

PUBLIC PRIVATE PARTNERSHIPS PROJECTS IN NIGERIA - CURRENT PROSPECTS IN HOUSING

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AT FOUR POINTS BY SHERATON LAGOS

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Overview

- Essentially about the investing private sector doing business with government to provide needed public infrastructure and services that are in short supply and, which by virtue of its set up, the private sector is positioned to provide and maintain more efficiently over a predetermined length of time for profit.

Critical Success factor

- Provision of an enabling environment particularly that of local legislations and their effects in either promoting or stifling business, as well as the need for transparency in the entire process.

Babatunde Raji Fashola Governor of Lagos State : “We must reduce the extent of government regulation of business to essential elements that are clearly focussed on efficient and effective achievement of positive aims” (LSIH 2012).

Legal Framework For PPP

- Infrastructure Concession Regulatory Commission (ICRC) Act of 2005
- Nigerian Investment Promotion Commission (NIPC) Act of 1998
- Foreign Exchange (Monitoring and Miscellaneous) Provisions Act of 1995

Housing

- The aggregate of a person's life (*Minha Casa Minha Vida, which means My House, My Life*)
- Second next to food and ahead of clothing
- Securing a place that a person can call his/her own occupies man's thoughts throughout life
- No matter the juggling of the mix housing does not come cheap
- Generally built incrementally particularly by the low/medium income group

Methods Of Housing Delivery

- Five (5)
 - ✓ Incremental building by individuals largely the low and medium income groups
 - ✓ Development of housing estates by government
 - ✓ Private Estate Developers
 - ✓ Cooperative Associations
 - ✓ PPP

dearth of accurate data on the respective contribution ,
general acknowledgement of incremental method as
most prevalent.

The Housing Challenge – The Lagos Experience

- Nigeria = housing deficit of 17 million units (NPC 2013)
- Lagos = 1 million units
- Inadequate yearly addition both by government & private sectors.
- Inadequate easily developable land resulting in increased cost of delivery.
- Absence of a viable & sustainable construction & mortgage financing.
- High cost of building inputs.
- Slow titling & development permit processes.
- Non deployment of new technology in mass housing delivery.
- Private sector developers are not attracted to providing affordable homes.

Current Strategies & Achievements

- Introduction of PATH in 2011 as a developmental focus (Power, Agriculture, Transportation, Housing).
- Introduction of affordable housing mortgaged based LagosHOMS project – initiative of the BRF Administration.
- Direct budgetary funding of housing construction.
- Multi-agency participation for rapid delivery.
- 1194 units currently on the block; additional 3156 units to be on the market about mid-year in 13 estates state-wide; Blocks of 1,2,3 & 2,2,3 bedroom units.
- New start of 5106 units in 11 locations (Iponri, Ijora-Badia, Ilubirin, Ajara, Olaleye, Egan-Igando, Ibeshe, Amuwo-Odofin, Oko-Oba, Randle, Obele-Oniwala).

Evolving Strategies

- Continuation of direct budgetary funding of housing construction in the medium term
- Strengthening the mortgage initiative; Currently 9.5%
- PPP – LagosHOMS for affordable housing.

Current Prospects

- Large population (22.5 million) and ready market (1 million housing units deficit); Huge potential for investment in the Real Estate Development Sector
- PPP – LagosHOMS for affordable housing.
 - ✓ Land allocation from government or direct purchase from private owners.
 - ✓ Approved design and agreed cost per block/unit.
 - ✓ Assured off-take of housing units.
- Project financing
- Property/Facility management
- Mortgage financing

Incentives

- Availability of land (New Areas, Brown Fields, Redevelopment)
- Reduced cost and time of perfecting land title
- Granting of waivers/concessions on statutory fees
- Simplified arbitration process and other legislations
- Fast-tracking applications for statutory application approvals
- Consistent and sustainable policy
- Due process and best practices



● **THANK YOU**