



Abaco Housing Needs and Next Steps

October 2021





Abaco Needs Assessment

Need for housing is still very high

We estimate that Central Abaco urgently needs 1,100 housing units:

- **150 major repairs** of existing homes
- **150 new homes on existing plots**
- **500 new rental units** for mid- and low-income working Abaconians.
- **300 new family homes on new plots**

Minor repairs have largely been addressed by existing programs.

Key market challenges

- **Access to finance**, including loans, subsidies, grants, insurance. Expected reconstruction financing has not materialized.
- **High cost of construction**, due to competing high end market and import delays/costs
- **Self-build quality is variable and unreliable**, but there is a large supply of local labor



Build Change Recommendations

10 Units Now

Repair/rebuild urgently

- **2 major repairs** of existing homes
- **2 major repairs + 2 rental units**
(as extensions on existing plots)
- **2 reconstruction + 2 rental units**
(as extensions on existing plots)

\$1.4M Opportunity

Access to Finance for 1,100 houses

Meet medium term needs

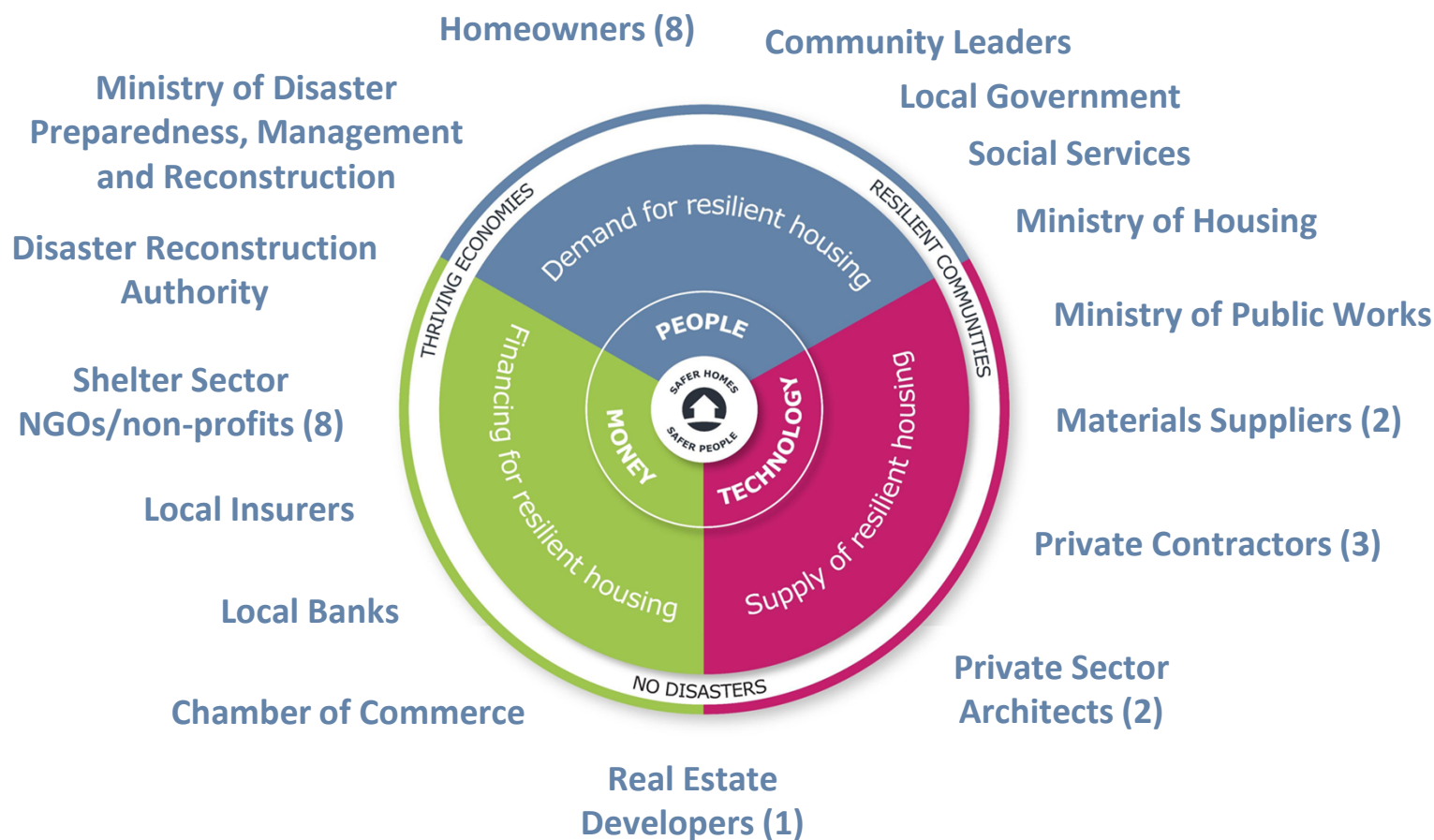
- **Access to finance**, including loans, subsidies, grants, insurance.
- **Requires innovative business model**, mix of philanthropy and private lending

\$153M Opportunity

Partnerships for new unit development



Abaco Housing Sector Stakeholders Consulted



Market Demand

IDB estimated for Abaco:

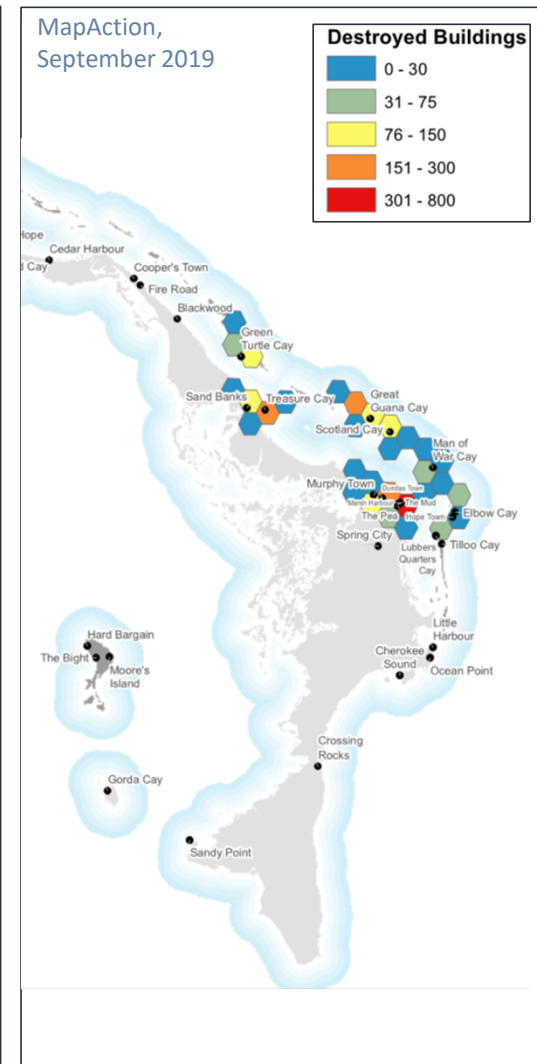
- 75% of dwellings affected (6,331)
- 57% severely damaged (4,698)
- US\$1.32 billion in damages to housing sector

Ministry of Public Works estimated for Marsh Harbour, Murphy Town, Dundas Town & Spring City:

- **246 houses destroyed**
- **226 houses with major damage**

Excludes shanty towns (1,000+ houses)

50% of Murphy and Dundas Towns still unrepaired



Demographics

Population of Abaco:

2010 Census: 17,224

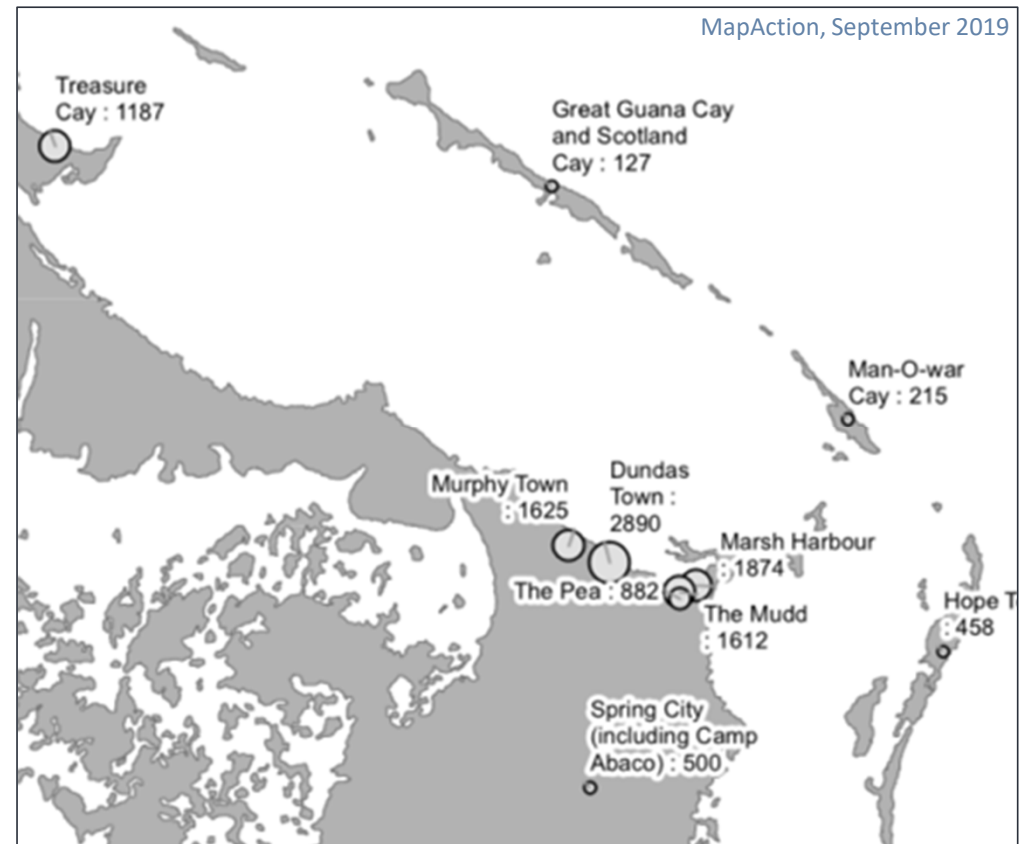
Of which:

- **~40% in Murphy Town, Dundas Town & Marsh Harbour**
- **~20% in shanty towns (primarily the Peas and the Mud)**
- **~25% Haitian/Haitian descent**

Estimates for 2019 vary enormously:

19,000 (Red Cross), 35,000 (Min. Public Works),
16,000 + 16,000 illegal (Local Government),
15,000+ (Social Services)

Election data from last month - 60% remain



Need 1: Major Repairs & Reconstruction



Domes: 60
(~42 in Spring City)



Trailers: ~200
(104 at govt. complex)



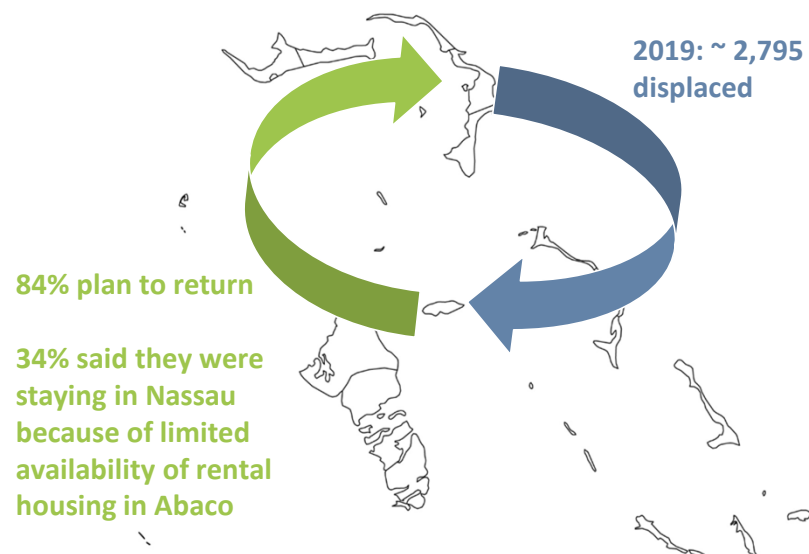
Tents: ~100-150

MAJOR REPAIR & RECONSTRUCTION NOT ADDRESSED BY EXISTING PROGRAMS



Need 2: New Units (Mainly Rental)

1. Displaced Abaconians returning home



2. Migrant and government workers

- Tourism and construction were booming in Abaco pre-Dorian/Covid
- 30% GDP, despite only 10% population
- Construction and tourism in the Cays picking up and expected to continue long term

3. Social & emergency housing

No units available to Social Services for temporary housing of the homeless or domestic violence survivors



SIGNIFICANT EXISTING DEFICIT IN RENTAL UNITS EXACERBATED BY HURRICANE DORIAN

Need 3: Minor Repairs (already addressed)



Government - DRA Small Homes Repair Program

- Cash grants up to max. \$10,000
- Limited initial budget, further reduced by emergency diversion to covid food security program
- Eligibility: single family units, no insurance. Materials only (no labor)
- ~600 received assistance







Third Sector (non-profits, NGOs, churches)

- \$7,000-15,000 typical grant per unit
- Interiors and minor exterior repairs (windows & doors, electrical, siding, non-structural roof repairs)
- Eligibility: single family units, no insurance
- Estimate ~1,500 homeowner recipients



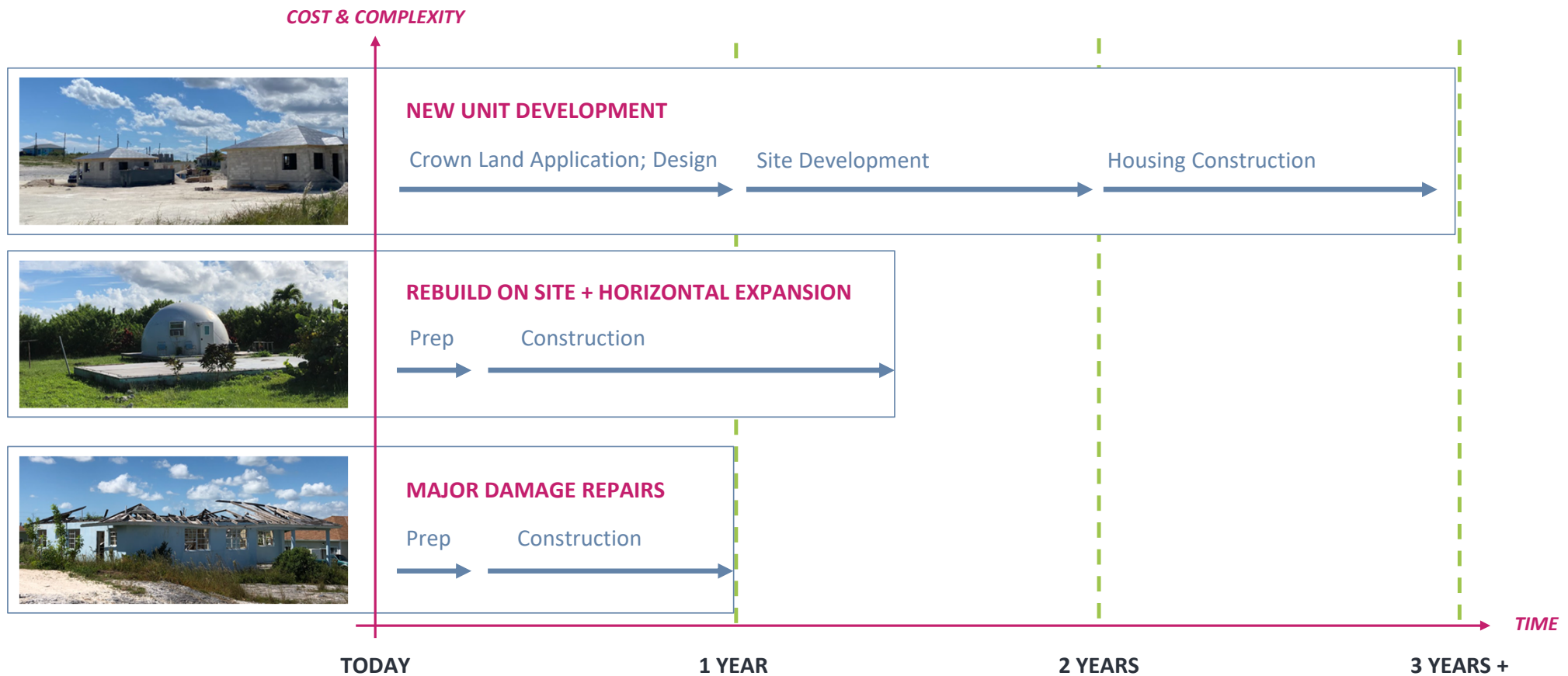
MINOR REPAIRS ADDRESSED BY EXISTING PROGRAMS

Market Segments to Target in Central Abaco

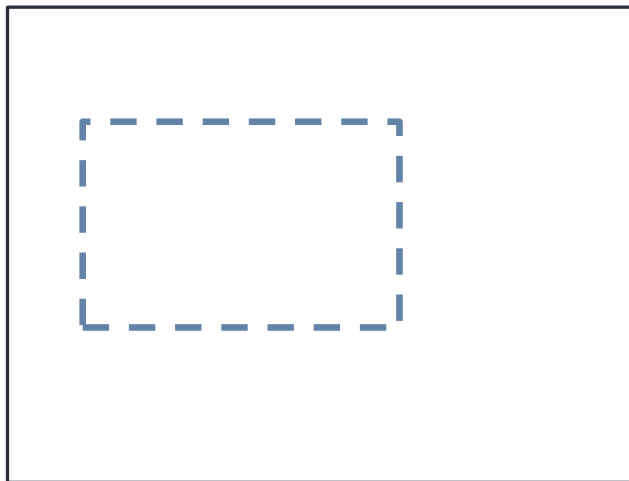
		# Units	Homeowner Profile		Unit Cost
	Major Repairs	150	Living with family, off island, or in temporary shelter (tent, dome, trailer)	Owns land Structure partially intact Need roof replacement, windows, doors, electric, & interiors	\$60/sqft (\$50,000 - \$100,000)
	Rebuild on Site	150		Owns land No reparable structure Often have existing foundations, septic tank and service connections	\$120/sqft (\$110,000 - \$180,000)
	Rental Unit Deficit	500+		No land ownership Mix of units: family (2-3bd), worker (1bd), emergency social (1-2bd)	\$150/sqft (\$90,000 - \$180,000)
	New Unit Deficit	100 - 300	Living with family or off island	No land ownership Pre-Dorian shortage of low- and middle-income family housing	\$150/sqft (\$120,000 - \$240,000)
TOTAL HOUSING DEFICIT		~1,100+			



Timeline Comparison of Possible Solutions



Fast-Track Solution → Rebuild on Existing Lots and Add Rental Unit

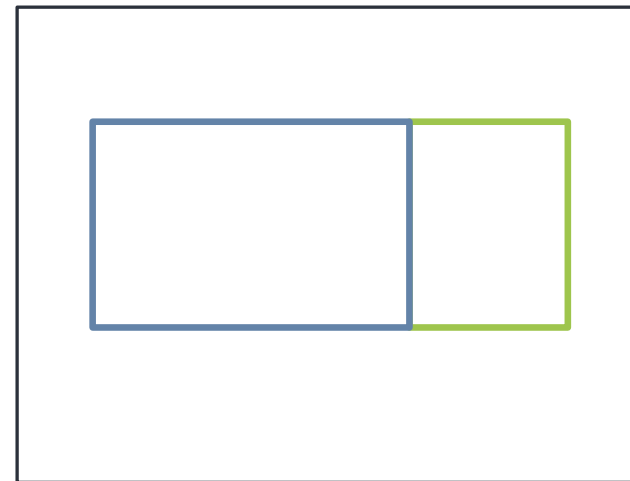


Existing lot

Damaged or completely destroyed house

Existing: access, foundation, septic, services connections

Immediate start



Retrofit/rebuild house

Horizontal expansion to add 1-2 bed rental unit



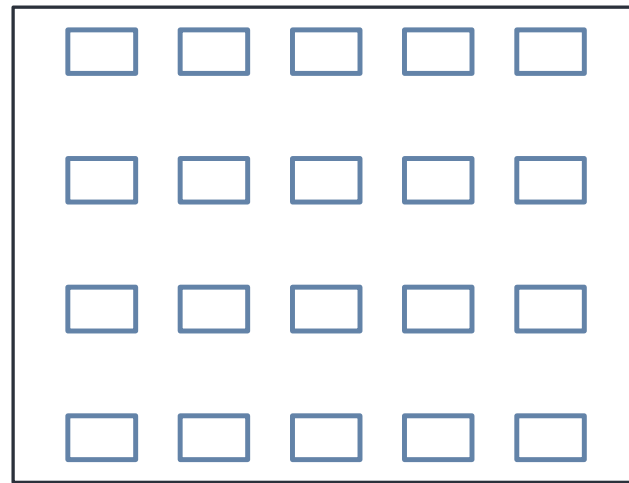
Slower, Costlier, More Complex Option → New Development



8+ months
land acquisition



12+ months
site prep



Undeveloped government/crown land

Unknown hazards (flood & sinkholes)

No existing services

New Housing Development

Significant site design inputs
(civil, MEP, urban planning)

Requires long term management
& maintenance



Homeowners Prefer:

Masonry

If homeowners can afford to, they build with masonry. Timber is faster (and therefore cheaper), but has problems with termites, performed less well in floods, and has higher insurance premiums.

Hip roofs

RC flat slabs are not an option culturally. Metal sheet and shingle roof coverings are both common, metal sheet (standing seam) was observed to perform slightly better in hurricane Dorian.

Hurricane & flood resistance

A top priority for homeowners, although limited by what they can afford. Homeowners want guarantees of wind speed resistance, and buildings raised 2-5' above ground level.

Single story, 3 bedrooms

Common for three generations to live together due to lack of available housing units, culture, limited availability/cost of child care



Quality and Availability of Labor and Materials

Labor:

- Large supply of labor (carpentry and masonry)
- Minimal firms with capacity for large scale development, contractors tend to operate individually
- Availability and cost distorted by high-end market in the Cays
- Issues with level of experience and quality; technical assistance, on the job training, and site supervision and quality control required

Materials:

- Basics for structural construction (timber and masonry) can be found locally, although supply is unreliable
- Cheaper to import, lead times are long (eg 12 weeks for windows and doors)
- Quality generally good
- Concrete ready mix is available; blocks made locally



Cost Estimates (2021)



Pre-fab:

\$276,147 (\$247/sqft)
2bd 2bth, 1,120sqft

(excludes land development
costs and import tax)
Cost estimate by Cornerstone
Int.



Masonry:

\$176,250 (\$150/sqft)
3bd 2bth, 1,175sqft

Based on Ministry of Housing model home floor plans and
stakeholder estimates for construction cost.



Timber:

\$152,750 (\$130/sqft)
3bd 2bth, 1,175sqft



Local Housing & Reconstruction Finance

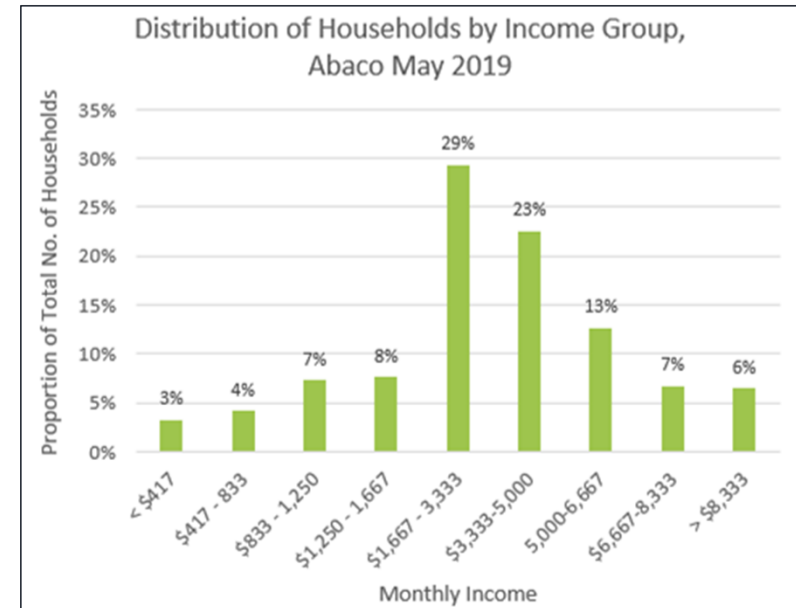
- **Few banking options:** Only 1 bank post-Dorian, now 3-4; only 1 credit union
- **Difficult to access credit:** Bahamas is 152nd of out 186 countries according to the World Bank's "Ease of Getting Credit" indicator score (Bahamas 30; LAC region 52)
- **Low adoption of mortgages:**
 - Only 16% of houses had mortgages pre-Dorian, according to research by IDB
 - Expensive: rates typically 6-8%
 - Exclusive requirements: salaried employment or last 3 year employment record
 - Bahamian housing regulation: gross debt service ratio cannot exceed 30% gross annual income
 - Distrust in banking sector

LOANS ARE NOT USED BY MOST FOR RECONSTRUCTION.
PEOPLE (RE)BUILD INCREMENTALLY USING THEIR SAVINGS AND INCOME



Affordability

- **Median annual household income: \$36,200 (2019)**
- Household expenditure on housing, water, electric & gas = 40-44% total expenditure (2013)
- Estimate household income brackets:
 - **Low income: <\$1,700 per month**
 - Minimum wage: \$5.25/hr
 - Cashier : \$900 per month
 - Office worker: \$1,700 per month
 - **Middle income \$1,700-5,000 per month**
 - Teacher: \$2,500 per month
 - Construction worker at Bakers Bay: \$4,000 per month



Source: Department of Statistics, May 2019
Labour Force Report



