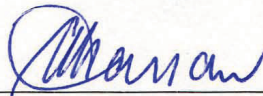


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**SUSTAINABLE DEVELOPMENT OF
LOW COST URBAN HOUSING IN FIJI:
A CASE STUDY OF THE FIJI HOUSING
AUTHORITY**

by

Abdul Hassan

A thesis submitted in fulfilment of the requirements for the degree of Doctor of
Philosophy
Development Studies

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I bear the responsibility for all shortcomings and errors in this thesis.

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ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AFHA	American Federal Housing Authority
AHURI	Australian Housing and Urban Research Institute
BMRB	British Market Research Bureau
BTO	Build to Order
CCF	Citizens Constitutional Forum
CHC	Commonwealth Housing Commission
CML	Council of Mortgage Lenders
CPF	Central Provident Fund
CSHA	Commonwealth State Housing Agreement
DTCP	Director of Town and Country Planning
EDB	Economic Development Board
FHA	Fiji Housing Authority
FNPF	Fiji National Provident Fund
HART	Housing and Relief Trust
HC	Housing Corporation
HDB	Housing Development Board
HNZ	Housing New Zealand
IHDA	Illinois Housing Development Authority
MFS	Maori Financial Services
MLGHE	Ministry of Local Government, Housing and Environment
MND	Ministry of National Development
MOP	Minimum Occupation Period
NCHR	National Community Housing Forum
NGO	Non- Government Organisation
NHS	National Housing Strategy
NASA	National Housing Society Australia

NSW	New South Wales
PRB	Public Rental Board
RBF	Reserve Bank Fiji
SA	Studio Apartment
SCC	Suva City Council
SSC	Single Singapore Citizen
TLTB	iTaukei Land Trust Board
UNCHR	United Nations Commissioner for Human Rights
UNESCAP	United Nations Economic and Social Commission for Asia and Pacific
URD	Urban Renewal Department
VWO	Voluntary Welfare Organisation

KEY TERMS OF SUSTAINABLE HOUSING DEVELOPMENT

This research focuses on several important components of an appropriate housing development. These factors would enhance housing activity and at the same time provide equal opportunities to disadvantaged and lower income groups to have access to housing. The focus on these factors brings close attention to the process of housing development that responds effectively to housing demand. The following terms encompasses these important elements in sustainable housing development:

Equity– is a process and outcome in which distribution of resources is fair to potential recipients. It can be referred to as fairness and impartiality towards all concerned based on the principles of even handed dealing. Equity is essential for ensuring that limited resources are fairly distributed. In housing the term is more commonly used about public housing in which the major approach taken is to increase the supply of adequate housing to low income families.

Affordability- This term is generally used to describe dwelling units whose total housing cost is affordable. The concept is applicable to both renters and purchasers in all income categories. In many countries the commonly accepted guideline for housing affordability is a cost that does not exceed thirty per cent of a household's gross income. When the monthly carrying costs of a home exceed thirty per cent income of a month's income then the housing is considered unaffordable for that household. Families that spend more than thirty per cent of the income for housing face a cost burden that may be unbearable. They may have to sacrifice other essential necessities of their lives such as food, clothing, transportation and medical care.

Affordable homes are an important element and can be accommodated by increasing the options for buying homes in different price ranges and taking long term and affordable mortgage products. This helps to meet the strategic aims, including enabling vulnerable people to live independently in the community in their own homes. The lack of affordable housing can cause significant hardship for low income households and prevent them from owning a home.

Effectiveness– can be determined by the actual performance against the targeted performance of housing development. For housing the common indicator of effectiveness is the satisfaction of the household rather than the supplier of the housing. Therefore the measure of the effectiveness of the housing development can be indicated by the resource input needed to produce a certain level of housing.

In achieving the effectiveness in housing development the aims and objectives should be to create prosperous, inclusive and sustainable communities. When dealing with effectiveness everyone should have the opportunity of acquiring a decent home at a price they can afford, in a place in which they want to live now and in the future. Effective housing development promotes opportunity and a better quality of life in a secure and attractive environment

Efficiency– This can be described as an ability to perform well or achieve a result without wasted energy, resources, effort, time or money. This is a variable that can be measured in physical terms or in terms of cost. Greater efficiency in housing can be achieved when the same amount and standard of services are produced at a lower cost. Efficiency is the extent to which a housing development can achieve its goal whilst minimising resource usage.

In an efficient housing development programme the high demand for housing should be fulfilled easily and lack of supply and consequent problems of affordability should not be an issue. In an efficient housing programme stakeholders should aim to achieve a better balance between housing supply and demand. This is possible through increasing the supply of housing, both at full market and affordable price, and through a series of programmes to address market failure.

Quality- refers to the degree to which the product or service meets customer expectations. In relation to housing development the term expects the best use of good building materials on structures, providing basic services and infrastructure in the provision of new housing. Quality housing generally remains cost effective and maintains housing design that go beyond minimum codes and standards (DEHLG 2007). In good quality housing the household enjoys the benefits of first-rate living conditions in a healthy, accessible and visually attractive environment.

Governance- Generally housing development is concerned with the role, activities and standards of housing developers and formulating management and programme that need to be followed to effectively achieve the objectives. Good governance on social housing embraces number of issues such as accountability, transparency, client service, equity, decentralisation, efficiency, flexibility, effectiveness and affordability.

ABSTRACT

This thesis examined sustainable factors that can be incorporated into low cost housing development policy in the urban areas of Fiji. The objective was to study the low cost urban housing sector and propose solution to meet the housing need of lower income groups. In the process the supply and demand gaps in low cost urban housing development in Fiji was investigated. To learn lessons from other countries a review of the housing policies of Singapore and Australia was undertaken.

Like many other developing countries, Fiji is affected by the current recession and high cost of living impacting on the lives of a large section of the population and in particular lower income earners. Past housing policy and practices have not kept pace with low cost housing demand resulting in the mushrooming of informal (squatter) settlement in urban and peri-urban localities. The lessons drawn from Singaporean and Australian housing study are very useful for Fiji. The study extricates the key ingredients underpinning these countries housing models success in promoting the economic and social well-being of their peoples by providing quality homes. The Singapore style of planning and development with high rise flats may not be easily transferable to Fiji, but it still provides broad principles as to how to respond to urban housing challenges.

The success of housing development in Australia is achieved through linking housing policies and broader economic, social and environmental objectives. Fiji can learn several lessons from this country's housing development policies and practices. How Fiji can benefit from the study of housing models is a focus of this study.

Over the last twenty years the urban areas of Fiji have entered a phase of serious housing crisis, poverty and related social problems. Field research was conducted in four urban localities in the Suva-Nausori corridor to collect data on the nature of housing challenges for people in lower income brackets. It is evident from analysis of the information gathered from the household survey and key person's interviews that housing policy and practices of the State and Fiji Housing Authority were grossly inadequate in addressing the serious housing shortfall in the Suva-Nausori corridor.

Challenges of sustainable low cost urban housing development as suggested in this thesis require a new framework. Ideally, it would need the embracing of several attributes such as state support and funding as shown by housing development models in Singapore and Australia. The outcomes of this thesis provide key housing development players an opportunity to think laterally to address Fiji's urban housing crisis.

Chapter 1

INTRODUCTION: HOUSING AND HOUSING CRISIS IN FIJI

1.1 Introduction

Decent housing is a basic human need and its quality, cost and availability are crucial to the individual quality of life (World Commission on Environment and Development, 1987). It is a fundamental human right under the UN Declaration on Social Progress and Development (1969) and UN Vancouver Declaration on Human Settlements (1976). Fiji's housing problem is deeply rooted in Fiji and the level of shortages is critical, forcing many low income earners to find shelter in one of more than 200 squatter settlements. It is crucial that the State and its housing agencies play a more active and effective role to find solutions to this problem. Government intervention, support and control are necessary to ensure that the poor are given opportunity to have access to a home that is decent, promotes well-being, self reliance and social cohesion.

A few studies have been conducted on the urban housing sector in Fiji, but further work and formulation of a national framework is needed for sustainable housing development. This research will look into past achievements in the housing sector and the role of key players in providing housing to low income earners, the group that is worst affected by the shortage of housing in the country. This study is an in-depth investigation into the activities and achievements of the Fiji Housing Authority (FHA) as provider of housing to this segment of the population. It will bring together past and comparative experiences of housing development in Fiji, Singapore and Australia that will enable the formation of a broad policy framework under which Fiji Housing Authority (FHA) can develop a sustainable urban housing development policy.

1.2 Research Problem

The on-going housing problem in Fiji has prompted the researcher to study housing issues and search for a sustainable development option to meet current and future

demands of housing in the country. In short the central question is, how to achieve sustainable urban housing development in Fiji's urban areas. In any housing development, some of the important key factors are equity, quality of housing, efficiency of agencies and good governance. This research investigates how and if the Fiji Housing Authority (FHA) has met the requirements of equity, quality of housing, effectiveness in housing development, efficiency in housing supply and practice of good governance.

1.3 Country Background

Fiji is an archipelago in the South Pacific Ocean comprising 322 islands of which about 110 are inhabited. The geographical coordinates of the location of Fiji is 18 00 S, 175 00 E. Total land area of Fiji is 18,270 sq. Km (<http://www.mapsofworld.com/fiji/geography>). Viti Levu is the largest island and accounts for more than 80 per cent of the population (2007 Census). Approximately 15 per cent of the population live in Vanua Levu and less than 5 per cent in the outer islands. The urban population of Fiji is estimated at 424,000, about half the total population (2007 Census).

Fiji is largely described as an agricultural country and large scale agricultural activities are carried out in the two main islands. In the other islands farming is confined to coconut plantation, root crops and livestock. The main commercial crop grown is sugar cane, in small holding leased by Indo- Fijian farmers from iTaukei owners or the State (<http://www.statsfiji.gov.fj/>),

Tourism is the country's main source of revenue and is regarded as the largest provider of employment and the greatest earner of foreign exchange. Growth is becoming more broad-based and benefits trickling to the grassroots level with expanding eco-tourism and tourism related activities. On the other hand, the garment industry established in the early 1980s is losing preferential trade access and has declined steeply. The workforce in this industry has decreased from over 20,000 people to around 5000. Rapidly growing urban drift and squatting are accumulating potentially serious social and economic adversity in urban areas (<http://www.statsfiji.gov.fj/>).

1.4 Housing Development in Fiji

Housing development in Fiji is a serious national issue due to significantly large population growth in the urban centres. The migration of people from the rural sector has created demand over the years for housing particularly by low income earners. Affordability has been a major concern as the migrants are casual and unskilled workers, earning low wages or are without employment. Household Income Expenditure Survey (FIBS, 2010) reports reveal that the urban population has increased from 47 per cent to 51 per cent mainly along the Suva and Nausori corridor. Also it has been revealed that the households in the urban centres have increased by 22 per cent over a period of 6 years, 2002 to 2008 (Narsey, 2008).

Unavailability of affordable housing to potential home buyers has created a high demand for rental accommodation. As a result, Government intervention through rental control came into force in 1978, at the time of the Alliance Government. The rent control was exercised by the Prices and Income Board then regulated under the Counter Inflation Act (Cap 73). Following the establishment of the Bainimarama Government in 2006, rent control came under the purview of the Fiji Commerce Commission. Under the Commission Decree Number 49/2010, the ground and residential rental had been frozen till 31st December 2013 and subsequently extended until further notice.

1.5 Housing Demand and Supply

According to Rensel (2002), in the past, housing development was determined by colonial administrators. Colonial governments promoted housing patterns, materials, settlement locations and household compositions that conformed to their own expectations which were foreign to the indigenous population. The colonial administrators imposed western standard regulations. As such the construction styles and patterns encouraged by colonial administration did not include indigenous styles.

The Fiji Housing Authority Demand Survey for the years 2005- 2012 indicates that there was a great demand for low cost housing and lands along the Suva-Nausori corridor. In the year 2011 over 10,000 applications were received by FHA of which 4,440 applied for housing and 6004 for vacant land.

Due to the low supply of residential properties and land, there has been a substantial increase in the property prices over recent years. FHA manages to supply just 13.5 per cent of new residential lots for the year 2012 compared to the anticipated over 600 lots. Other housing suppliers have not contributed much to fulfilling the increasing demand for housing in the country (Ministry of Lands, 2006)

The recent influx of people and shortage of affordable housing have resulted in the growing number of squatter settlements (Fatiaki, 2010). Alternative accommodation is lacking for an increasing proportion of urban residents who moved from rural areas in search of work and /or greater access to health, education and other facilities. In 2006, there were some 185 squatter settlements across Fiji, housing a population of close to 140,000 that represented more than 10 per cent of the country's total population (Ministry of Lands, 2006).

The alarming rate of increase in the squatter settlement shows that the State has to seriously consider the matter and formulate a clear policy on squatter settlements. In the past at some stage, the state had accepted the legitimacy of squatter settlements and recognised the need to improve living conditions. The State was working to formalise lands with official leases, upgrade settlements, relax building standards and provide more land. In subsequent years, the government sought to discourage new settlements by giving housing assistance low priority, issuing eviction notices to new settlers, demolishing houses and withdrawing rights to essential services. The Public Rental Board (PRB)¹, which was established in the late 1980s to provide cheap rental flats for poor and low income earners, does not have the financial capacity to undertake rental flat development on a sufficient scale to fulfil the demand (Habitat for Humanity, 2011). This clearly demonstrates that the state through its housing agencies provide limited assistance to housing development in the country.

1.6 Importance of Housing

Housing is an important issue for most governments as it overlaps with employment, health, education, crime and many other aspects of human life (UNESCAP, 2006). It

¹ Public Rental Board was established in 1989 under the Housing Amendment Decree to manage housing portfolio of the Fiji Housing Authority. The role of the PRB is to provide rental accommodation to low income earners.

is a fundamental right of every citizen to live in decent homes. A good housing development would allow people to live in decent housing which is essential for healthy living. It would enable them to have a better quality of life, giving independence and a life style they prefer. Therefore, the need for better housing development is paramount for any country.

A fair housing sector aims to achieve a result where social justice, environmental health and ideal economic efficiency prevail in the development and provide benefit to future generations. It is an effort of combining the decision making process so that development is taken with the objective of achieving long term benefits (Housing Corporation, 2006). The core objective of sustainable housing development is to improve and maintain the quality of living for the current population and pass that quality on to future generations. To achieve these objectives, key players must use natural resources in an efficient way, minimise wastage, and protect the natural environment to allow future generations to maintain and improve their living standard.

Being the major supplier of social housing, Fiji Housing Authority (FHA) provided the case study for this research. FHA was mandated under the Housing Act (1955) and began operations in 1958. Its objective was to develop and produce affordable lots and mortgage financing to fulfil the housing need of the low-income earners. This objective manifested itself with FHA becoming an operating entity, dealing with housing development in the country with the key objective to providing housing to low income earners. This research therefore investigates whether sustainability factors have been embraced by the FHA in order to provide affordable housing to low income group. It is hoped that the findings from this investigation will enable the formulation of a broad framework for future social and public housing development in the country to meet the changing need.

1.7 Objectives

The specific objectives of this research were to investigate the current supply and demand gaps in the low cost urban housing in Fiji, and to identify the factors that affect housing development. In the process it was important to look into the agencies and stakeholders involved in housing development and their level of coordination.

This research also looked into crucial factors such as equity, quality and affordability of housing and the efficiency and effectiveness of agencies involved in housing development. It was vital to highlight potential areas where collaboration between housing developers, government and local councils was weak.

Housing development has been progressing well in Singapore and Australia and for this reason their housing policies were reviewed and highlighted. The researcher intent on working with government and other stakeholders to formulate a sustainable low cost housing framework for urban centres in Fiji

1.8 Justification for the Research

The demand for housing is continuously rising in urban centres, and there is a need to find solutions. The demand is created by urban drift, natural growth of population and movement of people from one centre to another in search of better job opportunities and other facilities. Housing is a basic human need and its current and future demand will remain high. Hence, these are some of the challenges that require a new look at the housing policies, responsibilities and management so as to achieve a better result.

The Suva-Nausori corridor has been chosen as the study area because the demand for housing and the highest level of housing activity by the Fiji Housing Authority (FHA) were concentrated in this region. This region remained the main destination for migrants from the rural areas and as a result the housing demand is highest in this part of Fiji.

Generally housing costs and prices if not affordable have wider implications on the economy of a country and the life of the people. They lead to a negative macroeconomic growth, affecting investments in many sectors. To avoid such a situation all stakeholders have to consider the contribution of housing sector in the economic development of a country and give priority to low-cost housing development. The housing development must be considered as a whole, including both the formal and informal sectors.

1.9 Methods of Data Collection

The researcher commenced the study with an extensive review of the literature on housing in Fiji and more generally. The literature review in Chapter 2 revealed several critical issues related to housing and how different countries endeavour to find ways to resolve issues relating to housing.

For comparative purposes, studies were undertaken on housing development in Singapore and Australia as well as a review of literature on housing development in Europe, the United States and other developing countries. This enabled the identification of a variety of themes and policy directions. Governance guidelines, policy formulation and practices from Singapore and Australia helped to review housing development strategies in Fiji by providing a broad benchmark to identify the characteristics and problems within the Fiji housing system.

1.10 Selection of Case Studies

According to Arnott (2008) due to the larger size of the informal economy in Asian countries, there is a major constraint on governments in formulating policy on housing. This factor had a strong influence on the housing policy as most of the poor work in the informal sector, and the state cannot accurately measure their incomes. This is reflected in the way the low income earners lived in unauthorised housing and the governments are not prepared to subsidise such shelters. Roberts and Kanaley (2006) believed that the limited fiscal capacity of Asian countries make the provision of the urban infrastructure extremely difficult. Roberts and Kanaley claimed that housing raises important sustainability issues and approximately 300 million permanent and temporary structures are used for human habitation. Over 40 per cent of Asia's urban population live in substandard housing.

Doling (1997) reported that in Europe since the 18th century there has been shortage of housing and this has resulted in overcrowding. As a result, Europeans experienced epidemics living in overcrowding conditions. Doling's view was that changes that took place in the 19th century was that housing moved from being seen as less a health matter but more as an economic issue because the income of the large population was too low to meet the market price of housing.

In most Pacific Island countries, land supply is the major constraint and there is a clear linkage between security of tenure, the housing development finance system and the performance of the building industry. In these conditions the land market does not function well since a large proportion of land assets do not enter the urban market.

Meeting housing needs for all has long been the objective of the national policy in Fiji. As a result, housing policies and programmes are developed and implemented to increase the homeownership rate in the country, particularly for low income group. Despite efforts by the Fiji government, there are various issues relating to housing delivery system that have undermined the success of housing achievement for the past 50 years (Fatiaki, 2010). These issues will be discussed in more details in chapter 4. In an effort to reduce slum and squatter settlements and meet basic housing need for all Fijians particularly for the low –income groups, housing policies and programmes need to be revised and formulated to ensure that all have access to adequate housing.

As highlighted under Section 1.9, a comparative study of housing development of several countries was undertaken and it demonstrated that every country has housing problem. According to Ofori (2007) Singapore and Australia are putting great emphasis and incentives in sustainable housing development. In view of the economic, social and political situation of Fiji as compared to Singapore and Australia, only certain factors can be directly compared in formulating a better policy for housing development in Fiji. These key factors include governance, policy formulation and other common practices relating to housing. Other issues that can be investigated are affordable housing financing, mortgage lending to reconcile affordability to borrowers and viability to lenders, the policies and programmes that reduce the cost of low cost housing, provide financial assistance with down payment and mortgage interest payments. A brief description of housing strategies in Singapore and Australia are highlighted below.

Briefly, Singapore has achieved considerable success in the housing sector over the past years. Yuen et al (1999) pointed out after thirty-eight years of uninterrupted effort and a 5-years building programme that more than 800,000 public units have

been constructed and these provided accommodation for 86% of Singapore's population, a target that has solved severe problems of housing shortage in the country. This small country with limited resources has transformed its urban landscape from low-rise shop-house colonial city to a modern urban centre of high-rise, high-density public housing.

In Singapore even the lowest- income earners were not excluded from the housing system. This was achieved through the government's policy of providing shelter to all citizens. It is interesting to study the policies formulated by the Singapore government to provide housing to all income levels. Low rent policy to improve the standard of living for low income earners have been very successful. The Housing Development Board (HDB) in Singapore maintained and reduced building costs through several strategies that brought cost down on housing for low income earners.

To facilitate the buying of flats in Singapore, the Central Provident Fund provided grants to HDB. Under this scheme the home buyers in Singapore received grants from HDB as first-time applicants. In Fiji, a similar scheme is operated under the name of the Fiji National Provident Fund, but how these two differ in terms of providing an upfront payment by the home buyers to buy properties will be investigated in this study.

The HDB had in place housing policies for the elderly and retirees. The elderly and retirees population in Fiji has been growing over the past 30 years with the median age increasing from 16.5 to 21.2 years between 1966 and 1996. In the same period the size of the elderly population 60 and older increased from 3.5 percent to 5.4 percent. The growth among the elderly is estimated to continue, reaching 7.0 percent of the population by the year 2006 and 13.0 percent by 2026 (Fiji Bureau of Statistics, 2010). With an ageing population, Fiji is facing the same challenges and needs to find solutions to meet the accommodation needs of this group. In any housing estate community, cohesion is extremely important and Singapore has been very successful in achieving this goal. In Singapore the new dimension in housing included a range of green technology and innovations for effective and efficient energy, water and waste management. These promoted an environmentally sustainable lifestyle with close links with the residents.

The HDB made steady progress on use of buildable designs and prefabrications to raise productivity at its work sites and came up with innovative construction methods that reduced costs. This could be of vital importance to Fiji because the cost of building has been escalating every year. Housing allocation system was an integral part of public housing development in Singapore. Transparency and eligibility were institutional aspects of the public housing system. This allowed a fair distribution of housing to all deserving cases through strict procedures to follow. Lessons can be learnt from Singapore in terms of looking at the procedures it followed in housing allocation.

In Singapore as the public housing authority, HDB planned and developed housing that provided quality homes and living environment. The Board is actively involved in research and development work to ensure cost effective and quality standards were maintained and improved. In Fiji a similar plan and development strategy are needed to meet the needs of changing circumstances.

Australia has several metropolitan cities with expanding population which is growing at the rate of approximately 0.7 per cent per annum. It is interesting to note how this country is coping with housing demand for such an expanding population (National Housing Strategy, 1992). Local councils engaged in a variety of housing related roles, starting with the identification of land and development controls and make provision for low cost housing developments in certain areas. The councils were also responsible for physical planning, managing land supply and development controls. Several benefits can be derived from this concept of housing development. Many housing strategies are developed through a process of community consultation and the State and National governments and local government's initiatives and are critical in influencing the housing development programmes.

Australia is maintaining horizontal equity in housing and has tackled this issue in such a way so that those that do not gain homeownership will receive similar benefits to those who own homes. These are in the form of several tax concessions in the housing sector that provide benefits to home owners. In Australia the state and federal governments are responsible for providing housing assistance to low income earners or to those with special needs.

Under a housing strategy framework the Australian government is expanding the range and supply of adequate and affordable housing and land development. It is vital to study the objective of this proposal and how it contributes to the high quality and sustainable environments. In the housing reform process, the Australian government is facilitating the attainment of social justice in the housing programmes. These measures provide a strong basis for achieving improved efficiency and accountability in measuring performance.

1.11 Method of Data Collection

The research employs multiple data sources, including field interviews with key players in the housing sector and discussions with non-profit organisations, religious organisations, project sponsors, housing researchers, household survey and others involved in the housing sector. Other sources of information include the review of housing related journals, books, websites and publications on the housing sector such as Australian Housing and Urban Researcher Institute research papers.

Under household survey, information from three Fiji Housing Authority (FHA) settlements and one squatter area was collected. A structured questionnaire was utilised to collect information on households, financial considerations and overall perceptions of the households on key issues dealing with supply of low cost housing by FHA. A household survey of 200 residents was completed in-person (Questionnaire at Appendix One) along the Suva-Nausori corridor on stratified sampling method. A number of other interviews were held with stakeholders including Fiji Government officers, civil society, donor, other organisations and academia. A summary of responses from these interviews is in Appendix 8.

1.12 Case Studies

To study the housing development in Singapore, this researcher was attached to the National University of Singapore for two months in order to study the housing development. This period provided an opportunity to carry out an in-depth study of housing development in the country and also to visit the Housing Development Board (HDB) and Urban Renewal Authority Galleries to view the models and latest strategies to further develop the housing and the Singapore City. It is noteworthy that

HDB believed that without a good housing programme it is difficult to fulfil the housing needs of the fast growing population.

A similar attachment was undertaken with the University of Sydney to study the housing development in Australia. It was noted that for a large percentage of the Australian population, arrangements for providing housing assistance and housing finance work well. The Australian government has made an effort to create a more level playing field through the range of innovative housing provisions and housing finance measures (NHS, 1992).

1.13 Thesis Structure

The thesis is divided into eight chapters:

Chapter One: provides a broad overview of the research programme, objectives, problem, central questions and hypothesis of this research. It briefly describes the importance of housing sector and the rationale in undertaking this particular research. It also presents an outline of the thesis.

Chapter Two: reviews the literature on previous work relating to housing data for Singapore and Australia as well as a review of literature on housing development in Europe, the United States and other developing countries. It summarises the findings on housing organisations, international agencies and the critical evaluation/analysis of the works of reputable housing researchers.

The chapter also includes a number of housing policies formulated by the various countries to resolve the housing crisis. Policy is important as it addresses important issues that need to be considered when dealing with housing problems.

The third chapter, devoted to methodology, describes the methods that were adopted for the collection and preparation of data for analysis.

The fourth chapter provides an overview of housing development in Fiji. It addresses the major constraints and measures taken as resolutions to resolve housing problems. It also highlights the role of major key players in the housing sector and their achievements in past years.

The Singapore housing profile is focused on in the fifth chapter. The various strategies and policies adopted by this small island country with limited natural resources to overcome the housing problem are considered. The achievement of the housing development in Singapore reflects the soundness of the strategy adopted in the approach to public housing, which has proved effective in handling the housing crisis of the 1960s.

Chapter Six: This chapter provides the Australian Housing Profile which deals with housing development in Australia and the various objectives set by the Government are highlighted. The Commonwealth Government of Australia recognises the expertise of State governments in the housing sector and contributes through the Housing Agreement. A summary of the Agreement and the issues it covers is highlighted. It covers the issues that enabled the alleviation of housing related poverty and ensured that housing assistance is provided equitably to persons in different forms of housing tenure.

Chapter Seven: Analysis of data and results are discussed in this chapter. The analysis has been completed on primary data collected from households in four sample areas and secondary data was obtained from the stake holders and other sources.

Chapter Eight: Implication of the Study, Research Issues, Policy Response: This chapter is an effort to interpret the results, highlighting the issues that need to be considered in the Fiji context. The problems of housing in Fiji have been identified and ways to solve them suggested. The chapter also highlights particular questions which are: To what extent has the research problem been “solved”? Has the objective of the research been achieved? What has been learnt from the results? How can this knowledge be used? What are the limitations of the research?

1.14 Conclusion

The objective of this introductory chapter was to provide a background to the issues that led to this research. It has been pointed out that the research was needed because of the severe housing crisis in the context of low cost housing development in Fiji. The chapter introduced the research problem and research problems as well as the

rationale for the study. Significant terms were highlighted and the methodology was briefly described and justified. The notion of sustainable housing development was discussed and mention was made of the comparative study of housing development. An outline of each of the eight chapters of the thesis was provided. In the next chapter the relevant literature on sustainable housing is examined together with the challenges of such a framework for low cost housing development.

Chapter 2

SUSTAINABLE HOUSING DEVELOPMENT IN THE INTERNATIONAL CONTEXT

2.1 Introduction

The concept of sustainable housing development is to provide comfort and safety in human lives (Sani and Munaaim, 2011). These researchers claim that the application of the principle is effective in many housing developments but may not be recognised by home owners. Nazirah, (2005) supports Sani and Munaaim and reports that sustainable housing principles aim to ensure that home owners live healthy productive lives and in harmony with nature. Nazirah explains that sustainable housing concept gives priority to the interests of future generations without compromising the needs of the present generation.

This chapter reviews existing literature on sustainable urban housing development as reported by reputable housing researchers and stake holders. Key elements that contribute to sustainable housing development and as highlighted under Section 2.2 are debated by various housing researchers. By exploring what other researchers have contributed on this subject, it is possible to identify gaps and set parameters for this research. The contribution of researchers on sustainable housing development is critically appraised to identify trends in the research activity. Finally, the ongoing debate around sustainable housing development which is the current research is summarised.

2.2 Sustainable Housing Development in Urban Areas

Sustainability is still a relatively new concept in most developing countries claim Goh, Seow and Goh (2013). However, many stakeholders do not understand the long term benefits of this concept. Due to lack of knowledge, it is difficult to convince stakeholders to implement this concept in many countries. Locally, Fiji government is making lot of effort to promote housing development, yet there is a lack of proper incentive on sustainable development. This could be due to lack of effective policies and regulations on sustainable development. These researchers claimed that such

situation arises when there is lack of resources and expertise to implement the concept.

Gurran (2002), claimed that sustainable housing development is an integration of social environmental goals with financial considerations, based on real estate projects. When designing housing development a wide variety of needs should not be reflected as competing priorities to be traded off and compromised. It is rather an interlinked opportunity for synergies to be optimised. Discussing further on sustainable housing development Gurran asserts that in any sustainable development process three elements are important. These are environmental responsiveness, resource efficiency, and community and cultural sensitivity as they complement each other. The idea is to achieve good performance in indoor air quality, and using materials on the buildings that are environmentally friendly. Social and economic factors must help people to meet their basic needs and carry out development that contributes to the acquisition and control of a more appropriate source. Gurran reported that in any sustainable housing development, it is a way of creating and managing resources to achieve a healthy development.

Other researchers (Edwards & Turrent, 2000), expressed a similar sentiment to Gurran when highlighting on building structures. They reported that under sustainable housing development the materials should be user friendly and create negative impact on humans, flora and fauna. They reported that under sustainable housing development the focus should be on the building design, construction and operation and the surrounding environment. Edwards and Turrent argue that the end result of building completion is to make homes more complex community developments that are producers of energy, food, clean water and air, beautiful, attractive and healthy. They revealed that it is generally accepted that a well-designed and maintained housing will help support a sense of community whilst poor housing will not have the opposite effect. These researchers concluded that in any housing development the location, planning, layout and design of structures have a large impact on community spirit and identity.

To support the argument produced by Edwards and Turrent (2000), Chadwick, et al (2004) claim that in the United Kingdom local strategic partners in collaboration

with regeneration companies are delivering sustainable urban housing. They follow revised policy and legislative framework to facilitate sustainable housing development. Local expertise is deployed to produce designs and key players are invited to share the vision.

Gurran (2002) has also studied the role of the local governments on sustainable urban housing development. She claims that the councils can play a leading role by integrating housing policy objectives in their urban planning. Due to their close connections with local communities local councils are in a better position to facilitate housing development. Her view is widely supported and several state and local governments in Australia are engaging in housing development by introducing state planning policies to develop low cost sector. Other councils provide support by funding to develop housing. Through this effort Affordable Housing Advisory Services (AHAS) has been formed to develop low cost affordable housing and rental accommodation.

In many countries low income earners are ignored (Sani and Munaaim, 2011), but they should not be excluded. All income groups should own houses to live in comfort and safety. The other important factor is living in a healthy, productive environment and in harmony with nature. Tan (2011) further supports the concept of sustainable housing and claims that this has become a major and not just an environmental issue. According to Saadatian et al (2012), many countries adopt housing policies and programme to develop and implement in order to increase the homeownership ignoring the sustainable factor.

Local governments can play an important role on sustainable development of low cost urban housing by including it in their planning process. To introduce sustainable housing development policies and legislation need revision. Long term benefit of sustainable development should be appreciated by key players to ensure our people live in a healthy, productive environment and are in harmony with nature.

Efficiency and equity are important factors in any public housing development and steps should be taken by key players to correct market failures and reduce the excessive amount of government land use and housing regulation. Due to lack of

government funding in many developing countries housing providers are hard pressed to provide housing to poor communities. How efficiency and equity can improve in the housing sector is discussed in Section 2.3

2.3 Efficiency and Equity in Housing Development

Efficiency and equity are two key factors in any public housing development sector and Arnott (2008) writes that these can be achieved in developing countries² by enabling housing markets to work. One of the ways to achieve these factors according to Arnott is by correcting market failures and reducing the restrictions on land use and housing regulation.

In housing development, equity is another important factor and according to Arnott the basic tools for achieving it is through redistribution of income tax. Other methods of achieving equity are by heavily subsidising the provision of services such as health, primary education, sewage, sanitation and policing in neighbourhoods. However due to lack of funds governments in developing countries are hard pressed to provide these services to poor communities. With this constraint, the other option is to implement income-related housing assistance to low income home owners.

With regards to the housing sector in United Kingdom, Pawson and Kintrea (2001) claim that bureaucratic administrative system that has been adopted is to respond objectively to the needs of low income earners with fairness to all applicants. To be effective the system is well entrenched in the policies of the public housing sector. To improve equity further, Pawson and Kintrea (2001) have suggested introducing the allocation policies using points and/or group frameworks. Elaborating further on this concept these researchers suggested using point schemes where all aspects of applicant's circumstances such as overcrowding, insecurity of tenure and medical needs are considered.

A further suggestion by these researchers is a group system that places the households into broad categories reflecting different degrees of priority. Within each group priority is given on point scores and/or waiting time. This will ensure that

² Fiji can be described as developing country and the argument raised by the author would be applicable to this country.

those in the greatest need of housing are given the first opportunity to secure a home. This scheme therefore enables people, especially those who are vulnerable, to live independently in their community. These researchers claim that the policy contributes to the diversity within the community and help towards tackling discrimination. It also adds simplicity and transparency and avoids subjectivity in the allocation of affordable housing to deserving people.

Morgan and Bramley (2002) argue that waiting time cannot be regarded as an equitable basis of allocation of housing because it does not consider the relative preferences of families. Under these process families having the strongest preferences are ignored and they can suffer a greater welfare loss from exclusion. These researchers argued that there can be relative preferences of eligible families for public housing that would be revealed if they were allowed to bid for housing units as they become available through vacancies or new construction.

The issue of equity arises very prominently in cases of allocating houses on the basis of the highest rental bids. The resulting rental schedule for occupied units would actually be established by the occupants not the housing authority. The rent paid by each would be a measure of their preference for public housing. These researchers report that allocating public housing on the basis of revealed preference would be in conflict with equity because it does not consider waiting time or income differences of the eligible families. Morgan and Bramley (2002) suggested that the equity factor can be resolved by a trade off if the actual bids were weighted to reflect waiting-time and income differences. All persons applying must have an equal opportunity to access housing assistance, and never be under the belief that special deals have been struck or that undue influence was exercised

Another process for maintaining equity (United Nations Economic and Social Commission for Asia and Pacific, 2008) is governments encouraging and supporting individual and community based bodies including religious and voluntary organisations in fulfilling their own housing needs so as to ensure skills transfer and community empowerment. The government can promote consumers on housing education and protection. This should create socially and economically viable communities with safe and healthy living conditions. It would also ensure the

elimination and prevention of slums and poor living conditions. In the public housing sector the stakeholders must not overlook ~~the~~ important issues such as effective equality in respect of gender, ethnic groups, creed or class. Also stake holders must consider and accommodate special needs of their tenants such as disability marginalised and other disadvantaged groups in the community.

As highlighted by Arnott (2008), Pawson and Kintrea (2001) and Morgan and Bramley (2002) efficiency and equity are important factors in the housing sector that need to be seriously considered by stakeholders. The stakeholders should act objectively on these factors to ensure a regular supply and fair allocation of housing to all deserving people. The other important issues that need to be investigated in Fiji are the building codes, land subdivision standards and regulation that impact housing development in the country..

2.4 Affordable Housing to Low Income Earners

A key concern in the housing sector is affordability and as a result a large number of people cannot invest in housing. Currently, many Pacific island countries are facing the major challenge of providing affordable housing to all sections of the population. As pointed out by United Nations, Economic and Social Commission for Asia and Pacific (2007) the demand for affordable housing in the Pacific islands is increasing due to growing urban populations. There is also the demand from new household formations within the existing population and from new migrants.

Highlighting on the advantage of affordable housing in United Kingdom, the Dublin City Council (2002) concludes that it helps low to middle income earners that are not in position to buy housing on the open market. To increase ownership the houses are bought by first time buyers at prices that are substantially lower than the market value. An affordable level for prospective home buyers can be attained through a number of government initiatives to reduce house prices.

When discussing the benefits of affordable housing, a publication prepared by the Illinois Housing Development Authority (2008) concludes that in the United States the impact on people's life is immeasurable. Affordable homes provide self-respect and self-esteem to home owners. With affordable housing, young couples can devote

more of their financial resources to raising their families and people with disabilities can then live more independently in user friendly environments. In the case of job losses, home owners can manage changes if they are not overburdened with high housing costs.

Affordable low cost housing schemes have proved beneficial in many countries (Morgan and Bramley (2002)). For better results it is important that the state plays an active role in the housing sector. Housing price affordability is vital for potential customers and provides genuine choice for those who could not otherwise become home owners. To measure affordability, Vass (2004) analysed that house price to earnings ratio is important for prospective home buyers. The prices of houses and disposable income take into account income that can reflect a household's ability to pay. Long term average house price to earnings ratio is used as benchmark to provide a broad overview of affordability factors. Vass (2004) claims that lower interest rate allows households to pay low mortgage repayments. An important issue highlighted by this researcher is that the combination of increased earning and lower interest rate stimulates the housing market by increasing the take home pay and reduces the cost of borrowing, making housing more affordable

Sani and Munaaim (2011) argue that affordable housing is a term used to describe housing costs that can be met by median income earners. Since affordability is the term usually referred to the ability of home buyers in financial terms, Anirban et al (2006) as cited in Sani and Munaaim (2011) maintain that house affordability is a condition when potential house buyers can save a certain portion of their income to buy a house and pay for other expenses. The availability of land at reasonable and affordable prices is a critical prerequisite in achieving adequate shelter for all people, particularly lower income groups, who are disadvantaged in bidding for available land (Dwyer, 1975).

Milligan et al (2004) agree with Gurran (2002) that the average community's need for affordable housing can be incorporated into the planning decisions of the local councils. Under planning policy guidelines local councils can develop plans that can incorporate affordable housing schemes. Milligan et al write that such policies can

set out and address the overall need of affordable housing in an area. Subsequently, local authorities can use planning guidelines to provide details of the type and size of affordable housing needed in different localities. This would then allow stakeholders to work with housing developers and ensure that sites are available at appropriate prices. Hargreaves (2009) reports that New Zealand moved towards building high density housing on existing sites to address their fast growing population and limited supply of affordable homes. Such development can be good but must consider the impact on the communities, landscape and the suitability of the dwelling for a household.

It is very clear that affordability is a critical factor for many people who are interested in investing in housing. As suggested by researchers of Australia and New Zealand several measures are taken in their respective countries to overcome problems with affordability. These measures show that local and central governments are in position to intervene and reduce the cost of housing to an affordable level.

Another important factor that has great impact on the housing development is the governance. Good governance reduces and removes corruption and views of minorities and vulnerable in the society is considered. How good governance can be achieved in the housing sector is discussed in the next section.

2.5 Good Governance in Housing Sector

Governance is a process of decision making and implementing it. United Nations, Economic and Social Commission for Asia and Pacific (2008) point out that good governance is not a new concept and formal and informal players are normally involved in decision-making. Government is one of the key players and in urban centres the situation is complex as many others at national level are involved such as media, lobbyist, international donors and multinational corporations. With respect to housing development with good governance corruption is reduced, the views of minorities are taken into account and the plight of the most vulnerable in society is considered in the decision making process.

To elaborate further on good governance (United Nations, (2004) has defined governance as a process by which public institutions conduct public affairs, manage resources and ensure the realisation of human rights. Good governance is free of abuse and corruption, and upholds the rule of law. Firstly, it creates an environment in which all stakeholders and individuals are involved in the planning and management of their own communities. Leaving responsibility with just a few is no longer the optimum choice. Good governance dictates the emphasis on open deliberate approaches to planning, development and management in the housing sector. The objective is to make sure that all views are taken and considered in the decision making process. To achieve good governance and sustainability requires a system of monitoring, reporting and reviewing development to achieve the set objective.

Good governance embraces a number of issues (Burke, 2004) such as accountability, transparency, client service, equity, decentralisation, efficiency, flexibility, effectiveness and affordability. In the housing sector, good governance defines the role, objectives and standards of housing developers. It enables the formulation of programmes that need to be followed effectively to achieve them. In this concept the goals and standards deal with changing the traditional practices of the past. It allows greater performance measurement within the organisations and more emphasis on rules and standards. The overall objective of this entire concept is to achieve positive outcome, better performance and more flexible social housing system.

To practice good governance a more specific legal-institutional framework is needed in many countries to overcome the difficulties created by the lack of, or conflicting legislation. Legislation needs revision that covers housing and planning. The definition of processes for physical planning and land use control, management of housing stock and the mechanisms for development of state, non-governmental and individual initiatives in house production, including financial credit mechanisms are essential. Good governance improves largely as a result of effective and transparent policies on housing and the involvement of partners from the private and public sectors. Coordination between and among the various housing agencies and the stakeholders should be strengthened. Good governance would enable PIC countries

to achieve sustainable housing development through a participatory development and decision making process. It is a very strong and forceful process in which capabilities, abilities, efficiencies and responsibilities are shared (United Nations, Economic and Social Commission for Asia and Pacific, 2008).

As discussed in this section, good governance is free of abuse and corruption, and upholds the rule of law. Good governance creates an environment for all stakeholders and individuals to be involved in the planning and management of their own communities. It defines the roles, objectives and standards of housing developers. It dictates open deliberate approaches to planning, development and management in the housing sector with the objective to ensure that all views are taken and considered in decision making process.

In housing development coordination amongst various stakeholders is important and how it can be improved is discussed in Section 2.6.

2.6 Poor Coordination Amongst Stake Holders in Housing Development

DTZ (2007), a housing research centre in Auckland, reports that the duplication of housing institutions and funding mechanisms has resulted in a large degree of overlap and confusion between institutions in New Zealand. This results in significant inefficiencies and wastage of resources. Many housing development authorities are inadequately resourced and economically not in a position to undertake certain responsibilities, causing delays to housing development. In some cases poor co-ordination and the collapse of local governments affects housing development.

Dwyer (1975) asserts that human settlement policies have an important role to play in overcoming inequalities in the housing sector. These policies are a means of providing lower income households with housing and urban facilities. To achieve this, substantial resources have to be mobilised and modernised. The procedures, regulations, overlaps and institutions involved in urban housing development must be looked at again. It must be noted that human settlements contribute towards economic development of a country and this can be achieved if they are able to

operate efficiently, overcome inadequacies in the infrastructure and provide conditions conducive to the formation of human capital.

Coordination of professionals in the housing sector is important as pointed out by Rodwin, (1987). He has observed that in many countries, construction engineers, architects and contractors in the housing development carry out work independently. The process is further complicated by the poor co-ordination amongst the investors, subcontractors, suppliers of equipment and materials, potential users of the facility, and government agencies that regulate every step of the process of housing development. Working independently and the separation of responsibilities allow a crucial constraint on the progress of construction works. Each participant in the development process may be from a different organisation, or even a different country. Under this system the involvement of each is only required when needed and allows little chance to establish ties with other participants involved in the development project.

It has been demonstrated in this section that duplication of housing institutions and funding mechanisms causes overlap and confusion and loss of resources amongst stakeholders. Due to lack of coordination housing development is delayed and resources are wasted. Generally poor co-ordination is amongst the investors, subcontractors, suppliers of equipment and materials, potential users of the facility, and government agencies that regulate every step of the process of housing development.

The next section shows that the linkage between policy and practices in housing development in PICs is weak. These linkages need to be improved to progress and bring efficiency in the housing sector.

2.7 Linkages between Legislation, Policy and Practice in Housing Development

In any housing development there is a need for a strong linkage between legislation, policy and practice. A study by United Nations Commissioner for Human Rights (2008) reveals that the linkage is weak and PICs need to learn to develop national and local linkages between policy and practice. Several governments have taken little

initiatives to address the housing problems of the needy in urban areas. In the absence of a viable private sector market, the official responses have been varied and hardly changed over time—(United Nations, Economic and Social Commission for Asia and Pacific (2006) .

This would lead to a better practice and feedback into the national policy, thus helping governments to make progress in housing development. The state legislation must recognise that housing is a shelter that fulfils a basic human need, and is both a product and process. The legislation must deal with norms and standards and general principles should guide the manner in which housing development takes place. The legislation should spell out the policies of the government regarding prioritisation of the needs of the poor and marginalised. It should clearly state strong commitment to sustainability, integration, consultation, good governance, empowerment, equity, maximum use of resources and compliance with sound land development principles. All housing developments should be administered in a transparent, accountable and equitable manner, based on the principles of good governance.

United Nations, Economic and Social Commission for Asia and Pacific (2006), points out that having limited resources in PICs, attempts should be made to carryout development with higher densities and make economical utilisation of land and services. Creation of community and recreational facilities as well as employment opportunities close to residential areas is very important.

On housing policy and development (Lansley, 1979) argues that the state has to play an important role. The researcher claims that today housing policy remains an area of vigorous political debate despite the fact that the existing housing problem is deep rooted. The shortage of housing remains in many areas and new needs have arisen especially in the form of increasing obsolescence in the private rented stock and other public housing. The demand for housing is created by the rate of household formation, trends in the demographic structure of population, income levels, and costs of housing and availability of house purchase finance. The level of rents in the public and private rented sector is becoming a critical factor in the housing market. Inequalities in housing conditions are reflected in education, cultural and economic opportunities. Poor housing development restricts social and individual welfare.

Lansely (1979) concluded that the basic housing objective means meeting remaining housing needs and ensuring that everyone has a decent home at prices he/she can afford.

Yuen (2000) a very prominent housing researcher in Singapore claims that in 1960 Singapore Government formed two autonomous government agencies namely the Housing and Development Board (HDB) to provide low cost housing for the poor and clearance of slums and the Economic Development Board (EDB), to achieve industrial development as a means of establishing economic growth and employment opportunities. Having these boards the government was able to build seven times more housing than the private sector and the development and provision of utilities increased by fifteen times. Land acquisition³ has been instrumental in the country's rapid housing development. She states that between 1959 and 1985 the government acquired 17,690 hectares of land of which 8,297 were for housing need.

Goldberg (1984) points out that in any national housing policy the legislation is based on the policy formulated by stakeholders. It reflects the structure and competence of institutions responsible for construction, housing, planning, finance and specific laws regulating land use and rented accommodation. In many cases, a more specific legal- institutional framework is needed to overcome the difficulties created by the lack of, or conflicting, legislation. Goldberg (1984) suggests that specific action needs to be taken to clarify conflicting legal aspects. If need be, new legislation for housing and planning will have to be enacted to overcome the existing situation of impasse. The new legislation should clearly spell out the definition of processes for physical planning and land use control, management of housing stock, and the mechanisms for development of state, non- governmental and individual initiatives in house production and financial credit mechanisms.

United Nations Economic and Social Commission for Western Asia, (2008) highlights that many countries should learn to develop national and local linkages between policy and practice. This would lead to a proven good practice and feedback

³ Singapore Government has vested power in HDB to acquire land compulsorily for housing purposes. Through this statutory provision the government has been able to secure land for housing development and fulfill the need of the majority of the population.

into the national policy, thus helping the governments to include new thinking into the housing policy frame. The state legislation must recognise that housing is a shelter that fulfils a basic human need, and is both a product and a process. The legislation must deal with norms and standards and a general principle should guide the housing development process.

Housing development process requires regular supply of land and standard of infrastructure that can provide housing sites at an afforded price to low income earners. This would require new attitudes and approaches to reduce land prices. Researchers have highlighted on these critical issues which ~~is~~ are discussed in the next section.

2.8 Access to Land for Housing Development

One of the constraining factors observed by United Nations, Economic and Social Commission for Asia and Pacific (2006) on housing development in PICs is the non-availability of a regular supply of land for development. Another factor is the high initial standards for infrastructure required by the approving authorities. These place housing products beyond the financial reach of many in need of affordable housing. The subsidies on the rental housing schemes could not be sustained for long and the reforms introduced during the 1990s in all PICs that focuses on the financial sustainability of public housing programmes are not very successful.

According to UN Habitat (2011) land is an essential component in the urban development process. Increasing population in the cities requires new areas for housing, schools, recreation sites and religious buildings. Where affordable and secure sites are not available, informal or illegal measures are taken to meet the housing needs. Therefore there is a need for new attitudes and approaches to land development to fulfil this demand. These reflect that there is a weak linkage between security of tenure, the development of housing finance systems and the performance of the building industry. Security of land tenure has a direct link to prospects for employment generation and income-earning capacity, and therefore, to poverty alleviation. In several PICs the land market does not function normally since a large section of national land assets do not enter the urban land market.

Dwyer (1975) explains that access to land is a critical issue and the demand for land will increase with economic growth, as families with higher incomes will spend more on housing. In urban areas, the demand and value for land in future will be high and will be subject to different conditions than those that have prevailed in the past. Dwyer (1975) explained that the supply of land available for urban housing is not usually fixed by external forces. It is an outcome of human decisions to link certain areas to the urban system and extend facilities and provide appropriate levels of services. He points out that in any land development process there are several linked problems such as land tenure, sound land policy, land cost and provision of infrastructure and services.

Laquian (1983) supports Dwyer (1975) on tenure issue and claims that there is an important relationship between security of land tenure and housing development. If people feel insecure, they would hesitate from engaging in home development and improvements even if finance is available. Therefore, an important policy decision should be made by stakeholders to provide security of tenure. On land tenure preferences, Laquian (1983) said freehold tenure seems to be the most desirable and sought after status among people. Long-term leases fall in the next stage that encourages a family to invest in housing. He has identified that long term leases provide housing development authorities with powers to control and regulate land use. Sometimes long-term leases have many legal implications contained in the clauses described in the lease documents such as succession, specific violations and penalties for violations. In some cases people are permitted to lease sites for a certain period of time after which they can buy the property outright. The provision that allows outright sale gives tenants incentives as well as security to improve housing.

This section has identified limited/unavailability of land as constraining factors for housing development in PICs. Another factor is the standards for infrastructure required by local authorities. Increasing population in urban centres requires new areas for housing, schools, recreation and other activities. However, affordable and secure sites are not available in suitable areas. In most cases these needs are met by informal or squatter settlements. In any development, land tenure is a vital factor that

encourages people to invest in housing. Likewise sound land policy, land cost and provision of infrastructure and services are important.

The next section deals with the development of customary land and its associated problems. It has been pointed out that in most PICs, housing market mechanisms are not functioning due to constraints on the development of customary land and as a result there is limited supply of land in the market. These restrict the private sector to play an active role in the housing development.

2.9 Development of Customary Land

In many PICs development of customary land that falls within urban centres are severely constrained. As a result the private sector does not play an active role which limits the supply of housing stock in the urban market (United Nations, Economic and Social Commission for Asia and Pacific, 2007).

United Nations, Economic and Social Commission for Asia and Pacific, (2007) points out that in almost every PIC except possibly Nauru, housing market mechanisms are not functioning due to constraints on the development of customary land. The absence of security of tenure in many PICs, which normally provides collateral or security for a housing loan, inhibits the development of housing finance mechanisms. As a result, the private sector plays a limited role in housing. United Nations, Economic and Social Commission for Asia and Pacific, (2007) identified that limited housing stock commands high prices for purchase or rent. The building industry is therefore unable to play its usual role as a generator of economic growth and creator of employment opportunities. Additionally, those small businesses and micro-enterprises that are dependent on the building industry are unable to contribute to alleviating unemployment.

A further study by United Nations, Economic and Social Commission for Asia and Pacific, (2007) show that most formal sector financing systems require loan security, and thus, the land tenure system plays a crucial role. The legislation and procedures for mortgage lending have to be well established in order to enable a housing finance system to function. In Fiji, where the housing finance system is well developed, the Fiji National Provident Fund serves as the main provider of investment funds and the

Housing Authority as the provider of loans for the lower and middle income sectors. The Home Finance Company, which serves the higher income market, is more closely linked with commercial financial markets and mobilises capital for housing loans from these sources. In order to grant loan these lending institutions require collateral or security through the registered leases or freehold titles.

Crossetto (2005) argues that in Fiji customary land tenure dispute centres on the relative advantages of a formal system based on statutes and common law. He said this is in contrast to an informal customary tenure system, and western land tenure system. Crossetto claims that the complexity of Fijian cultural identity demands continued revaluation of proper interests that indigenous land tenure laws ought to protect. He writes that many PICs have revised constitutions to better accommodate customary property rights but Fiji remains weak because interest to be protected remains ill defined.

Naidu and Reddy (2002) concluded that where ownership is concerned the matter could be quite complex. This gives rise to *interalia* questions about distribution of the wealth generated, impact on the environment, impact on neighbouring communities and sustainability. The main reason for this is due to land being entrusted to a bureaucratic institution such as iTaukei Land Trust Board (TLTB) who does what? Besides the interests of landowners and tenants, other institutional and individual bureaucrats' interests also affect tenure arrangements. These researchers have cited (France 1969; Crocombe 1971; Ward 1993, 1997) and highlighted that customary land codification and registration of property rights have resulted in rigidities in land tenure arrangements in Fiji which are not found in the customary tenure systems in other countries.

On customary land, other characteristics have been noted by Crocombe (2001) who claims that tying land to social groups is complicated especially when the only way one can join is by accident of birth. Crocombe (2001) pointed out that those allocating land resources on the basis of accident of birth is just record-keeping and minimises short term disputes but in the long term it is not equitable, economical or sensible. He believes it is disincentive to people's goals for higher productivity and

free mobility. According to history most humans relied on sex, order of birth, seniority in the clan or family as criteria to allocate land rights. In the current situation, more flexibility is needed because it is lost due to registration of rights as they were at the moment of registration and allocation of rights thereafter by accident of birth. As a result, allocation system reduces income opportunities and many young people opt to seek livelihoods elsewhere. With increasing population and commercialisation indigenous individuals and households need more clear rights. Crocombe claimed that cultural lag is longest among people on land and the situation will not improve, because adaptations to land tenure is resisted and changes in law alone are not sufficient to bring about improvements.

Many PICs governments solicit investment to generate employment and income, but insecurity of land tenure in all sectors is a major constraint (Prasad & Tisdell, 1996, cited in Crocombe, 2001: 317). As a result land is no longer the main source of livelihood for indigenous people. Past fears about land transfers are understood but outdated and appropriate measures can be taken to regulate size, value and retention of land by indigenous land owners that can be designed and implemented. Crocombe (2001) who has undertaken an in-depth study of land tenures in the Pacific emphasised that there is a need to allocate land more in accordance with efficiency and free land from social groups. Nayacakalou (1965) as cited in Crocombe, 2001: 316) pointed out that in the past the disadvantages of rigidly tying land to social groups now outweigh the advantages. It reduces flexibility, reduces opportunity and affects productivity

2.10 Conclusion

Housing is an important issue for most governments and it has strong influence over employment, health, education, crime and many other aspects of people's life. Gurran (2002) pointed out that a sustainable development process generally embraces three common elements that include environmental responsiveness, resource efficiency, and community and cultural sensitivity and quite often these three elements complement each other. World Commission on Environment and Development (1987) highlighted that housing is a basic human need and crucial to

individual quality of life. A good housing scheme will help support a sense of community whereas a poor housing will have the opposite effect.

Chadwick, et al (2004) argues that for sustainable housing development there is a need for local strategic partnership with other stake holders in order to produce sustainable housing. It would require the revision of current policy and regulations and the local governments can play a leading role by integrating housing policy objectives in their urban planning. To be effective the councils through their planning and development controls can influence the private housing market to develop low cost housing. This concept proved very effective in Australia as several areas within urban centres were identified and retained for low cost housing.

The affordability factor in housing is enhanced by allowing the greatest degree of choice possible in the allocation of housing. Lack of affordable housing can cause significant hardship for low income households, one of which is preventing them from meeting their other basic needs such as nutrition, health care or saving for their families. It has been pointed out that an affordable housing scheme helps low to middle income earners to buy houses that may not be affordable in the open market. To facilitate this scheme housing recipients particularly first-time home buyers pay prices that are substantially lower than the market value and the property price is lowered by a number of government initiatives. The most commonly used affordability indicator is the house price to earnings ratio. In the process average earning across a country is measured with average house price.

To maintain equity it has been demonstrated that bureaucratic administrative systems adopted in the housing sector were intended to respond objectively to needs, with fairness to all deserving applicants. To maintain equity the system needs to be well entrenched in the policies of the public housing sector. The public should be aware of the allocation policies using points and/or group frameworks. Within each deserving case, precedence is given according to point scores and/or to waiting time.

For fair distribution of housing the housing legislation should set out the principles and policies of the government regarding prioritisation of the needs of the poor and marginalised. The government has to comply with the general principles applicable

to housing development and it would then be incumbent upon all other parties involved with housing development, including the private sector and NGOs, to act in accordance with the housing development principles. This is especially important where estate resources such as land are utilised. Government can enforce its facilitative role with respect to the realisation of the said principles by engaging in awareness initiatives. In processing housing the supplier must provide as wide a choice of housing and tenure and the housing should be economically, fiscally, socially and financially affordable and sustainable.

The government has to intervene to ensure that there is proper distribution of housing, particularly to low income earners that lack the means to secure adequate housing by bidding in the open market. When stake holders ignore this role slum developments are likely to appear. People generally underestimated the satisfaction they would receive from housing that is provided by subsidy or through the public sector. Therefore, public intervention is necessary to accelerate new building, the renovation of dwellings and the elimination of slums.

Equitable allocation of housing ensures that those in greatest need of housing are given the first opportunity to secure a home. Vulnerable people in the community are provided with housing to live independently in the community. It would contribute to the diversity within the community and help towards tackling discrimination. Also it is important and ensures simplicity and transparency and avoids subjectivity in the allocation of affordable housing to deserving people.

It has been highlighted that land ownership constraints should not be allowed to affect urban housing development. This can be made possible through providing human and financial resources necessary to keep urban land markets fluid and flexible. Private sector should be given an opportunity to take ownership of land for redevelopment purposes where it is compatible with achieving the regeneration objectives of the site.

When dealing with the social housing good governance is important and embraces issues such as accountability, transparency, client service, equity, decentralisation, efficiency, flexibility, effectiveness and affordability. Good governance is free of

abuse, corruption and is reflected in the level and efficiency at which it deals with human rights, civil, cultural, economic, political and social rights including housing.

It has been indicated that governments should encourage and support individuals and community based organisations including religious and voluntary organisations in fulfilling their own housing needs. This would in a way ensure skills transfer and community empowerment. When dealing with public housing the stakeholders should not overlook important issues such as effective equality in respect of gender, race, creed or class. Special needs including the disabled and marginalised such as women and other disadvantaged groups should be considered as well.

It has been recommended that there is a need for an effective functioning of the housing market while levelling the playing field and ensuring equitable access for all to that market. With scarce resources available, effort should be made to carry out development with higher densities, so as to economically utilise land and services. Creation of community and recreational facilities as well as employment opportunities close to residential areas is very important.

In PICs the pace of urbanisation is such that new attitudes and approaches to land development in urban areas are necessary. Land supply constraints are the major problems of sound urban land development and management. In many countries of the region, including Fiji, the land market does not function well since a large section of land assets do not enter the urban market. Approximately 80 per cent of the urban land is under some form of customary land tenure, which is governed by a range of policies and practices that constrain development. To overcome this situation TLTB can play a more active role in releasing land for housing development.

Another major constraint facing housing developments in PICs include the small domestic market and slow economic growth, increasing population and urban drift, growing squatter settlements in urban centres, land conflicts and limited resources. To varying degrees these island countries are facing unplanned population shifts causing unemployment, poverty and deterioration in living conditions with the formation of slums and squatter settlements. There is an urgent need to provide

adequate resources and remove barriers to policies and regulatory process directed towards improving housing for poor and low income earners.

The slums and informal settlements in the PICs prevail due to the rising cost of housing and the lack of effective housing policy and good governance. So far, there has not been any serious commitment to the national policy to upgrade informal settlements and raise the level of tenure security. Squatter settlers have to endure high insecurity, fear of eviction and further deterioration of the quality of their lives. National housing policies and programmes tend to remain at national level and are not localised. Lack of coordination of national policies to all stakeholders or unavailability of appropriate mechanisms for localising national housing policy programmes are obvious weaknesses. The coordination between and among the various housing agencies and the stake-holders is poor.

In Fiji, homelessness is increasing every year and an appropriate policy and resources must be mobilised to provide shelter to low income earners and disadvantage groups. Naidu and Reddy (2005) discussing about the ownership and utilisation of natural resources in Fiji pointed out that matters can be complex in most places giving rise to *interalia* questions about distribution of the wealth generated, impact on the environment, impact on neighbouring communities and sustainability. Crocombe (2001) claims that allocating customary land resources on the basis of birth may benefit in the short term but in long term it is not equitable, economical or sensible. The manner in which customary land is held reduces the opportunities for many young people and they opt to seek livelihood elsewhere. Nayacakalou (1965) as cited in Crocombe, 2001: 316) pointed out that tying of the land to social groups now outweigh the advantages and reduces flexibility, reduces opportunity and has impact on the productivity of the land.

Identifying gaps and constraints are important factors for studying housing to reduce the current shortage. In this research constraints have been investigated using primary and secondary data. In the next chapter data collection methods and how data was analysed is discussed.

Chapter 3

RESEARCH METHODOLOGY

3.1 Introduction

Sustainable low cost housing development is a relatively new concept in many developing countries including Fiji. Most of the stakeholders do not understand the benefits of sustainable development and Fiji is facing a severe shortfall in low cost housing development. This is clearly reflected in the increase in squatter settlements in every district. The Fiji government is putting great effort to promote housing development, yet there is still lack of incentive to accelerate the process. FHA the major supplier of low cost housing was not shown much interest in incorporating the sustainable concept in housing development. Inconsistent FHA programmes constrain the adoption of sustainable housing development.

A large percentage of urban population in Fiji is deprived of decent housing and lives in squatter settlements. It is timely that this research investigates sustainable issues in the housing sector and finds solution. The research assesses intervention activities in the housing development and identifies the challenges of implementing a sustainable development programme. Against this background, the central question and the key objectives of this research are formulated.

This research is conducted on a wider literature focusing on the underlying process behind the lack of sustainable housing development and the international housing policy and practice. As revealed in Chapter 2, sustainable housing development processes embrace a number of common elements and all these complement each other. It has been highlighted that there is a need for local strategic partnership and a revision of current policy and legislative framework. This research explicitly identifies the factors that contribute to the sustainable development of low-cost urban housing and how it can be implemented in Fiji.

This chapter will first discuss the key methodology and underlying epistemology behind the choice of research approach. Key methods of collecting primary and secondary data and subsequent shape of data analysis are discussed. The research

closely investigated these factors, and summarised some of the key constraints and problems that need to be addressed by stakeholders in Fiji.

3.2 Methodology and Epistemology

This research employed both qualitative and quantitative approaches to identify the challenges of implementing the sustainability concept in housing development in Fiji. A qualitative interview aims to understand the world from the subjects point of view and to unfold the meaning of people's experience (Kvale, 2007, as cited in Goh, Seow and Goh, 2013: 2). Investigation across four sample communities utilised in-depth structured interviewing with households in formal and informal settlements. A number of informal interviews were held with key players in housing sector, state and local jurisdiction, non-profit organisations, project sponsors, housing researchers and academia. Housing data and various other secondary sources were collected and analysed for triangulation. A mixed method of data collection revealed a complex picture from different perspectives in the housing sector that would not have been achieved by any single method.

The core issue of this research is to engage in a debate, and suggest options and policy for securing a sustainable low cost urban housing development for low income earners in Fiji. This research draws from the epistemological perspective of social constructivists. Social constructivists believe that reality is constructed through human activity and members of a society together invent the properties of the world (Kukla, 2000). Ernest (1999), Gredler, (1997) and Prawat and Floden (1994), claim that for the social constructivist reality cannot be discovered and it does not exist prior to its social invention. To social constructivists, knowledge is also a human product, and is socially and culturally constructed. These researchers write that individuals create meaning through their interactions with each other and with the environment they live in. Social constructivists view learning as a social process and it does not take place only within an individual, nor is it a passive development of behaviours that are shaped by external forces (McMahon, 1997). Meaningful learning occurs when individuals are engaged in social activities.

Constructionists view knowledge and truth as created and not discovered by the mind, writes (Schwandt, 2003) that supports the view that being a realist is not inconsistent with being a constructionist. One can believe that concepts are constructed rather than discovered yet maintain that they correspond to something real in the world. This is accepting the idea of Berger and Luckmann (1991) and the subtle realism of Hammersley (1992) in that reality is socially defined but this reality refers to the subjective experience of everyday life, how the world is understood rather than to the objective reality of the natural world. Most of what is known and the knowing that is done is concerned with trying to make sense of what it is to be human, as opposed to scientific knowledge and individuals or groups of people (Steedman, 2000).

Social constructivist's epistemology was adopted in this research because it is built upon the observation that many aspects of our everyday experience are the consequence of implicit social agreement, institutional practices or collective social action rather than objective reality. It only exists within the context of such agreements, practices or collective actions. Many of the actions we take for granted are not actually objective facts about the world, independent of human subjectivity, but are instead the products of human inter-subjectivity. This research aims to convince the stakeholders to bring about positive change in the housing development in Fiji. To bring such change the current weaknesses in the housing sector, structures, events, discourses, practice and policy are scrutinised. Finally, the key factors that are needed for sustainable development of low cost urban housing are highlighted

3.3 Methods

The first step in collecting data was to design a questionnaire focused on the research topic. Since the study was on sustainable urban housing development, the questions were formulated to obtain answers to various issues related to the topic. In this kind of research the researcher establishes the focus of the study by forming questions about the situation to be studied and determines the purpose of the study. In the process of collecting data, 200 households provided answers to several questions related to the sustainable development of urban housing (refer to Appendix One). To overcome challenges, the researcher has used ways to collect data from several other

secondary sources that provided an overall understanding of the case and formulation of the questionnaire. Also, to assist in targeting and framing the questions the researcher has drawn inferences from the literature review completed for this research.

The completion of in-depth structured interviews with formal and informal settlements in four sample areas formed the principal research method to complete this finding. These interviews with households along with other data collected from FHA and other sources were used to explore the central research question and to fulfil the research objective. These different sources of data provided the bases of triangulation and validation of information collected. The aim of the research was to find gaps between supply and demand in the housing development in the country. In the process it was important to look into the agencies and stakeholders involved in housing development and their level of coordination. This research also explored crucial factors such as equity, quality and affordability of housing and efficiency of agencies involved in housing development. The secondary research objectives required additional data collection from other sources. A number of informal interviews were held with key informants from various stakeholders within governments, international organisations and housing researchers. A summary list of these key informants is included in Appendix 7. In addition, secondary data that already exist in documents, such as published statistics, annual reports and the internal reports of the stakeholders, were obtained through the respective institutions.

3.4 Sample Size for Household Interviews

Selecting samples size for household interviews is a fundamental issue in this type of research. A sample is made up of a part of the population. The term population is used to refer to the body of people or to the collection of items under consideration for research purposes (Hussey & Hussey, 1997). A sample is representative or good if the results obtained from it can be taken as being true for the whole population. Since the samples in this research are drawn from a cross section of the population in four sample areas, it is considered to be reliable and can be generalised to the whole population of the Suva-Nausori corridor. The four selected sample study areas provided good and statistically reliable information.

The concept of sampling involves taking a portion of the population, making observations on this group and then generalising the finding to a large population (Burns, 1998). In order to draw representative samples from which valid generalisations are possible for a population, a number of techniques are available. One of these is *Natural Sampling* (Hussey & Hussey, 1997), which is fairly common in business research. It is used when the researcher has little influence on the composition of the sample. This would apply particularly in a case where only particular employees that are involved in the phenomenon were investigated. This approach is taken when only certain employees are available at the time of the study.

Regarding sample size, Ellis (1994) reports that larger sample sizes would be more likely to yield results accurately reflecting the population from which the sample was obtained. Nevertheless, there is a trade-off when sample sizes are increased, in particular, because larger sample sizes usually add time and expense to data collection, coding and entry without necessarily producing greatly improved data of course these factors were considered in arriving at the sample size.

The researcher has taken advantage of the fact that people can provide first-hand information about themselves if interviewed with questionnaires to collect primary data. As pointed out by Robson (1994), interview appears to be a quite straightforward and non-problematic way of finding things out. Using this method is a useful technique and asking questions directly is a short cut in seeking answers to research questions. However, interviewing is time-consuming and expensive. Interviewing for less than half an hour is unlikely to be valuable and going beyond may be making unreasonable demands on busy interviewees. It could have the effect of reducing the numbers of persons willing to participate and may lead to biases in the sample that one is expected to achieve.

Since most residents settled in these localities have similar social and economic backgrounds, increasing the sample size will not bring a significant change in the final result. Therefore, results from this number of samples can be taken to be true for the whole population of each sampling area.

3.5 Selection of Sample Areas

The study population are people living in the Suva-Nausori corridor. They are situated in an area that has the greatest pressure on affordable housing for low cost earners. The latter constitute the primary focus of the research because FHA is the main agency mandated to provide low cost housing. It is also the entity at the centre of this research. Over 440,000 people reside in this area with Davuilevu, Muanikoso, Waila, Nepani, Nadawa, Caubati, Caqiri and Kalabo where FHA provisional sites ('low cost housing' and land). Four sample areas have been selected by single cluster sampling.

In the Suva-Nausori corridor the low cost housing residents are located in discrete residential clusters. There are scores of such clusters. The researcher considered the following characteristics of the low income residential areas in selecting the 4 clusters (see figure 3.1) in his sample: a) FHA residential areas as these are central to the study. b) An informal settlement as an example of the spill over effect of the low cost housing shortage. c) Ethnic composition of the residents. It is understood that the cluster samples selected are more representative of low cost housing populace in the Suva-Nausori corridor than other urban areas in Fiji as a whole.

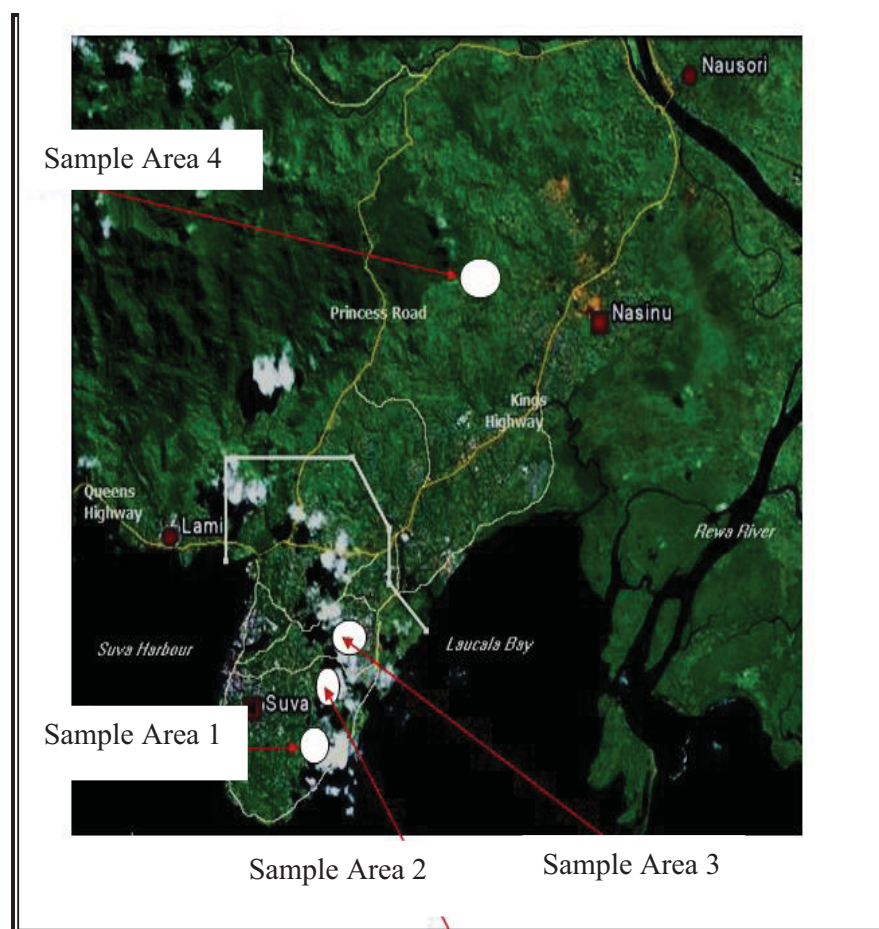
The sample localities were Milverton Road and Wailea settlements in the Suva City boundary and Tacirua East in Nasinu and Waila 3B in the Nausori Town boundary. Three of the sample localities are situated on Fiji Housing Authority Leases (Milverton Road, Tacirua East and Waila 3B and one on state land (Wailea settlement). All those occupying FHA land are holding a ninety nine year lease and the community in Wailea settlement is squatting on state land without having any form of proper land tenure. In all sample areas the people are ethnically diverse with the majority being iTaukei and Indo-Fijian residents. Other attributes such as community size, period of occupation, income level, and number in household vary in each sample area.

Sample Area 1, Milverton Road was selected on the basis that it is one of the first housing schemes undertaken by the FHA in Suva City. The subject neighbourhood in Milverton Road is an old residential subdivision (Figure 3.2). The houses were built by Fiji Housing Authority (FHA) in the 1960s. Some of the occupants have been

living in these houses for over fifty years and sales of properties in this neighbourhood are limited.

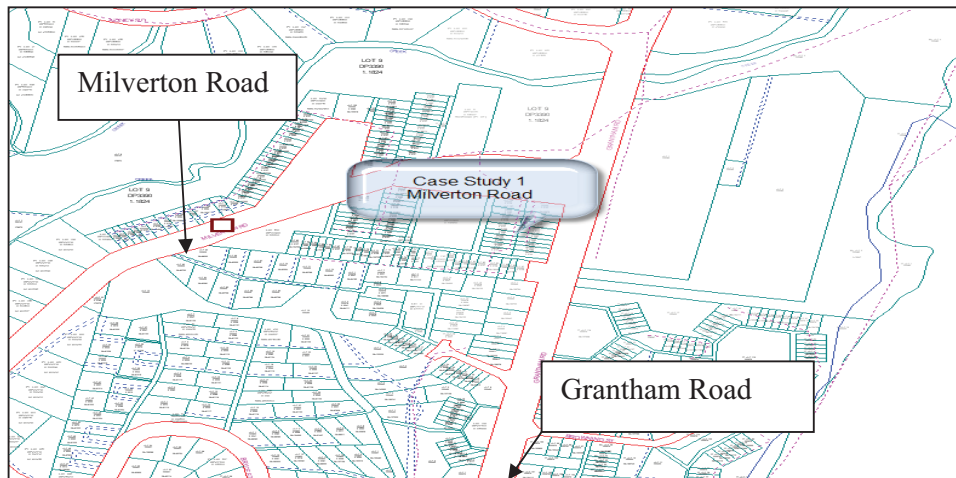
The housing in this sample area was developed to cater for low income earners and the researcher thought it appropriate to obtain the views of these old FHA tenants on various housing issues as outlined in the Questionnaire in Appendix One. These tenants have a long-term experience dealing with FHA with respect to repayment of loans and other housing issues.

Figure 3.1 Cluster Sample Areas 1-4



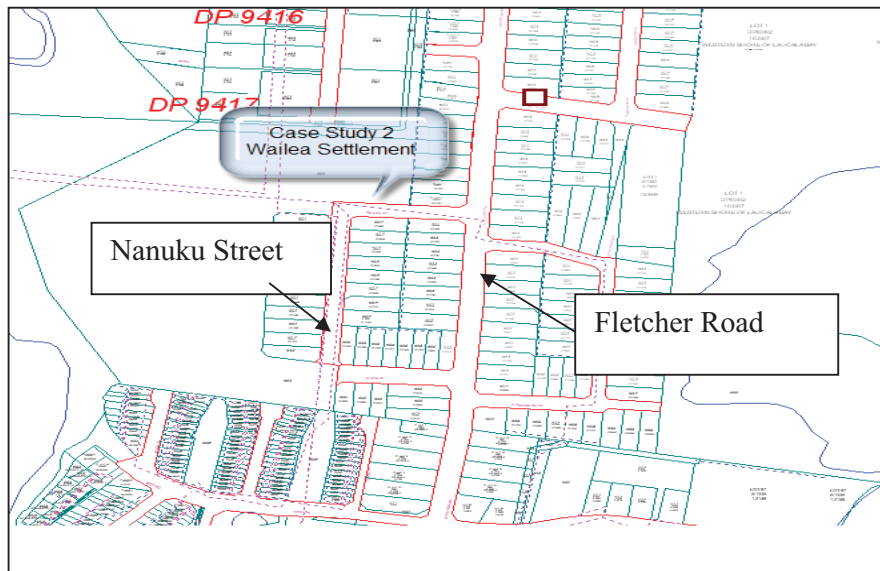
Source: Ministry of Lands (2010)

Figure 3.2 Sample Area 1 Milverton Road



Source: Ministry of Lands, Fiji (2010)

Figure 3.3 Sample Area 2 Wailea Settlement



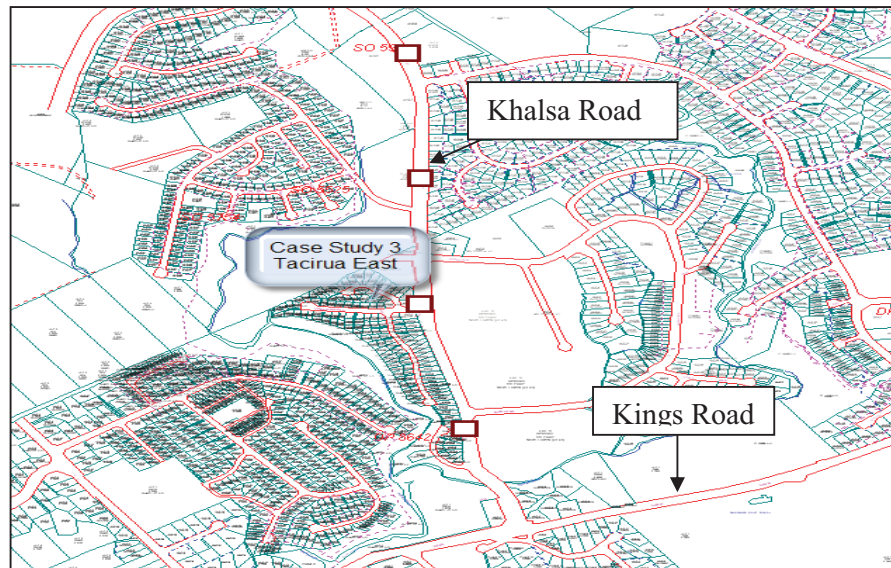
Source: Ministry of Lands, Fiji (2010)

Sample Area 2, Wailea Settlement is a large informal settlement where many squatters have spent over thirty years of residential life. This settlement is located on the outskirts of Suva City and people of all major races live in this locality. This

squatter settlement is situated between Wailea Street and Nanuku Street (Figure 3.3) in Vatuwaqa, Suva. More than 400 families have been living in this area for over thirty years. Many residents are rural migrants who come to the city looking for work and cannot afford to buy properties. As a result, they occupy small plots of state land and build homes. Housing and living conditions are generally poor in this settlement, but many settlers are having/ erecting temporary structures by using their own resources to improve living conditions.

The majority of these squatters are still struggling to find suitable accommodation with secure tenancy. This sample area was used to identify squatters' perception of the FHA as well as describe the extent and nature of help that has been rendered to them by FHA to resolve their housing problem over the last thirty years

Figure 3.4 Sample Area 3 Tacirua East



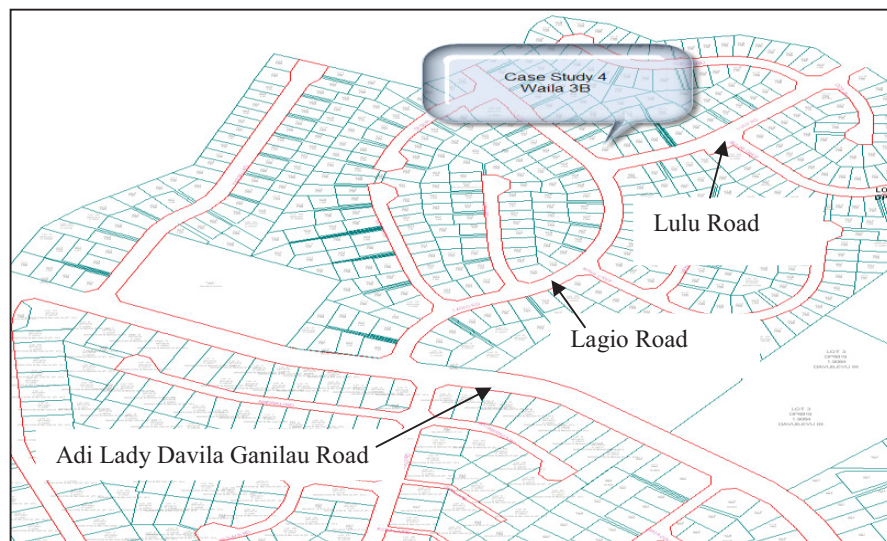
Source: Ministry of Lands, Fiji (2010)

Sample Area 3, Tacirua East was selected on the grounds that the FHA undertook this subdivision in the 1990s where vacant subdivided lots were sold to the individual tenants. Tenants have constructed buildings on the sites largely after raising a loan from FHA. This neighbourhood is located on Khalsa Road (Figure 3.4) approximately six kilometres from Suva City Centre. It comes under the jurisdiction

of Nasinu Town Council. FHA has undertaken major development work on this subdivision to produce fully serviced lots for its customers, particularly for the middle to low income earners, including squatters. Most buildings were single storey structures with a mixture of concrete and timber construction. Many buildings were self-built with finance obtained from FHA. A cross section of the tenants was interviewed to seek their opinion on various elements of the housing loans they have obtained from FHA. The terms and conditions of the loan and affordability factor have been revealed in the interviews.

Sample Area 4, Waila 3B was identified on the basis that many residents in this subdivision have been relocated from different areas. As a result, there would be personal cost associated with leaving a neighbourhood with familiar people, schools and other facilities. The notion of neighbourhood attachment captures the idea that a move to a new locality disrupts the social set up and in some cases adds cost of travelling to schools, shopping centres and workplace. A large number of settlers in this subdivision are evictees of native land whose agricultural leases in non-urban areas of Fiji have expired.

Figure 3.5 Sample Area 4 Waila 3B



Source: Ministry of Lands (2010).

3.6 Field Visits

Primary data was collected during field visits through interviews in formal and informal settlements. This involved a series of interviews conducted between Suva and Nasinu corridor, July – October 2009. A simple cluster sampling techniques was employed in the study. Samples were stratified on the basis of ethnicity, income level, gender, formal and informal housing and localities. Altogether 200 households covering both formal and informal settlements were interviewed (Questionnaire at Appendix One).

3.7 Interviewing

For statistical purposes the research requires in-depth information from people who have dealt with FHA on housing matters. The motive of interviewing was to extract first hand, rich and qualitative information to evaluate the performance of FHA as provider of low cost housing in Fiji. To obtain this information a structured questionnaire was utilised to collect information on each households, financial considerations and the perceptions of the households on key issues when dealing with FHA. Interview of 200 households were completed in-person that represents approximately ten per cent of population of each locality.

To obtain information, individuals belonging to selected group's face-to-face interviews proved to be a useful approach, particularly where for time or economy reasons it is necessary to reduce the physical areas covered. Interviews were undertaken in English with Indian and with iTaukei both English and Fijian were used. In some cases neighbours, friends and family members acted as interpreters if the prime interviewee faced difficulty in understanding English.

3.8 Housing Study for Singapore and Australia

Apart from the household interviews in the Suva-Nausori corridor, secondary data was collected to investigate the housing development for two other countries, Singapore and Australia. This was done in order to review their housing policies and effectiveness. A comparative assessment was made from these studies and compared to the Fiji situation.

A comparative analysis has enabled identification of some possible policy guidelines for Fiji on the basis of their experiences. It was considered essential to study on housing development for Singapore and Australia to find new directions for housing development in Fiji. The researcher has visited Australia and Singapore to study their housing development and spent two months in each country to collect data and discuss the important issues relating to sustainable development of housing in their respective countries.

A number of key secondary sources were utilised to collect data in Singapore and Australia. The sources of information include the review of housing related journals, books, websites and publications on the housing sector. Unstructured interviews of two researchers in Singapore and one in Australia were completed. The researchers were interviewed in order to find out more about what they perceive to be the progress on housing development in these countries. During the secondary data collection process, it was revealed that, Australia and Singapore have a good online property database relating to housing development. A summary of the interview and list of key informants is included in Appendix 7.

3.9 Evaluation and Analysing the Data

The analysis of the primary data after the field visit in each sample area required the researcher to go through the questionnaire carefully to ensure that information needed is clearly entered for future analysis. After data was extracted from each household interview, it was consolidated to determine the pattern developed for each study area. Fundamentally, analysis of data was an on-going process and involved a continued rereading and evaluation of the outcome to ensure that the objective of the research remained focused. The objective has been to develop a framework for sustainable housing development in Fiji. Limitations and potential biases may have dominated the field study. Firstly, the sampling approach does not permit the researcher to collect data beyond the targeted communities. However, this element is reduced by the selection of four diverse sampling areas with different social and economic backgrounds of the participants. The researcher has interviewed only fifty households in each sampling area. This limits the potential of generalising across and beyond the sampling areas. This has mitigated to a large extent by using the stratified

sampling method. Also the sampling method, with its use of multiple data collection methods and analysis techniques, allows a researcher with opportunities to examine various aspects, to strengthen the research findings and reach a conclusion.

Subsequently, having completed all sample areas the data was coded for further analysis. This involved allocating a specific code to each variable, concept or theme that has been identified. The codes have allowed storing the data, retrieving it and organising it in several ways. Following the coding of data it was possible to reduce the codes into smaller categories, according to the patterns or themes that emerged. The researcher has considered at every stage the importance of how the primary and secondary data that have been collected would be analysed. There are a number of computer software packages that can help to process and analyse the data. The commonly used method of coding data on a questionnaire or data record sheet ready for analysis is SPSS.

The researcher has attempted to report on the finding in such a way that has simplified the issues into one that can be easily understood by the readers. The advantage of sampling is that the data is presented in very publicly accessible ways allowing readers to apply the experience in their own real- life situations. Every effort has been made to display sufficient evidence to gain readers confidence and achieve the objective of the research.

The choice of the model to analyse empirical data depends on the researcher's perception of the research problem. In this case, the problem was perceived to relate to equity, efficiency, effectiveness, quality and affordability in the housing development in Fiji. The perception is that these important elements are lacking in the current housing development in the country and the responses from the households provide a strong basis to evaluate the current situation. The collection of this information supports the arguments formulated from the literature review that these elements are vital for the sustainable development of housing in any country.

3.10 Conclusion

The current research is on housing which is a fundamental right of every citizen in any country. The social constructivist approach to the research provided the framework of qualitative research method tools for data collection. The key to solve

the social and economic pattern of low cost housing is to enable stakeholders to come up with as many solutions as possible in different physical, social and financial environments. In this research product of largely qualitative methods and mixture of quantitative information from in-depth structured interviews with formal and informal settlers was gathered. This was considered to be the best approach for primary data collection. It provided basic socio-economic data for four settlements that shared their experience and perception when dealing with FHA on housing matters. Informal interviews with stakeholders, the comparative case studies of Australia and Singapore together with use of key secondary data on Fiji low cost housing provided the rich body of information for this study.

In the next chapter an overview of housing development in the urban sector in Fiji is discussed.

Chapter 4

HOUSING DEVELOPMENT IN THE URBAN SECTOR IN FIJI

4.1 Introduction

This chapter provides a brief geographic and demographic background of Fiji. Land tenure systems play an important role in housing development, therefore, a brief description of the types of tenure that exist in Fiji is included. Also, an overview of customary land allocated to people, who are not members of the land owning unit under informal arrangement is covered in this chapter.

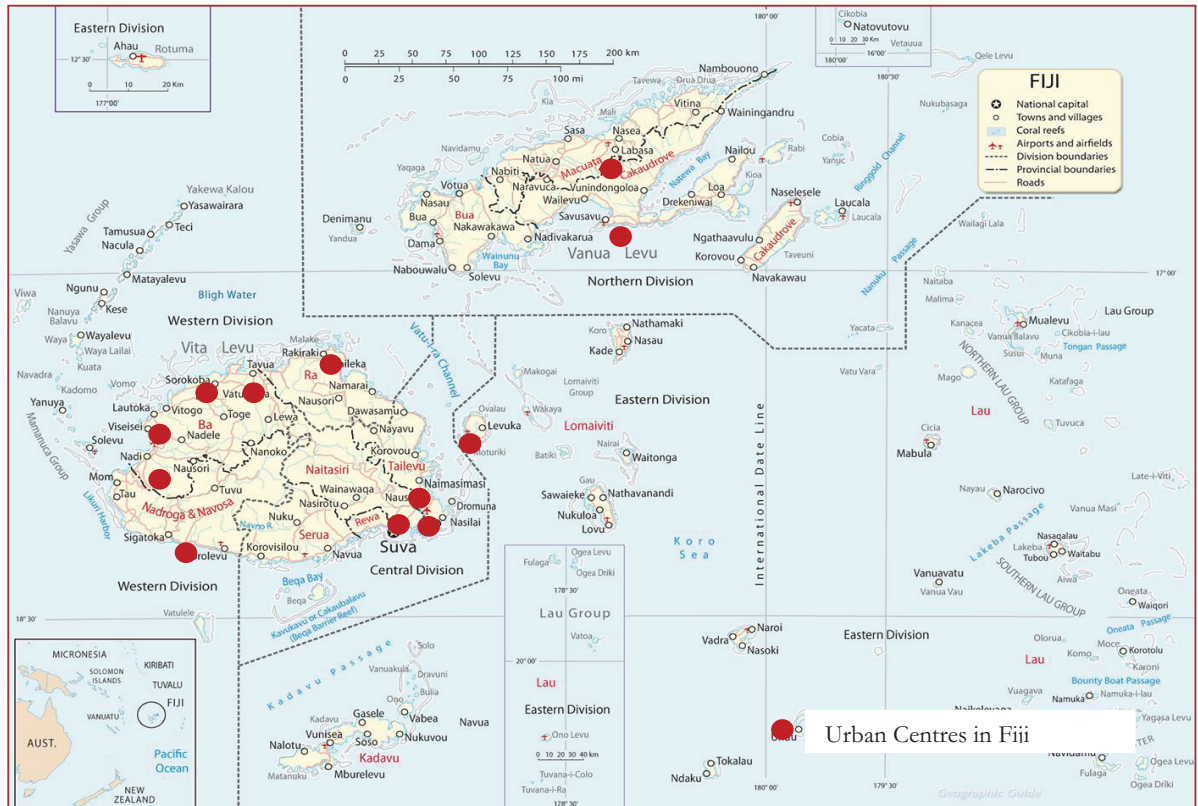
Town Planning and Subdivision of Land Acts provide a legal framework for physical planning in all urban centres of Fiji and how these legislations affect development is discussed. The housing types and characteristics of the living quarters are shown on Figure 4.3. Housing is a basic need and its quality is crucial to human life. The standard of new buildings set by the approving authorities and the escalating price of building materials are highlighted.

Several key problems faced by stakeholders responsible for housing development in Fiji are discussed and the names of religious organisations providing housing assistance are listed. The demand for affordable housing is increasing between Suva-Nausori corridor due to the increase in urban population and some of the strategies and policies that need to be implemented are discussed.

4.2 Geography, Fiji Islands

Fiji is an archipelagic in the South Pacific Ocean, comprising 322 islands of which about 110 are inhabited (Figure 4.1). Located at 18 00 S, 175 00 E, Fiji has a total land area of 18,270 sq kilometres. Viti Levu and Vanua Levu are the largest of the islands. The comparatively smaller ones are raised coral atolls, many of them unsuitable for habitation. In 1874 Fiji became a British Colony, gaining its independence in 1970, after nearly a century of British control.

Figure 4.1 Map of Fiji Showing Urban Centres



<http://www.bing.com/images/search?q=map+of+fiji+islands&view>, accessed June 12, 2013

4.3 Population

Fiji's population mainly consist of two major ethnic groups. The indigenous population made up fifty-one per cent of population in 2007 followed by Indo-Fijian forty-four per cent with balance of other ethnic groups. A broad category of age structure of the total population of 905,949 (Fiji Bureau of Statistics, 2008) is as follows: below 14 years (31.1%), 15-64 years (64.6%) and over 65 years (4.3%). The distribution of population is shown on the Table 4.1

Table 4.1 Rural/Urban Distribution of Population in Fiji, by Ethnicity, 1996 and 2007

<i>Geographic Sector</i>	<i>Ethnic Group</i>	Population Size	
		1996	2007
Total Fiji	All	775,077	837,271
	Fijians	393,575	475,739
	Indo-Fijians	338,818	313,798
	Other ethnic minorities	42,684	47,734
Rural Sector	All	415,582	412,425
	Fijians	232,240	264,235
	Indo-Fijians	170,783	135,918
	Other ethnic minorities	12,559	12,272
Urban Sector	All	359,495	424,846
	Fijians	161,335	211,504
	Indo-Fijians	168,035	177,880
	Other ethnic minorities	30,125	35,462

Source: Fiji Islands Bureau of Statistics (2008).

The urban population of 424,846 comprises 51% of the total population. Of the total population, 41% live in the Central Division which includes 58% of the total urban population. The national average household size is 4.91 and in urban areas drop to 4.75.

4.4 Fiji's Land Tenure Systems

Fiji has three main types of land holdings. Broadly, these lands are held under two different types of land tenure system, a 'western' land tenure system, and a 'traditional' land tenure system. Freehold, State and a portion of Native Lands that are leased out as 'Native Leases' operate under the 'western' land tenure system; while the communally held Native Lands operate under the 'traditional' land tenure system.

The current Western land tenure system is based on European-style, capitalist-oriented concepts, and is intended primarily to facilitate land conveyance and land and economic development. With its emphasis on individual land ownership, it applies in Fiji, as already mentioned, to Freehold, State and Native Leases. It is based on the Torrens Title Registration System⁴ and, because it is oriented towards individualistic commercial enterprises, an accurate Cadastral Surveying and Mapping System. Freehold lands are held individually or corporately in fee simple estate, and are guaranteed by the government.

State Lands are those that include land held by the State for public use such as for roads, reservoirs, dams, drains and leasing comprising residential, commercial, industrial or agricultural leases. Also the state owns all lands below the high water mark, which includes mangrove swamps and all foreshores.

The Freehold and State lands account for only 17.5% of Fiji's total land area, but as noted by Crocombe (2001), in terms of value, this category includes the best urban, commercial, industrial and agricultural land and sites for tourist resorts. .

Native Leases are those lands that have been leased out largely to allow people to use for a fixed period of time and pay ground rental. This land makes up the small proportion of accessible arable Native land (31% of all Native Land, or 25% of Fiji's total land area), and is found obviously, in the more valuable agricultural lands such as the cane growing areas, and near the main urban centres. All legal dealings relating to Native Land, such as the issuing of leases, agricultural licences, timber concessions, land subdivisions, and so on is handled by the iTaukei Land Trust Board (TLTB). The TLTB, previously the NLTB (Native Land Trust Board). The TLTB is a statutory body that was set up in 1940 as the Trustee of native owners under the Native Land Trust Act, to administer all Native lands for the benefit of indigenous Fijians and, paradoxically, for the nation as a whole.

At the national level approximately 82.5% per cent of land is native, 10% state land and 7.5% freehold. In urban areas with the mixture of three types of tenure,

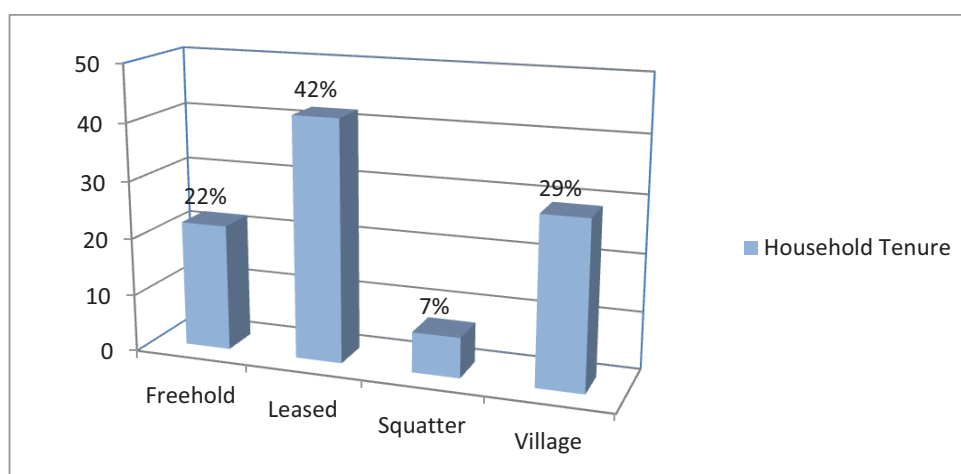
⁴ A system of land registration used in many countries in which the state issues title certificates covering the ownership of land, which serve as title insurance.

comprising predominately native lands, the key trend is that the land market is distorted by informal land tenure arrangements. In fact, there is no shortage of land, but an inability to provide adequately serviced and affordable land to the market in a timely and serviced manner. This has resulted in high land cost and housing development on limited freehold land and increasing informal and squatter development on native and state lands. The national land tenure of residential properties is shown at Figure 4.2

Most urban land now available for development is native land and the iTaukei Land Trust Board (TLTB) needs to play a major role in housing development, particularly in the urban centres. TLTB estimates that at present in the greater Suva urban area approximately 80% of native reserve land set aside for the maintenance, sustenance and support of communal land owning units is occupied by informal settlements (TLTB, 2010).

In the Central Division, 18,983 households are sited on freehold and 24,348 on leaseholds. Nationally, 93% of the total households are occupying secure tenure. The national household data shows that seven per cent of the total households live in squatter settlements and over 50% live in the Central Division (National Housing Policy, 2010).

Figure 4.2 National Land Tenure of Residential Properties



Source: Fiji Bureau of Statistics, 2007 cited in Draft National Housing Policy, Fiji, 2010.

4.5 Use of Customary Land (Vakavanua Arrangement)

Land is an important component to a healthy economy in the urban centres in Fiji. It regulates the performance of the housing industry and other sectors. In the urban areas of Fiji, Native land is available by two systems, one by the formal sector, two by informal systems. A large area of native land provides a supply of land through formal systems where TLTB issues a lease for certain duration and charges annual rental. Under the informal arrangement the native owners allow the occupation of their land (commonly known as *Vakavanua*⁵ arrangement) without the approval of TLTB. It is estimated that over 41 per cent of the urban population live under this arrangement in informally developed areas in the urban centres (MLHSSE, 2004).

TLTB is the custodian of native land and administers all native land on behalf of land owning units. In urban areas land that is available for development (MLHSSE, 2004) is owned by indigenous people. As indicated earlier a very large proportion (80%) of such land in the greater Suva area is leased informally or customarily (Vakavanua). Occupation of this land is without the consent of TLTB and represents unplanned commitments on large areas of land. It has been estimated that over 70-80% of the annual land development is available through the informal system. This is an important factor that needs to be resolved by the stakeholders. Most of the land having potential for residential subdivision is taken up by informal systems of leasing (Vakavanua). It is important that a policy is formulated to develop this land for proper leasing that would provide a security of tenure to low income (MLHSSE, 2004). To facilitate this process TLTB must act urgently to develop vacant native land in urban areas.

4.6 Urban Land Planning Policy

The Town Planning and Subdivision of Land acts provide the legal framework for the physical planning of land in the declared towns and cities of Fiji (MLHSSE, 2004). Under the jurisdiction of the Ministry of Local Government and Director of Town and Country Planning, town planning schemes and land use plans are

⁵ An informal system of leasing of land by indigenous land owners has been persisted for many years and it is based on traditional practices. These arrangements are in some cases a continuation of recognized land allocation systems in villages and in others. It is an alternative to leasing land by TLTB who is the custodian of all native land in Fiji.

prepared. The existing planning systems have limited urban management capability to meet the current challenges. It has been noted that there are more than 10 legislations that deal with urban land use planning and development and the local councils have to deal with 32 Acts in executing their daily business. Regulatory processes are cumbersome, centralised and require lengthy approval processes. This has negative impacts on many proposed developments including housing in urban areas. It can also be concluded that the current policy and institutional framework for the urban development is outdated and not efficient to promote fast growth of urban sector (NHP, 2011).

According to UNESCAP (2006) a number of factors have constrained housing development of the formal type in Fiji and in particular the non-availability of a regular supply of land. Another issue in the housing development are the high standards for infrastructure required by the approving authorities. The central and local government regulations and practices set very high standards for providing infrastructure and the creation of smaller parcels of land for urban settlements. To fulfil these high standards results in high costs that cannot be afforded by low income earners. It has been established that high standards are set because local councils do not have capital resources to upgrade the structures later.

The high cost of building materials and above factors contribute to high cost of housing which is beyond the financial reach of many potential buyers. The limited subsidies provided on housing could not be sustained for long. Land is one of the vital components in the housing sector and failing to find suitable affordable secure sites result in illegal or informal settlements. With the high growth of urban population new attitudes and approaches in the housing development is required to overcome the problem.

4.7 Urban Housing Development

Fiji has experienced a fast urban growth in the period between 2002 and 2008. As a result, the urban population has increased to 51%, almost 5 per cent after 2002. Simultaneously, urban households have grown by nearly 12 per cent over this period. The Suva- Nausori corridor is home to over 40 per cent of the urban population

(NHP, 2011). According to Lingam (2003), around 2026, approximately 13,110 agricultural leases on native land will expire and the majority of the tenants are cane farmers. All of these farmers are to be resettled. This is causing a large migration of farming community to the greater Suva area to seek employment and exploit business opportunities or to join other family members in this area.

Lingam claims that freehold and state land for housing development is exhausted between the Suva-Nausori corridor and the only option is to turn to native land. Large tracts of vacant native land are available in Lami, Suva and Nausori but the development of these lands depends on the willingness of the native owners to grant lease for residential use. Commenting on the current settlements, Lingam identified three types of informal settlements in the greater Suva area. Each of these settlements has distinct features. Urban (native) villages that are declared areas outside the jurisdiction of the local authorities are not liable to pay town/city rates. However, these villages enjoy all the urban facilities. The other types of settlement include people who are occupying native land under the *Vakavanua* arrangement. Such settlements exist in Nasinu and Lami towns. The third category is squatter settlements on all types of land.

The fast growing urban population in the last twenty years has greatly increased the demand for affordable housing in Fiji. Housing for high income earners is supplied by the private sector but the lower income group depends on institutions to buy or rent houses. According to Fatiaki (2010), there is currently a serious shortage of affordable housing for low and middle income earners, with squatting seen as the only alternative. Various housing agency initiatives are underway to resolve this problem but the supply is still well below the demand, especially in public and social housing sectors.

The key factors that affect the delivery of housing include delays in the development and approval process (Fatiaki, 2010). The development cost is very high and there is a need to explore alternative building materials and technology to construct buildings at lower cost. The availability of land is a major constraint and there is a need for more effective communication and collaboration amongst stakeholders. There is an urgent need for funding and a greater range of funding options.

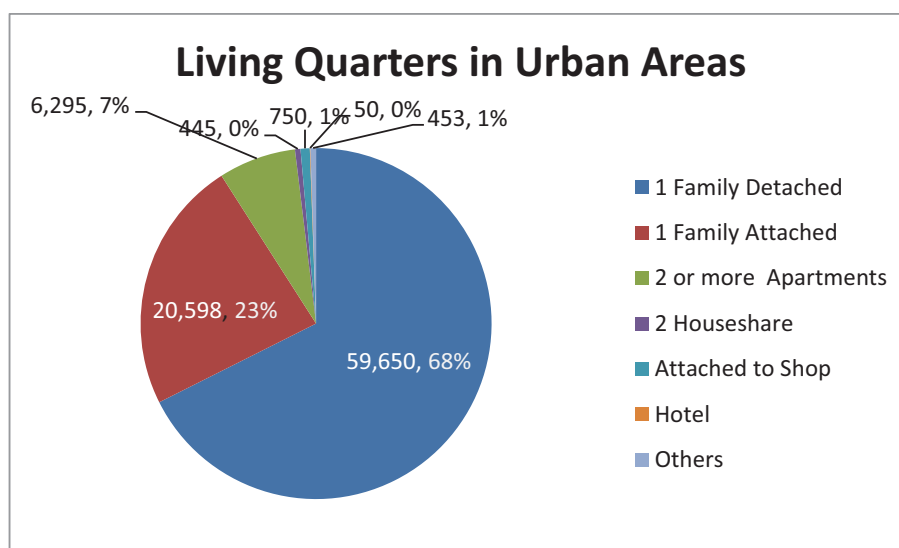
According to Fatiaki, (2010), high construction costs, resulting from the high cost of imported building materials, costly building regulations and high urban wages add to affordability problems for the poor seeking adequate shelter. The experience of Fiji Housing Authority over the past 30 years shows that some 70 per cent of the applicants for housing are unable to afford the repayments for the purchase of low-cost houses, which conform to legal requirements. The poor are left to find solutions in overcrowded accommodation or as squatters. The result is the haphazard growth of informal settlements on unsuitable sites and on the urban fringes of most towns and cities of Fiji.

The State has ceased its direct intervention in public and social housing but supports through the provision of serviced sites. Fiji Housing Authority and Public Rental Board have been able to deliver 500 lots and build 100 new units every year. These vacant lots and housing units are immediately taken up by waiting applicants. The NGOs are involved in developing houses for destitute families, through squatter settlement upgrading and interventions in housing finance. Despite these efforts the housing situation still remains critical in urban centres. The major adverse factors are housing cost, affordability, availability of land, set standard on low income housing and the availability of infrastructure. Prices of building materials have been increasing rapidly over the years, resulting in high building costs. Moreover, the lack of infrastructure such as water, roads and electricity supply has discouraged housing developers from building new homes (Fiji Housing Authority, 2001).

4.8 Quarters Structure

In the 2007 Fiji population household characteristics census, eight different types of living quarters were identified in the urban centres, as shown in the Figure 4.3.

Figure 4.3 Living Quarters in Urban Areas



Source: Fiji Bureau of Statistics (2007).

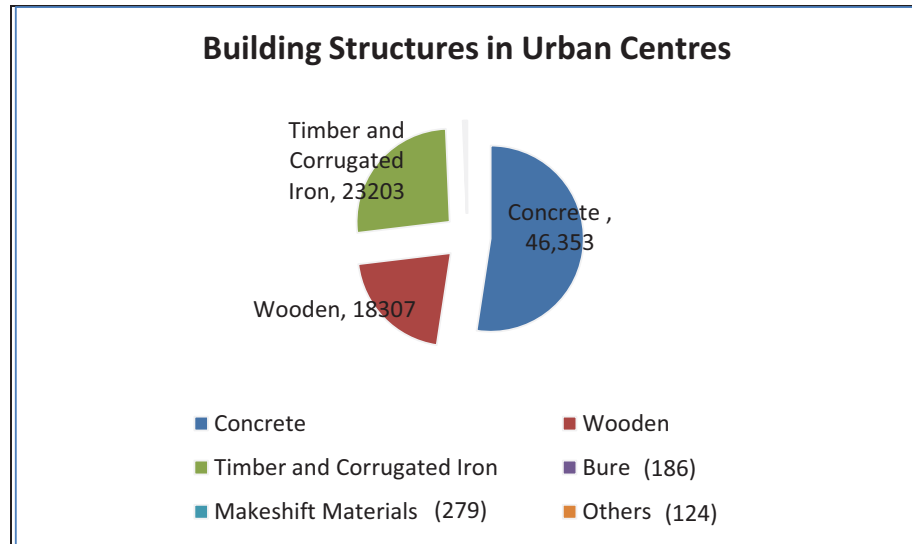
As shown in Figure 4.3, approximately 68% of the total house types are single-family detached dwellings. Housing density in Fiji is low and people prefer to live in single detached homes than other types of accommodation. Home ownership is high as 74% of the households own dwellings and of this 45% are urban dwellers. Rented living quarters include both private and public rented homes 27,454 (16%) of the total households in the country. The 82% of the total homes that are rented premises are mostly in urban areas. Public rented homes are low and comprise 2863 households and 77% of this are in urban centres (NHP, 2010).

4.9 Building Structure

A survey of homes in 2007 by Fiji Bureau of Statistics showed that there are five main types of structures in urban centres (including informal settlements) that include concrete, wooden, timber and corrugated iron, and makeshift material (Figure 4.4). Most of the houses are detached dwellings located on freehold, state or native leases. Many buildings are of simple design and construction providing basic accommodation to the property owners. Those houses, built in early 1950s are still maintained by the owners but their conditions are deteriorating due to the lack of regular maintenance and repairs. The houses that were built of makeshift materials

are of very low quality and pose a threat to the occupants during hurricanes and other natural disasters.

Figure 4.4 Building Types in Urban Centres



Source: Fiji Bureau of Statistics (2007).

4.10 An Overview of Fiji Housing Policy

Since political independence in 1970 the provision of low cost housing has been a priority of the Fiji Government in its Five Year National Plans. Government agencies that were directly involved in providing housing to the poor in the urban centres were supported by grants. Through FHA several low cost housing estates such as Makoi, Muanikoso, Waqadra, Nepani, Tauvegavega, Caubati, Lakena Hills, Caqiri, Kinoya and Wainibuku were developed and low income earners were provided accommodation. A ceiling price for low cost was being fixed from time to time, giving an opportunity for people to invest in housing. In 1980s the progress on low cost housing development was affected by recession, scarcity of state land in urban centres and military takeover in 1987. Since then housing development in the country has worsened creating a large gap between the supply and demand factors.

In 2011 after a lapse of several years a new Fiji Housing Policy (2011) was introduced. However, various agencies involved in housing development have their own operational guidelines. The Housing Act (Cap 267) basically covers the

mandate of the Housing Authority and various discretionary powers of the Housing Minister.

In the formulation of the National Housing Policy (2011) three critical problems were identified in the People's Charter, including the accessibility to land for productive use and ensuring equitable sharing of benefits, productive use of land lying idle or underutilised and reasons for the increase in the number of people living in squatter settlements and their impact on urban infrastructure, public utilities and social services.

The last workshop to formulate the National Housing Policy was organised on 7th April 2010 where a Terms of Reference to reflect on the current national and sectoral housing policies was written up on:

- public housing
- social housing
- squatter/informal settlement in urban and peri-urban areas
- village and rural housing schemes
- availability and accessibility of land for housing
- provision of affordable housing finance to low income groups
- provision of infrastructures and services for housing development

Several broad policies and strategic measures were considered important in dealing with land issues in the National Housing Policy, such as:

- a market for leased land
- making more land available for housing
- ensuring security of tenure and equitable returns to both landowners and tenants
- formalising Vakavanua/informal settlements on all types of land
- empowering indigenous landowner rights to access and lease native land.

The broad objectives of the National Housing Policy are to facilitate community participation through consultation, capacity building and training. It needs to establish a mechanism and processes for better co-ordination of efforts and

partnership between stakeholders. To fulfil the housing need, it is vital to improve the quality and quantity of public, social housing as well as village and rural housing schemes.

To achieve this goal more land would have to be made available for housing development and provision of regulatory and appropriate guidelines for low cost housing development and standards would be needed. It is important to develop a framework for housing development, financing mechanisms, rental accommodation and a home ownership system.

The National Housing Policy highlights the housing needs of all sections of the population by improving the availability and access to housing resources. The major challenge is to meet the shortfall of urban housing. The new housing demand is created by family formations, maintaining existing stock, age replacement of current stock and improving the access to services. As for squatter settlements the unmet demand has been long neglected and will receive special focus of the policy. To overcome the resource limitations in the squatter settlements the stakeholders should adopt an honest and open process by working in partnership with the poor. There is a need to share the cost of development with family saving and sweat equity.

4.11 Subdivision of Land

The Town Planning Act and Subdivision of Land Act provide the legal framework for physical planning in the country. Under the jurisdiction of the Director of Town and Country Planning, planning schemes for land use form the main tools of planning. The development assessment of land use, buildings and subdivision by local councils and the state tends to be the main activity of planning and development systems. Regulatory processes dominate, and largely centralised and lengthy processes have adverse impacts on the housing development. Much of the legislation relates to land use planning and development in Fiji. The specific pieces of legislation for subdivision of land have been only updated since their enactment during the pre-independence period. There is not a single piece of legislation that provides for overall planning and management of land. The Land Subdivision Act regulates the subdivision of land and is supplemented by planning standards prepared by the Director of Town and Country Planning and by-laws of the local councils. The

Director of Town and Country Planning is responsible for implementing the Subdivision Act in all jurisdictions except in the cities of Suva and Lautoka where these councils have their own by-laws.

Planning standards for structures, plot sizes, roads, drains, water supply and sewerage as currently set contribute to high costs of land development for residential use. Households with incomes of \$600.00 or less per month cannot afford to build a home through self-help at standards required by the controlling authorities. Unless standards are lowered, over fifty per cent of households are not in a position to build their homes. As a consequence squatting on state land, along riverbanks coastal areas and other physically precarious locations is common. A large number of households find it difficult to afford the subdivided lots even at concession prices and will continue to rely on informal settlement arrangements.

Low income group is suffering from high land subdivision costs and the price of land to build homes. Other constraints are the nature of development in terms of topography and surveying designs, land tenure and availability of funds. In the next section, an overview of the key players who are responsible for supplying housing or rental accommodation to low income earners is discussed

4.12 Institutional Development in the Housing Sector

It is important to discuss some of the major problems faced by the key players responsible for the development of affordable housing in the country. The issues highlighted in this section are not an exhaustive list of factors but serve as a checklist against which the discussion of housing shortage is placed in context. The key players in the public housing development are the Fiji Housing Authority and the Public Rental Board.

- a) The Fiji Housing Authority is the key player and operates as a statutory body⁶ to provide housing to low income earners. In the past the Housing Authority was involved in the subdivision of vacant land before building houses and selling them to the low income groups. In the recent years it

⁶ Is a semi-government body created by legislative enactment and operates under certain guidelines. Some of these statutory bodies receive government grants to operate as a viable institution.

has been concentrating more on subdivision and selling vacant lots. It also engaged in providing housing loan to low income group to build homes.

- b) The Public Rental Board was established under the Housing (Amendment) Decree Number 12 of 1989 and governs under the provisions of the Housing Act, Cap 267 of 1985. The role of the Board is to provide rental accommodation to the poor at an economically sustainable basis subject to the availability of resources and demand. The Cabinet decision, number 427 of 10/12/91 approved workers a wage ceiling of \$300.00 per week for subsidy eligibility to those tenants that are not able to pay full economic rent. State has been subsidising rentals since 1990 as part of its social obligation and commitment to assist the disadvantaged groups and low income earners.
- c) The Housing Assistance and Relief Trust (HART) - a voluntary organisation that has a core policy to construct low-cost housing units or flats to accommodate the destitute and very poor families in the society. It was established in 1970 by the Council of Churches. HART commenced building houses in 1972 and today has over 500 flats at 17 locations throughout Fiji. The occupants of HART flats are mostly widows and women from broken families. HART is assisted by the State through grants to cover the cost of administration, construction and maintenance of buildings and purchasing of land.

- d) Model Town Charitable Trust is a charitable trust which aims to provide housing to the lowest income groups. It has built over 800 homes in the Western Division of Fiji. This organisation targets its housing towards squatters with lowest income level. This group comprises 35 per cent of the squatter population (NHP, 2010). Financial support of this organisation is through the State grants, Rotary Club of Lautoka, Hart homes, ECREA and NZAID.

- e) People's Community Network, Fiji (PCN) is a community based organisation formed after years of serious workshops in social analysis, community empowerment and economic literacy. This organisation is based in Suva and meets expenses through the Government grants. The government commenced funding in 2009 for land and housing (NHP, 2010). The aim of PCN is to provide the poor with settlement opportunity and improve their living standard, gain secure land tenure and housing.

- f) Habitat for Humanity Fiji is a non-profit non- government organisation engaged in building safe and decent affordable housing for low income earners. The wider activities of the Habitat include building community structures such as schools, health clinics, orphanages and destitute homes. Since its establishment in 1991, HFH has built over 700 homes in Fiji.

- g) Fiji Council of Social Services is not directly involved in the building of houses but plays a leading role in the provision of affordable housing. The Fiji Council of Social Services have always played a leading role in the provision of affordable housing either as advocates for social housing or providing shelter to the poor. Another role of this organisation is to provide basic social services like food, clothing and welfare to people living in informal settlements (NHP, 2011)

4.13 Religious Organisations

Several religious organisations are involved in providing housing assistance and some are:

I. The Fiji Muslim League

A Housing Trust that was set up in 2007 to help the poor with housing. Housing development is undertaken on land bequeathed by its members. Also poor Muslims are assisted through cash grants for rebuilding damaged houses. Funds for housing projects are collected through public donation locally and abroad. Fiji Muslim League branches and subsidiary bodies like Fiji Muslim Women's League, Fiji Muslim Youth Movements and its branches are actively involved in welfare services such as supplying food and clothing to the poor in informal settlements and low cost housing areas (NHP, 2011)

II. The Roman Catholic Mission of Fiji

Most of the Catholic assistance is channelled through HART. Other basic social services are provided through the St Vincent De Paul Society, based in all districts of the church's activities. St Vincent also provides temporary shelter and operates the Father Low Home to those with terminal illness and the elderly.

III. The Methodist Church in Fiji

The Methodist Church is involved in acquiring land that is currently occupied by the squatter settlements. The Church intends to develop the land for social housing and provide secure tenure to the low income groups. The Church is leasing out its own land to the Housing Authority for housing development in Davuilevu, Nausori.

IV. Seventh- Day Adventist Church

Housing is a community development project undertaken through the Head Office and Regional centres. The housing development programme is

supervised by the welfare department of the Church. It has a very strong programme which works in a number of low cost housing areas to provide basic services.

4.14 Public Sector Role

The role of the State in the housing development has changed over the years. The State land is administrated by the Department of Lands and Survey under the provision of the State Lands Act (Chaps 113 and 132) and State Lands (Leases and Licences) Regulations 1980. The government holds 6% of the land in the country of which approximately 36% (approximately 6000 leases) is under residential use. In the past the development of residential blocks was carried out by the State where basic services were provided prior to the leasing of the sites to individual tenants. Initially the lease was granted for twenty-five years at a nominal rental and on expiry, it was extended to ninety-nine years. Ground rental would be based on two and half per cent of unimproved capital value of the land if the tenants occupy the building. In case of subletting the premises, the ground rental would be increased to three and half per cent of the unimproved capital value of the land. This was a concession on rental provided by the state to encourage residential development. The maximum rental that can be charged under the Act is six per cent of the unimproved capital value.

The State charged leasehold market value on a large piece of land subdivided by a lessee. The State regarded this as neither harsh nor arbitrary and it is based on solid land management principles. Over the years state land has been subdivided under this scheme and the subdivided lots are leased out to deserving cases and nominees of the developers. In the process, the State charges rental and leasehold market value to the incoming lessee. The leasehold market value was charged on the pretext that the new lease would acquire a security value. The security value rightly belongs to the landlord, as these are protected leases under the State Lands Act, which means the consent of the landlord was required for any dealing.

The State believed the merits of charging leasehold market value derive from the fact that granting of consent for subdivisions means the lessee was acquiring an asset or a value to the land for which the lessee has not paid any monetary value. Land rent has

not provided the State with a fair share of benefit after approving the subdivision. In the circumstances, the State considers it quite fair and reasonable to collect leasehold market value. Also, the charging of leasehold market value also discourages the speculation in state land.

In some cases land was allocated by the State to prospective developers under development lease. This subdivision was restricted in that the land can only be used only for residential purposes. These development leases are limited to 3-5 years and a nominal rental was charged. It required the developer who has capital and expertise to complete the development within a specified period. The developer profit was selling the lots after deducting the development cost.

The major setback to this type of development was the policing needed to ensure that the developer charges only a cost that was related and realistic to the subdivision. Another aspect of policing needed was to ensure that the developer complies with local authority requirements otherwise, the state would be left with the responsibility for building roads, drains and other infrastructure not constructed in accordance with subdivision and planning requirements.

The fourth policy that the State has implemented to fulfil housing needs was by leasing out large tracts of state land to the Housing Authority of Fiji (statutory body) at a nominal rental for 99 years. It was expected that the Housing Authority would subdivide the land and directly build homes or sell the vacant lots to deserving cases. The other option taken was to create housing blocks and sell the plots to citizens with soft loans to build their own homes. Through this arrangement a large residential development has taken place in the country.

In issuing leases to the Housing Authority the State has not formulated any policy to direct the terms and conditions under which the lots should be subleased. The State as the owner of the land has powers to decide how the lots should be sold or leased out. Ownership of the land gave the State all the power necessary to bring about positive planning and implementation of policies that would facilitate housing development in the country. The State should monitor the activities of the Housing Authority to see that it does not enter into speculative property development and does

not deviate from its objectives. The Authority should also formulated a clear policy that requires a proper understanding of the economical, fiscal and social trends at national, regional and local levels with respect to housing development.

Several other government agencies play an important role in the housing sector. The key agency is the Ministry of Local Government, Housing and Environment, which has the overall responsibility for housing in Fiji. The Department recognises the instruments that deal with adequate housing and entitlement of everybody to housing. The State is party to and accepts the International Covenant on Economic, Social and Cultural rights that has been ratified by 108 states. This provision contains the most significant foundation of the right to housing in the body of legal principles that include the international human rights law. It acknowledges Article 11.1 of the Covenant dealing with the rights of everyone to adequate food, clothing and housing. In addition, the State is honouring both the UN Declaration on Social Progress and Development (1969) and the UN Vancouver Declaration on Human Settlements (1976) that deals with the rights of everyone to adequate housing (Fatiaki, 2010).

Other agencies include:

1. The iTaukei Land Trust Board – This board effectively controls the development of available native land in the urban areas. Large tracts of land in several urban centres are native land having high potential for residential subdivision. Since native land is creating a monopoly in the urban centres a more collaborative approach is needed by stake holders to develop native land for housing purposes.
2. The Department of Lands and Survey – This department addresses the informal housing, land and titling. Most of the available land in urban centres has been released for housing development.
3. Local councils administer land and housing development regulations in their respective municipal areas. Overall, government services in housing are fragmented and coordination among the agencies is limited. This reflects the achievement and lack of institutional strengthening by the agencies to address housing needs. Private sector involvement in low-income housing is limited

4.15 Performance of Fiji Housing Authority

FHA is a public housing provider in Fiji and mandated under the Housing Act (1955) and began operation in 1958 (NHP, 2011). Section 16(1) of the Act stipulates that its objective is not to make profit but to enable workers and their families to obtain accommodation suitable to their needs at the minimum cost without the Authority incurring a loss, Arthur Anderson Corporate Finance Limited, 2000). In 2000 the FHA accumulated losses of over 24 million and in the past has been largely dependent on the support of Government for its continued operation as a going concern. The loss arose as a result of policy directions and poor performance by the Authority. However, the failure on low income housing development project funded in 1990 by the Asian Development Bank and International Bank for Reconstruction and Development has had a large effect and been a major influence on the overall shape of housing policies in Fiji. Its legacy continues to have an influence on the position and performance of the FHA in the subsequent years.

The Asian Development Bank (ADB) project performance report in December 1999 was packaged as a set of complementary parallel components financed by grants and loans from the Asian Development Bank, the World Bank, the United Nations Development Programme and the Government of Japan. In particular, the ADB financed the Housing Authority's management operation system, residential land development, provision of mortgage finance and rehabilitation of rental units transferred from the Authority to the Public Rental Board.

The ADB financed project was specifically designed to address the main constraints on the provision of affordable housing to the lower income groups. The key element was the lowering of housing standards, which was incorporated into the project development. However, recommended standards were not lowered and other factors negated the cost savings for the project-financed land. The incremental housing concept was not supported by policy development and not promoted. As a result, housing costs were not reduced. The ADB input did not produce any significant benefits and its failure was laid at the FHA's weak and inappropriate management of the project (Asian Development Bank, 1999).

The Asian Development Report (1999) revealed that FHA was able to produce and sell the targeted number of lots and disburse the Project's mortgage. This was made possible not by reducing housing costs but by targeting higher income groups who could afford what was offered. Housing costs exceeded those expected at appraisal. Project management proved to be weak and the Authority was much concerned with the financial condition, rather than about the development of objectives. Implementation of the project was unsatisfactory, and neither the long-term nor short-term target of establishing more affordable housing arrangement for low-income groups was achieved. Formal housing remains beyond the reach of the target group. On the other hand, the number of informally housed families increased rapidly. The ADB rated that overall the Project was unsuccessful.

On further analysis of the project, ADB identified two key issues for further development of the sector:

1. Firstly, the FHA needed to find a balance between the cost of housing and what the lower income groups could afford. Various options were available but lowering of standards of the buildings was required to reduce the cost of construction. The Housing Authority considered such modification of standards undesirable, the alternative of informal housing entailed even lower standards.
2. Various public sector efforts directed at lower income earner housing were uncoordinated, have gaps and overlap. The full extent of the housing problem was not quantified and responsibilities were not assigned, making it difficult to allocate resources. More information and resources were needed to monitor and support the public effort in overcoming this weakness.

The ADB Project Performance Audit Report (Asian Development Bank, 1999) which was concerned with evaluating the outcome of the ADB funded project against social goals clearly demonstrated the position of the FHA. In the review period, the FHA built 822 houses and about 25 per cent of the project lots. Due to poor construction work many houses were not sold and some that were sold were returned to the FHA. In the process, FHA incurred large losses in rectifying the defects and damage to houses that were unsold for an extended period. At the end

of 1998, approximately 192 houses remained unsold. Most of these houses were under the ADB loan. Also many lots were sold at cost or at a loss because of the poor reputation that FHA subdivisions have gained as a result of the poor quality houses produced in various subdivisions. The FHA remained financially weak, not having recorded a profit for many years. The FHA was burdened by arrears and unsold stock of expensive and defective houses that does not allow borrowing funds without Government guarantee. The FHA financial review indicated that inappropriate management, lack of focus on development objectives and poor decisions were the main causes of the Authority's weak performance. The pressure on the FHA to improve its performance is likely to limit its future ability to serve households below the 50th percentile (ADB, 1999).

4.16 Real Estate Brokerage

In many countries, including Fiji, the nature of real estate brokerage services, especially those provided in residential sales transactions, has changed drastically in recent years. In earlier days real estate brokerage firms were primarily one-office family run operations. The broker listed an owner's property for sale and attracted a buyer without assistance from other brokerage companies. The sale was negotiated and it was clear that the broker represented the seller's interest. In subsequent years, the buyers and sellers have been brought together and the mode of selling properties has changed. Brokers have started to share information regarding properties they listed, resulting in two brokers cooperating to sell a property. This has expedited sales by increasing a single property's exposure to a greater number of potential buyers. Both brokers still represent the seller's interest. While this arrangement benefits sellers, buyer's interests are not protected. Accurate, factual information and objective advice is not provided to buyers, particularly in the face of increasingly complex real estate transactions (Galaty, Allaway and Kyle, 2003)

The Internet has brought a huge change to the real estate industry and buyers and sellers rely heavily on Internet usage for a variety of services. Many of the real estate agencies from abroad such as R Hookers, Harcourts, Raine and Horne and Bayleys Real Estate who have established their offices in Fiji have Web sites that provide

databases for property and other searches. E-mail is yet another powerful tool making communication between real estate agents and potential property buyers much easier. All these developments have enhanced the real estate activity in Fiji and one of the factors that contributed to the increase in the market value of residential properties.

4.17 Constraints on Housing Development in Fiji

The housing finance system is well developed in Fiji. The Fiji National Provident Fund⁷ is the provider of initial deposits and the Fiji Housing Authority lends loans to middle-income earners. Home Finance⁸ and commercial banks serve the higher income market, and are more connected to the commercial financial market and mobilise capital for housing loans from these sources. The interest subsidies introduced by the Fiji Housing Authority and other lending institutions in recent years could not be sustained for long and have not produced any real benefit to property buyers.

The demand for affordable housing is increasing because of the growing urban population. The impact of this is highest in the Suva District. The housing market mechanism is not functioning due to constraints highlighted above and financial mechanisms that meet the affordability levels. The limited housing stock commands high prices and the building industry is not able to play its usual role as the generator of economic growth and creator of employment opportunities.

⁷ It was established in 1966 under the FNPF Act. The Fiji National Provident Fund is Fiji's largest financial institution. It is only superannuation fund that is mandated by law to collect compulsory contributions from employees and employers, towards the retirement savings of all workers in Fiji

⁸ Home Finance Company Limited was founded in 1962 and is based in Suva, Fiji with additional offices in other districts. Home Finance Company Limited provides financial assistance to individuals and companies for buying properties, loans for business and investment via term deposits.

Urbanisation requires the availability of serviced land on a regular basis for housing development in the urban centre. As freehold and state land is limited, most of the development will have to take place on native land. Government and landowners need to formulate ways of adapting and managing native land to the modern opportunities and requirements of orderly urban housing development. New land policy initiatives on native land would enable homebuyers to invest in housing on this tenure type.

The escalating housing prices affect the middle to lower income groups because they cannot compete with buyers of the upper income level. Public housing developers such as Fiji Housing Authority and Public Rental Board will not be able to develop sufficient new housing to meet the demand in the near future due to the unavailability of utilities such as water and sewerage. Several lending institutions in Fiji, such as commercial banks, direct their mortgage activities towards the higher income groups. The cost of borrowing money and interest rates are once again moving up and are not affordable by lower income groups. For these reasons, even a huge reduction in the building costs through subsidies in the coming years would not increase housing supply (Fatiaki, 2010).

4.18 Conclusion

This chapter has highlighted that most urban land now available for development is native land and the iTaukei Land Trust Board (TLTB) needs to play a major role in housing development. TLTB estimates that at present in the greater Suva urban area approximately 80% of native reserve land that is set aside for the maintenance, sustenance and support of the communal land owning units is occupied by informal settlements. This allows the use of native land for informal developments consented to by land owning units without the involvement of the Board. The informal arrangement to occupy land causes unplanned commitments on large tracts of native land that have great potential for housing development. Currently, only native land is left between the Suva-Nausori corridor for development and the Board and landowners need to formulate ways of adapting and managing native land to meet modern opportunities and requirements.

The key factors that affect the delivery of housing include the delay in development and approval processes. Development costs are very high and there is a need to explore alternative building materials, technology and construction methods to build buildings at a lower cost and withstand cyclones. Also the availability of land is a major constraint and there is a need for a more effective communication and collaboration amongst stakeholders. As for funding, there is an urgent need for a greater range of funding options.

Since the 1980s the State has ceased direct intervention in public and social housing but offers support now through the provision of serviced sites. With severe financial constraints and lack of managerial capability the Fiji Housing Authority and the Public Rental Board have not been able to fulfil demand for housing. Other organisations such as the Housing and Relief Trust and other NGOs are engaged in developing houses for destitute families as well as through squatter settlement upgrading and interventions in housing finance. Despite these efforts the low cost housing situation still remains critical in urban centres. Contributing factors as highlighted earlier are cost, affordability, land shortage, standards, the availability of infrastructure and services. Building material costs have been escalating. The lack of infrastructure such as water, road and electricity supply has discouraged housing developers from building new homes.

A new housing policy at the national level was been introduced in 2011. However, various agencies involved in housing development have their own operational guidelines. The Housing Act in 1955 (Cap 267), which has existed for some time basically covers the mandate of the Fiji Housing Authority and various discretionary powers of the Housing Minister. In the formulation of the National Housing Policy (NHP, 2011) three critical problems were identified including the accessibility to land for productive use and ensuring equitable sharing of benefits, productive use of land lying idle or those that are underutilised, and reasons for increase in the number of people living in squatter settlements. To achieve the goal of national housing policy requires making available more land for housing development and providing regulatory and appropriate guidelines for low cost housing development and

standards. It is important to develop a framework for housing development, financing mechanisms, rental accommodation and a home ownership system.

In issuing of leases to the Fiji Housing Authority on large tracts of state land, the Government has not formulated any policy to direct the activities of the Board. The State as owner of the land has powers to decide how the land should be developed and leased. Ownership of the land gives the State all the powers necessary to bring about positive planning and implementation of policies that would facilitate low cost housing development in the country. The State requires monitoring the activities of the Fiji Housing Authority to see that it does not enter into speculative property development and does not deviate from its objectives. The FHA has not been able to fulfil the housing demand because it could not provide cheaper homes that can be afforded by a large number of the low income earners. This leaves FHA with a relatively small number of clients. To overcome this problem there is a need to formulate a clear policy that requires a proper understanding of the economic, fiscal and social trends at national, regional and local level for low cost housing development.

The public housing programme has become a hallmark of the Singapore society over the years. The difficult goals met reflect the soundness of the strategy adopted in the approach to public housing in the country. Strong government support in the form of political and financial commitment as well as legislation helped shape early public housing programme. The success of public housing development in Singapore is covered in the next chapter.

Chapter 5

LESSONS LEARNED FROM SINGAPORE HOUSING

5.1 Introduction

This chapter deals with the history of housing development in Singapore. Its housing programme goes back to 1964 when the public housing programme was given development priority. A brief history of the country is given followed by the country profile. Housing development programme was administered by the Housing Development Board and a brief history of the Board is provided.

Housing development has made a steady progress in Singapore and how it was achieved is explained in this chapter. Housing development and relocation schemes were the priority of the Housing Development Board in the early stages of development and the strategies adopted are highlighted. Efficiency is an important factor in the housing sector and how this was achieved in Singapore is discussed. In Singapore, the lowest-income earning citizens are not excluded from the housing system. How this is achieved is covered under affordable housing provision in this City-State . Other important issues dealt in this chapter include equity in housing allocation, effectiveness of housing supply and quality of homes.

5.2 Country Profile

Singapore is a city-state (Figure 5.1) that achieved self-rule from British Colonial Government in 1959 and full independence in 1965. It comprises one main land and 60 small islands with a total land area of 685.4 square kilometres and a population of 4.1 million. As compared to today, forty years ago Singapore was an undeveloped country with poor living conditions and covered largely with forest. Following independence Singapore experienced fast urban growth, economic, environmental and social problems, a high population growth rate, inadequate housing development, low economic growth and high unemployment. Besides a deep water port and human resource, the country did not have any other natural resource.

Briefly, an effort to develop Singapore's limited land resource began in 1960 and the Housing Development Board (HDB) in Singapore was established as the public housing authority and a statutory board under the Ministry of National Development. Over the next four decades Singapore was transformed from an undeveloped island into an internationally recognised nation with a modern business and commercial centre. Singapore has attained a physical environment conducive to economic growth and a pleasant life.

Figure 5.1 Map of Singapore



Source: http://www.appliedlanguage.com/maps_of_the_world, accessed June 7, 2010

5.3 History of Housing Development

The Singapore housing programme goes back to 1964 when the public housing was given development priority (Yong, 1999). Home ownership policy is the cornerstone of Singapore's public housing programme. The housing price is kept affordable by various measures such as new flats were sold by the Housing Development Board

(HDB) at subsidised prices. Eligible flat owners receive access to home financing at concessionary interest rates. First-time lower-income families also enjoy additional grants on top of the existing housing subsidies. Other key policies include the availability of land as the first priority of the HDB. The Singapore government maintain that adequate quantities of land must be available to carryout housing development to accommodate the urban poor. This requires forward planning and identifying and earmarking suitable land. Generally land is an available resource in most countries but the lack of political will and understanding of the dynamics of urban development that hinders the process. Other adverse factors are ideological hang-ups about the land issue in the free market system, the short sightedness of the urban elite and the lack of poor planning practices.

The resettlement policy in Singapore for households aims at equitable payments, limited readjustments and real improvement in housing conditions. The concept is to provide an environment conducive to community living, integrating the population, maintaining traditional family structure and provide incentives for upward social mobility through opportunities for home upgrading. For repayment of loans the buyers are given the option to repay the mortgage over 5-20 years and the interest is much lower than market rates. For Singapore housing, Huat, (1996) claims that social or public housing is a-political commodity. Various ways in which the market is successful and to ensure that it provide adequate housing at all levels requires state intervention. State assistance as demonstrated by Singapore can take different forms such as direct provision, rent or mortgage subsidies, subsidies on cost of construction undertaken by private builders, concessions to private developers on the price of estate land or combination of these strategies.

Leasehold ownership scheme is believed to be the strength of Singapore's public housing scheme. Income derived from the sale, rents from commercial and industrial developments and revenues from ancillary services such as car parks and markets provide substantial returns to HDB. The return is in turn reinvested into a new cycle of housing production and only a margin of government subsidy is required. HDB is also committed to fostering community cohesion. Different flat types and estate

facilities are provided at each estate to promote interaction among Singaporeans of different backgrounds, socio-economic status and ethnicity.

An Ethnic Integration Policy in Singapore ensures a fair representation of the different ethnic groups, allowing each public housing estate to be a microcosm of the multi-racial Singapore. This proves that the public housing policies and schemes are formulated not only to meet changing needs and aspirations, but are also in support of national objectives such as racial harmony, stronger family ties, and focus on sectors of the population in need of specific attention such as the elderly and those who may be in financial difficulty. In Fiji, the development cost of land is very high (Fatiaki, 2010) and to mitigate the cost perhaps a high density development can be investigated. This would allow the construction of several units on a site and individual tenant is given strata title.

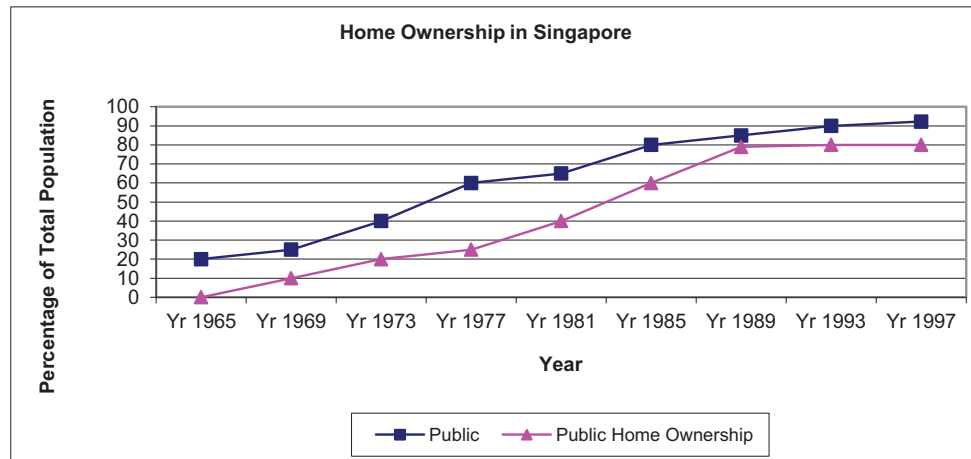
5.4 A Brief History of the Housing Development Board (HDB)

HDB was set up at a time when a large number of people were still living in unhygienic, potentially hazardous slums and crowded squatter settlements packed in the city centre. Taking over from its predecessor, the Singapore Improvement Trust, HDB was tasked with solving the nation's housing crisis. Today, about 86 per cent of Singaporeans live in HDB flats, compared with only nine per cent in 1960 when HDB was first established. As shown in Figure 5.2, approximately 92.3 per cent of households are homeowners of whom 89 per cent are public home⁹ owners and 11 per cent are private home¹⁰ owners (Yong, 2009). Home owners hold equity in both housing and lease.

⁹ Singapore's public housing is where the low cost housing apartment is leased to the poor for 99 years by the Housing Development Board

¹⁰ Private home- owner housing accommodates households in the upper –middle to upper income ranges (11.2% of residents households) as well as foreigners (Yong, 2003).

Figure 5.2 Homeownership in Singapore



Source: Yong, T (1999). Page 101

That such difficult goals were met by HDB reflected the soundness of the strategy adopted in the approach to public housing, which proved effective in handling the housing crisis of the 1960s. The housing development strategy comprised three important fundamentals (Yong, 1999).

- a) The concept of a sole agency in charge of public housing enabled more effective resource planning and allocation. This made it possible for HDB to secure land, raw materials and manpower for large-scale construction to optimise results and achieve economies of scale.
- b) A complete process was followed from planning, designs, land assembly, construction, allocation, management and maintenance of housings.
- c) Strong government support in the form of political and financial commitment, as well as legislation, helped put the early public housing programme on the right track to house the people (Yong, 1999).

5.5 Progress in the Housing Sector

HDB has been given wide powers to acquire land, resettle, carry out town planning and involve itself in other activities connected to the construction of public housing through developing housing estates and new towns. The Board is further supported by finance and technical capabilities to develop new housing and required

infrastructure. Under the powers of operation and financial support, the HDB has over a period of less than thirty years built more than half a million flats, and connected facilities such as commercial centres recreational facilities, light industrial estates and 20 new towns (Yuen, 2007).

By 1999, approximately 86% of the country's population was living in public housing and over 80% were owner-occupiers. The economic prosperity generated the residents' demand for housing and also enabled government to undertake and finance many development projects. The success of HDB created a situation where through housing development in various areas the government has been able to disperse the population from city overcrowding to different parts of the main island. The new towns with public housing enabled the redistribution of population, reducing the pressure of urban growth.

A new pattern of town and housing development has integrated the population within a structured framework, thus allowing employment and services to be provided away from city centres. The new towns are unique in the sense that housing development comprises high-rise, high-density areas, each housing more than 200,000 people on the site away from the central city centre.

Land acquisition has been a major step taken by the government to increase the pace of development in Singapore. Under the Land Acquisition Act the state and its agencies have powers to compulsorily acquire any land and building for public purposes or national development. Once the land is acquired just compensation is payable to the affected owners. The advantage of having powers to acquire land, enables the state and agencies to assemble fragmented land to carry out various development programmes. In the years 1959 to 1985, the state has acquired 17,690 hectares of land, approximately one-third of the total land area of Singapore. HDB was the highest user of the land acquired in this period (Yuen, 2007)

5.6 Housing Development and Relocation Scheme

In fulfilling housing needs in the early years, the strategy was to meet immediate housing shortages (Yuen, 2007) Priority was given to quantity rather than quality of

housing. Once the housing shortage was overcome, upgrading was gradually completed to enhance living conditions of the population. The housing development strategy has been to provide good accommodation and environment in the new towns. In the process of systematic housing development programmes, the slums and squatter colonies have disappeared. Relocation is facilitated by cash compensation. This has made relocation a much easier and less distressing exercise. The relocation of affected owners is readily accepted by people on the basis that financial assistance was generous, allowing families to meet the increased cost of living in high rise housing.

Efficiency in housing development requires an ability to provide housing without wasting resources. How high efficiency was achieved in the Singapore housing sector is highlighted in the next section.

5.7 Efficiency in Housing Supply

Introduced in 1964, the public housing programme has become a hallmark of Singapore society over the years. Today, 81% of the population is housed in almost 900,000 flats across Singapore. Of the people living in HDB flats, about 95% own their homes. Home ownership policy is the cornerstone of Singapore's public housing programme. It has given Singaporeans a valuable asset and a stake in the country and its future (Yuen, 2007).

The success of public housing development can be largely attributed to the provision in the state policy of compulsory acquisition of land for public purposes, including housing. Without the availability of land there would be no housing development. In 1960, only 44 per cent of the land in Singapore was owned by the state and 35 per cent of people lived in squatter settlements. With the implementation of the legislation, the land issue was resolved and ensured the availability of unencumbered land to supplement the stock of state land. Compulsory land acquisition has been the most effective way of securing land for housing development. The Act establishes the resettlement policies that enable large areas of squatter land to be cleared and squatters to be relocated in low-cost flats. This has enabled the squatter population an opportunity to enjoy better housing and living standards with a full complement of

services. Despite the high density development, provisions have been made for facilities to support an improved housing environment (HDB, Annual Report, 2006).

Third World Network (1999) reported the success of Singapore housing and attributed it to the strong political commitment to public housing, financial commitment that came in the form of loans and subsidies, statutory powers that permit the government to acquire land cheaply and quickly, exercise legal authority on public housing development and administration, and allowing home buyers to withdraw their Central Provident Fund to use as equity on house buying. Third World Network (1999) pointed that land acquisition by the state for public housing may be a controversial matter. This can be seen as infringement of the individual's right to the ownership of land. Others believe it is one of the prerequisites before a government can embark on such a process. In any case, the issue that must be given top priority is fair compensation and the provision of sufficient and suitable housing to resettle displaced people. Generally, land is an available resource in most countries but the lack of political will and understanding of the dynamics of urban development hinder housing development process. Other adverse factors are ideological hang-ups about the land issue in the free market system, the short sightedness of the urban elite and the lack of poor planning practices. One of the major obstacles against public housing programme was the need to clear slums and squatters to gain access to land for housing development.

5.8 Affordable Housing

In Singapore even the lowest-income earning citizens are not excluded from the housing system. New flats are sold by the Board at subsidised prices compared to equivalent flats in the open market. Eligible flat owners enjoy access to home financing at concessionary interest rates, while first-timer lower-income families also enjoy additional grants on top of existing housing subsidies. In December 2004, approximately 37,823 households could not afford to buy their own flats or rent homes in the open market. As a result, their occupation of the 1-2 room public rental flats was heavily subsidised. This was made possible through the government's policy of providing shelter to all (Singapore Department of Statistics, 2005).

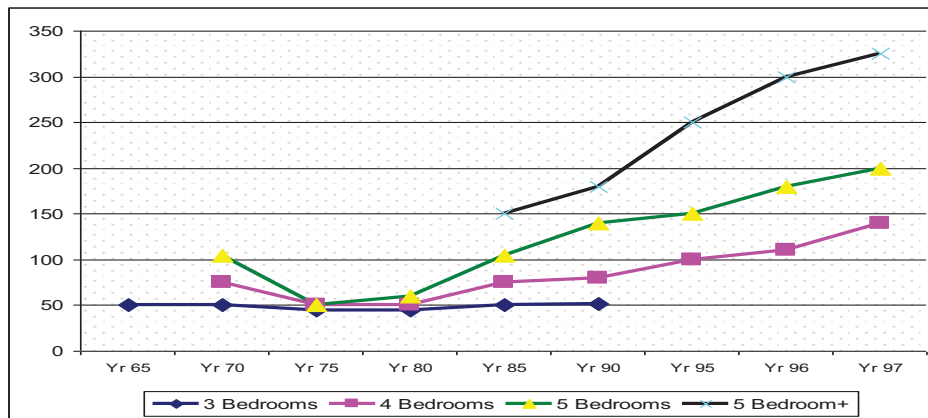
The poor housing and squatter settlements have been progressively cleared and replaced by high-rise accommodation and upgraded facilities in public housing estates and new towns. Gradually, the public housing sector has grown to become the predominant housing sector and stock of affordable housing in the country. Subsequently, policies were formulated aimed at reducing the cost of housing, so as to allow owner occupation in public housing, even for the lower income residents. The government commitment to provide adequate housing for those that could not afford it was possible through a good housing policy that includes basic accommodation at an affordable price backed by financial help (Yuen, 2007).

Land price for housing, leased from the government is much lower than market value and housing designs are determined largely by affordability. For this reason the price of new HDB housing can be significantly lower than market prices. Pricing of homes in Singapore is based on the income of households so that at least 90% of the households can buy 3-room flats and 70% of households can afford 4-room flat. The subsidies are provided and price is reduced. This mechanism motivates families to upgrade their housing standard as the economic circumstances change for the better. The successful upgrading/filtering process is encouraged by the HDB as it gives households opportunities to build up equity and secure the benefit of real estate investment. The Board benefits by offsetting the cost of subsidy by charging more for larger room type dwellings (HDB Annual Report, 2009).

According to Yong (1999), the availability of improved housing can be justified if it can be afforded by the poor and lower income earning population. Affordable housing cannot be produced without taking into consideration the household earning power. Under Singapore's housing development strategy, the needs of varying incomes levels were considered. The government has adopted the low rent policy to improve the standard of living for low income earners. With economic growth and reduction in the housing shortage, bigger housing units have been built. However, the ability to pay rental and own a house remains an important factor to meet the housing needs of the poor, which is very much guided by affordability. HDB recognises the needs of varying income and family size. Prospective buyers have choice of not one

but a range of flat types approximately in the proportion of 30 per cent-1 room units, 40 per cent-2 room units and 30 per cent-3-room units. The average sale price of public dwellings is shown at Figure 5.3.

Figure 5.3 Real Average Sale Price of New Public Dwellings 1965 – 1997



Source: Yong, T (1999). Page 101

Note: Prices are for a five-year period except for the period 1995-1997. All dwellings are high-rise apartments differentiated by number of rooms including bedrooms and living room.

Over the years the HDB has adopted many policies and strategies to fulfil the socio-demographic, economic and political needs of the country (Yuen et, 1999). In the process, the Board has identified the housing problems and needs of the people. Subsequently objectives have been set to meet the housing need by ensuring that everyone has a decent home at a price they can afford. In their on-going housing development the Board aims to give customers greater housing choices through more innovative design options, without compromising on basic needs and wants. HDB is committed to creating environmentally-friendly and sustainable housing estates, bringing to reality visions of a new era of public housing, where homes are not only affordable but also attractive. The flats are kept affordable by various measures including government intervention as considered necessary.

5.9 Equity in Housing Allocation

The house allocation (Yuen, 2007) system is an integral part of the public housing development in Singapore. Transparency and eligibility are an institutionalised aspect of the public housing system in the country. It is widely accepted that four important factors are associated with a good public housing programme. Firstly, there must be equity so that the public funds injected into the housing development are fairly distributed. Secondly, it should benefit the majority of the population and requires the processing of large numbers. This entails strict procedures to maintain efficiency, reduce errors and avoid abuse. Thirdly, it should allow some level of choice in the location and type of public housing. Finally, the existence of a special category of people requiring priority and assistance in securing public housing complicates the responsibility of maintaining equity at the broader level.

Under the home ownership scheme first introduced in 1964, public housing is sold to households as leasehold for 99 years. Home ownership is not exclusive to middle and upper class families. According to Yuen (2007, Pages 8-9) the 21,300 households that upgraded from rental flats included 41 per cent who were 1-room renters and 28 per cent, 2-room renters that had been upgraded to larger rental flats or owner occupied flats. Among the different major ethnic groups, Malays rated highest as home owners in the public housing. The very low income earners are accommodated by the public rental sector.

5.10 Effectiveness of Housing Supply

In terms of physical development, the trend is towards self-containment of public housing towns where household members can meet most of their basic needs within the town including such things as employment, school, entertainment, sports and other recreational pursuits. As the national housing authority, HDB embraces a comprehensive approach and embarks on sector-wide public housing development within the national urban development framework. The government has centralised its public housing development effort under a single authority to avoid the common problem of duplication and fragmentation of duties, bureaucratic rivalries and multi-agency implementation. To reduce cost and time, standard accommodation having

prototype flats and blocks are built. HDB uses long-term supply contracts and bulk purchase policy to ensure continuous supply of essential building materials at steady prices.

According to the HDB Annual Report (2006), the scale of the projects, tight control on building contracts and prompt payment are major cost saving factors. HDB maintains standardised building plans and short construction periods. Construction costs are reduced through technological innovation that includes the increasing use of the metal-form concrete framework system and the prefabricated system. The Board produces its own materials¹¹ required for construction works. The Board helps local and foreign material manufacturers to develop suitable new materials for buildings. It has its own pool of labour with the setting up of the Work Brigade that provides elementary training for workers to become semi-skilled tradesmen in the building industry.

5.11 Quality Homes

In 1991 HDB took a bold and innovative step by way of injecting more variety and choice in housing development by involving the private sector. Construction companies in the private sector were invited to tender for the design and construction of public housing flats. In the process several designs have been introduced and the HDB flats achieved a higher degree of architectural sophistication. The involvement of private sector in the housing development within the HDB estate injects more variety and style to the whole housing landscape of the town (HDB Annual Report, 2009). This has given residents more choice in buying flats within the HDB estates.

As with the public housing authority, HDB plans and develops public housing towns that provide Singaporeans with quality homes and living environments. In so doing, HDB also engages in active research and development work to ensure that cost-effectiveness and quality standards are maintained and continually improved on in the provision of HDB homes. The towns are provided with various commercial,

¹¹ The HDB manages and produces its own materials required for construction. Brickworks, tile works, sand and granite quarries have been set up. This ensures adequate supply to meet the needs of the construction industry at reasonable costs.

recreational, and social facilities and amenities for the convenience of residents. One of HDB's key priorities is to ensure that it meets the needs and changing circumstances. Through renewal and upgrading programmes it brings new features, facilities, and improvements to its older estates and towns to ensure their vibrancy and continued relevance in the housing sector.

The HDB is Singapore's public housing authority and a statutory board under the Ministry of National Development. As the public housing authority, HDB plans and develops public housing towns that provide Singaporeans with quality homes and living environments. In so doing, HDB also engages in active research and development work to ensure that cost-effectiveness and quality standards are maintained and continually improved on in the provision of HDB homes.

5.12 Conclusion

Today, approximately 86 per cent of Singapore people live in HDB flats, compared to only nine per cent in 1960 when HDB was first established (Yuen, 2007) . This also demonstrates the strong strategy that was adopted by the Board to meet public housing requirement in the country. As highlighted earlier in the chapter, the housing development has three important fundamentals. Firstly, the HDB is the sole agency in housing development that enabled more effective resource planning and allocation and a strong support from the government. Secondly, a total approach to housing was adopted by the Board from planning, development and allocation, management and maintenance. Finally, a strong government support is provided by the government in the form of political, financial commitment and legislation. In the early stages for the relocation of affected households, it was facilitated by cash compensation which made the process much easier and less distressing as well as a cost saving exercise to the affected families.

The efficiency of housing development in Singapore is achieved through a strong political commitment to public housing, providing loans and subsidies, statutory power to acquire land and exercising legal authority on all public housing developments and administration. To make it affordable, new flats are sold by HDB at subsidised prices compared to equivalent flats in the open market. Also, eligible

home buyers enjoy access to home financing at concessionary interest rates and first-time lower-income families receive additional grants on top of existing housing subsidies.

Equity is an integral part of the public housing development sector in Singapore. Transparency and eligibility are institutionalised aspects of the public housing system in the country. In Singapore four important issues are factored into the public housing programme. There is equity in housing allocation, strict measures are followed to avoid abuse, some level of choice in the location and type of public housing are allowed and the special category of people requiring priority and assistance to secure homes is not neglected.

The pattern of housing development has integrated the population within a structured framework and allows employment and all services to be provided on the housing estate. This was made possible when the government centralised its public housing development effort under a single authority (HDB) to avoid the common problem of duplication and fragmentation of duties, bureaucratic rivalries and multi-agency implementation. To reduce cost and time, HDB built flats and blocks of prototype. Also, the Board uses long term supply contract and bulk purchase of building materials to reduce cost. The Board keeps a tight control on building contracts and maintains a regular payment of debt on loans. Effort is made to reduce the cost of buildings through technical innovation such as metal-form concrete framework system and fabricated materials. Through the help of local and foreign manufactures the Board develops new materials and uses its own pool of labour for construction work.

To improve the quality of housing the Board involves private builders through the tendering process and construction of public housing flats. Under this scheme it is possible to achieve a high level of architectural sophistication that provides different types of housing designs and choice to the residents. The HDB was engaged in an active research and tried to be cost effective and maintained the quality of housing. Tense is again inconsistent with the initial tense used in the sentence In case of older

housing estates the Board is involved in housing upgrading programmes and bring new features, facilities and improvements in these estates.

In the next chapter the Australian housing development is discussed. Australian population is increasing and the public housing providers are facing major challenges in attempting to adjust the balance of housing types in their portfolio to better meet the needs of the changing population. How the housing strategy is developed and operates in Australia is highlighted.

Chapter 6

AUSTRALIAN HOUSING POLICY AND ITS IMPLEMENTATION

6.1 Introduction

This chapter begins with a brief profile of housing development in Australia. It highlights the mitigating factors that reduce housing costs and the roles of local and national governments in housing development. By its past achievements in providing good housing for its people, Australia has been chosen for closer examination with respect to its housing policy development. In particular, public housing in Australia plays an important role in providing options for accommodation to different income groups.

A brief description is provided on the reform process to facilitate the attainment of social justice objectives of housing programmes. Equity is an important factor in the housing sector and how this issue is handled in Australia is discussed. The chapter concludes by highlighting the initiatives of state and national governments in formulating policies in housing development and reform processes undertaken to achieve social justice and efficiency in the housing sector.

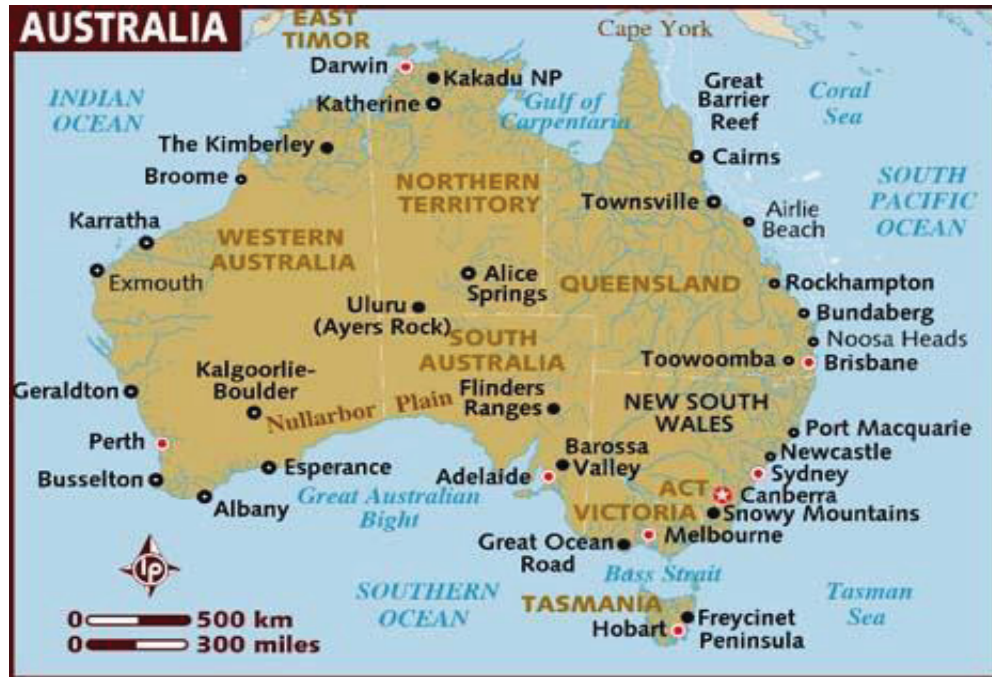
6.2 Housing Development in Australia

Foord et al (1994) state that in 1943, the Federal Government of Australia, established the Commonwealth Housing Commission (CHC) to report the housing situation in the country. This was to identify the need for post-war reconstruction and the ways of overcoming the housing shortage. The work of the Commission resulted in the formation of the first Commonwealth State Housing Agreement (CSHA) in 1945. The agreement was the step forward to resolve the housing problem in the country and in particular to formulate the policy interest and increase funds for the acquisition of public housing. In subsequent years the Agreement has undergone substantial changes but continues to serve as the major basis for housing development.

Under the CSHA two specific purpose programmes were available aimed at providing public housing to pensioners and Aboriginal and Torres Strait Islanders. This scheme was introduced in 1969 to supplement existing State housing activity in providing accommodation for aged persons who were living alone in sub-standard dwelling or paying a large proportion of their income in rent. The other aim of this programme was to provide dwellings to accommodate the Aboriginal and Torres Strait Islanders. This was done to alleviate the housing disadvantage of indigenous Australians. In the 1980s public housing stock was growing at a faster rate than the total housing market and accounted for 6 per cent of all dwellings in the country. State authorities have embraced different policies over time and as a result public housing was not distributed evenly across Australia. Figure 6.1 shows the map of Australia with states and major and minor urban centres. Eastern Australia comprising of the states of New South Wales, Queensland, Victoria and ACT has the highest concentration of the population and therefore the priority focus of housing development in the country.

Generally, there has been an inverse relationship between the provision of public housing (Foard et al. 1994) and the incidence of housing need. In several cases the States with relatively larger proportions of public housing there had relatively lower proportions of income units experiencing housing stress. Those households experiencing extreme housing difficulties were allocated dwellings on a priority basis. Each State had a different process for allocating housing, handled by special priority committees. Public housing has largely contributed to decreasing the incidence of after-housing poverty through the provision of low cost housing. Foard and others claimed that the public housing sector displayed the highest level of efficiency in the allocation of dwellings of any tenure. Public housing in Australia appeared to be situated in areas of disadvantaged locations, but not all public tenants were hindered by the location. In several cities there was strong negative correlation between the proportion of public housing in Local Government Areas and median house prices and a strong positive correlation between the proportion of public housing in LGAs and an index of perceived access difficulty. The finding revealed that public housing in Australia was generally less well located than private rental dwellings.

Figure 6.1 Map of Australia



Source: <http://www.lonelyplanet.com/maps/pacific/australia>, accessed April 10, 2011

In Australia, the major housing (Ferris 1994 cited Ferris et al 1994) has been detached houses which accounted for 73 per cent of the number of dwelling units approved for construction in the years 1992-1993. Housing activity has been important to national output and the status of the economy affected housing demand and the level of housing activity. Demographic factors also played a significant role in determining the level and mix of housing demand. The level of housing activity tended to follow a four-year cycle with the upturn period extending for slightly longer than the downturn. It was believed the cycle to some extent coincided with the business sector. The factors driving both the upturns and downturns in housing activity depended on these cycles. The tighter monetary policy (higher interest rate) appeared to play a very important part in the housing downturns.

6.3 Role of Local and National Governments

The major contributing factors that enhanced Australian housing development were economic growth, high level of employment, real income growth, increasing labour force participation rates and low rates of inflation that helped to create the environment for households to invest in home ownership. In Australia, there is a government and private and community sector interest in tapping into sources of private finance to develop affordable housing. Inclusionary zoning where land is allocated for low cost housing development is a promising approach to capture contribution of local councils. The involvement of local governments in planning initiatives proved very effective in development of housing for low income earners. Also the government provided land or grants to private enterprise or community organisations to construct affordable housing that can be sold at low cost to first home buyers (Gurran, 2007).

In Australia the planning policy and measures remains simple and fair (Gurran, 2007). Building control regulation and processes have changed significantly over the past years and such changes now have major cost implications and affect housing price and amenity substantially. Several states undertake a review of the planning process which aimed to produce substantial improvements to the efficiency and effectiveness of the planning system. In effective housing development there is a high risk and the complexity of operation requires a renewed focus on governance. The stake holders in Australia have provided an important national benchmark for organisational and service standards. Australia is maintaining horizontal equity¹² in housing and has tackled this issue in such a way so that those that do not gain home ownership will receive similar benefits to that of home ownership.

¹² Horizontal equity is the equal treatment of comparable individuals. In the housing sector, those individuals on similar incomes with similar characteristics, such as similar family composition, should derive the same net benefits from the system. The principle of horizontal equity advocates the equal treatment of comparable people, regardless of their housing tenure.

According to Department of Housing, Local Government and Community Services (1993) Commonwealth and State governments have historically been involved in providing housing to people, having the main objective to increase the supply of housing. In subsequent years a more complex set of objectives has emerged that recognises the basic role of housing in ensuring an adequate standard of living for all citizens. The Commonwealth government has worked with states and other stakeholders to develop housing strategies. In addition to a national policy framework for housing, the Commonwealth Government has been playing an important role in promoting innovative approaches in diversification of low cost housing through design and management innovation and tenant's right. Commonwealth efforts have been successful in the planning and provision of services for special needs groups such as the Aboriginal and Torres Strait Islander people, ensuring the effective use of resources in the housing districts and developing cross programme linkages to maximise the use and benefits of available resources and services.

The Commonwealth Government recognised the expertise of States in the housing sector and contributed to public housing through the Commonwealth State Housing Agreement (CSHA). Basically, the primary principle of the agreement is to ensure that every person in Australia has access to adequate and appropriate housing at an affordable price. This would alleviate housing related poverty and ensure that housing assistance is delivered equitably to persons in different forms of housing tenure. The gross income of households particularly targeted is shown in Table 6.1 below.

Table 6.1 Target Gross Household Income per Annum

Household Group	Gross Household Income
Very low income	<\$19,968
Low to moderate income	\$19968 - \$31949
Moderate income	\$31949 - \$47923

Source: McNeill and Dollery (1999) page 11

In Australia high incomes combined with affordable land to foster one of the highest home ownership rates in the world (Paul and Withers, 2006). Some of the important issues are the explicit and implicit housing policies and broader institutional structures which encourage homeownership. Explicit or direct policies favouring home ownership tenure focused on deposit assistance and interest rate subsidies for first homebuyers. Implicit or indirect policies favouring home ownership come in the form of a tax system that made owner occupier housing exempt from capital gain tax.

6.4 Affordable Housing

Affordable housing in Australia implies that the costs associated with housing must allow sufficient income to meet other basic needs such as food, clothing, transport, medical care and education (National Housing Strategy, 1991). The affordability factor is measured by the affordability benchmark which is defined as a ratio of housing costs to income. It is generally accepted that the benchmark is a ratio below which an income unit can afford the necessities for life once housing costs are paid. Using this measure, home owners are said to be in housing stress if they are forced to pay more than 30 per cent of income on housing. It is considered that a benchmark of 25 per cent is appropriate for housing payment.

For home purchasers and renters the affordability issues are different and measured differently. Again for home purchasers there are two aspects of affordability; firstly, the measure of accessibility which is measured in terms of the cost of acquiring a home, that is, the deposit gap. The deposit gap is the difference between the purchase price of a house and the borrowing capacity of a household. The second aspect of affordability is their ability to meet on-going mortgage payments out of income. DHLGCS (1993) report reveals that impact of housing stress on individual or household will differ, depending on whether the stress is long term or for a short period. During stress certain important expenditures are postponed. However, the stress can be temporary and the benefits of home ownership both financially and socially will outweigh the costs. For private renters, housing cost in relation to income is the major indicator of affordability. Bond and rent paid upfront are also indicators of affordability. The demand for low cost accommodation is increasing

due to the ageing population. The private rental market cannot fulfil this growing need. Private accommodation such as boarding and rooming houses for renting by low income people is of low quality, limited and in steady decline. According to NHS (1991), there has been a long term decline in housing affordability in Australia. In the process potential home purchasers on low to moderate incomes and lower income private renters have been most affected.

According to DHLGCS (1993), affordability and appropriateness are closely related factors that limit an individual's ability to access housing. For example, the well-being of a large family may be adversely affected if they are forced to live in a small flat or a disabled person may be at risk in a house with stairs. Through public housing the government increases both affordability and appropriateness of housing. In areas where public housing is not available, special financial assistance and services are available to help in increasing the appropriateness of people's housing. Overall public housing provides certain characteristics of housing that the private sector is lacking. It provides long term security of tenure to those renters that are not able to attain home ownership. Access to housing is non-discriminatory as all sections of the community have access to housing. Also, special needs of individuals are accommodated whose specific housing requirements cannot be addressed by the private sector. One of the most important attributes of public housing is the affordability factor. The tenants are expected to pay rents at a certain percentage of their income. This assistance has been very successful in making public housing affordable by several groups.

According to Flatau et al (2006) residential property market is the main source of private wealth for most Australians. Any changes in the property market reflect changes in the wealth. The measurement of changes in house price across time has large implications for establishing the wealth levels of home owners.

The National Community Housing Forum (NCHF) in 2005 identified key themes that contributed to affordable housing models for Australia.

- A joint effort between the government, private sector and community to tap finance and develop affordable housing. Community housing organisations have many advantages if involved in affordable housing projects.
- Inclusionary zoning is a promising approach to capture contributions for affordable housing. In this regard, the support of local government in planning initiatives is important as it has appropriate vehicles for utilising and managing planning contributions.
- The tax advantages of community managed housing is important for the viability of affordable housing schemes. The community housing scheme can attract social equity investment.
- Transfer of risk from government to community and private sectors. Stake holders involved in affordable housing projects have far more complex activities and relationships than conventional community housing organisations.
- The Community Housing Standards have drawn an important national benchmark for organisational and services standards with respect to governance.
- Regulation plays an important role in industry/provider growth, legitimising the industries and scope and defining organisational standards. Regulations give an important signal to private sector partners and provide confidence in the sector.
- A clear and stable policy environment is a vital precondition for private investment in affordable housing. It provides growth of affordable housing. A workable and stable policy allows a capacity for long term decision making by affordable housing bodies and their partners.

In a broad sense, affordable housing in Australia is understood to be accessible to people on moderate or low income to rent or purchase. Generally, affordable housing is associated with a specific programmes executed to meet the needs of households whose incomes are not at a level to allow them to secure appropriate housing in the market without the assistance from some other sources. This may include public or social housing where government intervention is required. Affordable housing

include housing for fixed term or secure letting at below market cost (Milligan 2004 cited in Gurran, 2007), shared home ownership, subsidised or discounted home purchase and unsubsidised lower cost forms of housing supplied through the private market. The affordability level of a household is measured with reference to the proportion of the household income spent on rent or mortgage repayments (25 – 30 per cent are treated as acceptable). However, these calculations do not consider other housing impacts on expenditure such as location which affects the travelling costs, employment opportunities and housing suitability in relation to household size and needs. In New South Wales, state planning legislation and a number of local and regional plans included specific definitions of affordable housing that is included in programmes for leveraging affordable housing contributions through the planning process.

According to National Housing Strategy (NHS,1992) in 1992, affordable housing was promoted through the planning process commencing with protecting existing sources of housing supply then through new opportunities using the private market and directly producing affordable housing stock. Unlike other countries in Australia, there are legislative provisions that limits the extent to which planning can protect or promote the supply of affordable housing. The existing sources of low cost accommodation are under pressure from the process of urban consolidation and gentrification. Planning approaches can reduce the cost of producing housing through the private market. This is achievable through addressing existing problems associated with the planning system that inhibit the supply of housing or lead to unnecessary costs and delays in assessment, or high administrative fees, in other word to remove unnecessary barriers that lead to high cost in the production of housing. Gurran, Milligan, Baker and Bugg (2007) claim that other factors that mitigate housing costs are to eliminate excessive development controls and ensure that a genuine diversity of housing types is built having as many residential and other use areas as possible. Local housing strategy can be in the form of specific criteria for affordable housing and offer certain exemptions from the planning perspective for housing developments. These would include reduced landscaping, car parking and in some cases allowing additional floor space capacity in the building. There are

opportunities through the planning process to seek contributions towards the direct production or subsidised delivery of affordable housing to low income groups such as:

1. Voluntary planning incentives are given through planning schemes to produce affordable housing stock or funds to produce it. Through this process cost can be reduced on residential development.
2. Most commonly, mandatory mechanism for generating dedicated affordable housing stock is by having “inclusionary zoning”. This would require a set proportion of specified new development within a defined area to be dedicated to affordable housing.
3. A legally enforceable planning requirement for developers to contribute to affordable housing but the level of contribution is determined on a negotiated site by site basis.

In Australia many local governments are seeking ways to use their powers to promote affordable housing such as increasing the supply of land zoned for housing purposes particularly in higher density residential development areas, inner city and outer metropolitan areas to increase housing supply relative to demand. This gives opportunity for lower entry points to the housing market and supply of housing through the rental market. Another means, with the changing objectives of planning instrument would be to incorporate local affordable housing goals to ensure that lower cost forms of housing are permitted where appropriate, such as shop-top housing, boarding houses and manufactured homes. It allows or encourages or permits residential conversions that include additional low cost housing forms such as granny flats, garden flats or accessory dwellings. There is a measure in the statutory planning framework that protects existing local sources of low cost housing such as caravan parks, low cost rental flats and boarding houses (Hulse, Neske and Burke, 2006)

Sydney metropolitan strategy features three key sets of initiatives for affordable housing to:

- identify the extent of need with the help of a local government housing kit that provides guidance on housing needs and makes analysis and develops a local housing plan
- raise the profile of affordable housing by including affordable housing provision in the standard Local Environmental Plans
- improve affordability by increasing land supply to moderate affordability pressures and use planning mechanisms such as density bonus schemes and inclusionary zoning (in urban renewal centres, corridors and major sites).

6.5 Coordinated Housing Development

Public housing plays an important role in providing housing choices to the Australian people. Under the urban consolidation schemes the local governments sites are earmarked and redeveloped, taking advantage of the existing infrastructures and other services. The State and local governments are well placed and liaise with other bodies to ensure the appropriate design and location of public housing developments.

This coordinated development has helped to ensure that the physical and environmental impacts of new housing developments are reduced to a minimum. Compared to most western nations, Australia has a relatively small proportion of its total housing stock as public rental housing. In western countries, the public housing represents approximately 25 per cent of housing stock. On average the public housing in Australia comprises approximately 6 per cent of total housing stock. In Australia, approximately 3.88% public housing dwellings in 2011, of which over 70 per cent were occupied by tenants on pension or other benefits (<http://myregion.gov.au/profile/northern-inland/data/housing/owned>, accessed 3/6/14)

6.6 Housing Development and Efficiency

The Commonwealth has undertaken a reform process in recent years to facilitate the attainment of social justice objectives of the housing programme, greater efficiency by SHAs in their operation and the need to account for expenditure of CSHA funds

against these objectives. It is believed such measures provide a strong basis for achieving improved efficiency and accountability in measuring performance. Reform themes have sought to provide greater transparency in planning for the provision of housing in consultation with clients and community groups. Commonwealth Government intends to achieve a better match between housing provision and the identified needs of different target groups, greater diversity and choice in management styles and opportunity for tenant participation. Also there is a need to provide an improved efficiency, quality and responsiveness in the services available to tenants (DHLGCS 1993). With the change in funding arrangement from funding to a system of grants the Commonwealth expects accountability for funds. Awareness has been developed by service providers and users of the need to evaluate performance on the basis of outcome. Due to limited resources, there is increased focus on efficiency within the organisation. The limited funds are to be used productively and are allocated to those in most need.

There is a need for greater integration and cross programme linkages in the housing development. This can be achieved through improved planning mechanisms that encourage integration with other government services and comply with government policies in relation to urban planning, transport planning and environmentally sustainable development. Failure to examine the interaction between different policies and programmes can result in poor utilisation of resources. Better integration of services is required to encourage patterns of development that are more sustainable (DHLGCS 1993).

The national housing policy of Australia is influenced by the existence of a federal system in each state. Under Australian's Constitution the State holds responsibility for providing housing and currently the Commonwealth government plays an important role in relation to funding through budgetary outlays on housing and through the property tax system (Yates, 2002). Commonwealth budget outlays are grants paid to the States under a Commonwealth State Housing Agreement and Commonwealth Rent Assistance paid through the social security system to income support recipients and eligible low income families who are renting privately. Through these assistance programmes, the Government provides housing assistance.

All the pensioners and those receiving more than the base rate of Family Tax Benefit and rent in the private market are eligible for rent assistance. Further help is rendered by a deposit assistance programme for the first home buyers, funded by the Commonwealth Government and with various home loan schemes funded by Commonwealth State Housing Scheme and with additional funds from various state governments. The various deposit or home purchase schemes have been introduced to assist marginal home buyers. In 1989 a generous housing assistance was provided to home buyers with tax concessions towards home ownership and interest rate ceiling on home loans. The cost of concessions associated with direct and indirect assistance to home owner's far outweighed assistance to public and private tenants. This resulted in significant disparities in the level of support provided to households in public rental, private rental and ownership occupation. In 2000-2001, latest form of assistance was given to those households that face affordability problems.

6.7 Equity in Housing Development

According to DHLGCS (1993), the national housing policy of Australia has two central roles: to recognise and provide the housing needs of people at different times in their lives; and to encourage greater housing choice that removes the barriers between tenures. In the past, housing policy has been concentrated on tenure types, home ownership, private and public rental. It lacked a focus on the dynamic nature of individual housing needs and housing career. People move between the tenures at different times of their lives and for different reasons. People consume housing differently and at different times may need flexibility of private rental. They require security and affordability of public housing and a long term affordability and security afforded by home ownership.

The horizontal equity is essential and can be tackled in such a way that those who may not be able to gain home ownership should have housing that brings with it similar benefits to home ownership. The valuable attributes of home ownership are security of tenure, control over housing environment and a long term affordability of home purchase. Many of these attributes are available in public housing but lacking in private renting. This would exclude many private renters who may never become home owners and enjoy affordable housing with attributes of home ownership. To

overcome these inequities, the Government has identified a set of options to address the issues. The options include introduction of a benchmark of affordability for private renters, making payment available to renters in public and community housing, expanding the community housing sector, expanding the range of home purchase options for low income groups and supply of low cost rental accommodation and measures to increase consumer protection and security of tenure for low income private renters (DHLGCS, 1993).

6.8 Role of Housing Development by Local Governments

The local governments play an important role in the housing development including identifying current and future community needs of a particular type and tenure. It is involved in regulating the supply of residential land and housing stock in response to projected needs and the provision of infrastructure and services. Local governments support current and future housing development for people with special needs. It ensures the provision of structures like public transport, utilities, recreation, schools, hospitals, community services, information and advocacy activities (Gurran, 2002). When dealing with local housing strategies, the local governments work on three key elements:

1. the housing study component, identifying housing needs taking into consideration the demographic trends and other socio-economic factors
2. the housing policy component-setting the aims and objectives
3. the housing strategy component-the measures to implement these objectives.

Gurran (2007) argued that the local council strategy can provide a basis for identifying potential sites for new residential developments and redevelopments. It reviews existing planning controls to ensure that they meet local housing objectives. It can be the basis of initiating or facilitating housing developments for local needs, improving the systems for monitoring and responding to local council needs and coordinating housing responsibilities in a strategic way.

Housing researchers, Gurran (2002) identified five policy arguments to support the use of a planning process to protect the development of affordable housing:

- 1) control regulatory and systematic barriers in production of affordable housing within land use planning system
- 2) minimise and offset the impact of urban planning and residential development processes on the availability of low cost housing
- 3) facilitate greater housing types in order to achieve social mix
- 4) to leverage more subsidised housing stock for low income people in better locations
- 5) provide opportunity to recapture the gain connected with planning decisions or to create additional gain through incentives and to apply this profit to achieve public objectives.

During the planning stage the current and future housing demand is forecast. A lack of proper estimate can lead to inflation of house prices and rents. On the other hand, if there is oversupply of residential land it can create a negative effect and needs to be carefully managed to avoid substandard services and development. Oversupply of residential land can reduce land prices that can be a factor to stop land owners from selling their land and can have an impact on the rental market. Therefore, it can be concluded that when reviewing a planning framework it is important to consider whether planning control on subdivisions would support the housing design and local housing goals and policies.

Planning mechanisms are used strategically for housing development. Through the planning process the availability of residential land, timing, the cost factor, design and configuration of new housing and preservation of existing resources of low cost housing stock are maintained. Exercising the development control mechanism, the local councils influence the way that new housing is designed and configured. This would in turn affect the suitability, affordability and the cost and tenure of new development. On many occasions development proposals can cause the loss of existing sources of affordable housing. In other cases development approvals can be a factor that dictates the social or environmental impact of approved development such as the use of developer contributions to build community infrastructure or potentially affordable housing.

6.9 Conclusion

The study of housing in Australia in this chapter revealed that the state governments and national government are facilitating housing development by improving housing policies and helping in improving mortgage finance by creating competitive mortgage lending institutions. Other strategies involve fostering innovative arrangements for providing greater access to housing finance. The housing subsidy is rationalised and ensures that the programme is appropriate and affordable, targeted, measureable, transparent and avoiding distortion of housing markets.

The National Community Housing Forum of Australia concluded that a joint effort is needed by the government, private sector and community to develop affordable housing. There is a need for “inclusionary zoning” or the use of planning control by the local councils to retain low cost housing in certain areas that would also promote the development of affordable housing. The tax advantages of community managed housing is important and the transfer of risk from government to community and private sector is a new model of affordable housing schemes. A higher level of risk and complexity of operation demands good governance as well as regulations to provide confidence to private sector partners. A clear and stable policy environment is essential for private sector investment in affordable housing.

In a broad sense, affordable housing in Australia is understood to be accessible to people on moderate or low incomes for rent or purchase. Generally, affordable housing is associated with a specific programme executed to meet the needs of households whose incomes are not at a level to allow them to secure appropriate housing in the market without assistance from some sources. This may include public or social housing where government intervention is required. Affordable housing includes housing for fixed term or secure letting below market cost, shared home ownership, subsidised or discounted home purchase and unsubsidised lower cost forms of housing supplied through the private market. The affordability level of a household is measured with reference to the proportion of the household income spent on rent or mortgage repayments (25 – 30 per cent being treated as acceptable). However, these calculations do not consider other housing impacts on expenditure,

such as location that affects travelling costs, employment opportunities and housing suitability in relation to household size and needs.

The Commonwealth government has commenced a housing reform process over the recent years to achieve social justice and efficiency in the housing sector. This reform process provides greater transparency in planning for the provision of housing in consultation with clients and community groups. Also, improved planning mechanisms are encouraged through integration with other government services such as urban and transport planning and environmentally sustainable development.

The next chapter forms an important part of this research as it presents the findings of the field research which includes analysis of data collected in the household surveys in the sample areas as well as key person interviews.

Chapter 7

KEY RESULTS OF FINDINGS TOWARDS SUSTAINABLE HOUSING

7.1 Introduction

This chapter sets out the findings of the investigation on the sustainability of low cost housing in the urban areas of Fiji. It provides the results of household interviews, analysis of secondary and primary data collected from government departments, Fiji Housing Authority and other stakeholders. A comparative study of housing policies of Singapore, Australia and Fiji is shown in Table 7.1

Fairness and impartiality towards all those that applied for housing loan is important in housing sector. To demonstrate the handling of loan applications by the Fiji housing Authority on housing allocation is shown in Figure 7.2. Sale prices of residential properties have been escalating over the years and the sale trend is shown over a period of five years in Figure 7.3.

The number of buildings completed every year to fulfil the housing demand is important. The rate at which building was supplied over a period of five years is shown in Figure 7.4. The price of building material has a large impact on building works and under Section 7.14, it has been demonstrated that the price of building material has been increasing over the years. Unemployment rates and wages growth are important factors when dealing with affordability issues and these have been shown by means of graphs and tables. Also, a brief report on informal settlement is included to demonstrate the housing need the low income group. In any housing development the role of key players is vital and for this reason several stakeholders were interviewed and the important issues discussed with them are summarised in this chapter.

7.2 Summary of Housing Study in Singapore, Australia and Fiji

A comparative study of the housing development in Singapore, Australia and Fiji is shown in Table 7.1. This summary provides the key factors that contributed to the

successful development of the housing sector in Singapore and Australia. The governments of these countries have been facilitating housing development by improving policies to gain greater access to home finance and other resources to fulfil housing needs. Also, demonstrated in this table are the housing strategies these countries have used as compared to Fiji. This has helped to identify weaknesses in the various areas of housing development in Fiji.

Table 7.1 Shows Comparative Study of Housing Development in Singapore, Australia and Fiji

Key Factors	Singapore	Australia	Fiji
Housing Agency	HDB sole agency dealing with housing development	Multiple agencies involved in housing development, including local councils	Two key players involved in housing development, FHA and PRB.
State Support	Political, financial and legislation	State governments play special role in policy and planning frameworks	State support is limited to legislation, release of estate land and grants
Land Assembly	HDB has wide powers for town planning, resettlement and to acquire land	Local councils assist through development controls, emphasis on physical planning process	Complicated land tenure system. Most land is communally owned by indigenous groups
Fund Saving	Use Central Provident Fund saving for down payment	Under Commonwealth State Housing Agreement and Commonwealth Rent Assistance, rent paid through social security and deposit to first home buyers	Fiji National Provident Fund saving that would allow the buyers to pay the deposit
Stock of Flats	Under Design, Build and Sell scheme for buyers with different aspirations and range of housing options	Local governments involved in regulating the supply of land and housing stock and provision of infrastructure and services	No such scheme exists with FHA to provide the range of housing options. In the past Fiji Housing Authority built detached and terrace houses
Community Cohesion	Different flats and estate facilities provided to promote interaction	No specific plans to promote interaction	No such formulated policy for building cohesive communities.
Subsectors of Housing	Various subsectors of housing developed to fulfill the needs of all people	Specific programme to meet the needs of low income groups. Affordability level is measured at 25 to 30 per cent of household income	PRB has limited rental flats for low income families but cannot meet the current demand
Renewal plan	deals with old public housing where flat owners are compensated and	No renewal plans for old public housing	No such scheme exist in Fiji

	given package of re-housing benefits		
Private Sector Involvement	through private sector involvement new design innovation, higher degree of architectural and sophistication is achieved	Community housing sector operated by over 1000 organisations, receive capital assistance from National, State and Territory governments	Community housing sector such as NGOs and religious organization involved in public housing construction and not on designing and other activities
Policies Formulated	Under this provision the price of houses reduced for lower income residents	Three major sources of housing assistance-direct housing expenditure, indirect tax expenditures and government intervention in housing markets	The development cost is very high, not affordable by majority of low income earners
Filtering Process	This enables the filtering down of older housing stock to lower –income groups	No structured plan to filter down older housing stock to lower income groups	Filtering process is not available in Fiji
Employment	Household members meet most of their basic needs within housing towns, employment, school, entertainment, sports and recreational facilities	No trends towards self-containment because the housing development effort is not under a single authority	In a majority of housing estates employment and other facilities are not provided
Building Materials	Bulk purchase policy enabled steady supply of building materials at steady prices, HDB have own pool of labour	Do not have bulk purchase policy or own pool of labour due to multiple housing agencies	Prices of building materials increasing rapidly over the years
Housing Allocation System	An integral part of housing development, transparency and eligibility is institutionalised aspect of housing	Managed by local councils to ensure that housing is provided to people with special needs	Not an integral part of housing development
Studio Apartment	Housing option for elderly to maintain independence and live near children and friends	Studio Apartment scheme does not exist	Studio Apartment scheme does not exist
Active Research	HDB engaged in active research for cost effectiveness and quality standards	The research activities are not centralised, information gathering, advocacy and service co-ordination activities undertaken by local councils	Limited house research is undertaken by FHA or PRB
Green Technology	Precincts feature range of green technology and innovations for effective and efficient energy, water and waste management on old housing estates	No specific scheme to promote environmental sustainable old housing estates and incorporate features for changing life-cycle needs of residents	No such scheme is implemented on old housing estates

7.3 Findings from the Comparative Study

In Singapore, HDB is the sole agency (Table 7.1) in charge of public housing that enables effective resource planning, allocation, security of raw materials supply and man power for large scale construction to optimise results and achieve economies of scale. In Australia, there are multiple agencies involved in housing development, including two key players being national and state governments that facilitate housing development by improving housing policies and mortgage finance. In Fiji, the FHA and PRB are major stakeholders involved in providing housing to low income earners. Other organisations operating on a very small scale are the NGOs, engaged in developing housing for destitute families and squatter settlement upgrading. Their effort is constrained by the lack of finance and unavailability of land. All these agencies in housing development have their own operational guidelines.

Great support is given by the State in Singapore in the form of political and financial commitment and legislation that put the public housing programme on the right track from the early stages of housing development. HDB has powers to acquire land by compulsory process, to resettle people, to deal with town planning and be involved in other activities connected to the construction of public housing. The Board is further supported by the State on finance and technical capabilities to develop new housing estates and towns. Housing development support in Australia is largely made possible by local councils identifying land, development controls for more diverse and sustainable housing types as well as providing some low cost housing stock within certain areas. Funding is also provided by the State government to local councils for housing initiatives. In Fiji, State support is provided basically in the formulation of housing policy, legislation as well as limited grant and supply of a small percentage of State land. Most urban land now available for development is classified as native reserve and therefore has restricted use.

Under the Design, Build and Sell Scheme, the Singapore HDB builds a reasonable stock of flats. This provides an opportunity to buyers with different aspirations to

invest in properties. Under the Lease Buyback Scheme, the Board helps low-income and elderly households. HDB purchases the tail end of the flat lease from an elderly household. The occupants will continue to live in the flat which will be left with a 30-year lease

In Australia the State has been facilitating housing development by improving housing policies and helping in the development of mortgage finance, creating competitive mortgage lending institutions and fostering innovative arrangements for providing greater access to housing the poor. The State rationalises subsidies and ensures the programme is appropriate and at an affordable scale, targeted, measurable, transparent and avoiding distortion to housing markets. The housing agencies recognise and provide the housing needs of people at different times in their lives and encourage greater housing choice that removes the barriers between tenures. Commonwealth Grants are paid to the States, which are in turn given to low income families and various deposit or home purchase schemes have been introduced to assist marginal home buyers. Housing assistance is provided to home buyers with tax concessions associated with direct and indirect assistance. In Fiji, direct housing assistance is not provided by the state.

In Singapore an Ethnic Integration Policy ensures a fair representation of various ethnic groups, allowing each public housing estate to be a microcosm of multi-racial Singapore. HDB continues to find innovative ways to accommodate more residents comfortably, without compromising the living environment and social cohesion. A public housing policy evolves, not only to respond to the changing needs and aspirations of the people, but also in support of national objectives. A key priority of the Board is building cohesive communities within its towns. Housing policies and schemes are formulated not only to meet changing needs and aspirations, but also in support of national objectives such as racial harmony, stronger family ties, and focuses on sectors of the population in need of specific attention such as the elderly and those who may be in financial difficulty. Such specific integration policies are not available in Sydney or Fiji.

There is an attractive renewal plan in Singapore on old public housing estates, which is benefiting many home owners under this scheme. Flat owners are compensated for their existing accommodation at present value and given a package for re-housing benefits. The benefits are in the way of new flats at designated replacement sites. The buying of replacement flats by the displaced owners is heavily subsidised. In Sydney such benefits are not rendered but local councils are involved in identifying potential sites for new residential developments and redevelopments.

In Singapore even the lowest income citizens are not excluded from the housing system. Their accommodation is provided through 1-2 room public rental flats that are heavily subsidised. Policies are in place to reduce the cost of housing to allow an owner occupation in public housing even for the lower income residents. This has been made possible by the terms of occupancy and minimum physical requirements for housing units to enhance living conditions and through financial help to allow housing access and affordability. In Australia the form of help provided to a category of people includes direct housing expenditure, indirect tax and intervention by the government in the housing markets. In Fiji, no help of this nature is provided, resulting in the high percentage of people living in squatter settlements.

HDB in Singapore uses long term supply contracts and bulk purchase policy to ensure continuous supply of essential building materials at steady prices. It also maintains a tight control on building contracts and prompts payment as major cost saving factors. There is an ongoing effort to explore alternative building materials and technology to construct buildings at lower cost.

The Studio Apartment scheme in Singapore which provides a housing option for the elderly, who wish to live near their children and friends, is attractive and highly desirable if introduced in Asia and Pacific island countries. It is specially designed with elderly-friendly features, linking with social and communal facilities and services. Another good feature of Singapore housing is that it provides quality homes and living environments. To maintain the standard, HDB engages in active research and development work to ensure that cost –effectiveness and quality standards are maintained and continuously improved. HDB brings new features, facilities and

improvements to its older estates and towns to ensure their vibrancy and continued relevance.

Comparative study of housing in three countries shows that in Singapore and Australia, states play a very active role in development and providing housing to its people. There is only one agency in Singapore which obtains a strong support from state to deal with all housing problems. Housing policies for low income earners and the poor in three countries are different. Australia and Singapore have more developed and structured approaches on housing development than Fiji.

Household survey is an integral part of this research as it provided first hand information from people regarding their housing needs, housing payments, securing loans, housing choice and allocation procedures. An interview with people in four sample areas provided information and is dealt in the next section.

7.4 Household Interviews

The household interviews were conducted in four localities where participants were selected through the cluster sampling method as discussed in Chapter 3 under Section 3.5. The head of each household was interviewed according to a structured questionnaire. In some sample areas the respondents have been living in the area over thirty years and have wide experience in dealing with the Fiji Housing Authority on housing matters. The aim of collecting data using this method was to develop an understanding of the respondent's opinion on the housing problems, faced in the urban centres of Fiji.

This section aims to provide the responses from households to the information sought in the Questionnaire at appendix 1. Table 7.2 shows the characteristics of the population in four sample areas. All sample areas were dominated by males and a large proportion of the household was occupied by married couples having 4-8 members in the family. In terms of ethnicity composition, cluster areas 1 and 2 are having higher number of iTaukei members whilst sample areas 3 and 4 have large percentage of Indo-Fijian population. Financial status of many households is regarded as poor in all samples areas as their average annual income is between

\$5000 and \$10000 per annum. In all sample areas majority of the households spent 30-50 % of their income on housing.

Table -7.2 Characteristics of Population in Cluster Sample Areas 1-4

	Factors	Description	Cluster Sample Area 1 Milverton Rd	Cluster Sample Area 2 Wailea	Cluster Sample Area 3	Cluster Sample Area 4 Waila 3B
Q1	Gender	Male	55	72	74	86
		Female	42	28	26	14
Q 2	Marital Status	Married	76	82	90	86
		Single	26	10	8	12
		Divorced/Widowed	2	8		2
		De facto	Nil		2	
Q 3	Ethnicity	iTaukei	92	74	48	26
		Indo-Fijian	2	26	52	72
		Others (specify)	6			2
Q 4	No in Household	1- 4 people	18.4	37.5	27.1	51
		4-8	61.4	50	70.8	49
		>8	20	12.5	2.1	
Q5	Income Level (per Annum)	<FJD\$5000	11.1	28.9		19
		5000-10000	22.2	48.9	44.7	45.2
		10000-15000	38.9	20	23.7	19
		15000-20000	5.6	2.2	5.3	14.3
		>FJD \$20000	22.2		2.6	2.4
Q 6	Income spend on housing (%)	<10%	33.3	27.3	20	8.1
		10%-30%	58.3	63.6	40	54.1
		30%-50%	8.3	9.1	31.4	29.7
		>50%			8.6	8.1

7.5 Cluster Sample Area 1, Milverton Road, Suva

Field visit in this sample area revealed that 98% of the respondents have settled on a Housing Authority Sublease. The Head lease was held by the FHA that was issued by the Government on State land. The leases were granted for 99 years at nominal rental. The sublease held by the individual tenants was for the duration of 99 years. The tenants were required to pay annual rental to FHA, reviewed every 10 years. It has been observed that 96% of the dwellings in this locality were concrete structures having two or three bedrooms per house. Buildings were of simple design and none

of the tenants have received any form of subsidy to purchase or build these houses because subsidies were not paid at the time when these properties were purchased by the individual tenants. These homes provided basic accommodation to tenants and 4% of the buildings were wooden structures having similar facilities to those in concrete dwellings.

On the question on home purchase and finance (Table 7.3) 93% of the tenants obtained loans from FHA to purchase homes while 7% of property owner's secured loan from other sources. 2% of the home owners had no access to loans from commercial banks or other lending institutions. With the FHA loan 53% of the tenants considered the terms and conditions are fair, whilst 26.3 % believed the loan terms are favourable. 21% of the borrowers rated the FHA loan arrangement as not favourable.

Table 7.3 Home Purchase and Finance Case Study Areas 1-4

	Factors	Source of loan	Cluster Sample Area 1 (Milverton Rd) %	Cluster Sample Area 2 (Wailea) %	Cluster Sample Area 3 (Tacirua East) %	Cluster Sample Area 4 (Waia 3B) %
Q11	Source of Fund	Commercial Banks		2.3	14.6	2.2
		FHA	93.4	0	78	93.3
		Other sources	4.4	6.8		2.2
		Self-finance	2.2	90.9	7.3	2.2
Q12	Rating of Terms and conditions	Very Favourable		0	10.3	4.7
		Favourable	26.3	33.3	10.3	18.6
		Fair	52.6	66.7	51.3	46.5
		Not Favourable	21		28.2	30.2

The field visit of Cluster Sample Area 1 shows that 92% of the residents comprise iTaukei and the employment level was 52%. 64% of these were employed in the private sector and the others in the public sector or are self-employed. Household compositions showed that 62% of the households had 4-8 members in the family with 39% of the households with an income level between \$10,000 and \$15,000 per annum. Figures in Table 7.2 show that 22% were earning over \$20,000 per annum and 58% of the households spend 10-30% of their income on housing while 33% spend below 10%.

Equity is an important factor in housing distribution and can be referred to as fairness and impartiality for prospective home buyers. To maintain equity the allocation of housing should be on an equitable and fair basis. Dealing with the equity factor several issues were discussed with home owners (see Table 7.4) and their perceptions were recorded during interviews.

To maintain equity the allocation of housing should be on an equitable and fair basis. Table 7.4 indicates that 62% of the respondents claimed that FHA has not been fair in housing distribution to all deserving cases and 50% indicated that their preference was not considered when offered an opportunity to purchase a house. When dealing with housing issues for vulnerable people, 54% believed that FHA is not prioritising the allocation of housing to this group. 60% of the respondents said that FHA was influenced from outside forces to deal with housing matters. Noteworthy is the fact that a good proportion of respondents (50% -80%) felt that FHA was corrupt (see Table 7.4) below.

Table 7.4 Equity Factor, Cluster Sample Areas 1-4

		Cluster Sample Area 1 (Milverton Road)					Cluster Sample Area 2 (Wailea)					Cluster Sample Area 3 (Tacriva East)					Cluster Sample Area 4 (Waia 3B)				
		Rating (%)					Rating (%)					Rating (%)					Rating (%)				
Q13	Factors	VP	P	F	G	VG	VP	P	F	G	VG	VP	P	F	G	VG	VP	P	F	G	VG
a	Fairness to all deserving cases	6	46	38	10		4	54	38	4		4	32	46	6	12	2	38	50	4	6
b	Partiality/Neutrality in allocation	2	56	30	8	4	10	46	28	8	8	2	30	42	10	16	2	36	50	4	8
c	Fairly distributed		62	32	4	2		58	40	2			40	40	6	14	4	38	44	4	10
d	Wide preference available for people to choose		50	40	8	2		42	48	4	6		38	40	2	20	4	54	36	2	4
e	Preference to most warranted cases (needs-based assessment)	2	54	30			6	64	24	4	2		38	46	6	10		2	48	44	6
f	Vulnerable people are prioritized	12	54	18	8	8	12	56	28	2	2		46	36	8	10	2	52	36	6	4
g	Neutrality and no undue influence from outside forces	16	60	12	12		10	56	20	10	4	6	58	18	8	10	16	50	18	8	8
h	Nepotism, kickback and greasing the palm.	16	62	12	10		10	46	14	6	4	6	58	18	8	10	16	50	18	8	8

VP-Very Poor P-Poor F-Fair G-Good VG-Very Good

Affordability is an important factor when considering increasing housing ownership levels. In response to question on this issue (see Table 7.5) 54% of the interviewees said the housing repayment was very high and 58% claimed that accessing loan from FHA has always been difficult to them. 50% said that ability to meet repayment has been a critical issue and on the question of grants and concession 50% respondents believed FHA was not providing sufficient amount to ease their housing repayment.

Table 7.5 Affordability Housing Cluster Sample Areas 1-4

		Cluster sample Area 1 (Milverton Rd)					Cluster sample Area 2 (Wailea)					Cluster sample Area 3 (Tacirua East)					Cluster sample Area 4 (Waila 3B)				
		Rating %					Rating %					Rating %					Rating %				
Q14	Factors	VP	P	F	G	VG	VP	P	F	G	VG	VP	P	F	G	VG	VP	P	F	G	VG
a	Housing Payment (less than 30% of income)	10	50	24	16		16	68	14	2		4	44	36	8	8	4	4	32	58	2
b	Degree of choice to buy home based on income		62	28	10			74	24	2			36	38	4	2	2		24	74	
c	Access to loans and other financing sources	4	58	32	2	4	8	62	26	2	2	2	48	34	2	14	8		26	62	4
d	Easy mortgage terms		52	40	6	2	4	64	26	4	2		52	40	2	6	8		28	60	4
e	Grant and concessions to home buyers	8	50	36	6			52	34	14	2		58	32	4	6	4		34	60	2
f	Tax rebates	6	52	34	6	2	2	46	44	6			2	54	42	2		2	36	58	4
g	Low interest rates	2	50	32	12	4	8	62	24	6		2	78	20				2	30	62	6
h	Ability to meet housing payments	4	50	32	12	2	4	72	20	4			72	24	4			2	32	60	6

Very Poor P-Poor F-Fair G-Good VG-Very Good

For effectiveness, the common indicator is household satisfaction when dealing on housing matters with the suppliers. In this regard, 44% respondents (see Table 7.6) said that FHA was not very effective in housing development and 54% claimed that it has not achieved the intended goals and targets over the past years. 60% interviewees said that FHA has failed to provide decent homes at affordable prices

and 50% claimed that it has also not been able to reduce the costs on housing transactions. On the question of dissemination of information 40% were not happy with the way it deals with this issue and 38% rated FHA as poor on the question of transparency and openness on housing matters.

Table 7.6 Effectiveness of Housing Providers Cluster Sample Areas 1-4

Q15	Factors	Cluster Sample Area 1 (Milverton Rd)					Cluster Sample Area 2 (Wailea)					Cluster Sample Area 3 (Tairua East)					Cluster Sample Area 4 (Waia 3B)				
		Rating (%)					Rating (%)					Rating (%)					Rating (%)				
		VP	P	F	G	VG	VP	P	F	G	VG	VP	P	F	G	VG	VP	P	F	G	VG
a	Housing supplied to the satisfaction of households		44	36	20			38	56	4	2		24	56	20			34	48	18	
b	Intended goals and targets achieved	2	54	28	16		2	56	36	6			24	58	18			32	52	16	
c	Housing problem has been reduced		68	28	4		6	68	20	2	4		60	32	6	2	2	58	34	6	
d	Provide decent homes at affordable prices		60	28	12		2	68	28	2			44	48	6	2		48	42	10	
e	Improve the quality of life and secure attractive environment		38	50	12			40	46	12	2		10	66	22	2		8	80	12	
f	Creating prosperous, inclusive and sustainable communities		34	44	22			4	52	4			4	68	26	2		14	74	12	
g	Reduces transaction cost	8	50	32	10		2	70	26	2		2	66	30	2		4	52	34	10	
h	Reliability in services	6	38	30	22	4	4	62	28	6		2	32	42	22	2	6	40	16	36	2
i	Assurances (knowledge, courtesy, ability to convey trust)	6	38	30	22	4	4	60	28	8		2	34	40	22	2	6	38	18	36	2
j	Feedback response	6	38	30	22	4	8	58	30	4		2	32	42	22	2	6	38	18	36	2
k	Dissemination of information	6	40	28	22	4	6	58	30	6		2	36	38	22	2	8	36	18	36	2
l	Increasing transparency and openness	6	38	30	22	4	12	50	34	2	2	2	36	38	20	4	8	36	18	36	2
m	Accuracy of responses	6	38	30	22	4	6	60	30	4		2	34	40	20	4	8	36	18	36	2
n	Achieve result without waste of energy, resources and time	6	40	30	20	4	6	56	34	4		4	32	38	20	6	8	36	20	34	2

VP-Very Poor P-Poor F-Fair G-Good VG-Very Good

Efficiency in the housing sector can be described as an ability to perform well or achieve a result without wasted energy, resources, effort, time or money. Feedback by interviewees (see Table 7.7) indicated that 56% households believed that FHA has

not been able to produce standard housing at low/economical costs and 54% said as a result it has failed to achieve goals with minimum resources. A very high percentage (78%) claimed that FHA has failed badly to fulfil housing demand and 76% concluded that it has not been able to create a better balance between demand and supply of housing. On the question of innovation in housing development 44% said FHA has not been innovative in housing development and 42% believed that it has been poor in terms of having better planning and design of housing. For reducing layers of bureaucracy in housing development, 70% said FHA has been poor in this respect and on the question of involving public in housing design, quality and production, 68% said it has failed to involve public on these processes.

Table 7.7 Efficiency of Housing Providers Cluster Samples Areas 1-4

Q16	Factors	Cluster Sample Area 1 (Milverton Rd)					Cluster Sample Area 2 (Wailea)					Cluster Sample Area 3 (Tacrura East)					Cluster Sample Area 4 (Wailea 3B)				
		Rating (%)					Rating (%)					Rating (%)					Rating (%)				
		VP	P	F	G	VG	VP	P	F	G	VG	VP	P	F	G	VG	VP	P	F	G	VG
a	Produce standard housing at low/economical costs		56	34	10		2	72	26				34	58	6	2		50	42	8	
b	Achieve goal with minimum resources		54	38	8		4	54	42			2	24	68	6			46	48	6	
c	Housing demand is readily fulfilled		78	18	4		4	72	24				80	18	2		2	64	28	6	
d	Housing is supplied at affordable prices for all segments	2	72	20	6		4	74	20	2		2	42	52	2	2	4	54	34	8	
e	Better balance is created between forced of demand & supply		76	22	2		4	76	16	4	2	58	34	4	2	2	4	66	24	6	
f	Innovative in housing development over time	6	44	42	8		2	54	36	8		24	56	20		2	42	44	12		
g	Better planning and designs of housing	6	42	44	8		2	46	40	12		28	50	20	2	2	42	44	12		
h	Improve land development and construction	6	42	44	8		2	50	38	10		24	54	20	2	2	42	44	12		
i	Improving the quality of housing	6	42	42	10		2	44	42	12		28	50	20	2		2	42	44	12	
j	Using latest technology to develop housing	6	42	42	10	2	46	42	8	2		26	52	20	2		2	42	44	12	
k	Reducing time to develop housing	6	40	42	12	4	44	46	6			26	52	20	2		2	42	44	12	
l	Reduce layers of bureaucracy in housing development	4	70	22	4	20	62	16	2		2	70	14	14			16	52	20	12	
m	Public participation in housing design, quality and production	4	68	22	6	6	70	22	2								6	54	28	12	

VP-Very Poor P-Poor F-Fair G-Good VG-Very Good

Table 7.8 Quality of Housing Supply Cluster Sample Areas 1-4

Q17	Factors	Cluster Sample Area 1 (Milverton Rd)					Cluster Sample Area 2 (Wailea)					Cluster Sample Area 3 (Tacirua East)					Cluster Sample Area 4 (Wailea 3B)				
		VP	P	F	G	VG	VP	P	F	G	VG	VP	P	F	G	VG	VP	P	F	G	VG
a	Meeting customers' expectations		50	36	14		2	36	52	8	2		22	52	24	2		58	30	12	
b	Cost effective and better design		50	36	14		4	50	40	6			26	60	12	2		56	32	12	
c	Have high standard of environment performance and durability		44	34	18	4	4	38	54	2		2	22	55	18	2		52	38	10	
d	Provide first rate living condition		36	48	16		4	40	36	18	2	2	18	60	16	4		56	32	12	
e	Provide accessibility, security, safety and privacy	4	46	38	12		8	38	48	4	2		46	40	12	2	2	62	26	10	
f	Provide communication interactions	2	44	44	10		2	46	48	4		2	8	76	12	2		50	40	10	
g	Have ample space and appropriate services	2	60	30	8		4	60	34	2			48	42	6	4	2	64	22	12	
h	Fulfilling the needs of family, young adult and aged	4	46	38	12		2	48	50			2	24	66	6	2		58	32	10	
i	Design is flexible and adaptable to meet future demands	2	46	40	12			46	46	8			22	68	8	2	2	56	32	10	
j	Best workmanship with long service life		44	38	18			42	50	8			20	68	10	2		58	36	6	
k	Void of abnormal repairs and replacement work		46	34	20		6	40	52	2			16	74	8	2		58	36	6	
l	High demand and appealing		36	44	18	2		34	58	8			18	72	8	2		60	34	6	
m	Modern design and architecture		42	42	14	2		38	52	10			20	70	8	2		60	34	6	
n	Resalable and marketability		38	44	16	2		40	50	10			18	72	8	2		60	34	6	

VP-Very Poor P-Poor F-Fair G-Good VG-Very Good

When dealing with the quality of housing (see Table 7.8) 50% households stated that FHA was not meeting customer's expectation and 50% claimed that it has never been cost effective to produce better designed homes. For environment performance and durability 44% said FHA has not been able to construct housing of good standard and on the issue of accessibility, security, safety and privacy on housing 46% of the

respondents said FHA has never been able to improve these features. To prolong the life of buildings repairs and replacement works are needed and in this respect 46% households claimed that FHA has not been executing maintenance works effectively.

7.6 Cluster Sample Area 2 Wailea Settlement

Wailea squatter settlement is located on the outskirts of Suva City and people of two major ethnic groups live in this locality. This squatter settlement is situated between Wailea Street and Nanuku Street in Vatuwaqa, Suva. More than 400 families have been living in this area for over thirty years. Many residents were rural migrants and came to the city looking for work and could not afford to buy properties. As a result, they occupied small plots of state land and built homes. Housing and living conditions are generally bad in this settlement but many settlers are still living in this area for a long time. This settlement is periodically inundated by rain and sea water.

In this informal settlement, 74% of the interviewees (see Table 7.2) are iTaukei and 26 % Indo-Fijian. 88% are in employment and 65% were deployed in the informal sector. 50 % households have 4-8 members living in a simple dwelling providing one or two bedrooms and 49 % have an annual income level between \$5000 and \$10,000, and 28.9 % were earning below \$5000. For housing 64 % spent between 10 and 30% of their income on housing. 59 % lived in this area because of its proximity to their work.

Ninety six per cent of the households do not hold secure tenure over the land on which their dwellings were constructed. 80% of the buildings were built with corrugated iron and timber and being in a squatter settlement, these households were not entitled to any form of subsidy to buy or improve their homes. Due to the lack of secure tenancy, the households could not raised loans from lending institutions. Regarding finance almost 90 % of the interviewees used their own fund to build homes and 7% obtained loans from other sources and a very small percentage that is (3%) managed to borrow from commercial banks. 67% of the borrowers agreed that the terms and conditions of the borrowing from commercial banks were fair.

According to Table 7.4 54% of the interviewees claimed that FHA has failed to deal equitably with all deserving cases and 46% said it has never been neutral during allocation of housing. Housing choice has been ignored by FHA and 42% said their preference was never considered. 64% of the respondents claimed that FHA has not been offering housing on preferences and 56% indicated that priority was not given in allocating homes to vulnerable people. On the issue of undue influence from outside forces, 56% of the household believed that FHA has been externally influenced when dealing with housing issues. 46% said nepotism has always been practiced in this institution.

In answering questions on affordability issues (see Table 7.5) 68% the household said that FHA has failed to consider the income of buyers when selling houses and 74% indicated that degree of choice was lacking when housing was offered for sale. 62% claimed that accessing loans from FHA has always been difficult and 64% said the mortgage terms has been a problem for low income earners. On receiving grants and concession, 52% said FHA was poor on this issue and 46% said a reasonable sum was not provided on tax rebate to low income earners. 72% of the households believed loan repayment has always been a problem for many FHA clients.

On dealing with the effectiveness on this cluster sample area (see Table 7.6) 56% of the respondents said FHA has failed to achieve the intended goals and target in the housing development. 68% believed that FHA has been poor in reducing housing problem for low income earners and 68% said that FHA has not been able to provide decent homes at affordable price to many low income groups. In reducing cost on housing transactions, 70% said FHA has not been able to reduce cost to a reasonable level. On feedback to applications 58% expressed their concern that FHA has not responded well and 62% of the households were disappointed on the reliability of services provided by this institution. 56% of the interviewees were concerned that FHA was achieving result without waste of energy, resources and time by FHA.

Feedback from the households on the efficiency factor is demonstrated on Table 7.7. On the question of producing standard housing at low/economical costs showed that 72% believed that FHA has not been able to achieve this goal. To fulfil housing

demand, 78% said that FHA has never been able to fulfil the housing need of the low income group and 54% claimed that it has never been innovative in housing development. 44% claimed that quality of housing has always been poor and 46% said it was not using latest technology to develop housing. To involve public in housing, quality and production, 70% claimed that this has never been practised by FHA.

Regarding the quality of housing and meeting customer's expectation, 52% said (see Table 7.8) that FHA was able to meet client's preference. On the other hand 50% said this institution has never been cost effective and produced better designed houses. On the question of ample space and appropriate services 60% were not happy with current arrangement and 46% claimed that the design was not flexible enough to meet future demands of the occupants. When asked on the question of resale and marketability of housing, 50% said the properties can be sold without difficulty in the market.

7.7 Cluster Sample Area 3 Tacirua East

This is a low cost residential subdivision completed in the 1990s by the FHA. This neighbourhood is located on Khalsa Road approximately six kilometres from the Suva City Centre and comes under the jurisdiction of Nasinu Town Council. FHA has undertaken major development work on this subdivision to produce fully serviced lots for its customers, particularly for the middle to low income earners, including the squatters. Most buildings are single storey structures with a mixture of concrete and timber construction. Many buildings are self-built with finance obtained from FHA. 44% of the residents say that they lived in this area because it is safe and secure and 24% prefer to live in this area due to proximity to work.

In this subdivision 52% of the respondents (see Table 7.2) are Indo-Fijian, the balance is of other ethnic groups including iTaukei. Employment level is 76% with 70% of the household having 4-8 members in the family. Approximately 45% of the households are earning \$5000 to \$10000 income per annum whilst 24% earn

between \$10,000 and \$15, 000. 40% of households spend 10-30 % of their income on housing and only 20% spend less than 10 % of their income on housing.

Approximately 80% of respondents are occupying Housing Authority subleases on native land. The sublease from FHA that is held by individual tenants is for a period of 99 years and ground rent is payable annually. Rental is reviewed after every 10 years. It has been observed that buildings are a combination of concrete and timber structures, self built by the tenants. 96% of the tenants have not received any form of subsidy.

Regarding finance for home construction, 78% of the respondents obtained their loan from FHA and 15% secured a loan from commercial banks. Of those that obtained a loan from FHA, 52% say the terms and condition of the loan are favourable and 28% believe it is not favourable.

For equity factor the perception of 46% of home owners (see Table 7.4) were that FHA was dealing with fairness to all deserving cases and on giving preference to home buyers 40% said it was fair. On the question of prioritising homes to vulnerable people, 46% said FHA has not been particular on these cases. 58% of the respondents believed that there has been undue influence from outside forces and 58% claimed that nepotism was a common practice with FHA.

For affordability factor in Tacirua East (see Table 7.5) 44% respondents believed the level of housing repayment required by FHA was high and the mortgage terms were difficult for low income groups. 58% believed the grants and concession on loans has been limited and does not ease the loan repayment. When dealing with interest rates 78% were not happy and 72% indicated that repayment of loan has been a concern to them.

Table 7.6 indicates that 56% of the interviewees believed that FHA has been effective in housing development but 60% households claimed that it has not been able to reduce the housing problem for low income group. 66% said that FHA has failed to reduce cost on housing transactions. . On the question of feed back to applications, 42% believed FHA has responded well to their applications. For the

dissemination of information on housing, 38% agreed that FHA was handling this issue well. In terms of achieving result without waste of energy, resources and time, 38% supported FHA and said it has been fair to deal with these factors.

Feedback on efficiency factor by interviewees (see Table 7.7) showed that 80% of the households claimed that FHA has failed to supply housing in the market for low income group and it was not fulfilling housing demand readily. 58% expressed their dissatisfaction and said that this housing institution was not creating a better balance between demand and supply factors. 52% of the respondents supported FHA in terms of improving the quality of housing but 70% said FHA should reduce the layers of bureaucracy in housing development.

On the issue of the quality of housing and meeting customers expectation 52% households (see Table 7.8) believed FHA was achieving this target. However on the issues of accessibility, security, safety and privacy on housing 46% said that FHA was poor in providing these facilities. On the question of whether the design of housing was flexible and adaptable to meet future demands 68% households said FHA was accommodating these factors in the housing development. 68% interviewees said the FHA was practising best workmanship thus allowing long service life of buildings. For abnormal repairs and replacement work 74% said that FHA has been executing these work periodically. For resalable and marketability of houses built by FHA, 72% believed these properties have good market values.

7.8 Cluster Sample Area 4 Waila 3B Subdivision

Many settlers in the Waila 3B subdivision have been relocated from different areas of the country. Some of the settlers are from the community known as the Bai Ni Ose community who were the squatters on the University of the South Pacific land at Laucala Bay Road. Bai Ni Ose community lived on the University land for a number of years and became a strong community. Several efforts had been made to relocate the families that had built houses and lived on this area of semi-wet land below USP. However the relocation of this community was undertaken in 2005 and in the process

the University of the South Pacific contributed \$5000.00 per household towards the land deposit at Waila 3B Subdivision. In addition, the University offered four scholarships to USP annually for former Bai Ni Ose residents and their descendants for a 25-year period. Other settlers on this Waila 3B subdivision were evictees of native land whose agricultural leases in non-urban areas of Fiji have expired.

In Waila 3B settlement the respondents were (see Table 7.2) 72% Indo-Fijian and 26% iTaukei whilst the remaining were people of other races. Approximately 82% are employed and of this 54% were working in the private sector, others were self-employed or engaged in the public sector. 51% of households have 1-4 people while remaining households have 4-8 members. As for the income, 45% households had income levels between \$5000 and \$10000 per annum. Figures show that 54% households spend 10-30% of their income on housing and 30% spent between 30% and 50% of the income on housing. 82% of households have chosen to live in this neighbourhood because of the availability of various services and amenities.

Instances of land tenure, 52% of the tenants were occupying land that was leased to them from FHA and 48% were holding native leases issued by the Taukei Land Trust Board. Both leases were for a period of 99 years with an annual rental payable every six months. This ground rental is reviewed after every ten years. Many buildings were semi-permanent structures of which 40% were corrugated iron, 37% are wooden structures and the remaining buildings are concrete dwellings. To build their homes 74% settlers did not receive any subsidy.

To purchase home and raise finance 93% of the households said that they have obtained a loan from FHA. For the terms and conditions of the loan, 47% believe them to be fair and 30% borrowers claimed that the terms and conditions of the loans were not favourable. 19% borrowers have rated the loan conditions as favourable.

When questioned on equity factor (see Table 7.4) 38% of the respondents claimed that FHA was not dealing with fairness to all deserving cases and 50% thought it has maintained fairness. 38% were not happy in the way residential lots were distributed but 44% believed this process was well handled by FHA. In terms of giving a wide preference to choose homes, 54% believed FHA was not giving this choice when

selling houses to its clients and 52% said FHA was not prioritising the allocation of homes to vulnerable people. As for undue influence from outside forces, 50% indicated that FHA was heavily influenced from external forces when dealing with housing matters and on nepotism 50% interviewees believed this was a practice in FHA.

For affordability factor in Waila 3B Settlement (see Table 7.5) 32% respondents believed the level of housing repayment required by FHA has been fair and 74% of the households said degree of choice to buy homes from FHA has been good. When accessing loans and financing sources 62% households believed FHA has been good. 60% interviewees said FHA mortgage terms have been good and 60% said the grants and concession has also been good. For the interest rate charged by FHA on loans 62% believed it was good.

When questioned on effectiveness in housing development, 48% (see Table 7.6) believed FHA has been performing well and 54% claimed it has been achieving intended goals and targets in the housing sector. On the other hand 58% households indicated that FHA has been poor in reducing the housing problem in the country and 48% claimed it has not been able to provide decent homes at affordable price to low income earners. On the question of improving the quality of life and secure attractive environment, 80% said FHA was doing well to achieve this objective. In reducing cost on housing transactions, 52% said that FHA was poor on these matters. 40% of the households indicated their disappointment on the reliability of services offered by this institution and 38% said FHA was lacking transparency and openness when dealing with their clients on housing matters.

Efficiency in housing development is a very important factor and feedback from interviewees (see Table 7.7) showed that 50% households believed that FHA was not producing standard housing at low/economical costs. Whether FHA was supplying housing at affordable prices to all segments, 54% disagreed and 64% said FHA has been poor in fulfilling the demand for housing for low income earners. 66% households rated FHA as poor on the question of balancing between demand and supply factors. On the issue of reducing time to develop housing 42% households

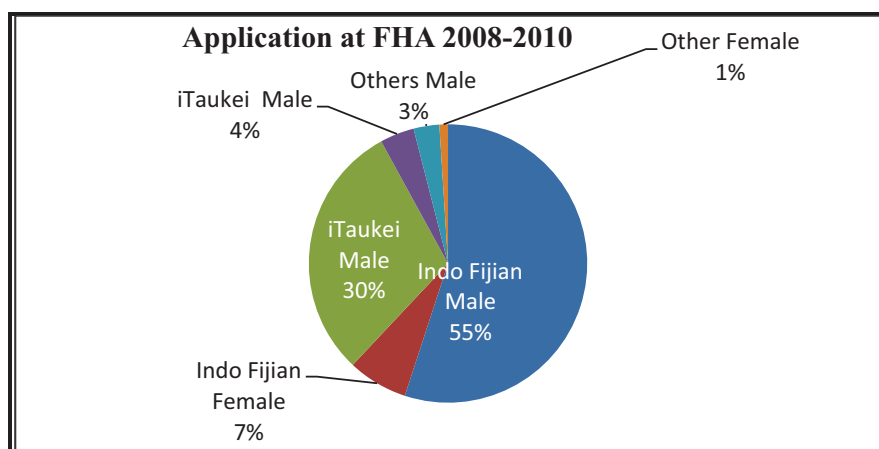
rated FHA as poor and for reducing layers of bureaucracy in housing development, 52% interviewees said it was poor. On the question of public participation in housing design 54% said FHA has never consulted public on this process to improve housing designs.

When dealing with the quality of housing and meeting customer's expectation (see Table 7.8), 58% of the households indicated that this has been lacking with FHA. Relating to cost effective and better design, 56% interviewees said FHA has been poor in embracing these factors in the housing development. For high standard of environment performance and durability of housing, 52% said FHA was poor in constructing the buildings of high standard and 56% interviewees said the living conditions of these houses are poor. On the issue of accessibility, security, safety and privacy on housing, 62% said these features were poor in FHA housing developments and 58% claimed that this institution was not fulfilling the housing need of family, young, adult and aged people. Whether the houses have flexible design and adaptable to meet future demands, 56% households disagreed on this factor. On the question of abnormal repairs and replacement work 58% believed FHA has been deferring maintenance on most of its housing states. Whether FHA houses have high demand and appealing to the potential customers, 60% households disagreed on this factor and 60% believed that Housing Authority housings were lacking modern design and architecture.

7.9 Applications for Housings by Ethnicity

Statistics for a three-year period in the Suva-Nausori Corridor revealed that the highest number of people who desired to own a home were Indo-Fijian males. This was revealed in Figure 7.1, when the highest number of applications lodged at the FHA was by Indo-Fijian males and this was followed by iTaukei males. Males of other ethnic groups have not shown much interest to investing in housing. Females from the two major ethnic groups have shown a lower level of interest to own a house.

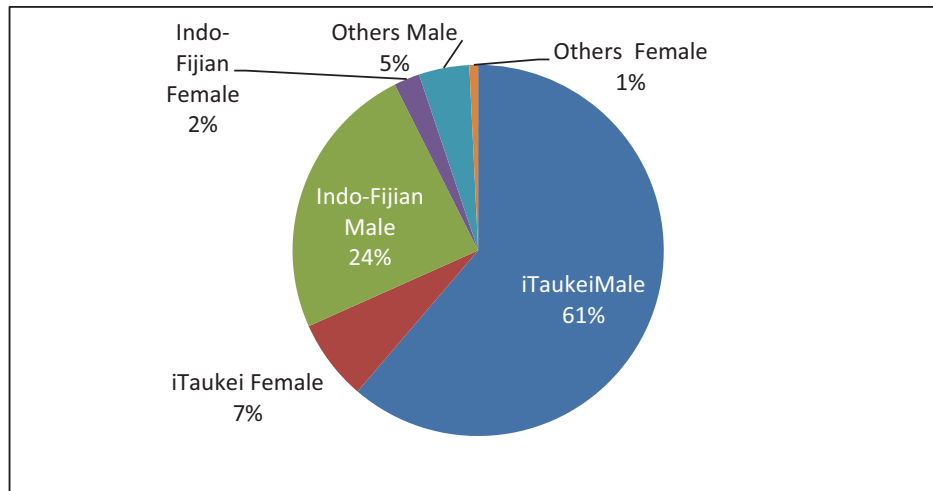
Figure 7-1 Applications for Housing Loan by Gender and Ethnicity 2008-2010



Source: Fiji Housing Authority (2010).

In response to the applications (Figure 7.1) by the different ethnic groups, FHA approved 61% and 7% iTaukei male and female applications respectively. In dealing with applications (Figure 7.2) lodged by Indo-Fijians, 24% males received approval while only 2% Indo-Fijian females were granted approval. For other ethnic groups, 5% of the applications were approved for males and 2% for females. A clear explanation was not provided by the FHA as to why a large percentage of the loans were approved for iTaukei males. Under equitable distribution all persons applying must have an equal opportunity for housing and never be under the belief that special treatment has been given to a special group or that undue influence is exercised. Equitable allocation should have been practiced and those greatly needing housing were given the first opportunity to secure loans. Those in urgent need and facing vulnerability in the community should also have been given priority for housing to live independently in the community. This process would add to the diversity within the community and help towards overcoming favour to any particular group.

Figure 7-2 Fiji Housing Authority approved loans by ethnicity, 2008-2010



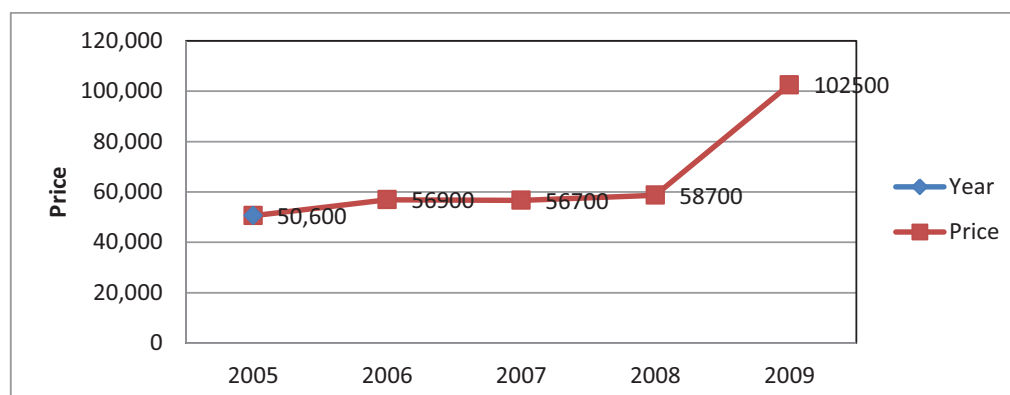
Source: Fiji Housing Authority (2010)

In Singapore, the house allocation system (see Section 5.9) is an integral part of the public housing development. Transparency and eligibility are an institutionalised aspect of the public housing system. Singapore government believed four factors are associated with the housing programme. There must be fair allocation of housing that benefit the majority of population, some level of choice needs to be given to people in terms deciding on location and type of housing and allocation of housing to special categories requiring priority and assistance.

7.10 Residential Property Prices

A comparative analysis of the sale prices of residential properties is shown in Figure 7.3. It is based on the average sale price of properties over a five-year period. Between 2005 and 2009, the average price of residential property increased from \$50,590 to \$102,500, an increase of 103 per cent.

Figure 7-3 Average Residential Property Prices, between Suva and Nausori, 2005-2009



Source: Lands Department, Fiji (2009).

The sale figures are from the Suva-Nausori corridor and showed that there has been significant movement in the property values in this region. A number of factors influenced the housing price, including the ever-increasing cost of the building materials. The terms and conditions of the mortgage and the costs of funds by the lending agencies and interest rates charged on loans were contributing factors for the steep rise in property price. As pointed out by Laquian (1983), there has been an important relationship between security of tenure and housing development. People feeling insecure would have hesitated to invest in housing development even if finance was available. Laquian claimed that freehold tenure was most desirable and sought after by people than long-term leases. When dealing with land tenure the situation was not different in Fiji. Many people preferred freehold tenure as shown under section 7.11 below. Under freehold tenure the ownership has been outright that gave incentive as well as security to improve building on the land.

7.11 Land Tenure and Preference

Land tenure is considered to be one of the major factors to many home buyers. Table 7.9 shows that a large percentage of the buyers preferred freehold properties than State and Native leases. Freehold has been the most desirable tenure choice across the nation in homeownership. The sales data showed that 46% buyers have chosen to

invest in freehold, 15% on State leases, 14% bought Native leases and the remaining 25% buyers opted to acquire Housing Authority leases. The advantage of the freehold property owners is that they are not required to pay annual ground rental and to obtain the consent of the landlord when entering into any dealing on the land. For this reason many potential property buyers were keen to invest in freehold properties. However, low income earners do not have ability to buy freehold properties due to high price and as result they had no option but to invest in Fiji Housing Authority leases. The high percentage of freehold properties sold as shown in Table 7.9 was acquired by middle to high income earners. The desire to own a property by low income earners cannot be fulfilled as the supply of housing to affordable levels remained low in the urban centres. On the other hand the population of most urban centres and peri-urban areas has continued to increase as shown on the Table 7.10 over a period of ten years.

Table 7.9 Sales by Land Tenure, 2005-2009

Region	Freehold	State	Native Land	Housing Authority
Central	587	127	134	273
Western	201	101	96	165
Northern	56	56	35	15
Total	844	284	265	453
Percentage	46%	15%	14%	25%

Source: Lands Department, Fiji (2006).

7.12 Urban Migration

The demand for housing increased following the influx of people to urban centres over the recent past years. As shown in Table 7.10, a large number of rural populations particularly farmers whose agricultural leases on native land have expired chosen to move to urban centres. The other contributing factors as claimed by Lingam (2003) for people to move into urban areas were breakdown of relationships in the extended family, unemployment, job losses and seeking opportunities for better education, health services, sporting facilities and other amenities.

Lingam projected that until 2026 approximately 13,110 leases issued for agricultural use will expire and failure to renew by the landlords means the farmers will be left without land. This includes over 3500 of farmers whose leases will be terminated. Currently, many farmers whose leases have expired are moving to the Suva- Nausori corridor with a desire to find employment, set businesses or join other family members in these areas. Lingam claimed that there were over 182 squatter settlements in the country mainly in the urban centres with an estimated population of over 100,000 or 14,000 households with an average family of six members. These statistics demonstrate that there were a large number of poor people who are facing housing problem. They are left with insecure tenure on squatter settlements and inability to progress and improve their standard of living. The squatter settlements have accelerated over the years and the national and local governments are unable to provide the necessary services.

The rate at which housing development is progressing in the country (Figure 7.7) is alarming. A strong commitment is needed by the stakeholders to fulfill housing demand because informal settlements are increasing and if not controlled will be haphazard in nature. It would be the cause of overcrowding, risk to public health and can be a source for environmental pollution. The rate at which housing is developed in the country is shown in the next section.

Table 7.10 Urban and Peri-Urban Population 1996-2007

Urban Area	Sub Division of Urban Area	1996	2007
Ba	Total	14716	18526
	Urban	6314	6826
	Peri-Urban	8402	11700
Labasa	Total	24095	27949
	Urban	6491	7706
	Peri-Urban	17604	20243
Lami	Total	18928	20529
	Urban	10556	10752
	Peri-Urban	8372	9777
Lautoka	Total	43274	52220
	Urban	36083	43473
	Peri-Urban	7191	8747
Levuka	Total	3746	4397
	Urban	1096	1131
	Peri-Urban	2650	3266
Nadi	Total	30884	42284
	Urban	9170	11685
	Peri-Urban	21714	30599
Nasinu	Total		87446
	Urban		76064
	Peri-Urban		11382
Nausori	Total	21617	41604
	Urban	5744	24919
	Peri-Urban	15873	22685
Savusavu	Total	4970	7034
	Urban	2652	3285
	Peri-Urban	2318	3749
Sigatoka	Total	7862	9622
	Urban	1597	1634
	Per-Urban	6265	7988
Suva	Total	167975	85691
	Urban	77366	74481
	Peri-Urban	90609	11210
Tavua	Total	2419	2388
	Urban	1283	1079
	Peri-Urban	1136	1309

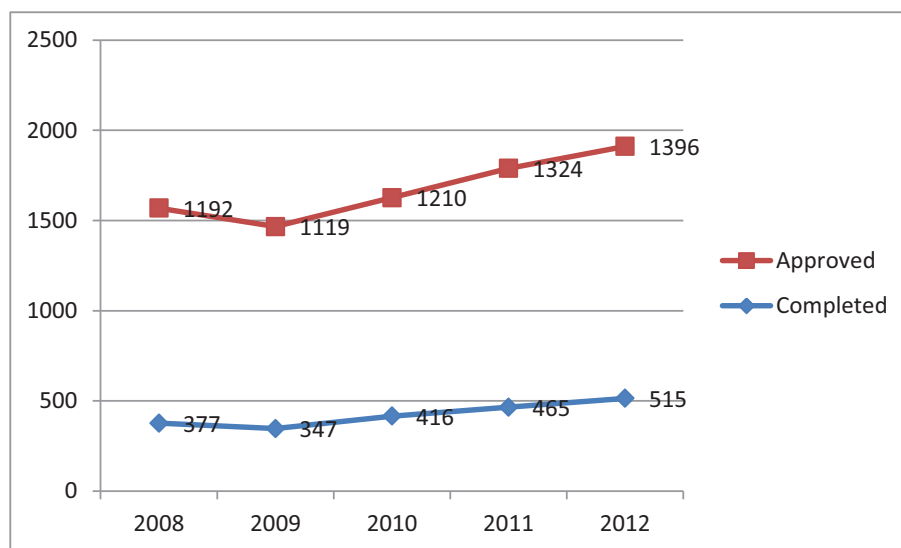
Source: Fiji Bureau of Statistics (2014)

7.13 Permits Issued and Buildings Completed

A useful indicator of the supply of housing in the country is the completion certificates issued by the Municipal Councils and Rural Local Authorities. As shown in Figure 7.4, fewer than 50% of buildings for which applications approved were completed in this period. The completion certificate pattern demonstrated that there was a declining trend in the supply of formal housing from 2008 to 2012. A crude estimate of housing need in Fiji until 2006 was approximately 3840 (Task Force Report, 2002) per annum. The projection indicated that if measures were not taken to

increase the supply of affordable housing the shortage will rise steeply causing more people to live in informal settlements.

Figure 7-4 Applications Approved, Buildings Completed, 2008 – 2012



Source: Fiji Bureau of Statistics (2014).

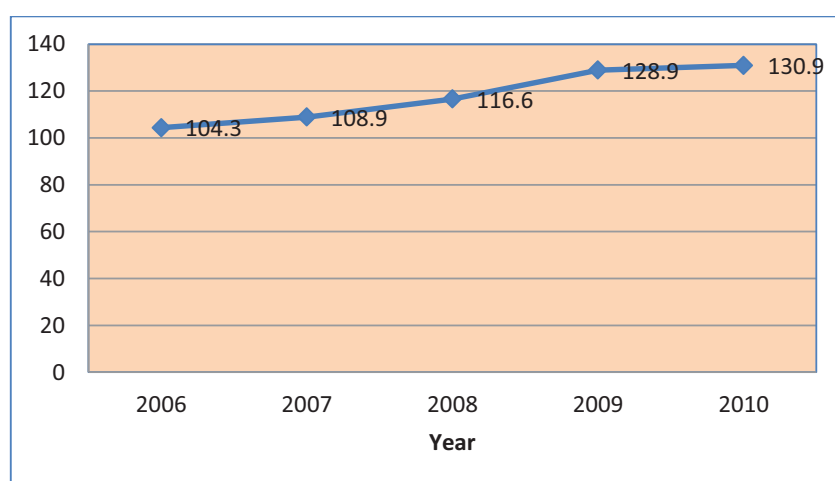
One of the constraining factors for the housing development in the country was the cost of building materials. As shown in Figure 7.5 there has been a continuous rise in the price of building materials without corresponding growth in wages and salaries of low income earners.

7.14 Building Materials Price Index

The rise in the cost of building materials (Figure 7.5) is shown for the years 2006 to 2010. The cost of building materials has risen continuously over the period. This was due to the devaluation of the Fiji dollar and the necessity to import most items from other countries. Even cost of local materials, such as timber and cement used for the basic structure of a house, have not remained static. Also the basic imported building materials are subject to fiscal taxes and import duties that add further to the cost of these items.

As indicated above building materials, the major component in house building, have increased substantially in cost over the years. As a result the ability of the people to purchase those items based on their income is becoming difficult. The stakeholders should have understood how the supply and demand sides of housing market can be made to work better through efficient management of one of its important components. Measures to control price of this item would improve the performance of the housing sector, enhance the affordability factor and have contributed to a broader economic and social development objective of the nation.

Figure 7-5 Building Materials Price Index 2006 -2010



Source: Fiji Bureau of Statistics (2010).

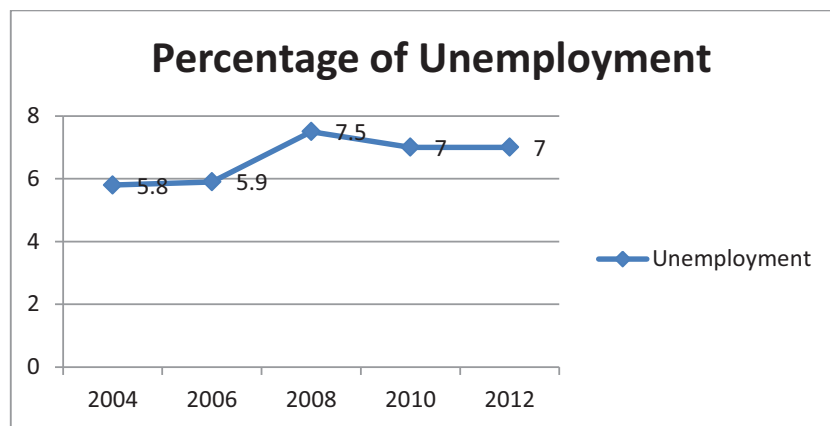
The policy of the State to provide affordable housing to low income groups was a challenge because there was a large number of low income earners and their limited affordability. Providing minimum standard housing through subsidised programmes showed that many low-income households were incapable of paying for even the basic standard rental units provided to them (National Housing Policy, 2011). The main constraints were poverty, low incomes and unemployment as shown in the next section.

7.15 Unemployment Rates

Fiji has been undergoing economic recession and with political instability, expiry of agricultural leases, declining world sugar prices and a major increase in the cost of living, were some of the contributing factors to unemployment (Figure 7.6) in the

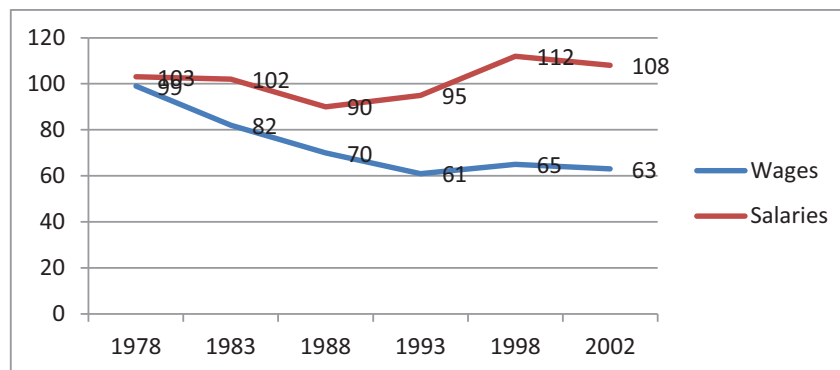
country. There has been a positive relationship between home ownership and unemployment rates. Also the homeowners are less mobile than private sector renters, the homeowners are hesitant to move to other employment areas in the event of losing their current jobs. Other factors that discourage them from moving include the lump-sum costs associated with buying new properties and financing and selling the current home. In Fiji, as shown in Figure 7.7 there has been negative wages growth over the years but the price of housing and the cost of living have escalated every year.

Figure 7-6 Unemployment Rates 2004-2012



Source <http://www.tradingeconomics.com/fiji/unemployment-rate>

Figure 7-7 Wages and Salary Growth 1978- 2002

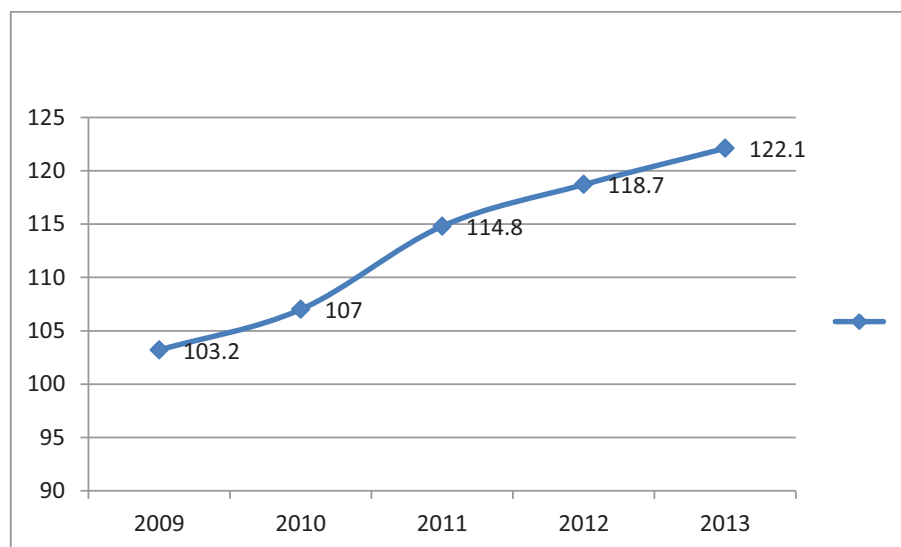


Source: Narsey (2008) page 114

7.16 Wages, Salary and CPI

Little attention has been paid to housing finance constraints when dealing with acute housing problems. There had been projects that could have improved housing conditions and affordable housing units constructed, if financial mechanisms were adequate to enable house purchase and improvement to be effected. The housing market in a developing country like Fiji can be divided into three sectors. The upper income group which obtains funds from the commercial banks, the middle income sector, the main beneficiary of government subsidies funds and the lower income sector that receive limited or no assistance at all. The major hurdle for the housing sector was building to standards that people simply could not afford. If the housing itself is too expensive no housing finance mechanism can overcome this problem. As an example, Figure 7.8 showed that there was a constant rise in the CPI from 2009 to 2013 but no increases in wages and salary (see Figure 7.7) from 1978 to 2002

Figure 7-8 Percentage Increases Per Year CPI, 2009-2013



Source: Fiji Bureau of Statistics (2014)

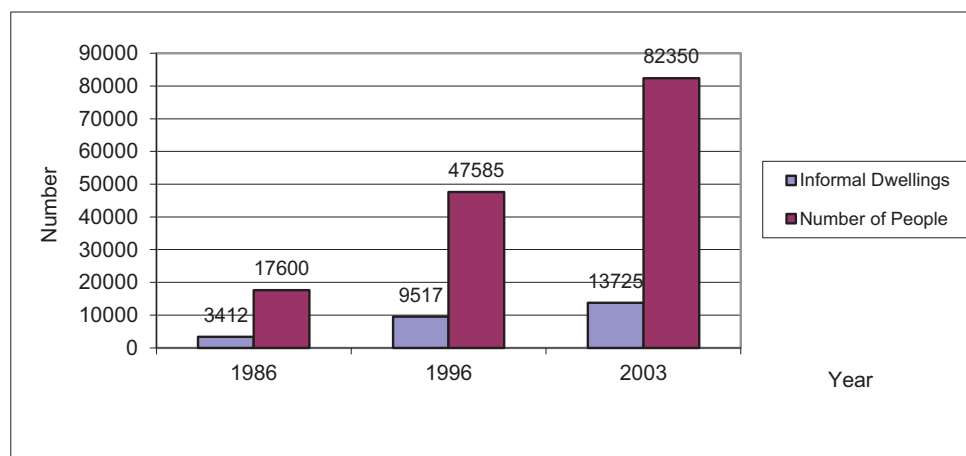
Figure 7.7 shows approximately 80% of the households in the country earn less than \$90.00 per week. This is a crude measure of the people's income and their ability to invest in housing. Many people, particularly those living in squatter settlements,

were working on low wages and as a result cannot buy or build homes or rent decent houses. Researchers have shown that over 55% of those in fulltime employment were earning wages below the poverty line. A home has become unaffordable for many due to low income level and high cost of housing. It is estimated that over 80% of new housing stock was built in informal settlements without formal approval and security of tenure (MLHSSE, 2004). The increase of squatter settlement was a reflection of institutional failure on housing development. The expansion of informal settlements demonstrated the need for affordable housing that can match the earning capacity of deserving households.

7.17 Informal Settlements

As shown in Figure 7.9, there were 3412 informal dwellings in urban areas of Fiji with 17,600 people and average household size of 5 members. This would translate to 12.8% of the population living in informal settlements and in need of housing. A survey of June 2003 revealed that in Fiji there were 182 settlements with an estimated population of 82,320 or 13725 households (average family size of 6). This represented a growth of 73% over a period of seven years. In 2010 the squatter population had reached over 100,000 (Fatiaki, 2010).

Figure 7-9 Informal Settlements in Fiji, 1986-2003



Source: Ministry of Lands, Fiji (2008).

7.18 Key Features from Cluster Sampling Areas

A profile of the households (Table 7.2) in all four cluster sampling areas showed that a large percentage of households had 4-8 members in the family. The distribution of property ownership in terms of ethnicity was variable. In Milverton Road and Wailea Settlements the iTaukei and Indo-Fijian ownership of properties is 92% and 74% respectively. In Tacirua East and Waila 3B subdivisions the majority of the property owners were Indo-Fijian. In terms of gender, males held 58% property ownership in Milverton Road and 72% in Wailea. In Tacirua and Waila 3B subdivisions property ownership was dominated by males 72% and 86% respectively. Income level was uniform in all case studies and most households earned between \$5000 and \$10,000 per annum in all four cluster sample areas. A large section of households spent 10-30% to buy or build homes.

Most of the home owners occupied land that was leased from the FHA. The majority of tenants have obtained loans from the FHA (Table 7.3). The terms and conditions of the loans have been described as fair. Financial arrangements were an important factor in buying homes and many home owners were treating this factor with high relevance.

Equity is an important factor in the housing sector and contributed towards sustainable development of housing. Interviews with homeowners in all cluster sample areas revealed that they considered FHA was having problems dealing with this factor. Many have pointed out that there was lack of fairness in distribution and prioritising the housing needs of vulnerable groups. Nepotism and favouritism towards certain groups were thought to be affecting FHA and its decision making processes and that there was an undue influence from government officials and ruling political parties in the allocation of housing.

In the household survey, a majority claimed that the housing payments structure was poor as most borrowers required regular repayments that made up more than 30% of their incomes. This was a critical affordability issue (Table 7.5) as a large percentage maintained that the degree of choice to buy home according to income remained unsatisfactory and that ability to meet housing payments had been an on-going

problem. Affordability was an important factor and the earnings of the individual home buyer had a great impact on the decision to buy property. Intuitively, higher incomes meant households can afford higher monthly mortgage payments. There are a number of ways to measure affordability and the commonly used one was the house price to earnings ratio. It is clear that with the huge increase in house prices over the past few years only a nominal wage rate increased but in real terms it has declined (Narsey, 2008) as a result the house price to earnings ratio remained high. In all cluster sample areas, many households were spending from 10% to 30% of their income on housing loans and for this reason borrowers appeared to have difficulty repaying debt.

As indicated by the household survey, the shortage of housing in urban areas is caused by several factors, the most significant being the lack of affordable prices at which the low-income earners can buy the homes. This is one of the key issues of social concern and a threat to the homes and communities, particularly those with modest incomes. The effectiveness of housing supply from the point of view of the government, other stakeholders, lenders and customers relates to matching supply with demand. The FHA is regarded as being ineffective as revealed in the household survey (see Table 7.6). The Respondents claimed that problems still existed and FHA had not achieved the targeted goal to meet housing needs in the country.

When dealing with efficiency issues (see Table 7.7), a majority of the participants also claimed that FHA was unsatisfactory in producing housing at low or economical costs. They felt that housing needs were not fulfilled and that FHA should reduce layers of bureaucracy in housing development.

Residents' opinion on housing quality is shown in Table 7.8. Over 50% of the interviewees claimed that the quality of the housing produced by FHA was poor. They claimed that the standards and design did not meet their expectations as there was a lack of space in the buildings and they do not meet the needs of the family. The buildings lacked quality and good workmanship, modern design and architecture. They lack accessibility, security, safety and privacy.

The positive views of respondents were that FHA gave them some choice to buy homes of different price, design and location. Also the interest rates on balance loan have been reduced in the recent years. In Cluster Sample Area 3, 54% interviewees believed that FHA had maintained a high standard of environment performance and durability when undertaking the housing development in their area. Again in Cluster Sample Area 3 over 50% respondents claimed that FHA had been cost effective and maintained better design of housing as well as innovative in housing development. In Cluster Sample Area 4, 80% respondents said that through FHA initiative, they have managed to improve the quality of their life and lived in secure and better environment.

7.19 Key Findings from Housing Related Data

Statistics for a three-year period in the Suva-Nausori Corridor revealed (see Figure 7.1) that the highest level of desire to own a home was by Indo Fijian males as was indicated by the level of applications lodged with FHA. This is followed by the iTaukei males then by members of other ethnic groups. In response to the applications, the highest number of loans were approved (Figure 7.2) to iTaukei males then followed by Indo Fijian males. On housing market over a period of five years (see Figure 7.3) the average price of residential properties increased by 100 per cent without corresponding increase in wages and salaries of low income earners. When buying properties, many home buyers apparently consider land tenure to be one of the major considerations.

The demand for housing has been increasing rapidly over the years but the supply has remained low and even declined in the recent years. The major contributing factor for low supply of housing had been the high construction standards, high cost of building materials and unavailability of land in the urban centres. The unemployment (Figure 7.6) rate has remained high over the years and those in employment earned less income that does not give them surplus to invest in housing.

The past effort of the stakeholders to meet the problem of housing in Fiji had been to act as producer of housing through limited resources such as land and capital. The effect of these efforts had been limited and had not created a large impact on the

housing sector. Failing to achieve better results the scenarios and policies that are in place now to resolve the housing problems by individual stakeholders will be summarised in the next section. Views of other housing researchers from abroad were also included.

7.20 Summary of Discussions with Stakeholders and Housing Researchers

Discussions with the City Planner (see Appendix 7) revealed that Suva City Council plays only the role of regulator in the housing development within the City boundary. The Council administers a Planning Scheme and designate certain areas for housing development in the City. For other information relating to housing development the City Council depends on government departments and other agencies.

The Director of Housing of the Ministry of Urban Development of the central government oversees the development of housing in Fiji. The Director on behalf of the State accepted the International Covenant on Economic, Social and Cultural rights that have been ratified by 108 states. The other functions of the Director of Housing are to facilitate the relocation of squatter settlements and execute the resettlement programmes. The core function of the Director of Lands of the Ministry of Lands in Fiji was to address the squatter settlements, land titling and leasing of state land to FHA and other agencies involved in the low cost housing sector.

Other important issues that have been raised by various stake holders that were interviewed locally included the lowering of the standard of housing to affordable levels. They were concerned with the cost of building materials that has escalated every year. It was highlighted that over 70 per cent of the applicants for housing were unable to afford the repayment of loans. It was revealed that recently a more sympathetic view on informal settlements was taken by the State due to the pressure from international agencies.

Interviews in Singapore with Belinda Yuen and Tu Yong in August 2008 revealed that housing administration is operated in a transparent, accountable and equitable manner, based on the principles of good governance. Measures were taken to achieve racial, social, economic and physical integration when allocating housing. Due to

limited land area, attempt was made to carryout development with high densities to make the optimum use of land. A discussion with Nicole Gurran in November 2008 showed that in Australia, home seekers are encouraged to secure homes through greater choice and affordable schemes. The State governments played vital roles in promoting local councils' involvement in housing development through planning policies.

7.21 Conclusion

Comparing housing development in Singapore, Sydney and Fiji (Section 7.3), it is obvious that Singapore's HDB is very effective in the management and supply of housing to the people of Singapore. Being the sole housing agency, it deals very effectively with all aspects of housing development in the country. It has been shown that HDB is strongly supported by the State which puts the public housing programme on the right track from the early stages of housing development. HDB has powers to acquire land by compulsory process that facilitates housing development. The Board is supported by the State with finance and technical capabilities to develop new housing estates and towns.

In Australia, the housing development support provided by the Federal and State governments is largely in the form of identification of land, development controls for more diverse and sustainable housing types as well as providing some low cost housing stock in certain areas. Funding is also provided by the State government to local councils for housing initiatives. In Fiji, State support is basically in the formulation of housing policy and legislation, as well as limited grant and supply of a small percentage of State land for housing development.

In Singapore, there is provision in the Central Provident Fund for members to withdraw savings for down payments and servicing of monthly mortgage loans. This provides an incentive to the members to invest in housing. In Australia, the first home buyers are supported through the deposit assistance programme but this is at the discretion of the state governments. Other forms of support are through rent assistance paid through the social security system as well as housing assistance

provided to home buyers with tax concessions and interest rate ceilings on home loans.

With Lease Buyback Scheme in Singapore, the Board helps low-income and elderly households by purchasing the tail end of the flat lease from the household. Under this scheme the occupants continue to live in the flat, which will be left with an unexpired 30-year lease. The HDB also provides an additional \$10,000.00 subsidy and of this amount, \$5000.00 is given to households as an upfront lump sum and the balance is used to purchase a CPF Life Plan. This provides the owner with a steady monthly stream of income for life. In Fiji, the Fiji National Provident Fund members are eligible to withdraw two third of the amount standing to their credit for housing purchase. The amount transferred would be interest free and if wished the members can repay on a regular basis. The other option was not to repay the transferred amount subject to the approval of the Board.

In Australia, the form of support is different, where the State rationalises subsidies and ensures the programme is appropriate and of affordable scale and transparent and that will not distort the housing markets. The National Housing Policy of Australia recognises and provides for housing needs of people at different times in their lives and encourages a wider housing choice that removes the barriers between tenures. Commonwealth Grants are paid to the States, which in turn is given to low income families. The various home purchase schemes have been introduced especially to assist marginal home buyers. Also, housing assistance is provided to home buyers with tax concessions in different forms. In Fiji apart from waiving of the stamp duty on first home buyers no other form of tax concession is provided.

As highlighted under Section 5.5, there was an attractive renewal plan introduced by the HDB in Singapore on old public housing estates which has benefited more than 14700 units under this scheme. The owners are paid for their existing accommodations at current value and given re-housing package. The benefits are in the form of new flats at designated replacement sites. The purchasing of replacement flats by the displaced owners is heavily subsidised.

In any mass housing development, it may be difficult for developers to add more variety and choice in the housing sector. To resolve this problem in Singapore, private companies are invited to tender for the design and construction of public housing flats. This way more new designs have been introduced and achieved a higher degree of architectural sophistication. The participation of private sector in housing development, results in creating environmentally-friendly and sustainable housing estates.

In Singapore, even the lowest income earners are not excluded from the housing system because their accommodation is provided through small public rental flats that are heavily subsidised. Policies are made to reduce the cost of housing to allow an owner occupation of public housing even for those that are in physical requirements for housing units to enhance living conditions. In Australia, the form of help provided to this category of people includes direct housing expenditure, indirect tax and intervention by the government in the housing markets. In Fiji, no help of this nature is provided, resulting in the high percentage of people living in informal settlements.

HDB in Singapore uses long term supply contracts and bulk purchase policy to maintain a continuous supply of essential building materials at steady prices. This keeps a tight control on building contracts and allows prompt payment of expenses to reduce cost. In Fiji, one of the contributing factors of high cost of housing is the price of building materials (see Figure 7.5) that have been increasing over the years. There is an urgent need to explore alternative availability of building materials and technology to reduce cost.

Housing allocation system is an integral part of the public housing development in Singapore. HDB adopts four point plans in the public housing programme so as to maintain equity, firstly to ensure that public funds injected into the housing is fairly distributed. Secondly, the development of public housing should benefit the majority of the population. Thirdly, it must allow some level of choice in terms of locations and type of housing and finally the existence of special category of people that

require assistance in securing public housing that provide facilities that suite their needs.

Analysis of secondary data shows that access to housing is one of the major problems and contributes to the poverty profile in Fiji. The FHA has not been able to fulfil the housing demand for low income groups over the years and the price for residential properties is increasing rapidly well beyond the reach of low income groups. Those who failed to secure accommodation or purchase a property move to squatter settlements.

Information gathered from Suva City Council revealed that unlike Australia, the City Council has not enforced planning requirement on the developers to contribute to low cost housing in the City. The local councils in Fiji were playing a very limited role in the housing development in their respective local council areas. The councils depended on other agencies to collect information on housing development. The role of the state was limited and that did not help FHA much to obtain land clearance for housing development. The State would be in a better position to identify and acquire land for housing. FHA can concentrate on housing development. Fiji has learnt from Singapore when dealing with housing administration, in particular the issues on transparency, accountability and equity.

Generally speaking the questionnaire survey of households in the 4 cluster localities showed that respondents had negative views of the FHA and its services. A clear majority indicated that (a) the housing (flats and single units were not satisfactory (b) the housing materials were not of good quality (c) rentals were too high (d) the waiting time for people in the waiting list was too long (e) there were not enough land subdivision (f) that the employees of FHA were not only ineffecient but also corrupt.

The final chapter summarises research issues and highlights the implications of the study. It reflects on research issues and policy responses. The research had a practical orientation and investigated the constraints on the development of low cost housing

in the urban areas of Fiji. It attempted to suggest possible policy actions to develop a sustainable housing in the urban centres of Fiji for low income residents.

Chapter 8

CONCLUSION: IMPLICATIONS OF THE STUDY, RESEARCH ISSUES AND POLICY RESPONSES

8.1 Introduction

This chapter presents key results from the research. The focus is on current stock of low cost urban housing and identifying the factors that affected the low cost housing development in Fiji. The main objective of this research was to identify the sustainable factors in current low cost urban housing sectors in Fiji and this was achieved through the analysis of primary and secondary data. The research intended to fill the knowledge gap in sustainable low cost urban housing development in Fiji.

The introductory chapter outlined the purpose, scope, focus and framework of the research. This concluding chapter highlights crosscutting results that have emerged across the subject area covered and discussed the outcomes of the study, research issues, implications for theory, for future research, limitations and recommendations. This research has provided an in-depth understanding of the sustainable factors for low cost urban housing development as it could be applied in Fiji. The FHA remains the central player in low cost housing development in the country and therefore recommendations of this study have relevance to it.

8.2 Performance of Fiji Housing Authority

The assessment of FHA performance revealed that in the long term its ability to meet the national housing needs in particular for low income earners remains weak. FHA cannot meet the demand for housing and serve mostly households in the upper half of income earners. The FHA failed to promote the incremental housing concept. As a result the housing costs were not reduced. The contribution of the international agencies such Asian Development Bank (see Chapter 4 Section 4.15) did not produced any significant benefits for the housing sector because of weak and inappropriate management of projects by the FHA. The Authority has failed to provide any long-term or short-term measures to establish an affordable housing

arrangement for low income groups. Formal housing remains beyond the reach of low income group and the informal housing settlement has continued to increase.

FHA has not developed a better understanding of the supply and demand factors in the housing market through efficient management of resources such as land, finance, building materials and labour. This has not improved the housing supply to low income earners and would have a negative impact on economic and social development of the nation. It is therefore crucial for FHA to formulate policies and strategies to improve its performance as housing provider to low income earners.

The experience of the recent past has shown that squatter settlements are largely the legacy of the practices and policies of FHA which were unable to address the needs of the urban poor. Future FHA policies should be inclusive and should attempt to mainstream them in the national housing development. This would assist most low income earners to better access affordable housing. FHA should allow finance to families willing to build or improve houses by using their own labour to build and this would be a major motivator in enabling them to produce housing at cheaper costs.

Lessons can be learnt from Singapore and Australia for housing development. In Singapore, the Housing Development Board (HDB) was supported by the State on finance and technical capabilities to develop new housing estates. Under the Build and Sell Scheme the house owners were given opportunity under different aspirations to invest in properties. The housing policy was flexible and responded to the changing needs of the people and supported national objectives. Under the renewal plan old public housing estates have benefitted over 15,000 units under this scheme. In Singapore, even the lowest income earners were not excluded from the housing system because their accommodation was provided through small public rental flats that were heavily subsidised. In fulfilling housing need in the early stages the strategy was to meet the immediate housing shortage by reducing the quality and standards of housing. Once housing shortage was overcome, upgrading gradually completed to enhance the living conditions of the population.

In Australia the measure of support was in a different form such as the State rationalised subsidies and ensured the programme was appropriate and of affordable scale as well as transparent and that would not distort the housing market. The National Housing Policy of Australia recognised and provided the housing needs of people at different times in their lives and encouraged a wider housing choice that removed the barriers between tenure types. The housing grant was given to low income families several home purchase schemes were introduced especially to assist marginal home buyers and housing assistance was provided with tax concessions in different forms.

8.3 Development of Customary Land

The settlement of migrants from rural areas to urban centres requires serviced land on regular basis. A large percentage of freehold and state land has already been developed and occupied and future development would be on customary land. Therefore, there was a need for new land policy initiatives to adopt customary land procedures to modern needs. Stakeholders should take innovative measures to bring this land into the market. This would facilitate an orderly urban development as well as economic development of the country.

The government and iTaukei Trust Board could support capacity building programmes to allow iTaukei land owners to be active in the land market. The State could provide basic infrastructure to encourage the opening-up of land for orderly settlement. Legislation can be formulated to a long-term leasing of customary land that would have provided protection to land owners and tenants

8.4 Other Constraints on Housing Development

Other important factors that could mitigate the housing cost are highlighted in this section. These include the land subdivision standards could be adjusted to allow incremental development infrastructure so as to increase affordability by tenants. Under this approach only essential services would be provided enabling people to settle at affordable prices. Upgrading of infrastructure can be undertaken later when the economic situation of the settlers improves.

In Singapore, great support was given by the State in the form of political and financial commitment and legislation that took public housing programme in the right direction from the early stages of housing development. Housing Development Board had powers to acquire land by compulsory process to resettle people, to deal with town planning and involved in other activities associated with housing development. The housing development in Australia was supported by local councils in the form of identification of land, development controls for more diverse and sustainable housing types and provided some low cost housing stock in certain areas.

The NGOs in Fiji had a strong tradition of mobilising communities and encouraging them to improve their living standards. Making them partners in the large squatter settlements activities can be a very effective way of improving housing with limited resources and capacities. Regular consultation was needed with poor communities in assisting them to form into community organisation to voice their opinions and improve their housing standards. There had been housing shortage in Fiji especially in Suva since the 1960s but the housing policy failed to meet the demand.

As shown in Chapter 2, household income is one of the deciding factors for buying and selling of residential properties. Figure 7.7 showed that over 55 per cent of those in fulltime employment in Fiji were earning wages below the poverty line. This has eliminated many potential buyers because the house price was high, not affordable by low income earners. Measures should be taken to produce housing in the market that can be afforded by low income groups. In Singapore, the availability of housing can be justified if it can be afforded by the poor and low income earning population. Affordable housing cannot be produced without taking into account the household earning power. In Singapore the ability to pay rental or own a house remains an important factor to meet the housing needs of the poor.

There has been a great desire by the Indo-Fijian community to own a house however, this desire has been subject to loan approval by the FHA. Only limited numbers were approved. Figure 7.2 indicated that there was no fair distribution of loan approved amongst different ethnic groups. In Singapore the house allocation system remained an integral part of the public housing development. Transparency and eligibility were an

institutionalised aspect of the public housing system. FHA was servicing a relatively small number of low income earners, because a large number do not meet the requirement of the loan criteria. Other factors that precluded low income earners from benefitting from the services of FHA were the escalating land price and cost of building materials. The FHA could have developed local building materials and local building regulations and adopted to suit the local affordability level and allowed incremental construction of houses. Also the informal sector could have played an active role in the housing development.

Lessons can be learnt from Singapore where the government has centralised the public housing development effort under a single authority to avoid the problem of duplication and fragmentation of duties, bureaucratic rivalries and multi-agency implementation. In Fiji other government departments and private organisations that are involved in housing were not operating on large scale so as to make significant contribution to the housing shortage in the country. Given the need to develop a strong base and institutions in the land and housing development processes, the key to increased supply was the greater involvement of native land owners who are currently dominating the ownership of vacant land in urban centres.

To embrace sustainable factors in housing development means to remain effective in the management, development and supply of housing to people. A number of variables appear crucial in influencing a sustainable development of low cost housing in the urban centres. Field visits in four cluster sample areas revealed information from households on factors that reflects the efforts of FHA towards sustainable development of low cost housing in urban centres of Fiji.

Section 2.3 of Chapter 2 highlighted that equity was an important factor in housing development and it has to be retained at a broader level. Household interviews in all four cluster sample areas showed that many believed that FHA was having problems in dealing with the equity factor. They claimed that there was lack of fairness in loan distribution and prioritising the housing needs of vulnerable groups. In the household survey, a majority said the housing payment structure was beyond the means of many low income earners to meet payment. Section 2.4 showed that affordability

impacts strongly potential home buyers decision to invest in property. In household interview the participants commented that a large shortage of housing in the country was due to the affordability factor. Due to huge increase in housing cost with modest increase in wages many buyers were not eligible to obtain loan from FHA.

The interviewees claimed that low-income housing demand remained high and the limited ability of formal housing development by FHA created a large gap to meet the housing need. Household opinion on housing quality showed that FHA had to improve the quality of housing. The major weakness noted was the poor design that does not meet the expectations of the buyers and lacks ample space to meet the needs of the family. In order to maintain cost effectiveness and quality standards, FHA could have been engaged in active research and development work. It was important for FHA to bring new features, facilities and improvements to improve the quality of housing.

The key objective of sustainable housing development as pointed out earlier under literature review was to maintain and improve the quality of life of current population and pass that onto future generations. To achieve this objective the key players in Fiji must have considered various factors and acted methodically and precisely to achieve favourable results. As demonstrated earlier, the Singapore and Australia housing development aimed to achieve this objective and better housing programme that would be fair, equitable and sustainable for the country. These were the core issues in any housing development and therefore can be a lesson to Fiji.

A successful housing programme in urban centres of Fiji can be achieved by long-term planning strategy in land use control by the local councils. Currently, central government and local councils take limited statutory responsibility to deal with land use control. There is a need for a legislation that would provide the necessary scope to proceed with land assembly, squatter clearance and development of more structured housing programmes. These supports would have indicated a strong government commitment to spearhead the extensive housing programme. Providing infrastructure and services on land by the state or local councils would mitigate the cost of developing land. Also leaving every expense on housing providers would

increase the cost of final product. Having met some of the land assembly cost the state or local councils could have recovered those expenses gradually by way of property tax from individual property owners.

The housing development process has been complicated and need the coordination and participation of all stakeholders, potential housing users and government agencies that regulated every step of the process of development. The advantage of working together enables pulling together resources such as land, raw materials and manpower for large-scale construction to optimise results and achieve economies of scale.

Affordable homes met the strategic aims, including those relating to the need for vulnerable people to live independently in the community and preventing homelessness. Pricing of homes is based on the income of households and it would have allowed majority of deserving people to buy homes. To maintain equity, a system needed to be well entrenched in the policies of the public housing sector. The public should have been fully informed on the allocation policies on housing. Under the equitable allocation of housing it ensured that those in the greatest need of housing were given the first opportunity to secure a home. Vulnerable people were given priority and this contributed to the diversity within community and helped to eradicate discrimination. To improve efficiency, it was possible that all administrative units involved in public housing and related to the programme should be integrated and centralised and if possible one housing institution be given greater organisational efficiency and co-ordination.

As the key player in the public housing sector FHA could have been engaged in active research on housing and bulk purchase of materials. FHA could have explored the possibilities for producing its own materials required for construction works. It could have helped local and foreign material manufactures to develop suitable new materials for buildings. FHA was in a position to have its own pool of labour with the setting up of a work force that would have provided elementary training for workers to become semi-skilled tradesmen in the building industry.

In order to ensure that housing is provided to all deserving citizens, in particular the need of any groups such as the elderly, the disabled and the mentally handicapped, the housing providers should have taken initiative to develop such housing taking into account the current shortages. There was a need for a housing scheme that provided options for the elderly who wished to live near their children and friends. Currently, there was no such housing development to accommodate vulnerable people in the community so that they can live independently.

8.5 Limitation and Further Research

Given the insights that this research provides, several limitations were identified in certain areas of the findings. The research was conducted in the Suva-Nausori Corridor and the results may not be generalised in more than a limited manner, given that this area was more developed than many other urban centres of the country. As outlined in this research, the study area was the main destination of urban migrants in the country in preference to other urban areas of Fiji. As several other urban centres have not been subjected to such housing pressure, it was not possible to replicate the research. A few other issues highlighted in the literature review, such as raising the profile of affordable housing, by including affordable housing provision in the standard local environmental plans appeared attractive and workable under the local situation but clearly more work can be done.

It has been noted that the demand for land and housing in Fiji continues to grow in the urban centres but there was a constraint on the development of customary land that is located within urban centres. Since a large percentage of the remaining vacant urban land was under customary holding, there was a scope for future study as to how this land could be developed for housing purposes. New land policy initiatives are needed to adapt customary land procedures to modern needs and innovative approaches to bring land on to the market. A separate in-depth study of this issue was required. Another area of research was the cost to FHA of providing services and infrastructure before the lots were released. There was a need to investigate this factor so that the cost of developing and providing services by FHA could have been

shared by the other stake holders. Having the cost shared by others would reduce the price of subdivided lots. Such assumptions could be challenged and need to be investigated.

A number of NGOs and religious organisations were already involved in providing housing to poor families in the society. Various sector efforts by these stakeholders were poorly coordinated, and have gaps and overlap. The full extent of the housing problem was not properly quantified and responsibilities were not assigned, making it difficult to progress in an orderly and timely manner. Strengthening partnerships and assembling housing providers in more innovative ways than those at present were urgently needed. Currently, the members of the Fiji National Provident Fund (FNPF) could apply for a sum as equity for the purpose of buying a property. To protect the interests of the family, FNPF could introduce a low premium mortgage reducing insurance scheme of the owners surviving family members in the event of death or incapacitation.

One of the barriers that the researcher faced was gaining access to information that was relevant to this research. There were restrictions imposed by the housing agencies to release information or the data was not stored systematically to allow the researcher to utilise it for this research. The stakeholders may not have realised that this was an important research as it dealt with basic human need.

8.6 Conclusion and Policy Response

Housing is a basic need and a key indicator of development and social well being of a country. Housing had been a development priority of the Fiji Government since independence and it had formulated housing policies and strategies every five year under its Development Plans as well as under the National Strategic Plans. However, it was shown that past policies and plans have been very weak and if no constructive actions are taken informal settlements would continue to grow in the urban centres causing major long-term social and economic problems.

According to household survey, FHA should have ensured maintaining equity at the broader level. Home, land or loan allocation policy with FHA should have been an

integral part of housing access. Transparency of allocation system and eligibility was an institutionalised aspect of the public housing programme that should have taken pride in non-discriminatory action.

In dealing with affordability factor it was possible to address the issue through land pricing for housing and for FHA to secure state land lease or to sublease native land from state. This was possible where the State remained the Head lessee on native land and subleased to FHA at a subsidised rent. Under this arrangement the land would have been available at a much lower value and housing designs could have been determined largely by the affordability factor. Pricing of properties would then be much lower than market value and could have been reduced to an affordable level. The merit of this mechanism was to encourage families to invest in housing. As pointed out earlier one of the major factors for the high price of properties was the high construction standard that required high construction costs. The contributing factor for cost was the high price of building materials. The FHA could engage in research work which was lacking at present to develop techniques and innovations to reduce building costs, improve designs, durability and easy construction.

FHA could have its own pool of labour by setting up of a team that would provide basic training for workers to become semi-skilled tradesmen in the building industry. FHA could use a long term supply contract and bulk purchase method to receive continuous supply of essential building materials at steady prices. The cost of building materials can be reduced by removing Value Added Tax and other duties on imported materials and explore cheaper sources of supply.

There was an advantage to use the private sector to increase more variety and choice in housing development. The private sector could have participated by inviting to tender for the design and construction of public housing flats and homes. This would have allowed incorporating several new design innovations in building flats and homes. This would have given the residents more choice in the variety of selecting housing. The housing supplier could have a reasonable stock of houses that provided an opportunity to the buyers with different aspirations, options and finance to buy properties

There was a need for a long term policy to improve the housing conditions particularly for the housing needs of the special groups such as elderly, disabled and mentally handicapped. The options could have been taken to the elderly who wish to live near their children and friends. The FHA under a special scheme could have built houses that were specially designed with elderly-friendly features, linking with social and communal facilities and services. For this an active research and development work is required to ensure that cost-effectiveness and quality standards are maintained and continually improved.

When dealing with low cost housing, good governance cannot be ignored. It embraces a number of important issues such as accountability, transparency and affordability. The good governance issue was tested by an international lending agency in Fiji when it financed a project specifically designed to address the main constraints on the provision of affordable housing to the lower income group (ADB, 1999). The key elements were to lower housing standards and reduce development cost. However, recommended standards were not lowered and other factors negated the cost savings for the project-financed land. The incremental housing concept was not supported by policy development and not promoted. As a result, housing costs were not reduced. The input by the donor agency did not produce any significant benefits because of weak and inappropriate management by the FHA.

Active local council participation, presently lacking, was urgently needed for significant progress in the development of housing. Local council's assistance could have been most usefully demonstrated by the integration of housing policy objectives into their urban plans. This would have been a strong basis in facilitating housing developments for low income groups. Without strong effort from the stakeholders, the urban centres of Fiji will be characterised by slums, poverty and environmental degradation. Also failure to address the critical housing issue would result in environmental degradation, inequity and national instability in the country. Over the last twenty years the urban areas of Fiji particularly, the Suva-Nausori corridor have entered a phase of serious housing crisis and social problems but the response to rising housing demand by key players has been slow. With the current progress in the

housing development for the low income earners, grave reservations can be expressed that the crisis can be resolved in the near future.

Challenges of sustainable low cost urban housing development as suggested in this research required a new framework. Ideally, it would need embracing several attributes elicited from a study of housing development in Singapore, Australia and other countries. The size of the challenge demands the rethinking of the current housing programme. The outcome of this research provided an opportunity to think seriously about the housing crisis. It is evident that past housing policy and practices have had limited success to keep pace with the rapid increase in demand for low cost affordable housing as well as social, environmental and economic changes in the country. It is time for a re-think of these policy and practices with the objective of arriving at a new sustainable low cost housing framework.

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APPENDICES

Appendix 1 QUESTIONNAIRE: Sustainable Development of Urban Housing in Fiji

Section 1: Personal Profile of Respondents

Please circle the number representing the most appropriate responses for you in respect of the following items:

Q.1 Gender

1	Male
2	Female

1	Married
2	Single
3	Divorced/Widowed
4	De facto

Q.3 Ethnicity

Q.2 Marital Status

1	iTaukei
2	Indo-Fijian
3	Others (specify)

Q.4 Employment

1	Employed
2	Unemployed

Q.5 No. In Household

1	1-4 people
2	4-8
3	>8

Q.6 Income Level (per annum)

1	<FJD\$5000
2	5000-10000
3	10000-15000
4	15000-20000
5	>FJD \$20000

Q.7 Percentage of Income spend on housing

1	<10%
2	10%-30%
3	30%-50%
4	>50%

Q.8 Did you receive any subsidy as part housing assistance package? (Tick) (Proceed to Q.9)

Yes	
No	

Q.9 (a) How much subsidy did you received? (tick)

<FDJ\$500	
500-1500	
1500-3000	
>FJD \$3000	
None	

Q.10 (b) How satisfied are you with subsidy?

Highly satisfied	
Just satisfied	
Not satisfied	
No comment	

Section 2: Home Purchase Financial Considerations?

Please circle the number representing the most appropriate responses for you in respect of the following items:

Q.11 How funds raised/obtained for home purchase?

1	Commercial Banks
2	Housing Authority
3	Other sources
4	Self-finance

Q.12 Rating of Terms& Conditions of loan

1	Very Favorable
2	Favorable
3	Fair
4	Not favorable

Sections 3: Key Issues in Sustainable Development of Housing in Fiji?

Please tick the box representing the most appropriate responses for you in respect of the following items:

Q.13 Analyses of key problems in the housing sector (perception or personal experience)

	Equity in housing distribution	VP	P	F	G	VG
a	Fairness to all deserving cases					
b	Partiality/Neutrality in allocation					
c	Fairly distributed					
d	Wide preference available for people to choose from					
e	Preference to most warranted cases (needs-based					
f	Vulnerable people are prioritized					
g	Neutrality and no undue influence from outside forces					
h	Nepotism, kickback and greasing the palm.					

VP-Very Poor P-Poor F-Fair G-Good VG-Very Good

Q.14 Analyses of key problems in the housing sector (perception or personal experience)

	Affordability of Housing to Low Income	VP	P	Fair	Goo	VG
a	Housing Payment (less than 30% of income)					
b	Degree of choice to buy home based on					
c	Access to loans and other financing sources					
d	Easy mortgage terms					
e	Grant and concessions to home buyers					
f	Tax rebates					
g	Low interest rates					
h	Ability to meet housing payments					

VP-Very Poor P-Poor F-Fair G-Good VG-Very Good

Q.15 Analyses of key problems in the housing sector (perception or personal experience)

#	Effectiveness of Housing Providers	VP	P	F	G	VG
a	Housing supplied to the satisfaction of households					
b	Intended goals and targets achieved					
c	Housing problem has been reduced					
d	Provide decent homes at affordable prices					
e	Improve the quality of life and secure attractive					
f	Creating prosperous, inclusive and sustainable					
g	Reduces transaction cost					
h	Reliability in services					
i	Assurances (knowledge, courtesy, ability to convey					

j	Feedback response					
k	Dissemination of information					
l	Increasing transparency and openness					
m	Accuracy of responses					
n	Achieve result without waste of energy, resources and					

VP-Very Poor P-Poor F-Fair G-Good VG-Very Good

Q.16 Analyses of key problems in the housing sector (perception or personal experience)

	Efficiency of Housing Providers in Supplying for Demand	VP	P	F	G	VG
a	Produce standard housing at low/economical costs					
b	Achieve goal with minimum resources					
c	Housing demand is readily fulfilled					
d	Housing is supplied at affordable prices for all segments					
e	Better balance is created between forced of demand & supply					
f	Innovative in housing development over time					
g	Better planning and designs of housing					
h	Improve land development and construction					
i	Improving the quality of housing					
j	Using latest technology to develop housing					
k	Reducing time to develop housing					
l	Reduce layers of bureaucracy in housing development					
m	Public participation in housing design, quality and production					

VP-Very Poor P-Poor F-Fair G-Good VG-Very Good

Q.17 Analyses of key problems in the housing sector (perception or personal experience)

	Quality of Housing Supply	VP	P	F	G	VG
a	Meeting customers' expectations					
b	Cost effective and better design					
c	Have high standard of environment performance and					
d	Provide first rate living condition					
e	Provide accessibility, security, safety and privacy					
f	Provide communication interactions					
g	Have ample space and appropriate services					
h	Fulfilling the needs of family, young adult and aged					
i	Design is flexible and adaptable to meet future					

j	Best workmanship with long service life					
k	Void of abnormal repairs and replacement work					
l	High demand and appealing					
m	Modern design and architecture					
n	Resalable and marketability					

VP-Very Poor P-Poor F-Fair G-Good VG-Very Good

Thank you for taking the time to answer this questionnaire!

Appendix 2 QUESTIONNAIRE: Suva City Council

Name of Organisation: Suva City Council

Name of Interviewee:

Position:

Date:

Time:

Question 1- How does the SCC contribute to the low cost housing development in the City?

Question 2- Does SCC have any local government housing programme that provides guidance on the housing needs in the City?

Question 3- Whether SCC has carried out any analysis and developed local housing plan for the City?

Question 4- Whether Suva City Council make use of planning laws and regulations for the development of affordable housing?

Question 5- To what extend SCC work with other stakeholders for the development of affordable housing in the City?

Question 6- Whether SCC incorporates housing affordability objectives in urban renewal planning scheme?

Question 7- What emphasis is given by SCC on the physical planning process and assessing development proposals in terms of the land availability, housing design and construction density?

Question 8- Does SCC undertake information gathering advocacy and service coordination activities on housing development in the City?

Question 9- Does SCC has any strategy to identify housing shortage and needs in the City?

Question 10- How does the SCC link the actual strategies or actions to the overall objectives and priorities towards housing development in the City?

Question 11- What is the major focus on planning policies on affordable housing?

Question 12- Does SCC has any residential development strategies to achieve urban consolidation?

Question 13- How can SCC influence local housing outcomes through initiatives in terms of planning, development control and service delivery functions?

Question 14- Does SCC has any housing model scheme that incorporates key components such as affordability, appropriation and availability?

Question 15- Does SCC work on three key elements: Housing study components – identifying housing needs, taking into consideration the demographic trends and other socio economic factors Housing policy components-seeking the aims and objectives Housing strategy components- the measure to implement these objectives

Question 16- Whether Suva City Council provide voluntary planning incentives through planning scheme such as permission for additional development capacity, reduced landscaping, parking or open space requirements to produce affordable housing stock in the City?

Question 17- Most commonly mandatory mechanism for generating dedicated affordable housing stock is by having “inclusionary zoning” This would require a set proportion of the of specified new development within a defined are to be dedicated to affordable housing. Is this been practiced by Suva City Council?

Question 18- In several countries the local councils enforce a legally enforceable planning requirement for developers to contribute to affordable housing and the level of contribution is determined on a negotiated site by site basis. Is this practised by Suva City Council?

Question 19- Under negotiated planning agreement local authorities can seek a contribution from developers towards affordable housing on a site by site negotiated basis. Does Suva City Council seek such contribution?

Question 20- Increasing the supply of land zoned for housing purpose particularly in higher density residential development area, inner city and outer metropolitan areas to increase housing supply relative to demand is essential. This gives opportunities for lower entry points to the housing market and supply of housing through rental market. Does Suva City Council practice and have such provision in its planning scheme?

Question 21- Under the SCC Town Planning Regulation does it ensure that lower cost forms of housing are permitted where appropriate such as shop top housing, boarding houses and manufactured homes.

Question 22- Whether SCC consider changing the objectives of planning instruments to incorporate local affordable housing goals in its planning scheme?

Question 23- Does SCC allows encourages or permits residential conversions that include additional low cost housing forms such as granny flats or accessory dwellings.

Question 24—Whether SCC take measures in the statutory planning framework that protects existing local sources of low cost housing such as low cost rental flats and houses in the City?

Appendix 3 QUESTIONNAIRE: Director of Housing and Squatter Settlement

Name of Organisation: Director of Housing and Squatter Settlement

Name of Interviewee:

Position:

Date:

Time:

Question 1-What role is played by your organisation in the development of housing in Fiji?

Question 2- Do your organisation has a blue print to resolve the housing crisis in Fiji?

Question 3- If you have one when the programme was introduced and how effective it has been.

Question 4- What are the constraints in implementing this programme?

Question 5- What measures are taken to overcome these constraints?

Question 6- What form of assistance is provided by your organisation to Fiji Housing Authority?

Question 7- How your assistance contributes to the housing development by the Fiji Housing Authority?

Question 8- How your organisation collaborates with other key players in the housing development in Fiji?

Question 9- What is the response of other key players to work together towards housing development in Fiji.

Question 10- In which way the collective efforts have enhanced the housing development in Fiji

Question 11- In many countries there exist the government commitment to achieve adequate shelter for all and includes interventions along two broad dimensions that is physical in terms of occupancy and physical requirements for housing units to improve living condition and finance to enable housing access and affordability. Is there such policy formulated by Fiji Government.

Question-12 A National Squatter Council was established in 1994 to upgrade squatter colonies in consultation with the landowners and in the process several settlements have been earmarked for upgrading in 2002 and subsequent years. What is the progress on the upgrading work?

Appendix 4 QUESTIONNAIRE: Director of Lands and Survey

Name of Organisation: Director of Lands and Survey

Name of Interviewee:

Position:

Date:

Time:

Question 1- What form of assistance is provided by your department towards housing development in Fiji?

Question 2- In which way your assistance mitigate or reduces the cost of housing development by the Fiji Housing Authority?

Question 3- How does Fiji Housing Authority progress through your assistance in housing development?

Question 4- What other options are available to your department to contribute towards housing development in Fiji.

Question 5- What is your future proposal in terms of assistance to Fiji Housing Authority towards housing development in Fiji?

Question 6- What are some of the constraints you are facing in providing assistance for housing development to Fiji Housing Authority?

Question 7- What measures are taken to remove these constraints?

Appendix 5 QUESTIONNAIRE: Director of Town and Country Planning

Name of Interviewee:

Position:

Date:

Time:

Question 1- How do the DTCP raise the profile of affordable housing in the local Environment Plans?

Question 2- How the DCTP use the planning mechanisms such as density bonus schemes and inclusionary zoning in the affordable housing development in Fiji?

Question 3- Does DTCP make use of planning laws and regulations for affordable housing?

Question 4- Does DCTP incorporate housing affordability objectives at national level on urban renewal planning?

Question 5-How DCTP undertake housing related roles such as identification of land and development control for more diverse and environmentally sustainable housing types.

Question 6-There is a need for greater integration and cross programme linkage in housing development. How do you achieve this?

Question 7- How do DCTP control regulatory and systematic barriers in production of affordable housing within land use planning system?

Question 8- What process DTCP follow to minimise and offset the impact of urban planning and residential development processes on the availability of low cost housing.

Question 9- How does DCTP develop planning systems to facilitate greater housing types in order to achieve mix development in any locality?

Question 10- What process is followed by DCTP to leverage more subsidized housing stock for low income people in selected locations?

Appendix 6 Questionnaire: Fiji Housing Authority

Name of Organisation: Fiji Housing Authority

Name of Interviewee:

Position:

Date:

Time:

Question 1. Housing affordability is an important factor for many prospective home buyers. How do you measure the affordability level?

Question 2. What are the FHA initiatives to improve the housing affordability to different income households?

Question 3. In housing sectors of several countries they provide model for affordable housing with combination of best practice in urban housing design, sustainability, construction, marketing and finance. Do you have any such model for housing development in Fiji?

Question 4. Having the ability to produce housing at a lower cost, construction is an important component in delivering house/ land price points suitable for the lower income households price range. How do you reach the lower income household price point?

Question 5. What proposal do you have to supply affordable housing in the next five years?

Question 6. Is any techniques been developed for dwellings that would be constructed below comparable market costs?

Question 7. It has been highlighted in several housing reports that the main reasons for not meeting the demand are the unavailability of infrastructure and services, lower material costs, availability of land and high municipal standards on low cost housings. What measures are taken by the FHA to overcome these problems?

Question 8. It has been identified in 2002 that there is a need for a better coordination amongst stakeholders to solve housing problems particularly on the following activities:
Infrastructure facilities and sub divisional developments
Better coordination amongst Housing organisations of FHA, PRB and NGOs particularly on squatters settlements.
What has been the progress on these important issues?

Question 9. In the housing context effectiveness is a measure of output on housing development that contributes towards reducing the housing problem or improving the existing situation. How this is achieved by the FHA?

Question 10- Efficiency is a very important factor in housing development. It can be described as an ability to perform well or achieve a result without wasted energy,

resources, effort, time and money. What strategies are followed by the FHA to improve efficiency in the housing development?

Question 11- A good quality of the housing allows the households to enjoy the benefits of first rate living conditions in a healthy, accessible and visually attractive environment. Also ideal factors in good quality housing include accessibility, security, safety, privacy, community interactions, availability of appropriate services and the provision of adequate space. What level of achievement has been made by the FHA in providing quality homes to the people?

Question 12. Equity is a process in which distribution of resources is fair to all recipients. In housing the term is more commonly used on social housing in which major approach is taken to increase the supply of adequate housing to low income families. What process is followed by the FHA to ensure that all persons applying for housing must be given an equal opportunity for housing assistance?

Appendix 7: Interviews and Discussions, Stakeholders and Housing Researchers

Ajay Singh, Board Secretary, Fiji Housing Authority
Alec Fatiaki, Director of Housing, Ministry of Local Government and Housing, Fiji
Alipate Waqairawai, Fiji National Provident Fund, Fiji
Apisalome Tudreu, Habitat, Fiji
Asenaca Nawagalevu, City Planner, Suva City Council, Fiji
Ashneel Narayan, Nadi Town Council, Fiji
Azmat Khan, Secretary, Fiji Local Government Association
Baij Maharaj, Marketing Manager, Fiji Housing Authority
Belinda Yuen, Associate Professor, Real Estate Department, University of Singapore
(Housing Researcher)
Dharam Lingam, Director of Housing, Ministry of Local Government and Housing, Fiji
Eric Goropova, Government of Solomon Islands
Fiona Sapatu, Government of Samoa
Hassan Khan, Director, Fiji Council of Social Services
Isikeli Navuda, Manager Estate, Fiji Housing Authority
Jese Gade, Property Supervisor, Public Rental Board, Fiji
Joana Taitoona, Government of Solomon Island
Kalivati Ratucicivi, Acting Director of Lands, Fiji
Lorima Balawa , Housing Assistance and Relief Trust of Fiji
Maraia Ubitau, Acting Permanent Secretary, Ministry of Local Government and
Housing, Fiji
Mosese Cama, Nasinu Town Council
Nicole Gurrán, Senior Lecturer, University of Sydney (Housing Researcher)
Sarah Mecartney, UN Habit, Fiji
Talei Rokotuibau, Director of Town Planning, Fiji
Tu Yong, Associate Professor, Real Estate Department, University of Singapore
(Housing Researcher)
Willy Heywood, Model Town Charitable Trust, Fiji

Appendix 8: Summary of responses from Stakeholders and Housing Researchers

Asenaca Nawagalevu (City Planner) Suva City Council

It has been highlighted by the interviewee that Suva City Council plays the role of regulator in the housing development in the City area. It administers the Scheme and makes provision for housing development on certain part of the City. The City council do not collect information to provide guidance on the housing need but depends on the data provided by the Ministry of Local Government, NGOs and other agencies. The City Council do not carry out analysis or develop housing plan and regulation to facilitate the development of affordable housing within the City. Also the Council does not incorporate housing affordability objectives in its urban renewal planning scheme.

However the City Council links the strategies to the overall objectives and priorities on housing development and encourages the provision of housing within the City particularly on those sites that are classed as permissible in all commercial zones except on Commercial A zone sites. Unlike other countries the council does not enforce planning requirement for developers to contribute to affordable housing in the City. The Council encourages and permits development that accommodates low cost housing forms such as granny flats or accessory dwellings with the main building. Also through zoning process it allows for the provision of low cost housing within the City boundary.

Dharam Lingam (Director of Housing) Ministry of Local Government

The Director of Housing (DH) stated that his overall responsibility is to oversee the development of housing in Fiji. The Department recognises instruments that deal with adequate housing and entitlement of everyone to housing. The State is party to and accepts the International Covenant on Economic, Social and Cultural rights that has been ratified by 108 states. This provision contains the most significant foundation of the right to housing in the body of legal principles that include

international human rights law. DH is responsible to formulate and implement the National Housing Policy of Fiji that was introduced in 2011.

The core function of DH is to facilitate progress on the squatter settlement upgrading and resettlement development programme which entails the provision of basic infrastructure and services to certain settlements identified by the Land Department. DH is also responsible to administer Governments Grant Fund allocated to housing implementing agencies and oversee their housing development activities.

DH responsibility is to execute socio-economic survey of squatter settlements and assist in the resolution of conflicts and disputes among settlers often in partnership with other stakeholders. The DH collaborates with other key players in housing development through workshops and seminars. According to the DH the collective effort of the key players towards housing development has been slow and as a result the achievement has been limited.

Kalivati Ratucicivi (Acting Director of Lands and Survey) Ministry of Lands and Mineral Resources

According to Mr Ratucicivi the core function of his office relating to housing development is to address the squatter settlement problem, land titling and leasing of state land to FHA as well as to other institutions and NGOs for housing purposes. State leases are granted on a long term basis at nominal rent. Charging low rental would mitigate the land cost for low cost housing development. State would issue one head lease to the housing provider who then sublease to the tenants. Under this arrangement the development can be controlled over the land. The Director of Lands also liaises with other government departments to facilitate housing development.

According to Mr Ratucicivi his office is looking at an option to reclaim foreshore land to reduce the cost of buying land for housing development. One of the major constraints is the lack of vacant state land in urban centres. To resolve the land shortage DL is also negotiating on behalf of FHA to lease native land for housing development in the urban centres.

Ajay Singh (Board Secretary) Fiji Housing Authority

Housing Authority is the key player established by the State to operate as a statutory body and provide affordable housing to middle and low income earners. FHA measures affordability by looking at the housing cost and try to maintain housing loan repayment at thirty per cent of a household income. A household paying more than thirty percent would be carrying burden and will have to sacrifice other essential necessities such food, clothing and medical care. To reduce the housing cost to an affordable level FHA is looking at the option to reduce the standard of buildings and development to be carried out on state land. Another way of reducing the cost is to engage in self building of houses by the owners. Unfortunately FHA does not have any housing developed at low cost to demonstrate as model that can be followed by the low income earners. It is anticipated that FHA would soon be able to supply housing to lower income group at affordable prices. To achieve the result profit on houses need to be reduced and employment opportunities are created for potential buyers. Currently FHA is in the process of developing some techniques to construct dwellings below the market price.

Failing to meet the demand of housing caused by factors such unavailability of infrastructure and services, high building material costs, availability of land and high building standard on low cost housing development. To resolve these problems a joint effort is needed by all stakeholders. Several workshops and meetings have been conducted to resolve these issues but with little success. With regard to effectiveness some work is done in the past by the FHA to gauge its performance against achievement in the housing sector. To improve efficiency FHA cannot progress much in this direction due to financial constraints.

Quality homes could not be provided due to the current level of income of the potential home buyers. Equal opportunity for housing assistance is important factor and FHA is considering introducing some measures to maintain this element in the public housing system. Currently there is no written policy to deal with this issue.

Highlights of Interview with others

The personal interviews with others that are involved in the housing sector revealed some very interesting issues. It has been highlighted that the major problem has been lowering the standard of housing to affordable levels. The difficulty to meet the housing need is reflected in the weakness of the strategy adopted to deal with low cost housing to fulfil the current demand. Despite adopting several policies and strategies to fulfil the housing need, still remains at critical level. The demand for housing is increasing as result of the growing urban population. It has been pointed out that in many Pacific island countries the housing mechanisms are not functioning due to restriction on the development of customary land. The absence of the security of tenure which provide collateral or security for loan restricts the development of housing finance mechanisms.

Other important issues raised were the cost of building materials that need to be imported from other countries. The level of consumption is insufficient for these materials to be manufactured locally. Housing finance system exists in many countries and the prospects of developing more sources of finance are improving in several countries. In the absence of formal sector financing system alternative sources needs to be investigated.

Informal settlements are growing fast due to the affordability problem for the poor seeking adequate shelter. In Fiji for example 70 per cent of the applicants for the housing unable to afford the repayment for the purchase of low cost houses which confirm to the legal requirements? The poor has no choice but to look for alternative accommodation and find solutions in overcrowded accommodation or in squatter settlements. Recently a more sympathetic view of informal settlements has emerged due to the pressure from international agencies.

Interview of researchers from Singapore revealed that in the country the development prioritises is for the housing needs of every individual. In the process the housing development provides a wide choice of housing and tenure options as possible. The housing in the country is economically, fiscally, socially and financially affordable and sustainable. The development is based on integrated development planning and

considers and addresses the impact on the environment. The housing administration is operated in a transparent, accountable and equitable manner based on the principles of good governance. The government create socially and economically viable communities with safe and healthy living. Measures are taken to achieve racial, social, economic and physical integration when allocating housing. With limited land area in Singapore attempt is made to carryout development with high densities to make the maximum utilisation of land. Creation of community and recreational facilities as well as employment opportunities close to residential areas is high priority.

In Australia the release of land for new development presents several environmental, social and economic problems. The cost of physical infrastructure to service new urban development is high. The cities are growing at a pace that has negative environmental and social impacts. For housing location and development the focus is on reliable supply of opportunities to construct housing while gaining better social, environmental and transport infrastructure. The stakeholders are trying to reduce environmental impacts from urban expansion by increasing housing development in inner and middle ring areas. The home seekers are encouraged to secure homes suitable to their needs through greater choice and affordable schemes. To save time and cost people are offered homes in areas that would reduce travel time and offer greater equity by ensuring good access between home and work places. The stakeholders are working on schemes to develop housing on safe and pleasant places through good urban design, provision of services, infrastructure and other facilities.

The State government is playing vital role in promoting local councils to involve in housing development through planning policies. The local councils prepare residential development strategies to achieve urban consolidation. They take initiatives to improve housing development focusing on affordability, accessibility and housing choice. The local councils also concentrate on physical planning such as land availability, housing designs, construction and density. Additionally the local councils influence local outcomes through their own initiatives. This is achieved through planning, development control and service delivery functions. Many local

governments are using their powers to promote affordable housing schemes. With the increasing demand the challenges are high for the stake holders to provide more efficiently and equitably the housing needs of the Australian population in the future.