COSTA RICA

SHELTER

SECTOR

ASSESSMENT

1977
(UPDATE)

COSTA RICA

Shelter Sector Assessment (update)

I Dimensions of the housing problem

A. The country

Although the focus of this study is the metropolitan region, a few national figures from the 1973 census will provide us with a broader context for the study. Recommendations have been made to solve the housing problem in the metropolitan region on the assumption that the present division of resources between the metropolitan region and the rest of the country will continue. If national policy results in more distribution of resources outside the metropolitan region, financial requirements and financing sources should be reexamined.

The 1973 census showed that Costa Rica had 354,407 housing units, of which 332,212 were then occupied. These units had a total of 1,817,780 occupants, or an average of 5.6 persons per dwelling. The average occupancy in urban areas was 5.3 per unit, while in rural areas it was 5.9. Of the dwellings, 53.8 percent were in good condition, 32.7 percent were in fair condition, and 13.5 percent were in poor condition. This was a considerable improvement over the situation in 1963, when only about 31 percent were in good condition and 35 percent and 34 percent were in fair and poor condition, respectively. Of the dwellings in urban areas, 63.8 percent were in good condition, 26.1 percent in fair condition, and 10.1 percent in poor condition, while of the dwellings in rural areas, 46.0 percent were in good condition, 37.9 percent in fair condition, and 16.1 percent in poor condition.

As might be expected, housing conditions were poorer in rural areas, where incomes were lower. There are compensating factors in rural areas, however, such

as greater distance between units, space for open-air living,,and gardens.

In the country as a whole, 14.8 percent of the housing units were served by sewerage systems, 29.4 percent had septic tanks, 44.7 percent had latrines, and 11.1 percent did not have waste-disposal facilities.

A public or private system supplied water to 28.2 percent of the dwellings, and 1.0 percent relied on public taps, 8.0 percent on wells, and 12.8 percent on other sources. Sixteen percent of the housing units were over-crowded (1).

These figures were not broken down by urban and rural areas.

B. Metropolitan region

1. Housing supply and conditions

The total number of occupied dwellings in the metropolitan region was 152,073, according to the 1973 census. These units housed 833,739 people, or an average of 5.5 persons per family. The average family size in the city of San Jose it was 5.1, an indication that the average family size increases as a function of the distance from the center of the city.

Of the dwellings in the metropolitan region, 63.6 percent were classified as in good condition. The respective proportions in the metropolitan area were 64.9, 25.4, and 9.7 percent. In the city of San Jose they were 64.5, 25.2, and 10.3 percent, respectively. This indicates that the largest concentration of dwellings in good condition is to be found in the inner suburbs, which are newer, while most of those in poor condition are in the central part of the city. The 1973 census

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(1) Overcrowding is defined as an average of two or more persons per room.

showed that only 26.2 percent of the houses in the metropolitan region were connected to a public sewerage system, while 38.5 percent had septic tanks, 32.7 percent had latrines, and 2.5 percent did not have sanitary facilities. On the other hand, 96.5 percent of the houses were supplied with water through a public system. Another 0.5 percent had access to a public tap, 0.5 percent had their own wells, and 2.5 percent used other sources.

2. Housing production

In 1975, according to that year's Statistical Annual, 5,446 residential units were constructed in the metropolitan region. Their aggregate area was 509,176 m^2 and their total value was C335,323,000. This represented 66.6 percent of the dwellings built in the entire country that year, 74.9 percent of the dwelling area, and 83.9 percent of the construction value, although the metropolitan region had only 45 percent of the country's population in 1973. This is an indication of the metropolitan region's relative per-capita wealth as well as of the percentage of increase in the population requiring a larger investment in housing than in rural areas.

3. Housing requirement and deficit

The housing deficit in Costa Rica has been estimated at between 100,000 and 150,000 units. This index is doubtful since quite often the standards used to calculate the deficit arehhigher than the standards which should be used in formulating new low-cost housing programs.

The amount of over-crowding is one of the commonest indices of housing need in any country. Over-crowding can be ameliorated, however, by adding one or more rooms

to a house rather than building a new one.

Based on 1973 census information about the number of occupants per room, it is reckoned that 17,872 of the units in the metropolitan region are overcrowded. This is 10.95 percent of the occupied dwellings.

When we compare this with the figures mentioned in Section IA, we see that rural houses (and those outside the metropolitan region) tend to be smaller in relation to family size and that the result is more crowding.

Another index of need is dwelling condition. As already noted in Section B1, 10 percent, or 15,900, of the units in the metropolitan region were in poor condition and 40,038 others required repair. An argument can therefore be made that such units should be replaced or repaired.

An important indicator of housing need is the rate of occupancy. The occupancy rate for the entire country in 1973 was 93.7 percent. It was 95.4 percent in the metropolitan area and region. Of the vacant units in the metropolitan area , 55.0 percent were on the market to be sold or rented, 2.5 percent were summer homes, and 31.0 percent were being repaired or under construction. The remaining units were unoccupied for unknown reasons. The most relevant figure is the proportion of houses for sale or rent, which was 2.5 percent of the total number of units, an indication of the great demand for housing.

The percentage of units being rented is a good indicator of demand since most families, if given a chance, would prefer to have their own homes rather than rent one. In the metropolitan region, 31.5 percent of families rent their homes; in the metropolitan area, 41.2 percent do so.

4. Housing Market

(a) Income distribution

The most recent study of amily incomes was conducted by the Directorate General of Statistics and Censuses in 1974. It covered the metropolitan area and was based on a structured sample of 1,871 families. The distribution of incomes shown in the study was updated to 1977 by applying a 20 percent increase to families below median income, 15 percent to the third quartile, and 10 percent to the highest quartile. Income distribution is shown in Table 1. According to this distribution, the median family income in the San Jose metropolitan area in mid-1977 was C2,202 or $258.

There has been no recent study of incomes in the metropolitan region and area for want of more precise data.

(b) Housing demand

Effective demand for housing is based on the combined impact of families entering the housing market and their ability to pay for housing. According to estimates by OFIPLAN, the population of the metropolitan region has increased at the rate of 3.8 percent a year since the 1973 census.

On this basis, the region had a population of 950,516 on July 1, 1977. The estimated growth in 1977-78 will be 36,120 people, or 6,567 families averaging 5.5 per family.

It is assumed that income distribution among the new families in the metropolitan region will follow the same pattern as that of the present regional population.

This will create a demand for new dwellings at various price levels to house the increased population. In addition, it has been estimated that half of the houses classified as in poor condition in 1973 will be replaced within the next five years. The replacements will go to families with very low incomes. An estimate has also been made of the number of units needed to replace houses that have fallen into disuse. Two percent a year is generally used [as the estimate] on the assumption that residential structures have an average life of 50 years. San Jose has been growing so rapidly, however, that most of its buildings are less than 50 years old. Since the city's population in 1923 was only one-quarter of what it now is, a factor of 0.5 percent was adopted.

Table 2 shows the housing market anticipated in 1977-78. The total expected growth of 6,567 families is distributed according to the income curve, as are the 858 units that will replace unused dwellings. Fifty percent of the housing units that will replace units in poor condition were allotted to the lowest income group, 33.3 percent to the second lowest, and 16.6 percent to the third income group. It is assumed that families earning more than C1,800 a month will be able to spend 25 percent of their income on housing, those earning between C1,200 and C1,800 will be able to spend 20 percent, and those earning less than C1,200 will be able to spend 15 percent.

This may mean subsidizing some families in the lowest income category or a reduction in the market because of inability to pay.

Financing has been calculated based on a 10 percent down payment, 10 percent interest, and a 25-year mortgage.

The implications of this market in financial requirements for housing are discussed in Section IIIB below.

C. Marginal districts

1. Condition of dwellings

The family study recently conducted in the marginal districts (barrios) as part of the urban development program shows that only 21.7 percent of dwellings are in good condition, while 45.0 and 33.3 percent are in fair or poor condition, respectively. As is to be expected, this is a considerably higher proportion of dwellings in poor condition than found in the city of San Jose or the metropolitan area. Lots and houses tend to be small: 40.5 percent of the lots were smaller than 100 m^2 and 54.4 percent of the houses had less than 60 m^2. The houses' walls and floors have been built mostly of wood, and their roofs are almost always of galvanized iron. Overcrowding in such dwellings is very common.

31.7 percent of the dwellings have two or more persons per room, compared to 10.95 percent in the metropolitan region.

Of the units studied, 28.2 percent were connected to a public sewerage system, although 6.0 percent of the units shared such sanitary facilities. Thirty percent of the units had septic tanks, including 2.8 percent that shared them. Private or shared latrines were available for 39.2 percent, and 2.4 percent had no sanitary facilities. A total of 20.8 percent of the dwellings shared their sanitary facilities.

Of the dwellings, 84.1 percent had water piped into the house from a public system and another 9.5 percent received water outside the house, 3.4 percent used a public source, 0.2 percent used a well, 1.2 percent used a river or ditch, and 1.6 relied on other sources. Electricity was available in 91.9 percent of the houses.

These figures show that although a large proportion of the houses in marginal

districts are in poor condition or need repair, they have essential public services to a considerable extent. When they are in good or fair condition and not threatened by floods, landslides, or other physical dangers, every effort should be made to maintain rather than demolish them.

2. Needs and priorities

Of the families interviewed, 50.9 percent rented their homes. Their average monthly rent was C267.50, and only 5 percent paid less than C100 monthly. This indicates a considerable housing demand among families who would prefer to own their houses, as well as the ability of most residents in marginal districts to pay for at least a basic unit.

More than 50 percent of the residents in marginal districts who responded to the recently conducted survey indicated that one or elements of their houses required repair. Among these respondents, 52.6 percent did not want to borrow money for necessary repairs. The remaining families said they were willing to borrow an average of C7,500 for that purpose.

Eighty-three percent of the families wanted to own their own houses and indicated they could spend up to C100,000 for that purpose, with an average of C40,000. The median amount of money the families could spend for housing was C250 [a month]. Only 11 percent said they could pay less than C100 monthly.

3. Effective demand

As indicated in Section B4 above, effective demand for housing results from the combined effect of population increase in the market and families' ability to pay. The findings from the family study (Table 3) show an income distribution in the

marginal districts which is not very different from that in the metropolitan region. The proportion of families earning less than C600 monthly is slightly higher in the *barrios*, the spread is greater for incomes of between C600 and C1,800, the proportion of families is slightly less than in the metropolitan region in the C1,800 to C6,000 range, and over C6,000 the difference is substantial. There are families in the *barrios* whose monthly income is higher than C6,000, however. The median income in the *barrios* is C1,765 monthly, compared to C2,202 in the metropolitan region. Since there is a free flow of families into and out of the marginal districts, they should be considered an inseparable part of the metropolitan region housing market already described in Section B4.

Many of the *barrio* families will choose to buy houses within their financial reach, if and when they are available. This could be inside or outside the marginal districts. Other families would prefer or will be forced by financial circumstances to repair and improve the houses they now occupy rather than move. If housing solutions are available at attractive prices, many families would prefer to buy their own houses and leave those they are now renting.

II Resources for solving the problem

A. Construction industry

1. Organization

Costa Rica has approximately 80 regularly operating construction firms with full-time technical personnel. In addition, many architects and engineers individually and occasionally take part in the construction of dwellings and buildings.

Thirty firms belong to the Camara Costarricense de la Construccion [Costa Rican Construction Association], and about 20 of them have the capacity to handle

contracts larger than C2.5 million as well as experience in infrastructural works.

According to information provided by the Instituto Nacional de la Vivienda y Urbanismo (INVU) [National Housing and Urban Development Institute], there are about 15 construction companies in the country that specialize in housing, though most of them specialize in medium- and medium-low-cost housing.

The Asociacion de Maestros de Obra [Small Contractors' Association], which operates in the nearby town of Moravia, has 130 members. The total number of small contractors in the country is believed to be about 1,500. In accordance with current law, the Colegio Federado de Ingenieros y Arquitectos [Federated College of Engineers and Architects] has authorized a group of small contractors to construct single-floor buildings whose value does not exceed C30,000 without requiring the supervision of a member engineer or architect.

As to the size and capacity of construction firms, there seems to be no limit to significant expansion in the rate of housing construction.

2. Construction labor

(a) Wages, salaries, and social benefits

During the past three years, construction workers' wages have increased rapidly as a result of the gains won by labor organizations and greater demand for skilled labor. When agricultural work picks up in certain periods of the year, unskilled labor becomes relatively scarce. The average wages in Costa Rica in 1976 are shown in Table 4.

According to information supplied by INVU, the increase in wages for skilled and other construction workers in the 1975-76 period ranged from 8 percent for skilled workers to 16 percent for unskilled workers. The increases in the 1976-77

period were 9 percent for skilled workers up to 12 percent for unskilled workers.

(b) Labor training

The Instituto Nacional de Aprendizaje (INA) [National Apprenticeship Institute] is a semi-autonomous organization established in 1965 to offer young people training in specialized trades.

INA is financed through a 1 percent tax on the monthly payrolls of private companies that have more than five workers and the payrolls of autonomous and semi-autonomous organizations. INA's 1977 budget is C59,500,000 (approximately $7,000,000)

The institute offers the following four basic training courses:

Apprenticeship. Long courses to train young people between 15 and 20 years of age in skilled trades.

Continuation training. Courses to remedy deficiencies or increase the knowledge of already employed workers.

Habilitation. Short courses to train adolescents and adults in semi-skilled trades.

Rehabilitation. Courses for physically or mentally disabled persons.

The institute's board of directors has defined construction, hotels, and textiles as the areas of highest priority for training courses during 1977 because of the labor shortages in those fields.

In 1976, 233 students received training in carpentry, cabinetmaking, and other woodworking crafts, 431 were trained to become electricians, and 164 received training in other construction trades. INA expects to increase the number of people it trains in 1977. It will also estimate national labor and training needs in order to plan its activities for the coming years.

3. Construction materials

It is believed that approximately 80 percent of necessary construction materials are produced locally, while 20 percent are imported materials or inputs.

Materials industries that require substantial capital investment are located chiefly in the San Jose metropolitan and Cartago areas.

The present cement and cement byproducts plant is also located at Cartago. A new Cal-Hidra cement plant, which will enter operation in about a year, will be located at Desamparados, 10 km south of San Jose.

Other construction materials such as flat and corrugated metal roofing sheets, plywood, plastic and polyethylene tubing, wire and other electrical goods, metal and aluminum products, paint, sanitary fixtures, ceramics, and other manufactured products are also produced in the San Jose area and from there distributed to other parts of the country. Structural steel is imported, but small braces and angles as well as cold-rolled sheets whose quality is fairly acceptable are produced locally.

The most important features of the main construction materials are summarized below:

i Cement and lime

The National Cement Industry plant is now in operation at Cartago and produces about 700 tons a day. It is expected that the new Cal-Hidra plant will enter production in eight to ten months. Its initial production will be 400 tons a day, and the plant will go far toward meeting the demand for cement products. Nevertheless, a deficit of about 43,000 tons of cement is anticipated in 1978, according to the study carried out by ICAITI in 1974. This situation should be studied in detail so that the Government can take necessary measures.

ii Wood

The lumber industry is one of the oldest and largest in Costa Rica. The country now has 300 wood-processing plants. It is believed that aobut 50 of these plants will disappear because they will not be able to meet the quality-control standards the National Standards and Measuring Units Office is preparing which will become effective very shortly.

Though a large part of Costa Rica's dwellings are built of wood, this tradition has gradually been changing toward the use of cement blocks, brick, and poured concrete because of their durability and lower maintenance costs, even though the initial construction cost is slightly higher compared to similar construction with wood.

iii Concrete blocks and precast products

Concrete blocks are manufactured in small plants in various parts of Costa Rica. There are four large, modern plants in San Jose which supply most of the urban area market. The quality of the product varies with the price except for concrete blocks produced by the large plants, which maintain more or less uniform quality.

Decree No. 6293-MEIC was issued in August 1976. It sets the official standard for hollow concrete masonry blocks and tends to regulate the quality and technical specifications of the product. According to information from the construction industry study carried out by ICAITI in 1974, it is believed that the country's current concrete block production capacity is adequate to meet domestic demand for the next four or five years.

iv Rock and aggregate

Generally speaking, procedures for extracting, washing, and classifying aggregate are not very satisfactory, though there are plants in the metropolitan San Jose area that produce a product of very good quality and gradation.

According to the studies carried out by ICAITI, it is believed that the rate of demand will be about 70 percent of the installed capacity of aggregate producing plants, which means that supply will be more than sufficient to meet anticipated demands.

v Roofing materials

The commonest roofing material is galvanized iron sheets. It is believed that about 80 percent of dwelling roofs are of this material, which is galvanized and processed in Costa Rica by two manufacturing plants, one of which also makes rectangular corrugations and adds a glazed finish.

Steel sheets and galvanizing zinc for manufacturing the sheets are imported, but a significant number of galvanized sheets are exported, chiefly to the Central American market. It is believed that there may be a relative lack of this material in 1979 because of an estimated excess demand of 5 percent. Still, plant expansions now under consideration should cover this potential deficit and satisfactorily meet the demand in future years.

Another roofing material, used on 8 to 10 percent of dwellings, is abestos cement tiles. Asbestos fiber, the chief input, is imported but the cement is produced locally. The quality of the material is fairly good and its use is rapidly increasing, particularly since self-supporting forms which are successfully used in low-cost housing construction are now being produced.

Another product which is rapidly becoming popular and is much used for roofing industrial plants and shops is asphalt tile, in which cardboard and asphalt are used as the raw materials.

The Asphaltex Company was founded in 1963, and it is believed that its installed capacity will be adequate to meet the demand for this material up to 1979. Possible plant expansions or additional plants will be necessary

for the years thereafter.

4. Construction methods

In general, the construction methods used in Costa Rica are traditional ones requiring a very simple degree of technology and much labor. The methods used to build low-, medium-, and medium-high-cost housing are more or less similar. Differences lie mostly in the size and quality of construction materials and the finishes. Problems often occur because of the poor caliber of labor, which it is hoped can be improved in the next few years through INA's training programs. This would significantly improve the traditional methods used in the country. Because of the employment problems facing the Government, we believe it would be appropriate to continue using techniques requiring moderate mechanization and large labor input, provided emphasis is put on labor training.

5. Construction code and permits

The construction code is being revised by the Colegio Federado de Ingenieros y Arquitectos (Federated College of Engineers and Architects). It will later be submitted to the Legislative Assembly for discussion and approval. Because of the slowness of this process, it is believed that the code will not be approved for another 18 months. Meanwhile, the design and construction of works will continue to be regulated by isolated standards and specifications which have been established for specific cases by Government or municipal[1] agencies.

In addition, the earthquake code is shortly to be issued inasmuch as it has been debated a second time in the Legislative Assembly, and it is hoped that at the latest it will become effective next September.

The current procedure for granting construction permits requires that plans and specifications first be approved by the Ministry of Health, which

deals with the sanitary aspects of housing and environmental protection when urban development is involved. The ministry reviews planned sanitary facilities, room sizes, ventilation, natural light, and the size of the lot in relation to sewage disposal when a septic tank or other solution requiring space is used. A diagram of the sequence followed in obtaining a construction permit is shown below:

	Ministry of Health	Federated College of Engineers and Architects (contract approval)	
Plans and specifications			
	Ministry of Public Works and Transportation (surveying)	INVU	Municipality or canton
		National Water-Supply and Sewerage Authority	
			National Electricity Authority

The municipal fees which municipalities or cantons collect in granting construction and property line permits vary between 1.0 and 1.5 percent of the property value. If a work has an estimated construction cost greater than C200,000 or the electrical system to be installed requires a capacity of more than 30 kw, the electrical plans and specifications have to be approved by the Servicio Nacional de Electricidad (National Electricity Authority). In any case, there is a national electrical code which must be adhered to in works larger than the minimal limits mentioned above. It is natural that this national electrical code will become part of the construction code which should be issued next year.

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[1] "Municipality" and "municipal" as used herein refer to municipalidades, the rough Latin American equivalent of an American county, and not towns. Tr.

Responsibility for issuing construction mits and collecting fees for them generally belongs to municipal engineering offices. Municipalities may also establish design or construction requirements they consider suitable, though only the large municipalities have drawn up certain special requirements. In no case can a permit be granted without the previous approval of the Ministry of Health unless a work costs less than C30,000.

6. Construction costs

Inflation in the cost of materials is the greatest problem facing the construction industry. Those that have increased most in the last two years are basic ones such as cement and steel, in addition to the significant increase those materials experienced in 1973 and 1974. From 1974 to mid-1977, the price of cement increased about 56 percent.

The Government exercises no direct control over the cost of materials, and as a result many suppliers and vendors speculate and take advantage of the situation.

Products such as asbestos cement, reinforcing steel, glass, aluminum, and plywood are mostly monopolies. Corrugated roofing sheets are produced by two manufacturers who set prices, while the sawmills have an association that sets prices, and the suppliers of metal products follow the same procedure. Because of this situation, it is common to find materials whose prices are up to 15 percent higher than the average normal price. Without any doubt, these characteristics of the construction materials market will have serious consequences for the industry as a whole and especially for the construction of low-cost housing.

7. Capacity of the industry and constraints on it

The studies carried out have shown the following situation and immediate possibilities facing the construction industry:

The number, capacity, and experience of building companies is adequate to take care of construction volume in the next three years.

The Government and the private sector should coordinate their efforts to develop joint programs for training workers in order to improve the productivity of construction workers.

The high cost of construction materials effects the industry negatively and significantly restricts its future expansion possibilities. The monopoly which exists in the production of certain basic materials has a similar negative effect. The Government should establish a satisfactory mechanism to regulate prices rationally and stimulate greater competition in production.

The Camara Costarricense de la Construccion (Costa Rican Construction Association), together with the Colegio Federado de Ingenieros y Arquitectos (Federated College of Engineers and Architects) and autonomous Government agencies,should conduct a study of the use and more rational utilization of local materials which might reduce construction costs. Ways should also be studied to improve construction techniques and systems in order to improve and lessen the cost of the construction process.

B. Land availability and use

1. Land tenancy

Most land in Costa Rica is private property. It is believed that only 15 percent of the nation's land is public property, and this is distributed throughout the country, but especially in rural areas.

The country has a traditional tenancy system consisting of small parcels

which are used and basically intended for coffee growing. For the past ten years there has been a tendency for the size of fincas to increase. To the extent that small fincas have become increasingly less profitable to work, they have been consolidated in larger fincas. According to the 1973 census, there were only 14,400 fincas with less than 1 ha while there were 62,600 with more than 1 ha.

Some autonomous and semi-autonomous organizations own land which is not considered Government property and is generally located in urban areas. Cooperative property as a form of tenancy has been growing in recent years as a result of the policy the Instituto de Tierras y Colonizacion (ITCO) (Lands and Colonization Institute) has been following to establish and exploit new rural settlements.

a) Instituto de Tierras y Colonizacion (ITCO)

ITCO is an autonomous public organization whose charter was approved in October 1961. It began operations in November 1962. It is governed by a board of directors appointed by the Council of Ministers. Its president, who is responsible for the organization's administration and operation, is appointed by the board of directors.

ITCO's resources have increased considerably in recent years: its budget rose from C7 million in 1962 to C170 million in 1976. In the latter year, C70 million of the total came from the general budget and C100 million from the issuance of bonds.

The institute's basic work is in the area of integrated rural development, and it covers various facets of health, education, housing, and social development. Up to now it has no real cooperation from other Government agencies.

One of the important activities of ITCO is hte processing and delivery of titles in rural areas. Around 18,900 property titles

were recorded up to the beginning of 1977. The Agency for International Development (AID) has provided Loan 515-L-022 to the Government of Costa Rica, through the Ministry of Government's public registry office and ITCO, to improve the country's registry system, which will be put into operation during 1977.

b) Availability of land for housing

It is believed that about 40 percent of the country's total population lives in the urban area, but despite this concentration no problems have so far arisen in obtaining land for housing. This situation will change in the future, however, as the population grows and less land becomes available, especially in urban areas.

2. Title registration and property transfer

According to Costa Rican law, properties must be registered in the public registry office, a component of the Ministry of Government. The registration procedure requires the following steps:

a) A notary draws up a purchase-sale document which is signed by both parties conducting the transaction.

b) The notary records the document in his deed book and presents it to the public registry office.

c) The notary sends one copy of the document to the tax office, which in turn certifies the payment of both property and income taxes.

d) The tax office requires the public registry office to substantiate payment of hospital and bar association stamps, the municipal tax, and recording surtax; and

e) The public registry office records the document and assigns it an index number.

Registrations are made by hand and the process is extremely slow. There is also an enormous backlog, Several weeks or months may pass before a deed's index number is published by the registry office, but the situation is changing because of the introduction of an automated data processing system which will become fully operational this year. The Argentine registration system, based on a computer, microfilm, and registry book, will be used.

Part of the plan to improve the public registry has been carried out with funds from AID loan 515-L-022 for $1,451,000, which also includes technical assistance.

The public registry office recorded 80,000 transactions in 1966 and 230,000 in 1976, and it is expected that a total of 260,000 transactions valued at C10 billion will be recorded in 1977. An effort is now being made to integrate this office and the national cadastral office, for this would allow better coordination. A new registration regulation which will be approved in the near future will be in accord with the changes and procedures now being made effective.

3. Real estate taxes

There are various real estate taxes on the transfer and ownership of property. Some are applicable to rural properties while others are applied only to urban properties or to both kinds in some cases.

The chief direct taxes on rural properties are the property tax, the tax on uncultivated lands, the tax based on the size and location of property, and in some cases road taxes which may be levied when a property is directly benefited by the construction of a local road. The last tax is almost never applied nowadays, however.

The main indirect taxes applied to all real estate are the public registry tax, property transfer tax, municipal fees for construction permits and real estate transfers, and taxes on profits realized from the sale or transfer of property.

The main tax is that on property, which by law is applicable to all properties whose value is more than C25,000, though there are always a considerable number of evasions. This tax was created in 1939 and increases with the value of the land and construction on it. It starts at 0.30 percent and goes up to 1.05 percent as shown in Table 5.

Various criticisms have been made of the tax system, including the following:

i Many properties are not registered and thus no taxes are paid on them; in other cases the amount of tax assessed on them is extremely low and unrealistic.

ii Tax administration is difficult and complicated because of the variety of taxes assessed.

iii In most cases, the same rates apply to both urban and rural property. If a property is not subject to a property tax, a tax on its location is collected which is smaller and varies from one place to another.

Revenues from property taxes are distributed as follows: Directorate General of Cadaster, C2.5 million; Executive Power (the central Government), 8.6 percent of the balance; Municipality of San Jose, 29.4 percent; remaining municipalities and municipal councils, 60 percent; and small municipalities which are generally subsidized, the remaining 2 percent.

C. Housing development and financing institutions

1. Banking system

a) Investment in housing and source of funds

In 1976, the combined investment of the four national banks in the construction of housing and purchase of existing houses was C68.5 million. Of this total, C32.3 million was provided by the Banco Credito Agricola de Cartago (Cartago Agricultural Credit Bank), C5 million by the Banco Anglo Costarricense (Anglo-Costa Rican Bank), C20.4 million by the Banco de Costa Rica (Bank of Costa Rica), and C10.8 million by the Banco Nacional (National Bank). These funds came in large part from deposits and repayments of previous loans except in the case of BCAC, which participates extensively in housing loans granted by CABEI.

b) Credit operations

Banks generally grant housing loans at 10 percent interest; an exception is made for bank employees, who pay 9 percent. Loans are based on 60 to 75 percent of the estimated value of a house and the maximum loan is C140,000. The repayment period is up to 10 years. The Banco Credito Agricola is an exception to this general rule because it uses CABEI funds and and applies the same loan terms as the savings and loan organizations described in the following section.

c) Benefited sector

It was impossible to obtain information aobut borrower incomes and the distribution of loan amounts. Nevertheless, since the average loan in 1976 was C70,170, this implies an average house price of C100,000 or more and generally above-average incomes in the urban area. The estimated distribution of benefited groups is shown in Table 6.

2. Savings and loan system

a) Investment in housing and source of funds

The savings and loan system was created in 1969 to promote savings and increase investment in housing for low- and medium-income families. Investments increased year by year until they amounted to C63.6 million in 1975 and C90.9 million in 1976. They system's fund is based largely on a series of CABEI loans which now amount to C220 million. A growing source of funds of domestic origin comes from the sale of mortgage participations to institutions and individuals. The third source, which is still relatively insignificant, is the savings deposits made by members of the constituent savings and loan associations.

b) Credit operations

Savings and loan associations grant loans only to their own members, i.e., to persons who have opened savings accounts. The amount of interest in the regular program is generally 13.75 percent, including 0.5 percent for mortgage insurance. For low-cost dwellings, i.e., those costing less than $3,000 in March 1975 but pegged to the construction cost index since then, the interest is 11 percent. In any case, there is a one-time 3 percent surcharge.

Loans are granted for up to 90 percent of the estimated value of the constructed or purchased house. Loan repayment periods go up to 25 years.

c) Benefited sector

The savings and loan system has generally served medium- and low-income groups. Though the highest mortgage loan authorized by the system is C85,400 ($10,000), 78 percent of the loans are for less than C60,000 and 42 percent are for less than C42,000. Table 6 shows the estimated

distribution of income groups served, based on the distribution of amounts loaned during 1976.

3. Instituto Mixto de Ayuda Social (IMAS) (Mised Social Assistance Institute)

a) Investment in housing and sources of funds

IMAS is an autonomous public institution created in 1971 to help solve the socio-economic problems of the poorest sector of the population. Its 1976 operating and administrative budget was C30 million, of which C19 million were allocated for housing. These programs have various sources of financing, including an 0.5 percent payroll tax, profits from the operation of duty-free shops, a motel tax, and budget appropriations from the Government.

b) Credit operations

Allotment of housing is based on need and not ability to pay. In most cases the tenant is not paying an economic amount. IMAS retains the titles of dwellings built in development projects. No down payment is required and interest and terms are flexible, depending on the tenant's ability to pay.

c) Benefited sector

IMAS believes that its objective is to be nonprofit since it is an agency working for socio-economic change among the poor. In fact, IMAS does not expect to recover any of the money loaned or spent in aiding the poor. It is a philanthropic institution and at the same time an instrument of change. Its housing programs complement its other social programs. In this, the provision of decent homes is a first step upward in its clients' social and economic mobility. IMAS therefore provides housing for an income group that has not been helped by any other public or

private agency or group.

As Table 6 shows, all of IMAS's investments in 1976 were for families earning less than C1,200 per month.

4. Instituto Nacional de Vivienda y Urbanismo (INVU) (National Housing and Urban Development Institute)

a) Investment in housing and source of income

INVU invests in the housing sector through a variety of programs (see Part b) which can be classified as follows: (1) construction of housing projects for sale and/or rent; (2) credit programs to finance the construction and/or purchase of housing; and (3) land development for the sale of lots.

INVU's 1976 investment in construction and financing housing programs was C144.2 million. This total is broken down in Table 7.

INVU's total investment in long-term financing in 1976 was approximately C63.9 million, which was less than half its total investment. At first glance this appears to be an alarming situation. Unless INVU has long-term funds to cover the difference in that year, a situation of extreme illiquidity for the institute may arise.

The total number of housing transactions (dwellings, loans, lots) completed in 1976 was reported as 3,882 (see Table 7), and during the same year, 2,043 long-term loans were made to buy and/or build dwellings. These figures are for the entire country.

The 3,882 transactions in 1976 represented an increase of 154 percent over the average of the three preceding years. Figures for 1977 are not yet available.

INVU's main sources of income are the sale of bonds, interest and

amortizations on mortgage loans, and the sale of lots and houses. Together these three sources accounted for 82 percent of total revenues in 1976. Income in 1976 from bonds and deposits (public debt) represented 57 percent, a substantial increase in this area over previous years. In 1977, INVU contracted a C128 million loan from CABEI to be drawn on over a three-year period. This loan is exclusively for long-term mortgage financing of low-cost housing and is the principal source of long-term income for the 1977-80 periods.

b) Credit and program operations

INVU's normal active programs are:

1) A savings and credit system for the purchase of dwellings built by INVU. This requires previous savings of C1,300 to C6,100 by the purchaser. Terms are 20 years at 8 percent, but the title is not transferred for at least five years.

2) Savings and loan operations, which is a contractual savings system with about five different loan plans.

3) Supervised rural credit. This provides credit for building and/or buying rural housing on land owned by the borrowers.

4) Projects in rural communities.

5) Credit and cash sale of developed lots.

6) Minium housing. Construction and sale on credit of unfinished houses and lots.

7) Semi-urban credit. Loans for construction of houses on lots in semi-urban areas.

During the period 1973-76, 65 percent of the funds invested and 55 percent of the transactions completed were for the construction and

sale of housing projects (see Table 7). Eighteen percent of the funds and 32 percent of the transactions were made through credit programs, and 17 percent of the funds and 13 percent of the transactions were for developed lots. In general terms, 19 percent of the funds invested and 36 percent of the transactions completed were low-cost ones (an average four-year cost of C16,722). Nevertheless, 81 percent of the funds and 64 percent of the transactions were for larger amounts of money (an average four-year cost of C40,719). It should be mentioned that most of the low-cost transactions were in supervised rural credit programs.

c) Benefited sector

A rough analysis of the income sector or level served by INVU in the metropolitan region is presented in Tables 9 and 10. As may be seen, at least 95 percent of INVU's loans were within reach of families with median incomes, though in the metropolitan region INVU's programs were not within reach of families whose incomes were below the 20th percentile. It is also clear that more than 60 percent of INVU's transactions were within the reach only of afamilies with incomes greater than C2,000 monthly, or those above the 40th percentile on the income scale.

5. Programa Integrado de Vivienda de Interes Social (PROVIS) (Integrated Social Housing Program)

a) Investment in housing and source of funds

PROVIS Was created by interorganizational agreement between INVU, IMAS, and DINADECO. Its purpose is to seek a solution to the housing problems of lower-income families using the combined resources of the three organizations. Dwellings are considered not ends in themselves

but a way to improve the living standards of low-income families and thus bring them into the social structure. For this reason, PROVIS does not deal with individual families but with organizations in a given community.

PROVIS's work is carried out by the three principal organizations with funds from INVU and IMAS. PROVIS has no investment in housing aside from these organizations.

b) Benefited sector

PROVIS tries to develop housing solutions for low-income families, i.e., those with monthly incomes of less than C1,200. This organization is not included separately in Table 6 since its programs are included in those of IMAS and INVU.

6. Caja Costarricense de Seguro Social (CCSS) (Costa Rica Social Security Fund)

a) Investment in housing and source of funds

In 1976, CCSS made 682 loans totaling C86,457,400 for construction or purchase of houses and 95 loans totaling C2,061,500 for improvement of dwellings. In addition, C10 million were invested in INVU bonds. These funds come from social security payments collected by the fund which must be invested to meet future needs.

b) Credit operation

CCSS generally lends the total value of a house, but the borrower must keep its land free of debt. Loans are made for periods of up to 12 years (20 years for employees) at 10% interest.for house construction and 12% for house purchase (a figure which falls to 9% for employees).

c) Benefited sector

CCSS provides financing to medium- and high-income families, as shown in Table 6. The average loan amount in 1976 was C126,770.

7. Instituto Nacional de Seguro (INS) (National Insurance Institute)

a) Investment in housing and source of funds

In 1976, INS made 1,272 loans, including five to institutions, totaling C117,958,147. The funds come from reserves that INS maintains for its insurance programs. Fifty-five percent of INS's total capital is invested in mortgage loans.

b) Credit operation

INS grants loans only to policy holders. Loans are made on 90 percent of the estimated value of the house. Interest is 9 percent on loans for less than C50,000, 10 percent on loans from C50,000 to C100,000, and 10.5 percent on loans for more than C100,000. The maximum individual loan is C200,000. The loan period goes up to 20 years.

c) Benefited sector

Since most INS policy holders belong to medium- and high-income groups, housing loans go to those groups. Relatively few low-cost loans are made. The average loan in 1976 was for C88,700. Information from INS reports about the distribution of the benefited sector is given in Table 6.

8. Banco Popular y Desarrollo Comunal (People's Community Development Bank)

a) Investment in housing and source of funds

The Banco Popular was established in 1969 to provide credits to low-income workers. Its funds come from required savings deducted from payrolls and voluntary savings. Generally speaking, about 50 percent of the bank's annual investment program is in housing. In 1976 the investment was C33.6 million.

b) Credit operation

Loans are made only to the bank's depositors. Up to 90 percent of the estimated value of a house is lent and the largest loan is C110,000. Interest

is 10.5 percent on loans for less than C50,000 and 12 percent above that level. The loan period goes up to 20 years.

c) Benefited sector

The average loan made in 1976 was C42,344, which indicates that the bank serves medium- and low-income groups. Table 6 shows the distribution of borrower incomes according to data from the bank's records.

III. Toward a solution of the problem

A. Restrictions and limitations

We saw in Section I of this report that although the housing problem in the metropolitan region is serious, it is not irremediable. Most families have access to pure water and acceptable sanitary facilities. Almost all families, even in marginal districts, have large enough incomes to afford at least minimal housing.

In Section II we saw that the construction industry is well organized and able to increase the number of housing units now under construction. A possible limitation arises from the availability of cement and wood. We have also noted that there are several institutions that grant long-term financing for housing and which in 1976 lent the considerable sum of C475 million for that purpose.

What is needed is to remove some of the conceptual and bureaucratic restrictions on housing development and direct financing toward low-income families.

There has been too much concern about housing and urbanization standards, and these have resulted in far too expensive housing for low-income families. Efforts have been made to subsidize "standard" dwellings to bring them within the financial reach of poor families, but the funds available have resulted in only a few dwellings and most poor families continue in the same circumstances

as before.

Another effect of standards which are inconsistent with the country's present stage of development is that many families are forced by various circumstances to locate in places where no standards exist, which thus creates problems of drainage, sewerage, access, etc., which would be very expensive to correct in the future.

In some instances, attempts to establish housing developments with low standards for families with limited resources have been vetoed by municipalities, which fear that such housing projects would depreciate neighboring properties. They should realize that uncontrolled squatter areas would lower property values much more.

Another factor which has limited the flow of investment into low-cost housing is the belief that the poor cannot pay the mortgage market interest rate. It is the interest rate which is high; the amount paid depends on the size of the loan. Many poor families want and are able to pay interest rates of 10 or 11 percent. Local money lenders charge much higher rates.

The median rent in San Jose's marginal districts is C267.50 This sum would cover the amortization of a C27,000 loan with an interest rate of 11 percent and a 25-year repayment period for the purchase of a C30,000 house. What are such families receiving for C267.50?

Interest rates vary among institutions and the result is anomalies such as a member of a mutual paying 13.75 percent interest on a C50,000 loan while an INS policy holder may borrow C200,000 at an interest rate of 10.5 percent. There should be a general policy of higher interst rates on larger loans, although it probably would not be possible to make loans with interest rates of less than 10 percent without subsidies of some kind.

A major institutional problem is the savings and loan system, which is under the jurisdiction of the Banco Credito Agricola de Cartago (Cartago Agricultural Credit Bank). BCAC is a commercial bank and has its own mortgage department, which may cause conflict-of-interest problems. Furthermore, the savings and loan system is still subject to a ceiling of $10,000 on individual loans which dates from the system's establishment in 1969.

In view of the increase in construction costs over the past eight years, it would be reasonable to increase this ceiling to $15,000 or $20,000 so as to give better service to the medium-income market.

B. Demand for housing financing

The total demand for housing financing may be derived from an estimate of the anticipated housing market at each level of income. In this study, an estimate has been made for 1977-78 based on the market data calculated in Section IB4 above. It has been assumed that new units will be required for all new families in the region because of natural increase and immigration. In addition to these new dwellings, it has been proposed that 10 percent of the units classified as in "poor" condition in the 1973 census and those units considered obsolete (estimated at 0.5 percent of the total) be replaced.

The total number of dwellings required for the year 1977-78 will be 8,934. This has been distributed in accordance with the 1977 estimated incomes in the metropolitan region.

The financing requirement has been computed by multiplying the number of units at each income level by the average debt that the families at that level can take on. The results are shown in Table 12.

It can be seen that the total housing finance requirement calculated for 1977-78 is about C524 million. In making this estimate, a figure of C110 million has been arbitrarily used for the financing of houses for families with incomes above C6,000, since this is roughly the proportion of financing which went to this income level in 1976. Families at higher income levels probably have sources of financing outside the institutions covered in this study, put more of their own resources into their houses, and often spent less than 25% of their incomes on housing.

It is proposed that another C10 million be spent for repairs and additions to already existing dwellings. Such a fund could be administered by INVU. This would help relieve overcrowding and would also shift houses thus improved from the fair to good category.

The availability of investment funds for housing in Costa Rica is shown in Table 11. Estimates for 1977-78 derive from past trends and interviews with officials of several housing organizations. At present, between C75 million and C100 million a year come from foreign loans, but the increase in domestic investments, particularly the purchase of participation in mortgages by the savings and loan systems, makes it appear that Costa Rica will soon be able to get all necessary financing for housing from its own sources.

Assuming that 80 to 90 percent of investment in housing continues to go to the metropolitan region, it is believed that available funds will be adequate for this purpose in view of demand. It will be realized that this is an estimate which should be refined through more detailed studies. This does not include investment in private dwellings with the owner's own sources or private mortgages or from the considerable "informal sector." In addition, it is probable that a considerable proportion of institutional funds invested in housing are used to buy existing units and do not directly satisfy the demand for new dwellings.

C. A proposed solution

We saw in general terms in the preceding section that existing housing investment levels are adequate to deal with present demand and to make a small reduction in accumulated demand. What is needed is a change in and reorientation of institutional policies. An approach to a solution would include the following factors:

1. Programs should be self-liquidating as far as possible. The interest rate should cover institutional financing and administrative costs. Urbanization and housing construction standards should be relaxed so that a suitable solution can be worked out for each income group.

2. Mutual assistance and self-help programs should be encouraged so that projects which were below conventional standards initially can be improved incrementally and defective houses can be improved by their owners as much as possible.

3. Funds can be provided through family allotments and neighborhood mutual assistance programs can be organized for those few families (with incomes of less than C600 a month)who cannot be reached even through minimal solutions.

4. INVU and IMAS should restrict their programs to families with incomes of less than C2,400. Interest rates should be kept at 10 percent or less if possible.

5. CCSS and INS should be required to make an annual investment in INVU bonds which, together with its other sources of income, would enable INVU to fulfill its obligations. Interest rates should be in the area of 7 or 8 percent and the use of the funds should not be restricted.

6. CCS and INS should increase the interest rate in their own programs to 11 or 12 percent to offset the low yield of INVU bonds. They should concentrate on serving families with incomes greater than C2,400.

7. The savings and loan system should be made independent of BCAC and should adopt policies and procedures to increase the generation of domestic sources of funds. Since the interest rate of the savings and loan system is the country's highest, thought should be given to increasing loan limits to C150,000 or C200,000. At the same time, the low-cost housing program should be continued at a low interest rate. CCSS and INS should invest so as to supplement or perhaps replace foreign investments now used in this program

Table 12 shows a hypothetical distribution of investments by the financial institutions using the guidelines mentioned above. This might be modified on the basis of more detailed research, but the important idea is that the housing market for all income levels can be spread in this way and investment programs can be assigned to deal with this.

When this has been done as a formal exercise on a periodic basis, the most important step will have been taken toward the establishment and execution of a national housing policy.

A problem to which not much attention has been given in this study is overcrowding. Eleven percent of all dwellings and 33 percent of the units in poor condition in the metropolitan region were overcrowded, according to the 1973 census. This is a very difficult problem to deal with immediately without subsidy since a family with an income of less than C1,200 can obtain only a single room, if that. The important thing is that minimal dwellings (lots and services) should be designed for expansion and that families should

be encouraged to add rooms as their efforts and finances allow.

Overcrowding is greater in dwellings in poor condition. The situation will improve as such units are replaced by larger dwellings or can be enlarged.

Overcrowding cannot be the basic justification for replacing such units since it is a problem that can be solved by adding more rooms or moving families to other, larger dwellings. As we have said above, a new program of loans to enlarge already existing units should be established.

Table 1

Income Distribution in the Metropolitan Area

Monthly income (colones)	Percentage of families in category	Cumulated percentage
< 600	4.54	4.54
601 - 1,200	17.27	21.81
1,201 - 1,800	17.05	38.86
1,801 - 2,400	15.23	54.09
2,401 - 3,600	19.67	73.76
3,601 - 4,800	10.08	83.84
4,801 - 6,000	4.94	88.78
> 6,001	11.22	100.00

Table 2

Housing Market: July 1, 1977 - July 1, 1978

Income level (colones)	% of families	No. of families	Dwellings replaced	Unused dwellings	Total units	Monthly payments	Loan amount	Dwelling price
< 600	4.54	298	755	39	1,092	75	8,000	8,900
600 - 1,200	17.27	1,134	503	148	1,785	135	15,000	16,500
1,200 - 1,800	17.05	1,120	251	146	1,517	300	33,300	36,600
1,800 - 2,400	15.23	1,000		131	1,131	525	58,000	64,500
2,400 - 3,600	19.67	1,292		169	1,461	750	83,000	92,200
3,600 - 4,800	10.08	662		87	749	1,050	116,000	128,900
4,800 - 6,000	4.94	327		42	366	1,350	149,000	165,600
> 6,000	11.22	737		96	833	2,000	220,000	244,400
					8,934			

Table 3

Distribution of Family Income:
Metropolitan Region and Marginal Districts, 1977

Income group (colones/mo)	% of families: metropolitan region	% of families: marginal districts
< 600	4.54	5.7
600 - 1,200	17.27	23.3
1,200 - 1,800	17.05	22.3
1,800 - 2,400	15.23	13.0
2,400 - 3,600	19.67	18.4
3,600 - 4,800	10.08	8.3
4,800 - 6,000	4,94	3.4
> 6,000	11.22	2.1
	Median = C2,202	Median = C1,765

Table 4

Costa Rica: Employed Population and
Average Monthly Income in Construction Field
by Principal Occupation, July 1976
(incomes in colones)

	All fields			Construction		
	No. employed	%	Avg. income	No. employed	%	Avg. income
Total	447,395	100.0	1,081	32,676	100.0	1,171
Professional	16,256	3.6	3,357	328	1.0	5,800
Technical	30,634	6.9	2,076	2,794	8.6	1,879
Management	13,885	3.1	2,548	195	0.6	3,290
White-collar and sales	74,480	16.7	1,299	995	3.0	1,169
Skilled trades	234,035	53.3	796	27,070	82.8	1,049
Service personnel	76,685	17.1	659	1,232	3.8	775
Unknown	1,420	0.3	980	62	0.2	1,500

Source: Prepared by OFIPLAN from Ministry of Labor and Directorate General of Statistics information

Table 5

Property Tax Rates
According to Established Value Scale
(colones)

Value	To	Payable tax (%)
25,000	250,000	0.30
251,000	500,000	0.55
501,000	3,000,000	0.80
3,000,001	and up	1.05

Table 6

Investments by Income Level
(colones)

Income level	INVU 1976	%	Banco Popular 1-1-77 to 3-31-77	%	INS 1976	%	IMAS 1976	%	ICSS (est)	%	Banks (est)	%	S&L 1976	%
< 600	200	10.5												
600 - 1,200	763	40.2	20	13.0	17	1.3	828	100	1		1		65	2.5
1,200 - 1,800	258	13.6	34	22.1	50	3.9			3		3		855	33.2
1,800 - 2,400	678	35.7	35	22.7	72	5.7			4		20		657	25.5
2,400 - 3,600			45	29.2	176	13.8			9		30		329	12.8
3,600 - 4,800			9	5.8	200	15.7			10		20		671	26.0
4,800 - 6,000			4	2.6	200	15.7			13		16			
> 6,000			7	4.6	560	43.9			60		11			

TABLE #7

Item		1973 Amount	%	1974 Amount	%	1975 Amount	%	1976 Amount	%	TOTAL Amount	%
Total housing projects	Number	1.094	58	732	54	847	63	1.992	51	4.665	55
	Quantity	28.795.3	72	24.879.1	64	37.217	76	87.001.8	60	177.893.2	65
	Average	26.320		33.990		43.940		43.680		38.130	
Medium-income projects	Number	879	47	641	47	534	40	1.560	40	3.614	43
	Quantity	24.375.7	61	23.602.1	60	29.217.8	59	75.191.0	52	152.386.6	56
	Average	27.730		36.820		54.710		48.670		42.170	
Low-income projects	Number	215	11	91	7	313	23	432	11	1.051	12
	Quantity	4.419.6	11	1.277.0	3	7.999.2	16	11.810.8	8	25.506.6	9
	Average	20.560		14.030		25.560		27.340		24.270	
Credit programs ... total	Number	601	32	605	44	418	31	1.063	27	2.687	32
	Quantity	6.893.4	17	10.609.9	27	13.467.6	27	19.511.7	14	50.482.6	18
	Average	11.470		17.540		32.222		18.360		18.790	
Medium-income, savings and loans	Number	96	5	219	16	180	13	144	4	693	8
	Quantity	2.420.0	6	6.340.4	16	9.528.9	19	4.877.6	4	23.166.9	8
	Average	25.210		28.950		52.940		33.872		33.430	
Low-income, rural and semi-urban	Number	505	27	386	28	238	18	919	24	2.048	24
	Quantity	4.473.4	11	4.269.5	11	2.938.7	6	14.634.1	10	26.315.7	10
	Average	8.860		11.060		12.350		15.924		12.850	
Lot sales ... total	Number	187	10	31	2	69	5	827	21	1.114	13
	Quantity	4.335.1	11	407.5	1	2.792.3	6	37.649.0	26	45.183.9	17
	Average	23.180		13.151		40.470		45.520		40.560	
Number of housing transactions	Number	1.882	100	1.368		1.334	100	3.882	100	8.466	100
	Quantity	40.023.8	100	39.085.0		49.288.4		144.162.7	100	272.559.9	100
	Average	21.270		28.570		36.950		37.140		32.190	

Key: Number = number of transactions; quantity = total value in thousands of colones; average = average transaction value in colones.

Table 8

Rough Analysis of INVU Revenues and Fund Sources
in 1975, 1976, and 1977 (millions of colones)

	1975		1976		1977	
	Value	%	Value	%	Value	%
Return and interest on fixed assets and portfolio	19.29	17	24.16	13	28.81	18
Subsidies and transfers	7.77	7	7.84	4	10.60	7
Loan amortization	27.59	24	22.41	12	24.75	15
Sale of assets	2.34	2	23.20	13	26.49	16
Loans and deposits	53.21	47	95.56	57	55.6	34
Surpluses and miscellaneous	4.51	4	8.03	4	17.19	10
	114.71		181.20		163.44	

Table 9

Rough Analysis of INVU Housing Loans
in the Area of the Metropolitan Region, 1976

Loan range (000)	No. of loans	% loans	Approx. average monthly payment[1]	Required family income[2]	Income percentile
20 - 30	238	23	226	1,132	20
30 - 40	118	11	317	1,585	33
40 - 50	34	3	407	2,035	45
50 - 60	606	58	498	1,992	44
60 - 70	52	5	589	2,356	53
	1,048				

[1] Estimated on basis of 10 percent interest and 25-year term.

[2] Assuming five times the monthly payment or 20 percent of income for dwelling payment; for loans of more than C50,000, income is four times the payment or 25 percent of income for dwelling payment.

Table 10

Rough Analysis of Housing Programs Completed by INVU in Metropolitan Region in 1976

Project No.	Average price	Average loan[1]	% solutions	Est. monthly payment[2]	Income required[3]	Approx. income percentile
1. 28	28,202	25,382	1.54	230	1,150	20.6
2. 312	31,170	28,053	17.17	254	1,270	23.8
3. 144	33,872	33,872	7.93	306	1,534	31.2
4. 77	40,744	36,670	4.24	332	1,660	34.9
5. 1,075	47,502	42,752	59.16	387	1,935	42.3
6. 165	55,985	50,386	9.08	456	1,824	39.5
7. 16	171,057	153,951	.88	1,395	5,580	87.5

[1]Assuming 90 percent of sale price as average.

[2]Estimated on basis 10 percent interest and 25-year term.

[3]Assuming five times the monthly payment or 20 percent of family income for dwelling payment; income is four times payment for loans over C50,000.

Table 11

Institutional Investment in Housing
(millions of colones)

Institution	1976	1977	1978
Banks	68.5	80	100
Savings and loans	90.9	100	110
INVU	59	75	90
IMAS	19	15	20
ICSS	86.5	108	130
INS	118	144.5	165
Banco Popular	33.6	50	70
	475.5	572.5	685

Table 12

Distribution of Investment in Housing
1977-78

Income level	Total dwellings	Loans per dwellings	Total loans (000)	(Source of funds in millions of colones) Banks	S&L	INVU	IMAS	ICSS	INS	Banco Popular
< 600	1,092	8,000	8,736			4	5			
600 - 1,200	1,785	15,000	26,775			18	9			
1,200 - 1,800	1,517	33,000	50,061		20	24				6
1,800 - 2,400	1,131	58,000	65,598	6	16	23		5	5	11
2,400 - 3,600	1,461	83,000	121,263	8	24			30	37	22
3,600 - 4,800	749	116,000	86,884	22	30			11	17	7
4,800 - 6,000	366	149,000	54,534	12				18	25	
> 6,000	833	220,000	110,000	25				35	50	
TOTAL			523,851	73	90	69	14	99	134	46