HDC to end 50 maintenance contracts; signals more jobs cuts to come

Chairman: Not preferred option, but not outside realm of possibility

HDC head office on South Quay, Port-of-Spain. PHOTO BY KERWIN PIERRE

Chairman of the Housing Development Corporation, Feeroz Khan

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The Housing Development Corporation (HDC) will end its contracts with at least 50 maintenance providers and their employees by year's end and has signalled the possibility of further staff reductions as its chairman seeks to reverse, what he says, is a decade of severe financial mismanagement.

In an exclusive interview with Guardian Media at the HDC's South Quay office yesterday, Chairman Feeroz Khan painted a picture of the corporation's current financial predicaments, which he said have led him to take certain "corrective actions."

"The HDC has posted losses of over $700 million for the last fiscal year in September 2025, and the previous fiscal year in September 2024. The net result of that is that, as we speak today, I have payables of over $600 million. I am overdrawn on my bank account by $100 million, and I have a deficit to the employees' pension plan of about $400 million," Khan said.

He said several factors contributed to the debt, starting with the gap between what it costs to construct an HDC housing unit and the significantly lower price at which it is sold.

"We have been building houses that cost on average $1.6 million, that have been sold for $600,000 and $700,000, and $500,000."

The HDC chairman added, "So if we are building a house with $1.6 million and selling it for $600,000, it might make more sense for the Government just to call everybody and give them a million dollars and say 'go buy a house'."

Khan said another contributing factor to the debt is exorbitant fees paid to companies to maintain HDC properties.

"There's a particular contractor who is well known, and he had some grass to cut in Couva, and the equivalent on three different parcels was the equivalent of 24 lots or three acres. Somebody with a tractor will be able to cut an acre of grass for about $500. So if you had to cut three acres of grass, because it's in close proximity, it would have been about $1,500. Double it for the sake of saying, well, you want to pay the man well. So you're paying him $3,000. You know how much HDC was paying this special contractor for cutting those three acres of grass? $18,000 plus VAT. And he was collecting that every month for the last nine and a half years."

Khan also provided a document showing how the cost of a sewer treatment plant ballooned from $3.6 million to $34 million.

"A decision was taken to build 400 houses in Bon Air West, and that they would hook into an existing sewer treatment plant. And a contract was issued for $3.6 million. By 2020, they decided that we may want to add another 300 houses to that development, so let's upgrade the sewer treatment plant. So the contract went from $3.6 million to $5.1 million. And no work was done in that time. By 2022, somebody on a site visit said, we know this treatment plant is not adequate, that the amount of wastewater that we need to treat needs to be increased. And the price went from $5.1 million to $19 million. And then, before the ink could dry on the proposal for $19 million, they upped the price to $29 million. And the contractor wrote the HDC, indicating a price of $29 million for the sewer treatment plant. And you know what HDC did? HDC wrote back to the contractor saying, 'We accept your variation at 29 million, and we will add the 5 million original cost to it and make the price $34 million'."