



16th Report (Interim)

JOINT SELECT COMMITTEE ON

SOCIAL SERVICES

AND

PUBLIC ADMINISTRATION

On An

**Inquiry into the system of rent regulation for housing
accommodation in Trinidad and Tobago**

FIFTH SESSION (2019/2020) 11TH PARLIAMENT

OF THE REPUBLIC OF TRINIDAD AND TOBAGO

16th REPORT (Interim)

OF THE

**JOINT SELECT COMMITTEE ON SOCIAL SERVICES AND PUBLIC
ADMINISTRATION**

ON AN

**INQUIRY INTO THE CHALLENGES OF PRISONER RE-ENTRY INTO
SOCIETY AND PRISONER REINTEGRATION SERVICES IN TRINIDAD
AND TOBAGO**

Date Laid in the HoR: 01.07.2020

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The Joint Select Committee on Social Services and Public Administration

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THE COMMITTEE



Mr. Paul Richards
CHAIRMAN



Mr. Esmond Forde, MP
VICE-CHAIRMAN



Mrs. Glenda Jennings-Smith, MP
MEMBER



Brig. Gen. (Ret.) Ancil Antoine, MP
MEMBER



Mrs. Christine Newallo-Hosein, MP
MEMBER



Mr. Rohan Sinanan
MEMBER



Ms. Khadijah Ameen
MEMBER



Ms. Allyson West
MEMBER

Committee Mandate and Establishment

- 1.1.1 Section 66 of the Constitution of Trinidad and Tobago declares, that not later than three months after the first meeting of the House of Representatives, the Parliament shall appoint Joint Select Committees to inquire into and report to both Houses in respect of Government Ministries, Municipal Corporations, Statutory Authorities, State Enterprises and Service Commissions, in relation to their administration, the manner of exercise of their powers, their methods of functioning and any criteria adopted by them in the exercise of their powers and functions.
- 1.1.2 Motions related to this purpose were passed in the House of Representatives and Senate on November 13 and 17, 2015, respectively and thereby established, *inter alia*, the ***Joint Select Committee on Social Services and Public Administration***.
- 1.1.3 Standing Order 91 of the Senate and 101 of the House of Representatives outline the general functions of a Committee of this nature. They are as follows:
- a) “To examine Bills and review all legislation relating to the relevant Ministries, departments or bodies or as may be referred to it by the House;
 - b) To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration and operations of the assigned Ministries, departments or bodies;
 - c) To study the programme and policy objectives of Ministries, departments or bodies and the effectiveness of the implementation of such programmes and policy objectives;
 - d) To assess and monitor the performance of Ministries, Departments and bodies and the manner of the exercise of their powers;
 - e) To investigate and inquire into all matters relating to the assigned Ministries, Departments and bodies as they may deem necessary, or as may be referred to them by the House or a Minister; and
 - f) To make reports and recommendations to the House as often as possible, including recommendations for proposed legislation.”

Powers of the Joint Select Committee

1.1.4 Standing Orders 101 of the Senate and 111 of the House of Representatives outline the core powers of the Committee which include *inter alia*:

- to send for persons, papers and records;
- to sit notwithstanding any adjournment of the Senate;
- to adjourn from place to place;
- to report from time to time;
- to appoint specialist advisers either to supply information which is not otherwise readily available or to elucidate matters of complexity within the Committee's or Sub-Committee's order of reference;
- to communicate with any Committee of Parliament on matters of common interest; and
- to meet concurrently with any other Committee for the purpose of deliberating, taking evidence or considering draft reports.

Membership

1.1.5 The Committee comprises the following members:

- | | |
|--|---------------|
| 1. Mr. Paul Richards | Chairman |
| 2. Mr. Esmond Forde, MP | Vice-Chairman |
| 3. Mrs. Glenda Jennings-Smith, MP | Member |
| 4. Brig. Gen. (Ret.) Ancil Antoine, MP | Member |
| 5. Mrs. Christine Newallo-Hosein, MP | Member |
| 6. Mr. Rohan Sinanan | Member |
| 7. Ms. Khadijah Ameen | Member |
| 8. Ms. Allyson West | Member |

Secretariat Support

1.1.6 The following officers were assigned to assist the Committee:

- | | | |
|-------------------------------|---|-----------------------------|
| 1. Mr. Julien Ogilvie | - | Secretary |
| 2. Mr. Johnson Greenidge | - | Assistant Secretary |
| 3. Ms. Aaneesa Baksh | - | Graduate Research Assistant |
| 4. Ms. Janelle Mills | - | Parliamentary Intern |
| 5. Ms. Nicole Brown | - | Parliamentary Intern |
| 6. Ms. Lucinda Leston-Raymond | - | Administrative Professional |

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ABBREVIATIONS

CSO	Central Statistical Office
HDC	Housing Development Corporation
MHUD	Ministry of Housing and Urban Development
MPD	Ministry of Planning and Development
RAB	Rent Assessment Board
RRA	Rent Restriction Act Chap 59:50

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EXECUTIVE SUMMARY

2.1.1. At its Thirty-Sixth (36th) meeting held on November 20, 2019, the Committee resolved to inquire into the system of rent regulation for housing accommodation in Trinidad and Tobago. The Committee agreed on the following inquiry objectives:

1. **To assess the adequacy of the existing laws, policies and systems intended to protect tenants of residential property against unjustified rent prices;**
2. **To determine the feasibility of imposing additional restrictions on the private rental sector in Trinidad and Tobago; and**
3. **To assess the existing systems and arrangements to enable access to, and sustainment of rental housing for low-income and vulnerable households.**

2.1.2. The Committee acquired both oral and written evidence based on the objectives listed above. Oral evidence was received during one (1) public hearing held with the Ministry of Housing and Urban Development (MHUD) and the Housing Development Corporation (HDC) (**See Appendix I**) on February 14, 2020. Some of the significant issues highlighted during the inquiry were:

- i. There is no functioning mechanism for regulating the relationship between tenants and landlords in the private housing sector in Trinidad and Tobago;
- ii. The existing legal framework is deficient and archaic;
- iii. The MHUD does not have a specific policy for rental units as the focus is on encouraging citizens to become home owners;
- iv. The MHUD noted that home ownership is viewed as an avenue for citizens to leave a legacy for future generations. In keeping with this view, the Ministry has not placed an emphasis on providing rental accommodation;
- v. The MHUD has implemented initiatives to encourage home ownership such as the Aide Self-Help Housing Programme and Housing and Village Improvement Programme;
- vi. The housing allocation policy allows for 5% of homes set aside for vulnerable groups such as the disabled;

- vii. The Ministry has developed a Strategic Plan (2018-2023), which provides for developing a protocol to re-establish a Rent Assessment Board as a priority. However, the plan has not yet been implemented;
- viii. Any reinstatement of the Rent Restriction Act will require extensive consultation to determine what mechanisms will be used to determine rent prices. Mechanisms utilised in other jurisdictions include rent charged as a percentage of property values and enforcing a price ceiling for rents;
- ix. Collaboration between the MHUD, HDC and the Ministry of Finance (MOF) has been limited with respect to the MOF's ongoing assessment of property values in Trinidad and Tobago, particularly in the context of rent regulations;
- x. The HDC defines low income persons as persons earning less than \$7,500.00 per month. This was revised upward from the figure of \$4,500 that existed previously;
- xi. HDC rental prices are guided by the principle that rental housing should not cost more than 30% of income. Based on this guideline, rental rates for accommodation provided by the HDC range from \$100 to \$2,250 per month;
- xii. HDC does not make a distinction between houses constructed for rent and houses constructed for mortgage;
- xiii. While the HDC has evicted tenants based on illegal occupation of their properties, it has not evicted anyone for non-payment of rent. Tenants who are in arrears for rent are given the option to clear their balances utilising a payment plan;
- xiv. Collectively, money owed to the State from both rentals and mortgages amount to approximately \$100 million. The HDC also collects approximately \$100 million per annum.
- xv. The HDC conducts a continuous assessment of existing rental agreements to determine the terms of renewal. Renewals take place on a three-year basis. Through this assessment, the HDC has discovered clients whose income has increased above the \$7,500/month low income ceiling. As a result, these clients have been transferred from a rental arrangement to a mortgage arrangement.
- xvi. Currently, 70% of HDC units are mortgage units while the remaining 30% are rental units.

- xvii. The HDC is not in a financial position to build houses solely for rental purposes. The amount earned from rent will not cover the costs of paying the contractors responsible for building the units.
 - xviii. Approximately 7,000 - 8,000 persons currently pay rental rates at the lowest end of the scale.
 - xix. The HDC has accounted for legitimacy of generational occupation of rented units via an assessment conducted every two (2) years. It assesses whether the original occupants are currently living in the units. Where occupancy differs, a regularisation process determines the rent that the current occupants should pay. If the current occupant is in a better financial position than their predecessor, the HDC has the option of relocating them to a unit suited to their income bracket.
 - xx. The Ministry of Social Development and Family Services collaborates with the HDC to determine vulnerable persons who should be prioritized for rentals and/or mortgage options.
- 2.1.3. Based on these findings and other matters which arose during the inquiry, the Committee has proffered recommendations which it believes will address the issues highlighted. A summary of these recommendations follows this Executive Summary.
- 2.1.4. The Committee looks forward to reviewing the Minister's response to this Report, which becomes due, sixty (60) days after it is presented to the Houses of Parliament.

SUMMARY OF RECOMMENDATIONS

OBJECTIVE 1 RECOMMENDATIONS FOR IMPLEMENTATION

1. The Ministry of Housing and Urban Development should work alongside the Ministry of the Attorney General and Legal Affairs to have the Rent Restriction Act updated and enforced;
2. As a matter of urgency, the Ministry of Housing and Urban Development should collaborate with the Ministry of the Attorney General and Legal Affairs to re-establish the Rent Assessment Board with clear guidelines on the rights and responsibilities of landlords or tenants. Such Board should be empowered to perform routine inspections on any rented, private residential properties.
3. Any revision of the Rent Restriction Act should take into account variations in cost of living and health and safety regulations/standards, which have been established subsequent to its original drafting. In the absence of publicly available up-to-date data, the MHUD should collaborate with the Ministry of Planning and Development and the Central Statistical Office to obtain reliable draft data which may be utilised in the interim.
4. The Ministry of Housing and Urban Development should commence a plan of action to implement the areas of its Strategic Plan (2018-2023) relevant to *“legal review and reform and increased affordability of rental housing.”*¹ As part of the ministerial response to this report the Ministry should provide an Implementation Roadmap outlining the tasks to be completed in relation to the abovementioned action plan.
5. The Ministry of Housing and Urban Development should expand their information dissemination campaign and distribution of its Housing 101 Manual to reach a wider cross-section of the population. Adequate monitoring and evaluation measures should be incorporated to determine the rate and level of knowledge acquisition by the general public.

¹ MHUD Submission, February 13, 2020, page 2

OBJECTIVE 2 RECOMMENDATIONS FOR IMPLEMENTATION

- A. The Ministry of Housing and Development should develop minimum standards for private rental properties (residential). These guidelines should be in compliance with the health and safety standards established by the Occupational Safety and Health Act, Chap. 88:08. The guidelines should also be drafted subsequent to comprehensive consultation with tenants and landlords and other relevant stakeholders;
- B. The MHUD should create a publicly accessible database of approved residential rental properties. This database should be based on rental property standards in collaboration with routine inspections to be performed by a re-established Rent Assessment Board (per Recommendation B under Objective 1 above).
- C. When developing guidelines/standards for rent prices, the MHUD should take into consideration the following:
 - i) Location and size of property;
 - ii) Proximity to transportation, commercial activities;
 - iii) Extent of restrictions for tenants (e.g. mandatory visitor policies);
 - iv) Number of amenities available above basic requirements (e.g. availability of secured parking); and
 - v) Level of privacy (e.g. the existence of shared common areas).

OBJECTIVE 3 RECOMMENDATIONS FOR IMPLEMENTATION

- A. The MHUD should collaborate with Ministry of Planning and Development and the Central Statistical Office to initiate a nationwide survey to gain an accurate picture of the need for private rental options in Trinidad and Tobago, particularly among low income and other vulnerable societal groups.
- B. The HDC should evaluate the factors which contribute to the 44% default rate on rentals and devise an appropriate strategy for reducing this rate by 10% over a reasonable timeframe;
- C. Both the MHUD and the HDC should collaborate with the private sector with regard to creating rental arrangements for vulnerable societal groups. This could take the

form of creating incentives for private landlords to allocate units specifically for low income earners.

INTRODUCTION

Background

- 3.1.1. The term “**rent control**” like all other government-mandated price controls, is a law placing a maximum price, or a “**rent ceiling**”, on what landlords may charge tenants.
- 3.1.2. Rent control also referred to as **rent regulation** restricts the rent of a (private) rental dwelling. It allows sitting tenants to stay where they are for as long as the contract lasts without a large increase in housing costs, and it may make private renting more affordable for new tenants.²

Rent Regulation Policy

- 3.1.3. A rent regulation policy³ must provide a mechanism for determining the cap on rent increases that a landlord can impose in a particular year. This mechanism typically consists of two components:
 - (i) The first component sets a cap on the maximum amount by which the landlord may raise rent in a year. This cap is typically determined by a board or agency according to a given set of criteria, and is often based on changes in the Consumer Price Index (CPI), though different mechanisms are used in some jurisdictions to determine increases based on operating costs;
 - (ii) A second component may allow for additional increases in such cases as vacancy when the rent may be allowed to rise to market. Also, landlords that invest in improvements to a particular apartment or make major capital improvements to the building may be permitted to raise the rent above the annual base cap.
- 3.1.4. While the primary concern of rent regulation laws is rent increases, many rent regulation laws also include other tenant protections, such as just-cause eviction requirements and a right to lease renewals.

² M Haffner, M Elsinga, and J Hoekstra, *Access and Affordability: Rent Regulation*, Delft University of Technology, Delft, The Netherlands, 2012. P.40. https://www.researchgate.net/publication/286296489_Access_and_affordability_Rent_regulation

³ Local Housing Solutions, *Rent Regulation*, Local Housing Solutions, website. Accessed November 06, 2019. <https://www.localhousingsolutions.org/act/housing-policy-library/rent-regulation-overview/rent-regulation/>

Effects of rent regulation systems

3.1.5. If it is to have any effect, the rent level must be set at a rate below that which would otherwise have prevailed. But if rents are established at less than their equilibrium levels, the quantity demanded will necessarily exceed the amount supplied, and rent control will lead to a shortage of dwelling spaces. In a competitive market and in the absence of price controls, if the amount of a commodity or service demanded is larger than the amount supplied, prices rise to eliminate the shortage (by both bringing forth new supply and by reducing the amount demanded). But controls prevent rents from attaining market-clearing levels and shortages result.⁴

Rent and Dwelling Ownership in Trinidad and Tobago

3.1.6. According to the 2011 Multiple Indicator Cluster Survey conducted by the Central Statistical Office (CSO), with regard to rented and privately owned properties, there are significantly more persons who own their own houses when compared to the number of people who rent, 79.1 percent of dwellings were owned by a household member while 13.7 percent of the dwellings were rented by households⁵. However, trends have indicated that this may have changed in recent times with more persons who are renting properties as opposed to persons who own their dwelling spaces.

3.1.7. In her contribution during the debate on the Government Savings Bonds (Amendment) Bill, 2019, the Minister in the Ministry of Finance indicated that there are approximately 176,000 persons who are awaiting social housing after applying for homes built by the Trinidad and Tobago Housing Development Corporation (HDC).⁶

Legislation – Trinidad and Tobago

3.1.8. The existing legislation related to the rent system and rent regulations in Trinidad and Tobago is provided in **Table 1** below.

⁴ Walter Block, *Rent Control*, The Library of Economics and Liberty, website. Accessed September 12, 2019. <https://www.econlib.org/library/Enc/RentControl.html>

⁵ Central Statistical Office, *Multiple Indicator Cluster Survey 2011*. Accessed January 28, 2020. https://cso.gov.tt/stat_publications/multiple-indicator-cluster-survey-mics-2011/

⁶ Senator Allyson West, *Government Savings Bonds (Amendment) Bill, 2019*. Hansard. Senate. September 25, 2019. P 98-99. Accessed January 29, 2020. <http://www.ttparliament.org/hansards/hs20190925.pdf>

Table 1
National Legislation

Title of Legislation	Applicable Provisions
<p>Housing Act, Chap. 33:01⁷</p>	<p>Low-Rental Housing Projects Section 51. (1) The Minister may make a loan to an approved housing company for the purpose of assisting in the construction of a low-rental housing project or in the purchase of existing buildings and the land upon which they are situated and their conversion into a low-rental housing project. (4) A contract with an approved housing company entered into under this section shall provide that— (a) the maximum ratio between the rentals to be charged and the probable family income of the lessees shall be such ratio as the Minister may deem fair and reasonable; (b) the company may receive contributions to a rent reduction fund from any social agency, trust, or person and shall use the fund solely for the purpose of reducing the rentals that otherwise would be charged; (c) the company shall maintain books, records and accounts in a form satisfactory to the Minister, shall permit the inspection of the books, records and accounts by a representative of the Minister at any time and shall make such annual or other reports to the Minister in such form and containing such particulars as the Minister may require; ...</p>
<p>The Rent Restriction (Dwelling Houses) Act Chapter 59:55⁸</p>	<p>Rent Regulations Section 1 (1) This Act may be cited as the Rent Restriction (Dwelling-Houses) Act. (2) This Act shall have effect even though inconsistent with sections 4 and 5 of the Constitution. Section 3 of the Act sets a limit on the rental amount a landlord can apply to a rental property i.e. properties “which were let for a rent whether payable monthly or not, not exceeding one thousand dollars (\$1000) per month in the case of an unfurnished letting or one thousand five hundred dollars (\$1500) per month in the case of a furnished letting as at 31st December, 1978.” The Rent Restriction (Reenactment and Validation) Act, 1991⁹ Section 1 (2) amends the Rent Restriction Act to allow for the rent restriction to be in force until 23rd February, 1993 and may be continued for further periods of three years by affirmative resolution of Parliament.¹⁰</p>

⁷ Ministry of Legal Affairs website. *Housing Act, Chap. 33:01*. Accessed November 14, 2019. Pgs.15-16.

http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/33.01.pdf

⁸ Ministry of Legal Affairs website. *The Rent Restriction Act Chapter 59:55*. Accessed December 09, 2019. Pgs.6-7.

http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/59.55.pdf

⁹ Office of the Parliament of Trinidad and Tobago website. *The Rent Restriction (Reenactment and Validation) Act, 1991*. Accessed December 09, 2019.

¹⁰ On March 08, 1996, a Motion was passed in the House of Representatives for the extension of the Rent Restriction (Re-Enactment and Validation) Act, 1991, for an additional period of three years commencing on February 24, 2019.

http://www.tparliament.org/chamber_business.php?mid=11&cid=122

Title of Legislation	Applicable Provisions
	<p>The Rent Restriction (Reenactment and Validation) Act, 2000 (Assented in 2000)¹¹ Section 1 (2) amends the Rent Restriction Act to allow for the rent restriction to be in force until 23rd February, 2002 and may be continued for further periods of three years by affirmative resolution of Parliament.</p> <p>Section 4 of the Act allows for all acts and things done or purported to be done in exercise of powers conferred under the Act are deemed to have been lawfully and validly done, notwithstanding that the Act ceased to have effect on 24th February, 1999.</p> <p>The Rent Restriction (Reenactment and Validation) Act, 2002¹² Section 3(2) of this Act sought to continue the rent restriction in force until 23rd February, 2005. However, the Bill lapsed in the House of Representatives upon the prorogation of the First Session of the Eighth Parliament on September 17, 2003</p>

International and Regional Legislation related to rent regulation

3.1.9. **Table 2** indicates the international and regional legislation on rent regulation which the Committee considered during its deliberations on this matter.

Table 2
International and Regional Legislation

Country	Act	Provisions
Jamaica	Rent Restriction Act ¹³	<p>Provision for Persons with Children Section 4A of the Act states that a person should not as a condition for granting or renewal of the tenancy require that no children shall reside with the tenant in that dwelling-house and highlights a penalty of \$1000 in the first instance and \$2500 in the second instance if the person does not comply.</p> <p>Determination of a Standard Rent Section 17 provides for the standard rent of any premises to be determined by an Assessment Officer</p>

¹¹ Office of the Parliament of Trinidad and Tobago website. *The Rent Restriction (Reenactment and Validation) Act, 2000*. Accessed December 09, 2019. <http://www.ttparliament.org/legislations/a2000-40.pdf>

¹² Office of the Parliament of Trinidad and Tobago website. *The Rent Restriction (Reenactment and Validation) Act, 2002*. Accessed December 19, 2019. <http://www.ttparliament.org/legislations/b2002s01p.pdf>

¹³ Ministry of Justice. Rent Restriction Act. Jamaica. Accessed January 29, 2020. <https://moj.gov.jm/sites/default/files/laws/Rent%20Restriction%20Act.pdf>

Country	Act	Provisions
		<p>Section 18 (2) provides that landlords “<i>apply to the Assessment Officer to have the standard rent determined and shall disclose to the Assessment Officer the terms and conditions of the letting or proposed letting and all the circumstances which will affect the standard rent of the premises.</i>”</p> <p>Section 19 provides that the Assessment Officer in determining the rent “<i>act according to the principle that the standard rent shall be a rent of which the annual rate is such percentage of the assessed value of the premises as the Minister shall prescribe by order</i>”</p> <p>(3) <i>An order made under subsection (1) may prescribe different percentages in respect of-</i></p> <p>(a) <i>different categories of letting;</i></p> <p>(b) <i>the portion of premises which consists of a building;</i></p> <p>(c) <i>the portion of premises which consists of land (including any swimming-pool, water tank, well, fence, driveway and paved area) occupied and enjoyed with the building under the tenancy.</i></p> <p>Maximum Permitted Rent</p> <p>Section 20 (1) states provisions which inhibits the landlord from increasing the rent of the property in excess of the standard rent and allows for a tenant who has paid the excess to be reimbursed. Section 20 (3) further highlights the penalty associated for landlords who receive or demand rent in excess of the standard rent which constitute:</p> <p>“<i>(a) where the landlord is not a body corporate, to a fine not exceeding two thousand dollars or to imprisonment with or without hard labour for a term not exceeding twelve months or to both such fine and imprisonment; and</i></p> <p><i>(b) where the landlord is a body corporate, to a fine not exceeding four thousand dollars, and, without prejudice to any other right which the tenant may have to recover rent overpaid the Court in which the conviction is obtained may order the landlord to repay the same.</i>”</p> <p>Permitted Increases to Rent</p> <p>Section 21 permits increases to rent in the following instances:</p> <p>(a) <i>... where the landlord has incurred expenditure in effecting substantial improvements or structural alterations to the premises or the amenities of the premises.</i></p> <p>(b) <i>where the rates and taxes (other than water rates and sewer rates) payable in relation to the premises have been increased after the date on which an Assessment Officer or a Board determined the standard rent of the premises...</i></p> <p>(c) <i>The Minister by order sanction an increase of the rents of premises either generally or in any area specified in the order...</i></p>
Guyana	Rent Restriction Act ¹⁴	<p>Determination of Rent</p> <p>Section 5 provides for the powers of the magistrate of a district to include the determination of the maximum rent to be paid and received for a premises.</p>

¹⁴ Ministry of Legal Affairs, Rent Restriction Act, Chapter 36:23. Guyana. Accessed January 29, 2020. <http://extwprlegs1.fao.org/docs/pdf/guy5102.pdf>

Country	Act	Provisions
		<p>Section 6 requires that the landlord of any premises apply to the magistrate to have the standard and maximum rent of the premises ascertained, certified and fixed.</p> <p>The Schedule of the Act indicates the factors to be considered when the magistrate determines the standard and maximum rent including:</p> <ul style="list-style-type: none"> • The annual rent value; • The area of the premises; • The cost of construction; • The site value of the premises; • The structural condition; • The current contractual rent; • The nature and purpose of the letting; • The costs on the premises (taxes, insurance, maintenance, management); • The amenities provided; • The space allocated for use by the tenants; • Other occupants of the area; and • Other relevant factors. <p>Restrictions on Rent Increase</p> <p>Section 14 provides that the rent of let premises should not exceed the standard rent and that any access rent paid by the tenant be recoverable from the landlord.</p> <p>Permitted Instances of Rent Increase</p> <p>Section 15 provides for the rent to exceed the standard rent in the following instances:</p> <ul style="list-style-type: none"> • Where the landlord incurs expenditure on the improvement or structural alteration of the premises; • An amount assessed by the magistrate and set out in the certificate; • An amount assessed by the magistrate and set out in the certificate not exceeding 12% of the standard rent or 25% of the standard rent;
Ireland	Rent Restrictions Act, 1960 ¹⁵	<p>Determination of Basic Rent or Lawful Rent</p> <p>Section 9 of provides for, <i>“the basic rent of a controlled dwelling... shall be determined by the Court and shall be a rent of such amount as the Court considers reasonable having regard as far as possible to the basic rents of controlled dwellings which are comparable in regard to location, accommodation, amenities, state of repair and rateable valuation.”</i></p> <p>Section 11 provides that lawful rent may refer to either the basic rent of the dwelling or the sum of the basic rent of the dwelling and the lawful additions.</p>

¹⁵ *Rent Restrictions Act, 1960*. Ireland. Accessed January 29, 2020. <http://www.irishstatutebook.ie/eli/1960/act/42/enacted/en/print#sec9>

Country	Act	Provisions
		<p>Section 12 states that, “the landlord or the tenant of a controlled dwelling shall, on being so requested by the Court, supply the Court with a statement in writing affording any information in his possession or procurement requisite to enable the Court to determine the basic rent or the lawful rent of the dwelling.”</p> <p>Lawful Increases of Basic Rent</p> <p>Section 10 provides for the lawful increase in the basic rent in the following areas:</p> <ul style="list-style-type: none"> • the landlord spends on repairs, improvement or structural alteration to the dwelling; • the landlord, during any period of two years ...expends an amount in excess of two-thirds of the basic rent of the dwelling on putting the dwelling into a reasonable state of repair;
USA	<u>New York</u> ¹⁶	<p>Conditions for maintaining rent control include:</p> <ul style="list-style-type: none"> • Continuous habitation of the unit by the tenant or lawful successor. • Landlords can raise rents—up to 7.5 percent annually to a ceiling rent (determined every two years). • The units are subject to vacancy decontrol: if vacated, units in a building with six or more units move to the weaker rent-stabilization market, and they become unregulated if in a building with fewer than six units. <p>Benefits to tenants from rent stabilization include:</p> <ul style="list-style-type: none"> • once rent hits a certain cap, it is deregulated; and • limits on annual rent increases and a guaranteed right to renew;
USA	<u>San Francisco</u> ¹⁷	<p>Rent control is popular in the San Francisco Bay Area as nine Bay Area cities already impose rent control regulations.</p> <p>Beneficiaries of the rent control:</p> <ul style="list-style-type: none"> • tend to remain at their address in San Francisco for longer periods of time; • belong in the demographic of racial minorities, older households and among households that have already spent a number of years at their current address <p>Non Beneficiaries of Rent Control:</p> <ul style="list-style-type: none"> • less likely to remain at their current address, consistent with the idea that landlords try to remove tenants when the reward is high, through either eviction or negotiated payments.

¹⁶ Prasanna Rajasekaran, Mark Treskon, and Solomon Greene. *Rent Control: What Does the Research Tell Us about the Effectiveness of Local Action?* Urban Institute. 2019. Pg.3. Accessed December 09, 2019. https://www.urban.org/sites/default/files/publication/99646/rent_control_what_does_the_research_tell_us_about_the_effectiveness_of_local_action_1.pdf

¹⁷ Rebecca Diamond, Tim McQuade, & Franklin Qian, *The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco*. 2019. Pg. 25 Accessed December 09, 2019. <https://web.stanford.edu/~diamondr/DMQ.pdf>

Country	Act	Provisions
<u>France</u> ¹⁸		<p>New rent regulations</p> <ul style="list-style-type: none"> • The main regulation requires that re-let rents cannot rise above the indexed rent of the previous tenant. Only first lettings are therefore market determined. • to limit rents on new leases to no more than 20% above the median rent for the same type of property in the same type of area which effectively freezes rents and rents would be disconnected from rates of return <p>Impact of the Regulations</p> <ul style="list-style-type: none"> • The first rule is still in force and acts particularly to limit rent increases on larger units which have lower turn-over rates. So far there is little evidence of impact. • The second rule was annulled from December 2017 • Review to be conducted in 2018 after reports of rent increases in Paris since the ruling. • Rent caps in Paris and Lille had had a limited impact due to non-implementation by landlords as estate agents were reportedly resistant to providing information on rent levels to assist in determining the median rent

Conduct of the Inquiry

3.1.10. Prior to convening its public hearing on this matter, the Committee issued invitations to specific stakeholders and requested written submissions based on the following objectives:

1. **To assess the adequacy of the existing laws, policies and systems intended to protect tenants of residential property against unjustified rent prices;**
2. **To determine the feasibility of imposing additional restrictions on the private rental sector in Trinidad and Tobago; and**
3. **To assess the existing systems and arrangements to enable access to, and sustainment of rental housing for low-income and vulnerable households.**

3.1.11. Evidence gathering for this inquiry included one public hearing held with the following government agencies on **Friday, February 14, 2020 (See Appendix I for details):**

¹⁸ Assessing the evidence on Rent Control from an International Perspective (2018) <https://research.rla.org.uk/wp-content/uploads/LSE-International-Evidence-on-Rent-Control-Report-2018-Final.pdf>

- Ministry of Housing and Urban Development
- Housing Development Corporation

3.1.12. Subsequent to these public hearings additional information was requested from specific stakeholders, which was submitted accordingly.

3.1.13. Oral and written submissions received from the entities appearing before the Committee provided a frame of reference for the Committee's deliberations on the subject inquiry.

3.1.14. The **Minutes of the Meetings** during which the public hearing was held are attached as **Appendix II** and the **Verbatim Notes** as **Appendix III**. In addition, all **Written Submissions Received from Witnesses** are attached as **Appendix IV**.

KEY FINDINGS AND RECOMMENDATIONS

OBJECTIVE 1: To assess the adequacy of the existing laws, policies and systems intended to protect tenants of residential property against unjustified rent prices

Findings

- 4.1.1. Based on the oral (*See Appendix III*) and written evidence received (*See Appendix IV*), the Committee's findings are as follows:
- i. Though a legal framework exists, the lack of enforceability leaves tenants of residential properties vulnerable to market-driven rental prices;
 - ii. The current legal framework does not provide clear guidelines on the rights and responsibilities of landlords or tenants;
 - iii. The current legal framework has not been revised to account for the modern environment including: current cost of living, increased demand for rental properties and revised health and safety standards. The Committee is mindful that up-to-date statistics with regard to cost of living have not been made available by the Ministry of Planning and Development and the Central Statistical Office;
 - iv. While policies have been developed with the intention of expanding and enforcing the existing regulatory framework with regard to housing, these policies have not been implemented;
 - v. Public education on the rights of landlords and tenants is limited and therefore creates an environment where both landlords and tenants can be exploited;
 - vi. The policies of both the MHUD and HDC with regard to rental agreements are relatively clear. However, these policies are not effectively communicated to the general public.

Recommendations

4.1.2. In light of the foregoing, the Committee recommends the following:

- A. The Ministry of Housing and Urban Development should work alongside the Ministry of the Attorney General and Legal Affairs to have the Rent Restriction Act updated and enforced;
- B. As a matter of urgency, the Ministry of Housing and Urban Development should collaborate with the Ministry of the Attorney General and Legal Affairs to re-establish the Rent Assessment Board with clear guidelines on the rights and responsibilities of landlords or tenants. Such Board should be empowered to perform routine inspections on any rented, private residential properties.
- C. Any revision of the Rent Restriction Act should take into account variations in the cost of living and health and safety regulations/standards, which have been established subsequent to its original dispensation. In the absence of publicly available up-to-date data, the MHUD should collaborate with the Ministry of Planning and Development and the Central Statistical Office to obtain reliable draft data which may be utilised in the interim.
- D. The Ministry of Housing and Urban Development should commence a plan of action to implement the areas of its Strategic Plan (2018-2023) relevant to *“legal review and reform and increased affordability of rental housing.”*¹⁹ As part of the ministerial response to this report, the Ministry should provide an Implementation Roadmap outlining the tasks to be completed in relation to the abovementioned action plan.
- E. The Ministry of Housing and Urban Development should expand their information dissemination campaign and distribution of its Housing 101 Manual to reach a wider cross-section of the population. Adequate monitoring and evaluation measures should be incorporated to determine the rate and level of knowledge acquisition by the general public.

¹⁹ MHUD Submission, February 13, 2020, page 2

OBJECTIVE 2: To determine the feasibility of imposing additional restrictions on the private rental sector in Trinidad and Tobago.

Findings

4.2.1. Based on the oral (*See Appendix III*) and written evidence received (*See Appendix IV*), the Committee's findings are as follows:

- i. A system to determine standard rent prices does not exist in Trinidad and Tobago;
- ii. Rent restrictions are currently not established and therefore any such restrictions will require an extensive consultation with stakeholders;
- iii. The Government department with responsibility must consider the balance of priorities involved with regard to the need for renters to readily access affordable housing and the need for landlords to make a reasonable profit;
- iv. The dormant status of the Rent Assessment Board has negatively impacted tenants as there are few avenues for recourse, short of legal action, when their rights are violated;
- v. There are currently no official policy documents to guide private residential rent prices.
- vi. Tenants are at risk for exploitation, in the absence of regulations and restrictions on landlords. This risk is exacerbated in the case of financially vulnerable groups within society. Conversely, landlords also bear the risk of being exploited by delinquent tenants. In addition, this risk is exacerbated in the case of landlords who depend heavily on rent to sustain their income and livelihoods;
- vii. There are no enforceable standards in place required by the Government with regard to health and safety of private rental properties

Recommendations

4.2.2. In light of the foregoing, the Committee recommends the following:

- A. The Ministry of Housing and Development should develop minimum standards for private rental properties (residential). These guidelines should be in compliance with the health and safety standards established by the Occupational**

- Safety and Health Act, Chap. 88:08. The guidelines should also be drafted subsequent to comprehensive consultation with tenants and landlords and other relevant stakeholders;
- B. The MHUD should create a publicly accessible database of approved residential rental properties. This database should be based on rental property standards in collaboration with routine inspections to be performed by a re-established Rent Assessment Board (per Recommendation B under Objective 1 above).**
- C. When developing guidelines/standards for rent prices, the MHUD should take into consideration the following:**
- vi) Location and size of property;**
 - vii) Proximity to transportation, commercial activities;**
 - viii) Extent of restrictions for tenants (e.g. mandatory visitor policies);**
 - ix) Number of amenities available above basic requirements (e.g. availability of secured parking); and**
 - x) Level of privacy (e.g. the existence of shared common areas).**

OBJECTIVE 3: To assess the existing systems and arrangements to enable access to, and sustainment of rental housing for low-income and vulnerable households.

Findings

- 4.3.1. Based on the oral evidence (*See Appendix II*) and written evidence received (*See Appendix IV*), the Committee's findings are as follows:
- i. Currently, the data from the evidence provides information only on state-owned rental properties available to low income and vulnerable families;
 - ii. The 44% default rate on rents payable to HDC requires further investigation; and
 - iii. There is a greater need for specific provisions made for vulnerable groups.

Recommendations

- 4.3.2. In light of the foregoing, the Committee recommends the following:
- A. **The MHUD should collaborate with Ministry of Planning and Development and the Central Statistical Office to initiate a nationwide survey to gain an accurate picture of the need for private rental options in Trinidad and Tobago, particularly among low income and other vulnerable societal groups.**
 - B. **The HDC should evaluate the factors which contribute to the 44% default rate on rentals and devise an appropriate strategy for reducing this rate by 10% over a reasonable timeframe;**
 - C. **Both the MHUD and the HDC should collaborate with the private sector with regard to creating rental arrangements for vulnerable societal groups. This could take the form of creating incentives for private landlords to allocate units specifically for low income earners.**

Conclusion

- 4.3.3. The Committee also requested written submissions on the matter at hand from the following private sector organisations involved in the management of rental properties:
- (i) Association of Real Estate Agents;
 - (ii) New Land Tenants and Rate-Payers Association;
 - (iii) Guardian Group;
 - (iv) Massy Realty; and
 - (v) HCL Group of Companies.
- 4.3.4. A submission dated June 15, 2020 was received from the New Land Tenants and Rate-Payers Association. The Committee was unable to consider the submission received, owing to a significant reduction in parliamentary activity, as a result of the nationwide health and safety measures implemented to combat the global COVID-19 pandemic. Your Committee is also of the view that the limitations posed by the pandemic prevented the majority of the abovementioned organisations from providing feedback.
- 4.3.5. In this regard, your Committee has concluded that this matter required further interrogation. However, the imminent dissolution of the 11th Parliament would have curtailed the Committee's work in this matter. Notwithstanding this, certain progress has been made which would allow for conclusions to be drawn. Your Committee proposes that the next incarnation of the JSC on Social Services and Public Administration in the 12th Parliament, should consider revisiting this issue on the basis of the evidence/submissions received thus far and submit a final report on this matter at the earliest opportunity.

Your Committee respectfully submits this Report for the consideration of the Parliament.

Mr. Paul Richards
Chairman

Mr. Esmond Forde, MP
Vice-Chairman

Mrs. Glenda Jennings-Smith, MP
Member

Brig. Gen. (Ret.) Ancil Antoine, MP
Member

Mrs. Christine Newallo-Hosein, MP
Member

Ms. Khadijah Ameen
Member

Mr. Rohan Sinanan
Member

Ms. Allyson West
Member

June 29, 2020

APPENDICES

Appendix I: Witnesses who appeared

Persons who appeared and provided oral evidence

Name of Official	Portfolio	Organization
Public Hearing Held on February 14, 2020		
Mrs. Simone Thorne-Mora Quinones	Permanent Secretary	Ministry of Housing and Urban Development
Mr. Alvin Pascall	Director of Legal	
Mrs. Tiffany Hercules-Jerome	Legal Officer II	
Mr. Justin Dwarika	Legal Research Officer	
Mr. Brent Lyons	Managing Director Divisional	Trinidad and Tobago Housing Development Corporation
Mr. Jeremy Campbell	Manager, Corporate Services	
Mr. Romel Ramarack	Divisional Manager, Construction Management Operations	

Appendix II: Minutes

MINUTES OF THE THIRTY-SEVENTH MEETING OF THE JOINT SELECT COMMITTEE OF PARLIAMENT APPOINTED TO INQUIRE INTO AND REPORT ON SOCIAL SERVICES AND PUBLIC ADMINISTRATION, HELD IN THE ARNOLD THOMASOS MEETING ROOM (EAST), LEVEL 2, OFFICE OF THE PARLIAMENT, PARLIAMENTARY COMPLEX, CABILDO BUILDING,

ST. VINCENT STREET, PORT OF SPAIN, ON FRIDAY FEBRUARY 14, 2020

PRESENT

Members

Mr. Paul Richards	Chairman
Brig. Gen. (Ret'd) Ancil Antoine, MP	Member
Mrs. Christine Newallo-Hosein, MP	Member
Ms. Allyson West	Member
Ms. Khadijah Ameen	Member

Secretariat

Mr. Johnson Greenidge	Assistant Secretary
Ms. Aaneesa Baksh	Graduate Research Assistant
Ms. Nicole Brown	Parliamentary Intern

ABSENT

Mr. Esmond Forde, MP	Vice-Chairman
Mrs. Glenda Jennings-Smith, MP	Member (excused)
Mr. Rohan Sinanan	Member (excused)

PUBLIC HEARING re: the system of rent regulation for housing accommodation in Trinidad and Tobago

7.1 The meeting resumed in public at 10:15 a.m. in the in the Arnold Thomasos Meeting Room (West), Level 2.

7.2 The following persons joined the meeting:

Ministry of Housing and Urban Development (MHUD)

Mrs. Simone Thorne-Mora Quinones	-	Permanent Secretary
Mr. Alvin Pascall	-	Director of Legal

- Mrs. Tiffany Hercules-Jerome - Legal Officer II
Mr. Justin Dwarika - Legal Research Officer

Trinidad and Tobago Housing Development Corporation (HDC)

- Mr. Brent Lyons - Managing Director
Mr. Jeremy Campbell - Divisional Manager, Corporate Services
Mr. Romel Ramarack - Divisional Manager, Construction Management Operations

7.3 The Chairman welcomed the witnesses present and introductions were exchanged.

Opening Statements

7.4 The following chief officials gave brief opening remarks.

- i. Mrs. Simone Thorne-Mora Quinones - Permanent Secretary, MHUD; and
- ii. Mr. Brent Lyons - Managing Director, HDC.

Key Issues Discussed

7.5 The following are the key subject areas/issues discussed during the hearing:

Issues discussed with the Ministry of Housing and Urban Development (MHUD)

- i. The Ministry is aware that many citizens need rental accommodation. 13% of HDC applicants apply for rental units.
- ii. There is currently no regulatory framework for rent restrictions in Trinidad and Tobago.
- iii. The MHUD does not have a specific policy for rental units as the focus is on encouraging citizens to become home owners.
- iv. The MHUD noted that home ownership is viewed as an avenue for citizens to leave a legacy for future generations. In keeping with this view, the Ministry has not placed an emphasis on providing rental accommodation.
- v. The MHUD has implemented initiatives to encourage home ownership such as the Aide Self-Help Housing Programme and Housing and Village Improvement Programme.

- vi. Through The MHUD's Aided Self-Help Housing programme, low-income individuals are able to obtain a mortgage with a 2% interest rate in order to build homes on land they already own. These individuals receive assistance to subsidise the cost of their house plans and are provided with technical assistance from the Land Settlement Agency (LSA).
- vii. Over 500 persons have applied to the Aided Self-Help Housing programme and 200 have made payments using their own resources. The remaining individuals have received mortgages. Applicants are required to qualify for a mortgage of \$300,000.00 i.e. maintain a base salary of \$3000 - \$4000 per month.
- viii. In 2018 the MHUD introduced the Housing and Village Improvement programme which targets society's lowest income earners. Beneficiaries of this programme initially resided in makeshift homes with rudimentary infrastructure.
- ix. Through the Housing and Village Improvement programme, clients were able to receive concrete homes with running water and indoor plumbing, valued at \$130,000.00. Over 135 of these units were allocated to citizens. Areas where these homes were constructed included Sangre Grande, Toco, Marabella and St. Joseph.
- x. The recipients of the homes under the Housing and Village Improvement programme were required to assist in the construction and were trained to do so.
- xi. The housing allocation policy allows for 5% of homes set aside for vulnerable groups such as the disabled.
- xii. The MHUD signed a Memorandum of Understanding with the NGO Habitat for Humanity to assist low-income persons in the construction of homes.
- xiii. The Ministry has developed a Strategic Plan (2018-2023), which provides for developing a protocol to re-establish a Rent Assessment Board as a priority. However, the plan has not yet been implemented.
- xiv. The MHUD acknowledges that there is a need for consultation with the Private Sector with regard to establishing a framework for rent regulations.
- xv. Any reinstatement of the Rent Restriction Act will require extensive consultation to determine what mechanisms will be used to determine rent prices. Mechanisms utilised in other jurisdictions include rent charged as a percentage of property values and enforcing a price ceiling for rents.

- xvi. The Housing Education Programme was launched in 2018 which included a media blitz to promote a campaign to educate landlords and tenants about their rights and obligations.
- xvii. Part of the Housing Education Programme included the development and distribution of the MHUD *Housing 101 Manual*.
- xviii. Collaboration between the MHUD, HDC and the Ministry of Finance (MOF) has been limited with respect to the MOF's ongoing assessment of property values in Trinidad and Tobago, particularly in the context of rent regulations.

Issues discussed with the Trinidad and Tobago Housing Development Corporation

- i. The HDC's rent-to-own programme allows for persons who would like to purchase a home but qualify for less than the required mortgage of the home to pay off the difference in value as rent, within a 5-year period, at the end of which the person shall then begin paying their qualifying mortgage amount. In order to qualify for the programme, the person must be under the age of 35 years and the gap in the qualifying mortgage of the person and the cost of the home must be less than \$100,000.
- ii. The HDC defines low income persons as persons earning less than \$7,500.00 per month. This was revised upward from the figure of \$4,500 that existed previously.
- iii. HDC rental prices are guided by the principle that rental housing should not cost more than 30% of income. Based on this guideline, rental rates for accommodation provided by the HDC range from \$100 to \$2,250 per month.
- iv. HDC does not make a distinction between houses constructed for rent and houses constructed for mortgage.
- v. Based on a financial assessment of applications for housing, the HDC determines whether the applicant is a candidate for either a mortgage or rental. In the latter case, individuals are matched with a unit for a rental price they can afford.
- vi. Newly constructed units attract higher rent prices while units constructed in older communities attract lower rents.
- vii. The HDC has experienced challenges with regard to collecting rent from tenants. It estimates that arrears owed to the State currently amount to approximately \$45 million. The default rate on rental of HDC housing units is 44%, which is significantly higher than the default rate on rent payments in the private sector.

- viii. While the HDC has evicted tenants based on illegal occupation of their properties, it has not evicted anyone for non-payment of rent. Tenants who are in arrears for rent are given the option to clear their balances utilising a payment plan.
- ix. Collectively, money owed to the State from both rentals and mortgages amount to approximately \$100 million. The HDC also collects approximately \$100 million per annum.
- x. In cases where clients of the HDC are unable to make mortgage payments due to extreme circumstances such as natural disasters, the Corporation makes provisions for the payments to be deferred for a specific period of time, thereby extending the repayment terms.
- xi. There is a high demand in the Port of Spain region for apartments in the \$100/month range.
- xii. The HDC conducts a continuous assessment of existing rental agreements to determine the terms of renewal. Renewals take place on a three-year basis. Through this assessment, the HDC has discovered clients whose income has increased above the \$7,500/month low income ceiling. As a result, these clients have been transferred from a rental arrangement to a mortgage arrangement.
- xiii. Currently, 70% of HDC units are mortgage units while the remaining 30% are rental units.
- xiv. The HDC is not in a financial position to build houses solely for rental purposes. The amount earned from rent will not cover the costs of paying the contractors responsible for building the units.
- xv. 82% of the 186,000 persons included on the National Housing database earn \$9,000.00 or less per month.
- xvi. Persons in the lower income bracket are able to access mortgages of up to \$300,000 while persons in the higher income bracket are able to access mortgages of \$650,000-\$700,000.
- xvii. 50% of persons included in the National Housing Database have a preference for living in the East-West corridor. However, there is limited land available in this region.
- xviii. 20% of the houses built by the HDC are valued above \$700,000.

- xix. The HDC is undertaking an initiative with a view to ensuring that 100% of units built are valued below \$700,000.
- xx. The HDC has launched the Small and Medium Contractors' initiative that sets a ceiling whereby turnkey houses should be constructed for no more than \$500,000. The aim is to construct 1,500 housing units under this arrangement. Contractors will be required to bid for these contracts using an indicative bid form.
- xxi. A 22-point Quality Management Programme is utilised to mitigate against substandard work being carried out under the Small and Medium Contractors' initiative. Each stage of the project must be approved by the HDC, as meeting the established standards, before moving on to the next stage. Contractors will not be paid unless the job is completed to standard.
- xxii. The HDC has been able to employ cost-savings measures to reduce the construction cost per square foot from \$1,200 to a range of \$500 - \$600.
- xxiii. The HDC conducted a comprehensive review of all its buildings and communities to evaluate gaps in fire safety systems. A tiered approach was developed to address these gaps as follows:
- Tier I - installing fire prevention systems;
 - Tier II - installing fire suppression systems; and
 - Tier III - installing fire escapes.
- Tier I has been completed in all communities. Tier II has been completed in the most vulnerable communities, while Tier III has been implemented only in a few communities.
- xxiv. Buildings that are 50 years old and older are considered to be beyond their useful life. However, the HDC has been maintaining these buildings while facing serious challenges with plumbing, electrical and sewer systems.
- xxv. Approximately 7,000 - 8,000 persons currently pay rental rates at the lowest end of the scale.
- xxvi. The HDC has accounted for legitimacy of generational occupation of rented units via an assessment conducted every two (2) years. It assesses whether the original occupants are currently living in the units. Where occupancy differs, a regularisation process determines the rent that the current occupants should pay. If the current occupant is in a better financial position than their predecessor, the HDC has the option of relocating them to a unit suited to their income bracket.

- xxvii. The HDC has developed a concept of “*designs that determine behaviour*”. This includes provisions for recreational spaces and spaces for commercial activities to be incorporated into future community designs.
- xxviii. The HDC plans to institute management companies responsible for the operation of future communities in terms of collecting maintenance fees and monitoring the activities that take place.
- xxix. The Ministry of Social Development and Family Services collaborates with the HDC to determine vulnerable persons who should be prioritized for rentals and/or mortgage options.

Requested information

7.6 The Committee requested the following additional information:

Ministry of Housing and Urban Development

1. Provide the locations where the houses under the Aided Self-Help Housing Programme, with a mortgage value of \$300,000, are situated.
2. What is the number of persons in each area who benefited from the 2018 initiative whereby houses valued at \$130,000 were distributed, based on a national socio-economic survey conducted by the Land Settlement Agency?
3. Provide the current requirements of the \$130,000 housing initiative and the MHUD’s policy on the distribution of these houses?
4. Outline is the policy of the MHUD with regard to the need for land ownership in order to be eligible for the houses valued at \$130,000.
5. Provide the list of the stakeholders who were present during the Ministry’s Housing 101 Education Programme initiative?
6. Provide copies of the following documents:
 - (i) Know-How Guides re: Housing 101 Education Programme; and
 - (ii) MHUD’s Strategic Plan 2018-2023

Trinidad and Tobago Housing Development Corporation

1. Given that a financial assessment is used to determine the type and price of housing which is suitable for a client, what qualifies a client to be eligible for Emergency Housing under the HDC?

ADJOURNMENT

- 8.1 Closing remarks were made by the chief officials present.
- 8.2 The Chairman thanked all present and gave closing remarks.
- 8.3 The meeting was adjourned at 12:01 p.m.

I certify that these Minutes are true and correct.

Chairman

Secretary

March 11, 2020

Appendix III: Verbatim Notes

VERBATIM NOTES OF THE THIRTY-SEVENTH MEETING OF THE JOINT SELECT COMMITTEE ON SOCIAL SERVICES AND PUBLIC ADMINISTRATION, HELD IN THE ARNOLD THOMASOS MEETING ROOM (WEST), LEVEL 2, (IN PUBLIC), OFFICE OF THE PARLIAMENT, PARLIAMENTARY COMPLEX, CABILDO BUUILDING, ST. VINCENT STREET, PORT OF SPAIN, ON FRIDAY, FEBRUARY 14, 2020 AT 10.15 A.M.

PRESENT

Mr. Paul Richards	Chairman
Brig. Gen. (Ret.) Ancil Antoine	Member
Mrs. Christine Newallo-Hosein	Member
Ms. Allyson West	Member
Ms. Khadijah Ameen	Member
Mr. Johnson Greenidge	Assistant Secretary
Ms. Aaneesa Baksh	Graduate Research Assistant
Ms. Nicole Brown	Parliamentary Intern

ABSENT

Mr. Esmond Forde	Vice-Chairman [<i>Excused</i>]
Mr. Rohan Sinanan	Member [<i>Excused</i>]
Mrs. Glenda Jennings-Smith	Member [<i>Excused</i>]

OFFICIALS OF THE MINISTRY OF HOUSING AND URBAN DEVELOPMENT

Mrs. Simone Thorne-Mora Quinones	Permanent Secretary
Mr. Alvin Pascall	Director of Legal
Mrs. Tiffany Hercules-Jerome	Legal Officer II
Mr. Justin Dwarika	Legal Research Officer

**OFFICIALS OF THE TRINIDAD AND TOBAGO HOUSING
DEVELOPMENT CORPORATION**

Mr. Brent Lyons	Managing Director
Mr. Jeremy Campbell	Divisional Manager, Corporate Services
Mr. Romel Ramarack	Divisional Manager, Construction Management Operations

Mr. Chairman: Good morning everyone and thank you for joining us. Welcome to the viewing and listening audience to this the Thirty-Seventh Meeting of the Joint Select Committee on Social Services and Public Administration. This meeting is being recorded for broadcast on the Parliament Channel and on Parliament Radio 105.5 FM, and streaming on our YouTube Channel, *ParlView*. This is the Committee's first public meeting with the stakeholders pursuant to the enquiry into the system of rent regulation for housing accommodation in Trinidad and Tobago. We also would like to advise members of the public who are viewing and watching online to submit your comments and/or questions on the Parliament's social media platforms.

At this point, I would like to advise that the stakeholders before us are from the Ministry of Housing and Urban Development, and also from the Trinidad and Tobago Housing Development Corporation. The enquiry's objectives, just before I allow the stakeholder to introduce themselves, are as follows. We have three main objectives:

1. To assess the adequacy of the existing laws, policies and systems intended to protect tenants of residential properties against unjustified rent prices;
2. To determine the feasibility of imposing additional restrictions on the

private sector rental sector in Trinidad and Tobago; and

3. To assess the existing systems and arrangements to enable access to and sustainment of rental housing for low income and for vulnerable households and vulnerable groups in Trinidad and Tobago.

At this time, I would like to invite members of the Committee to introduce themselves starting with member Hosein.

[Introductions made]

Mr. Chairman: We will be joined in process by the Vice-Chair, Mr Esmond Forde; member Khadijah Ameen, and member Rohan Sinanan who are otherwise engaged at this time. At this time, we would like to invite officials of the Ministry of Housing and Urban Development to introduce please yourselves, Trinidad and Tobago Housing Development Corporation.

[Introductions made]

Mr. Chairman: And thank you all for joining us. You are the first stakeholder groups to come before us on what we consider a very important issue in Trinidad and Tobago. Just for housekeeping, when you are making your remarks—of course, we would like to have everyone’s phones on mute—address your comments or questions through the Chair and make sure to turn your microphones on and off when you are starting and finishing, please, so that the Hansard and the listening and viewing audience can hear you. I would now like to invite Mrs. Simone Thorne-Mora Quinones, the PS, to deliver opening comments.

Mrs. Thorne-Mora Quinones: Thank you again, Chair. Good morning to you and all the hon. members of this Committee for inviting us to discuss issues pertaining to the system of rental regulation and housing accommodation in Trinidad and Tobago. The Ministry of Housing and Urban Development, fondly called “MHUD”, in collaboration with its implementing agencies, the Housing Development Corporation, the Land Settlement Agency, the Sugar Industry Labour Welfare

Committee, East Port of Spain Development Company, and East Side Plaza and New City Mall, we are all tasked with the responsibility for providing sustainable housing solutions for low and middle income families, while also transforming the country's urban and peri-urban landscapes. This mandate is aligned to the national strategic development goals, *Vision 2030*, putting people first by creating sustainable cities and communities to enhance the quality of life for all citizens of this country.

Mr. Chairman, with specific regard to the housing sector, we had a situation where over one-seventh of our population are actively looking towards the Government for housing solutions. This is no small number of citizens to satisfy. This herculean task is also compounded by the fact that our economic reality is no longer as rosy as it used to be. Government's revenue has significantly decreased, and with that, public spend has prudently been reduced.

Mr. Chairman, with specific regard to the housing sector, the Ministry of Housing and Urban Development is fully cognizant of how important shelter is to our citizenry. The economic reality, however, does not mean that the Ministry will forsake its mandate. In fact, MHUD wholeheartedly embraces its mandate to provide affordable housing solutions for low to middle income families. MHUD understands that our citizens come from diverse socioeconomic backgrounds, and therefore, our solutions must be as diverse as the people we aim to serve.

In response to this situation, MHUD has implemented a number of initiatives in close collaboration with its various units and agencies such as, the revision of the mortgage regime to ensure that persons earning under \$14,000 can access a 2 per cent financing facility applicable to properties valued up to \$1 million. This facility affords those who may not normally be able to access a mortgage to do so, since no down payment is required and the interest rate offered allows for affordable mortgage payments; the implementation of the Government's Aided Self-Help Housing Programme which is aimed at empowering persons to manage the

construction of their own homes with financial and technical support from the State; the provision of housing solutions for persons residing in impoverished communities—which I love to call “the poorest of the poor”—through an IDB award-winning Housing and Village Improvement Programme; the continuous building and distribution of quality housing units to families through the Accelerated Housing Programme; and an extensive public awareness and education programme aimed at making homeownerships seem less arduous and more attainable.

Mr. Chairman, the Ministry is aware that many of our citizens need rental accommodation. In fact, a look at our database at the HDC reveals that 13 per cent of those who applied to HDC, apply for rentals. Again, we have taken this quite seriously, and as much as possible have engaged on a policy of providing rentals and rent-to-own units to families desirous of accommodation through the HDC’s many housing developments. We at MHUD understand the plights of many tenants who sometimes have to pay ridiculous rates for substandard living accommodation on the private rental market. We hear the horror stories almost every day through letters, in person, through conversations, and throughout the Ministry’s social media platforms and it is why we have placed rent assessment as a high priority this fiscal year so that families renting could do so comfortably.

Mr. Chairman, we look forward to addressing your questions on the housing sector with particular interest in the rental of properties and look forward to the discourse this morning. Thank you and thank you to members of the Committee.

Mr. Chairman: Thank you so much. Would it be prudent to ask Mr. Lyons to also deliver some opening remarks since the PS has already done so?

Mr. Lyons: Chairman, thank you. I think the PS was really very comprehensive in her opening remarks. What I would want to add, simply from coming from the HDC meeting with the Committee this morning, would be to provide an opportunity to clarify a number of things for the Committee as well as the national community as

it relates to rent and rent-to-own properties and so on, and I suppose it will come out in the discussions as we go forward.

Mr. Chairman: Thank you. The first question I would like to ask is: What is the present status of the Rent Assessment Board? The PS indicated that rent assessment protocol is one of the priorities of the Ministry of Housing and Urban Development, and that to me is one of the issues that we have to clarify moving forward.

Mr. Pascall: Chair, good morning, and morning to the members. Chair, I will take a crack at that question. As it exists, currently to date, there is no regulatory system governing rentals in Trinidad.

Mr. Chairman: Absolutely none?

Mr. Pascall: None.

Mr. Chairman: How long has this been in abeyance, or has there been a system before and what structure did it take?

Mr. Pascall: For as long as we have known ourselves, there have been rent restrictions in Trinidad. We go back since about 1969, you have an Act called Act, Chap. 59:50, which is the Rent Restriction Act. That Act, over the period, created a whole body of jurisprudence in rent restrictions, and they had four rent tribunals coming out of that Act which governed rent relations between landlord and tenant. That Act had a life span of about three years and it had to be extended. For what reason, I could not say, it was allowed to lapse, and having lapsed, the only way it could come back into being is by re-enactment. To date, there has been little approach towards re-enacting that Act.

Mr. Chairman: Which brings me to my next question. If there is no current regulatory framework, is there any existing—I do not want to say relationship, but correlation between state rental protocols and regulation, and private sector rental that the Ministry or the HDC has to been able to ascertain so we get a sense of what the disparities may be?

Mr. Lyons: Chairman, as far as I am aware there is no correlation between the state-provided rental and the private sector rental. In the state sector, which is where we come in, we are guided by a couple of things. There is a 1982 Cabinet Minute that provided a definition of low income and that ceiling was 4,500 per month. At the HDC, and circa 2015, we adjusted that based on inflation and a number of different factors, and adjusted it upwards to \$7,500 per month, and what we used—let me go back to 1982. When that ceiling was established at 4,500, the rents were established at \$100 and to as much as \$350. At the HDC, when we did the adjustment to 7,500, what we used is what is normally used in normal financial sector, no more than 30 per cent of your income should be placed towards housing and so on. So the 30 per cent of the 7,500 works to about 2,250. So the HDC's rents currently range from \$100 to as much as \$2,250 per month and we have a series of steps in between there that is provided in the document that we provided here.

Mr. Chairman: Is there—the 13 per cent rental applications to which the PS referred, how many applications would that translate into if you could give us that information from the Ministry's perspective and/or HDC's perspective? And while you are looking for that information, can you give us a sense of—well, you said it went from 4,500 to 7,500, is there a present range within which state rentals lie; and how do you determine what properties are rented in terms of the value for the properties, I guess, and the geographic location of these available rental units?

Mr. Lyons: So just to put in context, the HDC does construction and makes no distinction between construction of rental property and construction of mortgage property. What determines it by and large, would be person's ability to afford. So, for instance, you are selected, randomly or otherwise, and a financial assessment is done. If the assessment determines that you cannot afford, let us say a mortgage, it will then determine what can you afford as a rental, and that, by and large will place you in a category. You will well imagine the newer units that we are constructing

are the ones where we generally apply the higher rents. The older communities and older units would attract lower rents.

Mr. Chairman: And just before I open the floor to member Hosein, because of your target markets, which are, in some instances, vulnerable groups, one, what is the quantum of outstanding rent due to the State, what are the protocols being used to collect it and how do you mitigate against tenants in the state sector who have legitimately found themselves in hard times because it is an evolving situation with some of these vulnerable tenants; and how do we deal with that from your perspective? And then we go to member Hosein.

Mr. Lyons: Okay. Presently, rental tenants owe the HDC about \$45 million and we have about a 44 per cent default rate, and that is high if we compare in the private sector or the private market. There are a number of different reasons why—

Mr. Chairman: Forty-five million over what period?

Mr. Lyons: That is the current figures so it would be over several years. And in terms of strategies we used, we call you, we write you, we visit you. We have a whole recoveries department set up for treating with delinquent customers.

We understand and we recognize that persons' financial circumstances may change and maybe certainly challenging, what we do is encourage you to work with us. We offer payment plans, we offer different arrangements for deferred payments and so on. We really try to work with persons. What we have not done and what persons have been talking about, we have not evicted anybody on the basis of non-payment of rent. We have evicted persons for illegal occupation and we will continue to do that as we discover them, but we really try to work with customers. There are some customers that are more difficult than others, but we work with them.

Mr. Chairman: And do you find it has been a difficult position there—because then there is the public outcry, the inhumane treatment of citizens. It is almost a—while I understand you are trying to manage your cash flows and your collection while

balancing the human interest aspect of it, how do you [*Inaudible*] on the winning end of that?

Mr. Lyons: It is certainly a challenge. I have a business to run, we try to do it at best as we can. We have to continue to collect rents and mortgages. We have to continue construction. We have maintenance work to do on rental communities and so on. It is extremely expensive. So we have to continue trying to collect as much we can and which is what we do on a daily basis.

Mr. Chairman: What is your collection record?

Mr. Lyons: So let us put the entire arrears into context. On average all, HDC's clients both rental, and those that are what we call, "traditional mortgages" owe the HDC about \$100 million dollars presently, but we collected about \$100 million from them every year. So it is a rolling figure. So we do get money in, but persons do default from time to time.

Mr. Chairman: Is that 44 per cent improvement, or has it gone from 34 to 44, or 54 to 44?

Mr. Lyons: More like 50 to 44.

Mr. Chairman: Great.

Mrs. Newallo-Hosein: Thank you. This following up a little question from Chairman. You indicated that you bring persons in and so forth, you look at payment plans, restructuring payment plans and deferred payment. I know that from the last incident with the flooding, in Oropune in particular, there was a request for deferred payment and the deferred payment was for maybe two or three months, but then the entire amount was expected to be repaid and I think persons were not prepared for that. And therefore, I am asking if you do have the flexibility to adjust the rental or the mortgage payments to one that is lower, even if you have to extend the life of the mortgage, but you reduced it so that it can accommodate persons who may be affected or who may have lost a job? That is my first question.

Mr. Lyons: Member, what we actually did was extend the mortgage period. The deferral was exactly that. We said, “Listen, for this period, you do not pay. You do not have to pay, but it does mean that you are not obligated to pay at some point in time.” So what we did, we really just extended it at the end. We added on three months.

Mrs. Newallo-Hosein: Well, from what we have heard is that persons were in fact told that they had to pay the full three months at the end of the three months as opposed to extending the life of the mortgage.

Mr. Lyons: That was a misunderstanding by some clients. That was not the case.

Mrs. Newallo-Hosein: Okay. So therefore, what you are saying is that the mortgage was in fact extended and persons continued their normal—

Mr. Lyons: As far as I am aware, yes.

Mrs. Newallo-Hosein: All right. Okay. In light of the fact that you indicated that there was an increase for the low income from 4,500 to 7,500, indicating that you have moved now that you must be able to repay, you have a low of 2,200—well, that is the base then go up—indicating that we are dealing with low income persons, most vulnerable, some of them may be on a grant which only guarantees them—they have to be able to work or gain 3,000 and less not more, how do you assist persons who cannot pay 2,200 in a rent or mortgage? Because that means that you leave them with just simply \$800 to be able to buy food and transport and put things in place which is really inadequate. What do you do for persons who fit below this 2,200 category?

Mr. Lyons: Okay, let me clarify and restate. Our rents range from \$100 per month up to \$2,250 per month. So there is a range. There is a whole range of rents available.

Mrs. Newallo-Hosein: I know, but the \$100—I am sure that you are speaking about in Port of Spain which have been there since probably before I was born, and I know that if you have to build houses now, those rents will not be \$100 or \$350.

Mr. Lyons: That is correct.

Mrs. Newallo-Hosein: So that is definitely out of the question. We are speaking about current homes that are being built right now that are accommodating low income persons who earn \$3,000 and less, how do you facilitate them in this time, in this current season?

Mr. Lyons: Okay. So again, there is no distinction again between when we are doing construction whether we build for rental or mortgage. It is really based on an assessment. Based on the assessment, we match the individual with a unit and a rent that they can afford. Now, we also have another scenario. We have emergency housing, as well as we have a whole social services unit who will do assessments, and you have to meet certain requirements and criteria to qualify for certain things, but what that unit will do is having completed the assessment, they will make a recommendation based on this person's circumstance, this is what is required. Either they cannot pay anything or this is as much they could pay, or they may have family members that they can join with them, and based on that information, we made a determination as to where is possible. But let me just say, you would be surprised that there is a high demand for those \$100 rental units in Port of Spain. Very high demand.

Mr. Chairman: Member West, then member Antoine.

Ms. West: Thank you, Chair. I understand that a lot of your clientele would be challenged, but I have no doubt that there are others who do not pay rent because they know there are no real consequences, what do you do about that? And secondly, to put somebody in a unit and determine what rent to charge, you do an assessment at that time. Do you revisit that period to determine whether their circumstances have changed, and whether the accommodation provided should be changed as well?

Mr. Lyons: What the agency has started doing within the last two years or so is doing a continuous assessment of existing rental clients. So after your rental

agreement—and a lot of cases, rental agreements have expired years ago. We have been reviewing all and renewing them, and we have been renewing them on a three-year basis. We have been picking up a number of things with that renewal process and, yes, we have found some persons who have done all kinds of things that we are working on.

Mr. Chairman: Member Antoine.

Brig. Gen. Antoine: Morning once again.

Ms. West: I think—sorry.

Mr. Lyons: Right. And one of the thing, for instance, that we have found and this I think is an interesting one, in doing that assessment, we found a number of people who now earn above 7,500 and we have moved them out from that rental arrangement into a mortgage-type scenario.

Mrs. Newallo-Hosein: With the same problem?

Mr. Lyons: No.

Brig. Gen. Antoine: Yes. Morning once again. I need to drill down a little bit because I am not comfortable with the responses from HDC going forward. You were asked: Confirm the number of rental units or rent-to-own units that are situated in each housing development; the response was that you will give us this information in due course. With regard to your response to question 5: What percentage of HDC housing, total housing stock, is designated for rent, rent-to-own; you said that you have a 70/30 rental, this however is only a guide. And we asked: As a provider of rental housing in Trinidad and Tobago, what challenges does the HDC face when constructing low income rental properties; your response was HDC does not differentiate or distinguished among types of housing constructed.

The fact of the matter is that there are a lot of citizens, a lot of my constituents, who are paying exorbitant rent to private people. Some people have an income of \$6,000/\$7,000, paying \$3,000/\$4,000 in rent. The HDC, however, provides a lower

rent up to, you say, 2,250, 1,000, et cetera. So it is more beneficial for them to rent an HDC property and then they have more take-home money to deal with their other incidentals, and I believe that, going forward, HDC should have a policy where they begin to construct houses for rent. Not constructing and then saying a 70/30 per cent. So does HDC have a policy where they are targeting those citizens who need lower rental debt to deal with their small income? What is the policy going forward? Are we going to change from this 70/30 or are we going to build housing to rent for the low income people?

Mr. Lyons: So a policy determination and so on is outside of my remit to a large extent; that is really for the Ministry. Notwithstanding, the HDC, like I said, we use the 70/30 as a guide. Now, keep in mind, inasmuch as we would like to provide housing for every citizen, we just simply are unable to. In addition, our financial circumstance is such that we cannot afford to. It would be nice to build houses for rent, but when you construct the houses, you have to pay the contractor. In a rental arrangement, that is unlikely to be able to recover what you put out in any short time. It has to be over a longer time. So what we have been doing, in a lot of cases recently anyway, we have been doing a lot mortgages so that we can pay for the construction that we have done and get some funding to continue other construction.

We try as best as we can to extract from the new construction some portion of it, and like I say we try a guide about 70/30 to provide for rental income for persons requiring rental. Just as an example, I suppose, over the last four and half years or so, we have done about just under 4,000 allocations of persons in HDC's properties, and from our response, you will realize that we allocated about 1,200 of those for rental which averages just about 25 per cent or so. So whilst we would like to, it is extremely difficult to be able to say that we are going to be building specifically for rental unless the funding is there to do it.

Brig. Gen. Antoine: This is subsidized housing, so therefore, Government

subsidizes the cost of the houses. So therefore, Government could have a policy whereby they subsidize rental housing for citizens.

Mr. Chairman: I thought you were the Government. [*Laughter*]

Mrs. Thorne-Mora Quinones: Chair, can I add?

Mr. Chairman: Yes, PS, go ahead please.

Mrs. Thorne-Mora Quinones: You see, the Ministry, we do not have a policy per se for rental. The focus really, the aim, is homeownership as opposed to rentals. In the Ministry, we see rental as—you hear it around town, “dead money”. Okay. So the emphasis is on homeownership. You want to leave a legacy. We think that when persons have a house, they have a legacy to leave to their children and their grandchildren. So what we have been focusing on is homeownership. HDC is just one agency under the Ministry, and I am glad I have the opportunity to speak of some of the things the Ministry is doing to ensure or to at least allow many more low-income persons to own a home as opposed to having to come to HDC to rent a home or to rent from some unscrupulous landlord.

10.45 a.m.

So if you will permit me, Chair, I will speak to some of our achievements.

Mr. Chairman: Go ahead, please.

Mrs. Thorne-Mora Quinones: Okay, all right. I alluded to in my opening speech to our Aided Self-Help Housing Programme where persons of lower income, not the lowest of the low, but low income, are able to purchase their land—I am sorry, they already have land and they get mortgages at a low interest rate, 2 per cent interest, to construct their homes. They get subsidized things like their house plans, it is subsidized. They get technical help, technical assistance from the Land Settlement Agency. All those things help to keep the price of the house down.

We have had over 500 applicants approved for that programme; 500 persons have paid. We have over 200 actually paid outright using family and friends and

however they were able to get their funds and then the other 200-and-something, they got mortgages. We introduced our Housing and Village Improvement Programme and I alluded to that too. That was an IDB award-winning programme.

Mrs. Newallo-Hosein: If I may ask, what is salary base, if you can give, for the persons—

Mrs. Thorne-Mora Quinones: They had to qualify from a mortgage at \$300,000. I cannot say the exact. I do not have in front of me the exact salary—\$3,000 to \$4,000. Okay. Yeah, they had to qualify for a \$300,000 mortgage.

Mrs. Newallo-Hosein: For a \$300,000 mortgage, what salary base?

Mrs. Thorne-Mora Quinones: Three to \$4,000.

Mrs. Newallo-Hosein: That was \$3,000 to \$4,000 after expenses or just a base rate of \$3,000 to \$4,000?

Mrs. Thorne-Mora Quinones: Gross, base, base.

Mrs. Newallo-Hosein: Okay.

Mrs. Thorne-Mora Quinones: Then we have our Housing and Village Improvement Programme which was launched in 2018 where persons—

Mrs. Newallo-Hosein: If I may ask again, where are those houses based? That \$300,000 homes. Which areas are they based in? Where are they located and how many houses?

Mrs. Thorne-Mora Quinones: I cannot give you the exact—I can submit in writing but because the Head of the Implementing Unit is not here, we know in central and south Trinidad, various areas.

So I was saying that our HVIP, I am particularly proud of that because we have won an award; the first IDB award and we won. Now that is really the poorest of the poor we said where persons who really live in shacks, literal shacks, without running water, without toilets or a latrine outside, where for \$120,000, you get a concrete house with proper steel roof, plumbing, indoor plumbing, running water, and we

gave out over 135 units in areas. We had in Sangre Grande, in Toco, Marabella, St. Joseph, other areas.

Mrs. Newallo-Hosein: How long ago was that?

Mrs. Thorne-Mora Quinones: It started in 2018. It was launched in 2018.

Mrs. Newallo-Hosein: And you are saying that 135 units were distributed?

Mrs. Thorne-Mora Quinones: Yes.

Mrs. Newallo-Hosein: Okay.

Mrs. Thorne-Mora Quinones: So we are particularly proud of that programme. So within three months, \$120,000, persons are able to get a house and we are saying these are persons with literally no income—very, very little income, and what is important about this project is that there was a training element. The owners of these properties were trained. They had to provide sweat equity and all that is to help keep the cost down. So persons were actually trained and the picture I loved seeing the most is a grandmother who was taught how to plaster. So there is that element of it. So it was not just that we gave you a house too, you know, we taught you how to fish.

Mr. Chairman: Because of the huge demand for housing including mortgage and rental and the fact that, you know, according to the information that you supplied between 2015 and 2019, you were able to supply 1,106 rental units over the past couple of years. What metric is used by the HDC or the Ministry of Housing to determine—in the absence of the data regarding or if you have the data regarding national poverty levels, demand in particular geographic locations, what metric is used to determine where you focus your resources on the building?

And also a separate question following member Antoine's question and it may be an executive policy decision: what rationale was used to determine the percentage of mortgage versus rental building that is taking place in the country based on what member Antoine has said? Because in some instances, it may be an executive policy

but we are setting ourselves up in the country because some people just know, it maybe through socialization, that they just may not be able to consistently sustain a mortgage, even at the lowest level so they prefer to rent. So it may be a different approach in terms of the percentage of rentals that the HDC/the HDC is pursuing as opposed to the mortgage situation, the ownership situations.

Mr. Lyons: There is the existing housing database. It is actually the database owned by the Ministry that HDC has access to and the national community naturally assumes it is the HDC's database. The database has about 186,000 persons on it and we have been announcing that every opportunity we get. For instance, when we recently launched the small and medium contractors' initiative, we had the opening of—the handing over of the units at Mahogany Court in Mount Hope recently. That database, when you disaggregate the data, it says a number of things. The most startling probably would be 82 per cent of persons on the database earn \$9,000 or less so that definitely tells you what your focus needs to be on and \$9,000 or less, it says persons in that category can access a mortgage of probably up to about \$650,000 at the high end, maybe \$700,000 and certainly \$300,000 or less on the lower end. So that really is the category that you should be building for in terms of pricing.

The other thing the database says is where the demand is and more than 50 per cent of the persons on the database say “I would like to live on the East-West corridor, please, thank you”. There is limited land on the East-West corridor as you know so it is an extreme challenge and any land we find on the East-West corridor, we have to try and press Town and Country to help us increase the density and of course, I mean, we have to be guided by—

Mr. Chairman: Ministry of Planning and Development.

Mr. Lyons: Exactly. So it is a challenge but that certainly tells us where the focus needs to be in terms of location in the country and price of units. Now, again, we make no distinction between rental and mortgage but let us take what the database

is telling and what the data is telling us with respect to \$9,000 and less. We now have to be building units—and we have been and there is a narrative out there that the HDC is only building million-dollar houses. That is incorrect and let me correct that one time. Twenty per cent of the houses we build, the price range is above \$700,000 up to one million, \$250,000. Eighty per cent of the houses that we are building are actually under that. What we are trying to do now is to do 100 per cent of the houses that we are building to be under the \$700,000 mark. We launched the small and medium contractors housing initiative and we have set a ceiling in that programme, that the houses should not be constructed for more than \$500,000 and it is no rocket science. We said this is the design, these are the finishes that we want, it is very basic, no frills but will be turn-key. You can move in on completion and construction and live comfortable.

Over the last few years, we have been able to get our cost of construction or rather we were paying to what we are actually paying now from \$1,200 per square foot down to between \$500 and \$600 per square foot. We are doing an average at 1,000 to 11,000 square feet three-bedroom house, two bedrooms would be about 750 square feet. So you see if you multiply that by the construction cost we are within the general range and we are saying we are not stopping there. We continue to find innovative ways. This gentleman that you see behind me, Mr. Ramarack, our Head of Construction Management, they do a lot of value engineering on a daily basis to determine, okay, how can we get this cost down again, how can we improve the construction process to get it down? We are focusing on that range, like I say \$500,000 to \$600,000 or less is really where we want to be.

Mr. Chairman: This is a market-forces question. Because of the private sector and I am going to use the term competition loosely in supplying the needs of population at much higher prices. How much of those cost factors as a result of the demand/supply for materials, skilled labour et cetera and what do you think the State

can do in that regard if anything at all? Because I mean I still think a \$500,000 cost on a three-bedroom house, it was not that way 25 years ago before the boom took place with the private sector and we may just be locking ourselves into a framework that if we think differently, it may solve a lot of the problems.

Mr. Lyons: So yes, there have been increases in the cost of labour. What you paid a labourer, for instance, several years ago, probably around \$200, you may be paying \$300, in some cases, you may be paying \$350 per day for a labourer. The cost of material has gone up. I will not say exponentially so.

In terms of what the HDC is doing with respect to that, again, at the launch of the small and medium contractors housing initiative, we did publicly say to the Manufacturers Association and all suppliers of local material that we would like to partner with you. We have started having those conversations. We have had some commitments from some providers already in terms of reducing their price to participate in this programme. There is a lot of work still to be done, but yes, it will be trying to find ways to get the cost down.

Now, you are making the point do not get locked into thinking that this is what it is costing and you are correct. One way to treat with it certainly would be volume. The more units you construct in a particular area; you could potentially get the cost down. So those are some of the things that we are looking at to get to it down. Our focus right now is to try and bring the cost down as much as we can.

Mr. Chairman: Because I have looked at models and it may be an unfair comparison, but have you looked at working—because sometimes we duplicate services in Trinidad and Tobago—at entities like Habitat for Humanity who are social intervention NGOs that provide particular protocols and build on a much smaller scale, of course, than you, partner with the vulnerable groups to build houses at one-fifth of what you are describing there or less in some instances? So sometimes we do not look at creative ways of working with NGOs on the ground who have an

ability to execute because they have a mandate that is much different to the State in some instance.

Mrs. Thorne-Mora Quinones: Chair, thank you. The Ministry itself has worked with Habitat for Humanity in the construction of homes. We administered an IDB loan where there was a component, Housing Construction Subsidies, and we signed a memorandum of understanding with Habitat to assist persons. We used their database and saw some of the beneficiaries for that programme and they would have project managed the construction. I cannot give you the exact figure here because I just have a general figure of how many subsidies were given out, which were over 1,000 but I cannot say the exact figure that Habitat would have been responsible for. But we do use Habitat, not just for the construction of homes, we also use them for other things like our home improvement grants where we want to add on an extra room or an extra toilet or stuff like that. They do provide us with persons, we give them the funding and they would project manage, whether it is construction or improvement.

Mr. Chairman: But is it impractical to look at a cadre of your construction needs, given the high demand particularly on the vulnerable end, to work with Habitat more assiduously on managing those or dealing with those because of the natural symbiotic opportunities that may exist in those circumstances?

Mrs. Thorne-Mora Quinones: We do want to work more with Habitat, however, a lot of the low-income persons who are desirous of constructing homes, the ownership of the land, they do not have clear legal title and Habitat is very, very strict about that. You must have clear title and that limits the number of persons we can work—you know, who will benefit from Habitat services.

Mrs. Newallo-Hosein: Thank you, Chairman. If I might delve into where it is I was going and I was coming back to you, PS, to the 135 units, the persons who would have accessed this low-income housing of \$120,000. And I really wanted to find out

really: Was Habitat for Humanity involved in that project? Was it a housing grant? The recipients of these homes, did they own their land? How did they have access to this \$120,000 of 135 persons in the Sangre Grande/Toco area? I just wanted to find out further on that, please.

And also, you indicated, and it is a two-part question because you indicated that you really focused on the mortgage payment as opposed to rental and of course, you know that some persons will never be able to own a home, they will never, never be able to own a home simply because they are older persons and they will not fit into the criteria because of the length of time to pay a mortgage. They may have five more years before they are considered being able to really afford a mortgage so therefore they will not fit into that category. You have persons with disabilities and you have single mothers who are on a very low budget. So what really is in place for persons such as these who want to be able to probably have a rent-to-own because you may have somebody who could continue the mortgage after? So what in place do you have? But I really want to find out about this \$120,000 per unit that was funded in the Toco/Sangre Grande area in 2018. Did the persons own their land? Was this a housing grant? Was Habitat for Humanity involved?

Mrs. Thorne-Mora Quinones: Okay, I need to correct, I said 120. It started at 120 but then Cabinet gave approval for 130,000, so it is actually \$130,000 now and I did not say only Toco. I said Toco will receive some, St. Joseph, Marabella, Moruga, D'Abadie O'Meara. Yeah, several places, not just Toco. That is one. Two, let me give a little information. So the Land Settlement Agency would have undertaken a national socio-economic survey using scientific criteria which we could present to the Committee in writing. From that, they would have selected a number of deserving persons, the most deserving.

Mrs. Newallo-Hosein: How was that done?

Mrs. Thorne-Mora Quinones: Sorry.

Mrs. Newallo-Hosein: How was that assessment done?

Mrs. Thorne-Mora Quinones: There was a social survey. That is what I am saying. There was a criteria using a point system and based on the point system, persons would have been selected.

Mr. Chairman: We welcome member Ameen, thank you for joining us. Member Antoine, you had a question?

Mrs. Newallo-Hosein: You are finished?

Mrs. Thorne-Mora Quinones: No, no, no.

Mr. Chairman: Or, you were not finished? I am sorry. I apologize.

Mrs. Thorne-Mora Quinones: Yes, so based on that, I said based on the point system, persons would have been selected. The land, in some areas, there is a variety of ownership because some of it was family land so it would not have been owned by one person but there was title but as I said family land, so the family would have agreed and given permission for the houses to be constructed on that land where some of the lands that were owned by the persons.

With respect to your—did that answer your first—anything else with the first question? With respect to your second—

Mrs. Newallo-Hosein: Perhaps, Chair, through you, we could probably ask for the information to be disseminated in writing as to the number of—seeing that it is 135 and you are saying it is throughout different areas, if we could get that in writing, the areas and how many persons benefitted.

Mrs. Thorne-Mora Quinones: We will submit that in writing.

Mrs. Newallo-Hosein: And these persons have to have a foundation?—because I know when you are applying for a grant, you must have your foundation in place.

Mrs. Thorne-Mora Quinones: No, they did not have to have a foundation in place.

Mrs. Newallo-Hosein: Okay.

Mrs. Thorne-Mora Quinones: The second question with respect to the elderly, the

disabled, our allocation policy treats with that, our housing allocation policy. And even though I said the Ministry focuses on mortgages, that did not mean that we completely left out the groups you are talking about, and Mr. Lyons here could speak about that where they have the rent-to-own programme and the allocation policy. For example, I think five per cent of the persons who are allocated properties, they are allocated houses which could be a mix, again, of mortgage and rent-to-own or rental. From my personal experience, there are a lot of persons who are disabled who are paying their mortgages. Yes, Mr. Lyons? I know because I work with a group of persons with disabilities and they are all paying their mortgages.

Mrs. Newallo-Hosein: I know that some do pay with their disability cheque and I am quite aware of some who do and it is a little bit difficult and my question is: Do you have the flexibility to review these mortgages and probably offer a lower rate for an extended period for the persons with disabilities? And I know there are persons who get disabilities and they do have one. They were probably living on a top floor and because of it, they now may have made request to be placed in a unit at a bottom floor. Do you have instances like that where persons have made requests and you have been able to facilitate them?

Mr. Lyons: To answer that last question, yes, we have had several requests like that and yes, we have been able to accommodate some, no, we have not been able to accommodate all. A couple of people who we have now that are particularly challenged and we are trying to locate a ground floor unit in an area that would work for them and that they can afford.

Mr. Chairman: Before I move to member Antoine, there is something I really do not want to leave out because of what has happened a couple of years ago and because of reports that I have gotten myself. What is the maintenance schedule for HDC on ownership and rental units?—based on the fact that a couple of years ago, I remember, I think it was in Morvant, there was a fire and the safety provisions were

not maintained and there were no fire escapes in Morvant and there was quite a bit of remonstrance about the State maintaining its structures adequately, in particular where differently-abled persons are involved and also related to the much older units, some of them 40, 50 years old that had not been maintained for decades, no fire extinguishers, et. cetera. So what is the update on that and in some instances, quite frankly, the buildings should have been rendered unfit for occupation but I know that the situation regarding housing is so challenging.

Mr. Lyons: That is correct. There are a number of properties that we have on our books that are beyond their useful life and we continue to have persons in occupation.

Mr. Chairman: And what in specific terms would that be, a number of places? Do you have data on how many of those and the location of those? So that even though you cannot at this time remove the persons, some mitigating mechanisms may be put in place if there are emergencies, specifically where those are concerned, to avoid injuries or loss of life in emergencies.

Mr. Lyons: Okay, so let me get back to your question on the fire systems. So it is really a tiered system and coming out of that incident that you spoke about, the HDC did a comprehensive review of all of its buildings and communities and made a determination in terms of what is required. So the first tier would be fire detection, so smoke detectors and smoke alarms and fire alarms and that kind of thing. The second would be suppression systems so you have sprinklers or hose rails and the third would be fire escapes. Back then, this is probably about 2014 or so, that programme was about a three billion-dollar programme. We have started it. We have completed all of the fire detection systems so we now have—what you call it?—smoke detectors in all of the communities. In the most vulnerable communities, we now have the hose rails and a fire suppression system. Not all of the communities we have fire escape systems but it is a work-in-progress.

Mr. Chairman: Well I asked the question in the context of we are talking—our enquiry is about rent regulation but if people are paying rent for buildings that are beyond their useful life, that is a whole other matter there in terms of value for money and what the tenants deserve from, in this case, the State.

Mr. Lyons: All right. Used probably as an estimate, I mean I will get you the specific number, but the buildings that are 50 years old and over are those where you naturally expect maybe the level of deterioration and so on, would be the ones that are considered beyond their useful life. We continue to maintain them, we continue to provide as much service as we can, we continue to have significant challenges with respect to plumbing and sewer and electrical and we are in there on a daily basis doing repairs to ensure that the units continue to be in a state that, despite the building might be deemed to be beyond its useful life, that it is still habitable and persons can still function and have a normal life in it.

Mr. Chairman: Would you say it is 10—under 10 per cent, under 20 per cent of your stock?

Mr. Lyons: I would not want to guess; I will have to get that figure for you.

Mr. Chairman: I would imagine you would not have to guess.

Mr. Lyons: [*Laughter*] Well I hear you. Let me see if I have anything on that.

Mr. Chairman: It would be useful for us to get a sense of what the stock is. Member Ameen and member Antoine, you had a question?

Brig. Gen. Antoine: PS, because I am looking going forward, I just need some clarity that the programme with the \$120,000, now \$130,000, the beneficiaries will have to own the property or some family member will have to own the land. There is some kind of land ownership involved before they can access the \$120,000, \$130,000 grant.

Mrs. Thorne-Mora Quinones: Sorry, you could repeat the question?

Brig. Gen. Antoine: I am saying in going forward, I just want clarification that there

would be a need for some ownership by either the person or a family member in terms of going forward before they can access the grant.

Mrs. Thorne-Mora Quinones: Well that is a policy decision but at this point, well I would not be able to—

Brig. Gen. Antoine: Yeah, because I am thankful for it.

Mrs. Thorne-Mora Quinones: Yeah, I am unable to—you know, it is policy decision which will be discussed at—

Brig. Gen. Antoine: I am thankful because for instance—

Ms. Ameen: If I could just step in and help my Member of Parliament? Is it that the Permanent Secretary is telling us that you do not have a clear directive at this time with regard to that programme and that you are awaiting a policy directive before you can in fact implement it?

Mrs. Thorne-Mora Quinones: Well I know what the policy is now as we currently do it, but things may change tomorrow, you know, things change, policies change and Cabinet changes decisions so it would be—

Ms. Ameen: Yeah, because I think what—Mr. Antoine is a Member of Parliament who has been elected to represent people and I am sure he has constituents who he would want to get clear information to in terms of what they can apply for and what the requirements would be because much ado was made about this as a policy by the Government and of course, the implementing arms. It would be critical to hear from them so that members of the public could ensure that they meet the requirements in order to access what the policymakers would have boasted about.

Mrs. Thorne-Mora Quinones: And I hear you and I am saying currently, there is some form of ownership requirement or permission to but going forward, it may change and then once it is changed, of course, the changing requirements would be disseminated to all and sundry, to the national population.

Ms. Ameen: But are you in a position to share now with us what the requirements

are?

Mrs. Thorne-Mora Quinones: I would prefer the—

Ms. Ameen: Send it in writing.

Mrs. Thorne-Mora Quinones: We could send that in writing, yes.

Brig. Gen. Antoine: I want to say that I am thankful for the programme. The flagman, as you would know, the guy who goes around, was one of the beneficiaries because his house collapsed and he was able to get a low-cost—what I call a seed house and there are other people who have been benefited from it. So the programme is good, it is something that is a plus to the Ministry of Housing and HDC and it is something I would like to see pursued in the future.

Mrs. Thorne-Mora Quinones: I would just like to clarify that that particular programme is the Ministry as opposed to the HDC. Yes, we are one family but sometimes we feel that people say “Ministry” and Chair, with due respect, I heard you say the “Ministry of HDC” and sometimes we feel “ah lil hurt nah”. [*Laughter*]

Mr. Chairman: That may have been a slip of the tongue on my part.

Mrs. Thorne-Mora Quinones: We are an entity in our own right.

Mr. Chairman: Yes, the Ministry is the Ministry and the HDC is an arm of the Ministry.

Mrs. Thorne-Mora Quinones: Yeah, yeah, we work as a family but we do have our own programmes.

Brig. Gen. Antoine: And thank you for the initiative.

Mrs. Newallo-Hosein: I am a little concerned because I mean if this initiative has been implemented, and I guess it is in the public domain, I do not understand why there is a hesitancy to indicate well, what is the criteria and so forth, because you have already had 135 units in fact completed.

11.15 a.m.

What is the hesitancy in indicating whether this is the policy that LSA must do the

social survey? That in order to do the social survey that you must send in an application to the Ministry of Housing and Urban Development. What really is the way forward? Because I would assume that it is still in effect, is it?

Mrs. Thorne-Mora Quinones: Yes, it is.

Mrs. Newallo-Hosein: So what really is the criteria for persons who are—because we are dealing with rent, we are dealing with persons who are finding it very have difficult to live where they are currently are and they are looking for an alternative, but legally, because you do not want to be evicted or have any agency come and deem them being illegal on the land.

So I would think that you are here to put forward a suggestion and recommendation, saying, “Look, this is the policy currently, and therefore, this is the way you can, in fact, go forward in applying.” How do they do that? How do persons, in fact, do that going forward?

Mrs. Thorne-Mora Quinones: But there is no hesitancy. It is just that, as the PS, I have strategic oversight over all the agencies. I would not have the exact details. There is a Cabinet-approved policy and I mean this really is a rent assessment. So—

Mr. Chairman: And I want to intervene and say that the PS has already committed to submit the policy in writing—

Mrs. Thorne-Mora Quinones: Yes, so there is no hesitancy.

Mr. Chairman: —when she accesses it from the relevant agency.

Mrs. Thorne-Mora Quinones: Thank you, Chair.

Mr. Chairman: So I want to go back to the submission of the Ministry of Housing and Urban Development and the strategic plan that you outlined in your response to us in writing. In terms of enforcing—in the absence of the Rent Assessment Board, the regulatory framework, what in the strategic plan has been accomplished so far? And how is it to move in the next three to four years with respect to rent regulation? Because Mr. Pascall indicated earlier on that the Rent Assessment Board is not

functioning right now.

Mr. Campbell: It has lapsed.

Mr. Chairman: It has lapsed. And what are our thoughts on if it is productive to move in the direction of the re-establishment of a Rent Assessment Board? And is that part of your strategic plan moving forward?

Mr. Pascall: Chair, through you. It is part of the strategic plan in that—

[Mr. Pascall confers with the Permanent Secretary]

Mrs. Thorne-Mora Quinones: I will help. Okay, so I will just read from our strategic plan, 2018—2023 which was approved in November 2018. Right. So the Ministry will undertake and I quote:

The Ministry will undertake a comprehensive review of the existing policy and regulatory environment in relation to the expectations of Vision 2030 and international good practice. The goal is to close on gaps to create an effective policy and regulatory environment.

Now, this regulatory environment includes different things like building codes, standards for climatic change but it also includes rent restriction. We do have as our target, increase affordability of rental housing through the implementation of rent restriction legislation.

So it is part of our strategic plan and it is guided by *Vision 2030* which actually states: “Reintroduction and reformation of the Rent Restriction Board...”

Mr. Chairman: What has been accomplished so far? And how much consultation has been done since there is a suggestion of the re-establishment of a Rent Assessment Board and some sort of regulatory framework? What sort of consultation has been done with the private sector because they would obviously, to me, have to be involved in this, if at all? And what are the timelines for implementation through 2023?

Mrs. Thorne-Mora Quinones: The Ministry has not as yet developed our timelines.

Okay so, when I became Permanent Secretary in mid to late 2016— and I would have been given all the different areas that the Ministry was working in. It would have been brought to my attention that rent restriction now fell on—the Rent Assessment Board, fell under the Ministry. We began discussions with AG’s Office because at that time we did not have the technical expertise to treat with that area. And the AG would have advised MHUD’s legal representatives to form an inter-ministerial committee to look at any precedence, legislation, if the legislation could be re-enacted, the establishment of a committee to examine and inform on a new policy.

A committee was formed comprising—well, the Ministry would have chaired—the head of my legal unit would have chaired it. And there were persons from the Ministry of Finance, Ministry of Social Development and Family Services, AG and Legal Affairs. They would have looked at any existing policies and it was recognized that the Act that had expired did not reflect the current local circumstances and in depth research would have had to be done into the socio-economic factors affecting the landlord and tenant relations. So at this point we were in the process of doing our strategic plan so that is why we made a deliberate attempt and we put it into the strategic plan as one of the areas to treat with.

The committee had several meetings and came up with what I call a very, very, very rough working paper which is, as I said, very rough so it is not something we really want to share into the public. However, the problem was that the head of our unit, at that time, went out to greener pastures and I did not have a head of a legal unit for a while. So that area—and then because as I have said the competing—the competition for my limited legal resources, we were unable to put that on the front burner.

So actually, when we got this letter, we found it very timely and probably we were happy the opportunity to come, because I just got my head of legal in December

last year and it is one of the areas that he knew he would have had to address. So I have to say that we have not reached very far, but it is not that— from the creation of the committee— it is not that it has lapsed or that there is nothing being done. It is just given the competing resources; we have not been able to move as expeditiously as we would have liked in that area.

Mr. Chairman: Given that the plan was approved in the end of 2018 and it runs to 2023 and we are now rolling into the second year of what would have been—

Mrs. Thorne-Mora Quinones: Well, it was December.

Mr. Chairman: So 2019 would be one year and we are now starting 2020, that is why I said the start of the second year. What are the other aspect of the strategic plan that you can share with us in terms of the Ministry's objectives in that strategic plan? And what you see being able to be accomplished in this year two into year three? Because we know how quickly time goes in Trinidad and Tobago factoring in personnel changes, et cetera, to be able to accomplish what are general smart goals in any project management system with several objectives, I am sure, outlined in your strat plan.

Mr. Dwarika: Pleasant good morning, Mr. Chairman, members of the Committee. One of the influencing factors that prompted the creation of the strategic plan was, in fact, legislative reform. Taking this into consideration, our strategic priority, number one, is actually a strategic priority that goes to the heart of the work of the Ministry of Housing and Urban Development. This priority, I should add, speaks to strengthening legal policy and regulatory frameworks. The Ministry identifies that one of the constraints that we are faced with is the lengthy time in delays as it pertains to legislative reform. Also, we have also experienced issues as it pertains to constraints in human resources as well as shifts in policies as may arise at times.

This being the case, the Ministry has extended the strategic plan for a period of five years which would conclude in 2023. In so keeping, the Ministry is committed

to establishing a comprehensive plan of action to ensure that proper legislative review and reform can be done within that time frame to have in consideration and have in mind that rent assessment issue.

Mr. Chairman: How much has the Ministry factored in? The lapsed legislation is a very difficult prospect in Trinidad and Tobago, as we all know. And a large part of this, moving forward, is going to depend, in my humble opinion, on your ability to consult successfully with the private sector, because there has to be a balancing between private sector interest and their profitability objectives with the State and its mandate. And that is going to be a rocky road in anybody's estimate. I see Mr. Pascall shaking his head. And how do you see that rolling forward in terms of the achievement of the five-year strat plan? Because that to me, there is a disparity in objectives where both are concerned, not that they are mutually exclusive.

Mr. Pascall: Chair, the big question is consultation. I do not think we can go further at all with a matter like this unless there is extensive consultation. As you really said there, the private sector has an interest in this, balance that with the public sector. It is only consultation that can give you an answer whether you want a tribunal or a rent Act in the way it was or in what modern form. The way we see it, there is need for some form of regulatory framework to deal with tenants and rents.

Mr. Chairman: Well, I am Chairman practically and without casting any aspersions on the private sector whatsoever, the private sector is going to be kicking and screaming to drag rents back from \$7000 and \$10,000 for two bedroom places that should be \$5,000 to drop their profit margin by 40 per cent. So are there any comparable jurisdictions where this was attempted that you may be able to cite that a particular process has been used? Because I am sure we are not unique in this situation in Trinidad and Tobago.

Mr. Pascall: I cannot say at this point, but according to the records at the Ministry from the files I have seen, there have been some intelligence from other jurisdictions.

On the file, there are a number of statements of other jurisdictions which we will have to look into as the time goes by.

Mr. Chairman: Mrs. Hercules-Jerome, you wanted to say something?

Mrs. Hercules-Jerome: Yes, Chair, if I can assist. The previous legislation, in particular, the Rent Restriction Act and the Rent Restriction (Dwelling Houses) Act made particular reference to \$1,000 which would have been unfurnished residence and \$1,500 which would have been furnished residences. That is what the rent restriction chose to treat with. So if we are to bring it back, after consultation with stakeholders, we would have to determine, what is the price ceiling that we are willing to go with? Because not necessarily will all members of the private sector and contractors be affected if we chose to do a price cap.

You asked about other jurisdictions and I believe it is Belize that has a 1 per cent of the value of the residence. So you pay 1 per cent of the value of the residence and that is for everyone. However, a lot of other jurisdictions, including our own and several others, they have a cap, whether it be EC 800, whatever the case may be. So after consultation, we have to consider, do our Acts govern simply everyone or are we going to keep it within a limit, are we going to have a floor and a ceiling? So that is something that we can only answer after extensive and thorough stakeholder consultation.

Mr. Chairman: The Secretariat has done quite a bit of work for us and provided us with some interesting information. Jamaica, for instance, its Rent Restriction Act has a determination of standard renting in section 17 and an assessment officer and it is something you may want to look at as a possible model. But we all know how Trinidad and Tobago is such a unique, wonderful, beautiful jurisdiction that seems to defy commonalities with several other jurisdictions. And I am saying it in a jocular manner, but I mean, we have to really consider the interest of the public and the private sector in this moving forward. And very often, as I said before, the mandates

are so different, and the pricing structures have evolved so erratically over the years because of economy rise, economy dips and we are quite an inelastic society where that is concerned.

So, when the economy dips in other jurisdictions, the real estate market dips, but that does not seem to have happened here and the State has a different kind of mandate and balancing act as the PS and Mr. Lyons would note. So, what is the way forward? Because, I mean, it is unfortunate that Act had lapsed, because it is so important in protecting the most vulnerable in society. Member Newallo-Hosein.

Mrs. Newallo-Hosein: Thank you, Chair. I just want to go back a little bit and ask which housing developments of the HDC mainly consists of units that attract the lower rental rates? For example, you indicated earlier between \$100 and \$800.

Mr. Lyons: Most of the units in the Port of Spain area, Duncan Street, Nelson Street, George Street, Maloney area, possibly some in San Fernando and so on. Essentially, the older communities.

Mrs. Newallo-Hosein: And how many households are currently paying the lower rental rates and alternatively, the higher rental rates?

Mr. Lyons: Probably about 7,000 or 8,000 persons would be in the lower.

Mrs. Newallo-Hosein: Seventy-eight thousand?

Mr. Lyons: No, 7,000 or 8,000. You could say maybe about 3,000 would be considered, let us say, higher. Maybe 800 and up.

Mrs. Newallo-Hosein: You indicated for the Ministry—you indicated that there is a housing development programme? Education programme?

Mrs. Thorne-Mora Quinones: Yes.

Mrs. Newallo-Hosein: Yes. Could you indicate when was this programme launched? And what are the major focus areas of the housing education programme?

Mrs. Thorne-Mora Quinones: So our education programme was launched in 2019. I got so excited. This is my baby! [*Laughter*] The education programme—I came

from Consumer Affairs, so I believe in education, education, education, yes. So the programme was launched last year in—no, in 2018. We would have had a “Hello Neighbour” programme where we had a media blitz, a lot of radio and television and social media advertisements, telling persons of their rights as a renter, as a landlord, a whole myriad of things. So rental would have been one aspect of it, you know, how to—if you need to purchase a house, what you should look for, all that.

So from a three-month media blitz, we had our first ever Housing 101 symposium where we launched our manual and if you all want a copy, we will send a copy of each of you all. I hope the camera is picking it up, our “Know How Guide: Housing 101. All you need to know to become a homeowner in one simple and helpful guide”.

This document actually has a section dedicated to rentals, rental properties on the open market. It speaks about the pros and cons of renting, rental on the open market, rental agreements, because a lot of persons do not have rental agreements. Obligations and rights of landlords, obligations and rights of tenants. So it gives a lot of information and this manual is available in all the libraries and it can be downloaded online. And we had our first one, I said, up at Hilton, October/November last year and we would be having a next one in south around April/May, we do not have an exact date yet. But it is a checklist so it is comprehensive.

Mr. Chairman: Congratulations. Have you been able to disaggregate it into digestible pieces that you can put on social?

Mrs. Thorne-Mora Quinones: Online we have it. You can download by section. You do not have to download the whole book.

Mr. Chairman: Well, okay. Member Newallo-Hosein.

Mrs. Newallo-Hosein: Just to ask. Did you have any private sector consultation before this launch? And what are the methods used to assess the effectiveness of the

public education programme?

Mrs. Thorne-Mora Quinones: Let me answer the second question first. We did have—the persons who attended the symposium, we would have sent questionnaires, evaluation forms to all the companies that took part, because we had a lot of private sector participation, a lot of construction companies. I cannot give you an exact number, I do not have that in front of me, but if you need it.

We had construction companies, real estate companies, companies that—we had some of the banks, TTMF, Scotiabank, I think, FCB, different banks, furnishings, different—companies that are involved, both private and public that are involved in the whole housing sector and they were given evaluation forms and they all said it was an excellent initiative. Persons on the day would have been asked questions, social media comments, we used social media feedback. And from all in all—in fact, the line was where? Up to—I do not know. For those of you who know Hilton, the line reached the car park, to tell you the amount of persons that came and they decided that they wanted one down south. So that is why they decided to go south and have a next one.

Brig. Gen. Antoine: What mechanisms are utilized to disseminate the manual, both to landlord and tenants? How many tenants and landlords access the manual? And have you done an impact assessment to determine how effective the manual has been?

Mrs. Thorne-Mora Quinones: So as I said it is online. Apart from all the public libraries and all the secondary schools—because we wanted the secondary school children to have access to it and online you could just download the part that you are interested in. And we did a lot—before the actual launch—we did a lot of social media advertising of the manual, a lot of radio, television advertising so persons would have been aware of it.

We have not done any—so landlords and renters would be able to access it. But

we have not any follow-up as yet. Apart from what I explained to member there that on the day we spoke to persons who actually attended and the evaluation forms. But it is a question you have raised and we take your point and we will note it. When I go back to the office, I will speak to my communication's unit.

Brig. Gen. Antoine: I am looking forward to reserve my copy of the manual.

Mrs. Thorne-Mora Quinones: I will.

Mr. Chairman: How much collaboration has been done with: one, the Ministry of Finance in its ongoing assessment of property values in Trinidad and Tobago in the context of rent regulations? And two, how closely do you work with the Ministry of Social Development and Family Services in terms of your metrics for determining vulnerable groups who may be or should be prioritized for rentals and/or ownership options?

Mr. Lyons: We work closely with the Ministry of Social Development and Family Services. They refer cases to us and we refer to them based on the circumstance. So they do impact and we do impact what they do. It is just a two-way street really.

Mrs. Thorne-Mora Quinones: With respect to the Ministry of Finance. We have not been doing as much as we should in all honesty with respect to liaising with them.

Mr. Chairman: It is very surprising to hear given that— I am sure— given that, I think, the last information from the Minister of Finance about the ongoing property value assessment process for the proposed property tax situation would have been able to give you important, critical data in understanding where the property values lie in Trinidad and Tobago. Those that would have been converted from residential dwellings to additional rental opportunities where construction of rental dwellings may have been increased. So you get a sense of where the market lies overall in the country in terms of giving you a determination of where the rent restriction legislation should be. So I think that maybe it is something you want to look at.

Mr. Lyons, changing gears, how much emphasis is placed on— because of the decades-long service provision from the Ministry of Housing and Urban Development in its many iterations in Trinidad and Tobago to the generational changes in these units? So, great-granny would have opted for a rental or an ownership in 19-whatever and three generations changed, circumstances changed, people moved out. They rent out the property in an unauthorized manner. Grandson or great grandson takes over the property still paying the \$100, move cousin in. And I am not saying it in a derogatory manner, but that is our circumstance in Trinidad and Tobago particularly with a large percentage of these units because of the length of time they have been in existence. What is the agency's protocol where that is concerned in determining the legitimacy and evolution of these rentals and ownerships?

Mr. Lyons: We have third and fourth generation families living in some of these units now. The principle is, we do assessments every three years and we make a determination when we do those visits to record persons that are living in the units. So if someone passes on, for instance, and a surviving member comes forward and says, "Listen, I would like to take over the rental of it". We have information that allows us to do that.

We have had incidents where, let us say, the name that came forward was not somebody that we captured before but we were able to go into the communities and verify that this person was, in fact, living with the person, living in the unit and so on. And in cases like those what we do is we regularize them. We allow you to continue under a new arrangement.

Mrs. Newallo-Hosein: At the same rent?

Mr. Lyons: Usually at the same rent. But again, like it says, based on an assessment. So if in the assessment we determine that you are in a better financial position, we certainly offer you something different. But the majority will be the same rent.

Mrs. Newallo-Hosein: I just want to go back to—you had indicated that a meeting in terms of going forward with the cost of houses and so forth in the future and you had a meeting with small and medium contractors. How many small and medium contractors attended and how was the process determined in inviting these contractors?

Mr. Lyons: Okay, well it was publicly advertised and, in fact, maybe over advertised. It was certainly way over subscribed. We had it at the Government Campus Plaza and persons spilled out into the streets. We could not accommodate everybody inside. We had to put up some TV screens in alternate rooms that persons would have been able to see.

So it was an invitation to launch the small and medium contractors' initiative which essentially says, we would like to partner with small and medium contractors to construct. We set a target of 1,500 houses at a price of no more than \$500,000. Immediately after the launch, the application process started. It closes today actually. We have had over a thousand persons who have purchased packages. At the end of today we will know what the submissions are. We are working this weekend actually to do an evaluation of all those submissions to prequalify all the persons who meet the requirements and once they do, we would like to get the programme going. We will be inviting contractors to submit bids based on an indicative bid form. And all that really means that it is no secret what the price of the house is, tell me whether or not you can build it for that price and tell me how.

Mrs. Newallo-Hosein: What is in place to mitigate against shoddy work which has been very prevalent in the past?

Mr. Lyons: I like that question from all the committees that we have attended. There is a gentleman sitting behind me, he is a real policeman. He has launched what we call the "22 Point Certification Quality Management Programme". I mean I can ask him to talk about it. But essentially, what it says is that every stage of the

construction process, you have to meet the requirements and you have to have his signature or one of his delegate's signature on it saying that it was done properly. If it is not done properly, he has actually made a couple people break down a couple walls and do it over. And he is also saying, you cannot get paid unless you do right.

Mrs. Newallo-Hosein: And then it would not affect the cost— [*Inaudible*]

Mr. Lyons: Right so what we are saying, “Get it right the first time and you will not have an issue”. And we are there to work with you. He has his clerk of works and project managers on the ground overseeing the thing at the same time. If you are unsure as a contractor, they will guide you, tell you, this is how to do it. All right?

We really do not want shoddy work going forward. I challenge the Committee to tell us in terms of what they have seen based on the product that is coming out of the HDC whether the quality has improved. I am saying that it has improved, and it has improved significantly, or largely because of that quality management programme that has been implemented.

Mr. Chairman: I have a question based on—and this enquiry is about rent regulation and rent assessment which is directly related to the types of communities that Ministry of Housing and Urban Development/HDC are building and the spatial planning that is going into the strategic plan that you identified earlier on, PS. And in doing research, one of the things I saw in the UK is that they have been able to do an assessment of the building strategy and output in the last 30/40 years in some of the areas in the UK with a view to identifying the mistakes made in the type of housing provided, in the proximity and volume of the housing units in one place because their socio-cultural implications and in some instances, I will say it, in the criminological implications to how communities are built and how densely populated they are. In terms of your strat plan moving forward, so we do not make the same mistakes that we have made in the past in some communities which I will not identify in Trinidad and Tobago— but we know where the issues are.

In addition to which, they have been very forward thinking in terms of planning those communities that empower them. So they are not only providing housing, they are providing, in addition to the rental and the ownership provisions, they provide business infrastructure in those communities so that the communities are empowered in some ways to generate revenue to pay for the units through these business endeavours that are built into the communities, business and social intervention and sporting. So it is a really holistic way of looking at building communities inclusive of rent and ownership. Is that part of your focus? Because we have to be thinking about problem-solving moving into the next 20/30 years. So we do not have these issues or we have less of them anyway in 30 years.

11.45 a.m.

Mr. Lyons: Chairman, thank you for that question. Yes, at the HDC we do have a design team internally who treat with all of that. We have a couple architects on board. From a design point of view, yes, all of that is taken into consideration. As a matter of fact, one of the things that drives the team is—would be designs that change behaviour or designs that determine behaviour. And that is what we have been doing now. In addition, and this has been so for quite a number of years, when we do the designs you do have to go to Town and Country to get approval, and unless you have certain things included in there, so recreational spaces, commercial space, space allocated for commercial activity and so on, you do not get approval. So it has to go in. Yes, that is our focus, that is where we are, and again, if you look at our newer communities you will see some of that in play right now.

Mr. Chairman: But is it—do they include those business considerations because in those areas that I cited in the UK, the model they approach, the building of state housing and accommodation is that it also generates revenue, it is intended to generate revenue to pay for the structures including the housing, including continuing business interest in those communities, so they are almost self-sustaining

moving forward. So they have a projected plan, well, we build 100 units in this area, we build 20 business units which are part-owned by the housing owners that will generate X amount of business if given the right infrastructure and support, that will pay for this in 20 years. So it is actually that carefully thought out moving forward. Is that part of your consideration moving forward? Because it is almost like looking at ways to support the people who will become tenants in the various forms, and ensuring that you do not have a default situation as you have outlined earlier on, or less of a likelihood of a default situation moving forward because you are building into the community, sustainability.

Mr. Lyons: Right, so what we are doing, we are actually introducing what we call management companies into these new communities and some of the older communities. And it is our hope and intent to have these management companies actually take over the development in terms of collecting maintenance fees, doing your own maintenance, monitoring and policing your tenants and members. We do have some active committees in our communities now, I mean, and they keep us on our toes, all right. So that is part of the whole planning process.

Mrs. Newallo-Hosein: Before you go further on that, I remember many years ago, factored into a housing development you also had for sustainable development, schools. So that you know you would also keep the community in, they would not have to go out and so forth. I am not seeing that happening, is it that it has been shelved? Is it that—what is happening with the schools in addition to the business model?

Mr. Lyons: Okay, so again, from a planning point of view when you do the layout of the development, again, depending on the density, Town and Country will only grant you approval if you make provisions for schools and certain different things. Keep in mind, the Ministry of—HDC in particular, does not have the remit to construct schools. So, in terms of the planning approval, the space is put there and

Ministry of Education comes in and you will recall, I suppose the early childhood centres and in some of the areas some primary schools, and I think in one that I recall a secondary school.

Mr. Chairman: Member Ameen.

Ms. Ameen: Chairman, I just want to go back a little bit. The members before us have indicated you have your strategic plan, you have had—your submission to the Committee before today’s hearing indicated that you have had some consultations. Out of the consultations there were recommendations made by landlords that there should be no rent restrictions. I just want to deal with that one in particular, but you do have your own requirements and restrictions. How have you reconciled the conclusions or what the consultations brought to you, with your strategic plan and with your approved programmes? What suggestions can the Ministry of Housing provide to reconcile those competing desires of tenants who desire affordable housing, with landlords who really their main objective is to earn profits?

Mrs. Thorne-Mora Quinones: The consultations—first, thank you member. These consultations that we submitted to you were done in 2012, so before our dispensation, I think all of us. So while we use it as a basis, we have to do new consultations we think because it may not reflect—what was done then, may not reflect is happening now. And I would have explained—I do not know if you were in the room when I would have explained some of the constraints we had why we have not gone ahead yet.

Ms. Ameen: I was listening, I was listening then.

Mrs. Thorne-Mora Quinones: Right, yes, okay. Could you repeat your question please?

Ms. Ameen: Yea, my concern is, considering the recommendations that came out of the consultations, what has the Ministry or what suggestions do the Ministry have to provide—to reconcile the competing desires of tenants who want affordable

housing, and the landlords whose focus is on making money? You had landlords for instance, recommending that there should be no rent restrictions. You have indicated that those consultations were in 2012. The current strategic plan of the Ministry is based on Vision 2030, which is more recent than that, and one of the key things has to do with providing a more affordable housing and regulating the rent industry, revamping the rent assessment board. So that vision has been some years—has been launched for some years. What progress have you made towards that as a goal, as an objective in the plan?

Mrs. Thorne-Mora Quinones: Okay. So as I said, I would have stated before, we were not able to move as expeditiously because of the constraints. However, we did treat with other aspects of the strategic plan, in our education programme where we put in the educating of the rentals, and the landlords, right. Because the Ministry would have placed the importance of—sorry let me retract.

The Ministry understands accommodation is key to its citizenry. We would have spent a lot of time developing and implementing programmes that promote homeownership as opposed to rentals because its—we are in a free market economy, so we have to be very careful in imposing rent restriction because you would have said there is the right—so—and is matter of demand and supply. Simple Econ 101 we learned. If supply outweighs demand, then the price will drop.

Mr. Chairman: Generally.

Mrs. Thorne-Mora Quinones: Generally, right, and if the demand is great, all right and—so that is one of the reasons why—and actually we used a model from—we would have looked at the United States and the Canada model where they introduced programmes, alternatives to rent restriction because research showed that if you are not careful and you introduce rent restrictions it may actually dry up the market, and it could blow up in your face. Hence one of the reasons why through—the State has been looking at increasing the housing solution, not necessarily HDC houses, but—

and I would have gone through a lot of the programmes we already had—also allowing persons access to housing. And I would ask Mr. Lyons here to speak about the rent-to-own, right, the rent-to-own programme that is quite, you know, very, very successful, been very successful so that persons who cannot afford a house right now, but from assessment will be able to afford a house next five years, yes— So, the rent-to-own programme we spent a lot of time promoting rent-to-own. So, Mr. Lyons, yes.

Mr. Lyons: Thank you Madam PS. Chair, just for clarification on the rent-to-own, there is a misconception about what the rent-to-own is. So, let me just clarify. The rent-to-own programme really is one in which a determination is made based on how much you qualify for, and let us just use an example. Let us assume you qualify for \$400,000 as an individual, and the property in which you are interested is being sold at \$500,000; there is \$100,000 gap. The rent-to-own programme allows you to pay a rent, and part of what you pay goes toward that difference and is to say, the maximum that is allowed under the programme is \$100,000. And you have a maximum of five years in which to basically pay that off, and at the end of it you then convert to your mortgage.

Another feature of it that most persons do not know there is an age limit, it is no more than 35 years, reason being—

Mr. Chairman: Time to pay for it.

Mr. Lyons: There you go—have sufficient time to pay for it. But as the PS was saying, that programme has been successful, quite a number of people have benefited from that programme. We continue to apply it as we do assessments, and we come across persons who are in that category, we do the allocation and provide them with the relevant mortgages.

Mr. Chairman: Thank you, we have five minutes left, and a question from member Hosein.

Ms. Newallo-Hosein: Yes, two questions really. In line with the question that Sen. Ameen had asked the PS, I know that you indicated that the rent assessment boards were not in place and so forth, and I understand that. But in going forward, I know that you have recognized the importance although you recognize that you know, there is a free market. Have you at all estimated what financial allocation would be needed to effectively implement the rent assessment board? And also, would you have done an assessment of the human resource that would be required to effectively staff and implement the rent assessment board, should you go forward?

And while you are getting consultations at that, I know that you indicated earlier that although you all have a relationship, the Ministry of Housing and Urban Development really is separate and apart from the HDC. So, I wanted to find out in regard to the income bracket with the low income to qualify for subsidized rent, are you in sync with each other as to the definition in terms of what is the low income bracket for both HDC and Ministry? Is it the same?

Mr. Lyons: Yes. Let me just clarify, I mean, just to make sure that we are on the same page. There is no rent subsidy. There is a rental fee. I mean, it may equate to a subsidy, but as you know, one of the questions that we got was, what is the subsidy that is paid? But there is no rent subsidy. But yes, in terms of the ceiling limits, we are very much in sync.

Mr. Chairman: I have one question before we close. And it goes to Mr. Lyons and the sum you outlined earlier on as outstanding in terms of rent and mortgage from HDC and the Housing Development Corporation's perspective, and if it is practical to be able to expect to collect on that given that in many of those instances those defaults are sometimes decades old, and if it might not, should be more practical to write off some of it and see what you can practically collect to reinvest into your development programme?

Mr. Lyons: Chairman we do both, we do both. There are cases of persons who have

the unit for instance, we have tried all different methods to contact them and so on, and where all efforts have failed we just have to write those off, but these are persons who are no longer in occupation. But we do both.

Mr. Chairman: Closing comments from the PS and from Mr. Lyons please.

Mrs. Thorne-Mora Quinones: Chair, thank you for inviting us here. The first time I had to appear before one of these committees you know we were told that it is not a confrontation. It is for us to learn from each other and from your questioning we have been able to learn from you. You know you have made certain comments certain concerns which we may not have considered, so I have taken note of them so that when we go back into the office we can look at it and implement. So, we learnt from you this morning and we hope that you all have learnt from us. I do not know if any members would like to—from my team would like to—

Mr. Chairman: And we invite you to submit the documents and the requests in writing that you would have committed to. Mr. Lyons.

Mr. Lyons: Chairman, on behalf of the HDC team I thank you and the committee for having us here, and giving us an opportunity to provide information and to clarify issues with respect to rent and rent-to-own and so on, as well as an opportunity to talk about our small and medium contractors programme which we think will really start targeting that lower income bracket since the data is saying to us 82 per cent of the persons, which is about 153,000 people, earn 9,000 or less on the database. Our challenge continues to be the demand is in the East-West Corridor, there is limited land, and we continue to try our best.

Mr. Chairman: Thank you, and what we do because this is the first enquiry on this topic, we will be meeting with several other stakeholders including the private sector and other state agencies in terms of getting their feedback, and it may be productive for us to call you back based on what we learned from them, so we could also again share and learn to try to bring some of these issues. Thank you all for coming in, on

behalf of the entire Committee, thank you all. The agencies before us, of course the Ministry of Housing and Urban Development through its PS, and Mr. Brent Lyons and the Managing Director of the Housing Development Corporation, and your colleagues, thank you for being with us on behalf of the Committee.

Mrs. Thorne-Mora Quinones: And on behalf of the Ministry of Housing and Urban Development and HDC, we want to wish all out of you all a very happy Valentine's Day.

Mr. Chairman: Thank you so much. We are adjourned.

12.00 p.m.: *Meeting adjourned.*

Appendix IV: Written Submissions Received from Witnesses:

Ministry of Housing and Urban Development

1. To assess the adequacy of the existing laws, policies and systems intended to protect tenants of residential property against unjustified rent prices?

(i) *What current regulatory framework exists to treat with rent regulation in Trinidad and Tobago?*

There was an existing regulatory framework in the form of the Rent Restriction Act Chap. 59:50 (hereinafter referred to as the “RRA”). The purpose of the RRA was to restrict the rents of certain premises and the right to recover possession of such premises. Act. No. 40 of 2002 entitled the “Rent Restriction (Re-enactment and Validation) Act” provided for the RRA to be enforced until February 23rd, 2002 and for its continuance for further three-year periods by affirmative resolution of Parliament. However, there was no re-enactment of the principal legislation i.e. the RRA.

It is noteworthy that a decision was taken by Cabinet not to re-enact the RRA on June 1st, 2006, same is attached as **Appendix I** herein. Thereafter Cabinet at its meeting held on December 6th, 2012, established a National Rent Policy Committee, same is attached as **Appendix II** herein, following a report on the National Consultation on Rent. The said report which is attached herein as **Appendix III**, made recommendations as follows:

- The establishment of a new Rent Assessment Board with expanded powers and responsibilities;
- The introduction of a registry of Landlords, Tenants and Rental Properties;
- The setting up of a suitable body such as a Land Tribunal, an Ombudsman office or an Independent Panel to settle disputes between Landlord and Tenants in a speedy and inexpensive manner;
- The provision of tax relief for both Landlord and Tenants by way of registration with the Board of Inland Revenue.

At the said meeting held dated December 6th, 2012, the National Rent Policy Committee was established to formulate a national policy on rent. However, our records do not reflect the development of a National Rent Policy.

The Privy Council in *Ramdass v Bahaw-Nanan* Privy Council Appeal No. 0038 of 2009, indicated that the RRA had lapsed and ceased to have effect, same is attached as **Appendix IV** herein.

There is a piece of legislation however, that has not been repealed or lapsed and that is the Rent Restriction (Dwelling Houses) Act. Chap. 59:55. This Act speaks, *inter alia*, to unfurnished dwelling houses with a monthly rent of one thousand (\$1000.00) TT dollars and furnished dwellings with a monthly rent of fifteen hundred (\$1500.00) TT dollars being subject to rent restriction. However, this Rent Restriction (Dwelling Houses) Act. Chap. 59:55 simply cannot be implemented in the absence of the Rent Restriction Board, which is empowered by the RRA. Accordingly, to date there is no regulatory framework to treat with rent regulation in Trinidad and Tobago.

(ii) How is this regulatory framework enforced?

There is no existing regulatory framework enforced.

(iii) What is the role of the MHUD in developing and/or enforcing the existing regulatory framework with regard to rented housing?

By notice of Gazette dated October 16th, 2013, the Rent Restriction/Rent Assessment portfolio was transferred from the Ministry of Legal Affairs to MHUD, same is attached as **Appendix V** herein. In late, 2016 to mid-2017 MHUD was engaged in discussions with the Attorney General regarding the RRA. The said Attorney General advised MHUD's legal representatives to look at the following:

- Whether there was any precedent for a land tribunal in other countries and suggested that same be examined;
- Whether legislation can once again be re-enacted;
- The establishment of a committee to examine and inform on a new policy.

In response to the advice given by the Attorney General, MHUD constituted an inter-ministerial committee in 2017 that was created to examine and reform the drafting of a rent restriction policy together with guidance from the Ministry of Finance, Ministry of Social Development and Family Services and the Ministry of Attorney General and Legal Affairs. However, it was recognised that the Act did not reflect the current local circumstances and in-depth research would have to be done into the socio-economic factors affecting Landlord and tenant relations. This was one of the factors that prompted the creation of MHUD's Strategic Plan i.e. to guide the development of policy as a measuring tool for its deliverables as it relates to rent restriction/ rent assessment, same is attached as **Appendix VI** herein.

Accordingly, MHUD facilitated the incorporation of rent restriction/rent assessment in its Strategic Plan 2018. On November 8th, 2018, Cabinet approved the said strategic plan, which ensures that all gaps are closed and to create an effective policy and regulatory environment to treat with current and future needs, as well as implement management mechanisms for ongoing review and improvement.

MHUD's strategic priority number one (1) entails strengthening the policy, legal and regulatory framework to facilitate sustainable communities. Pursuant to MHUD's Strategic Plan, the expected outcomes by 2023 would include, *inter alia*, legal review and reform, increased affordability of rental housing for example through implementation of rent restriction legislation, increased accelerated access to quality housing through the private sector and progress in attaining **Vision 2030**, Sustainable Development Goals targets. In order to achieve this, the Ministry will formulate a comprehensive plan of action through thorough stakeholder consultations in order to formulate a policy to guide the way forward.

MHUD has identified the Rent Assessment Board as one of the entities responsible for achieving this, as such this reiterates the importance of MHUD's role in developing and enforcing regulatory framework in respect to renting housing over an approved five-year period.

(iv) *What are the gaps between the existing regulatory framework and needs of the consumer?*

From MHUD's records, a report exists that highlight a number of recommendations which were received from citizenry via the public sessions as well as other forms of feedback. A few pertinent gaps identified include:

- The need for the establishment of a new Rent Assessment Board with expanded powers and responsibilities;
- The need for up to date rights and responsibilities of Landlords and Tenants i.e. legislative reform;
- The need for compliance with maintaining the registry of Landlords, Tenants and Rental Properties;
- The need for legislative reform specifically with regard to the regulations for fixing and/or determining rent and any potential increase.

Further to this, our internal research also revealed other gaps such as lack of provisions for the elderly, children and persons with disabilities.

(v) *Are the provisions of the Rent Restriction (Dwelling Houses) Act, Chapter 59:55 being enforced including:*

- a) *Section 11: Registration by landlord or tenant;*
No, due to the absence of a legally constituted Rent Restriction Board.
- b) *Section 14: Maintenance of a Register of landlords and Register of tenants registered with the Board;*
No, due to the lapse of the RRA.
- c) *Section 16: Failure to give rent receipts.*
No, but through our housing education programme, we are encouraging tenants to demand receipts from landlords.

(vi) What steps have been taken by the MHUD to amend the current legislation with regard to rent regulation in Trinidad and Tobago?

a) What has been the outcome of these steps taken?

In late 2016 to mid-2017 MHUD was engaged in discussions with the Attorney General regarding the RRA. The said Attorney General advised MHUD's legal representatives to look at the following:

- Whether there was any precedent for a land tribunal in other countries and suggested that same be examined;
- Whether legislation can once again re-enact;
- The establishment of a committee to examine and inform on a new policy.

In response to the advice given by the Attorney General, MHUD constituted an inter-ministerial committee in 2017 that was created to examine and reform the drafting of a rent restriction policy together with guidance from the Ministry of Finance, Ministry of Social Development and Family Services and the Ministry of Attorney General and Legal Affairs. However, it was recognised that the Act did not reflect the current local circumstances and in-depth research would have to be done into the socio-economic factors affecting Landlord and tenant relations. This was one of the factors that prompted the creation of MHUD's Strategic Plan i.e. to guide the development of policy as a measuring tool for its deliverables as it relates to rent restriction/ rent assessment.

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MHUD has identified the Rent Assessment Board as one of the entities responsible for achieving this, as such this reiterates the importance of MHUD's role in developing and enforcing regulatory framework in respect to renting

housing over an approved five-year period. The inter-ministerial committee started the process of a working paper which included an assessment and a collation of secondary data to guide the decision-making process of the relevance of the RRA. Since the commencement of the inter-ministerial committee, there has been a slew of other competing legal issues to be addressed by MHUD. Due to limited resources and the absence of technical expertise, MHUD was constrained to prioritize the said legal issues. Consequently, the process leading to amendments of the legislation has been slow in the making.

b) *If no steps have been taken to amend rent related legislation, what is the reason for the inaction?* N/A

(vii) *What are the challenges faced by the consumer and landlords with regard to the current rent regulatory framework?*

The major challenge faced by the consumer and landlords is the lack of empowerment of the Rent Restriction Board to protect both parties.

(viii) *What mechanisms currently exist to protect consumers against unjustified rent prices?*

There is currently no regulatory framework protecting the consumer as the authority lies solely with the defunct Rent Assessment Board.

(ix) *In what month and year did the Rent Assessment Board (RAB) become non-functional?*

February 23rd, 2002.

(x) *Why has the RAB continued to be inactive?*

Due to the lack of governing legislation.

(xi) *What are the existing avenues for landlords and tenants to pursue justice in relation to the various problems associated with rental properties?*

Redress lies in the Judiciary of Trinidad and Tobago and the Office of the Ombudsman.

(xii) *Does the MHUD provide landlords with a guidance on determining rent prices?*

While, the MHUD does not directly provide guidance to landlords on determining rent prices, the Ministry, has actively sought to educate landlords on the covenants of the rental agreements as well as their obligations and rights through its 'Know

How Guide' - Housing 101 Manual. This manual formed part of the Ministry's public awareness and education campaign to assist persons in acquiring accommodation.

(xiii) Does the MHUD provide tenants with guidance on tenants' rights?

In October 2019, the MHUD launched a public awareness and education campaign whereby the Ministry introduced its first-ever housing guide dubbed as the "Know How Guide" - Housing 101. Included in the guide, was a chapter that looked into the following elements of rent:

- Pros and Cons of renting
- The rental agreement
- Obligations and rights of landlords
- Obligations and rights of tenants

2. To determine the feasibility of imposing additional restrictions on the private rental sector in Trinidad and Tobago; and

(i) Does your Ministry have a policy position with regard to the feasibility of expanding/developing the current regulatory framework for regulating rent in Trinidad and Tobago?

MHUD would like to introduce more rent assessment mechanisms with an emphasis on protecting citizens from unscrupulous landlords.

a) If yes, what are the key components of this policy?

The provision of decent and safe accommodations for citizens as this is a fundamental human right.

- i. What has been the degree to which the policy has been implemented? - N/A
- ii. How is this policy enforced? - N/A

b) If no, what is the reason for the Ministry not having a policy in place?

There has been a slew of other competing legal issues to be addressed by MHUD. Due to limited resources and the absence of technical expertise, MHUD was constrained to prioritize the said legal issues. Consequently, the process leading to amendments of the legislation and policy development has been slow in the making.

(ii) What are the Ministry's views on pursuing or developing each of the following policy modifications:

a) Restrictions on Rent Increases;

Guided by the Vision 2030, MHUD is minded to maintain rent restrictions after proper collaboration with our partners and stakeholders for the benefit of the citizens of Trinidad and Tobago, same is attached as **Appendix VII** herein. Accordingly, MHUD is willing to set a price ceiling for rental properties for low and lower middle-income families. In an attempt to be fair to the Landlords, tenants must also exercise a duty of care toward the rental property.

b) Statutory provisions which prevent landlords from imposing restrictions on persons with children;

Provisions can be considered once it is reasonable in the circumstances. However, in modernizing the RRA specific groups would be catered for under the Act, such as lower income families, families with children and persons with disabilities.

c) Standard rent of any premises to be determined by an Assessment Officer;

MHUD is minded to incorporate standard rent, based on the valuation of a given property, only after collaboration with stakeholders and once same be revised by the Rent Assessment Board.

d) MHUD is minded to set minimum standards for rented property, including standards concerning infrastructure and amenities; and

The Ministry is minded to setting minimum standards concerning infrastructure and amenities through meaningful stakeholder consultations.

e) Special considerations for members of certain demographic groups (e.g. the elderly, university students, tenancies that exceed 10 years)?

MHUD seeks to ensure that all groups are protected.

(iii) What are some of the challenges of implementing rent restrictions on the real estate industry in Trinidad and Tobago?

- Rent control imposes a ceiling on profitability for landlords. This would therefore reduce the attractiveness of the rental industry for developers, thereby potentially reducing the number of units available for families to rent. In severe cases, this can push real estate owners to exit the industry and find alternatives such as bed and breakfasts;
- Constraints on financial and human resources associated with the implementation of the Rent Assessment Boards.

(iv) What are some of the benefits of implementing rent regulations on the real estate industry in Trinidad and Tobago?

- Lower financial burdens should assist renters in meeting their monthly expectations. Keeping rental rates predictable makes it easier for tenants to budget successfully and pay on schedule.
- With rent restrictions, tenants are more inclined to stay in a property for a longer period due to the capped nature of their rent. This is both positive for the renter who will have more location stability as well as the landlord, who would reduce the cost of replacing tenants.
- The Rent Assessment Board would be the governing body that regulates the real estate industry and therefore would protect both tenants and landlord

3. To assess the existing systems and arrangements to enable access to, and sustainment of rental housing for low-income and vulnerable households.

(i) What is the MHUD's policy for the provision of rental housing for low-income and vulnerable households?

The MHUD recognizes that all citizens regardless of income have a right to decent, affordable and acceptable housing that will encourage social and economic activities. We provide rental housing for low income and vulnerable households through subsidized rent and through the Rent-to-Own programme, an initiative of the Housing Development Corporation.

(ii) Has the MHUD conducted a study on the number of persons who rent in comparison to the number of persons who are homeowners? If yes, what are the findings of this study?

- Based on CSO 2011 census data, there were 401,382 families, 286,743 (71%) of those families were occupying fully owned houses and 59,320 (15%) families were renting. Additionally, the Ministry's database, shows that there are 215,821 persons who have applied for new home mortgages and rentals. Of those who have applied, the total number of persons who applied for rentals only are 29,054. This therefore shows that the total application for rental is 13.46% of the Ministry's database.

(iii) What subsidies and grants are provided to persons in the private sector to encourage investment in rental housing for low-income or vulnerable households?

The MHUD does not provide subsidies and grants to persons in the private sector.

(iv) Provide the number of contractors currently in receipt of the grants from the MHUD to provide low-income rental housing. N/A

(v) What monitoring mechanisms are being implemented at the Ministry to ensure that grants are not misappropriated? N/A

(vi) What are the barriers faced by low-income and vulnerable households to access affordable rental accommodation in Trinidad and Tobago?

- Restrictions, example; landlords not wanting children (single parents),
- Socio-economic factors, example; job security, economic security and social expectations
- Rental rates not affordable
- Availability of units

Appendix V: Written Submissions Received from Witnesses:

Housing Development Corporation (HDC)



12th February, 2020

Mr. Julien Ogilvie
Secretary to the Committee
Joint Select Committee on Social Services and Public Administration
Office of the Parliament - Parliamentary Complex
Cabildo Building, St. Vincent Street
Port of Spain

Dear Mr. Ogilvie,

Re: Inquiry into the system of rent regulation for housing accommodation in Trinidad and Tobago

The Trinidad and Tobago Housing Development Corporation ("the HDC") refers to your letter dated 4th February, 2020 wherein responses were sought to the undermentioned questions as they relate to the subject matter:

1. **To assess the adequacy of the existing laws, policies and systems intended to protect tenants of residential property against unjustified rent prices;**
 - (i) ***What mechanisms are used by the HDC to determine the cost of rent for units within Housing Developments?***

Response:

In 1982, Cabinet via a Cabinet Note, defined 'low income' as persons earning less than \$4,500 per month. The HDC therefore used this definition of 'low income' to establish rental values. As such, the corresponding rents were set at \$100 and \$350 per month.

In 2015, the HDC adjusted the 'low income' ceiling from \$4,500 to \$7,500 per month.

The HDC further determined, as is accepted in the finance world, that rental rates should not exceed 25% to 30% of one's income. Based on the revised \$7,500 income bracket, the upper rental rate is calculated as \$2,250.00. Currently, the rental rates charged by the HDC vary between \$100 to \$2,250 and are based both on rates set by the 1982 Cabinet Note and the updated determinant of low income (see table below). The new or recently constructed housing units, typically attract the upper limit of the rental rates while other communities, attract the lower values.



Head Office: 44-46 South Quay, Port of Spain | Tel: 868-612-7HDC (7432) | Fax: 868-625-3963
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\$100.00
\$350.00
\$500.00
\$800.00
\$1,200.00
\$1,500.00
\$2,250.00

(ii) **To what extent do the existing laws related to rent control influence the HDC's policies on rental accommodation (including its price structure)?**

The HDC relies on the HDC Act of 2005 as well as the process outlined above to determine rental accommodation and price structure.

2. To assess the existing systems and arrangements to enable access to, and sustainment of rental housing for low-income and vulnerable households.

(i) **In relation to applications for HDC rental units:**

a. What is the assessment procedure used for rental applicants at HDC?

All of the HDC's clients are subject to the same assessment procedure used by financial institutions to determine a person's level of affordability. Clients are required to provide a job letter, pay slip, bank statement, letter of indebtedness, savings (if any) and other any other information that will present a true picture of their current circumstance.

Based on the outcome of the assessment, a recommendation is made for allocation of a rental unit. The person's financial circumstance is a major factor in the rental unit, which is assigned.

b. What is the total number of pending applications for rental units as at February 2020?

There is no specific 'total number of pending applications for rental units'. When persons are selected for housing allocation and assessed, the outcome of the assessment will determine whether someone will be placed in a rental arrangement.

Since 2015, however, approximately 3000 clients have been assessed and determined to require rental accommodation. They are currently awaiting placement.

N.B. The total number of all applicants on the housing database is 186,500 as at January, 2020





c. How many rental units were allocated annually over the past 5 years?

Please see the table below for the number of rental units allocated over the past 5 years.

YEAR	NO. OF RENTAL ALLOCATIONS
2015	109
2016	552
2017	171
2018	129
2019	145
TOTAL	1,106

d. What is the total number of clients who are currently benefiting from rental accommodation?

The total number of client currently benefitting from rental arrangements is 11,212

(ii) Outline the range of rental fees charged by the HDC for its rental Units.

The range of monthly fees charged by the HDC for its rental units are as follows:

\$100.00
\$350.00
\$500.00
\$800.00
\$1,200.00
\$1,500.00
\$2,250.00

(iii) What is the average rent price for an HDC low-income rental property?

All of the aforementioned rental rates listed in item (ii) are considered as the rent payable for low-income rental properties.

(iv) How does the HDC determine the rent for a low-income rental property?

Please refer to the response to Question 1 (i) above.

(v) Confirm the number of rental units or rent-to-own units that are situated in each Housing Development?

The HDC respectfully requests additional time to provide this information.





- (vi) ***With regard to your response to question (v), what percentage of the HDC's total housing stock is designated for rent or rent-to-own accommodation?***

The HDC utilises, as a guide, a range of 70% mortgage and 30% rental. This however is only a guide and there are other factors, which determine which units are allocated as rental and rent to own (RTO) units. Those factors include, but are not limited to, the Corporation's ability to fund construction and clients' affordability position.

- (vii) ***During the past 10 years how much money was allocated for the purpose of constructing and or upgrading rental units?***

The HDC does not allocate separate funds for construction of rental units. The HDC's budgeted and allocated funds are for construction of all of its low to middle income housing stock and maintenance of its communities.

Over the past 10 years the HDC has allocated \$7,746,796,496 for the construction of over 14,000 housing units and spends on average \$150 Million Dollars per year maintaining over 350 housing developments.

- (viii) ***As at January 2020, what was the default rate associated with HDC's rental or rent-to-own clients?***

As at January, 2020 the default rate of HDC's rental clients was 44% with an arrears value of \$45,092,167.00

- (ix) ***With respect to the House Rent Subsidy:***

- a. ***How many persons/household benefited from this facility on an annual basis from inception to December 2019?***
- b. ***What was the amount spent on this facility over the past three (3) years?***

The HDC does not provide a house rent subsidy.

- (x) ***As a provider of rental housing in Trinidad and Tobago, what challenges does the HDC face when constructing low-income rental properties?***

The HDC does not differentiate or distinguish among the type of unit constructed. The HDC's construction is guided by satisfactorily meeting all statutory requirements and includes use of minimal finishes and value engineering to ensure cost efficiency.

Over the past five (5) years, the HDC has been able to reduce its cost of construction from approximately \$1200 per square foot to between \$500 to \$600 per square foot.

The HDC continues to refine its designs and construction methods to further reduce this price. The HDC faces the usual challenges in construction such as:

- Limited finances
- Statutory approval delays
- Limited availability of suitable lands in areas demanded by clients





- Adverse weather
- Managing quality on the site
- Vandalism and theft
- Threats of extortion (criminal/nefarious individuals)
- Quality management

Should you require additional information or clarification kindly contact the undersigned.

Yours respectfully,
Trinidad and Tobago Housing Development Corporation


Managing Director