



REAL ESTATE DEVELOPERS ASSOCIATION OF NIGERIA

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FNIQB PRESIDENT OF REAL ESTATE DEVELOPERS' ASSOCIATION OF
NIGERIA (REDAN), AT THE 2ND REDAN BUILDING EXPO HELD ON 20TH –
21ST MARCH 2018 AT MUSA YAR'ADUA CENTRE, ABUJA**

Protocols,

With great pleasure and outstanding gratitude to GOD Almighty, I welcome you all to the 2nd REDAN Building Expo with the theme - **'Enhancing Real Estate Development through Collaborative Effort and Capacity Building'**.

Over the years the potentials in real estate sector of our economy has not been harnessed and utilized for the mutual benefit of players and the populace. We have only analysed, complained, picked on each other, and traded blames. We have sought to deal with isolated issues in silos, while neglecting the crucial internal/external interfaces and relationship that ultimately define and determine the outcome of activities in the value chain of real estate. We have not created strong institutions and templates, but allowed our affairs to rise and ebb, depending on the capacity of each leadership of our varied institutions. The paradigm shift in home ownership approach from the erstwhile predominant use of saving, to the emerging use of mortgage calls forth for re-evaluation of our extant laws, policies, guidelines, processes and interfaces. And this can never be actualized via working in silos either internally in our organisation, or externally with other stakeholders.

Thus, the main thrust of this REDAN 2nd Build EXPO is to further enunciate to stakeholders, the essence of collaboration to upscale the real estate and housing sector of the Nigeria economy. This is apt as the bane of the sector has been the unarticulated and individualistic efforts which produces insignificant results to change the expected momentum which we all desire. This has been the message of REDAN over the years as the managers of the diverse interest of stakeholders in the housing product value chain. Your presence here today and crucial participation in other activities in that regard is heart-warming and a clear indication that we are making huge progress collectively. Thank you very much.

Instructively, housing is no more about shelter provision. It is now a veritable tool for employment generation, inclusive economic growth and fulcrum to reversing economic downturn in most climes. It is an engine of growth that propels development in other sectors of the economy. It is on this note, that we as the umbrella body of the organised real estate sector for both private and public operators recognizes the inherent potentials that the housing sector possesses.

We note that the housing deficit has been increasing annually without concerted effort to abate the trend. The challenge to reduce the housing deficit in Nigeria, and use it as a formidable tool for employment generation and inclusive economic growth can only be attained when housing stakeholders work together sincerely. Unfortunately our focus has been on making land and finance available as the only solution to affordable housing. Yet the key and foremost challenge is a collective understanding of the stakeholders in the value chain; their roles, responsibilities and expectations; capacity, skillset and competency enhancement; and a consolidated modulation of the processes, expectations and interfaces to ensure harmonized and enhanced turnover and mutual benefit for all concerned.

After a careful appraisal of the challenges in the real estate environment, REDAN in 2015 set an ambitious agenda of building a strong institution with enhanced succession internally, and a coalition of collaborators with stakeholders. That effort is burgeoning and will eventually crystalize to the desired efforts to change the real estate landscape of Nigeria. Only three of such efforts will be mentioned.

The initial one was a call by REDAN of a meeting of some institutions at Transcorp Hilton on July 1, 2015 to chart a course for unity in the sector. Actively involved in that meeting was NLC, TUC, FMPWH, FMBN, NMRC, MBAN and BUMPAN. This was followed by the REDAN – MBAN meeting in Lagos in 2016. That meeting eventually expanded and became a joint meeting of FMBN/ MBAN / REDAN which started late 2016 and had met at least seven (7) times since then. The meeting has been able to access issues and problems with the supply and demand aspects of the housing delivery value chain, issues of collaterals, interface management and turn-around-time etc.

The second aspect is the formation of the National Real Estate Data Collation and Management Programme (NRE-DCMP). This initially started as a discussion between the Central Bank of Nigeria (CBN) and the Real Estate Developers

Association of Nigeria (REDAN) towards the collation of Property Price Index. The understanding of the need for collaboration led to the meeting of fourteen (14) organizations coming together and working to collate real estate data across the spectrum of the country. These institutions are: Central Bank of Nigeria, Federal Ministry of Power, Works and Housing (FMPWH), Federal Mortgage Bank of Nigeria (FMBN), Mortgage Banking Association of Nigeria (MBAN), Nigerian Mortgage Refinance Company (NMRC), Federal Ministry of Health, National Bureau of Statistics (NBS), National Population Commission (NPopC), Building Materials Producers Association of Nigeria (BUMPAN), Value Chain Project Consultants Limited, Pison Housing Company, The World Bank / Growth & Empowerment Project (GEM), Gesellschaft für Internationale Zusammenarbeit (GIZ) and yours sincerely Real Estate Developers Association of Nigeria (REDAN), which also serve as the secretariat for the umbrella body – NRE-DCMP. Aside the National Conference which took place on October 26, 2017 at Yar'Adua Centre during which Commissioners of Lands and Directors from the 36 states and FCT discussed their data needs, the Programme just concluded Regional Conferences across the six (6) geo-political zones of the country. The aim of the NRE-DCMP involves collation of data in respect of the following:

1. Administrative Survey. This involves abstracting from Land Administrators information on Pre-construction, Construction and Post-Construction activities within each State and FCT
2. Business Survey: Information on Developer's profile and capacity.
3. Off Takers Survey: Demand and Affordability profile of the market within a given locality.
4. Household Condition Survey

The data that will emerge from this exercise will enable appropriate planning / forecasting to take place, and justification for some of the envisaged intervention by Government and other agencies in the crucial sector will be elicited. While awaiting the data, a crucial outcome has emerged – Nigerians in both public and private sector are mutually concerned and committed to ensuring the change we seek. The level of commitment and selflessness we saw in NRE-DCMP is unparalleled and inspirational. It was indeed an eye opener for many. Why we bring this information to this gathering is to let us know that in

a collective resolve to achieve something, there is power of making mileage in our quest to solve our years-long problem of the sector.

The third one emerged from the interactions with officials of the 37 land administering entities at NRE-DCMP regional conferences. We gleaned from them an urgent need for collaborative effort to advocate for ease of doing business at the various State/FCT ministries and land registries across the country, to significantly reduce transaction time and cost of land transactions, as part of our quest for affordability and availability. This initiative of REDAN has the buy-in and partnership of NMRC, FMBN, MBAN and CBN. The years of effort by NMRC and National Housing Finance Programme in this regard will thus receive appreciable mileage and actualization. The need to enhance the policies, guidelines, processes and cost of the various land administering entities in the country, and to ensure that the process and cost are affordable to the home owners, the need for a collaborative effort towards a more efficient land administration processes, guideline and processes amongst 37 land administering entities in the country (36 States and FCT) was the focus of the discuss.

This effort is to bring to the fore, the need for the State Land Administering entities to know and appreciate the need to exercise some restraints and work earnestly towards having reduced compliance cost for permits, and geometrically increase their Internally Generated Revenue profile. In doing this, **the ease of doing real estate business will enhance investment inflow** into the States. While at the same time advocating for effective and efficient fiscal policies that will drive improved real estate activities at both the demand and supply end. Already, Lagos and Kaduna States are leading the pack in this regard.

In all these, lie the power of collaborative efforts. In spite of the foregoing, REDAN will not rest on her mission to forge a common unity of purpose in the real estate sector. Three other collaborative efforts shall be endeavoured.

The need for **capacity building of all practitioners in the sector**: those in the soft and hard business housing aspects of the value chain. The artisans and other direct home construction personnel need be trained and retrained to increase their competencies in constructing durable homes. It is gratifying to note that Federal Government in collaboration with CORBON (Council of Registered Builders of Nigerian) are currently engaged in a very commendable artisanal training programme across the country. This effort we all know is part of the untiring effort of Construction Skills Training & Empowerment Programm (C-

STEmp) and other training institutes. We appreciate them, and note the need and effort by Developers in providing training opportunities in their project sites for the artisans.

Closely related to this endeavour is the need for Developers who are entrepreneurs – those that bring resources together for the construction of homes to be given the adequate knowledge of the business. Having come from diverse professional backgrounds to participate in the real estate multidimensional environment, the excruciating need for training and skillset improvement cannot be overemphasized. The Centre for Housing Studies of the University of Lagos and other institutions are vanguard in this respect. They need to be patronized and eventually, the economy shall be better for it. Time has come for us to look inward, take advantage of opportunities in the economy for wider benefit of the economy. We are not bereft of ideas and personnel, what need to be done is to harness the potentials and collectively we shall make a mark. This aspect is another arm of the collaborative effort that REDAN is pursuing with vigour

Also, there is the **need for a forum where all those who are involved in housing:** bankers, lawyers, administrators, tax consultants, building material producers, policy makers, developers, estate agents, practitioners, government, legislators and other members of the real estate and housing related service producers come together under one banner, one mission to bring out challenges and proffer solutions to the problem of finance, land acquisition, foreclosure, all factors that will make for ease of doing real estate and housing business. The existing legal infrastructure and institutions cannot deliver the expected housing activities, Restructuring the real estate sector in tandem with emerging trends and best practices is fundamental for the successful attainment of our individual and collective set agendas. Either we innovate or we atrophy.

Tangential to the above, is the critical need for interface between governments who design policies for the economy to blend their thoughts with those of the real practitioners. For government ideas to be canvassed, seeking credible opinions from both bilateral and multilateral institutions as well as local inputs before implementation or concretization of the ideas must be a given priorities always. This will ennoble decent and reliable execution of ideas and objectives. Thus, leading to a harmonized value chain that defines and assigns role and responsibilities for mutually beneficial outcomes. Moreso, when currently 75% of the investments and GDP activities come from the private sector. This will

go a long way in eliminating the we-versus-them mentality that has hitherto obstructed and punctuated our growth as a people.

You may recall that at the last EXPO, we advocated for appropriate and adequate financial resources within the economy for both construction finance and mortgage finance; competency/skill set enhancement; coordinated activities by the respective players along the value chain; effective legal infrastructure and policy framework, our journey to sufficiency in affordable housing would have truly began. We still harp on these premises.

The 2nd REDAN Building EXPO and other expos is thus an opportune time to bring stakeholders namely policy makers, legislators, developers, building materials producers, financiers, and professionals in the built industry together to redefine our individual and collective roles and see how we could synergise and bring to the fore the potentials inherent in the real estate and housing industry in the development of the Nigerian economy, all with a view to enhancing understanding of the problem and articulate mutually acceptable and effective remedies.

With these remarks, the 5th REDAN EXCO which came on board February 27, 2018 will do the needful in housing advocacy with the prime focus of bringing stakeholders to cooperate for the good of the real estate and housing sector of the economy. We therefore call on government to cooperate and collaborate with us and other critical stakeholders in the sector with a view of galvanising resources to enable housing delivery - on the mandate of providing shelter for the citizenry and engendering growth for the economy.

I use this address to appreciate the commitments and labours of some of the housing industry giants, who gave and are still giving their all for the growth of the housing sector. I say a big thank you all, and ask GOD Almighty to reward you adequately.

I wish to end this address by thanking you all for coming. May I on behalf of the unseen masses for whom you are labouring to provide employment and shelter say a big thank you. I encourage you to know that your labours of love will never be in vain. In times like this, they that know their GOD, not the situation, shall stand firm and take action. We shall be moved always by the truth and the vision/goal we feel within, and not the challenges and difficulties we see around. We shall never disappoint GOD who placed us in positions in such a time as this.

Thank you all very much and GOD bless.

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President