



REAL ESTATE DEVELOPERS ASSOCIATION OF NIGERIA

**SOLVING NIGERIA'S HOUSING
CHALLENGE THROUGH INNOVATIVE
FINANCE AND INFRASTRUCTURE
SOLUTIONS.**

By

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Protocols.

It is with deep appreciation and thanks for the gift of life and other blessings that I stand here to thank GOD Almighty for this opportunity. My thanks go also to Barrister Festus Adebayo, his able team, comprising of Flora, Elvis et al, who have been with him in persevering pursuit of the noble vision of efficient housing sector advocacy over the years. Distinguished Senator Osita Izunaso, the Chairman of the Board of FESADEV Communications Limited you are deeply appreciated.

We are gathered here once more, to evaluate amongst other things how far we have recognized, adapted, and domesticated the paradigm shift in the global concept/approach of home ownership and real estate development and management. The shift from individual personalized home ownership through, land acquisition, design, financing, construction, completion and management, to mass housing development, use of mortgage, build and sell to sell and build. These changes have come to stay and our ability to progress as a nation is dependent on how prepared we are, to accept, understanding, innovate, manage and respond efficiently to these changes as a group of concerned stakeholders.

Every development takes place on land. Real estate development and management cuts across all human endeavour. Thus, we have residential, commercial, agricultural, industrial, tourism etc real estate. Land management and administration is on the concurrent list of legislation, while financial regulation is on the exclusive list. Have we understood the overarching need to fashion out a mutually acceptable interface format amongst stakeholders for effective and sustainable real estate development?

Like Hernando Desoto noted in his book – The Mystery of Capital - Trickle-Up Economics, formal property records and titles represent our shared concept of what is economically meaningful about any asset. They capture and organize all the relevant information required to conceptualize the potential value of an asset and so allow us to control it. Any asset whose economic and social aspects are not fixed in a formal property system is extremely hard to move in the market. Unlocking the capital in our asset was a product designed by a Bank in Nigeria some years ago. They faced insurmountable obstacles and had to back off.

Our current isolationist approach to real estate management that needed a structured understanding and cooperation amongst stakeholders has led to failure on the part of most stakeholders. The transaction dynamics and value chain, as presently configured cannot lead to a successful outcome. We have wrongly labelled individuals and institutions as failures; discarded experience garnered by them after years of arduous labour; and proceeded to replicate same problems and failures in our new institutions.

Policy somersault and inconsistencies has squandered huge opportunities and potential of using housing as a tool for employment, inclusive economic growth and socio-economic transformation of our country. The twin issues of affordability and availability of houses which led to the creation of State and Federal Housing Development Authorities and Corporations, Building Societies etc, over 50 years is still with us.

For decades, the people are looking up to us as their leaders, to provide innovative solutions that will unleash the potential in the real estate industry. They expect us to fashion out an enduring blueprint for unlocking the capital in their land via formalization of their interests on land etc; provide mortgage that will replace the traditional communal assistance for home ownership to indigent members of the community that existed decades ago; to utilize the sector to create employment for them. The most worrisome aspect is that the people are getting very restive across the land. Their patient is running out. Like Bob Marley the reggae singer, stated years ago, when the rains falls, it does not fall on one man's house top.

Things have got to change, and we are the ones they have been waiting for to make the change they seek in the real estate sector. But before we comment further on the changes we need (restructuring), we should state some of the issues we agree upon;

- i. That shelter is a basic need of man and a tool for engendering socio-economic growth;
- ii. That we have a housing deficit, even if we are yet to agree on the numbers;

- iii. That housing is not only about shelter, but also a tool for employment generation, multiplier effect in the local economy and inclusive economic growth;
- iv. That an efficiently organised real estate industry provides the smartest and fastest route for huge GDP growth for the country, though we differ on its likely impact;
- v. That the real estate sector is diverse, and requires multidisciplinary cooperation of all parties for the unlocking of the huge potential therein;
- vi. That the isolationist approach, or dealing with the issues in silos, is a recipe for continuous failure.

In the light of the foregoing, the theme – Solving Nigerian’s Housing Challenge through Innovative Finance and Infrastructure Solutions is quite apt. Hopefully, we shall not be restrictive or parochial in our submissions. Our primary focus is on solution provision and not on blame trading. It is on understanding the challenge and the strategy to get it right. It is on who does what, when, where, with who etc in order to move the sector forward. It is an attempt to stimulate discussions; socialise emerging ideas/innovations. We are here to further and act on our understanding of the linkages between our various efforts

We were told that the journey of a thousand miles begins with a step, but the issue at stake is whether the target is moving at 10 steps for each one step we take. Our having over 4 million contributors to the National Housing Fund, and the production capacity of all formal sector housing development efforts is less than 100, 000 housing units per annum, portrays clearly the enormity of the opportunity for service before us.

A key aspect of our discussion should be on role definition and the need for a legal infrastructure that will define roles, responsibilities, interfaces, relationships etc amongst stakeholders. It will fundamentally include the following:

- **Policy Objective:** What we intend to achieve in the real estate industry, and who are the stakeholders.

- **A. Laws:**
What Laws, as passed by the National Assembly are needed to govern the transaction dynamics. Building Codes, Foreclosure Laws etc
- **B. Regulations and Codes:**
Any additional regulatory instruments which provide more specific guidance on how to apply the law, such as regulations and codes of conduct.
- **C. National Housing Council (Regulators):**
The regulatory agencies that are responsible for administering and enforcing the law, regulations and codes. Do we need the establishment of a National Housing Council that will involve all stakeholders and not only the built industry professionals.
- **D. Professionalization of Real Estate Industry**
The system, for registering, licensing and/or accrediting individuals and organisations who may provide real estate services under the law. This may include the establishment of licensing and accreditation agencies (although sometimes the regulator may also take this role).
- **E. Standardization of Products and Services**
Government and/or industry must develop technical standards which play a particular role in ensuring compliance with the law. The reduction or elimination of housing collapse, and ensuring transparency in service delivery is envisaged here. Eg National Building Code
- **F. Review**
The legal infrastructure will include a specific forum for periodic review to ensure continuous improvement in tandem with evolving trends in the operating environment.
- **G. Advocacy, Training and Education.**
The provision of training and education to ensure that the law is understood and complied with, and the raising of awareness of the legal requirements amongst service providers and end users.

Permit me at this juncture to pay tribute to some great Nigerians who have given their best, in pursuit of the intertwined issue of housing availability and affordability. Their labours of love have never been in vain, in that their service and sacrifice inspire and encourage many like me. They include Alhaji (Dr) Lateef Jakande, Late Mr. Fortune Ebie, Prof Akin Mabogunje, Arc Alex Ekwueme, etc, etc. Your place in the history of housing development in Nigeria is assured.

On behalf of FESADEV Communications Limited the organisers of the Abuja Housing Show, I welcome all our Guests and participants to the 11th edition, and pray for GOD's richest favour and grace, as we give our best in the service of humanity.

Thank you.

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