



Research Report:

Affordable Housing Finance Products in Fiji, Samoa, and Tonga.



Habitat for Humanity New Zealand

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Executive Summary

1. Overview

With the support of the New Zealand Government's Aid Programme, Habitat for Humanity New Zealand (HFHNZ), Habitat for Humanity Fiji (HFHF), and the Adventist Development Relief Agency (ADRA) Samoa are implementing a five-year, NZD\$9 million programme focusing on resilient housing in Fiji, Tonga and Samoa.

This research focuses on the barriers and enablers of housing affordability and accessible housing finance. The report aims to identify options for appropriate and accessible housing finance suitable for piloting in Fiji and Samoa in collaboration with housing agencies and institutions.

The report documents available housing finance options in Samoa and Fiji that target individuals with low income who are unable to access conventional market housing loans and highlights key features that enhance accessibility. It incorporates insights from stakeholders across government, private sectors, non-governmental organisations (NGOs), and community representatives.

Recommendations include activities in the immediate term and for the next 18 months to promote access to information and financing options for individuals with low-income in both countries

2. Findings

The research identified significant barriers and opportunities in housing finance for low-income individuals in Fiji and Samoa:

2.1. Limited Accessible Housing Finance

Formal housing finance options are scarce for low-income households. Most rely on remittances, seasonal labour income, or informal lending to build or improve homes.

2.2 Government and Provident Fund Support

In both countries, government agencies and national provident funds offer housing-related loans. However, eligibility criteria – such as land title requirements and income thresholds – often exclude the most vulnerable.

2.3. Customary and Communal Land Tenure

In Samoa, over 80% of land is customary, and in Fiji, most land is communally owned. These systems restrict the use of land as collateral, limiting access to formal housing loans.

2.4. High Costs and Financial Barriers

High interest rates, bank fees, insurance requirements, and construction costs make housing finance unaffordable for many. Lack of formal employment and financial literacy further compound these challenges.

2.5. Social Inclusion Gaps

Women, persons with disabilities, and individuals with diverse SOGIE face additional barriers due to discriminatory practices, lack of asset ownership, and limited access to tailored financial products.

2.6. Non-Governmental Organisation (NGO) and Microfinance Contributions

Organisations like HFHF, ADRA Samoa, and South Pacific Business Development (SPBD) Fiji/Samoa play a critical role in bridging gaps through shelter programmes, financial literacy training, and microfinance initiatives.

2.7. Strong Demand, Weak Supply

Social housing providers face overwhelming demand. For example, Fiji's Public Rental Board (PRB) received 426 applications in 2023 but had only 10 homes available.

3. Recommendations

3.1. Produce a Comprehensive Housing Finance Information Package

Designed to support low- to moderate-income and first-time homebuyers with clear, accessible guidance on financial products offered by social housing providers. It should simplify key financial concepts, such as loan repayments, upfront costs, collateral, insurance, and land titles, and outlines eligibility criteria, aiming to empower vulnerable communities through informed decision-making. To ensure broad accessibility, the package should use plain language, visual aids, translations, and be distributed via websites, social media, traditional media, and printed materials.

3.2. Integrate Financial Literacy Training Programme Information

The housing finance information package should integrate existing resources from financial training programmes currently being delivered by HFHF and ADRA Samoa.

3.3. Work with the Samoa National Regional Seasonal Workers Programme

Explore opportunities for ADRA Samoa to deliver financial workshops as part of the Samoa National Regional Seasonal Workers Programme induction and reintegration processes.

3.4. Link Community Members to Community Savings Schemes

Link community members to community savings schemes or support efforts to establish such schemes, allowing households, especially those in long-standing informal settlements to incrementally save for building, repairing, or improving their shelters.

3.5. Collaborate with Governments and Financial Institutions

To shape policies that reduce barriers for individuals with low income, such as high fees and requirements around using restrictive assets as security for loan.

3.6. Coordinate and Collaborate with Sector Stakeholders

Through forums such as housing forums, ADRA Samoa and HFHF can leverage shared resources and expertise, ultimately enhancing the impact of joint housing initiatives.

3.7. Develop a Housing Finance Product

That meets low-income households' needs and repayment capabilities. This new product should incorporate training and mentoring for clients three months prior to receiving a

loan, empowering them with the information necessary to understand and access financial services.

3.8. Develop a housing microfinance product

To assist families who are unable to secure funding for building, repairing, or improving their shelters.

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Acronyms

ADRA	Adventist Development Relief Agency
BSP	Bank of the South Pacific
CSO	Civil Society Organisations
FGD	Focus Group Discussion
FJD	Fijian Dollar
HAF	Housing Authority of Fiji
HART	Housing Assistance Relief Trust
MHCD	Ministry of Housing and Community Development
MTCT	Model Towns Charitable Trust
NBS	National Bank of Samoa
NGOs	Non-Governmental Organisations
PRB	Public Rental Board
RBF	Reserve Bank of Fiji
SAT	Samoa Tala
SNPF	Samoa National Provident Fund
SHC	Samoa Housing Corporation
SOGIE	Sexual Orientation, Gender Identity, and Gender Expression
OPD	Office of Persons with Disability

Report

4. Background

In 2023, Housing Ecosystem Assessments (HEA) in Fiji and Samoa identified significant challenges in accessing housing finance for vulnerable populations and individuals with low income. These challenges included the pervasive issue of lack of affordability and income, formal institutions' strict financial requirements, lack of secure land tenure, limited government intervention and awareness, reliance on risky informal financial mechanisms, lack of financial literacy and housing information, and cultural and social factors influencing financial behaviour.

The HEA reports identified the critical need to explore alternative financing mechanisms to improve housing affordability for vulnerable populations. Fiji specifically mentions micro-insurance, while Samoa emphasises loan guarantees, using non-land assets as security, innovative land tenure arrangements for social housing, and affordable building designs. Both countries recognise that current traditional financing options are insufficient to meet the needs of individuals with low income.

This report presents findings and recommendations to address the lack of affordable housing finance. It examines existing accessible housing finance options and the barriers to their use, with the goal of identifying a suitable product for pilot implementation in Fiji and Samoa, in collaboration with housing agencies and institutions.

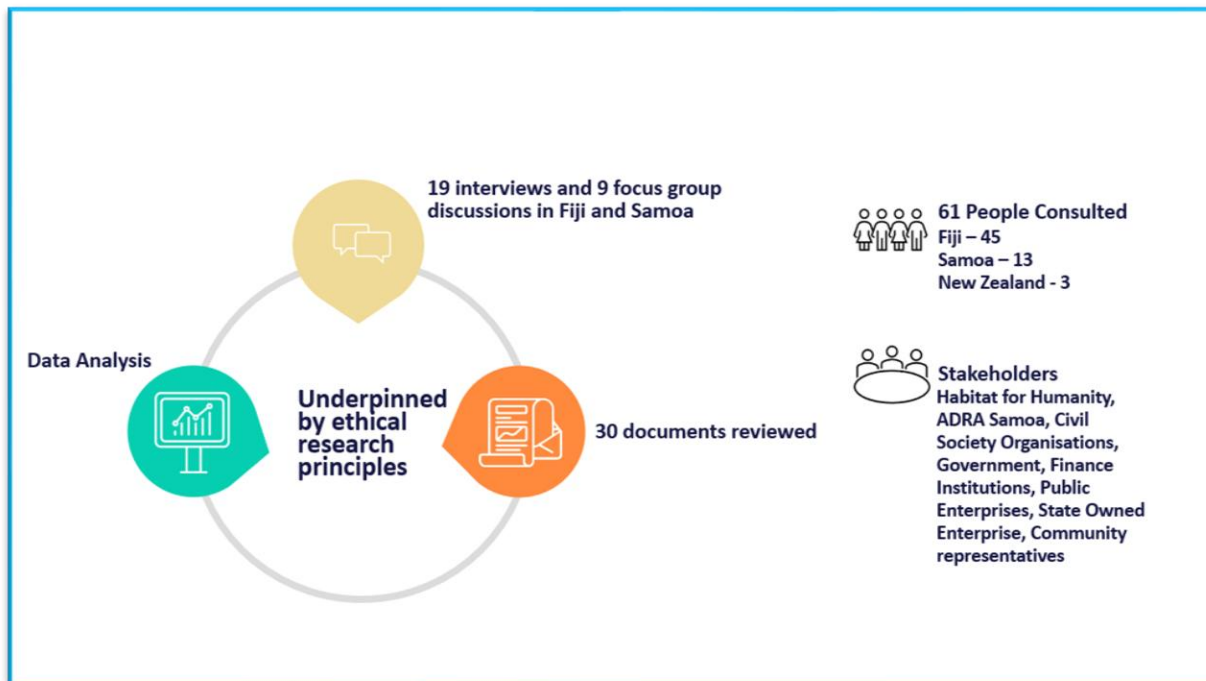
The objectives of the research included:

- Determining the financial needs of vulnerable, low-income households for resilient housing and identifying barriers to accessing finance
- Assessing the current availability of finance from banks
- Microfinance institutions, and government
- Exploring options to improve access to meet demand
- Evaluating the advantages and disadvantages of organisations that could support resilient housing financing
- Examining potential partnerships between government and other institutions HFHF
- Proposing recommendations for HFHNZ, HFHF, and ADRA Samoa to address immediate and longer-term needs.

5. Methodology

The report is based on information and data obtained through desktop reviews, stakeholder interviews, and focus group discussions (FGDs). The desktop review considered existing documents relating to financial products for housing literature. Stakeholder mapping identified stakeholders to be interviewed, including key housing, finance institutions, and public and private stakeholders in Fiji and Samoa. FGDs were conducted with community representatives in Fiji from July to October 2024.

Figure 1: Overview of Data Collection methods



6. Limitations

The sample size for interviews and focus groups aimed to gather insights from key stakeholders about housing finance in Samoa and Fiji, but it does not fully represent all groups in these sectors. Stakeholders were selected based on their relevance and willingness to share experiences. Notably, the research team could not consult directly with the Office of Persons with Disability (OPD), and there were limited community FGDs in Suva, resulting in a small sample size. Consequently, the findings do not encompass comprehensive community perspectives; however, insights were supplemented with existing reports from HFHF and ADRA Samoa, including consultations with OPDs and communities.

7. Findings

7.1. Housing Context in Samoa



The housing context in Samoa is shaped by several factors including economic conditions, cultural practices, environmental challenges and Government policies. The population of Samoa is 205,557 with a labour force participation rate of 43 % and unemployment rate of 12 %.¹

Employment and income: The main occupations of the employed population 15 years and over include skilled agriculture, forestry, and fisheries workers (42 %); craft and related trades workers (12 %); services and sales workers (11 %); professionals (8 %); plant and machine operations and assemblers (8 %); managers and technicians and associate professions (5 % respectively).² The per capita income in Samoa is calculated at about Samoan Tala (SAT) 10,000 per annum, equivalent to an earning rate of SAT 5.00 per hour. The minimum wage is SAT 3 per hour.

Individuals and communities that lack resilient housing rely heavily on money sent home by overseas workers, primarily from seasonal work in Australia and New Zealand, as well as the local economy, including fishing (e.g., Manono Tai) and agriculture (Patamea) for income.

Land Tenure: Samoa has three types of land tenure: customary, freehold, and government. Only Samoan residents can own land. More than 80 % of the land in Samoa is classified as customary land or land that extended families own under customary ownership, or the name of a particular titleholder (matai) who has been appointed (by the extended family) to have authority (pule) over the land. 16% of the land is Government land, and only 3% of land in Samoa is freehold, which is mainly located on Upolu.³ Most families (55%) reside on customary land, followed by 36% on freehold land. The remaining 9% of households reside on church, Government, or leased land.⁴

This land tenure system makes accessing formal housing loans difficult because customary land cannot be used as assets pledged as security for a loan. While leasing customary land is legal, it is very rare for families to lease customary land, as the allocation and guardianship of the land are based on guidelines and rules on the use of the family land. Land boundary issues result in scattered “squatters”, who have been directed by their matai (family head) to settle on adjacent vacant public land, potentially because of the assumption that the land is abandoned or uncertainty over land boundaries. Samoa Land Corporation offers these squatters living on public land the option to lease the land.

There is inadequate land security/tenure to support private resilient housing, or as assets pledged as security for a loan for borrowing. With 80% of land in Samoa being customary, it is almost impossible for individuals/families who have little to no disposable

¹ Samoa Bureau of Statistics. 2022. Samoa Population and Housing Census (PHC) 2021: Fact Sheet Final Results 2022

² Ibid.

³ Ibid

⁴ Ibid.

income, no stable well-paid employment, and no assets pledged as security for a loan, to purchase the tiny amount of freehold land available. These people have almost no choice but to remain on the village's customary land.

Type of Dwelling: Approximately 77 % of private dwellings in Samoa are European, with closed European houses being the most common in Apia and Northwest Upolu, and open European houses in Upolu and Savai'i.⁵ Traditional Samoan dwellings made from locally produced or recycled materials are more common in rural areas and are associated with low-income households.⁶ A combination of factors influences the type of house, such as the socio-economic status of families, their level of involvement in village life, family and church activities, the type of living arrangements (extended versus nuclear), land tenure, and access to and cost of financing.⁷

7.2. Housing Context in Fiji



Several socio-economic factors, including urbanisation, cultural influences, affordability and natural disaster resilience shape the housing context in Fiji. As Fiji continues to develop, its housing sector faces both opportunities and significant challenges, especially in providing affordable and sustainable housing options. Fiji's population is around 940,000 people⁸ and most of the population resides on the two main islands, Viti Levu and Vanua Levu.

Employment and Income: Fiji's labour force participation rate (2022) is approximately 60 %⁹ and the unemployment rate is 4.33 %.¹⁰ The average transacted value of a house in 2023 is Fijian Dollar (FJD) 243,000, which requires a minimum household post-tax income of FJD 50,000 to secure a loan from a commercial bank. 90 % of the population earns below FJD 50,000 and cannot access the formal housing market.¹¹

The minimum wage is FJD 4.50 per hour. Individuals and communities that cannot afford formal housing live in informal settlements, rely on extended family networks, access Government housing programmes, or use communal land systems. The Constitution of

⁵ Ibid

⁶ Ibid.

⁷ Ibid.

⁸ Worldometer. 2024. Fiji Population. Accessed from: [https://www.worldometers.info/world-population/fiji-population/#:~:text=Fiji%202023%20population%20is%20estimated,\(and%20dependencies\)%20by%20population](https://www.worldometers.info/world-population/fiji-population/#:~:text=Fiji%202023%20population%20is%20estimated,(and%20dependencies)%20by%20population). on 22 January 2024.

⁹ Statista. Fiji: Labor force participation rate from 2012 to 2022. Accessed from: <https://www.statista.com/statistics/994043/labor-force-participation-rate-in-fiji/#:~:text=In%202022%2C%20the%20labor%20participation%20rate%20among%20the,participation%20rate%20amounted%20to%2060.45%20percent%20in%202022>.

¹⁰ The Global Economy. 2023. Fiji: Unemployment rate. Accessed from: https://www.theglobaleconomy.com/Fiji/Unemployment_rate/#:~:text=Fiji%3A%20Unemployment%20rate%3A%20The%20latest%20value%20from%202023,Fiji%20from%201991%20to%202023%20is%204.48%20percent.

¹¹ The Fiji Times. 2023. Government plans affordable housing for low-income earners. Accessed from: <https://www.pressreader.com/fiji/the-fiji-times/20231105/283283167385354> on 20 October 2024.

Fiji provides for various rights, including the right to housing. It recognises the right to accessible and adequate housing as a fundamental human right and expressly provides that no law may permit arbitrary evictions.

Land Tenure: Security of tenure can vary according to form of land title. Over 90 % of land is held as native title, with the iTaukei Land Trust Board responsible for administration and development.¹² There are three different systems of land tenure in Fiji: native (87 %), freehold (7 %), and state land (6 %). The market demand for urban housing is mostly in the last two categories. Rural-to-urban migration has escalated in the last decade with approximately 60 % of Fiji's population now living in urban areas¹³ placing a serious strain on housing. About 15 % of Fijian households (120,000 to 140,000 people) were living in more than 170 informal settlements nationwide, according to Fiji's fiscal review committee in 2023.¹⁴ The remaining 45 % of the population are residing in rural and remote communities.

Rural Communities: Although rural communities can access food and other necessities, they often cannot generate sufficient income to meet their housing needs, such as building and maintaining adequate, resilient homes with access to basic services.¹⁵ This leads to migration to urban areas for employment opportunities. Remote Fijian communities face unique challenges ranging from a lack of qualified carpenters, high reliance on purchased materials, and unreliable transportation services to incomplete house structures.¹⁶ Rurally, there is also a lack of affordable housing and awareness on alternative low-cost housing solutions.¹⁷

National Housing Policy: Fiji's National Development Plan (2025-2029) aims to increase house ownership and address the issue of informal settlements through strata title housing, increasing home insurance, allocation of appropriate land for housing development, encouraging private sector participation and upgrading of informal settlements through the provision of basic services.¹⁸

The Ministry of Housing and Community Development (MHCD) oversees the strategic direction of the housing sector, assessing the housing needs in Fiji. The National

¹² Habitat for Humanity. 2019. A Holistic Approach to Supporting Resilient (Re) Construction in Remote Fijian Communities.

¹³ Habitat for Humanity Fiji. The housing need in Fiji. Accessed from: <https://www.habitat.org/where-we-build/fiji> on 22 January 2024

¹⁴ Ibid.

¹⁵ Habitat for Humanity New Zealand; Habitat for Humanity Fiji and New Zealand Ministry of Foreign Affairs and Trade Aid Programme. 2023. Fiji Housing Ecosystem Mapping Report.

¹⁶ Habitat for Humanity. 2019. A Holistic Approach to Supporting Resilient (Re) Construction in Remote Fijian Communities.

¹⁷ Asian Development Bank 2016, The emergence of pacific urban villages: Urbanization trends in the Pacific islands, Mandaluyong City, Philippines. Accessed from: www.adb.org/sites/default/files/publication/201291/pacific-urban-villages.pdf.

¹⁸ Government of Fiji. 2024. Fiji National Development Plan 2026-2029 and Vision 2050 Executive Summary. Accessed from: https://www.finance.gov.fj/wp-content/uploads/2024/09/NPDF_executive-summary.pdf

Housing Policy (2011) is the key strategic policy document for the housing sector in Fiji, and its prime goal is to achieve “affordable and decent housing for all”¹⁹.

MHCD is revising the National Housing Policy (2024) to reflect the evolving context, priorities, challenges, issues, and needs within the housing sector. The Development of Informal Settlements Act (2022) outlines provisions for the development of informal settlements in Fiji. The Housing Authority of Fiji (HAF), PRB, and Housing Assistance Relief Trust (HART) provide social housing.

Social Housing: While HAF has its attractive low interest rate and longer payment term, individuals with low income, particularly those earning below FJD 30,000, still find it challenging to access finance (refer to Section 3 for more information on this scheme). The cost of residential lots produced from the mid-2000s until now is very high and unaffordable for most in this income bracket. For social housing, there is a heavy reliance on HAF to subdivide and allocate lots for PRB and HART; however, this has not been provided or implemented in the past 20 years, and both PRB and HART need funds to secure land and build rental accommodation. The high demand for social housing is evident from their lengthy waiting list, indicating that the supply of homes is not meeting the high demand from individuals with low income.

“Highly accessible from 2023 up till now a total of 426 applications received but only 10 houses available. The demand is very high in relation to the very low supply of homes, and this is the key barrier to the accessibility of homes.” (Civil Society Organisation (CSO) representative, Fiji).

7.3. Current housing finance options available for individuals with low income in Samoa



“Housing financing avenues for low-income people is limited in Samoa through financial institutions. Housing finance is mainly provided by money sent home by overseas workers and labour scheme workers. Families in Samoa do receive from their relatives abroad, finance for building for residential houses – but a large contribution is for everyday consumption. Remittances is one of the sources of finance that assist these families.” (Financial Institution representative, Samoa)

In Samoa, housing finance options for individuals with low income are limited; however, several initiatives and programmes are available to make homeownership more accessible. These options aim to address affordability challenges, recognising the financial constraints of low-income families.

¹⁹ Ministry of Housing. 2024. National Housing Policy Review. Accessed from: <https://www.housing.gov.fj/housing-policy-development> on 29 January 2024.



4.3.1. Samoa Housing Corporation (SHC)

The SHC provides low-cost housing loans for individuals and families with limited income. The SHC was established as a government intervention in the financial sector to support individuals who could not access funds from commercial banks for housing, particularly individuals with low income.

SHC offers loans with flexible repayment terms and lower interest rates to make homeownership more attainable for individuals with low income. Housing finance loan options include:

- **Mortgage-Secured Loan:** This product requires the availability of a land asset with title to guarantee any loan. The Corporation can only finance any proposed development on freehold land up to 70 % of the land value. The maximum amount of borrowing under this product is up to SAT 250,000. The annual interest rate varies from 8 to 11%. The minimum loan term is 15 years but can be extended to 25 years if necessary.
- **Personal Guarantee Loan** caters to applicants without tangible assets to guarantee any loan from the Corporation. Four personal guarantees from working family members, friends, spouses, employed children or a person with a verified income are required. The maximum loan amount is SAT 30,000 and is repayable for a maximum term of five years. The current interest rate is 14 % per annum but is subject to change based on the Board of Directors' approval.
- **Land Finance Product** specifically caters to applicants who wish to purchase freehold land for residential purposes. The land purchased from the loan will be held as loan security through a legal mortgage charge over the land and any improvements thereon. The land must provide adequate value to secure the total loan. A land equity of 30 % (can be flexible) of the land price must be deposited with the Corporation as part of the applicant's commitment towards the land

cost. The equity payment will minimise the Corporation's lending exposure and aim to assess the applicant's level of commitment. The maximum amount borrowed under this product is up to SAT 250,000. Based on the Corporation's point-scoring system assessment, the annual Interest rate varies from 8 to 11 %. The minimum loan term is 15 years but can be extended to 25 years if necessary.

The personal guarantee loan is the most feasible option for individuals with low income compared to mortgage secured loan because of its low eligibility criteria, does not require assets pledged as security for a loan, offers flexibility on how the funds can be used such as home improvements, and are smaller loan amounts which can be more manageable for individuals with low income who often struggle with more considerable debt and longer repayment terms associated with mortgage secured loans.

“Samoa Housing Corporation was set up by a government intervention in financial sector as a lot of people were not accessing funds from commercial banks for housing. It [Samoa Housing Corporation] was set up to assist low-income earners to access funds, so Government took on a big risk. But it's paid off because people improved their homes. A lot of families were able to build better homes. We have a lot of good feedback because most of them are from rural areas. Some of them have land but all customary land which cannot be mortgaged so security for loans were an issue.” Samoa Housing Corporation

Between 2015-2018, HFHNZ and ADRA Samoa, in partnership with the SHC, implemented a Build Scheme funded by MFAT to help low-income households refurbish and build better dwellings. Through the programme, families were able to build and improve their homes in urban and rural areas. 282 homes were financed through the scheme and at the time of writing of the report, an SHC representative interviewed indicated that the Corporation is still trying to recover 20 % of the accounts. The SHC and ADRA Samoa expressed the challenges faced by the Scheme, such as:

- The inability of applicants to meet the criteria of security for the loans
- Dishonesty of applicants regarding obtaining of consent for mataisau to build on customary land, which resulted in community disputes and the demolition of homes
- Inability of applicants to repay the loan, resulting in high default rates
- Difficulty obtaining guarantors for the loans
- No cost sharing for follow-up of default payments, which is time-consuming and burdensome.

7.3.2. Samoa National Provident Fund (SNPF)²⁰

The SNPF functions similarly to a pension scheme, allowing individuals to save during their working years to ensure a stable income after retirement. It requires mandatory contributions from both employees and employers, intending to provide retirement benefits, disability benefits, and other forms of financial support. Once members reach 55 years, they have the option to withdraw all or a portion of their provident fund, which can be used for various purposes, including housing support. SNPF offers the following personal loans and mortgages to members, which are repaid over a set period with interest:

²⁰ Samoa National Provident Fund website: www.snpf.com

- **Housing Loans:** Members can borrow a minimum sum of SAT 50,000 for the purpose of constructing a house or funding the purchase of a house for family use. The scheme can also accommodate exceptional circumstances that require the refinancing of home loans from other financial institutions. Members usually access the SNPF housing loan as their contribution (usually 20 %) of a housing loan with a financial institution.
- **Land Loans:** members can apply for a loan (any sum) at a minimum of SAT 30,000 to fund the purchase of land.
- **Small Loans:** members can borrow up to 50 % of their contribution balance without any security as this loan is secured against their contributions.²¹

The SNPF has a unique structure compared to other provident funds. Members can withdraw funds for specific purposes, such as housing, but these withdrawals are treated as loans that must be repaid. This approach ensures that members still have savings available for retirement, even after using some of their funds for immediate needs. The benefit for individuals with low income is that they have access to their savings for housing needs without waiting until retirement, and by repaying the loan, they do not deplete their retirement savings entirely. However, the risk for members is that they must repay the amount withdrawn which can be a financial strain for individuals with low income who will have to repay two loans – with the financial institution and SNPF.

7.3.3. Government Assistance Programmes

The Government of Samoa currently does not offer any housing subsidies, except in the form of in-kind housing support through its Shelter Financing and Hygiene Facilities project. Low-income families affected by natural disasters can access government or donor-funded housing assistance programmes aimed at rebuilding or repairing homes. In 2020, the Samoan government allocated SAT 1 million (approx. USD 380,000) from its stimulus package to assist struggling families. ADRA utilised the grant to construct simple wooden houses for 120 families and refurbish 53 existing houses. In 2022, ADRA received a further SAT 1.5 million to build homes, sanitation facilities, disabled ramps, wash basins, and security fencing for each house as part of its Shelter and Hygiene Facilities Programme.

- **Ministry of Women, Children and Community Development (MWCCD):** In the 2024/25 year budget, SAT 1.5m is allocated for shelter financing which ADRA Samoa will implement to provide shelter for the vulnerable population in Samoa. An Inter Agency Steering Committee has been established to assess and select beneficiaries. ADRA Samoa receive the applications from members of the public, undertakes verification and provides recommendations for assistance to the Steering Committee.
- **The Ministry of Finance:** provides credit in the form of concessional loans to support affected families following a disaster.²²

²¹ Samoa National Provident Fund. Our Investments. Accessed from: <https://www.npf.ws/lending on 27 October 2024>.

²² Habitat for Humanity New Zealand; ADRA Samoa; New Zealand Ministry of Foreign Affairs and Trade Aid Programme. 2023. Samoa Housing Ecosystem Mapping Report.

In-kind housing support, such as the Shelter Financing and Hygiene Facilities project in Samoa, can offer several benefits and risks for low-income families. Families can access direct housing support, which can significantly improve living conditions and lead to better health outcomes. They can receive housing support without the need to secure a loan or mortgage, which reduces the financial strain and the risk of debt as well as supports community cohesion and provides a safer environment for children and families. The risk, on the other hand, is that there are limits to the flexibility of funds provided, and the support may not meet the specific needs or preferences of families, such as the size of the housing, and families might face challenges in maintaining and repairing the provided housing, especially if ongoing support is not available. It will be important for MWCCD and ADRA Samoa to continuously assess and adapt their strategies to meet the needs of low-income families better.

7.3.4 Private Sector Housing Loans

Commercial banks in Samoa offer housing loans; however, these tend to be less accessible to individuals with low income due to stricter eligibility criteria and higher interest rates.

Bank of the South Pacific (BSP): provides a range of banking services for individuals, businesses, and corporate clients. Housing finance products include:

- **Home Loans:** accessibility depends on the price of the house to be purchased with repayment over 30 years at an interest rate of 7.25 % and 20 % equity. Housing loans can be accessed for renovating or extending a home. BSP Samoa primarily offers home loans for properties on state lease land or freehold land. Customary land cannot be used as assets pledged as security for a loan for home loans due to legal restrictions.
- **Personal Loans:** can be accessed for renovations of homes. Offers flexible repayment options to suit budgets. The maximum amount that can be borrowed is SAT 30,000 repaid over 5 years. Unsecured personal loans can be accessed for building or renovating home on customary land and depends on the term of employment of the applicant.²³
- **National Bank of Samoa (NBS)²⁴:** Locally owned and operated bank in Samoa that offers the following personal loan products:
 - **Small Loan:** to meet urgent costs and the minimum amount accessible is SAT 300 and maximum is SAT 3,000 over a term between 6 to 12 months. There are no fees charged, and the interest rate is fixed.
 - **Unsecured Personal Loan:** amount accessible is between SAT 3,000 - 10,000 with no guarantors required. The term of the loan depends on the purpose of borrowing. There is a variable interest rate.
 - **Secured Personal Loan:** amount accessible is between SAT 3,000 and maximum restricted to single transactions limit by Central Bank of Samoa. The term of the loan is 10 years and there is a variable interest rate.
 - **Housing Loan:** to allow applicants to purchase an established home for own occupation, construct a house on own land for own occupation, purchase vacant residential land or complete renovations / improvements to their own property. Amount accessible is from SAT 10,000 and the maximum amount borrowable is

²³ Interview with Bank of the South Pacific Samoa representative on 3 September 2024.

²⁴ National Bank of Samoa website: <https://www.nbsamoa.com/personal-1>

restricted to single transaction limit by Central Bank of Samoa. The maximum term is 25 years plus personal guarantees. The interest rate is variable.

7.3.5. NGOs and International Agencies

There are limited NGOs in Samoa operating in the housing sector.

- **ADRA Samoa:** working in collaboration with Government, ADRA Samoa has been building basic shelter for vulnerable families (Shelter Finance and Hygiene project) over the last 3 years. The Government of Samoa has again allocated funding (SAT 500,000) in the 2024 fiscal year to support basic shelter, toilets and showers for vulnerable families. The selection criteria for the recipients of the new homes include: the family currently living in a dilapidated house; residents overcrowded in one home; families with no form of earned income; or a member of the family living with a disability or chronic illness. ADRA Samoa takes a comprehensive approach to programming by integrating preparedness activities (community training to build capacity to prepare and respond to disasters including climate adaptation and building community resilience to impacts of climate change) and livelihood activities.

7.3.6. Remittance and labour scheme workers:

- This is a source of finance that assists families to build or renovate their family homes. In instances where families cannot complete their homes, contribution of the family members is used to extend homes. The additional income from money sent home by overseas workers can help stabilise household finances, making it easier to manage housing costs and avoid debt; improve living conditions and overall health and well-being and contribute to community development and cohesion when communities come together to support the construction or renovation of homes. However, families may become reliant on money sent home by overseas workers which can be risky if the flow of funds is disrupted due to changes in employment status of the migrant workers or if the funds sent for housing needs is spent on other expenses such as community or family obligations.



Figure 7: Basic shelter built by ADRA Samoa under the Shelter Financing and Hygiene project funded by Government of Samoa

7.4. Current housing finance options available for individuals with low income in Fiji



The main players in borrowing and savings for home ownership specific for individuals with low income in Fiji include banks, Fiji National Provident Fund, Government programmes and NGOs.

7.4.1. Fiji National Provident Fund (FNPf)²⁵

FNPf sets aside part of a member's superannuation contribution for housing purposes. This housing fund is available at any time and free to use when a member, irrespective of their income level, wants to access it for housing, either as a deposit to a housing financier to purchase land and build a home, build a new home on land already acquired with a land title, renovation and extension of home or refinancing of housing loans. Members can access their housing money to build their home in their villages as well. Members can also partially or fully withdraw their FNPf at 55 years.

FNPf assists members with housing finance products through these various schemes:

- **Housing (Village and Urban Housing):** members can withdraw funds from their general account with sufficient balance to purchase a land/house, build, repair, extend or renovate your home. Members can withdraw from their FNPf to:
 - build a house with a minimum amount of FJD 10,000.00 either solely or jointly if there are multiple applicants applying.

²⁵ Fiji National Provident Fund website: <https://myfnpf.com.fj/early-partial-withdrawal/>

- extend or renovate with a minimum amount of FJD 5,000.00 either solely or jointly.
- Make quick repairs with a maximum amount of FJD 5,000.00. Members may re-apply after a period of 3 years from the last payment date.
- Members can access their general account to purchase a land or dwelling house or extending, renovating, reducing or paying off a home loan by way of investment provided the property is registered under the member's name (for Urban Housing only).
- **Housing (Village or Mataqali or Community Trust Housing):** members can access minimum of FJD 10,000 to build a home; minimum of FJD 15,000 to make quick repairs; minimum of FJD 5,000 to extend a home and FJD 5,000 for renovation.
- **Urban housing:** For members that live within a town or city, depending on eligibility (balance in preserved account), members can access funds for buying property, buying land from Taukei Land Trust Board or Lands Department, reducing or paying home loans, extending or renovating members home and electrification installation or installation of solar systems or water tanks.

Accessing FNPf funds can help individuals with low income achieve home ownership, which might otherwise be difficult due to financial constraints, can lead to better living conditions, provide a safe and more stable environment for families and for those struggling with home loan repayments, FNPf allows members to use their savings to cover these costs, offering significant financial relief. However, withdrawing funds for housing reduces the amount available for retirement, potentially impacting financial security in later years and if the withdrawal depletes the General Account, it may leave insufficient funds for other emergencies or future needs.

7.4.2. Government Assistance Programmes

The Fiji Government offers several housing assistance programmes aimed at helping Fijians access affordable and quality housing. These programmes target different groups, including low- to middle-income families, those purchasing a home for the first time, and residents in rural areas.

- **Ministry of Housing and Community Development:** The Ministry of Housing is responsible for strategy, policy, funding assistance, monitoring and regulation of Fiji's housing system. The Ministry plays a lead role in promoting and facilitating the provision of accessible and adequate housing for low and middle-income households and people living in informal settlements. The Ministry does not have funds to lend or subsidise to individuals with low income who are in need. However, in the past, the Ministry approves the grant assistance under the Reserve Bank of Fiji (RBF) Housing Facility that is administered by Housing Authority and other commercial banks for first homeowners.
 - **First Home Ownership Initiative:** was launched in 2014 to provide affordable and quality housing for all Fijians and increasing home ownership across the country, for low and middle-income earners. Since its inception in 2014, the First Home Ownership Initiative has assisted close to 3760 Fijian households to a tune of FJD 36 million. First Home Purchase Programme and First Land Purchase programmes are the two main assistance programmes under this initiative. The grant eligibility is annual household income of FJD 50,000 or below can access FJD 30,000 for construction of first home and FJD 15,000 for the purchase of first home. For households whose income is from FJD

50,001-100,000, accessibility is FJD 20,000 for construction of first home or FJD 5,000 for purchase of first home.

- **First Land Purchase Programme:** introduced in 2018 / 2019 fiscal year, Fijians with an annual household income of FJD 50,000 or less qualify for this assistance to purchase their first land. The maximum grant assistance is FJD 10,000 per household.
- **Housing Assistance for Fire Victims:** introduced in 2015, to assist low/middle income earners to rebuild their homes destroyed by fire, households with a total income of FJD 50,000 or below. To date 157 Fijians have been assisted with a total payout of FJD 785,000.
- **Housing Assistance for People Living with Special Needs Grant:** aimed towards increasing housing accessibility for people with disabilities. This retrofit programme helps low- and middle-income Fijians with various disabilities in upgrading their house/ facilities to make them more accessible to their special needs.
- **Upgrade of Informal Settlements:** This programme offers long-term land tenure of 99-year leases for fully serviced and subdivided settlements. A sitting tenant can secure a title over a residential plot that is sold at market price subsidised by Government depending on the household income level. The title is assets pledged as security for a loan that enables the resident to secure loans either from Housing Authority or other financial institutions to improve their home or construct a new one. The upgrading of informal settlements will continue for 12 settlements, 4 in the central division, 7 in the western division and 1 in the Northern division. The government's priority is to issue the 99-year lease to the three informal settlements that have been upgraded in 2023 and for the 451 households living there with the hope for secure land tenure for a long time.

The Informal Settlement Upgrade Programme (ISUP) in Fiji has faced several challenges, which have impacted its overall success. The process for upgrading settlements first involves having the lots serviceable (water, electricity, roads etc) and this process can be slow leading to delays in delivering the lots, securing long-term land tenure (99-year lease) involves navigating complex legal and administrative processes which can also impact on the upgrading process. Despite these challenges, there have been ongoing efforts to improve the situation. For example, the Revitalising Informal Settlements and their Environments initiative aims to upgrade six informal settlements with better infrastructure and sanitation.

7.4.3. Housing Authority of Fiji²⁶

Provides fully serviced lots/units and mortgage financing for customers to acquire lots/units for house construction. The Housing Authority of Fiji is known for the best lending package as its criteria is a combined annual household income less than FJD 30,000 with interest rate of 3.50 % fixed, then a variable rate of 6.25 % after the five years and combined annual household income more than FJD 30,000 but less than FJD 50,000 with an interest rate of 3.95 % and a requirement of 10 % deposit over 30-year term. Housing loan products include:

- **Purchase A residential lot:** The Housing Authority is the only financial institution that will sell a Lot, help finance it and assist clients to build on it.

²⁶ Housing Authority of Fiji website: <https://www.housing.com.fj/loans/>

- **New construction loan:** finances the construction of home.
- **Refinancing:** of existing home loan

People who qualify for Housing Authority assistance can then apply for the Ministry of Housing's First Homeowner subsidy, which can be up to FJD 30,000. Alternatively, individuals with low income can apply for subsidy of FJD 10,000 for the purchase of land, but they can only choose one benefit, either for building or land purchase.

Reserve Bank provides funding through the Housing Facility to Housing Authority at 0.25% and using that funds, Housing Authority is lending to customers. Those earning less than FJD 30,000 at 3.5% fixed for five years. For those less than 50,000, 3.95% fixed for five years. Best rate in Fiji!

After 5th year, customers will go on to a variable rate at 6.25% which is still lowest in the market. Housing Authority has extended the loan to a full period of 30 years or retirement age of 60 years. Requirement is a 10% deposit. This enables customers to purchase first property. If we did not do relaxation of low interest rate, low equity and extending to 30-year period, majority will not afford this.

Housing Authority allocates developed land at 5% to persons with disability, 10 percent to Public Rental Board tenants, 10 percent to HART and Koroipita residents. Housing Authority representative, Fiji

7.4.4. Public Rental Board

The PRB provides affordable, quality and appropriate rental flats for individuals with low income.

- **Properties:** currently the PRB provides a total of 1636 rental flats in 25 housing estates across Fiji; 4 PRB housing estates in the Northern divisions, 15 housing estates in the Central Division and 6 housing estates in the Western Division. Rental charges vary between FJD 23 - 111 monthly based on the flat types. There is a subsidy criteria depending on weekly gross income (under FJD 200) and type of flat.
- **Land acquisition:** Housing Authority has earmarked 2 sites for the PRB in its Masterplan at Davuilevu (Suva) and Tavakubu (Lautoka) to lease for the development of housing estates. In addition, a few landowners have opted to lease their land to the PRB for future development. Confirmed sites are Waitovu in Levuka and Namelimeli in Navua.

In addition to these, the Ministry provides government grants annually to PRB, HART and Model Towns Charity Trust (MTCT) to fund the construction of low-income rental homes. While this does not provide home ownership for individuals with low income, the intention is to have this interim measure that will enable a tenant to progress to home ownership when their income improves and increases.

- **Ministry of Rural and Maritime Development and Disaster Management²⁷:** provides housing support to rural and maritime communities to improve living

²⁷ Ministry of Rural and Maritime Development and Disaster Management website: [Rural Housing Assistance \(RHA\) Programme – Ministry of Rural and Maritime Development and Disaster Management](#)

conditions and promote resilience, especially in areas prone to natural disasters. Key housing support programmes under this Ministry include:

- **Rural Housing Assistance Programme:** is aimed at prioritizing assistance to those that are permanently residing in villages and rural settlements, in non-urban and peri-urban areas. It is also aimed at first-time owners, those whose house was damaged by previous natural disasters and need repair or retrofitting, those whose house requires safety issues for vulnerable family members and needing an extension of their existing house, retrofitting of homes and for those who need assistance for procurement and cartage of housing materials given the remote location from business centres.
- There are four housing schemes offered:
 - **Scheme 1** - open only to those residing on a maritime island or rural community. Require applicants to purchase building materials at a minimum cost of FJD 30,000; and the government will facilitate the cartage cost of building materials. Criteria is a combined annual income of FJD 30,000 or less.
 - **Scheme 2** - requires the applicant to pay one-third of a contribution in cash while the Ministry pays two-thirds of the total project costs. The scheme is targeted at individual applicants. Assistance is offered for newly built house construction; extension of an existing structure which includes the attachment of sanitation and kitchen facilities; retrofitting of an existing structure to withstand Categories 4 and 5 tropical cyclones; and completion of an existing structure. Criteria is a combined annual income of FJD 30,000 or less.
 - **Scheme 3** - assist beneficiaries under the Family Assistance or Social Welfare Housing Schemes who need assistance with the construction of new houses inclusive of disability-friendly facilities like the provision of ramps, extension of toilets and shower facilities, provision of handrails, and expansion of doors to accommodate wheelchairs and necessary devices. The government will provide total funding whilst the recipients' contribution would be in-kind through labor support from the community.
- **Self-Help Programme:** initiated to promote and assist rural dwellers in the construction of basic amenities and other small projects. The programme can cover small infrastructure projects through individual assistance or community assistance. The minimum cost of the project that can be funded is FJD 2,000.00 and maximum is FJD 30,000.00. The criterion for accessing this programme is that individuals must be permanently residing in a rural area and earning less than FJD 30,000 annually with the ability to contribute one third of the total project cost.

7.4.5. Private Sector

Private sector institutions in Fiji offer housing finance products for housing programmes however these are not tailored for individuals with low income. Commercial banks such as BSP, ANZ and Westpac home loans generally require a deposit of around 20 % of the purchase price, along with additional fees and have interest rates around 5 %. The

personal loans offered by the banks can cover housing expenses however customers have to demonstrate the ability to repay the loan through direct deductions from salary accounts to loan accounts and may require, as in the case of BSP bank, a secure term life insurance cover in addition to the loan in the event of death where the borrower's loan balance will be deemed paid off.

7.4.6. Reserve Bank of Fiji

The RBF's housing facility is a funding programme aimed at lowering interest rates for housing loans provided by banks and financial institutions, making loans more affordable for low-income borrowers. Commercial banks or licensed credit institutions²⁸ access funds at lower rates from this facility to pass on reduced interest rates to qualifying low-income home loan applicants. Approved lenders may access advances under this Facility at 0.25 % interest per annum and lend these funds to eligible house owners up to a maximum interest rate of 3.99 % per annum for a maximum term of five years. To be eligible, applicants must be purchasing or refinancing their first home and be able to meet the credit requirements of an approved lender and earn a combined income of FJD 50,000. Housing Authority of Fiji has access to advances under this facility.

- Microfinance Institutions: offer small housing loans to individuals with low incomes who may not qualify for traditional loans.
 - **South Pacific Business Development (SPBD)**²⁹: is the largest microfinance institution in Fiji making available the benefits of microfinance to low-income and disadvantaged women. SPDB works with women who aspire to be micro-finance entrepreneurs and launch income-generating businesses through unsecured micro-enterprise development loans to help them launch and grow their businesses and provide support through small business training, financial literacy education, and a savings account. The group lending model fosters a sense of community and mutual support among members, which can be beneficial for personal and business growth. SPBD's focus is on those who need it most – women living in both rural and peri-urban areas who are vulnerable to the consequences of poverty, the unemployed, single mothers, minorities, the unbanked, and the women with disabilities. Once the members business is established, members can access finance for basic housing improvements such as obtaining access to electricity, running piped water, proper sanitation, building a secure foundation for their home and installing a tin roof on their home.

7.4.7. NGOs

NGOs' programmes focus on affordable housing, disaster and climate resilience, and sustainable development, often collaborating with Government, private sector, and international organisations. Examples include:

²⁸ Credit Corporation Fiji Limited, Merchant Finance Company Limited, BSP Finance (Fiji) Limited and Kontiki Finance Limited. Accessed from Reserve Bank of Fiji.2019. Housing Facility Guidelines.

²⁹ South Pacific Business Development website: <https://spbdmicrofinance.com/impact/fiji/>

- **HFHF³⁰**: activities range from new climate resilient house construction to helping families rebuild after cyclones and other disasters to improving water and sanitation access in various communities and community development through training and awareness. HFHF homes are typically built with a combination of locally supplied timber, concrete, and metal roofing. Families who partner with HFHF also contribute their own labor to build their new homes.



Figure 3: Habitat for Humanity constructed home at Daulomani Safe Home in Lautoka, Fiji. Source: Habitat for Humanity website.

- **Model Town Charitable Trust³¹**: builds engineered and serviced subdivisions and cyclone- safe houses as well as provides guidance and support through community development programme. The Fijian Government has provided funding for the construction of homes. The first model town has been built, and the community development programme helps provide pathways for families to integrate into formal sector jobs and housing. MTCT provides cyclone-safe, affordable housing, significantly improving living conditions for low-income families. The community development model includes comprehensive community development programmes, such as education, health services, and income-generating projects, which help residents improve their overall quality of life. The model town is designed with sustainability in mind, incorporating green spaces and environmentally friendly practices. The MTCT model offers a promising approach to addressing housing and community development needs in Fiji, but it also faces challenges that need to be managed carefully such as reliance on continuous funding from donors and Government support which can make long-term maintenance of infrastructure and services a challenge, especially if resources are limited.

³⁰ Habitat for Humanity Fiji website: [Fiji | Habitat for Humanity](https://www.habitat.org/fiji)

³¹ Model Towns Charitable Trust website <https://modeltowns.org/>



Figure 4: the model town at Koroipita. Source: Model Towns Charitable Trust website

- HART:** established by the Fiji Council of Churches to provide immediate and temporary housing assistance for vulnerable families – single mothers, victims of domestic violence and other marginalised groups but it has also become an option for other individuals with low income. HART currently provides shelter for over 800 families in the Central, West and Northern divisions. Rent charges for HART tenants are dependent on their weekly income and this can vary from subsidised rates ranging from FJS 1 to 10 per week however, tenants are responsible for paying utility bills. Community members are assessed on a regular basis, and face risk of eviction if they fail to meet the criteria for remaining in residence. The low incremental graduation from HART homes to PRB and Housing Authority or to villages to free up homes to meet the high number of applicants in the HART waiting list has been a challenge. Many HART residents face financial difficulties that prevent them from moving out of HART and there is often a limited number of housing units available through the PRB and Housing Authority, making it difficult for HART residents to find suitable alternatives. Eligibility criteria for PRB and Housing Authority housing can exclude some HART residents, particularly those with unstable incomes or other financial challenges.

Graduating tenants is where the back log is, where Housing Authority is meant to take over our [HART] tenants to home ownership – would be a cheaper option to move rather than build more flats. This is not happening which is why we must build new flats. The HART tenants are supposed to stay for 6 years but most have stayed for longer – up to

30 years but we consider humane side as don't want them to be on the streets" HART representative, Fiji

7.4.8. Remittances and seasonal worker schemes

In Fiji and many other countries, a growing source of income is money from friends and relatives working abroad. The growth in money sent home by overseas workers over the years is driven by many factors. Notably, there have been increases in the number of nurses, early childhood teachers, peacekeepers, caregivers and sports personnel working abroad. Following natural disasters, money sent home by overseas workers increase to support families rebuild or renovate their homes. In addition, the Seasonal Worker Programme in Australia and New Zealand has attracted a lot of Fijian workers for employment since 2015.

7.5. Barriers to accessible housing finance for individuals with low income in Samoa and in Fiji

In Samoa and Fiji, the barriers to accessing housing finance for individuals with low income are mostly similar.

The most prominent obstacles are:

1. **High Interest Rates:** In both countries, interest rates on loans can be prohibitively high, particularly for low-income borrowers who may lack strong credit histories or assets pledged as security for a loan. Banks often view these families as higher risk, which drives up interest rates even further, making monthly payments unmanageable.
2. **Lack of Formal Employment:** People working in the informal economy have limited access to banking services. Without formal employment records or stable income (casual work or intermittent access to work), it is challenging for families to prove their ability to make consistent payments, often disqualifying them from housing loans.
3. **Bank criteria:** Banks typically need proof of stable, formal employment and regular income to assess a borrower's ability to repay. Low-income earners, especially those working informally or seasonally, may not have the necessary documentation (such as pay slips or tax returns) to satisfy these requirements. Banks often calculate a borrower's comparison of debt payments to income to ensure they will not be overburdened by loan payments. Low-income earners may struggle to meet the acceptable ratio due to their limited income, limited savings, or existing debts, like personal loans or informal lending. Many banks require a deposit (often 10-20 % of the property price) and some form of assets pledged as security for a loan. Low-income earners frequently cannot save this amount due to limited disposable income, nor do they typically own substantial assets that can be used as assets pledged as security for a loan. In Samoa and Fiji, members can withdraw from their Provident Fund for the deposit for housing loans. In Samoa however, this is treated as a loan to be repaid which means that borrowers have two debts to repay. For individuals with low income, their Provident Funds are low due to having low salaries. The land tenure process is also a challenge for first time homeowners when the process of obtaining a title is expensive and time consuming.

State of income is very low, and we do not qualify as we cannot meet their requirements e.g., pay slip and permanent income. Most of us have not tried but have heard from others (relatives, friends etc.) Cost of land even taukei land or initial levies by Mataqali land owning units are high and we cannot afford. Community representative, Fiji

Generally, if you qualify for loan of 400,000, over 30 years, salary should be at least around FJD 80,000 to qualify and have to provide 20 % equity and be able to repay the loan over 30 years. FJD 80,000K per annum is quite high and so this would be people close to CEO level or assistant CEO level to be able to get that kind of salary. Bank of the South Pacific, Samoa

4. **Strict Collateral Requirements:** To mitigate risk, banks typically require substantial assets pledged as security for a loan, like land or assets. For low-income families, especially those who do not have a land title or assets of significant value, this requirement makes accessing housing finance near impossible.

Land accessibility remains a significant challenge: In Samoa, approximately 80% of land is customary, while in Fiji, land is communally owned and tied to extended families or villages. These systems complicate the use of land as collateral for housing finance. Additionally, extended family structures, cultural expectations, and traditional inheritance customs often influence financial decisions and can hinder efforts to invest in property or secure loans.

5. **Fiji communal land ownership (mataqali, Yavusa, Tokatoka):** 60 % of land-owning unit members is required before any individual lease or even development lease is processed. Acquiring leases and securing an i-Taukei land title for housing purposes can be a lengthy and complicated process involving multiple parties.

First home buyer grant – if you are building, the land has to have proper title and the whole process in getting proper title is so expensive, time consuming and tedious. HFHF representative

6. **Bank fees:** These fees increase the cost of borrowing and make it harder for people with limited resources to qualify for or repay loans. Banks often charge application or processing fees for loan applications, which must be paid regardless of the outcome of approval.

Establishment fee is 2 % of the applied amount. Administration fee of 0.15 % (for professional package we waive that fee and discount establishment fee to 1 %). Penalty fee applies after 7 days in arrears. For the loan is for construction of a new home, the arrangement is to have progress draws and after each inspection we charge SAT 50 for every visit before the draw down. Bank of the South Pacific, Samoa

7. **Prohibitive cost of construction:** Even if a family qualifies for financing, the high cost of construction materials – often imported due to limited local production – can drive up housing costs. This makes the overall expense of homeownership much higher, limiting affordability for low-income families even with financing.

8. **Insurance requirements:** Banks often require borrowers to take out insurance on the property, which is often bundled with the loan. The premiums for such insurance policies add to the total cost, making loans more expensive and harder for low-income families to manage.

In Samoa for example, for a housing loan around SAT 400,000, the premium for insurance for 1 year maybe around SAT 2,000 – that is added factor. Bank of the South Pacific, Samoa

7.5.1. Barriers for Women

Women face several barriers when it comes to accessing housing , particularly in areas where gender bias, economic inequality, and social norms restrict their financial independence. Women often earn less than men due to wage gaps and are more likely to work in informal or part-time roles, which are less stable and harder to verify for loans.

Lower income levels make it difficult for women to meet minimum income requirements, access favourable interest rates, or save for initial payments required for loans. Due to joint or dependent financial arrangements with spouses or family members, it can be challenging to meet strict bank criteria, making it harder to qualify for housing finance on their own. Social attitudes can discourage women from seeking housing loans, as they may face judgment or lack family support for pursuing homeownership.

Ownership practices of both iTaukei Fijian and Indo-Fijian groups are generally based on patriarchal systems where males inherit property. Once women are married, they “belong” to their husband’s clan and do not have the opportunity to own land.³² Navigating complex financial products like housing loans can be difficult for women who have limited financial literacy. Many women do not understand their rights and are not enabled or empowered to make decisions that relate to improving their security of tenure.³³ Single, divorced, or widowed women may face additional challenges to secure loans, despite their individual financial capabilities.

7.5.2. Barriers for Persons with Disability

Many persons with disability face barriers to formal employment, resulting in irregular or lower incomes. Conventional criteria for housing finance requiring stable, documented income exclude many persons with disability who may have alternative income sources, such as disability benefits or self-employment earnings. Some people with disabilities may lack the assets or savings needed for assets pledged as security for a loan or housing initial payments required for loans. Even if they do qualify for housing finance, they may still struggle to afford additional modifications or accessibility features, which makes housing unaffordable.

The application process can also be a barrier especially if physical visits, written documentation, or digital platforms are not accessible. For example, applications may

³² Habitat for Humanity New Zealand; Habitat for Humanity Fiji and New Zealand Ministry of Foreign Affairs and Trade Aid Programme. 2023. Fiji Housing Ecosystem Mapping Report.

³³ Ibid.

not accommodate those with mobility, visual, or cognitive disabilities, creating hurdles even before eligibility is assessed.

In Fiji, the Housing assistance for persons living with special needs grant programme under the Ministry of Housing and Community Development is specifically targeted for improving housing accessibility for people with disabilities by supporting the upgrading of their house/ facilities to make them more accessible to their special needs. However, the criteria for eligibility for this loan is that the house/facility must be owned by the person with the disability. This is a barrier to many persons with disability who do not have formal employment or business to be able to purchase assets or have sufficient savings.

7.5.3. Barriers for Sexual Orientation, Gender Identity, and Gender Expression (SOGIE)

Members of communities with diverse SOGIE often face unique challenges and discrimination in their families and communities. Due to marginalisation, individuals with diverse SOGIE may not complete secondary and tertiary education and may experience unstable employment due to stigma or discrimination in the workplace, particularly in organisations without employment protections.

According to the research on the *Socio-Economic Contributions of LGBTQIA+ People in Fiji* report done by Rainbow Pride Foundation in conjunction with Oxfam and Australian Department of Foreign Affairs, 51 % of those in the community surveyed said that they are not really satisfied at work because they are mostly engaged in informal paid work as high schools or primary schools and communities are not conducive to young people growing up with diverse SOGIE and they tend to drop out from school, which means they do not get education, they do not go into formal sector and they end up in low paying informal jobs.

This can affect their income verification and employment history, making it harder to meet stringent bank requirements, especially for long-term housing loans. Poverty within communities with diverse SOGIE can result from intersecting and layered forms of discrimination and violence impacting access to necessities such as food and shelter, as people ration meals or default on rent payments. Losing access to housing may contribute to social isolation and psychosocial distress or contribute to increased risk of violence as individuals turn to informal housing or return to potentially dangerous family contexts.³⁴

8. Recommendations

Based on the findings regarding current housing finance options available to individuals with low income in Fiji and Samoa, the research team provides a set of recommendations to guide the remaining 18 months of the Negotiated Partnership Programme. These recommendations aim to address the barriers that prevent low-income households from accessing affordable and appropriate housing finance,

³⁴ Edge Effect (2021) “We Don’t Do A Lot For Them Specifically”: A scoping report on gaps and opportunities for improving diverse SOGIESC inclusion in cash transfer and social protection programmes, during the COVID-19 crisis and beyond. Edge Effect report for the Australian Department of Foreign Affairs and Trade.

including limited financial literacy, restrictive lending criteria, and lack of accessible information.

In addition to short-term actions, the report also outlines strategies for future programming that can strengthen access to housing finance information and services. These efforts are intended to support low-income communities in both countries by improving awareness, building capacity, and fostering collaboration among housing agencies and financial institutions to ensure inclusive and sustainable housing solutions.

8.1. Samoa (18 months)

8.1.1. Housing Finance Information Package

Develop a housing finance information package that outlines available options and how to access them. While choices for low-income individuals are limited, several programmes aim to address affordability challenges. Providing clear, accessible information, especially for women, persons with disabilities, and communities with diverse SOGIE, can significantly improve their ability to access housing finance.

The package should explain key financial terms such as debt-to-income ratio, deposits, collateral, insurance, and land title, and outline eligibility criteria. It can include housing finance options available in Samoa through SNPF, government assistance programmes, ADRA Samoa's Shelter Finance and Hygiene project, and relevant commercial bank offerings.

To ensure that the information package is accessible, the following considerations are important:

- Use plain and straightforward language and eliminate technical terms. Illustrations and diagrams like infographics and pictures can help explain complex financial concepts.
- Translate the resources to ensure that language barriers do not prevent access to crucial information.
- Have the information package available on the ADRA Samoa website with links to the various financial products for housing providers so that the information, application forms and contact details are readily available.

8.1.2. Enhance Financial Education

Incorporate housing finance information into ADRA Samoa's financial education programme by aligning key topics – such as loans, budgeting, debt management, and savings – with existing modules. This integration will help empower low-income and vulnerable groups with the knowledge needed to access housing finance. The Central Bank of Samoa can support by reviewing the materials to ensure clarity and relevance.

Integrate housing finance education into the Samoa National Regional Seasonal Workers Programme induction. ADRA Samoa can use this opportunity to promote remittance planning for housing, offer simple financial tools, and facilitate pre-departure workshops with workers and their families to align housing goals. Follow-up support upon return can help track progress and adjust plans as needed.

Link beneficiaries to community savings schemes or support in the establishment of one to enable communities to build savings and access funds for home improvements or deposits on mortgages in a manageable way. Microfinance initiatives such as SPBD Samoa can also be explored for savings as well as an option to provide smaller, more accessible loans for home improvements, expansions, or initial savings needed for a larger mortgage.

8.1.3. Inclusive Housing Finance Policies

Collaborate with governments and financial institutions to shape inclusive housing finance policies that reduce barriers such as high fees, restrictive collateral requirements, and high interest rates for low-income individuals. Regular coordination through stakeholder meetings and housing forums can help align efforts, share best practices, and address implementation challenges. ADRA Samoa is well-positioned to advocate for policies that better reflect the needs of low-income families.

8.2. Fiji (18 months)

8.2.1. Housing Finance Information Package

Develop a clear and accessible housing finance information package for Fiji, tailored to low- to moderate-income households, first-time homebuyers, and communities supported by HFHF. The package should help users navigate housing finance options offered by social housing providers, government agencies, and NGOs. It should explain key financial terms – such as debt-to-income ratio, deposits, collateral, insurance, and land title – and outline eligibility criteria. Given the need for improved outreach to women, the package should also support understanding of land and housing rights.

To ensure that the information package is accessible, the following considerations are important:

- Use plain and straightforward language and eliminate technical terms. Illustrations and diagrams like infographics and pictures can help explain complex financial concepts.
- Translate the resources to ensure that language barriers do not prevent access to crucial information.
- Have the information package available on the HFHF website with links to the various financial products for housing providers so that the information, application forms and contact details are readily available.
- Use local radio, newspapers, TV channels and social media to reach a broader audience. Public service announcements and educational segments can raise awareness about available financial products for housing products.
- Have printed versions of the package available at the HFHF office due to the regular drop ins received requesting information.

8.2.2. Enhance Financial Education

Integrate housing finance information into HFHF's existing financial education programme, including PASSA and PACCR training. Align key topics – such as loans, budgeting, debt management, and savings – with current modules to empower low-

income and vulnerable groups. This will equip participants with the knowledge and tools needed to access housing finance.

In addition to delivering the training in PASSA and PACCR communities, there is an opportunity to partner with:

- Ministry of Housing and Community Development to provide training for beneficiaries of the housing assistance for people living with special needs grants programme and sitting tenants in informal settlements who have secured a title over a residential plot under the Ministry's upgrade of informal settlements programme.
- Housing Authority of Fiji for clients who qualify for its loan products.

We might ask for help in financial literacy – programme specifically for this target group. For people aspiring to buy homes so they are mindful not to borrow, how to save deposit and when they buy a home – how to make sure they operate in a way that the priority is to pay off the loan first. We need education on managing finances, so they understand about savings to buy a home. Housing Authority of Fiji representative.

According to the Fiji Housing Ecosystem Mapping Report produced by HFHNZ and HFHF, education on managing finances is a significant need, in formal communities and social housing units.

8.2.3. Community Savings Schemes

Support beneficiaries to join or establish community savings schemes to help fund home improvements or mortgage deposits. Explore microfinance options like SPBD Fiji to offer small, accessible loans – especially for women. Community-based savings groups can be effective in reaching unbanked populations, enabling incremental investment in housing, particularly in long-standing informal settlements.

8.2.4. Stakeholder Coordination

Strengthen coordination with housing sector stakeholders through ongoing collaboration, including the National Housing Policy review and the proposed National Housing Board. HFHF's stakeholder mapping and the 2023 Pacific Housing Forum provide strong foundations for continued engagement. Regular forums and partnerships can help expand access to resilient housing finance for vulnerable communities.

NGOs should have a housing forum to discuss and try to understand how they can holistically approach and set policies and strategies to provide the different classes of shelters/ homes for the different social and economic groups. Model Towns Charitable Trust representative, Fiji

8.3. Samoa (beyond 18 months)

8.3.1 Housing Finance Pilot

Consider implementing a second Housing Finance Product Pilot in partnership with SHC, building on the successes and lessons of the first. The initial pilot enabled over 200 families in Samoa to build or improve their homes, but several areas for improvement were identified. These include reassessing the loan ceiling (as SAT 10,000 was often

insufficient), enforcing clearer security requirements, and refining income eligibility criteria to reflect informal and remittance-based earnings.

Additional recommendations include requiring bank accounts for direct repayments, establishing a guarantee fund to mitigate defaults, and ensuring clients fully understand loan terms. Mandatory financial literacy training and early mentoring – ideally three months before loan disbursement – can better prepare clients. Monitoring repayment performance and raising awareness about customary land consent processes are also critical.

8.3.2. Remittances

Consider creating secure, cost-effective remittance channels dedicated to housing. These would allow overseas workers to send funds directly to housing projects or savings accounts, supporting long-term housing goals.

8.4. Fiji (beyond 18 months)

8.4.1 Housing Microfinance

Develop a housing microfinance product for families unable to access funding for building, repairing, or improving their homes. HFHF could partner with technical experts – such as the Terwilliger Center for Innovation in Shelter (TCIS) – to support product design, pilot planning, implementation, and staff training. The pilot, spanning 5–10 years, should target low-income households, especially those with elderly members, persons with disabilities, single parents, social welfare recipients, and families with chronically ill members.

9. Annexes

Annex 1: List of documents reviewed

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