



MINISTERIAL STATEMENT

**Dr. The Honourable William F. Duguid, J.P., M.P.
Minister of Housing, Lands and Maintenance
December 2020**

Mr. Speaker,

It gives me great pleasure on behalf of the Government to rise in this Honourable Chamber to redress what we see as a wrong perpetuated against many tenants of the National Housing Corporation.

2. Simply put Mr. Speaker, this Government plans to return just over \$5.6 million to nearly 600 existing and

former tenants of the Corporation who paid towards the purchase of their Units, when almost 2,500 of their neighbours would be receiving theirs free of charge.

3. In April 2003, when this Barbados Labour Party Government was in office, the National Housing Corporation conceived and implemented a programme called the Sale of Terrace Units (STU) Programme to enfranchise qualifying NHC tenants by allowing them to purchase their units at reduced market prices. I am told that when we left office in 2008, approximately 580 persons had paid monies either in full or in part toward the purchase of their respective units.

4. Subsequent to this initial programme, the Cabinet at a meeting held on March 27, 2008 agreed to the introduction of a 20-Year Divestment Programme which permitted the free transfer of ownership of housing units to tenants who had been residing in their units for a period of 20 or more years.

5. The Cabinet also agreed that those tenants who had paid either the full price or made a deposit for their unit, would be entitled to the free transfer of ownership. Mr. Speaker Sir, while we have no quarrel whatsoever with the enfranchisement of tenants – after all it was a BLP Government that passed the Tenancies Freehold Purchase Act - what was particularly disappointing with that Cabinet decision is that it did not take into account the matter of refunding those tenants who had paid monies toward ownership.

6. It was therefore obvious, Mr. Speaker, that a review of that anomalous situation was necessary. The anomaly was created by persons – largely low income workers - paying monies for their units up until January 2008, whereas another set of tenants were to receive their units free of cost just two months later beginning in March 2008. Thus, tenants living in the same accommodation area, in the same physical districts and paying the same rental rates were treated differently on the matter of ownership of public housing units.

7. We, therefore, as a Government, took the decision to redress what was simply an unfair and unjust situation whereby the Sale of Terrace Units Programme on the one hand, and the 20-Year Free Transfer Programme on the other, had different sets of operating procedures. I am aware that in the private sector, Mr. Speaker, some department stores have certain promotions whereby customers may be offered special discount prices today but if they had waited a little longer they might have received a larger discount. But you can't treat the distribution of the NHC units in that way. You can't treat public assets, public policy and friends and neighbours living in such tightly knit communities, in such a fashion. It simply is not right nor equitable. We promised we would correct it and we do so now.

8. Accordingly, at its meeting held on November 19, 2020 the Cabinet agreed that the Minister of Housing, Lands and Maintenance should give policy directions to the National Housing Corporation to completely refund all tenants who paid monies either in

full or in part toward the purchase of their units. These directions were given in accordance with Section 23 of the Housing Act, Cap. 226 which states:

"The Minister may give directions to the Corporation as to the exercise and performance of any of its functions under this Act, and the Corporation shall give effect to such directions."

9. It is estimated that a total of \$5,645,700 will be refunded to 576 tenants from 21 of the NHC's 49 housing estates. In keeping with the guidelines of the Barbados Economic Recovery and Transformation Programme (BERT), persons who paid \$5,000 or less will receive cash, while tenants entitled to be refunded more than \$5,000 will receive bonds. As you know, these bonds may be encashed at any time at a discounted price.

10. By our calculations, a total of 135 persons will receive cash refunds while 441 persons will be refunded by way of bonds. Of these, 212 people would have paid between \$5,000 and \$10,000 while a further 128 would have paid between \$10,000 and \$15,000. So as you can see Mr. Speaker, the difference in savings between those tenants who paid in monies and those who would be receiving their units free of cost is not insignificant in the scheme of things. In fact, 11 people paid in excess of \$30,000, And as a matter of interest, the highest amount paid for a unit was \$45,600.00. Therefore, I am very happy, especially in this festive season, to be able to bring this measure to the House. I have already instructed the NHC to prepare the necessary paperwork so that monies and bonds can be paid by Christmas. It is my fervent wish that this can be done.

11. It would be remiss of me though, Mr. Speaker, if I did not say something about the NHC enfranchisement programme itself which we started all those years ago - the transfer of units.

12. At last count, on October 30 this year, the number of terrace units still to be transferred to qualifying tenants was 2,574. This is a significant number of units which the NHC is maintaining free of charge to the tenants, who no longer have to pay rents for them. But, more important, the delay in transferring legal title to the tenants prevents them from using these properties as collateral to enhance their personal circumstances and otherwise fulfil their dreams.

13. I want to assure this Honourable House, however, that this Government plans to ensure that almost 100% of tenants will receive title to their Units within the next 2 years. We have already assembled a team which is working feverishly on this solution and soon we will be returning to this House to amend the relevant legislation to fast track this process. Seventeen years since this project started is much, much too long. These tenants deserve to have the security of tenure we have promised and to exercise their full rights of ownership like everyone else.

14. I am conscious, though, Mr. Speaker, of commitments the Corporation has given to ensure that the Units are safe and secure prior to their transfer. And I wholeheartedly endorse those objectives. So, for example, within the last year this Government has spent \$2.23 million to upgrade the electrical network in 313 units, particularly in the Building Estates at Haynesville, Thorpes and Bagatelle. This was a pilot programme which the NHC has since expanded by engaging the services of an additional 11 electrical contractors to carry out similar work on various housing estates. Work relating to the electrical upgrades commenced at Ferniehurst and Rosemont Estates earlier this month.

15. The Board has indicated that approximately 500 units will be upgraded annually over the next 5 years but because of the timelines we have set ourselves for transfer of the units I have to challenge the NHC to double that output.

16. Finally, Mr. Speaker, I want to report that the NHC has made steady progress in refurbishing its wells and sewage systems in order to make the surroundings more wholesome and safe for the tenants and Barbadians as a whole.

17. During the third quarter of 2019, the NHC was tasked to carry out the Sewage Systems Refurbishment Programme at an initial cost of \$2 million. Under this programme, critical repair work has been undertaken on unsafe and unsanitary sewage systems in at least 10 housing estates. A total of 135 of the most critical sewage systems (wells and septic tanks) were identified for rehabilitation.

18. As at October 31 this year, 73 sewage systems had been rehabilitated at a cost of \$1,706,475.00. We still have our challenges with the work Mr. Speaker, because it is painstaking and messy work much of which has been neglected for years. But we will stay the course and get the job done. You will be happy to know that we have

established a WhatsApp number which allows tenants to report urgent complaints so that they can be addressed speedily. And I want to thank those several tenants who have brought urgent issues to our attention so far and I encourage all to continue to highlight any serious problems they may be facing in or around their units so that we can address them. We are all in this together.

19. And in closing, Mr. Speaker, in the spirit of the season, I want to take this opportunity to wish all fellow Barbadians - and my constituents from Christ Church West in particular, God's Blessings during the season and a Prosperous New Year.

20. I am obliged to you.