Lucia; Joanna Raynold-Arthurton, Housing Planner, March 2006



as well as political parties' manifestos. The latest Medium Term Development Report⁵⁶, formulated in 2000, endorsed GOSL's broad goals for housing and resettlement as follows:

- Provision of access to housing for low-income households and the indigent;
- Improvement in the quality of the housing stock of low-income households;
- Creation of a policy framework to facilitate the orderly development of housing and shelter.

Accordingly, government's current interventions in housing and resettlement continued to focus on the provision of housing, particularly for low and middle-income households. The main policy initiatives that have been taken by GOSL within the past ten years include inter alia:

- i. Continued provision of low and middle-income housing (serviced lots and houses) by SLNHC, at discounted prices (see Appendix 12);
- ii. Supply of a limited number of multi-family housing units (apartments in Castries city) at rents below market rates (see Section 5.1.1);
- iii. Implementation of the PSRP to facilitate resettlement of households that have been dislocated by both public development projects and the impact of disasters such as hurricanes, land slides and fires (see Section 5.1.2);
- iv. In 2000, implementation of the SDP and its major components (STURF/ PROUD, CUC and SSRF) aimed at providing housing specifically targeted at low-income households (see Section 5.1.2);
- v. Reorganization of statutory housing institutions through the merger of HUDC, NP Ltd and SLHA in 2001 to create the SLNHC, the institution charged with the responsibility for operationalising most of GOSL's housing and resettlement interventions;
- vi. Implementation of the PRF and the BNTF – poverty reduction projects, which have enabling impacts on housing and resettlement (see Section 5.1.2).
- vii. In 2003, implementation of the LHCF which provided EU grant funds to build or improve low-income homes (see Section 5.1.2);
- viii. Continued provision of fiscal incentives to private developers for supplying affordable housing to low and lower-middle income households (see Section 5.2.2);

⁵⁶ Medium Term Development Report 2001-2006



- ix. In 2003, through MPDEH, initiation of the formulation process for a new policy framework (the proposed NHRP and SPA) to guide the development of housing and resettlement in St. Lucia.
- x. Establishment of the SDC to undertake non-industrial development of lands originally owned by the SLNHC and SLNDC, in the south of the Island.

Indeed, GOSL's efforts towards housing and resettlement have been substantial and consistent with the general guiding principles of the UN Habitat Agenda as well as other Caribbean housing interventions. However, there is need for specific focus on those low-income households, which have a core housing need. A comprehensive approach, in terms of targeted policies, strategies and budgetary allocation is required to address these needs.

8.5 Legislative Framework

The evolution of the legal framework for housing in St. Lucia is marked by the passage of the Housing Ordinance of 1966. This legal instrument established the Saint Lucia Housing Authority (SLHA). In 1971, the Housing and Urban Development Corporation Act was passed, establishing the HUDC as GOSL's main agency to promote development of housing in St. Lucia and to undertake planning and development of land for residential and other community purposes. Nationwide Properties (NP) Ltd was created to undertake property management of government's detached houses. All these legal instruments were later repealed to introduce the Saint Lucia National Housing Corporation (SLNHC) Act No. 6 of 2001.

The main existing legislation which specifically supports housing is the Saint Lucia National Housing Corporation Act No. 6 of 2001, which provides the legal, regulatory and administrative framework for the role of SLNHC

Basically, the SLNHC Act allowed the establishment of SLNHC as the main institution for implementing all GOSL's policies relating to housing and resettlement. It assigns the Board of directors the responsibilities to acquire, develop and manage housing development as well as to re-develop/ re-construct slum areas including relocation of displaced persons. The Act also authorises the SLNHC to form strategic alliances with other organisations in the provision of housing accommodation for low-income households.

In addition, there are several other legislation, regulations and policy instruments which influence or are potentially relevant to housing and resettlement. Some of these are described in Appendix 20. The impact of the regulatory framework on the functioning of the housing market is difficult to assess, due to the lack of requisite information. However, the following are noteworthy:



- a. While the SLNHC is the single largest producer of low-income housing, the legislation is not specific about its role in housing production for that income group. The only reference to low-income housing in the SLNHC Act is “*the Corporation may, after consultation with the Minister, make arrangements with a company, firm, partnership or local government authority for the purpose of enabling such body to (a) provide housing accommodation for low income households.*” This issue assumes relevance in terms of consumer’s perception/ expectation of the SLNHC is that of GOSL’s provider of low income housing.
- b. The SDC can be considered a replica of the SLNHC, operating in the south of the Island; therefore it essentially duplicates some of the core functions of the SLNHC.
- c. There are several regulations which limit the use and ownership of land, the scarcest housing input. However, the Land Registration Act (1986) may require revision in order to minimise the land conveyancing period which tends to act as a disincentive to private sector participation in housing supply.
- d. A National Land Policy to guide the use, management, development and administration of land resources for sustainable development is currently in its final stages of promulgation;
- e. There is inadequate enforcement of some housing-related laws such as the Slum Clearance and Housing Ordinance (amended in 1971); the Special Enforcement Areas Act (2000) and the Physical Planning and Development Act (2001) particularly in terms of the growth of unplanned settlements.
- f. The newly revised Condominium Act (amended 2006) has a potential enabling effect on housing supply as it facilitates division of this type of property into parts which can be owned individually or jointly; as well as the use and management of the property. This Act is therefore critical particularly in view of the increasing scarcity of reasonably priced land and the growing demand for affordable housing.
- g. Land and House/ Property Tax (1999) may need to be revised, as the ceiling of a \$6,000.00 household income set for exemption of property tax is unrealistic. As indicated by the HA matrices (in Tables 4-3 and 4-4), given current prices, a household earning that level of income is unable to afford to purchase a house in reasonably good condition and with adequate floor space.
- h. The Rent Restriction Act (revised 2001) essentially provides protection for the very low-income, but creates problems for the landlords, as it becomes difficult and exhaustive to evict delinquent tenants. It does not seem to influence the production of housing units, but it is a disincentive to private developers who may be interested in supplying rental units for the very low-income.



Based on the preceding, it appears that there is need for expert review and up-date of those pieces of legislation to reflect the current situation and to allow for more effective administration of housing and resettlement.

8.6 Institutional Framework

The institutional actors involved in the local housing market comprise both public and private agencies, which for purposes of this Report, can be categorised into four broad groups as summarised in Figure 8-1.

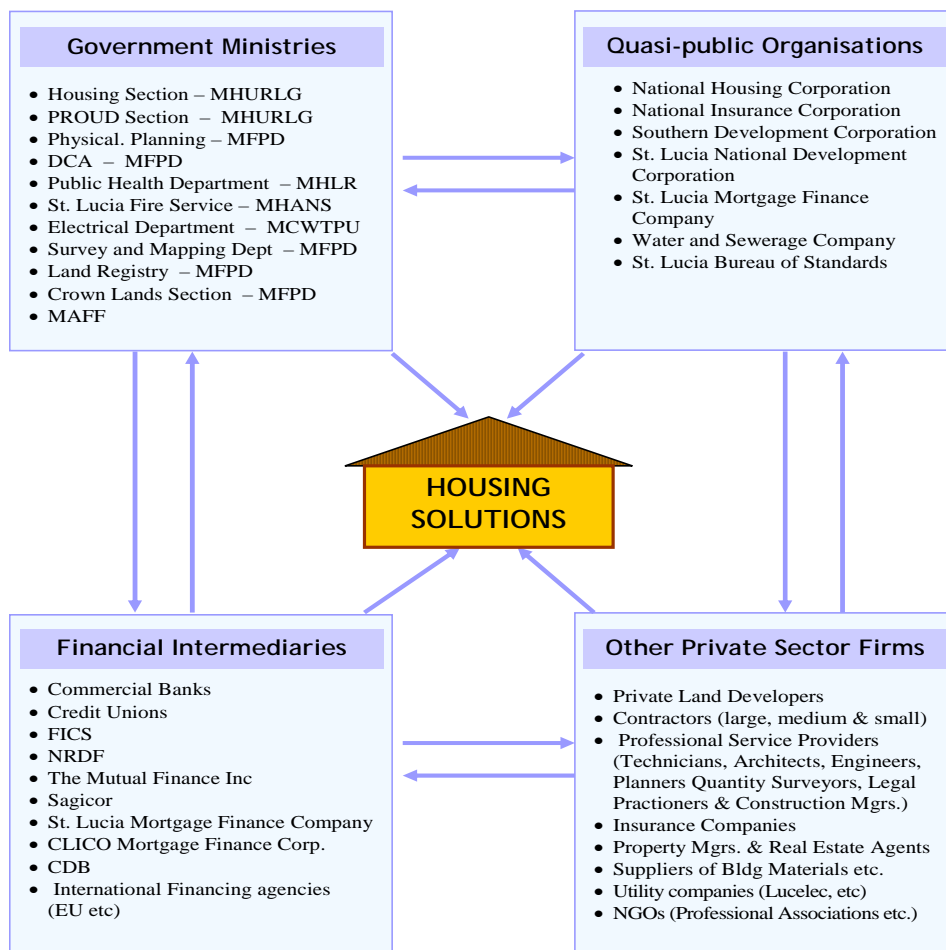


Figure 8-1

Existing Institutional Framework for Housing and Resettlement



These four groups comprise:

- (i) Government ministries and departments
- (ii) Quasi-public or statutory enterprises
- (iii) Private sector organisations which include financial intermediaries (commercial banks, credit unions etc), commercial enterprises (building suppliers, utility companies) and other professional service providers (such as architects, engineers, planners, property managers, real estate agents, legal practitioners etc)
- (iv) NGOs and professional associations

8.6.1 Government Ministries

Government's direct commitment to housing and resettlement has resulted in an institutional framework that has evolved over the years into three main groups of ministries and departments which include the:

- Ministry of Housing Urban Renewal and Local Government
- Ministry of Physical Development and Environment and Housing (now MFPD)
- Referral Agencies

Together these ministries/ departments are charged with the direct responsibility for developing and implementing GOSL's housing and resettlement policy directives.

Ministry of Housing Urban Renewal and Local Government

Prior to the year 1998, there was no specific ministry/ department directly responsible for implementing government's housing policy directives and these were carried out by the various departments or sections within the former MPDEH. In 1998, a Housing Section was created within the former MPDEH and given the specific responsibility for ensuring the development and implementation of strategies that address housing and resettlement issues within the context of a cohesive and dynamic housing policy and action plan.

The Housing Section, which is headed by the Housing Planner, has been mainly involved in the following four areas of housing and resettlement activities during the past five to six years. In particular, since 2003 the Housing Section has been closely involved in coordination of the formulation process for the NHRP and SPA:

- Coordination of policy formulation
- Preparation of strategic as well as action plans
- Project planning, preparation, coordination, monitoring and evaluation
- Research



With regards to financial resources, government's recurrent expenditure on the Housing Section's human resources was approximately \$150,000.00 for the year 2005. However, the dearth of reliable market research information on housing (as confirmed during the preparation of this Report) is a reason for serious concern. Therefore, the level of resources allocated to the Section particularly for research might be inadequate given the mandate to be fulfilled.

Ministry of Finance and Physical Development

Most of the following sections within the MFPD (formerly MPDEH) are either directly or indirectly involved in housing and resettlement; however, the section which has the greatest impact is the Physical Planning Section. The Physical Planning Section's involvement in housing dates back to the 1970's when it was referred to as Town and Country Planning.

- Physical Planning Section
- Development Control Authority
- Architectural Section
- Survey and Mapping Department
- Land Registry
- Crown Lands Section
- Environment Section

The DCA is the agency responsible for setting standard building guidelines and procedures; approval of building plans, physical planning and general regulation of developments. The Physical Planning Section acts as the secretariat for the DCA whose Board comprises subject matter experts from the various economic sectors. However, the staff (Building and Planning Officers) of the Physical Planning Section provides the DCA Board with technical guidance for decision-making on planning approval.

Some of these procedures set by DCA/ Physical Planning Section act as impediments to increased private sector participation in housing development particularly for the low-income groups. For instance, the relatively high standard of housing infrastructure required, increases the final cost of housing production. Also, the extensive length of time between completion of housing infrastructure and its approval/ acceptance by the DCA tends to hinder private sector involvement.

Further, the approach taken by the Physical Planning Section suggests a lack of forward planning or full appreciation and cognisance of all the factors relevant to housing



planning and development. Best practice suggest proactive strategy, whereby the planners commence with an overall land use plan for separate regions of the Island, followed by satellite plans for communities.

The Environment Section would be consulted if the DCA had any specific concern, for example if a housing project is proposed to be located near a mangrove. However, there are four sections within the MFPD that are indirectly involved in housing delivery; these are the Architectural, the Land Registry, Survey and Mapping and Crown Lands sections. The Architectural Section provides standard building plans for low-income housing and the Land Registry, Survey and Mapping and Crown Lands sections are all involved in certain aspects of lands for housing. Further, the MFPD has been involved in the implementation of several projects and programmes designed to improve housing and resettlement conditions, particularly for low-income groups. Prominent among these is the STURF/ PROUD component of the SDP (see Section 5.1.2), which facilitates housing development through the establishment of infrastructure such as roads, footpaths and drains in poor communities.

In terms of organisational resources, the MFPD was considered to be the most multi-disciplinary institution within the public sector. However, it appears that its current level of human resources is inadequate to efficiently provide the requisite services to enhance housing development.

Referral Agencies

The following seven public sector institutions are involved in the housing delivery process.

- Electrical Department - MCWTPU
- Public Health Department - MHLR
- St. Lucia Fire Service - MHANS
- Land Registry and Survey and Mapping Department - MFPD
- Property Tax Unit, Inland Revenue Department - MFPD
- Ministry of Agriculture, Forestry and Fisheries (MAFF)
- National Insurance Corporation

As part of the regulatory approval process, plans for houses and land subdivisions are usually forwarded to the first four main referral government ministries/ departments for review. These four institutions therefore play an integral role in the duration of the regulatory approval process for housing delivery; the specific roles of these four institutions are summarised in Table 8-1.



Table 8-1
Role of Referral Agencies

Ministry/Department	Roles
Ministry of Communication, Works, Transport and Public Utilities	<ul style="list-style-type: none"> ▪ To provide information on road standards and specifications, to inspect for final approval of sub-divisions. ▪ To review electrical designs and provide approval of plan. ▪ To inspect electrical works and provide certificate to owner. ▪ To advise on issues relating to traffic management.
Ministry of Health, Human Resource Services and Family Affairs	<ul style="list-style-type: none"> ▪ To provide approval on issues of sanitation, check compliance with Environmental Regulations, “good practices” and where no laws exist to adhere with Regional and International Standards. ▪ To advise on up to date standards on medical facilities and offices.
Land Registry and Survey Department	<ul style="list-style-type: none"> ▪ To confirm ownership of property and to advise on accuracy of survey and plot areas. Also to provide confirmation of plot orientation.
St. Lucia Fire Services	<ul style="list-style-type: none"> ▪ To review the plans for fire safety and prevention issues and facilitate recommendations for the placement of fire escapes and equipment.

In addition to being a referral agency, MAFF is represented on DCA’s Board to provide expertise in cases where a subdivision or building development has a potential impact on lands zoned for agriculture and where issues of biodiversity surface. The Property Tax Unit of the Inland Revenue Department is responsible for collecting real property taxes (annual property tax and stamp duty on property sales transactions).

In that regard, housing consumers, contractors and private developers who intend to secure formal sector financing for real property, must first obtain approval from the Unit with regard to their personal or company tax payment position. This clearance involves a waiting period which could be lengthy if the applicant’s tax assessment is not up to date.

Similarly, clearance by NIC – as the organisation responsible for management of all workers’ social security compulsory savings - must be obtained prior to securing real property loans from the formal credit sector. Whilst the length of time involved is short (circa seven days), permission is given only for a thirty day period, after which re-approval is required, inevitably.



8.6.2 Quasi-Public/ Statutory Organisations

The following four main quasi-public sector institutions are involved, to varying extent in the delivery of housing:

- St. Lucia National Housing Corporation (SLNHC).
- Southern Development Corporation (SDC)
- National Insurance Corporation (NIC)
- St. Lucia Mortgage Finance Company (SMFC)

St Lucia National Housing Corporation

The SLNHC – GOSL’s housing developer is also the Island’s largest producer of housing targeted at middle to low-income households. The Corporation’s main functions as outlined in its enactment are to:

- a) Acquire, hold and manage land and other property and sell, let, lease or otherwise dispose of any land or other property;
- b) Ensure the development, building, maintenance, repair, and improvement of operations relating to housing and settlement development schemes;
- c) Ensure that water, electricity, sewage and other services are adequately provided in housing and development schemes;
- d) Ensure the implementation of plans for settlement clearance and redevelopment;
- e) Carry on any business or undertaking in, or for the purposes of, any housing development;

In that regard, the SLNHC is generally involved in implementing its own housing developments as well as other government funded projects such as components of the SDP. The SLNHC’s staffing structure comprises a Managing Director supervising three departments/ divisions, namely Administrative, Financial and Technical. The Technical Division which is the nucleus of the organisation has the largest staff compliment and is headed by a Chief Technical Officer responsible for supervising two engineers, an assistant engineer, licensed land surveyor and crew, building and roads technician including a property management team.

In terms of its financial performance, it should be noted that during 1989 to 1992, when the HUDC was involved only in land development as opposed to house building, it experienced the highest level of profits on its operations (i.e. before repayment of the cost of the lands acquired from government). In 2000, the HUDC recorded \$1.1 million in profit since 1996 and 1999, when losses totalled \$5.2 million and \$1.5 million respectively. With the merger in 2001, all assets, liabilities, rights, privileges and other



obligations of the HUDC, SLHA and NP Ltd. were transferred to the newly formed SLNHC. However, from the commencement of its operation in March 2002, the SLNHC has experienced substantial losses averaging \$2.6 million annually during 2002 to 2004. Discussions with SLNHC indicate that this poor financial performance is largely a result of the cost of servicing the \$34 million NIC loan inherited from SLHA for acquisition of the CDC Castries rental housing units, in comparison with the low level of rental income coupled with high levels of delinquency and resultant increased legal expenses. Reportedly, the SLNHC has undertaken several cost-cutting measures (such as installing meters to facilitate individual payments for water in the rental units; negotiations for reduced insurance premiums for rental buildings the staff reductions).

Overall, the SLNHC's main strength is its strong capability (in terms of its human resources, corporate culture and extensive experience in undertaking housing production projects. The SLNHC boasts being the largest producer of low-income housing. This strength has however been far outweighed by its main weakness - the inability to remain profitable, which adversely influences its ability to acquire land, source loan funds and consequently, the consistent supply of housing products. Also three public sector organisations – Housing Section, NIPRO and SDC are directly involved in performing some of the housing delivery functions that SLNHC was legally authorised to undertake.

Southern Development Corporation

The SDC is also responsible for promotion of physical, economic and social development in the southern part of the Island. This corporation, located in Vieux Fort, was incorporated as a non-profit entity under the Companies Act of St Lucia in 2002. Its operations commenced in 2005 with GOSL vesting into it, lands that were originally owned by the SLNDC. The SDC's mandate of "...commissioning real estate development..." suggests that it is involved in performing some of SLNHC's functions, thus implying a duplication of housing effort.

National Insurance Corporation and NIPRO

Up to 2004, the NIC has been primarily involved in financing housing production. The NIC has also over the years acquired lands from the private and public sectors and by 2000, it had amassed over 200 acres of lands registered in its name. Through its subsidiary company, the National Insurance Property Development and Management Company Limited (NIPRO), the NIC is now directly involved in housing by developing serviced lots, targeted mainly at the middle-income market.



The NIC's financial resource base is its greatest strength – to acquire lands, one of the most critical housing inputs; and to provide funds to housing financiers (e.g. SMFC and credit unions) for on-lending to low-income households at the lowest interest rates. However, the NIC main weakness appears to be related to the lack of a clear strategy about its role in the housing delivery process. It should be noted that the NIC/ NIPRO's current mandate to undertake land sub-division developments represents a duplication of SLNHC's core operations.

8.6.3 Private Sector Institutions

Mortgage Lenders

Currently, the following four categories of private sector institutions are involved in the formal housing finance system:

- (i) Commercial Banks;
- (ii) Credit Unions/St. Lucia Co-Operative League Limited;
- (iii) St. Lucia Mortgage Finance Company;
- (iv) Other Financial Intermediaries

Commercial Banks

There are six major commercial banks, either locally owned or foreign subsidiaries that provide housing loans. These banks are:

- a. The Bank of St. Lucia (BOSL) Ltd, a subsidiary of Eastern Caribbean Financial Holding (ECFH) Limited group of companies of which GOSL is a significant share holder;
- b. First National Bank Ltd;
- c. First Caribbean International Bank;
- d. RBTT Bank Caribbean Bank;
- e. Royal Bank of Canada;
- f. Bank of Nova Scotia.

It is estimated that these commercial banks provide almost 80% of the value of all residential mortgage loans in St Lucia. Housing (i.e. home purchases, construction renovation and land purchases combined) is the single largest loan portfolio of all commercial bank credit in St. Lucia. In 2004, housing loans accounted for \$410 million or 23% of the total credit approved by all commercial banks. Figure 8-2 shows that commercial banks' housing loans tend to follow an upward though cyclical pattern which might be associated with the general



performance of the wider economy and consequently with employment rates. In 2004, commercial banks' housing loans represented 48% of all personal loans.

During the last five years, the banking sector has grown increasingly competitive, characterised by greater liquidity, reduced demand for loans and a decline in interest rates in

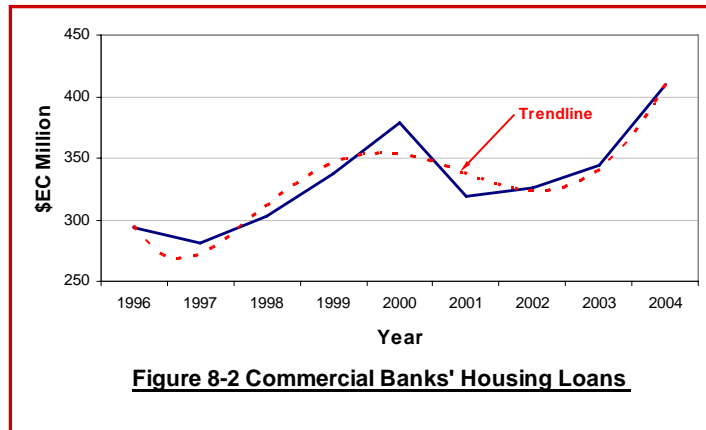


Figure 8-2 Commercial Banks' Housing Loans

lending to all sectors. Essentially this has resulted in a general easing of credit terms and conditions by most commercial banks, with prime lending rates for home mortgage loans declining from the traditional 11% to 12% at some banks (in the 1980's) to as low as 8% to 10% and down payment/deposit requirements to as low as 5% compared with previous rates of 10% to 20%.

Generally, home mortgage loan terms (i.e. interest rates and down payments and other requirements) vary depending on the bank and type of loan (house and land or land only). However all banks require most or all of the following eligibility criteria (detailed in Appendix 21):

- Job letter and recent salary slip;
- Financial records (if self employed)
- Letter from property vendor
- Land documents and survey plans
- Clearance letter from NIC and Inland Revenue Department
- Valuation of the property;
- Debt service ratio of 40% or less;
- Life and Building insurance;
- Building plans;

Through collaboration with the SLNHC, the BOSL/ ECFH Ltd, in 2001, initiated a specialised housing mortgage loan product specifically targeted at eligible low-income households based on less stringent credit terms. Currently, most commercial banks have special products designed to increase the prospective homeowner's ability to secure mortgage loans. With GOSL being a significant shareholder of BOSL, the latter participates in several low-income housing credit facilities sponsored by GOSL, such as the EU-LHCF) for on-lending to eligible borrowers. Overall, the main strength of the commercial banks is the absence of a ceiling for the value of loans, once their eligibility prerequisites are met. However the major weakness appears to be insufficient flexibility (in terms of eligibility criteria) with regards to the potential low-income homeowner who does not possess a steady income stream.



Credit/ Cooperative Unions

There are five main credit unions operating in St. Lucia, which, by virtue of their mandate, provide credit only to their members, whose shares and deposits form the bulk of these organisations' capital base. The credit unions also obtain its funds through government sponsored projects such as the EU-LHCF. The St. Lucia Civil Service Cooperative Credit Union (CSCCU) is the single largest credit union and the second single largest provider of housing credit in the Island. During 2004, a total of 876 residential loans with a value of \$6.9 million were approved by the CSCCU of which 55% of the value (and 90% of the number) was for home renovations purposes.

The credit unions' lending terms and conditions are generally more stringent than that of commercial banks. However, the main strength of credit unions is the relative ease with which members can obtain housing loans and shorter transaction period involved. Also, credit unions play an extremely important role in maintenance of the housing stock. However, a main weakness is the limit placed on the level of borrowing by members, coupled with inadequate flexibility with respect to loan eligibility criteria, which essentially excludes members who do not possess a steady flow of income.

St. Lucia Mortgage Finance Company

The St. Lucia Mortgage Finance Company (SMFC) is solely involved in housing credit, although in terms of value of loans approved, it is second to the CSCCU. The SMFC was created in the late 1960's to provide loans for the purchase and construction of dwelling houses including repairs, and extensions as well as the purchase of serviced residential lots. Since 1990, 75% of SMFC's shares have been owned by the NIC which provides funds to the former for on-lending to customers (households, contractors and developers). The SMFC also obtains loan finance from special projects (such as the EU-LHCF). It operates under an agreement with the Minister of Housing, which allows it to offer housing loans of up to \$500,000.00 and for a maximum repayment period of 30 years; loans over \$500,000.00 are subjected to taxation on SMFC profits.⁵⁷

Annual loan disbursements by SMFC during the past six years have averaged circa \$6 million. During the past ten years, 52% of all loans approved were between \$75,000.00 and \$150,000.00; 37% was less than \$75,000.00 and the remaining 12% was over \$150,000.00. In 1995, the SMFC implemented a special housing credit product specifically targeted at low-income households whereby, a maximum of \$87,500.00 was offered to low-income

⁵⁷ By agreement dated October 2005 with the Minister of Housing



contributors of NIC at half the going market prime lending rates (i.e. at 5% interest), to purchase houses only (as opposed to serviced lots). Currently, the SMFC is still the only housing credit institution offering the lowest interest rates of 6% **only** to low-income households for mortgage loans of a maximum value of \$80,000.00.

Overall, the SMFC's strength is its extensive experience in housing credit and its focus on low-income housing. Also, by virtue of its legal structure, the SMFC is able to collaborate more closely with GOSL in implementing low-income housing intervention. However, the SMFC also suffers from the criticism of inadequate flexibility with regards to loan eligibility criteria, effectively excluding potential (low-income) homeowners who do not possess a steady flow of income.

National Insurance Corporation

The National Insurance Corporation was established to manage compulsory social security savings of the Island's workers'. During the past 20 years, the NIC has also acted as a "wholesaler" of housing finance to selected local institutions for on-lending to households. As at 2004, the NIC had provided over \$120 million in housing credit at concessionary rates to the following financial intermediaries for on-lending to households:

- SMFC;
- SLHA/ HUDC/ SLNHC
- Credits Unions
- Mortgage Finance Company of St. Lucia/ ECFH

The NIC's main intention is for these institutions to provide housing loans to its contributors (i.e. employed persons contributing towards social security savings) with particular emphasis on low-income households.

Other Financial Intermediaries

Some of the other institutions which are also involved in delivering housing finance to households include the Financial Investment and Consultancy Services (FICS) Ltd, a registered local company; the National Research and Development Foundation (NRDF) – a private, non-profit organisation; as well as the Mutual Finance Incorporated Ltd and Sagicor, which are subsidiaries of regional companies.

National Research and Development Foundation

The NRDF provides credit and other services to small and micro-enterprises. Housing loans represent an average 9% and 12% of the number and value respectively of all loans



disbursed by the NRDF. Housing loans generally range from \$2,000.00 to \$40,000.00, with almost 75% of all loans being below \$10,000.00. During the period 1995 to 2004, NRDF's largest housing credit activity was in the year 2000, when 92 loans, totalling approximately \$1.26 million, were disbursed. Thus, similar to the credit unions, the NRDF plays an important role in maintenance of the Island's housing stock by granting micro loans to low-income groups. The NRDF's main strength is its role in maintenance of the very low-income housing stock through micro loans and by virtue of its mandate, its ability to participate in housing credit projects (such as the EU-LHCF0 that are sponsored by government and international organisations). However, the NRDF's major weakness is its inability to consistently generate capital for undertaking its operation.

Financial Investment and Consultancy Services

Financial Investment and Consultancy Services (FICS) Limited is a non-bank financial entity which commenced operation in 1992 under the broad supervision of the Eastern Caribbean Central Bank (ECCB). In terms of housing, FICS provides credit for mortgage loans for land and house purchase; land purchase, including repair and renovation loans. The company also offers deposit facilities under a special savings product called FICS Housing Assistance Programme. In 2004, FICS approved 23 loans, totalling \$3.6 million; approximately 15% of the number of its loan portfolio.

A summary of the housing loan finance portfolio of the various financial intermediaries in the formal credit system in St Lucia is provided in Table 8-2

Table 8-2
Summary of Housing Loans by Institutions - 2004

Institution	No. of Loans*	Value (\$M)	% of Value of all Loans
SMFC Ltd	64	6.0	100
SLCCCU	876	6.9	25
All Commercial Banks	NA	410	23
BOSL Ltd.	203**	50.0	5
FICS Ltd.	23	3.6	15
NRDF	27	0.23	12

Data obtained from the various institutions; NA means not available

** Means loans for house and/or purchase of land, home construction and home renovations*

*** Means provisional figures*



Other Private Sector Participants

Other private sector participants involved in the housing delivery system include building material suppliers and real estate sales professionals. Building material suppliers are perhaps the most significant grouping of the stakeholders in the housing delivery system in view of the fact that building materials could account for over 50% of the cost of production of a house and as high as 70% of the cost of housing infrastructure. Combined these suppliers have a significant impact on the availability and price of building materials. A critical issue in the availability of building materials is the tendency for most suppliers to use the same local, regional or international source, thereby ubiquitously affecting housing production during shortages. Whereas the real estate sales professionals do not directly influence housing production, their services could have a significant impact on prices for both owner-occupied and tenanted houses.

Non-Government Organisations

These organisations which comprise professional associations (engineers, architects, surveyors, valuers and contractors), churches and special needs housing providers play a significant role in the housing delivery system. The Association of Professional Engineers of St. Lucia through the Engineers Registration Act (1985) plays a significant role in the structural integrity of buildings. In particular, the Act requires the services of a registered engineer in the design of all buildings exceeding two-storeys in height and/ or with a floor area greater than 150 square metres. In addition to enforcing the Act, the DCA usually insist on applicants obtaining engineering advice for houses with beams spanning more than 5.0 metres.

Since the late 1990's the St Lucia Institute of Architects has been attempting to regulate the practice of architecture. This could have a significant impact on housing production cost as regulation would effectively legislate the involvement of architects instead of the relatively cheaper construction technicians in the submission of house plans to the DCA. It should be noted that on average, over 90% of house plans submitted to the DCA are by construction technicians.

Through its members, the St. Lucia Institute of Surveyors play the most significant role in the production cost estimating for prospective homeowners, contractors and financial intermediaries. Individually, Quantity Surveyors are closely involved with house contractors in preparing programmes and managing their projects.



Currently, there are two contractors' associations. Collectively, their level of efficiency has a considerable impact, not only on house production cost and quality but also the wider construction sector. Churches and other group-home providers continue to be involved in special-needs housing supply, particularly for the elderly, orphaned and indigent.

8.7 Conclusion

Traditionally, GOSL's housing and resettlement initiatives have been undertaken in response to disasters. However, over the years the legislative framework for housing and resettlement has gradually improved. Currently there is one main piece of legislation – the SLNHC Act (2001) which provides specific support for implementation of GOSL's housing policies. Also, there are several existing policy instruments which were intended to provide an enabling environment for housing development in St Lucia. However, some of these may require expert revision, update or coordination to allow for more effective administration and to foster increased private sector participation in the housing delivery system.

The institutional structure for housing consists of both public and private sector institutions. The public sector institutions comprise government ministries and department which provide the regulatory and administrative framework for housing delivery. Whilst the role of each institution is necessary, the cumbersome and lengthy regulatory process tends to increase private developers' level of business risks and consequently, limit their participation in the housing industry. Therefore strengthening of the regulatory and administrative framework will need to be considered in the development of any strategy to improve the housing delivery system.

On the other hand, the private sector abounds with institutions that are involved either directly or indirectly in the delivery of housing services. Some of the most critical institutions include financial intermediaries which operate in a highly competitive business environment. Nonetheless, they are all characterised by specific eligibility criteria which tends to exclude participation by potential (low-income) homeowners who do not possess a steady flow of income. Therefore more appropriate (public and private sector) mechanisms for financing low-income households must be leveraged, with particular emphasis on realistic eligibility criteria.



9.0 KEY HOUSING ISSUES

The preceding analyses of the situation existing in the housing sector indicate that there are a multitude of cross-cutting challenges and constraints facing housing and resettlement in St. Lucia. Some of the critical issues which hinder development of the sector and which will need to be carefully considered and prioritised in formulating the proposed NHRP and SPA are the:

- (i) Unavailability of land for housing;
- (ii) High cost of infrastructure;
- (iii) Consumers' housing dilemma;
- (iv) Increasing rural-urban migration;
- (v) Inadequate finance mechanisms for low-income housing;
- (vi) Inadequacy of administrative, regulatory and legislative framework;
- (vii) Limited private sector involvement;
- (viii) Inefficiency of house construction.

9.1 *Unavailability of Land for Housing*

The relatively small size of the Island's land resource base coupled with its historical and current pattern of land ownership presents a serious constraint to housing. At every FG Discussions held, the high cost of land was identified as one of the major problems in housing production. Thus the current land availability problem appears to be critical and deserving of special consideration at the policy level. Government's decision in 2001, to identify almost 350 acres of land for housing throughout the Island is indicative of the fact that the availability of land has been recognised as a serious constraint to housing.

Further, the draft National Land Policy, which is currently being promulgated, has as one of its strategic objectives, the provision of opportunities for all citizens to have access to adequate shelter. In that regard, the establishment of a Land Bank is a specific action plan of the draft Land Policy. Therefore, the proposed NHRP and SPA will need to address the challenge of improving the supply of affordable housing given a small finite land resource base and population increases. As a result, strategies and action plans relating to government's acquisition of available lands within communities should be examined in order to create housing land banks and consequentially, focus on the needs of their residents. The acquisition of lands within communities for residential purposes should also be viewed within the sociological and economic context of maintaining the community's cultural base.

Whereas the right to access adequate housing must be recognised, the issue of squatting requires specific attention in any housing strategy being developed for St. Lucia. The evolution of PROUD has provided a means of dealing with unplanned developments.



However, based on the recent evaluation of PROUD,⁵⁸ it appears that recurrent expenditure allocations will have to be made in Central Government's annual budgets, if PROUD's activities are not curtailed. Therefore, strategies should be examined, through the proposed NHRP and SPA to halt or reduce the rate of squatting/ unplanned developments throughout the Island.

9.2 High Cost of Infrastructure

Another deterrent to housing production by both private and public sectors is the high investment cost of infrastructure particularly when the development is in an area far from existing infrastructure. This high cost of infrastructure significantly influences the final price of the serviced land and ultimately, the cost of housing to the consumer. In particular, the developer fully bears the high investment cost of provision of water and road infrastructure to a new site; however, developers are not awarded benefits if connections are made off these infrastructure requirements to other sites belonging to other individuals or developers. Therefore, there is a need to firstly, re-examine the high initial cost of land infrastructure cost and secondly, to develop a common approach for the provision of utilities to housing developments.

9.3 Consumers' Housing Dilemma

There appears to be a socio-economic issue concerning people's housing aspirations; which deserves special attention as it does not only reside within the lower-income groups. The FG Discussions revealed a mismatch between consumers' housing taste/ preference and affordability. Despite several efforts at targeting specific low-income households, the SLNHC has failed to attract applicants to purchase its more affordable timber houses. Amid an over-subscription of low-income applicants, these affordable housing solutions were not "desired" by consumers. Further, the SLNHC was unsuccessful in selling its duplex houses (at Carellie in 1995) mainly because consumers preferred single detached housing.

The potential impact of this consumer mind-set on housing development will require specific consideration, particularly in view of the reality that as a society/ economy develops; there is a tendency for people preferences and aspirations to rise, as they try to improve themselves. This phenomenon is not peculiar to St Lucia only, as other larger Caribbean Islands are faced with a similar dilemma.

⁵⁸ Evaluation of Phase-1 of the Programme for Regularisation of Unplanned Developments; by ECMC Ltd, Ministry of Physical Development Environment and Housing; May 2006.



Further, serious concerns have been expressed about the architectural design of low-income and middle-income housing. In an effort to reduce the cost of housing, the design of most houses within sub-division/ projects are considered “box-like” in appearance, thus lacking aesthetical appeal. Therefore, given that housing might be the largest single and perhaps only investment to be undertaken by low-income households, the challenge is to minimise or eliminate the “institutional look” of housing developments by developing a wider variety of house designs whilst maintaining affordability.

Additionally, in view of the fact that land, one of the most critical housing input is becoming increasingly scarce and expensive, another challenge to be addressed by public and private sector housing producers is the development of affordable multi-family housing units within housing developments. Diversity of house type and design for low-income houses within housing developments will also serve to foster innovation in construction and contracting methods as well as promote mixed-income developments.

Therefore, any housing strategies and action plans will need to seriously consider the issue of consumer preferences through in-depth market research to establish various housing needs, taste and preferences, as well as affordability particularly with respect to low-income households.

9.4 Increasing Rural-Urban Migration

The obvious concern of rural-urban drift has not only placed a significant strain on the supply of housing, particularly in the north of the Island, but has also resulted in severe traffic management problems along the main routes. The outcome of the FG Discussions clearly pointed towards the need to address housing, both single and multi-family within rural communities. Similarly, there is an expressed demand for multi-family (apartment) housing in Castries city as evidenced by SLNHC’s waiting list and confirmed at some of the FG Discussions. Therefore, the recent proposals by Central Government to undertake the renewal of Castries must be integrated within the proposed NHRP insofar as the housing aspect is concerned. At the macro-economic level, a major challenge is the need for GOSL to promote economic development policies that will reduce the rate of urbanisation by providing more employment opportunities in rural areas.

9.5 Inadequate Finance Mechanisms for Low-income Housing

9.5.1 Limited Access to Formal Credit

Whilst the preceding review of the housing credit sector indicates a reasonable supply of financial intermediaries, access by low-income households appears to be limited. In



particular, households in the poorest income quintile are effectively excluded from the formal credit sector partly due to inflexible eligibility criteria for borrowing such as insufficient or varying income streams and land insecurity. Thus, appropriate mechanisms for financing low-income households must be leveraged, with particular emphasis on lower interest rates and more realistic eligibility criteria. In that regard, the institutional set-up for administering low-interest finance to low-income households should be revisited, particularly in light of the reasons posited for the non-implementation of the HILP component of the SDP. Another challenge is the need to promote prospective homeowners' equity in their housing through the concept of sweat equity contribution and continued personal savings, particularly by those in the lower income brackets.

9.5.2 Inadequate Fiscal Support for Low-Income Housing

Given the fact that housing is one of the key basic human rights, attention should be given to the housing needs of all income groups particularly the most vulnerable – those within the poorest income quintile. With current housing supply falling far short of housing needs of the low-income group, government is increasingly confronted with the challenge of providing housing for the indigent and very low-income - the “core need” group.

Direct housing assistance is provided primarily to low and middle-income households through (i) the SLNHC via the sale of serviced lots and houses and rental housing units at prices below market rates as well as (ii) other government housing incentives (provided through income tax, property tax, and stamp duty). However, the mechanism for accessing these incentives is largely unstructured; dissemination of vital information limited; and thus the benefits are likely to be unintentionally diverted to the middle-income groups if the low-income is not properly targeted. It is therefore important that clear incentive regimes be developed to target low-income households that undertake housing:

- On an individual basis
- That are project related
- Under relocation projects.
- In rural areas and using equity participation.

Therefore, there is a need for strategies and action plans to gather information on the socio-economic characteristics and geographic distribution of the poorest income quintile. More importantly, the specific allocation of funds through the annual national



budget is required for a focussed approach to affordable housing for low-income households.

9.6 Inadequacy of Administrative, Regulatory and Legislative Framework

The following constraints are considered critical to the delivery of housing by the public sector:

9.6.1 Financial Unsustainability of Public Sector Housing Delivery

The foregoing analysis of the housing situation has shown a highly disproportionate production of “low-income” housing during the last ten years. Therefore the SLNHC and the recently created Southern Development Corporation (SDC) should urgently consider strategies for increased delivery of affordable housing to the low-income, as well as to beneficiaries of any subsidies and the indigent. However, any national housing strategy and action plan should consider the development of methods which will enable the effective recovery of capital and recurrent cost from beneficiaries of subsidised housing projects. Additionally strategies need to be considered for the efficient and effective management of existing public rental housing. Therefore, financial sustainability of the public sector housing delivery must be considered within the proposed NHRP.

9.6.2 Fragmentation of Public Sector Housing Delivery

Currently, there are three major government institutions that are directly involved in the delivery of housing. These comprise the SLNHC, the recently established SDC and the Physical planning Section of MFPD (which has implemented several public sector housing projects/ programmes such as PROUD the PSRP). As indicated in Section 8.4.2 of this Report, three of the most significant mandates of the SLNHC are: i) the delivery of housing; ii) property management of the existing public housing stock/ real estate and; iii) settlement/ slum clearance and re-development. However, the SLNHC has not embraced the latter responsibility, largely because this aspect of its operations remains unfunded. This is against the backdrop of other housing-relocation programmes (e.g. PROUD and other PSRP activities) within the MFPD, which is financed by government (and CDB); in effect, performing or duplicating one of the mandated functions of the SLNHC.

Further, the SDC which was established to perform some of the SLNHC’s functions, but in the south of the Island, suggests inefficient use of housing delivery resources. Therefore, although the SDC has not yet undertaken any housing project, it is essential that mechanisms be developed to coordinate or consolidate the operations of these two statutory organisations with a view to maximising the utilisation of housing delivery



resources. Additionally, NIC/ NIPRO as a public sector organisation is in effect, directly involved in housing production through the development of serviced lots for middle-income households. Again, this is one of the core functions of the SLNHC.

Thus, the NHRP and SPA should consider the need to rationalise the co-existence of all public and quasi-public organisations to ensure that the requisite support is adequately provided for each to effectively and efficiently deliver housing products to consumers. Additionally, consideration should be given to the re-establishment of an institutional mechanism to facilitate on-going dialogue and communication among the various agencies and projects involved in matters relating to housing, particularly with regard to low-income housing.

9.6.3 Cumbersome Regulatory Approval Process

The lengthy and complicated regulatory approval process, with particular reference to the referral agencies, hinders the efficient development of the housing sector as follows:

Lengthy Planning Approval Process for Land Sub-Division

The lengthy process for obtaining government approvals for private sector housing development projects is reason for deep concern. While certain measures instituted by the DCA are necessary, they usually result in the lengthening of the regulatory approval process for obtaining planning approvals for land sub-division. The extensive delay caused by government referral agencies with respect to planning approvals has serious cost implications for private developers and ultimately, in the final price to housing consumers.

Lengthy Property Conveyance Process

The speed of sales transactions is key to the success of any efficient housing project as it eventually has an impact on private developers' profit margins. However, the process for property conveyance (which requires a deed of sale) could be extremely lengthy adversely affecting rapid sale of houses and serviced lots within a development. Therefore, it may be necessary to re-visit the LRTP which originally proposed that a land register (from the Government Land Registry) would have been sufficient to establish ownership of a parcel of land.

Complex Process for Accessing Duty-Free Concessions

One of the major objectives of duty-free concessions offered to the housing developers is to reduce the cost of the final product to prospective homeowners. However, the



complexity and time-consuming process involved in obtaining these concessions is a deterrent to private developers given the expedited nature of housing construction. Thus, an explicit method should be developed to ensure that governmental incentives are effectively and efficiently utilised and that private sector involvement in the housing delivery process is maximised.

9.6.4 Lack of Integrated Planning in Housing Programmes

In the absence of an explicit national development plan, all housing sub-divisions simply involve the provisions of sites and services, houses, and the allocation of a portion of land as an open space. This has resulted in the need for residents to travel extensive distances to access community services such as day-care, transportation, and shopping facilities. Thus, the need for integrated planning of housing projects, whereby the residents are provided with a full set of community facilities, is paramount in the development and sustainability of neighbourhoods. The synchronization of the housing development plan with the associated community infrastructure should therefore be seen as a priority issue for consideration in the proposed NHRP and SPA.

Also, an interesting concept, which was also considered at the FG Discussion, is the provision of multi-family housing units (apartments) within the usual sub-divisions/housing development projects. Moreover, ownership of these housing units is now possible due to the passage of the new Condominium Act (2006). Essentially, government's planning agencies should play a more proactive role in the housing development process. In that regard, housing requirements should be continuously assessed in terms of needs and their prioritisation, so as to influence national zoning plans and/or the creation of integrated development plans.

9.6.5 Inadequacy of Housing Information System

The preparation of this Report has reconfirmed the dearth of data on the housing market in St. Lucia. More specifically, the quantitative analyses undertaken in Section 7.0 of this Report were confronted by a lack of prerequisite data that would have facilitated more accurate and reliable assessment of the future housing needs. This deficiency is cause for deep concern because the formulation of a successful housing policy must be based on a reliable housing information system.

The lack of data about the housing market has also been expressed on several occasions and fora. In her Report of 2003, McHardy alluded to the paucity of housing data and highlighted UNCHS' view that *deficiencies in housing data and the lack of accurate quantitative analysis considerably hinder the ability to make informed decisions with*



respect to housing policies. Therefore, it is essential that the financial and human resources are allocated to facilitate the development of a comprehensive, accessible and transparent data base on housing. The establishment of a database containing qualitative and quantitative information on housing will also serve to measure the performance of the NHRP against targets.

9.7 Limited Private Sector Involvement

The analysis of the housing situation confirmed that private sector involvement in housing has always been minimal, particularly in the production of low-income housing. Also there is an absence of public-private sector partnerships in housing delivery. This undesirable situation exists despite several efforts by government, over the years, to encourage private sector participation in low and middle-income housing through various fiscal incentives. The relatively high cost of undeveloped land; DCA's strict requirements and the cumbersome regulatory approval process have served to further hinder the level of private sector involvement. Strategies must therefore be developed to promote increased involvement of the private sector as well as to address the issue of public-private sector partnerships in the provision of housing with particular attention to low-income groups.

9.8 Inefficiency of House Construction

Construction and contracting are two significant and inter-related issues in the production of housing. With materials and labour inputs representing almost equal proportions of the cost of house building, it is critical that these two factors be affordable, readily available and efficiently utilized.

9.8.1 Inadequate Use Building Materials

Particular attention is required in the development of strategies and action plans that would encourage the utilisation and availability of certain building materials, particularly from indigenous resources.

Of specific concern is the fact that St. Lucia has significant volumes (perhaps over 40,000 cubic metres) of pumice resources, a material that is constantly imported for use in concrete, block-work and plastering. The issue of utilisation of this natural resource as an alternative fine aggregate in concrete products is critical, particularly in view of the fact that concrete products (and reinforcing steel) account for over 55% of the cost of materials used in a typical masonry house. However, the issue of research into the negative attributes of pumice and any other naturally occurring resource will need to



feature prominently in strategies aimed at increasing efficiency and effectiveness in the housing construction sector.

The current global demand for steel, the resultant shortages and consequential price increases necessitates particular focus on the efficient use of building materials. Also the recent relaxation of regulations by the GOSL on the supply of cement has, and will continue to adversely influence house prices. Thus, it may be necessary to consider mechanisms to reduce the impact of such global trends on the housing sector.

9.8.2 Limited Capacity of Contractors

In terms of contracting, the low entry barrier of the construction industry, lack of a regulatory body, the absence of mandatory standards together with the non-existence of a legally binding St. Lucia Building Code, has lead to generally sub-optimal performance of contractors. This has and often results in poor quality of housing and lengthy construction durations. Thus in order to ensure that the proposed Housing Policy is all embracing, it is essential that construction quality management be appropriately addressed. Capacity building through training, registration and perhaps licensing of housing contractors, enactment of the use of the Building Code, should be considered within the proposed Housing Policy. This of course, must be developed against the need for improved competitiveness within a CSME environment and globalised economy.



10.0 TOWARDS A NATIONAL HOUSING AND RESETTLEMENT POLICY

The preceding section of this report presented eight broad key issues identified as serious challenges facing housing development in St. Lucia.

10.1 Proposed Priority Action Areas

In a preliminary attempt to address these key issues, the following eight areas of action have been proposed for priority attention:

- (i) Development of strategies to improve the availability of land for housing;
- (ii) Design of approaches to minimise the costs of housing infrastructure;
- (iii) Development of strategies to reduce rural-urban migration;
- (iv) Development of strategies for increased consumer-focussed housing;
- (v) Development of effective mechanisms for low-income financing
- (vi) Strengthening of the legislative, regulative and administrative framework for housing development;
- (vii) Development of strategies for increased participation of private sector;
- (viii) Increased efficiency of housing construction.

These issues will form a basis for extensive dialogue at the next round of national consultations with stakeholders for consensus on the priority areas of action which should be considered in the formulation of the NHRP and related SPA. The consultations should be held in the form of workshops, under the general guidance of a National Housing Policy Committee (NHPC). All stakeholders' comments and recommendations should be considered by the NHPC, and where applicable, incorporated.

10.2 Policy Formulation Process

Final prioritisation of areas of action will facilitate the development of strategic interventions (housing strategies), which must concur with any proposed goals and objectives for housing and resettlement, in order to successfully implement the NHRP. Overall, the broad purpose of the NHRP is to express government's intention on housing development in St. Lucia. Figure 10.1 represents a schematic depiction of the proposed process for development of the NHRP and related SPA. As indicated, the policy will set out the broad goals and objectives for achieving the vision for housing and resettlement in St Lucia.

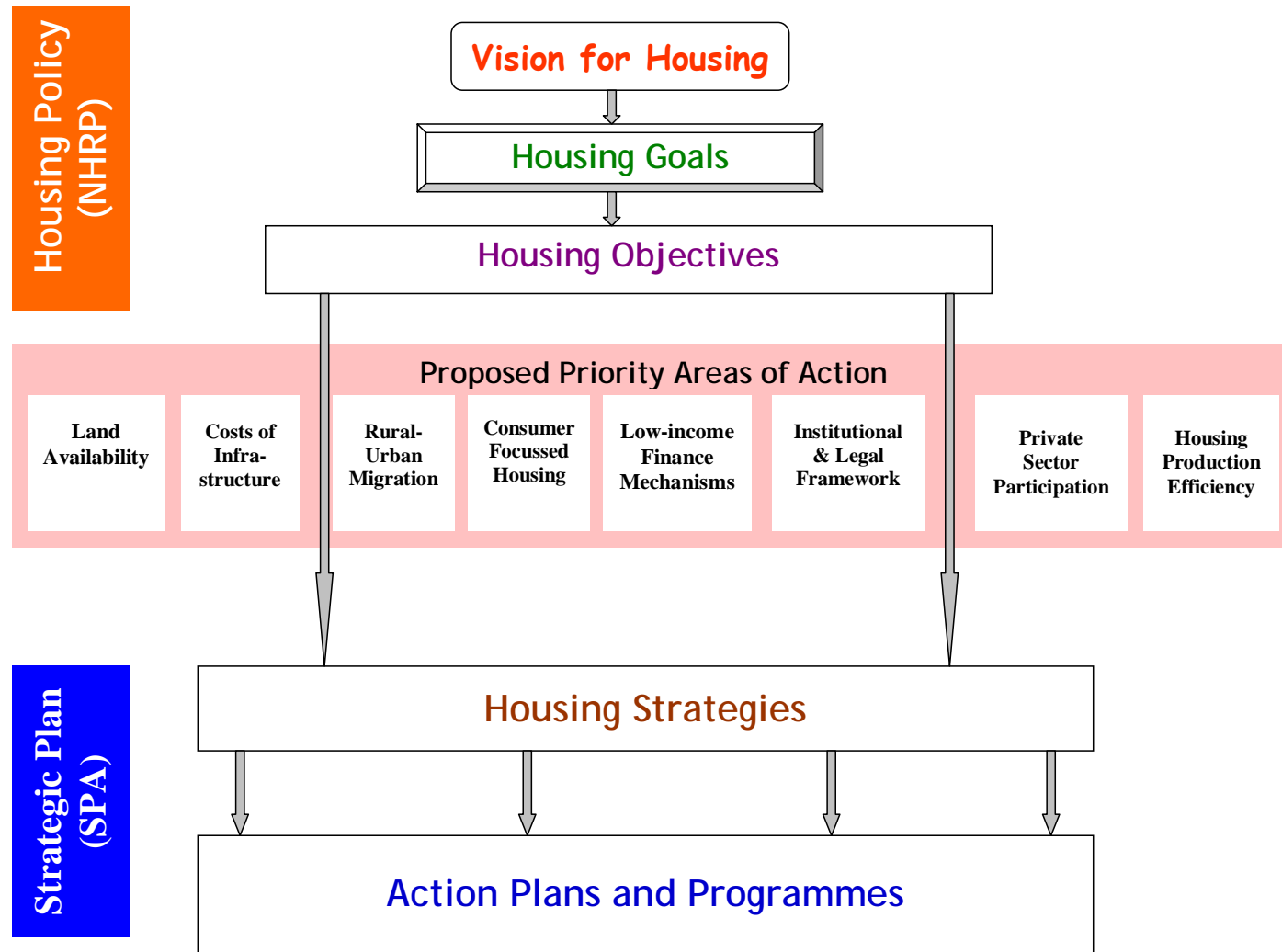


Figure 10.1
Formulation Process for National Housing and Resettlement Policy and Strategic Action Plan



A strategic planning approach is being proposed for the formulation of the NHRP and related SPA. This approach involves a series of progressive steps; the first being the preparation of this Report, which represents a situational analysis of housing and resettlement in St Lucia. The next five steps comprise:

Step 2 - Develop Vision, Goals and Objectives

This step firstly involves the process of creating a common vision - i.e. the desired status of St Lucia's housing sector in the future (by the end of the implementation of the proposed NHRP), identifying goals and developing objectives. In order to initiate the visioning process, a concurrent approach will be used, whereby, the preliminary NHRP vision, goals and objectives, will be formulated in collaboration with the NHPC prior to convening a national consultation.

Step 3 - Convene First National Consultation

The preliminary NHRP vision, goals and objectives will be shared with a wide cross section of stakeholders in the form of a national conference. Full participation in this consultative effort is critical as the final vision essentially articulates the common intention of the NHRP. Once the final vision is agreed, the goals and objectives will be fully developed at the consultation. The priority action areas (which were presented in Section 10.1 of this Report) will then be reconsidered by the stakeholders, with a view to prioritisation according to availability of financial and human resources. Subsequent to the first national consultation, the NHRP document has to be submitted to the Cabinet of Ministers for endorsement.

Step 4 - Develop Strategies and Action Plans

Subsequent to the first national consultation and during the NHRP ratification process, the broad strategies, action plans and programmes to implement the NHRP will be developed in consultation with the NHPC.

Step 5 - Convene Second National Consultation

The draft version of the broad strategies and action plans will be presented to a wide range of stakeholders at a second national consultation. It should be noted that whereas several priority areas of action (the basis for the broad strategies) might have been recommended at the first national consultation, it is critical that the number of strategies agreed at the second consultation is feasible and can be implemented. Once broad consensus is reached at this second consultation, the final strategies, action plans and programmes will be presented in the SPA document, to submit to the Cabinet of Ministers for approval.



Step 6 - Policy Implementation, Monitoring and Evaluation

This final step involves actual implementation of the strategies, action plans and programmes, once Cabinet's approval had been obtained. It is critical that the implementation of the NHRP is closely monitored and data collected to (a) assist in its evaluation and (b) disseminate information on the status of the NHRP's to the various stakeholders and wider communities.

APPENDIX 1

SCOPE OF THE WORKS¹

4. SCOPE OF THE WORK

4.1 General and Specific Activities:

In carrying out this assignment, the Consultants will be required to:

- Engage in widespread consultations with key stakeholders;
- Facilitate consultations where necessary;
- Assist with the preparation of the consultation reports.

In addition to the above, the Consultants will undertake the following tasks:

1. Phase 1 - Compilation of a National Report on Housing and Re-settlement in St. Lucia:

1. Conduct a comprehensive review of available literature including reports and publications pertinent to housing and re-settlement policy and related strategic action plans in St. Lucia and the region. Appendix I provide a listing of documentation that can be provided by the MPDEH.
2. Consult key stakeholders in the housing sector and related agencies, experts or other persons deemed knowledgeable on housing and re-settlement matters, to obtain their views on the current situation with respect to the aforementioned. An indicative list of stakeholders to be consulted is provided in Appendix II.
3. Review the broad and relevant policy directives that have been pursued at the national and sectoral levels to address housing and re-settlement issues over the last decade.
4. Conduct a review of the institutional and legislative framework, which guides and supports the development and implementation of housing and re-settlement programmes/projects in St. Lucia.
5. Identify the key issues, which must be considered in the formulation of the NHRP and the related SPA for implementation within the next fifteen (15) years.
6. Identify and outline the role and responsibilities of entities required for implementing the actions to be undertaken.
7. Identify the resources required to execute the activities of the policy formulation and strategic planning process.

¹ Extracted from the Terms of Reference for Consultancy for Formulation and Preparation of the National Housing and Resettlement Policy and a related Strategic Plan of Action

8. Produce a draft national report on the historical, current and future status of housing and re-settlement development in St. Lucia based on the information gathered and on the outcome of activities 1 through 7 above. The draft report should provide an analysis of the key issues identified and outline the future policy direction and strategic plan of action for the development of housing and re-settlement in St. Lucia.
9. Present the findings of the draft national report to personnel of the MPDEH and to other key stakeholders in a workshop setting.
10. Prepare a final report as per 8 above, taking into account the comments received on the draft national report.

APPENDIX 2

LIST OF DOCUMENTS REVIEWED

Name of Document	Author	Year Published
Housing in St. Lucia	UNDP Physical Planning Project	December 1974
Housing Overview (for Barbados, Montserrat, Dominica, St. Lucia, Grenada, and St. Vincent)	United Nations Centre for Human Settlement	July 1985
White Paper on Housing - Barbados	Division of Housing, Barbados	June 1997
Appraisal Report on Shelter Development Project for St Lucia	CDB	October 2000
National Land Policy – A Green Paper (Review draft) Castries St. Lucia	Ministry of Physical Development, Environment and Housing (MPDEH) Government of St Lucia (GOSL)	August 2002
St. Lucia National Climate Change Policy and Adaptation Plan	MPDEH, GOSL	2003
Recommendations for the Establishment of a Strategic Framework to guide the Development of Housing and Resettlement in St. Lucia	Pauline Mc Hardy	June 2003
Social Policy for Human Development in St. Lucia (Review draft)	Ministry of Social Transformation, Culture and Local Government (MSTCLG) GOSL	October 2003
Social Protection and Poverty Reduction in the Caribbean. Examining Policy and Practice. St. Lucia Country Review	Dr. A Henry Lee, Research Fellow SALISES Institute of Social and Economic Studies UWI, Jamaica	July 2004
Poverty Assessment Report	Kairi Consultants Ltd.	August 2006

APPENDIX 3

LIST OF STAKEHOLDERS CONSULTED

Institution/Stakeholder	Date	Venue	Stakeholder Representative(s) Present
Private Sector:			
St Lucia Mortgage Finance Company	9 th November 2005	Head Office on Jeremie Street Castries	Mr. Orlando Martyr Ms. L. Jn. Pierre
Bank of St Lucia	3 rd November 2005	Head Office on Bridge Street Castries	Ms. Agnes Josie Ms Cecilia Ferdinard
St Lucia Credit Union League	3 rd November 2005	Head Office on Mary-Anne Street, Castries	Mr. Joseph
St Lucia Civil Service Credit Union	9 th November 2005	Head Office on Bridge Street Castries	Mr. Cyril Mathews
Other Non Governmental & Community Based Organisations (NGOs & CBOs)			
National Research & Development Foundation	14 th November 2005	Head Office at La Clery, Castries	Mr. Gerald Morris
Poverty Reduction Fund	14 th November 2005	Head Office, Water Works Rd., Castries	Mr. Joachim Henry
CARITAS	16 th November 2005	Head Office Vigie, Castries	Ms Marcia Boxill
Government/ Statutory:			
Ministry of Physical Development, Environment and Housing	15 th February 2006	Minister's Office Graham Louisy Bldg.	Honourable Minister Ferguson John
	17 th February 2006	PS Office Graham Louisy Bldg.	Permanent Secretary Mrs. Marcia Philbert-Jules
Physical Development Dept. Architectural Section	6 th April 2006	Main Office Graham Louisy Bldg.	Mr. Hildreth Lewis
Crown Lands	4 th April 2006	Main Office Graham Louisy Bldg.	Commissioner Mr. Kentigern Louis
Office of the National Authorising Officer	16 th November 2005	Main Office Conway Business Centre Prime Minister's Office	Mr. John Calixte Project Officer
Saint Lucia National Housing Corporation (NHC)	10 th April 2006	Main Office at Sans Souci, Castries	Mr. Joseph Alexander

APPENDIX 4

TRANSCRIPTS OF FOCUS GROUP DISCUSSIONS

APPENDIX 4-A

TRANSCRIPT OF THE FOCUS GROUP DISCUSSION

GROS ISLET TOWN

- 1.0** The first Focus Group (FG) Discussion conducted under the consultancy for the Formulation of a National Housing and Resettlement (NHR) Policy and Related Strategic Plan of Action, was held on Tuesday, 19th September 2006, at the Gros Islet Primary School; it started at approximately 6:20 pm.

1.1 The Participants

Of the 12 residents of Gros Islet Town who were invited to attend the FG Discussion, only the following 7 attended:

- | | | |
|---------------------------|---|---------------------------------------|
| 1. Mr. Terrence St. Clair | – | Community Representative - Gros Islet |
| 2. Mr. Gerald Sidoine | – | Community Representative - Gros Islet |
| 3. Mr. Kenty Pamphille | – | Community Representative - Gros Islet |
| 4. Mrs. Mona Ambroise | – | Community Representative - Gros Islet |
| 5. Ms. Ruth Wiggins | – | Community Representative - Gros Islet |
| 6. Ms. Jean Morille | – | Community Representative - Gros Islet |
| 7. Ms. Lila Joseph | – | Community Representative - Gros Islet |

1.2 Administrative Arrangements

Staffing for the FG Discussion was drawn from the consulting firm – ECMC Ltd and comprised:

- | | | |
|-----------------------------|---|--|
| Mr. Egbert Louis | – | Moderator – ECMC Ltd |
| Ms. Theresa Alexander-Louis | – | Observer – ECMC Ltd |
| Mrs. Catherine Spooner | – | Sociologist – ECMC's Project Consulting Team |
| Ms. Freda St. Rose | – | Assistant – ECMC Ltd |
| Ms. Jn Neal Stephen | – | Assistant – ECMC Ltd |

The Moderator was generally responsible for leading the FG Discussion, posing questions and issues as well as encouraging discussion among participants. The Observer's role was to record major issues that were raised by the FG Discussion's participants. The Sociologist also performed an Observer. The Assistants were responsible for ensuring that all general administrative arrangements were conducted smoothly, whilst assisting the Moderator and Observer in performing their duties.

1.3 Agenda

The Moderator started by welcoming participants and introducing himself, as well as the members of ECMC's team. He apologised for the late start of the meeting and then thanked participants for attending. He then explained the objectives of the FG Discussion and gave a brief outline of the procedure that would be used during the FG Discussion. The Moderator informed everyone that questions would be asked regarding the development of a National Housing Policy for St. Lucia and informed them that their responses played an important role in the development of the Policy. He proceeded to conduct the FG Discussion by posing a series of open-ended questions/ issues and

invited participants to give their opinions. At the end of the FG Discussion, the Moderator thanked everyone for their participation and invited them to have some light refreshments, which had been provided by ECMC Ltd.

2.0 TRANSCRIPT

The following transcript is a verbatim proceeding of the FG Discussions:

Moderator: What kind of housing problems would you say Gros Islet has?

Community Representative:

It has to do mainly with the conditions of the houses, infrastructure and facilities for the housing.

Community Representative:

The availability of housing is usually gauged by a housing index in developed countries. It is obvious that in this part of the Island one would find that there is a natural demand for housing, both owner-occupied and rented. How scientific we can get about the availability of housing will be very important in the Housing Policy.

Community Representative:

The quality of housing in Gros Islet is better structured than other areas, but the lots are small. The average house size is three bedrooms, but any form of expansion will require that these lots be brought together. I heard that the residents of Gros Islet would be relocated to Beausejour and that the town would be developed. The guesthouses in Gros Islet are very small. The sewer system is not being utilised. Some people have septic tanks, everybody should be on the sewer system, but this is costly. If this cost was waived, this might be possible. In the new developments, e.g. Beausejour, some people are not even using the sewer system. In Cap Estate a cistern is mandatory, in Gros Islet, it is not. Some houses do not even have guttering. Nation-wide there should be a dual-water system.

Moderator: How should the housing problem in Gros Islet be tackled?

Community Representative:

Through a combination of private and public sector participation. However, it should be tailored to meet the minimum size lots and planning set-backs.

Community Representative:

Gros Islet has a good commuter (bus) system, but if you walk around Notre Dame Street, there are pockets of people who have “landed” and setting-up houses all over the beach. These people have occupied the old police station and those houses of relatives who are living overseas.

Moderator: What would you say the Government is doing about housing for people in Gros Islet?

Community Representative:

The Government has done nothing. There is a situation where there are vacant lots that are owned by families (large groups of people), some for over 35 years. The problem is how best could government intervene to solve that problem.

Moderator: How has the private sector performed in the provision of Housing?

Community Representative:

The house prices by the private sector are not for low-income earners, they are providing services for the middle and high-income brackets. When the waterfront was being sold, few people from Gros Islet knew. Priority should be given to people from the community.

Moderator: What is your concept of low-income houses?

Community Representative:

\$30,000 - \$50,000: 18-feet by 20-feet; with two bedrooms, shower, kitchen and a small living room.

Community Representative:

I agree with Representative No. 4, but we need sufficient land to expand.

Community Representative:

Low-income houses should be annexed to wages. What is considered a low-income earner?

Moderator: What level of finishes would one accept in this low-income house?

Community Representative:

Minimum finishes; like painted walls, vinyl tiles, etc. We need low interest loans to repay houses. The banks need to make it easier to get a loan, without all the "red tape", whether it takes 50 years to repay the house.

Community Representative:

The social aspect of housing is also very important; some people would take a concrete house with wooden walls. The starter houses may never be completed. Timber houses will get termites.

Community Representative:

Persons should not go into an incomplete house, because before the house is fully paid, renovations need to be made and with the wage you are making you may not be able to complete the renovations and just accept the house as it is.

Moderator: What is your concept of a low-income salary?

All Community Representatives:

Between \$1,100 and \$1,500; \$50 per day.

Community Representative:

Based on government's tax-free salary, low income is \$16,000.00 per year.

Moderator: Is provision of a plot of land better than a house?

Community Representative:

If targeting the low-income people, then the land will stay there for a very long time. Also there will need to be a policy on the type of house to be built. So there is need to be careful. Also need to have complete communities.

Moderator: What kind of conditions could be examined for financing for the low-income at credit unions and commercial banks?

Community Representative:

There should be no down payment/deposit.

Community Representative:

All fees should be waived, i.e. Government taxes and legal fees or they should be included in the mortgage loan. There was EU loan/grant facility, but it had too much red tape.

Community Representative:

The process of getting these funds can be very strenuous and stressful.

Community Representative:

There is a need to have mixed income housing, so that there are communities and not just low-income housing or land for sale.

Moderator: If persons were offered a lot of land what type of structure do you think they will build on it?

Community Representative:

People who rent land from land owners, build wooden houses because the owners do not want concrete structures on their lands. This is a problem because person cannot put bathrooms and toilets in concrete. If persons own the land, then I think that most likely they will build a permanent (concrete) structure; they may take a while to put the structure up, but they will put it up.

Community Representative:

All the plywood houses in Beausejour are on lands being rented from the owner – Mr. Headly. However, there are very few timber houses in Massade. People from Gros Islet bought lands there and even if it takes along, they will put permanent and good structures. With an income of \$45,000

to \$60,000 per year, only a two-bedroom, low-income house can be bought. The problem with housing has two issues; financing/loans and social values. There is a need to change values, people's concept of a home. The houses in Independence City started off with chipboard floors and as time progressed, the quality of housing did as well. Many low-income persons will rent a plywood house, but they will not want to buy it. Instead, the middle income will buy it and rent it to them.

Community Representative:

The issue is mentality and education. There needs to be workshops in the communities on how to break the poverty line. Low-income earners prefer to pay \$1,200 in rent, instead of building their own wooden house.

Moderator: Besides Owner-Occupied housing, what about the provision of housing in general; what about apartment housing?

Community Representative:

There is need to provide more "CDC" type housing in Gros Islet town.

All Community Representatives:

Renting and/or buying apartment-type housing in Gros Islet town is a good idea; the demand may be very high.

Community Representative:

In Gros Islet town, family land is a problem; so nothing can be done.

Community Representative:

There is a need to ensure that the people who need housing, are the ones who are actually getting it. There are people who live in the CDC apartments who have houses at Edgewater renting. So there is a need to find out all the details/profiles of everybody in the community.

Community Representative:

Beausejour is a classic example where there is no "community". There are no supermarkets, pedestrian areas, parks, etc. There is a need to build communities and not housing only. Provide basic things and create a balance in providing housing. In comparison with Rodney Heights, Beausejour has no playground, open spaces; there is also need for a day-care centre.

Moderator: What are your views on rented housing?

Community Representative:

The rent is too high for the level of facilities that are not available. For example, \$500 per month with no water closet or water.

APPENDIX 4-B

TRANSCRIPT OF THE FOCUS GROUP DISCUSSION

CASTRIES – (FOR RESIDENTS OF CDC APARTMENTS)

1.0 The third Focus Group (FG) Discussion for the Formulation of a National Housing and Resettlement (NHR) Policy and Related Strategic Plan of Action, was held on Tuesday, 17th October 2006, at the Meeting Room of the Block “H” Residents, Block “H”; it started at approximately 6:15 pm.

1.1 The Participants

Of the 7 residents of the CDC Apartments who were invited to attend the FG Discussion, only the following 5 attended:

- | | | |
|-----------------------------|---|--|
| 1. Ms. Petra Meda | – | Community Representative – CDC Apartment |
| 2. Mr. Jones Jn. Baptiste | – | Community Representative – CDC Apartment |
| 3. Ms. Gene St. Omer | – | Community Representative – CDC Apartment |
| 4. Ms. Marie Solange Augier | – | Community Representative – CDC Apartment |
| 5. Ms. Diana Charles | – | Community Representative – CDC Apartment |

1.2 Administrative Arrangements

Staffing for the FG Discussion was drawn from the consulting firm – ECMC Ltd and comprised:

- | | | |
|------------------------------|---|----------------------|
| Mr. Egbert Louis | – | Moderator – ECMC Ltd |
| Mrs. Theresa Alexander-Louis | – | Observer – ECMC Ltd |

The Moderator was generally responsible for leading the FG Discussion, posing questions and issues as well as encouraging discussion among participants. The Observer’s role was to record major issues that were raised by the FG Discussion’s participants.

1.3 Agenda

The Moderator started by welcoming participants and introducing himself, as well as the members of ECMC’s team. He apologised for the late start of the meeting and then thanked participants for attending. He then explained the objectives of the FG Discussion and gave a brief outline of the procedure that would be used during the FG Discussion. The Moderator invited each participant to introduce themselves and to indicate their housing status in terms of ownership. He informed everyone that questions would be asked regarding the development of a National Housing Policy for St. Lucia and informed them that their responses played an important role in the development of the Policy. He proceeded to conduct the FG Discussion by posing a series of open-ended questions/ issues and invited participants to give their opinions. At the end of the FG Discussion, the Moderator thanked everyone for their participation and invited them to have some light refreshments, which had been provided by ECMC Ltd.

2.0 TRANSCRIPT

The following transcript is a verbatim proceeding of the FG Discussion:

Moderator: What type of housing problem would you say the Castries area faces?

Community Representative:

If some people have a choice they would prefer to live in Castries because they work there; so a lot of people would like to live in the CDC Apartments, but it is difficult to get an apartment.

Community Representative:

From the Barnard Hill area, Government should relocate some people from there to apartment buildings.

Community Representative:

There will always be a need for this type of housing in Castries.

Moderator: Should CDC people be given the opportunity to move into their own houses after renting?

Community Representative:

There will always be a situation where some people will want to rent and others will want to own their homes. People in the CDC were not given the opportunity like those in Conway who were squatting. Tenants of the CDC complained that they were paying rent for so long and were not given the opportunity to buy low-cost housing.

Community Representative:

The NHC should give tenants the opportunity to buy the apartments; there are “rent-to-own” policies in other countries.

Community Representative:

That’s a good idea, but if the area has more pleasant surroundings, where people are more comfortable in terms of their safety.

Moderator: How do you think the private sector has helped or could help in housing?

Community Representative:

Which private sector?

Community Representative:

The Private sector will not go into housing.

Community Representative:

The private sector is very greedy, they want to maximise profits. Look at NHC, - the high price of lands being developed at Choc. If a person has to buy land at \$11.00 per square foot, and they need about 5000 square feet, that means you must have \$55,000.00 to buy land alone. When could one start building, if people from the CDC are paying a rent of \$200.00 - \$600.00 per month?

Community Representative:

The Banks as the private sector can help by giving loans at very low-interest rates, like what they give to their staff.

Moderator: How do you think Government could help in housing?

Community Representative:

Is Government still involved in housing?

Moderator: What do you consider to be a low-income house?

Community Representative:

A starter house with two bedrooms, one bathroom and sufficient land to expand.

Community Representative:

Based on salary, low-income would be no more than 10% of salary.

Moderator: What salary would you consider low-income?

Community Representative:

\$1,500.00 per month per household.

Community Representative:

One would need at least \$500.00 per month as repayment on a loan.

Community Representative:

Most people in the Marchand/Morne Du Don area pay \$300.00-\$500.00 per month as house rent.

Community Representative:

The majority of households are single parents, in fact women, who cannot afford a house.

Community Representative:

A graduate trained teacher may make about \$3,700.00 before taxes; a professional cadet \$3000.00. These are considered way above “low-income” and they still cannot afford a house.

Moderator: If people are given a core/shell house, do you think they will take it?

Community Representative:

Yes, people can work with that.

Community Representative

It is a good start.

Community Representative

There are a lot of people who have children who would like to own a home, so they can start with that.

Community Representative:

The problem with timber houses is that the insurance is very high.

Community Representative:

People need to be shown how they can improve on shell/ core houses. The core houses are not marketed properly.

Community Representative:

Many people want to live in a central area like the CDC where they can save money to buy a house; this is a good idea for teachers.

Moderator: What do you think about land prices?

Community Representative:

They are much too high for sure.

Community Representative:

Everybody has raised their land priced because of NHC's and NIC's land prices.

Community Representative:

Land prices should be \$6.00-\$8.00 per square foot for low-income, but these subsidised land prices should be sold to persons who need, who cannot afford higher prices and the houses they buy should not be rented out to other people.

Moderator: What do you think about the option to buy land only or land and house package?

Community Representative:

Land and house packages – at least a person has something to work with.

Community Representative:

Land and house package to ensure people move towards living in their houses.

Moderator: How can the banks assist in terms of their lending for housing?

Community Representative:

Offer interest rates at 7.0 to 7.5%.

Community Representative:

6% interest rate would be good.

Community Representative:

A 30-year repayment period.

Moderator: What house prices do you consider as low-income?

Community Representative:

Maximum of \$100,000.00 for house and land.

Community Representative:

Minimum of \$80,000.00 for house and land.

Community Representative:

Some people from the CDC never heard of the low-income housing from the NHC.

Community Representatives:

There is a need to show tenants how they can make the move from renting to owning.

Community Representative:

Government has put nothing in place to prevent squatting.

Community Representative:

Why has Faux- A- Chaud not developed into better housing?

Community Representative:

Squatting is not fair! Government should not give squatters land; they should rent it to them with infrastructure.

APPENDIX 4-C

TRANSCRIPT OF THE FOCUS GROUP DISCUSSION

SOUFRIERE

- 1.0** The fourth Focus Group (FG) Discussion for the Formulation of a National Housing and Resettlement (NHR) Policy and Related Strategic Plan of Action, was held on Tuesday, 24th October 2006, at the Soufriere Foundation building; it started at approximately 6:10 pm.

1.1 The Participants

Of the 15 residents of the Soufriere Town who were invited to attend the FG Discussion, only the following 4 attended:

- | | | |
|--------------------------------|---|--------------------------------------|
| 1. Mrs. Jackie Allain-Francois | – | Community Representative – Soufriere |
| 2. Mr. Dominique Alexander | – | Community Representative – Soufriere |
| 3. Mr. Michael Lamontagne | – | Community Representative – Soufriere |
| 4. Mr. Alexander Lansiquot | – | Community Representative – Soufriere |

1.2 Administrative Arrangements

Staffing for the FG Discussion was drawn from the consulting firm – ECMC Ltd and comprised:

- | | | |
|------------------------------|---|----------------------|
| Mr. Egbert Louis | – | Moderator – ECMC Ltd |
| Mrs. Theresa Alexander-Louis | – | Observer – ECMC Ltd |

The Moderator was generally responsible for leading the FG Discussion, posing questions and issues as well as encouraging discussion among participants. The Observer's role was to record major issues that were raised by the FG Discussion's participants.

1.3 Agenda

The Moderator started by welcoming participants and introducing himself, as well as the members of ECMC's team. He apologised for the late start of the meeting and then thanked participants for attending. He then explained the objectives of the FG Discussion and gave a brief outline of the procedure that would be used during the FG Discussion. The Moderator invited each participant to introduce themselves and to indicate their housing status in terms of ownership. He informed everyone that questions would be asked regarding the development of a National Housing Policy for St. Lucia and informed them that their responses played an important role in the development of the Policy. He proceeded to conduct the FG Discussion by posing a series of open-ended questions/ issues and invited participants to give their opinions. At the end of the FG Discussion, the Moderator thanked everyone for their participation and invited them to have some light refreshments, which had been provided by ECMC Ltd.

2.0 TRANSCRIPT

The following transcript is a verbatim proceeding of the FG Discussion:

Moderator: What type of housing problem would you say Soufriere is experiencing?

Community Representative:

The problem is not acute but anywhere or anytime. There are slums; it suggests a housing problem exists. For example Palmiste and Baron's Drive as well as upper Church Street the density is very high. Persons are taking up every building space that they can find and putting up houses.

Community Representative:

In Fond Benier, persons have built little houses in the back of the main houses.

Community Representative:

There are low-density areas like New-Development and the rural areas.

Moderator: Is sufficient being done to address the housing problem?

Community Representative:

No, agricultural lands are being taken up for housing. There are crest lands and some larger lots in Fond Cacao. Another private developer (Joe Allain) is doing a housing development. There seems to be no more land for housing in Soufriere when you look around at these green walls (mountains).

Community Representative:

Housing in Soufriere has really been reactionary by Government; Lennie Hills was in response to Hurricane Lennie.

Community Representative:

Government has done nothing really.

Moderator: Do you think that the Private Developer (if any) in Soufriere has done?

Community Representative:

Private developers in Soufriere are into providing lots with little infrastructure; and they are not into houses e.g. the Black Bay Housing Development.

Community Representative:

Land availability and land tenure are the two major issues in land development for housing.

Moderator: Do you think that policy makers are aware of the need for housing in Soufriere?

Community Representative:

From information I obtained, the government is aware that there is a housing problem in Soufriere.

Community Representative:

Soufriere has about 26 family estates of minimum size 75 acres. So land tenure is key in terms of housing development.

Community Representative:

Government itself own very little land in Soufriere so there is little squatting on public lands.

Community Representative:

Land availability is such a problem that Soufriere people have started buying lands outside of the area because it is too expensive. People have started moving to Soufriere.

Moderator: What do you consider to be affordable housing for low-income persons?

Community Representative:

The Lennie Hill houses are between \$48,000-\$50,000 wooden.

Community Representative:

But lands are owned by Monplaisir and the cost of land is not yet included in the price of these houses.

Community Representative:

A low-income person in Soufriere would be \$1,000.00 monthly and less per household, middle-income \$2,200.00. But there are many people who get \$500.00 per month or less for example, people in Barn Drive, Mini, Bouton, those people who work in the hotels, restaurants and supermarkets.

Community Representative:

\$800.00 to \$1,200.00 per month per household would be low-income.

Community Representative:

There are beautiful wooden pre-fabricated houses all over the place, but their insurance is very high.

Moderator: For a sum of \$50,000.00, what would you consider to be a minimum house size?

Community Representative:

Two bedrooms and basic bathroom, toilet, living/ dining and kitchen areas.

Community Representative

540 to 600 square feet.

Community Representative

So it seems that there are many persons who will never be able to purchase a house.

Community Representative:

Some people cannot pay \$50,000.00 for a house, the government would have to subsidise those people.

Community Representative:

People need to be shown how they can improve on shell/ core houses. The core houses are not marketed properly.

Community Representative:

Government should acquire estate lands as eminent domain and give those lands to developers for housing.

Community Representative:

There is a demand for land but there is the problem of land affordability.

Moderator: what are your views on Core housing that is the interior only has bathroom enclosed and a kitchen sink?

Community Representative:

Many low-income persons in Soufriere would most certainly take up core housing

Community Representative:

The owners will certainly build houses behind these houses for rent too.

Moderator: What about apartment Housing?

Community Representative:

There is a need for apartment buildings for rent, but buying an apartment is not an option or people fro Soufriere. Here people see homes as single detached.

Moderator: What are rents like in Soufriere.

Community Representative:

Rents have increased since the Jalousie hotel came in. Say about \$400.00 to \$500.00 per month for an unfurnished two to three bedroom wall house.

Community Representative:

The minimum is \$350.00 to \$400.00.

Community Representative:

But there are single rooms between \$50.00 to \$100.00 with no toilet and no water

Moderator: What are land prices like?

Community Representative:

Price per square foot is now in the double digits. Soufriere is very expensive; say land is between \$8.00 to \$12.00 per square foot. The Devaux development is \$12.50 per square foot with covenants. Four years ago land in Belle Pain with minimal infrastructure was \$6.25 to \$7.00 per square foot.

Community Representative:

Reasonable land prices would be around \$4.00 to \$5.00 per square foot, roads, water and electricity is expected.

Community Representative:

A lot of land is owned by the Joan Devaux and the Duboulay families. In Bouton, the parish (church) owns some lands, which they rent to people but they are not allowed to build concrete houses.

Moderator: What about the Financial Institution and Housing?

Community Representative:

Financial institutions make it almost impossible to own property. It's easier to get a loan for a car than a house. There is a need to revisit interest rates.

Community Representative:

The financial institutions in St. Lucia should get more involved in housing, like building houses as the case in other countries like Jamaica.

APPENDIX 4-D

TRANSCRIPT OF THE FOCUS GROUP DISCUSSION

DENNERY VILLAGE

- 1.0** The second Focus Group (FG) Discussion for the Formulation of a National Housing and Resettlement (NHR) Policy and Related Strategic Plan of Action, was held on Tuesday, 26th September 2006, at the Dennerly Regional Office; it started at approximately 6:15 pm.

1.1 The Participants

14 residents of Dennerly were invited to attend the FG Discussion.

- | | | | |
|-----|---------------------------|---|---|
| 1. | Ms. Perpetua James | – | Community Development Officer – Dennerly |
| 2. | Mr. Barnard Toby | – | Returning National - Dennerly |
| 3. | Ms. Edna Polius | – | Teacher, La Ressource Primary School – Dennerly |
| 4. | Ms. Hermaine Francis | – | Employee, Forestry Department - Dennerly |
| 5. | Ms. Saturina Williams | – | Village Clerk - Dennerly |
| 6. | Ms. Scholastica Collymore | – | Pre-School Administrator - Dennerly |
| 7. | Ms. Patrica Vidal | – | Housewife – Dennerly |
| 8. | Ms. Paula James | – | Cook – Dennerly |
| 9. | Mr. Jason Modeste | – | Employee, Dennerly P.O – Dennerly |
| 10. | Ms. Sylvia Alexander | – | Community Representative – Dennerly |
| 11. | Ms. Shirley Biscette | – | Community Representative – Dennerly |
| 12. | Mr. Simon Philip | – | Community Representative – Dennerly |
| 13. | Ms. Michealina Emmanuel | – | Community Representative – Dennerly |
| 14. | Mr. Ivan Gaspard | – | Community Representative – Dennerly |

1.2 Administrative Arrangements

Staffing for the FG Discussion was drawn from the consulting firm – ECMC Ltd and comprised:

- | | | |
|------------------------------|---|----------------------|
| Mr. Egbert Louis | – | Moderator – ECMC Ltd |
| Mrs. Theresa Alexander-Louis | – | Observer – ECMC Ltd |

The Moderator was generally responsible for leading the FG Discussion, posing questions and issues as well as encouraging discussion among participants. The Observer's role was to record major issues that were raised by the FG Discussion's participants.

1.3 Agenda

The Moderator started by welcoming participants and introducing himself, as well as the members of ECMC's team. He apologised for the late start of the meeting and then thanked

participants for attending. He then explained the objectives of the FG Discussion and gave a brief outline of the procedure that would be used during the FG Discussion. The Moderator invited each participant to introduce themselves and to indicate their housing status in terms of ownership. He informed everyone that questions would be asked regarding the development of a NHR Policy for St. Lucia and informed them that their responses played an important role in the development of the Policy. He proceeded to conduct the FG Discussion by posing a series of open-ended questions/ issues and invited participants to give their opinions. At the end of the FG Discussion, the Moderator thanked everyone for their participation and invited them to have some light refreshments, which had been provided by ECMC Ltd.

2.0 TRANSCRIPT

The following transcript is a verbatim proceeding of the FG Discussion:

Moderator: What kind of housing problems would you say Dennery has?

Community Representative:

There is a problem with houses for rent; if one has a house with an apartment for rent, I can vouch that it will be taken up.

Community Representative:

There are not enough houses for renting to people in the low-income bracket.

Community Representative:

We need apartments that are affordable. One cannot get a house to rent. When one house becomes available, there are five people who want to rent it.

Community Representative:

There's not enough land and houses.

Community Representative:

There is need for a project to rent houses to people.

Moderator: About 70% of the people at this meeting have said that they own their houses; how many of you do not own the land on which your house is built?

Observer Note:

Based on a show of hands, of the 10 people who owned their houses, 4 of them did not own the land. They are squatting on Government lands.

Moderator: What would you consider to be the price for affordable land?

Community Representative:

About \$2.50 to \$3.00 per square foot.

Community Representative:

It depends on the type of land.

Community Representative:

I got a letter from Crown Lands saying that the price of the land is \$4.00 per square foot.

Moderator: In cases where people own their house but not the land, is it because there are no houses to rent or that people just want to own their houses?

Community Representative:

It is a mixture of both cases, people cannot get houses to rent, so they build their own on lands that they do not own.

Community Representative:

People like to know that “this is **my** house”.

Community Representative:

In the 1980’s, when Hurricane Allen struck, it became more apparent that there was a need for houses. The Hurricane shifted people and they began to put up houses anywhere they could. Very few people own land in Dennerly. The lands were “Parish Lands”. At that time, it was about finding security and this problem has now escalated. There was nothing to rent, especially on the “By Pass” Road.

Community Representative:

I remember a case where an elderly man was not able to build a proper house, he had to build one out of a cardboard.

Moderator: What is the preference for the type of housing; masonry or timber?

Community Representative:

Masonry, of course.

Community Representative:

What you can afford.

Community Representative:

Although timber is much more affordable, masonry has a longer life. So once people can afford it, they will build masonry.

Community Representative:

It also has to do with social status. People want to see themselves as “big” even though some people do not like concrete because it’s too cold.

Community Representative:

You have to take a wooden house because that’s what you can afford.

Community Representative:

Plywood houses are temporary, wall houses are for security. It is more durable, wood don’t last! except the nice green house ones.

Community Representative:

A person can start with a wooden house and as their salary increases, they can build it up in wall.

Community Representative:

It has to do with people values that ... “one day I’ll have a wall house” (said in Kweyol)

Community Representative:

Yes its our value system – to let people see that we have achieved.

Moderator: How do you think the Housing Problem in Dennery could be tackled?

Community Representative:

There should be apartments for renting and in the long run, people can acquire these apartments.

Community Representative:

The PROUD programme is helping a lot in helping people acquire land and a shelter for themselves. The big problem with housing is the land. It is \$5.00 to \$6.00 per square foot! Make land affordable to residents! Land is becoming very expensive in Dennery. Make affordable land available!

Community Representative:

Government had first sent a letter that its land would be for \$5.00 per square foot, then they reduced it to \$4.00 per square foot; whereas PROUD people got land for \$2.00 per square foot.

Community Representative:

Government should provide proper infrastructure such as roads, electricity and water where government lands are being squatted on.

Community Representative

People cannot afford the \$5.00 per square foot. Some people had applied to Government to buy the land but Government said they were not ready.

Community Representative

That's why people are rushing to build wall houses; They think that Government will not break it down. Government is too slow in taking action.

Moderator: What would you say that Government has/is doing about housing in Dennery?

Community Representative:

Nothing!

Community Representative

The only thing they are doing is taking taxes.

Community Representative

In some areas, Government has offered people to buy its lands, for example in New Field, Dennery. They measured the land on the hill and put people's names and numbers, then sent out letters to them. Also the people can pay Government by installments.

Moderator: What do you consider to be low cost housing?

Community Representative:

The type of housing goes according to your income.

Community Representative:

Low-income housing would have to be less than \$100,000.00.

Community Representative:

Timber housing would be \$50,000.00 but must have toilet and bath.

Community Representative:

Not the CLICO middle income houses at La Caye for \$400,000.00; That's high income!

Community Representative:

There can be apartment buildings for rent and over a period of time, people can buy them.

Community Representative:

If houses are \$50,000.00 to \$60,000.00, some people will never buy a house because they do not have a regular salary; Some never worked. They cannot afford a house.

Community Representative:

There are some people in society that will never own a house.

Moderator: What would you say are the minimum requirements in a house? What about core houses?

Community Representative:

Water, electricity, two bedrooms, toilet and bath.

Community Representative:

Need a decent home for people, not just four walls.

Community Representative:

If a person is low-income and they get a core house, they can do little by little to improve it.

Community Representative:

People must be sensitised and well informed about these core houses.

Moderator: What do you consider to be low-income salary?

Community Representative:

Anything below \$1,000.00 per person, per month and household income of \$1,500.00 or less per month.

Moderator: What do you consider to be the better option; a plot of land to build a house or house and land package

Community Representative:

House and land package

Community Representative:

Some people can build bit by bit on the land.

Moderator: What are your views about the financing for houses?

Community Representative:

The interest rates are too high.

Community Representatives:

The other fees are too high.

Community Representative:

I am not going to face the banks; I will build as I can.

Community Representative:

Once the Government gave building materials from monies from funding agencies especially after hurricanes, but all went to their friends.

Community Representative:

The EDF/EU funds stopped and I didn't get.

Community Representative:

If Government brings in some affordable housing, there will be more competition with private rents.

Community Representative:

Rent in Dennery is as high as \$500.00 to \$600.00 per month.

Community Representative:

You can get a room to rent in Dennery from as low as \$50.00 per month – but no water, toilet, electricity just a room.

Community Representative:

There are rents of \$180.00 per month; \$300.00 for a three-bedroom wooden house with toilet.

APPENDIX 5

PROJECTIONS OF AVERAGE HOUSEHOLD SIZE

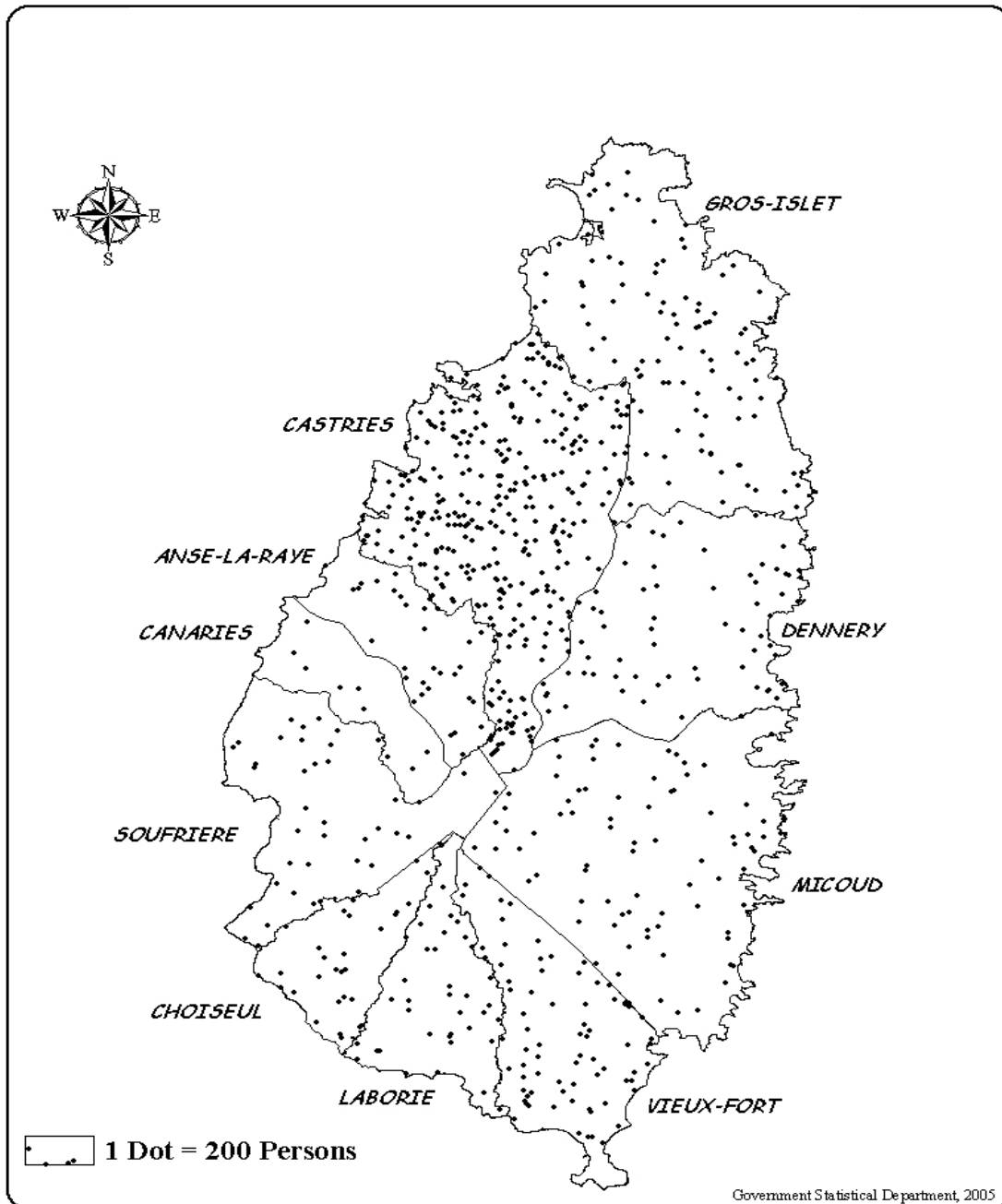
Year	Projected Household Size ¹	Total Household Population ²	Estimated Housing Formation
2002	3.27	159,133	48,665
2003	3.21	160,620	50,037
2004	3.14	162,434	51,731
2005	3.08	163,282	53,014
2006	3.02	164,853	54,587
2007	2.96	166,635	56,296
2008	2.90	168,600	58,138
2009	2.85	170,442	59,804
2010	2.80	171,610	61,289
2011	2.76	173,383	62,820
2012	2.71	176,185	65,013
2013	2.68	178,216	66,499
2014	2.65	180,136	67,976
2015	2.62	182,122	69,512
2016	2.60	184,174	70,836
2017	2.59	186,298	71,930

¹ See Appendix 19 for methodology used to compute figures

² Data obtained from St. Lucia Government Statistics Department

APPENDIX 6

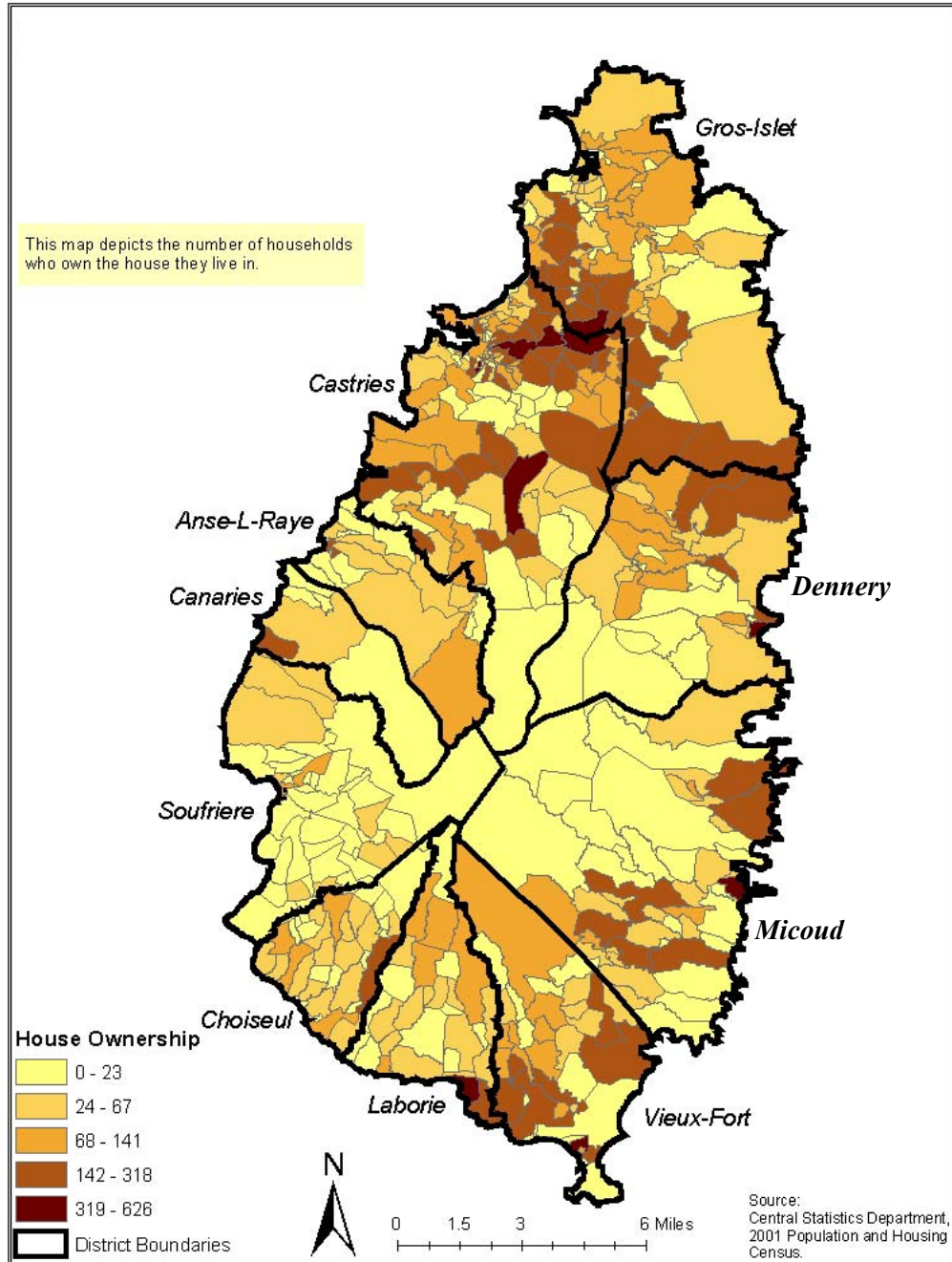
POPULATION DENSITY BY DISTRICT - 2003 (Mid-Year)



Source: Government Statistics Department

APPENDIX 7

HOME OWNERSHIP BY GEOGRAPHIC LOCATION (2001)



Source: Government Statistics Department

APPENDIX 8

Methodology for Estimating Housing Quality Indices ¹

Each of the following Housing Quality (HQ) indicators was assigned a score – an ordinal value from 1 to 4 – on the following basis:

Housing Quality Indicator	Values assigned on Basis of:
(i) Outer materials of walls	Durability – concrete/block being the most durable
(ii) Main source of potable water	Hygiene - public piped in-dwelling being hygienic
(iii) Toilet system	Sanitation – Flush toilet being most sanitary
(iv) Domestic Lighting source	Electricity being the highest form
(v) Cooking fuel	LP Gas being the highest form

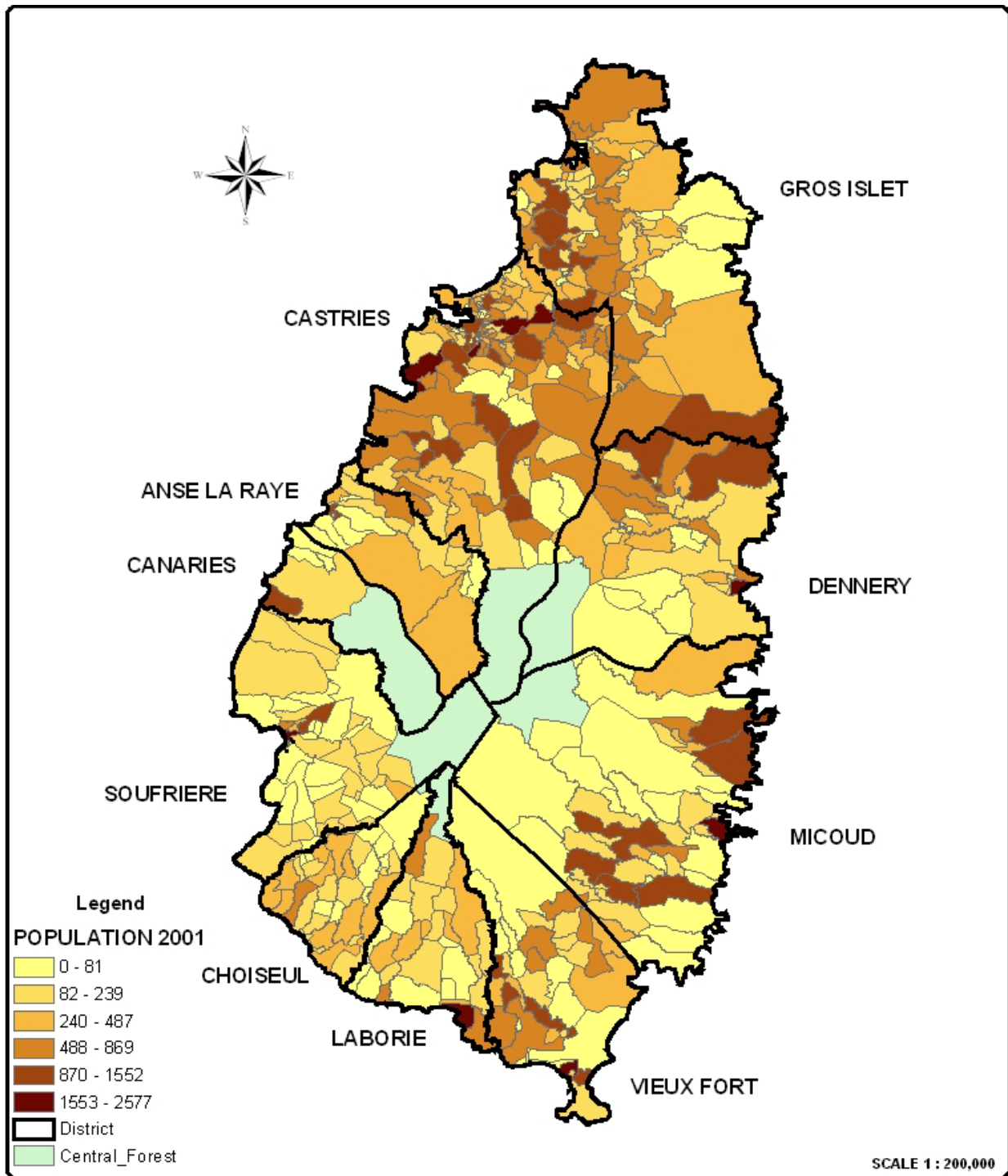
Then the ordinal value was multiplied by the frequency data for each indicator category (obtained from the 2001 Population and Housing Census Report²) to obtain individual indices for each category. Subsequently, individual indices were summed for each indicator and their values combined to obtain a composite HQ index for each district. These composite HQ indices are detailed in Table 1.

¹ Based on methodology used by Emmanuel. Fiadzo in Estimating the Determinants of Housing Quality: The Case of Ghana – Joint Centre for Housing Studies, Harvard University; June 2004.

² Source: Government Statistics Department

APPENDIX 9

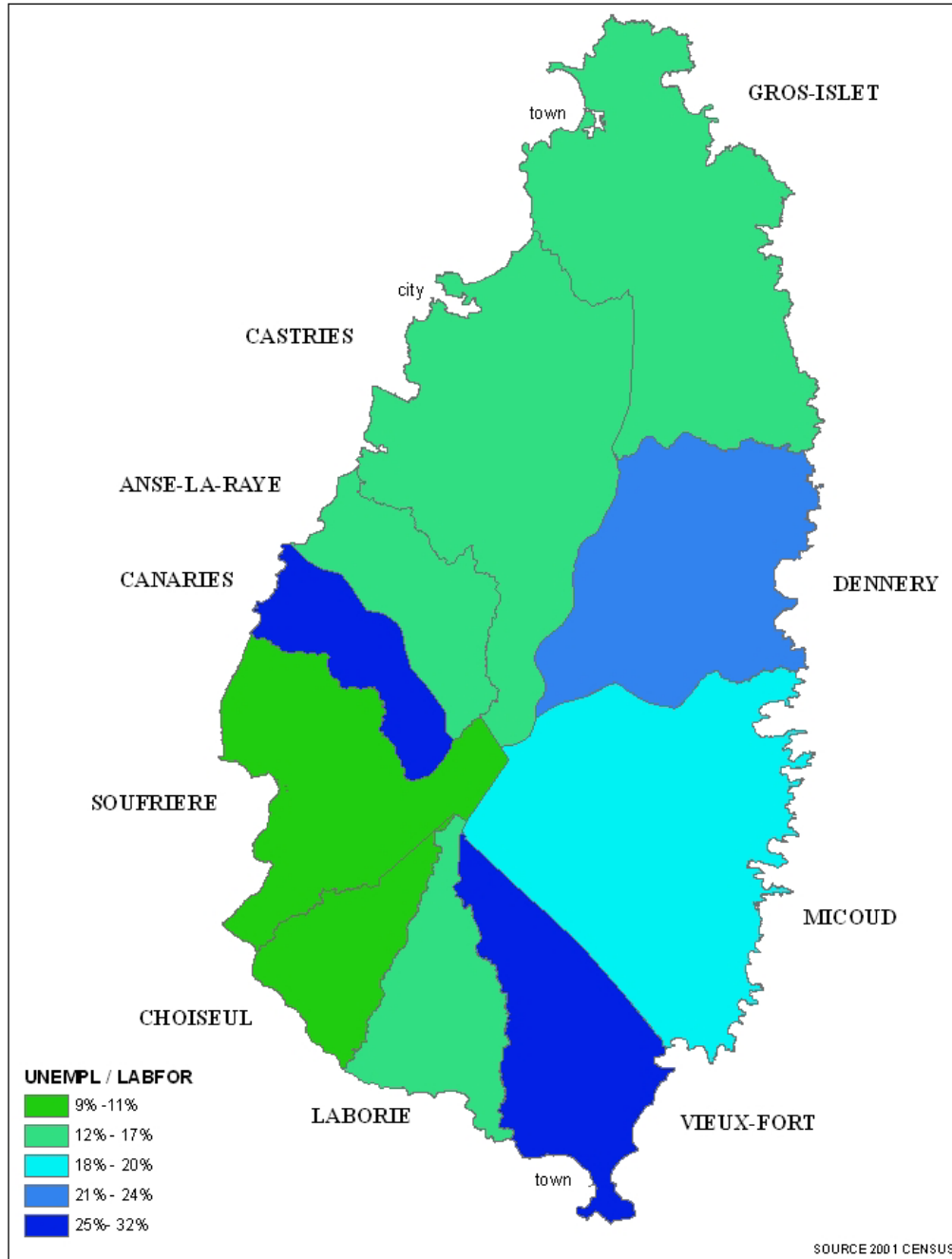
DISTRIBUTION OF HOUSEHOLD POPULATION (2001)



Source: St Lucia Government Statistics Department

APPENDIX 10

UNEMPLOYMENT LEVELS BY DISTRICT- 2004



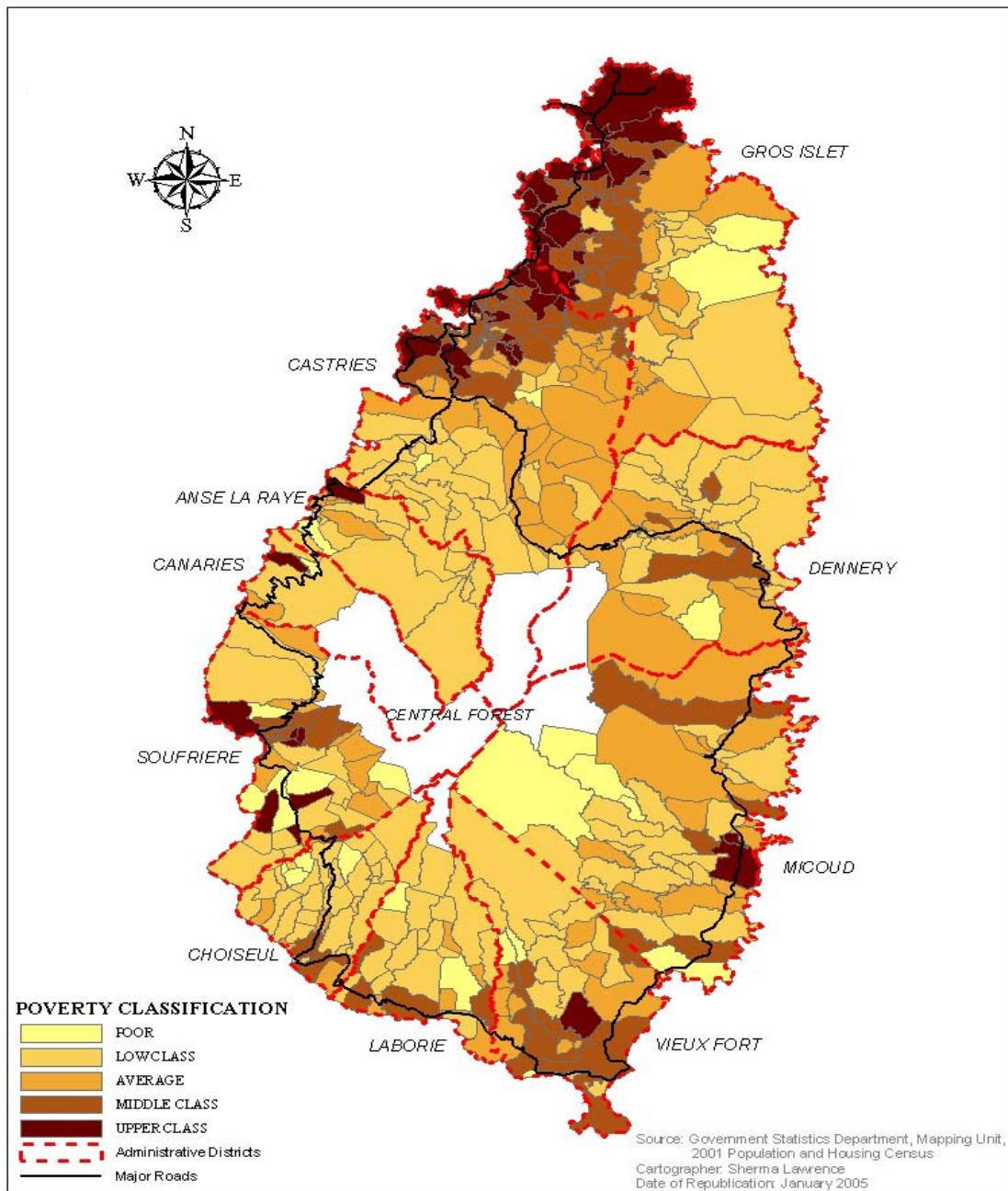
Source: Government
Statistics Department

0 1.5 3 6 Miles



APPENDIX 11

GEOGRAPHIC DISTRIBUTION OF POVERTY LEVELS - 2001



Source: Government Statistics Department

APPENDIX 12
PROVISION OF HOUSING BY NHC/ HUDC
1971 - 2004

YEAR	PROJECT / LOCATION	HOUSES (by income level)			HOUSING LOTS (by income level)				TOTAL HOUSING SOLUTIONS (by income level)			
		Low	Middle	Total	Low	Middle	Upper-Middle	Total	Low	Middle	Upper-Middle	Total
1971	Sans Souci		600	600				0	0	600	0	600
1972	Entrepot/ Independence City	50	192	242		242		242	50	434		484
1972	Morne Fortune ^{1/}			0		25		25	0	25		25
	Ravine Chabot		100	100		25		25	0	125		125
1980	Reduit Park			0		127		127	0	127		127
1989	Mongiraud			0		32		32	0	32		32
1990	La Ressource			0	352			352	352	0		352
1991	Patience			0	95			95	95	0		95
1991	Ciceron			0	501			501	501	0		501
1992	La Fargue			0	23			23	23	0		23
1992	Micoud			0	170	30	15	215	170	30	15	215
1993	Massade		40	40		107		107	0	147		147
1993	Agard			0	321			321	321	0		321
1994	Bisee		15	15		40		40	0	55		55
1994	Monier		50	50		131		131	0	181		181
1994	Tapion		30	30		50		50	0	80		80
1995	Inglewood		18	18		64		64	0	82		82
1995	Postlewaite	17	0	17		19		19	17	19		36
1995	Carellie		110	110		442		442	0	552		552
1995	Bonn Terre		25	25		29		29	0	54		54
1996	Karibelle			0		53		53	0	53		53
1998	Beausejour Ph. 1	40	15	55	40	30		70	80	45		125
1999	Union		11	11		60		60	0	71		71
2000	Hewanorra Orchard	30	15	45	80	40		120	110	55		165
2000	Derriere Morne			0		36		36	0	36		36
2001	Beausejour Ph 2	30	27	57	30	154		184	60	181		241
2002	La Toc			0				0	0	0	25	25
2003	Cresslands Ph 1			0	48			48	48	0	-	48
2004	BlackBay		3	3		120		120	0	123	-	123
TOTAL		167	1251	1418	1660	1856	15	3531	1827	3107	40	4974

* Source: SLNHC/ HUDC

APPENDIX 13

RELOCATION/ RESETTLEMENT PROJECTS IMPLEMENTED (1993 – 2004)

Project/Location	Purpose	Year ¹	Number of Affected Households
Belair	To facilitate infrastructural works. (Construction of the Roseau Dam)	1993	62
Ti Morne	To facilitate infrastructural works. (Construction of the Millennium Highway)	1998	11
Cantonement	To facilitate infrastructural works. (Construction of link road between New Dock Road and Clarke Street in Vieux Fort)	1998	30
Boguis	Response to Hazard vulnerability concerns. (Households displaced by earth movements)	1999	10
Black Mallet	Response to Hazard vulnerability concerns. (Households displaced by landslide)	1999	97 ²
Celine Development (Soufriere)	Response to Hazard vulnerability concerns. (Households displaced by Hurricane Lenny)	2000	16
Au Tabor	Response to Hazard vulnerability concerns (Household located along river bank prone to flooding)	2002	44
Anse La Raye	To facilitate infrastructural works. (To facilitate the implementation of the Flood Mitigation Project in the village of Anse La Raye)	2003	9
Conway - Phase I (Fire Victims)	Response to man made disaster (i.e. fire)	2004	28
Conway Relocation Phase II	To improve the socio economic well-being of households which occupy marginal lands.	2005	30
<i>Vieux Fort National Stadium</i>	<i>(information not currently available)</i>	<i>2005</i>	

Source: Housing Department, Ministry of Housing Urban Renewal and Local Government

¹ Commencement date for relocation activities

² Note that all of the 97 households were not entitled to or interested in the purchase of land at the resettlement site, hence the reference to 73 households in the payment trends column.

APPENDIX 14

INFORMATION ON HOUSING DEVELOPERS IN ST LUCIA

Bel View Resorts Ltd

This developer has been involved in housing for the past 17 years and has targeted both low and middle-income groups, though primarily middle-income. Up until 2004, Bel View Resorts (BVR) Ltd had built a total of 205 detached houses largely in the northern quadrant of the Island. As a deliberate means of facilitating progressive expansion of the houses, a feature favoured by most potential homeowners, the developer constructed all houses on columns. Typically, these houses were built on an average 5,000 square feet of land, constructed of concrete walls, plywood ceiling covered with metal sheet roofs. The prices of these houses ranged from \$110,000.00 to \$190,000.00 (house and land) for a two-bedroom house and \$140,000.00 to \$250,000.00 (house and land) for a three-bedroom house.

The Archdiocese Enterprise Organisation

Archdiocese Enterprise Organisation (ADEO) was formed in 1993 as a property management entity charged with responsibility for developing lands owned by the Roman Catholic (RC) Church in St. Lucia. Its first project began in 1996 with the construction of 72 detached houses and the development of some 74 lots within a parcel of land located at Morne Du Don in Castries. The project was largely targeted at middle-income households with house prices ranging from \$150,000.00 for a two-bedroom house and \$150,000.00 for a three bedroom house. Unfortunately, the project was short-lived and ended in 1999 after only seven houses were constructed. In 2000, the incomplete development was sold over to a private concern. The RC Church also sold a few developed lots for housing in the Gros Islet area around \$10.00 to \$12.00 per square foot in 2000. Additionally, the RC Church has allowed residents within various communities throughout the Island to build their houses on “parish” lands; the stipulation being that houses must not be constructed in concrete.

Leroy James Construction

Leroy James Construction is a small local firm operating in the southern part of the Island. This developer has been involved in housing ever since 1995 and its primary focus has been on the supply of pre-fabricated hard wood timber houses imported from Brazil. To date, Leroy James Construction has built a total of 36 houses, both two and three bedroom. It should be noted that the developer’s strategy is different in that only the pre-fabricated house is supplied to the home-owner; the lands upon which houses are constructed are not owned by the developer but by the buyer or home-owner. The developer’s house prices have ranged from \$98,000.00 for a two bedroom to \$165,000.00 for a three bedroom. The company notes that though there have been several requests by prospective home owners, it continues to straddle with two to three houses a year, as prices appear to be unaffordable.

Ice Caps Ltd

This developer could be described as providing another housing solution. Ice Caps Ltd does not acquire land but simply pre-cuts a timber house to a specified design and erects the building either on columns or on a platform constructed by or for the prospective home-owner. This developer has now gone out of business and it was not possible to establish the amount of houses constructed during their time in business.

CLICO Property Development Company (St. Lucia) Ltd

This regional company was primarily involved in the provision of housing sites and services over the last 16 years. During 1991-1994, CLICO Property Development Company (CPDC) St. Lucia Ltd constructed some 35 houses in the Orchard Park area of Reduit in the northern part of the Island. This housing developer targeted mainly middle-income persons and perhaps was largely responsible for the rather sharp growth of housing in the Rodney Bay locality. During the period 1991-2002, CPDC St. Lucia Ltd developed over 80 acres of residential land in Rodney Heights for sale to mainly middle and upper middle-income persons.

CLICO International Life Insurance Ltd

This regional insurance company has been involved in housing development in Barbados since 1995. In 2003, CLICO International Life Insurance (CILI) Ltd completed the infrastructure for a 24-acre residential development at La Caye, in the south-eastern district of Dennery. Additionally, CILI Ltd has started construction of what is anticipated to be 70 two and three-bedroom houses and 10 developed lots targeted at middle-income prospective homeowners.

APPENDIX 15
LIST OF SQUATTER SETTLEMENTS IN ST. LUCIA*
(As at April 2007)

COMMUNITY	LOCATION
Conway	Castries
Barons Drive	Soufriere
Aux Lyons	Dennery
Faux a Chaud	Castries
Morne Du Don/Sunbuilt	Castries
Rock Hall	Castries
Anse Canot	Dennery
Bisee	Castries
Millenium Hwy/Morne Road	Castries
Plateau	Dauphin
Desrameaux	Dauphin
La Perle	Castries
Morne Panache	Dennery
Pumice Site/Millet	Anse La Raye
Bel Air	Anse La Raye
Babonneau	Castries
Grace	Vieux Fort
Shanty Town	Vieux Fort
Micoud	Micoud
Plateau	Castries
St. Urbain	Vieux Fort
Cantonement	Vieux Fort
Coolie Town	Vieux Fort
La Croix	Laborie
Pomme/ Augier	Vieux Fort
Eau Piquant	Vieux Fort
St. Judes	Vieux Fort
Hope Estate	Vieux Fort
Ravine Poisson/Bexon	Castries
Mabouya Valley (Dennery Farmco Lands)	Dennery
Jacmel	Marigot
La Croix, Marigot	Marigot
Roseau	Marigot

**Source: Housing Section – Ministry of Housing, Urban Renewal and Local Government*

APPENDIX 16

Lands Identified by Government for Housing

Location	Estimated Acreage	Owner	Proposed Use	Current Status
Canaries	60	Heirs of Sanchez	Middle-Low Income (NHC)	Acquisition in progress
Anse La Raye	30	Ajodha	Middle-Low Income (NHC)	Cabinet agreed to acquire
Dennery	16	Lewis	Middle Income (NHC)	Acquisition in progress
Soufriere (Cresslands)	10	Josephine Jongue	Low Income Public/Private Partnerships	Acquisition in progress - survey needs to be done
Morne D'Or	6	George Alcede	Low Income (MPDEH Relocation Committee)	Relocation Project - Roseau Sugar Welfare Housing
Morne D'Or	21	Edwards	NHC Low Income	HUDC to negotiate purchase but wishes GOSL to acquire. Chief Surveyor currently working on request for separate cover.
Bisee	7	M&C Ltd	Low Income (NHC)	Already presented to Cabinet
Dennery (Bois Jolie)	25	Three owners	Middle/Low Income Public/Private Partnerships (mixed income development)	Contiguous plots partially cultivated
Mabouya Valley	25	NDC	Land exchange for Bois Jolie land No.4 above	300 acres for sale* GOSL needs to reserve 25 acres
Monchy Lands	42	Gabriel James	NHC Low Income	HUDC to negotiate purchase requirements. GOSL to acquire. Chief surveyor currently working on Cabinet submission requesting acquisition under separate cover.

APPENDIX 16

Lands Identified by Government for Housing

Location	Estimated Acreage	Owner	Proposed Use	Current Status
Morne Panache	8	Mr. Joseph A. George	Approved for rationalization and Housing PROUD II	Approved for acquisition as per Cabinet Conclusion No. 1084 of 2000
Anse Ger	8	Crown	Low Income Public/Private Partnership or NHC	Mainly unoccupied, some tenants of the Crown. Occupancy to rationalized
Fond Manger		Crown	Low Income Public/Partnerships or NHC	Vacant in the main. A small sub-divided portion along existing access
La Fargue	25	Crown	Middle/Low Income Public/Private Partnerships or NHC	Unoccupied-available for development
La Pointe, Mon Repos	28	Crown	Middle & Low Income -NHC	Unoccupied
La Perle, Marigot		Crown	Low Income public/Private Partnerships or NHC	Part identified for playing field, part for Mental Hospital. Remainder to be developed into affordable housing lots.
Morne D'Or		Crown	Low Income - Ministry of Planning's Relocation Committee	Mainly unoccupied
Fayole Gros Islet	39	Crown	Middle Income NHC	Vacant
TOTAL	350			

* Anse La Raye-25 to 30 acres

Source: Cabinet Conclusion 850 of 2001

APPENDIX 17

LIST OF CONSTRUCTION STANDARDS IN SAINT LUCIA *

1. DLNS/ISO 6782: - 1992 – Aggregates for Concrete-Determination of Bulk Density.
2. DLNS/ISO 3893: - 1977 – Concrete-Classification by Compressive Strength
3. SLNS 30: - 1997 – Specification Hollow Concrete Blocks
4. SLNS 71: - 2003 – Steel Bars for the Reinforcement of Concrete
5. SLNS 80: - 2005 – Steel Nails-Specification
6. SLNS 81: - 2006 – Labelling of Plywood
7. SLNS 70: - 2006 – Specification for aggregates for concrete

* Source: St. Lucia Bureau of Standards

APPENDIX 18

METHODS FOR ESTIMATING HOUSING DEFICIT AND REQUIREMENTS

Method No.1 – Housing Formation

This method utilises two variables; housing formation and population growth. The literature indicates that, despite the relatively easy availability of population projections, serious problems can be encountered in using this approach if census data is not provided in the format required for easy analysis and interpretation or if the data is not sufficiently disaggregated. The method is further complicated by the need for time series data on the rate of housing formation, which is usually presented in census data. In the specific context of St. Lucia, whilst population projections are available; disaggregated population projections by income distribution are unavailable. Also, there is a lack of time series data on the annual rate of housing/ household formation. In the absence of this critical data, Mc Hardy,¹ has recommended extrapolation utilising historical trends in average households sizes.

Method No.2 – Employment Growth

Another commonly used method is based on employment growth. This method is premised on the argument that as an economy develops, jobs will increase and this will influence housing needs. Thus, the housing needs projection is estimated using the average number of jobs per household, over a known period. However, the literature suggests that particular caution has to taken when dealing with employment figures, as the housing needs of persons who are not in the labour force may be ignored. Also, retired and disabled persons or those deciding to raise a family may not be in the labour force but would require housing. The use of this method in the St. Lucian context is severely hampered by the lack on time series and/or historical data on participation in the labour per household.

Method No.3 – Headship Rate

The third method involves the use of a “headship” rate. This method assumes that the existing number of housing units in a society is equivalent to its number of “heads”. However, in the context of this Report, the main difficulty with the method is the inability to clearly identify the number of “heads” in the information² presented in the most recent census report. The problem is further compounded by the socio-demographic attributes that determine the number of heads in the household.

¹ This appears to be an international definition used in reporting censuses

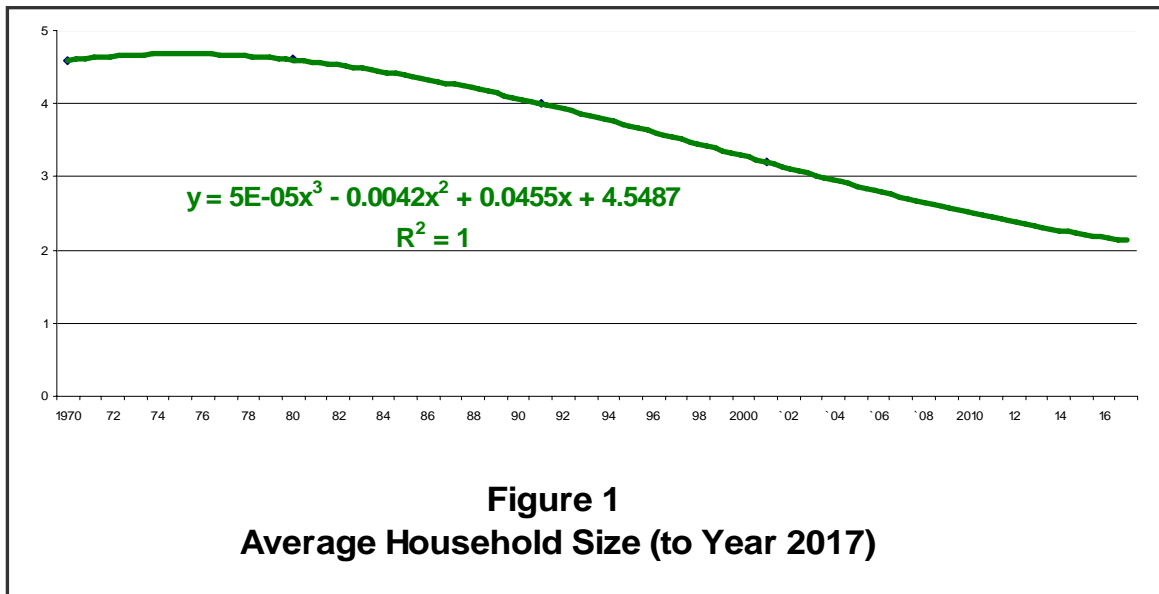
² Table No. 46 of the 2001 Census Report Household Population by Union Status and Household population by Relationship to the Head.

APPENDIX 19

HOUSING FORMATION METHODOLOGY

Step No 1 - Determining Projected Rate of Household Formation

The rate of household formation is the quotient of the average household size (i.e. the projected number of households or housing units required during the planning period) and population. In the absence of reliable forecasts, trend analysis was used to extrapolate the projected average household size (AHS). Information on the historical AHS was obtained from the previous four Census reports. As shown in Figure 8.2, extrapolated or projected average household size exhibits a declining pattern;¹ from 3.2 recorded for in the census year 2001 to 2.90 persons in 2008 then to 2.59 in 2017.



The projected household population (obtained from the Government Statistics Office) was then divided by the forecasted AHS to derive the projected rate of household formation.

¹ The R^2 value (also known as the coefficient of determination) is a number from 0 to 1 that reveals how closely the estimated values for the trend-line correspond to the actual data; a trend-line is most reliable when its R^2 value is at or near 1) of the trend-line for average household size was 0.9982

Step No 2 - Adjustments to Rate of Household Formation

The first adjustments involved a 1.0 % addition to the rate of household formation to account for the backlog of existing unmet housing needs including replacement² of deteriorated and defective housing stock. The second adjustment was a 10% addition to the number of new construction needed as the amount required to progressively reduce the backlog of existing need.

The final adjustment involved the deduction of the new housing constructed prior to the planning period. Due to the lack of accurate data on new housing, the number of building applications processed by the Development Control Authority (DCA) was used as a proxy and a 50% allowance added for unapproved construction (and in cases of more than one housing unit per housing structure) as outlined in Table 1.

Table 1
Estimated New Housing (2002 to 2007)

Year <i>(Col 1)</i>	New Housing (DCA's Building Applications)	
	Quantity Approved <i>(Col 2)</i>	Adjusted Quantity (50% addition) <i>(Col 1)</i>
2002	482	723
2003	666	999
2004	660	990
2005	628	942
2006*	640	1000

Figures in Column 2 obtained from Ministry of Physical Development, Environment and Housing;

Figures in Column 3 and last row estimated by ECMC Ltd.

² McHardy advises that based on research conducted by the UN Department of Economic and Social Affairs - Methods for Establishing Targets and Standards for Housing and Environmental Development (New York 1968), a 1.0% allowance is recommended for annual replacement of the housing stock.

APPENDIX 20

POLICY INSTRUMENTS RELATING TO HOUSING – ST LUCIA

Policy Instrument (Legislation and Policy Initiatives)	Comments
Saint Lucia National Housing Corporation Act (2001)	This Act creates the Saint Lucia National Housing Corporation, gives it power to develop and manage housing developments, and provides for acquisition of property, and for compensation in cases of acquisition. There is need to ensure proper coordinating with the provisions of the Land Acquisition Ordinance.
Physical Planning and Development Act (2001)	<p>The objects and purposes of this Act include, <i>inter alia</i>, (a) ensuring that appropriate and sustainable use is made of all land, (b) providing for the orderly sub-division of land, and (c) protecting and conserving the natural and cultural heritage of Saint Lucia. It governs (i) the preparation of physical plans, (ii) development control and regulation, (iii) environmental impact assessment and (iv) miscellaneous matters related to land management and development. The Act has been passed by Parliament, but has not yet been proclaimed. It was expected to come into force in September 2002.</p> <p>One area of possible overlap concerns the protection of natural areas, as this Act confers to the Ministry of Planning responsibilities and authorities already assigned under five other pieces of legislation, namely the National Conservation Authority Act, the Wildlife Protection Act, the Forest, Soil and Water Conservation Ordinance, the Fisheries Act and the Saint Lucia National Trust Act. The main issue here is the absence of a coordinating mechanism among these various instruments.</p>
Slum Clearance and Housing Ordinance (amended in 1971)	This act provides for inter alia, the improvement of unhealthy areas, the repair and demolition of unsanitary dwellings.
Special Development Areas Act (1998)	This Act provides for the granting of tax incentives and other benefits to persons carrying out of financing development in selected areas, for the purpose of promoting development in these areas. This would facilitate housing, as any development within the SDA would automatically receive concessions.
Special Enforcement Areas Act (2000)	This Act is considered important to housing and resettlement as it ensures that lands cleared of slums or unplanned developments remain vacant until an approved project is implemented.

APPENDIX 20 (Cont'd)

Policy Instrument (Legislation and Policy Initiatives)	Comments
Land and House Tax Ordinance Property Tax Amendment (1999)	This piece of legislation guides the Property Tax Unit of the Inland Revenue Department on the level of taxation on residential and commercial property. It is an important legislative tool in so far that it acts as a housing cost and a Stamp Duty on property sales transactions in the housing market. However, it has exemptions for certain low-income brackets.
Southern Development Corporation (2006)	The Southern Development Corporation (SDC) can be considered a replica of the NHC, but for the south of the Island. The intention is to allow the SDC to undertake non-industrial development of lands originally owned by the NHC and SLNDC, in the south of the Island.
Condominium Act (2006)	This Act repeals the Act of 1976 and basically facilitates the division of property into parts that are to be owned individually or in common and to provide for the use and management of this type of property. The revised Act is critical to the provision of shelter in St Lucia in view of the scarcity of lands for housing and the rising demand for affordable housing.
Draft National Land Policy	This policy is long overdue and is in its final stages of preparation. The Policy provides a broad framework for rationalising land use, development, management and administration. One of the strategic objectives of the Policy is to provide opportunities for all citizens to have access to adequate shelter.
Rent Restriction Act (1959) Revised Edition as at 31 st December 2001	The Act essentially provides protection for the very low-income, but creates problems for the landlords, as it becomes difficult and exhaustive to evict delinquent tenants. It does not seem to influence the production of housing units, but it is a disincentive to developers who may be interested in supplying rental units for the very low-income.
Crown Lands Ordinance	This Act governs the management of Crown Lands, including unallocated Crown lands and vacant lands. The Act also provides for survey and disposal of vacant lands. This has and continues to have significant implications for housing, in that illegal occupation of Crown Lands, particularly by lower income groups has been prevalent throughout the Island.

APPENDIX 20 (Cont'd)

Policy Instrument (Legislation and Policy Initiatives)	Comments
Land Conservation and Improvement Act (1992)	This Act provides for the establishment of a Land Conservation Board, with extensive powers in the area of land development and management, including the issuance of protection orders, the establishment on conservation areas, the compulsory acquisition and vesting of lands and the provision of advice to the Minister of Agriculture. The Board has not become operational, and the provisions of the Act are not being enforced.
Land Development (Interim Control) Act (1971)	This Act provides for the establishment of the Development Control Authority (DCA), which is responsible for regulating the development of all land for the purposes of this Act. The Physical Planning Section of the Ministry of Housing, Urban Renewal and Local Government is deemed to be staff of the DCA.
Forest, Soil and Water Conservation Ordinance (1946)	The Act provides for the establishment of forest reserves on any Crown lands, and protected forests on private lands. The Act also deals with unlawful occupation of Crown Lands.
Aliens Landholding Regulation Act (1999)	This Act outlines the conditions under which non-nationals can own land in Saint Lucia. Essentially, an additional tax disincentive is placed on the acquisition of land by non-nationals. Also, construction must start immediately after the land acquisition process has been finalised.
Land Acquisition Ordinance (1986)	This policy instrument which is administered by the Ministry of Finance and Physical Development, which governs the procedures for acquisition of private lands and compensation by Government, has a serious impact on housing. The ordinance allows for the development of a land bank and strategically produces some level of regularisation
Land Adjudication Act (1984) and Amendments	This act is relevant to housing in that it allows for the adjudication of lands whose ownership is in dispute
National Development Corporation Act (1971)	This Act created the St Lucia National Development Corporation (SLNDC) and gives it the power to manage lands for industrial and other development purposes. The Act provides for the designation of “development areas” which may be held, managed or disposed by the Corporation in exercising its functions. This Act is significant insofar that the SLNDC has been involved in developing and/or selling land in the south of the Island for residential purposes.
Saint Lucia Order Constitution	This piece of legislation provides protection from deprivation of property rights and provision of compensation in cases of compulsory acquisition of property or curtailment of right.

APPENDIX 20 (Cont'd)

Policy Instrument Legislation and Policy Initiatives)	Comments
Land Registration Act (1984) Land Registration Act (Amendment 1986) Land Adjudication Act (1984), and Land Adjudication Act (Amendment 1986)	These instruments govern land registration and adjudication, and create a Land Registry. They provide the guarantee of title to land owners, and set mechanisms for settlement of boundary and other disputes.
Disaster Preparedness and response Act (2000)	This Act provides for the designation for specially vulnerable areas and for the preparation of disaster preparedness and response policy and plans. In accordance with the provisions of the Act, an emergency shelter and emergency housing policy has been developed.
System of Protected Area	This plan proposes the establishment of the number of protected areas, both terrestrial and marine, and presents a broad management programme that includes institutional arrangements, training, and research and monitoring. This plan confirms the need for a coordinating mechanism for the management of protected areas.
Institutional and legal review in support of enhanced environmental management.	Makes a wide range of recommendations, including the re-establishment of a National Environment Commission and the preparation of a National Environmental Plan. This work is in final stages of review. Depending on the final outcome of this Act, the proximity of land developments to protect may be influenced. This may effectively reduce the amount of land availability for housing.

Appendix 21

Credit Terms and Conditions of Main Mortgage Finance Institutions in St. Lucia

Credit Terms and Conditions	Mortgage Finance Institutions				
	Commercial Banks		St. Lucia Mortgage Finance Company	Credit Union	
	Maximum	Minimum		Minimum	Maximum
Interest Rates on: <ul style="list-style-type: none"> ▪ Land Only ▪ Land and House 	8%	10.5%	10%	10% but varies up to 12%; this depends on the demand and availability of funds at the time of the loan application.	
	7.99%	11%	6% - up to \$80,000.00 7% - up to \$100,000.00 8% - up to \$300,000.00		
Deposit/ down payment <ul style="list-style-type: none"> ▪ Land Only ▪ Land and House 	10%	20%	No Deposit	5% - 20%	
	5%	10%	No deposit for up to \$300,000.00; 5% for more than \$300,000.00	5% - 20%	
Repayment Period <ul style="list-style-type: none"> ▪ Land Only ▪ Land and House 	9yrs	15yrs	10yrs	NA	15
	25yrs	35yrs	For 6% & 7% - 20 years maximum For 8% - 30 years maximum	NA ¹	25

¹ NA – Not Applicable

Appendix 21

Credit Terms and Conditions of Main Mortgage Finance Institutions in St. Lucia (Cont'd)

Credit Terms and Conditions	Mortgage Finance Institutions		
	Commercial Banks	St. Lucia Mortgage Finance Company	Credit Union
<p>Other eligibility criteria:</p> <ul style="list-style-type: none"> ▪ Land Only 	<ul style="list-style-type: none"> i. Job letter and a recent salary slip ii. Financial records for self-employed persons iii. Letter from vendor iv. Land documentation v. Valuation of property vi. Land Survey vii. Statement of salary for the last six months viii. Clearance letter from NIC and Inland Revenue Department ix. A form of identification (national I.D, Drivers license or passport) x. Utility bill for assurance of address 	<ul style="list-style-type: none"> i. Job letter ii. Land documentation iii. Letter from vendor (including selling price) 	<ul style="list-style-type: none"> i. Job letter or financial statements from other financial institutions for 3-5 years for self employed persons ii. Recent salary slip iii. Land documentation iv. Shares v. Life insurance for loan over \$60,000
<ul style="list-style-type: none"> ▪ Land and House 	<ul style="list-style-type: none"> i. Same requirements as for purchase of land ii. Valuation of property if buying the house iii. Life insurance iv. Property insurance v. Debt Service Ratio ² not more than 40% vi. Building Plan vii. Statement of total debts viii. Must be employed (salaried or self-employed) 	<ul style="list-style-type: none"> i. Same requirements for the purchase of land ii. Valuation for property if buying iii. Estimates from contractor if building iv. Building plan v. <i>No life insurance required</i> vi. Property insurance (will be included in monthly repayments of mortgage) 	<ul style="list-style-type: none"> i. Same requirements for the purchase of land ii. Insurance to cover value of property iii. Building plan iv. Estimates from contractor v. If buying, valuation of the property vi. DSR - 45% (loans can also be considered base on merit if the DSR is high)

² DSR - Debt Service Ratio

APPENDIX 22

PREFABRICATED, PRE-CAST TECHNOLOGY USED IN ST LUCIA

Prefabricated System

In recent years, there have been several attempts by investors to promote the prefabricated system of housing construction. However, with the exception of some 80 prefabricated houses built by the then Housing and Urban Development Corporation (HUDC) in the early 1980's at La Pansee and Ravine Chabot,¹ there has not been any significant attempt for prefabrication of houses in St. Lucia. The construction of these prefabricated houses essentially involved the prefabrication of four-foot wide Green-heart timber panels, which were then assembled on-site; the floors were constructed in-situ.

In 1974 to 1976, a private developer built some prefabricated concrete houses at Entrepot. Those units were constructed of four-foot wide pre-cast concrete panels connected through a bolting system. The houses were sold for EC\$32,000.00 and had three bedrooms. In 2003, a developer in the south of the Island commenced another prefabrication project, using small concrete columns erected from floor to roof. Small concrete units were then placed between those columns. The developer built only two houses.

Panelised/ Pre-Cast System

In the 1980's, the HUDC was also involved in a pre-cast panelised system for house construction. The walls were pre-cast concrete units poured off-site and transported for erection on-site; the floor slabs were either poured on grade or on an elevated platform. This system was used only in the Entrepot HUDC Development.

Semi Pre-cast Floors

With the suspended floor slab accounting for almost six to eight weeks of the construction period for an average three-bedroom house, there has been a move towards the use of semi pre-cast flooring systems. Although such a system, (the Omnia flooring system) was actually in use since the early 80's, from 1995, the Contec joist flooring system (supplied by Spancrete Ltd. in Trinidad) has been used to replace the usual solid slab. The system involves placement of pre-cast, pre-stressed joists at two-foot intervals across floor beams. Specially designed concrete blocks are then placed between the joists which are then covered with two inches of structural concrete. The net effect is a shortening of the construction duration by circa three to four weeks. Basically, two types of semi pre-cast systems have been used as follows:

¹ Critical Analysis of Low-Income Housing in St. Lucia – Egbert Louis, 1985

Others

Two other main types of prefabricated systems have been used as follows:

Tunnel Forms

In the early 1990's, GOSL embarked on public housing in the Hollywood area of Castries. The technology involved the use of tunnel forms to pour in-situ reinforced concrete apartment walls, floors and ceilings. This resulted in four-storey structures supported on piles, as the sub soil in that location is quite weak. Apart from its use by GOSL, this technology has not been used, as it is more suitable for large-scale construction of apartment and industrial housing.

Variants

There have been several other forms of semi pre-cast flooring systems. One system involved importation of hardwood timber for construction of houses whose design is pre- chosen by the prospective homeowner. The hardwood was imported from Brazil and Guyana. The system was actually an alternative to the Pitch and Yellow Pine timber being supplied on the local market. The system was not widely used and data on the number of houses built is not available, as the original company has ceased operations.