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**BAHAMAS**

**HOUSING NEEDS SURVEY 2000**

**FINAL REPORT  
EXECUTIVE SUMMARY AND RECOMMENDATIONS**

**MARCH 2001**



THE COMMONWEALTH  
OF THE BAHAMAS

# HOUSING NEEDS STUDY 2000

**FINAL REPORT**  
**Executive Summary and**  
**Recommendations**

March 2001

Department of Housing  
Ministry of Housing and  
Social Development

Hifab International  
and SSPA Sweden AB





## **FOREWORD**

**This volume is entitled Housing Needs Study 2000; Executive Summary and Summary of Recommendations. It has been prepared as a complement to the Final Report for the study that was submitted in November 2000.**

**The Executive Summary and Summary of the Recommendations provide an overview of the findings of the comprehensive study of the housing needs in The Bahamas. It allows the reader easy access to the information and the recommendations arrived at by the consultant. It is anticipated that the content will form the basis for the housing policies, housing programmes and the actual housing production for the next ten years.**

**Although this volume is comprehensive in the sense that it covers all the aspects of the Housing Needs Study 2000, it should be read in combination with the Final Report, in which the issues are presented and analysed in a more elaborate way.**

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Special thanks are extended to all of those who made an effort to assist the team of consultants during the visits to Grand Bahama and the Family Islands and who patiently answered our questions.

## EXECUTIVE SUMMARY

The Housing Needs Study 2000 was carried out by a team of consultants, representing two Swedish consulting firms, Hifab International and SSPA Sweden. The study was commissioned by the Ministry of Housing and Social Development and the Department of Housing and was financed by the Inter-American Development Bank (IDB). It was undertaken in close co-operation with the staff of the Department of Housing.

The purpose of the Study was to provide the Government of The Bahamas with information and statistics as a basis for the formulation of housing policies and housing programmes. In particular it should assist the Government to address the housing needs of the low-income households. Furthermore the Study should in its approach, outline and content constitute an update of the information and data presented in the 1984 Report on Housing Needs in The Bahamas.

### Administrative Structure

The main actors in the administration of the housing sector are the Ministry of Housing and Social Development and its Department of Housing, which are responsible for the implementation of the policies and the administration of the *Housing Act*. These are also the authorities responsible for the Government Initiated Housing Programme.

However, there are many other agencies involved in the process, for example, the Housing Commissions, the Bahamas Mortgage Corporation, the National Insurance Board, the Ministry of Works and Transport, the Department of Lands and Surveys, the Department of Physical Planning, the Department of Local Government, the Bahamas Electricity Corporation, the Water and Sewerage Corporation and the Bahamas Telecommunications Corporation.

In the complex process of housing provision there is a need to improve co-operation and co-ordination among the stakeholders. Teamwork to achieve common goals is needed and would result in better use of resources and greater efficiency in housing provision.

### Legislation

The Government carries out its responsibilities based on legislation guiding the specific sector of responsibility. In terms of housing the main pieces of legislation are the *Housing Act* and *Housing Regulations*.

The *Housing Act* establishes the powers of the Minister to promote the development of housing. It describes the requirements and procedures for housing loan applications. The Act identifies the target groups as being low- and middle-income households and senior citizens.

The *Housing Regulations* prescribe the manner in which loan applications shall be submitted and the information to be included in such applications. It is in the Regulations that the recommended debt service ratio is set at a level not exceeding 30% of the income of the borrower.

The *Bahamas Mortgage Corporation Act* regulates the establishment of the Corporation, whose function it is to promote the ownership of homes, to encourage the construction industry, to provide funding and to make housing loans available.

The *Town Planning Act* regulates the use of land and provides the tools for planning and development. The responsibilities in terms of the Act are exercised by the Town Planning Committee, which is advised by the Director of the Department of Physical Planning. A new *Town Planning Bill* (currently in draft form) includes provisions requiring mandatory preparation and adoption of comprehensive strategic land use plans.

The *Private Roads and Subdivisions Act* is the basis for establishing new housing areas. The Ministry of Works and Transport processes applications for subdivisions. Although the *Act* gives the Town Planning Committee powers to grant final subdivision approval, in practice it is the Ministry of Works and Transport that does this. Subdivided land can be sold only after infrastructure services have been completed or security bonds put in place.

The *Acquisition of Land Act* facilitates the acquisition of land when needed for public purposes. The increasing scarcity of land will increase the need for acquisition.

The *Commonage Act* was adopted more than 100 years ago to regulate the use of commonage land, that is land granted by the Queen for collective use.

The *Local Government Act* is a significant step towards decentralisation of functions and administration. Through the *Act* District Councils have been established, with important roles in planning and development at the local level.

Some of the Acts, for example the *Town Planning Act* and the *Local Government Act*, have potential that is not yet fully utilised for a variety of reasons. The effectiveness of the *Private Roads and Subdivision Act* is limited because it does not apply to all types of development. The *Commonage Act* creates an obstacle to the utilisation of land on a few islands. The *Housing Act* does not address housing issues in a sufficiently holistic manner.

## Regional Structure

The regional structure of the Bahamas is unique in that the population is dispersed on a great number of islands, but also highly concentrated to one centre. The distances are great and the obstacles to communication and transport are significant.

There are important natural resources that need protection. In particular the scenic and pristine environment is essential for the sustainability of tourism. While there is good potential for specialised agriculture, it is far from exploited. Fishing is a well-established economic sector, but could be expanded. There is a need to diversify the economy, in particular on the Family Islands. Many of the smaller Family Islands must struggle, and need support to become viable units in economic and social terms. The unique environment on the Family Islands is the greatest asset in The Bahamas that needs protection.

The settlement pattern is extremely centralised. There are some 200-300 settlements in The Bahamas many with interesting characteristics to be taken into account in future development.

Regional development requires resources and investment as well as political support. Housing provision can be used to encourage, facilitate and direct growth. Access to land for housing and for local economic activities is a crucial factor.

There is a need for a Regional Development Strategy and for Regional Structure Plans to facilitate development and support balanced distribution of investments.



## **Low Cost Housing**

The cost of housing determines to what extent the needs of the households can be satisfied. Those households that have sufficient resources do not need special attention. It is low-income households that need support and that should be the target group for Government supported housing. Low cost housing relates to household income, which is the single, most important factor determining affordability.

### **Household Income and Affordability**

In 1998 one third of the households had income below B\$ 20,000; one third earned B\$20,000 – 40,000; one third had incomes above B\$ 40,000. The statistics indicate that 24% of all households earned less than B\$ 15,000. These households cannot afford to purchase homes with the present housing finance system.

On a regional level the proportion of low-income households is higher on the Family Islands and on Grand Bahama than on New Providence, but in absolute terms on a national level the majority of low-income households live on New Providence.

Low-income is not directly linked to unemployment. There are other factors such as lack of education and training that create obstacles to higher income. A high proportion of low-income households had a female head of household.

Affordability depends on household income and cost of housing. It is recommended that the cost of housing shall not exceed 30% of the household income. Based on this level of expenditure it is estimated that a household with an income of B\$ 15,000 can afford to purchase a house that costs at most B\$ 55,000.

People in low paid jobs cannot afford to buy a house. However, for households with two members employed in low paid jobs the combined income would normally be sufficient.

While the cost of land and infrastructure is high on New Providence, building materials are less expensive than on the Family Islands. In total the housing costs are considerably higher on the Family Islands. In view of the fact that the share of low-income households is higher on the Family Islands the percentage of households that cannot afford a house costing B\$ 55,000 is also higher. This would suggest a greater need for Government support for housing in the Family Islands. In absolute terms the need for support is greater on New Providence.

There is no correlation between low-income and rented accommodation. The requirements relating to the purchase of a house direct the majority to a dependency on private rental housing or sharing of dwellings. However, rental housing is not necessarily low cost.

### **Housing Demand – Low Cost Housing**

The household income determines the affordability and the type of housing a household can demand. Based on the proposed maximum debt/income ratio of 3.6 the affordability of the different income groups are as shown below.

**Table** Affordable housing for different income groups.  
The Bahamas.

Household income B\$/year	No. of households 1998	Affordable price for single family unit*
0- 5 000	4 350	18 000
5 001- 10 000	6 575	36 000
10 001- 15 000	7 050	54 000
15 001- 20 000	8 005	72 000
20 001- 40 000	25 170	144 000
40 001- 60 000	12 865	216 000
60 001- 80 000	5 640	288 000
80 001-100 000	2 330	360 000

\*Note: Prices calculated for the upper income in each income group. Price refers to the recommended maximum cost of a house given a debt/income ratio of 3.6 to meet affordability criteria.

The distribution of households in accordance with affordability, combined with the estimated population growth, household numbers and overall housing demand, has been used to estimate the housing demand for different household categories for the short, medium and long term.

#### **Low-Income Households – I**

Income: below B\$ 5,000 p.a.  
Affordability: below B\$ 100 /month  
Maximum Housing Price: B\$ 18,000

This group represents approximately 6 % of all households. The total number of new households is approximately 1700, distributed over time as follows:

Short term: 200  
Medium term: 860  
Long term: 640

#### **Low-Income Households – II**

Income: B\$ 5,000 – 10,000 p.a.  
Affordability: B\$ 100 – 250 /month  
Maximum Housing Price: B\$ 36,000

This group represents about 9 % of all households. The total number of new households is approximately 2570, distributed over time as follows:

Short term: 300  
Medium term: 1300  
Long term: 970

#### **Low-Income Households – III**

Income: B\$ 10,000 – 15,000 p.a.  
Affordability: B\$ 250 - 375 /month  
Maximum Housing Price: B\$ 36,000 – 54,000

This group represents about 10 % of all households. The total number of new households is approximately 2850, distributed over time as follows:

Short term:	330
Medium term:	1440
Long term:	1080

#### **Low/Medium Income Households**

Income: B\$ 15,000 – 28,000 p.a.

Affordability: B\$ 375 - 700 /month

Maximum Housing Price: B\$ 54,000 – 100,000

This group represents about 23 % of all households. The total number of new households is approximately 6560, distributed over time as follows:

Short term: 770

Medium term: 3300

Long term: 2490

#### **Medium-Income Households**

Income: B\$ 28,000 – 40,000 p.a.

Affordability: B\$ 700 - 1000 /month

Maximum Housing Price: B\$ 100,000 – 144,000

This group represents about 20 % of all households. The total number of new households is approximately 5710, distributed over time as follows:

Short term: 670

Medium term: 2880

Long term: 2160

#### **High-Income Households - I**

Income: B\$ B\$ 40,000 + p.a.

Affordability: B\$ B\$ 1000 + /month

Maximum Housing Price: B\$ 144,000 +

This group represents about 32 % of all households.

Households with higher incomes than the target group should not benefit from the Government Initiated Housing Programme as it includes subsidies in the form of favourable mortgage conditions, nominal land and infrastructure costs. Government emphasis should be put on the low-income households.

## **Low cost housing concepts and alternative approaches**

Housing concepts should be developed based on people's preferences and their expectations. This in turn is related to social and cultural values and attitudes. In the context of low cost housing this is of particular importance. Present housing models have been designed primarily with technical and functional considerations in mind. Little is known about attitudes among the people of The Bahamas to housing issues. It is recommended that an attitude survey be conducted.

The most common type of house is the single detached house, which was traditionally self-built, using personal savings.

Government support for housing for low-income households involves primarily the provision of financially favourable loans for the purchase of model housing. Support is



also provided for housing constructed through other means and through the sale of serviced lots. Present approaches exclude about 24% of households from access to housing.

To increase accessibility the cost of housing should be reduced by alternative forms and approaches to financing, reduced building and infrastructure costs and institutional reforms or arrangements. Government subsidies in some form will still be needed.

Higher densities would reduce the costs for land and infrastructure. So would more intensive use of already serviced but undeveloped land, as well as infilling and redevelopment in low density or substandard areas. Infrastructure costs could be reduced if new housing areas were identified and serviced in accordance with comprehensive and integrated development plans.

New building techniques and building materials as well as new housing models should be encouraged to allow for alternatives and wider choice. In awarding contracts a component of competitiveness should be introduced.

Self-help housing implies that the owner takes care of construction. The concept assumes Government involvement through institutional and financial support combined with technical advice and possibly building material loans.

Lower costs can be achieved using concepts such as Compact houses, Core houses or Starter homes. These approaches usually involve house models that provide basic accommodation in terms of space while allowing for future expansion.

Sweat equity involves the organisation of owner participation in the construction of homes. Often it would occur on a community or neighbourhood basis. In this way labour costs can be reduced.

Rental housing is often the first available option for low-income households. In The Bahamas it is unfortunately not primarily a low cost concept. The development of rental housing as an alternative would need Government support.

Rent-to-buy is a concept developed to overcome the obstacle of high initial payments connected with conventional house purchase. The potential house owner rents the house for a fixed period of time, after which the purchase is completed.

Government cannot provide housing for all, although a leading role is necessary with respect to low cost housing. Involvement of the private sector in the initiating, construction and management of low cost housing is necessary. The formation of NGOs in the field of housing should be encouraged. Home owners' associations can be developed through self-help housing and sweat equity projects. Tenants' associations should be encouraged for rental housing. Such initiatives would reduce Government responsibilities and mobilise communities.

An integrated urban structure is an approach that has benefits in terms of infrastructure costs, reduces traffic and transport needs and the facilitation of social understanding and tolerance. Government has already taken initiatives in this direction and these should be continued and extended.

There is a great need for long term, strategic urban planning to guide housing development. The system of funding urban development should be reviewed.

## **Housing Production**

Statistics on housing production include approved building permits, starts and completion of construction. The information from applications refers to projects and

includes new housing extensions and repairs. One application may include a number of housing units.

According to the statistics, 10,253 housing units were completed on New Providence in the 1990 - 1998 period. Excluding extensions and repairs the number of new housing units are estimated to be about 9,500. The corresponding figure for Grand Bahama was 2,300 and for the Family Islands 1,300. The total figure for The Bahamas is 13,100.

The statistics on formation of new households suggest that for the same period the increase for The Bahamas was about 15,000 households, broken down as 9,950 on New Providence, 2,300 on Grand Bahama and 2,750 on the Family Islands. Although the statistics are uncertain, the implications are that there is a backlog of 1,900 housing units. The additional needs resulting from replacement of sub-standard housing and alleviation of overcrowding add to the accumulated shortage giving a total of about 2,500 units. This represents the shortage of housing to be addressed as the first priority.

### **Construction Industry – Private Sector Involvement**

The private sector involvement in low cost housing is marginal, if a low-income household is defined as earning less than B\$ 15,000. The total annual production in the private sector is estimated to be 150 units. Self-help housing could be significant but there are no statistics to verify such an assumption.

Large-scale contractors are involved in low cost housing as a complementary activity to their main market focus. Most low cost housing both in the private and the Government sector are built by small-scale contractors. Due to their scale of operations many of them face managerial, technical, operational and financial problems in the implementation of projects and fulfilment of contracts.

There is no general licensing system apart from the list of approved contractors maintained by the Department of Housing.

Most building materials are imported. This has implications for the construction costs and implies a lack of control over cost increases through time. The transport costs result in generally higher building costs on the Family Islands than elsewhere.

Lack of skilled labour is one of the main issues in the construction industry. Training is provided at the Bahamas Technical and Vocational Institute.

Construction costs have increased by 13 % since 1990. Based on a model house the estimated building material costs are approximately B\$ 20 per sq. foot. The labour costs would normally correspond to 50 – 60 % of the total construction costs, and would be in the range between B\$ 39 and 49 per sq. foot. The costs are slightly lower in Freeport and considerably higher on the Family Islands.

It is found that the commercial construction costs for different housing categories are:

Low cost housing:	B\$ 60	per sq. foot
Medium cost housing:	75	per sq. foot
High cost housing	100	per sq. foot

### **Existing Housing Finance System**

The building credit system that exists in The Bahamas tends to be expensive for small-scale housing projects. There is a need to improve the efficiency of the credit system to be more efficient and in par with the mortgage system.

The mortgage market is generally efficient, particularly on New Providence. There seems to be a reluctance to provide loans for housing on the Family Islands.

The mortgage market is operated by 9 commercial banks, insurance companies and the Bahamas Mortgage Corporation. The Bahamas Mortgage Corporation's share of the market has decreased to the benefit of the commercial banks, which have the advantage that they can offer a full range of equity loans.

The role of the Bahamas Mortgage Corporation, the terms for mortgages offered and new financing approaches should be reviewed.

The mortgages offered on the market include: conventional mortgages, high ratio mortgages and Government guaranteed mortgages with increasingly favourable terms regarding down payment, interest rates and amortisation time.

The interest rate for Government guaranteed mortgages is set at a maximum of 2 % above prime rate for single family houses and 3 % above prime rate for multi-family dwellings. The prime rate at commercial banks was 6 % at the end of 1999.

About 89 % of all mortgages finance single-family dwellings. The average value is fairly high at B\$ 79,000 indicating a high share of high cost housing. The Bahamas Mortgage Corporation has a slightly different profile than the commercial banks with more emphasis on low cost housing.

The Bahamas Mortgage Corporation was established in 1983, its activities have since then grown considerably. The approved level of issuing of housing bonds in 1999 was B\$120 M. This has recently been increased with an additional B\$ 35 M. The bonds are held by The National Insurance Board, which has ambitions to invest more in housing bonds, and to become more involved in low cost housing and other social investment programmes.

The risk-free rate of return was below 1 %. It should be possible for Government to borrow at a lower rate. The 7 % floor rate used at present could be lower.

The statistics for approved loans under the Government Initiated Housing Programme show that 91 % of all houses cost more than B\$ 45,000. Only 3 % of the loans approved benefited households with incomes below B\$ 15,000.

The Bahamas Mortgage Corporation has processed 95 % of all Government guaranteed mortgages. In spite of this the Corporation has a declining share of the market. The role of the Corporation needs further studies.

The financing system in The Bahamas functions well. However, in order to accommodate the low-income households and to extend the target group, alternative approaches should be considered.

## **Alternative Approach to Housing Finance**

Housing affordability is related to housing costs in the form of mortgage payments, rent and other costs relative to household income.

There has been a substantial increase in real income among low-income households in The Bahamas in the last ten years, which means a higher level of affordability. In spite of this many households cannot afford to purchase a house by way of a mortgage loan mainly due to the high initial costs.



This could be addressed through the redistribution of mortgage payments over time, so that the debt service ratio would start at a more affordable level.

One method to achieve this would be the so called interest loans, which are favourable for low-income households, assuming steady increase in income and a sufficiently high increase in the market values of properties. There is a risk involved in the interest loan system, if the interest rates increase, the household income does not increase or if the property values decline.

In view of the positive economic developments in The Bahamas, it may be possible to avoid these risks, to counteract their impact through distribution of the risks, through insurance against the risks, or through Government subsidies.

## **Government's Role in Housing**

Government plays an important role directly and indirectly in housing provision. The target groups for the Government Initiated Housing Programme are low- and medium-income households and senior citizens. The involvement includes the guarantee of mortgage loans, construction and sale of houses, support to private initiated housing and the sale of lots for individual private development. The Government also owns and manages rental-housing units.

The Government controls development through subdivision of land and coordination of infrastructure development.

The *Housing Act* and related *Housing Regulations* specify the ceiling values of individual housing projects for obtaining Government Guaranteed Mortgage loans. The value is at present B\$ 100,000 for a new house and B\$ 42,000 for a rehabilitation project. The interest rate is set at 2 % above prime rate for one-family units and 3 % for a multi-family house.

The output through the Government Initiated Housing Programme has varied considerably over the years with very low levels in 1992 – 1995. The average production during the 1983 – 1998 period was 156 units per year. This was below the target suggested in the 1984 Housing Needs Study. In recent years the production has increased. On-going projects include a total of 775 housing units.

New housing is provided either through the “New Birth” programme in new subdivisions or through the “Rebirth” programme, which uses existing lots in scattered locations in built-up areas.

Houses are usually built in concrete or cement blocks. In “Rebirth” areas wooden construction is being used. The model houses are designed by the Department of Housing. There have been limited attempts to develop alternative house types, or to use alternative building materials or building techniques.

The Department of Housing has established offices on New Providence, Grand Bahama and Abaco. There is a shortage of staff in particular among the technical cadre.

The application procedures to obtain a house through The Government Initiated Housing Programme are well established. An applicant must meet the selection criteria and have the financial means to meet the payment obligations. The process to obtain a loan takes 30 – 90 days. The owner of a Government house cannot sell, lease, or rent the house without the approval of the Minister. If the owner fails to pay the mortgage for three consecutive months, an approved lender may initiate foreclosure proceedings and sell the house by auction or private treaty.

There are 8,000 registered applicants for Government housing in New Providence. On Grand Bahama there are 4,550 applicants, on Abaco 258 and 11 on San Salvador. The application is updated when applicants revisit The Department of Housing for that purpose.

Land for housing projects is granted to the Department of Housing through divestment of Crown Land or through acquisition of private land. The Technical Department prepares a layout of the subdivision. The approval is granted along the lines of established procedures. Contracts for infrastructure services are awarded through competitive bidding.

The lot size ranges between 3,200 and 5,000 sq. feet, occasionally exceeding 6,000 sq. feet.

The model houses used in Government subdivisions are 2-3 bedroom houses and vary in size from 600 to 1,200 sq. feet.

Housing contracts are awarded to contractors using fixed prices and set payment schedules. The contractors are selected from a list of approved contractors. The construction costs are thus predetermined and the average price is B\$ 48 per square ft.

This gives a construction cost for a standard model house ranging between B\$40,000 and 60,000 in "New Birth" areas and around B\$ 30,000 in "Rebirth" areas. The selling price is 25 - 40 % above construction costs. Land costs in Bethel Avenue are B\$25,000 to 30,000 per lot.

Costs should be reduced to make homes affordable to an extended target group. Lower costs can be achieved through technical, financial and management measures. These can include more efficient infrastructure development, higher densities and alternative house types. The awarding of contracts should include competitive elements and the size of contracts should be adjusted to capacity. Co-operation among small-scale contractors should be encouraged. Infilling in existing areas and the concept implied by the "Rebirth" programme should be extended. Wooden houses and other alternative building materials and techniques should be encouraged.

Alternative housing production approaches, housing concepts and house types should be tested, for example, self-help housing, sweat equity, core houses and starter homes.

Acquisition of undeveloped lots in serviced areas could be pursued actively. Government housing areas and houses are of good quality and adequate standard. The variations in house-types contribute to a good environment. The "Rebirth" houses are attractive and sensibly integrated in urban areas. It is important that wooden houses are properly built and maintained to withstand the impact of climate.

Government administers a number of rental units. The concept was initially intended to provide transitional accommodation. The scheme has not been successful. Rental housing must be seen as an alternative type of housing. It is appropriate to encourage the private sector to cater for rental housing and aim at achieving low-income household affordability through subsidies.

### **Permits and Procedures for Subdivision and Building Approval**

The procedures for obtaining the necessary permits for a housing project have not changed in any significant way since the 1984 Housing Needs Study.

New development requires the subdivision of land, for which a permit is needed. A subdivision is defined according to the *Private Roads and Subdivision Act* as follows:

"in relation to any land subdivision means a plot of land divided into lots, in the division of which plot, provision is made for the reservation of sites for the construction of access roads."

The Ministry of Works and Transport has the main responsibility but many other departments and agencies are involved in the subdivision process e.g. the Department of Physical Planning.

Any new building, rehabilitation or extension requires a building permit. The Ministry of Works and Transport has the responsibility for processing the applications, issuing of permits, monitoring and carrying out inspections. Some of the tasks are carried out in co-operation with other bodies. Certain powers are delegated to the District Councils on the Family Islands. On Grand Bahama the Port Authority is involved in the development of the City of Freeport.

The approval process for subdivisions and building permits appear to be adequate. There is potential to improve the procedures to achieve greater efficiency through co-operation between authorities, delegation of functions to local authorities, computerisation of records and general access to GIS databases.

There are no strong indications that the procedures cause delays to projects, although this is a claim among developers. An area of concern would be monitoring and inspections. Improvement requires additional staff and further decentralisation.

## **Population**

Population growth and demographic characteristics are determining factors for development and the resulting housing needs and requirements. The Bahamas has experienced a constant population increase of 2 % per annum during the 1980 – 1990 period. In actual numbers the increase was 45,544.

The migration to New Providence is a dominant feature. Grand Bahama and some of the northern Family Islands have maintained a slow growth while the other Family Islands have stagnated or declined.

There has been a slight reduction in the natural growth rate, which is expected to continue, giving a higher Aged Dependency Ratio in the long term. The Bahamas has a low sex ratio, meaning that there are more females than males. This is particularly the case in the adult age groups. In spite of these trends the population in The Bahamas is still young with a high proportion of children in the school-age group. The number of single (un-married, divorced or widowed) people increased and there are especially a high proportion of single female parents.

The population distribution in 1990 showed increased centralisation with 67.5 % on New Providence, 16 % on Grand Bahama and 16.5 % on the Family Islands.

The population projections prepared by the Department of Statistics assume continued growth at a declining rate, but with continued high migration to New Providence. The projections imply stagnation or decline as far as Grand Bahama and the Family Islands are concerned. During the planning period the share of the population residing on New Providence is assumed to increase to 74 % in 2000, to 75% in 2006 and 76 % in 2011. While the overall growth is fairly certain the geographical distribution cannot be verified. On the contrary there are indications of substantial growth on some of the Family Islands and on Grand Bahama.

New projections will be prepared once results from the Census 2000 are available, at which time the geographical distribution can be incorporated. The official population projections based on the 1990 Population Census are presented below.



Area / Island	Pop.1990	Pop.2000	Increase	Pop.2006	Increase	Pop.2011	Increase
New Providence	172196	220485	48289	245219	24734	263070	17851
Grand Bahama	40898	82351	-502	83731	1380	85021	1290
Family Islands	41955						
Total for The Bahamas	255049	302836	47787	328950	26114	348091	19141

## Households

The number of households increased faster during the 1980 – 1990 period than the population due to changes in household structure and improved living conditions.

The household size is defined in terms of the number of persons per dwelling. In 1990 (Population Census) the average size was in 4.12 persons per household. Standard deviation from the average is great and there are large variations among the islands.

The share of small households increased during the 1980-1990 Census period to about 15 % and the trend is expected to continue. About 28 % of the population live in households with more than 7 members, while 57% live in households with 3 – 6 members.

Most of the households – two thirds – consist of one-family households. The share of single-person households was 20 %.

Most heads of households were married, while 47.4 % were single or previously married; 75 % of the single heads of households with dependants were female.

The statistics regarding household development since 1990 are scarce and incomplete. The Households Income and Labour Force Surveys provide only overall figures for New Providence and Grand Bahama with estimates for the Family Islands as one region. However, the surveys indicate a decline in household size. Furthermore the surveys suggest a continued growth in numbers through household formation in The Bahamas as a whole.

The projections for household formation and growth are based on the official population projections, suggesting a great increase for New Providence and a marginal growth for Grand Bahama and Family Islands.

## Housing Stock and Housing Demand

Information on housing stock, number of dwellings, their use, conditions and future demands is based primarily on the 1990 Census statistics.

A great number of dwellings are vacant or abandoned, as indicated by an overall Occupancy Ratio of 0.86. On the Family Islands the share of vacant dwellings is even higher.

The average dwelling size was 3.8 rooms, which is close to a 3-bedroom house. There is a considerable standard deviation from the average, to some extent reflecting

the variations in household size. There are also some differences between the regions with larger dwellings on the Family Islands.

Most of the dwellings were single detached houses but with an increasing share of attached houses and apartments on New Providence. The dominance of single detached houses is a concern in view of urban sprawl and shortage of land.

Most of the dwellings were owned by the occupier (55 %). The share of rented accommodation was almost 38 %, most of which were found in the private sector. The tenure conditions have not changed dramatically since The 1990 Census. Information concerning the age of dwellings is used to assess the need for replacement, rehabilitation and repairs. About 50 % of all dwellings were built before 1970.

Most buildings were built in concrete, while wooden construction is becoming less common. The trend has continued during the last ten-year period. In spite of an improved standard of living it is estimated that about 8,800 households lack appropriate sanitation facilities.

In 1990 there were a considerable number of families sharing households and living in overcrowded conditions. The assessment suggests that 13 % of all households live in shared dwellings. In other words the households consist of 2 or more families, representing almost 12,000 families in total.

The housing stock conditions need further studies. The last in-depth investigation was done in 1980. At that time it was revealed that 40 % of the dwellings in low standard areas were due for replacement. Even if the situation has improved since then the share of dwellings built prior to 1970 suggests a considerable need for up-grading.

Statistics suggest that 9,500 housing units have been constructed on New Providence in the 1990 – 1998 period. The corresponding estimate for The Bahamas is 13,100.

The overall housing demand is estimated for the short-, medium- and long-term planning periods. The demand is derived from the formation of new households, replacement of old dwellings, improved standards of living and reduced sharing of dwellings. The migration within The Bahamas is accounted for through the population forecasts.

The summary of the overall demand is shown below.

Planning Phase	New households	Replacement	"Reduced sharing"	Total	Repair
Short-term - 2000	2440	560	350	3350	1120
Medium term 2001-2006	8920	3360	2100	14380	6720
Long term 2007-2011	6250	2800	1750	10800	5600
<b>Total</b>	<b>17610</b>	<b>6720</b>	<b>4200</b>	<b>28530</b>	<b>13440</b>

## Land and Land Use Management

Land for housing has become a limited resource. Most of the presently vacant land is not suitable for development, is used for other purposes, protected as a specific resource or is unavailable due to tenure conditions. Access to land is an issue on all islands and in particular on New Providence.

Crown Land can be divested to Government for housing purposes or other uses. Although Crown Land and Government held land cover much of the land area, most of it is not available for development.

Generation land, Commonage land and land held in common create obstacles to development especially on the Family Island as these areas cannot be subdivided or used as security. A significant portion of land is privately owned. If private land is needed for public purposes, for example housing, it can be acquired by the Government through compulsory acquisition at market value.

Defective land titles or the absence of land titles is an issue that needs attention.

The administration of land and land use is complex with a great number of Government authorities involved. Co-operation, co-ordination and teamwork should be the guiding principle. The legislation for land use management exists, but the institutions, planning tools and procedures are weak. There is a need for a hierarchical planning framework, consisting of regional development programmes, strategic and integrated urban plans and detailed development plans.

Funding for urban development i.e. roads and infrastructure is an important issue that should be addressed.

Access to land is provided through the process of subdivision. The development of lots within a subdivision is the responsibility of the owner and is not monitored or pursued. The number of undeveloped lots is a concern as is the lack of reliable information. A conservative assessment suggests that 7,300 lots in formally established subdivisions are undeveloped. A detailed survey of the status of lots in subdivisions should be carried out and a systematic record should be maintained.

The cost of serviced land for a standard lot in a Government subdivision has increased from B\$ 5,000 – 9,000 in 1984 to B\$ 25,000 – 30,000 in 1999. The average cost is B\$3.75 per sq. foot in the most recent subdivisions.

Squatter areas exist but are not considered to be a major problem. More important is the low standard of housing and infrastructure in the older parts of Nassau and in some of the towns in the Family Islands. Government initiatives to up-grade the “Over-the-hill-area” is commendable and should be extended. The “Rebirth” housing programme is also a positive initiative for improvement.

# SUMMARY OF RECOMMENDATIONS

In the Final Report for the Housing Needs Study submitted in November 2000, each chapter contains recommendations for the Government of The Bahamas. This summary is based on those recommendations and is an attempt to prioritise the requirements into an action plan. The purpose of the summary is also to provide an accessible and direct overview of the results of the study.

## General

1. Good and affordable housing is a basic need and the housing programme should be extended to include all low-income households that need support.
2. Co-ordination and co-operation between social agencies is needed to improve sub-standard areas.

These are general recommendations based on the policies as formulated by the Government of The Bahamas. The focus is put on the needs of the low-income households in the most encompassing terms. The second recommendation emphasises that the Government departments and other agencies must work together to achieve efficiency in particular in low cost housing and up-grading projects.

## Administrative Structure

1. Develop administrative systems of co-operation and co-ordination between authorities and institutions involved in the housing provision process.
2. Create specific project teams for the implementation of housing projects.
3. Decentralise functions to local authorities.

The sectoral approach presently practised in the housing provision process hampers the delivery. It is thus recommended that the responsibilities should be shared, while the duties of the stakeholders and authorities are to be clearly defined in approved action plans.

In the implementation of projects the establishment of project teams with specific tasks during the process could be a suitable way to facilitate the process.

Involvement of local authorities i.e. District Councils and Town Committees, facilitating decentralised decision-making, would benefit housing development and assist in the communication between authorities and end users.

## Legislation

1. Review legislation and procedures with the aim of simplifying the process for housing provision.
2. Review the *Housing Act* with the aim of including a greater share of the low-income households in the target group.

The legislative structure is complex and fragmented. It is important that the various sectoral laws and regulations are compatible and in harmony with the policies of the Government of The Bahamas. It is recommended that a review of the legislation and the regulations be undertaken with the attention to the impact on housing provision.

The Housing Act and Housing Regulations include requirements that determine the target group for the Government Initiated Housing Programme. In order to extend the group of beneficiaries the need for revision of the legislation should be assessed.

## **Regional Structure**

1. Formulate regional development strategies and prepare regional development plans to encourage decentralised development.
2. Investigate the need for special support programmes for small remote islands.
3. Prepare a specific programme for Grand Bahama and for each of the Family Islands. Investigate possibilities to provide additional support for low cost housing on the Family Islands to balance the higher proportion of low-income households there.

Regional development determines the distribution of investments in infrastructure, social services and housing. Regional development strategies and plans will assist the Government in forecasting the needs and programming the inputs. Although this would not primarily be a task for the Department of Housing, the multi-sectoral character of regional development would require contributions by the Government of The Bahamas as a whole. The Ministry of Housing and Social Development and its departments should have a decisive role in the process, providing information about the demand for housing.

## **Low Cost Housing**

The Executive Summary shows the distribution of households according to affordability. The estimated housing demand for low-income household categories for the short-term, medium-term and long term planning periods are as follows:

### **Low-Income Households – I**

Income:	below B\$ 5,000 p.a.
Affordability:	below B\$ 100 /month
Maximum Housing Price:	B\$ 18,000

This group represents approximately 6 % of all households. The total number of new households is approximately 1700, distributed over time as follows:

Short term:	200
Medium term:	860
Long term:	640

### **Low-Income Households – II**

Income:	B\$ 5,000 – 10,000 p.a.
Affordability:	B\$ 100 – 250 /month
Maximum Housing Price:	B\$ 36,000

This group represents about 9 % of all households. The total number of new households is approximately 2570, distributed over time as follows:

Short term:	300
Medium term:	1300
Long term:	970

### **Low-Income Households – III**

Income:	B\$ 10,000 – 15,000 p.a.
Affordability:	B\$ 250 - 375 /month
Maximum Housing Price:	B\$ 36,000 – 54,000

This group represents about 10 % of all households. The total number of new households is approximately 2850, distributed over time as follows:

Short term:	330
Medium term:	1440
Long term:	1080

### **Low/Medium Income Households**

Income:	B\$ 15,000 – 28,000 p.a.
Affordability:	B\$ 375 - 700 /month
Maximum Housing Price:	B\$ 54,000 – 100,000

This group represents about 23 % of all households. The total number of new households is approximately 6560, distributed over time as follows:

Short term:	770
Medium term:	3300
Long term:	2490

1. Establish means to reduce housing construction costs in order to provide access to the Government Initiated Housing Programme for a greater proportion of low-income households.
2. Ensure that the subsidies entailed in the housing programme benefit only the intended target groups.
3. Address the issue of single parent (female) headed households and develop special support programme(s).
4. Develop a housing action programme to meet the backlog of housing and the immediate short-term demand.
5. Develop a long-term programme for the medium- and long-term demand.
6. Establish a system to review the changes in demand.

In order to facilitate access to the Government Initiated Housing Programme for a greater share of the low-income household groups, the housing costs will have to be reduced. The efforts should pay attention to the financial costs, down payments, infrastructure costs and construction costs. The design, building materials, house types and construction methods provide opportunities for savings.

The established housing programme is designed in such a way that the subsidies linked to site development can benefit households with income above the intended target group. This should be addressed in order to focus the support to those who need subsidies.

Single parent households and the households with extremely low-income require special attention and specifically formulated housing policies.

The estimated housing demand for low-income households distributed over time for the next ten-year period constitutes the action plan for housing. Based on the estimates the Department of Housing shall prepare a programme of implementation and financing.

The action plan and the housing programme shall deal with immediate/short-term, medium-term and long-term needs. The overall programme will have to include considerations regarding geographical distribution based on regional development strategies.

## **Low cost housing concepts and alternative approaches**

1. Carry out an Attitude Survey.
2. The Rebirth programme should be extended, as it is the most affordable concept currently available to low-income households.
3. The wooden model houses used in the Rebirth programme should be introduced in other urban areas and on Grand Bahama and the Family Islands.
4. Introduce new types of housing models aiming at reducing costs and providing more housing options.
5. Encourage self-help housing concepts and initiatives.
6. Consider alternative concepts i.e. compact houses, core houses and starter homes.
7. Investigate possibilities to provide housing through community and NGO driven projects.
8. Encourage Sweat Equity approaches and allow for combination with NGO involvement and establishment of Home Owners' Associations.

The Attitude Survey would provide the Government with a better basis for the formulation of a housing policy that would meet the needs and achieve acceptance among the low-income households. Department of Housing with assistance from researchers would be capable of implementing the study.

The recommendations regarding housing concepts and approaches aim at reducing costs, facilitating access as well as providing greater variety and more options for low-income households. The expansion of the Rebirth programme would serve such a purpose. This is an action easy to pursue, with immediate effect and falling within the control of the Ministry of Housing and Social Development.

The development of new housing models is also within the control of the Government but can also involve the private sector. Attention should also be paid to the new approaches to rental housing. The concept Rent-to-Buy should be assessed.

The Department of Housing would also be the appropriate agency for assistance to alternative management concepts for housing, co-operation with NGOs and other bodies.

The design of housing concepts that require owners' input of labour in the initial construction process or later extensions of core houses would preferably be part of the responsibility of the Department of Housing. The support would also focus on administrative, management and advisory aspects.



## **Housing Production**

1. The capacity of the Bahamian construction industry should be improved through training of skilled labour.
2. New building techniques, less focused on the use of cement-based products, should be developed. The reason for this would be to improve the flexibility of the construction industry and to protect the environment from excessive excavations of sand and rock.
3. Small contractors and self-help builders should be supported and encouraged to become better organised.
4. Contractors and builders should in all instances be required to be licensed.
5. Establish a new database for housing production utilising GIS.

With increased housing production the capacity of the construction industry will be crucial. Government can secure a high level of production at appropriate capacity level through the support of training in specific skills for construction workers. The training institutions are available, but funding for expansion is needed.

Greater variety in housing may call for production of alternative building material compared to those commonly used at present. There are also environmental aspects that should be taken into account in developing alternative techniques. The Department of Housing can play a leading role in innovative measures.

The deliberate involvement of small-scale contractors in housing construction is commendable. However, these contractors would need assistance in developing organisational, financial, managerial and operational methods. Furthermore to protect the serious small-scale contractors from unfair competition the Department of Housing should take the initiative to establish a licensing system.

## **Existing Housing Finance System**

1. Establish a new system of building credit to complement the existing financing system.
2. Review the role of Bahamas Mortgage Corporation to establish how it can meet the demand for low cost housing more efficiently. Define the role of Bahamas Mortgage Corporation in relation to other approved lenders.
3. Increase the possibilities for investment in housing through e.g. the issuing of housing bonds.

Favourable building credits would reduce the costs for contractors and would thus have an impact on the total cost for housing. Establishing the credit system would involve Government, the banks and the private sector.

The present system seems to undermine the sustainability of Bahamas Mortgage Corporation, as it cannot compete with other approved lenders on comparable terms. A review of the role should take into account the needs of the Corporation in order to serve the low-income households in a more comprehensive way.

## **Alternative Approach to Housing Finance**

1. Establish alternative financing principles and housing finance system for mortgage loans for low-income households with the aim of reducing the initial high ratio between debt and income.
2. Assess the advantages and disadvantages of the proposed alternative housing finance system.
3. Consider the economic development requirements for the proposed system and determine suitability.
4. Introduce new housing finance system.

These recommendations aim at providing a possibility to introduce a system for housing finance that would lower the financial costs for low-income households. In particular it would reduce the heavy burden of high initial interest costs and the high down payment. However, the introduction of such a new system requires careful analysis of the economic situation in The Bahamas. The assessment and analysis would involve the entire Government.

## **Government's Role in Housing**

1. Expand and modify the Housing Programme and the Government guaranteed loans concept to benefit a larger share of the low-income households.
2. Introduce efficient databases and records that are easy to maintain and up-date for housing applications.
3. Introduce efficient and effective pricing, allocation and approval procedures.
4. Simplify procedures for subdivisions and building permits through co-operation and co-ordination between involved departments and ministries.
5. Establish databases that can assist the analysis of housing production and that include more detailed and relevant information.
6. Strengthen the Department of Housing through additional staff, and facilitate its operation through continued decentralisation.
7. Strengthen District Councils by providing technical staff.

To reach the poorer groups of the low-income households the housing costs must be lower. This can be achieved through alternative house models and alternative construction methods. Furthermore provisions for starter homes, core houses, compact housing, self-help housing and sweat-equity building management can contribute to greater accessibility and diversification. This can be achieved within present housing policy through alternative regulations.

Efficient procedures and effective administration is important to facilitate housing production and meet the targets according to programmes. The Department of Housing is responsible for and is capable of maintaining efficient databases and records and for improving housing pricing and allocation procedures. In co-operation with the Building Control Section and the Department of Physical Planning the Department of Housing can facilitate procedures for subdivisions and building permits.

Additional staff, decentralisation and strengthening of the District Councils involve the Government of The Bahamas in general, but the initiative can be taken by the Department of Housing in co-operation with the Department of Local Government.

## Population

1. Establish a system for demographic analysis of issues i.e. age structure, dependency ratio, and growth rates to support assessment of housing demands. Utilise population information to determine special types of housing requirements.
2. A review of the Housing Needs Study should be carried out once the results from the Census 2000 are available.
3. Sample surveys should be carried out as a means of verification of population growth and development trends at mid-Census periods.

The data and information about population determines the future needs in all aspects of society. The Department of Housing in co-operation with the Department of Statistics should formulate criteria for demographic analysis that will assist in planning and development in the housing sector.

The results of the Population Census 2000 will be available shortly and will provide an improved basis for analysis. The Department of Housing should review the Housing Needs Study to update the analysis and housing demands. This can be done in-house and in co-operation with the Department of Statistics or by a consultant.

The ten-year period between Population Censuses results in data and information becoming out-dated. Complementary sample surveys would be useful focusing on the issues concerning housing and household development. This should be based on specific requests from the Department of Housing submitted to the Department of Statistics.

## Households

1. Assessment of housing demand should be more clearly based on data and information about household characteristics and population structure. For this purpose close co-operation between the Department of Housing and the Department of Statistics is required.
2. The great variations in households-size should lead to the provision for alternative house types and sizes.
3. The social aspects of housing need greater attention and efforts should be made to cater for single parent households.
4. The gender aspect in household formation should be assessed in greater detail.

The Department of Housing should make use of the information on household size and other characteristics for the formulation of housing policies and for the provision of different types of housing. This would lead to greater diversification of the housing stock, provision of housing for specific households and family structures, distribution on types of tenure and attention to the gender aspects. Close co-operation with and assistance from the Department of Statistics will be required.

## Housing Stock and Housing Demand

The overall housing demand is estimated for the short-, medium- and long-term planning periods. The demand is derived from the formation of new households, replacement of old dwellings, improved standard of living and reduced sharing of dwellings. The migration within The Bahamas is accounted for through the population forecasts.

The summary of the overall demand is shown below.

Planning Phase	New households	Replacement	"Reduced sharing"	Total	Repair
Short-term - 2000	2440	560	350	3350	1120
Medium term 2001-2006	8920	3360	2100	14380	6720
Long term 2007-2011	6250	2800	1750	10800	5600
Total	17610	6720	4200	28530	13440

1. Review the estimated demand based on the results of the Population Census 2000.
2. Establish a new concept for rental housing. Provisions of alternatives to home ownership would benefit low-income households with limited investment capacity.
3. Encourage the private sector to provide rental housing at low cost.
4. Provide additional funding for replacement and repair of the old housing stock.
5. Carry out detailed surveys to identify the need for up-grading and replacement of sub-standard housing and initiate up-grading projects combined with housing improvements and infilling.
6. Ensure that new housing projects cater to the entire demand made up of new household formation, replacement, reduced sharing and alleviation of overcrowding.
7. Formulate a long-term housing programme to meet the long-term demand, according to the housing demand estimates.
8. Prepare an action programme to meet the immediate needs in the form of the housing backlog.

The Population Census 2000 will provide information about the housing stock and should be used to reassess the findings in this study. This may also affect the housing demand and the distribution of housing.

A new concept for rental housing for low-income households should be established addressing the design, construction and financing aspects and thus requiring a multi-sector approach.

A considerable share of the housing stock is in need of improvement. Furthermore sections of the urban areas have sub-standard infrastructure and lack of services. The Department of Housing in co-operation with the Department of Physical Planning and the Ministry of Works and Transport should prepare up-grading, improvement and infilling schemes.

The total housing demand has been estimated and should form the basis for planning, programming and financing of urban development and housing. Three

programming phases – short-term, medium-term and long-term – have been suggested, as the format for plans and programmes. The Government of The Bahamas, with the main responsibility attached to the Ministry of Housing and Social Development shall prepare programmes for housing development.

## **Land and Land Use Management**

1. Formulate and implement a Land Policy.
2. Undertake a study to assess the possibilities of using Commonage Land, Generation Land and land held in common for housing, and as security for mortgage loans.
3. Prepare urban development plans to identify direction of growth and needs for new infrastructure in a strategic manner. Develop new housing areas in line with urban development plans.
4. Establish a system for funding of urban development, considering cost recovery and contribution from those who benefit.
5. Plan housing areas for higher densities, smaller lots and incorporate planned expansion of bulk services.
6. Investigate availability of land in the form of undeveloped lots in existing subdivisions.
7. Establish a system to encourage development of lots once they are allocated through restrictions and incentives.
8. Acquire undeveloped lots for Government housing purposes.
9. Establish databases for monitoring of subdivisions and land development projects with linkage to GIS, and designed for easy access, analysis and assessment. Ensure that relevant and detailed information is collected and maintained regarding housing and land development.

During the Housing Needs Study it was found that the land issues in terms of ownership, tenure, land rights etc. were of great importance and concern also for those involved in housing. The need for a new Land Policy for The Bahamas has been made evident during the Study and is considered important for development. In this connection the status of land rights within Commonage Land, Generation Land and Land held in common require clarification.

The Department of Physical Planning should be requested to prepare long-term development plans for urban areas to form the basis for housing development in an orderly manner and according to the overall infrastructure investment programme.

Urban development should be based on cost recovery. However, the system should be designed in such a way that a fair distribution of costs on those that benefit is achieved. Such a system can be established based on long-term urban development plans.

Undeveloped land and lots within subdivisions or adjacent to built-up areas should be acquired for new development to make efficient use of land and services. To facilitate acquisition, purchase and redevelopment the Department of Housing, the Department of Physical Planning and the Ministry of Works and Transport should establish a common database.

Higher densities and smaller lots would contribute to the reduction of the costs for infrastructure and site development.

# 1 THE STUDY

This Report has been prepared by the team of consultants for the Ministry of Housing and Social Development in The Bahamas. The report presents the findings of the studies, interviews and field surveys that the team has carried out in two phases of the Housing Needs Study. It incorporates the comments of those who have read the Draft Final Report of the study.

The team assigned to carry out the Housing Needs Study represent two Swedish Consulting firms: Hifab International and SSPA Sweden. The two companies have co-operated in the past in a number of projects in the field of housing, urban planning and development.

The team consisted of the following individuals:

Sixten Larsson; Urban Planner

Development Forecasts / Household Structures / Existing Housing Stock / Land Availability / Land Use Management

Sevana Bunke; Architect

Housing Administration / Government Policies / Construction Industry Capacity / Housing Standards / Housing Stock

Anders Hederstierna; Housing Economist

Housing Finance / Housing Subsidies / Funding and Implementation / Affordability and Cost-recovery

The collection of data and information and the analysis that was done was made possible through the active involvement of a great number of Government agencies. The study has been supported by a great number of individuals, who have shown interest and involvement.

The basis for the report is data and information obtained from the Government of The Bahamas and from other institutions in The Bahamas. However, the analysis, assessments, conclusions and recommendations are those of the Consultants and should not be considered to be the views of the Government.

## 1.1 Objectives of the Housing Needs Study

The Government of The Bahamas is committed to making provisions for housing of its inhabitants. The present housing policy and the housing finance system have their backgrounds in recommendations brought forward in a study carried out in 1984. The report, Housing Needs in The Bahamas, contained statistical data and information, forecasts and assessments of the needs for the period up to 1990, as well as recommendations regarding housing provisions and other issues. The principles presented in that report and the recommended policies have been used until the present.

Over the years considerable efforts have been made to improve the housing situation through direct Government involvement and indirectly through encouragement of the private sector.

In order to obtain a more solid and informed basis for the Government Housing Policy, new housing programmes, new ideas regarding housing standards and new approaches in terms of housing finance, this new housing study was commissioned. In this process The Government of The Bahamas has emphasised the need for special attention to the provision of housing for the low-income sectors of society.

The purpose of the study is described in the Terms of Reference, on which the approach for the study was based. Primarily the Study was intended to provide The Government of The Bahamas with information and statistics on which to formulate housing policies and housing programmes for its people. In particular it was intended to assist the Government in addressing the housing needs of low-income households. Furthermore the Study was to adopt an approach, outline and content that would update the information and data presented in the 1984 report on Housing Needs in The Bahamas.

## **1.2 Terms of Reference**

The Terms of Reference (Appendix 1:1) describe the background and the purpose of the consultancy. It presents the scope of work and the timing of the study.

The study should provide an update of the 1984 Housing Needs Study. Specifically the study should cover population growth, household formation, the condition of the housing stock, the responsiveness of the construction industry and financing issues.

The Scope of Work includes specific recommendations regarding the methodology and content of the report. The components of the study were identified in the Terms of Reference as:

- Population and household growth,
- Existing housing stock and housing production,
- Planning and the supply of land
- The construction industry
- Incomes, affordability and housing requirements
- Government policy and programme review
- Housing policy implications – recommended actions

Population forecasts were to be based on the work done by the Department of Statistics and should include estimates for the growth of population and households, using this information to estimate housing needs. Forecasts were to be prepared for 2000, 2006 and 2011 for New Providence, Grand Bahama, Andros, Abaco, Bimini, Berry Islands, Eleuthera, San Salvador and the central and southern islands.

Information on the existing housing stock and the production since 1984 would be available through analysis of the statistics from the Population Census 1990 and from information gathered from building and occupancy permits. Complementary field visits to older and less affluent areas should be included.

Information on planning and the supply of land were to be assessed based on information from the Department of Public Works and from planning officials and administrators on the Family Islands.

The capacity of the construction industry was to be assessed in terms of its ability to meet the housing demand and to determine building costs. Information was to be obtained from Government official, architects, builders and developers.



The assessment of incomes, affordability and housing requirements were to take into consideration financing and utility costs. Forecasts of incomes and distribution by income groups were also to be carried out, as were Government policies and programme review. Housing policy implications should be described and recommended actions to be prepared.

### **1.3 Methodology**

The new study was to deal with all the aspects covered by the 1984 Housing Needs in The Bahamas. In that sense the present study can be seen as a process to update the 1984 Report. However, the new study should provide new ideas and elaborate on alternative approaches to housing generally, and in particular to housing construction and housing finance. The emphasis on low-income housing and provision of access to the housing market for all the people of The Bahamas is a challenge that calls for innovations.

All of the aspects and components described in the Terms of Reference have been attended to and the implications have been assessed.

The work was carried out in two phases. The first phase concentrated on the collection of data and information, interviews and field visits. The first analysis was also carried out. The Interim Report presented the findings. The second phase included comments and additional information as well as further analysis of the data and information. The additional information and data were mainly obtained through a Questionnaire Survey (Appendix 1: 2) administered by The Department of Housing and carried out with the assistance of Local Government Administrators. The results were subsequently analysed. The survey focused on complimentary information regarding the situation on the Family Islands in terms of population, households and existing housing stock.

There was a need for further data collection and analysis on some of the mentioned components, due to the scarcity of information, contradictory statistics and the need for clarification of information already in hand. Clarification was obtained through interviews, meetings and discussions.

Each component included a number of specific studies:

#### **Population Growth and Demographic Structure**

The population statistics were obtained from The Department of Statistics, which also provided forecasts for the planning period based on The 1990 Census. The statistics are thus ten years old. There have been no inter-Census surveys to assess population developments. Complementary estimates were arrived at using household income surveys carried out by The Department of Statistics and through the results of the Questionnaire Survey.

#### **Household Size and Social Structure**

Information about household size, structure, formation and other developments were obtained through the same sources. While fairly reliable data was available for New Providence, uncertainties regarding Grand Bahama and the Family Islands should be

noted. There is limited information regarding migration patterns, immigration to The Bahamas or seasonal residents.

### **Existing Housing Stock and Housing Demand**

The 1990 Census included information about the housing stock. Additional data was made available from The Ministry of Works and Transport and through field visits. Based on the data regarding population, households and housing stock the overall housing demand was estimated. Additional requirements arising from improvements in living standards, replacement of sub-standard housing and changes in social structure were included.

### **Household Income and Affordability**

In terms of household income the information from the 1990 Census was compared with data from sample surveys carried out by The Department of Statistics as well as with information from financial institutions. The actual housing costs were assessed based on recent housing projects. This allowed the identification of affordability levels for different categories of households. The number of households in need of low cost housing was estimated.

### **Housing Concepts and Housing Production**

The existing housing concepts were investigated and available alternative approaches were discussed. The methods, predominant building materials, building techniques and production systems were described. The information regarding housing production available from building permits was compared with actual completions and the output of The Government Initiated Housing Programme.

### **Construction Industry and its Capacity**

The involvement of the private sector in the process of housing provision is crucial. The study included an assessment of builders, contractors, consultants and their capacity, as well as their involvement in housing construction, particularly in the low cost housing sub-sector. The scale and type of operations and the implications thereof were assessed.

Building costs and possible cost reductions were studied, based on information on cost of building materials and total construction costs.

### **Government's Role, Government Policies, Permits and Procedures**

The role of Government in initiating housing projects, in terms of implementation, financing and administration was examined. The information was obtained from official documents and records and through interviews and discussions. The Government policies were described. The established procedures for applications for subdivisions and for building permits were studied. The efficiency of the process was assessed.

### **Land and Land Use Management, Land Availability**

The land tenure system, land-related legislation and the administrative system related to land and land use management were examined. The potential obstacles to access to land were identified. The process for development planning and subdivision were analysed. The cost of land through the acquisition process, the cost of infrastructure services and

the ultimate selling price were assessed. The information was obtained from various departments and based on recently implemented housing projects.

### **Existing Housing Finance System**

The financing of housing involves a number of components, for example, the building credit, the housing mortgage systems, the relation to prime rate and financing through housing bonds. The involvement and role of the Bahamas Mortgage Corporation and its relation to other approved lenders were analysed.

The consequences for households in terms of housing costs and affordability, as well as the possibilities of improvements, were assessed.

## **1.4 The Report**

The results of the study were presented in the Draft Final Report. Following the submission of comments from various Government agencies the Final Report is completed.

This Final Report presents the findings of the Study, including data and statistics, analysis and assessments of future needs. The identification of issues is summarised in one chapter to facilitate the reading of the report. Each chapter concludes with a section outlining recommendations. The Report includes specific estimates of housing needs and in particular the needs of low-income households. It describes alternative concepts and approaches to the provision of low cost housing. Finally the Report outlines possible alternative methods for housing finance.

## **2 GENERAL SETTING**

This chapter describes the general conditions in terms of administration, legislation and the regional structure. The purpose is to provide general information that is of significance for the understanding of the housing situation, analysis of development and assessment of future needs.

### **2.1 Administrative Structure**

The implementation of Government Policies in Housing involves a number of ministries, departments and agencies. The way in which co-operation and co-ordination of the activities is carried out depends on the administrative structure of the Government. The efficiency in the process of housing provision requires an effective administrative structure.

The main actors in the housing sector are the Ministry of Housing and Social Development and its Department of Housing. These are the authorities primarily responsible for the implementation of the Housing Policy. Other ministries and departments of importance are the Ministry of Works and Transport, Department of Physical Planning, Department of Lands and Surveys, Department of Local Government. The Bahamas Mortgage Corporation and the National Insurance Board and the authorised lending banks are closely linked to the Department of Housing.

#### **2.1.1 The Ministry of Housing and Social Development**

The Ministry of Housing and Social Development is the Government authority responsible for the implementation of the *Housing Act* and the obligations of Government in terms of housing. The Ministry formulates policies and strategies for housing developments and has the budgetary responsibility of securing funds for the housing programme annually. The tool for the implementation of Government policies is the Government Initiated Housing Programme.

As a result of the merging of Housing and Social Development into one ministry the social aspects of housing have been more clearly emphasised.

#### **2.1.2 The Department of Housing**

The Department of Housing is the main authority serving the Ministry in the implementation of Government policies and programmes. The Department is responsible for all financial, administrative and technical aspects of the Housing Programme. The Department initiates projects, formulates housing standards, prepares subdivision designs, designs model houses, prepares tender documents, awards construction contracts, monitors the building process, carries out inspections, processes applications and maintains records of applicants, processes mortgage agreements and administers the housing programme.

In spite of the magnitude of tasks The Department's role is confined to the categories of housing and target groups indicated by the Housing Policy expressed through the *Housing Act* and the amendments thereto.

#### **2.1.3 The Housing Commissions**

The Housing Commissions are appointed by the Minister. There is one Housing Commission for New Providence and one for Grand Bahama. The Commissions take decisions regarding the approval of applicants on behalf of the Minister. The role of

the Housing Commissions is primarily seen as a support to the Department of Housing, but also as a body responsible for the control of the procedure and the allocation of houses provided through the Government Initiated Housing Programme.

#### **2.1.4 The Bahamas Mortgage Corporation**

Bahamas Mortgage Corporation is one of the approved lenders in terms of the Government Mortgage Loan Guarantee Programme. It holds a specific position as a leading agency in the context of the Government Housing Programme. It provides infrastructure and construction financing for the Department of Housing and mortgage financing for housing applicants. While the commercial banks have a bigger share of the market and can offer other financial services, the Corporation influences the mortgage conditions offered on the market through its close links with the Government.

The Corporation has mainly been involved in New Providence and Grand Bahama and to a lesser extent the Family Islands. Its role could be of far greater importance in support of housing developments in the Family Islands.

#### **2.1.5 The National Insurance Board**

The National Insurance Board is involved in housing in the sense that it provides the financing of the Government Guaranteed Mortgage Loans. This is done through holding of housing bonds issued by The Bahamas Mortgage Corporation.

#### **2.1.6 The Ministry of Works and Transport**

The Ministry of Works and Transport is involved in housing development in connection with the procedures related to subdivisions, in the processing of building permits and in the monitoring of the construction through inspections.

Subdivisions refer to the demarcation of new lots linked to the establishment of new roads. The requirements and limitations are provided for in the *Private Roads and Subdivisions Act*, which is the governing legislation for The Ministry of Works and Transport. New housing developments are approved only after the procedures are adhered to.

The issuing of building permits is a vital function for the housing provision process. It is the responsibility of the Building Control Section. The *Building Regulation Act* and The *Bahamas Building Code* form the basis for the procedures. The approval of applications for building permits involves also a great number of other authorities, for example the Roads Department, Department of Physical Planning, Ministry of Health and the Town Planning Committee. On the Family Islands the building permits for most residential houses are handled by the District Councils and the related Town Planning Committees.

#### **2.1.7 The Department of Lands and Surveys**

The Department of Lands and Surveys is a key actor in the process of securing land for housing development. The Department has the administrative responsibility for Crown Land in The Bahamas, issuing leases mainly for agricultural use and disposing of land to Government authorities e.g. The Department of Housing. It is involved in the processing of subdivisions, demarcation of lots, sale of Government property and acquisition of land for public purposes, which could include private land needed for Government Initiated Housing. The involvement of the Department of Lands and Surveys in the process is crucial, when the scarcity of land becomes an issue in New

Providence and if more strategic housing developments are to be initiated on the Family Islands.

#### **2.1.8 The Department of Physical Planning**

The Department of Physical Planning is responsible for land use planning, the control of urban development, subdivisions (i.e. layout, size and use of lots), on-site development control and the issuing and implementation of zoning regulations. As regards the Government Initiated Housing Programme the Department becomes involved in the subdivisions during the approval process. It also influences the formulation of zoning for the lots in a subdivision, which are connected to the content of the deeds. Furthermore the Department is part of the approval process of the building permit applications.

The Department of Physical Planning should play a more active role and influence the housing development positively by preparing long-term strategic plans and detailed urban development plans, thereby guiding the future growth of the urban areas.

#### **2.1.9 The Department of Local Government**

The Department of Local Government is only indirectly involved in the provision of housing through the establishment of local government authorities. The new District Councils and Town Committees represent a significant step towards decentralisation of functions and power. The role of these local authorities can be extended and enhanced in the field of housing and land development.

Currently, District Councils set up and take decisions on matters such as building permits, for small to medium scale housing projects. Town Committees present recommendations to the District Council with respect to applications for building permits.

The Local Government Administrators represent The Department of Local Government and are stationed on the Family Islands. In most cases a Local Government Administrator is responsible for, and assists, more than one District Council.

#### **2.1.10 Utilities**

The utility corporations have a significant responsibility in the housing provision process. Although the private sector involvement has increased in recent years the parastatal corporations viz. the Bahamas Electricity Corporation, Water and Sewerage Corporation and the Bahamas Telecommunications provide most of the utility services. When the private sector contractors are engaged the Department of Housing has the contracting responsibility.

#### **2.1.11 Co-operation and Co-ordination of Stakeholders**

The general theme for issues related to administration reflects a lack of co-operation and co-ordination. There is a tendency for government authorities and other agencies to work narrowly within their own sphere of interest and engage in their areas of responsibilities as prescribed by the laws or by Government policies.

The spirit of Government team-work to achieve common goals is needed in such an area as housing, especially if the target group is to be extended to socially more vulnerable households.

This co-operation and co-ordination should include access to data and information, which calls not only for greater inter-agency transparency but also for systematic record keeping. Common standards for digital information and set procedures for access to data are challenges that should be addressed. The authorities should try to benefit from involvement in the GIS-project and utilise the opportunity it has created. Co-operation would contribute to more optimal use of resources and thereby greater efficiency in the provision of housing.

## **2.2 Legislation**

The legislation of The Bahamas includes laws and regulations that have been established over a long period of time, some of them as early as the 19<sup>th</sup> century. Numerous additions and amendments have been enacted over time and the legislative structure is therefore complex. The change from colonial rule to a sovereign independent country, while maintaining part of the existing legislative structure, has added to the complexity.

This section deals with the main pieces of legislation that are of significance directly or indirectly for the provision of housing. The most important one is the *Housing Act* and the *Housing Regulations*. However, legislation such as the *Town Planning Act*, the *Private Roads and Subdivisions Act*, the *Acquisition of Land Act* and others have considerable impact on the implementation and administration of housing.

### **2.2.1 The Housing Act**

The *Housing Act* was first adopted in 1960. It has subsequently been amended on several occasions. The most recent amendment was made in 1998 at which time the maximum level of Government guaranteed loans was adjusted.

The Act assigns the power in relation to housing delivery to the Minister. The initial sections include provisions for the establishment of the Department of Housing and the appointment of Housing Commissions.

The Act describes the procedures for loan applications with specific reference to the responsibilities of the Housing Commissions and the Chief Housing Officer. The right of the applicants to appeal against the decisions of the Commissions is highlighted.

The powers of the Minister and of the Department of Housing are described in the Act. The Government has full responsibility for Government housing projects, including acquisition of land, surveying and servicing, construction of housing, granting loans, promoting good quality of housing and enhancing the standard of living. Specifically the Act mentions the target groups as being low and medium-income groups and senior citizens.

The Minister is also mandated to carry out the necessary work to allow him to achieve the housing policies. This includes surveys, studies and research regarding how to achieve the goals, estimating housing needs, concepts of affordability, availability of land, construction methods and approaches to housing finance.

The third part of the Act addresses the requirements in terms of Insurance of Loans. The Minister has certain responsibilities to ensure that loans are issued to borrowers that are qualified to obtain them, that the value of the building is appropriate for the loan and that the risks to Government are minimised.

The Government guarantee requires that the loan be given by an approved lender, that construction is carried out by an approved builder, that the lending value of the



building will exceed the loan in accordance with specified calculations, that the loan is made prior to the start of construction work and that the agreements in terms of building construction, loan repayments and mortgage conditions are fulfilled.

The Act also includes specifications regarding the authorised limits of loans in relation to building costs and thus to the value. The maximum lending value is prescribed. The borrower must have life insurance sufficient to cover the full amount of the loan.

The Act includes conditions for the issuing of Government guarantees for loans for the purchase of existing houses, for redevelopment, additions and repair of existing owned houses. The maximum lending value and other conditions are different in this case from those for new housing.

The Minister has the right to approve lenders and builders and to inspect books and records of these authorised lenders and builders.

Details regarding methods and conditions for insurance settlements are also provided for in the Act, which will be enforced in case of default on the part of the borrower or for other reasons. A Mortgage Insurance Fund has been established for receiving the insurance fees and for payments to lenders to distressed properties, and a Corporation Sole Account, which provides funding for housing repairs and ancillary development expenses.

### **2.2.2 The Housing Regulations**

The *Housing Regulations* were enacted in 1983. They prescribe how and on what forms loan applications should be made and what an application shall include in terms of information and drawings.

The gross debt service ratio, according to the regulation, shall not exceed 30 % of the gross annual income of the borrower and the rate of interest should relate to the prime rate.

The responsibility for the inspection of construction and for ensuring that the dwelling is being built in accordance with the approved working drawings rests with the Chief Housing Officer. S/he will instruct the Building Control Officer or other authorised person to carry out the inspections. Regular inspections are to be made at least five times from the laying of foundation to the completion of the house. It is the responsibility of the lender to investigate title conditions, making the loan available and taking the security for the loan.

The Regulations specify the way in which mortgages shall be prepared and how payments shall be made. Following the completion of the construction the Loan Insurance Policy will be issued.

### **2.2.3 The Bahamas Mortgage Corporation Act**

The *Bahamas Mortgage Corporation Act* came into force in October 1983. It regulates the establishment of the Corporation and the authorised share capital. The function of the Bahamas Mortgage Corporation is to stimulate and promote the ownership of homes, to encourage the construction industry in the field of housing, provide finances and make loans available to individuals and to mobilise funds for that purpose.

The Corporation is responsible to the Minister of Housing and Social Development who can direct it in its areas of operation. For borrowing of capital the Corporation needs the approval of the Minister of Finance, who will provide the guarantee for such loans, which in addition will require approval by the House of Assembly.

#### **2.2.4 The Town Planning Act**

While the *Town Planning Act* was brought into force in 1961, it has been amended several times. The most recent amendment was made in 1987. The Act provides for the appointment of a Town Planning Committee. The members are appointed for a term of three years. Committee members may not be ministers or employed in the public service. The Director of Physical Planning is the adviser to the Committee.

The Minister has the authority to prescribe the use of areas and to restrict the use of areas and buildings. Through the Act the Minister can identify land for specific purposes and also prescribe the extent and size of the buildings permitted.

The Town Planning Committee may in the first instance give an approval in principle of an application of a building permit. Following more detailed submissions the Committee may grant a final approval.

In instances of contravention of the permissions or regulations the Committee can require the owner of a building to demolish or reinstate it as the case may be. The Act prescribes that permission is also required for the removal or demolition of a building. Those who disagree with the decisions of the Committee have the right to appeal to the Supreme Court.

The Act provides for the establishment of a Special Architectural Committee to advise on applications for development in the Historical Nassau area of New Providence.

The *Town Planning Act* was subsequently amended in 1964 to extend to the Family Island Districts, and in 1968 included provisions for the establishment of Local Committees.

A new *Town Planning Bill* (currently in draft form) includes provisions requiring mandatory preparation and adoption of comprehensive strategic land use plans.

#### **2.2.5 The Private Roads and Subdivisions Act**

The purpose of this Act, adopted in 1961, was to regulate and make provision for new private roads and subdivisions.

Any establishment of new roads or subdivisions requires the approval of the Town Planning Committee. The application submitted to the Committee must be supported by a survey plan showing the intentions of the developer and must include details of dimensions and standards for the construction of roads and infrastructure services. The Committee has the right to prescribe the conditions for approval with respect to lot sizes, width of roads and other standards. If permission is given, the permit is valid for two years, after which time it expires. Final approval is given by the Minister.

Land within an area or lots in a sub-division can not be sold or otherwise disposed of unless the owner furnishes the Minister with a bond for the construction of roads or other works required for the subdivision to be finalised. Alternatively the construction of roads and provision of services must be completed before the sale of lots in the subdivision.

The owner must carry out the demarcation of the lots, obtain the approval for the subdivision and complete the construction of roads and infrastructure services prior to the commencement of any construction of buildings in the area.

The Act also describes the procedures for appeals, penalties for offences, decisions regarding repair of roads and recovery of expenses on behalf of the Government.

### **2.2.6 The Acquisition of Land Act**

The *Acquisition of Land Act* dates back to 1913. The most recent amendment was adopted in 1987. The purpose of the Act is to facilitate the acquisition of land when needed for public purposes. The first part of the Act deals with the Minister's responsibility to appoint assessors, being persons skilled in valuation of property. When land is needed for public use the Minister must publicise a notification about this intent and follow certain procedures. The work can be done by the Minister or by someone authorised to carry it out. The procedures will include a survey of the land, a soil investigation and any other tests needed to determine the suitability of the land for the proposed public purpose. It will also include setting out and marking the boundaries and, if necessary, clearing the ground for the work.

The Minister will publicise a declaration of the intended acquisition in order to allow all persons with any interest in the land to present their case. This should be done within 30 days. The notice is considered to be sufficient proof that the land is needed for a public purpose. If possible, the notice is sent to those occupying or owning land in the area. The affected persons have a right to appeal.

The Act describes the ways in which acquisitions can be carried out whether through private agreement for purchase or compulsory purchase. The occupier of land is entitled to compensation at market value.

In cases of disagreement assessors are appointed to make a valuation of the land, which then is the basis for further negotiations or legal actions. The decisions will be made by the Magistrate Court and appeals can be made to the Supreme Court.

### **2.2.7 The Commonage Act**

This is one of the oldest laws regarding land in the Bahamas. It came into force in 1896 and deals with a specific type of land tenure awarded to certain communities on some of the islands of The Bahamas. The land is titled commonage, because it is held in common by the members of the community through a form of collective ownership.

To have access to the commonage land persons must be registered members of the particular community. It is not entirely clear what use rights are connected to the commonage tenure, but it appears to have been intended originally for farming and livestock. However, the Act indicates that, provided the community agrees, any use could be accepted. The relation between the *Commonage Act*, the *Town Planning Act* and the *Private Roads and Subdivisions Act* is not clear.

The Act assumes that the records for Commonage communities are maintained and up-dated and that annual community meetings are held.

### **2.2.8 The Local Government Act**

The Act is one of the most recent laws in The Bahamas with importance for land and housing development. It is also a significant step towards decentralisation of functions and powers to the local level of government. It was adopted in 1996.

The Act provides for the division of The Bahamas into districts based on the initiative and decision of the Minister. The number, names and the boundaries of districts are set out in the First Schedule of the Act. The Second and the Third Schedules of the Act list two different categories of District. The difference between the categories lies in the levels of responsibilities, the administrative set-up etc. The Minister has the right to establish, change and remove local government districts.

The Minister may further divide districts into town areas and provide for the establishment of town committees in such areas. The Town Committee shall be

elected by registered voters living in the area. The Committee elects amongst themselves a Chairman and a Deputy Chairman.

The Town Committee shall provide for health and sanitation. The Committee shall co-operate with other authorities to take care of, and maintain, public areas, parks and gardens, open space, beaches etc. Furthermore the Committee will maintain water sources and water supply, roads, streets, pedestrian paths, road signs and other installations for road safety as well as postal services. The Committee is charged with the up-keeping of the urban environment through the restoration of buildings and the maintenance of public buildings, harbours and jetties.

Every district will have a District Council with full legal responsibilities in terms of entering into agreements and contracts. However, the Council may not dispose of real property.

Second Schedule districts shall have a council, consisting of the chairpersons of the town committees for the town areas within the district. In addition the town committees shall elect the number of persons required to make up a council comprising of nine members.

Third Schedule districts shall have councils with nine members elected by registered voters residing in the district.

The District Council shall elect amongst themselves a Chief Councillor and a Deputy Councillor.

The Council shall have the power of the Road Traffic Authority, port authority and exercise the functions assigned to the Town Planning Committee.

In terms of housing the Council will carry out building control, issue building permits and undertake inspections. The Council may formulate traffic schemes, town planning and building schemes and make provisions for public transport, environmental protection, energy supply, water supply and support to provisions for telephone services. It will have the responsibility for the maintenance of public buildings, schools, hospitals, clinics, harbours and transport facilities. It will also be charged with boat registration.

The District Council shall make recommendations regarding the use of Crown Land. The promotion of tourism will be part of the Council's responsibility.

As in any other legislation people aggrieved by the decisions of the committees can appeal to the council. Appeals can also be lodged to the higher authorities.

**Second Schedule Districts:**

North Abaco  
Central Abaco  
South Abaco  
Acklins, Crooked Island and Long Cay  
North Andros  
Central Andros  
South Andros  
Cat Island  
Exuma and Exuma Cays  
North Eleuthera  
Central Eleuthera  
South Eleuthera

East Grand Bahama  
West Grand Bahama  
Long Island

**Third Schedule Districts:**

Berry Islands  
Bimini and Cat Cay  
The City of Freeport  
Inagua  
Mayaguana  
Ragged Island  
Rum Cay  
San Salvador

### **2.3 Regional Structure**

The Bahamas is unique in terms of its geography and regional structure. The distance from its northwest corner at Walker's Cay to the southeast point on Great Inagua is about 700 miles. The total area of The Commonwealth of The Bahamas is 100,000 sq. miles. Only about 5 % of this is land, which corresponds to 5,382 sq. miles.

There are more than 2000 islands and cays, most of which are small and uninhabited. Tourists' information brochures usually state that there are 700 islands. Even of those only a few are inhabited. In recent years some of the minute cays have been developed as resorts or sold for the establishment of winter residences. About 30 islands have permanent residents of such a size that they have significance in the regional structure and economy of the country.

The inhabited islands are located throughout The Bahamas. The distances are great. The dependency on reliable transport and communication is very important for daily needs and in the context of growth and development.

#### **2.3.1 Geography and Natural Resources**

The characteristics of the Islands vary. Each island has its unique environment. There are basically two types of island formation. The first type of island was formed as narrow and long ridges of limestone and includes Eleuthera, Exuma, and Long Island. The second type consists of flat limestone plateaux. Andros, Grand Bahama and New Providence are examples of these.

There is a difference between the northern and southern part of The Bahamas in terms of soil conditions, vegetation and climate. The north has higher rainfall and is slightly cooler than the southern-most islands. On the northern islands of Grand Bahama, Abaco, New Providence and Andros pine is the main vegetation, together with palm trees and coppice. In the central and southern islands the vegetation becomes less dense and trees smaller, dominated by coppice trees and bushes.

The natural resources are mainly found in the marine areas, in the climate and in the beauty of the natural environment but also in forests and agricultural land. Some environments are important resources in the sense that they provide the ecosystem for plants and animals. Important environmental resources include coral reefs, the vast sandbanks, mangrove forests and wetlands.

The development of tourism has been emphasised by The Government, but is far from fully exploited on the Family Islands. Even on New Providence and Grand Bahama tourism is not sufficiently diversified to attract a wide variety of visitors. In the primary sector of the economy there are many initiatives taken, with projects started and abandoned. Certainly there is potential for both crop and livestock husbandry to a much greater extent than occurs at present for both domestic and international markets.

Fishing is already an important economic sector in parts of The Bahamas. It could be further developed and diversified however, provided marketing facilities are developed.

The forestry resources have been utilised in the past. Production was stopped due to over-exploitation. There may be potential for resumed use of the forest reserve in a more sustainable manner. Manufacturing of goods from wood was also practised earlier and could be initiated again e.g. carpentry, furniture production, and boat building.

### **2.3.2 Settlement Pattern**

The Islands of The Bahamas vary in size and population as well as in settlement pattern. The smallest inhabited islands are Biminis, Berry Islands and Ragged Islands with land areas of 11, 12 and 14 sq. miles respectively. Each consists of many small islands and numerous cays. The largest island is Andros with 2300 sq. miles. Even though it consists in actual fact of four relatively large islands and many small ones, it is considered one unit. The northern island, which is the main part of Andros, would constitute the biggest one on its own. Abaco is the second largest island, but includes a great many islands and cays. Inagua is the third largest island and with its small population it has the lowest population density. Grand Bahama has a substantial landmass being the fourth largest. New Providence is one of the smallest islands but with its 172,196 inhabitants it has the highest population density.

The dominance of New Providence is highlighted by the fact that about 70 % of the total population of The Bahamas live there. The second largest island is Grand Bahama with one fourth of Nassau's population. Grand Bahama's population is distributed in a number of settlements, of which Freeport is the main one. Most of the Family Islands show a similar dispersed settlement pattern with a great number of small towns or villages.

The settlement pattern in The Bahamas is thus extremely centralised. Even in a country with a continuous land area, such a centralised settlement pattern would constitute a problem. The centre cannot provide services to the remote and sparsely populated areas in a cost efficient way. The peripheral areas do not have a sufficient population base to be self-reliant in either economic development or in service provision. The transport and communication are kept to a minimum, while high transport costs have a negative effect on development. Young adults leave the peripheral areas for the centre in search of better employment and income opportunities.

In the case of The Bahamas the centralised regional structure is compounded by the barrier of the sea, which of course is also a means of communication though it is not always reliable. Development initiatives on New Providence are not available to the population on remote islands. To benefit from these investments people elsewhere have to migrate to New Providence. Ambitious investors on the Family Islands have only the local market as their outlet of produce or services unless the venture is export oriented.

The few people and businesses on the more remote islands do not benefit from the economic development in the centre unless special efforts are made to distribute the benefits. While settlements with a population of some substance can thrive based on its own economic strength, there is a great risk that the smallest islands will continue to decline.

An advantage of the barrier created by the sea is that it may slow down the migration, as it may be considered a great and cumbersome step to take. However once the move is made the return is equally cumbersome.

In spite of the negative side of the heavily centralised regional structure, there are positive aspects of the scattered settlement pattern and the isolated islands. Islanders have a strong sense of self-esteem and integrity with an awareness and pride of their own environment. The fact that one is dependent upon its immediate surroundings and the resources available has often created an attitude and life style that promote sustainability. This would be a good and strong base for the development of The Bahamas in general and the Family Islands in particular. In addition the isolation of

the Family Islands has preserved, in global terms, unique, sensitive and valuable environments.

### **2.3.3 Settlement Characteristics and Housing**

The islands of The Bahamas have a historically and culturally diversified background that can be found in the settlement pattern, the design of buildings and the way of living. Many towns and villages or parts of settlements have very special, interesting and charming cultural and architectural characteristics. These should not only be protected and maintained but also utilised in the development of new housing.

The first settlements were established in the middle of the seventeenth century with the arrival of Eleutheran adventurers on New Providence and Eleuthera. New settlements followed on Exuma, Cat Island and Long Island. The first major growth occurred after 1780 with the immigration of Loyalists, settling in Nassau, Abaco, Spanish Wells, Harbour Island and North Eleuthera. In the same period a group of immigrants from St. Andre's settled on Andros. The abolishment of the slave trade and slavery resulted in immigration to The Bahamas and the establishment of plantations and related settlements. The freeing of slaves also resulted in many small villages being established on New Providence, Long Island, Exuma, San Salvador and Rum Cay. The final abolition of slave labour systems led to new settlements throughout The Bahamas but more notably on Andros and Grand Bahama. A secondary effect was the abandoning of plantations and the decline of some settlements dependent on large-scale farming.

Since the early days of the history of The Bahamas, settlements have been established in support of development initiatives and investments. They have grown and diminished depending on the fluctuations in the economy and the demand for resources and products. Settlements were established around ports, fishing harbours, forestry, saw mills, salt industry, boat building, airports, services and more recently tourism.

There are some 200-300 settlements (depending on the definition of settlement) on The Bahamas. Most of them are small and dependent on larger centres for all types of services.

### **2.3.4 Regional Development Potential**

Regional development potential in The Bahamas is dependent on many factors, some of which are related to global development trends. Others are the result of the economic development in The Bahamas itself and depend on the policies and decisions of the Government. Various natural or economical conditions may have an impact on the potential for a region to control development. Apart from the existence of local natural resources, these include infrastructure development, size of population, education access to markets etc. The converse may also apply: the lack of natural resources, and a lack of basic infrastructure impedes economic progress. Provision of housing is an important factor for the realisation of development potential. Access to housing can facilitate development, since housing is a basic need for employers and employees alike. It can also be used for directing growth and development, particularly where other factors are more or less equal. The housing industry itself can be a stimulant to development, providing employment, creating a demand for materials and skilled labour. Land availability and access to land are crucial for the realisation of potential.



New Providence has obviously a great development potential to the extent that its growth may be an obstacle for a more dispersed growth pattern. The Bahamas has a small population. If the economy continues to grow rapidly human resources may become a constraint. With the current restrictive policies on immigration, (which is one assumption underlying the population projections prepared by the Department of Statistics) the total population of The Bahamas will be about 348,000 in 2011. There may be a shortage of labour, especially skilled labour, and of highly qualified technical and professional people.

### **New Providence**

New Providence has the benefit of primacy in terms of administration, economic and financial services, communication and infrastructure as well as a major share of the population. Its growth may continue and further emphasise the dominance. However, there are some constraints to its continued growth that may favour investments in other parts of The Bahamas.

With continuation of the present rate of urban growth and of the low-density suburban land use pattern, the availability of land will become an issue. There is still virgin land on the island but its suitability for development may be doubtful and the cost of servicing prohibitive. Alternative approaches that could increase the capacity for accommodation, for example, town house development, multi-family housing, infilling through subdivision of lots, redevelopment and rehabilitation with intensive and mixed land uses should be explored. The amount of land in the form of undeveloped lots in subdivisions could be used for more intensive land use.

Infrastructure services are not readily available in the new suburban areas. Increasing costs are a result. In the case of rehabilitation or redevelopment the cost for land will probably increase due to the need to acquire land and up-grade bulk infrastructure.

New Providence lacks a reliable water supply, which will put a limit to growth, require water saving measures, or the establishment of sophisticated water transfer schemes. Each alternative imposes its own type of economic and financial costs.

### **Grand Bahama**

The City of Freeport has great development potential, due to the existence of the harbour and the industrial areas, the availability of serviced land and a reliable water supply. It is also well suited for establishing a diversified local economy with an adequate population base. The Freeport area includes attractive environments with potential for further growth of the tourist sector. In addition, the Freeport has a considerable share of up-market tourist estates.

Grand Bahama has considerable natural resources in forests, fishing and land for agriculture as well as good potential for tourism. The West End investment is one example. It seems obvious that with the right support Grand Bahama could grow considerably, absorbing a large share of the population increase of The Bahamas.

### **Family Islands**

Among the Family Islands there are great differences in development potential, but the islands can be grouped into several categories.

A few of the islands have a population size and natural resources that could generate and support sustainable growth on their own. This group of islands could be classified as first category in terms of development potential. The most promising

situations are found on Abaco, Andros and Eleuthera, which all have diversified economies. Harbour Island, Spanish Wells and San Salvador are special cases in this category.

Abaco has good natural resources. The tourist potential is already considerably developed. The natural environment is favourable for dispersed small-scale tourist establishments. The settlement pattern is characterised by small villages with only Marsh Harbour and Cooper's Town as major centres. There are new subdivisions for Government supported housing.

Andros consists of four islands, which is in itself a constraint to development. The natural resources are abundant consisting of agricultural land, forest areas and important mangrove forests and good fishing. The availability of a good water supply is a major natural resource. The eastern coast is protected by a barrier reef that is the third largest reef system in the world, providing a vast resource for tourism of all sorts. The major settlements are Nicholl's Town, Fresh Creek, Mangrove Cay and Morgans Bluff.

Eleuthera has experienced a decline in recent years due to failures in the tourist sector and closure of agricultural ventures. It has a sufficient population base for growth and development and has good natural conditions to support agriculture and fishing, and an environment suitable for the promotion of tourism. The major settlements are Rock Sound, Governor's Harbour and Gregory Town.

Harbour Island and Spanish Wells constitute special cases of great interest. The development of the two small islands has been positive and based on quite different resources. Harbour Island is primarily a tourist resort with excellent beaches. Dunmore Town is the only settlement on the island and it has a picturesque urban environment. Spanish Wells is the fishing capital of The Bahamas with a fleet of fishing boats primarily involved in lobster fishing.

San Salvador is a special case in the sense that it has a small population and very limited resources. It is heavily dependent upon one major tourist venture. In recent years there has been considerable growth and expansion of the tourist facilities. Government has responded to the trend and provided for new housing.

The second category of islands is heavily dependent upon tourism. However, they seem to have stable local economies. This group includes Bimini and Cat Cay, Berry Islands, Exuma and Exuma Islands cays.

Bimini and Cat Cay include three small islands with tourism and in particular boat tourism and sport fishing as specialities. The main settlement and centre of activities is Alice Town. Berry Islands is similar to Bimini but much smaller. It has beautiful beaches and attractive environments. It can utilise the short distance to Nassau for attracting tourists. The main centre is Great Harbour Cay.

Exuma has good natural resources, a bigger population and larger land area than the two mentioned above. It has a history of fluctuating local economy with many attempts in crop farming and livestock husbandry. Exuma consists of two main islands and numerous small cays. It has good potential for different types of tourism. Its future development requires diversification and small-scale tourism initiatives.

The third category consists of Islands with a fairly large population, but with a considerable decline over a long period of time. These are Long Island and Cat Island. Both of them have good potential in terms of available natural resources for agriculture and fishing.

Long Island has excellent beaches, dramatic and scenic coastlines with areas for good fishing. The main settlements are Deadman's Cay and Stella Maris.

In the past Cat Island had a primarily agricultural based economy. Today there are only a few small-scale tourist resorts. Substantial investments and economic initiatives will be needed to shift the trend for these islands towards a more diversified economy.

The fourth category of islands is the group of islands with small populations, fairly large land mass, dependency on one establishment, or lacking economic initiatives altogether. This group includes Crooked Island, Acklins Island, Inagua and Mayaguana.

Crooked Island and Acklins Island have good agricultural land, used earlier for cotton and other types of farming. Cascarilla bark is harvested and is an important natural resource. There are good fishing waters around the islands.

Inagua is one of the largest islands in The Bahamas. It is dependent upon one single resource: the extraction of salt. A vast area has been declared a National Park for its natural environment and bird life. Obviously this could form the basis for expansion of the tourism on the island.

Mayaguana has a very small population and few resources. However, there are good beaches and a well-preserved natural environment.

The fifth category includes some small islands with few inhabitants and remote locations viz. Ragged Islands and Rum Cay. The potential for development would be linked to the establishment of tourist resorts that in turn require support services and fresh produce supplies.

Rum Cay is a compact island with one settlement: Port Nelson. Ragged Island consists of number of small islands and small cays. The centre is Duncan Town.

These two Island groups will need considerable support to survive as economic units.

All of the Family Islands need substantial investment for local economic development and for improved infrastructure services.

## **2.4 Recommendations**

### **General aspects**

- Good and affordable housing is a basic need and the housing programme should be extended to include all low-income households that need support.
- Co-ordination and co-operation between social agencies is needed to improve sub-standard areas.

### **Administrative aspects**

- Develop administrative systems of co-operation and co-ordination between authorities and institutions involved in the housing provision process.
- Create specific project teams for the implementation of housing projects.
- Decentralise functions to local authorities.

### **Legislative aspects**

- Review legislation and procedures with the aim of simplifying the process for housing provision.
- Review the *Housing Act* with the aim of including a greater share of the low-income households in the target group.

- Investigate possibilities in terms of the *Commonage Act* to utilise such land for development.
- Initiate the formulation of a comprehensive Land Policy.

**Regional Development aspects**

- Formulate regional development strategies and prepare regional development plans to encourage decentralised development.
- Investigate the need for special support programmes for small remote islands.
- Use housing to support development initiatives on the Family Islands.
- Encourage investments on Grand Bahama and on the Family Islands.

### **3 FINDINGS AND ISSUES**

In formulating the housing policy and in the context of the housing programme the Government of The Bahamas will address issues that are of concern to the people and that are prioritised by Government. Recently the Government has given attention to housing and social development. From the official statements by The Prime Minister Hubert Ingram and by The Minister Algernon Allen, it is obvious that the housing issues are of great concern. It is encouraging to note that the close relationship between good housing standards and social development seems to be fully recognised. Reference is made to the Redevelopment Programme for the Areas Over-the-Hill and the formulation of Social Vision 2000.

Further on in the different chapters of the Final Report a number of sectors are analysed, forecasts are made and estimates and assessments are presented. In each of these cases issues and problems are identified in terms of significance for housing provision. In the following sections of this chapter the issues are presented in a summarised form. The full understanding of the issues will require reading of the relevant chapters.

#### **3.1 General Issues**

Government has assumed responsibility for the provision of housing with emphasis on the low income and medium income households, as priority groups. The linkages between housing provision and social aspects of development are emphasised. The assumptions, goals and issues that should be addressed according to policy statements of the Government of The Bahamas are:

- Good and affordable housing is a basic need.
- Poor housing and poverty are at unacceptable levels in The Bahamas.
- Enhancement of the quality of life requires reduction of inequality and creation of stability and security.
- The private sector should assume greater responsibility for developing affordable housing programmes for low-income households.
- Infrastructure costs for new development areas should be addressed to reduce costs and to facilitate access to housing.

#### **3.2 Administrative Issues**

An efficient administration is essential for the achievement of Government goals. The realisation of the housing policy and the implementation of the housing programme are complex undertakings that involve many actors. The main issues in this context are:

- Lack of co-operation and co-ordination between Government bodies and other stakeholders in the housing provision process.
- Statistic and data bases are not kept up-to date and are inconsistent.
- Records and registers are not user-friendly.
- The administrative structure is highly centralised, creating cumbersome procedures.

### 3.3 Legislative Issues

The legislation that influences the housing sector includes a number of sectoral laws established over a long period of time. The fragmented nature of legislation contributes to the complexity of the housing process. The issues include the following:

- The legislation is complex and sectoral.
- The *Housing Act* is fairly technical and lacks emphasis of the social aspects.
- The *Bahamas Mortgage Corporation Act* should be reviewed in the context of redefining the role of the Bahamas Mortgage Corporation.
- Strip development and infilling are not regulated by the *Private Roads and Subdivision Act*, resulting in ad hoc development.
- The requirements and restrictions imposed by the *Commonage Act* have a negative effect on the utilisation of land.
- The *Local Government Act* could be an effective instrument for development, but there are inadequate resources at local level.

### 3.4 Regional Development Issues

Regional development depends on natural resources and economic activities. Housing provision will respond to the needs that arise from economic growth and development. However, availability of housing can also be a factor that supports and directs development. Conversely, lack of housing can be an obstacle to the utilisation of resources and realisation of development opportunities. To achieve regional development Government support and initiatives are essential. A number of issues related to the regional structure of The Bahamas can be noted:

- The settlement pattern is extremely centralised, focussed on a single primate city, attracting every larger proportions of investment relative to other parts of the country.
- Communication links between the centre and the remote islands are weak, and high communication costs impose an obstacle to growth.
- The Family Islands cannot benefit from the rapid growth of New Providence.
- Natural resources are not economically utilised.
- Construction costs are much higher on the Family Islands than on New Providence.
- Grand Bahama has great development potential that should be encouraged.
- The economies of the smallest islands are not sustainable.
- There is no overall regional development policy to guide planning, to prioritise and promote regional development.

### 3.5 Economic Issues

As the economy of a country is the basis for the welfare of the people, improved housing is only possible if the current stable economic development is sustained. Although the study has not aimed at identifying the conditions regarding the economy a few observations can be made:

- In spite of the dependency on tourism the sector is primarily large scale and centred on foreign investment.
- The primary sectors, agriculture, forestry and fishing, could be further developed. There is a need for marketing support.

- The economy of the Family Islands lacks outlet channels and suffers from poor transport and communication infrastructure.
- The natural environment of the Family Islands is an under-utilised resource.

### **3.6 Environmental Issues**

Sustainable development is possible only if there is a balance between utilisation and conservation of resources. It is important that the protection of the environment is incorporated in terms of housing development. The issues in this respect include the following:

- Inappropriate use of the environment is a threat to the tourist sector and thereby to the economy of The Bahamas.
- Degeneration of the urban environment with poor housing, poor sanitation and health is unsustainable.
- The maintenance of a clean environment, including the collection and disposal of waste is essential.
- Littering in streets and along public beaches should be a serious concern.
- Sprawl in both New Providence and the Family Islands has an impact on the cost of services (both capital and recurrent), resulting in unsustainable use of land resources and the physical landscape.

### **3.7 Low Cost Housing Issues**

The provision of housing for low income housing at an affordable level is a prime concern. This is expressed by Government in public statements and is reflected in the Terms of Reference for this study. The present Housing Programme raises a number of concerns and issues:

- To afford the cheapest masonry house in the Government Initiated Housing Programme a household income must be at least B\$ 15,000 per annum.
- Based on this criterion, a considerable share - 25 % - of all households cannot afford the most common type of Government housing presently available (masonry structure).
- The actual target group for Government housing represents 23% of all households. They must earn B\$15,000-28,000 per annum to qualify.
- Government Housing includes a subsidy. Measures are needed to ensure that only those who need support benefit.
- Government Rental Housing is not achieving its objectives.
- The housing concepts are conventional and there is a lack of innovative approaches.
- There are no viable options to the purchasing a home for low-income households.
- Rental housing in its present form is not a favourable option for low-income households.
- The private sector involvement in low cost housing provision is limited.
- There is a need for new technical, tenural and financial concepts to meet the needs of low income households, in particular for those earning less than B\$15,000.
- The proportion of households in need of low cost housing is greater on the Family Islands than on New Providence and Grand Bahama, but in absolute terms there are more poor households on New Providence than elsewhere in The Bahamas.

- There is little knowledge about attitudes and preferences in terms of housing.
- Many of the low-income households are headed by single female parents.

### **3.8 Housing Production issues**

The information on the actual output is obtained from records maintained by various Government bodies. The targets set for housing production rely on involvement of Government, lenders and the private sector. The following issues have been identified:

- The statistical records are cumbersome and complex and not suited for analysis.
- The records do not include information about house type, housing category or number of units.
- A great number of buildings for which applications have been approved are never started or completed.
- The number of houses demolished for either replacement or other land uses is not known due to the lack of statistics.
- The construction process for housing, in particular self-built houses is slow.
- Extensions and rehabilitation of houses are often not formally processed or registered as completed.
- The analysis of the statistics indicates a substantial backlog in housing production.

### **3.9 Construction Capacity Issues**

Provision of low cost housing is dependent upon the capacity of the construction industry. While Government is taking initiatives in the administration, preparation and financing of housing, the private sector input is essential for the actual implementation and construction of buildings. The following issues have been identified:

- Private sector involvement as developers of Low Cost Housing is limited and does not target the group of households with low income.
- Small-scale contractors have insufficient capacity to undertake major assignments and are often poorly managed.
- Small-scale contractors often experience technical, managerial, financial and operational problems.
- There is no general licensing system for contractors.
- Building materials and techniques are conventional and small-scale contractors do not have the capacity to develop new methods or building systems.
- The statistical records do not allow an assessment of the extent of self-built housing.
- There is a lack of skilled labour and a need for additional vocational training.
- Construction costs are high and increasing mainly due to costs of building materials.
- The high costs of building materials and additional transport costs hamper development on the Family Islands.



### **3.10 Housing Financing System Issues**

The availability of low cost housing depends on the production of new housing and the capacity of the construction industry. The accessibility and affordability of housing depends on the financing system and the requirements related to mortgage loans.

The efficiency of the housing finance system is a major issue. In more detail the following issues were found:

- While the mortgage market seems efficient, the building construction credit is limited and not systematic.
- The Bahamas Mortgage Corporation's market share is continuously decreasing.
- The role of the Bahamas Mortgage Corporation in comparison with other lenders is inadequately defined.
- The approval process for applications is slow.
- Most of the mortgages are provided for single detached dwellings, even if the share of duplex and town houses is increasing.
- The limits for issuing of housing bonds are an obstacle to increased investment in housing.
- The Minister responsible for housing borrows money at too high an interest rate.

### **3.11 Government's Role and Procedural Issues**

Housing production requires efficient administration and effective procedures. There is a concern that the procedures for obtaining permits and for monitoring may be an obstacle in the process. The findings and issues are:

- The involvement of various Government agencies is appropriate and adequate, but there is a lack co-ordination and co-operation between the different bodies participating in the process.
- The procedures seem cumbersome and complex.
- The goals in terms of housing production under the Government Housing Programme have not been achieved.
- There are great fluctuations in housing production from year to year.
- Developers complain about delays caused by the lengthy process for obtaining permits, execution of inspections and the issuing of occupancy permits.
- There are delays in the process of allocation of houses and the issuing of loans related to the application procedures.
- There is a lack of Building Inspectors on all islands of The Bahamas.
- There is insufficient staff in the Department of Housing and there is a need for capacity strengthening to allow greater involvement in low cost housing.
- The statistics regarding number of applicants for Government Housing need updating.
- The statistics suggests a considerable demand for Government Housing.
- The acquisition of land for subdivision may increase housing costs in view of the scarcity of land on New Providence.
- Housing construction contracts are awarded to approved builders at a fixed price.
- The cost of construction and the selling price are controlled by Government.
- The price does not fully recover the cost for land and infrastructure services.
- The subsidy benefits all who obtain a Government Guaranteed Mortgage loan.
- The maintenance of houses in Government housing areas is often neglected.

### **3.12 Population Issues**

The changes in population distribution and demographic structure are a basis for all needs and requirements in terms of housing. The study has revealed the following issues in this respect:

- There is a stable but slowly declining population growth in The Bahamas.
- The main feature affecting population growth and population distribution is the inter-island migration.
- In the past immigration to The Bahamas has been controlled and has had a marginal impact on population growth.
- Many of the Family Islands have a declining population.
- The age-sex distribution and the social structure have become distorted due to inter-island migration.
- The data and statistics are from 1990 Census and thus not up to date.
- There has not been any inter-Census review to assess population developments or to verify projections.
- The projections, if accepted, indicate reinforcement of an extremely centralised distribution pattern.
- There is a need to reassess population and household developments once the Census 2000 is completed.

### **3.13 Household Issues**

Information regarding households is closely linked to population and is of utmost importance for the assessment of housing needs. Changes in household characteristics depend on social situations, cultural and historical conditions, economic growth and furthermore on the provision of housing. The growth in terms of household formation is thus not only correlated to population growth. A number of important issues can be highlighted:

- The average household size is declining, but there are great variations between the islands.
- The household size is surprisingly high on New Providence, suggesting a lack of housing.
- There is a wide standard deviation in household sizes, which will influence housing demand and should be taken into account in the provision of housing.
- There is a growing share of single parent headed households. The head of household in these cases is usually female.

### **3.14 Housing Stock and Overall Housing Demand**

The existing housing stock, its content and conditions determine to what extent the needs of the households are satisfied. This is where the shortages are revealed and the requirements for the future are summarised. The main issues that need to be addressed and the requirements for the future are as follows:

- The low occupancy rate in particular on the Family Islands means that many dwellings are vacant.
- The most common size of dwellings is a 3-4 room single detached house.

- The dominance of single detached housing is a concern as it contributes to urban sprawl and the cost of development.
- The majority of dwellings are owned by the occupants of the dwelling.
- There is a considerable proportion of rented housing, most of which is in the private sector, but not targeting the low-income category.
- In the 1990 Census about 50 % of all dwellings were recorded as built before 1970 suggesting a need for replacement, rehabilitation and repair.
- There have been no changes in terms of predominant types of building material.
- Improved water and sanitation are still a need in low standard areas.
- Overcrowding and sharing of dwellings add substantially to the housing demand.
- Housing conditions in low standard housing areas, particularly on New Providence but also in major centres on other islands, need urgent attention.
- There is a need for further detailed studies regarding up-grading requirements.
- The statistics on housing construction need considerable improvement to be useful in the updating the housing stock information.
- The analysis of construction statistics indicates a backlog of 2400 houses.
- The total housing demand is based on the housing backlog, housing needs due to household formation, and housing needs due to improved standards and reduced sharing.

### **3.15 Land and Land Use Management Issues**

Access to land, the cost of land, servicing it, and the procedures to prepare it for development are essential factors in the system for housing provision. Land has become a scarce resource and the issues arising out of this situation are as follows:

- The lack of serviced, readily available and suitable land for housing will increase housing costs.
- The cost of serviced land has increased dramatically.
- Government can acquire private land. However, with increasing land prices, this is likely to add to the cost of development.
- Land management and land related legislation seems to be fragmented and complex.
- Undeveloped privately held land often restricts expansion possibilities.
- Legislation, institutions, planning tools and procedures for land use management are lacking or weak.
- There is no long-term strategy for urban development.
- Funding of urban development is secured on an *ad hoc* and project related basis lacking long-term perspectives and integration.
- There are considerable numbers of undeveloped lots in existing subdivisions. However, statistics and records are incomplete and unreliable.
- Low standard areas in historical and fairly central locations need redevelopment and rehabilitation.

## **4 LOW COST HOUSING – HOUSEHOLD INCOME AND AFFORDABILITY**

Low Cost Housing is developed as a concept and a housing category to address the needs of households that have low incomes and limited means to acquire the type of housing offered on the regular commercial housing market. Low cost refers both to the cost of construction and the relation to the affordability levels of low-income households.

Any household has to balance its demand for housing to what it can afford. There is a common tendency to aim for unrealistic goals and to overestimate the ability to afford the dream home. On the other hand, any household would normally search for the most favourable housing option at a level corresponding to income and intended expenditure.

In most cases low cost housing includes some kind of subsidy. It is therefore important that the target group is clearly defined and that the procedures ensure that only the target group will benefit from the subsidies.

Households with low incomes may have housing needs that exceed what they can afford. This is especially true of large households with children. In this chapter the assessment deals with the income and affordability of households with low incomes, the size of the category in comparison with other income groups, standards and living conditions and the housing demand.

### **4.1 Share of Low Income Households**

The distribution of household income in 1998 can be summarised as follows: one-third of all households had incomes below B\$ 20,000, one-third had incomes between B\$20,000 and B\$40,000, and one-third had incomes above B\$40,000. The average household income was B\$33,700. As a reference, the minimum wage in the governmental sector was B\$9,100 per year in 1999. The number of households with low incomes has decreased substantially since 1990 when approximately half of the households had incomes below B\$20,000.

Households with incomes below B\$20,000 per year will have varying degrees of difficulty to acquire housing that meet their needs, especially if they are in a situation where they need to purchase a new house. Taking into account that the latest available figures are from 1998, households with incomes below B\$15,000 in 1998 would not, in most cases, be able to purchase a house in 1999. The focus is placed on this income group.

#### **4.1.1 Households without means to access the housing market**

The following table shows the distribution of household income in 1998 for the whole of The Bahamas. It is based on a survey carried out in 1998.

**Table 4.1** Distribution of household income in 1998.  
All of The Bahamas (survey).

Household income B\$/year	Number of households	Percentage of all households
0- 5 000	4 350	5.7
5 001- 10 000	6 575	8.5
10 001- 15 000	7 050	9.2
<b>Sub-Total 0-15000</b>	<b>17 925</b>	<b>23.3</b>
15 001- 20 000	8 005	10.4
20 001- 40 000	25 170	32.7
40 001- 60 000	12 865	16.7
60 001- 80 000	5 640	7.3
80 001-100 000	2 330	3.0
over 100 000	1 790	2.3
Not stated	3 115	4.1
<b>Total</b>	<b>76 890</b>	<b>100</b>

Source: Survey, 1998 (Some additions appear inaccurate because of rounding.)

On the basis of this survey, we estimate that approximately 18,000 households (17,975), or about 23% (23.3%) of all Bahamian households, would not be able to purchase a new house in 1999, as they earn less than B\$ 15,000 per year.

#### 4.1.2 Geographical Distribution of Low Income Households

The following table shows the distribution of household income between New Providence and Grand Bahama and the Family Islands.

**Table 4.2a** Distribution of household income in 1998.  
Number of households (survey)

Household income B\$/year	The Bahamas	New Providence	Grand Bahama	Family Islands
0- 5 000	4 350	2 005	1 230	1 115
5 001- 10 000	6 575	3 650	1 380	1 545
10 001- 15 000	7 050	3 750	1 235	2 065
<b>Sub-Total 0-15000</b>	<b>17975</b>	<b>9 405</b>	<b>3 845</b>	<b>4 725</b>
15 001- 20 000	8 005	5 075	1 655	1 275
20 001- 40 000	25 170	17 060	3 910	4 200
40 001- 60 000	12 865	9 175	1 655	2 035
60 001- 80 000	5 640	4 135	750	755
80 001- 100 000	2 330	1 745	420	165
over 100 000	1 790	1 355	270	165
Not stated	3 115	1 845	180	1 090
<b>Total</b>	<b>76 890</b>	<b>49 795</b>	<b>12 685</b>	<b>14 410</b>

Source: Survey, 1998

**Table 4.2b** Distribution of low income households in 1998.

	The Bahamas	New Providence	Grand Bahama	Family Islands
Total Households <sup>1</sup>	73 775	47 950	12 505	13 320
Low Income Hhlds <sup>2</sup>	17 975	9 405	3 845	4 725
Low Income Hhlds As % of Bahamas	100	52.3	21.4	26.3
Low Income Hhlds As % of Regional	24.3	19.6	30.7	35.5

<sup>1</sup> Excludes those households that did not state an income. While absolute figures will be lower for each category, percentages will be accurate enough for comparative purposes.

<sup>2</sup> Low-income households are defined as households with annual incomes between B\$0 - 15000.

More than half of the households with low incomes, approximately 9,400 out of 18,000, lived in New Providence in 1997.

Table 4.2b clearly shows the regional disparities of household income. More than a third of households in the Family Islands had incomes of B\$15000 or below, while only a fifth of households in New Providence belong to this low-income group. A quarter of all low-income households in the country lives on the Family Islands. On Grand Bahama the proportion of low-income households is just under a third at 30.7%. In absolute terms, however, New Providence has more than half (52.3%) of all low-income households in The Bahamas.

These figures reflect the relative disadvantage of the Family Islands in terms of economic development. The Family Islands have had sluggish economic development and on many islands the unemployment rates are very high. In spite of the investments and related growth on the Grand Bahama stagnation in recent years has had a negative effect on household income development. The higher absolute numbers on New Providence are not surprising given the much greater population size, but may also reflect the migration of households to this focal point of economic development in search of employment and a better life style.

The regional differences are further highlighted by distribution of households on the different income groups. The low-medium income group (B\$15,000-40,000) represents 44 % of the households on New Providence and a similar proportion on Grand Bahama, while for the Family Islands the share is only 23 %. It should be noted that average figures should only be used to describe trends.

The differences amongst the Family Islands were noted earlier. In terms of household income up to date information is scarce. Even so it is worth noting that the high income households, earning B\$60,000 and more, represented 14 % of households on New Providence, 11 % on Grand Bahama and only 7.5 % in the Family Islands. Given that 64.5% of all households live on New Providence, these figures indicate a considerable concentration of wealth on that island, as expressed in terms of household incomes.

#### 4.1.3 Low-income households employment status

It could be expected that a very low household income would be a result of unemployment or part-time employment. The following table shows how income is related to unemployment.

**Table 4.3** Distribution of household income in 1997.  
Number of heads of households. All of The Bahamas (survey)

Household income B\$/year force	Total	Employed	Unemployed	Not in labour
0- 5 000	5 235	1 740	750	2 745
5 001- 10 000	6 760	4 735	780	1 245
10 001- 15 000	7 730	6 295	405	1 030
<b>Sub-Total 0-15000</b>	<b>19 725</b>	<b>12 770</b>	<b>1 935</b>	<b>5 020</b>
15 001- 20 000	8 305	6 965	280	1 060
20 001- 40 000	25 195	21 695	780	2 720
40 001- 60 000	10 910	9 535	155	1 220
60 001- 80 000	5 160	4 595	95	470
80 001-100 000	1 660	1 375	-	285
over 100 000	1 375	1 190	30	155
<b>Total</b>	<b>72 330</b>	<b>58 125</b>	<b>3 275</b>	<b>10 930</b>

Source: Labour Force and Household Income Report 1997. Department of Statistics, Ministry of Economic Development. December 1997.

This survey was carried out in 1997 shows that there were approximately 2,000 more low-income households in 1997 than in 1998. According to the survey about one-third of the low-income households were out of work. Approximately 10 % of the households with employment had income below B\$10,001 in 1997. It can be concluded that low income is not primarily a result of unemployment. There are other factors that are of significance in determining the financial situation of a household. These are of a social, cultural and/or educational nature. These aspects should be addressed in parallel with the strictly economic aspects.

#### 4.2 Sex distribution amongst heads of low income households

Large households with low income will have greater difficulties in fulfilling their needs for housing at a level they can afford. It is important to assess the situation regarding the distribution of income for different types of households. This analysis was carried out using the statistics presented as part of the 1990 Population Census. More recent data is not available to our knowledge and the actual numbers are therefore not representative for the situation in 1999. However, the relative distribution, which is presented below, should give a reliable illustration of the situation.

**Table 4.4** Distribution of household income.  
Percentage of households by sex and size in each income group.  
All of The Bahamas. 1990

Household income B\$/year Sub-	Male head					Female head				
	Size of household				Sub					
	1	2	3	4+	Total	1	2	3	4+	
Total										
0- 5 000	25	12	5	10	52	20	10	7	12	49
5 001- 10 000	22	13	8	17	60	8	8	8	17	41
10 001- 15 000	15	12	9	23	59	7	8	8	19	42
15 001- 20 000	12	10	10	27	59	6	8	7	19	40
20 001- 40 000	6	11	13	38	68	2	5	5	20	32
40 001- 60 000	4	10	12	50	76	1	2	3	18	24
60 001- 80 000	3	10	10	57	80	1	1	2	16	20
80 001-100 000	6	12	10	56	84	1	1	1	13	16
over 100 000	6	17	12	55	90	1	1	1	7	10
Total	12	11	10	30	63	6	6	6	17	35

Source: The Report of the 1990 Census of Housing & Population, vol. II. Dept. of Statistics, Ministry of Economic Development. 1997. Figures may not total 100 because of rounding.

The largest group of the households (45%) within the income group, earning up to B\$5,000 per year were single-person households, but as many as one-third were households with 3 or more members. Most of the households with female heads have low income. Approximately 36% of the households with female heads and 4 or more household members had incomes below B\$15,000 per year. It was found that a majority of low-income households have 3 or more household members. The low-income household issues incorporate a gender bias, as many household heads in the low-income household category are female. The table shows very clearly that the proportion of female-headed households decreases steadily as household income increases. Only 10 % of the top bracket income group are headed by females, while 49% of the lowest income households are female headed.

### 4.3 Household Income Development

The income situation and household earnings depend on economic development and the ability of individuals to utilise the growth and benefit from improvements. It is not static and in an enabling environment the mobility of households in economic terms will contribute to engagement and involvement in development.

#### 4.3.1 Changes in Income Distribution

Income changes over time and the ability of a household to afford a home according to its needs may change. The limiting factor in this process of improvements and economic mobility is the increase in costs generally and building costs particularly. Affordability is also affected by other commitments linked to the head of the household and the major income earners.



The following figure illustrates the change in proportion of households in the different income groups in 1990 and 1998.

**Table 4.5:** Change in distribution of household income from 1990 to 1998. %.

Household income B\$/year	All Bahamas	New Providence	Grand Bahama	Family Islands
0- 5 000	-8	-6	1	-23
5 001- 10 000	-5	-6	-1	-8
10 001- 15 000	-3	-4	-4	1
15 001- 20 000	-1	-1	0	-2
20 001- 40 000	3	3	-3	11
40 001- 60 000	6	6	0	10
60 001- 80 000	4	4	3	4
80 001- 100 000	2	2	2	1
over 100 000	1	1	1	1
Not stated	2	2	1	5

Source: Survey, 1998

For The Bahamas, the share of households in the lowest income groups has decreased significantly between 1990 and 1998, from 40% to 23%. The number of low-income households has decreased from approximately 25,000 to 18,000.

The decrease is most significant for the Family Islands, where the proportion of households with income up to B\$15,000 has decreased from 62% to 33%. The share is obviously still high in spite of the significant decrease. In New Providence, the proportion has decreased from 35% to 19%. For Grand Bahama, the same share has only decreased from 34% to 30%. It can be concluded that there has been a substantial decrease in the share of low-income households over the last decade. However, the number of low-income households has not decreased as dramatically.

#### 4.4 Summary of low-income household characteristics

- About one fourth (approx. 18,000) of all Bahamian households has an income below B\$15,001. Considering the average property prices and mortgage cost, these households would have difficulties in managing a high-ratio mortgage to purchase a new house.
- Most of the low-income households live in New Providence but the proportion of low-income households relative to other income groups is higher in other parts of the country.
- Income among low-income households has increased over the last few years except in Grand Bahama.
- Most of the low-income households are single-person households or large households with 3 or more members.
- Most of the low-income households have employment but the proportion of households outside the labour force is high.

- Most of the low-income households are male-headed households but the proportion of low-income households among female-headed households is very high.
- Most single-parent households are female-headed.

## **4.5 Affordability**

The size and characteristics of low-income households can be used to describe the type of housing that may be demanded and related costs that are acceptable. This is the level of affordability that needs to be defined. Based on the information about household income, it is possible to make such an assessment.

### **4.5.1 Affordability versus low cost**

Affordability would normally mean that the household has the resources to cover the periodic expenses related to housing and other financial commitments. This does not necessarily mean that affordable housing is the same as low-cost housing. It is obvious that for households with high income, housing can be affordable without being low-cost. For a household that is trying to build up its savings through equity in a house, the house must be both affordable and low-cost. Low-cost means that the total cost for owning the house, i.e. the life-cycle cost, is low. The life-cycle cost also includes the market value of the house when it is sold.

### **4.5.2 Maximum housing costs compared to income**

How much can a low-income household spend on housing? In the Bahamian retail index, the weight for housing is approximately 33%. This would correspond to the average share of the households' consumption of housing in The Bahamas, including expenses for electricity, gas and water. The typical policy from mortgage institutions is that the mortgage payments, including repayment and interest should not exceed 30%, although there are exceptions. In the following this 30%-level is used as the basis for the analysis and estimates regarding what low-income households can afford in terms of mortgage payments or rent.

### **4.5.3 Minimum income to afford new housing**

As a preliminary assessment for the following analysis of affordability, a new house would cost at a minimum around B\$55,000 to buy. With favourable (but not unrealistic) mortgage conditions, the mortgage payments would amount to about B\$4,600 per year. To achieve a maximum ratio of 30%, the household's income would have to be at least B\$15,000 per year.

### **Two-income households with low-paid jobs can buy a new house**

Household income is a function of what kind of jobs household members have and how many that have an income. We would expect to find that low-income households have low-paid jobs. The following table shows wages for some low-paid jobs and the housing costs that can be afforded respectively.

**Table 4.6** Mortgage payments and rents at 30% of income for different job categories. B\$. 1998

Job title	Wage per year	Yearly mortgage payment or rent -	
		1 wage	2 wages
Waitress	5 200	1 560	3 120
Farm labourer	6 500	1 950	3 800
Janitor	7 800	2 340	4 680
Housemaid	7 800	2 340	4 680
Labourer/handyman	7 800	2 340	4 680
Minimum wage Govern- ment sector	9 100	3 033	6 066
Gardener	9 620	2 886	5 772
Carpenter (semi-skilled)	9 724	2 917	5 834
Electrician	12 012	3 604	7 208
Seamstress	13 000	3 900	7 800
Sponge worker	13 000	3 900	7 800
Seaman	14 560	4 368	8 736

Average wages (except minimum wage) mid 1998 according to 1999 Bahamas Handbook.

Households with only one wage would have difficulty in affording a new house with mortgage payments around B\$4,600. Most of them could afford it if they had two low-paid but full-time jobs.

#### **4.5.5 Regional comparison of housing costs**

As we have seen, household income distribution differs between the islands. The proportion of households that do not pay any mortgage or rent also varies across the country. The following table describes the situation in 1990. As was noted earlier the overall picture shows a considerable change in the distribution of households on different income groups and a decrease in the share of low-income households.

It is still obvious that the proportion of low-income households was considerably higher on the Family Islands compared to New Providence and Grand Bahama. Similarly the share of households that do not pay any mortgage or rent is much higher on the Family Islands. In this context it is worth noting that even on New Providence and Grand Bahama a third of the households do not pay any mortgage or rent. In the Family Islands the ratio was much higher, varying from 66 to 100%.

**Table 4.7** Low-income households and households with nil rent or mortgage. 1990.

Island	Households with income up to B\$15K		Households with nil rent or mortgage	
	No.	%	No.	%
New Providence	13 845	35	12 992	33
Grand Bahama	3 572	34	3 414	33
Abaco	1 539	54	1 959	68
Acklins	131	92	141	99
Andros	1 228	66	1 549	83
Berry Islands	150	65	186	80
Bimini	302	61	378	77
Cat Island	440	85	501	97
Crooked Island	102	76	128	96
Eleuthera	1 394	64	1 597	73
Exuma	507	54	774	82
Harbour Island	184	54	224	66
Inagua	206	72	224	78
Long Island	677	79	800	93
Mayaguana	75	84	89	100
Ragged Island	18	62	29	100
San Salvador & Rum Cay	125	74	117	69
Spanish Wells	247	49	385	77
Total	24 742	40	25 487	41

Note: Rent-free are excluded from households with nil rent.

Source: The Report of the 1990 Census of Housing & Population, vol. II. Dept. of Statistics, Ministry of Economic Development. 1997

In the Family Islands the share of households with an income below B\$15,000 was 63%. According to the survey in 1998, this share decreased to 33%. It should be noted that this figure for the Family Islands is an estimate and not a survey result. The share of households with no rent or mortgage payments in the Family Islands was 78% in the 1990 census. There is however no evidence that low-income households have the lowest housing costs. It seems that factors other than income determine the very low rents or mortgages.

New housing is likely to be more costly on the Family Islands than on New Providence, which means that there are differences in the type of house that may be demanded.

#### **4.6 Housing Tenure for Low Income Households**

The financial situation of a household may influence preferences and choice of house type or housing tenure.

Renting can normally be more affordable than owning a house when land is expensive and rental units are built as multiple-family and especially multiple-story dwellings. Also, low-income households seldom have the option to own a home, at least not with typical criteria on a mortgage market and the minimum requirements for down payments.

#### 4.6.1 Household Income and Type of Tenure

The households that pay for their housing do so through the payment of rent, interest, and amortisation of mortgage loans or bank loans. It is important to know the type of tenure in relation to the household income.

**Table 4.8** Household income and type of tenure.

Number of households and percentage of tenure type in each income group.

All of The Bahamas. 1990

Household income B\$/year	Owners		Renters		Rent-free	
	No.	%	No.	%	No.	%
0- 5 000	4 487	53	2 949	35	1 009	12
5 001- 10 000	3 238	38	4 431	52	805	9
10 001- 15 000	3 356	44	3 720	48	605	8
15 001- 20 000	3 490	48	3 224	45	510	7
20 001- 40 000	10 759	59	6 577	36	880	5
40 001- 60 000	4 859	74	1 500	23	226	3
60 001- 80 000	1 731	81	350	16	57	3
80 001- 100 000	724	83	135	15	13	1
over 100 000	764	83	142	15	19	2
Not stated	582	57	357	35	86	8
Total	33 990	55	23 385	38	4 210	7

Source: The Report of the 1990 Census of Housing & Population, vol. II. Dept. of Statistics, Ministry of Economic Development. 1997

The table above shows how income is related to type of tenure. Since the available data is from 1990, focus is put on the relative figures.

Among the low-income households, that earn less than B\$15,000, there were equally as many owners as renters (excluding rent-free). Renters were over-represented except among the low-income households. With rent-free included, 55% of the low-income households rented their dwellings in 1990.

#### 4.6.2 Housing Costs and Type of Tenure

The following table shows the rents and mortgages for the different types of tenure in 1990.

The table has been divided between the households paying up to B\$4,800 for housing per year and those paying more, in order to focus on the low housing costs. It should be kept in mind that the housing costs have increased by 13% from 1990 to 1998, according to the retail index.

In 1990, 77% of all households paid up to B\$4,800 per year for housing. Nearly half of all households had a yearly rent or mortgage amounting to only B\$1,200 or less.

Almost two-third of the owners had no mortgage – half of these were in the Family Islands. More than half of the rent-free households lived in the Family Islands. In the Family Islands as many as 78% of the households had no mortgage or rent costs.

**Table 4.9** Mortgage or rent and type of tenure.  
Number of households and percentage of tenure  
type in each cost group.  
All of The Bahamas. 1990

Yearly rent or mortgage B\$		Owners		Renters		Rent-free	
		No.	%	No.	%	No.	%
0-	1 200	21 086	70	4 741	16	4 210	14
1 201-	3 000	1 081	15	5 947	85		
3 001-	4 800	3 338	32	7 257	68		
4 801-	7 200	4 240	54	3 632	46		
7 201-	9 600	1 811	70	780	30		
9 601-	12 000	814	72	317	28		
12 001-	18 000	561	71	233	29		
18 001-	30 000	255	65	135	35		
over	30 000	133	57	102	43		
Not stated		671	74	241	26		
Total		33 990	55	23 385	38	4 210	7

Note: 20 912 (62%) of all owners had nil mortgage.

Source: The Report of the 1990 Census of Housing & Population, vol. II. Dept. of Statistics, Ministry of Economic Development. 1997

### Rented Accommodation

Rented accommodation is in the majority of cases provided through the private sector and is in most places available in any type of housing. While in most countries it would be most common to find rented accommodation in multi-family buildings, this is not the case on The Bahamas.

The most frequent type of dwelling for renters is single detached. The typical rents were low but we should keep in mind that the figures are from 1990. However, from 1990 to 1998, housing in the retail index has only increased by about 13%. The typical rents were highest in Grand Bahama and Bimini where renters usually lived in single attached houses and apartments respectively.

There is no evidence that low-income households pay the lowest rents. The following table shows the typical type of dwelling and the typical rent in the country. Typical would in this context refer to the most frequent type of dwelling.

**Table 4.10** Typical renting (rent-free excluded). 1990.

Island	Type of dwelling	Yearly rent
New Providence	Single detached	1 201 – 3 000
Grand Bahama	Single attached	3 001 – 4 800
Abaco	Single attached	1 – 1 200
Acklins	No renters	
Andros	Single detached	1 – 1 200
Berry Island	Single attached	1 201 – 3 000
Bimini	Apartment	3 001 – 4 800
Cat Island	Single detached	1 – 1 200
Crooked Island	Single detached	1 – 1 200
Eleuthera	Single detached	1 – 1 200
Exuma	Single attached	1 – 1 200
Harbour Island	Single detached	1 201 – 3 000
Inagua	Single detached	1 – 1 200
Long Island	Single detached	1 201 – 3 000
Mayaguana	No renters	
Ragged Island	Single attached	(nil)
San Salvador & Rum Cay	Single detached	1 – 1 200
Spanish Wells	Single detached	1 – 1 200

Source: The Report of the 1990 Census of Housing & Population, vol. II. Dept. of Statistics, Ministry of Economic Development. 1997

#### 4.7 Low Income Households and Affordability

It is emphasised that almost 25% of all households cannot afford to pay B\$400 per month. The table below describes the maximum mortgage or rent that the households can pay and the proportion of households in each income group.

**Table 4.11:** Household income and affordability at 30% mortgage or rent of income 1998.

Household income B\$/year	Max mortgage or rent (year)	All Bahamas	Share of households - New Providence	Grand Bahama	Family Isl.
0- 5 000	1 500	6	4	10	8
5 001- 10 000	3 000	9	8	11	12
10 001- 15 000	4 500	10	8	10	16
15 001- 20 000	6 000	11	11	13	10
20 001- 40 000	12 000	34	36	31	32
40 001- 60 000	18 000	17	19	13	15
60 001- 80 000	24 000	8	9	6	6
80 001-100 000	30 000	3	4	3	1
Sum (approx)		100	100	100	100

Note: Max mortgage or rent calculated for the upper income in each income group.

Following from this it should be noted that 25% of all households cannot afford the type of housing provided through the Government Initiated Housing Programme. A small portion of the upper level of the low-income households could afford the type of wooden houses offered in the "Rebirth" programme.

The statistics show that there are great variations in income levels among the islands. The need for low-cost housing is relatively larger in the Family Islands and on Grand Bahama. However, considering the total number of low-income families and the cost for land, the challenge of low-cost housing is greater in New Providence.

#### 4.7.1 Debt / Income Ratio

The following table shows the purchase price for a house that the household can afford in relation to annual income. For example, if the required down payment is 1% of the price, the term is 20 years and interest rate is 7%, the price can at maximum be 3.2 times the annual income of the household.

A change in the interest rate of one percent makes about 0.2 change in the mortgage/income ratio, i.e. the household can pay 0.2 times the income if the interest rate is reduced by one percent. At present it appears that if the most favourable mortgages on the market give a mortgage/income factor of 3.6, i.e. the household can pay at a maximum 3.6 its annual income for a house.

Interest rates are at present higher for multiple family houses than for single-family houses. For Government guaranteed loans they are one percent higher. This means that there has to be a substantially lower cost for land in the case of multi-family houses if it shall result in lower housing costs.

**Table 4.12** Mortgage/income factor.

Mortgage payments constant at 30% (approx.) of income.

Nominal income and interest rate constant over time.

Interest rate %	Term: 20 years Down payment % -			Term: 30 years		
	1	5	10	1	5	10
7	3.2	3.4	3.6	3.8	3.9	4.2
8	3.0	3.1	3.3	3.4	3.6	3.8
9	2.8	2.9	3.1	3.1	3.3	3.5
10	2.6	2.7	2.9	2.9	3.0	3.2

#### 4.7.2 Housing Costs and Income

The following table shows the house prices that the households can afford, for either a single-family house or a multi-family house.



**Table 4.13** Affordable housing for different income groups.  
The Bahamas.

Household income B\$/year	No. of households 1998	Price single family (3.6)	Price multiple family (3.3)
0- 5 000	4 350	18 000	16 500
5 001- 10 000	6 575	36 000	33 000
10 001- 15 000	7 050	54 000	49 500
15 001- 20 000	8 005	72 000	66 000
20 001- 40 000	25 170	144 000	132 000
40 001- 60 000	12 865	216 000	198 000
60 001- 80 000	5 640	288 000	264 000
80 001-100 000	2 330	360 000	330 000

Note: Prices calculated for the upper income in each income group. Factors 3.6 and 3.3 are approximations of the conditions for government guaranteed mortgages in November 1999.

According to developers and constructors, multiple family houses are not less expensive to build than single-family houses. If this is correct for the moment, it is likely that under present conditions, most of the low-income households would not be able to purchase a new house if the price is around B\$55,000.

#### **4.8 Future of Low Cost Housing**

A large group of Bahamian households cannot afford to purchase a house of their own today. Their incomes will increase but it is not likely that the increase will keep pace with the increase in costs for land, land development and construction unless new concepts and ideas related to low-cost housing are promoted. For many households, private renting will be the only affordable alternative. Private renting can fulfil the housing needs of the low-income households, provided that the technical and social conditions in such housing alternatives are adequate.

#### **4.9 Housing Demand and Affordability**

Based on the information about household income, affordability, housing costs and financing requirements, the distribution of the demand for housing can be estimated for the particular household income groups. The planning periods refers to the years as follows:

Short-term	- 2000
Medium-term	2001-2006
Long-term	2007-2011

**Table 4:14 Housing Demand by Income Category**

Category	Share in % of total	Income/year	Income/month	Affordability Cost/month	Affordable House Price
Low Income I	6%	0-5000	0-420	0-100	Max. 18000
Low Income II	9%	5000-10000	420-840	100-250	18000-36000
Low Income III	10%	10000-15000	840-1250	250-375	36000-54000
Low/medium Income	23%	15000-27800	1250-2320	375-700	54000-100000
Medium Income	20%	27800-40000	2320-3340	700-1000	100000-144000
High Income I	17%	40000-60000	3340-5000	1000-1750	144000-216000
High Income II	7%	60000-80000	5000-6700	1750-2350	216000-288000
High Income III	5%	80000+	6700+	2350+	288000+

#### **Low-Income Households – I**

Income: < B\$ 5000 p.a. <B\$ 420 p.m.  
 Affordability: < B\$ 100 /month (20 % of income)  
 Maximum Housing Price: < B\$ 18000

This group represents approximately 6 % of all households.

The type of housing that would be needed to meet the demands of this category cannot be covered by presently applied housing financing system. The provisions would have to include some kind of substantial subsidy in the form that normally would be described as social housing. This can be facilitated by way of rental subsidy to a housing agency, social housing allowance to needy families or through general social support.

The total number of households that would fall within this category for the entire planning period would be approximately 1700 (see estimated Housing Demand Chapter 12), distributed over time as follows:

Short term: 200  
 Medium term: 860  
 Long term: 640

#### **Low-Income Households – II**

Income: B\$ 5000 – 10000 p.a. 420 – 840 p.m.  
 Affordability: B\$ 100 – 250 /month (20-30 % of income)  
 Maximum Housing Price: B\$ 36000

This group represents about 9 % of all households.

Government guaranteed housing as facilitated by the present housing finance system would not be available for this category. If Government wished to target this group a different approach would be necessary. Most likely it would require Government subsidy. The type of housing that could be considered includes self-help housing, core-houses or starter homes.

The total number of households in this category and for the entire planning period would be approximately 2570, distributed over time as follows:

Short term:	300
Medium term:	1300
Long term:	970

### **Low-Income Households – III**

Income:	B\$ 10000 – 15000 p.a.	840 - 1250 p.m.
Affordability:	B\$ 250 - 375 /month	(30 % of income)
Maximum Housing Price:	B\$ 36000 – 54000	

This group represents about 10 % of all households.

Government guaranteed housing loans under the present housing finance system would not be available for this category of households unless the type of housing were provided at a lower cost. The present "Rebirth" houses of wooden construction and a smaller type of concrete house could satisfy the needs.

It is also possible to offer financing schemes that would lower the costs i.e. interest rate rebate, housing allowances, interest loans, deferred down payments, reduced amortisation and longer loan periods.

The total number of households in this category and for the entire planning period is estimated to be approximately 2850, distributed over time as follows:

Short term:	330
Medium term:	1440
Long term:	1080

### **Low/Medium Income Households**

Income:	B\$ 15000 – 27800 p.a.	1250 - 2320 p.m.
Affordability:	B\$ 375 - 700 /month	(30 % of income)
Maximum Housing Price:	B\$ 54000 - 100000	

This group represents about 23 % of all households.

This is the target group for the presently existing Government Initiated Housing Programme. It is subsidised in a way, through lower interest rates and could be improved through longer loan amortisation.

The total number of households in this category and for the entire planning period is approximately 6560, distributed over time as follows:

Short term:	770
Medium term:	3300
Long term:	2490

### **Medium Income Households**

Income:	B\$ 27800 - 40000 p.a.	2320 - 3340 p.m.
Affordability:	B\$ 700 - 1000 /month	(30 % of income)
Maximum Housing Price:	B\$ 100000 - 144000	

This group represents about 20 % of all households.

This group should normally not need any government support for housing. The loans provided by commercial banks would usually suffice.

The total number of households in this category and for the entire planning period is approximately 5710, distributed over time as follows:

Short term:	670
Medium term:	2880
Long term:	2160

### High Income Households - I

Income:	B\$ 40000 – 60000 p.a.	3340 – 5000 p.m.
Affordability:	B\$ 1000 – 1750 /month	(30 – 35 % of income)
Maximum Housing Price:	B\$ 144000 – 216000	

This group represents about 17 % of all households.

This group should normally not need any government support for housing. The loans provided by commercial banks would usually suffice.

The total number of households in this category and for the entire planning period is estimated to be approximately 4850, distributed over time as follows:

Short term:	570
Medium term:	2440
Long term:	1840

### High Income Households - II

Income:	B\$ 60000 – 80000 p.a.	5000 - 6700 p.m.
Affordability:	B\$ 1750 - 2350 /month	(35 % of income)
Maximum Housing Price:	B\$ 216000 – 288000	

This group represents about 7 % of all households.

This group would not need any government support for housing.

The total number of households in this category and for the entire planning period is approximately 1990, distributed over time as follows:

Short term:	230
Medium term:	1000
Long term:	760

### High Income Households - III

Income:	> B\$ 80000 p.a.	> B\$ 6700 p.m.
Affordability:	> B\$ 2350 /month	
Maximum Housing Price:	> B\$ 288000	

This group represents about 5 % of all households.

This group should not need any government support for housing.

The total number of households in this category and for the entire planning period is approximately 1420, distributed over time as follows:

Short term:	160
Medium term:	720
Long term:	540

#### **4.10 Recommendations**

- Investigate possibilities to reduce housing construction costs in order to provide access to the Government Initiated Housing Programme for a greater proportion of low-income households.
- Encourage alternative housing concepts that allow for lower costs in terms of construction, financing and/or management.
- Investigate alternative models for rental housing with a low cost approach and establish an appropriate approach preferably in co-operation with the private sector.
- Address financial costs through the establishment of alternative financing systems, aiming at reducing the initial high debt income ratio for low-income households.
- Encourage private sector involvement in low cost housing by developing financing systems that take into account business interests.
- Ensure that the subsidies entailed in the housing programme benefit only the intended target group.
- Address the issue of single parent (female) headed households and develop special support programme(s).
- Increase employment opportunities for low-income households.
- Investigate possibilities to provide additional support for low cost housing on the Family Islands to balance the higher proportion of low-income households there.
- Develop a housing action programme to meet the back-log of housing and the immediate short-term demand.
- Develop a long-term programme for the medium- and long-term demand.
- Establish a system to review the changes in demand.
- Prepare a specific programme for Grand Bahama and for each of the Family Islands.

## **5 LOW COST HOUSING – CONCEPTS AND APPROACHES**

Housing policies and concepts should take into account people's attitudes and values. Each society has its own "national culture" in this respect. There are also a number of sub-cultures in each society, which are the result of history, current living conditions, education, religion, employment, income, ethnicity, etc. Appropriate concern for sub-cultures may have an important impact on the success or failure of a housing policy. Correct assessment of attitudes and preferences require detailed information and knowledge.

### **5.1 Access to Low Cost Housing through Present Approach**

A substantial percentage of the low-income households live in their own house or family owned house. However, the standard is often low and the accommodation overcrowded. Presently households in the lower end of the low-income bracket that aspire to new housing have to rely on the opportunities offered through the private rental market.

The Government Initiated Housing Programme facilitates the access of the low-income households to the housing market. However, it is obvious that most of the Government initiated housing schemes require applicants to have an annual income of at least B\$ 15,000. The exception would be some of the houses built as part of the "Rebirth"- scheme, which cost less than B\$50,000.

The present Government Housing Program is targeted towards low and lower-medium income households. It is estimated that the target group represents 23 % of all households. The group of households earning less than B\$ 15,000 represents about 25% of all households. These are in practical terms excluded from the Government Initiated Housing Program as well as from the commercial housing markets.

If it were assumed that the share of low-income households had remained constant, the number of households with no access to any home owner financing scheme would presently be about 19,000 in the Bahamas, out of which 13,000 would be living on New Providence.

Obviously it will not be possible to satisfy the needs of housing amongst the poorest households through housing schemes that are based on ownership; other concepts and approaches must be established. However, the share of households that would benefit from Government support can be extended at the lower end of the scale.

The type of houses developed within the "Rebirth" housing scheme can be used to achieve such an increase of the target group. In this context it should also be noted that the "Rebirth" programme seems to be a positive tool to provide housing, but also to improve the urban environment, achieve infilling in degraded areas, and instil improvement of social aspects of the urban society. The programme should be extended in Nassau and also in the Family Islands, albeit by necessity in a different form.

Assuming that a new low-cost housing programme based on alternative approaches and including aspects of the housing approach used in the "Rebirth"-programme, would reach the target group earning B\$ 10,000-15,000, an additional 9-10% of all households would benefit from Government housing support.

Such a change would still leave 15% of all households without access to house ownership. For this category of households continued use of rental facilities will remain the likely choice. Therefore, the standards for the private rental market should be improved. This would require appropriate regulations covering the rights and responsibilities of tenants. Promoting the establishment of tenants' associations would also help improve the conditions under which renters live. Government subsidies to low-cost rental housing should be considered.

Lower construction costs, alternative community or individual initiatives as well as alternative financing systems can extend the group of households with access to home ownership.

## **5.2 The Image of Low Cost Housing**

The traditional concept of a home in The Bahamas is no doubt the single detached house with sufficient space indoors and outdoors to accommodate a growing family. It has been common practice in the Bahamas as in many other countries to plan the family in close relation to the land and the house. Parents would secure lots for their children either on their own land or by obtaining lots for future use. Once the young adults form a family the house construction would already be initiated or completed. The construction of houses in stages, as finances permitted was a rational approach in this concept of housing.

Times have changed and there is now considerable mobility in the society. Migration on a temporary or more permanent basis results in demands and preferences for new types of housing and more flexible approaches. However, the new trends will be influenced by the attitudes instilled in the society through history and culture. Low cost housing may have a negative image and many concepts and approaches have failed, because of the difficulties, which come with obtaining community acceptance. Often low cost housing is provided on a large-scale basis creating monotonous housing areas with few environmental qualities. Such examples have unfortunately stigmatised the concept.

It is important to emphasise the needs of the individual family and to strive towards flexibility to accommodate the specific requirements and preferences in order to achieve success.

## **5.3 Financial Support to Low Income Households**

This concept needs no detailed description, as it is the approach applied presently in The Bahamas. It is supplemented by the actual construction of houses at a tightly controlled cost level and with controlled standards and quality. This approach also includes the provision of lots through Government housing subdivisions and acquisition of existing lots for infilling and redevelopment.

In more general terms the financial support can take various forms. In The Bahamas it is mainly through favourable interests rates, long amortisation periods and reduced down payments. In other countries it takes the form of subsidies on building materials, tax reduction for low-income households that acquire low cost housing, interest rebates, special payment schedules and others.

Most of the low cost housing concepts include some form of financial support in addition to the institutional arrangements. This approach is the basis for the proposed alternative Housing Finance System presented in chapter 8.

#### **5.4 Lot Sizes and Housing Types**

In New Providence land is becoming scarce and the demand for lots commensurably intense. Furthermore, it is less expensive to build in already developed housing areas than on virgin land because of the high cost of new utility installation. This suggests building low cost houses on smaller than usual lots in serviced areas. In addition, more densely laid out developments on virgin land would to some degree achieve the goal of bringing down unit costs. Such an approach could include the construction of row houses, town houses and condominium apartment buildings. However, it should be noted that building on smaller lots will require great care in architectural design so that optimal use is made of more limited space.

New housing development should take place in locations identified in the context of a comprehensive and integrated urban development plan. Such planned expansion could substantially reduce costs for bulk infrastructure. Funding of urban development should be addressed with the aim of distributing the financial burden on those that benefit.

#### **5.5 Alternative Low Cost Housing Concepts**

In order to improve the present systems of housing provision to reach a greater share of the low-income households, new concepts and approaches should be tried by Government. The private sector and community organisations should be encouraged to take new initiatives in this respect.

##### **5.5.1 Self help housing**

Self-help housing implies that the owner takes care of the construction of his house. Based on that definition it could be argued that most of the housing in The Bahamas is of this category. However, the concept would normally also include Government support in various other ways. Usually government would provide land for housing on a lease basis, but the concept does not exclude the sale of lots. The area is also usually provided with basic infrastructure services at reduced standards to cut costs. The successful applicants would either be issued a loan for purchase of building material corresponding to a standard house or would be provided with building material. Government or a specific agency for the self help housing programme, can establish building material warehouses or rely on supplies from the commercial private sector. It is also quite common that the agency provides working drawings for alternative standard houses, building inspectors and advisers and other support.

##### **5.5.2 Core House or Starter Home**

The Core House concept is based on the assumption that a household should be provided with basic accommodation in terms of space. As the household grows and builds up financial resources, the house can be extended. In most cases utility standards are acceptable or the possibility exists for up-grading and improvements. The Starter Home concept would normally imply a similar approach but with more flexibility in terms of space and utilities. The household may prefer to have more bedrooms and as a trade off accept lower standards in terms of sanitation.

This concept can be combined with components of self-help housing and other concepts.



### **5.5.3 Compact Houses for Later Expansion**

One of the most effective ways to optimise investment in low cost housing would be the construction of small houses based on architectural plans which anticipate later expansion. Thus, a potential owner could establish a home with minimal space and amenities and at a later date, depending on the need and ability to pay, add rooms according to a pre-set plan. This approach would probably be compatible with cultural attitudes since enlarging buildings in stages has been a common practice in The Bahamas. There is a crucial difference between what is commonly done and what is proposed here; the provision of plans, which anticipate additions in an architecturally and technically sound as well as economical fashion. This could be done in two different ways:

- first, by offering potential owners different designs for future expansion of their house but only the core unit would be built;
- second, if the immediate financial resources of the owner permit, not only the core unit would be built, but the concrete foundation for the expanded version as well, including conduits for utilities.

The advantage of this approach is that the house in question can be built with relatively limited financial resources and can be occupied soon after the construction has begun when the first stage is completed. It counteracts the tendency to build more elaborate structures in stages as finances permit, a practice that results in a certain amount of waste, as the early stages of the investment are in effect dormant and not utilised. For possible designs see Appendix 5.1 "Illustrations for Compact Houses for Later Expansion"

### **5.5.4 "Sweat Equity"**

So called "Sweat Equity" is the organisation of owner participation in building or refurbishing houses or condominium apartments by the use of their own labour. The members of the Sweat Equity Group help each other to build their homes. It is an approach, which seeks to lower the cost of homes, empower individual participants and create community associations for the mutual benefit of members and the neighbourhoods in which they live. Such associations must be properly organised and monitored in all their functions and responsibilities, i.e. democratic participation of members, efficient administration and technical competence. It can however also operate on an individual basis assuming that the authorities or agencies provide for support, administration and monitoring of construction work.

Fundamental to any community approach is the organisation of community groups with similar interests. Such groups would not only administer the labour input of participants but also organise construction sites with the added advantage of reducing the overhead charges. If it is assumed that there is a 50/50 division between the cost of materials and labour in the construction of a low cost house, it is estimated that the labour component could be cut in half by the use of "sweat equity". If the group is sufficiently well organised to be able to effectively administer the construction site, an additional saving of about 15% can be anticipated. Thus, under relatively optimal conditions, 40% of the cost of a house could be saved.

Every aspect of construction cannot be undertaken by "sweat equity" participation. There are technical tasks that will require the employment of licensed specialists such as electricians, etc. It will therefore be necessary to give some technical assistance to

such self-help groups so that the technical functions can be monitored. "Sweat equity" associations can be employed for new developments or for renewal of scattered sites in already developed areas. The essential component is that participants have roughly similar goals and that they are confident that the help given to them will reward the help that they give to the others.

The organisation of self-help groups often result in side benefits that are important for neighbourhoods and society at large. People are empowered through participation. Neighbourhoods improve because of the contact created among residents via such construction associations.

Another advantage of the employment of "sweat equity" groups is the possibility of establishing home owners' associations based on the group initiative. On this aspect information can be obtained from successful projects and organisations in other countries. One such organisation is the Habitat Programme based in Atlanta, USA. The FUPROVI Project in Costa Rica, which in ten years has built around 15,000 houses thereby becoming the biggest deliverer of low cost housing in the country. While the houses built in Costa Rica, consistent with the country's level of economic development, are very basic, the organisation of the FUPROVI Project is of such effective quality that it could serve as a model.

#### **5.5.5 Rental Housing**

One type of housing that is often ignored as a possible option for satisfying the needs for low cost housing is rental housing. Still it is the first available choice for those households or individuals that lack the funds for a down payment required in connection with the purchase of a house. Rental housing as a low cost option in most cases is linked to the formation of some kind of government supported housing agency. In many countries it is called social housing, aiming at target groups with specific needs for support. The private sector is usually not involved in social housing, as it would not be in line with the commercial approach. However, private sector involvement would be possible based on an agreement between government and the business operator.

Rental housing and in particular social housing is often understood to be provided in the form of multi-family blocks. This is probably often the case, but it is not a necessity. Rental housing can be designed in whatever type of house. Rental housing should also include different size of dwellings so that a social mix that benefits society is achieved.

#### **5.5.6 Rent to Buy**

The purchase of a home often stops in face of the obstacle of the down payment. The concept "Rent to Buy" provides the potential homeowner with the opportunity to rent the house for a fixed period of time. The rent would cover part of the down payment, running costs, administrative costs and contribution to a repair and maintenance fund. At the end of the period the purchase is finalised. It should be noted that the present structure of the mortgage programme for government guaranteed loans does not permit the Rent to Buy concept. The Bahamas Mortgage Corporation provides construction, infrastructure and mortgage financing to the Department of Housing and charges interest on the amounts advanced until a mortgage is put in place. This charge would have to be discontinued as soon as the resident moves in.

## **5.6 Organisational aspects**

Government's involvement in low cost housing is often taken for granted. No doubt the role of Government is important in terms of initiating, supporting and financing housing development. As emphasised earlier it is essential that other sectors of society are involved and take their share of the responsibility. The mobilisation of communities can occur in different ways.

### **5.6.1 Involving NGO's**

The above suggestions for approaches to reduce the cost of low cost housing can, of course, be combined. The institutional structure needed for these housing schemes should be subject to further consideration. In many instances it is appropriate and necessary for Government to take a leading role in order to ensure the achievement of objectives and the monitoring of development in terms of standard, quality and application of regulations. In some cases it may be favourable to consider the transfer of responsibility or to encourage the initiatives of Non Governmental Organisations (NGOs). The organisation of "sweat equity" associations would most likely be less efficient and lack the engagement necessary if operated or organised by government. If these types of housing schemes are initiated, it is recommended that independent NGOs should be established. Such NGOs could hold their mandate from the government, receive some financial support from and report to the government.

### **5.6.2 Home Owner Associations**

As indicated under the section on "Sweat Equity", there are multiple advantages in creating homeowners' associations. This is also true for communities where the houses are not built with owner participation. Property owners' associations and tenants' associations are examples of such organisations. Associations would usually result in improvements in better maintenance of houses or condominium apartments, neighbourhoods and the environment. They can also contribute to co-operation and improved relations among neighbours, which in turn has a positive impact on the community. The question can again be posed whether this should be done by the government or by other agencies. While financial help from the government would be desirable for such initiatives, direct governmental involvement should be based on the need for support and should be kept at a minimum.

## **5.7 Incentives for Mixed Communities**

Urban planning and housing development have for most parts of the world in the last century been characterised by separation of activities and the creation of socio-economically homogeneous housing areas. In planning this often manifested itself in identification of different land use zones and different categories of housing. In more recent years it has been noted that such division of the society can have socially negative implications as well as create less functional, less aesthetical and less efficient economic environments. As a result there are now attempts being made to plan for and implement more integrated urban structures with mixed land uses and diversified housing areas. Amongst the positive results of such an integrated structure the most obvious ones are more efficient use of infrastructure services, less transport needs for both people and goods, positive interaction between groups and communities in society, better understanding and tolerance, less tension in society and aesthetically improved urban environments.

Fortunately, it appears that The Bahamas for the most part has developed at a pace that has allowed for an integrated structure. The urban areas show an interesting and functional mix of land uses and the more densely built up areas include dynamic living areas as well as work places. The infilling of new houses on private initiative or in the context of the "Rebirth" scheme support the maintenance of such a structure, which should be continued and encouraged.

The recently launched mobilisation "against social ills" is a commendable initiative, which, if implemented with sensitivity and care and with the involvement of the people, could be a turning point in terms of revitalisation and upgrading of urban areas.

Unfortunately some of the more peripheral housing areas in Government Subdivisions and in private estate developments foster the separation of more privileged socio-economic groups from other groups. This will not contribute to a more integrated society.

### **5.8 General Implications of Urban Development**

It would appear that housing development in The Bahamas has essentially occurred in response to relatively local needs and in terms of planning it has been catered to through local detailed planning for subdivisions. With the fast growth and demand for serviced and subdivided land on New Providence, it will be necessary to employ a more long term and holistic approach involving concerns for the environment, transport planning, health and sanitation and infrastructure networks.

There is an obvious need for a long term and strategic urban planning approach to guide and support development in a sustainable manner. Close co-operation is needed between the actors in urban development involving in particular Department of Housing, Department of Physical Planning, Department of Lands and Surveys and the Ministry of Works and Transport, together with the agencies providing utilities.

Long term development plans guiding the location of new areas, the provision of infrastructure, regulations for mixed development, programmes for implementation and identification of funding of major works are some of the basic requirements. It seems appropriate to call upon the Department of Physical Planning to take the leading role in these tasks.

### **5.9 Housing Preferences and Attitudes**

It is obvious that the team of consultants from Sweden, undertaking the Housing Needs Study, cannot properly analyse cultural factors, which should be taken into account in the formulation of housing policy during the short period of the assignment in the country. The best and most objective way in which this question can be addressed would be through an attitude survey. Such a survey should focus on those segments of the population which in the future may seek new housing in the ranges of low to medium cost housing and those living in different types of housing who may have revealing reactions to the conditions under which they live. Because this variable is so important, it is recommended that Government initiate such a survey.

### **5.9.1 Attitude Survey**

An Attitude Survey would normally be carried out as a sample survey, which in the context of The Bahamas immediately poses some problems. The regional differences have already been noted in the previous chapters and to cover these differences a survey would have to cover many of the more populated islands. The survey must further be representative, which means that the sample in each sub-area must be big enough to allow statistical analysis. The survey would further need to reflect the geographical distribution in a balanced manner. Administratively it should be co-ordinated by the Department of Statistics.

The value of such a survey would be considerable. It would assist the Government in formulating policies and in designing housing and other development programmes. The Attitude Survey should include the following aspects and components.

#### **Identity of the respondent**

It would be very important to obtain as many characteristics as possible about the respondent so as to be able to correlate them with attitudes and expressed values.

#### **Current housing situation**

It would be important to establish the respondent's current housing situation. This would include such information as type of housing, type of tenure, physical condition of the residence, utilities available, costs (rent, mortgage, utilities, etc.), size and amenities available, details about the household and information about additional conditions.

The levels of satisfaction and dissatisfaction with different aspects of the current housing situation could be measured. The respondent could be asked if he/she intends to change the housing arrangement and/or has recently changed it.

#### **Housing Preferences**

This section would seek to establish what people want from housing. The questions would have to be formulated in such a way that they are limited to reasonable expectations for the respondent's income level.

The above suggestions are the more obvious elements that would be included in a survey focusing on housing. A primary benefit from conducting a survey would be that it would establish the attitudes and values concerning housing actually prevailing in The Bahamas, especially among lower and medium income groups. Such knowledge would assist Government in the formulation of a relevant and commonly accepted housing policy as well as providing acceptable concepts and house designs. The survey would also provide indications regarding people's attitudes to specific features in their houses and in housing areas.

A survey may give strong indications regarding likely success for the introduction of new concepts, approaches and house types. If respondents were to express a positive attitude about participating, it could be desirable to identify such individuals and to organise an experimental project. This could entail "sweat equity", self-help housing or any other approach.

### **5.10 Recommendations**

- The considerable proportion of the households with no access to any housing provision programme needs to be catered for through new concepts and lower housing costs.
- The Rebirth programme should be extended, as it is the most affordable concept currently available to low-income households.
- The wooden model houses used in the Rebirth programme should be introduced in other areas, in particular on Grand Bahama and the Family Islands.
- The Government will have to provide subsidies for the households with very low incomes.
- New types of housing need to be developed aiming at reducing costs.
- Infrastructure costs can be reduced through higher densities, smaller lots and planned expansion of bulk services.
- Funding of urban development should be addressed with the view to distribute the financial burden on those who benefit.
- Encourage self-help housing concepts and initiatives.
- Consider alternative concepts i.e. compact houses, core houses and starter homes, rental housing and rent-to-buy concepts.
- Investigate possibilities to provide housing through community and NGO driven projects.
- Encourage Sweat Equity approaches and allow for combination with NGO involvement and establishment of Home Owners' Associations.
- Planning for and introduction of flexible zoning to encourage mixed-use development, providing for integration of land uses, socio-economic groups and types of housing.
- Carry out a comprehensive review of the standards for subdivision development, including infrastructure standards, permitted land uses, minimum lot sizes, densities, housing types and construction materials.
- Establish a system of long term urban planning to guide the location of housing areas and the provision of bulk infrastructure.
- Carry out an Attitude Survey.

## 6 HOUSING PRODUCTION

This chapter examines the developments in terms of housing production in recent years in order to see to what extent the needs are being satisfied and if the administration and industry have the capacity to meet the demand in an efficient manner.

### 6.1 Statistics on Building Permits, Starts and Completions

The total numbers of registered approved Building Permits, Construction Starts and Completions for housing from 1990 to 1998 are shown in the following tables. The figures include both private and government-initiated housing. A single building permit may cover one or several housing units.

Registered numbers of Additions and Rehabilitations - A&R's - are presented for 1996 to 1998. The A&R refers to extensions to buildings and reconstruction of such a character that a building permit is required. They are included in the total figures for Permits, Starts and Completions.

The numbers for all of The Bahamas are as follows:

Year	Permits The Bahamas	A&R's	Starts (Excl. Family Islands)	A&R's	Compl. (Excl. Family Islands)	A&R's
1990	2,604		1,348		1,081	
1991	2,607		1,184		1,122	
1992	2,395		1,017		799	
1993	1,948		917		686	
1994	2,084		867		746	
1995	1,888		944		821	
1996	2,054	552	993	151	908	66
1997	2,286	621	1,042	121	998	73
1998	2,491	648	1,138	147	1,227	74
Total	20,357		9,450		8,388	

Sources: The Central Bank of The Bahamas and Department of Statistics

The figures for Starts and Completions for the Family Islands are not available. The distribution between New Providence, Grand Bahama and the Family Island for the 1990-1998 period is:

Region	Permits	Starts	Compl.
New Providence	14,725	7,584	6,685
Grand Bahama	3,394	1,866	1,703
Family Islands	2,238	n.a.	n.a.

Sources: The Central Bank of The Bahamas; n.a. - not available

## **6.2 Housing Units**

The formally approved additions to the housing stock between 1990 and 1998 must be derived from the number of Completions. First an estimate of the relationship between Completions and housing units must be made, since one Permit may be granted for the construction of several units. Secondly, the number of completed Additions and Reconstructions must be subtracted, as these do not constitute new units.

An assumption has to be made for the Family Islands completions. The number of completions makes up 45% of the construction Permits in New Providence and 50% of those in Grand Bahama. If we assume that the proportion was similar in the Family Islands, the number of Family Island Completions was approximately 1,050.

The Ministry of Works and Transport states that 10,253 housing units were completed in New Providence between 1990 and 1998 (Appendix 6.1). In the first Table above the figures suggest that A&R Completions represented 7% of all Completions in 1998. This implies that of the 10,253 in the Ministry's count, about 9,500 new housing units were completed on New Providence. Comparing these figures with the number of Completions we arrive at a ratio of 1.42 housing units per Completion. This ratio was found to be 1.23 in the 1984 Housing Needs Study. This is also plausible in terms of the Family Islands, while on Grand Bahama it is likely to be higher. We have adopted a figure of 1.35 housing units per Completion in Grand Bahama.

On this basis, and with reservations for the above assumptions, the number of new housing units added between 1990 and 1998 are estimated as follows:

New Providence	9,500
Grand Bahama	2,300
Family Islands	1,300
The Bahamas, total	13,100

## **6.3 Demolitions**

On average three permits for demolition was issued by the Ministry of Works and Transport each year. The actual number of dwellings that are demolished is most likely higher. In spite of the requirement in the legislation that a permit must be obtained prior to demolition, it is understood that this is not always adhered to. There are no statistics or estimates on the number of demolitions that take place due to neglect of abandoned houses.

These are issues that are closely linked to the need for rehabilitation of housing areas, including the availability of land and sites for infilling and possibilities for acquisition of land. These should be the subject of further investigations.

## **6.4 Analysis of the Statistics**

More detailed analysis of the available data is problematic. The information is not disaggregated by type of housing. Even so the data suggests that there are certain trends in housing development that are subject to the issuing of building permits. The following analysis deals mainly with the degree of completion of the approved applications as a measure of the efficiency in the system for housing provision.

When comparing the total number of Permits with Starts for New Providence and Grand Bahama there is an average drop of 48%. This indicates that approved



applications do not result in actual construction or that construction is delayed. The percentage remains at the same level for each year.

The figures for Permits, Starts and Completions include Additions and Rehabilitations. For the three years for which specific Additions and Rehabilitations numbers are available, the drop from Permits to Starts falls to 45%, if the Additions and Rehabilitation permits are excluded from the total numbers.

These extraordinarily high percentages show that it is a common practice for applicants who get a Permit approved never to start to build or, at least, never get as far as the foundations. As this has an impact on the number of houses finally constructed, the Building Control Office should carry out an analysis to establish the reasons for this. It is possible that applicants were too optimistic, that financing could not be found, or that needs were met otherwise, possibly through the rental market.

While there was an average drop of 54% between the Permits and the Starts, there is similarly a decrease from the Starts to the Completions of buildings. This difference is only 11 %. Moreover, if one does not include the Additions and Rehabilitations for the years 1996-1998, there were 6% more Completions than there were Starts. This is due to the fact that while the data is compiled annually or at the end of the year, projects initiated in one year may have been completed in the next year or even later. The relationship between Permits, Starts and Completions should be viewed over a longer period of time. The table, therefore, tells relatively little about the speed with which constructions occur.

The process from Permit to Start and to Completion is slow. This is especially the case for persons who are building their houses incrementally as finance becomes available. But even when a contractor is responsible for the entire construction, delays in mobilisation and in the final completion can be expected.

According to the data above, Additions and Rehabilitations constitute on an average about 27% of the Permits, 13% of the Starts but only 7% of the Completions. These sharp drops can be explained by the fact that, for Additions and Rehabilitations, the start up inspection can be avoided and the occupancy permit already exists. This indicates that as far as Additions and Rehabilitations are concerned, Starts and even more so, Completions are frequently not registered.

It may be of interest to compare the ratios for the total number of Building Permits with those for Additions and Rehabilitations, while noting that the analysis is based on data for only three years. The average drop was 54% from Permits to Starts for all categories and then 11% from Starts to Completions; the corresponding figures for the same drops for Additions and Rehabilitations are 77% and 49% respectively. Housing completions occur much faster than the completion of Additions and Rehabilitations. The reasons may be quite obvious. The owner of a new lot and with the aspiration to build a house has made a substantial investment in the cost of land. When the Permit to build a house is obtained, the need to benefit from the investments as soon as possible is an encouragement to complete the construction. In the cases of contractor-built houses the completion and the occupancy certificate are the proof required for final payment. The same factor does not affect Additions and Repairs to the same extent.

It is fair to assume that Additions and Rehabilitations are often not formally processed, do not always obtain Permits and do not always register Start or Completion. The number of unofficially constructed houses is substantially lower than the number of informally undertaken Additions and Rehabilitations.

It is obvious that the construction of new houses requires utility connections, registration of deeds and tax exemptions and can hardly avoid the processing of

permits. The reconstruction of a building or additions to a building may not involve any authority, and can therefore be carried out in an informal manner. New houses are no doubt built on land that is not subdivided or serviced, and even in built up areas illegal construction can occur. The issue of squatters on Crown Land, Government owned land and on private land has been raised with great concern by Government, in particular regarding the Family Islands.

## **6.5 Formation of Households and Housing Production**

The main force for the need of new housing is the formation of new households. In particular in The Bahamas, where the policy of the Government is to control immigration, the natural growth of the population and the establishment of new families is the first challenge for those involved in providing housing.

This may seem to be a simple issue in view of the availability of demographic statistics. The situation is however more complex as a result of greater mobility in the society, migration between islands, short-comings in the past in terms of meeting the demand and overcrowding and low standard of housing in existing built-up areas.

It has been estimated that a total of close to 15,000 new households were formed during the period 1990 – 1998. These new households were distributed as follows:

New Providence	9,931
Grand Bahama	2,297
Family Islands	2,756
The Bahamas, total	14,984

In section 6.2 of this chapter the number of new housing units were estimated through the recorded number of building permits brought to completion.

The number of housing units completed 1990 – 98 were:

New Providence	9,500
Grand Bahama	2,300
Family Islands	1,300
The Bahamas, total	13,100

The statistics imply that there is a backlog in housing provision in all the regions, especially so on New Providence and on the Family Islands. Grand Bahama seems to be more or less on target in terms of new housing to accommodate new households. Needless to say there are great uncertainties in the background information, a number of assumptions regarding distribution and developments and a few calculations based on assumed developments since 1990.

Even so the total backlog of housing would be about 1,900 housing units in 1998. Out of these 450 would be needed on New Providence, very few on Grand Bahama and 1,450 on the Family Islands.

In addition it was estimated (Chapter 12, Housing Stock and Housing Demand) that in the first phase (-2000) 560 houses are in such poor condition that they need to be replaced.

The total backlog of housing would thus be about 2460.

This indicates a higher accumulated shortage in housing for the short-term planning period than calculated in terms of housing demand. The formation of new households

during 1999-2000 will most likely not be fully satisfied and thus add to the backlog in demand for housing.

## **6.6 Involvement of the Private Sector in Low Cost Housing**

The available statistics indicate that a small percentage of about 2-4% of the building permits being registered as completed in New Providence would have a construction value of B\$ 24,000 or less and between 30 and 40% are of a construction value between B\$ 24,001-60,000. The 2-4% does not represent more than at most 30 yearly completions while the 30-40% is equivalent to slightly less than 200 completions. However, some of these completions might be extensions or rehabilitations of existing houses. The statistics do not distinguish between single and multi-unit developments. It can however be assumed that some low cost houses - for own occupancy or for rent - are built without prior permit.

Another category of Low Cost Housing is multi family rental units, constructed in the low-income areas. These units are usually not owner occupied. The statistics do not indicate the extent of this type of housing. Such constructions would normally be initiated by individuals in order to make a profit from renting.

The lowest level at which developers are involved is with so called "affordable" housing. It should be noted that such houses are not intended to be affordable for low income groups, but refers rather to the target group identified in terms of the Government guaranteed financing. The cheapest "affordable" house would cost in the range of B\$ 65,000 to 70,000, which implies a yearly income of not less than B\$18,000. The target group appears to be those with lower middle to middle incomes. This is analysed in greater detail in chapter 4, Household Income and Affordability.

The supply of low cost houses does not constitute a large part of the total private construction market in The Bahamas. New Providence and Grand Bahama each have three or four developers who are involved in developing subdivisions and in constructing affordable housing. On an average they might together build some 150 housing units per year. These constructions are to a large extent detached single-family houses and, to a lesser extent, duplexes. They are either constructed directly for a future homeowner, or, constructed on the initiative of a developer and then sold on the market.

### **"Do It Yourself" Building**

In addition to low cost housing built by developers there are obviously also private initiatives in constructing houses of similar standard and size. This is done in different ways. A lot owner can have his/her house built by a contractor and get a mortgage loan from a bank, either from a commercial bank or from an approved lender for a Government guaranteed loan. A loan from a bank would normally be the quickest way to get a house financed and constructed. However, it is frequently the case that a lot owner cannot get a loan and that he/she constructs his/her house step by step, when financing can be found. Indications show that it would normally take three to four years or more before completion. This method of building does not permit the future homeowner to occupy the house until an advanced stage of completion is achieved. It is technically bad for any unfinished raw construction to be exposed to rain and wind over a long period.

The extended type of construction process still allows the various steps to be carried out by a contractor or qualified and licensed workers for more advanced and complex

phases or components. The homeowners would frequently participate in the construction work throughout the process to keep the costs at a minimum.

## **6.7 Developers and Contractors**

The construction industry is composed of developers and contractors of different sizes. The large-scale contractors require large-scale projects to fit their operations. There are however a few medium and large-scale developers involved in low cost housing. Most of them are dealing with low cost housing as a minor part of their activities. They either have their own well-organised building operations or they employ contractors or individual builders.

In addition to the above-mentioned companies there is a great number of small-scale contractors and builders operating in the market. These contractors are often family run small-scale operations with limitations in terms of financial security, technical sophistication and the quality guarantee this should entail.

The small-scale contractors seldom have a permanent work force; they employ labourers for specific tasks, sometimes on a daily basis. An excessively large part of their work may go into organising the work force for a project and even to mobilise the work team at the construction site each morning. Recruitment of staff, especially skilled workers may constitute a major obstacle and cause delay in the building process.

The process can also be slowed down because contractors work at different construction sites and with a number of projects simultaneously. Depending on access to material, availability of workers or profitability one project may be given preference over another less interesting project.

The small contractors and builders work mainly with small projects and with clients that may face problems of various kinds. This can create planning problems also for the contractors. The potential clients may not be able to come up with the necessary funds at the time agreed upon. Assignments in areas where many of the low-income groups are living can also create organisational problems e.g. regarding storage of building materials.

For small-scale contractors to be competitive in the future housing market it would seem necessary to improve and rationalise operations and procedures. The small-scale contractor must be able to provide good quality housing at a lower cost than the large scale contractors. Co-operation and co-ordination in terms of recruitment of workers and purchase of material would be an option in particular in government subdivisions, where a number of small-scale contractors usually are engaged.

There has been a great deal of construction of all sizes and complexities in The Bahamas during the last few years. As a consequence, Bahamian industry has not been able to handle the entire demand, and foreign companies, contractors and consultants have established operations and construction workers have found employment here. The foreign companies are not likely to be involved in small-scale housing projects in the low-cost housing category.

## **6.8 Licenses**

Many contractors and builders are not licensed, as no formal licensing is actually required to operate in New Providence or on the Family Islands, not even for complex constructions. However, licensing is required for electricians and plumbers.

The situation is different in the Freeport area of Grand Bahama where the Port Authority licenses contractors. The contractor must pass an exam in order to be licensed.

Some contractors are approved by the Minister of Housing and Social Development under the *Housing Act*. The purpose of this approval is to guarantee the quality of the houses constructed under the Government Housing Scheme. This is the only official approval and therefore many builders without any intention to build a "government house", have applied for approval. The list of approved builders contains 722 names at present, some of which go back to 1967. In order to qualify, a builder needs to state his relevant liabilities, assets and experiences and three of his/her constructions are inspected.

The fact that contractors can operate without a licence is unfortunate. It is suggested that different degrees of licensing be required for different degrees of complexity of constructions. If this were the case, contractors who tamper with the quality of construction or fail to meet dead-lines or other contractual requirements would lose the licence and be barred from obtaining Government contracts. This would improve the overall quality of the construction industry.

## **6.9 Building Techniques and Materials**

The building materials and building techniques used in the Bahamas are conventional. Most houses are built on a concrete foundation. The outer walls are made of a reinforced concrete structure and cement blocks while inner walls generally are dry - made of studs and sheetrock. The ceiling is made of sheetrock and the roof trusses are made of wood. The roof is covered by shingles. The exterior walls are plastered and painted and the interior walls are painted. The floors are tiled. This is the dominant construction method. The second most common way to build is by using a wood panelled wood structure for the outer walls while the other elements basically are the same as for the concrete houses. No other construction techniques play any significant role.

The techniques are usually applied manually, especially by the small contractors. Blocks are first laid, and then cut into for installation of conduits. Prefabricated elements that would substantially simplify the task and reduce labour involvement are not commonly used. Given the limitations of the methods employed, it should be noted that the quality and standards of most constructions, which are carried out by contractors, are at an acceptable level.

At present, very few experimental construction methods are used, although various techniques have been tried in the past. The reason for the lack of success was often to be found in the limited attempts to adjust to the local conditions. The structural requirements of the Building Code have also excluded a number of experimental building techniques. The requirements are based on protection against hurricane wind forces that are obviously fully relevant. However, new techniques are being developed and tested in other parts of the world, mainly with the purpose of making housing production more environmentally friendly, to get costs down or to respond to particular technical criteria related to natural forces. The Bahamian construction industry has every reason to be open to this market. The focusing on concrete and other cement related products limits the flexibility of the industry. Competing housing construction methods and consequently alternative costs would benefit the development of low cost housing.

Building materials are mostly imported with few exceptions such as sand and rock. In general materials are readily available, when needed in the construction process. The exceptions are occasional shortages of sheet rock, sand and rock. For good environmental reasons, excavations are only permitted at a few locations.

The lack of locally available resources may cause disruptions in the supply of cement-based products. Increased construction activities as have been experienced recently and with new initiatives in terms of Government supported housing may mean that the supply of imported building materials may need attention, as shortages otherwise may increase costs. To what extent the availability of sand and rock will be a problem for the construction industry in the future cannot be assessed within the scope of the present study. The issue is vital for future construction techniques and it would be appropriate to carry out further investigations as regards the need for sufficient building materials to satisfy the demand for housing, commercial, industrial and other developments.

On the Family Islands the supply of building materials is more problematic. Most contractors referred to higher costs for all kinds of building materials mainly due to the transport cost from Nassau to the Family Islands. This has obvious implications for housing costs. A 50% increase in costs was frequently mentioned.

## **6.10 Labour**

Contractors referred to lack of skilled labourers as an issue at present because so much construction is taking place. This problem is obviously much more acute for small contractors and builders who employ labourers on short-term assignments.

Contractors in general described the competence of the skilled labourers as adequate. The situation is different when it comes to unskilled labourers. Interviews indicate that Haitians constitute 60% of the unqualified work force. It is not possible to assess the full implications of the frequent use of unskilled immigrant labourers on the market.

These conditions can become issues in several ways:

- construction sites come to a stand still and projects get delayed,
- the contractors/builders employ labourers without proper qualifications thereby compromising the quality of their product, and
- the available skilled labourers and their wage demands can have an impact on fee rates and raise building costs.

It is obvious that the unskilled immigrant labour force constitutes an institutionalised part of the Bahamian construction market:

### **Training**

There is one major vocational training institute in New Providence - the Bahamas Technical and Vocational Institute (BTVI) - with a branch in Grand Bahama. At present, The Institute has approximately 200 day and 250 evening students - male and female - in New Providence. The following subjects are taught; masonry, carpentry, cabinet making, tiles laying, painting, plumbing and electrical installation. In Grand Bahama, the total number of students, all categories, is around 150. This also includes trades other than construction. The training is post-high school. The length of the training is one year for the day students and two for the evening students, including a four-week internship period. The enrolment is made on a first come, first serve basis

and each trade has limited space available. The most popular subject in construction is electrical installation, while the least attractive is painting.

The students pay for their own tools and a small registration fee. Bahamas Technical and Vocational Institute has been operating for some 40 years with steadily increasing enrolment figures.

The students who graduate from the Bahamas Technical and Vocational Institute easily find employment at present. This is an obvious indication of the need for the offered training programmes. As there still is a lack of available skilled labourers, it is fair to assume that additional training programmes are needed.

Most of the qualified skilled workers in the construction industry today obtained their skills through apprenticeships before the formal training became available.

## **6.11 Construction Costs**

The Department of Statistics gathers cost information from suppliers on a regular basis. It uses a three-bedroom two-bathroom house of 1,700 sq. ft. as a model. In March 1999, the materials cost B\$33,275 in New Providence and B\$31,641 in Grand Bahama. At the same time, the distribution of costs between different materials used for the model house was on an average:

Floor & walls	37%
Roof, ceiling, cabinets & wood frames	30%
Windows & doors	14%
Plumbing installation	12%
Electrical installation	3%
Paint	4%

The Department of Statistics also publishes a Construction Materials Price Index, with reference 100.0 in February 1995. In March 1999 the index was 106.5 in New Providence and still 100.0 in Grand Bahama. Since 1990 the building material costs have increased by about 13 %.

The labour to material ratio is normally estimated to be within the span ranging from 50/50 to 60/40. This would only include costs for labour and materials; no costs related to land, overheads or profit are included. Applied to the statistical model house in New Providence, the costs would range between B\$ 66,550 and 83,200, or B\$ 39 - 49 per square foot.

The Department of Housing applies B\$ 48-49 per square foot in contracts for Government initiated housing projects, but this includes the builder's overhead and profit. It can thus be assumed that the realistic construction cost for a moderate house, using conventional construction methods, is slightly under B\$50 per square foot. The square foot price quoted by large-scale contractors is at least B\$60, which would include more than the costs for labour and materials. The actual construction cost should not be higher than the above-mentioned B\$50. Large-scale contractors should even be able to lower that cost when they build in bigger volumes.

The information concerning the Family Islands is less reliable. According to interviewed contractors, material costs are 50% higher then in New Providence, due to additional transport costs. The contractors also referred to higher costs because of the delays in obtaining material and deliveries. The additional building material cost would thus result in a total cost of B\$ 59-75 per square foot.

Another source of information that can be used as a basis for the estimates of housing costs are the Building Permit Applications. Based on this information the Ministry of Works and Transport suggests that the construction value for the different housing categories are as follows:

Low cost housing	B\$60 per sq. ft.
Medium cost housing	B\$75 per sq. ft.
High cost housing	B\$100 per sq. ft.

Housing costs and possible savings in the building process are dealt with in Chapter 9, Government's Role in Housing.

## **6.12 Recommendations**

- The capacity of the Bahamian construction industry is sufficient for the housing production, with the exception of the availability of skilled labour.
- New building techniques, less focused on the use of cement-based products, should be developed. The reason for this would be to improve the flexibility of the construction industry and to protect the environment from excessive excavations of sand and rock.
- More efficient and less labour intensive construction methods could be developed.
- Locally produced building materials should be promoted.
- Small contractors and self-help builders should be supported and encouraged to become better organised.
- Contractors and builders should in all instances be required to be licensed.
- Establish a new database for housing production utilising GIS.
- Review the content of statistical records to ensure that the information is relevant.
- Improve statistics on housing production in all sectors; Government, private sector, small-scale contractors, and self-help builders.
- Support training institutions involved in training of construction vocations.
- Support housing on the Family Islands for permanent residents.



## **7 EXISTING HOUSING FINANCE SYSTEM**

This chapter describes the financing of housing as it is established at present. It includes the building credit, mortgage system, the role of commercial banks and The Bahamas Mortgage Corporation and practices established by the lenders and conditions for mortgages. It further deals with the distribution of loans on types of dwellings as well as the financing of mortgages.

### **7.1 Building Credit**

The information on the financing of housing developments and construction is limited and not systematic. The market for bridging finance does not seem as developed as the mortgage market. The observations indicate that in some cases, lack of building credit can be an obstacle and a factor that delays the building process. Small projects normally tend to use fairly expensive forms of credits, e.g. business credits and overdrafts. This may not be a major factor in the overall housing process but it needs more systematic study and further assessment. Consideration should be given to improvements of the credit system.

### **7.2 Mortgage Market Efficiency**

By the end of 1998, the value of the outstanding mortgages for residential properties was B\$890M. By the end of September 1999, the number of outstanding mortgages was 16,168. There are many actors in this market; 17 institutions, including one owned by the Government. There is not an extreme concentration; the single largest institution has about 26% of the market and the next largest has approximately 17%. The mortgage products vary to some degree among the competitors. Information on the products is available and efforts are made by the institutions to make this information understandable to the public.

In New Providence and in Freeport on Grand Bahama, the households' cost for searching for market information seems low, but this is not general for the whole country. Banks seem reluctant to lend money in the small Family Islands because the risk is too high due to lack of economic activity. In sum, most of the observations indicate that the mortgage market is fairly efficient.

### **7.3 Commercial Banks and the Mortgage Market**

The following table shows the development of the market share related to mortgages for new construction. It shows that 9 commercial banks together with the Bahamas Mortgage Corporation dominate this market. Bahamas Mortgage Corporation's market share has decreased since 1991.

When mortgages for repair of existing structures, rehabilitations and additions are included, the total residential mortgages outstanding at the end of 1998 was B\$892.8M. Of this total, commercial banks had 67%, insurance companies 16%, Bahamas Mortgage Corporation 11% and other local financial institutions had 5%. As a comparison, Bahamas Mortgage Corporation had 16.6% of the total residential mortgages in 1992 and their share of the total market has decreased since that year.

The single largest lending institution was Finance Corporation of Bahamas with 26% of the outstanding loans.

According to the Bahamas Mortgage Corporation many of the Corporation's mortgages were satisfied by other lenders who were willing to provide equity loans. The Corporation's scope of operations does not allow that type of loans.

**Table 7.1 Residential mortgages for new construction.**  
By institution %. All Bahamas.

Period	Insurance Companies	OLF	Commercial banks	BMC
1987	17.6	44.5	5.5	32.4
1988	15.1	43.7	6.3	34.9
1989	15.8	38.4	8.8	37.0
1990	14.9	35.6	10.8	38.7
1991	14.1	33.9	12.5	39.5
1992	17.2	32.0	12.8	38.0
1993	16.4	33.6	13.8	36.2
1994	16.6	30.9	21.1	31.4
1995	13.7	31.6	26.4	28.3
1996	11.8	30.4	32.3	25.5
1997	8.7	4.9	62.7	23.7
1998	7.1	4.3	66.5	22.1
No of inst. 1999	5	2	9	1

Note: In 1997, the Finance Corporation of the Bahamas became a commercial bank, which explains the change in proportions between Other Local Financiers (other local financial institutions =OLF) and commercial banks from that year.

Source: *Quarterly Statistical Digest*. The Central Bank of the Bahamas. August 1999 and The Central Bank of the Bahamas, November 1999

## 7.4 Types of mortgages offered by the major commercial banks

The mortgage products differ in some respects between the lending institutions. The largest institution on the mortgage market offers three different types of mortgages for new and existing homes:

### 1. Conventional mortgage

At least 20% is required as down-payment on property values less than B\$100,000, at least 25% of the property value on mortgages of B\$100,000 and over. The term ranges from 5 to 25 years on the condition that the loan is fully repaid when the borrower is 65 years of age.

## 2. High ratio mortgage

This type of mortgage is available for up to 95% of the property value, i.e. 5% down payment. The borrower must purchase mortgage insurance coverage for 7% of the amount borrowed in excess of normal lending value. The term is the same as for conventional mortgages.

## 3. Government guaranteed mortgage

The mortgage must be approved by the Minister of Housing in accordance with the *Bahamas Housing Act* and Regulations, as administered by the Department of Housing. The Act provides for mortgages up to a maximum of B\$100,000. The loan shall not exceed 99% of the first B\$50,000 of maximum lending value and 90% of the second B\$50,000 or part thereof. The mortgage requires mortgage insurance coverage, which is 2% of the total amount borrowed. The term is up to 30 years.

At the largest lending institution, interest is paid on the daily outstanding principal balance and is not compounded. The interest rates are variable and subject to change on 14 days' notice. Payment frequencies can vary from monthly, biweekly to weekly payments. The policy is that in general, mortgage payments should not exceed 30% of the combined gross income of the household. For the guaranteed loans, the Housing Act regulates that the Minister must approve of a higher ratio in specific cases.

## 7.5 Interest rate on guaranteed mortgages

The interest rate on Government guaranteed loans is set by the *Housing Act* at Prime Rate plus 2% for single family homes and Prime Rate plus 3% for multiple family homes. The development of rates for non-guaranteed mortgages is shown below.

**Table 7.2** Prime rate and residential mortgage rates.

Period	Prime Rate	Mortgage rates -	
		OLF	Commercial banks
1996	6.75	10.08	10.03
1997	6.75	10.19	10.06
1998	6.75	9.89	9.86
1999 (Nov)	6.00	9.00	9.00

OLF: Other local financial institutions.

Source: *Quarterly Statistical Digest*. The Central Bank of the Bahamas. August 1999. Nov 1999 and own observations.

In June 1999, residential mortgage rates were down to 9.73% at commercial banks (source: Central Bank, August 1999). The most recent significant development in interest rates occurred at the close of the second quarter in 1999, when the Central Bank lowered its lending rate to banks (Bank Rate) to 5.75% from 6.50%. According to the Central Bank, the decrease was motivated by the exceptionally buoyant liquidity conditions and geared principally towards supporting investments in the housing

sector. As a response to this, commercial banks also reduced the Prime Rate by 75 points to 6%.

The high ratio mortgage and the Government guaranteed mortgage together give low-income households reasonable borrowing conditions. This does not mean that all low-income households can qualify for a loan. The guaranteed mortgage is the most favourable loan and it is therefore important that such mortgages can be processed in an expedient manner. Indications are that the process of approving applications should be more rapid and efficient.

## 7.6 Types of dwellings financed through mortgages

Most of the mortgages are for new construction of single dwellings. The following table shows the development of loan values to single dwellings and duplex/row dwellings.

**Table 7.3** Residential mortgages for new construction. All Bahamas.

Period	Single dwellings		Duplex and row houses	
	Share of loans %	Avg. loan B\$	Share of loans %	Avg. loan B\$
1987	95	59 301	5	63 300
1988	94	56 146	6	75 263
1989	88	69 853	12	67 901
1990	92	61 201	8	80 810
1991	93	55 521	7	99 236
1992	92	55 969	8	57 744
1993	85	50 344	15	45 767
1994	88	55 026	12	64 824
1995	88	62 290	12	76 460
1996	85	62 202	15	64 037
1997	88	72 796	12	69 442
1998	89	79 249	11	78 627

Source: *Quarterly Statistical Digest*. The Central Bank of The Bahamas. August 1999.

In 1987, about 95% of new mortgage approvals for new constructions went to single dwellings, both in terms of the number of loans and the value of the loans.

In 1998, the figure was approximately 89%. In recent years the average loan values for single dwellings have increased to the same level as to duplex and row dwellings. It was noted that the market for mortgages for lower-cost houses should be relatively large at present, considering that the average loan value, which includes mortgages to very high-priced homes, is around B\$79,000. This would mean that the average price of the property would be around B\$100,000. It was found that the Bahamas Mortgage Corporation presently has a more low-cost profile than the average lender.

## 7.7 Financing of Residential Mortgages

The Bahamas Mortgage Corporation started in 1983. The Corporation has amongst its functions, the granting of mortgage loans to persons, enabling them in the purchase,

building, or rehabilitation of their residential premises and in co-operation with other agencies, the provision of financing for the construction of housing units and projects. Parliament authorised the Corporation to issue Housing Bonds up to B\$120M. In mid 1998, the total value of bonds outstanding was B\$114.9M. Most of these bonds (B\$107.2M) were held by the National Insurance Board for the investment of national pension reserves. However, the totally invested assets of the National Insurance Board was B\$719M by the end of 1998, most of it invested in Bahamas Government registered stocks (B\$541M).

According to the Bahamas Mortgage Corporation, Cabinet has recently approved an increase in Bonds by 35 million dollars. For the new series B\$25 million will be issued at 1% below prime rate and B\$10 million will be issued at 2% below prime.

**Table 7.4** The National Insurance Board. Total reserves and major investments. B\$M.

Year ended	Total reserves	Government registered stocks	Housing bonds
1996	778.4	471.1	107.2
1997	831.5	525.6	107.2
1998	890.8	541.4	107.2

Source: The National Insurance Board, 1997 and 1998 Annual Reports.

The interest rates on each series of bonds are fixed at varying percentages below the Nassau Prime Rate. Prime Rate is set by the commercial banks in conjunction with the Central Bank of The Bahamas for lending to prime customers. The latest issue has a coupon rate at 5.75%. Most issues of housing bonds have a floor, which means that it is at the lowest level based on a prime rate at 7%.

The National Board of Insurance does not see the investment from a strictly financial point of view but also as an investment in social values for the benefit of the Bahamian people. According to the Board, "a deliberate part of the Board's investment strategy includes lending funds to quasi-government corporations so as to assist in the provision of basic infrastructure and public utilities in the country, whilst at the same time, creating additional job opportunities. Some of the Board's investments are termed 'social investments' and are usually at lower interest rates so as to assist with the development of socially desirable areas of the national economy" (NBI Report). The National Insurance Board expresses an interest in investing more in housing bonds. However, the Bahamas Mortgage Corporation has only been authorised to issue bonds for B\$120M.

The reserves at the National Insurance Board are increasing and it is reasonable that their investments in housing bonds should also increase, at least as long as there is a national need for low-cost housing. At the same time, measures to increase the liquidity of the housing bonds would be favourable in terms of reducing the risk and lowering the borrowing cost. It seems reasonable to use lower borrowing costs for the financing of low-cost homes to low-income households.

## 7.8 Risk-free Rate of Return

The Bahamian Government borrows money on short-terms at comparatively low interest rates. The rate at which banks borrow from the Central Bank of the Bahamas (Bank rate) is high in comparison with the U.K. and U.S.A. Both rates are low in comparison with for example Barbados, Jamaica and Trinidad & Tobago.

**Table 7.5** 90-day Treasury Bill (TB) rate and Bank Rate (BR). %

Year	Bahamas		U. K.		U.S.A.	
	TB	BR	TB	BR	TB	BR
1996	4.36	6.50	6.08	6.00	5.00	5.00
1997	4.49	6.50	7.04	7.25	5.16	5.00
1998	3.48	6.50	5.55	6.25	4.38	4.50
1999 (June)	2.65	5.75	4.81	5.00	4.78	4.50

Source: Quarterly Statistical Digest. The Central Bank of The Bahamas. August 1999.

In November 1999, the risk-free rate (TB) was down below 1% as a result of very high liquidity on the financial market. The Bahamian economy is strong with a low inflation rate. It appears that the Government, through the Bahamas Mortgage Corporation, could borrow money for housing purposes at low interest rates, and lower than at present. Consideration should be given to determining whether the 7% floor on the Prime Rate for the Housing bonds includes an excessive risk premium.

## 7.9 Government's Role in the Mortgage Market

In mid 1998, the Bahamas Mortgage Corporation's total portfolio of loans under repayment numbered 3,221 with principal balances totalling approximately B\$99M. Of this, approximately B\$88M was in mortgage loans guaranteed by the Ministry of Housing.

Houses built under the Government Initiated Housing Programme cost on average less than other houses, but the households have higher average incomes. Existing houses offered on the real estate market are on average not cheaper than new ones. The statistical base for sale and purchase on the market is too limited to allow any general assessment or any advanced conclusions.

The findings can be summarised as follows:

- Approximately 91% of the approved loans for new constructions in 1997/1998 had costs above \$45,000.
- Of all approved loans, 3% of the households had incomes below \$15,000 and none had an income below \$10,000.

**Table 7.6** The Bahamas Mortgage Corporation. Net loan approvals in 1997/1998. All Bahamas.

Loan type	No. of loans	Cost B\$	Equity B\$	Interest %	Term years	Hhd Income B\$
Government initiated	81	54 542	7 012	7.71	19.74	29 049
New construction						
- individual	39	65 944	22 140	8.04	17.85	26 974
- developer	2	69 274	10 617	8.38	24.50	26 925
Purchase of existing house	34	53 310	10 285	7.76	16.68	28 837

Average figures (except for the number of loans). Cost includes land, building and closing costs. Source: 1998 *Annual Report*. The Bahamas Mortgage Corporation.

Even if the Bahamas Mortgage Corporation has a portfolio different from the average lender, the mortgage conditions and the lending criteria are not different. The corporation does not have a monopoly on guaranteed loans. Still the Corporation has processed 95% of the Government guaranteed residential mortgages in recent times. The role of the Bahamas Mortgage Corporation is unclear and should be reviewed.

An all-encompassing housing finance system should include building credit, housing mortgage system, government guarantees, funding and an administrative system for cost recovery that is properly co-ordinated. The Bahamas has taken initiatives to create such a system, but there is a need for improvements and expansion.

## 7.10 Recommendations

- Establish a system of building credit to complement the existing financing system.
- Review the role of The Bahamas Mortgage Corporation to establish how it can meet the demand for low cost housing more efficiently.
- Define the role of Bahamas Mortgage Corporation in relation to other improved lenders.
- Increase the possibilities for investment in housing through e.g. the issuing of housing bonds.
- Investigate possibilities for Government to borrow money at a lower interest rate.
- Establish alternative financing principles and housing finance system for mortgage loans for low-income households, with the aim of reducing the initial high ratio between debt and income.

## 8 AN ALTERNATIVE APPROACH TO HOUSING FINANCE

Housing affordability is a function of the yearly mortgage payments relative to household income. Housing cost is a function of interest payments and the equity build-up in the property. In many cases, low-income households cannot afford to purchase a home even if the cost is lower than renting. It is possible to set-up financial methods, which can solve this problem by redistributing mortgage payments over time. However, such methods increase the risk and without doubt, the price for taking this risk has to be paid.

### 8.1 Level of Affordability

With constant mortgage payments over time, and with increasing household income, affordability as measured by the relation between mortgage payments and income will develop in a favourable way. There is of course a risk that interest rates will increase but the chance is equally large that they will decrease. Furthermore, higher interest rates would probably be an effect of a higher inflation rate, which probably would coincide with larger nominal increases in household income.

The following table shows the development of consumer prices and an estimate of the recent increase in household income.

**Table 8.1** Inflation and household income. All Bahamas.

Time period	Consumer prices, % change/year	Nominal income, % change/year	Real income, % change/year
1990 – 1998	2.8	4.0	1.1
1997 – 1998	0.5	3.2	2.6
mid-98 – mid-99	1.4	n.a.	n.a.

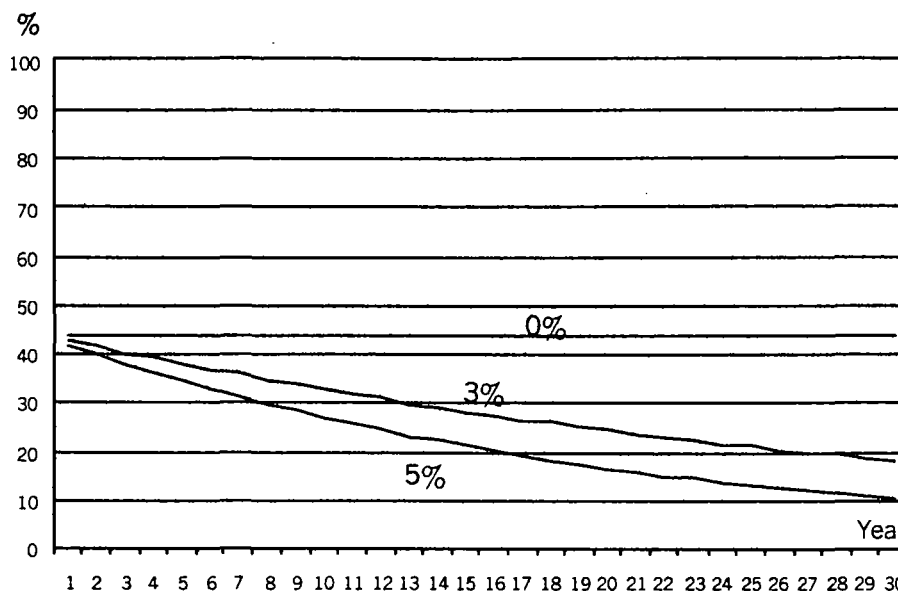
Note: Income increases are calculated from the 1990 census of housing and population and surveys in 1997 and 1998.

A substantial increase in income among low-income households has occurred between 1990 and 1998. This means that for many households with increasing income and constant mortgage repayments, the debt service ratio will decrease over time.

The following figure illustrates the development of mortgage payments as a percentage of household income. The purchasing price is set at B\$50,000 and the mortgage includes 1% down payment, 8% yearly interest and 30 years amortisation. The first year household income is set at B\$10,000.



**Figure 8.1** Debt service ratio (mortgage payment as percent of income).  
Three cases: 0%, 3% and 5% annual nominal change in household income.



The figure illustrates that with a rather small annual increase in household income, affordability increases over time. The problem is that it is not affordable at the start since the debt service ratio is well above 40%.

## 8.2 Borrowing to cover the interest

One way to take advantage of increasing income is to redistribute the mortgage payments so that the debt service ratio starts at a more affordable level. There are many ways to do this; one would be to accept loans to cover the interest payments.

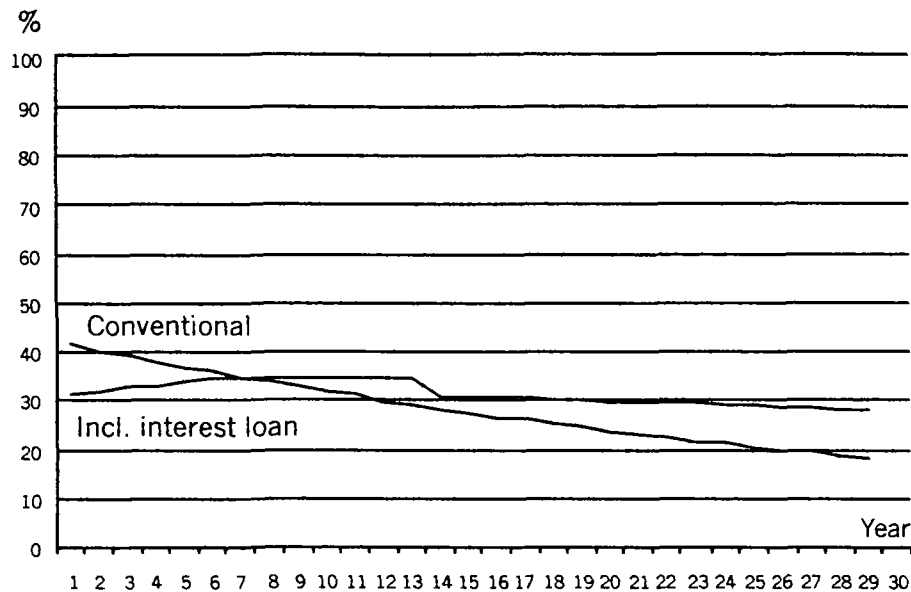
These loans are repayable on the same term as the mortgage. If income increase is steady and sufficiently high, and if the market value of the property also increases steadily, the payments become more affordable and the security for the loans is kept intact. However, there are obvious risks in such a system and these risks have to be covered. The benefits and risks of such a system is elaborated upon further below.

### Reduction of initially high debt service ratio – an example

The following figure illustrates a case where borrowing to pay interest works. The price of the property is set at B\$50,000 and the market value increases by 3% every year. Down payment is only 1%. The term is 30 years. Household income is set at B\$10,000 with an increase of 3% annually. Interest rate on all loans is 8% except for “excess” income when debt service is under 30% - then this is saved at the lending interest rate divided by 3.

(See Appendix 8.1- 8.4 for the detailed calculations).

**Figure 8.2** Debt service ratio (mortgage payment as percent of income).  
Borrowing with or without interest loan.



The figure illustrates a well behaving case of interest loans; the debt service ratio starts at 30% and increases up to close to 35% when the interest loan is at a maximum. At the end of the period it goes down to slightly under 30%.

There is a price to such a smoothing of the debt service, viz. the household will have to pay an overall debt service ratio of 31% but with a conventional loan only 27%. The assumption that the household saves B\$10,200 during the period also contributes to this effect. Without this assumption the overall debt ratio would be 29% instead of 31%.

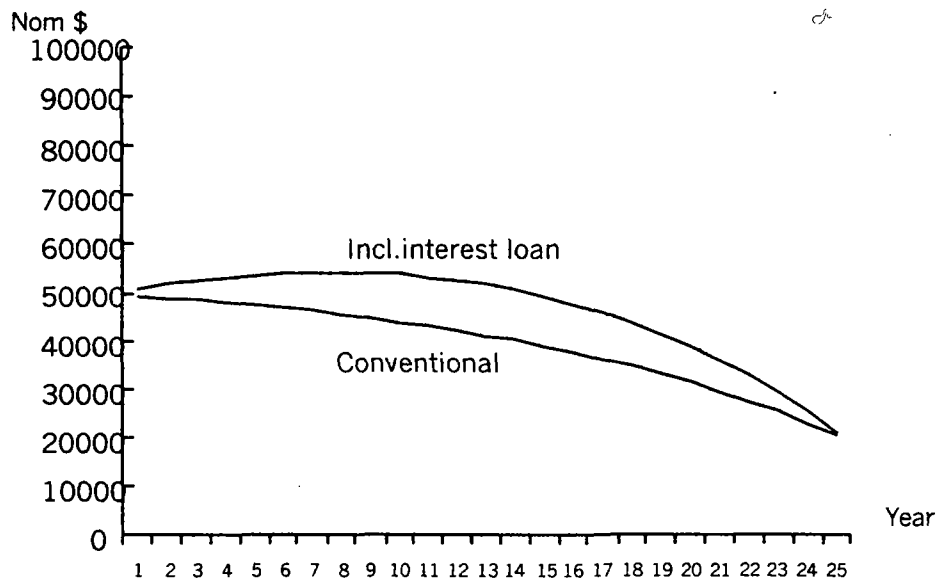
#### **Avoiding negative equity – same example**

When one considers equity and loan security also, the case above is still well behaving; household equity is never negative over the years and at the end of the period the household will have saved in total approximately B\$132,000.

The repayment of the interest loan can be done in various ways, for example in the form of a blended repayment (annuity) from the time when the interest loan has stopped to build-up to the end of the mortgage term.

The following figure shows one example of how the loans develop with and without interest. The example is the same as in Figure 14.2. The exact figures can be found in the appendices 8.1 – 8.4.

**Figure 8.3** Principal over time.  
Borrowing with or without interest loan.



We see that in this example, there is a build-up of the principal with the interest loan during the first 10 years. After 25 years, the principals reach approximately the same level. Obviously, the development will be different under other conditions.

### 8.3 High risk in interest loans

There are three major risks with interest loans as described (The exact figures for the different scenarios can be found in the appendices 8.1 – 8.4).

#### 1. Higher interest rate

If the interest rate level increases, including on the interest loan, the debt service ratio will increase. This is also a risk with the conventional loan but the problems are of course more difficult with the interest loan. If the rate goes from 8% to over 10%, there is an additional risk since equity will be negative during some period.

#### 2. No income increase

If household income develops slowly or not at all, the debt service ratio will increase both with a conventional loan and with an interest loan included. The household will most likely not be able to service the total debt. Equity will not be negative but it will not be so large by the end of the period because the interest loans will not have been paid back, at least not if the debt service ratio shall be on a reasonable level.

### **3. No market value increase**

If the market value of the property does not increase, the debt service ratio will not be affected. However, equity will be negative during the build-up of the interest loan.

These risks can be covered in different ways. For example, a commercial bank may be willing to take the risk by charging the borrower a higher interest rate. That may not be a favourable solution since it will result in more build-up of the interest loan. Another way could be to have the risk shared by many through insurance or through subsidies.

It is thus suggested that the Government in conjunction with lenders evaluate the interest loan model and other models of alternative financing systems to see if there are acceptable solutions to the problem of initially too high debt service ratios for low-income households.

### **8.4 Recommendations**

- Assess the advantages and disadvantages of the proposed alternative housing finance system.
- Consider the economic development requirements for the proposed system and determine suitability.
- Introduce new housing finance system.

## **9 GOVERNMENT'S ROLE IN HOUSING**

Among the actors involved in the provision of housing in The Bahamas the Government plays an important role both in terms of providing for the financing and the implementation of the programme. This chapter deals with the process, statistical information, permits and procedures, administrative structure and the content of the Housing Programme.

### **9.1 Government Activities**

The Government of The Bahamas' role in the conception and construction of private housing is versatile and includes a number of activities and responsibilities, which can be described as follows:

- The Government is building houses for home ownership by individuals of low to medium income and senior citizens for homeowner occupancy through the Government Initiated Housing Programme. The Department of Housing of the Ministry of Housing and Social Development is technically and administratively responsible for the programme.
- Government guarantees mortgage loans for home ownership, the purpose of which is to stimulate and promote home ownership by individuals for their own occupancy. This is mainly done through the Bahamas Mortgage Corporation but also through other approved lenders, such as commercial banks and insurance companies. The Bahamas Mortgage Corporation is a parastatal body, which reports to the Minister of Housing and Social Development. The guaranteed loans can be used for: a) houses constructed through the Government Initiated Housing Programme, b) houses constructed on privately owned lots, c) purchase of turnkey or existing houses and d) rehabilitation or enlargement of existing houses. The largest numbers of issued loans are within the Government Initiated Housing Programme. The Department of Housing and the Bahamas Mortgage Corporation are working in conjunction with each other.
- In addition to the Housing Programme, the Government owns some rental apartment buildings. These are administered by the Property Management Section within the Ministry of Housing and Social Development.
- The Government regulates and controls land use, developments and housing construction through the issuance of subdivision approvals and building permits. The procedures also involve site inspections. The Ministry of Works and Transport is responsible for permits and inspections. Matters related to land and survey and acquisition of land are dealt with by the Department of Lands and Surveys, while town planning, physical planning and land use issues, urban renewal and improvements are the responsibilities of the Department of Physical Planning. The Department of Lands and Surveys and the Department of Physical Planning form part of the portfolio of the Prime Minister. In the Ministry of Health, the Department of Environmental Health is responsible for environmental and health issues and it sets minimum standards related to construction.
- The Government provides for utilities through the utility corporations and private contractors.
- Construction and maintenance of roads are the responsibility of the Ministry of Works and Transport.

- Garbage collection and solid waste management are the responsibility of the Ministry of Health.

The Government Initiated Housing Programme and the Government Guaranteed Mortgage Loans are both regulated by the *Housing Act* (1967) and the Regulations pertaining hereto. The Bahamas Mortgage Corporation is regulated by the *Bahamas Mortgage Corporation Act* (1983).

The Government Housing program also encompasses the sale of a substantial number of lots in the Family Islands, for the construction of ownership housing. Additionally, large-scale housing developments are underway in Abaco, Eleuthera and San Salvador.

## **9.2 History of the Housing Programme and the Mortgage Loans**

The history of the Housing Programme goes back to the *Housing Act* of 1960 and to 1961 when the Bahamas Housing Corporation was formed with the purpose of administering a government guaranteed mortgage insurance programme. Guarantees were provided to lenders who granted mortgages for housing at stipulated rates and with low down payments. This continues to be the basic concept of the Housing Programme. The Ministry of Housing was formed in 1964, the same year as construction started on the first single-family houses in the Big Pond subdivision in New Providence.

In 1967 the Department of Housing was formed and an amended *Housing Act* came into effect. In 1983 the Department of Housing was placed under the Ministry of Housing and Social Development (at the time the Ministry of Housing and National Insurance) and, in the same year, a branch office was established in Freeport, Grand Bahama. The Bahamas Mortgage Corporation also became functional in 1983. Another branch of the Department of Housing was established in Marsh Harbour, Abaco, in 1998.

The *Housing Act* and its regulations have been amended on several occasions, the latest in 1998. Amendments have mainly dealt with adjustments of maximum lending values and ceiling interest rates. This was also the case with the latest amendment, when the ceilings were set at B\$ 100,000 for a new house and at B\$42,000 for rehabilitation loans. The interest rate was set at 2% above the prime rate for one-family houses and at 3% above the prime rate for multi-family houses. The latter is connected to a new concept in the last amendment, which permits loans to be issued to multi-family houses (the maximum lending values remain B\$100,000 and 42,000). The owner of a multi-family house must occupy one unit of the house while s/he may rent the other unit(s). The goal is to achieve a trickle down effect from the government guaranteed loans resulting in additional private rental units.

### **9.2.1 Housing Completion**

Statistics provided by the Department of Housing show that a total of 3,838 houses were completed through the Housing Programme from 1967 up to the present (see Appendix 9.1 for number of houses built per year and subdivision). 3,476 of these houses were built in New Providence, 335 were built in Grand Bahama and 27 were built in the Family Islands.

From 1983 to mid 1998, 1,914 of the houses were completed with loans from the Bahamas Mortgage Corporation. The total number of loans issued by the Bahamas

Mortgage Corporation for the different loan categories and for the budget year 1997/98 and from 1983 to mid 1998 are as follows:

Category:	Number of approved loans	
	1997/98	1983-98
Construction on owned lot	39	1,162
Purchase of new homes		
Government Initiated Housing	81	1,914
Turnkey projects by private developers	2	559
Purchase of existing homes	34	534
Rehabilitation and enlargement of existing homes	1	65
Total:	157	4,234

Source: The Bahamas Mortgage Corporation; 1998 Annual Report

Some of the above categories - turnkey projects, existing homes being purchased and rehabilitation - might also include condominiums.

At present 775 houses are being built or are planned to be built through the Housing Programme in all of The Bahamas - 624 in New Providence, 41 in Grand Bahama and 110 in the Family Islands (Abaco and San Salvador).

In the table showing the number of houses built per year (Appendix 9.1), it can be seen that the housing production dropped in 1992-95 (a total of 50 houses). It is of interest to compare the figures for "government houses" with the statistics on registered Construction Completions in New Providence for the same years (Appendix 6.1). The number of completions dropped significantly in 1992-95, with an average around 300 houses per year. At the same time the average construction value per new unit increased by more than B\$ 20,000. It is a clear indication that the Housing Programme plays an important role in the construction of houses of moderate cost in New Providence.

In the "Housing Needs Study" of 1984, it was recommended that the Government set certain annual targets for the number of houses to be provided for different categories during the period 1984 to 1990. Even if the goals may not be those of the present Government it is of interest to compare them with the figures from the Bahamas Mortgage Corporation and the Department of Housing. The annual targets and the achieved averages from 1983 to 1998 are as follows:

Category:	Annual Targets	Average Annual Results
		1983-98
Construction on owned lot	200	73
Purchase of new homes		
Government Initiated Housing	200	156
Turnkey projects by private developers	-	35
Purchase of existing homes	-	33
Rehabilitation by government	250	-
Loans for rehabilitation	50	4
Public rental units	50	6
Lots in subdivisions	50	n.a.
Total:	800	307

n.a. = not available

Source: 1998 Annual Report. Bahamas Mortgage Corporation

Most of the recommended targets were not achieved. Government Initiated Housing arrived at an annual average of 156 units. In view of the fact that the construction activities were at a very low level during the 1992-1995 period the annual average in recent years has been at or above target. Loans from other approved lenders are not included, which means that the total figures should be slightly higher. Comparison can be made with the building permit statistics, which indicate that about 9,500 new housing units have been built in the period 1990-1998.

### **9.2.2 Subdivisions, Lots, Houses**

The Housing Programme has been implemented in subdivisions or on scattered sites in existing developed areas. In addition to housing, land for social infrastructure - schools, clinics, community centres, etc. - and for commercial purposes have also been provided for within the subdivisions of the Housing Programme, especially where a subdivision contains 100 lots or more. In newer subdivisions the Ministry of Housing and Social Development has provided playgrounds and open space on scattered sites. Over the years some houses have been adapted for handicapped persons.

A few years ago Government started to present subdivisions as "Newbirth" while developments on scattered sites were called "Rebirth". "Rebirth" sites are located in low standard areas with a need for redevelopment. "Rebirth" houses are usually constructed of wood. They have so far only been built in New Providence and San Salvador, but requests have been received for them in Eight Mile Rock, Grand Bahama.

Generally houses in subdivisions are made of concrete structures and cement blocks. In the past, other techniques have been tried on an experimental basis but with little success. The most important experiment was in the Elizabeth Estates subdivision, built in and around 1986. Almost half of the more than 700 houses produced here were built with a number of different prefabricated building systems. The experiment was not well received and it had technical shortcomings. No further alternative technologies have been tried since.

In the Bethel Avenue subdivision, which is being developed at present, the Department of Housing is constructing houses on 266 lots. An additional 60 lots will be sold to private individuals for homeowner development. A few lots will be sold for commercial purposes, which is a new component not included earlier in New Providence. The houses and the lots are also bigger than in previous subdivisions. The Bethel Avenue subdivision will be more of a middle-income area than any previous development within the Government Initiated Housing Programme.

In the Family Islands the Programme mainly involves the sale of lots. The subdivision in Abaco, which is being developed at present, contains 600 lots. Five hundred of these lots will be sold, while 100 "government houses" will be built. In Eleuthera 40 lots have been sold and six built on of the total 119 lots. The installation of infrastructure is underway for the sale of the remainder of these lots. In San Salvador construction has started on 10 of 40 lots and will continue in keeping with the local demand.



### **9.3 Department of Housing**

The Department of Housing's role is mainly to administer the Government Initiated Housing Programmes, Private Initiated Housing Programmes and the public rental unit scheme.<sup>1</sup>

#### **9.3.1 Staffing**

The Department of Housing has three offices at present; the central office in Nassau, New Providence, an office in Freeport, Grand Bahama and one in Marsh Harbour, Abaco. In November 1999, the central office had 23 employees, of whom five were part of a social work programme; the Freeport branch had five employees - of which only two were permanently employed - while the Marsh Harbour office had one employee. The organisation is presented in Appendix 9:2 (Structure of the Department of Housing).

The Freeport and Marsh Harbour offices are collaborating with personnel from the Ministry of Works and Transport and, in the case of Freeport, also with the Grand Bahama Port Authority. They are supported by the staff from the Nassau office, when needed.

The central office has a shortage of staff especially in the technical section. Even with a full work force, the technical capacity is just sufficient to maintain operations. The present capacity hardly allows for new construction approaches. All staff receive introductory training as they start to work at the Department of Housing. Continual training is available for the staff.

The Grand Bahama branch office has five employees and is in need of additional staff, and in particular, a technical officer.

#### **9.3.2 Premises and Equipment**

The Nassau office space is quite congested, in particular for the technical staff. The situation is alleviated because the technical staff is often involved in work outside the office. However, there are no margins to grow within the present office space. The Bahamas Mortgage Corporation will be building a new office, and The Department of Housing will be housed within this space. There is a mobile site office available for field officers and technical staff. The Freeport office is adequate for its staff while the Marsh Harbour office space is generous for its one employee.

The offices are basically well equipped, although additional computers, printers and other technical equipment are needed.

#### **9.3.3 Budget**

The budget for daily operation is part of the overall budget of the Ministry of Housing and Social Development. The Department of Housing is responsible for a Corporation Sole Account, which is used for the acquisition of land and the repair of houses and a Mortgage Insurance Account where all funds related to the government guarantee are kept.

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<sup>1</sup> Information comes in part from Departmental reports. The last annual report produced centrally by the Department of Housing was the 1992/93 Annual Report. The 1993/1994 and 1994/1995 Reports have been completed but are not yet distributed. The last report of the Grand Bahama branch was produced to cover 1993/94.

## **9.4 The Housing Programme**

The Housing Programme is administered by the Ministry of Housing and Social Development through the Department of Housing.

### **9.4.1 Application Procedure for Government Housing**

A home from the Government Initiated Housing Programme means a home which is built by the Department of Housing in a subdivision developed by the Government - called "Newbirth" - or on a scattered site in an existing area - called "Rebirth".

The first step towards becoming the owner of a "government house" is to file an application with the Department of Housing. The applicant has to comply with certain criteria. These are that the applicants:

- are at least 18 years old;
- have a steady income and can show a letter proving employment or an affidavit of income, if self employed;
- intend to occupy the house;
- are: a married couple, a single parent, a parent and a child or partners with common-law status (singles without dependants are very rarely accepted);
- have or can get an approved life insurance (to an amount which will cover the full repayment of the loan);
- can show proof of Bahamian citizenship.

The Department of Housing will receive and accept all applications, although it is obvious that some applicants may not qualify for a house. If this is the case, it is made clear to the applicant who can choose whether to pursue the application or not. When applying, a form is completed stating the required information. The form also includes information about dependants, incomes, expenditures, savings and present living conditions. The applicant states the number of desired bed- and bathrooms and if he/she wants a concrete or a wooden house, all of which are of importance for the final price of a house. The applicant is not supposed to apply for a specific subdivision or house. However, an applicant may indicate a particular preference, which may be honoured as circumstances permit.

When subdivisions or houses are being planned, the prices of the individual house packages are determined. Possible future homeowners are being identified among the applicants - an applicant is identified for each house, as are one or two reserves. This process begins in earnest as soon as selling prices are determined. Selections are made from persons who have indicated a continued interest in obtaining a house. Priority is normally given to single mothers with children and to married couples with children. In recent years, special units have been constructed for disabled applicants, with the goal to construct disabled persons units in each subdivision. Such applicants are often awarded price concessions.

Applicants are generally selected on the basis of the apparent need and their ability to qualify financially for a loan for a particular subdivision. The present living conditions and needs - sometimes known through recommendations from the Department of Social Services - also determine if an applicant will be considered.

Identified applicants are referred by the Chief Housing Officer to the Permanent Secretary for consideration by the Minister.

The Minister and the Permanent Secretary confirm the recommendation of the selected applicant. The Department of Housing presents the selected candidate to an

approved lender - usually the Bahamas Mortgage Corporation - together with the details of the property involved and its price.

When the lender scrutinises the application it is in particular looking at the client's ability to meet the payment obligations using the following criteria:

- That the gross debt service of the loan will not exceed 30% of the client's income and that the total debt service will not exceed 40%.
- That the client does not have any liabilities to any approved lender for any previously government guaranteed loan.

When the applications have been scrutinised, they are presented to the Housing Commissions, which accept or reject them. In most cases the recommendations are accepted, both by the approved lenders and by the Housing Commissions. The Department of Housing then undertakes to insure the loan for the Government guarantee, the title deed is transferred and a loan approval letter is signed by the house owner. When these matters have been dealt with, the mortgage can be completed. The applications can, up to this last step, still be rejected, though that is unusual.

Both the New Providence and Grand Bahama offices of the Department of Housing present requests for guaranteed Government and Private initiated loans to the relevant Commission.

The process of obtaining mortgage loan approval takes at least two months, when all is in order. As this process can only begin after selling prices have been established and as some persons may be rejected by the lender or may withdraw very late in the approval process, the consequence can be that an owner is not yet identified when a house is completed. Some applicants refuse to accept nearly completed houses, which do not meet their expectations, regardless of their ability to afford a more expensive package. The result is that another applicant must receive approval, thereby delaying occupancy of a completed house.

The process of completing the mortgage loan approval process takes anything from 30 to 90 days. It is common practice to send mortgage applications first to the Bahamas Mortgage Corporation. If an applicant is rejected by the Bahamas Mortgage Corporation, but is deemed to be a suitable candidate for another approved lender, the applicant is referred to that lender.

#### **9.4.2 Being a House Owner**

To be the owner of a "government house" is linked with certain responsibilities and limitations. For example, if the owner wishes to sell, rent or lease the house an approval is needed from the Minister of Housing and Social Development. The Minister has the right of first refusal. If the Minister chooses not to purchase the house, he or she nonetheless retains the right to approve or reject the prospective buyer and the proposed price.

A homeowner, who wants to do an addition to his/her house, must seek approval from the Department of Housing before s/he can apply for a building permit in the usual way, through the Ministry of Works and Transport.

If a homeowner cannot pay his/her mortgage, the loan can be foreclosed on and the house auctioned. If the house is in very bad condition the auction might not result in a sale. If it cannot be sold for three months, the lender can ask that the guarantee be honoured. In most instances of foreclosure, the house remains the property of the Bahamas Mortgage Corporation and is sold at auction or by private treaty, with the Minister paying the shortfall. In very rare instances, the Minister is required to make

full settlement and the house is repossessed. It is then sold by the Department often at a loss, to the highest bidder.

#### **9.4.3 Applications**

The record of applications presently maintained was initiated in 1983. In New Providence the Department of Housing has currently about 8,000 registered applications for government housing.

In Grand Bahama the number of applications amounted to 4,550 in November 1999. However, it should be noted that the Grand Bahama applications include not only "government houses" but also other categories for which a government guaranteed loan may be issued.

In Abaco the number of registered applications were 258 up to mid November 1999. In San Salvador there were 11. These applications include persons interested in a house as well as those applying for a lot. The applications are registered by the local administrator in San Salvador. All of the Family Island applications are processed in Nassau.

Of the 8,000 registered applications for New Providence, some may not entirely meet the criteria while some applicants may no longer be interested in a "government house". A large number of applicants update their applications as their circumstances change. Because of these factors, the actual number of eligible registered applicants is unknown. The number of households that may qualify for Government Housing, but refrain from applying are obviously not known. The existence of the Housing Programme is widely known, even if many householders are unfamiliar with the terms involved. Chapter 4 "Household Income and Affordability" and Chapter 12 "Housing Stock and Housing Demand" provide information about the need for housing in different categories and the share of households in different income groups and thus the size of the target group for Government Housing.

The records of the applications have not in the past been categorised or computerised to any large extent. The way files are organised at present makes the search of applicants or other information cumbersome. The Department of Housing is presently re-organising its filing system in preparation for a new data base system. The Bethel Avenue applicants have been registered in a database.

### **9.5 Construction**

This section describes the requirements and activities in connection with the implementation of the housing programme.

#### **9.5.1 Subdivisions**

To develop a subdivision the Government has to own the land. Land can be granted to the Minister of Housing and Social Development from the Government's supply of Crown Land. This land is administered by the Department of Land and Surveys. It is common that land is obtained through acquisition of private land in keeping with the *Acquisition of Land Act*, which is a responsibility of The Office of The Prime Minister. The acquisition process is not considered an issue in terms of the efficiency of the housing provision process.

The Technical Department of the Department of Housing either prepares a schematic design and involves a consultant to produce the final plans, or a consultant is hired for the entire task. Consultants are identified either through competitive bidding

or through direct appointment. The plans for a subdivision need the approval of the Ministry of Works and Transport. Contracts for the installation of roads and utilities are granted through competitive bidding procedures.

The preparation of the plan for the subdivision includes the determination of lot sizes, which is important for calculating the development costs as well as for the character of the housing area. In most subdivisions in the past the lots have been fairly small, ranging from 3,200 to 5,000 sq. ft. In the more middle class Bethel Avenue subdivision, the lots, on which the Department of Housing is building, are 6,000 sq. ft. or larger.

### **9.5.2 Housing**

The Department of Housing has a number of model houses. Most of them were designed in the 1980's. Efforts have recently been made to add some new designs. This has resulted in three new models. The model houses presently in use are of the following compositions and sizes:

- one bedroom and one bathroom of 398 sq. ft. (very rarely used)
- two bedrooms and one bathroom models ranging from 576 to 854 sq. ft.
- three bedrooms and one bathroom models ranging from 802 to 877 sq. ft.
- three bedrooms and one and a half bathrooms models ranging from 930 to 960 sq. ft.
- three bedrooms and two bathrooms models ranging from 842 to 1,066 sq. ft.
- three bedrooms and two bathrooms models of 1,232 sq. ft.

A living/dining area and a kitchen are included in all models, while a porch, a carport and/or a utility area/storage space might be part of, or added to, some of the models. The model plans are sometimes adjusted to topography or other external factors. The Department of Housing is required to file applications to obtain building permits, even if the same models are employed. Each house needs its own permit.

A "Rebirth" house would have either two or three bedrooms and one or two bathrooms. The houses in the subdivisions are currently usually made of concrete while "Rebirth" houses are made of wood.

The builders who are contracted by the Department of Housing have to be approved under the *Housing Act*. When a builder applies to be approved he/she must state his relevant experiences, liabilities and assets. Before the approval is issued, the Department of Housing inspects three constructions for which the builder is responsible.

The Department of Housing has a list of 722 approved builders dating back to the 1960's. As this is the only form of licensing in The Bahamas, (with the exception in Freeport), many of these builders are seeking approval for other reasons than for building "government houses". The Department of Housing normally utilises about 20 to 30 of the approved builders. The selection is based on capacities and skills shown in projects over the last few years.

The assignment of contracts does not involve any competitive bidding or negotiations. The Technical Director selects the builders based on their technical and financial competence and makes recommendations to the Permanent Secretary for consideration by the Minister. The builders can choose to accept or refuse a contract. Each builder is normally assigned two or three houses at a time. As licensed craftsmen must install plumbing and electricity; the Department of Housing ascertains whether the builders sub-contract or employ such craftsmen.

The contract amount includes materials, labour, transport, the builder's overhead and profit.

A builder is paid in five steps as stipulated in the contract. A retention amount of 2.5% is paid out six months after completion of the house. This constitutes the only guarantee provided by the builder.

The time frame to complete a house is also stipulated by the contract. For a concrete house 90 days are allowed while the completion time for a wooden house is set at six weeks. If the construction is not concluded within the time frame, the builder can, theoretically, be penalised. In New Providence contracts are terminated if they extend two months beyond the dead line.

### **9.5.3 Costs and Selling Prices**

The construction prices set by Department of Housing for Government housing projects have remained unchanged for the last seven years. The average price is about B\$47 to 48 per sq. ft., which is substantially lower than what the private sector pays. Nonetheless it is assumed that a builder can make a reasonable profit, as builders accept the contracts and prices assigned to them. The prices are somewhat lower in Freeport than in the rest of The Bahamas, since building materials are tax exempted there.

The following components are included in the final selling price for a house:

- costs for utility installations and road construction
- a symbolic part of the land cost
- construction costs
- consultants fee
- closing costs for mortgage administration
- costs for the government guarantee insurance
- contingencies
- minimal landscaping (only on Grand Bahama).

The following table (page 87) illustrates the construction costs and selling prices for some houses. The selling price of the same house model varies quite substantially depending on the size of the lot and the cost of installing utilities.

The examples from the Bethel Avenue subdivision represent the smallest and the largest house models available. The two house models presented for Grand Bahama are the only models being constructed in Freeport, although Rebirth houses are being built for Pine Forest Estate, in Eight Mile Rock.

The examples below illustrate that both construction costs and additional costs are substantially higher in a subdivision than on a scattered site, viz. the "Rebirth" example. This is primarily due to lower costs for building materials and already existing infrastructure, resulting in an overall lower selling price.

The following components are not included in the price of a house:

- the full costs for the acquisition of land or the market value of the land
- administrative costs incurred by the Department of Housing
- costs of repairs.

Some of the above components, for which a private developer would make the client pay, are not included in the price of a "government house". This can be viewed as a

subsidy. In some cases the beneficiaries of this "subsidy" are low-income households. In many of the cases though, like in the Bethel Avenue subdivision, the "subsidy" benefits households in the middle-income group.

Subdivision and size of house	Construction cost	Selling price
<b>Emeralds Gardens</b>		
3 bed, 1 bath 802 sq. ft.	B\$38,448	B\$53,802
3 bed, 2 bath 912 sq. ft.	B\$43,776	B\$55,500
<b>Bethel Avenue</b>		
2 bed, 1 bath 854 sq. ft.	B\$42,138	B\$71,420
3 bed, 2 bath 1066 sq. ft. incl. carport	B\$61,168	B\$92,182
<b>Grand Bahama subdivisions</b>		
3 bed, 1 bath 877 sq. ft.	B\$41,250	B\$50,750
3 bed, 2 bath 1066 sq. ft. incl. carport	B\$53,310	B\$62,810
<b>"Rebirth"</b>		
2 bed, 1 bath 704 sq. ft.	B\$25,000	B\$31,911
3 bed, 1 bath 802 sq. ft.	B\$30,000	B\$37,427

#### 9.5.4 Possible Savings

The methods and approach in terms of housing construction do not indicate any obvious ways to achieve substantial savings in costs. Most certainly the general efficiency in the housing construction could be improved, but it is difficult to determine the effect on costs. The potential exists for marginal cost cuts in a number of areas:

- The rates applied by the utility corporations for installation infrastructure services should be based on competitive bidding or alternatively transparency in terms of pricing. Competition between the utility corporations and private companies may also play a role in reducing costs in the future.
- Competitive bidding could be applied whenever consultants are procured.
- A more efficient process for the setting of selling prices and procurement of mortgage loan approvals for potential homeowners would allow for the houses to be occupied soon after completion.

Savings might also be achieved if limited changes were made in some of the Housing Programme approaches. This concerns more precisely:

- Construction contracts should be awarded in sizes optimal for the contractors. The present practice of awarding 2-3 houses to each builder may not be the most cost-effective approach. The optimal size of contracts depends on the builders' capacity, resources and also construction methods applied.

- In New Providence subdivisions could be more densely laid out and lot sizes could be kept at a minimum size permitting models such as row houses, town houses and even multi-storey buildings. This could involve alternative types of tenure e.g. condominiums.
- More emphasis could be put on the scattered sites and the "Rebirth" concept. Development costs are much lower in already serviced areas.

Factors independent of the administration of the Housing Programme (See Chapter 6; Housing Production) can obviously also contribute to the reduction of costs. The following suggestions should be considered:

- The organisation of small builders' construction sites could be improved.
- The efficiency of existing construction methods could be improved.
- Alternative construction techniques and less labour intensive construction methods could be introduced and developed.
- Alternative environmentally friendly technologies regarding sanitation and power production could be promoted.
- Locally produced building materials could be promoted.

Construction costs are closely related to the methods used, the preferences in terms of housing, the cultural environment and the economic conditions for builders and developer as well as for the client. More efficient methods may have long term negative implications in terms of economy or environment. When introducing new approaches, building techniques, building material or construction principles, a holistic assessment is important.

## **9.6 Impressions and Quality of Subdivisions and Houses**

A "government house" or a "government subdivision" has a certain "government cachet". This is not a negative image; on the contrary, the houses and the subdivisions are to a large extent very pleasant. The different types of houses are well mixed and the variety of the subdivisions are enhanced by the fact that only a few houses are given to each builder at the time. A competition between the builders can be traced in the design and decorations of individual houses. This applies in particular to the more recent subdivisions in the New Providence.

Some of the older subdivisions are more monotonously laid out and house models are less mixed. In Grand Bahama, the same model is used in the subdivisions. This makes the subdivisions more repetitive. However, attempts have recently been made with alternative roof designs.

The wooden "Rebirth" houses are similarly attractive and are favourably integrated in existing environments. With cleaning, clearing and sensibly added new buildings as part of the Rebirth programme or on private initiative, these areas have the potential to become attractive neighbourhoods.

Sometimes the appearance of some subdivisions and houses can be negatively affected by a lack of maintenance. This is not related to housing, but to a very large extent it is a problem of attitudes of the residents. The quality of construction and material can facilitate the continued maintenance.

The same fact that makes the subdivisions pleasant and varied - that only a few houses are given to each builder at the time - have the same effect on the technical quality of the houses - they vary. There is not sufficient information available to assess



the technical quality of houses in existing and on-going housing projects. However, the construction sites that were visited gave consistently good impressions. The only specific technical observations that can be made relate to the wooden houses - some might be in danger of decay because the necessary ventilation between the foundations and the walls was frequently insufficient. The roofs were generally better ventilated. The paint on wooden houses must be of good quality and the right kind. There were indications that cheap, impermeable paint was used that would damage the façade in a short period.

Some of the approved builders who are contracted by the Department of Housing are masons by trade, while others are carpenters. The trade of the builder is generally not taken into consideration when a contract for a wooden house is assigned. This should naturally be the case.

The quality of subdivision and house plans can also generally be described as decent. They are not innovative and more new house models would be valuable. Moreover, the old house plans should be updated in order to contain installations for telephone and other modern conveniences. Provision for slots permitting the installation of air-conditioners should also be added.

### **9.7 Rental units**

The Government owns 95 rental apartments distributed among twelve units in New Providence, 92 apartments and one unit with 3 apartments in Eleuthera. They are administered by the Property Management Section of the Ministry of Housing and Social Development. The units contain from three to seventeen apartments. They were all constructed between 1982 and 89, predominantly in low-income areas. The sizes range from one to three bedrooms and the rents range from B\$ 140 to 250 per month. The tenants also pay for utilities. These normally amount to over B\$ 100 per month. The Property Management Section has a list of approximately 240 persons who are interested in renting a vacant apartment.

There are a number of problems associated with the rental housing units. The tenants frequently do not pay their rent. The total unpaid rent amounts to about B\$ 300,000. This corresponds to rents for more than fifteen months for all the units. The costs for maintenance are also very high. Evictions are politically sensitive and difficult as it is likely that the Department of Social Services will reinstall an evicted person.

The rental units were originally built to cater to groups who could not qualify for "government houses". The current policy is to maintain the units so that they do not turn into slums.

As the number of apartments is almost negligible, their role is marginal in the context of housing in The Bahamas. Any new attempt by Government in rental housing has to be based on a new and different approach.

### **9.8 Process for Approval of Subdivisions**

The issuance of a subdivision approval is the responsibility of the Subdivision Section of the Ministry of Works and Transport.

The statutes that are relevant to obtaining such approval and to develop subdivisions are the *Private Roads and Sub-divisions Act* (1961), the *Town Planning*

*Act* (1961) and the *Land Surveyors Act* (1975), as amended, and the Regulations pertaining to these Acts, such as the *Town Planning Guidelines*. The following is a description of the procedure.

### **Submission of Application**

A formal application is filed by the developer. The application consists of a completed application form, documentary proof of ownership of land, and eight copies of plans and layout of the subdivision, including topography.

### **Distribution of application for scrutiny**

One copy of the application portfolio is forwarded to all involved agencies and stakeholders:

- The Bahamas Telecommunications Corporation assesses the availability of telephone services.
- The Bahamas Electricity Corporation examines the application in terms of availability of electrical supply.
- The Water and Sewerage Corporation assesses them with respect to the water and sewerage systems proposals. Individual septic tanks are accepted for subdivisions up to 25 lots. Above this amount, a piped sewerage system and connection to a sewerage treatment plant is required. For water, individual wells can also be accepted if there is no piped water connection. The Water and Sewerage Corporation may also advise against development of the land if it is water bearing and flooding can be expected.
- The Department of Physical Planning reviews the application and presents the proposal to the Town Planning Committee. As there is no official land use or zoning plan for The Bahamas, the decisions of the Committee constitute the zoning regulations for the subdivision. They include the layout of the subdivision, the minimum size of lots, the width of roads and the required size of public open spaces. According to the Town Planning Guidelines a lot should be at least 50x100 sq. ft. However, in the past lots of 40x80 sq. ft. have been approved for government housing developments.
- The Civil Designs Section of the Ministry of Works and Transport reviews the technical and dimensional requirements for road construction and sidewalks.

### **Compilation of comments**

The Subdivision Officer compiles the responses and, if a service is not available or if all requirements are not met, notice is given to the developer that the application is premature or refused. If all replies are positive the Subdivision Officer will calculate the subdivision fee, based on the total square footage of saleable land multiplied by B\$5 and divided by 1000.

An "acceptance in principle" letter is prepared, outlining the conditions for the provision of utilities, requirements concerning zoning regulations and the final conditions, which must be met before approval for sale of lots can be given.

### **Quotations for infrastructure services**

When the developer receives the "acceptance in principle" letter he contacts either the utility corporations or private companies in order to obtain price quotes for the installation of all required utilities and infrastructure. The developer is then required to

present a bond corresponding to the price quoted, plus 10% for inflation, for the various steps of the installation of the utilities and the infrastructure. Alternatively the developer can pay in full the quoted amounts to the utility corporations.

### **Final approval**

When the installation of utilities and infrastructure is completed, inspected and approved, eight copies of final site layout plans and survey plans in accordance with the *Land Surveyors Act*, showing all requested amendments, are presented and the subdivision fee is paid. The copies of the plans are then stamped "for sale of lots" and a letter giving the permission for the sale of lots is prepared for approval by the Minister.

Once the plans and the letter are signed the developer is issued the final approved letter and one approved plan. At this stage the bonds are fully released. It is only at this point that the developer is entitled to start to advertise the lots for sale. The procedure to obtain building permits can also start.

According to the Subdivisions Section, the administrative process to obtain an "acceptance in principle" normally takes between four to eight weeks, if the portfolio of submitted documents is complete. To obtain the final approval is a matter of formality, once all inspections, plans, etc. are in place.

Some developers have expressed concern over delays, especially for getting inspections carried out but also for getting price quotes. The attitude among the developers seems to be that the procedures constitute a bottleneck. The formalities involved take longer in the Family Islands than they do in New Providence.

The land is the property of the developer until the lots are sold. The price of a lot includes the costs for utilities and infrastructure installation leading to the lot. These costs varies from B\$ 10,000 to 12,000 up to B\$ 25,000 per normally sized lot, depending on the size of the lot and the location of the area. In addition, the future homeowner also pays fees for the connections to the main pipes, as well as the internal piping and wiring. One year after the roads are certified, their maintenance becomes the responsibility of the Government.

## **9.9 Incomplete Developments and Empty Lots**

The practice of requiring a bond for the various steps of the installation of the utilities is recently established. It was introduced because many developers did not finish the installation of the infrastructure and utilities and, consequently, many subdivisions remained unfinished and without final approval. According to data available at the Department of Physical Planning, this is currently the case for about 50 subdivisions containing some 1600 lots.

The approval of a subdivision does not mean that all the lots will be developed immediately. The statistics indicate that at least 7,300 lots within formally established subdivisions are undeveloped. The scarcity of land would justify a thorough investigation regarding the status of undeveloped lots.

## **9.10 Process for Obtaining Building Permits**

For any new building, rehabilitation or addition a building permit is required. In New Providence the issuance of a building permit is the responsibility of the Building Control Section of the Ministry of Works and Transport.

In the Freeport area of Grand Bahama the Grand Bahama Port Authority carries out these functions.

On the Family Islands building permits up to 6,000 sq. ft. are processed by the Administrator (Department of Local Government, Ministry of Works and Transport) and approved by the local District Council, while building permits for structures with a surface of more than 6,000 sq. ft. are processed by the central Building Control Section.

The statutes that are relevant to obtaining building permits are the *Buildings Regulation Act* (1961), the *Town Planning Act* (1961) and the *Private Roads and Subdivisions Act* (1961), as amended, the Regulations pertaining to these Acts and the *Bahamas Building Code* (2nd edition, 1987).

The procedure to obtain a building permit is as follows:

### **Application for Building Permit**

The applications for building permits, including a location plan, site plan and construction drawings, are submitted to the Building Control Section. A prerequisite for obtaining the permit is that ownership of the land can be proved; either the applicant is the owner or the owner consents to the proposed construction. A non-refundable fee is also paid (B\$5.00 for up to 500 sq. ft., B\$10.00 for 501 to 1,000 sq. ft., B\$25.00 for 1,001 to 1,500 sq. ft., etc.) when the plans are submitted.

### **Scrutiny of the Application**

The first review after the registration of the application determines whether there are any potential problems for the Roads Department, such as lines of vision. If so, the plans are forwarded to them, if not, the plans are forwarded to the Department of Physical Planning, which plots the proposed development on the relevant subdivision plan. It checks the conformity of the proposal with the regulations. If necessary, a site inspection is also undertaken.

The recommendations of the Department of Physical Planning are forwarded to the Town Planning Committee, which approves, refuses or defers action. The applicant can appeal, if refused.

The Department of Environmental Health reviews the plans concerning sewerage disposal methods and if applicable, the distance between the septic tank and any well. The sizes of bedrooms and bathrooms, their window sizes and ventilation and the minimum requirements regarding the kitchen are also reviewed. Pit latrines are not accepted at present. Alternative, environmentally friendly, dry latrine systems were recently approved in two cases on the Family Islands.

The Building Control Section reviews the plans with regard to structural, plumbing and electrical aspects. If needed, additional information can be requested.

### **Issuing of Building Permit**

Assuming a positive result of the review, the Building Control Section issues a building permit. The applicant must pay the building permit fee (B\$10.00 for up to 500 sq. ft., B\$8.00 for each 100 sq. ft. for constructions from 501 to 1,000 sq. ft., B\$10.00 for each 100 sq. ft. for constructions from 1,001 to 1,500 sq. ft., etc.).

### **Inspection of construction**

Before commencing any work on the foundation an inspection takes place and the construction is registered as having started. The construction of the foundation must be completed within 18 months. If that does not occur, the permit can be renewed upon payment of a new building permit fee. When the construction is completed, the applicant must arrange for final inspection and registration in order to get the occupancy permit.

According to the Building Control Section the process of getting a building permit approved can, in the best of cases, take three weeks. It would usually take around six weeks or longer depending on the complexity of the application. Developers have expressed concerns with regard to the length of the process as such and, especially, getting inspections executed.

A building permit application can be submitted by any citizen without the employment of a licensed professional, as long as the project concerns a one storey house of up to 3,000 sq. ft. The employment of a licensed technician is required for a one-story house from 3,001 to 6,000 sq. ft. Above these limits a licensed architect must be employed.

Essentially this means that houses less than 3,000 sq. ft. in size can be designed without professional input. Experience shows that this is normally not very efficient, both with regards to cost and to function. However, for small houses ranging from 500 to around 1,000 sq. ft. the problem can be mitigated if future homeowners buy their plans from Department of Housing or from the Building Control Section. Such plans cost B\$ 162.00-284.00.

### **9.11 Conclusions and Recommendations**

- The goal set at producing 200 houses per year through the Government Initiated Housing Programme has not been achieved. 156 houses have on average been produced yearly since 1983. The annual average has increased since 1996 to 186 houses per year.
- In addition to their role in the Housing Programme, the Government guaranteed loans contribute to private initiated housing. On average 145 loans have been granted yearly since 1983, out of which 108 were for new houses.
- The subdivisions and the houses which are built through the Housing Programme are basically attractive and of acceptable quality.
- The houses that are built through the Housing Programme and other Government guaranteed loans are needed and the programme should be expanded. Apart from these activities, the Government depends on the private sector assistance to improve the supply of affordable housing.
- The public rental units are almost negligible. In New Providence they represent 0.25% of all occupied housing units.
- There is a trend to improve the standards for newly developed subdivisions. This means that income requirements are increasing. Middle-income groups are becoming the beneficiaries of the Housing Programme to a larger extent.
- The Housing Programme house owners are paying less for similar houses than house owners buying from the private sector. As the Housing Programme is targeting low to moderate income groups it is hard to justify that more middle-income households are becoming the beneficiaries of the Programme. However,

the Government involvement in middle-income housing is in line with policies and the *Housing Act* presently in force.

- The list of applications should be updated in an attempt to include only applicants who are seriously interested in a "government house".
- The process of establishing selling prices, and obtaining loan approvals for future house owners should result in all houses being occupied once they are completed.
- Annual Reports should be produced annually.
- Simplify procedures for subdivisions and building permits through co-operation and co-ordination between involved departments and ministries.
- Establish databases that can more efficiently assist the analysis of housing production and that includes more detailed and relevant information.
- Strengthen the Department of Housing through additional staff, and facilitate its operation through continued decentralisation.
- Strengthen District Councils by providing technical staff.

It is clear that the roles of the involved departments and sections are vital. Each application goes through several steps and departments before being approved. It is therefore not surprising if bottlenecks occur. This seems primarily to be caused by lack of resources. The assessment indicates that the application procedures and approval process include the degree of control and monitoring that is necessary.

Complaints about the cumbersome procedures are indeed very frequent. Delays can result in projects being aborted, or once started, they come to a standstill. Contractors claim that economic considerations sometimes force them to start constructions prior to obtaining the required permits and inspections. It is suggested that a review be carried out on the efficiency of the process.

It is noted that the workload for the cadre of Building Inspectors is very heavy and demanding, and that there is a shortage of staff. This is the case in all islands.

## **10 POPULATION**

The information on Population was obtained primarily from the Department of Statistics and its publications. The most important source of information and the basis for further calculations and estimates are the Report of the 1990 Census of Population and Housing: Volume I Demographic and Social Characteristics; and Volume II Housing Characteristics. The Department of Statistics has also provided data on household development and household income (Labour Force and Household Income Surveys). Comparative analysis has been carried out using statistics from other sources such as construction statistics and subdivision records.

The data and information from the last Census is 10 years old so the study has suffered from a lack of recently obtained and reliable population figures. The Department of Statistics is currently preparing for the next Census, which will be undertaken in 2000. Once the results from that Census are available it would be appropriate to up-date the Housing Needs Study and to adjust the projected requirements.

The Census preparations have assisted the Housing Needs Study by providing the results from the "Preliminary Count of Dwelling Units" for New Providence. This chapter provides information on population growth, population distribution and population characteristics.

### **10.1 Historical Perspective on Population Development**

The Bahamas has a long history of Population Census operations dating back to the early years of the 19th century. With a few exceptions the assessment of the population of The Bahamas has occurred every ten years. Comparable data is available for a long period and the 1990 Census reports provide a historical perspective going back to 1901.

The Bahamas has a small population distributed over a great number of islands. The statistical information identifies 19 islands as the main units in terms of Population Census analysis. Many of these "islands" actually consist of a number of islands and cays that are inhabited. There are many settlements of different sizes and character from fishing villages, tourist resorts, small towns to main cities like Nassau and Freeport.

The Bahamas experienced a steady population growth at a fairly low rate up to the early 1950s with some fluctuations due to the world wars and other external factors. During the period 1953-1970 the population growth was very high as a result of declining mortality and increased immigration. The population grew from 53,735 in 1901 to 84,841 in 1953 and to 209,505 in 1980. Since 1980 the growth rate has declined due to lower birth rate and a negligible net migration.

While the growth rate has been constantly positive during the 20<sup>th</sup> century and comparatively high during the last 40 years, the variations between the islands have been great. The main island in terms of population, New Providence, was marginally bigger than Eleuthera in 1901. According to the same census Grand Bahama was only in 8th position with 1780 inhabitants. Obviously both islands have since experienced an extremely high growth rate and are now the dominant centres in the country. For the rest of the Family Islands the growth has been marginal or negative. Over the century there have been considerable fluctuations between strong growth and decline.

Although the overall picture is one of declining numbers of inhabitants, the differences are such that it is inappropriate to deal with the development of the Family Islands as a homogeneous group of settlements. The economic bases vary and the development potentials need further analysis to support any conclusions. However, from a historical perspective it is possible to identify some development tendencies in relation to the different Family Islands.

Abaco shows a fairly constant positive population development. Andros, the Berry Islands, Bimini, Eleuthera, Harbour Island and Spanish Wells have turned from a decline to slight growth. Exuma, Inagua and Long Island have had a period of stagnation, but they still have a fairly stable population situation. Acklins, Cat Island, Crooked Island, Mayaguana, Ragged Island, San Salvador and Rum Cay suffer from a small and declining population base.

An important feature in population development in The Bahamas is therefore the inter-island migration and the pull and push factors causing these population movements.

## **10.2 Population Growth**

The 1990 Population Census shows an overall population growth of about 2 % p.a. or 45,544 people, in the 1980-1990 period. This was slightly higher than the expected results as portrayed in the projections done by the Department of Statistics. A higher birth rate and lower death rate contributed to a marginally higher growth with a total population of 255 049 (population projection: 253,309).

Most of the growth occurred on New Providence with an increase of 36,759, representing a growth rate of 2.43 % per annum. This island's total population was 172,196.

Grand Bahama also experienced a high increase in population figures with an addition of 7,796, representing a 2.14% annual increase and giving a total population of 40,898.

The Family Islands retained their population and actually registered an increase of 989 people to a total of 41,955. The annual growth rate was, however, only 0.24%. Amongst the Family Islands the growth rate varied considerably from a high 3.24% for Abaco to a population decline as drastic as -4% and lower for some of the smallest islands (see section 10.4 Population Distribution).

## **10.3 Population Characteristics**

There are a number of demographic features that are of importance for the population development of a country. These population characteristics will also have an indirect impact on the demand for housing and the development of The Bahamas. The economy and the provision of housing may in turn have an effect on the social structure and social behaviour, as well as on demographic structures.

### **10.3.1 Natural Growth**

The birth rate for The Bahamas fell over the census period although to a lesser extent than assumed in the Housing Needs Study 1984. The 1990 Population Census analysts calculated a birth rate of about 24.0 (live births per 1000 inhabitants). The fertility rate was 2.54 per woman. It was assumed that this would remain constant until 1995, after which a gradual decrease would occur until 2005. In the long-term perspective (after



2005) the fertility rate is assumed to be constant at the replacement level. There will be regional differences in future development due to the inter-island migration and the differences in household structures that this infers.

The death rate dropped over the Census period due to improved health and standard of living. The Department of Statistics assumes that there will not be any significant changes in terms of death rate over the periods used for Population Projections.

The natural increase in 1990 was approximately 2.0% per annum.

### **10.3.2 Migration**

While the natural increase rate can be calculated fairly accurately and the changes can be expected to follow certain general patterns, the second component affecting population developments is far more uncertain, fluctuating due to its dependence on a number of other factors. Migration to The Bahamas was noted to be insignificant during the 1980-1990 census period. The earlier periods of constantly high immigration had resulted in a high presence of foreigners in The Bahamas. At the same time there has also been emigration from The Bahamas to other countries. Both of these factors can have considerable impact on social structures and housing demands. The data as presented in the Population Census Report provides the Net Migration figures.

The Bahamas is a great tourist centre and the number of annual visitors outnumbers the inhabitants. Most of the tourists remain on the islands for very short periods of time, staying at hotels or cruise ships. A few have settled on The Bahamas as more long-term tourists with their own vacation homes or time-sharing accommodation. Although these temporary visitors are not included in the population of The Bahamas, they have an impact on housing, land and service requirements, apart from the fact that they contribute to the economy.

The most important component in terms of the population development is inter-island migration. The trend that was observed in the earlier Population Census and in the 1984 Housing Needs Study was confirmed by the 1990 Population Census. The main push factors are thought to be the lack of employment opportunities and poor public services. Obviously the hope of employment would be a major pull factor. It appears that in The Bahamas the availability of higher education on New Providence is an important reason for the attraction of this island.

Apart from New Providence, Grand Bahama, Abaco, Bimini, Berry Islands, Harbour Island and Spanish Wells, the rest of the Family Islands all recorded a decreasing population. Abaco had also an increasing share of the total population. The Department of Statistics assumes that these trends will continue. In order to change the trends the Government needs to embark upon an active regional economic development programme. Growth on the Family Islands will depend upon local economic development and employment opportunities.

### **10.3.3 Demographic Structure**

The Age-Sex Structure of the population shows great variations for the different islands.

#### **Age-Structure**

The age structure is presented as the percentage of the total population that a certain age-group represents. Usually 5-year age groups are used. This can be presented as a

table or an age-sex pyramid. Table 10.1 provides the age and sex structure for The Bahamas as a whole.

Table. 10.1 Age-Sex Structure. The Bahamas

Age Group	Total population	Percentage	Male	Female	Sex Ratio
Total	255048		124954	130094	96.1
age 0-4	28861	11.3	14606	14255	102.5
age 5-9	27228	10.7	13853	13375	103.6
age 10-14	25960	10.2	13098	12862	101.8
15-19	26991	10.6	13479	13512	99.8
20-24	25487	9.9	12648	12839	98.5
25-29	26022	10.2	12835	13187	97.3
30-34	21542	8.4	10333	11209	92.2
35-39	16159	6.3	7742	8417	92.0
40-44	12561	5.6	6122	6439	95.1
45-49	11130	4.4	5373	5757	93.3
50-54	8947	3.5	4231	4716	89.7
55-59	6840	2.7	3263	3577	91.2
60-64	5255	2.1	2396	2859	83.8
65-69	3995	1.5	1748	2247	77.8
70-74	3571	1.4	1522	2049	74.3
75-79	2314	0.9	938	1376	68.2
80+	2185	0.8	767	1418	54.1

Source: Population Census 1990

In overall terms, the population of The Bahamas is a young population with 32.2% of the population below 15 years of age. Note that 11.3% are under-school age (0-4 years) and 19.3% belong to what is normally considered the school-age group.

In spite of this high share of young people in the population, the share has decreased ever since the 1960s. The population group 15 years of age and above was 67.8%, while the labour force was 48.9% of the total population. The group of elderly people above 65 years of age was 4.8% of the population.

### Sex Ratio

The sex ratio shows the distribution of the population on the male and female groups expressed as the number of males per 100 females. The Bahamas' ratio of 96.1 (96.1 males for every 100 females) is considered low. The sex ratio changes with age groups showing the opposite conditions amongst the young population viz. more males than females in the age groups under 15 years. The age groups representing the young adults have a lower but fairly even sex ratio, while the age-groups 30+ have a strong female dominance. The explanation for these characteristics is that there are more male than female births and the mortality rate for young adult males is higher than for the female section.

It is not clear from the statistical material if changes in these features are to be expected and to what extent that would have an impact on the population projections.

Since 1953 the sex ratio has fluctuated although the tendency seems to be towards a more equal sex ratio.

The age structure and the sex ratio for the different islands are distorted due to out migration from most of the Family Islands.

### **Dependency Ratio**

The dependency ratio refers to the size of the non-working population (persons below 15 and over 65 years) in relation to the working population (persons 15 – 64 years). Normally there is a distinction made between the Youth Dependency Ratio (YDR) and the Aged Dependency Ratio (ADR). Both types have declined since 1953 and in particular the YDR, which was 50.98 in 1990. The ADR was 7.50 and the Total Dependency Ratio was thus 58.48. With low birth rate and low natural increase as well as low net migration, the Dependency Ratio will continue to decline for the planning period.

### **Labour Force, Economically Active and Unemployment**

The statistics suggest that the labour force, which refers to those above 14 years of age who are working or are looking for work represented 48.9% of the population. From the Census additional information was extracted showing that the potentially economically active made up 67.8% of the total population and that the Labour Force Participation Rate was 72.1% in 1990.

Unemployment rates were not addressed in the Census, but are covered by the Labour Force and Household Income Report. According to the 1998 Report there have been changes in the labour situation in The Bahamas. The Labour Force Participation Rate (LRPF) has increased to 77.3% and the unemployment rate decreased to 7.8%.

There are differences between the regions of The Bahamas with the highest Labour Force Participation Rate and the lowest Unemployment Rate being on New Providence: 78.3 and 7.3% respectively. The corresponding figures for Grand Bahama were 73.0% for the LFPR and 9.6% for the Unemployment Rate. There is no comparable information for the Family Islands.

### **Marital Status**

The 1984 Housing Needs Study provided detailed information regarding marriages and family formation, which has been used for comparison. The 1990 Population Census statistics show that 28.5% of the population above 15 years of age was married. This represented a slight decrease in total levels in spite of an increasing crude marriage rate. The Census Report suggests that the percentage of divorced persons (2.2%) and the proportion of single persons (32%) increased. This will be reflected in the average household size and should influence the distribution of housing demand on house types and tenure. It should, however, be noted that the social situation on the different islands seems to deviate a great deal from the average.

## **10.4 Population Distribution**

The 1984 Housing Needs Study assumed a continuation of the trends noted in the 1980 Population Census with a slightly lower rate than earlier, but with the same regional trends. Thus a continued high growth rate was envisaged for New Providence, a steady growth for Grand Bahama and stagnation or decline for the Family Islands. This

would indicate a development process without any specific regional development initiatives. The 1990 Census more or less confirms the assumptions made in the study.

The following table provides detailed information regarding the growth rates and the regional distribution. It shows that New Providence acquired a greater dominance, increasing its share of the population by 3 % over the ten-year period. Grand Bahama had in spite of its absolute growth in numbers not increased its share to any substantial degree. The Family Islands did show a marginal positive growth, but lost 3.1% of its share of the total population. Amongst the Family Islands only Abaco, Bimini, Berry Islands and Spanish Wells experienced a growth of any significance.

Table 10.2 Population Distribution

Area / Island	Pop.1980	% of total	Pop.1990	Increase	% p.a.	% of total
New Providence	135437	64.65	172196	36759	2.43	67.51
Grand Bahama	33102	15.80	40898	7796	2.14	16.04
Family Islands	40966	19.55	41955	989	0.24	16.45
<b>Total The Bahamas</b>	<b>209505</b>	<b>100.00</b>	<b>255049</b>	<b>45544</b>	<b>1.99</b>	<b>100.00</b>
Abaco	7271	3.47	10003	2732	3.24	3.92
Andros	8307	3.97	8177	-130	-0.16	3.21
Bimini	1411	0.67	1639	228	1.51	0.64
Berry Islands	509	0.24	628	119	2.12	0.64
Eleuthera	8331	3.98	7993	-338	-0.41	3.13
Harbour Island	1135	0.54	1219	84	0.72	0.48
Spanish Wells	1165	0.56	1372	207	1.65	0.54
Long Island	3404	1.62	2949	-455	-1.42	1.16
Exuma & Cays	3670	1.75	3556	-114	-0.32	1.39
Cat Island	2215	1.06	1698	-517	-2.62	0.67
San Salvador and	825	0.39	518	-307	-4.55	0.20
RumCay						
Acklins	618	0.29	405	-213	-4.14	0.16
Crooked Islands	553	0.26	412	-141	-2.90	0.16
Inagua	924	0.44	985	61	0.64	0.39
Mayaguana	464	0.22	312	-152	-3.89	0.12
Ragged Island	164	0.08	89	-75	-5.93	0.03
<b>Total Family Islands</b>	<b>40966</b>	<b>19.55</b>	<b>41955</b>	<b>989</b>	<b>0.24</b>	<b>16.45</b>

Source: Population Census 1990

The lack of development opportunities and the declining population base on most of the Family Islands should be a major concern for the Government of The Bahamas. The problems related to depopulated areas offer the Government a number of challenges. Most of the Family Islands have specific natural resources and/or great tourism potential. There is however a lack of infrastructure and services that are

needed for local economy development and to attract private investments. Especially in view of the high densities and the lack of suitable, serviced, accessible and easily developable land on New Providence alternative development strategies should be considered.

Table 10.3 Overall regional distribution.

Area / Island	% 1980	% 1990
New Providence	64.65	67.51
Grand Bahama	15.80	16.04
Family Islands	19.55	16.45

Source: Population Census 1990

### 10.5 The Population Distribution Trends in The Bahamas

The development pattern and trends in terms of population distribution indicated in the 1990 Census seem to have continued. This has resulted in an increasing share of the population living on New Providence, a fairly stable population on Grand Bahama and a stagnating or declining population on the Family Islands. This has resulted in an extremely centralised settlement pattern.

The situation is however more complex than provided for in forecasts and projections. There are considerable differences between the different Family Islands in terms of growth and potential. There are also notable fluctuations over time.

The official population projections assume a continued growth of New Providence with an increasing share of the population, reaching 73% in 2000 and 76% in 2011.

This assumption is however not supported by figures on household development, which would suggest that the share of the population living on New Providence would be in the range of 69-71% at present.

The results of the Questionnaire Survey also suggest that there is a shift towards substantial growth of some of the Family Islands. Furthermore the Government has repeatedly expressed concern over the migration. If such concern would be followed up by actions it is quite possible that the development on the Family Islands and on Grand Bahama could be more positive.

### 10.6 Population Projections

The Department of Statistics has prepared population projections based on the findings and analysis of the 1990 Population and Housing Census, soon after the processing of the results of the Census. The Population Projections identified three alternative scenarios, which could be described as high, medium and low growth rate. The method used was a composite forecasting technique with different considerations and assumptions for birth rate, death rate and migration. Out of the alternative scenarios the Department of Statistics has provided the Housing Needs Study with the details of the medium growth rate alternative. This alternative assumes that the total fertility rate will remain at 2.54 per woman until 1995 and then gradually decrease reaching replacement level in the year 2005 and remaining constant after that. It is assumed that the mortality rate will not change and that net migration will remain constant during the projected period.

The Department of Statistics undertakes sample surveys regarding Labour Force and Household Income, which give indications in terms of total number of households. These have been used as controlling parameters for the population projections.

Table 10.4 Summary of Population Projections

Area / Island	Pop.1990	Increase	% p.a.	Pop.2000	Increase	% p.a.	Pop.2006	Increase	Pop.2011	Increase
New Providence	172196	36759	2.43	220485	48289	2.50	245219	24734	263070	17851
Grand Bahama	40898	7796	2.14	82351	-502		83731	1380	85021	1290
Family Islands	41955	989	0.24							
The Bahamas	255049	45544	1.99	302836	47787	1.73	328950	26114	348091	19141

For the purpose of the Study the population projections prepared by the Department of Statistics have been used to arrive at total and regional population figures as well as for the related estimates.

The table shows that the population growth is assumed to have been fairly high in recent years but considerably lower than during 1980-1990. It will continue to decline for the planning period. The population increase for 1990-2000 is projected to be 47,87 for The Bahamas, while the increase for New Providence would be 48,89. This would mean a decrease for all other islands including Grand Bahama.

Based on the projections the total population increase up to 2011 would be 93,042 for The Bahamas and 90,874 for New Providence, leaving 2,168 people for Grand Bahama and the Family Islands. This would indicate a highly centralised development pattern.

An alternative approach would be to base the projections on an assumed future geographical distribution of the population. For such an approach a thorough investigation of the development potential is needed. It is recommended that Government commission the preparation of such a regional development study. However at this stage the projections as prepared by the Department of Statistics will be used for the purpose of estimating the population growth, household development and the housing demand.

The breakdown into the different planning phases shows in summary the following increases:

#### All of The Bahamas

1990-2000	47,787
2001-2006	26,114
2007-2011	19,141
Total increase	93,042

#### New Providence

1990-2000	48,289
2000-2006	24,734
2007-2011	17,851
Total increase	90,874

### 10.7 Alternative Projection based on Regional Distribution

If it is assumed that Grand Bahama and the Family Islands would retain their share of the population or even increase the share, obviously the distribution would be quite different. Such a scenario would require Government initiative and targeted investments in particular in the Family Islands.

The table below is based on an assumption of a geographical distribution changing over time due to Government investments on the Family Islands and support for development on Grand Bahama during the planning period.

New Providence is assumed to have reached its peak in terms of the share of the population with 71% in 2000, after which it will decline to the same level as in 1990.

The growth on Grand Bahama and the Family Island will start only after 2000 and will not be drastic but steady so that by 2011 their share of the population will be at the same level as in 1990.

Needless to say this is merely a calculation, which cannot be verified as a probable development, but serves to illustrate the possible distribution if a more balanced regional development pattern is established.

Table 10.5 Alternative Population Projections; Balanced Regional Development

Area / Island	1990		2000		2006		2011	
	Pop.	%	Pop.	%	Pop.	%	Pop.	%
New Providence	172196	67.5	215 014	71	226976	69	236702	68
Grand Bahama	40898	16.0	45425	15	55922	17	59175	17
Family Islands	41955	16.5	42397	14	46053	14	52214	15
The Bahamas	255049		302836		328950		348091	

## 10.7 Recommendations

- The long-term changes through a declining birth rate will result in a higher Aged Dependency Ratio and thus increased need for support and housing for elderly.
- The high rate of migration to New Providence needs to be addressed through regional development initiatives on the Family Islands.
- Rapid economic growth may result in immigration to The Bahamas, which in turn will have an impact on housing needs as well as other requirements.
- As the population statistics are from the 1990 Census, the assessments and the projections should be treated with caution.
- A review of the Housing Needs Study should be carried out once the results from the Census 2000 are available.
- The interviews and Questionnaire Survey indicate a higher growth on Grand Bahama and some of the Family Islands than the projections assume. If this is the case it will have an impact on the distribution of housing.
- Sample surveys should be carried out as a means of verification of population growth and development trends at mid-Census periods.

## **11 HOUSEHOLDS**

Households and their needs form the basis for housing requirements and for other forms of public and private services. Development in terms of household structure, household size and social structure are therefore important in determining the needs in the future and in any attempt to forecast housing demand.

This chapter covers Household Characteristics as recorded in the 1990 Census of Population and Housing. It is also based on additional information from the Labour Force and Household Income Surveys carried out by The Department of Statistics. The chapter deals with the growth in number of households, household size, heads of household, civil status, geographical distribution and regional characteristics.

### **11.1 Household Characteristics**

This section gives information about the total number of households, growth of households as compared to population growth, average household size and changes in relation to household size. It also deals with distribution of household size.

#### **11.1.1 Households Growth Rate**

The total number of households excluding institutional households is defined as private households. Institutional households include hotels, hostels, prison and hospitals. In 1990 the number of Private Households was 61,906. As a result of the definitions of the Census the number of households become equivalent to the number of dwellings, which creates considerable confusion in the interpretation of the statistics.

Compared to the 1980 Census the growth for the Census period in numerical terms was 16,154. This corresponded to an increase of 35 % or 3.07 % per annum. The household growth rate was thus higher than the population growth rate, which implied a change compared to earlier Census.

#### **11.1.2 Household Size**

The comparatively high growth rate in households gives a decrease in the overall household size, from 4.6 persons per household in 1980 to 4.12 persons per dwelling in 1990.

The comparison shows that the decrease in household size on New Providence was from 4.80 to 4.32 persons per household. The decrease was even more notable on the Family Islands with a reduction of 1 person per household, from 4.6 to 3.6 persons per household. On Grand Bahama the 1980s appear to have been a stable period for household size, with a marginal increase and a size close to the national average. The table below shows the variations in household size between islands of The Bahamas. The high household size on New Providence reflects the migration from the rest of The Bahamas. It also indicates a tendency of sharing households while seeking employment or while studying. It may also suggest that migrants consider their stay on New Providence as temporary. Above all it implies that there was a shortage of housing.

The seemingly stable situation on Grand Bahama is somewhat surprising when one considers the fluctuations in employment and the irregular pattern of development.



Table 11.1 Household Development, Regional Distribution and Household Size

Area / Island	Pop. 1980	Pop. 1990	Increase	Hh 1980	Hh. Size	Hh.1990	New Hh.	Hh. size
New Providence	135437	172196	36759	28381	4.8	39864	11483	4.32
Grand Bahama	33102	40898	7796	8432	3.9	10388	1956	3.94
Family Islands	40966	41955	989	8939	4.6	11654	2715	3.60
<b>Total for The Bahamas</b>	<b>209505</b>	<b>255049</b>	<b>45544</b>	<b>45752</b>	<b>4.6</b>	<b>61906</b>	<b>16154</b>	<b>4.12</b>
Abaco	7271	10003	2732			2865		3.49
Andros	8307	8177	-130			1871		4.37
Bimini	1411	1639	228			493		3.32
Berry Islands	509	628	119			232		2.71
Eleuthera	8331	7993	-338			2186		3.66
Harbour Island	1135	1219	84			339		3.60
Spanish Wells	1165	1372	207			502		2.73
Long Island	3404	2949	-455			858		3.44
Exuma & Cays	3670	3556	-114			940		3.78
Cat Island	2215	1698	-517			516		3.29
San Salvador	825	465	-360			148		3.14
Rum Cay		53	53			21		2.52
Acklins	618	405	-213			143		2.83
Crooked Island	553	412	-141			134		3.07
Inagua	924	985	61			288		3.42
Mayaguana	464	312	-152			89		3.51
Ragged Island	164	89	-75			29		3.07
<b>Total Family Islands</b>	<b>40966</b>	<b>41955</b>	<b>989</b>			<b>11654</b>		<b>3.60</b>

The variations between the Family Islands and the need to acknowledge the disparities in development and conditions on the islands have been stressed elsewhere in this report, but deserves repeating when one considers household size. There is no uniform Family Island pattern, apart from the obvious out-migration. The household size varies from 4.37 persons per household on Andros to as low as 2.52 on Rum Cay. The variations make it difficult to assess future development in any general manner. It is however important information on which to base any housing programme or other development programmes targeting households on the Family Islands.

### 11.1.3 Distribution of Households by Household Size

The average household size provides a limited description of the household situation and is not appropriate for determining the housing needs, the required distribution on types of housing or the size of dwellings. It is important to get information about the statistical deviation and the spread over the range of household sizes.

The share of smaller households increased over the Census period, while the share of large household decreased significantly. The share of 1-person households was 18.7 % and the small households with 1-2 members represented 36.3 %. The medium sized household of 3-6 persons made up 51.0 %, while the large household with 7+ members had a share of 12.5 %.

This general trend was found on all islands, but there was a considerably higher share of small households on the Family Islands with 44.3 % for the group of 1-2 person-households. The corresponding figure for New Providence was 33.8 % and for Grand Bahama 37.3 %.

The following table shows the distribution of households on household size in percentage and for the regions.

Table 11.2 Distribution of households on household size and regions

Area /Island	No. of Hh.	Percentage of household distributed by household size (%)											
		1	2	3	4	5	6	7	8	9	10	11	12+
New Providence	39864	16.7	17.1	16.4	16.1	12.8	8.2	5.2	3.2	1.6	1.1	0.7	1.0
Grand Bahama	10388	20.4	16.9	15.9	15.4	12.1	7.9	4.9	2.7	1.5	0.9	0.5	0.8
Family Islands	11654	24.2	20.1	13.8	13.3	9.2	6.2	4.6	3.0	1.7	1.4	0.8	1.7
The Bahamas	61906	18.7	17.6	15.8	15.4	12.0	7.8	5.0	3.1	1.6	1.1	0.6	1.1

The household size and the distribution of households by size give a good description of the living conditions and therefore the needs. To further illustrate the implications of the household distribution a comparison has been carried out between the number of households in each size-group and the number of persons living in each household category. This provides a better understanding of the diversification of the needs and the issues involved.

The following table presents the calculated distribution for The Bahamas generally.

Table 11.3 Distribution of households and people on household size

Area /Island		Distribution of households and people by household size (number of persons) in numbers and %											
		1	2	3	4	5	6	7	8	9	10	11	12+
The Bahamas													
No. of households	61906	11594	10896	9799	9558	7419	4803	3106	1909	1012	693	418	684
% of Hh.		18.7	17.6	15.8	15.4	12.0	7.8	5.0	3.1	1.6	1.1	0.6	1.1
Persons	233400	11594	21792	29397	38232	37095	28818	21742	15272	9108	6930	4598	8822
% of pop		5.0	9.3	12.6	16.4	15.9	12.3	9.3	6.5	3.9	3.0	2.0	3.8

The information in the table can be summarised as follows:

**In The Bahamas**

18.7 % of households consist of 1 person, representing	5.0% of the population
36.3 % consist of 1-2 persons, representing	14.3% of the population
51.0 % consist of 3-6 persons, representing	57.2% of the population
12.5 % consist of 7+ persons representing	28.5% of the population

A fairly high proportion of small households make up a small portion of the total population, while the few large households with more than 6 members represents a significant part of the population.

With the trend of decreasing average household size the number of small households will increase at a much higher rate than the population growth, resulting in a higher demand for housing. The distribution of new housing on types of dwellings, size of dwelling and possibly the type of tenure must reflect the changes in household size and household structure.

The corresponding distributions on New Providence and Grand Bahama are similar to the above with only marginal deviations.

## **11.2 Household Composition**

The composition of households refers to the civil status, the head of households, the age and sex characteristics, and the number of families in sharing households. This section describes the implications of the household composition.

### **11.2.1 Households and family units**

The absolute majority, 2/3 of all households, was made up of one-family households, which meant a slight increase since 1980. The single person households represented 20.6 %. Household consisting of 2 families or more increased marginally to 11.7 %, which represents a total of about 16500 families living in shared households.

On New Providence one-family households accounted for 68.8 % of all households, while the 5,090 households with 2 families or more represented 12.8% and a total of about 11,600 families sharing households.

On Grand Bahama the percentage for one-family households was the same as on New Providence, but the families sharing households were fewer - 9.4 %.

### **11.2.2 Heads of Households**

Most (64.2 %) households are headed by males, which is a decline from the previous Census. There is little difference in sex ratio between the age-groups, but a slightly higher female representation in the age-groups 55+.

More than 50 % of heads of households are aged between 25 and 44. Very few (5.6%) are younger and about 24 % are older than 55.

The majority (52.6 %) of heads of households were married, while 47.4 % were single (not married 25.8% or previously married 21.7 %). There are some significant differences between the characteristics of the different groups.

Single heads of households are primarily female (57.7 %). However, single heads of households living in 1-person households are most often male (70 %). Amongst the single heads of households that live in households with 2 members or more, the majority or 75 % are female.

Married heads of households are usually male (92 %);  
Common-law married heads of households are male (76 %);  
Divorced heads of households are generally female (66 %);  
Separated heads of households are female (64 %);  
Widowed heads of households are female (81 %).

It is not clear if there are any obvious trends in the marital status of the heads of households. If there is an increase in the single heads of household category or in the smaller sized one-family households, it will have considerable impact on future housing needs.

### 11.3 Household Development during 1990's

The information on household development since the 1990 Census of Population and Housing is scarce and incomplete. There were no overall surveys, analyses or assessments made that would be suitable as a basis for assumptions regarding household formation, household size, structure or development trends.

The best information is provided through the Labour Force and Household Income Surveys carried out annually by the Department of Statistics. It is however important to note that the purpose of these surveys is not to predict population growth or household developments. Department of Statistics has thus provided the overall household figures as found in connection with these surveys, covering New Providence and Grand Bahama. The survey results are then used to estimate the total figure for The Bahamas, suggesting some degree of uncertainty in the estimates.

The estimates provided by the Department of Statistics have been compared and combined with the population projections produced in connection with the analysis of the 1990 Census of Population and Housing.

Another point of verification has been made available through the preparation process for the Census in year 2000. The preparation includes a house count carried out by the Department of Statistics. So far this type of information is only available for New Providence.

Based on these data and information the household development is estimated and the results are shown in the table below.

Table 11.4 Household estimates 1999

Area / Island	Pop.1990	No. Hh.	Hh.size	Hh.1998	Increase	Rate	Hh.1999	Increase	Pop.1999	Hh.size
New Providence	172196	39864	4.32	49795	9931	2.82	50277	482	215998	4.30
Grand Bahama	40898	10388	3.94	12685	2297	2.53	12808	123		
Family Islands	41955	11654	3.60	14410	2756	2.69	14549	139		
he Bahamas	255049	61906	4.12	76890	14984	2.75	77634	744	298050	3.84

\*Figures for the Bahamas, Grand Bahamas and the Family Islands in 1999 are calculated proportionally.

The findings indicate a decrease in household size through a higher rate in household formation than the general population growth. It further suggests a continued high growth for New Providence and a lower rate for Grand Bahama and the Family Islands.

The fairly stable development indicated for the latter regions contradicts the suggested distribution of growth indicated by the population projections. The results of the Questionnaire Survey are not conclusive in verification of the population projections. Any assumptions regarding the geographical distribution need further studies as recommended in the chapter on population (See Chapter 10 Population).

The Household estimates for 1998 show an increase of 14,984 households since 1990. Most of this increase is statistically fairly reliable as regards New Providence and Grand Bahama, but less so for The Bahamas generally and for the Family Islands. The increase on New Providence is estimated to be 9,931, while Grand Bahama would have obtained 2,297 additional households.

The only verifiable data for households in 1999 is the number of households for New Providence, which was an actual house count.

#### **11.4 Household Projections**

The 1984 Housing Needs Study projected a decline in the household size and a specific number of households to be established during the period 1980-90. The development results came fairly close to the projected overall. The total number of households was slightly higher. The overall picture for the geographical distribution has become more or less exactly as predicted, in spite of the differences in details.

The projections of the growth of households for the planning period up to 2011 involve a number of issues that need careful consideration. The fundamental difficulty in arriving at a reliable estimate is caused by the lack of data. During the study the projections prepared by the Department of Statistics have been accepted as the basis for the estimates. However, there are indications that the development on Grand Bahama and some of the Family Islands may influence population distribution and the household formation, migration patterns and housing needs.

It is also important to consider the effect of possible government intervention in economic and regional development indirectly in terms of policies or in the form of development projects or business ventures. The role of the private sector in determining regional growth can also be significant.

The forth-coming Census 2000 will provide information on these issues. It is recommended that Government undertake an analysis of the Census material as a follow up of the Housing Study.

The changes that are occurring in social structure and in family attitudes have been implied in many discussions and interviews. A thorough attitude survey would be required to determine likely development in terms of household development and its implications in terms of housing needs and type of housing.

Based on the analysis of the available information at present, a tentative estimate of household formation for the short-term, medium-term and long-term phases of the planning period was prepared. The table overleaf gives the results for The Bahamas and for the regions.

Table 11.5 Household Projections

Area / Island	H.h.1990	H.h.Size	H.h.2000	Add. H.h.	H.h. Size	H.h.2006	Add. H.h.	H.h. Size	H.h.2011	Add H.h.	H.h. Size
New Providence	39864	4.32	52500	12636	4.20	61305	8805	4.00	67455	6150	3.90
Grand Bahamas	10388	3.94	25150	3108	3.27	25265	115	3.31	25370	105	3.35
Family Islands	11654	3.60									
Total Bahamas	61906	4.12	77650	15744	3.90	86570	8920	3.80	92825	6255	3.75

\*Figures for Grand Bahamas and the Family Islands are combined 2000-2011

The total number of new households is as follows:

Short-term Phase 1990-2000	15,744
Medium-term Phase 2001-2006	8,920
Long-term Phase 2007-2011	6,255

### 11.5 Alternative Household Estimate

As in the case of population projections it could be assumed that Grand Bahama and the Family Islands will retain their share of the population or even increase it, which would give quite different distribution.

The table below is based on an assumption of a geographical distribution changing over time due to Government investments on the Family Islands and support for development on Grand Bahama during the planning period.

Table 10.5 Alternative Household Estimate; Balanced Regional Development

Area / Island	1990		2000		2006		2011	
	H.h.	%	H.h.	%	H.h.	%	H.h.	%
New Providence	39864	67.5	52500	68	58870	68	63125	68
Grand Bahama	10388	16.0	12650	16	14700	17	15750	17
Family Islands	11654	16.5	12500	16	13000	15	13950	15
The Bahamas	61906		77650		86570		92825	

The balanced regional development scenario assumes that due to the distribution of development the conditions and parameters will be alleviated.

### **11.6 Recommendations**

- The great variations in household size should lead to the provision of alternative house types.
- The social aspects of housing need greater attention and efforts should be made to cater to single parent households.
- The gender aspect in household formation should be assessed in greater detail.
- The housing needs could become substantially higher if economic growth is rapid.
- The back-log in housing needs to be prioritised.
- Consideration should be given to the needs of households on Grand Bahama and on the Family Islands in connection with regional development projects.

## 12 HOUSING STOCK AND OVERALL HOUSING DEMAND

This chapter includes a description of the Housing Stock as recorded in the 1990 Census of Population and Housing. Complementary and more recent information has been obtained through the Department of Statistics and Ministry of Works and Transport.

The 1990 Census defined household as being synonymous to dwelling. For the purpose of the assessments and estimates this is used as a basis also in this study.

The chapter provides information regarding number of dwellings, size and number of residents, distribution on types of dwellings and tenure. It further deals with structural standards and an estimate of the proportion of old buildings in need of repair or replacement.

Finally it concludes with an overall estimate of the housing demand.

### 12.1 Occupancy Rate and Persons per Dwelling

The analysis deals with what the Census Report identified as Private Dwellings, which excludes institutional dwellings. The figures further refer to the occupied Private Dwellings. It is of interest to note that out of the 78,564 total numbers of dwellings 14% were recorded as vacant. This gave an overall occupancy ratio of 0.86, which is low. There is considerable difference between the islands of The Bahamas regarding occupancy ratio.

New Providence:	0.92
Grand Bahama:	0.80
Family Islands:	0.72

Amongst the Family Islands there were wide variations with the general trend of a higher occupancy rate for the bigger islands (Andros 0.82) and lower for the smaller ones (Berry Islands 0.42). It is assumed that the vacant dwellings are abandoned, either because the residents are what are referred to as "winter-residents" or the inhabitants are staying elsewhere in The Bahamas for employment or job seeking.

The Private Dwellings made up 91.8 % of the occupied dwellings on The Bahamas and thus 8.2 % was institutional dwellings. The latter refers to hotels, hostels, hospitals etc. The highest percentage of institutional dwellings was found on Grand Bahama and New Providence, while it was very low in the Family Islands.

The number of persons per dwelling would be equivalent to the household size as a result of the definition of dwelling. The structure of the household living in a dwelling can vary considerably and is not depicted in the statistics. It is important to note that the average figure gives an incomplete description of the situation, as the statistical deviation is considerable. The average numbers of persons per dwelling were:

New Providence	4.32 pers./dw
Grand Bahama	3.94 pers./dw
Family Islands	3.60 pers./dw
The Bahamas	4.12 pers./dw



Although most of the Family Islands in general had figures far below the national average there were exceptions and variations from a high 4.37 persons per dwelling (Andros) to a low 2.52 persons per dwelling (Rum Cay).

The occupancy rate and the average number of persons per dwelling illustrate the unbalanced regional development of The Bahamas with a migration from the southern islands to the north.

The future development regarding number of persons per dwelling is difficult to forecast. The regional comparison indicates that the migration from the Family Islands primarily to New Providence has continued during the last ten-year period. Due to the shortage of affordable housing and possibly for social and cultural reasons there has been an increase in the number of persons per dwelling on New Providence. Young people who are studying and/or adult job seekers stay with relatives or share accommodation out of choice or necessity.

Only a few of the Family Islands and Grand Bahama will retain a stable population with a balanced age structure, while most will suffer from out-migration. This will result in a decreasing household size.

Provided that the majority of the new inhabitants of New Providence will find employment and assuming that the housing provision will meet the demand, there will be a decrease in the number of persons per dwelling also on New Providence. In addition there will be an overall national reduction in household size due to the changing household structure.

## **12.2 Dwelling Characteristics**

To assess future needs it is important to get information regarding the present conditions prevailing in the housing stock and the structure of the households residing in the dwellings.

### **12.2.1 Dwelling Size**

The size of dwelling had remained fairly constant over the Census period. The average dwelling size was thus 3.8 rooms per dwelling in 1990.

The share of households living in smaller dwellings with 1-2 rooms was higher than those with more than six rooms, which gives a lower mean value of 3.2 rooms per dwelling.

It should be noted that the definition of room in the context of the Census includes all rooms except bathrooms, kitchen, closets, pantries, halls and foyers. This would normally mean that a 3-bedroom house in the Census statistics would be referred to as a 4-room dwelling, assuming that the dwelling would have one living room.

The distribution of dwellings on sizes shows considerable deviation from the average, which makes it necessary to take into account the need for a variation in the housing supply.

The distribution of housing on number of rooms is summarised in the table below.

Table 12.1 Distribution of dwellings by size (number of rooms)

Area /Island	No. of dw.	Dwellings related to number of rooms in % of total							
		1	2	3	4	5 to 6	7 to 8	9 to 11	12+
New Providence	39864	5.6	13.2	27.6	22.6	21.9	6.5	1.5	0.2
Grand Bahama	10388	7.7	20.6	21.8	19.7	21.4	6.1	1.6	0.5
Family Islands	11654	7.2	13.1	24.3	24.0	22.4	5.5	1.0	0.2
The Bahamas	61906	7.1	14.4	25.7	22.4	21.9	6.3	1.5	0.2

The most common size of a dwelling would consist of 3 rooms, representing 25.7 %, closely followed by 4 rooms with 22.4 %. There is no great difference between New Providence, Grand Bahama and the Family Islands in this overall picture. Family Islands had a slightly higher share of bigger dwellings and Grand Bahama had a higher percentage of its dwellings in the smaller size categories. It is obvious that the Family Islands cannot be treated as a homogeneous unit. While Abaco and Bimini have a high share of dwellings with 1-2 rooms (28.7% and 27.2% respectively), the majority of dwellings in Eleuthera, Harbour Island and Spanish Wells were 4-6 rooms in size. For the remaining Family Islands most dwellings consisted of 3-4 rooms.

The statistics on housing provisions since the last Census do not provide any information on the distribution of dwellings by size. The total number of completed new housing units on New Providence is estimated to be about 9,500 dwellings for the period 1990-1998. This is to a fair degree consistent with the estimated increase in number of households, 9,931, for the same period.

### 12.2.2 Types of dwelling

The vast majority of dwellings, more than 2/3 are single detached houses. The second largest category is Single Attached Dwellings with about 17 %, while Apartments and Flats correspond to 13.5 %.

The tables below show the distribution on types of dwelling and the regional distribution.

On New Providence the distribution follows the national average. An interesting aspect is the high percentage of dwellings in the single detached category (68.9 %). The urban sprawl and lack of suitable land should still be a concern, although the change from 1980 (76%) indicates a trend towards a higher density. During the course of the study it has been stated that new housing includes a larger portion of apartments, duplexes and town houses. It has not been possible so far to verify those statements, and such a new trend would obviously have occurred after 1990.

Table 12.2 Type of Dwellings

Area /Island	Pop.1990	No. of dw.	Pers./dw	Single Detached		Single Attached		Apartment/Flats		Other	
				No.	%	No.	%	No.	%	No.	%
New Providence	172196	39864	4.32	27497	68.9	6967	17.5	4919	12.3	481	1.2
Grand Bahama	40898	10388	3.94	4833	46.5	2596	25.0	2902	27.9	57	0.5
Family Islands	41955	11654	3.60	9897	84.9	1040	8.9	520	4.5	197	1.7
The Bahamas	255049	61906	4.12	42227	68.2	10603	17.1	8341	13.5	735	1.3

The above stated percentages can be compared to those from 1980 available in the 1984 Housing Needs Study.

Table 12.3 Type of Dwellings; comparison 1980 -1990

Area / Island	Single Detached		Single Attached		Apartments	
	% 1980	% 1990	% 1980	% 1990	% 1980	% 1990
New Providence	76	68.9	13	17.5	11	12.3
Grand Bahama	41	46.5	22	25.0	37	27.9
Family Islands	92	84.9	4	8.9	3	4.5
The Bahamas	73	68.2	13	17.1	14	13.5

On Grand Bahama the share of Single Detached dwellings was smaller, but still close to half of the stock (46.5 %). Here Single Attached Dwellings accounted for 25.0 % and 27.9 % were Apartments, thus together they amounted to more than 50 %. However, in 1980 37% of the dwellings on Grand Bahama were Apartments and the trend between 1980 and 1990 was towards Single Attached and Detached units.

The absolute majority (84.9%) of the dwellings on the Family Islands were Single Detached Dwellings. In 1980 they represented 92%. It follows from this that the share of Single Attached Dwellings and Apartments were marginal, although Single Attached Dwellings more than doubled its share from 1980 to 1990.

There are some variations found between the different types of dwellings in terms of size with generally larger dwellings amongst the single detached type and smaller dwellings in apartments.

In summary the prevailing situation and the regional difference were as follows:

#### **All of The Bahamas**

Single Detached Dwellings:	4-6 rooms	57.6%
Single Attached Dwellings:	2-3 rooms	60.6%
Apartments	2-3 rooms	75.4%

#### **New Providence**

Single Detached Dwellings:	4-6 rooms	44.6%
Single Attached Dwellings:	2-3 rooms	67.1%
Apartments	2-3 rooms	74.8%

#### **Grand Bahama**

Single Detached Dwellings:	4-6 rooms	64.0%
Single Attached Dwellings:	2-3 rooms	46.9%
Apartments	2-3 rooms	79.6%

In terms of the Family Islands a similar analysis is not needed, as the variations are too great and the dwelling stock too small on some of the smaller islands (for other than single detached dwellings). In very general terms it can be stated that there is wider spread of sizes amongst the single detached dwelling category and that single attached dwellings and apartments are often small (2-3 rooms).

### 12.2.3 Dwellings by Tenure

Compared to the situation in the early 1980's there was a slight increase in the percentage of owner occupied dwellings, as it was recorded that about 55 % represented this category. The share of rented dwellings was still very high (37.8 %) and 6.8 % of the dwellings were occupied rent-free. The table below provides a comparison between the regions.

Table 12.4 Dwellings distributed by tenure

Area / Island	Pop.1990	No. of dw.	Pers./dw	Owned		Rented		Rent free		Other	
				No.	%	No.	%	No.	%	No.	%
New Providence	172196	39864	4.32	21173	53.1	16765	42.1	1821	4.6	105	0.3
Grand Bahama	40898	10388	3.94	4931	47.5	4831	46.5	579	5.6	47	0.5
Family Islands	41955	11654	3.60	7886	67.7	1789	15.4	1810	15.5	169	1.5
The Bahamas	255049	61906	4.12	33990	54.9	23385	37.8	4210	6.8	321	0.5

The owner occupied category of dwellings made up 53 % on New Providence and 47.5% on Grand Bahama. Rented dwellings are more common on Grand Bahama than on New Providence with 46.5 % and 42.1 % respectively. On the Family Islands more than 67 % of the dwellings are owned and only 15.4 % are rented, while the share of rent-free dwellings are as high as 15.5 %.

The average size of dwellings is bigger for owned dwellings than for the other categories.

Owned dwellings:	4-6 rooms	64.3 %
Rented dwellings	2-3 rooms	66.9 %
Rent-free	2-3 rooms	59.5 %

### 12.2.4 Age of Dwelling

The 1990 Census includes information on the time of construction for dwellings. This provided information about the age of the dwellings and the addition of new dwellings over time. A great portion of the dwellings was built prior to 1970 and thus more than 20 years old at the time of the Census.

The distribution in percentage between construction periods is shown in the table below.

Table 12.5 Period of Construction; percentage of housing stock

Area / Island	1970 or earlier	1971 - 1980	1981 - 1990	Not stated
New Providence	44	13	30	13
Grand Bahama	67	9	19	5
Family Islands	55.5	12.5	24	8
The Bahamas	50	12	27	11

For The Bahamas 50% of the dwellings were recorded as built before 1970. The Single Detached dwellings were marginally newer, while the apartment category consisted of a greater share of older dwellings.

New Providence includes more of the recently built dwellings and had only 44% built prior to 1970. It should however be noted that as many as 13% of the returned Census results did not include information on this aspect of the Census.

A comparison with the information in the 1980 Census reveals, that the dwelling stock probably developed at a fairly constant rate over many years in New Providence and in the Family Islands, and that the number of quite old buildings is likely to be a substantial part of the housing stock. The situation is different in Grand Bahama. Considerable construction took place during the Sixties, little happened in the Seventies while constructions restarted in the Eighties.

The table below gives a summary of the numbers of pre-1970 dwellings in 1990 and related percentages.

Table 12.6 Dwellings built prior to 1970

Area /Island	Pre-1970 dwellings		Single Detached		Single Attached		Apartm./Flats		Other	
	No.	% of total	No.	% of SD	No.	% of SA	No.	% of Apt.	No.	% of Ot
New Providence	17526	43.96	12304	44.7	2673	38.4	2283	46.4	266	55.3
Grand Bahama	6947	66.88	2531	52.4	2035	78.4	2343	80.7	31	68.9
Family Islands	6466	55.48	5827	58.9	385	37.0	188	36.2	57	28.9
The Bahamas	30939	49.98	20662	48.9	5093	48.0	4814	57.7	354	57.4

There are more recently constructed Single Attached Dwellings and Apartments on New Providence compared to the national average, resulting in comparatively low percentages of old dwellings in these categories.

Grand Bahama had the highest share of old buildings with 67% constructed prior to 1970 with the highest percentage being Apartments.

On the Family Islands the share of old dwellings was 55.5 % with a higher share for single detached dwellings. The single attached dwellings and apartment dwellings seemed to be more recently built.

The fairly high share of the older buildings indicates that a considerable portion of the housing stock would be due for replacement or substantial repair. Both of these activities would need financing and would add to the overall housing demand.

It is estimated that 20 % of the dwellings identified in the 1990 Census as built prior to 1970 would need to be replaced during the planning period. This would represent about 6,720 dwellings for the planning period or 560 houses per year.

It is further suggested that another 40 % would be due for substantial repair, representing 13,440 dwellings or 1,120 per year.

### 12.2.5 Construction Materials

Building materials used for occupied dwellings of various ages and types are presented in the 1990 Census. The percentage made of wood, concrete and other materials in existing occupied dwellings can be compared to the figures from 1980, as they were presented in the 1984 Housing Need Study.

Table 12.7 Construction materials 1980/1990 - percentage

Area / Island	Wood		Concrete		Other	
	1980	1990	1980	1990	1980	1990
New Providence	36	21	58	70	6	9
Grand Bahama	27	17	60	72	13	11
Family Islands	36	34	53	48	11	18
The Bahamas	34	23	57	66	9	11

The most obvious changes which can be observed is that 1/3 of the houses were of wood in 1980 and that this dropped to 1/4 in 1990. At the same time concrete consolidated its position as the prevailing material. In 1990, 2/3 of all houses were built of concrete. This trend is less obvious on the Family Islands where "other" materials are used to a larger extent. Of these other materials - wood and concrete and stone are of some importance.

### 12.2.6 Availability of Utilities

The following percentages concerning the availability of utilities can be extracted from the 1990 Census and the 1984 Housing Needs Study.

Table 12.9 Water supply 1980/1990 - percentage

Area / Island	Piped into Dwelling		Stand-pipe		Other	
	1980	1990	1980	1990	1980	1990
New Providence	66	80	22	11	10	9
Grand Bahama	74	85	6	4	20	11
Family Islands	42	61	16	12	42	27
The Bahamas	65	77	18	10	17	13

"Other" includes water piped into yard; public well and tank or private water, which is not piped.

Table 12.10 Toilet facilities 1980/1990 - percentage

Areas / Islands	Piped System		Septic tank		Pit Latrine		Other or none	
	1980	1990	1980	1990	1980	1990	1980	1990
New Providence	10	13	62	67	27	13	2	7
Grand Bahama	10	8	65	76	21	14	4	2
Family Islands	2	2	42	58	47	29	9	11
The Bahamas	8	10	59	67	30	16	3	7

The data shows that there has been a considerable improvement since 1980. However, 23% of all dwellings do not have piped water or waterborne sanitation.

The percentages of dwellings, which obtained their water supply from a stand-pipe and used a pit latrine for sanitation were reduced by about 50 % during the 1980 –1990 period. Assuming that there has been continued improvement in standards at the same rate, it can be estimated that about 3,800 households are using stand-pipes and 6,100 households are using pit latrines. Improvements in water and sanitation for the dwellings still lacking these services should be a priority for immediate action.

A little more than 10% of all Bahamian households shared their toilet facilities in 1990. Pit latrines represented 69% of these facilities. If we make the assumption that the number of households which shared facilities also halved, it would mean that around 2,700 households still lack appropriate sanitation facilities due to sharing.

Access to water and sanitation is not directly correlated to type of dwelling. The standard of services depends on location rather than dwelling.

Table 12.11 Electricity availability 1980/1990 - percentage

Areas / Island	Dwellings with electricity %	
	1980	1990
New Providence	87	94
Grand Bahama	91	97
Family Islands	58	76
The Bahamas	86	91

A substantial number of dwellings had access to electricity supply in 1980 and even more in 1990. New Providence and Grand Bahama are probably more or less fully serviced at present, while there may be some Family Island dwellings, which are still not connected. Oil is generally used for lighting where electricity is unavailable.

A majority of the dwellings use gas for cooking, especially in New Providence - 85%. This percentage is 73% for all of The Bahamas. Grand Bahama is the exception - electricity is used by 71% of the dwellings. Oil and solid fuels are alternatively used for cooking.

### 12.3 Household Size in Relation to Size of Dwellings

In order to assess the standard of housing in terms of available space a comparison has been made between the household size, number of families and the size of dwellings. The information applies to The Bahamas generally.

#### 12.3.1 Overcrowding

The impression of the separate sets of data is that the distribution of dwelling by size is quite congruent with the distribution of households on size. The data indicates that the available space is generous as e.g. about 37% of the households would have 1-2 members, while small dwellings with 1-2 rooms make up 21% of the dwellings. The share of population compared to size of dwelling is presented in the table below.

Table 12.12 Comparison between size of dwellings and share of population.

Size of Dwellings	Distribution in % of all dwellings	Distribution of population in %
1 room	7	3
2 rooms	14	10
3 rooms	26	24
4 rooms	23	25
5 rooms	14	17
6 rooms	8	10
7+ rooms	8	11

This comparison indicates a fairly satisfactory correlation between space and household size.

Guidelines set by The United Nations establish that three or more persons per room would constitute overcrowding. Based on this definition the degree of overcrowding is not a major issue in The Bahamas. The average number of persons per room would be below that level. In The Bahamas the general standard of living is higher and it seems that it would compare favourably with the UN definition for overcrowding.

If it is assumed that the target level would be a maximum of 2 persons per room, it was found that about 12% of the dwellings provided insufficient space and about 20% of the population lived in below standard circumstances.

### 12.3.2 Sharing of Dwellings

A considerable number of families share dwellings. Although this may indicate an unsatisfactory housing situation, it would not be appropriate to assume that all families sharing dwellings would require new housing. Quite a few of these families share a dwelling by choice. This can occur due to cultural or social reasons or because of practical and economic necessity. Even so the ratio of sharing of dwellings can be used as a comparative measure of overcrowding and an indication of additional housing needs.

In the 1990 Census it is recorded that 7,250 households consist of 2 families or more, representing 11.7 % of the households. A simple calculation suggests that about 16,500 families share dwellings. If all of these families would require alternative and single family-unit accommodation it would mean an additional demand of about 9,200 housing units.

On New Providence the ratio of sharing of dwellings is higher than the national average with 5,090 households consisting of 2 families or more, representing 12.8 % of the households. It would indicate that 11,600 families are sharing dwellings and thus an additional demand of 6,500 new housing units would be required on New Providence.

Grand Bahama presented a different situation. The ratio was much lower with only 970 households consisting of 2 families or more, representing 9.4 % of the total number of households on Grand Bahama. The total number of families sharing dwellings would be 2,200 and the need for additional housing units would be 1,200.

In the Family Islands 1,200 households consist of 2 families or more. This means that 2,700 families share dwellings and that there is a need for 1,500 new units.



## **12.4 Housing Stock Conditions**

The issue of dwelling conditions is crucial for any estimate of rehabilitation and repair needs and the related issue of the value of the housing stock. Due to lack of up-to-date information the results of a survey undertaken for the preparation of the "Grants Town Project", has been used in comparison with the 1990 Census. The Grants Town Project included an assessment of housing conditions.

The survey divided the houses into three categories according to conditions and standards, represented by the following percentages:

- good - 22%;
- average, meaning the conditions required some repairs that could be justified in economic terms - 39%;
- poor - meaning that the cost of repairs would be bigger than the cost of replacement - 39%.

These houses were occupied and thus formed a part of the "occupied dwelling" category. In addition to these houses there were also derelict and abandoned houses and 9.5% of all the structures belonged to this category.

At present Grants Town is still an area in need of rehabilitation and redevelopment. Most of the houses from the initial period of development remain and are in use. This is reflected in many of the houses in the sense that they are small but well built. Adequate utilities are available in many of them. Grants Town - and other old areas - have the potential to become attractive again, with sensible redevelopment. This has been addressed by Government in a recent initiative to provide funds for the up-grading and redevelopment of the "Over-the-Hill area".

Apart from Grants Town there are areas where more recent developments targeted at low-income groups have been attempted. The houses in such areas are frequently small and badly constructed and poorly maintained. Most of these areas are situated south of the centre, but pockets of degraded areas are found in many parts of Nassau. Low standard areas are also found in Freeport, Marsh Harbour and in other urban centres in the Family Islands.

## **12.5 Construction of New Dwellings**

The 1990 Census of Population and Housing included information about the construction of dwellings that occurred during the past two decades. The total number of new dwellings during the 1980-90 period was 16,154, which would make an annual average of about 1,610 dwellings units.

Most of these additional dwellings were built on New Providence with 11,483 new dwellings; an average of about 1,150 per annum. The construction on Grand Bahama resulted in 1,956 new dwellings for the ten-year period or an average of 195 per year.

For the Family Islands the number of new dwellings was 2,715 for the period, at an average of 270 per year. The major portion of the new development occurred on Abaco, Andros and Eleuthera.

Information on the construction of housing since 1990 statistics was obtained from the Department of Statistics and is based on the number of Building Permits being processed. A permit can contain several housing units. According to the statistics for New Providence provided by the Ministry of Works and Transport, a total of 10,253 new housing units were completed during the 1990-98 period. The figure includes

Extensions and Rehabilitation permits and the actual number of new dwellings is estimated to be 9,500 housing units. This would mean an annual average of 1,056 units.

This is lower than the estimated growth of number of households, which for the same period is assumed to have been 9,931 new households (Department of Statistics; Labour force and Household Income Survey).

The construction statistics include a considerable number of the type of housing not affordable by the majority of the people.

It has been deduced that the construction of dwellings on Grand Bahama and the Family Islands has followed the trends in household formation, but with a lower completion rate for housing construction than on New Providence.

Combined with the statistics on Building Permits it is calculated that the average production of new housing has been as follows:

New Providence	1,050	housing units/year
Grand Bahama	190	housing units/year
Family Islands	90	housing units/year
Total	1,330	housing units/year

The total provision of new housing during the period 1990-1999 would in this rough calculation have reached 13,300. Compared to the estimated number of new households for the same period this would indicate a shortage of approximately 2400-2500 housing units.

Table 12.13 New dwellings and households since 1990

Area / Island	Pop.1980	Dw. 1980	Pop.1990	Dw.1990	New dw.	Pers./dw	H.h.1998	Increase	Dw.90-98	H.h.1999
New Providence	135437	28381	172196	39864	11483	4.32	49795	9931	9500	50277
Grand Bahama	33102	8432	40898	10388	1956	3.94	12685	2297		
Family Islands	40966	8939	41955	11654	2715	3.60	14410	2756		
The Bahamas	209505	45752	255049	61906	16154	4.12	76890	14984		

The new dwellings provided during recent years are mainly a result of private sector production. Government initiated housing has been fluctuating, but has remained at a level of slightly under 200 units per year. The statistics do not provide information on the distribution of housing on income or cost categories. Government Housing has partly met the demand for low to medium income households.

## 12.6 Housing Demand

The housing demand for The Bahamas is estimated based on the projected population growth, the assumed conditions for household formation, the anticipated changes in household structure and household size, the need for replacement and renewal of the housing stock and the demand caused by improved standards of living.

The estimates are given as a total demand for the planning period 2000 - 2011, but also for the short-term, medium-term and long-term phases viz.:

Short-term phase	backlog + 2000
Medium-term phase	2001-2006
Long-term phase	2007-2011

It is assumed that the existing growth will continue and that the migration to New Providence will be a dominant feature. It is further assumed that the increased housing production combined with a stabilisation of the economy will result in a decrease in household size.

The situation on the family Islands will stabilise and result in a higher Occupancy Ratio (fewer vacant dwellings) and a decrease in the number of persons per dwelling.

The housing demand will also be assessed in terms of income groups i.e. low income housing, low-medium income housing, high-medium income housing and high income housing (See Chapter 4 Household Income and Affordability).

### 12.6.1 New Households

The overwhelming factor affecting the need for housing is the formation of new households. This is dependent upon economic development, the increase in incomes and standards of living and social attitudes. To a great extent it is also related to the supply of new housing of a reasonable standard and cost.

The estimates in terms of household formation or new households have been described in chapter 11, Households and are shown in the table below.

Table 12.14 Summary of Household Formation

Area / Island	H.h.1990	H.h.Size	H.h.2000	Add. H.h.	H.h. Size	H.h.2006	Add. H.h.	H.h. Size	H.h.2011	Add H.h.	H.h. Size
New Providence	39864	4.32	52500	12636	4.20	61305	8805	4.00	67455	6150	3.90
Grand Bahama*	10388	3.94	25150	3108	3.27	25265	115	3.31	25370	105	3.35
Family Islands*	11654	3.60									
The Bahamas	61906	4.12	77650	15744	3.90	86570	8920	3.80	92825	6255	3.75

\*Figures for Grand Bahama and the Family Islands are combined 2000-2011

The estimated increases in terms of number of households are assumed to be equivalent to the required number of dwellings.

For the first short-term period the total number of new households is compared with the estimated production for the 1990-2000. The result represents the calculated shortage of housing.

Table 12.15 New Housing to meet demand resulting from new household formation

Area/Island	No. of Households			Estimated			No. of Households		
	1990	2000	Increase	Production	Backlog	2006	2001-2006	2011	2007-2011
New Providence	39864	52500	12636	11500	1136	61305	8805	67455	6150
Grand Bahama	10388	25150	3108	1800	1308	25265	115	25370	105
Family Islands	11654								
The Bahamas	61906	77650	15744	13300	2444	86570	8920	92825	6255

\*Figures for Grand Bahama and the Family Islands are combined for 2000-2011

### 12.6.2 Replacement of dwellings

The additional housing needs that will arise due to deterioration has been discussed in section 12.2.4, Age of Dwellings. The conditions of older buildings may worsen because the houses are being abandoned or the maintenance has not been sufficient or has been infrequent. There is no direct connection between the age of a building and its structural or finished aspects.

The number of dwellings that will be replaced during the planning period is calculated to be 6,200 over the entire period or 560 per year. In addition another 12,320 dwellings will need substantial repair, necessitating financial loans. The latter group will make up 1,120 dwellings per year. The table below shows the number of replacements and repairs for each phase of the planning period. It is assumed that the backlog in replacement will not affect the rate of activities during the planning period.

Table 12.16 Housing Needs – Replacement and Repair.

Planning Phase	Replacement	Repair
Short-term – 2000	560	1120
Medium term 2001-2006	3360	6720
Long term 2007-2011	2800	5600
Total	6720	13440

### 12.6.3 Housing Needs - Improved Standards and Reduced Sharing of Dwellings

The fact that a considerable number of households consist of 2 or more families has been elaborated upon in section 12.3, Household Size in relation to Size of Dwellings. The overcrowding of dwellings will presumably be reduced through increased housing production and a higher standard of living generally. This is already reflected in the household and dwelling projections which should result from the decreasing household size. However, the reduction in terms of sharing of dwellings will add to the housing requirements. Based on the assumption that the number of shared dwellings will diminish and virtually disappear by the end of the planning period, the additional housing needed would amount to 350 dwellings per year.

Table 12.17 Housing Needs – Sharing of Dwellings

Planning Phase	"reduced sharing"
Short-term - 2000	350
Medium term 2001-2006	2100
Long term 2007-2011	1750
<b>Total</b>	<b>4200</b>

#### 12.6.4 Summary of Housing Demand, 2000-2011

The Housing Demand has been estimated based on analysis of the 1990 Census of Population and Housing. The complementary information which has been obtained from Department of Statistics, Ministry of Works and Transport and the Building Control Division provided some opportunity of assessing the present situation. The assessments need further elaboration and additional data, particularly with regard to the more recent development on Grand Bahama and the Family Islands, which will only be available after the Census 2000. The table below presents the summary of the housing demand projections for the three phases of the planning period as compared with the types of housing needs. The distribution of the housing demand against the housing categories and income groups is elaborated on in Chapter 4, Household Income and Affordability.

Table 12.18 Summary of Housing Demand

Planning Phase	New households	Replacement	"Reduced sharing"	Total	Repair
Short-term - 2000	2440	560	350	3350	1120
Medium term 2001-2006	8920	3360	2100	14380	6720
Long term 2007-2011	6250	2800	1750	10800	5600
<b>Total</b>	<b>17610</b>	<b>6720</b>	<b>4200</b>	<b>28530</b>	<b>13440</b>

The table below is an attempt to estimate the distribution of the housing demand over the regions of The Bahamas. The result should be treated with caution, as there are no real means to verify the estimate. More precise figures will be possible to arrive at based on the results from the Census 2000.

Table 12.19 Tentative Regional Distribution of Housing Demand

Area / Island	Short-term - 2000	Medium-term 2001-2006	Long-term 2007-2011
New Providence	2278	9778	7344
Grand Bahama	536	2445	1836
Family Island	536	2157	1620
<b>The Bahamas</b>	<b>3350</b>	<b>14380</b>	<b>10800</b>

## **12.7 Recommendations**

- Further information should be obtained through reassessment of findings based on Census 2000.
- The standard size of a 3-bedroom house is adequate for most households, but there is a need for greater variations.
- Alternative house types, concepts and approaches are needed to increase accessibility to housing.
- The urban development pattern should aim at higher densities to reduce land requirements and costs.
- There is a preference towards home ownership, in spite of the difficulties this entails. There is therefore a need for alternative concepts and financing systems.
- Many persons will still be dependent upon private sector renting. This option should therefore be developed to satisfy the needs of low-income households.
- A considerable share of the housing stock will need replacement or repair and funding for this purpose should be provided.
- A detailed survey to establish the amount of up-grading and replacement of sub-standard housing should be carried out.
- Specific infrastructure up-grading projects should be launched for sub-standard areas. This should be combined with housing improvements and infilling projects.
- New housing projects need to cater for the entire demand, which is comprised of new household formation, replacement housing, reduced sharing and alleviation of overcrowding.
- A long-term housing programme should be designed to meet the demand.
- Immediate needs which have resulted from the housing backlog should be given priority in an action programme.

## 13 LAND AND LAND USE MANAGEMENT

Land is a limited resource in global as well as local terms. Availability of land for various uses, control of the use of land, access to land, and establishing land use rights are issues often at the centre of concern and debate.

The maintenance of the value of the land, the importance of achieving efficient use of the resource and the protection of the environmental and scenic quality of the land is particularly essential in a country like The Bahamas. The land is obviously limited and the attractiveness of the environment is fundamental for the development of tourism.

The availability of land for housing depends on the subdivision of land areas for new lots and on the provision of services. Access to land is based on land tenure regulations and requirements. Land tenure reforms and land administrative procedures will be of great importance for housing provision.

### 13.1 Land related Legislation

There are a great number of laws that guide land rights and land use directly, and many other laws that have indirect impacts. The administration of laws is carried out by different Government agencies. The various interests in land and the conflicting objectives of different sectors of Government as well as the aspirations of different groups in society hampers efficient land use management and land administration.

The most significant laws dealing with land issues are:

#### **Legislation**

*Town Planning Act*  
*Town Planning Zoning Orders*  
*Land Surveyors Act*  
*Private Roads and Subdivision Act*  
*Agriculture and Fisheries Act*  
*Plants Protection Act*  
*Fisheries Resources Act*  
*Environmental Health Act*  
*Water and Sewerage Act*  
*Bahamas National Trust Act*  
*Conservation and Protection of the Physical Landscape of Bahamas Act*  
*Housing Act*  
*Local Government Act*

#### **Responsible authority**

Department of Physical Planning  
Department of Physical Planning  
Department of Lands and Surveys  
Ministry of Works and Transport  
Ministry of Agriculture and Fisheries  
Ministry of Agriculture and Fisheries  
Ministry of Agriculture and Fisheries  
Ministry of Health  
Water and Sewerage Corporation  
Bahamas National Trust  
  
Department of Physical Planning  
Department of Housing  
Department of Local Government

### 13.2 Land Tenure

Most of the land on The Bahamas is Crown Land and Government held land. Government land refers to land specifically allocated to a Ministry or Government Agency i.e. to the Department of Housing for housing development. Crown Land refers to land vested in Government. It cannot be used except through a process of divestment. Crown Land is administered by the Department of Lands and Surveys.

A considerable portion of the remaining land within subdivided areas is privately owned, usually on a freehold basis. In particular on some of the Family Islands the Generation Land is of significance, while the existence of Commonage Land, although

far less frequent, creates an obstacle for access to developable areas. There is also land that is held in common, inferring that there are a number of owners without clearly defined rights.

The distribution of land in terms of type of land tenure has not changed significantly in the overall perspective. The transfer of Crown Land to Government and private ownership occurs continuously but in small portions. Only in New Providence has the shortage of Crown Land suitable for urban development become a concern. The lack of readily available land and the cumbersome procedures to gain access to land, in particular on the Family Islands, have led to confusion regarding land titles.

Generation Land, Commonage Land and land held in common have become development issues. The usage rights for Generation Land and Commonage Land are not clearly defined. Commoners have the right to occupy lands felled for farming for many years, but cannot receive title to it. The "owners" of the land can agree on how the land is to be used. Land held in common creates tenure problems similar to Generation Land in the sense that it is not possible to use the land as security.

The sale of land for tourism projects and recreational residences should be based on proper land use planning to avoid conflicts over land in the future.

Crown Land can be released through a Grant or in the form of different types of leases. Land for housing can initially be released on a Conditional Purchase Lease prior to Freehold Grant.

The 1984 Housing Study did not mention land as an aspect of concern for development. In recent years the obstacles created by land tenure limitations has been put in focus. This indicates that the growth and development in The Bahamas has reached a stage at which planning and land use management must take on a more active and guiding role to achieve sustainable development.

According to available reports and studies, attempts have been made to reform the land tenure system. These attempts include formulation of a general land policy and co-ordination of various pieces of legislation related to land use.

An important administrative reform to further decentralisation of functions is the strengthening of Local Government Administration.

### **13.3 Land Titles**

The possibility of using and benefiting from land assumes that the appropriate land titles can be established. In the 1984 Housing Needs Study it was stated that defective land titles or absence of titles was one of the major constraints for housing provision and financing. This is still a serious concern and the same urgency of establishing a system of registration of land titles must be re-stated.

However, there are different reasons for the existence of legally defective titles and thus different categories that require diversified solutions.

Lots that are inherited in the long-established low cost housing areas in New Providence, but without titles, must probably be addressed differently than squatters on Crown Land or private land. The land held in common by a number of families and unregistered holdings in the outskirts of settlements constitute specific issues. The legal conditions for Commonage Land and Generation Land would call for another approach. The common denominator seems to be that those who could benefit from a solution to these land issues are primarily low-income households.



Under present legislation some avenues to obtain land titles for these categories do exist. The first action to be taken by government should include improvement of public awareness about the possibilities of obtaining land titles.

### **13.4 Land Administration**

A number of Government agencies are involved in Land Administration, including Lands and Survey Department, Treasury, Department of Registrar General, Department of Physical Planning, Ministry of Agriculture and Fisheries, Valuation Department, Ministry of Economic Development, Department of Local Government and related Local Authorities in Local Government Districts. The great number of actors can cause confusion and create cumbersome bureaucratic procedures, if their efforts are not properly co-ordinated. Even if the responsibilities are clearly delineated in geographical or functional terms, execution of such responsibilities may lead to contradictory decisions that cause conflict and confusion. The fundamental issue at hand is the lack of a general land policy that would guide development.

#### **Department of Lands and Surveys**

In terms of management and administration the Department of Lands and Surveys is in charge of all Crown Lands on The Bahamas. The Department is responsible for the procedures in relation to disposal of Crown Land.

The administration of forestry and related activities is a special responsibility assigned to the Department of Lands and Surveys mainly for the protection of forest resources, which earlier were severely over-exploited.

The Department of Lands and Surveys could play a more active role in planning, development and land use management through a proactive involvement in the process and through closer co-operation with Department of Physical Planning and with the Department of Housing.

Initiatives are needed to resolve the land issues facing the settlements on the Family Islands and in that way promote more decentralised economic development.

#### **Department of Physical Planning**

The Department of Physical Planning is responsible for the administration of the *Town Planning Act*. The Act gives the Minister responsible for urban and island planning the power to make zoning orders. The Department is involved through the Town Planning Committee in allocating land in subdivisions created under the *Private Roads and Subdivisions Act*.

The Department is thus in charge of land use planning throughout the Bahamas, the control of urban development, subdivisions and development control and the implementation of zoning regulations.

The Department has adopted an ambitious mission statement, that includes amongst other things strategic planning, protection and preservation of the environment and natural resources, conservation of the value of land, buildings and the environment, and education of, and information to the public on planning matters. The operations of the Department are hampered by the lack of staff and the magnitude of responsibilities.

The preparation of various types of strategic plans at regional, urban and detailed levels is essential to ensure that development proceeds in an orderly and sustainable manner and to provide guidance for long-term investments in infrastructure services. These plans would include Regional Structure Plans for the islands, Urban

Development Plans for settlements and detailed layouts for new development areas. This is also equally important for efficient, cost effective and affordable housing provision. The Department of Physical Planning is the appropriate authority to undertake these urgent tasks.

### **Department of Housing**

The Department of Housing facilitates housing provision through the administration of Government guaranteed loans. The responsibilities of the Department is prescribed in the *Housing Act* and elaborated in related Regulations. (See chapter 9; Government's Role in Housing)

In respect of land issues, the Department's involvement is of importance as holder of Government Land in connection with subdivisions for Government initiated housing. Once the development is completed and the sale of the lots occurs the land becomes privately owned.

The issue at hand is to what extent Government's involvement in the provision of housing should expand to cater to a larger share of the housing demand, if a greater emphasis should be put on rental housing and if the Department of Housing should be more extensively involved as a land developer. To achieve such an active role the Department would have to be more engaged in acquisition and servicing of land. An option for consideration would be land banking, which can be used for greater control of land prices and for better control of implementation.

### **Department of Agriculture**

The Department of Agriculture has considerable involvement in land administration through its responsibility for agricultural land in terms of the *Agriculture and Fisheries Act* and a great number of other acts mostly related to protection of specific environmental resources.

The existing legislation seems to have caused confusion in the delineation of responsibility between the Department of Agriculture and Department of Lands and Surveys; the latter responsible for forestry areas and for leasing of Government Land, while the Department of Agriculture is responsible for the control of such land.

### **Ministry of Works and Transport**

Although the Ministry of Works and Transport is primarily responsible for the development and implementation of projects i.e. civil engineering, road construction, building control, the Department has great impact on land development generally.

The main areas of concern are Building Control, Public and Private Roads and Subdivisions. The role of the Department of Public Works in relation to Building Permits and Subdivisions is dealt with in detail in chapter 9, Permits and Procedures. Suffice to mention here that the workload of the Department and on the limited number of Building Control Officers is considered to be a bottleneck in the development process in particular regarding housing projects.

### **Department of Local Government**

The establishment of the Department of Local Government represents a move towards the decentralisation of functions from Central Government to the local level that is, to Districts. The legislation that guides operations at the local level and for which the Department is responsible is the *Local Government Act*. The Act provides the basis for Local Government involvement in land use planning and land use management.

The initiative of Government to decentralise planning and land management functions is commendable. However, it is obvious that Local Government institutions in The Bahamas lack capacity in all aspects of planning and land use management. The structure allows for some influence on the allocation or rather the control of allocations from the District Councils and the Council Committees, but there is no capacity to guide or promote development.

Government should make use of the opportunity to create efficient local government institutions that can promote local government and at the same time relieve Central Government of responsibilities, that are best dealt with at the local level.

The *Local Government Act* was adopted in 1996. It is still a new feature in the administrative structure. Together with the *Town Planning Act* that already provided for delegation and decentralisation of powers, the *Local Government Act* could be used for reforming land administration, planning and land use management.

### **13.5 Land Use Management**

Land use management is defined as the activities of authorities in influencing and controlling the way in which land is used, with the purpose of maximising benefits and minimising negative impacts.

The legislation and the policies for land use management exist in The Bahamas, but the institutions, plans and procedures are in need of further development and strengthening. More focus is needed in preparation and implementation of integrated strategies to overcome the deficiencies of the current sectoral and fragmented approaches.

The *Town Planning Act* forms the basis for the preparation of plans and for the exercise of development control. The role of the Department of Physical Planning and the establishment of the Town Planning Committee are regulated through the *Act* and related regulations. Through an amendment in the form of a *Town Planning Order* the legislation is also applicable to the Family Islands.

The provisions of the law have not resulted in any overall plan for any part of The Bahamas. The planning that occurs is a response to the need for layouts in connection with subdivisions.

The provisions of the *Town Planning Act* allow for the preparation of zoning orders. Normally zoning orders relate to housing areas or to areas for specific uses. Most residential developments have taken place in subdivisions, in which context the zoning is determined. In old areas covenants are used to control land use in subdivisions. It is a concern that in many areas the zoning is outdated and requires change to reflect present needs. In addition, indications are that the procedures necessary for changing zoning regulations for lots can be cumbersome.

The requirements of the *Private Roads and Subdivision Act* relate only to lots created by new roads. This means that new lots can be created without applying the procedures of the *Act* along existing roads. This encourages so-called strip development, which also is evident on most Family Islands. There are many other limitations to the effectiveness of the *Private Roads and Subdivisions Act* e.g. the time limits for development of proposals after approval. Government can only revoke approval if the subdivision is not developed in accordance with the agreement. Another inadequacy of the *Act* is the relaxed requirements in terms of sewage treatment for

developments containing less than 25 lots. There are no restrictions to extensions of such subdivisions.

On the issue of sewage treatment it has been argued that the standard requirements are set too high, resulting in high costs and unnecessary burdens on purchasers. Regarding the sewage requirements it is on the contrary likely that a planned and co-ordinated development with a common sewage collection network and treatment facilities would be more cost effective and environmentally sound than individual septic tanks. Some of the difficulties arise rather due to the lack of long-term planning.

There is a need for commitment to strategic planning and integrated approaches as well as comprehensive urban development planning.

Urban development finance is obtained for implementation of specific projects, and thus the extension of urban areas takes place on an ad hoc basis. Funding should be seen as an integral part of long term planning and addressed with an aim to distribute the burden. There are a number of options e.g. service levies, property rates, enhancement levies, betterment fees to mention a few.

### **13.6 Access to Land**

Access to land is mainly provided through the process of subdivision development. The preparation of and decision to implement a subdivision proposal seems to be occurring on individual initiative, by an owner of a piece of land or after obtaining land. Government planned subdivisions are primarily for Government initiated housing schemes for low and middle-income households.

The 1984 Housing Needs Study assessed that there would be about 32,500 lots in the existing subdivisions and that 14,500 would have been developed at that time. The assessment was based on records obtained from the Ministry of Works and Utilities. In retrospect it seems fair to suggest that the statistics were unreliable and the number of available undeveloped lots was exaggerated. Even so the great number of undeveloped lots is still a pertinent issue.

At present the records on subdivisions and the status regarding development are still a concern and equally incomplete, scarce and unreliable. The updating and maintenance of records should be given priority.

Based on the data supplied by the Department of Physical Planning it is estimated that at least 7,300 lots in formally established subdivisions are undeveloped and available for development. Although most of these lots would not be available for low-income housing, they would potentially ease the shortage of serviced land.

In the 1984 Housing Needs Study it was stated as important to maintain the Bahamian tradition of investing in lots for future needs. It is not possible or appropriate in the context of this study to assess the importance or value of this tradition. Suffice to emphasise that the practice has serious implications for the provision of serviced land, cost of infrastructure services, technical operation of services and revenue. In New Providence it accelerates the depletion of scarce land resources.

In the 1984 Housing Needs Study the impression was given that on all islands and in particular on the Family Islands, access to land was not an issue. At present the situation seems to have changed. Information obtained at the interviews and through observations made during site visits indicate that land and land availability are major concerns. On New Providence there is no Crown Land available and private land is experiencing price escalation. Grand Bahama is well catered for at least as far as the

City of Freeport is concerned. On the Family Islands the shortage of land is partly due to Generation land and Commonage land as well as private land holdings.

### **13.7 Cost of Land**

Land for housing is often obtained through transfer of Crown Land to the Department of Housing at a price below market values. More recently and following the lack of Crown Land in particular in New Providence land is obtained through purchase or acquisition of private land. At present this still occurs with favourable conditions and comparatively low costs for Government.

In the case of "Rebirth" development an acquisition process is usually necessary and adopted.

In 1984 it was found that the prices for building lots in low to middle income subdivisions would be B\$ 5,000-9,000. The increase in costs is higher for land than for goods and amenities. At present a standard lot of 7,000-8,000 sq. feet in a serviced area would cost B\$ 25,000-30,000. The infrastructure services account for most of the costs (B\$ 22,000-27,000) and thus the cost for raw land is B\$ 3,000.

In the most recent subdivisions the average cost for serviced land is B\$ 3.75 per sq. foot.

It can be argued that development in existing subdivisions and in the form of redevelopment in existing built-up areas would be preferable, as infrastructure services would be available and less costly. This assumes that the services and roads do not require rehabilitation.

### **13.8 Redevelopment Areas and Rehabilitation of Land**

There are very few places in The Bahamas that would be described as squatter areas. Most of the existing built-up areas have been developed based on some type of permission. In some areas and to some extent permits have been misused, as in the cases of development in areas held under an agricultural lease, or the addition of dwellings within a single holding. There are also cases of squatters on Crown Land and on private land, although usually on a small scale. As in other aspects of development the concern is primarily to be found in New Providence and in particular in the south-western districts.

The more substantial problems are found in the low cost areas in the historical settlements or those established formally a long time ago through subdivisions. Many of these lack services of appropriate standard and suffer from a deteriorating urban environment structurally and socially. Government is aware of the needs in these areas and has recently embarked on a project to address "the social ills". The first component of this project includes up-grading of the "Over the Hill Area".

There are similar areas found in the southern section of New Providence that would need attention e.g. in Fox Hill, Sandilands, Adelaide, etc. Some settlements in Grand Bahama, viz. Sections of Freeport, Eight Mile Rock and Holmes' Rock are considered to be sub-standard areas. In Marsh Harbour the Mud is an area that should be subject to upgrading. In the other Family Island the problem seems to be less pertinent and it is likely that in most cases the situation can be improved by providing financial support for the rehabilitation of dwellings on an individual basis.

### **13.9 Recommendations**

- Review and co-ordinate land related legislation to achieve better co-operation and greater efficiency.
- Formulate and implement a Land Policy.
- Undertake a study to assess the possibility of using Commanage Land, Generation Land and land held in common for housing, and as security for mortgage loans.
- Prepare urban development plans to identify the direction of growth and needs for new infrastructure in a strategic manner.
- Develop new housing areas in line with urban development plans.
- Establish project team-work including the authorities involved in land development and housing.
- Establish a system for funding urban development, considering cost recovery and contributions from those who benefit.
- Investigate the availability of land in the form of undeveloped lots in existing subdivisions.
- Establish a system to encourage development of lots once they are allocated.
- Acquire undeveloped lots for Government housing purposes.
- Establish databases for monitoring of subdivisions and land development projects with linkage to GIS, and designed for easy access, analysis and assessment.
- Ensure that relevant and detailed information is collected regarding housing and land development and that systematic collection is carried out.
- Assess in detail the need for up-grading sub-standard urban areas.
- Implement measures to reduce infrastructure costs through higher densities, co-ordination of construction and alternative technologies.

## APPENDICES

## TERMS OF REFERENCE

### HOUSING NEEDS STUDY UPDATE

#### 1. Objective

- 1.1 The Government of The Bahamas (G.O.B.H) requires consulting services to be carried out to update the 1984 Housing Needs Study which would provide an assessment of current housing needs, a forecast of housing needs throughout The Bahamas from present into the first ten years of the new millennium, an assessment of the success of government policies and programmes, and suggestions of any changes necessary to meet current needs:
- 1.2 The work scope, report guidelines and requirements of the services to be provided in the programme are detailed below.
- 1.3 The study will reference population growth, household formation, incomes, the condition of the housing stock, the responsiveness of the construction industry and financing.

#### 2. Scope of Work

- 2.1 The update would follow the format used in the 1984 study. In general, the report will include an update and analysis of the tables produced in the main 1984 report.
- 2.2 The following is a brief discussion of the methodology and contents of each section.
- 2.3 **Population and Household Growth**

Population forecasts will be based on the work done by the Department of Statistics and recent work prepared for the Ministry of Public Works in the review of the planning process on New Providence. The Department of Statistics collects more information than it did in 1984 and makes its own projections for the country. As a result the task is seen as one of reviewing their information and adapting to the needs of the housing update. Forecasts for the years 200, 2006 and 2011 will be



prepared for The Bahamas as a whole and individually for New Providence, Grand Bahama, Abaco, Andros, Bimini, the Berry Islands, Eleuthera, San Salvador and the central and southern Islands. The key numbers sought will be:

- Population (Bahamian and long term seasonal)
- Household size
- Age of household head
- Household formation
- Number of households

#### **2.4 The Existing Housing Stock – Production since 1984**

The census collects information on housing type (single, duplex, apartments), size, tenure (rental vs. ownership) facilities (toilets and running water etc. This data however applies only to the year 1990 – the last census. Information is available on building permits and occupancy permits. Using the census material and permit and occupancy data, tables will be developed from sales data and interviews with realtors and others in the industry.

The 1984 report relied on data available from a World Bank study of Grants Town. No new information has been collected since then., Housing condition may be an important issue – particularly in older or less affluent areas. While, for timing and cost reasons, a full survey of the housing stock is not proposed in this study, as part of the study, areas known to have poorer quality housing will be visited, and the extent of the situation assessed using rapid appraisal practices. If it is decided that more quantitative housing stock information is needed, an outline of the nature of the surveys required and how they might be implemented will be presented.

#### **2.5 Planning and the Supply of Land**

For the update, the recent Department of Public Works review of planning procedures report will be relied on as a base to assess the effect of planning policies and controls on the supply and cost of land and housing. On the other Islands, data supplied by planning officials and commissioners and with the Ministry of Agriculture and Fisheries which is responsible for the disposition of land in parts of the Family Islands will be used to determine the effect of planning controls on housing supply and demand conditions.

## **2.6 The Construction Industry**

The purpose of this section is to assess the capacity of the residential construction industry in the Bahamas and to determine the costs involved in building different types of and sizes of housing. The best indicator of course is what has been done in the past and the current unit costs. Production information will have been secured as part of section 2.4. Cost information will be secured through interviews with Housing officials, architects builders and developers. Using Ministry information on current developments, we will develop a cost pro-forma for a typical small house broken down by its various components - lot preparation, servicing, imported and locally produced materials, labour and construction financing charges. This information will assist in determining if there are any opportunities for cost savings. In addition comment on whether there are significant opportunities for cost reduction in the future will be made.

## **2.7 Incomes, Affordability and Housing Requirements**

The cost scenarios developed above will be adjusted to include financing and utility costs to several base levels of house prices and rents.

The forecast of incomes will be based on Census and Statistics Department data. In cooperation with the Department of Statistics, estimates will be developed for the number of households in varying income groups. These figures will be updated to 1999 levels through the use of factors related to inflation and other economic indicators.

A set of tables of charts is to be produced relating household income to the level of affordability and the distribution of household incomes at various levels. These tables will then be combined to generate estimates of housing requirements by income group.

## **2.8 Government Policy and Programme Review**

This section involves a review of current government programmes related to housing. As part of this process, Ministry staff will be asked to assist in the assembly of statistical data depicting its programmes.

## **2.9 Housing Policy Implications - Recommended Actions**

This section will bring together the findings of the above sections. Specifically it will:

- Review the state of the relationship between housing demand and supply.
- Assess the role that government has had in redressing any imbalances including reference to the provision of low cost and rental housing, rehabilitation programmes, and various financing measures.
- Relate these policies to future needs.
- Suggest revisions to the policies or perhaps their administration.
- Suggest areas where the private sector can do more.
- Indicate any other key housing related areas such as environment, land-use planning, infrastructure requirements etc., which may need attention if the required supply of housing is to be met for the various income groups.
- Prepare an action plan for the Government of The Bahamas to the year 2001.

### 3. Study Timing

- 3.1 The study could be completed within a six month, period commencing..... and completed..... The work will be carried out in The Bahamas and visits to Grand Bahama, Andros, Abaco, Eleuthera and San Salvador will be made.
- 3.2 A preliminary report should be made orally to the client at the end of the second week of commencement. An interim report in writing should be supplied at the end of the first phase of the study. A final report should be made six months after the commencement of the report. The final report should contain an executive summary of three to four pages. Ten copies of the interim and final reports should be supplied.

## DEPARTMENT OF HOUSING, HOUSING NEEDS SURVEY QUESTIONNAIRE

Island: .....

Local Government District: .....

Information Submitted by (Name and title): .....

### POPULATION

What is the size of the population in the area?

No. of persons ..... (estimate)

Describe specific characteristics ( young, many elderly, male/female ratio).

Age	Male	Female
0-14		
15-18		
19-65		
65+		

Unemployment rate ..... (estimate)

No. of foreigners

Americans .....

Haitians .....

Cubans .....

Others .....

Seasonal inhabitants (long term tourists) ..... (estimate)

How many settlements (town/villages are there in the area?)

No. of settlements .....

Which settlements are the biggest ones?

1. Name .....	Population (estimate) .....
2. Name .....	Population (estimate) .....
3. Name .....	Population (estimate) .....

### HOUSEHOLDS AND HOUSING

How many houses are there in the area?

No. of occupied houses ..... (estimate)

No. of vacant houses .....

No. of house built since 1990 .....

No. of seasonally occupied houses .....

How many households share houses? ..... (estimate)

Can you estimate the numbers of the following:

No. of households with single head of household      Male ..... Female .....

No. of double income households .....

No. of seasonal households .....

Can you estimate the numbers of houses that are:

Owner occupied .....

Rented .....

Others .....

What are the usual sizes of houses? Estimate the distribution:

1 bedrooms .....

2 bedrooms .....

3 bedrooms + .....

## HOUSING STOCK CONDITIONS

How big a share of the occupied houses are:

Very good (well maintained, no repair needed) .....%

Good (maintained, only minor repairs needed) .....%

Poor (not properly maintained, major repairs on facades) .....%

Very poor (not maintained, major repairs, structural damages)  
(excluding recent hurricane damages) .....%

How many houses have poor services i.e. water, sanitation, roads?

No. of houses ..... (estimate)

How many houses were damaged by the recent hurricane?

No. of completely destroyed houses ..... (estimate)

No. of partially destroyed (repairable) houses.....

## HOUSING NEEDS

How many households would need new housing?

No. of households (not necessarily hurricane related)..... (estimate)

How many of these would be first time home owners?

No. of households ..... (estimate)

How many of the households, that need new housing, would have an annual income below \$ 15000?

No. of households..... (estimate)

**How many building permits for private housing have been approved since 1990?**

No. of permits for new housing .....

No. of permits for rehabilitation .....

**How many houses have been completed in the same period (1990-1999)?**

No. of houses ..... (estimate)

**LAND****Is land readily available for housing development?**

Estimate the degree of availability.

- easily accessible (low cost for land and infrastructure) .....

- accessible (infrastructure nearby but need of extension) .....

- not readily accessible (new infrastructure, acquisition or other) .....

**What would you consider to be the main issues in land accessibility? (Explain)**

1. ....

2. ....

3. ....

**What would you consider to be the suitable minimum lot size for new development?**

.....sq. feet

**ECONOMY****Which are the main sectors of the economy in the area?**

1. ....

2. ....

3. ....

**Is the informal sector important for employment and households income? How many households depend on informal employment earnings?\***

No. of households ..... (estimate)

**GENERAL COMMENTS****Write down any comments you wish to make on the above issues.**

.....

.....

.....

.....

.....

.....

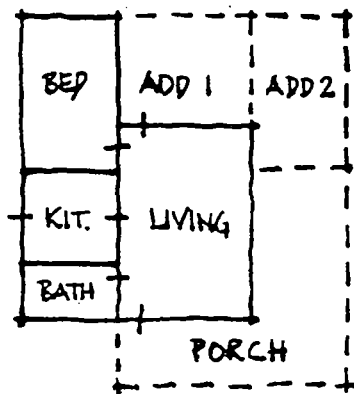
\*Informal sector refers to persons who do odd jobs from time to time to augment their income or who do not have a regular income from one source.

# ILLUSTRATIONS FOR COMPACT HOUSES FOR LATER EXPANSION

## HOUSE PLANS

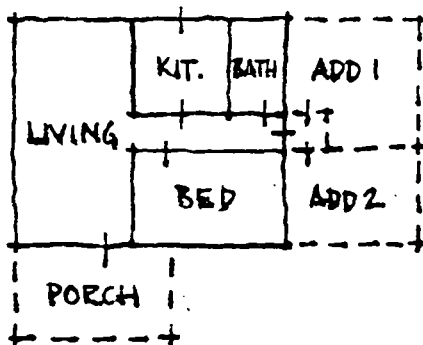
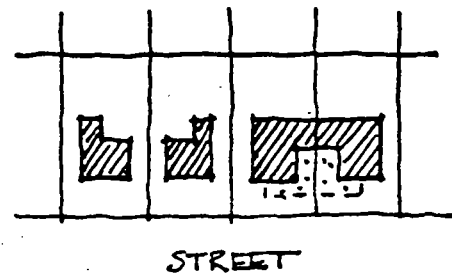
STARTER HOME = 1 BEDROOM  
 ADD 1 = 2 BEDROOMS  
 ADD 2 = 3 BEDROOMS

POSSIBLE LOTS  
 35' x 70'  
 2,450 SQ. FT.

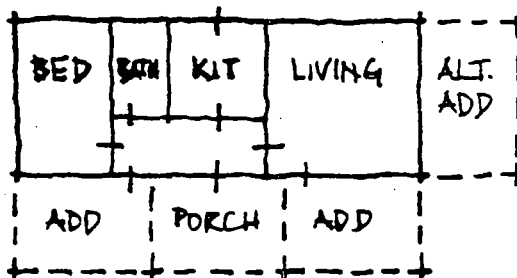
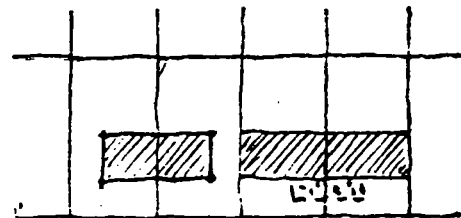


	SQ. FT.
STARTER	406
ADD 1	520
ADD 2	624

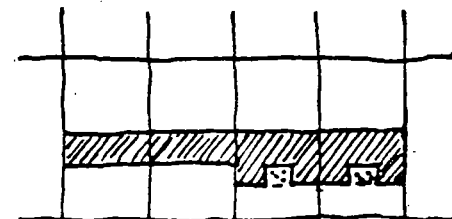
## STARTERS FULLY EXPANDED



	SQ. FT.
S.	460
A1	592
A2	690



	SQ. FT.
ALT.	S. 448
ADD	A1 544
	A2 640



# Registered Construction Completions, New Providence; 1990-1998

	# total completions	# housing completions	value B\$ 0-24,000	value B\$ 24,001-60,000	value B\$ 60,001 +	total housing value B\$	# housing units	# new units=h.units-7%	Average value/new unit
90	1,024	940				72,531,000	1,510	1,404	51,649
91	986	898				72,973,000	1,326	1,233	59,175
92	733	658				70,053,000	1,050	977	71,739
93	642	541				64,108,000	903	840	76,338
94	682	611	4.5%	29.4%	66.2%	70,635,000	902	839	84,204
95	735	650				58,377,000	740	688	84,826
96	772	696	2.6%	40.1%	57.3%	66,370,000	1,203	1,119	59,323
97	836	757				89,333,000	1,523	1,416	63,071
98	1,020	934				106,505,000	1,096	1,019	104,490
Total	7,430	6,685				670,885,000	10,253	9,535	70,358

Sources: the Central Bank of The Bahamas, the Department of Statistics and the Ministry of Public Works.

Completion is the completion of a Building Permit, containing one or several housing units.

The numbers for housing units include an average of 7% Additions and Rehabilitations.

The value of a Permit refers exclusively to the construction cost.

The figures for the values of the individual Permits were exceptionally registered by the Dep't of Statistics during a few years.

The figures were never published.



		CONVENTIONAL LOAN -----							INCL I-LOAN ----		Added	New	New	
Price	50 000	Year	M value	Income	Amort	Interest	Pay	DS	I-loan	Acc	Interest	Pay	DS	Equity
Y change	1,03	1	51 500	10 300	437	3 960	4 397	43	1 410	1 410	113	3 100	30	1 027
		2	53 045	10 609	472	3 925	4 397	41	1 320	2 730	218	3 295	31	1 724
Downpay	0,01	3	54 636	10 927	510	3 887	4 397	40	1 228	3 958	317	3 486	32	2 597
B\$	500	4	56 275	11 255	550	3 847	4 397	39	1 133	5 091	407	3 671	33	3 653
		5	57 964	11 593	594	3 802	4 397	38	1 035	6 126	490	3 852	33	4 901
Loan	49 500	6	59 703	11 941	642	3 755	4 397	37	934	7 061	565	4 028	34	6 347
Interest	0,08	7	61 494	12 299	693	3 704	4 397	36	830	7 891	631	4 198	34	8 002
Term	30	8	63 339	12 668	749	3 648	4 397	35	723	8 614	689	4 363	34	9 872
		9	65 239	13 048	809	3 588	4 397	34	613	9 227	738	4 522	35	11 968
Income	10 000	10	67 196	13 439	873	3 523	4 397	33	500	9 727	778	4 676	35	14 299
Y change	1,03	11	69 212	13 842	943	3 454	4 397	32	383	10 110	809	4 823	35	16 875
		12	71 288	14 258	1 019	3 378	4 397	31	262	10 372	830	4 964	35	19 708
		13	73 427	14 685	1 100	3 297	4 397	30	138	10 510	841	5 100	35	22 809
DS-goal	0,29	14	75 629	15 126	1 188	3 209	4 397	29	10	10 521	842	5 228	35	26 190
		15	77 898	15 580	1 283	3 114	4 397	28	-121	10 399	277	4 795	31	29 863
		16	80 235	16 047	1 386	3 011	4 397	27	-257	10 143	270	4 924	31	33 843
		17	82 642	16 528	1 497	2 900	4 397	27	-396	9 746	260	5 053	31	38 143
		18	85 122	17 024	1 617	2 780	4 397	26	-540	9 206	246	5 183	30	42 780
WELL		19	87 675	17 535	1 746	2 651	4 397	25	-688	8 518	227	5 312	30	47 767
BEHAVED		20	90 306	18 061	1 886	2 511	4 397	24	-841	7 677	205	5 442	30	53 124
		21	93 015	18 603	2 037	2 360	4 397	24	-998	6 679	178	5 573	30	58 868
		22	95 805	19 161	2 200	2 197	4 397	23	-1 160	5 520	147	5 704	30	65 018
		23	98 679	19 736	2 376	2 021	4 397	22	-1 326	4 193	112	5 835	30	71 594
		24	101 640	20 328	2 566	1 831	4 397	22	-1 498	2 695	72	5 967	29	78 618
		25	104 689	20 938	2 771	1 626	4 397	21	-1 675	1 020	27	6 099	29	86 113
		26	107 830	21 566	2 992	1 404	4 397	20	-1 857	-837	-22	6 232	29	94 103
		27	111 064	22 213	3 232	1 165	4 397	20	-2 045	-2 882	-77	6 365	29	102 615
		28	114 396	22 879	3 490	907	4 397	19	-2 238	-5 120	-137	6 498	28	111 675
		29	117 828	23 566	3 770	627	4 397	19	-2 437	-7 557	-202	6 633	28	121 314
		30	121 363	24 273	4 071	326	4 397	18	-2 642	-10 199	-272	6 767	28	131 562
		Sum		490 027	49 500		131 909	27	-10 199			151 688	31	

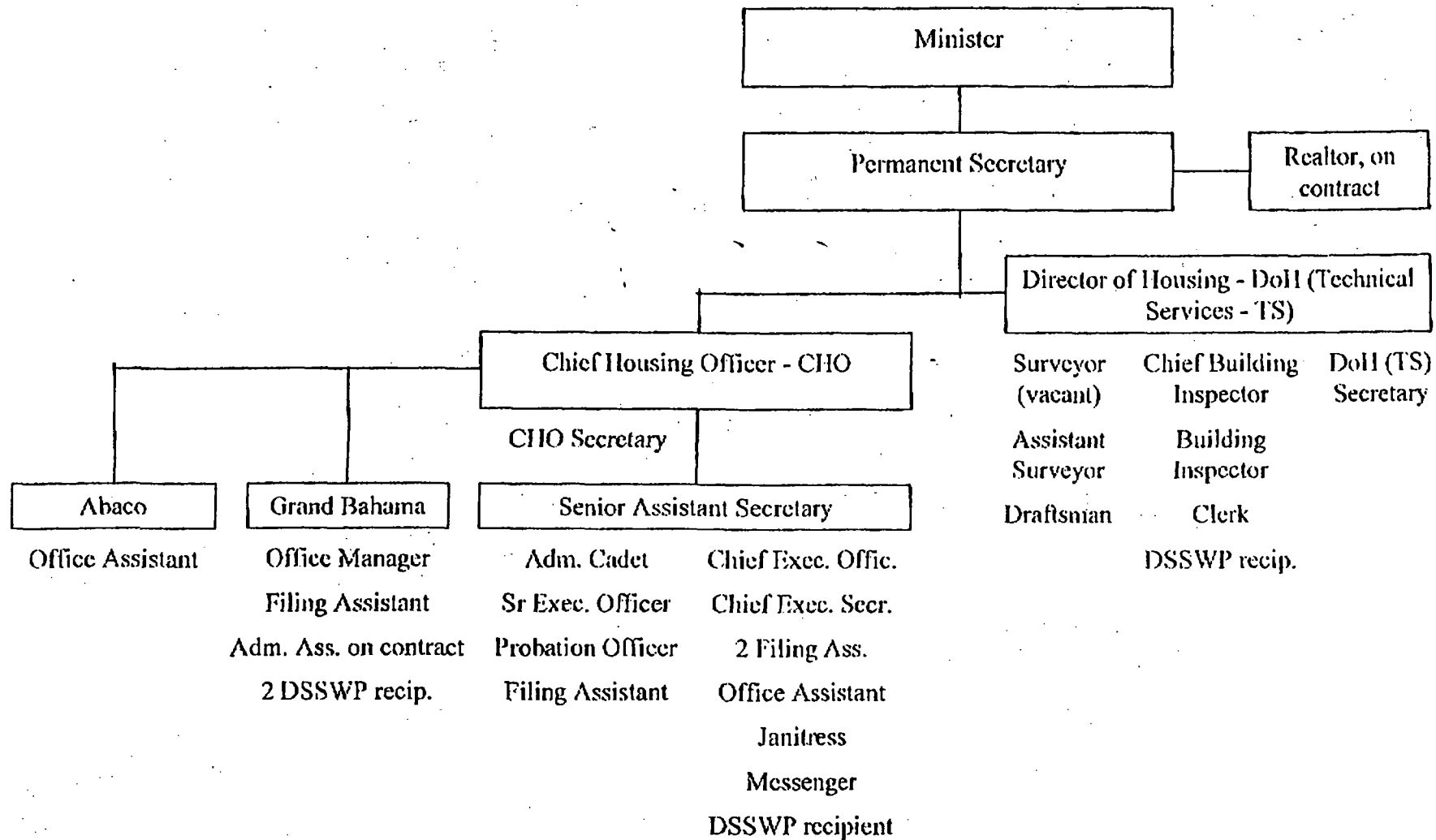
		CONVENTIONAL LOAN -----							INCL. I-LOAN -----		Added Interest	New Pay	New DS	Equity
		Year	M value	Income	Amort	Interest	Pay	DS	I-loan	Acc				
Price	50 000													
Y change	1,00	1	50 000	10 300	437	3 960	4 397	43	1 410	1 410	113	3 100	30	-473
		2	50 000	10 609	472	3 925	4 397	41	1 320	2 730	218	3 295	31	-1 321
Downpay	0,01	3	50 000	10 927	510	3 887	4 397	40	1 228	3 958	317	3 486	32	-2 040
B\$	500	4	50 000	11 255	550	3 847	4 397	39	1 133	5 091	407	3 671	33	-2 622
		5	50 000	11 593	594	3 802	4 397	38	1 035	6 126	490	3 852	33	-3 063
Loan	49 500	6	50 000	11 941	642	3 755	4 397	37	934	7 061	565	4 028	34	-3 355
Interest	0,08	7	50 000	12 299	693	3 704	4 397	36	830	7 891	631	4 198	34	-3 492
Term	30	8	50 000	12 668	749	3 648	4 397	35	723	8 614	689	4 363	34	-3 466
		9	50 000	13 048	809	3 588	4 397	34	613	9 227	738	4 522	35	-3 271
Income	10 000	10	50 000	13 439	873	3 523	4 397	33	500	9 727	778	4 676	35	-2 897
Y change	1,03	11	50 000	13 842	943	3 454	4 397	32	383	10 110	809	4 823	35	-2 336
		12	50 000	14 258	1 019	3 378	4 397	31	262	10 372	830	4 964	35	-1 580
		13	50 000	14 685	1 100	3 297	4 397	30	138	10 510	841	5 100	35	-618
DS-goal	0,29	14	50 000	15 126	1 188	3 209	4 397	29	10	10 521	842	5 228	35	560
		15	50 000	15 580	1 283	3 114	4 397	28	-121	10 399	277	4 795	31	1 965
		16	50 000	16 047	1 386	3 011	4 397	27	-257	10 143	270	4 924	31	3 608
		17	50 000	16 528	1 497	2 900	4 397	27	-396	9 746	260	5 053	31	5 501
		18	50 000	17 024	1 617	2 780	4 397	26	-540	9 206	246	5 183	30	7 658
NO MARKET		19	50 000	17 535	1 746	2 651	4 397	25	-688	8 518	227	5 312	30	10 092
VALUE		20	50 000	18 061	1 886	2 511	4 397	24	-841	7 677	205	5 442	30	12 819
INCREASE		21	50 000	18 603	2 037	2 360	4 397	24	-998	6 679	178	5 573	30	15 853
		22	50 000	19 161	2 200	2 197	4 397	23	-1 160	5 520	147	5 704	30	19 213
		23	50 000	19 736	2 376	2 021	4 397	22	-1 326	4 193	112	5 835	30	22 915
		24	50 000	20 328	2 566	1 831	4 397	22	-1 498	2 695	72	5 967	29	26 978
		25	50 000	20 938	2 771	1 626	4 397	21	-1 675	1 020	27	6 099	29	31 424
		26	50 000	21 566	2 992	1 404	4 397	20	-1 857	-837	-22	6 232	29	36 274
		27	50 000	22 213	3 232	1 165	4 397	20	-2 045	-2 882	-77	6 365	29	41 550
		28	50 000	22 879	3 490	907	4 397	19	-2 238	-5 120	-137	6 498	28	47 279
		29	50 000	23 566	3 770	627	4 397	19	-2 437	-7 557	-202	6 633	28	53 486
		30	50 000	24 273	4 071	326	4 397	18	-2 642	-10 199	-272	6 767	28	60 199
		Sum		490 027	49 500		131 909	27	-10 199			151 688	31	

		CONVENTIONAL LOAN -----							INCL I-LOAN ----		Added Interest	New Pay	New DS	Equity
		Year	M value	Income	Amort	Interest	Pay	DS	I-loan	Acc				
Price	50 000	1	51 500	10 300	301	4 950	5 251	51	2 264	2 264	226	3 213	31	37
Y change	1,03	2	53 045	10 609	331	4 920	5 251	49	2 174	4 438	444	3 520	33	-261
Downpay	0,01	3	54 636	10 927	364	4 887	5 251	48	2 082	6 520	652	3 821	35	-388
B\$	500	4	56 275	11 255	401	4 850	5 251	47	1 987	8 507	851	4 115	37	-335
		5	57 964	11 593	441	4 810	5 251	45	1 889	10 396	1 040	4 402	38	-95
Loan	49 500	6	59 703	11 941	485	4 766	5 251	44	1 788	12 184	1 218	4 681	39	340
Interest	0,10	7	61 494	12 299	533	4 718	5 251	43	1 684	13 869	1 387	4 954	40	980
Term	30	8	63 339	12 668	586	4 665	5 251	41	1 577	15 446	1 545	5 218	41	1 834
		9	65 239	13 048	645	4 606	5 251	40	1 467	16 913	1 691	5 475	42	2 912
Income	10 000	10	67 196	13 439	710	4 541	5 251	39	1 354	18 267	1 827	5 724	43	4 225
Y change	1,03	11	69 212	13 842	781	4 470	5 251	38	1 237	19 503	1 950	5 965	43	5 785
		12	71 288	14 258	859	4 392	5 251	37	1 116	20 619	2 062	6 197	43	7 604
		13	73 427	14 685	944	4 306	5 251	36	992	21 612	2 161	6 420	44	9 694
DS-goal	0,29	14	75 629	15 126	1 039	4 212	5 251	35	864	22 476	2 248	6 634	44	12 072
		15	77 898	15 580	1 143	4 108	5 251	34	733	23 209	2 321	6 839	44	14 751
		16	80 235	16 047	1 257	3 994	5 251	33	597	23 806	2 381	7 034	44	17 747
		17	82 642	16 528	1 383	3 868	5 251	32	458	24 264	2 426	7 220	44	21 079
		18	85 122	17 024	1 521	3 730	5 251	31	314	24 578	2 458	7 395	43	24 766
HIGHER INTEREST RATE		19	87 675	17 535	1 673	3 578	5 251	30	166	24 743	2 474	7 560	43	28 827
		20	90 306	18 061	1 840	3 411	5 251	29	13	24 757	2 476	7 713	43	33 284
		21	93 015	18 603	2 024	3 226	5 251	28	-144	24 613	820	6 215	33	38 162
		22	95 805	19 161	2 227	3 024	5 251	27	-306	24 307	810	6 367	33	43 485
		23	98 679	19 736	2 450	2 801	5 251	27	-472	23 834	794	6 518	33	49 281
		24	101 640	20 328	2 695	2 556	5 251	26	-644	23 190	773	6 668	33	55 580
		25	104 689	20 938	2 964	2 287	5 251	25	-821	22 369	746	6 818	33	62 415
		26	107 830	21 566	3 260	1 991	5 251	24	-1 003	21 366	712	6 966	32	69 819
		27	111 064	22 213	3 586	1 664	5 251	24	-1 191	20 175	673	7 114	32	77 831
		28	114 396	22 879	3 945	1 306	5 251	23	-1 384	18 791	626	7 261	32	86 492
		29	117 828	23 566	4 340	911	5 251	22	-1 583	17 208	574	7 408	31	95 847
		30	121 363	24 273	4 774	477	5 251	22	-1 788	15 420	514	7 553	31	105 943
		Sum		490 027	49 500		157 528	32	15 420			182 987	37	

		CONVENTIONAL LOAN -----							INCL. I-LOAN ----		Added Interest	New Pay	New DS	Equity
		Year	M value	Income	Amort	Interest	Pay	DS	I-loan	Acc				
Price	50 000													
Y change	1,03	1	51 500	10 000	437	3 960	4 397	44	1 497	1 497	120	3 020	30	940
		2	53 045	10 000	472	3 925	4 397	44	1 497	2 994	240	3 140	31	1 460
Downpay	0,01	3	54 636	10 000	510	3 887	4 397	44	1 497	4 491	359	3 259	33	2 064
B\$	500	4	56 275	10 000	550	3 847	4 397	44	1 497	5 988	479	3 379	34	2 757
		5	57 964	10 000	594	3 802	4 397	44	1 497	7 485	599	3 499	35	3 542
Loan	49 500	6	59 703	10 000	642	3 755	4 397	44	1 497	8 982	719	3 619	36	4 426
Interest	0,08	7	61 494	10 000	693	3 704	4 397	44	1 497	10 479	838	3 738	37	5 414
Term	30	8	63 339	10 000	749	3 648	4 397	44	1 497	11 976	958	3 858	39	6 511
		9	65 239	10 000	809	3 588	4 397	44	1 497	13 473	1 078	3 978	40	7 723
Income	10 000	10	67 196	10 000	873	3 523	4 397	44	1 497	14 970	1 198	4 098	41	9 056
Y change	1,00	11	69 212	10 000	943	3 454	4 397	44	1 497	16 467	1 317	4 217	42	10 519
		12	71 288	10 000	1 019	3 378	4 397	44	1 497	17 963	1 437	4 337	43	12 117
		13	73 427	10 000	1 100	3 297	4 397	44	1 497	19 460	1 557	4 457	45	13 859
DS-goal	0,29	14	75 629	10 000	1 188	3 209	4 397	44	1 497	20 957	1 677	4 577	46	15 753
		15	77 898	10 000	1 283	3 114	4 397	44	1 497	22 454	1 796	4 696	47	17 808
		16	80 235	10 000	1 386	3 011	4 397	44	1 497	23 951	1 916	4 816	48	20 034
		17	82 642	10 000	1 497	2 900	4 397	44	1 497	25 448	2 036	4 936	49	22 442
		18	85 122	10 000	1 617	2 780	4 397	44	1 497	26 945	2 156	5 056	51	25 041
NO INCOME INCREASE		19	87 675	10 000	1 746	2 651	4 397	44	1 497	28 442	2 275	5 175	52	27 843
		20	90 306	10 000	1 886	2 511	4 397	44	1 497	29 939	2 395	5 295	53	30 862
		21	93 015	10 000	2 037	2 360	4 397	44	1 497	31 436	2 515	5 415	54	34 111
		22	95 805	10 000	2 200	2 197	4 397	44	1 497	32 933	2 635	5 535	55	37 604
		23	98 679	10 000	2 376	2 021	4 397	44	1 497	34 430	2 754	5 654	57	41 357
		24	101 640	10 000	2 566	1 831	4 397	44	1 497	35 927	2 874	5 774	58	45 386
		25	104 689	10 000	2 771	1 626	4 397	44	1 497	37 424	2 994	5 894	59	49 709
		26	107 830	10 000	2 992	1 404	4 397	44	1 497	38 921	3 114	6 014	60	54 345
		27	111 064	10 000	3 232	1 165	4 397	44	1 497	40 418	3 233	6 133	61	59 315
		28	114 396	10 000	3 490	907	4 397	44	1 497	41 915	3 353	6 253	63	64 641
		29	117 828	10 000	3 770	627	4 397	44	1 497	43 412	3 473	6 373	64	70 345
		30	121 363	10 000	4 071	326	4 397	44	1 497	44 909	3 593	6 493	65	76 454
		Sum		300 000	49 500		131 909	44	44 909			142 687	48	

Ownership houses in The Bahamas built under the Government Initiated Housing Programme; 1967 to 1999																				
	67-82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	Total	
<b>New Providence</b>																				
Yellow Elder Gardens	579	153	36	31			1									2			802	
Big Pond	183						1												184	
Elizabeth Estate			22	100	598	27	9					1							757	
Nassau Village					25	92	49	36	20	15	6								243	
Flamingo Gardens							38	43	8	82	1				144				316	
Grants Town	508	17	50	54	13	20	11	38	42	9	10	1				10			783	
Blueberry Hill										8									8	
Daisy Manor									11										11	
Miller's Road												11							11	
Rose & Rahming St.											7								7	
Cockburn St. Close									11										11	
Cox St.															7				7	
Faith Avenue															35			1	36	
Jasmine Gardens															36				36	
Jubilee Gardens																94		2	96	
Emerald Gardens																	61		61	
Palm Tree Estates				32															32	
Bethel Avenue																		48	48	
Rebirth																9	10	8	27	
<b>Grand Bahama</b>																				
Pine Tree Estates			38																38	
East Coral Estates					56	36	3								22	21	61	15	214	
West End												5							5	
Pine Forest Estates								25								3	7	5	40	
Yeoman Wood														3	23	4	8		38	
<b>Family Islands</b>																				
Money Rock, Andros									15	6									21	
Alice Town, Eleuthera											6								6	
<b>Total</b>	<b>1270</b>	<b>170</b>	<b>146</b>	<b>217</b>	<b>692</b>	<b>175</b>	<b>112</b>	<b>142</b>	<b>107</b>	<b>120</b>	<b>30</b>	<b>18</b>	<b>0</b>	<b>3</b>	<b>267</b>	<b>143</b>	<b>147</b>	<b>79</b>	<b>3838</b>	
Source: Department of Housing																				

## STRUCTURE OF THE DEPARTMENT OF HOUSING



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Michael Craton

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Neil Sealey

The Bahamas today

Department of Physical Planning

Statistical Records for Subdivisions

Building Control Section,  
Min. of Works and Transport

Statistical records for  
Building Permits

The Government of The Bahamas

- The Housing Act
- Housing Regulations
- The Bahamas Mortgage Corporation
- The Town Planning Act
- The Private Roads and Subdivision Act
- The Acquisition Act
- The Commonage Act
- The Local Government Act



## Government

Ministry of Housing and  
Social Development

Department of Housing

Hon Algernon S.P.B. Allen, MP, Minister  
Creswell Sturup, Permanent Secretary  
Pat J. Evans, Building Maintenance Officer  
All the staff, but in particular:  
Gordon Major, Director of Housing, Technical Services  
Lorraine Symonette-Armbrister, Chief Housing Officer  
Litfield Rolle, Senior Assistant Secretary  
Katherina Smith, Administrative Cadet  
Mr. Cooper, Chief Building Inspector  
Jonathan A. Dean, Realtor, Sales Manager  
Melvern Johnson, Office Manager, Freeport  
Sybil Ferguson, Office Assistant, Abaco  
Ms Farquharson, Deputy Director  
Camille Bullard, Assistant Director  
Carolyn M. Hepburn, Assistant Director  
Karoline Major, Assistant Director  
Constance McKenney, Chief Welfare Officer

Department of Social Services

Ministry of Public Works  
Building Control Section  
Subdivision Section  
Department of Local Government

Melanie T. Roach, Director  
Craig G. Delancy, Acting Buildings Control Officer  
Dewitt Hanna, Under Secretary  
Harrison Thompson, Under Secretary

Department of Physical Planning

Michael Major, Director

Department of Lands & Surveys

Richard Hardy, Acting Director  
Loftus Butler, Surveyor General

Department of Statistics

Charles Stuart, Director  
Carmen Gomez  
Coralee Mackey  
Kelsey Dorset  
Thera Francis, building statistics  
William Davis, constr. cost index (by phone)

Department of Environmental Health

Melony McKenzie, Deputy Director  
Carlton Smith, Chief Health Inspector

Ministry of Tourism

Gary Young, General Manager

Bahamas Immigration Department

James T. Rolle, Immigration Officer

Property Tax

Franklyn Kemp, Chief Valuation Officer

Bahamas Mortgage Corporation

Jerome Godfrey

**Inter-American Development Bank**

Hugo E. Souza, Representative  
Veljko Sikirica, Operational Specialist  
Oscar Spencer,

**Other**

Board of Architects

5 persons, names in folder

Arawak Homes

A. Bismark Coakley, President

Gold Circle

Clayton Smith, Residential Sales Coordinator

Approved Builder

Wendell Curtis

Alvin Collie & Sons Constr. Co. Ltd.

Alvin Collie

Premier Importers Limited

Theresa E. Farrington

J.B.R. Building Supplies Ltd.

Adrian Burrows, Store Manager

The Engineering Group

Charles J. Albury, Comptroller

Quantity Surveyor

Hammond V. Rahming, Civil Engineer

Bahamas Technical & Vocational  
Institute

Anthony Archer (by phone)

Celestine Williams, Manager

Appraisal Services

Wilshire W. Bethell, Certified Appraiser/Architect

The Central Bank of The Bahamas

Wendy M. Craigg, Deputy Governor

Bank of The Bahamas Limited

Paul J. I. McWeeney, Deputy Managing Director

Consulate General for Sweden

Anders Wiberg, Consul

**Abaco**

Local Administration

Everette Hart, Senior Administrator

Administrator, Northern District

Councillors

Central and Northern Districts

**San Salvador**

Local Administration

Mr. Ferguson, Administrator

Earl Black, Inspector

Marcia Kemp, Secretary

Charles Jones, Manager Batelco

Councillors

Mr. Gibson, Chief Councillor

Eric Hall, Deputy Chief Councillor/Builder

Allan Fernando

Brome Fernando

Bridget Bastian, Council Secretary

Contractor  
Architect

Marcus Jones  
Jason Williams

**Grand Bahama**

The Grand Bahama Port Authority,  
The Grand Bahama Development  
Company Limited

W. Albert Gray, Executive Vice President

Member of Parliament/Chairman  
Housing Committee

David Wallis, MP West End and Bimini

Councillor

Louise Ewing

Parliamentary Registration Departm.

Carnard L. Bethell, Dep. Parliamentary Commissioner

REEF Construction Limited

Vernon H. Wells, President

Westport (constructions)

Daniel Fisher, President

Charles L. Pratt, Residential Project Manager

Bahama Bay Communities, Ltd.

Brian D'Souza, Vice President

Approved Builders

Pedro Dean

Michael P. Edwards

Mr. Quant

Mr. Ramsey

C.J. Moss & Assocoates

Charles Moss, Architect

## PERSONS INTERVIEWED

(Anders Hederstierna)

### Real Estate Valuation

Wilshire W. Bethell, Appraisal Services  
Jonathan. A. Dean, Sales Manager, Dept of Housing

### Finance Corporation of Bahamas Limited

Al Jarrett, Managing Director  
Daniel Strachan, General Manager

### Bank of the Bahamas Limited

Paul J. I. McWeeney, Deputy Managing Director

### Ministry of Housing and Social Development

Pat J. Evans, Building Maintenance Officer

### The Central Bank of the Bahamas

Wendy M. Craigg, Deputy Governor

### Department of Statistics

Charles Stuart, Director  
Kelsie Dorsette, Deputy Director

### The Bahamas Mortgage Corporation

Jerome Godfrey, Deputy Managing Director

### Barclays Finance Corporation (Bahamas) Limited

Oswald C. Munnings, Managing Director

### British American Bank

Gershan Major, Assistant Vice President

### Parliamentary Registration Department

Carnard L. Bethell, Deputy Parliamentary Commissioner

### Bahama Bay Communities, Ltd.

Brian D'Souza, Vice President

### Art Construction Co., Ltd.

Pedro Dean, President

### Pinnacle Investment Construction Co., Ltd.

Michael P. Edwards, President/Director

### Westport

Daniel Fisher, President  
Charles L. Pratt, Residential Project Manager

### The Grand Bahama Development Company Limited

W. Albert Gray, Executive Vice President

### Reef Construction Ltd.

Vernon W. Wells, President

C. J. Moss & Associates

Charles J. Moss, Architect

Parliament

David Wallace, M.P.

Bahamas Realty

Robin B. Brownrigg, President

Mortgage Insurance Fund

Kevin McDonald, Auditor

The National Insurance Board

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