



GLOBAL JOURNAL OF ADVANCED RESEARCH
(Scholarly Peer Review Publishing System)

EVALUATION OF THE SUITABILITY OF ADOPTING PUBLIC PRIVATE PARTNERSHIP FOR HOUSING PROVISION IN ANAMBRA STATE.

**KEKE, ONYINYE
VIVIAN**

MSc, BSc
(Estate Management), ANIVS.
Department of Estate
Management, Nnamdi Azikiwe
University, Awka,
Nigeria
ov.keke@unizik.edu.ng

**EMOH, FIDELIS
IFEANYI**

PhD, MSc, BSc
Estate Management), FNIVS,
RSV. Department of Estate
Management, Nnamdi Azikiwe
University, Awka,
Nigeria
fi.emoh@unizik.edu.ng

OGUNSINA, OLUSOLA

M.Sc (Construction
Management), B.Sc (Quantity
Surveying), MNIQS.
Department of Quantity
Surveying, Nnamdi Azikiwe
University, Awka,
Nigeria
drsola36@gmail.com

ABSTRACT

Housing is paramount to human existence as it ranks among the top three needs of man. It is one of those fundamental social conditions that determine not only the quality of life and welfare of people but also that of places. As a unit of the environment, housing has profound influence on the health, efficiency, social behaviour, satisfaction and general welfare of the community (Onibokun, 1997). The provision of adequate and affordable housing in any country is very vital as it is a stimulant of the national economy. In Nigeria, successive governments have devised and launched strategies to tackle the huge housing deficit but still, adequate supply remains a mirage to all carder of the society. Anambra State, one of the states in the country, over the years has suffered challenges in ensuring adequate and affordable housing to its citizens. This paper therefore studies the housing problems of Anambra state and examines the suitability of adopting Public Private Partnership (PPP) which has become popular amongst Governments for improved housing provision.

Keywords: Housing, Public Private Partnership, Anambra State, Nigeria.

1. INTRODUCTION

Housing is of supreme importance to man and one of the best indicators of a person's standard of living and his place in the society. However, at no point has it been adequately delivered in Nigeria either quantitatively or qualitatively. Housing delivery is one of the major problems confronting the underdeveloped world and has been a major concern to many developing countries in the world particularly in Nigeria where population increases at geometric progression while resources to sustain the growing population increases at arithmetic progression. The New Housing Policy of the Federal Government of Nigeria in consonance with the United Nations 'Agenda 21' advocated the need for private sector partnership with the public sector in housing delivery. This need not be overemphasized here in Nigeria because the poverty level of most Nigerians makes it difficult for them to own houses. Public private partnership has been proven in many countries as a panacea to the problem of housing. Although Nigeria still grapples with its problems of high cost of building materials, deficiency of housing finance arrangement, stringent loan conditions from mortgage banks, and government policies amongst other factors, public private partnership has been embraced by most states of the federation and the benefits have been enormous. It is however a course of concern that in Anambra state, the central state of the eastern region in the country, little or nothing has been done in enhancing housing provision in the state through public private partnership. Ugonabo and Emoh (2013) stated that since the creation of the state in 1991, the housing situation in the state could be described as deplorable, requiring declaration of a state of emergency in the sector. Shortage of housing in the three major towns of Awka, Onitsha, Nnewi, appears intractable with increasing rural-urban drift and as more civil servants are moving to Awka the state capital. Residential accommodation and public buildings are very scarce and even some government offices are still operating in rented houses. Realizing

the importance of access to land as a fundamental challenge to housing delivery in urban areas, successive governments in Anambra State have developed / created government residential layouts in the three major towns of the state namely Awka, Onitsha and Nnewi. Some of these residential layouts were fully/partly developed with housing units and sold to the public while the rest were developed / created as site and services schemes and allocated to members of the public. Similarly, there are some Housing Estates promoted and developed by State Government parastatals/corporations like Anambra State Housing Development Corporation (ASHDC) and Anambra Home Ownership Corporation Limited (AHOCOL), Awka. One characteristic of these government residential layouts including that developed by the corporations is general lack of infrastructure like roads, drains, electricity, water etc. The absence of infrastructure in these layouts has in no small measure compounded the problem of housing shortage in Anambra State. The impact of Federal Government efforts to provide decent, safe and affordable housing to citizens of Anambra State has not helped much. The housing sector with regards to Public Private Partnership though familiar, is still in its infancy and yet to be fully embraced in some states of the Federation, Anambra State being one of such states. Indeed, Anambra State faces challenges in ensuring adequate and affordable housing to its citizens, especially the poor and low income group. It is against this background that this research examines the suitability of adopting Public Private Partnership in Anambra State especially with regards to utilizing the contributions of the private sector.

2. HOUSING DEVELOPMENT IN ANAMBRA STATE

Housing development in Anambra State takes its roots from Nigeria which at different periods of its development into an independent nation has made its own efforts through government intervention in providing adequate housing for its citizenry. It has however been observed that “the debacle of public sector intervention in housing is linked to the inability of government to properly define its role and ascertain the real needs of the populace and the lack of political will to tackle the hydra headed housing problem”(Olotuah, 2005; FGN, 2004).

Before the advent of the colonial rule at the dawn of the 20th Century, a communal system of housing delivery was practiced in most Nigerian communities where houses were built through communal efforts by peer groups.

Public sector intervention in housing in Nigeria began in the colonial era; the period of the white man’s quarters or the period of housing reservation (Onibokun, 1975; Aribigbola, 2008). Housing problems during this period was still at the periphery probably due to moderate or manageable rural-urban migration (Agbola, 1998). The housing activities and policies of the Government focused essentially on the provision of quarters for the expatriate staff members of the colonial government and for selected indigenous staff in specialized occupations, like the railways and the police (Ebie, 2009). This marked the advent of Government residential areas (GRAs) in Nigeria as well as a few “African Quarters”. The basic idea in the GRA policy was to provide habitable housing and housing environment for those expatriate administrators comparable to the best in their respective countries.

Post independence public intervention in housing did not fare significantly better than during the colonial era in terms of housing provision for the generality of the urban settlers (Abiodun, 1985). The subsidised housing reservations that used to be reserved for the colonialists became, after independence, a reservation for the new Nigerian administrative and political elites. Thus, the policy of Government Residential Areas was not only retained, it was embraced and promoted with greater zeal. Those who took over government saw in the GRAs, a mark of distinction to stay there (Aribigbola, 2008). Although the undeveloped parts of reservations were later developed and more quarters were built and allocated, the demand for housing units in the GRAs soon outstripped the supply as a result of the unprecedented increase in the number of civil servants that qualified for government quarters at both federal and state levels. Several housing policies were formulated to solve the housing need of the sudden population expansion as a result of post independence and the growth of the oil industry. They include the Association of Housing Corporation of Nigeria (AHCN) formed in 1964; National Housing Programme, 1972; Federal Housing Authority in 1973; Nigerian National Housing Policy, 1991, 2006; National Housing Fund in 1992 among others.

3. EXISTING HOUSING SITUATION IN ANAMBRA STATE

The housing situation in Anambra state since its creation in 1991 can be said to have moved from bad to worse. Sadly, it could be described as deplorable, requiring a declaration of a state of emergency in the sector (Ugonabo and Emoh, 2013). The history of housing in the state cannot be said to be any different from that of the country in general since the same policies and institutions were also implemented at the state levels such as the State Housing Corporation (SHC) to provide housing to the populace at affordable prices. However, these institutions were not only overwhelmed by the problems for which they were set up to tackle, they did also as good as not exist at all. Shortage of housing in the three major towns of Awka, Onitsha and Nnewi remains intractable with increasing rural-urban drift and as more civil servants are moving to Awka the state capital. Residential accommodation and public buildings are very scarce and even some government offices are still operating in rented houses. This scarcity of housing has pushed the cost of rented buildings very high as an average 3 bedroom flat rents between ₦350,000.00 – ₦400,000.00 per annum and a duplex lets for between ₦500,000.00 – ₦1,500,000.00 per annum in the three major towns of Onitsha, Awka and Nnewi. Obviously these rents are not affordable to majority of the civil servants resulting in emergence of squatter settlements as alternative accommodation. Extensive illegal and unregulated building patterns dominate the urban towns in the State. Buildings are put up without regard to existing building and health codes or zoning and subdivision regulations - thus creating slum and squatter conditions in which most residents in the state now live. This ugly situation still persists today and not much has been done by government to increase the housing stock in relation to demand for residential and office accommodations in the state especially Awka, the state capital. Realizing the importance of secure access to land as a fundamental challenge to housing delivery in urban areas, successive governments in Anambra State have developed / created government residential layouts in the three major towns of the state namely Awka, Onitsha and Nnewi. Some of these residential layouts were fully/partly developed with housing units and sold to the public while the rest were developed/ created as site and services schemes and allocated to members of the public. Similarly, there are some Housing Estates promoted and developed by State Government parastatals/corporations like Anambra State Housing Corporation and AHOCOL, Awka. This involves the provision of land by the state government to the corporation, issuing certificate of occupancy, handing over land, granting planning

approval and providing necessary support to facilitate the execution of the housing project. Armed with the certificate of occupancy, the corporation now develops the estate either as fully/partly developed housing units or as site and services scheme and sell the plots of varying sizes to members of the public. The corporation grants lease of the extant term of their term less at least a day to the prospective purchasers who registers same at the lands registry as bona fide lessees.

One characteristic of these government residential layouts including that developed by the corporations is general lack of infrastructural facilities like roads, drains, electricity, water, etc. The absence of infrastructural facilities in these layouts has in no small measure compounded the problem of housing shortage in Anambra State.

The Federal Government of Nigeria is not left out in the efforts to provide decent, safe and affordable housing to citizens of Anambra State. There are some Federal Housing Estates developed/created by Federal Government in Anambra State at the following locations namely, Onitsha, Awka, Nnewi, Aguleri, Ogidi, Ihiala and Umunya. Save for low cost housing schemes, developed/partly developed during Shagari regime, the rest of the estates are site and services schemes. This involves the Federal Government acquiring land, surveying and parcelling the land and allocating same to interested members of the public through Federal Ministry of Works and Housing, now Federal Ministry of Lands, Housing and Environment. Initially, building leases for 99 years were granted to allottees but now replaced with certificate of occupancy.

4. PUBLIC PRIVATE PARTNERSHIP AND ITS SUITABILITY IN ANAMBRA STATE

The World Bank (2007) defined public private partnership as an agreement between a government and private firm under which the private firm delivers an asset, a service or both in return for payment. It is broadly viewed by the European Union Commission (EUC, 2004) in Adegoke (2013) as a form of cooperation between the public and private sectors for the funding, construction, renovation, management or maintenance of an infrastructure or the provision of a service. Essentially, public private partnership is a kind of cooperation between the public and private sectors to aid the provision, rehabilitation, management and efficient performance of infrastructure and service delivery (Adegoke, 2013). Though there is no single, universally accepted definition for public-private partnership (PPP), it can be generally said to refer to a form of cooperation between public authorities and the private sector to finance, construct, renovate, manage, operate or maintain an infrastructure or service; a contractual arrangement which is formed between public and private sector partners. It involves the participation of the private sector in the development, financing, ownership, and or operation of a public facility or service. In such a partnership, public and private resources are pooled and responsibilities divided so that the partners' efforts are complementary. Through PPP, the public sector seeks to bring together the resources of the public sector and the technical expertise of the private sectors to provide services and goods to the public at the best value for money (vfm) (Ministry of Finance, Singapore, 2009). At their core, all PPP involve some form of risk sharing between the public and private sector to provide the infrastructure or service. It creates a new approach to managing risk in the delivery of assets and services by combining the complementary skills and expertise of each partner in the interest of improving services to the public. Private companies in conjunction with the Public sector or one of its branches have therefore introduced this solution which provide a more integrated financial design construction, maintenance and operational solution to infrastructure projects. Although PPP is considered a new concept that has gained prominence in the last 20 years, PPPs have actually been around for hundreds of years, wherever the private sector has been involved in the delivery of traditional public services (i.e., water, roads, rail, electricity and housing). In housing provision, PPP has gained currency in recent times on the premise that it promotes multi-stakeholders' participation; enhances productivity of the public-sector housing and reduces housing affordability challenges (UNHABITAT, 2006b; Shelter Afrique, 2008). The application of PPP in various sectors of the economy is becoming increasingly popular in Nigeria as well as other developing economies. In Nigeria, the sectors where PPP has been used extensively are in the areas of transportation, water/waste water management, infrastructure and utility development as well as education. The housing sector with regards to PPP is still in its infancy and yet to be fully embraced in some states of the Federation, Anambra State being one of such states. The private sector's participation in housing in Nigeria comprises both the formal and informal segments. Small-scale private landlords in rental housing dominate the informal sector supply of urban housing as noted by Ikejiofor (1997). The greater part of houses produced by this sector is non-conventional, does not comply with established procedures and is frequently contravening existing legislation (Olotuah, 2005). The formal segment of the private sector constitutes corporate institutions who are involved in direct large-scale production and delivery of housing units. The collaborative effort between this sector and the government is generally believed to be beneficial as Li and Akintoye (2003) noted. It enhances government capacity to develop integrated solutions, facilitates creative and innovative approaches thus reducing the cost and time spent to implement the project, transfers certain risk to the private project partner, attracts larger productivity and more sophisticated bidders to projects while providing an avenue to access better skills, expertise and technology. The concept of partnership in housing delivery system is predicated on the pooling together of resources from the various stakeholders, each party making inputs, thereby minimizing wastages and maximizing results achieved. Recently, the private sector has been showing considerable interest in the provision of housing, not as a social service to the people but with the intension to make profits. The above situation brought about the cooperation between the government and the organized private sector in delivering affordable housing to Nigerians. In Anambra State, PPP is still a new concept and in the housing sector, about a few housing estates have been developed by the Anambra State Housing Development Corporation (ASHDC) in partnership with some private real estate development companies. So far the numbers of estates under this partnership are as follows:

Table 1. THE ESTATES OF ASHDC

S/N	Name of Estate	Number of plots
1.	Ngozika Housing Estate, Phase I, Awka.	407
2.	Ngozika Housing Estate, Phase I Extension, Awka.	71
3.	Ngozika Housing Estate, Phase II, Awka.	452
4.	Udoka Housing Estate, Awka.	364
5.	AHOCOL Estate, Phase I, Awka.	54
6.	AHOCOL Estate Phase II, Awka	112
7.	AHOCOL Oganiru Estate, Awka.	256
8.	Niger Bridge Head Housing Estate, Fegge, Onitsha.	511
9.	AHOCOL Inner City Estate, Awka	8
10.	Liberation Housing Estate, Nawfia/Enugu-Agidi.	751
11.	Hill View Housing Estate, Nkwelle Ezunaka	698
12.	New Haven Housing Estate, Mgbakwu	248

Source: Anambra State Housing Development Corporation.

5. DATA ANALYSIS AND FINDINGS

Data for this research were obtained from two sources; primary and secondary sources. Primary data were based on field survey in the course of research by way of oral interviews, well structured questionnaires to the various groups of respondents (comprising members of the Anambra State Ministry of Housing and Development, registered Estate Surveyors and Valuers and private real estate developers in the State) as well as observations, while secondary data were collected through review of relevant related literature from published articles in journals, textbooks, magazines, conference proceedings, bulletins, and other publications.

The research findings showed that Anambra State being a multi-functional state required a drastic increase in its housing provision and affordability and that could be greatly achieved through massive public-private partnership. Although some PPP housing projects have been undertaken in the State, it has suffered a lot of setbacks some of which were identified in the course of the research. They include: unavailability of land for housing which has been identified as one of the major constraint to housing provision which is mainly as a result of the promulgation of the Land Use Act of 1978 which created a dual structure of land delivery systems; high cost of construction due to the relentless inflationary pressure on foreign building materials and labour market; limited access to finance was also raised as one of the major challenges to housing provision in the State and the nation as a whole; lack of critical infrastructure was also linked as a hindrance to the sustenance of PPP in the State's housing delivery efforts and the country at large.

6. CONCLUSION

From the data analysis and findings, the researchers came to the conclusion that public-private partnership is a suitable mechanism for improved growth in housing provision of Anambra State. A lot of work however needs to be done to attract the right kind of private investors by creating an enabling environment and offering the most suitable and attractive form of PPP arrangement for them. It is believed that private participation in infrastructure development through PPPs will enhance efficiency, broaden access, and improve the quality of housing delivery in Anambra State.

7. REFERENCES

- [1] Abiodun, J. O. (1985). The provision of housing and urban environmental problems in Nigeria. In J.O. Abiodun (Ed.). *Urban and regional planning problems in Nigeria* (pp.174-191). Ibadan, Nigeria: University of Ife Press Ltd.
- [2] Adegoke, S.A.O. (2013). *Urban infrastructural development financing for economic empowerment: contemporary challenges and strategic options*. Paper presented at the annual conference of the Nigerian Institution of Estate Surveyors and Valuers. Benin City, Edo State.

- [3] Agbola, T. (1998). *The housing of Nigerians: A review of policy development and implementation*. Ibadan: Development Policy Centre.
- [4] Akintoye, A. (2003). Analysis of factors influencing project cost estimating practice. *Construction Management Economics*.
- [5] Aribigbola, A. (2008). Housing policy formulation in developing countries: Evidences of programme implementation from Akure, Ondo State Nigeria. *Journal of Human Ecology*, 23(2), 125–134.
- [6] Ebie, S.P.O.F. (2009, May). *Public sector driven housing: Achievements and problems*. Paper presented at the 2009 Faculty of Environmental Sciences Annual Lecture, Nnamdi Azikiwe University, Awka.
- [7] Federal Government of Nigeria. (2004). National Housing Policy Draft, Abuja.
- [8] Ikejiofor, U. (1997). The private sector and urban housing production process in Nigeria: A study of small-scale landlords in Abuja. *Habita International*, 21(4), 409-425.
- [9] Ministry of Finance, Singapore (2009). Public Private Partnerships. Retrieved from <http://www.mof.gov.sg/policies/ppp.html>. Accessed on 12th April, 2015.
- [10] Olotuah, O.A. (2005). Sustainable urban housing provision in Nigeria: A critical assessment of development options. *Proceedings of the Africa Union of Architects Congress, Abuja, Nigeria (64-74)*.
- [11] Onibokun, A. G. (1975). *A critical review of the Nigerian Government housing policy and programmes*. Ibadan: Second International Housing Conference Proceedings.
- [12] Onibokun, R. (1997). *Urban housing in Nigeria*. NISER.
- [13] Shelter Afrique (2008, June). *Mortgage financing for increased access to housing in Africa*. Symposium organized jointly by Shelter Afrique and the Ministry of Housing, Republic of Togo. Retrieved online from www.shelterafrique.org on 15th November, 2014.
- [14] Ugonabo, C.U., & Emoh, F.I. (2013). The major challenges to housing development and delivery in Anambra State of Nigeria. Retrieved from www.iiste.org. Civil and Environmental Research 3 (4), 1-19.
- [15] UN-HABITAT, (2006b). *Public private partnerships in enabling shelter strategies*. United Nations HABITAT Information Services, Nairobi. Retrieved on 20th February, 2015 from <http://www.unhabitat.org/>
- [16] World Bank (2007). Uganda Bujagali Hydropower Project. Retrieved from <http://www.worldbank.org/> on 12th July, 2015.