

ANALYSIS OF PUBLIC AND PRIVATE - SECTORS PARTNERSHIP (PPP) IN HOUSING DELIVERY IN, NIGER STATE. NIGERIA

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Abstract: *One of the greatest challenge confronting both rural and urban residents in Niger State is the need to provide adequate shelter. This study examined the individual significant contribution of the public and private sector in public-private partnerships (PPP) in housing contracts in Niger State, Nigeria. The study review that PPP have so far achieved little success in providing decent and unaffordable housing accommodation to Nigerlites. Accordingly to Niger State housing corporation 2 bed room flat worth N3,500,000.00 and 3 bed room flat worth N4,500,000.00 so it's clear that the houses is unaffordable to low and medium incomes earners. The researcher finding that the private sector in Niger State can be said to have contributed very little to the development of urban project in the state, however, even this insignificant level of participation has be seriously challenges by poor funding and lack of policy framework to regulate it activities. Therefore, it is paramount importance that the state should develop a regulatory framework and partner with the private sector in this regard so as to ensure that the resident of Niger State have access to this important component of the human environment. Researcher concluded that to ensure the effective participation of the private sector in housing delivery in Niger State in general and Minna in particular, the following recommendation have been put forward (1) Aside from providing enabling environment for the private sector to develop real estate, government should also invest more in provision of site and services scheme this will hasten the development of estate sector. (2) The establishment an power federal mortgage bank (FMB) and urban development bank would guarantee investors access to loan and other facilities needed for mass housing development.(3) strengthening the activities of the Niger State Ministry of land and housing in order to ensure that both the formal and informal neighborhood save provided with sanction and neighborhood facilities and (4) The establishment of a PPP steering committee in the Niger State that would be responsible for the general oversight of state's PPP arrangement. (5) Finally, the study recommend that to ensure success of public and private partnership in housing delivering, all tiers of government most strive to compliment the weakness of the public sector with the strength of the private sector.*

Keywords: *Delivering, Housing, Partnership, Private, Public*

1. INTRODUCTION

1.1 Background to the Study

Housing has been universally recognized as one of the most essential necessities of human life and is a major economic asset in every nation. Adequate housing provides the foundation for stable communities and social inclusion (Oladapo, 2006). Gilbertson, et al (2008) observed that there is a significant association between housing conditions and physical and mental health of an individual. People's right to shelter is thus a basic one and the provision of decent housing to all requiring them should be the hallmark of every civilized society and one of the criteria for gauging development.

These problems have become more critical in the cities, where huge housing supply deficits, dilapidated housing conditions, high cost of housing as well as proliferation of slums and

squatter settlements exist (Iyagba and Asunmo, 1997; Adedeyi, 2005; UN-HABITAT, 2006b; 2006d; Daramola, 2006).

1.2 Aim

To analyze the level of success achieved and shortcoming of the scheme in housing delivery in Niger State and make appropriate recommendations for improvement.

1.3 Objectives

- i. To discover the different types of PPP arrangements in use and the relevance of public-private partnership in mass housing provision
- ii. To identify the actors and their roles in housing provision.
- iii. To examine the roles of government agencies in PPPs in housing delivery.
- iv. To identify the problems/challenges faced by government agencies in PPP in housing provision.
- v. To advance a mitigating measure to the housing problem in Niger state

1.4 Statement of the Problem

Housing finance constitutes one of the major pillars of housing delivery. Indeed, without a well-organized and efficient housing finance mechanism, the goal of a housing development policy will be largely unattainable. Housing finance has been recognized as an important, almost indispensable factor in the housing delivery system.

1.5 Scope and Limitation of Study

The study will focus on public private partnership housing programme in Niger state which commenced in the year 2007 to till date. It will also evaluate the implementation of the programme in housing delivery in Niger State between years 2007 to date. The study is limited by unavailability or unwilling gratitude of most stakeholders to give necessary data for the research.

2. LITERATURE REVIEW

2.1 Meaning of Partnership

A partner means a shares (with person, in or of things), persons associated with others in business of which he shares risks and profits (Oxford, 1964). Partnership on the other hand, means the state of being a partner in a contract between people engaged in any business (Chambers, 1983). Partnership among all actors within the country from public, private, voluntary, non-governmental organizations and individuals are essential to housing delivery (Osibogun, 2003). During the past decade, rapidly changing politically and economic forces have created an environment in which many public and private sector leaders have discovered a strong mutual interest in exploring new ways to form and sustain partnerships (Donna, 2006). As many states and communities are learning, partnerships can effectively bring together a wide range of contributors, including governments, business, philanthropies, families and service providers, to expand and improve housing delivery and other services for any society. In today's global environment, it is widely recognized that building partnerships is indispensable to realizing the enabling approach for promoting sustainable development. This can also be widely achieved if the private sector is party to the arrangements. The private sector is seen here as 'a basic organizing principle for economic activity where private ownership is an important factor, where markets and competition drive production and where private initiatives and risk-taking set activities in motion (DAC, 1995; cited in Lindahl, 2005).

3. RESEARCH METHODOLOGY

The research was carried out using both quantitative and qualitative data. The quantitative data (housing cost, repayment amount and period) was sourced from the government memorandum of understanding (MOU) containing the terms of the housing scheme. Supplementary data was then obtained through interview with government officials (Niger State Housing Corporation).

3.1 Method of Data Collection

The data for this study were sourced through the following methods.
Reconnaissance survey, Questionnaire survey and Interview;

3.2 Reconnaissance Survey: This was done to ascertain mass housing project locations, types of housing units and their characteristics, that is, accessibility, environmental conditions, to ascertain the level of success achieved so far and shortcoming of the scheme.

3.2 Data Collection Instrument

Primary data for the research was obtained through field survey, using structured questionnaire and interview while the secondary data was obtained through a checklist used for extracting information from relevant records; and also through review of literature.

3.4 Structured questionnaire

The questionnaire was designed in three parts (Sections A, B and C). Section A was used to obtain demographic information of the respondents (beneficiaries of Talba Housing Estate along MinnaBida road, Niger State, the information or data collected includes Age of Beneficiaries, Marital Status, Size of the family, Monthly income, Tenure type, Types of parking facilities, space allocation etc.

Section B: Questionnaire was designed to the staff of Niger State Housing Corporation (Stakeholders) on the general assessment of the PPP in the following estate

Talba Housing Estate in Minna

Aliyu Makama Housing Estate in Bida

Col. Sani Bello Housing Estate in Kontagora

The following information or data are obtained from 136 staff of Niger State Housing Corporation out of total number of 207 staff which are as follows

Total number of houses on site, Sold and not sold, habited and not habited ones, reason of inhabited ones, target groups of the housing estate, how much is a house sold, complain received about the estates.etc

Section C: A questionnaire was designed for the private developer of the following estate Talba Housing Estate in Minna (Puzzul Nig. Ltd), Aliyu Makama Housing Estate in Bida (Venkhar Nig. Ltd), Col. Sani Bello Housing Estate in Kontagora (M.C Global Nig. Ltd). The information or data received from these three private developers are as follows:

How many units have you delivered, what the challenges, sources of income, types of housing materials used, how long does it take to delivered a house, how adequate are houses provided by the private sectors,etc.

4. RESULT AND DISCUSSION

Several weaknesses exist in the current housing delivery system. These weaknesses can also affect and limit the achievement of the goals of PPP and constitutes challenges that need to be addressed for a sustained and effective mass housing delivery (Mustapha, 2004).

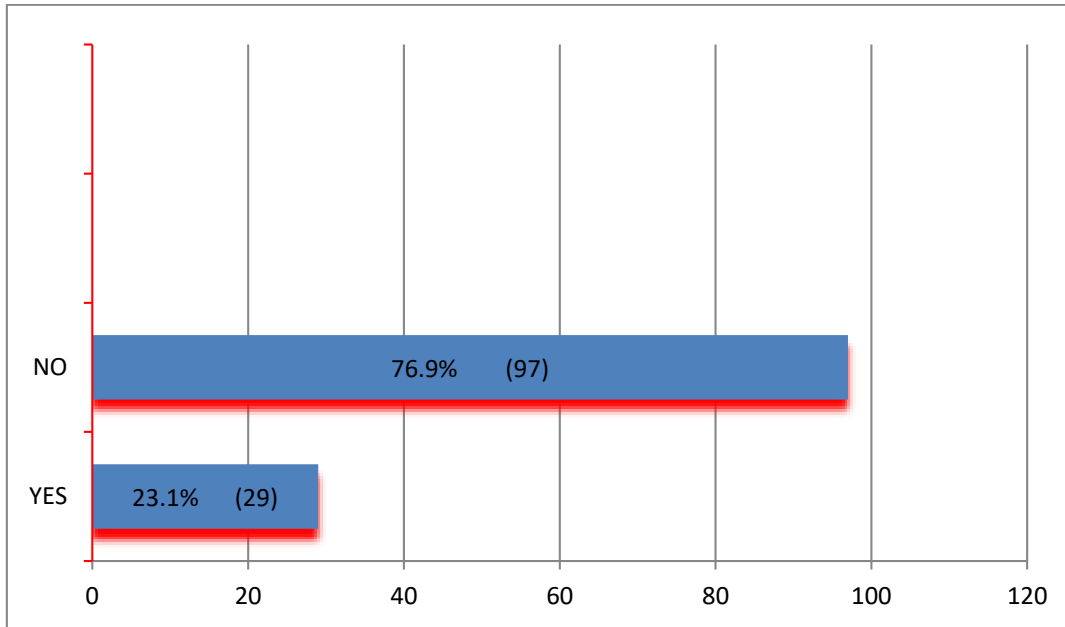


Figure 1: Economic viability of PPP
Source: Field Survey October, 2017

Table shows the result of the analysis of the PPP economic viability in Niger State housing estate. This analysis is based on the responses by the stakeholders. It is clear that 97% of respondents said PPP option is not economically viable while only 29% respondents said it is economically viable. So from the statement above PPP option is not economically viable.

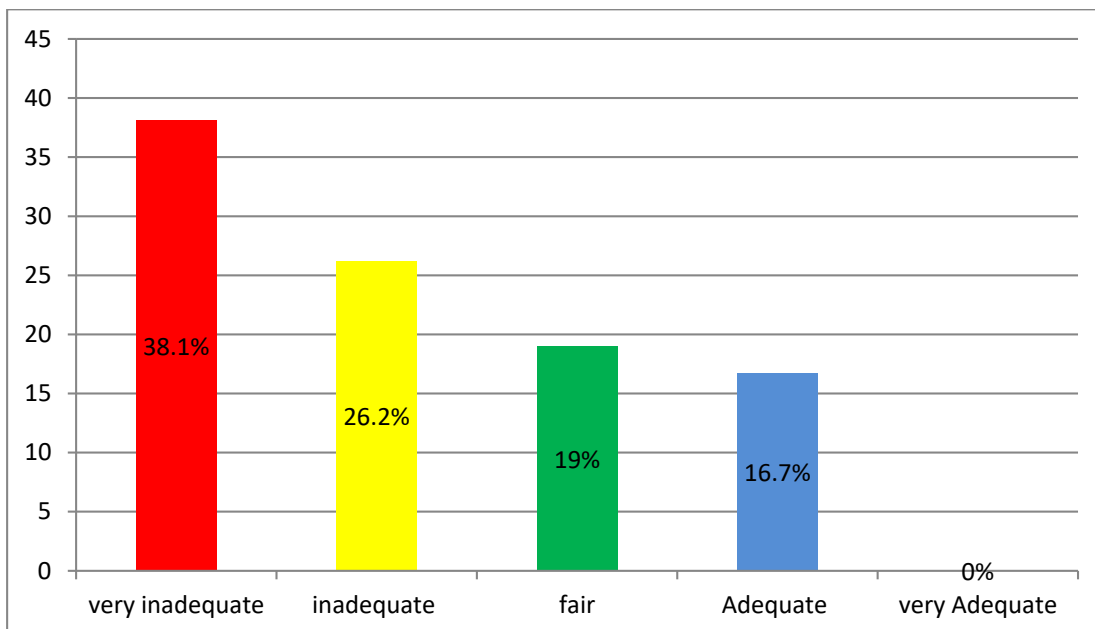


Figure 2: Adequacy of Housing estate provided by private sector

It is obvious from Figure:2 that 38% respondents said the Houses provided by private sector in terms of housing delivery are very inadequate, 26% respondents said is inadequate, 19% respondents said fairly adequate, 16% respondents said it is adequate while there was no

response from very adequate. This assertion is based on the fact that the houses provided by private sector are very inadequate.

Table 1: Shortcoming of scheme is mass housing delivering

Shortcoming of Scheme	Respondents	Percentage
Houses are unaffordable for the target population	27	21.5
Poor policy and corruption of public sector	23	18.3
High cost of building materials.	26	20.6
Inadequate performances of mortgage bank	24	19.0
High interest rate from the developers	26	20.6
Total	126	100

(Source: Field Survey October, 2017)

The table above shows the result of the shortcoming of the PPP scheme. 27 (21.5%) respondents said unaffordable houses to the target group, 23 (18.3%) respondents said poor policy and corruption of public sector, 26 (20.6%) respondents said high cost of building material, 24 (19%) respondents said inadequate performances from mortgage bank while 26 (20.6%) respondent said high interest rate from developers. It is clear that all factors stated above are affecting housing delivering in Niger state in housing provision.

Table 2: How affordable are the houses for the target group.

Stakeholders	Respondents	Percentage
Affordable	0	0
Fairly affordable	7	5.6
Not affordable	119	94.4
Very affordable	0	0
Total	126	100

(Source: Field Survey October, 2017)

The result shows that 119(94.4%) of respondents said housing is not affordable to the target group while only 5.6% of the respondents said is affordable. It is very clear that the houses build through PPP Scheme are not affordable to the target population

Table 3: Level of housing construction of Three (3) Estates

Progress in Estates	Talba Estate		Sani Bello		AliyuMakama	
	Frequency	%	Frequency	%	Frequency	%
Completed	119	94.4	7	5.6	1	0.8
Almost ready for habitation	2	1.6	106	84.1	3	2.4
Work in Progress	5	4.0	13	10.3	122	96.8
Others (Specify)	0	0.0	0	0	0	0
Total	126	100	126	100	126	100

(Source: Field Survey October, 2017)

From the table above it is clear that Talba Housing Estate is completed, Sani Bello Housing Estate is almost ready for habitation and AliyuMakama Housing Estate is still stagnant.

4.1 Success achieved from 2007 to date





Talba Housing Estate Minna comprises of 500 Housing Units (2&3 Bedroom Flat) completed



Aliyu Makama Housing Estate Bida comprises of 150 Housing Units (2&3 Bedroom Flat)

4.2 Shortcomings of the scheme in Housing Delivery in Niger State

4.2.1 Problems of affordability

According to Adedeji (2006), the only way a housing scheme could be affordable was through the adoption of cultural concepts and landscape in the building production as there would be little or no wastage of land and other natural resources. Nigerians, crave for foreign designs and building materials which have made housing unaffordable to the average man. PPP had brought some marginal increases in the housing stock; but in some instances the products were far from being affordable. Increasing prices of building materials caused housing developers to regularly effect upward price reviews on housing products thereby making them more expensive and unaffordable to even the middle income earners.

4.2.2 Association Problems

This border on policy implementation; chief among which is the bureaucratic bottleneck in the release of FMBN credit fund in time, causing delayed production, high interest rates from commercial banks, inability of government in providing infrastructure on PPP project areas and the use of subcontract works brings about delays in the completion time as scheduled (Wakirwa, 2005).

4.3.3. Organizational Constraints

The arrangement between the public sector and private sector forming partnership is the acknowledgement that each sector will benefit from each other and help each other without short changing itself. However, some constraints are still observed in the public –private partnership in housing delivery. For example:

a. Non – availability of land documents which serves as security for would be lenders frustrate loan application from the Nation Housing Fund (NHF) and other existing sources like Union

Homes etc. Is a serious drawback to secure housing loan in time to achieve the PPP objectives in housing development (Mabogunje, 2004 and 2005; Mustapha, 2004).

b. Building materials are vital component of housing construction that needs to be regulated for effective (PPP) initiative in the housing sector. However, government fail to regulate the high cost of these building materials, examples, roofing sheets, paints, cement, reinforcement, etc.

c. The reasons behind bringing in private sector into housing development is to facilitate mass housing supply. But due to high responsibilities of compensation, relocation and provision of infrastructure on sites makes, they usually end up producing expensive structures that are chiefly unaffordable to many would-be beneficiaries.

4.3.4 Non-Adherence to planning standard

In some schemes, planning standards are not followed especially in respect to space allocations. Houses are also not constructed to accommodate all income groups. For example, low – income earners are in most cases not recognized, when products of the scheme tend to favor only members of the high income group.

4.3.5 Suggestion for Improvements

i. Building Materials and the Construction Industry

Policies are needed to increase access to appropriate affordable building materials, and research and development into innovative technologies should be supported. Equally urgent is the need to improve the quantity and quality of skilled workers in the informal housing sector. Environmental construction designs and technologies, and energy efficient, low polluting technologies should be promoted and made more widely available.

That the government in Nigeria need to go beyond the provision of land and policy frame work to granting incentives (import duty wavers on imported building materials and construction equipment and tax relief) to organized private sector housing developers involved in public private partnership housing delivery for especially low-income people as well as contributing to the provision of basic infrastructure.

ii. Urban Infrastructure

Urban infrastructure and rising cost of building materials among others have been the main bane for estate development in Niger State and these have stalled the supply of affordable homes. Government needs to prudently design and provide targeted subsidies and incentives like targeted intervention fund that will provide infrastructure for serious private sector estate developers, and some measures that will bring down the cost of building materials in the country.

The coordinating department of Mass Housing needs to be given the necessary budgetary allocation and backing that would enable it to function more effectively in the discharge of their monitoring and regulatory responsibilities. Also developers need to be enlightened on the need to adhere strictly to the provisions of the master plan and mass housing guidelines of the Niger State for effective delivery of housing.

iii. General Awareness: Field assessments have shown that there is the need to create awareness campaign for all the stakeholders. The need for greater awareness for all stakeholders in order to increase detailed knowledge of this and other similar programmes cannot be over-emphasized. Public workshops on issues regarding public-private partnership for housing delivery should be organized regularly for the present and future beneficiaries and all other stakeholders. This has the overwhelming potential of having would-be beneficiaries' inputs in the project. Of particular interest are the issues that often lead to beneficiaries to express their dissatisfaction in effecting corrections or modification of the various housing components.

iv. Increasing Housing Accessibility and Affordability: On the affordability side of the scheme (a key factor for sustainable housing for all stakeholders in the society). There is need

for government to create ways of increasing accessibility of these products to the target groups. A key component of a shelter strategy is in the area of housing finance and accessibility. To this, government at all levels should make it an obligation to ensure that an appropriate environment is created for the mobilization and accessibility of funds by the target groups. This can be done by given soft loans to the beneficiaries (who in many instances are her employees), acting as referee to the people, or in providing adequate guarantee for them in order for them to access these loan facilities. It can also effect positive changes by improving the efficiency of the different financial intermediaries (like mortgage institutions) in the whole process of building construction and accessibility, etc.

4.3.6 Improving Housing Design and Layouts: Housing efficiency can be enhanced through the inclusion of basic and fundamental housing requirements needed for productive living. These facilities also need to be made available at the appropriate places and with adequate dimensions. This has the prospect of minimizing modifications of these structures by the beneficiaries immediately on arrival.

4.3.7 Addressing Inadequate Provision of Space: The need for the adequate provision of open space in any housing estate cannot be over emphasized. Open spaces provides the needed environment for relaxation and social interaction amongst members of any community especially after work hours. This is also a paramount requirement for parking of vehicles, air circulation within and between the various building structures and the larger environment, as well as gardening, landscaping and aesthetics.

4.3.8 Increasing Housing affordability: High cost of houses appears to be the main hindrance towards the accessibility of these houses to overwhelming majority of the urban populace. To reduce cost of these houses, it will be very good if; full adoption of local building materials is made. Sourcing of funds to finance projects like these should be done through mortgage institutions like the Federal Mortgage Banks who charge less interest than commercial banks.

Sourcing funds for PPP projects: It is likely that more work will need to be done to clarify relevant legislations in regards to project duration and sourcing of funds by private partners undertaking PPP projects. That regulation is needed in order to eradicate corruption and to stimulate performance standards for economic sustainability. The capital market is well developed but can still be said to be out of tune with the requirements of mass housing provision, and are likely to also impede private sector commitment to PPP housing scheme

4.3.9 Payment of compensation: To further guide against a recurrence of dissatisfactory conducts by parties to PPP arrangements, a regulation should be made to enforce the payment of compensations to victims of unsatisfactory products. The law in particular can be explicit on the terms of compensation to the end-users who are dissatisfied with the products given to them and especially had to expend money to correct observed discrepancies. Rules are also needed to guide the refund of money spent by beneficiaries in order to fix or rebuild their 'new' places of aboard. This refund can come from the gov't or the company (ies) or contractor(s) that were instrumental to the execution of the project.

5. CONCLUSION

This study investigated the significant individual contribution of the public and private sectors in public-private partnership housing delivery projects in Niger State, Nigeria. The study identified provision of land as the significant contribution of the public sector in PPP housing delivery projects. On the other hand, the private sector contributes significantly to PPP housing delivery projects in terms of provision of finance, reduction in administrative bottlenecks, enhanced capacity to absorb risk factors, better service delivery and higher competency in skills and technological know-how. To annex the potential of the significant

individual contributions of the public and private sectors in PPP housing contracts, the following recommendations are suggested.

- i. Since the private sector most significant contribution to PPP housing contracts is the provision of finance, government should provide an enabling economic environment for such businesses to thrive.
- ii. The public sector most significant contribution is the provision of land. This study recommends that government should make land available to developers of real estate at affordable prices.
- iii. Aside from providing an enabling environment for the private sector to develop the real sector, government should also invest more in provision of sites and services scheme. This will hasten the development of the real estate sector.
- iv. Finally, the study recommends that to ensure success of public-private partnership in housing delivery, all tiers of government must strive to complement the weaknesses of the public sector with the strengths of the private sector.

The research concludes that for effective housing delivery through public-private partnership, the findings of this study can aid in the formulation of housing policy that is geared towards annexing the strengths and weaknesses of the public and private sectors in housing delivery should be encouraged.

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