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

- Ministry of Disaster Preparedness, Management and Reconstruction
- Ministry of Housing
- Local Government
- Social Services
- Ministry of Public Works
- Disaster Reconstruction Authority
- Shelter Sector NGOs/non-profits (8)
- Local Insurers
- Local Banks
- Chamber of Commerce
- Real Estate Developers (1)
- Private Sector Architects (2)
- Materials Suppliers (2)
- Private Contractors (3)
- Community Leaders
- Homeowners (8)
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 Abacoians returning home
   - 2019: ~ 2,795 displaced
   - 84% plan to return
   - 34% said they were staying in Nassau because of limited availability of rental housing in Abaco

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
## Market Segments to Target in Central Abaco

<table>
<thead>
<tr>
<th>Segment</th>
<th># Units</th>
<th>Homeowner Profile</th>
<th>Unit Cost</th>
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<tbody>
<tr>
<td><strong>Major Repairs</strong></td>
<td>150</td>
<td>Owns land&lt;br&gt;Structure partially intact&lt;br&gt;Need roof replacement, windows, doors, electric, &amp; interiors</td>
<td><strong>$60/sqft</strong>&lt;br&gt;($50,000 - $100,000)</td>
</tr>
<tr>
<td><strong>Rebuild on Site</strong></td>
<td>150</td>
<td>Owns land&lt;br&gt;No reparable structure&lt;br&gt;Often have existing foundations, septic tank and service connections</td>
<td><strong>$120/sqft</strong>&lt;br&gt;($110,000 - $180,000)</td>
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<tr>
<td><strong>Rental Unit Deficit</strong></td>
<td>500+</td>
<td>No land ownership&lt;br&gt;Mix of units: family (2-3bd), worker (1bd), emergency social (1-2bd)</td>
<td><strong>$150/sqft</strong>&lt;br&gt;($90,000 - $180,000)</td>
</tr>
<tr>
<td><strong>New Unit Deficit</strong></td>
<td>100 - 300</td>
<td>No land ownership&lt;br&gt;Pre-Dorian shortage of low- and middle-income family housing</td>
<td><strong>$150/sqft</strong>&lt;br&gt;($120,000 - $240,000)</td>
</tr>
</tbody>
</table>

**TOTAL HOUSING DEFICIT**: ~1,100+
Timeline Comparison of Possible Solutions

**COST & COMPLEXITY**

**NEW UNIT DEVELOPMENT**
- Crown Land Application; Design
- Site Development
- Housing Construction

**REBUILD ON SITE + HORIZONTAL EXPANSION**
- Prep
- Construction

**MAJOR DAMAGE REPAIRS**
- Prep
- Construction

TIME:
- TODAY
- 1 YEAR
- 2 YEARS
- 3 YEARS +
Fast-Track Solution → Rebuild on Existing Lots and Add Rental Unit

Existing lot
Damaged or completely destroyed house
Existing: access, foundation, septic, services connections

Retrofit/rebuild house
Horizontal expansion to add 1-2 bed rental unit

Immediate start
Slower, Costlier, More Complex Option → New Development

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

8+ months land acquisition
12+ months site prep
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