

**STATE SECTOR MIDDLE-INCOME HOUSING
PROJECTS IN SRI LANKA: SATISFACTION OF THE
KEY STAKEHOLDERS**

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Degree of Master of Science in Project Management

Department of Building Economics

Faculty of Architecture

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Thesis/Dissertation submitted in partial fulfilment of the requirements for the degree

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DECLARATION

I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any other University or Institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text. I retain the right to use this content in whole or part in future works (such as articles or books).

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DEDICATION

Your support and guidance have been cornerstone to my academic success. From the start of this research project to its completion, your expertise, helpful feedback, and encouragement have been priceless.

I want to express my deepest thanks for your patience during uncertain times and your encouragement that motivated me when I doubted myself.

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To

Prof. Yasangika Sandanayake

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ABSTRACT

UN-Habitat (2020) has predicted that the rate of urbanisation will increase from 56.2% in 2020 to 60.4% by 2030. Hence, there will be a significant influx of individuals from rural areas into metropolitan cities which will create a high demand for urban housing. In this context, governments must play a substantial role in addressing housing issues. However, there is lack of a study that identified the key stakeholders in state-sector middle-income housing projects and their satisfaction in Sri Lanka. Hence, this research aimed to investigate key stakeholder satisfaction of state-sector middle-income housing projects in Sri Lanka. In order to achieve the aim, the study initially conducted a literature review followed by three case studies under the qualitative approach. Data were collected through semi-structured interviews; document review and observations and the collected data was analysed manually. Interviews were limited to three stakeholder categories, beneficiaries, developers and contractors.

Research findings highlighted the importance of having state-sector driven middle-income housing projects to satisfy the needs of middle-income cluster in the economy. The study further identified that various stakeholders such as end-users/beneficiaries, developers and contractors who play vital roles in shaping needs of state-sector driven middle-income housing projects in Sri Lanka. However, they face challenges such as inadequate financial capacity, deficiencies in administration and legal processes, lack of innovative mechanisms, private parties prioritising profitability over affordability, increasing production costs, rising land values, and lack of technical competencies to build houses as effectively as the private sector, in these projects.

Moreover, the factors affecting beneficiaries' satisfaction include location, housing size, design and layout, materials quality, services available, cost of housing unit, project duration, socio-cultural considerations, sense of safety, and possibility of future extension of the housing unit. Developer's satisfaction affected by availability and cost of land, infrastructure and utilities, market demand, consumer preferences, punctual payment, financial incentives, profitability, and support from government. According to contractors, factors such as, use of local resources, approval processes, legal support and dispute resolution mechanisms, access to resources and equipment, communication and collaboration, quality of materials and workmanship, profit, clarity in project specifications and scope and punctual payment impact their satisfaction. The strategies to improve satisfaction of beneficiaries include improve housing design to cater family needs, transfer of ownership on time, introduce transparent financing method, enhance construction quality, identify the real beneficiaries, establish a post-occupancy management, and ensure safety and security. Developers and contractors have mentioned similar strategies to improve their satisfaction including incorporate environmental sustainability practices, conduct post-project evaluation, have quality assurance mechanisms, develop transparent and fair contractual agreements, collaborative decision-making, communication and feedback process, encourage to use innovative construction technologies and equipment, propose a risk management strategies, introduce fair payment practices and develop a clear project brief. Hence, this study provides practical and actionable recommendations that can potentially enhance key stakeholder satisfaction and the overall efficacy and success of the state-sector middle-income housing projects in Sri Lanka.

Keywords: Middle Income Housing; Key Stakeholders; Stakeholder Satisfaction; State Sector.

TABLE OF CONTENTS

DECLARATION	iii
DEDICATION	iv
ACKNOWLEDGEMENT	v
ABSTRACT.....	vi
TABLE OF CONTENTS	vii
LIST OF FIGURES.....	x
LIST OF TABLES	xi
LIST OF ABBREVIATIONS	xii
CHAPTER 1: INTRODUCTION	1
1.1 Research Background.....	1
1.2 Problem Statement.....	3
1.3 Aim and Objectives	4
1.4 Research Methodology	4
1.5 Scope and Limitations	5
1.6 Chapter Breakdown	5
1.7 Chapter Summary	6
CHAPTER 2: LITERATURE REVIEW	7
2.1 Introduction	7
2.2 Housing in the Global Context	7
2.2.1 The concept of housing	7
2.2.2 Importance of housing as a basic need.....	8
2.2.3 Different types of housing.....	9
2.2.4 Characteristics of housing.....	10
2.2.5 Urban housing	12
2.2.6 Trending concepts of “housing”	13
2.3 Middle-Income Housing.....	14
2.3.1 Middle-class population	14
2.3.2 Middle-income housing.....	16
2.3.3 Issues related to urban housing	16
2.4 State Sector Intervention in Housing Projects.....	17
2.5 Housing Sector in Sri Lanka.....	17
2.5.1 Historical development of housing sector in Sri Lanka	17
2.5.2 State interventions for housing sector in Sri Lanka	18
2.6 Sri Lankan Middle-Income Population and Middle-Income Housing	20
2.6.1 Emerging middle-class population in Sri Lanka	20

2.6.2	Middle-class housing segment in Sri Lanka.....	20
2.7	State Sector Driven Middle-Income Housing Projects in Sri Lanka	21
2.8	Stakeholders of Housing Projects and Their Satisfaction	22
2.8.1	Stakeholders in housing sector	22
2.8.2	Challenges face by stakeholders in state-sector middle-income housing projects 26	
2.8.3	Stakeholder expectations and satisfaction of state-sector middle-income housing projects	27
2.8.4	Factors affecting the key stakeholder satisfaction of state-sector middle-income housing projects	32
2.8.5	Strategies to improve the key stakeholder satisfaction of state-sector middle- income housing projects.....	33
2.8	Chapter Summary	34
CHAPTER 3: RESEARCH METHODOLOGY		35
3.1	Introduction	35
3.2	Research Approach.....	35
3.3	Research Process	36
3.3.1	Background study.....	37
3.3.2	Literature review	37
3.4	Data Collection – Case Studies	37
3.4.1	Sampling method	37
3.4.2	Semi-structured interviews.....	37
3.4.3	Observations.....	38
3.4.4	Document Review	39
3.4.5	Data analysis	39
3.5	Presentation of Findings, Drawing Conclusions and Making Recommendations	39
3.6	Chapter Summary	39
CHAPTER 4: RESEARCH FINDINGS AND DISCUSSION.....		41
4.1	Introduction	41
4.2	Case Studies.....	41
4.3	Importance of State-Sector Middle-Income Housing Projects	44
4.4	Challenges of State-Sector Middle-Income Housing Projects	49
4.5	Factors Affecting the Satisfaction of key Stakeholders in State-Sector Middle- Income Housing Projects	55
4.5.1	Factors affecting the beneficiary’s satisfaction in state-sector middle-income housing projects in Sri Lanka.....	55
4.5.1.1	Location.....	56
4.5.1.2	Housing size, design and layout	57

4.5.1.3 Standard and quality of materials, equipment and fittings used	59
4.5.1.4 Services and other facilities	61
4.5.1.5 Cost of the housing unit	63
4.5.1.6 Duration of the project	63
4.5.1.7 Socio-cultural considerations	63
4.5.1.8 Sense of safety	63
4.5.1.9 Possibility of future extension of the housing unit.....	64
4.5.2 Factors affecting the developer's satisfaction in state-sector middle-income housing projects in Sri Lanka.....	64
4.5.3 Factors affecting the contractor's satisfaction in state-sector middle-income housing projects in Sri Lanka.....	66
4.6 Strategies to Improve the Satisfaction of the State Sector Middle Income Housing Projects 67	
4.7 Chapter Summary	71
CHAPTER 5: CONCLSIONS AND RECOMMENDATIONS	72
5.1 Conclusions	72
5.1.1 Objective 1: Review importance of state sector middle-income housing projects, stakeholders and challenges face by them in global context	72
5.1.2 Objective 2: Investigate the importance of state sector middle-income housing projects, key stakeholders and challenges face by them in Sri Lanka	73
5.1.3 Objective 3: Study the factors affecting the key stakeholder satisfaction of state-sector middle-income housing projects in Sri Lanka	75
5.1.4 Objective 4: Propose strategies to improve the key stakeholder satisfaction of state-sector middle-income housing projects in Sri Lanka	76
5.2 Recommendation to the Industry.....	77
5.3 Further Research Areas	77
REFERENCES	78
APPENDIX.....	85
Appendix 1: Interview Guideline for Beneficiaries	85
Appendix 2: Interview Guideline for Developers	92
Appendix 3: Interview Guideline for Contractors	99
Appendix 4: Photographs of Case A.....	107
Appendix 5: Photographs of Case B.....	108
Appendix 6: Photographs of Case C.....	109

LIST OF FIGURES

Figure 2. 1: Definitions of Social Class	15
Figure 2. 2: Potential stakeholders relevant to housing	23
Figure 3. 1: Framework for the research process	36

LIST OF TABLES

Table 2. 1: Housing classification and characteristics	9
Table 2. 2: Housing Characteristics	11
Table 2. 3: Sub Classes in the Middle Class according to the expenditure definition	15
Table 2. 4: Stakeholders in the housing sector	24
Table 2. 5: Attributes of public housing satisfaction	29
Table 2. 6: Expectations of Stakeholders of Middle-Income Housing Projects	30
Table 3. 1: Nature of data collected and method used	35
Table 3. 2: Respondent Cross Section	38
Table 4. 1: Case study profile	42
Table 4. 2: Key factors and requirements considered when choosing a place to live according to the prioritization	44
Table 4. 3: Factors influenced to choose a state sector middle income housing project	45
Table 4. 4: Importance of the state sector middle income housing projects for Beneficiaries, Developers and Contractors	46
Table 4. 5: Challenges faced by Beneficiaries, Developers and contractors in state sector middle income housing projects	52
Table 4. 6: Beneficiaries satisfaction related to Location factor	56
Table 4. 7: Satisfaction of Beneficiaries related to Housing Size, Design and Layout	57
Table 4. 8: Satisfaction of Beneficiaries related to Standard and Quality of Material, Equipment and Fittings	60
Table 4. 9: Different Types of Services and Other Facilities Available	61
Table 4. 10: Satisfaction of Beneficiaries related to Services and Other Facilities	62
Table 4. 11: Factors Affecting to the Developers' Satisfaction of State Sector Middle Income Housing Projects	64
Table 4. 12: Factors Affecting to Contractors' Satisfaction of State Sector Middle Income Housing Projects	66
Table 4. 13: Strategies to improve the satisfaction of the state sector middle income housing projects according to the beneficiaries' point of view	67
Table 4. 14: Strategies to improve the satisfaction of the state sector middle income housing projects according to the developers' point of view	69
Table 4. 15: Strategies to improve the satisfaction of the state sector middle income housing projects according to the contractors' point of view	70

LIST OF ABBREVIATIONS

Abbreviation	Description
ADB	Asian Development Bank
CBOs	Community Based Organisations
CSC	Critical Success Criteria
GNI	Gross National Income
HTTP	Hundred Thousand Housing Programme
LMC	Lower-Middle Class
MDG	Millennium Development Goal
MMC	Middle-Middle Class
NGOs	Non-Government Organisations
NHDA	National Housing Development Authority
PPP	Purchasing Power Parity
SDG	Sustainable Development Goal
SEC	State Engineering Cooperation
UDA	Urban Development Authority
UMC	Upper-Middle Class
UN	United Nations
UN-Habitat	United Nation Habitat
USA	United State of America
USDA	Urban Settlement Development Authority