

SHOWING TRINIDAD & TOBAGO A NEW WAY HOME

A Policy For Shelter,

A Strategy For Equity,

A Commitment To Employment

And A Vision Of Caring





MINISTRY OF HOUSING

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My Fellow Citizens:

It gives me great pleasure to introduce our new and very comprehensive Housing Policy for Trinidad and Tobago – “Showing Trinidad and Tobago a New Way HOME”. This policy has taken many months to prepare and has been the subject of much creative discussion, particularly in developing the range of housing and mortgage financing programs required to keep pace with the country’s shelter requirements and homeownership aspirations.

As you can appreciate, it is a collaborative effort, involving not only my Ministry—the Ministry of Housing, but also other Ministries and agencies of Government, such as – the Ministry of Finance, Trinidad and Tobago Mortgage Finance Company, the Urban Development Corporation of Trinidad and Tobago Limited, and others, to mention a few.

We are all keenly excited by this new policy as it provides my Ministry and the associated agencies with which it deals, a comprehensive blueprint with which to attack the housing deficiency in Trinidad and Tobago.

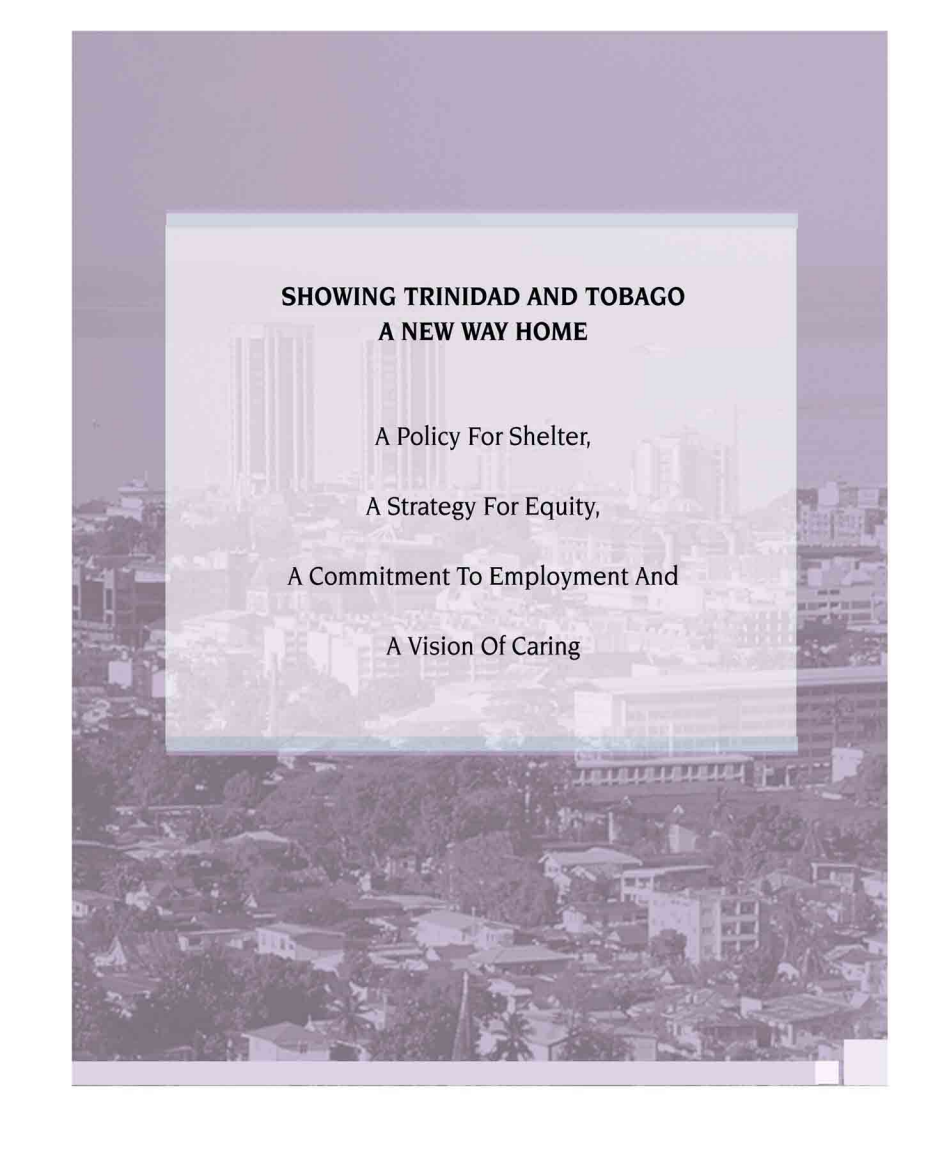
I encourage you to read this document and to address to me any questions or issues which you may feel are important to you and your families.

The Government has mandated the construction of 100,000 shelter solutions in the next ten (10) years. This document explains that thrust and the strategic approach to the types of housing that must be generated to meet this target.

All the best.

Sincerely

Senator Danny Montano
Minister

An aerial photograph of a city, likely Trinidad and Tobago, showing a mix of high-rise buildings and residential areas. A semi-transparent white rectangular box is centered over the image, containing the title and subtitle text. The text is in a bold, sans-serif font. The background image is slightly faded to make the text stand out.

**SHOWING TRINIDAD AND TOBAGO
A NEW WAY HOME**

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This policy document seeks to have Cabinet approve the broad and specific tenets of a new National Housing Policy. It has been developed with a view to achieving greater coordination among the various agencies and departments of Government that influence the total housing delivery process and it contrasts with the previous Government's approach in being highly shelter oriented as opposed to settlement oriented.

The low production and disrepair of the housing stock in the housing field has generally been attributed to financing and affordability issues, but could also include the lack of a proper land development and infrastructure strategy, lack of maintenance and repair to the housing stock, lack of targeting of need groups in respect to housing type, and the lack of financing mechanisms for lower and middle income groups. The attached policy strategy draws on the work done by the Housing Task Force in the period 1992 and 1993 and provides the framework for a comprehensive housing solution to the diverse and complex needs of today.

The intent of this document is to provide an action plan for Government to deal with the housing needs crisis. This housing needs crisis was apparent with the thousands of application forms filled out by potential applicants for the initial distribution of houses by the Ministry of Housing. It reflects the fact that Government has been aware of this looming difficulty due to the lack of affordable housing production in the last twenty years.

Coupled with initiatives taken in conjunction with the Inter American Development Bank (IADB) and changes developed in both the mortgage finance and housing design and development strategies of Government, major production targets in both quantity and distributive effectiveness are possible.

SQUATTER REGULARISATION

- Squatters will be regularized.
- A grant of up to \$25,000 will be provided for the purchase of building materials to help squatters under the aided self-help program.

RENTAL

- Production of more rental units for NHA.
- Repair and maintenance program for approximately 6,000 NHA units at a cost of \$42 million.
- Development of a Rent-to-Own Program whereby a tenant, after 5 years and with a good payment history, satisfies the financial requirement and has their unit conveyed to them and assumes the mortgage.
- Reduced development densities for affordable family housing.

LAND

- Acquisition by the State of privately owned tenanted lands for resale to tenants at affordable prices.
- Variation in lot size requirements.
- Improved variation on housing designs with emphasis on cultural and economic considerations.
- Incentives for food production on housing estates, including communal grow boxes and backyard green gardens.
- State to accelerate the development of serviced lots on housing estates.

SPECIAL NEEDS

- Non-profit and religious groups to receive 100% financing for construction of shelter for elderly, physically and mentally

challenged. They must retain a continuing interest in the operation and upkeep of the housing.

- Special purpose shelter for battered women and families in crisis.
- Granny Suites (see homeowner).
- 100% financing for the conversion of housing to guest house developments in Trinidad & Tobago.

HOMEOWNERSHIP

- 95% - 97% loan amount including features such as recognizing "sweat equity".
- 6% - 8% financing.
- 100% financing for "Granny Suites".
- Deeds to be provided by NHA for owners on housing estates.
- Increase in Approved Mortgage Company price limits from \$350,000 to \$450,000.
- Preferred finance for bridging, home improvement and land loans.
- 100% financing for home improvements to qualified homeowners.
- Mortgage interest tax deductions to be increased to \$36,000.
- Tax deductible allowance for first time homeowners of 1/6 of the purchase price of a house to a maximum of \$10,000 for 5 years.
- Streamlining financing and administrative arrangements thereby reducing costs.
- Inclusion of household appliances in mortgage loan.
- Enhanced financial opportunities such as "open mortgages".

- Development of new entrepreneurs and contractors to support housing thrust.
- Enhanced public/private sector partnerships to support housing promotion and development.
- Rebate of VAT to the homeowner on construction materials for houses costing up to \$250,000.

INTRODUCTION

In March 1992 the Government appointed a Housing Task Force to examine, on a comprehensive basis, the housing situation in the country and to recommend to Government those policies and programmes, which it felt were appropriate to take the country into the next century.

The Task Force met with all segments having an interest in housing and shelter in Trinidad and Tobago and produced its report in August 1992.

The Task Force comprised private and public sector representatives and had extensive consultation with both the formal and informal sectors of housing, finance and the regulatory bodies. That report, which was subsequently accepted by the Government, remains to this day the most recent, definitive and comprehensive statement of housing and settlements yet to be produced in Trinidad and Tobago. Many of its recommendations are now policy, and supplemented with recent strategic improvements in the housing sector warrants their updated restatement.

DIMENSIONS OF THE HOUSING PROBLEM

The increasing imbalance between the delivery of housing products and the trends in housing needs is merely one dimension of the housing problem.

A cultural norm in Trinidad and Tobago is the orientation towards homeownership. This has led to an increase in homeownership from 65% in 1980 to 74% in 1990. Measured by world standards, Trinidad and Tobago ranks high among developing countries in homeownership.

Approximately a quarter of the housing stock produced in the formal sector is attributed to private sector production using large developers. The remaining three quarters of the formal sector is attributed to individual homeowners, who use mainly small contractors.

Other dimensions considered important in understanding the housing problem relate to the following:

- The growing divergence between trends in the price of housing and the ability of households to afford housing.
- The realization of the Government's increasing inability to allocate funds, either for direct housing provision or for subsidization.
- The dramatic increase in squatting due, no doubt in large measure, to the combined effect of the two factors mentioned above.
- The somewhat unrealistic, but persistently held, preference in the population for individually owned single-family detached homes.
- The virtual absence of construction of rental units for persons in the low and middle income ranges, due largely to the operations of the Rent Restrictions Act.
- The tendency of some lending institutions to ration mortgage loans, especially in the fixed "preferential" interest bands, in the face of the uncertainties about the movement of interest rates in the open market, or issues relating to the true marginal tax benefit resulting in an unevenness and, at times, a drying up in the flow of funds for low income mortgage lending.
- The bias in the existing regime of incentives and facilitation for housing towards "standard" housing products, that is, the single family detached unit in a "good" neighbourhood (usually with 3 bedrooms and 1 bathroom on 5000 sq

ft of land), which can only be afforded by persons in regular employment earning income required to qualify for a mortgage.

Almost any variation from this norm introduces constraining difficulties. The following illustrates this point:-

- Variations in forms of housing, such as the duplex, the quad, or small lot subdivisions which can result in significant reductions in the cost of the land component in housing, are not readily accepted by the regulatory and lending agencies.
- Underwriting criteria for mortgage loans tend to screen out homes and prospective homeowners not fitting the appropriate profiles.
- Higher fees and closing costs that increase the down-payment necessary to own a house.
- The total exclusion of rental payments from any form of tax benefit to tenants.
- The exclusion of investments in home improvement from qualifying for attractive mortgage terms or tax incentives.
- The need for young families to have to resort to less than prime financing of necessary furniture and household appliances, further straining already tight family budgets.
- The provision in law for recourse to the borrower on loan default tends to bias the evaluation of the risk toward the homeowner's credit worthiness rather than the actual property, further restricting access to loans by certain groups in the population.

The foregoing implies that there are constraints and imperfections in the housing market which must be mitigated and, as far as possible, removed altogether, if the national objectives on housing and settlement are to

be achieved, along with the maintenance of the existing housing stock.

SUMMARY OF TASK FORCE RECOMMENDATIONS

The purpose for undertaking this exercise of policy formulation on Housing and Settlements derives from the recognition of the social and economic importance of the sector and from the need to establish a framework for consistent action by Government and all other participants, in pursuit of the national goal of providing access to adequate shelter and improvement in the quality of life for all segments of the population.

The task of policy formulation is informed by the philosophy, which accepts that the State has a responsibility to formulate policies and devise implementation measures for the Housing and Settlements sector with the objectives of:-

- Widening the range of alternatives for housing and living environments available to the different segments of the population, especially the poor and disadvantaged groups.
- Facilitating as many households as possible to access housing of their choice within their means.
- Assisting directly the most needy households to acquire appropriate housing.

To achieve these objectives, the Task Force prepared recommendations which fall into the following broad areas:

- A comprehensive approach to the delivery of housing and settlement products appropriate to the needs and demands of the various segments of the population.
- Social housing programmes for assisting land tenants and households at the lower end of the income scale, for

regularizing the tenure of squatters and for upgrading these settlements; and

- The rationalization and streamlining of the public agencies, involved in housing, including the funding agencies, to make them better equipped to carry out their respective roles.

Details of the recommendations are set out below:

POLICY ON HOUSING AND SETTLEMENTS

GENERAL

- Introduction of a programme of continuous research supported by regularly conducted market surveys to provide up-to-date data for policy formulation and implementation.
- The creation and equipping of a system of viable settlements as the basis for public sector investment intended to support housing development.
- The streamlining and improvement of the institutional functions for land identification, land assembly, release, vesting, registration and development approval.

DEMAND FOR HOUSING

A comprehensive policy on housing must address the needs of all segments of the population. However, estimates of housing needs are only useful as indicators and must be converted to "effective demand" projections for purposes of realistic policy formation.

The determination of effective demand for housing combines estimates of housing need with conditions of affordability, and the "willingness to pay" of households for specific types of houses. Therefore obtaining market data on demand is an essential pre-condition to the formulation of an effective policy in housing and settlement.

Income Range	UNITS NEEDED						
	East/West Corridor	West Caroni	San Fernando	Secondary Towns	Rest of T&T	Tobago	Total
Low Income	10,037	5,286	2,528	2,931	25,441	1,892	48,115
Middle Income	13,253	4,728	3,150	2,934	19,822	1,954	45,841
High Income	6,654	2,007	2,092	1,876	7,763	679	21,071

According to PADCO/Laughlin & Associates, data on housing market demand estimated that 115,000 new housing units would be required in Trinidad and Tobago during the ten year period between 1995 and 2005. A breakdown of the estimated effective housing demand for that period was as stated above.

It is important to note that the monthly household income range at the mid point of the ten year period is Low Income below \$3,632 Middle Income: \$3,633 - \$8,843 and High Income \$8,844 and over.

It was estimated that 14,944 acres of land will be required over the period 1995-2005 to satisfy total residential needs.

RURAL-URBAN DRIFT

Trinidad is a highly urbanized country. In 1999, 71.2% of the population lived in urban areas. The East-West Corridor is highly urbanized and densely populated. This is due to the close proximity of the capital city as well as several secondary towns in the corridor and the concentration of population in these towns. The majority of the country's squatter settlements are also located in this region. Traditionally, the existing pattern of housing development follows from the location of sources of income or employment opportunities. The Rural to Urban Drift was a significant factor that contributed to high demands for housing in new areas since there was a decline in agriculture and other limited rural employment opportunities.

Given the high level of urbanization in the East-West Corridor and the continuing demand for homes along the existing pattern of urban development in the country, the challenge of the Government is to find residential land for housing.

In this connection the Government will seek to acquire private lands and utilize agriculture lands subject to the approval of the regulatory Agencies.

HOUSING MARKETS

Recognize the varying needs in the housing market and devise appropriate policies to meet these needs and capabilities of each segment.

Specifically, for low income households:

- maintain, strengthen and extend the sites and services programmes;
- develop appropriate means of facilitating households who are not capable of meeting the economic cost of developed lots;
- provide funds for construction financing for use by qualified beneficiaries;
- re-introduce aided self-help and assisted housing programmes;
- adopt the principle of cross-subsidization as a feasible means of including lower priced units within projects; and
- introduce incentives to support and encourage conversion of existing housing to higher density units, and for construction of urban apartments for rental or ownership.

For lower-middle income households:

- increase the supply of housing by the private sector;
- reduce the cost of delivery of housing;

- (c) assist households to access housing in the market; and
- (d) provide incentives for both supply and demand of housing by adjusting taxation and financial factors.

These objectives are inter-related and mutually re-enforcing, thus measures that will be taken to produce movements in each of the objectives will result in overall benefits.

Specifically:

- (a) Measures must be taken to increase the availability and reduce the cost of raw land and development, by improving the land administration and regulatory machinery and modifying land development standards to achieve more cost-effective utilization of land (reduce lot sizes, increase density of multi-family development, modify road widths and drain reserves, house setbacks and coverage requirements subject to maintenance of health, safety and environmental standards);
- (b) Institute programmes of systematic research and experimentation on building materials and construction technology, with the objective of reducing the cost of construction;
- (c) The rebate of VAT on construction materials to the homeowner for homes that qualify for the preferential mortgage interest rates i.e. homes costing up to \$250,000.00; and
- (d) Establish a structured programme of joint-venturing between relevant state agencies and private developers to build houses, especially on sites already leased or now being developed in the Sites and Services programme. This will involve, among others;
 - (i) building houses for existing lot-owners;
 - (ii) building houses on new lots for delivery of house and land to new beneficiaries; and
 - (iii) turnkey projects in which the private entity would mobilize all the resources required to complete housing products, that is, land, finance and construction services.

The Government recognizes the social and economic challenges associated with squatter regularization and while fully protecting the citizens right to property, will employ a series of measures to ameliorate this problem. The strategies for the implementation of Squatter Regularization are:-

- Improve the living conditions in regularized settlements through a programme of aided self-help.
- Implement a more streamlined programme of providing Deeds of Lease on public lands to ensure the legal status of citizens and improve their ability to finance improvements to their properties.
- Implement a co-operative building programme providing affordable finance to those squatters who have regularized their status in order to improve the quality and safety in these regularized settlements.
- Develop a holistic community-based approach to squatter regularization. This could be done through the formation of co-operatives and community groups to initiate self-help and self-reliance activities to assist in incremental development of these settlements.
- Forge partnerships between community groups and non-governmental organizations such as Foundation for the Enhancement and Enrichment of Life (FEEL), HABITAT for Humanity and CIRD to assist the development of squatter settlements.
- Institutionalized co-ordination between URP programmes and targeted community-based settlement developments which would benefit squatter communities and help the State to get the most out of the programme.

- Continue to expand the linkage between the National Commission for Self-Help and squatter communities seeking to resolve their problems.

- Legitimize squatter projects by having officials of the Ministry's Agencies participate in community group meetings, in order to give approval to projects; discuss ways the State can assist in project development and make squatters aware of their rights and obligations.
- Approach international agencies with well-structured proposals to assist in developmental projects on squatter sites.
- Set up monitoring mechanisms in collaboration with environmental agencies to prevent degradation of the environment as a result of squatting.

These approaches to squatter regularization maximize community participation, individual initiatives and investments and minimize public sector costs.

Strategies for Containment of Squatting

- Accelerate the provision of low cost housing on serviced lots.
- Invite occupiers who entered lands after January 1, 1998 to apply for a housing unit.
- Mandate serving of notices upon all persons who entered State lands after January 1, 1998. This will require the co-operation of the NHA, Director of Surveys, Caroni (1975) Limited and Petrotrin (PSAEL).
- Rationalize and network with Director of State Lands, NHA, Caroni and Petrotrin to observe legal procedures to issue the following:

- (i) Cease notices
- (ii) Removal notices

- Effect site monitoring of lands administered by the Ministry of Housing.
- All Ministries/Agencies with control over State lands to actively patrol and monitor their land holdings and to take effective action against new squatters on lands under their jurisdiction.
- State Land Inspectors to conduct patrols on weekends and on public holidays.
- Mount a strong and sustained public relations campaign to increase public awareness of the problems created by unauthorized settlement and discourage potential squatters.
- Develop a Land Information & Management System.
- Identify and provide emergency squatter holding sites under the control of the National Housing Authority.
- Disseminate information on squatter regularization to political representatives, embassies, service organizations, infrastructure agencies and other groups which provide assistance to community projects in squatter settlements.

Community Development

The following strategies will be adopted for the development of community facilities and social services:

- Location of sites within close proximity of schools, health care centers, post offices, commercial centres, etc.
- Construction of community facilities to

allow for the participation of community members in many spheres of activities to promote cohesiveness and integration.

- Collaboration with the relevant social service Ministries in the context of devising social programmes for participation of the community.
- Establish Community Based Organizations to mobilize and sensitize the community with respect to various issues pertaining to the economic, social and physical development of the settlement.
- Community participation with Non-Governmental Organizations in the provision of social services.
- Establish co-operatives and micro-enterprises to provide commercial activities and opportunities for employment.
- Develop an aided self-help approach towards Community Development.

AIDED SELF HELP

The concept of Aided Self Help is an approach that involves the use of community based labour with the cooperation of local authorities which provides the technical, financial and administrative assistance needed for the programme.

Under this initiative the Government will provide the basic infrastructure works at the site, the framework for accessing the financial assistance i.e. loans, pre-approved house plans and on site technical assistance. However, the actual construction of the house and the maintenance of the settlement is undertaken by pooling the available skills of persons in the community.

Successful implementation of this strategy is instrumental in reducing the need for large

amounts of subsidy. In addition, construction costs can be reduced by as much as 20% as a result of the incremental completion of housing units.

FINANCIAL ARRANGEMENTS

The housing finance regime in Trinidad and Tobago is fairly well developed but there is still need for financing to be made more accessible to low income earners. A review of the loans for housing when compared with other types of loans reveals that during the period 1995 to 2000, consumer home improvement loans increased by 113% to \$564.4mn while residential mortgage lending increased by only 15%. What is even more interesting is the phenomenon of the rate at which consumer loans for housing has increased. This may be due to a number of



factors, including, but not limited to:

- The lack of realizable title as collateral
- The advantage of avoiding closing costs
- The lengthy approval process.

Recommendations made on financial arrangements were:

- The introduction of a National Mortgage Insurance Programme to be established under an appropriate agency in the mortgage loan industry.
- Overhauling the Approved Mortgage Company programme.
- For lending institutions that do not already permit this, mortgage



administration and origination policy should be refined to allow the capitalization of eligible up-front costs (legal and professional fees, origination fees etc.), down-payment requirements (permitting sweat equity), bridge financing and other features, which will either enhance affordability or contribute to administrative efficiency.

- Include mortgage backed securities as eligible for tax exemption.
- Securitization of the public housing mortgage portfolio to provide the relevant public sector agencies with fresh funds to initiate new loans.
- Inclusion of all realty type loans within the scope of the secondary trading authority of The Home Mortgage Bank where such loans will be used to significantly improve an existing home i.e. structural enhancement or expansion into multi-unit dwellings.
- Standardization of all mortgage documentation and automation of the Land Registry. This can streamline the legal and administrative procedures and facilitate assignment of existing mortgage deeds to qualified purchasers without the need for new mortgage capital. The normal caveats regarding security as it relates to land tenure will, of course, prevail. Leasehold tenure must exceed the actual mortgage amortization term, although policy varies from lender to lender as to the actual maturity required.

CONSTRAINTS IN THE SECTOR

The foregoing implies that there are constraints and imperfections in the housing market that must be mitigated, and, as far as possible, removed altogether, if the national objectives on housing are to be achieved. Indeed, despite several policy measures and initiatives in the past, the sector continues to be faced by the following challenges:

Demand/Supply Imbalance

The demand for affordable homes far outweighs the supply. In fact studies conducted by Halcrow and Associates, a firm of British Urban Planner/Architects, revealed that between the years 2000 to 2020, 178,000 homes would be needed to satisfy demand.

Affordability

The low and lower-middle income groups cannot afford the open market prices of houses;

Inadequate Financing and the Cost of Subsidization

Reduction of financial resources allocated by the State to housing has led to reduced construction, land development, mortgage financing opportunities and maintenance of the existing State owned rental housing stock. Further, subsidies in Trinidad and Tobago have been an essential component of public sector housing policies and programmes in the attempt to make shelter more affordable to the population.

Development Standards and the Regulatory Approval Processes

The enforcement of strict building and development codes has increased construction costs and has also limited effective regularization of the tenure of squatters and the upgrading of squatter settlements. In addition, development initiatives have also been limited by a complicated and cumbersome approval process.

Land Use Planning and Administration

Even though the rate of conversion of land to residential purposes has increased over the years, very little of this land was provided with infrastructure to accommodate owner-managed construction units.

High Import Content in Housing Construction

This situation has exacerbated the already high cost of housing construction.

Institutional Arrangement

The legal requirements and administrative modus operandi of the institutions and regulatory agencies involved in the delivery of housing need to be harmonized.

Maintenance of the Existing Housing Units

The major problem of the maintenance of public rental units is that of inadequate funding. Since rents are so low, the burden falls on the State to provide funding for the maintenance of the stock, resulting in the deterioration of the value of the housing stock.

Involvement of Community Based Organisations in the Development of a Holistic Settlements Approach

The development of a community depends on inputs from Government as well as from non-governmental organisations. In the past, settlements were established without inputs from community-based organisations and non-governmental bodies. As a result, such settlements have not developed into integrated wholesome communities and have, in fact, created significant socio-economic and cultural problems.

INSTITUTIONAL ARRANGEMENTS

The Task Force concluded that there was a need to rationalize the institutions in the Housing and Settlements sector, recognizing, first of all, that important roles are being played by many participants outside the public sector and that these must be formally incorporated into the structure.

This assumes even more importance, in view of the fact that the Government will not be capable of financing the direct provision of housing or of extensive subsidization, except for the very lowest income households.

The Task Force also took into consideration the fact that:

- (a) An IDB Technical Cooperation programme is in place to strengthen the NHA's capability in areas of financial management, technical planning and operational procedures.
- (b) The decision had been taken to concentrate the resources of the NHA on property management functions and the upgrading of squatter settlements and in the short-term, for the vast portfolio of Project Housing Loans which are likely to require considerable time and effort to regularize.
- (c) The TTMF was empowered to administer and manage housing mortgages funded by the State and the National Insurance Board.

Based on the foregoing considerations, the Task Force concluded that a major deficiency in the Housing and Settlements sector is in policy making and coordination of strategic planning and programming.

Further, in order for there to be any early and meaningful progress on the elaboration of policy recommendations and implementation of related plans and programmes, this deficiency must be addressed immediately. A properly structured and adequately staffed Ministry would be the appropriate agency to carry out these functions. However, because of recent changes in ministerial portfolios and the consequential re-allocation of staff, the Ministry of Housing and Settlements now finds itself ill-equipped to carry out anything but routine administrative functions.

In the circumstances, the Task Force recommended the following:

Strengthening the Ministry of Housing and Settlements - The Task Force felt it appropriate to equip it to carry out the functions of planning, coordination, strategic planning and programming, as well as regulation and facilitation, in addition to its normal administrative functions.

RATIONALIZATION OF PUBLIC AGENCIES

The Task Force specifically recommends that steps should be taken immediately to implement the decisions on rationalization of the public agencies involved in housing.

RENTAL POLICY

Despite attempts by the Government of Trinidad and Tobago to implement an effective rental housing policy, the continuing loss of rental units from the existing stock and the constant decline in new private sector rental housing, attest to the inadequacy of the provision of Government's subsidized rental units and the implementation of rent control via the Rent Restriction Act.

The Government owns over 6,000 rental units across the country, the majority of which are located in Port of Spain and environs. Most of these units are at least 20 years old. The National Housing Authority on behalf of the Ministry of Housing manages these rental units.

While public sector rental housing has been made available to low and lower-middle income individuals, there have emerged several problems ranging from inefficient cost recovery to poor maintenance, high arrears and too minimal rents which are inadequate to recover the costs of maintenance and operation.

Simultaneously, insufficient public sector encouragement has been given to the private sector to construct rental accommodations. As a result, private sector developers have been discouraged from creating rental housing

for the poor because they cannot profitably compete with government subsidized units.

Given these concerns, the Government's new housing policy will address the rental needs of low and lower-middle income households. The guiding philosophy of the policy will focus on enabling the poor in society to afford rental units, as well as to ensure that these individuals achieve, on a phased basis, their long-term goal of purchasing a housing solution.

The Ministry of Housing is cognizant of the need to include opportunities for rental housing units in government sponsored sites and services and upgrading projects. These projects will provide opportunities through which the government will directly stimulate the private sector to provide low cost rental housing for low-income households.

Government's previous attempts to improve rental housing conditions have often placed too much emphasis on legislation. Therefore, it is important that rental housing be viewed within the context of overall housing policy and not simply as an isolated element. The body of legislation that governs the housing sector, of which laws relating to rental housing form a part, should be viewed as a whole and improved as necessary in order to guarantee its relevance and improve coordination in the sector.

Government has also recognized the need to determine the appropriate scope and content of legislation in rental matters. The current Rent Restriction Ordinance distorts the workings of the rental system and retards the provision of new rental units. The results are a decrease in private sector investment in low cost rental housing, deliberate evasion of regulations and disruption of the normal conduct of landlord-tenant relations.

- Providing incentives (e.g. low cost bridging finance, public/private sector partnerships, exemptions from capital

gains tax etc.) to private sector developers in order to stimulate the production of rental housing for low and lower-middle income households.

- Implementation of a programme of repair to all NHA apartment buildings to provide employment as well as to rehabilitate the housing stock and to train a cadre of workers for future sustainable employment.
- The new NHA will be mandated to carry the necessary repair and replacement financial reserves to ensure this level of accommodation is maintained on an annual basis.
- Future developments will encompass the new NHA and UDeCOTT with the utilization of selected state lands to develop a more comprehensive solution to the shelter needs of our urban residents.

IMPLEMENTATION OF POLICY

In order to implement the policies of sites and services and squatter regularization, it is recommended that both the IDB-assisted and regular sub-programmes should be continued.

BACKGROUND STATEMENT ON THE HOUSING SECTOR

In order to place the issues to be addressed by the Task Force into perspective, it was considered necessary to review the policies and performance of the housing sector. The major emphasis has been on the construction of single-family units in large-scale housing development projects, generally by mass housing production methods, for direct delivery to low and middle-income households, by Government.

This emphasis sprang directly from the policy enunciated by the Government of the day in its

1976 Budget. A range of relevant objectives were included in the policy. These covered:

- House types and density of development, namely, single units on lots up to 5000 sq. ft at an average density of 13 units per acre and four-storey complexes of 12 units per acre;
- Reduction in land leasing rates;
- Increasing the size of mortgage loans (to maximum of \$100,000 guaranteed); and
- Providing security of tenure on housing land.

Although the mass production methods which were used, in an effort to accelerate the rate of construction, were not all totally effective, they contributed to the production of over 32,000 units in the period 1979 to 1986.

This approach by Government, of direct construction and delivery of fully completed housing units, mainly of the detached single family types, was possible because of the high surpluses of revenues available for channeling into housing.

The combination of the decline in Government revenues due to the downturn in economic activity from 1983 and the radically different philosophy introduced by the new administration in December, 1986 resulted in a major shift in the policy on Housing and Settlements, affecting activity between 1987 and 1991 and between 1995 - 2000. The Settlements Policy in the Medium Term Macro Planning Framework explained in detail the Government's official position on the sector for this period.

Though seemingly comprehensive in concept, in actual performance, concentration was mainly on the provision of serviced lots in widely dispersed sub-urban and rural localities to qualified individuals on subsidized terms.

Although housing supporting data are not available on the housing sector, it is a well accepted fact that there was a dramatic reduction in housing construction activity after 1983 and after 1995. The value of mortgage loans tends to support this conclusion as it indicates the reduction in lending for conventional house construction in both the private and public sectors. On the other side of the picture, any increase in construction in the informal housing sector is not usually picked up in such official statistics.

Conclusions about the Housing and Settlements policy measures and the resulting performance in delivery of housing can only be properly evaluated when compared with the needs of the population. Various attempts have been made to estimate "housing needs". One such attempt was an approach, drawing on census data, which provided an estimate of just under 14,000 units per annum required to keep pace with the situation as at 1985.

This estimate was derived from data on:-

- Actual distribution of households;
- Rate of formation of new households;
- Incidence of single persons and families sharing households;
- The housing requirements of special groups, such as the elderly, handicapped, homeless etc., and
- The need for replacement of obsolescent units.

While it is recognized that such an estimate would have to be refined, it has generally been accepted as indicative of the order of magnitude of the "housing needs" in the country. Also, given the fact that during the peak period of housing production the rate of completions of formal housing hardly exceeded 6,000 units per year and that since then there

has been a reduction in construction, the Task Force concluded that the housing situation has probably worsened considerably, especially for persons in the lower and middle income segments of the population. The increase over the last five years in the number of squatters and other activity in the informal sub-sector also provides evidence of the kinds of shelter solutions forced upon the population to meet their needs.

It was therefore concluded that unless a rate of provision of housing in excess of the increase in the various components of housing needs can be achieved, the housing conditions in the country, as well as the quality of life of the population will deteriorate further with consequences well understood by all.

This review provided the context within which the Task Force approached the terms of reference and related the task of formulating a policy on Housing and Settlements. Briefly stated, this philosophy recognizes that the State has a responsibility to formulate and devise measures for implementing a comprehensive policy framework for the Housing and Settlements sector with the objectives of:

- Widening the range of alternatives for housing and living environments available to the different segments of the population, especially the poor, marginalized and disadvantaged groups.
- Facilitating as many households as possible to access housing of their choice and within their means;
- Assisting directly the most needy households to acquire appropriate housing; and
- Providing more starter options for young families, e.g. expandable housing.

In pursuit of this goal, Government must:-

- Re-activate a comprehensive approach to housing.
- Rationalize the public agencies involved in housing, including the funding agencies.
- Undertake a programme of squatter regularization and assistance to land tenants.
- Ensure that Capital Market development provides a focus on local and national development.



ACTION PLAN

The challenge for Government will be the need to increase housing production and develop the mechanisms and resources needed to ensure that production goals are achieved.

Homeownership is the dream of most of our citizens and the policies and programs of Government must be aimed at breaking down the barriers, lowering costs, and increasing shelter opportunities, both in homeownership and rental housing, for all of our citizens.

The state of our housing is a critical benchmark with respect to the state of our national well-being. The Government must insist on a production target of 100,000 new housing units over a ten year period through, both direct intervention, as well as facilitating private sector initiatives. Such a production target recognizes that Trinidad and Tobago must keep abreast with our population growth, meet the current demand and pent up demand for shelter as well as address the tremendous housing needs deficit that has accrued. The production capability of the country to sustain this level of housing output is entirely achievable if Government policy is focused on the initiatives that are needed to make this happen and by facilitating both private and public sector efforts to ensure that the resulting policies are implemented. The financial commitment of \$1.5 Billion annually will also require innovative use of agencies and programs in the funding and subsequent lending of those resources.

As with all industries these days, scale and predictability of output are essential factors in ensuring that efficiencies in cost and economies of scale are achieved.

This paper deals specifically with the following housing initiatives:-

1. Sites and Services and Squatter regularization
2. Assisting young families to own their own homes

3. Housing for the elderly and physically and mentally challenged
4. Making housing more affordable
5. Meeting the needs of renters
6. Housing design
7. The re-development of urban centres
8. Employment generation
9. Regulatory and Structural Reform
10. A National Mortgage and Housing Bank
11. Emergency housing
12. Strategy for fulfilling housing demands through the IDB
13. Innovation
14. Functional Organization

1. Sites and Services and Squatter Regularization

- Government recognizes the social and economic challenges associated with squatter regularization and while fully protecting the citizen's right to property, will employ a series of measures to ameliorate this problem.
- Government will continue its programme of squatter regularization in the designated areas. This will be strengthened by a programme of Aided Self-Help to improve the living conditions in these regularized settlements.
- A more streamlined programme of providing Deeds of Leases on public lands to our citizens will be undertaken to ensure that their legal status and their ability to finance improvements to their properties can be undertaken.
- A co-operative building programme providing affordable finance to those squatters who have regularized their status will be undertaken to improve the quality and safety in these regularized settlements.
- Further housing loan facilities will be negotiated to provide a finance platform for housing construction.

2. Housing For Young Families

Homeownership is one of the strongest threads in the fabric of any society. It is the source of a family's pride and achievement.

Government will:

- Introduce a National Mortgage Insurance Programme to facilitate the participation of approved mortgage lenders across a broader spectrum of housing to facilitate the so-called "new markets", i.e. young families, working families, city and rural residents and others with modest means.
- Expand the available features and the interest rates associated with the homeownership process, particularly the approved home mortgage programme.
- Simplify the mechanisms for mortgage loans in order to reduce the transaction costs associated with mortgage financing, e.g. open mortgages, where homes constructed on an incremental basis will be able to access preferred financing after occupancy.
- Expand financing mechanisms to deal with bridging or construction finance and land loans as well as include

certain chattel items necessary (fridge, stove, washer, dryer, etc.) to allow young families to avoid the "Cycle of Debt" by having to finance these needs at retail rates in addition to the cost of their home.

First Time Homeowners

- The interest rate charged will be reduced from 8% to 6% for the most needy, under a revamped and modified Approved Mortgage Company program. Loans available to first time homeowners will be increased to 95% of the value of the home being purchased. In selected areas, in affordable developments, the down-payment will be reduced to as low as 3%.
- Price limits for loans under the Approved Mortgage Company programme will be determined and varied by the Minister of Housing on the basis of housing prices in appropriate communities and will therefore cater to the increased cost of property in our cities.
- The Table below demonstrates the affordability of the funding mechanisms which will be employed.

House Price	Loan Amount (95%)	Monthly Payment @25 Years Amortization					Monthly Income Required
		@6%	@6.5%	@7%	@7.5%	@8%	
100,000	95,000	612.09					2,040.30
150,000	142,500	918.13					3,060.43
200,000	190,000	1,224.17					4,080.57
250,000	237,500		1,603.62				5,345.40
300,000	285,000			2,014.32			6,714.40
350,000	332,500				2,457.15		8,190.50
400,000	380,000					2,932.90	9,776.33

The rate of interest applicable to mortgages for loans granted by an Approved Mortgage Company for the financing of a house shall be varied by an amount not exceeding sixty-five percent of the change in the "benchmark residential mortgage rate" of The Home Mortgage Bank over the period of six months immediately preceding.

3. Housing the Elderly

Government should be a facilitator for helping those organizations, particularly service and church groups as well as non-profit organizations, to provide shelter for the physically and mentally challenged and the elderly.

Government will:

- Make loans and grants available to organizations to assist in the improvement and refurbishment of existing housing facilities.
- Create financing opportunities amounting up to 100% of the loan amount required to construct such housing, with sponsors maintaining their continuing interest in the operation and upkeep of the housing.
- Support 100% financing to homeowners wishing to add self-contained units to their homes in order to provide specialized accommodation for an aged parent (the Granny Suite), or

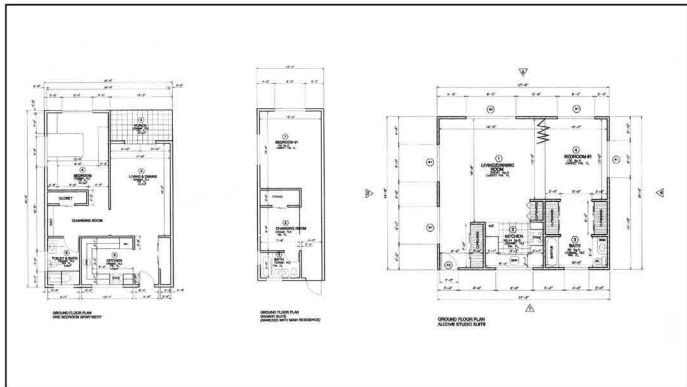
grandparent, recognizing the strong maternal influence of women in our society, particularly the stability that grandparents play in the social fabric and family unit.

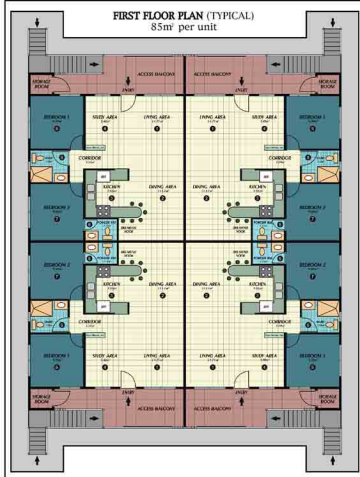
- Facilitate whatever adjustments are required in regulatory policy to allow the introduction of reverse mortgages for the elderly so that those senior citizens wishing to remain in their homes in their advancing years, may do so.

4. Housing Affordability

- A new National Mortgage Bank will be created integrating most of the statutory companies now engaged in the provision of housing.
- Setting up new structures requires manpower, capital, and time. Since Government's attitude is about making things happen now, our policy will be to consolidate and develop the synergies associated with the following institutions:-

OPTIONAL LAYOUTS FOR GRANNY SUITES





Garden Apartments

The National Housing Authority

The mortgage operations of the

National Insurance Board

NIPDEC

The Trinidad & Tobago Mortgage

Finance Company

The Home Mortgage Bank

The Urban Development Corporation of

Trinidad and Tobago

Each of these agencies deals with some element of the funding or development process, whether it be mortgage origination and administration, funding, property management and administration, development or facilitating investment in housing. These agencies will be integrated into an organization so that the impact on the marketplace is much more effective. The synergies available to Government by merging certain functions and consolidating others, such as mortgage portfolio administration and property administration, will be pursued.

- Residual lending programs will be undertaken to ensure delivery of financial initiatives across a broad spectrum of markets.
- Moreover, programs will be more creatively linked. Changes in legislation will be introduced to allow home improvement loans to be made available for Approved Mortgage Company homeowners at Approved Mortgage Company interest rates.
- The committed support and expertise of the private financial institutions, the credit unions, and the approved mortgage companies will be harnessed as they are critical to the success of this initiative.
- Truth in Lending legislation will be enacted to commit all financial institutions operating in the country to disclose in effective terms the annualized percentage interest rate for all borrowings, including all up-front fees, paid by consumers. In other words, interest rates on loans will have to be expressed on an annualized percentage basis.

- Mortgage prepayment penalties will be abolished.

- Development of a standardized mortgage deed to facilitate and assist homeownership. Such a measure will enable existing mortgages to be assumed by eligible purchasers without duplication of origination and legal costs.
- A fully computerized Land Registry will be introduced, to facilitate and expedite registration of ownership and to allow the pledging of security to secure borrowings including the financing and refinancing of homes.

5. Initiatives to Meet The Needs of Renters

- The refurbishment of the NHA's Apartment Buildings is another immediate initiative that is aimed at providing basic standards of quality of comfort to the residents of these Housing Estates. This refurbishment works will be undertaken at an estimated cost of \$67 Million and will be carried out on 237 of the Authority's apartment buildings comprising 6,000 units. It is envisaged that the works will be undertaken utilizing community based labour. More affordable housing will be constructed around the major cities and towns. Low income wage earners who are renting will be given the option but not forced to purchase their apartment.
- The Government will introduce a rent-to-own program through which occupants of designated rental housing projects may choose to own their units.
- Future developments will continue to involve the Urban Development Corporation of Trinidad & Tobago and the use of selected state lands to develop a more comprehensive solution to the shelter needs of our urban residents.

6. Housing Design

It is apparent that design and financing has to be made available for a wider range of functional uses.

- **Economic Housing** - In this concept, houses would be constructed and financed offering residential occupancy in part of the dwelling while allowing the remaining area to be used for business purposes.
(see diagram on page 23)
- **Expandable Housing** - Intended for young families starting out, houses would be constructed in such a manner to allow expansion as family size and resources expand.
(see diagram on page 23)
- The mortgage could be left "open" providing room to finance the expansion. Lots could be generally larger, facilitating green gardens and limited livestock.
- **Traditional Housing** - Homes built on columns or "stilts" in order to provide vertical expansion into the ground floor. This is a common feature in rural housing and again, mortgages could be left "open" to facilitate improvements as financial resources of the family permit.
(see diagram on page 24)
- **Rent-to-Own** - It is apparent that improved urban design solutions are required to cater to the demands of urban residents. Emphasis will be placed on keeping overall densities lower and ensuring privacy for the families being housed. The limited availability and high costs of urban land suggest the need for more innovation.
- **Special Needs** - In providing shelter solutions for special needs groups, like senior citizens, the disabled, the physically and mentally challenged, and HIV/Aids victims, it is imperative that designs reflect the functional needs of

these "special groups". Kitchens must be designed to be user-friendly, wheelchair adaptable with over-hanging counters, and accessible. Bathrooms must have properly secured handholds with both vertical and horizontal handholds in the bathtub area. In addition, it is imperative that stairs be minimized and the use of ramps be accommodated to facilitate the physically challenged.

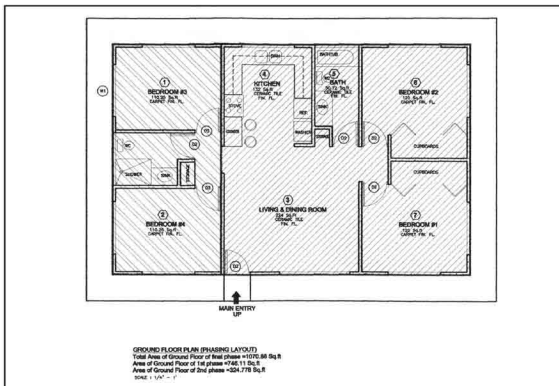
Site development, particularly sidewalks, in all new developments should reflect a user friendly standard, compatible with the ability of physically challenged people, to move around and have full access to such residential developments.
(see diagram on page 24)

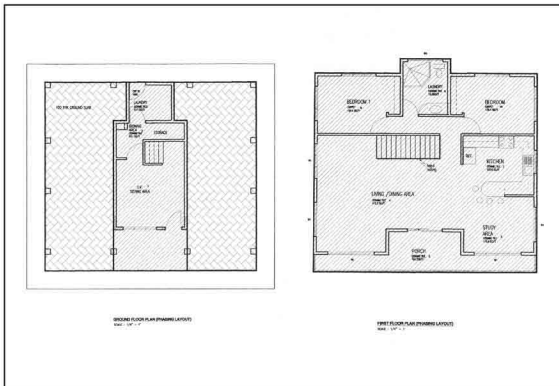
7. Urban Renewal and Redevelopment

- Government will include a programme of urban renewal to address the redevelopment problems of our urban centres with improved services and infrastructure. It is expected that the commercial redevelopment of targeted areas will not only assist in rejuvenating certain neighborhoods but will also address the need of providing much needed social and recreational facilities designed to improve the quality of life in low and middle income residential areas in our older neighbourhoods.
- Empowering community groups through the democratic process to assume more responsibilities for living conditions within their residential area.
- Democratically elected, community based organizations will be given greater support for community functions, such as recreational programs, public safety and land use community planning.
- Financial initiatives to assist community based organizations and groups to contribute to the provision of shelter and to the social infrastructure necessary to support human settlement.

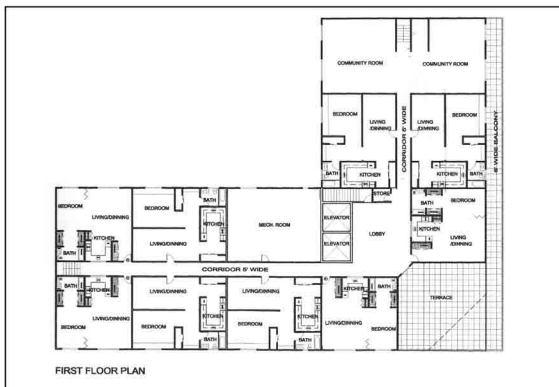


EXPANDABLE HOUSING





SPECIAL NEEDS



8. Employment Generation

- The housing policy enunciated above has far reaching implications, aimed at not only improving the quality of life for homeowners, but in fact, impacting the wider community through jobs created in construction and other associated industries.
- Cooperative sweat equity programs, higher loan to value ratios for mortgages, more creative use of arrangements for bridging finance, home improvement, and land acquisition, will enable younger and modest income families along with existing homeowners to access more affordable opportunities.
- The economic and business opportunities for builders and contractors will be encouraged as part of the housing production thrust. Through co-operation between the Technical Institutes and the private sector, training programs will be undertaken to improve the skills and core competency of our workers. Financial and organizational practicalities dictate that a partnership with the private sector and refocusing our shelter priorities in a manner which maximizes all available resources including manpower and capital, will result in the most effective economic impact.

9. Regulatory and Structural Reform

Government has the responsibility to manage the housing sector and, in this regard, it must reorganize existing institutional structures and create new ones, if necessary, in order to achieve this objective.

There are several Government institutions involved in some element of funding or development of houses. The involvement may be in the form of providing mortgage,

administration, property management, development or facilitating investment in housing. The main agencies involved are the National Housing Authority (NHA), the mortgage operation of the National Insurance Board (NIB), National Insurance Property Development Company Limited (NIPDEC), the Trinidad and Tobago Mortgage Finance Company Limited (TTMF), the Home Mortgage Bank (HMB) and the Urban Development Corporation of Trinidad and Tobago (UDECOTT).

There needs to be reorganization and restructuring of the institutional framework of the State component of the Housing Sector in order to achieve greater efficiency and operational effectiveness. If this rationalization is accomplished, Government will benefit from the synergies attained by the merging and consolidation of certain functions. There should be a comprehensive approach to housing development and ownership. All agencies involved in the delivery of houses, inclusive of the approving and land management agencies (Town and Country Planning Division and Lands and Surveys Division) must be organized to ensure that Government's goal is attained in the time established.

At present the institutions and regulatory agencies involved in the delivery of housing do not work in tandem with one another. Moreover, their legal requirements and administrative *modus operandi* are not conducive to the effective delivery of housing. The land organization structure should be reorganized in such a way that duplication and unnecessary delays are absent.

An effective and efficient development approval process is critical to the success of the land management and development programme. The realization of this goal would require formal coordination of all agencies involved in that process. The organization and management structure must provide strong basis for mobilizing, integrating and coordinating the actions required from relevant Ministries at the policy and programme level.

The availability of land is also constrained by institutional factors. Legal procedures relating to vesting, transfer of title and registration of land are known to be complex and time consuming and need to be simplified and streamlined to reduce the time and cost involved.

Similarly, the system of physical development, administration and other regulatory procedures that have a negative impact on the speed, execution and cost of housing development must be improved.

Measures will be introduced in order to regularize the issue of Deeds in existing housing estates, that have not yet been vested in the NHA.

A proposal is being made to the Ministry of Planning and Development to proceed with a land management system which can easily progress into an automated Land Registry. Removing the obstacles to home owners obtaining proper security through deeds is an important benchmark as to the efficiency of our legal system. The timely discharge of this process reduces the financial burden to home owners, improves the reliability of the security and facilitates the pledging of that security for borrowing purposes.

10. A National Mortgage and Housing Bank

- A new National Mortgage and Housing Bank will be created, whose role will be the coordination of all targeted institutions necessary to meet the goals of the new national housing thrust.
- As a first step, a Task Force will be set up comprising the Chairman of each of the targeted institutions, in order to ensure that efficiency and effectiveness are optimized. The Task Force will be chaired by the Ministry of Housing.
- Financial Consultants will be recruited and a level of accountability will be introduced to ensure that prudential standards are followed in the conduct of

business. The Task Force will make its recommendations to Government within a six month period outlining measures to ensure that production requirements, distribution and methodology are appropriate to the execution of this policy.

- It is expected that Government will use the Bank as a facilitating agency in delivering certain programs. Deep subsidy programs will be on a recovery basis to Government.
- Regulatory oversight will be provided by the Minister of Finance.
- Policy oversight will be provided by the Minister of Housing.

11. Emergency Housing

It is imperative that the National Housing Authority be authorized to deal with unforeseen circumstances that imperil the Nation's housing stock. Included in this would be - natural disasters, like hurricanes and storms as well as fires, landslips, flooding, etc.

The NHA could expend up to \$5 million on temporary accommodations with Ministerial consent before seeking Cabinet authorization for further expenditure.

12. Strategy for Fulfilling Housing Demands (Accelerated Housing Program)

The Ministry of Housing has been entrusted with the task of alleviating the acute housing shortage in the country. In fulfillment of this mandate the Ministry has embarked upon a programme of works that would significantly impact on the overall demand for houses with specific emphasis on the provision of low cost houses. At the moment, the Ministry has begun the implementation of a \$450 Million housing construction programme funded from Government revenues which is expected to achieve the following immediate objectives:

- The provision of affordable, low cost housing for low-income groups.

- The generation of employment in the production of housing.
- The refurbishment of rental apartment units.

This involves the provision of 2,925, two and three bedroom housing units at 30 sites throughout the country. In this programme contractors/developers would be required to participate more directly in housing delivery i.e. infrastructural development and construction of low-cost houses. The Ministry would advise developers of the demand for houses, including location and type of units required and pre-sell the units which would reduce the risk to the developer. In this arrangement the Ministry of Housing and its Agencies would ensure that all the relevant standards of quality during the land development and construction stages are adhered to by the contractor/developers. It is noteworthy however, that this approach does not preclude Government's direct intervention in the housing market to stimulate house production.

Specifically, arrangements will be sought with contractors who wish to participate to build houses for sale directly to beneficiaries pre-selected and pre-qualified by the Ministry of Housing to build houses at pre-determined selling prices. Contractors will be registered as Traders in Housing under the Income Tax Act so that their profits would be tax free. This facilitates a builder to save as much as 7% off the cost of a unit. The builders would compete against one another by offering to the Ministry a price for the land and infrastructure.

In this way, the extent of Government's subsidy is limited by natural market forces. This strategy recognizes that what has kept the private sector away from delivering housing to the lower end of the market i.e. less than \$250,000, is the high cost of private land and infrastructure.

The Ministry also plans to make low-cost home ownership easier by lowering the

interest rate available from (Trinidad and Tobago Mortgage Finance Company Limited) TTMF from 8% to 6% and increasing the amount for which beneficiaries may apply to 95% of the total value of the house and land.

Additionally, the Government of Trinidad and Tobago has commenced negotiations with the Inter-American Development Bank (IDB) to finance other phases of its Accelerated Housing Programme. The objectives of this aspect of the programme are as follows:

- The regularization of 7,200 squatter families
- The provision of 12,000 low cost houses for low-income families.
- The provision of 3,400 home improvement subsidies.
- The institutional strengthening of the Ministry of Housing.

The IDB funded aspect of the programme will consist of two phases and executed over a six year period at a total cost of US\$100 million. The first phase is expected to achieve the following:

- Regularization of 5,400 squatter families.
- Provision of 3,000 new housing units.
- Institutional strengthening of the Ministry of Housing.

13. Innovation

In order to give weight to the innovation and creativity necessarily arising from this policy, it is proposed to have the Minister of Housing coordinate a Demonstration Program. The targeted agencies in the Government's housing thrust would be brought together to produce the housing solutions recommended and to provide the public with ready made examples of these new initiatives.

14. Functional Organization

The following Organizational Chart demonstrates the functional relationships and the roles that each of the targeted agencies will play in the new housing thrust.

The importance of coordinating the targeted institutions will be entrusted to a new National Mortgage and Housing Bank.

In addition, agencies that have a high enhanced service responsibility with the public, like the Trinidad & Tobago Mortgage Finance Company, will be expected to set up offices closer to activity and the publics they serve. Specifically, TTMF will be expected to set up offices in Tobago, San Fernando, and Chaguanas, as part of a wider thrust of bringing financial services to the homeowner and closer to the projected activity for these centres.

NATIONAL MORTGAGE AND HOUSING BANK

DEVELOPMENT &
REDEVELOPMENT

LOAN
ORIGINATION

FUNDING &
SECURITIZATION

PROPERTY
ADMINISTRATION

MORTGAGE
ADMINISTRATION

UDeCOTT
NIPDEC
LSA

TTMF

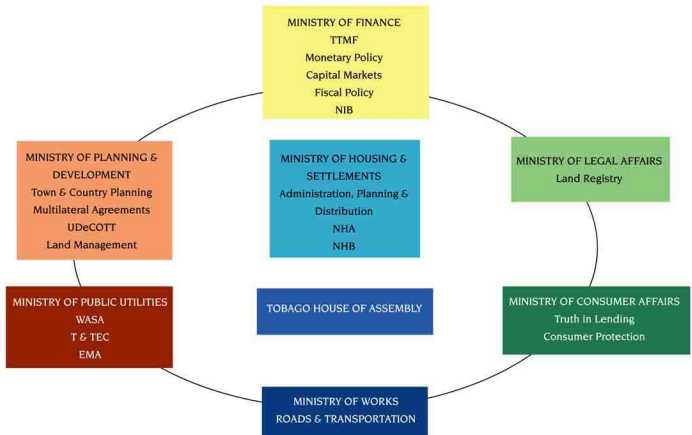
HMB

NHA

TTMF, HMB
NIB & NHA

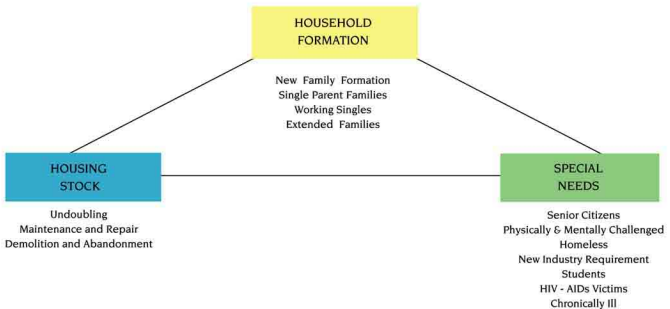
CONNECTIVITY OF PUBLIC AGENCIES

APPENDIX 'A'



HOUSING NEEDS MATRIX

APPENDIX 'B'



The above matrix illustrates the various components in determining the housing needs of our country.