Ecuador's housing plan and progress

By Eric Carlson

HOUSING as a Human Right was the theme of the president of Ecuador in his address to the opening session of the 26th Inter-American Housing Conference held in Quito, Ecuador, from June 28 to July 1, 1988. The Conference was attended by 230 executives of housing banks, savings and loan associations, and other housing finance institutions from the countries of the region, many of whom still face serious economic problems, inflation, and are struggling with their external debt repayments. Despite these circumstances Ecuador had succeeded in implementing a major housing programme from 1984 to 1988, with important benefits for the country's population of seven million.

The plan had as its target the construction of 120,000 dwelling units. But the plummeting of petroleum prices and the devastating earthquake of March 1987, which served to paralyse exports, substantially reduced the country's economic resources and consequently its capacity to complete the housing plan as originally scheduled. However, 100,045 housing units were built, far surpassing all previous records. The 23,441 annual construction rate of the plan period compared with the 2,810 average of the prior 22 years, during which a combined total of only 61,814 units was achieved.

The main instruments for the plan's execution were the National Housing Board and the Ecuadorian Housing Bank, presided over by architect Sixto Duran-Ballen Cordovez for most of the plan period. The principal achievements of the plan were described in a report for the delegates of the Inter-American Conference.

A first step was an investigation of the housing demand in 13 cities of the country, accommodating more than 75% of the urban population. Based on this study 107 housing programmes were planned in 42 cities. Some 32% of the planned units were destined for Quito; 26% for Guayaquil, the coastal port city; 36% for intermediate cities, and 7% for small cities.

To combat the high costs of land, building materials and infrastructure, the plan gave emphasis to housing types incorporating progressive improvement features, such as through sites and services, basic units, and some multi-family projects. Although starting with a basic construction area of 27 square metres, the dwellings could be expanded to several times that size, both horizontally and vertically. The housing is provided with all basic services.

The housing programmes were generally oriented to the needs of low income groups, and a new system of credit was designed, with readjustable loans and eliminating the down payment for low cost units.

The housing plan contracted more than 2,000 professional construction firms, and provided direct employment for more than 100,000 workers. Indirect activity benefited more than 400,000. An active land acquisition programme was also instituted, with more than 700 hectares planned, of which 60% was destined for housing. Other land is being held in reserve for future programmes. It is anticipated that Ecuador will continue to be aided by several external loans for these purposes.

As the housing finance entity for the plan, the Ecuadorian Housing Bank provided a range of loans and resources for housing and urban improvement programmes to various entities and municipalities, including housing co-operatives. It also provided resources for lending through the country's mutual savings and loan system. The savings accounts grew significantly in amount and number during this period; 272,533 new accounts were opened, and there was a total of 670,427 savings accounts by April 1988.

Considerable attention was given to the requirements for credit of the low income population through a programme of housing improvement loans which were extended to very low income families in order to improve, enlarge, repair or replace dwelling units in bad condition or unfinished. Some 39,245 loans of this type were made available in the marginal areas of 34 cities of the country, in addition to the loans of the Bank for the acquisition of housing constructed by the National Housing Board.

The housing plan was accompanied by major reforms and improvements in the administrative aspects, including modernisation of procedures for loan applications and supervision, and extensive computerisation of savings banks operations, accounting, and portfolio control. A Special Unit for Innovation and Technical Support was created, which was aided by resources and technical assistance provided through the World Bank, the Inter-American Development Bank and others. This Unit gives special attention to training of technical personnel, to accelerate implementation of the global plan.