



REAL ESTATE DEVELOPERS ASSOCIATION OF NIGERIA

ESTABLISHING THE PRIMACY OF HOUSING IN NATIONAL ECONOMIC REVIVAL AND DEVELOPMENT

By

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*BEING WELCOME / KEYNOTE ADDRESS AT THE
HOUSING STAKEHOLDERS' INTERACTIVE WORKSHOP,
PLATEAU HALL, TRANSCORP HILTON HOTEL, ABUJA.*

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Protocol

I wish to express on behalf of the National Executive Council of the Real Estate Developers Association of Nigeria (REDAN), appreciation for your honouring our invitation and warmly welcome you to this very propitious meeting.

We at REDAN, cognizant of our role as the principal agency and umbrella of the organized real estate sector, saddled with the responsibility of ensuring availability of affordable housing for all Nigerians, against the backdrop of a huge housing deficit, infrastructure crisis, dwindling economic resources, and the desire for change that has been given vent in the last elections in the association itself, as well as across the country have, in the last few months, since our election, taken a very hard and critical look at the sector's performance and prospect over the years.

The frustration, anger and confusion in the land can be addressed through our sector. A revamped and refocused housing sector offers the best and quickest means to retracing our steps from the precipice of socio-economic disaster. If nothing is done soon, some of us here may become unemployed, traumatized and homeless. It is only in saving others that we may be saved, and the time is now.

Thus it must be noted that the real estate sector currently offers the greatest potential source of employment and growth for the economy. Housing is not only about shelter, but also employment and an essential component in the advancement of both the economic development of the nation, and the promotion of quality of life of the citizenry.

Housing and National Development

Unlike most advanced countries in which housing contributes upward of 20% to the gross domestic product of the economy, the contribution of housing to GDP in Nigeria is only about ranges between 5% - 7% depending on your source. A major concern is that the National Housing Fund, with about 4 million contributors, has not impacted seriously on the contributing public. Records have it that only about 1.5% of the contributors have benefitted from the scheme since inception..

The pension fund, also contributed by workers, which encompasses a much larger pool, is effectively

lying fallow, as far as contributors' welfare is concerned. Both the National Housing Fund and the Pension Fund were meant to be devoted towards ensuring quality life for the workers during their active service years and retirement. A basic/core component of that life after food and clothing is shelter. Whilst the issue of food is being addressed via many intervention funds and programmes, housing laws and policies are abandoned.

Issues:

Inflation and other factors have contributed in reducing the purchasing power of the workers contribution to the extent that the real value of their contribution at retirement is less than 25% of its value at the time of contribution. Since the contributor is invariably still "homeless" at the time of retirement, this condemns them to a residual life of penury at a time they should be reaping the fruit of their labour.

As part of our thinking outside the box, there is the need to examine some of our basic assumptions and operating philosophy.

1. Is it true that we do not subsidize housing costs for some Nigerians?
2. Is it true that the housing sector is so hopelessly more corrupt than other sectors, that we cannot reform/restructure it and inject the needed funds for its take-off?
3. What 'hatred' for the low income earners has led us to be insensitive to their plight over the years, that we 'refuse' to invest in their welfare. Rather they are taxed via the National Housing Fund and Pension Fund and the funds channeled for the investment and welfare of the rich?.
4. Are we involved in class warfare between the bourgeoisie and the proletariat?
5. Is it right for every of our failure to lead and manage the resources/opportunities entrusted into our hands as operators of the economy to resulting in removal of the safety net for the poor via privatization and commercialization? And the perpetrators benefit from their callousness through ownership of the destroyed institution?
6. Is it true that the trickle down approach in financing housing through mortgage is the only effective means of providing affordable housing for Nigerians.
7. Is it true that there is nothing we can do to ameliorate the situation?

As it is, lack of long term funds, the affordability gap, inept land administration, and catalogue of other issues are evident cogs impeding development of the sector.

We are aware that seminars, workshops and talk shows have been organized, at which various 'solutions' were proffered, which should have led to a robust housing sector - providing shelter, creating employment, and making high contributions to the nation's Gross Domestic Product (GDP). What has often been identified as critical and fundamental challenges of the sector were lack of finance and access to land. If these were the only problems, strategic financial engineering or capital injection as well as harnessing the vast land mass by opening up the rural areas and creating satellite towns around our cities should solve the problem.

This, is however, not as easy as it sounds as even nominal attempts to try this have not yielded the desired results as they have been aggravated by a plethora of debilitating legislation at all stages of the delivery chain. At the center of it all is the developer who REDAN represents who in addition to being battered by the system, bears the brunt of the aspiring homeowners' frustration. REDAN members like other stakeholders have failed due to intrinsic and extrinsic factors.

In our quest to unearth pertinent issues limiting profound mileage in the task of addressing the deficit in housing, in spite of these numerous seminars, workshops and talk sessions, we identified a very glaring **lack of understanding of the roles of each stakeholder, and poor interface management / coordination amongst stakeholders.**

The need for paradigm shift in approach to housing provision and constant improvement in the transaction dynamics has not been appreciated. Our eyes are not on the tears of our people, and the huge hope reposed in us by the system. Rather, suspicion, rivalry, duplication and wasteful efforts have ruined the quest for an effective and robust affordable housing delivery mechanism.

This situation has been compounded by the **lack of a forum to coordinate far reaching resolution and policies in the sector.**

As the organization that harnesses the factors of production (land, labour, material resources), and interface with the professionals, regulators, and financiers; and indeed the whole housing value chain, including the ultimate beneficiaries, particularly the average Nigerian worker whose toil we are striving to reward by providing decent affordable housing, we felt obliged to call for this workshop with a view to creating the synergy necessary to expedite housing delivery. We are part of those who failed and must be part of the solution.

Things cannot go on like this. More so, when the voice of the people through their votes have spoken and will continue to speak as we perfect our democratic system. For the first time in our country, the vote of the people on the street has propelled their candidate into Presidency. The voice on the street must be heard in the Boardroom. Change has come to us and we must align our various institutions, policies and processes accordingly.

Aim of the Workshop

This gathering is therefore an attempt not only to review the problem of housing in Nigeria, but also foster the establishment of a HOUSING STAKEHOLDERS' FORUM with the aim of BUILDING SUSTAINABLE INSTITUTIONAL CAPACITY, identifying and tying up missing links in the HOUSING DELIVERY VALUE CHAIN, and establish a continuous MONITORING & EVALUATION framework so as to truly ensure that we are on course to provide AFFORDABLE HOUSING FOR ALL.

The forum may also serve as an OMBUDSMAN for the housing sector.

The aims of this Housing Stakeholders Interactive Workshop from our perspective therefore include:

- i.) To review the role of key stakeholders in the industry with a view to attaining improvements
- ii.) To enable brainstorming and understanding of the various issues in the industry
- iii.) To address bottlenecks/lapses in housing sector especially affordable housing delivery mechanism
- iv.) To ensure a cordial and harmonious working relationship between stakeholders with the aim of moving the industry forward.

The outcome of this workshop should be the creation of a common platform to drive implementation of the National Housing policy and enable the pursuance of the housing target of one Million housing units set by President Mohammed Buhari in his manifesto. The pre-eminence of Housing as facilitator in creating wealth, providing employment and empowering people, has made it pertinent for the stakeholders in the sector to come together and harmonize our roles and responsibilities with respect to policies, processes and issues in the sector.

At the end of this forum and successive ones, it is expected that the resolutions reached will be of relevance to government, the legislature, practitioners and regulators, and more importantly, the citizenry and the Nigerian economy.

Distinguished ladies and gentlemen, I strongly believe that collectively, we can produce a million houses and create ten million jobs over the next four years. Let us start by reviewing our position and how we can support each other to accomplish this, by addressing the questions attached to the invitations we sent out, and have replicated in the program brochure, along with others you deem pertinent. We are not here for the blame game, but to find mutually beneficial platform for effective service delivery in the housing sector.

Meanwhile, I want to appreciate and thank you all for coming, and for your anticipated immense contributions. As Franz Fanon, wrote in his book *The Wretched of The Earth*, “every generation must out of relative obscurity discover its mission, either betray it or fulfil it”. We have been empowered to serve and serve we must. Together, we shall meet the cry of our compatriots for Affordable Housing delivery, dry their tears, and endow them with the foundation for positive transformation and contribution to national growth.

Thank you and God bless.

Surv. (Rev.) Ugochukwu Chime fnis JP
National President/Chairman of Council
Real Estate Developers' Association of Nigeria (REDAN)

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