SUCCESS STORY:
Local Developer Embarks on Haiti’s First Commercially Driven and Environmentally Sustainable Affordable Housing Developments

Local Haitian building supply company and developer, Chabuma S.A, completed a model home and began construction on Haiti’s first commercially-driven and environmentally sustainable affordable housing developments. In a country that lacks residential developers, and those few that do exist focus on small, high-end markets, this represents a big step in increasing accessibility of homeownership for lower-income Haitians.

Chabuma’s owner, Patrick Brun, had noticed that many of his customers were buying materials to improve their informal homes, and that a professional builder would be able to create a better home for less money. Brun’s aspiration to shift the housing paradigm and address the housing deficit was turned into reality with support from World Council of Credit Unions’ Haiti Home Ownership and Mortgage Expansion (HOME) Program.

Haiti HOME provides a mix of financial incentives and tailored technical assistance to its developer partners, rather than directly financing construction, to ensure that projects are market-driven and sustainable. Thus far, Chabuma has invested USD 1.5 million of its own private funds, in exchange for USD 98,970 in incentives from HOME for the completion of their first milestones. This means that for every dollar spent by HOME, Chabuma has spent fifteen, proving to the HOME team that a little can go a long way.

Chabuma’s first developments are being built on the outskirts of Port-au-Prince and include 37 units in Corlette and six in Santo. These integrated developments target the working middle class that currently have limited to no access to mortgages and offer an alternative to lower-income households within the informal sector with household incomes ranging from USD 500/month to USD 4,400/month.

Units are sold primarily to households who take out a mortgage. By connecting Chabuma with financial institutions, HOME is ensuring that the housing value chain is being strengthened on both sides. According to Olivia Caldwell of HOME partner Affordable Housing
Institute, “this is where the magic happens,” helping financial institutions and developers work together to address the chronic need for housing through market solutions. HOME also connects developers with financial institutions to seek construction and off-taking financing; however, in the case of Chabuma, it is relying on its own equity and intends on pursuing a pre-construction sales model to build the residential units.

With HOME’s support, CHABUMA also received technical assistance by a Green Building Architect to improve the environmental profile and sustainability of its housing developments through EDGE certification. HOME offers special incentives to developers to offset the additional investments of adopting the international green building standards, while not increasing the price points of housing units to the public. Brun has found this to be an advantage as “people have been reacting very positively to the fact that our units are energy and water efficient.”

With this initial success, Haiti HOME is now focused on sustaining this momentum and turn fledgling developers into an emerging industry. Convinced of the demand, Brun is already exploring new locations to replicate the model at scale and senses the impact across the industry, noting “I think our project has inspired many who now realize it is possible to revisit and offer adequate solutions to the housing problem in Haiti.”

Houses are being constructed to comply with international green building standards. This means that new homeowners will have to pay less for water and electricity, further increasing the affordability of these units.

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